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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

SENATE—*Friday, May 9, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by the Honorable MAX BAUCUS, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father, we do not pray for easy lives, but that we may be strong "to bear the strain of toil and fret of care." We do not pray for tasks equal to our powers, but for powers equal to our tasks. Transfigure every duty, great or small, into service to Thee. May we give love, comradeship, and assistance to all with whom we work. Grant us new power, enduring faith, and abiding joy this day that we may "more perfectly love Thee and magnify Thy holy name." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 9, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MAX BAUCUS, a Senator from the State of Montana, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BAUCUS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Wisconsin (Mr. PROXMIRE).

GENOCIDE CONVENTION: LET US NOT WAIT

Mr. PROXMIRE. Mr. President, Abba Eban, Israel's former Minister of Foreign Affairs, once wrote:

> It is saddening to record that, with one or two exceptions, the family of nations at large paid little heed as, in Europe, an ancient people was being harassed savagely to death.

He was speaking of the holocaust of World War II. During that time over 6 million Jews were systematically annihilated under the Nazi regime simply because they were Jewish.

It began with one move—and then another—from racial laws to government decrees, from ghettos to mass murder.

Although reports of what the Nazis were doing filtered out, for the most part, the world remained indifferent. Sadly, but truthfully, our own Government was one of those which waited so long to translate knowledge of these atrocities into action.

How was it possible for the world to stand by without halting this horrible and massive destruction of humanity?

The reason cited most often is the fact that the magnitude of the Nazi genocide was so vast, so unprecedented, that it could not be comprehended.

The holocaust may not be mankind's first experience with genocide. But it is by far the most horrendous. And, unfortunately, it was not the last.

In 1944, the United States finally assumed an active role in rescuing the Jews of Europe from Hitler and the horror of the Nazi genocide. For millions of victims, however, it was too late.

Mr. President, for over 30 years this body has been hesitating to ratify the only international treaty which seeks to prevent such a tragedy from ever again happening. This treaty is the Genocide Convention. And during those years, millions more have fallen—victims of this most horrible crime of genocide.

The time for us to renounce this most shocking and hateful crime is long overdue. After 30 years, Mr. President, the time has come for us to ratify the Genocide Convention.

Mr. President, I thank my good friend, the majority leader, and I yield the floor.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator please withhold that for a moment?

Mr. ROBERT C. BYRD. Yes.

RESIGNATION OF SENATOR EDMUND S. MUSKIE

The ACTING PRESIDENT pro tempore. The Chair announces that he has received a communication, which the clerk will read for the information of the Senate.

The legislative clerk read as follows:

MAY 7, 1980.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I do hereby resign my position as U.S. Senator for the State of Maine effective close of business (midnight) May 7, 1980.

Sincerely,

EDMUND S. MUSKIE.

The ACTING PRESIDENT pro tempore. The communication will lie on the table.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for the recognition of the two leaders or their designees, there be a period for the transaction of routine morning business not to exceed 2 hours, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:16 p.m., recessed for 30 minutes; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. BAUCUS).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 2:07 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 1:52 p.m., recessed until 2:07 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT CARTER'S ABSENCE AT THE FUNERAL SERVICE OF PRESIDENT TITO

Mr. RIEGLE. Mr. President, like many Americans, I am deeply disappointed that President Carter did not attend the funeral service of President Tito, of Yugoslavia.

This decision is a serious policy error that damages U.S. standing and credibility throughout the world. The leaders of the Soviet Union and other nations should not infer from President Carter's absence that his decision represents majority thinking in this country. Most Americans admire the independent stance taken by President Tito and Yugoslavia, and that we feel that Yugoslovia's continued independence and national sovereignty is strategically vital to a stable world.

The PRESIDING OFFICER. Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—FIRST CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the amendments that were specified last evening to Senate Concurrent Resolution 86, Order No. 699, first concurrent budget resolution, fiscal year 1981, and amendments in the second degree thereto on Monday, the Senate proceed immediately to the consideration of House Concurrent Resolution 307, which is the companion measure; that all after the resolving clause be stricken and the language of Senate Concurrent Resolution 86, as amended, be considered as having been adopted as a substitute therefor; that the question be immediately put on agreeing to the House concurrent resolution as amended; that immediately following the vote, which will be considered as having been reconsidered and the motion to reconsider laid on the table, the Senate be considered to have insisted upon its amendment and request a conference with the House of Representatives on the disagreeing votes of the two Houses; and that the Chair be authorized to name the conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object.

Mr. ROBERT C. BYRD. Mr. President, let me withdraw my request.

The request was withdrawn.

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. On the question of reconsideration of the vote on passage of House Concurrent Resolution 307, would such motion be debatable under the law?

The PRESIDING OFFICER. It would not be debatable under the precedents.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, and am I wording this correctly now, with respect to Monday's events I ask unanimous consent that upon the conclusion of the disposition of the amendments to Senate Concurrent Resolution 86 that was specified last evening, and any amendments thereto in the second degree, that the Senate proceed immediately without debate to the consideration of House Concurrent Resolution 307; that all after the resolving clause be stricken and the language of Senate Concurrent Resolution 86, as amended, be considered as having been adopted as a substitute therefor; and that the question be immediately put without further debate or amendment, or motion, on agreeing to the House concurrent resolution as amended.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Reserving the right to object, I do not plan to object, the language of the request just made by the majority leader appears to me to be the housekeeping detail that would ordinarily be attended to at the conclusion of the consideration of a measure of this sort.

It is necessary, as I understand the rules and precedents, in order to place the Senate in a position to proceed to the next step, that is, request for a conference with the House of Representatives.

I believe it is implicit, in the unanimous-consent request which was granted early this morning, that on conclusion of the debate and conclusion of the amendments listed, together with any second-degree amendments thereto, that all the time for debate on this measure shall have ended.

I believe that the majority leader has done nothing in this request to contravene that and that the only remaining action to be taken by the Senate following the action he has described in his request would be the usual and routine opportunity to make a motion to reconsider the vote by which the resolution was adopted and/or a motion to table that motion. On the basis of that understanding, Mr. President, I will not have an objection to the request of the majority leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader, and I ask the Chair if the minority leader's observation is not accurate?

The PRESIDING OFFICER. It is accurate.

Mr. ROBERT C. BYRD. I thank the Chair.

THE WHITE HOUSE CONFERENCE ON FAMILIES

Mr. HUMPHREY. Mr. President, a recent article in the Wall Street Journal, "Mr. Carter's Family Plans," summed up the administration's record by observing that:

> Four years after Jimmy Carter's campaign promises, the American family doesn't appear any better off, and it may be worse off, than in the pre-Carter years.

That is an important observation, especially as we head into the three regional meetings of the White House Conference on Families, scheduled to begin June 5 in Baltimore.

As an introduction to what must be a lengthy presentation, I submit for the RECORD the Journal article.

The article follows:

[From the Wall Street Journal, May 1, 1980]

Mr. Carter's Family Plans

(By Timothy D. Schellhardt)

WASHINGTON.—Remember all that political palaver about the plight of the American family?

The family's plight was a campaign theme that Jimmy Carter discovered and popularized during his 1976 presidential campaign. Reeling off statistics documenting increases in divorce, illegitimate births, runaway youth and impoverished Americans, Mr. Carter attacked the Ford administration's economic and social policies as being anti-family. He promised a slew of "pro-family" initiatives—tax reform, welfare-system overhaul and comprehensive health insurance, among others—and pledged as President to "reverse the trends we have seen toward the breakdown of the family in our country."

Four years later—how fares the family? All things considered, the American family doesn't appear any better off, and it may be worse off, than in the pre-Carter years. The statistics that candidate Carter enjoyed reciting in 1976, for the most part, have continued to sour. And the President has failed to keep many of his promises for helping the family.

"PAID ONLY LIP SERVICE"

Indeed, that 1976 campaign theme—saving the beleaguered family—may well come back to haunt Mr. Carter this fall if, as expected, he is the Democratic nominee. Already his likely opponent, Republican Ronald Reagan, contends the President has "paid only lip service to the family." An administration adviser, Columbia University sociologist Amitai Etzioni, agrees. The family, he says, hasn't been "an active, strong priority" with Mr. Carter.

If that's true, and an examination of the record suggests just that, it raises some questions. One wonders, for instance, whether Mr. Carter's 1976 emphasis on the subject merely represented a blatant exploitation of the emotional content of the issue, as well as a means of stilling the troublesome abortion issue. One wonders whether Mr. Carter simply discovered that in this capital it's easier to make a promise than keep it. And, while almost every government decision undoubtedly has some bearing on the family, one wonders to what extent that institution can be changed by any President or any government policies; presumably, social and cultural influences count more heavily.

What underlies these questions and concerns? First, consider some of the statistics Mr. Carter frequently rattled off in 1976 and examine what has happened since.

Two of every five marriages end in divorce, he noted then; that ratio hasn't improved.

One child in eight was then born out of marriage; it now one in six.

One child in seven was living in a single parent household in 1976; the proportion has now become one child in five. Children in foster homes then numbered 350,000; now they total 500,000.

Only one-third of U.S. families could then afford to buy a home; that share has since plunged to less than 5 percent.

In 1976, Mr. Carter complained that the price of a home had risen $16,000 and mortgage interest rates had climbed 50 percent during eight years of Republican White House rule. However, since he's been President, the median price of an existing home has jumped by $18,400 and mortgage interest rates have nearly doubled.

Candidate Carter also liked to talk about how inflation forces many wives to seek paying jobs contributing to the disintegration of the "traditional" family—the husband as wage-earner, the housewife mother, and their children. Yet in the first three years of his presidency, the number of two-earner families climbed by 2.2 million. Despite this rise, however, the median family income barely kept pace with inflation. Another government measure—the inflation-discounted income of a worker earning the average wage and claiming three dependents—actually declined 8.4 percent. These indicators suggest a further weakening of the family since 1975.

To be sure, not all the statistics have grown worse. Since 1976, the number of new jobs has risen significantly, by about nine million. This gain has helped reduce the number of Americans on welfare by about 1.75 million and the number of poverty-level Americans by almost 500,000.

But those figures can't compensate for the persistent, omnipresent inflation that many sociologists and experts on the family contend may have the greatest impact on the family structure. Prices, which climbed at a 7 percent annual rate while Mr. Ford was in office, have been surging at an average 11.6 percent clip during the first 39 months of Mr. Carter's presidency. Just lately, of course, inflation has far out-stripped that average.

"There's no question that inflation and the economy contribute to the pulls and stresses within the family," says Alfred McDonald of the Center for the Family at the University of Massachusetts, Amherst. Says Carol Stack, director of Duke University's Center for the Study of the Family and the State, "inflation has a devastating effect on families, especially those on fixed incomes."

Even more than the dismal data, Mr. Carter's unkept campaign pledges bother some people who expected much more than the President has delivered. "His rhetoric about the family hasn't been translated into important legislation or potent administration initiatives," contends Alfred Kahn, a Columbia University professor of social policy.

In speech after speech in 1976, Mr. Carter outlined specific "pro-family" steps he would take. He proposed changing the nation's tax system to prevent discrimination against families, but he has since abandoned pursuit of a major overhaul of the tax structure. It continues to penalize married couples by making them pay more in taxes than they would have paid if they remained single.

Two years ago Congress did erase a so-called "anti-grandmother" tax provision that candidate Carter decried in 1976; that provision had disallowed a child-care deduction if a family employed a relative closer than a cousin to babysit, but the President's own Treasury Department at first opposed the change.

The welfare system Mr. Carter criticized hasn't been overhauled, although he has sought substantial changes. The national day-care program he called for in 1976 hasn't materialized, either. And the national health insurance system he advocated isn't likely to clear Congress any time soon.

Congress has been debating most of these issues for years, so perhaps it's not surprising that the President's proposals haven't passed. But in 1976 candidate Carter noted the slowness of the lawmakers on these measures and maintained that he could muscle his bold plans through Congress without many changes.

In any case, the President has neglected to use his own authority for action to ease family strains. Candidate Carter maintained that transfer and assignment policies in the armed services don't consider their impact on the military family. But there hasn't been any major move to alter them since 1976. He also decided urban renewal programs that uproot homes, families and entire neighborhoods. Yet no discernible changes have followed.

AN OFFICE FOR FAMILIES

Last October, President Carter announced that the Department of Health, Education, and Welfare was creating an office for families. Yet six months later, that office has no director, only one professional staffer and no funds for action this year.

Mr. Carter has been three years late in fulfilling one oft-repeated 1976 promise: the convening of a White House Conference on Families soon after becoming President. Such a conference will be held this summer in three cities, but expectations for results aren't high. The planners can't even agree on a definition of "family," and delegate-selection conventions in several states have become nasty confrontations between interest groups, mainly pro- and anti-abortion advocates.

The White House conference, administration consultant Etzioni says, "isn't going to be successful." Acknowledges another administration official: "We wish the whole thing would go away. It's been a nightmare."

Certainly, Mr. Carter can't be faulted for expressing concern about the erosion of family values and structure. Furthermore, the question of the government's proper role in influencing family life is worth considering.

But, through indifference or inability to fulfill expectations he raised in 1976, Jimmy Carter may have seriously hurt the chances for any meaningful future dialogue on the family by presidential candidates. The public may distrust whatever the politicians say.

And that's a shame.

Mr. HUMPHREY. Indeed, that gloomy picture hardly begins to tell the complete story of the Carter Administration's policies regarding the American family. To tell the whole story, perhaps the best place to begin is with the President's Conference on Families and with those in charge of it, John Carr and Jim Guy Tucker.

With friends like those, President Carter does not need enemies. Their stewardship of the White House Conference on Family has virtually eliminated any chance that that expensive project could be really useful to the families of this country. To understand why, let us begin with a brief biography of Mr. Carr:

Carr, John L.; b. Aug. 11, 1950: s. John L. & Joan L (O'Neill) C.; B.A. cum laude, Coll. of St. Thomas, Minn. 1972; Crosier Sem. Minn, 1968; wed Linda Marie Kach, June 13, 1975. Legis. Coord., Urban Affairs Com., Minn. 1972–74; staff mem. Joint Ret. Legis. Coalition, Minn. 1972-74; prog, coord., Twin City Area Urban Corps., Minn. 1969–72, 1975. coord. for spl. issues, US Cath. Conf. Office of Domestic Soc. Dev. 1976–77, Coordinator for Urban issues. USCC Office of Domestic Social

Development, Exec. dir., Full Employment Action Cel., Nail Comm. for Full Employment, 1977-79. Curr, exer. dir., White House Conf. on Families, 19—. Mem. Cath. com. on Urban Ministry; bd mem., Natl. Housing Conf. Leadership conf. on Civil Rights Common Cause, Mem., Wash. Intl. Staff Col. interreligious Coalition on Housing; National Ad Hoc Low-Income Housing Coalition, convenor; Housing panel, Mediating Structures Project; Full Employment Action Council; Natl Com. for Full Employment; Natl. Cath. Conf. on Interracial justice, bd. mem.; bd. mem., ADA, editor, Full Employment and Economic Justice A: 330 Independence AV. SW Washington DC 20201.

It is a mystery how Mr. Carr's involvement with a series of liberal social activist committees has qualified him to administer a White House Conference on Families. But then, in the context of Carter administration appointments, nothing surprises us any more. Even so, it is a matter of the greatest import that the day-to-day administrator of this country's official Conference on Families is a board member of the Americans for Democratic Action.

The ADA is as pro-family an organization as any other group committed to abortion on demand, homosexual rights, and Federal control of health care, housing, education, and the economy. Its political agenda can be summed up as the statist imposition of the views of the secular humanist movement upon every man, woman, and child in America, for their own good, of course. And one of its board members is running the White House Conference on Families. That is hardly reassuring.

THE CRUCIAL ISSUE: WHAT IS A FAMILY?

At the very outset, it is essential to remember that President Carter appointees have actually changed the name of the upcoming White House conference; for that change of title reveals a change of agenda which threatens the families of America.

It was initiated as a conference on the family. That needed no explanation. After all, we all know what a family is: two or more individuals who are related by blood, marriage, or adoption. That includes extended family systems, the so-called nuclear family (limited to parents and children only), single-parent families, the wonderful adoptive families whose devotion we must admire, the troubled families whose problems we must share, the welfare families whom we must assist. In short, the whole range of Americans who, in incredibly diverse circumstances, are holding their families together, sometimes under great social and economic duress.

But that was not good enough for the managers of the White House conference. They changed the name of the conference. Henceforth, it was not for the family; it was for families. But why make the noun plural? After all, every family in the land was represented by the singular form of that word. The explanation came from one Rhonda Glickman, handling public relations for the conference. As quoted in the March 1980 issue of the Right Woman, Ms. Glickman admitted, "The name was changed from the White House Conference on the Family to the White House Conference on Families so that we would not be advocating any one particular lifestyle."

One particular lifestyle? Marriage, perhaps? Chairman Jim Guy Tucker was quoted by the Child Protection Report (hardly a conservative source) in April, 1979, as saying that a family should be defined as "one or more adults living together with or without children," a definition which, in the words of the Child Protection Report, "even gay activists would have trouble quarreling with."

Another definition of the family that is popular in conference circles is the one proposed by the American Home Economics Association. This one, I caution, is worth reading closely:

> A family is a unit of two or more persons who share resources, share responsibilities for the decisions, share values and have a commitment to one another over time. Family is the climate that one 'comes home to' and it is the network of sharing and commitments that most accurately describes family, regardless of blood, legal ties, adoption, or marriage.

A few years ago, the followers of one crazed killer referred to themselves as "the Manson Family." According to the definition of the American Home Economics Association, that is just what they were. And in their—familial?—footsteps walked the hundreds of poor deluded souls who were members of Jim Jones' "family" in Guyana. But these were not the people whose living arrangements were supposed to be considered by the original White House Conference on the Family, before its title was changed and its real purposes became clear.

Now that the conference is for families, plural rather than singular, it can expand its scope to address all sorts of living arrangements. Communes, homosexual couples, footloose teenage runaways, may all be families.

That is the heart of the controversy surrounding the conference. That is why many pro-family Americans are standing up against the power of all the President's men. They know, far better than the administration's advisers, what a family is and, even more important, what a family is not.

Because of their concern for the American family, these citizens have attempted to become involved in the White House conference, just as President Carter urged us all to do. But they have been met with accusations and exclusion by the conference organizers. A pattern is becoming crystal clear: this White House conference is not for the people. It is for the professionals and the activists and the politicians. It is for those who make a living by analyzing the family and providing social services. In State after State, it is for the appointees of powerful officials. And most of all, it is for the political benefit of Jimmy Carter.

THE CARTER CONFERENCE: PART OF THE REELECTION CAMPAIGN

From its inception, the Carter conference could have been choreographed by the Keystone Cops. It was proposed by candidate Carter in 1976. At the time, some observers suspected it was a gimmick to placate prolife voters, who had come to realize that Mr. Carter had managed to take all sides of the abortion issue within the space of 1 year.

True to his word, Carter as President announced plans for the conference, to be held in December 1979. Even before Secretary Califano could announce the appointment of Patricia Fleming as conference director, she resigned in a dispute over whether there should be a codirector, who would be white, male, Catholic and from an "intact" household, thereby, one supposes, giving the conference the kind of affirmative action balance which is so dear to HEW Secretaries.

When Fleming quit, so did former HEW Secretary Wilbur Cohen, one of the architects of the Great Society, whose fanciful structures are now falling down on the heads of the American taxpayers. Cohen cited ill health as his reason to step aside from the post of conference chairman; whether or not his indisposition was related to the departure of Patricia Fleming really does not matter.

After this fiasco, Carter postponed the conference until 1981, a decision which was later to be reversed. And when it was, the conference had been scheduled for the weeks leading up to the Democratic Convention of 1980, right where it could be mistaken for a finale to the Carter reelection campaign.

To replace Wilbur Cohen, the President tapped a former Congressman from Arkansas, Jim Guy Tucker. From all reports, he is a likable gentleman who, with his wife and children, makes a picture of the all-American family. In the old definition, of course.

His sensitivity to family issues, however, seems limited. As a member of the House of Representatives, for example, he disregarded family rights in education: As a member of the Ways and Means Committee, he voted to gut a tuition tax credit bill by denying tuition tax relief to parents of elementary and secondary school pupils. And when the bill came to the floor, Mr. Tucker stood with Mr. Carter, against educational freedom and for governmental control of schooling.

On abortion, too, Mr. Tucker's voting record was dismal. He supported efforts to weaken as much as possible the Hyde amendment, which restricts Federal funding of abortion. In that context, perhaps he can better understand why his chairmanship of the White House conference has not been universally acclaimed by profamily Americans.

Mr. Tucker proceeded to appoint as director of the conference John Carr, whose revealing biography we have already seen. And to add impressive window dressing to the enterprise, the President appointed a 40-member national advisory committee to be the official focal point for the conference.

THE NATIONAL ADVISORY COMMITTEE

In appointing its national advisory committee, the Carter administration was following the pattern of its previous committees, on the International Women's Year and on the International Year of the Child. Once that pattern is understood, then much else becomes clear.

The President may believe that, because his committees and commissions include members of minority groups, the panels must be representative of all Americans. Nothing could be farther from the truth. In fact, he has confined his selection almost entirely to bona fide liberals. With few exceptions, the ideological range is from liberal to far-left. The President seems taken with professional social activists who make their living, on campuses or in government offices, as self-appointed advocates for the poor, the sick or the troubled. Mixed in with these individuals are more prestigious persons, prominent men and women whose names lend respectability to an enterprise which they may be too busy to superintend. I submit the administration's list of members of its advisory committee.

The list follows:

Members of the National Advisory Committee are:

James A. Autry, Des Moines, Iowa, Editor of Better Homes and Gardens magazine and President of the Epilepsy Foundation of America.

Charles Bannerman, Greenville, Mississippi, Chairman of Delta Foundation and Director of Mississippi Action for Community Education, a community organization working in depressed areas of the Mississippi Delta. He is Co-Chair of the National Rural Center and Rural Coalition.

Carolyn Shaw Bell, Dover, Massachusetts, chairs the Department of Economics at Wellesley College. She is the author of numerous books including Coping in a Troubled Society and The Economics of the Ghetto.

Jeanne Cahill, Atlanta, Georgia, President of Cahill Properties, Inc., former Executive Director and Chair of the Georgia Commission on the Status of Women. She works with the Center for Battered Women and Children in Atlanta.

Bettye Caldwell, Little Rock, Arkansas, Professor and Director of the Center for Early Development and Education at the University of Arkansas; author and researcher in early childhood development.

Ramona Carlin, Smolan, Kansas, is past President of the Central States Synodical Unit of the Lutheran Church of America, and has been active in the International Year of the Child, March of Dimes and the 4–H. She and husband, Governor John Carlin, are dairy farmers.

Gloria Chavez, Los Angeles, California, President of the United Neighborhood Organization for the Federation of East Los Angeles, a low-income community organization working on food, housing and health issues.

Leon F. Cook, Minneapolis, Minnesota, President of American Indian Resource Services, recently served as an elected representative on the Red Lake Band of Chippewa Indians Tribal Council.

Mario M. Cuomo, New York, New York, Lieutenant Governor of New York. An Attorney and past Secretary of State, Lt. Governor Cuomo will serve as a Deputy Chairperson of the White House Conference on Families.

Mary C. Detrick, Elgin, Illinois, National staff member, Church of the Brethren. An ordained minister, she works in areas of youth ministry, family life, marriage enrichment and aging. She is the past President of the National Council of Churches Family Life and Human Sexuality Commission.

Manuel Diaz, Jr., New York, New York, Associate Professor, Fordham University Graduate School of Social Service. Diaz is currently a Board member of the Family Service Association and has served with the Puerto Rican Family Institute and New York Urban Coalition.

Ruby Duncan, Las Vegas, Nevada, founder and chief officer of Operation Life, a social service and advocacy center for low income families.

Karen Fenton, Missoula, Montana, is director of the Human Resources Development Programs of the Confederated Salish and Kootenai Tribes in rural Montana.

Norman S. Fenton, Tucson, Arizona, Presiding Judge of the Pima County Conciliation Court. Judge Fenton received the 1978 Distinguished Service to Families award of the National Council on Family Relations and Chaired the Arizona Governor's Task Force on Marriage and the Family.

Guadalupé Gibson, San Antonio, Texas, Associate Professor of the Worden School of Social Service, Our Lady of the Lake University; Director of the "La Chicana in Mental Health" project of the National Institute of Mental Health. She will serve as a Deputy Chairperson of the White House Conference on Families.

Robert B. Hill, Washington, D.C., Director of Research for the National Urban League. He is the author of The Strengths of Black Families, and numerous other monographs and papers on the subject of Black Families.

Robert C. Hill, Portland, Oregon, Chairman of the Metropolitan Youth Commission. Mr. Hill, 18, is the youngest panel member and a member of the Portland Public School Advisory Committee.

Charlotte G. Holstein, Syracuse, New York, Past President of the New York State Association for Human Services and a member of the Board of Governors of the American Jewish Committee. Ms. Holstein currently serves on the Advisory Board of the Director of the State Division for Youth of the New York State Council on Youth.

Harry N. Hollis, Jr., Nashville, Tennessee, Director of Family and Special Moral Concerns for the Christian Life Commission of the Southern Baptist Convention. He is a member of the National Council of Family Relations and the Association of Couples for Marriage Enrichment.

Jesse Jackson, Chicago, Illinois, National President of Operation PUSH (People United to Save Humanity), and founder of EXCEL, a national program designed to increase student achievement.

A. Sidney Johnson, III, Bethesda, Maryland, founder and Director of the Family Impact Seminar at George Washington University. Johnson served as staff director to then Senator Walter Mondale's Senate Subcommittee on Children and Youth.

Michael M. Karl, M.D., St. Louis, Missouri, a Professor of Clinical Medicine at Washington University. Dr. Karl is a leader in the Jewish Family Services movement.

Coretta Scott King, Atlanta, Georgia, President of the Martin Luther King Center for Social Change. Mrs. King is Co-Chair of the Full Employment Action Council and a member of the Black Leadership Forum. Mrs. King will serve as a Deputy Chairperson of the White House Conference on Families.

Judith Koberna, Cleveland, Ohio, Treasurer of the Buckeye-Woodlawn Community Organization. She is a licensed practical nurse and has a deep interest in ethnicity and neighborhood concerns.

Olga M. Madar, Detroit, Michigan, President Emeritus of the Coalition of Labor Union Women and a retired UAW Vice President. She is a member of the Board of Directors of the Girl Scouts of America and the Wayne County Commission on Aging.

Maryann Mahaffey, Detroit, Michigan, President Pro Tem of the Detroit City Council and Professor in the School of Social Work in Wayne State University. A former President of the National Association of Social Workers, Councilwoman Mahaffey will serve as a Deputy Chairperson of the White House Conference on Families.

Hariette P. McAdoo, Columbia, Maryland, Professor in the School of Social Work of Howard University. Professor McAdoo has served as a principal investigator of an HEW research grant on family factors related to occupational and educational mobility in Black middle income families.

Georgia L. McMurray, New York, New York, Deputy General Director for Program, Community Service Society of New York. She is a former Commissioner of the agency for Child Development of the Human Resources Administration of the City of New York.

Patsy Mink, Waipahu, Hawaii, National President, Americans for Democratic Action. Ms. Mink, an attorney, was a member of Congress from 1965 to 1977 and currently is an instructor of law at the University of Hawaii.

Rashey B. Moten, Kansas City, Missouri, Executive Director of the Kansas City Catholic Charities. Mr. Moten is the former President of the National Conference of Catholic Charities.

Richard J. Neuhaus, New York, New York, Associate Pastor, Trinity Church; Pastor Neuhaus is the author of *To Empower People* and co-director of a national research project sponsored by the American Enterprise Institute on Mediating Structures and Public Policy.

Robert M. Rice, Parkridge, New Jersey, Director of Policy Analysis and Development for the Family Service Association of America. The founding Chairperson of the Coalition for the White House Conference on Families, Dr. Rice is the author of American Family Policy: Content and Context.

Ildaura Murillo-Rohde, Seattle, Washington, Professor and Associate Dean of the School of Nursing of the University of Washington. A marriage and family therapist, she is the Chairperson-Elect of the National Coalition of Hispanic Mental Health and Human Services Organization.

Donald V. Seibert, New York, New York, Chairman and Chief Executive Officer of the J. C. Penney Company, Inc. Mr. Seibert is Chairman of the Task Force on Inflation of the Business Roundtable, chairs the Board of the National Retail Merchants Association and serves as a member of the Board of the United Way of America. Mr. Seibert will serve as a Deputy Chairperson of the White House Conference on Families.

Hirsch L. Silverman, West Orange, New Jersey, Chairman of the Department of Education Administration at Seton Hall University. Professor Silverman is the Chairman of the National Alliance for Family Life and the author of fourteen books dealing with the areas of psychology, philosophy and education.

Eleanor C. Smeal, Pittsburgh, Pennsylvania, President of the National Organization for Women, and an active participant in a variety of advocacy organizations.

Barbara B. Smith, Salt Lake City, Utah, General President of the Relief Society of the Church of Jesus Christ of Latter-Day Saints. She is active in the PTA and the Holladay Child Care Center.

J. Francis Stafford, Baltimore, Maryland Auxiliary Bishop of the Archdiocese of Baltimore and Chairman of the Bishops Committee on Marriage and Family Life of the United States Catholic Conference.

J. C. Turner, Washington, D.C., President of the International Union of Operating Engineers, AFL–CIO. Mr. Turner serves on the Board of the National Urban League, National Consumers' League, and the YMCA.

Harold Yee, San Francisco, California, Director of Asia, Inc., a research institute for direct service agencies. Mr. Yee, an economist, serves on several San Francisco school advisory committees.

Mr. HUMPHREY. There are many outstanding women and men on the National Advisory Committee. Whether their social and political views coincide with mine, or with those of any other Member of Congress, is beside the point. The point, simply, is that an overwhelming majority of this advisory committee was certain to think in terms of governmental "solutions" to family problems. The majority of the advisory committee is so tied in to the academic-bureaucratic-activist network that feeds off Federal programs that they can be counted on to support more such programs, more spending, more Government meddling in the affairs of the family.

Tilted as the Advisory Committee on the White House Conference may be, it is not the entire governing structure behind the conference, which was to be managed, in fact though not in public by a private, exclusive, unappointed, unofficial group known as the Coalition for the White House Conference on Families.

THE COALITION FOR THE WHITE HOUSE CONFERENCE ON FAMILIES: THE INSIDE-OUTSIDE JOB

Founded in 1976, the Coalition for the White House Conference consists of 54 organizations of all sorts: religious, professional, and activist. Established under nongovernmental auspices, the coalition quickly emerged as a very powerful force behind the conference. Because this was a private group, the Carter administration could not be held accountable for its activities. Because it was private, the President need not face questioning or criticism about its membership of their agenda, its tactics, its staffing, or its exclusivity.

I submit for the RECORD the list of member groups of the Coalition for the White House Conference on Families.

The list follows:

COALITION FOR THE WHITE HOUSE CONFERENCE ON FAMILIES

MEMBER ORGANIZATIONS

Academy of Psychologists in Marital, Sexual and Family Therapy.
Aid Association for Lutherans.
Action for Children's Television.
American Association of Marriage and Family Therapists.
American Association of Sex Educators, Counselors and Therapists.
American Association of University Women.
American College of Nurse Midwives.
American Home Economics Association.
American Mental Health Counselors Association.
American Personnel and Guidance Association.
American Public Welfare Association.
American Red Cross.
Americans for Indian Opportunity.
Aspira of America, Inc.
Association of Couples for Marriage Enrichment.
American Association for Marriage and Family Therapy.
Association of Family Conciliation Courts.
Association of Administrators of Home Economics.
B'nai B'rith Women.
Child Welfare League of America.
Coalition for Children and Youth.
Council of Jewish Federations, Inc.
Cuban National Planning Council.
Family Service Association of America.
Future Homemakers of America.
Institution on Pluralism and Group Identity, American Jewish Committee.
Jewish Welfare Board.
National Alliance for Family Life, Inc.
National Alliance for Optional Parenthood.
National Association of Extension Home Economists.
National Association of Social Workers, Inc.
National Coalition of Hispanic Mental Health and Human Service Organizations.
National Conference of Catholic Charities.
National Congress of Parents and Teachers, (National PTA).
National Council for Homemakers-Home-Health Aide Services, Inc.
National Council of Churches.
National Council of Jewish Women.
National Council of Negro Women.
National Council on Family Relations.
National Council on the Aging.
National Extension Homemakers Council, Inc.
National Gay Task Force.
National Military Wives Association, Inc.
National Network.
National Retired Teachers Association, American Association of Retired Persons.
National Urban League.
North American Society of Adlerian Psychology.
Parents Without Partners, Inc.
Planned Parenthood-World Population.
Synagogue Council of America.
United States Catholic Conference.
Volunteers of America.
Women's Action Alliance, Inc.
Young Women's Christian Association National Board.
Zero Population Growth.

Mr. HUMPHREY. That list includes many admirable organizations, groups of dedicated people, whether volunteers or professionals, whose commitment and contributions to American family life have been considerable. I know that, to most of the members of those fine organizations, the White House Conference on Families must seem like a perfectly reasonable way to assist in the development of profamily policies.

What concerns me, and what may come to concern those mainstream organizations which lent the use of their names to the coalition, is the membership in it of groups like the National Gay Task Force, Zero Population Growth, Planned Parenthood (which was caught in 1978 distributing vicious antireligious cartoons), and the American Association of Sex Educators, Counselors, and Therapists.

First the name of the conference was changed: Families, rather than Family. Then some rather inappropriate groups joined the coalition for the White House Conference on Families. Then, another revealing incident occurred last year.

To see whether it was possible for profamily organizations to work within the framework of the coalition, the Eagle Forum, an organization of patriotic women who oppose ERA, abortion, and Government meddling in family life, applied for membership in the coalition. Back came notice of acceptance. Perhaps the coalition would be neutral ground after all, where diverse views could be represented and common cause discovered.

It was not to be. When a representative of Eagle Forum appeared at a subsequent meeting of the coalition, ready in good faith to take her seat as a member, she was informed that there had been a mistake. No new members could be admitted to the coalition without approval of the other member groups. Delay became denial. The coalition had become an exclusive country club, where certain kinds of people need not apply.

If, in fact, the coalition for the White House Conference on Families were a purely private outfit, its exclusivity would be its own business. But it has an intimate relationship with the conference leadership. Although their union is not official, it is the equivalent of a common law marriage.

For example, an official report from the White House Conference on Families, dated August 1979, announced that there would be "a workshop for State coordinators" of the upcoming conference. Entitled "Families and Social Policies—Building Consensus and Reducing Conflicts," the workshop was held November 1, 2, and 3 at the Wingspread Conference Center, Racine, Wis.

That sounds pretty official. This national meeting was to train the State coordinators who will actually run the State meetings on families and then, presumably, play major roles in the national conferences. But this conference was not put on by the Government. It was cosponsored by the Johnson Foundation, the Institute for Pluralism and Group Identity, and the coalition for the White House Conference on Families. Inside-outside, and all locked up tight.

The coalition can include or exclude whomever it wishes. Homosexual activists in, anti-ERA women out. Sex therapists in, profile leaders out. Zero Population Growth in, Eagle Forum out. And the Carter administration can profess absolute innocence about it all, because the coalition is a "private" affair.

ANOTHER TRACK IN THE RECORD: THE INTERNATIONAL YEAR OF THE CHILD

Not dismayed with the debacle of the IWY National Women's Conference, the Carter White House moved on to the International Year of the Child. It too had a national commission, using Federal funds to propagandize the public. I submit for the RECORD an article, "Taxpayers Foot Bill," from Human Events, November 11, 1978, along with a detailed report on the IYC prepared by the Republican Study Committee in the House of Representatives.

Under IYC auspices, the chairperson of the National Commission on the IYC, Mrs. Andrew Young, endorsed the North Carolina plan, officially entitled, "A Child Health Plan for Raising a New Generation." The plan specifies that "family planning services, including pregnancy testing, sex education, and contraceptives, should be available to all sexually active persons regardless of age." What a way to celebrate the International Year of the Child. It is too bad Mrs. Andrew Young did not stop to think about the terrible effects on young people, their families, and society in general, of the free distribution of contraceptives without parental knowledge or consent.

First and foremost, there is the question of the proper use of tax money. It was bad enough that Mrs. Young used her official position as head of a national commission to foster such ideas. But it is even worse to spend the taxpayers' dollars on free contraceptives, smuggled to youngsters by federally funded social workers, in the name of kiddie liberation

In the aftermath of the Commission on the International Year of the Child, is it any wonder that many Americans are suspicious of the President's intentions concerning his White House Conference on Families?

The material follows:

[From Human Events, Nov. 11, 1978]

NEW "YEAR OF CHILD" PANEL WILL PUSH FOR MORE SPENDING

If you liked the United Nations' International Women's Year (IWY), you're going to love its sequel, the International Year of the Child (IYC), scheduled for 1979.

As most Human Events readers will recall, our government's contribution to the IWY festivities was the creation of a national IWY commission, which used over $5 million of the federal taxpayers' money to stage an elaborate series of meetings around the country, culminating in the National Women's Conference in Houston, Tex., last November 18–21. Not unexpectedly, given the militant feminist dominance of the commission, that confab wound up endorsing virtually every goal of the radical women's lib movement, including ratification of the Equal Rights Amendment, government-funded abortions, "gay" rights, universal day-care at taxpayers' expense, and on and on.

Well, just as President Carter (like President Ford before him) stacked the IWY commission with women's lib militants, he has now created a "National Commission on the International Year of the Child, 1979," and similarly skewed its membership to the left of center.

While Bella Abzug was named by Carter to head the IWY commission, for instance, her counterpart on the IYC panel is Mrs. Jean Young, wife of United Nations Ambassabor Andrew Young. Other appointees include Marian Wright Edelman, founder of the Children's Defense Fund; Carroll M. Hutton, director of the United Auto Workers Education Department; the Rev. Eileen W. Lindner of the National Council of Churches; and actress Marlo Thomas, who has become well-known for her espousal of liberal and feminist causes.

Under the terms of an Executive Order signed by the President last April 14, the commission—consisting of 25 private individuals and four liberal members of Congress—is directed to "plan for and promote the national observance in the United States of the year 1979 as the International Year of the Child. . . .

"In promoting this observance, the Commission shall foster within the United States a better understanding of the special needs of children," with "special attention to the health, education, social, environment, physical and emotional development, and legal rights and needs of children. . . .

"The Commission may conduct studies, inquiries, hearings and meetings as it deems necessary. It may assemble and disseminate information, issue reports and other publications. . . ." It shall also "make recommendations to the President on national policies for improving well-being of children. . . ."

"Boiled down, this means that the Commission has a mandate to rev up the propaganda machine in favor of any and all liberal programs having any connection, no matter how tenuous, with children and youth. To date, the Commission's work has not progressed beyond its preliminary stages. will not warm the hearts of conservatives."

Thus, a draft "working paper" used as the But already there are signs that its efforts basis of dicussion at the Commission's September meeting, a copy of which was obtained by Human Events, lists the following as being among the "concerns" expressed by Commission members:

The need to assure that quality day care will be available for the children of parents "who need or opt for" such services.

The need for children to "grow up in a society in which health care is available to all irrespective of ability to pay."

The need to "provide an environment which is free of risks to health and well-being such as smog and pollution; an adequate and potable supply of water; adequate green space and recreational space."

The need to assure"that in meeting the needs of the children in our country it is not at the expense of Third World children, i.e., that we exploit their resources to meet our needs."

Though somewhat bland, these statements clearly show the direction in which the Commission is heading. Before its work is concluded, the Commission will almost certainly flesh out these preliminary ideas into full-blown resolutions in favor of universal taxpayer-funded day care such as championed by Vice President Walter Mondale; comprehensive national health insurance on the Kennedy model; more stringent environmental and land-use controls, and so forth.

Such promotion of controversial issues wouldn't be so bad if it were funded by voluntary contributions. Instead, the taxpayers will foot the bill whether they agree with such programs or not. And it won't come cheap.

With its full-time staff of 14 headquartered in the New Executive Office Building near the White House, the Commission has already spent nearly a half-million dollars, most of it in the form of gifts from the Justice and State departments. And according to Commission Program Coordinator John Campbell, the panel expects to use another $1.3 million over the current fiscal year—with the bulk of this money coming from the Department of Health, Education and Welfare.

In an effort to prevent HEW spending for this purpose, Sen. Jesse Helms (R.-N.C.) on September 27 offered an amendment to the Labor-HEW appropriations bill stating that "None of the funds appropriated under this Act may be used for expenses or activities of the National Commission on the International Year of the Child, 1979." Helms argued that the best way for the United States to participate in the IYC would be for the plethora of private organizations concerned with children in this country to use their own funds to carry out appropriate activities on a voluntary basis. Tax dollars, said Helms, should not be used.

But though the Senate accepted Helms' amendment, it was knocked out in conference. So, once again, the liberals are using tax dollars to lobby for more and bigger spending programs in the future. And they wonder why there's a tax revolt taking place.

UNINVITED GUESTS: THE AMERICAN PEOPLE INTRUDE

Mr. HUMPHREY. When Andrew Jackson was inaugurated as President in 1829, for the first time in our history large numbers of common people turned out for the White House celebration, which formerly had been reserved for the well placed and the affluent. Washington society was shocked by the unexpected intrusion of what they considered the lower elements in the country, people whose only claim to attend was their citizenship in the Republic.

That is what has happened to the White House Conference on Families. Many profamily Americans took seriously the President's urging to participate in their own States' conferences. They turned out in large numbers, in places like Virginia and Oklahoma. They expressed their concerns about the future of the family and proposed their own solutions.

Then the roof fell in. The official conference organizers, in State after State, put out the word that their professional control of the conferences was being imperiled. A kind of hysteria prevailed, if we may judge from press reports, as liberal activists realized that they would not be allowed automatic control of the proceedings. Wild accusations were made —and are still being made—by conference spokesmen about an alleged right-wing assault on the conference.

The constituent organizations of the coalition for the White House conference would do well to pay attention to what has been happening, as profamily people are shunted out of the action. Some groups comprising the coalition may want to reassess their membership after discovering how the conference leaders are trying to rig the outcome of what was supposed to be a democratic selection process for delegates to the conferences to be held this summer in Baltimore, Minneapolis, and Los Angeles.

I submit, Mr. President, for inclusion in the RECORD at this point, the following material concerning the problems profamily people have experienced at the State conferences and in the selection of delegates to the White House conference.

First, relevant articles from two recent issues of the Family Protection Report, by Connaught Coyne Marshner, who has been a candid critic of the White House Conference.

Second, detailed material from a recent issue of the Right Woman, by Jo Ann Gaspar, an excellent source of data about the conference process.

Third, a thoughtful letter concerning the problems profamily Virginians have encountered with their State's official conference organizers.

Fourth, two articles from the National Catholic Register of March 30, 1980. The first is an interview with Nancy Roach, who overwhelmingly won election to chair the White House Conference on Families in the tricity region of Washington State.

But conference officials just refused to accept her election and replaced her with an unelected appointee. This was Washington State, remember, not Afghanistan. The second article presents an overview of the White House conference. It is all informative, but hardly cheerful reading.

Fifth, an editorial from the Richmond Times-Dispatch of November 29, 1979, shortly after profamily delegates won resounding victories in Virginia's State conference. An editorial makes clear, those victories were for the American family, not for any political faction.

Sixth, a forceful letter, printed in the Chattanooga News-Free Press of March 12, 1980, from Mrs. Anita Holcomb, revealing the shocking outcome of the

Georgia State Conference on Families, along with an article from the Atlanta Journal of March 12, 1980, headlined "State Conference Says Homosexual Family Can Be Healthy Environment." Where, I might ask, is the Environmental Protection Agency when we need it.

Eighth, an article from the Idaho Statesman of March 21, 1980 announcing that the Idaho House of Representatives has passed a resolution calling for "the free and open election" of delegates to the White House conference, something which conference officials are opposing.

Ninth, an article from the Christian Citizen of March 7, 1980, asking "White House Conference—Is it going to be IWY revisited?" I think the answer to that is pretty clear by now.

Tenth, and to this article I want to draw special attention, an item from the White Plains, N.Y., Reporter Dispatch of February 22, 1980, in which Mario Cuomo declared that, because of the profamily victories in Virginia and Oklahoma State conferences, "The New York delegation must carry much of the load on issues such as abortion, day care, and homosexuality."

Who is Mario Cuomo? He is Lieutenant Governor of the State of New York. He is also a Carter-Tucker appointee as one of the deputy chairpersons of the White House Conference on Families. He is, moreover, in charge of the Carter Presidential campaign in New York State. Mr. Cuomo declares that "I want a continuing, persistent commitment to all kinds of families." I admire his candor.

Eleventh, an article from the Houston Post of February 23, 1980, along with the report to John Carr from George Willeford, State coordinator of the Texas State conference, which makes clear that the families of Texas do not share the viewpoint of the White House, Mr. Tucker, Mr. Carr, the National Advisory Committee, or the coalition.

Twelfth, a letter from Betty Jean Perry, a profamily woman in Arizona, outlining some of the difficulties which arose when citizens attempted to participate in their State's conference.

Finally, with special admiration and respect, I submit a copy of the letter sent to Jim Guy Tucker by Mrs. Fob James, wife of the Governor of Alabama. Bobbie James is a perceptive and eloquent woman, and her note needs no commentary from me.

There is more documentation that could be submitted; but this sampling will suffice, at least for today.

The material follows:

WHITE HOUSE CONFERENCE ON FAMILIES ENDORSES EXCLUSIONARY TACTICS FOR DELEGATE SELECTION

(By Connaught Coyne Marshner)

Jim Guy Tucker and the National Advisory Committee on the White House Conference on Families have given approval to delegate selection tactics which make it increasingly difficult for issue-focus groups to participate in the White House Conference.

"Discrimination . . . has no place in the WHCF," Chairman Tucker has proclaimed. "On the contrary, we have specifically designed unique and innovative process precisely to promote broad participation."

This "unique and innovative process" includes the requirement that each state plan has to be submitted to Washington 20 days prior to publicizing the plan within the state. This is to ensure that state plans "adhere" to WHCF guidelines. One such guideline reads:

"Each state plan should reflect a combination of gubernational appointment and peer election, with a minimum of 30% of the delegates being identified by each method."

Activists involved with family issues had taken comfort in this guidance, since it promises that at least one-third of all delegates will be elected. That meant that there would be discussion of issues, airing of differences, and that the will of the population of the state might somehow be expressed. However, by the end of 1979 it was evident that states were looking for ways to avoid having actual peer elections, in response to the much-publicized Virginia family conference "takeover" which the WHCF leadersihp indicated was the sort of thing that should be avoided in the future.

At the January meeting of the National Advisory Committee (NAC) tacit approval was given to a common method of circumvenitng the requirement for peer election as part of the "unquie and innovative process."

"RANDOM SELECTION": "YOU CAN ALWAYS SCREW THE RESULTS"

The NAC approved using various systems of "random selection" as alternatives to peer election. Jim Guy Tucker subsequently confirmed this interpretation in conversation with FPR. "Random selection" works like this "nomination forms" are distributed throughout a state by whatever means the state coordinator chooses. The forms may require the following information: age, sex, religion, ethnic group, family size, family form, income, occupation, organizational affiliation. The forms are returned to the state coordinator, state planning committee, or similar address.

It so happens that other WHCF guidelines include detailed provision for affirmative action requirements in the composition of state delegations. At the NAC meeting, one NAC member was confused by this discussion of random selection. "How can we be assured of diversity in random selection processes?" he asked. The answer was, "It won't be random—the applications will be scrutinized."

In other words, the applicants for "random selection" will be screened by the state planners to make sure that the result of the selection process will eventually include the desired proportions of men, women, blacks, whites, orientals, married, divorced, single homosexual, non-homosexual non-poor, poor, employed, unemployed, and so forth. Critics charge that ideological orientation will also be screened to eliminate those whose opinions are considered too "controversial."

In some states, the result of the screening and "random selection" process is the actual delegation to Minneapolis, Baltimore, or Los Angeles. In other states, the result of the process is merely an invitation to the state conference, which in turn will elect a part of the delegation. Wisconsin, for example, has sent out 20,000 "invitation forms" for a conference which will hold 1200 maximum. Unless a citizen happens to be a friend of someone distributing "invitation forms," that citizen would have no opportunity to attend the conference which will proclaim Wisconsin's policy for children and families, and also elect 45 percent of the state's delegation to the WHC.

FPR asked Jim Guy Tucker whether the fairness of this "random selection" process did not depend on the goodwill of the state planners. Well, Tucker admitted, "you can always screw the results around. And that kind of situation would be subject to challenge just like some of the elections are." The public's lack of knowledge of unethical manipulations by state planners was mentioned to Tucker as a reason why such results would be unlikely to be challenged. "The first place to be concerned is the Governor's office, in that case," was Tucker's response.

CHANGED PROPORTIONS ALSO AFFECT PARTICIPATION

In Virginia, the first state to hold a state conference, the delegate selection plan was 30 percent gubernatorial appointment and 70 percent peer election, a 30–70 plan. By 1980, most of the state plans being approved were 30–30–40 plans of some sort: 30 percent gubernatorial appointment, 30 percent peer election ("random selection" in some cases) and 40 percent state planning committee appointment. Since some pro-family activists contend that the "random selection" is merely a thin disguise for planning committee appointment, this amounts to 100 percent appointed delegations.

Even these formulas are subject to change, however, which provokes considerable confusion among the public. In Maryland, for example, state coordinator Sally Michel originally announced on several public occasions that the Governor would appoint one-third of the delegates and that the people of the state would elect two-thirds. After a State Advisory Committee was established, the selection plan was changed so that the Committee would appoint two-thirds, and only one-third would be elected. Significantly, this change occurred after the Virginia conference.

A frequent complaint from pro-family activists is that they cannot find out what actually is happening in their states. One woman in New Hampshire wanted to find out when her state planning committee was meeting. "The Status of Women Commission were the only ones who seemed to know where it was," she told FPR. "Imagine that, even the Governor's Citizens' Service office didn't know!"

Some states won't even conform to the existing guidelines: California insists on having 100 percent outright appointment. NAC concedes that this formula does not meet its guidelines.

AT-LARGE DELEGATES

Other decisions regarding the final composition of the three White House Conferences were reached at the January NAC meeting. It was agreed that the state coordinator from each state will be an automatic at-large delegate, as will NAC members. There will be 244 other at-large delegates, selected by the NAC. The at-large slots are stated to be intended to "fill gaps in representation according to non-discrimination and affirmative action requirements." National organizations are permitted to make two nominations each for the vacancies, as are NAC members, state coordinators, and "other interested individuals."

Regarding alternate delegates, it was decided that alternates must be accredited before the Conference convenes, and no "shuttling alternates and delegates back and forth" will be allowed.

BOYCOTTS AND LAWSUITS PLAGUE WHITE HOUSE CONFERENCE ON FAMILIES

(By C. Coyne Marshner)

The aura of consensus which the White House Conference on Families was trying to develop for itself is rapidly evaporating. Two governors have pulled their states out of the Conference entirely, and others are being pressured to do the same. Citizen-filed lawsuits have sought injunctions against state planning committees and against delegates selection plans; other lawsuits are likely to follow. Dissatisfaction stems from insistence by officials of the WHCF on giving quota recognition to non-traditional lifestyles, from exclusionary methods of delegate selection, and from secretive planning processes at some state levels. Rumors staunchly denied by the WHCF suggest the possible cancellation of the Conference altogether.

ALABAMA AND INDIANA BOYCOTT

Governors Forrest (Fob) James of Alabama and Otis R. Bowen of Indiana have decided that their states will not officially participate in the conference in any way. The question of whether any delegates from those states will be accepted by the White House Conference is unsettled. Sources indicate the WHCF will probably appoint at large delegates from Alabama and Indiana, if not full delegations; however, a policy decision will be made by the National Advisory Committee at its April 10–12 meeting.

Mrs. Fob James, representing her husband, sent a letter to Jim Guy Tucker, WHCF Chairman, on February 10. She stated her objection that the NAC "leaves the conference to chance that traditional Judeo-Christian values would be the consensus." (Emphasis in original.) "As a sacred trust to the people of Alabama, we respectfully regret that our state will not participate in this or other such conferences which do not establish traditional Judeo-Christian values concerning the family, the foundation of our nation under God."

The James letter was followed by a more detailed statement to the press outlining three levels of problems with the Conference: "philosophical, political, and substantive." The substantive problems referred to the delegate selection process: "We understand that in some states private citizens were deliberately excluded because they espoused the traditional values." The possibility that human services professionals and academics might dominate the Conference was another concern, which conflicts with the view that "private citizens concerned with public policy and taxpayers should have a prominent voice." In fairness to the WHCF, it should be noted that a guideline for delegate selection stipulates that no more than 50 percent of any state's delegation may be family service professionals.

The political objection cited by Mrs. James was that "Governors are not in charge of their state activities. Yet complaints, which the citizens will have, will be directed to the Governors."

Governor Bowen sounded a related theme in his letter to Tucker: ". . . since many interest groups have exerted unrealistic demands and pressures regarding an Indiana conference and the delegate selection process, we believe that pursuit of the recommended guidelines would result in divisiveness." After Bowen's withdrawal, there were reports of a staffer's citing "far right groups" as ones which had exerted demands. Governor Bowen subsequently denied that he or his staff said or would say such a thing.

Both Indiana and Alabama mentioned some very successful state programs inaugurated in conjunction with the International Year of the Child as obviating the need for state WHCF activities.

IDAHO LEADERS CALL FOR BOYCOTT

In Idaho, a lottery selection of delegates had been decided upon by the state coordinator. To define issues, an eight-page questionnaire was mailed around the state, with complicated instructions for completion. One line was left blank for a respondent to indicate whether he or she was interested in being a delegate.

A group of pastors around the state, of all denmominations, became concerned about this method of delegate selection. They sought an appointment with Governor John Evans to ask for open elections, and were told the Governor could not see them for at least two weeks. Meanwhile, State Representative Wendy Ungricht of Boise introduced a concurrent resolution, HCR 50, asking the Governor for the same thing. On the day the Ungricht resolution went to the State Affairs Committee for action, Ungricht was able to obtain an appointment for herself, another legislator, and the pastors.

After hearing their case, the Governor said, "We need a study of this." Ungricht said that there was no time for a study. The Governor responded by stating that there was no time for elections, and no money for them, either. Ungricht responded by saying that there would be enough people in the state so grateful for the chance to elect delegates that volunteers would handle procedure. At that point, according to Ungricht the Governor simply refused. Ungricht asked him whether he would boycott the White House Conference, as have other Governors. He refused. (HCR 50, if passed would instruct the Governor to boycott the Conference if he does not obtain free elections.)

Some pastors asked the Governor whether he would give consideration to the moral view of individuals whom he selects as his appointments to the state's WHCF delegation. Evans stated that guidelines allowed him to consider only demographic characteristics: age, sex, income level, race, and so on. The pastors insisted that the Governor ask them how they feel about values, at least. The Governor said he could not. Further questioning produced the same result. Even if 15,000 questionnaires were returned, asking for one individual to be appointed delegate, the Governor maintained he "could not do it," indicating that WHCF guidelines were higher authority than he.

THE COURTS OF LAST RESORT

The WHCF also has been the target of several lawsuits recently. Citizens of traditional moral orientation are turning to the courts as a last resort, to try to protest what they see as denial of their right to vote. Pennsylvania and New Hampshire are two such states.

In Pennsylvania, the state coordinator, Helen O'Bannon, who is also a member of the National Organization for Women (NOW), is being "frugal" and did not spend much money on publicity, according to Sherry Bodle, one of the citizens instigating the suit. "In Johnstown, for example, the only place to get even the primary brochure was the Planned Parenthood office." The delegate selection process in Pennsylvania is weighted 3-to-2 in favor of those who have participated in a regional family forum. However, the guidelines for holding regional or local forums were not released to the public until February 11, Bodle told FPR, "and the deadline by which you had to return your delegate questionnaire, all completed, was March 12. But that wasn't printed on the primary brochure. And to get that delegate questionnaire you first had to write away for it. It wasn't released to the public until the last week of February. So we're talking about a schedule which required interested citizens to find out about it, send away for another form, fill out that form, and return it—all within two weeks." The returned questionnaires will be given numbers, and numbers will be selected by computer in a random fashion. The forms will then be matched by Planning Committee members with the criteria and affirmative action guidelines.

A group of private citizens in Pennsylvania is preparing a suit seeking an injunction against the Pennsylvania Forum on Families on the grounds that the Forum (the state's association to promote the WHCF) failed to publicize adequately the regional hearings or the delegate selection deadlines. This suit is to be filed imminently.

In New Hampshire, the State Superior Court denied that it had jurisdiction in a case seeking a cease and desist order against the entire delegate selection process in that state. The five citizens, three of them ministers, who initiated that suit, told FPR that they intend to take the case to federal district court if no relief is granted to what they maintain are the majority views of the citizens of New Hampshire.

THE WHITE HOUSE CONFERENCE ON FAMILIES

Virginia has become the Boston Tea Party of the Pro-Family Movement. People from across the country have become aware and are getting first hand experience with governmental bureaucrats and their handling of the White House Conference on Families. The pattern of exclusion of pro-family and pro-life people has emerged. The family people of America are not able to get information out of the State Coordinator's offices, the organization of the State Steering Committees is stacked with governmental employees and other persons with vested interest in seeing the role of government in the family expanded or the radical restructuring of the American family. The "issue development" process within the state organizations has become window dressing for a preplanned agenda from the White House Conference on Families.

In short, the pattern in the other states has followed what happened in Virginia and led up to the "Fredericksburg Massacre".

THE BIG LIE

In response to the overwhelming cry of the people in Virginia that "we want the government out of our families—we want our tax burden reduced—we want our mothers to have the freedom to stay with their children—we want to control our own lives," the White House Conference on Families has generated the "big lie". They have used it to change the rules in other states, to deprive people of their right in accordance with the official WHCF guidelines to have a fair, open, and democratic election of delegates. The big lie is that the Virginia delegation is "non-representative, predominantly white, a middle-class delegation with only one or two major interests." John Carr, executive director of the White House Conference on Families, has refused to put this allegation to rest. In fact, it has been perpetuated by members of the WHCF staff. Frank Fuentes, Western Regional Director of the WHCF, has used the big lie to force Washington state to change the number of delegates elected from the maximum to the minimum. The same lie has been used to change the rules in other states, to deprive people of their rights to a democratic process.

THE FACTS—HOMOSEXUALS ARE NOT REPRESENTED

The elected delegates for Virginia are representative of the people of Virginia except for homosexuals. The racial mix of the elected delegates reflects extremely well the population of the Commonwealth:

Population

[In percent]

White	80.5
Black	18.7
Other	.8

Delegates

[In percent]

White	83.3
Black	16.6
Other	.0

The elections in Virginia resulted in a more racially balanced delegation than either in the House of Delegates or the U.S. Congress. The election process produced a more sexually balanced delegation than did the appointment of members to the task forces by the State Coordinator, Dr. Jessica Cohen. The task forces were 25 percent male and the elected delegation is comprised of 33 percent male. (Editor's note: the calculation of the ratio of men to women was determined by counting the names listed on the program as members of the Task Forces. As a member of the Task Force on Families and the Work World, the male listed on the program never attended any of the announced task force meetings).

The elected delegates include persons who are: handicapped, disabled, married, widowed, divorced. They have been active in working with children with chronic and disabling health problems, sponsored Vietnamese families, helped pre-teens with social problems, supported and opposed ratification of the ERA, and active with migrants. They have been members and active in such organizations as the PTA (Parents Teacher Association), La Leche League, AAUW (American Association of University Women), CAUSE for Positive Education, NAACP (National Association for the Advancement of Colored People), and the Virginia Right to Live.

VARIOUS RELIGIOUS AND ETHNIC BACKGROUNDS ARE REPRESENTED

The Pro-Family delegates are of one mind when it comes to recognition of the value and importance of the traditional American family and its importance as the primary unit of society—but, isn't that what the White House Conference was supposed to be about?

THE AFTERMATH

Let me share some of the happenings and comments in the various states which have followed as a result of the "Fredericksburg Massacre" and the "big lie".

Oklahoma: Anna Mayer of Hooker, Oklahoma called the State Coordinator approximately two weeks before delegates were to be elected. The State Coordinator would not even let her know the names of the members of the state steering committee. Publicity was handled by the Oklahoma Education Association, government agencies, the PTA, and the media. The media indicated that they had a hard time getting information. The PTA did not distribute the information because "it was too controversial". This left the publicity of the meeting in the hands of the professional educators and the governmental agencies. It took complaints to Washington, D.C. and threats of legal action regarding the exclusion of the pro-family people to force the steering committee into permitting any pro-family representation. The reports coming out of the workshops were inaccurate. The final "Overview" session included a skit presenting a light treatment of abortion, jeering at patriotism, and ridiculing of religion.

New York: Pro-lifers were advised not to attend the Albany meeting because the registration was limited to 1,000 and 1,000 had pre-registered; therefore, they need not come. When the ballots were counted there were only approximately 650 cast. At the Stoneybrook conference an unannounced fourth ballot box was used, balloting into the box was permitted before the announced opening of the polls. The box was not checked by a credentialed pro-family poll watcher. At Stoneybrook there was at least one instance of a woman being given a second ballot. 97 pro-life ballots were invalidated, not on the day of the election, but the day after the election.

Washington: The State Steering Committee is stacked with people who hold radical views regarding the role of women in society. One member, Dr. Beverly Gabrion, had been active in Planned Parenthood and has stated "American women are being conned into motherhood." When the people have attempted to elect members to the steering committees, they have been refused by the state organizers.

Pennsylvania: At one workshop a young lady caused quite a stir when she remarked "If we're supposed to be dealing with families, we ought to be discussing married people." People protested that "You can't do that. You're disruptive." Workshops conducted by professional educators decried the effect which parents have on their children. These same professionals thought that children should have educational toys which they (the professionals) think the children should have; that there are not enough toys in many homes and homes are overcrowded; that childern did not have enough space to spread out with "creative toys and activities". Residents of Pennsylvania did not get to elect their delegates. Instead, Pennsylvania devised an elaborate quota system using a computer, which Marian Bass, Special Assistant to Pennsylvania WHCF, stated was to "prevent what happened in Virginia", where "extremists" took over.

Maryland: Pro-family people won the election in Baltimore and so they are going to have "supplemental elections", i.e., "We will keep the polls open until our guys win". Maybe Maryland should have a "supplemental election" for governor.

Delaware: Pat Fell was accused of "stacking" pro-family people as nominees for delegates. What did she do? She put the application form on the bulletin board in the community post office.

NOVEMBER 27, 1979.

Ms. BRENDA JOHNSON,
Donaldson Brown Center for Continuing Education, Virginia Polytechnic Institute, Blacksburg, Va.

DEAR BRENDA: When we spoke in Fredericksburg, you asked that I put down for you exactly what our complaints were about the conduct of the Virginia Conference on Families, and why we felt excluded. A number of others expressed the same wish. In an effort to comply, I write the following letter which, if you have no objection, I will send copies of to some others, and which I may use as the basis of a short article, if there is sufficient interest.

I got involved in the VCF fairly late, but it seems to me that there were three distinct phases of it: (1) Task Force formation, meetings, and reports; (2) the "public" conference itself, where the reports were presented and delegates to the White House Conference on Families elected; (3) the formation, meeting, and reports of Family Action Groups, which began about the same time as the task force phase, but continued through the conference, and will continue in a series of public hearings throughout the State; and (4) preparation of the Conference Report.

As the week of the conference began, it is fair to say that many of us who belong to or represent what we think of as "traditional families" felt excluded from the proceedings, and threatened by coercive governmental action. Let me explain in detail why that was so, treating each of the four phases of the VCF.

I. TASK FORCES

We all understand that the organization of any public conference must be done by those with some resources and time. It may be inevitable that the "organizing committee" be made up heavily of State employees, though there is no theoretical reason why an independent commission on which non-professionals were represented could not have been created to do this organizing.

The history of the Virginia Conference on Families may be instructive here. I understand, and on this point I would appreciate correction or clarification, that Virginia Polytechnic Institute had already scheduled, some time ago, a conference on the modern family, and that that planned conference was successively adapted to the needs of the Virginia Commission on the Family, and then the White House Conference on Families, without ever losing its original professional makeup.

At any rate, the task forces can only be described as heavily professional. I don't mean that in any pejorative sense, merely descriptive. For instance, the TF on Families and Stress had 25 members, and while the conference material in Fredericksburg did not provide professional affiliations, other printed material from the conference confirms that at most seven of its members do not have an interest in preserving (and expanding) the present system of government-supplied services to individuals and families. And that seven includes the Reverend Rowles (at his request as much as anything) although most clergy called themselves professionals (for instance in the nominating process).

As another example, the TF on Families in the Work World had 20 members. Of these, the most generous count of private individuals yields a total of five. I haven't completed an analysis of the other task forces, but I don't anticipate radically different results. And of course, the White House guidelines on the State conferences emphasize that they are to be lay conferences.

None of this is meant to denigrate the effort of the members of the task forces, or to suggest that professionals are not honest in their work and thinking. But their thinking is limited to a particular way of accomplishing goals, a way involving government to a degree which we find unacceptable.

The professional attitude is clearly indicated by the "Ballot on Issues and Needs," which I understand came from the WHCF, and which was designed to elicit from participants in State conferences their views of the ten issues of most concern to families. These "topics" and the "issues" listed under them reflect an overwhelming bias towards government action. "In what way could flextime . . . be mandated." "In what ways should government encourage. . . ." "What can government do. . . ." "What role can government play. . . ." And so on. Obviously, I have quoted here those issues where government involvement is explicit, but even where it is not, the inference is unavoidable.

For instance, under the topic of "Community/Continuing Education; Family Life Enrichment," one issue is, "How can marriages be enriched?" That is a question that is not susceptible to answer, but worse than that, it implies the creation of a Department of Family Enrichment, and the monitoring of our Enrichment Quotas, to make certain that all families have the minimum daily requirement of enrichment. We resent that implication; we feel that just asking the question treats marriage as something one can lay out on the table for analysis, as one would analyze a diseased frog. My recollection of Biology I is that the frog always died. In short, we feel that these things are no one's business. Least of all our civil servants'.

I have similar criticisms of the demographic sheet included in the packet, but I submitted mine, so I cannot dissect it in the same way now. Suffice it to say that I read ominous implications into it, and I am not normally thought to be very paranoid about these things.

But it is results that count. So let's look at the results produced by the task forces, to see if the overrepresentation of the professional mindset on them justifies my criticisms of their makeup. In one (which blew up at the conference) we know they did: abortion funding. Any task force which reports as the consensus of its members that "medicaid funds should be reinstated for abortions" reveals itself as unrepresentative of Virginians, without further evidence.

But there is more evidence. Throughout the recommendations of the task forces, the operative words are "expand, provide, require, improve, encourage, utilize, offer," etc. These verbs are directed at existing and contemplated programs (programs, incidentally, which will provide long and assured employment to those drawing up the recommendations). These recommendations contrast sharply with our perception of the actual needs of families, which are really quite simple. We need to be left alone, and we need to have removed from us the burdens imposed by government: taxation, regulation, inflation. That's not what is recommended.

On the contrary, of the specific recommendations that can be mined out of the task force language, 102 constitute a call for new or expanded programs which would cost the citizen money, either in higher direct taxes, lower tax revenues because of a new loophole, or higher prices because of an additional burden placed on private enterprise. Just 11 of those recommendations can be read as providing any form of economic relief. Of course there is a great deal of overlap and duplication in the recommendations, but the trend is clear.

And yet the Task Force on Stress found (quite accurately) that "economic pressure is a significant cause of stress in the family." Not that the TF proposes to do much about it. In fact, 13 of its recommendations would make the problem worse. It is true that the TF talks about "providing equal job opportunities" and "programs which establish jobs . . . for those unable to work." But these jobs are, by definition, non-productive, and by supporting them we shift resources away from productive work somewhere else. The result is the destruction of the productive base on which the CETA employee (not to mention his administrator, and you, and me) depends. And unemployment increases; it doesn't decline. Those of us in the Pro-Family Coalition recognizes that truth instinctively, though not all of us can articulate it.

Another thing we recognize is that the burden of taxation and inflation is now unbearable. As individuals, families, and churches, we can find ways to overcome our personal problems, even our spouse and child abuse (not to mention high heating bills). What we can't figure out is a legal way to elude the tax man. And if we do manage to save a dime or two, inflation will get us. Inflation is the cruelest tax, hitting hardest those who are the object of concern of the professionals gathered at Fredericksburg. But their solution, as embodied in those 102 calls for expanded government, will make taxation and inflation worse, and even if the programs work, the poor and elderly will be worse off than before.

Which brings us to another important point: there is no evidence that these government programs work. We have had almost forty years now of welfare and transfer payments. Yet the goal is never reached. Wives are now being beaten in greater numbers than ever; more teenage girls than ever before are getting pregnant; abortions are on the rise; venereal disease is rampant; old people are neglected and abandoned, and can't pay their heating bills.

And what is the solution offered by the social worker? More public service litigation to assert the rights of women against their husbands; more sex education for teenagers; provision of contraceptives to teens and pre-teens; government-funded abortions; government programs to fulfill the roles children once played towards their aged parents; well-intentioned regulation, whose effect is to curtail the supply of fuel and to increase inflation (and thus the cost of fuel). In every case, the failure of government is seen as an argument for more of it. We see it differently: government has failed and its failure is excuse enough to cut it off.

To some extent that attitude is conditioned by our recognition that many of the problems that face humanity are not susceptible of solution. As an example, let me use the paper from the Task Force on Development Change.

"We must develop a system which 'plans for change,'" we are told. But only private, incoerced decision-making can do that. No governmental program or institution has ever been able to, and we don't see that one ever could. There is something to be said for a "family impact statement" to accompany proposed legislation, but not much. Preparation of such a statement would be considerably more difficult and speculative than the preparation of environmental impact statements, which have not been without controversy themselves.

Unless a proposal deals directly with the structure of the family ("any woman giving birth to more than two children shall be shot by the Department of Population Control") its impact is liable to be economic. "This legislation proposes to impose a quota on sugar imports. The impact of this legislation on families will be to raise the price of the sweetener the kids sprinkle on their oatmeal; or maybe it won't. It might keep sugar prices down by weakening the international sugar cartel." I have no trouble deciding what the impact will be, but I doubt that my opinion is unanimous.

To continue: "How can people be better prepared for living in today's society as singles and as marriage partners?" I don't know, and neither does anyone else. No doubt we are born knowing too little, and what little we do learn we learn too slowly to do us much good, either as dating teenagers or as parents. But what can be done about it? Nothing, by government. There may be some utility in writing letters to Ann Landers, or in rap sessions with other parents at Sunday School. But as soon as government enters the picture, the negative becomes cloudy. The equation is changed (along with the metaphor) and now the teacher has a set of answers against which we are all to be graded. I don't like that, and I don't know anyone who does, other than the one with the answers.

So it is not surprising that the recommended solution for the problem outlined at the beginning of the last paragraph is "that the State Department of Education develop and provide minimum or low cost public education which includes family communications, financial management, credit, responsibilities for own actions, abuses-alcohol, drug abuse, courses in parenting." No, thank you. The State Department of Education ought to develop and provide public education that teaches children to read, write, and figure. Until it has done that, it is ill-advised to tackle the most intimate of social relations.

And what of non-public education? Totally absent from the entire document is any indication that private schools can or ought to have any role in providing "life management skills." And yet if I accepted the idea that the schools should teach my children how to "be responsible in their decisions regarding drugs, alcohol and sexuality," I would certainly not choose a public school.

What does the TF recommend in this area? "Mental Health Agencies need to develop outreach services on a regular basis. They also need to train local volunteers."

This TF does raise the issue of the "marriage tax," as did others, and recommends that "taxes be equitable and not penalize anyone because of marital status." Easily said; not so easily done, or it would have been, long ago. We are the ones who are supposed to offer the simplistic solutions around here.

II. THE PUBLIC CONFERENCE

Our expectations for the public conference were heavily shaped by our experiences with the Internation Women's Year, by what we hear is happening with the WHCF in other States, and by our inability to get information about the VCF and the rules by which it was going to be run. Though it is evident, in retrospect, that no effort was made by radical feminists and homosexuals to "pack" the VCF, I don't think our fears were unreasonable.

Nor were the delegates elected at Fredericksburg unrepresentative. On the contrary, they are far more representative of the average Virginian than the membership of the task forces, and more representative than the delegation that would have been elected if we had not made a concerted effort to get our people to attend the conference.

The elected delegates are not a homogenous group. They are the delegates elected by a coalition, and like any coalition, this one had component parts, each of which gave something to achieve a common goal. The actions and attitudes of some of the delegates would not be my actions and attitudes; not everything that is in the statement of principles aligned by a majority of the conference participants is wholly acceptable to me; and there were things left out that I would have liked to see included. What is important is that a majority of the elected delegates reject the idea that family life can only be protected, promoted, and nurtured by government. That is, I think the view of a majority of Virginians, and it is not obviously the view of the majority of federal and State bureaucrats who have such impact on our lives.

There is something else that has to be said about the conference. That is that no provision was made to permit active participation by the registrants in the development or discussion of issues and answers. Granted that the logistics of such give and take are tough to orchestrate, it is done all the time at political conventions, at labor and professional gatherings, and has been done historically at women and family forums. The failure to adopt (and publicize) rules for conducting the business of the convention added to our suspicions about the conference, and in the end provoked the confrontation that effectively ended it. It is inexcusable, in my mind, to have a public meeting and not permit public participation, unless the proceedings are explicitly labelled "lecture," or something similar. Even lecturers offer the public an opportunity for questions and answers.

It was also unclear (and still is) what impact the conference itself would have on the official report of the VCF to the WHCF. We saw no way to have any impact on that report, and so adopted the expedient of drafting our own set of Principles, with which any such report should be consistent. The result was to accentuate the conflict. We would not have had to do that if we had been offered an opportunity to influence task force findings and final recommendations of the conference.

The afternoon discussion groups suffered from the same kind of structural bias that pervaded the TF operations, only more so. All "facilitators" were State employees, and no changes were permitted in the findings discussed. Again, there were no rules under which discussion could be carried on, or recommendations adopted. Consequently, some of the groups broke down into more confrontation than was necessary. The discussion groups may have been useful, however, in communicating to some State employees (who are too often insulated from this kind of feedback) just how much latent resentment there is towards them out in the community at large.

III. FAMILY ACTION GROUPS

Since the discussants at the afternoon rap sessions are also the "facilitators" of the FAGs (I'm sorry) back in the local communities, and are responsible for the "hearings" that are to be held around the State in the future, the same criticisms apply. I have no direct experience with any of the FAGs, and what knowledge I have comes from friends who are either on them or would like to be. On the basis of their testimony, it appears that the FAGs are already at work, are overloaded with friends of extension agents, meet without notice to task force members and elected delegates, and are orchestrating events which are less "hearings" than showcases for expanded governmental programs. No doubt we will know more as time goes on, and I will try to keep you informed of my reaction to these developments.

IV. THE CONFERENCE REPORT

The writing of an official report of the VCF has to stand as the least representative phase of the entire conference. As I understand it (and again, I would be happy to have further or different information), Dr. Cohen will take the results of the TF operations, take whatever she wants from the public conference, and take whatever she wants from the activities of the FAGs, and will write the official Report of the conference. Since the activities to date have produced a mass of findings, replete with duplication, overlap, and vagueness, Dr. Cohen will have an essentially free hand. That is unfortunate. In my opinion, the elected delegates from the conference should be the ones to write the official report, perhaps operating on the same mass of material. At the least, they should have the opportunity to see the report in draft, and approve its tone and specific recommendations.

This has gone on much longer than I intended, but one thing has led to another. I hope this critique will be taken in the spirit in which it is given. I have no desire for confrontation, do not enjoy conflict, and hope that all men and women of good will can work together for the good of the family. But I feel strongly enough about the principle that the family is an autonomous, organic unit, not really susceptible to nurture from outside, that I am willing to make the kind of effort we made in Fredericksburg. If this letter can contribute to making such efforts unnecessary, so much the better.

I do emphasize that, although I have said "we" throughout this letter, I speak only for myself. I had not official position in the Pro-Family Coalition, and none in any of its constituent elements. I am just an interested citizen.

I would appreciate any additional information on the history and structure of the VCF, and especially on what the plans are for the future. And I will be happy to be of what service I can to you, now or in the future.

Sincerely,

GORDON S. JONES.

[From the National Catholic Register, Mar. 30, 1980]

DIALOGUE

(Nancy Roach, age twenty-nine, took a joint degree in political science and history from the University of Montana, then worked as a legislative aide to a United States Congressman in the nation's capital. While her physician-husband completed his medical training in the Southwest, Mrs. Roach chaired a prolife political action committee in Arizona.

(The couple currently lives in the city of Pasco in Washington State's "Tri-Cities" area and has three children, ranging in age from eleven months to four-and-a-half years.

(Mrs. Roach recently won two overwhelming votes to chair her area's White House Conference on Families, but officials running the conference refused to recognize her election and replaced her with their own unelected appointee.)

REGISTER. How did you get involved in the White House Family Conference in your area?

ROACH. I was asked by a woman here who has been involved in pro-family efforts for many years. She wanted to have my name placed in nomination at the first planning meeting, Jan. 15, to be the local chairman.

REGISTER. Why did you agree to be nominated?

ROACH. I felt that it was important to have someone in a leadership position who had experience in dealing with pro-family issues and who had experience dealing with the press. And I'm committed to limiting governmental influence in the family. At the first meeting the vote was in my favor, about one-hundred second meeting, about one-hundred-thirty to twenty. At a second meeting, about five-hundred-fifty people supported me, out of about six hundred who were present.

REGISTER. The pro-family people have been described in the national press as right-wing archconservatives, bigots and racists, to mention a few of the accusations by their opponents, such as the pro-abortion Boston Globe columnist Ellen Goodman.

ROACH. The majority of the people at our local conference and throughout the state of Washington sent the word to Washington, D.C. that we want a reduction in governmental programs and we want control returned to the people. Rights that were originally granted to the people have been limited and in some cases eliminated by the judiciary and the federal bureaucracy. This concern was the bond that united us more than any other issue. This couldn't be characterized as an extremist position, by any means.

REGISTER. Jim Guy Tucker, the man appointed by President Carter to be national chairman of the family conference, has been quoted in the press that "right wing" groups want to "blitzkreig," "steamroller" and "poison" the family conferences. He has also been quoted as being "alarmed" at "the racists" and "bigots"—apparently references to people like yourself.

ROACH. That's so ironic. In our state, control of the delegate selection process comes from the governor, Dixy Lee Ray, and her appointees. The people haven't even been allowed to select the majority of delegates. I understand this is also true nationally. What our detractors are actually disturbed about is that at the local conferences we stayed involved, we worked within the system, we turned out in large numbers and we beat them. We still managed to pass our most important pro-family resolutions. We didn't boycott the local conferences or stay away to plan our own. To think that the supposedly impartial national head of this, Mr. Tucker, would be so willing to attribute base motives to people against the massive federal bureaucracy—I have to say that's really unfortunate for him to behave that way.

REGISTER. You mentioned bureaucrats limiting or eliminating rights a moment ago.

ROACH. Such as the rights of parents to educate their children according to their own values and their religious beliefs. We've seen the Department of HEW—or now it would be the federal Department of Education—promoting what it calls "values clarification" and sex education programs that are nothing but the repetition of Planned Parenthood's attacks on the family and all traditional values. And in the area of parental consent, the judiciary says that parents don't even have to be informed that Planned Parenthood and similar groups are engaged in giving their children contraceptives and abortions.

In addition, looking to the future, we're concerned about the position promoted by the federal Government during the International Year of the Child that would elevate children's rights to the status of rights traditionally granted only to adults.

REGISTER. Are you saying that children have the right to life and shouldn't be aborted, but they don't have any other rights?

ROACH. I'm saying that in a healthy family setting, parents know better about their children's welfare than the children do. The parents' rights to guidance of their children work to the benefit of the children in character formation. If the family setting is unhealthy, there are better ways to help the children than to create a set of rights for them traditionally available only to adults. The tone of the "child's rights" advocates is that in the rearing of children, they should somehow be kept free from any instruction from parents so they can be completely free of any outside influence in making choices. The implication is that parental influence is somehow bad, that children should be raised in a vacuum.

REGISTER. You mean, a vacuum away from the parents?

ROACH. That's right, then the Government can step into the vacuum and provide its own form of guidance. Perhaps the clearest example of this is the idea being established by the U.S. Supreme Court, dealing with the [1979] Massachusetts case, that a judge can decide better than the parents about whether a minor daughter can have an abortion.

REGISTER. Name another family problem.

ROACH. The size of the tax burden that parents currently face, that oftentimes requires mothers to take a job away from the home, and this has an adverse effect on the family. A big issue that was addressed locally in our conference was inflation and the tax burden and there was a resolution calling for a balanced budget.

REGISTER. Most of what you've been saying doesn't seem to have been any concern at all of officials charged with running the conferences, or with some official-sounding voices in the press on what the conference goals should be. I saw one bureaucrat in your area expressing the hope that you'd deal with consumer affairs. The pro-abortion feminists say you have no business talking about abortion or the Equal Rights Amendment.

And John Carr, a conference official and former U.S. Catholic Conference staffer, was just paraphrased in The National Catholic Reporter as saying that you could do little about abortion or the ERA, but could better focus on such matters as "flexible working hours."

ROACH. You have to ask what is more vital than the integrity of the family, which is under such attack today by the pro-abortion-on-demand militants and other anti-family advocates. Failure to have flexible working hours is certainly not the most direct cause of the threats to the family today, and I think Mr. Carr knows that as well as anyone else. It's true, all indicators of the happiness or harmony of a people must be studied, but consumer affairs is hardly the key to the condition of the family today.

You have to ask what is more pertinent to families than the protection of children, or than the relationship of children to their parents. A good number of the problems currently facing families are related to the moral fiber of our nation as a whole. When we talk about increases in the divorce rate, increase in teen-age pregnancy, in sexual activity among teen-agers—I just heard there's a one-hundred-seventeen per cent increase in couples living together outside marriage since 1970, I think that's the figure—all of these things in turn generate serious problems within the family. They directly affect the heart of the family.

Suicide is on the increase, child abuse is climbing dramatically. Our mental health hospitals are filled to overflowing. All this tells us that the family unit is failing because of the pressure of outside challenges, and it needs help. And Mr. Carr thinks it's more appropriate to talk about flexible working hours and overlook a judicial system creating a structure whereby judges control sixteen-year-olds' abortions, with the parents left out in the cold?

REGISTER. An editorial in The Seattle Times commented that Jimmy Carter hardly had to go to the trouble of having all these conferences in order to learn what's troubling the family, and that social-work professionals essentially just talking to each other only give the illusion that something important is being done.

ROACH. That was first-rate.

FAMILY VALUES

(By Dexter Duggan)

WASHINGTON.—The White House Conference on Families, conceived four years ago to try to deflect the heat of the abortion issue from Presidential hopeful Jimmy Carter, is currently arousing considerable resentment toward the resident of the White House, Jimmy Carter.

Across the nation, pro-family activists complain there is a conscious campaign of suppression directed at them by appointed officials and bureaucrats from the White House level on down.

The situation appears quite different from some portrayals in major news media: that an unscrupulous force of arch-conservatives would steal the White House Conference on Families away from the American people.

Instead, the story is repeatedly told that officials—often government employees—who were appointed to run states' family conferences, have been engaging in undemocratic tactics to insure that pro-family adherents don't win the representation justified by their numbers and participation.

Traditionalists complain of arbitrary, elaborate and frequently-changing rules established by White House conference officials to undercut a pro-family majority in state after state.

One pro-family activist resentfully compared these tactics to a hypothetical situation to which the Republican Party would bar New York City Jewish voters from the polls on election day simply because they traditionally have high political participation and tend to vote for liberal Democrats.

Four years ago, trying to escape criticism over his stand that the U.S. Supreme Court's abortion-on-demand rulings shouldn't be changed, Jimmy Carter proposed an intensive effort to determine what troubles the American family, so families could be helped.

After various controversies the heralded family conference finally got underway in the states in recent months, to culminate in three regional conferences this summer in Baltimore, Minneapolis and Los Angeles.

But many people soon began complaining that officials directing local conferences appeared to be less concerned with discovering what troubled families than they were with promoting a predetermined viewpoint shared by many government careerists.

In Washington state, pro-family leader Nancy Roach said a state bureaucrat told reporters that the early successes of pro-family people in states like Virginia made the bureaucrats decide they had to take away from the people's control the selection of the majority of delegates for the three regional conferences.

(Washington's Tri-City Herald reported that family conference official Dick Westgard said that after the results in other state conferences like Virginia's, where pro-family people scored heavy successes, officials decided that having "a particular group so heavily represented does not provide for diversity and does not meet national guidelines . . .")

Mary Driggs, of Baltimore, secretary of United Families of America, told The Register in a telephone interview: "All over the country, governors have appointed someone like a social worker with a liberal point of view to control everything" in preparations for states' conferences.

In Maryland, she said, it was originally announced that twenty delegates would be elected and ten appointed to attend their regional conference, but the number of delegates to be chosen by the people was later cut in half, to ten, while ten were added to the selection-by-appointment column.

Mrs. Driggs said that after pro-family people won all ten of the elected delegate spots in Maryland, it was announced there would be "supplemental" elections. "I've never heard of it in a free country, to reopen the polls when you don't like the results." she said.

A worker with a pro-family lobby in Washington, D.C., referring to the national situation, told The Register: "The conference is not running anything at all as smoothly as they (appointed officials and planners) wanted it to. There seems to be a good deal of resistance from people who feel traditional family views are being shortchanged . . . In several states the conferences are being sued . . . The suits go right to the heart of what's happening."

In Arizona, pro-family leader Shirley Whitlock said in a telephone interview that pro-family people elected delegates favorable to their view at all six of the Arizona meetings. She said the local National Organization for Women was asking the governor, "to throw out all the delegates we've elected" because they didn't represent homosexual and other types of groupings favored by NOW.

Mrs. Whitlock said that at family conferences around the nation, activists for NOW and similar anti-tradition groups, with the support of government planners and bureaucrats, were pushing to redefine the concept of "family" to include homosexual, bisexual and unmarried heterosexual partners. The anti-traditionalists were claiming the day of the Judeo-Christian family pattern is over, she said.

Once again, complaints are being made—as they were during the preparations for, and staging of, the National Women's Conference in 1977—that militant feminists can't win unless the rules are especially rewritten to give them preference.

Militant feminists are saying that a complete restructuring of the concept of "family" is an important goal. Betty Friedan recently wrote that the "second feminist agenda, the agenda for the Eighties, must call for the restructuring of the institution of home and work." She approvingly quoted the head of NOW's Legal Defense and Education Fund on "the inevitability of continuing future change in the relationships and roles of men, women and children within families."

NOW president Eleanor Smeal wrote last fall that her group, in fighting for homosexuals, "cannot and will not stand by while others try to deny lesbians and gay men their rights or exploit and persecute them for their own fascist ends."

Pro-family activists who thought the government wanted to learn their views said they were especially chagrined that family conference officials seemed not only to want to rebuff their views, but also to impose the very views the pro-family people say are destroying the family—such as the legitimization of permissive abortion and elimination of parental consent.

It appeared that through bureaucratic fiat, only about one-third of family conference delegates from various states would be elected, while the other two-thirds would be appointed through one procedure or another.

One prolifer suggested that since the final recommendations of the conferences would probably be filed away and forgotten anyway, it would seem smarter politically for the White House to allow the pro-family people to win whatever they fairly could so they'd be content and believe the President really desired their input.

But the way things are working out, he continued, the White House actually seemed to want to build up substantial resentments among pro-family activists convinced they'd been suppressed by Carter-guided elitists—a resentment more than likely to be vented this fall at the polls.

[From the Richmond Times-Dispatch, Nov. 29, 1979]

FAMILY AFFAIR

For the second time in recent years, government officialdom across the country is cranking up a major series of conferences challenging traditional mores in the private lives of families. In November 1977, a loud majority of delegates to the National Women's Conference gave booming endorsements to liberal policies on abortion, the notion of "homosexual rights," the proposed Equal Rights Amendment to the Constitution, and to many new proposals for government intervention into domestic life, including federal programs for battered wives and tax-subsidized day care centers for children. Miffed by this outcome, the minority of social conservatives at that gathering protested that the structure and rules of the conference had been arranged so as to provide for dominance by feminists.

Another organized national discourse on family life began this month in Fredericksburg, where Virginians assembled for the nation's first statewide assembly preliminary to next summer's White House Conference on Families, called by Presidnet Carter. Professionals from the social-service bureaucracies had dominated the "task forces" that had been meeting for several months to prepare for the Fredericksburg gathering. Yet when the Virginia conference was over, the elite of the social-work establishment found itself stung by a strong and unexpected demonstration of dissent. Supporters of the more traditional notions of family life attended the conference in the greatest numbers and succeeded in electing from their group 22 of the 24 delegates chosen to represent the commonwealth at the national conference.

Governor Dalton will complete the delegation by appointing another dozen members. The conservatives meanwhile are celebrating only a partial victory, because they say the Virginia conference's report to state and federal officials will be controlled not by the elected delegates but by the conference's organizers.

The primary matter of contention at this stage of the White House Conference on Families is the very definition of "family." The traditionalists insist that a family "consists of persons who are related by blood, marriage or adoption." Others are pressing to have "family" status acknowledged as applying to men and women joined outside of wedlock in "living together relationships," to "gay couples," to "lesbian and other shared households," to avant-garde communes, and so forth.

Apace with the gollop of social change and concomitant habits of tolerance during recent years, such unconventional living arrangements have become more commonplace. But their mere proliferation does not make them authentic "families." Through the eyes of commonsense, a pair of lesbians living together can be seen as no more a true example of a family than a threesome-of college students sharing an apartment or a brigade of soldiers billeted together. The traditionalists correctly insist on their definition as the first bulwark in protecting the integrity and primacy of the family as a social unit. That insistence no more tends to deny "rights" to homosexuals than it does to college roommates or to soldiers.

The second major controversy is over the role of government in family life. The conference organizers tend to have a vested interest in government intervention into domestic matters, and no doubt most of them are convinced that such intervention is nearly always benign. The conservative forces are expressing a sensible skepticism about suggestions that Uncle Sam don the nanny's apron.

As further hearings and meetings leading up to next summer's White House conference take place, they will be worthy of careful attention by heads of families. For the conference represents a considerable movement to put more responsibility for "human services" in the hands of government, a movement that could weaken the social bonds of the family even as it professes to be the family's great protector."

[From the Chattanooga News-Free Press, Mar. 12, 1980]

GEORGIA FAMILY MEET DESCRIBED AS "FARCE"

To the families of Georgia:

Saturday, March 8, the devil rode rampant in Georgia, striking down traditional family lifestyles.

I was a delegate on the ballot for the Georgia White House Conference on families. Here are some resolutions that are final and they will be sent to Washington, D.C. as representing the families of Georgia:

(1) Homosexuals are a family!

(2) Homosexuals are a minority family—so they will get extra funding and priorities as a minority group, which means if this is passed in Washington you will be seeing homosexuals teaching our children in school and expressing their lifestyles. This will be mandatory.

(3) More liberal abortions law with greatly increased funding for free abortions.

(4) More funding of family planning programs. As you already know, any girl 11 and older can have an abortion or receive contraceptives at our health clinics without parental consent. They want the law changed so that any 8-year-old can receive family planning, most probably in our public elementary schools.

(5) More funding and greatly enlarged day-care center programs to get more mothers out of the home.

(6) A mandatory four-day work week, another ploy to get more mothers out of the home and into the workforce. A husband cannot support a family on four days of work.

This conference was a farce staged and manipulated by federal bureaucrats, there were huge voting blocs from NASW, NEA, NAACP, EOA, HUD and many other social workers. The pro-family people were outnumbered.

There were 10 workshops. You were allowed to go to only one workshop of your choice. I went to the "Family Value System," which had a majority of Christian pro-family people. When asked to have the term family defined, the Episcopal minister that was in charge of this workshop said that it was against parliamentary proceedings and that we could not define what a family was.

The other traditional nominated delegate from Northwest Georgia, a man, went to the workshop "Community Support for the Family." They had a majority of Lesbians, social workers, homosexuals, etc. and only nine pro-family people.

They were allowed to define family, and they defined it to include homosexuals.

So 40-plus people in Georgia decided homosexuals were a family, for the whole state of Georgia.

This was a ramrod job, and it was spearheaded by President Carter, Gov. Busbee, and C. Randy Humphreys.

I congratulate Gov. Fob James in Alabama for not having this farce of a conference happen there.

Out of 10 delegates only two traditional delegates were picked; the other eight were liberal radicals. Gov. Busbee still has to pick 26 more delegates.

I implore all the Christian traditional families to write Gov. Busbee, Mr. Humphreys, an your local state and federal representatives telling your opposition to these resolutions, and asking him to pick pro-family delegates to represent the good Christian people of Georgia.

Mr. Humphreys can be reached at the office of the governor, Georgia State Capitol, Atlanta, Ga. 20334.

For your families, please stop this onslaught against Christian values.

[From the Atlanta (Ga.) Journal, Mar. 12, 1980]

STATE CONFERENCE SAYS HOMOSEXUAL FAMILY CAN BE HEALTHY ENVIRONMENT

(By Susan Wells)

ATHENS.—A statewide conference that has spawned some controversy has voted to tell the White House that the homosexual family pattern is a viable lifestyle.

Meeting in Athens last weekend, the Georgia White House Conference on Families voted on a wide-ranging list of priorities for President Carter to consider in policies on families.

Among them was a resolution to encourage community support for the family and to enhance healthy family living.

The conference encouraged federal, state and local governments to "develop mechanisms to enhance community understanding of and appreciation for the variety of family patterns possible. Among these are the nuclear family, the adoptive family, the foster family and the single-parent family."

The conference then passed a special resolution to include homosexual families in that list of diverse family patterns.

"I think this will be the most controversial issue dealt with by the conference. I have already started receiving telegrams on that one from the people who are upset," said Randy Humphrey, state coordinator of the conference.

But, he said, the action of the conference is binding, and the resolution on homósexual families would be sent to Washington no matter what the reaction.

The conference also passed resolutions favoring daycare for children of working mothers and for mothers on welfare, increased aid for the elderly, emphasis on the family in education, more consideration for families in the legal system, support for crisis centers for battered wives and children and suggestions for families on how to use the media to enhance their families.

The conference was marred by a hot controversy between the organizers of the conference, feminists and other liberal groups and a group of conservative women.

The conservative women, representing such groups as the Eagle Forum, Mothers on the March and Stop-ERA, complained that they were shut out of the voting for delegates to attend the Washington family conference in June and shut out of discussions on the various issues at the Georgia conference.

"I am appalled that this country is succumbing to pressure from these radical groups," said Sue Deadwiler, state coordinator for the Eagle Forum, a group of anti-feminists headed by Phyllis Schafly of Illinois.

"The pro-family groups were squelched. The conference was so controlled by the radicals that it could not be representative of the thinking statewide," she said.

Polly Williams, another conservative participant, said, "The conference was so mixed up. If you were a feminist, everything was fine. But we weren't given anything in advance. We didn't know who to vote for or what issues would be discussed.

"I was disillusioned. The views that came out of this thing were not representative of pro-family people," Mrs. Williams said. She said she and some of her colleagues were not allowed to leave their workshop to vote for delegates, and when they tried to turn their ballots in late, they were not accepted.

But Ruth Lee, chair of the elections committee and director of the County Welfare Association, said every effort was made to include everyone's point of view in the Athens conference.

"If their feeling (the conservatives) had been the feeling of the conference, you would have seen their delegates elected," Mrs. Lee said. Several of the alternates, but none of the delegates, represented the conservative position.

Feminist Action Alliance President Kay Kornmeier said she was pleased with the way the conference came out and the fact that the conservative women were not able to control it. "Their agenda was to get the conference shut down," Ms. Kornmeier said.

"We certainly think their point of view should be included. They were not shut out. If anything, they seemed more organized than us (feminists)," she said.

The feminists and the conservatives did agree on one thing—that the conference was poorly organized.

MARCH 21, 1980.

DEAR GOVERNOR DREYFUS: I am writing to you in regards to the Wis. Gov's Conference on Children and Families. You were not there as I was and so I request that you take the time to give consideration to what I have to say. I do not intend to advocate for one side or the other as far as the decisions that came out of the conference, my concern is in regards as to how the conference was conducted.

Individuals were initially grouped into small groups and they were led in these groups by trained Facilitators, individuals who had received intensive training at workshops prior to the Conference. The Institute of Cultural Affairs, 1016 North 9th Street, Milwaukee, was the group that trained the facilitators for the role they played in the Gov's Conference. (Documentation available)

A key word in the role of the facilitator was to bring the group they were in charge of to a consensus. It should be noted that when my husband, an educated adult, a physician, suggested that his group resolve issues by voting he was reprimanded as though he were a child by the facilitator. This effectively isolated him from his group as this was done with great emotion deterring anyone else from putting themselves in a position to be the object of such disciplinary action by their facilitator. Question? What is wrong with voting? The facilitator took this opportunity to make it clear that they were hunting for a consensus and that was not to be mistaken for the will of the majority, this was repeated often. I was in a position to visit many different groups and observed the same tactic being used consistently. Question? Other states allowed their delegates to discuss the issue of how they would define family, this freedom was denied Wis. delegates, why?

You addressed the Conference and asked us to respect diversity. In the Conference diversity was not permitted, delegates were at all times directed by facilitators to dismiss diversity and come to a level where they could agree not to disagree.

Sir, when we agree not to disagree on issues that deal with opposite views on moral issues affecting our families we have had our freedom of expression taken away from us, this is exactly what happened to both sides on all issues at the Gov's. conference.

There is no doubt in my mind that had controlling tactics not been used to orchestrate the convention it would have been possible for both sides to have issued position papers that reflected their views. These papers may have not agreed but they would have been honest and you would have seen the diverse views you asked us to respect.

How long would you have tolerated this system? I saw businessmen cry out in frustration not over the results but the method. Many had become to accept that the results were pre determined and all that was sought was their support. I saw grandmothers who were delegates, come close to tears as they expressed they had come to have in put but slowly had realized it was not possible or wanted.

The frustrations with the dis-organization and manipulative system became so intense that in the general sessions individuals violated the format and rose to their feet to protest. They were told at one of these outbursts that their role was to be an effective listener—Is that what you call having an input.

Individual sections made reports that were distorted in the final printed form. One group wished to stress worship as the key word so they said stressing spiritual strengths, it came out through the bureaucracy as weekly family discussions. Another group wanted to resist government interference and control and their statement was printed up as more Government Involvement!

As far as government involvement with the children is concerned you should have seen what happened at your conference with the children. By Tuesday morning the expert facilitator in charge of the children was reduced to an emotional display of tears after she apologized for yelling and shoving the children around. She had admitted earlier that they had lost control of the children. This is how the Gov't can take over the role of the family and lose control in just 3 days!

I am not blaming the individuals involved with the children for what happened, it seemed inevitable considering the lack of organization and cooperation they got. For two days the children hung on to this process in anticipation of the lunch they were to have with you on Tuesday when many planned to tell you something and some even had some questions for you. The lunch for the children, like the press conference for the media following your speech just never took place.

In brief, disorganization and manipulation was the theme of this conference as far as implementation was concerned. A respect for diversity of views was impossible as an outcome because individuals were coached to set aside their differences and work from that point.

Yes, I have a position, as article 10 of the Constitution reads these powers (dealing with families) should be left to the people and the states not a federal conference, however, that is not the point of this letter, my concern here is that both sides were had!

It was my privilege to also attend an advance national planning meeting on this conference and I would be glad to share with you how specific discussion at that meeting also centered on how to control this conference. I ask you to seriously consider my comments and challenge them if you wish. I stand prepared to document my position as I see it.

Respectfully,

Jil Wilson.

[From the Idaho Statesman, Mar. 21, 1980]

Family Delegate Resolution OK'd

The House narrowly passed a resolution Thursday calling for "the free and open election" of delegates to the 1980 White House Conference on Families.

The vote on House Concurrent Resolution 50, which now goes to the Senate was 37 to 30. The measure is sponsored by Rep. Wendy Ungricht, R-Boise.

HCR50 also says that people should have equal opportunity to become delegate to the conferences "whatever their race, sex, religion, political affiliation, age, ideological orientation or economic group."

The measure criticized "random selection of delegates" as a thin disguise for planning Committee appointment amounting to a 100 percent-appointed delegation by disallowing individual participation through peer election."

Ungricht said free and open election of delegates was the only way to ensure that Idaho's delegates support what she called the traditional concept of the family as a unit related by blood, through marriage or adoption.

She said the Carter administration's rules for the family conferences, which will be held across the nation this summer, call for inclusion of delegates representing "diverse family forms." She indicated that could include delegates who are homosexuals.

Ungricht said she has never said Gov. John Evans would appoint homosexual delegates, as reports earlier this week implied.

"I have no personal quarrel with the integrity of the governor," she said. "My quarrel is with the system itself. Statements suggesting that I believe the governor would appoint a homosexual delegate to the White House Conference are an obvious attempt to sensationalize the issue."

She also said HCR50's "free and open election" of delegates need not cause the state extra expense.

Other states have held conventions for selection of delegates, with persons attending paying a fee that covers expenses of the meeting, she said.

[From the Christian Citizen, Mar. 7, 1980]

White House Conference—Is it Going to be IWY Revisited?

(By Laura Canning)

It looks like President Carter's White House Conference on the Family (WHCF) is shaping into an "IWY revisited" in the words of Rosemary Thompson, of Illinois, a former International Women's Year Delegate (1977) and opponent of the WHCF's pro-abortion feminist and libertine leanings.

"At IWY in the name of women's rights, they called for ERA, abortion, gay rights, federal day care . . . to name a few. Now comes the White House Conference on Families and at the regional hearings around the country, in the name of strengthening the family, we (are told that we) need ERA, National Health Insurance, the whole ball of wax. So it appears that the WHCF is intending to implement the resolutions that came out of IWY," said Thompson.

Not only are the anti-life, anti-traditional-family factions again represented and in charge, there is also a concentrated attempt on the part of Conference planners from the National Advisory Committee, right on down to the state planners, to exclude pro-family organizations and individuals from participation.

The National Advisory Committee, composed of 41 Carter-appointees, is predominantly anti-family in outlook. Pro-life, pro-family delegates nationwide are angered that the NAC's membership is not representative of grassroots American families, but are drawn from feminists groups and government bureaucrats with interest in greater government spending and intervention into family life. Only one of the 41 conservative on family-related issues. Backing up the NAC and in close contact with it is the Coalition for the White House Conference on the Family, which includes the following organizations: Zero Population Growth, Planned Parenthood, National Gay Task Force, the YWCA, American Association of Sex Educators, and the National Alliance for Optional Parenthood.

DELEGATE SELECTION RIGGED

A large part of the problem seems to be the plain for delegate selection. Originally, the idea was that each state would elect at least 30 percent of its delegates, called "peer election; 30 percent was to be governor-appointed, and the remaining 40 percent was to be chosen as the individual states so chose. However, when Virginia adoped a plan of 70 percent peer election in the interest of democracy, and 30 percent appointment by the governor, and elected 22 out of 24 from the pro-life, pro-family contingency, WHCF decided it was time to employ "New Speak". Peer election was changed to read and mean "random selection". "Nomination forms" were to be completed and returned to the state coordinator (appointed by the federal government's NAC) who would then screen them to insure balance among delegates as to race, sex, marital status, geographic background, and economic status. Critics naturally have charged that ideological orientation would also be screened and pro-life and pro-family candidates could neatly be excluded. Conservatives have run into constant stumbling blocks with state planners.

In Illinois, just as with the IWY, deliberately poor publicity to pro-family groups regarding date, time, place and eligibility of delegates was common. In fact, a letter answering inquiries dated February 1 announced that deadlines for delegate registration was January 31.

In New York, one pro-life coordinator from Brooklyn, Evelyn Aquila said that at her regional meeting in Fordham, pro-life persons tried to register, but were turned down. Mrs. Aquila charged bias both in selection of delegates by the nominating committee and in who was allowed to register. Anyone who indicated a religious preference on his or her resume was turned down. When the state coordinator, Eileen Margolin, an aide to Governor Carey, was asked if even one of the 24 elected delegates espoused the belief that abortion is a sin against God and man, she replied "Nobody like that got elected."

Senator John Marchi (Rep. Staten Island), who chairs the Senate Finance Committee has said that unless Governor Hugh Carey appoints more traditional pro-family people to the state delegation, he will urge rejection of the state's $200,000 budget for the state convention.

In Pennsylvania, some pro-family groups took the position of protesting the state conference, while others decided to actively participate in it and try to change it from within. State planners in Pennsylvania said that applicants won't be asked about political affiliation or ideology and that nothing would prevent a single person, a homosexual, or a member of an unmarried couple or communal family from becoming a delegate. State planner Marian Bass said Pennsylvania is looking for a "balanced delegation" representative of the "diversity of families in the state."

Maryland's pro-family group, called Families Associated in Maryland (FAM), ran candidates in all five regional conferences held in Maryland, with pro-life, pro-family voters turning out statewide to elect 8 out of 10 FAM delegates. The other two delegates made pro-life statements also, but were not associated with FAM. Mrs. Mimi Szep, coordinator of FAM, said Gov. Harry Hughes should recognize the will of the majority and appoint the other 20 delegates to represent Maryland at the WHFC.

The White House Conference on the Family will culminate all of its state meetings at three national sessions in Baltimore, Minnesota, and Los Angeles in June and July. Even if pro-life forces do manage a majority of persons representing traditional family values as delegates, the risk remains that the outcome in pro-family representation is still dependent upon governors' appointments and the benevolence or antagonism of state planners in the "random selection" process. And even if pro-family, pro-life won out there, the fact remains that it is still the bureaucrats', and feminists', the population planners' conference. The opposition can pull the IWY stunt at the last minute and elect enough "at large" delegates to tip the scale back their way again. The liberals may be in control of the microphones when the Big Three meetings occur this summer, and have proven in Houston at IWY to be master manipulators of twisting parliamentary procedure, thus effectively muffling pro-lifers even if some by chance do get delegates to speak. The test is whether pro-family learned its lesson well enough in Houston to beat the enemy at its own game.

[From the White Plains (N.Y.) Reporter Dispatcher, Feb. 22, 1980]

WHITE HOUSE CONFERENCE ON FAMILIES

(By Barbara Woller Lowrie)

The needs of families in the 1980s, including what will happen if women are drafted and tax breaks for families who care for the handicapped or disabled in their homes, will be among the topics discussed at the Governor's Conference on Families, from Saturday, Feb. 23, through Monday, Feb. 25.

The meeting will take place at the Convention Center in Albany and is a prelude to the White House Conference on Families which will be held in June and July in Baltimore, Minneapolis and Los Angeles.

At the Albany gathering, the 123-member New York State delegation (56 delegates elected; 67 appointed by Gov. Hugh Carey) will also focus on single parents, easing in federal policies to allow lower and middle income families to buy single-family homes, flexible working hours ("flextime") to allow parents to meet family as well as job demands, and child care services as more and more middle class women after the work force.

President Jimmy Carter said he called for the national forum "to examine the strengths of American families, the difficulties they face and the ways in which family life is affected by public policies." White House figures, which he cited to back up the need for the conference, show that two out of five marriages end in divorce and that nearly every other child born today can expect to spend a large part of his life before age 18 in a one-parent family.

From the beginning, however, the White House Conference on Families has run into opposition from conservative organizations, groups opposed to abortion and the Equal Rights Amendment, and fundamental religious bodies who fear it will create too much government interference in family life. Carter had earlier named Patsy Fleming, a divorced mother, to head the conference, but opposition from right-wing factions forced her to resign. The current head of the conference is Jim Guy Tucker, a married man, a lawyer and a former Arkansas Congressman.

But the opposition continues. Last week, Gov. Forrest H. James Jr., of Alabama, decided that his state will not take part in the national forum. He said he made the recommendation after discussion with his wife, Bobbie James, who felt the convention is not operating under traditional religious values regarding family life.

In some other states, such as Virginia and Oklahoma, conservative forces have taken over most or all of the delegate spots. Ilene Margolin, coordinator of the New York State conference, said there was no takeover by any one interest group in New York and that "my impression is that it is an incredible cross-section of people with large numbers of minorities and every kind of family imaginable (as well as) all ethic and religious groups. It looks balanced. I'm very pleased."

Ms. Margolin, who is also executive director of the state's Council on Children and Families, said that some 5,500 persons attended five conferences throughout New York State in January and February. She said that she prevented a takeover of the delegation by any one interest group by closely following the White House Conference affirmative action guidelines and advertising and using mailing lists and church bulletins from throughout the state. As a result, she said, "we made it impossible for any one extremist group to take over the rights of all."

Mario Cuomo, New York State's lieutenant governor, is also a deputy chairperson of the White House conference. Because of situations in states such as Virginia and Oklahoma, Cuomo said, "The New York delegation must carry much of the load on issues such as abortion, day care and homosexuality. Unless the New York delegation does this, (these issues) might not be brought up. We are unique. Many topics can be discussed here."

Cuomo said that both the traditional and the "modern family," including those with one parent or no children, are in trouble. He added that from the White House conference "I want a continuing, persistent commitment by government to all kinds of families."

The regional meeting at Fordham University at Lincoln Center was one of five meetings held throughout the state. Persons at the event ranged from members of organizations as diverse as the Conservative Caucus and the Coalition of Grass Roots Women and included leaders of these organizations, leaders in area agencies and "interested citizens." Workshops attended by some 1,500 people focused on health care, education and after-school services, problems of immigrant families, divorce and custody law, alcoholism, maternity-paternity leave and domestic violence.

One of the luminaries at the Fordham conference was Betty Friedan, author of "The Feminine Mystique," who took part in a workshop on "Growing Up in the '80s."

"I want to talk of today's 'family mystique.' " said Ms. Friedan. "It's American nostalgia . . . the man as bread-winner, mother as housewife and two children who always seem to be under 6. There's a hypocritical use of the word 'family' today."

She added that this type of "traditional" family represents only seven percent of families today. Ms. Friedan also said "everybody has a right to a family" and the first priority of the conference should be passage of the Equal Rights Amendment. In addition, she called for changes in maternity-paternity leave and for flextime to allow parents to bring children "responsibly and joyously" into the world.

Ms. Margolin posed a thought which was expressed by many people in various ways at Fordham: "From this conference will there be tangible results or just another pretty report that goes on a shelf? The answer rests with us all."

[From the Houston Post, Feb. 23, 1980]

FEDERAL FAMILY INTERVENTION SLAMMED

(By Barbara McIntosh)

Anti-abortion, anti-feminist, fundamentalist church and other conservative groups came out in force Friday to support their vision of the "traditional family" and to lambast the federal government for intervention in family matters at the first of several Texas forums designed to help determine the agenda for the upcoming White House Conference on Families.

More than 100 people expressed their views to members of the Texas Advisory Committee at First Presbyterian Church, Friday. The majority insisted that a family should be defined as "a mother, father and their natural or adopted children." Judeo-Christian ethics were emphasized; humanism, homosexuality, and the drafting of women decried and parental rights defended.

A smaller number spoke in support of federal funding of day care, the Equal Rights Amendment, a more liberal definition of family, greater recognition of the needs of single parents and more government services to support and sustain families.

Almost every speaker agreed that the American family was in trouble and was facing increasingly complex problems and pressures. A troubled economy was seen as one of the gravest threats.

The information resulting from the forums in Texas and other states will help develop topics and recommendations for the White House conference to be conducted this summer. This already controversial national conference stems from a 1976 campaign pledge by President Carter. Its proposed purpose is "to determine the strengths of American families, the difficulties they face and the ways in which family life is affected by public policies."

Testimony at the Texas hearings is especially important since the state advisory committee will determine from it whether or not there is a consensus viewpoint. If they decide there is, then they will ask delegates to the national convention to vote in accordance with it. Rita Clements, wife of governor Bill Clements, who attended part of the hearing, said she "was sure Texas delegates will articulate that viewpoint" even though they cannot actually be required to.

After listening to testimony Friday, Judge Carol Higley Lane, an advisory committee member, observed that locally "there does seem to be an attempt to overload the forum with the conservative viewpoint." Jim Guy Tucker, national chairman of the conference, has expressed concern that a "pro-family" coalition will dominate the national conference. Three states besides Texas have had hearings so far and two of them—Virginia and Oklahoma—have been dominated by "pro-family" forces.

Several conservative speakers, however, openly criticized the idea they are "taking over."

"Tucker is saying that we are out of the mainstream," Patti Johnson objected. "We are the mainstream and we are sick and tired of sitting back." Johnson, and a few other speakers, favored Texas withdrawing from the national conference, as Alabama has. They fear it will be "rigged" at the national level by pro-ERA, pro-abortion liberals "like International Year of the Child and International Woman's Year was." Some feel it is an intrusion for the government to even conduct a conference on family life.

Former Houston Woman's Advocate Nikki Van Hightower partially attributes the conservative showing in the family forums thus far as "a backlash to International Woman's year." She says one reason more feminists haven't come out "is they are disillusioned with the good of such conventions. We made many suggestions at International Women's Year and nothing much has come of it."

Advisory committee member Marie Oser emphasizes that Texans still have time to testify and possibly be chosen as delegates to the segment of the national convention to be conducted in July in Los Angeles.

Texas will send 78 delegates to the conference. The governor will appoint 53 delegates and the remainder will be chosen by a drawing to be held by March 31. Any Texan who wishes to nominate himself or herself as a delegate is eligible. Forms for nominating delegates are available at forums.

The Houston forum continues Saturday, 10 a.m.-2 p.m. at the First Presbyterian Church. Forums will also be conducted Feb. 26 at San Marcos Academy in San Marcos; March 1 at the Skyline High School in Dallas; March 4 at Texas A&M Experimental Station Auditorium in Weslaco and March 8 at the Civic Center in Lubbock. All these forums will be 8:30 a.m.-9:30 p.m.

Texans with ideas and suggestions may write to Clements at White House Conference on Families, Office of the Governor, State Capitol, Austin, Texas, 78711. There will also be a telephone hotline to the governor's office Feb. 22-March 7, except on the weekend. Anyone may offer suggestions on family life by calling 1–800–252–9600. Area residents may also call Family Service Center's hotline at 524–3881.

White House Conference on Families

To John Carr, Director, White House Conference.

From George Willeford, M.D., State Coordinator.

Texans were requested in various ways to participate in state activities to work on the White House Conference on Families Goals and Objectives. The Governor asked me to be his State Coordinator and designated Jonathan Hole as director. After that he appointed a 26 member advisory committee to assist in the project. Guadalupe Gibson, your Deputy Chairperson also served as an ex-officio member. Committee members not only helped directly with organizing the regional forums but used their own communication channels and networks to inform the public.

Our office communicated in the following ways: (1) contacted 900 organizations, (2) communicated to members of the Texas Conference of Churches, (3) special notices sent to all Texas newspaper editors, (4) TV slides/spots and radio spots to all stations, (5) advertised in 45 major newspapers, (6) informed county judges and city officials through the Texas Municipal League, (7) asked all state legislators and the Texas delegation to inform their constituents and requested their participation as hearing officers, (8) the Texas Research League contacted 1500 of the top business executives in their memberships, (9) family service agencies conducted surveys and operated hotlines, (10) contacted State agency heads whose agencies have an impact on families.

The Texas Department of Human Resources provided the funds and staff persons for the effort with staff assistance from the Texas Department of Community Affairs, Texas Department of Labor and Standards and volunteers. Polly Sowell, the Director of the Governor's Office of Volunteer Services provided excellent support and assistance.

Texas chose to use a random drawing for the selection of 25 of the delegates. The Texas Bank agreed to pick the delegates from 5 geographical areas represented by the 5 regional forums. Out of 2552 names submitted, 4 were black, 5 were Mexican American and 1 native American. This corresponds to the ethnic breakdown of the Texas population. The ballots which appeared in Texas newspapers were also available at the forums.

The following topics and issues were forwarded by the 3415 Texans who responded to the request to describe their feelings regarding the Texas family. Most, 1701, sent letters indicating their concerns, 1370 provided oral testimony at one of the five open forums held across the state, the remaining 344 made use of one of the 6 hotlines, including 1 which was statewide. All of the information received by the 14th of March was utilized in developing the report. The public was asked to submit material by March 7.

Each issue referenced (sex education in school, anti-ERA, government intrusion into education, etc.) was recorded and tallied. The final summation of references was utilized to develop the topic areas and the issues found within them. There was a total of 10,567 references to approximately 168 individual issues. On the average, participants referred to 3.1 separate issues in the course of their testimony, call, or correspondence. Total issues referenced in the report were 8,557. This represents 81.9 percent of all references.

By number of references the ten top issues in Texas were: (1) Traditional family definition (707); (2) Pro-life—anti-abortion (698); (3) Government intrusion into family life (642); (4) Inflation (637); (5) Anti-ERA (572); (6) Anti-sex information in public schools system (516); (7) Government intrusion into education (497); (8) Anti-federal day care (482); (9) Anti-teaching of secular humanism (440); and (10) Concerns about the declining morality (427).

In the top 30 issues referenced in Texas, we included all but three in its top ten topics. The three not included were: Women's issues: rank order No. 15, 196 references to various issues such as anti-drafting of women, pro-equal wages, and health and child care concerns. These could not fit together into other specific code areas and its breadth made it impossible to use. Definition of family: rank order No. 29, 75 references was also to broad to be a real use in providing a definition. The pro-feminist (ERA): rank order No. 24, 89 references, did not appear to warrant inclusion because of its low response value as compared with the anti-ERA references.

We did include some issues below the rank order No. 30. These were: homemaker benefits: rank order No. 33, 55 references in financial concerns; availability of child care: rank order No. 35, 54 references; family violence: rank order No. 36, references 50; marriage penalty: rank order No. 46, references 34, under taxes in financial concerns; flex-time: rank order No. 50, 28 references; spouse abuse: rank order No. 51, references 27, was put under family crisis in the issue on divorce. Substance abuse by youth: rank order No. 73 with 15 references was placed under family crisis under substance abuse.

We chose to put some of these issues together under broader topics. Pro-life (No. 2), anti-ERA (No. 5) and pro-family protection act (Laxalt Bill) (No. 18) came together to form a topic called Government Legislation, which by tallying the references became the number one topic in the state report.

No guidelines or procedures were given for states to respond in the area of Family Strengths. Therefore we offer the following assessment from the Texas responses. Of those replying to the question. "What makes your family strong?"

Fifty two percent said strong religious commitment and practices.

Fourteen percent said mutual love and respect.

Thirteen percent said good communications.

Eleven percent said commitment to the family unit.

Five percent said maintain discipline.

Five percent said outside activities.

The democratic process has been overridden and nullified by a select group of special interests. The candidates elected by thousands of Arizona residents to represent them at the National White House Conference on Families (WHCF) to be held this July in Los Angeles were not given primary consideration by the Delegate Selection Committee (DSC).

The result of a meeting of the DSC on March 20 was a list of six primary and six secondary candidates, from which the Steering Committee will choose six delegates and six alternates. Only one of the primary six and two of the secondary six were elected at the hearings. Originally, the DSC were to draw up a list of 18 candidates to submit to the Steering Committee. The six elected delegates were to assist in this process. They were not notified of the meeting until the day before it took place, and only one was able to attend on such short notice. She was not given a vote. It is difficult to understand how she could "assist", since all the criteria were pre-determined, and no outside evidence of the qualifications of people was considered. It was, of course, well-known that all six elected delegates represented a pro-family point of view. Furthermore, out of 18 members of the DSC, three were known to have supported pro-family attitudes, and they alone did not receive notification of the meeting at all, while all others did. It is hard to draw from this any other conclusion than that there was a deliberate attempt to exclude them.

According to the official rules, the DSC was to "give priority to names of those receiving the second, third, fourth and fifth number of votes. . . ." At the meeting the majority of the DSC decided to override that directive, and give priority to the demographic distribution. This meant that they did not even consider any duly-elected nominees from any counties other than Maricopa and Pima. If the demographic criterion was so important, it is difficult to understand why it was not considered more carefully when planning the divisions of the hearings. This is a clear instance of the rules being changed in the middle of the game, in the favor of people who were not elected by the populace.

While the original plan was that the DSC choose 18, from which the Steering Committee was to choose six delegates and six alternates, at the meeting it was decided to only choose 12, and these were placed in two groups of six, one to be given priority. There is no evidence that the DSC was to make further recommendations to the Steering Committee other than a simple list of 18, but they have in essence done the job of the Steering Committee. Of the six people on the primary list, only one received enough votes to warrant consideration.

Several other irregularities occurred in the meeting itself. During a discussion of Frank Williams, his income, which he had claimed as $10,000–$19,000 was questioned. Someone said he must not have included his wife's income, as was required. No one seemed to know about his personal finances, however, so the issue was dropped. Some members of the Committee felt that he was more qualified than another candidate because, while most of their credentials were similar, Mr. Williams had been divorced, and thus supposedly could identify better with the divorced community than the other candidate, who has stayed happily married to one wife.

Pro-family people brought in two additional tables from a nearby church, thereby allowing those who wished to browse through literature, but not hold up those who wanted to vote. The line immediately reduced to reasonable proportions. WHCF leaders at the Tucson hearing continually asked pro-family people how many people were coming, because more people came than they had ballots for. There was obviously no way of knowing, but it seemed strange to be "blamed" for high citizen participation.

The day after the meeting, over 25 members of the Arizona Pro-Family Coalition assembled at the governor's office in Phoenix to complain about the deceit and political tricks being employed by his WHCF Delegate Selection Committee. Governor Babbit refused to meet with them, but said through a spokesman that the governor would not interfere with the committee's work. He also refused to meet with the pro-family representatives at any time in the future.

The Pro-Family Coalition is considering legal action in an attempt to block the DCS's nominations. If Governor Babbit won't stop this patently unfair and undemocratic procedure, perhaps the courts will.

THE EXECUTIVE MANSION,
Montgomery, Ala., February 10, 1980.

MR. JIM GUY TUCKER,
Chairperson, White House Conference on Families, Washington, D.C.

DEAR MR. TUCKER: We have decided not to participate in the White House Conference on Families, but rather to continue emphasis on the family and children begun in 1979 by the Commission for the Year of the Child in our state.

A needs assessment has been made and now that data is near completion, we have chosen to build on this information to provide positive leadership and programs for the families of Alabama.

As we discussed by phone, there is no definitive definition of "what is a family", no absolute standards emanating from the White House Conference on Families' Advisory Committee which leaves the conference to chance that traditional Judeo-Christian family values would be the concensus.

Terminology used in White House guidelines such as "family stereotypes", differences in structure and lifestyle", along with mandated instructions that state delegations be selected without regard to "sexual orientation", very frankly, are offensive to my husband and me, and in no way reflect either the law of the land, or the kind of conference that would reflect the basic concepts of most Alabamians.

As a sacred trust to the people of Alabama, we respectfully regret that our state will not participate in this or other such conferences which do not establish traditional Judeo-Christian values concerning the family, the foundation of our nation under God.

It has been suggested by one unsung heroine, that "the White House is the defender of the Word of God for all nations".

May it become so.

Yours very truly,
MRS. FOB JAMES, JR.

WE HAVE SEEN ALL THIS BEFORE: THE INTERNATIONAL WOMEN'S YEAR

Mr. HUMPHREY. There is little in the White House Conference on Families that we did not see foreshadowed a few years ago in the National Women's Conference, convened in Houston in November 1977. That federally funded enterprise set the pattern for Carter conferences and commissions. It established the antifamily credentials of the administration, and its details are worth remembering as a prelude to the upcoming family conference.

The State IWY conferences leading up to the convention in Houston were run by the same kinds of people whom Jim Guy Tucker is trying to keep in charge of the State family conferences this year: an interlocked elite of professionals, leftist activists, and Government employees and appointees. They included such Carter appointees as Bella Abzug, Gloria Steinem, Eleanor Smeal, and Jean O'Leary. When challenged or questioned they used a range of dirty tricks that could have outdone Gordon Liddy.

In State after State, the Carterite feminists pushed aside profamily women. In North Carolina, sincere offers of assistance in organizing and planning were stalled and rejected because they came from profamily women. When the North Carolina conference met to vote on resolutions and delegates to the Houston meeting, the organizers decided, after midnight Saturday, that a revote was necessary. This they scheduled for Sunday, which happened to be Father's Day. Profamily delegates were thus surprised by a revote, which many of them never knew was underway.

In California, the State conference was a travesty. Prominent church women's groups were not invited to attend. There was personal harassment and intimidation of those who did not agree with the militant feminist viewpoint. A literature table offering prolife material was stormed by a large group of lesbians.

Registration packets were often incomplete. Workshops were moved from place to place, confusing delegates. During the voting on resolutions, delegates having grievances with the procedures were told by the chairman to go to another part of the building to register their complaints. While they did, the voting continued nonetheless. When points of order were raised against this procedure, they were ruled out of order.

One workshop on "health care for all" was at the last minute changed into the "self-help clinic." In order to vote on that workshop's resolutions, delegates had to sit through lesbian propaganda films.

Floor nominations for delegates were abruptly closed. Microphones were unplugged. The organizing feminists directed their agents by means of monitors and beepers so that they could secure a majority in any workshop where their plans were threatened. Voting boxes were left unattended. One wonders how much of this will be repeated in the State conferences on families.

In Georgia, conference organizers refused to present a balanced program of speakers in the workshops. Members of the press were upbraided because they dared to cover the press conferences held by critics of the gathering.

In Idaho, anti-ERA women were excluded from direct IWY communication. The highly structured workshops offered little chance for grassroots participants to decide anything, especially when they were asked to vote on prewritten summaries of recommendations already drafted in Washington.

In Illinois, times and methods for registration fluctuated at the whim of conference organizers. Microphones were unplugged or covered to silence dissenters, a film produced by the Socialist Party was shown, and literature was sold or distributed, with IWY approval, that included "Growing Up Gay," and sexually explicit material.

In Michigan, advance notice was given to the supporters of ERA so that three of them were able to control the mikes for 50 minutes, leaving only 10 minutes for the opposition to make its nominating speeches.

In New York, pro-life women were stalled and lied to when they tried to get information from the official IWY office, one of whose employees shouted at the women, "Get your funds and have your own conference." Remember, all this was done with taxpayers' money. Pro-ERA delegates were bused to the Albany meeting from New York City by conference organizers. Information about the location of various workshops was withheld from pro-family delegates. Irregular and slow voting procedures, along with falsified staff badges, made a mockery of the voting.

In Ohio, pro-family literature tables were placed out of the way so that they were hard to find. The official slate of delegates was given preferential treatment on the printed ballots. Voting was slapdash. And critics were denied a chance to have observers present when the ballots were counted.

In Utah, there was secret registration of IWY committee members, in advance of the opening of public registration. Inadequate time was allowed for floor nominations to the national conference. Even newspapers found it difficult to get advance notice of what was scheduled.

In Virginia, the omission of pro-family women resulted in the holding with public funds—of a workshop on witchcraft. When the final voting was held, only 200 of the approximately 1,200 participants were present.

In Wisconsin, registration was lax; no identification was required. Five buses of pro-ERA women were trucked in from Milwaukee. Book displays by lesbians and the Socialist feminists shocked delegates. Pro-family women were required to resubmit already submitted nomination forms. National Organization of Women "facilitators" controlled the microphones. Official speakers were pro-ERA. Voting procedures were irregular. And by the time of the final plenary session, only 300 people were left to vote.

If Jim Guy Tucker will read over this list of horrors from the National Women's Conference of 1977, both on the State level and in Houston, he will better understand the reaction of pro-family citizens, this year, to the White House Conference on Families.

Mr. President. I also submit the following newspaper columns and editorials regarding the National Women's Conference from the Washington Post, Washington Star, Tulsa Tribune. Boston Herald-American, Chicago Tribune, and Human Events for the RECORD at this point.

The material follows:

WOMEN'S VOICES

[From the Washington Post, Nov. 18, 1977]

The National Women's Conference, which opens in Houston today, was a poor idea from the start. Such federally financed conferences, whether on women's issues or children and youth or urban policy generally give a public-relations push to ideas that don't need it and generate so much controversy over other issues that they create a public impression of even more discord than actually exists. Beyond these general liabilities, the women's conference has had special problems. Its charter, pushed through Congress by women's-rights advocates during International Women's Year (1975), directs the delegates to "identify the barriers that prevent women from participating fully and equally in all aspects of national life" and to send recommendations to the President. The trouble with that is that American men and women have so many different ideas about equality, participation and what family and cultural life should be like—as well as whether various laws defining the status of women are really barriers or shields.

The planning for Houston has not emphasized accommodation of these varying views. The conference's organizers, headed by former Rep. Bella Abzug, have advanced a "plan for action" that touches every inflammatory base. Among other things, it supports Medic aid-funded abortions, freedom in sexual matters, and federal aid for "voluntary, flexible-hour, bias-free, nonsexist, quality child care and development programs." This platform is, we believe, overloaded and doctrinaire.

In addition, the organizers have been trying to paint their opposition—including the stop-ERA forces and Mormon groups—as right-wing radicals whose views are somehow illegitimate or even dictated by men. However shrill some opposition groups may be, the drive to discredit them may wind up discrediting the meeting's sponsors and alienating some of their less ideological friends.

Why worry about any of this? The problem is that many political leaders and citizens may just sit back to watch a brawl. Some of the public's most harmful stereotypes of women in politics could thus be confirmed. That could hurt the Equal Rights Amendment and other important measures—such as reform or rape laws—whose progress depends on being generally perceived as reasonable and fair.

Moreover, such an outcome would misrepresent the real social and political changes that have occurred in the past several years. The more flagrant kinds of sex discrimination are gradually being dealt with by Congress, the courts and many states. The volatility of other issues, notably those bearing directly on the family, has been generally recognized. More and more women (and men) realize they can back the Equal Rights Amendment or the general concept of broader opportunity without endorsing all feminist rhetoric. And countless women, however diverse and sometimes tentative in their thinking, have become increasingly active and effective—not only on "women's issues" but across the spectrum of public concerns. We hope these quieter messages come through from Houston. It may take hard listening to hear them in the din.

[From the Washington Star, Dec. 18, 1977]

How Something Useful Could Have Gone on in Houston

(By Michael Novak)

Believe me, I have been trying to avoid writing on the government-subsidized meeting of 2,000 women in Houston. Right-to-Life groups have brought 20 times this many women to Washington for two days (and they paid their own way), but the media did not notice. Let the subject of a meeting be a cause the elite classes in this nation cherish with their hearts and the cameras will grind on and on. It's a national disgrace.

Five million dollars yet. Two thousand women in the pay of Daddy Government did not even invite a single leader of their opposition to speak; ran a disciplined meeting that put Richard Nixon's second nominating convention to shame; pulverized their internal opposition—and boasted to the world how liberal they are, how moral, and how beautiful.

Across town, five times as many women, not subsidized by the government, represented the counterculture. Almost unnoticed.

What is most curious about the elite conference in Houston is the dependence on government the new women insist upon. They say they are liberated. They say they are independent. But they want the federal government to pay for their meetings; to pay them $50 a day just to come; to pay for their child care; and to pay for abortions. Where would a modern woman be without Daddy?

Indeed, the real political meaning of the Equal Rights Amendment is not the symbolic emotional reinforcement it will give to those who desire redundant notice. The real political meaning is the interference it will warrant in state and local affairs by federal agencies.

Daddy is highly arbitrary, he has a temper, and he owns lots and lots of power and money. Nobody knows what Daddy will do with ERA. But those who love Daddy want him to show off in front of the others.

There are a number of urgent and practical questions that a women's congress could have looked into:

Thousands of American couples want babies. There are today far more "wanting" mothers and fathers than "unwanted" children. The thriving black market in babies is a scandal upon the women of this generation. In New York, the list of black parents who desire to adopt children is longer than the list of black babies up for adoption. Could not the woman's movement encourage some abortion prone who would so choose, to bear at least some babies for adoption? Many are "wanted" by loving parents.

Abortions are outrageously high priced. Conditions in some abortion mills are a scandal. Could not the women's movement see to it that the price is brought down (rather than ask Daddy to subsidize inflated prices)? Could not women protest against "windfall profits" in abortions? Must this grisly business be so shabbily conducted? It is, of course, as Time Magazine pointed out, something of a scandal for this generation of women that its liberty should be won through the death of the living. Could not the movement at least have the guts to depict honestly what happens in an abortion, and what it is like, instead of using surgical euphemisms?

The sexual aggressiveness of men constitutes a major difference between the sexes. As Bella Abzug said in Houston, she never saw a hotel full of women send out for call boys. What sort of social sexual code for men ought this society to develop now? Young women are under tremendous and unfair pressures. Our sexual mores are generalizing millions of personal disasters, whose effects will be felt in our children and our children's children for generations: fickleness, inconstancy, betrayal, infidelity, abandonment. Sexual confusion in our society is enormous. To those recently "liberated" from a stricter ethic, the sheer excitement of libertinism is blinding. But the fading will soon become hard to bear. Have liberated women nothing to say about sexual morals, except that lesbianism is a "sexual preference"?

Lesbians at Houston said, with pride, "we are all around you." Of course they are. In an age of sexual confusion, we may expect their numbers to increase. But the self-hatred involved in looking into the Narcissus-mirror of one's own sex will also, in time, deepen and grow. The fullness of human development lies in learning from the opposite sex. Of course, women from time immemorial have been known for being compassionate and forgiving; we did not really expect Houston to speak a word of judgment upon lesbianism. But to have said nothing at all about public sexual morality in which women and men can field a moral integrity and common understanding is a very bad omen.

Estimates for the costs of the child care desired by Houston—subsidized by Daddy—run to $25 billion a year. Are there to be no rewards from femisism, for those women who give their full time to their children, at least in the first three years of life? Is that choice, that precious service, to be treated with disdain—to be ignored? What shocking indifference to the priceless gift so many millions of women have given to their children.

Believe me, I tried not to write about Houston.

[From the Tulsa Tribune, Nov. 19, 1977]

The Costly Charade In Houston

(By Jenkin Lloyd Jones)

The International Women's Year conference, in progress this weekend in Houston, may be a very good thing for America.

Reform usually follows a reductio ad absurdum and this rigged and stocked powwow, purporting to represent a cross-section of all American female opinions, is not only morally fraudulent but probably illegal as well.

The case for illegality comes about because Congress last winter appropriated $5 million out of the public treasury to fund the conference. The Federal Advisory Committee Act of 1972 specifies that memberships in committees and meetings held by federally funded assemblies "must be fairly balanced in terms of the points of view represented" and not be "inappropriately influenced by the appointing authority or by special interest."

Indeed, last Dec. 10, Bella Abzug swore on a stack of something or other that "this is not a bill which requires the conference to project a particular point of view."

Rep. Shirley Chisholm promised that "any kind of lobbying activities would be negated," and Rep. Patsy Mink stated piously, "In the committee we were careful in accepting an amendment which restricted altogether any activities whatsoever that could in any manner, form or shape be called lobbying."

So what happened?

The International Women's Year Commission was already on record with a 35–0 vote in favor of pushing the Equal Rights Amendment. Thus the machinery got underway to fix the state caucuses so that those delegates would be elected who would insure a thunderous ERA vote in Houston.

The first move was to get ultraleftist former Rep. Bella Abzug appointed to head the conference which President Jimmy Carter duly did. How well Bella Abzug represents the views of the majority of American women has never been tested at the polls, but this summer she ran fourth in the Democratic mayorality primary in her native New York City.

Soon complaints of railroading, vote-packing and undemocratic procedures began pouring in from the state conferences. These didn't bother Bella. She stated, curtly, that such problems are "inevitable for such an ambitious enterprise" and that "all challenges have been denied."

But cats kept escaping from the bag. In New York State a complaint of bias against anti-ERA women was answered with "Get your own funds and have your own conference."

The Baltimore Sun quoted a member of the Maryland state commission as saying, "I perceive the Houston meeting as a political convention, and it has to be run like one. If we lose there we are finished."

Alas, these loaded conclaves weren't even run like political conventions. Some state convocations, ostensibly called to draw in women of all opinions, were almost secret.

In testimony last month before an ad hoc Senate committee, a Wisconsin woman said the publicity for the meeting in that state was "practically nonexistent."

A Missouri woman complained that she had to call a senator to get the time and place of the Missouri meeting.

A California witness said that not even the media had been notified. A Vermont woman described the Montpelier meeting as "the best-kept secret since Pearl Harbor," while another, in Mississippi, charged conflicting information as to time and place.

Nevertheless, opposition rose, Anti-ERA forces stormed into the Ohio, Missouri, Oklahoma and Utah meetings and took over.

This triggered a unique defense. The pro-ERA forces in Arizona created a flying squad, identified with special ribbons, to hurry from workshop to workshop, wherever a vote opposing ERA or federally financed abortion was threatened.

The National Women's Political Caucus liked this tactic so much that it recommended it nationwide. Bella Abzug is on the NWPC advisory board.

The lesbians, of course, were out in force, and one shocked spectator at the Hawaiian meeting described a pornographic skit. A "spirituality" workshop in Virginia was even run by self-proclaimed witches.

Ms. Abzug has made sure that results in Houston will be satisfactory by giving herself the power to appoint 400 delegates "at large." But it should also destroy any credibility which this charade may have enjoyed with those American women who thought it really would be an honest attempt at consensus.

It isn't the principle of the thing.

It's our 5 million bucks.

[From the Boston Herald-American, Nov. 27, 1977]

IWY RESOLVES SHOULD BE SHELVED

(By Patrick J. Buchanan)

One day soon Ms. Bella Abzug and other grizzled, battle-weary veterans of the National Women's Conference will be arriving at the White House to present Jimmy Carter with their "National Plan of Action."

If Mr. Carter is thinking of a second term, he will thank them for their work, promise to study the agenda, give the girls some milk and cookies, and send them on their way. Then he will call in Hamilton Jordan and tell him to file that 25-point "Womandate" on the same shelf where the Scranton Commission Report and the Kerner Commission Report are gathering dust.

Why? Because the National Plan of Action, adopted in Houston, points Mr. Carter in precisely the opposite direction from where the national majority is headed.

Some weeks ago, Newsweek magazine ran a cover story on the "New Conservatism" that appears to be sweeping the country. Yet, what the Houston confab produced was a warmed-over hash of the radical liberalism that generally stunk up the '60s.

Item: The Houston delegates voted almost 4 to 1 for the Equal Rights Amendment. Yet, when put to the vote in New York State, ERA was crushed by a margin of 400,000 votes.

Item: The Houston Convention endorsed abortion-on-demand. Not only does that contradict the President's commitment and convictions, it runs against the trend of court and congressional opinion.

Item: The Houston conclave approved that same sort of "gay rights" provision that Dade County rejected 2 to 1 only weeks ago.

Here is how one Florida delegate, Virginia Harland, described the "sickening . . . nauseous" scene at the Sam Houston Coliseum when the "sexual preference" plank was adopted:

"The demonstration after the vote was disgusting. Most of the pro-family delegation got up and walked out. Other delegations stood with their backs to the chair in protest. The lesbian element here was unbelievable—they were hugging and kissing each other, running through the aisles with their fists raised in a sign of militancy."

And the New York Times would have us believe those 2,000 delegates to Houston "fairly accurately reflect the general female population" in the United States.

Some of the proposals adopted, such as enforcement of the Federal Equal Credit Opportunity Act of 1974, were non-controversial. On balance, however, the National Plan of Actions reads like a political script written by Ms. Bella Abzug, ring mistress who cracked the whip at the Houston circus.

Yet we know from the returns in the New York mayorality contest that the politics of Bella Abzug are on the wane in even the most retarded of political precincts. Though she started the race with almost 40 per cent of the vote, Bella ended out of the money in the Democratic primary, running a poor fourth. The winner: An apostate liberal named Ed Koch who captured the fancy of the Big Apple with the enthusiasm with which he discussed the societal benefits of rewiring the electric chair.

On the final day of the Houston Conference, the conservatives walked. The breaking point: the convention's demand that the American taxpayer fund yet another of these feminist pep rallies in the future.

Well, on this one, once is more than enough. The National Women's Conference came about through the good offices, if you will, of Gerald R. Ford in 1975 who asked $5 million to underwrite this nonsense. Next time ignorance and inexperience will be no excuse. Any congressperson who votes another dollar of tax dollars to further this kookery should be retired—without regard to race, creed, color, sex or national origin.

[From the Chicago Tribune, Nov. 28, 1977]

TAX MONEY USED FOR RIGGED CONVENTION

(By Nick Thimmesch)

The federally funded National Women's Conference was no place for a man. Nor for any poor soul who yearns for fairness in this vale of tears or for democratic procedures.

Rather, it is a classic case of a militant minority imposing its will on the majority—the American public, in this instance—and making it pay money for the experience.

It isn't so important that the Houston delegates rubber-stamped an action plan for ERA, abortion-on-demand, lesbian rights and government-controlled child-care centers. It is important that these highly debatable questions were endorsed under the rigged auspices of the federal government at a cost of more than $5 million to taxpayers.

While it is doubtful that the Houston proclamations truly represent the national will at this time, that argument can be put aside for a more important matter: Namely, the need for taxpayers to raise hell with those gigolo congressmen who fund this kind of authoritarianism.

As one who once served on a presidential commission, I know how single-minded staffers devise "action plans," arrange for witnesses sympathetic to those plans to appear before the hapless commission and try to ram through their viewpoint.

It doesn't always work, but it evidentially did in this episode. Militant feminists bamboozled Presidents Ford and Carter, and Congress as well, to back "women's rights" (motherhood and the flag are now obsolete shibboleths), though their real purpose was to win government blessings for controversial, partisan and minority views.

In July 1976, eight months before the first state conference on women was held, a national commission published the manual that yet-to-be-elected delegates were to follow—or else. It was titled "To Form a More Perfect Union" and included arguments for virtually all the controversial issues ultimately rubber-stamped in Houston.

In early 1977, President Carter, probably to salve an old political enemy, appointed Bella Abzug to head the commission running the Houston show. That act was a green light for militants across the land to stampede the state conferences, using muscle tactics to reduce so-called traditional women to minimal or no-representation status on state delegations.

The militants used dirty tricks that would have made Watergate villains blush. In Florida they cut off nominations of traditionalist women. In Michigan they used questionable floor maneuvers to do the same. In Kansas militant bosses of the conference shut the doors to a crowd of opponents, claiming erroneously that their presence would violate fire ordinances.

In North Carolina women voted for delegates on a Saturday afternoon only to be informed by militants late that night that the election would have to be held again because one name was missing from the ballot. By then many traditionalist women had either left or were leaving for home to be with their families the next day—Father's Day. Naturally, in the election rerun, the militants won it all.

Just as revolutionaries use the shock of political theater to intimidate moderate sorts, so militant feminists did in Hawaii and California to show and frighten off "nice" ladies. In Honolulu feminists staged a program in which women in leotards performed simulated lesbian sexual acts in a pay toilet.

At the California conference dildoes, vibrators, mini-abortion kits and books on the joys of masturbation were exhibited to attendees—all to show how women could become sexually independent of men.

Well, if Bella Abzug wants to use her own plentiful supply of money to pay for this exhibitionism, that's all right. But why should taxpayers be stuck for it?

To make sure the rubber stamp couldn't be vanquished, Abzug and her fellow commission members, including Jean O'Leary, co-chief of the National Gay Task Force, were careful in their mandated selection of 400 at-large delegates to pick an overwhelming majority sharing their views. For tokenism they also chose a black, Dr. Mildred Jefferson, chairman of the National Right-to-Life Committee and a distinguished professor of medicine.

Finally, in the best sharp-politics fashion, the militants trotted out the wives of Presidents Johnson, Ford and Carter—an unwitting array of dupes—to bless their conference, Middle America style.

Here's some scolding for the press. Why did editors send mostly feminists to cover Houston when the editorial requirement surely called for the dispatch of some H. L. Mencken types? Sending feminist journalists to Houston only padded the cheering section, and most of the coverage showed it.

No matter. I don't care whether ERA is ratified or not. The issue here is whether federal money should be used to support a partisan cause. Such misuse leads to what federally funded ($56,000 per year) White House assistant Midge Constanza did in Houston—calling for the defeat of political opponents. Will we next be paying taxes to fund political vendettas?

[From Human Events, Dec. 3, 1977]

WOMEN'S CONFERENCE (FAR) OUTSIDE U.S. MAINSTREAM

(By John D. Lofton, Jr.)

HOUSTON.—Since the IWY sprang full-blown from the brow of Bella Abzug over two years ago, Sen. Jesse Helms (R.–N.C.) has been a man ahead of his time vigorously opposing the idea of a federally funded International Women's Year conference. After investigating just exactly how the delegates to this get-together were selected, and just who the people were running this show, Sen. Helms told the Senate this past July:

"Of the 42 members of the International Women's Year Commission appointed by President Carter on March 29 of this year, there is only one who opposes the ratification of the Equal Rights Amendment. There is not a single member who belongs to such groups as STOP ERA, Eagle Forum, or a Right to Life chapter. Not one state coordinating committee is chaired by a member of one of these anti-ERA pro-life groups who speak for a large number of women across this country."

Because this was so, Sen. Helms predicted that the meeting being held here would be "a rubberstamp, unrepresentative debacle" which would be used "to promote the goals of a militant feminist minority."

Well, as one who has closely watched this freakshow for the past three and a half days, I hereby give Sen. Helms the 1977 First Annual Jeane Dixon Gift of Prophecy Award.

During the time I've been here I have, not surprisingly, been in many arguments with many women about many subjects. But the one assertion I am absolutely unable to challenge is spelled out on a large sign stapled to the wall of the National Gay Task Force (NGTF) booth in the IWY exhibit hall. It reads, "We Are Everywhere!" Indeed, they are.

This conference is loaded with lesbians. It is wall-to-wall weirdos. If it is true, as the conference sponsors allege, that this Valley of the Dykes is representative of the female population at large, then 150 percent of American women are homosexuals.

Like they say, they are everywhere. How many? When I ask, a women (?) in the NGTF booth says, with a laugh, "thousands." Perhaps as many as 500 lesbians are delegates, she (?) says.

Another booth in the IWY exhibit hall, operated by a group pushing the idea that homemakers should be salaried, bears a huge banner reading: "Lesbians for Wages for Housework." I buy a booklet titled "Lesbians Organize: Wages Due Lesbians—Wages for Housework Campaign." Its cover has a Peanuts-style drawing on the cover showing Lucy and another female holding hands. The caption: "Who Needs Charlie Brown?" Another book being offered: "The Power of Women and the Subversion of the Community."

When I ask a Ms. Marshall of Black Women for Wages for Housework just how much she thinks housewives should be paid, she says $20,000 a year. When I note that 40 million women are housewives, which means that her proposal would cost a mere $800 billion annually, and ask who will pay these salaries, she is obviously bored with such details, replying:

"When you bog yourself down with petty points of an issue, you don't move, okay? The thing is when there's an issue and you have clout behind it, they find a way to do it, okay?" Right on, I say, but who are "they"? Who will pay these salaries? Well, there are "profits from corporations and money within the government," she says. Like where, I say, pointing out that the federal government is running a $50-billion deficit. Does she know this, I ask?

"Okay, that's fine," she says. "But, you look at Watergate, at the senators running the country, those corporations with profits. The money's going somewhere. I don't know where. They're saying there's a deficit but I do know there's red tape, redundance, and people taking it off the top."

When, in a parting observation, I explain that if business is saddled with an additional expense of $800 billion annually, they'll most likely pass along this increased cost of doing business to those who buy their products, people like Lesbian houseworkers, she says: "This is okay, they'd probably do it anyway." Hmmm. Never thought of that.

On my way over to the San Francisco Bisexual Center (SFBC) booth, I am handed a copy of the current issue of "Defending Women's Rights Newsletter." The back-page article is headlined: "Defend Lesbian Rights." Its author, Cheryl Adams, a New York delegate to the IWY convention, who is also the Lesbian Rights Coordinator for the Empire State's National Organization for Women (NOW).

When I reach the SFBC booth, I am handed a flyer by bisexual author Ruth Falk, promoting her book, "Women Loving".

The flyer bears an interesting promo blurb: ". . . an honest, sinewy book; its pace is electric; its shock enduring." To ignore this book, says the promo author, "would be to block out an important part of women's lives as well as our own." The promoter? Les Whitten, co-author of Jack Anderson's syndicated column.

They are everywhere. But not everything they do can be shown in a family newspaper.

The night after the IWY convention approves a lesbian rights resolution, hundreds of lesbians and their sympathizers rally outside the convention hall. A downcast Houston Chronicle photographer shows me "a great" photo he took of two women kissing. But, he says, his paper didn't run it. Oh, well, I console him, what can you expect from a publication run by white, uptight, probably straight men.

They are everywhere. When at one of the so-called "Briefings from the Top," presidential aide Midge Costanza finishes her talk and asks for questions, the first one—a statement actually—is from a woman(?) who identifies herself as a member of the Socialist Workers party and a lesbian who "refuses to compromise my rights." Costanza empathizes. She notes that in a Father's Day interview with the AP President Carter, saying "more than any President ever said before," had declared that he knew people who were taught by homosexuals and "they were never negatively affected by that." Says Midge:

"I get very emotional about this issue because I feel very strongly that you should have the right to love whomever you want. I do." Applause.

Watching Costanza's fist-waving, head-shaking, loose-mouthed macho performance, one realizes why she stays in hot water. At one point, she brags that her first act as a member of the Rochester, N.Y., City Council was to appropriate some money to clean up Susan B. Anthony's grave-site. She says that in her first life as Susan things were much more difficult. Laughter. "Yep, Jimmy and I believe in that stuff," she says. "His (the President's) error was that he made the mistake of coming back as himself." More laughter, applause.

Later, she is asked if Mr. Carter will campaign actively for ERA. Yes, he will, says Midge, and she doesn't mean just make phone calls, which she admits has not been successful. She tells how the phone call strategy backfired because those state lawmakers who were called promptly held news conferences announcing that the President could not intimidate them. Costanza refers to these legislators as "nincompoops." Laughter.

They are everywhere. But not everyone is eager to take up their cause. IWY Big Wig, actress Jean Stapleton, who plays Archie Bunker's wife Edith on "All in the Family," is asked how "Edith" would handle the lesbian rights issue. She ducks this one, telling a Houston *Chronicle* reporter: "I believe that we'd have a number of story conferences to resolve that issue." Too bad the convention didn't approach the subject this thoughtfully.

A footnote: In fairness to the other far-out crazies working this confab, it ought to be noted that lesbians and their supporters weren't the only weirdos working this gathering. Also in the IWY exhibit hall was the extreme left-wing Pathfinder Press booth which was selling a wide variety of Communist and Socialist literature including the Guardian newspaper. Outside the convention hall, free sample copies of the Communist Daily World were being given away.

Also being handed out free of charge were copies of a newspaper published by the ultra-left Prairie Fire Organizing Group of San Francisco. Last but not least, prowling the halls and holding press conferences here was Margo St. James, the head of what she calls "a loose organization," COYOTE—Call Off Your Old Tired Ethics. Pushing her favorite cause, the legalization of prostitution, St. James was passing out the program from her group's 4th Annual Hookers Masquerade Ball, held last February in—where else?—San Francisco.

It's 9:15 a.m., Sunday morning. I am about to listen to a panel of women discuss "peace and disarmament." The literature on the table is a sign of what is to come. All the material is pro-unilateral disarmament stuff. There's a press release from the Women's International League for Peace and Freedom; a "Bread—Not Bombers!" handout from the Women Strike for Peace; and a pamphlet from the Institute for World Order telling how reduced defense spending is good for the economy.

The meeting comes to order. "The reason we scheduled this thing," says Rep. Pat Schroeder (D.-Colo.), "is because women are no longer going to be observers in the area of peace, disarmament and all that. We're no longer going to be a passive rubber stamp. Arms control is not just men's work." She says something about trying to grope with the issue of why certain countries, headed by men, need certain "technological things" to parade through the streets, but don't have good health care, education, etc. Nuclear weapons are sexist.

Randall Forsberg, an "arms control specialist" from Harvard, endorses a "safe" defense policy and a "wide margin" of arms reduction (ours). She says "almost none of our defense budget goes for defense." I don't understand her explanation. But, she's from Harvard. It must be me. I never went to college.

Forsberg talks about the U.S. and the USSR having almost the same number of delivery vehicles. But she doesn't mention the tremendous Soviet advantage in so-called throw-weight, which is very important. She talks about our bombers as if all of them would be able to deliver their bombs in an attack on Russia. But she never mentions Soviet air defenses, which we lack. She talks about our general purpose forces as existing to defend Western Europe. She sounds like this isn't important. Forsberg is opposed to a "militarized foreign policy." Suddenly, I'm glad I never went to college.

The next speaker is a Dr. Helen Caldicott, introduced as a specialist in cystic fibrosis who also was very active in opposing the French nuclear tests near Australia. Or the Australian nuclear tests near France. Whatever. Sounds like the plot for a Woody Allen movie. I'll stay a while longer.

Dr. Caldicott is on the program to talk about the horrible physical effects of atomic radiation, a subject about which I was unaware there was any debate among either men or women.

Nuclear weapons are "hideous," a "diabolical force" which she has fretted about since she was 17. They are the "ultimate insanity" causing "a lot of vomiting and diarrhea," as they did in Japan. Surveys have shown Japanese women whose babies, damaged in utero, were born with tiny brains caused by radiation. The audience is silent. This pro-abortion crowd isn't too big on the problems of the unborn.

There is "no way" to survive an atomic war, says the doctor. Only cockroaches would survive. Such a war would cause "severe psychiatric consequences" for the survivors of a nuclear war, "if there were survivors." The neutron bomb is also a "diabolical" weapon, a terrible way to "kill your fellow brothers." Nixon had the Black Box taken away from him because he was "unstable" the last few weeks of his presidency. The doctors ask:

"Have any of the world's male politicians ever seen a 12-year-old die of leukemia? Obviously not. We must eliminate all nuclear weapons. Women are the civilizers of the human race. We carry life in our bellies.

The ultimate in preventive medicine is to abolish all atomic weapons." Standing ovation.

Margaret Mead is in the audience sitting in an aisle seat. I ask her if the whole IWY thing is worth $5 million? She looks at me with disdain. "Certainly," she says. "How much of a bomber can you buy for $5 million? I suggest you study how much is spent on instruments of death."

As an expert on culture, I say, do you think the IWY convention is representative of the American female population at large? She taps her walking stick on the floor a couple of times. She's thinking. She replies: "Nothing in this country ever reflects anything at large." I wonder: Does a wet bird fly at night?

It is late Sunday evening, very late. As I lie on the floor of the convention hall's Music Center watching a seven-foot clown woman on stilts playing "As the Saints Go Marching In" on a kazoo, I think of that memorable moment in the main convention hall when a delegate from Guam, speaking Guam talk, is told by the Chairthing that she was not being understood because she was, well, speaking Guam talk and there was no one to interpret.

I know of nothing I've ever agreed with Betty Friedan on. But when she says of this convention: "I have never seen anything like this," I agree. And I hope I never do again. But, if I do, I at least hope I'm not helping pay for it.

So, enough of the feel, the flavor of this phantasmagoria of nuttiness. Now to the hard facts and demographic data as regards this orgy of sexism.

Is this conference affording, as Bella Abzug predicted it would two years ago, "an opportunity for every kind of woman, representing every viewpoint, in statement of her concern"? Does this carnival of kookiness represent the kind of women who are potential recruits for the Republican party, as has been stated by former GOP National Chairman Mary Louise Smith, and former RNC Co-Chairman Elly Peterson?

Mrs. Smith is quoted by the Washington Post as saying here that GOP women "have the responsibility to show that Phyllis Schlafly is not a role model for Republican women." Well, maybe Phyllis should or should not be. That's obviously debatable. But one thing is for sure and it is this: Phyllis Schlafly is much more in the mainstream of female American thought than are the women delegates to this get-together.

If Mrs. Smith had bothered to stop by the Houston Astrodome to attend the so-called Pro-Family, Anti-IWY rally, which attracted between 15,000 and 20,000 grassroots Americans of all sexes and ages, she would have seen this. This gathering was, in many ways, the real story happening in this city. All of the people in this group paid their own way, unlike the IWY delegates who had their expenses completely financed by federal tax dollars.

How do the women IWY delegates compare and contrast with American women in the U.S. population? The following is extracted from data released by the IWY Commission itself and from information based on statistics provided the Commission by the Department of Labor, the Census Bureau, the National Opinion Research Center in Chicago, and a 1975 poll of American women taken by the Detroit-based organization, Market Opinion Research (MOR).

First, some attitudinal questions. Do you agree that "it is much better for everyone involved if the man is the achiever outside the home and the woman takes care of the home and family?" This question, which is literally the do-you-believe-a-woman's-place is-in-the-home-question, was put to a representative sample of American women by Market Opinion Research. Over half, 52%, of all women agreed. Most of the females at this conference would punch your face in if you even asked them this question.

Next: Do you agree "it is more important for a wife to help her husband than to have a career of her own?" Fifty-five percent of all American women told MOR that they agreed. Most women here would look at you like you were crazy if you asked them this question.

Finally: Do you agree "if a wife earns more than her husband, the marriage is headed for trouble?" Fifty-two per cent of all American black women agreed; 50% of all Spanish-American women agreed. One would be taking one's life in one's hand to ask such a question of the black and Hispanic women at this conference.

According to the MOR poll, the magazines most read by all American women are, in ranking order, the Reader's Digest, Ladies' Home Journal and Good Housekeeping. It is inconceivable that most of the women here read these publications with any degree of frequency. This is a Rolling Stone crowd all the way.

Now, the demographics of this convention. First, I will give the category, then the percentage of all women in this category, and then the percentage of the women delegates in this category here at the IWY conference. What the following figures show is that this convention was in dire need of one of those affirmative action-quota plans that it so enthusiastically endorsed.

Age: 16–25, in the population, this group is 22%; in this convention, 7.5%. Ages 26–55, population, 49%; convention delegates, 77.8%. Ages 56 and over, population, 29%; convention, 14.8%. Thus, younger IWY delegates, who tend to be more liberal, are significantly over-represented, while the older delegates, who would tend to be more conservative, are under-represented.

Race: in the population, 84.4% are white; this convention, 64.5%. Blacks, population, 10.4%; convention, 17.4%. Hispanic, population, 4.3%; convention, 8.3%. Asian-Americans, population, 6%; convention, 2.7%. American Indians, population, .6%; convention, 3.4%. Clearly, despite the claim of representatives of the U.S. female population at large, here racial minorities are over-represented and the majority is under-represented.

Income: Under $7,000 a year, population, 78%; convention, 23.1%. Women who make $15,000 or more annually compirse less than 3% of the population. But at this convention, 14.1% of the delegates make over $20,000 a year. This is, relatively speaking, a rich woman's conference with poorer women drastically under-represented.

Religion: Protestant, population, 65.8%; convention, 46.5%. Catholics, population, 25.6%; convention 24.2% (finally, an approximation): Jewish, population, 2.8%; convention, 8.9%.

At the beginning of its poll report for IWY Commission, "American Women Today and Tomorrow," Market Opinion Research inserts a disclaimer reading: "The views expressed in this report reflect public opinion and do not necessarily represent views of the National Commission on the Observance of International Women's Year or any other federal agency."

I'll say. Any agreement between the opinions of American women at large in this country and the opinions of those gathered here is strictly coincidental.

BACKGROUNDER: "INTERNATIONAL YEAR OF THE CHILD" UPDATE

BACKGROUND

Please refer to our prior publication, RSC Backgrounder II–1, International Year of the Child, February 9, 1979, for background information.

DETROIT HEARINGS

At the December meeting of the International Year of the Child Commission in Washington, D.C., it was suggested that they hold their public hearings in Detroit, Michigan. The site was suggested by Dr. Robert Green because he felt that they would be able to attract the minority and union voices. He stated:

"I would like to put in a plug for Detroit. We can attract testimony from sympathetic members of poor groups, union leaders and labor. We can not afford to go to a city where we do not have a great deal of support."

Please note that there was no mention at the meeting that they wanted to attract testimony from a wider cross section of America besides the poor and labor. The commission is made up of liberals who desire the testimony at Detroit to be presented to President Carter as the wants and needs of the majority of Americans, which is just not true!

Very few people were even cognizant that there were hearings on the International Year of the Child. The group giving testimony was obviously carefully selected. Dr. Robert Billings of the National Christian Action Coalition, representing over 200,000 evangelical Christians across the country, heard about the hearings. His organization speaks for over 10,000 Christian schools made up of the very children I.Y.C. states they want to support. Yet this is the account that Dr. Billings gives us of his attempt to testify in Detroit:

"I called Mrs. Carlene Bonner at Wayne State University in Detroit where the hearings were to be held. She referred me to Beulah Stewart. I called twice asking permission to gives testimony at the I.Y.C. hearings. I was definitely given the run-around the first time I called. She said that they would call me back. When I wasn't contacted I called them back only to be hassled and told that I would only be allowed to talk for three minutes at the most, and there was a chance I wouldn't be allowed to give any testimony at all. Mrs. Stewart said she would call me back. She never did. I called back twice but no one was willing to give me any information. I then asked if the proponents of I.Y.C. would only be given three minutes apiece to give testimony. I was met with dead silence."

Dr. Billings went to Detroit for the hearings but was not allowed to testify even though his request was submitted several weeks in advance and there were over 180 "slots" for witnesses. Also, a pro-family group from Maryland sought to testify, but was denied permission.

LABOR/HEW APPROPRIATIONS HEARINGS

On Friday March 9, 1979, Commission Chairman Jean Young (Mrs. Andy Young) and Barbara Pomeroy (Executive Director of the I.Y.C.) testified before the Labor/HEW Appropriations Subcommittee, requesting additional funds for I.Y.C. This request was for approximately $685,000.

Mrs. Young stated that they needed this amount because, "citizen involvement is crucial to the success of I.Y.C. Thus, much effort is being spent on fully responding to the many inquiries. The original budget projections for the commission did not fully anticipate this present degree of public interest."

Please note that Mrs. Young said that there was "much effort" to "fully respond" to the inquiries made to the commission. Yet, the Republican Study Committee has made numerous inquiries as to the exact expenditures of the various agencies to the I.Y.C. Commission and has never received answers.

Congressman Natcher (Chairman of the Subcommittee) asked Mrs. Young why a commission such as I.Y.C. should not be funded from private funds instead of public money. Mrs. Young's answer was, "The government should make a commitment to its children and thus fully sponsor the International Year of the Child. We anticipate being able to concentrate entirely on the program rather than fundraising."

As was true with the International Women's Year program, we again find federal funds are being given to support the efforts of those who favor very liberal, anti-family concepts, while the advocates of traditional family values and integrity are systematically excluded from the process.

POLITICAL ACTIVITY

During the question period at the appropriations subcommittee meeting, Mrs. Young was anything but candid about the future political activity of the I.Y.C. commission. At first she stated, "We have no plans to engage in political activity." When questioned further, she hedged and changed her statement by saying, "The Commission will not lobby until the end of the year." Meanwhile they will make recommendations to the President on national policies.

Congressman Michel questioned Mrs. Young concerning the Commission's goals on national policy. He stated:

"I can understand that you make recommendations on national policy, but then there will be those who would argue that an issue of national policy today is national health insurance. Because I have to go through these figures that you [Mrs. Young] cite, if I took them carte blanche and said because so many kids are denied medical care today, the only way you get at it is through a program of national health insurance. If you do that, boy, you are going to turn all kinds of people off.

"I don't know exactly what you have in mind here, but maybe I should warn you to stay away from specific issues. You can make recommendations in general terms that you think this is where we ought to go or where we conceive that there is a problem here, but when you get to nailing down specific issues, you are going to run ino a buzzsaw."

Mrs. Young answered: "I don't know where we are going to wind up."

To give the commission credibility, Mrs. Young said that the recommendations on national policy would not be because the commission has sat down and determined it. It would be because "we have traveled throughout the country listening to the people all over the country." If this is the case, why wouldn't the commission even allow testimony from the conservative groups at the Detroit hearings? And why were they so intent on going only to a city where they have a great deal of support and could get minority and union testimony only? The answer is very clear; the commission is biased and determined to present their liberal ideology in the form of national recommendations and make them appear to be representative of the desires and goals of all Americans.

To gain control on the local level of the I.Y.C., commissioners have contacted all of the state governors asking them to issue a proclamation declaring the observance of the I.Y.C. in their state. Many governors have done this. According to Mrs. Young the city and county officials also have responded to the request of the National Commission by issuing proclamations and establishing I.Y.C. task forces in their localities. Mrs. Young said, "We are working closely with these official state organizations." We certainly can believe that statement! For example, in North Carolina the state legislature is pushing the following bill:

NORTH CAROLINA: A CHILD HEALTH PLAN

The State Senate Bill 389 is basically a socialistic bill which would establish a "health care home." The principal goal of the bill is to improve and maintain the health of North Carolina's children and young people. The word "health" is used in the broadest sense; that is, it means not merely the absence of illness but the highest possible level of function and development. There will be a promotion of more comprehensive, higher quality, and more accessible health services to children. A principal goal is to make available to all children a continuum of primary care designed to prevent illness and promote normal development. A key concept is that of a "health care home" that provides access to all needed services.

If this bill is passed, it will also promote counseling in "parenting" and will aid parents in determining if they want a child. The proponents of the bill state that unplanned pregnancies are nothing less than tragic. The bill also would make contraceptives available to all sexually active persons, regardless of age.

The bill states, "The family alone cannot meet all of the essential needs of each new generation of children, particularly in the areas of health care and education." Thus, the government once again thinks that it can do a better job of meeting these essential needs!

On the front cover of the report accompanying the bill is the I.Y.C. logo! It is obvious that what Mrs. Young said is true in one aspect—the I.Y.C. commission is very busy on the local level!

MENTAL HEALTH OF CHILDREN

Mrs. Young made an incredible statement during her Appropriations Committee testimony. She states that 90% of the children who need mental health services do not have it available to them. She said this data was taken from the HEW publication entitled The Status of Children. In reviewing the section on mental health (pp. 102–105) there is no such documentation. What it does state is, "Precise estimates of the number of children and youth with mental health problems do not exist, in part because of varied reporting procedures and lack of uniformity and consistency in classification schemes." The National Association of Mental Health estimates that 3% of the children and youth under 18 suffer from severe emotional problems. Children with mental health problems can have services rendered to them through their school system, special child care programs, hospitals, community mental health centers or other outpatient facilities. If children do not receive these services it is generally not because it is not available to them but rather that for other reasons they do not take advantage of the services.

I.Y.C. REGIONAL CONFERENCE

The Southwest Conference on Opportunities for Children and Youth is to be held in the Astrodome Complex in Houston on September 16–18, 1979. This conference is a major government-sponsored I.Y.C. conference. The goal of the conference is to "celebrate" I.Y.C. with special focus on multiethnic cultural experiences and concerns. The conference will involve workshops and a wide variety of activities for children including foreign children who have been invited to the conference under State Department auspices. Objectives include information sharing by and with children; the generating of commitment for expanded opportunities for children, and developing recommendations for improved social policy to benefit children.

CHILDREN'S ADVISORY PANEL

According to the "Family Protection Report" the Children's Advisory Panel is working around a budget of $89,000, and is seeking donations of both money and services from corporations and other entities. Regarding the composition of the panel: about 400 applications were mailed out, and about 200 were returned. The 25 children to be on the Panel will be selected on the basis of their written responses, and according to the 10 HEW geographical regions, and on the basis of other criteria such as age, sex, special needs and experiences such as incarceration, ethnic background, socio-economic level, different family lifestyles, and different types of nominating agencies. The first meeting of this composite Advisory Panel will be May 22–24. The first meeting will not be open to the public.

At the Appropriations hearings it was stated that over 300 applications were sent to youth-serving organizations asking them to make these applications available to the young people they wished to nominate. It was also stated by Mrs. Young that applications were sent to any young person requesting one. It is questionable if this is totally correct. When a staff person from the Republican Study Committee called the I.Y.C. Commission at the first of the year, she was told that she could not secure an application for her child but rather had to get the application from an agency that would be nominating.

I.Y.C. REPORT

The I.Y.C. newsletter is a publication of the Secretariat of the International Year of the Child. The material encompasses activities from all of the countries participating in the I.Y.C. It is interesting to note the subtle biased reporting contained in these newsletters. For example, the front page has an article about the urgent need for reform within the U.S. on various issues pertaining to children. It has never been noticed that any such derogatory remark has been made towards a communist country, or even that they have any need of reform. The I.Y.C. newsletter states that in Russia, the children are the "privileged class." The following is an excerpt:

"Society's attitude to children is a yardstick for its character, humanism and observance of human rights, which begin with the rights of the child. Westerners coming to the Soviet Union frequently refer to children as the only "privileged class" in the country. The Soviet children enjoy in full the rights stipulated in the Declaration of the Rights of the Child, proclaimed by the UN General Assembly.

"Western visitors sometimes look for the reasons of Soviet concern for children in the peculiarities of the "Russian character" and in the depths of the "Russian soul" because many of them could not admit that the decisive factor is the socialist nature of Soviet society, with its motto, 'Everything for man', that is, above all, for those who make a start in life."

What unbelievable propaganda! The Soviets are saying that they have a nearly perfect environment for their children and this should be a yardstick for measuring its character and observance of human rights! It's incredible that a country with such a poor reputation for human rights could have the audacity to make such a statement, and it's just as incredible that the I.Y.C. Secretariat would print it in their newsletter.

OPPOSITION TESTIMONY FOR I.Y.C. FUNDING

On April 23rd the Labor/HEW Subcommittee on Appropriations had their public hearing concerning the International Year of the Child. At this time pro-family people were able to express their disapproval of Congressional funding of the I.Y.C. commission. There are twelve congressional Members of the Subcommittee. Congressman Natcher (chairman) was present to hear the testimonies.

Three people were allowed to testify, each representing various organizations. They included: Mrs. Barbara Pagan (representing such groups as Kentucky Pro-Family Council, Concerned Citizens of Louisville, Right to Life, Stop ERA); Liz Sadowski, State Director of New Jersey Majority Women; and Marjorie Garvey, United Nations/NGO Representative, United States Coalition for Life.

Their main concerns were that the government, through the I.Y.C., was trying to usurp the role of the family in meeting the needs of their children and to impose liberal ideology in the form of legislation that would affect everyone. They also noted that the Commission had not addressed the preamble to the U.N. Declaration of the Rights of the Child concerning legal protection before and after birth.

When Mrs. Young was questioned about the preamble, which states:

". . . the child, by reason of its physical and mental immaturity, needs special safeguards and care, including appropriate legal protection, before as well as after birth."

Mrs. Young simply said that the commission has not interpreted the preamble and therefore cannot make a statement on it!

I.Y.C. IN SWEDEN

In Sweden, in this Year of the Child, children's liberation has won a victory by a vote of 259–6 in the Swedish Parliament. The new law states that parents may not strike their children or treat them in any humiliating way. Spanking is against the law, even a whack or slap. So, too, is sending the child to bed without supper or confining the child to the bedroom for disciplinary reasons. The law prescribes no specific penalties for parents caught spanking their child, but complaints will be handled by police and social workers with referrals to family court.

The Ministry of Justice is planning a big public relations campaign that will include videotapes for children, informing them of their legal rights.

[Fiscal years]

	1978 (from April 1978)	1979 (1st quarter)	1979 (2d quarter)	1979 (3d quarter)
Funding for I.Y.C.:				
Department of Justice	$118,000			
Department of State	111,000			
Department of Health, Education and Welfare	250,000	$100,000	$209,000	$237,000

	1979 (4th quarter)	1980 (to Apr. 30)	1979/1980 (19 mo.; including appropriation request)
Supplemental appropriation request	$208,000	$477,000	$2,057,000

Congressman Eldon Rudd (R-AZ) asked to have documentation on how many federal employees were working for the I.Y.C. through federal agencies and the amount paid in salaries. Mrs. Young was unable to provide the information.

Salaries of the top seven staff positions funded by the Commission:

Barbara Pomeroy	$47,500
Diana Michaelis	38,160
Helen Schnierbeck	34,604
Lenora Taitt	32,442
Brian Anderson	32,442
Carole Kauffman	32,442
John Jones	32,442

The size of the staff and the dollars available were determined by the Office of Management and Budget.

Personnel loaned by other agencies to the National Commission for the International Year of the Child:

EARNINGS, FUNCTION, AND AGENCY

$47,500, Deputy Director, AID (Agency for International Development).

$26,500, Executive Assistant, AID.

$31,113, Visual Information Specialist, EEOC (Equal Employment Opportunity Commission).

$35,685, Administrative Office, HEW.

$27,453, Education Coordinator, HEW.

$13,013, Writer/Editor, DOA.

$47,500, Deputy Director, Department of State.

LEGISLATIVE HISTORY

April 14, 1978, President issues Executive Order 12053 establishing National Commission.

May 1, 1978, Justice Department transfers $118,000 to Commission for FY 1978 as authorized in Executive Order 12053.

May 11, 1978, a bill establishing Commission and Presidential transmittal letters delivered to OMB for Presidential signature and transmittal to Congress.

May 18, 1978, State Department transfers $111,000 to Commission for FY 1978 as authorized in Executive Order 12053.

May 24, 1978, President transmits proposed legislation to Congress authorizing Commission and an FY 1979 appropriation of $1.36 million for life of Commission. (NOTE: May 15, 1978, was Congressional deadline for introduction of authorization bills with specific appropriations.)

May 25, 1978, Sen. Sparkman, "by request", introduces President's transmittal to Senate as S. 3161. This bill referred to Foreign Relations Committee, but not assigned to subcommittee for action.

Clerk of the House prints Presidential transmittal as an "Executive Communication" and refers it to the International Relations Committee, where no action is taken. Thus, no bill is introduced in the House.

July 1978, Sen. Hollings, in Senate Appropriations Subcommittee on State, Justice, Commerce, includes $1.36 million FY 1979 appropriation for Commission in Committee markup. Subcommittee includes these funds in its report to full Senate Appropriations Committee.

July 28, 1978, in full Appropriations Committee markup of State Appropriation, Sen. DeConcini offers amendment striking Commission funding. Committee Chairman Magnuson agrees to delete on grounds that there is not yet Congressional authorization for such an appropriation.

August 7, 1978, DHEW transfers $250,000 to Commission for FY 1978, as authorized in Executive Order 12053.

August 1978, Sen. McGovern holds hearings on S. 3161 (Commission authorization) in Senate Foreign Relations Committee. Foreign Relations Committee reports out S. 3161; however, S. 3161 is not placed on Senate calendar.

September 1978, President Carter sends memo to Secretary Califano stating his concern for Commission legislation and requests his assistance in seeing that the legislation passes in the 95th Congress.

September 1978, Senate Appropriations Subcommittee on Foreign Operations deletes $1.5 million request for UNICEF's International I.Y.C. office in Geneva.

September 1978, Commission authorization legislation is attached as amendment to the Elementary and Secondary Education Act in the Senate. (The Act has already cleared the House.) At joint conference, the House receded to the Senate in this matter, thus providing Senate and House authorization for Commission.

November 1, 1978—President signs Elementary and Secondary Education Act (P.L. 95–561), which includes Commission authorization (Title XV). Legislation authorized agencies to transfer funds and personnel to Commission:

"Each agency of the Executive Branch of the Government is authorized: (1) to furnish to the commission, upon request of the Chairperson of the Commission, such information, advice, services, and funds as may be useful to the Commission for the fulfillment of it functions under this Act and (2) to detail personnel to the Commission."

September 27, 1978, Sen. Bartlett, for Sen. Helms, offered floor amendment to HEW FY 1979 Appropriation bill which would prohibit any money appropriated under that bill from being re-programmed to the National Commission on I.Y.C. This amendment was accepted in the Senate on a voice vote. In subsequent House/Senate conferences on HEW/Labor appropriations, the Senate receded to the House version, thus deleting Helms amendment.

November 24, 1978, HEW requested of, and received approval from, House and Senate Appropriations Committee Chairman to transfer $100,000 to Commission for the first quarter FY 1979.

December 15, 1978, HEW requested of, and received approval from, House and Senate Appropriations Committee Chairmen to transfer $209,000 to the Commission for the 2nd quarter FY 1979.

January 1979, President transmits to Congress request for National Commission funding vis-a-vis FY 1979 Supplemental Appropriation (for 4th quarter FY 1979) and FY 1980.

March 9, 1979, Commission Chairperson testifies before House Appropriations Subcommittee on HEW/Labor regarding Supplemental request.

March 20, 1979, Commission Chairperson testifies before Senate Appropriations Subcommittee on HEW/Labor regarding Supplemental request.

March 28, 1979, HEW requested and received approval from House and Senate Appropriations Committee Chairmen to transfer $235,000 to Commission for FY 1979, 3rd quarter.

March 29, 1979, Special hearing called by Senate Appropriations Subcommittee on Foreign Operations to review AID detail of two employees to Commission. Sen. DeConcini demanded that AID cancel these details. Alluding to July 28, 1978, Appropriations Committee deletion of Commission appropriation, he told AID that any action in support of the Commission contradicted the "wish of Congress" that the Commission receive no funds or assistance from governmental agencies. Sen. Inouye stated his "distress" in this matter.

April 23, 1979, House HEW/Labor hearings on the I.Y.C. Three people testified against Supplemental Appropriations request of $685,000.

May 10, 1979, Markup of HEW/Labor Appropriations request.

CONCLUSION

Many concerned citizens will be watching the outcome of this International Year of the Child. Taxpayer's money is being spent to support this questionable "celebration". There are many outcries from the public protesting the use of funds for the I.Y.C. As one Congressman said recently, "I hope that this does not cause us embarrassment like the 'International Women's Year'." The I.Y.C. could cause more than embarrassment for the American public. It could bring about socialistic legislation that could damage the lives of our children and the integrity of family units for years to come.

NEWSLETTER

Peter Bourne was an adviser to Carter at a time when, out of the national limelight, the Georgia Governor was showing his disregard for the family by approving legislation to give contraceptives to minors without parental consent. (See Family Planning/Population Reporter, June 1973). Bourne was also one of the figures behind the abortion cases which provided the Supreme Court with the occasion to establish abortion on demand in January, 1973.

"Lifeletter" (August 15, 1978) includes more about the Jimmy Carter, Peter Bourne. and friends:

"Bourne Again." This newsletter rarely pays attention to stories not directly connected to the abortion issue (which is our beat)—so we really have little interest in the sudden departure of Good Old Boy Dr. Peter Bourne (nor even in his parting innuendoes of a High Again White House). But Bourne is not only a charter member of what Columnist William Safire has dubbed Carter's "Magnolia Mafia," he is/was also the Kingfish of the pro-abortion clique that has surrounded Jimmy from his Georgia days. Among the other members: Dr. Robert A. Hatcher of Atlanta's Emory Univ., that veritable epicenter of pro-abortion outpourings—Bourne went to Emory, and his first wife, Judith Bourne Rooks, is still there, in the Family Planning Evaluation Division of the notorious (to anti-abortionists) HEW-financed and Emory-connected Center for Disease Control, bossed by Wild Williard Cates (who calls pregnancy a "venereal disease").

Hatcher co-authored the 1972 book, "Women in Need," a heavy-handed pro-abortion tract that carried a laudatory Foreword by then-Gov. Carter; Hatcher also ran last June's Atlanta "What's Happening" conference which pushed abortion for teenagers (some of them at least as teeny as eleven—see the full report in "Lifeletter" No. 10). And first-wife Judy was one of the chief pushers, as the tape of her June 20 "conference" with the (thankfully) few kids attending confirms (titled "Pregnancy: A Time of Decision," it "counselled" such unbiased wisdom as "Imagine what it would be like for you to go on with your pregnancy . . . picture yourself . . . being its mother and raising it and being responsible for providing for its needs . . . Ask yourself questions like 'How could I finish school?' "; and then the helpful hints: "If you have an abortion when you're eight weeks pregnant the fetus is very, very small and is not yet much like a baby . . . If you wait [until five months] . . . you deliver a fetus which looks very much like a baby"!)

Hatcher is also one of the listed "Contributors" to the HEW "Practical Suggestions for Family Planning" publication that publicized "Abortion Eve" (see "Lifeletter" No. 9)—the connections go on and on, e.g., Bourne's current wife, Mary King (No. 2 Person at ACTION—again, see "Lifeletter" No. 9) was labeled by the New York Times (way back on July 8, '76) as "A Key Carter 'Brain Truster' From the Beginning" (she is quoted in the splashy article as saying she "believes she has brought Mr. Carter around on abortion. 'I helped him understand abortion as an alternative to failed contraception,' she said, 'He had only looked at it before as an ethical issue.' ").

That isn't all the Bourne-Hatcher team has done. Back in '71–72, when the original *Roe v. Wade* (Texas) and *Doe v. Bolton* (Georgia) cases were being argued before the Supreme Court—and which provided the basis for the Court's original (in more ways than one, since the Mr. Justices discovered a "right" to abortion that has escaped the notice of every state and court for 200 years!) 1973 Abortion Cases—amicus briefs were filed with the High Court from both states. The list of "Appellants" from Georgia begins: "Mary Doe; Peter G. Bourne; Robert Hatcher"—and goes on to include, among others, Judith Bonurne and Planned Parenthood Association of Atlanta. Would you believe that the Texas list starts off exactly the same way (i.e., Bourne, Hatcher, then later Judy, PP of Atlanta and—for good measure evidently—"Georgia Citizens for Hospital Abortion, Inc.")? Obviously, Jimmy Carter's "Abortion Connection" goes way back to the very beginnings of the current battle—and there is nobody in the Carter crowd who has any such public record on the other side.

Arguing that case before the Supreme Court in 1973 was a young Texan woman by the name of Sarah Weddington. Allied with a powerful Texas Democrat, John White, Ms. Weddington moved up quickly in Washington. White became Carter's Deputy Secretary of Agriculture; Weddington became General Counsel to the Department. White became—and still is—Chairman of the Democratic National Committee; Weddington became President Carter's special advisor on women's issues. In that role, the Sarah Weddington of the 1973 abortion victory continues to shape public policy regarding the family.

While Carter claims to oppose Federal funding of abortion, for example, his Administration wholeheartedly supports it. When the Supreme Court recently allowed the order of a single Federal judge to illegally command the expenditure of unappropriated funds for Medicaid abortions, the usually sluggish and unresponsive bureaucracy under Patricia Harris at HAR, within hours, dispatched obviously pre-prepared eight-page telegrams to regional offices around the country, as if they could not wait to start the abortion mills up again.

While Carter proposes to assist families with new health programs, his HAR spokespersons are publicly opposing amendments to the Child Health Assurance Bill that would keep that program from providing abortions under the guise of assuring the health of babies.

Carter's Solicitor General, Wade McCree betrayed the Congress only days ago in his arguments before the Supreme Court concerning the Hyde Amendment. When asked by one of the Justices whether he agreed with the argument being presented, to the effect that no Federal judge can command the expenditure of unappropriated moneys, Solicitor McCree said he did not agree. He was acting, of course, as attorney for the Administration, not the Congress. Even so, he demonstrated his disregard for both the Congress and the Constitution.

Mr. HUMPHREY. In one of the crudest political payoffs of our time, Carter repaid the National Education Association for its first Presidential endorsement by leading their campaign for a Department of Education. In opposition to that special interest boondoggle, liberals and conservatives alike protested the creation of a Cabinet Department made to order for the NEA, which shows utterly no respect for family authority in education.

While Carter pushed for the Department, he brutally broke a 1976 campaign promise to assist parents who choose private schools for their children. Four years ago, candidate Carter needed the votes of Evangelicals and Catholics to win the White House. So he misled them, as simple as that. Once in office, he killed tuition tax credits with threats of a veto.

At the same time, he unleashed a totalitarian assault through the Internal Revenue Service against the Christian schools, and all other independent educational institutions. His appointees in the IRS tried to take over those schools through regulation, contemptuous of religious freedom and usurping the lawmaking role of the Congress. That is why we in the Congress had to trim the wings of Commissioner Kurtz at the IRS last year and why, in the Treasury appropriations for this year, we will do so again.

The sadness that drug and alcohol abuse can bring on a family is well-known. Yet, since the Georgia days, one of President Carter's closest advisors was Dr. Peter Bourne, an open advocate of the decriminalization of marihuana. It will be remembered that Dr. Bourne resigned from the President's staff, where he was Carter's adviser on drugs and narcotics, when it was revealed that he had written out a prescription of a powerful sedative for a fictitious person. This secretive prescription led to the arrest of a friend of Bourne's administrative assistant. When arrested, the friend was attempting to have the prescription filled for Bourne's assistant. When he resigned, Dr. Bourne was quoted as saying that the incidence of marihuana used by the White House staff itself was "high" and that cocaine use by the White House staff was "occasional."

CARTER AND THE FAMILY

If the President hopes his White House Conference will establish his credentials as a pro-family candidate, he should take a closer look at the previous years of his administration. In one area after another, he and his appointees have launched an assault on the family. That attack cannot now be covered up with sociological jargon and promising platitudes.

There is no more serious problem facing the families of America than inflation. The family savings accounts of this country have been plundered by officially stimulated inflation in order to feed the Federal flock. Year after year, the President has had a chance to choose between the family savers, family taxpayers, family consumers of this country on the one hand and, on the other, the special interest constituencies of his bloated budgets. Year after year, he has made his choice. This year, the families of America can make theirs.

Taxes on the American family are downright oppressive. Along with inflation, they have caught families in an economic squeeze that is forcing millions of mothers back into the work force. The Carter administration, seemingly blind to the plight of the family, has imposed more taxes than any other in our history. The President does not seem to realize that few families in this country can run to the National Bank of Georgia for a low-interest loan. He seems not to understand that his high-tax mania makes it impossible for families to save for their children's education or for parental retirement. He still adamantly resists tax rate reduction.

It has been more important to this President to have a monstrous Department of Energy, a Department of Education, and business as usual in Washington, a city which one reporter aptly calls "Fat City."

In education, Carter has been an unequivocal enemy of parental rights and educational freedom. One of his top appointees, Mary Berry, toured Communist China a few years ago and announced that its educational system in which the state is the dominant force—was a model for America. As a reward for that insight, Mary Berry has recently been nominated to the Civil Rights Commission, where she may want to launch a study of civil rights in Red China.

We can expect much more of that from some of Carter's judicial appointments. I have already said my piece about Patricia

Wald, and I will not reiterate it here. Suffice it to say that the nomination of Ruth Bader Ginsburg, another abortion-on-demand feminist, to the district court of appeals is in the Wald tradition. But where are Carter's profamily judicial appointments? There have been recurrent rumors that prolife judicial candidates, for example, are being systematically excluded in the selection process. Even in the absence of proof, the ideological uniformity of Carter's appointments to the Federal bench sustains, if not confirms, those suspicions.

Even in the Department of Defense, Carter appointees have revealed their antifamily bias. As Assistant Secretary of Defense for Health Affairs, Carter appointed Dr. John B. Moxley, dean of the School of Medicine at the University of California at San Diego, at which institution Moxley was notorious for his discrimination against medical applicants who refused to perform abortions. In apparent violation of California law, he administered, and boldly defended, a vicious admissions scheme designed to keep prolife students from becoming doctors.

In his nomination hearing before the Senate Armed Services Committee, Dr. Moxley promised not to do it again. He agreed to abide by the Dornan amendment to the DOD appropriations bill, prohibiting most abortions in military facilities. But the March 15, 1980, issue of U.S. Medicine reports, "DOD Warily Eyes Moves on Abortion." One of Moxley's subordinates, Dr. Peter Flynn, MC, USN, explains that the Carter Defense Department would prefer to fund abortions. "We've been pushing for a change already, but it's made no difference," he said, because the Congress keeps adding the Dornan amendment to the DOD appropriations:

> If registering and drafting women for military service were to come about, there would be more of a demand and need for abortion services, Dr. Flynn predicted.
>
> "The more dependent we become on (military) women, the more we need to ensure that the services they provide will not be interrupted," Dr. Flynn said. But he said the need for abortion services in the military has to be weighed against moral and economic arguments opposing the provision of those services. "It's a very difficult question."
>
> "I would have to guess that the economic issue is not important when the debate is emotional in Congress. It's ironic that (Congress) is using an economic tool to accomplish what couldn't be accomplished in the courts, Dr. Flynn related.

Business as usual in the DOD health affairs bureaucracy.

Dr. Flynn's astoundingly crude assessment of military women, the draft, and abortion is appropriate in the administration of a man who, as Governor of Georgia, authored the preface of a book, "Women in Need," advocating abortion as a necessary part of equal rights for women.

In short, Jimmy Carter plus Dr. Peter Flynn equals disaster: To be equal, women must be drafted; and having been drafted, they must be kept on active duty through abortion. I wonder what Jim Guy Tucker thinks of that schema for the future of military families.

Paralleling its assault on the American family, the Carter administration has launched the first official campaign against religious institutions in our country's history. One instance could be a bizarre blunder. One instance after another is a pattern of mean determination.

Under Carter, the Department of Labor has illegally attempted to transform church schools into nonreligious institutions by compelling them to place their employees under State unemployment compensation systems. Secretary Marshall contends that he, not pastors, will decide which workers are performing religious duties, and which are performing secular work.

The National Labor Relations Board has attempted to classify church-related schools as nonreligious institutions, so that their teachers can be brought under the coverage of national labor laws. These schools are the same ones which Carter insists are agents of religion, when he opposes tuition tax credits as a possible form of "aid" to those schools.

The Carter administration has launched a vendetta against Judge Marion Gallister, a Federal judge in Idaho whom the Attorney General has sought to disqualify from a case involving the equal rights amendment on the sole ground of his religion. He happens to be a Mormon. Therefore, for the first time in the annals of American jurisprudence, the Department of Justice has used a judge's denominational affiliation as a basis for seeking his removal from a case. Which denomination, we may ask, is next in line for disqualification by this administration.

The President is a praying man; he has made that all too publicly plain. That is why his extremist position against voluntary school prayer came as such a surprise. He has threatened to use the full force of his Presidential veto against any congressional action overturning the Supreme Court's decision in Engle against Vitale, outlawing school prayer. Earlier this year, a delegation of religious leaders met with the President in the White House and came away with the impression that the President shares their views on this matter. No sooner was the door closed on them, however, than a Presidential spokesman was setting the record straight: the Carter administration remains unalterably opposed even to voluntary devotions in the public schools.

Now we can understand why a House-passed amendment to the bill creating Carter's Department of Education, an amendment which mentioned school prayer as one goal of the Department, was killed in conference before the legislation was sent to the President for his signature.

Carter's Department of Health and Human Resources is unmercifully badgering Grove City College, a Christian college in Pennsylvania, insisting that it abide by all Federal education regulations or lose its Federal funds. But Grove City does not accept any Federal funds. It also, by the way, does not discriminate, as even the functionaires at HHR admit. It simply insists upon its total independence, as a Christian institution, from the power of the Government. Carter's appointees cannot abide that, and they have dragged the Christians of Grove City College off to the judicial arena for combat.

Perhaps the greatest insensitivity the President has shown toward the values and traditions which underlie and sustain the American family was his appointment, in 1977, of Jean O'Leary as a member of the National Commission on the Observance of International Women's Year and his appointment of her, in 1978, as a member of the National Advisory Committee for Women, to counsel the President on Government policies affecting women.

At the time of her first appointment, Jean O'Leary was coexecutive director of the National Gay Task Force. By her own admission, she is a militant lesbian. What she was doing advising a President of the United States on the problems of American women I will never know. But we do know the kind of advice Ms. O'Leary has put in print. Her name appears on the cover of "A Lesbian Guide," prepared by the National Gay Task Force and, be it noted, "officially approved by the National Commission on the Observance of International Women's Year." In other words, President Carter's Commission gave governmental sanction to this discussion of, among other things, "Why lesbianism is a woman's issue."

In another forum, Ms. O'Leary (and a coauthor, Ginny Vida) discussed "Lesbians and the Schools." I reluctantly submit their article for the Record, regretting that this is the only way we can document just how shocking are the views of one of Mr. Carter's top advisers on American women:

Lesbians and the Schools

(By Jean O'Leary and Ginny Vida)

The sex role stereotyping promoted in all areas of our educational system is doubly oppressive to the lesbian. Not only does she learn that she is inferior because she is a woman; she also sees that as a woman who loves other women, she is labeled "sick" in psychology texts and is encouraged by school counselors to direct her love energies toward men.

In adolescence, she finds no outlet for her emotional and sexual feelings. She is told in sex education course that she is going through a stage she will outgrow. Young women have virtually no visible role models to counterbalance the heterosexual programming in our schools and are constantly subjected to stories of Dick and Jane in every form. Since all women are conditioned in this manner, it is no wonder that they find it difficult to think in any terms other than heterosexual marriage. The struggle for equality of women must be extended particularly within the system to include control over our entire lives, especially our sexuality.

There are many lesbians in our schools, too many for us to ignore any longer the problems which the educational system poses for them. The schools must no longer deny students and faculty the right to acknowledge their lesbian identities openly and seek out intelligent information about themselves.

Specifically, there is an urgent need for changes in the following areas:

> Counseling: School counselors should be required to take courses in human sexuality in which a comprehensive and positive view of lesbianism is presented.[1] (Colleges which do not offer such courses ought to design and provide them.) Lesbians as well as heterosexual counselors should be represented on the guidance staff.
>
> In addition, the names and phone numbers of gay counseling services[2] should be made available to all students and school psychologists. Students should be given the opportunity, if they so desire, to contact these agencies.
>
> No school counselor should ever refer a student to a psychotherapist for the purpose of changing her/his sexual preference from gay to straight. Such conditioning conveys to the student that her/his feelings of love are unworthy and unacceptable; it causes immeasurable conflict and ego damage, and can never be done in the name of mental health.
>
> Sex Education: Courses in sex education should be taught by persons who have taken the human sexuality courses already mentioned. Students will thus be encouraged to explore alternate life styles, including lesbianism. Speakers from local lesbian organizations should be invited to these classes so that students can have their questions answered firsthand.
>
> Textbooks which do not mention lesbianism or which refer to it as a mental disorder should not be used in sex education courses. At the very least, teachers should expose the misinformation in these texts and provide additional reading material which includes a fair and positive view of lesbianism.
>
> Lesbian Studies: Schools should set up lesbian studies programs in connection with women's studies programs to foster pride in the adolescent lesbian and to show heterosexual students that lesbians have made significant contributions to society. Learning about these contributions would foster positive feelings on the part of all students.
>
> Libraries: School libraries should be supplied with bibliographies of lesbian literature and urged to purchase novels, stories, poetry, and nonfiction books that portray the joy of women loving women. The use of these books should be encouraged in literature and history classes.
>
> Lesbian Clubs: Lesbian clubs should be established in the schools. These clubs would foster a community spirit among lesbians, who up until this time have been isolated due to the pressures of society. Such organizations would help lesbians to develop pride in their life styles, and to help overcome the prejudice of heterosexual students and faculty.
>
> Recommended Nonfiction Books:
>
> *Lesbian Nation*. Jill Johnston, Simon and Schuster, New York, 1973.
>
> *Lesbian Women*. Del Martin & Phylis Lyons, Glide, San Francisco, 1972.
>
> *Sappho Was a Right-On Woman*. Sidney Abbot & Barbara Love, Stein & Day, New York, 1972.

No wonder, then, that the National Plan of Action adopted at the National Women's Conference in Houston in 1977—and completely underwritten with public revenues—called for:

> SEXUAL PREFERENCE
>
> Congress, State, and local legislatures should enact legislation to eliminate discrimination on the basis of sexual and affectional preference in areas including, but not limited to, employment, housing, public accommodations, credit, public facilities, government funding, and the military.
>
> State legislatures should reform their penal codes or repeal State laws that restrict private sexual behavior between consenting adults.
>
> State legislatures should enact legislation that would prohibit consideration of sexual or affectional orientation as a factor in any judicial determination of child custody or visitation rights. Rather, child custody cases should be evaluated solely on the merits of which party is the better parent, without regard to that person's sexual and affectional orientation.

In the context of the abominable record of the Carter White House during International Women's Year, is it any wonder that millions of Americans dread the outcome of the upcoming Family Conference?

THE BIG LIE: BLAME EVERYTHING ON "THE RIGHT WINGERS"

True to the pattern of the last 3 years, the Carter administration has found someone else to blame when things go wrong. This time, the scapegoat is "The Right Wing," which seems to mean anyone who is pro-life, anti-ERA, opposed to legalized privileges for homosexuals, skeptical about Government meddling in the family, and suspicious of politicians who want to take over child-rearing and spouse counseling. In other words, most Americans. Welcome, everybody, to "The Right Wing."

An example of this scare tactic is a memo to executives of the Family Service Association of America in Ohio. It was written by Robert M. Rice, Ph.D., Director of Policy Analysis and Development of that Association and a Carter appointee to the White House Advisory Committee.

In fact, Dr. Rice is even more than that. According to the White House Conference on Families' own description, he is "the founding Chairperson of the Coalition for the White House Conference on Families." In the business world, such arrangements would give the appearance of an interlocking directorate.

According to Mr. Rice:

> The attached material on the New Right should be of particular interest to Ohio [Family Service] agencies. In the week of January 20, 1980, Ohio plans 88 county meetings on families. These county meetings will strongly influence the statewide conference scheduled for March 15th. Moreover, Ohio is unusual in electing 50 of its 75 delegates to the White House Conference. This combination of factors—a large state, a high proportion of elected delegates, an early schedule—may be particularly attractive to New Right mobilization.

Who is plotting now?

Further along in his memo, Mr. Rice warns:

> The New Right has demonstrated its ability to capture public attention. When this occurs, the more experienced views that family service agencies and others represent will have difficulty being heard.

What an admission. When profamily people get the public to pay attention to what they have to say, Mr. Rice and his colleagues cannot be heard. I wonder why. Perhaps it is because their own views cannot stand public inspection.

Nonetheless, Mr. Rice continues:

> The general direction of the Pro-Family Coalition is negative to services which offer supports to families.

In short, those folks disapprove of the Government programs which keep social service professionals in business.

There is, in fact, considerable skepticism about the efficacy of some of the social services provided in federally funded programs. And that wariness is not dissipated by such overt hostility as shown by Dr. Rice's memo or, for that matter, by his inclusion among "the ground rules for policy development" concerning the family this recommendation:

> That policies should support satisfaction in marriage, and termination of marriage when personal satisfaction is unavailable. ("Exploring American Family Policy," *Marriage and Family Review*, II, 3, 1979)

"Personal satisfaction." That just about sums up the value system of many professional social service activists these days. And it is another reason why pro-family Americans are mobilizing to protect their homes against the conference.

WHAT CAN WE EXPECT FROM THE WHITE HOUSE CONFERENCE ON FAMILIES

From past experience with Carter conferences, we can make the following predictions about the White House Conference on Families:

When delegates arrive at the conferences, professional managers, trained by the Coalition for the White House Conference, will already be in place, acting with authority.

Pro-family delegates will be split up, assigned to different workships, given scattered seats, in order to keep them from acting together.

Conference officials will repeatedly use technical points, obscure rules, unilateral command decisions, in order to prevent pro-family delegates from raising their questions and making their proposals.

In the weeks immediately preceding the conferences, there will be a last-minute media blitz by Jim Guy Tucker accusing—who else?—"the Right Wing" of trying to wreck the Conference.

There will be pre-arranged resolutions and draft statements, prepared by personnel of the National Advisory Committee, the Coalition for the White House Conference, and their trained State coordinators. These will, in effect, lay down the parameters within which the delegates will have to work.

When it is time for the delegates to vote, their ballots will not be counted in a normal democratic procedure. Instead, those in charge of the conferences will improve a voting scheme that only an IBM computer could understand. Votes will be "weighted," to indicate not just numbers but the importance or intensity of the issue.

The resolutions of the conferences, presented to the Nation by the National Advisory Committee, will call for more Federal programs, more spending, more agencies. They will not endorse tax cuts, school prayer, an end to forced school busing, a human life amendment, a crackdown on crime and drug abuse, deregulation of the economy, educational freedom, parental rights protection in Federal programs, or other concerns of the majority of American families.

Nothing decided by the conference will in any way exclude homosexual couples, temporary roommates and commune dwellers from Federal programs and benefits for families.

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[1] Homosexual Community Counseling Center (Workshops) 921 Madison Avenue, New York, N.Y.

[2] Ibid.

Jimmy Carter will use the recommendations of the White House Conference on Families as an endorsement of his administration and will turn the Conference report into a reelection gimmick.

CAN THIS CONFERENCE BE SAVED?

There is only one way to salvage the White House Conference on Families. That is to immediately stop the exclusions, stop the rule rigging, stop the wild accusations. Let the people of the States elect the delegates to the conference. Reject those delegations that have been handpicked by State Governors to give topheavy representation to social service professionals, to the exclusion of honest-to-goodness family folks.

I failed to mention earlier that, in one of its first sessions, the National Advisory Committee on the White House Conference on Families exercised a different kind of exclusion. The committee decided which cities should host the three summer conferences: Baltimore, Minneapolis, and Los Angeles. Fine. Good cities all.

But why not a southern city? Why not, as Coretta King proposed, Atlanta? Or as she did not propose, Miami, Raleigh, New Orleans, or Mobile? As was pointed out to Mrs. King, Georgia has not ratified the equal rights amendment. Of course, it was unacceptable for a White House Conference on Families.

That incident early on revealed the predestined course of the White House Conference on Families. The President's National Advisory Committee showed its antipathy for those States which refuse to assent to ERA. Who inhabits States like Georgia? American families, that is who; and it is a pity that the President's Advisory Committee could not treat them with respect, regardless of their views on ERA.

If the President wants to save his conference, at this late date, he should use his authority to add another city to the list of conference sites, a city in a non-ERA State.

If the President wants to save his Conference, he should give Jim Guy Tucker a little help by appointing a cochairman, a woman, a pro-family leader.

Many names come to mind. State Senator Eva Scott of Virginia, State Senator Donna Carlson of Arizona, State Senator Anne Bagnal of North Carolina, State Representative Mary Pegg of North Carolina, Dr. Carolyn Gerster, president of the National Right to Life Committee, Dr. Mildred Jefferson, past-president of the National Right to Life Committee, Connie Marshner, editor of the Family Protection Report, Jo Ann Gaspar, editor of the Right Woman, Phyllis Schlafly, founder of Eagle Forum, Kathleen Teague, executive director of the American Legislative Exchange Council, Beverly LaHaye, nationally known pro-family activist, Dr. Jacquelin Kasun of Humboldt State University of California, whose scholarly exposé of the decadence of contemporary sex education courses has sparked a national movement to clean up the classroom.

Any of these ladies, given a role in this federally funded program commensurate with the public approval of the views they represent, would provide a badly needed administrative balance to this now lopsided affair.

As things now stand, the proceedings are to be thoroughly rigged. With Federal funds this White House project is constituted in such a way as to enable those running the show to claim that the conferences represent the views of delegates selected by a process in which all Americans were free to participate. In reality, the national conferences appear certain to be procedural monstrosities, just as so many of the State conferences were. The invited speakers will win national headlines for their paeans to ever bigger Government bureaucracies meddling in the lives of American families. The elected delegates will have no role in determining the rules of procedure or who will be invited to address the conferences. The official reports of the conferences will be written long after the delegates have returned to their homes. And through the entire process, the main decisions about rules, agenda, invited speakers and conference staff will be made by a centralized bureaucracy led by executive director John Carr, a board member of the Americans for Democratic Action. What a travesty.

I would like to close this rather lengthy discussion with one more article, this time from the Washington Star of April 27, 1980. It is a rather flattering portrayal of Jim Guy Tucker. In fairness to him, I think it should be included.

And in fairness to the families of America, too. For this article makes clear that Mr. Tucker has a rather peculiar view of our tax system. More than that, it is, as far as I know, the first public admission by Mr. Tucker that he deliberately changed the conference rules to thwart the growing participation by pro-family citizens. According to the article:

> As soon as the selection of its delegates started, the anti-abortion and anti-ERA forces threatened to turn it into an election-year hazard. (Remember, please, my earlier comments about the Conference being a reelection gimmick.) But Tucker and the conference staff devised a way to at least partially counteract the conservative forces—by allowing at-large delegates to be selected by governors.

DOES JIM GUY TUCKER'S FUTURE PIVOT ON SUCCESS OF WHITE HOUSE CONFERENCE ON FAMILIES?

(By Pat Lewis)

> He has the Kennedy charisma, Robert Redford's good looks, Lyndon Johnson's "let us reason together" political manner and Richard Nixon's ambition.
>
> Some say he's too good looking, too ambitious, too slick to be trusted.
>
> Others say he's too good to be true. They are the ones who, aware of diehard mistrust of politicians, emphasize that he is smart and "substantive."
>
> But no one denies that Jim Guy Tucker, chairperson of the White House Conference on Families, is a political animal from a political family. (His sister, Carol Tucker Foreman, is assistant secretary of agriculture for food and consumer services.)
>
> His father was Arkansas state auditor and later state director of the Social Security Administration. One grandfather was state commissioner of mines and agriculture. The other was a county judge who lost his post in the '30s to Wilbur Mills.
>
> When he was 8, Jim Guy Tucker distributed campaign brochures on election day in front of the firehouse in Little Rock. When he was 16, he campaigned in Florida and Texas and got himself elected international vice president of the Key Club. At 28, after graduating from Harvard and freelancing as a correspondent from Vietnam to Arkansas newspapers, he couldn't decide whether to go back to law school and study tax or go into politics.
>
> He took a stab at politics and was elected district attorney. In 1973, at 33, he recovered a little familial honor and won Wilbur Mills' seat in Congress. He also managed to get a seat on the Ways and Means Committee, which is unusual for a freshman.
>
> Then he made a mistake in strategy. After one term in Congress, he decided to run for the Senate. He lost in a primary run-off to David Pryor, who accused him of being too liberal and pro-labor.
>
> The governor's chair was won by another young Democrat, Bill Clinton, who is expected to remain there several more terms. In the meantime, Tucker started his own law practice in Little Rock and accepted a partnership in the Washington firm of Lobel, Novins and Lamont.
>
> This year he could have tried to win back his old congressional seat, now held by a Republican. Instead, he accepted the chairmanship of the White House Conference on Families. The part-time job has filled his career gap nicely—and exposed him to a new realm: the nation.
>
> Grass-roots hearings on the family were held in seven states, and this summer the conference on the family will be held in threo cities—fulfilling one of Jimmy Carter's campaign promises in the old Carter campaign style of taking it to the people.
>
> Jim Guy Tucker chaired all but one of the regional hearings—meeting thousands of "real voters." He acknowledges that the exposure could benefit him politically, but says he has not capitalized on it.
>
> At first, observers were puzzled at his appointment. He admittedly is not an expert on the family and many people have had more administrative and political experience.
>
> His congressional work and legal practice have included work on social security, taxes and utility companies. He says he has dealt with legislation that affects the family—but then, so has every member of Congress and most for a longer period of time.
>
> No, it was clearly his charisma, his political tact, that made him a prime candidate for the job, which at that time was a simmering political disaster.
>
> Patsy Fleming, who was the first conference chairperson, resigned after conservative groups screamed about a divorcee heading the family conference. That was only the beginning.
>
> When Wilbur Cohen, the second chairman, resigned because of ill health, Sargeant Shriver was offered the job. But after several weeks of deliberation, he turned it down, saying he couldn't devote full time to it. Jim Guy Tucker accepted the job within 10 days, says Stuart Eisenstat, presidential domestic adviser.
>
> Upon taking it, Tucker sarcastically remarked that he was the wrong guy because "I don't have a dog or a station wagon." But he does represent the changed American family. Five years ago, he married a divorced mother of two, and now he and his wife have a 4-year-old daughter.
>
> According to his mother, Willie Maude Tucker, Tucker is a strict disciplinarian. "The 16-year-old rebels sometimes, but once she says she's going to do something," Mrs. Tucker says, "Jimmy won't let her change her mind."

Grandmother Tucker does maintain, however, that their youngest offspring, Anna, is spoiled. "While they were in Washington, Jimmy worked from 7 a.m. to 9 p.m.," she says. "When he got home, they'd wake up Anna, play with her and put her back to bed."

In Little Rock, where Betty and Jim Guy Tucker are restoring an old house, Betty, once the wife of San Diego Charger wide receiver Lance Alworth, is studying law full-time. Anna spends part of the time in a child-care facility at the University of Arkansas and with her teen-age sister and a college student who lives with the Tuckers.

Jim Guy Tucker has long been familiar with the child-care problems of working couples.

His mother owned three Merle Norman Cosmetic studios while Jim Guy and his two sisters were growing up. The only way to take care of her children was to take them to work with her. When 5-year-old Jim Guy balked, she promised him apple cobbler and that he could cross the street by himself to get it. So he packed up his metal soldiers and went off to work with his mother.

When he was a little older, his mother took him on the Little Rock city bus and showed him how to get from home to the library and back. He and his sister Carol spent a lot of time in that library, each reading 25 books per summer.

Later he spent the summer at camp and when he was old enough, became a camp counselor. (He was hired by camp director Jack Watson who has since become secretary to the Cabinet and assistant to the president for intergovernmental affairs.)

The Tucker children all turned out political. "When they were growing up, we talked politics and little else," says Jim Guy's mother. "And we still do."

Jim Guy's sister, Frances Tucker Kemp, was the first woman elected to her local school board and was part of a small group of people who set out to destroy Arkansas governor Orval Faubas. That was the first and last time a Tucker voted Republican—for Winthrop Rockefeller—says Carol Tucker Foreman.

"I get a lot of yak around there about Jim being a liberal and Carol running the give-away program," says Willie Maude Tucker. "But around our house we always taught them to live and let live and that I am my brother's keeper."

Tucker says he is morally opposed to abortion, but he did vote for government funding of abortions for poor women where there is a threat to life or health of the mother. He supports ERA but voted against the deadline extension.

He sees abortion as only one of several problems that face the family.

For instance, he points out part of the tax code that provides a $1,000 deduction for each dependent. "I'm in the 50 percent tax bracket; that means each one of my kids is worth $500 on my tax return. The family down the street is probably in the 20 percent bracket and only gets $200 for each child they have.

"It's one thing to look statistically at how taxes work out," says Tucker, "but it's another when you sit there and realize you are living next door to someone, and the United States government has adopted a policy that tells me my kids are worth more to me than his kids are to him. I can't see justification for the government telling one man his children are worth more than another's. But that's not been something we've heard a lot of testimony about."

What will become of Jim Guy Tucker? His mother wants him to continue to practice law in Little Rock: "He knows I think a political job is insecure. And a politician has to cater to special interest groups. I think I'm just as important to think about as the utility companies, the milk companies, the U.S. Chamber of Commerce. My experience up there tells me there are more lobbyists in the halls of Congress than congressmen."

But keeping Jim Guy Tucker in Little Rock would be like keeping Phyllis Schlafly at home.

He says he likes politics and that he'll run for office again. One of his supporters speculates that if the family conference comes off without too much confusion and with somethink concrete to recommend, and if President Carter wins reelection, Tucker could make Secretary of Health, Education and Welfare.

His immediate future certainly pivots on the success of the conference. As soon as the selection of its delegates started, the anti-abortion and anti-ERA forces threatened to turn it into an election-year hazard. But Tucker and the conference staff devised a way to at least partially counteract the conservative forces—by allowing at-large delegates to be selected by governors.

And in true LBJ style, Tucker went to work trying to get opposing sides to agree on something about the family.

There has been a lot of talk about how he has brought opposing forces together to testify shoulder-to-shoulder, how he has shown them that they can agree on some issues even though they have violent disagreements about others.

Whether or not the divisive forces will come together to work on the things they can agree on, which is Tucker's hope for the conference, remains to be seen.

Mr. HUMPHREY. I hoped that every journalist, every religious leader, every civic leader, every academician in the country takes a good look at that favorable summary of Mr. Tucker's handiwork. This is how far we have come with the Carter administration: its appointees boast about how they keep the people from interferring with the President's plans.

In just a few more months, however, the families of America will have an opportunity to pass final judgment on the plans of President Carter, Mr. Tucker, and the administration which has turned public policy over to the likes of Bella Abzug, Jean O'Leary, Mrs. Andrew Young, Dr. Peter Bourne, Jerome Kurtz, Sarah Weddington, Drs. Moxley and Flynn, and John Carr.

CONCLUSION

Growing numbers of Americans are outraged by the series of Carter White House projects on topics related to the American family. Taxpayers in large numbers have written me to ask why they should be forced to provide a platform for the social service bureaucrats and assorted counterculture zealots. I am asked why taxes pressed from the flesh of our Nation's families should be put at the disposal of Bella Abzug and her successors who have run the bizarre series of White House "commissions" relating to the family.

The White House Conference on Families will spend at least $3,050,000 from the U.S. Treasury. Why this Federal expenditure? The social service bureaucrats and leftist pressure groups who have such influence on the Carter administration would have been perfectly free to hold as many privately funded gatherings as they wished. But they wanted official status, and they wanted taxpayer funds.

The track record is plain for all to see. The aim of those who have control of these White House projects has been to increase Government involvement in family matters which traditionally have been outside the scope of Government. Gay rights, kiddie rights, abortion on demand, Government child care centers, and ever larger numbers of Government bureaucrats purportedly "helping" people by taxing away the resources of families: these are all part of the pattern.

If these White House gatherings were entirely composed of appointed leftists, the political value would be much less. Then Mr. Carter would certainly be blamed for all the wacky, counterculture goings-on at the "conferences." Thus, for political reasons, it was desirable to give the appearance that these meetings were grassroots gatherings. No doubt the theory was that leftist agitation at a grassroots gathering, in which all Americans were free to participate, would not be blamed on Jimmy Carter.

So the leftist pressure groups and the social service bureaucrats obtained Federal funds and the prestige of the White House affiliation. They also obtained operational control of the procedures at the gatherings. For his efforts, Jimmy Carter obtained the gratitude of the leftist activists whose pet causes are advanced at the conferences.

What did the American family obtain? Antifamily propaganda and the bills for the cost of these extravaganzas. In addition, scores of thousands of Americans who strongly support limited government and traditional precepts felt obliged to take time away from their families and to travel to these rigged conferences. Rather than let the boosters of bigger government claim that freely elected delegates from their States support vast new Government social programs, hard-working middle-class Americans spent their own time and money for the privilege of sitting through hours of mostly one-sided speeches by antifamily propagandists. For their pains, these participants—who oppose the Government programs that Bella Abzug, Jean O'Leary, the National Gay Task Force and the Americans for Democratic Action are trying to foist on the American people—are accused of being interlopers and of trying to "take over" the gatherings.

I firmly believe that these White House programs will prove to be a political boomerang to Mr. Carter and those who hope to push America toward more government involvement in the family.

The biased issue content of these gatherings and the undemocratic procedures by which these State and national conferences have been run have offended and activated hundreds of thousands of Americans. Voters are having their eyes opened by these highly publicized excesses. We did not need these conferences. The counterculture activists and the social program bureaucrats thought they did. For Mr. Carter, the infuriating results for taxpayers and families are proving to be a political disaster.

As to the upcoming White House Conference on Families, there is no need for it. The problems and burdens of the

American family are painfully obvious: Searing inflation, punitive taxation, breath-taking interest rates, declining quality of public education, and the encouragement of decadence by governmental institutions. The last thing the American family needs now is more meddling from President Carter and his legion of social engineers. Let the Government attend to getting its own house in order, so that families can have some chance of economic survival. Most American families ask no more and want no more.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider certain nominations on the Executive Calendar, which I will enumerate after going into executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

REMOVAL OF INJUNCTION OF SECRECY

Mr. ROBERT C. BYRD. As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from the Food Aid Convention, 1980 (Executive G, 96th Congress, 2d session), and the Convention on the Physical Protection of Nuclear Material (Executive H, 96th Congress, 2d session), both of which were transmitted to the Senate today by the President of the United States, and ask that they be considered as having been read the first time, that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Food Aid Convention, 1980, adopted by a conference of Governments at London on March 6, 1980, and open for signature in Washington from March 11 through April 30, 1980. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Convention.

The Convention replaces the Food Aid Convention, 1971, and together with the Wheat Trade Convention, 1971, constitutes the International Wheat Agreement.

The new Convention commits an increased number of members to provide greater minimum annual quantities of food aid to developing countries. The United States commitment is 4,470,000 metric tons, as compared with a commitment of 1,890,000 metric tons under the 1971 Convention. Either amount is well within the limits provided for by the Agricultural Trade Development and Assistance Act of 1954, P.L. 480, at least through FY 1980. Implementing legislation is therefore unnecessary unless the FY 1981 P.L. 480 budget proves insufficient. The Convention also provides for the consideration of increased food aid during a period of production shortfall in developing countries. However, increased food aid contributions by members would be voluntary, not mandatory.

The Convention will enter into force on July 1, 1980, if by June 30, 1980, the 11 members referred to in Article III have accepted it in accordance with its terms. It will remain in force for one year, provided that the Wheat Trade Convention, 1971, or a new convention replacing it, remains in force for that period. If the Wheat Trade Convention is extended, this Convention may be similarly extended.

I hope that the Senate will give early and favorable consideration to the Food Aid Convention, 1980, so that ratification by the United States can be effected at an early date. Doing so will demonstrate our continued commitment to providing food aid to needy developing nations.

JIMMY CARTER.

THE WHITE HOUSE, *May 9, 1980.*

To the Senate of the United States:

I submit herewith, for Senate advice and consent to ratification, the Convention on the Physical Protection of Nuclear Material. This Convention was adopted at a Vienna meeting of government representatives on October 26, 1979, and was signed by the United States on March 3, 1980. The Convention establishes an international framework for improving the physical protection of nuclear material during international transport as well as for international cooperation in recovering stolen nuclear material and in responding to serious offenses involving nuclear material.

The United States has been a leader in the international campaign to prevent the proliferation of nuclear explosive devices. The Congress and I have cooperated in enacting the Nuclear Non-Proliferation Act of 1978 to strengthen this critically important effort.

The Convention on the Physical Protection of Nuclear Material was a United States initiative called for by that Act. It complements our non-proliferation efforts by dealing with threats to nuclear material that may arise from terrorist groups. This is a gap in the current international structure, and I urge the Senate to act expeditiously in giving its advice and consent to ratification. I also transmit herewith, for the information of the Senate, the report of the Department of State concerning the Convention.

JIMMY CARTER.

THE WHITE HOUSE, *May 9, 1980.*

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following nominations on the Executive Calendar beginning with the Judiciary on page 2, continuing through the Department of Justice and the Department of Commerce on page 3, but omitting the Federal Reserve System on page 3, resuming again with new reports on page 4, and continuing through page 5, page 6, page 7, page 8, and all the nominations on the Secretary's desk on page 8 and page 9.

Mr. BAKER. Reserving the right to object, I will not object, the purpose of the reservation is to provide an opportunity to advise the distinguished majority leader that all the items on the Executive Calendar identified by him just now are cleared on our calendar, as well, and we have no objection to their consideration and confirmation.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, I overlooked three others cleared on this side, they being shown on page 2 under National Railroad Passenger Corporation.

Mr. BAKER. Mr. President, reserving once again, those three items also are cleared on our calendar.

Mr. ROBERT C. BYRD. I thank the minority leader.

NOMINATIONS OF ODELL HORTON AND JOHN T. NIXON

Mr. BAKER. Mr. President, it is an honor for me to recommend the Senate's confirmation of two outstanding jurists to serve on the Federal bench in Tennessee.

Odell Horton has been nominated as U.S. district judge for the western district of Tennessee, and John T. Nixon has been nominated for the U.S. district judgeship for the middle district of Tennessee.

Mr. Horton has been an active member of the Tennessee bar for more than 20 years, engaged first in private practice, and later serving in the U.S. attorney's office for the western district of Tennessee, as judge of the criminal court of Shelby County, and as a U.S. bankruptcy judge.

Mr. Nixon also began his legal career in the private practice of law, and later served as an attorney with the U.S. Department of Justice, as staff counsel to the comptroller of the treasury for the State of Tennessee, and as judge of the general sessions and circuit courts of Davidson County, Tenn.

Both of these gentlemen have prepared well for the responsibilities of the Federal bench. It is with genuine respect for their records of service and enthusiasm for their future service as Federal jurists that I urge my colleagues' approval of their nominations.

Mr. SASSER. Mr. President, today, the Senate voted unanimously to confirm the nominations to the Federal bench of two distinguished jurists with superb credentials. Judge Odell Horton Jr. and Judge John Nixon are men whose character, integrity and ethical standards are beyond question. They are a credit to the merit selection system by which they were chosen.

Judge Nixon and Judge Horton will serve with great distinction in the Federal judiciary. Judge Nixon will serve on the U.S. district court for the middle district of Tennessee, and Judge Horton will serve on the U.S. district court for the western district of Tennessee. The courts for both districts will be enhanced by their service.

It was a pleasure to recommend both men for these judgeships some months ago to the President of the United States with the concurrence of my distinguished senior colleague, Senator Baker. Their abilities as jurists have earned the high esteem of their colleagues in the legal community.

Judge Horton's work as a bankruptcy judge in the western district of Tennessee has earned the praise and respect of his superiors in the U.S. district court and the lawyers who practice before him. Prior to his appointment to the bankruptcy court, he served as criminal court judge and director of community health services of the Mid-South Health Center.

He has also served as president of Lemoyne-Owen College in Memphis and has served as an assistant U.S. Attorney.

The legal experience of Judge Horton is varied and rich. I think it will stand him in good stead as he undertakes the task as a Federal district judge. Throughout his career, Judge Horton has demonstrated not only outstanding legal ability but dedication to improving the life of his fellow man. His support came from all segments of the district that he has been nominated to serve—rural and urban, professional and nonprofessional, black and white.

Judge Nixon has established an equally outstanding reputation in his law practice and judicial duties in Nashville. He currently serves as general sessions judge in Nashville and he served from 1975 until 1978 as Davidson County circuit court judge.

He graduated from Harvard College and Vanderbilt University School of Law. He served as city attorney for Anniston, Ala., and as an attorney for the Civil Rights Division of the U.S. Department of Justice.

I have known Judge Nixon for many years, both as a friend, a colleague at Vanderbilt School of Law, an able and competent practitioner at the Nashville Bar, and one of the most distinguished circuit court judges to have ever served in the courts of Davidson County. I can personally attest to the strength of his legal ability, as well as to his genuine concern for the community and his devotion to the law.

Judge Nixon has gained widespread respect in middle Tennessee as an even-tempered and fair jurist. There is no doubt that he will be a credit to the Federal judiciary.

I congratulate both these men on their past achievements and wish them well as they begin their service as U.S. district judges.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, therefore, that the nominees indicated be considered en bloc, confirmed en bloc, that the motions to reconsider en bloc be laid on the table, and that the President of the United States be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

National Railroad Passenger Corporation

M. Athalie Range, of Florida, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

James R. Mills, of California, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

Frank H. Neel, of Georgia, to be a member of the Board of Directors of the National Railroad Passenger Corporation.

The Judiciary

Odell Horton, of Tennessee, to be U.S. district judge for the western district of Tennessee.

John T. Nixon, of Tennessee, to be U.S. district judge for the middle district of Tennessee.

Norma Holloway Johnson, of the District of Columbia, to be U.S. district judge for the District of Columbia.

Department of Justice

Henry S. Dogin, of New York, to be Director of the Office of Justice Assistance, Research.

Homer F. Broome, Jr., of California, to be Administrator of the Law Enforcement Assistance Administration.

Raymond L. Acosta, of Puerto Rico, to be U.S. attorney for the district of Puerto Rico.

John Saul Edwards, of Virginia, to be U.S. attorney for the western district of Virginia.

Thomas Edward Delahanty II, of Maine, to be U.S. attorney for the district of Maine.

John S. Martin, Jr., of New York, to be U.S. attorney for the southern district of New York.

James R. Laffoon, of California, to be U.S. marshal for the southern district of California.

John W. Spurrier, of Maryland, to be U.S. marshal for the district of Maryland.

Department of Commerce

Margaret Muth Laurence, of Virginia, to be an Assistant Commissioner of Patents and Trademarks.

In the Air Force

Lt. Gen. Howard M. Lane, to be lieutenant general.

Maj. Gen. Charles C. Blanton, to be lieutenant general.

Lt. Gen. Abbott C. Greenleaf, to be lieutenant general.

Maj. Gen. Howard W. Leaf, to be lieutenant general.

Lt. Gen. Richard L. Lawson, to be lieutenant general.

In the Army

Brig. Gen. Floyd Wilmer, to be major general.

Brig. Gen. Bernhard Theodore Mittemeyer, to be major general.

Brig. Gen. Quinn Henderson Becker, to be major general.

Col. Robert Thomas Cutting, to be major general.

Col. Guthrie Lewis Turner, Jr., to be brigadier general.

Col. Chester Lawrence Ward, to be brigadier general.

Brig. Gen. Floyd Wilmer Baker, to be brigadier general.

Maj. Gen. Paul Francis Gorman, to be lieutenant general.

Gen. William Allen Knowlton, to be general.

Lt. Gen. John Quint Henion, to be lieutenant general.

Lt. Gen. Robert Carter McAlister, to be lieutenant general.

Lt. Gen. John Woodland Morris, to be lieutenant general.

In the Navy

Adm. Harold E. Shear, to be admiral.

Rear Adm. James R. Sanderson, to be vice admiral.

LINE

John G. Wissler, to be rear admiral.
Glenwood Clark, Jr., to be rear admiral.
William E. McGarrah, Jr., to be rear admiral.
Richard A. Miller, to be rear admiral.
Milton J. Schultz, Jr., to be rear admiral.
Louis R. Sarosdy, to be rear admiral.
Robert B. Fuller, to be rear admiral.
Joseph B. Wilkinson, Jr., to be rear admiral.
Charles E. Gurney, III, to be rear admiral.
Richard K. Fontaine, to be rear admiral.
Frank C. Collins, Jr., to be rear admiral.
James E. Service, to be rear admiral.
Frederick W. Kelley, to be rear admiral.
Peter C. Conrad, to be rear admiral.
Dempster M. Jackson, to be rear admiral.
James A. Lyons, Jr., to be rear admiral.
John B. Mooney, Jr., to be rear admiral.
James B. Busey IV, to be rear admiral.
Lawrence Burkhardt III, to be rear admiral.
William C. Neel, to be rear admiral.
Walter M. Locke, to be rear admiral.
Donald S. Jones, to be rear admiral.
Joseph F. Frick, to be rear admiral.
Louis A. Williams, to be rear admiral.
Richard A. Martini, to be rear admiral.
Powell F. Carter, Jr., to be rear admiral.
Harry C. Schrader, Jr., to be rear admiral.
Wayne D. Bodensteiner, to be rear admiral.
Joseph J. Bath, Jr., to be rear admiral.
Stanley G. Catola, to be rear admiral.
Richard T. Gaskill, to be rear admiral.

MEDICAL CORPS

Roger F. Milnes to be rear admiral.
George E. Gorsuch to be rear admiral.
Eustine P. Rucci to be rear admiral.

SUPPLY CORPS

Duncan P. McGillivary to be rear admiral.
Richard E. Curtis to be rear admiral.

CHAPLAIN CORPS

Neil M. Stevenson to be rear admiral.

CIVIL ENGINEER CORPS

Paul R. Gates to be rear admiral.

DENTAL CORPS

James D. Enoch to be rear admiral.

Department of Transportation

Thomas George Allison, of Washington, to be General Counsel of the Department of Transportation, vice Linda Kamm, resigned.

In the Coast Guard

Frederick P. Schubert to be rear admiral.

Nominations Placed on the Secretary's Desk in the Air Force, Army, Navy and Marine Corps

Air Force nominations beginning Joseph A. Accardo, Jr., to be second lieutenant, and ending Waldemar Zukauskas, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Air Force nominations beginning Ralph E. Bradford, Jr., to be colonel, and ending William E. Riecken, Jr., to be colonel, which nominations were received by the Senate on April 8, 1980, and appeared in the Congressional Record on April 15, 1980.

Air Force nominations beginning Robert F. Aaron, Jr., to be first lieutenant, and ending Robert J. Zettel, to be second lieutenant, which nominations were received by the Senate on April 14, 1980, and appeared in the Congressional Record on April 15, 1980.

Air Force nominations beginning Kenneth A. Murdock, to be colonel, and ending Eugene A. Blitch, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on April 23, 1980.

Army nominations beginning James R.

Golden, to be permanent professor, U.S. Military Academy, and ending Carol M. Wright, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Army nominations beginning Brian J. Adams, to be second lieutenant, and ending John T. Zoccola, to be second lieutenant, which nominations were received by the Senate on April 3, 1980, and appeared in the Congressional Record on April 15, 1980.

Navy nominations beginning Dean S. Nakayama, to be lieutenant commander, and ending Kenneth D. Brown, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Navy nominations beginning Josef W. Christ, to be ensign, and ending George J. Tyson, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 28, 1980.

Navy nominations beginning Timothy James Allega, to be lieutenant commander, and ending Patricia Ellard Willhelm, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1980.

Navy nominations beginning William Broughton, to be commander, and ending Linda E. Wargo, to be lieutenant, which nominations were received by the Senate on April 14, 1980, and appeared in the Congressional Record on April 15, 1980.

Navy nominations beginning Jeffrey R. Abel, to be ensign, and ending Charles A. Wilson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on April 21, 1980.

Marine Corps nominations beginning Terry L. Armstrong, to be first lieutenant, and ending Raymond R. Yinger III, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1980.

Marine Corps nominations beginning John B. Airola, to be colonel, and ending Gail M. Reals, to be colonel, which nominations were received by the Senate on April 8, 1980, and appeared in the Congressional Record on April 15, 1980.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is the Senate back in legislative session now?

The PRESIDING OFFICER. It is back in legislative session now.

Mr. ROBERT C. BYRD. I thank the Chair.

NATIONAL BUREAU OF STANDARDS AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 730.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2320) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards, including certain special statutory programs, and for other purposes, reported with amendments.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with amendments, as follows:

On page 2, line 9, after "$87,733,000" insert "for fiscal year 1981, and $119,706,000 for fiscal year 1982";

On page 2, beginning with line 13, strike "for fiscal year 1981, and such sums as may be necessary for fiscal year 1982";

On page 2, line 20, after "$1,253,000" insert "for fiscal year 1981, and $1,378,000 for fiscal year 1982";

On page 2, beginning with line 24, strike "for fiscal year 1981, and such sums as may be necessary for fiscal year 1982";

On page 3, line 10, after "$15,390,000" insert "for fiscal year 1981, and $16,930,000 for fiscal year 1982";

On page 3, beginning with line 14, strike "for fiscal year 1981, and such sums as may be necessary for fiscal year 1982";

On page 4, beginning with line 10, insert "for fiscal year 1981, and $270,000 for fiscal year 1982";

On page 4, line 14, beginning with "for" strike all through and including line 15;

On page 4, line 18, strike "such sums as may be necessary and insert the following:

$4,073,000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and for nondiscretionary costs.

On page 5, line 22, after "Department of" strike "the";

On page 6, line 13, strike "subsection" and insert "section";

On page 6, line 18, strike "subsection" and insert "section";

On page 7, beginning with line 1, strike all through and including line 20;

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Bureau of Standards Authorizations of Appropriations Act for Fiscal Years 1981 and 1982".

AUTHORIZATIONS FOR ACTIVITIES UNDER THE ACT OF MARCH 3, 1901

SEC. 2 (a) There are hereby authorized to be appropriated to the Secretary of Commerce to carry out activities performed by the Bureau under the Act of March 3, 1901, as amended (15 U.S.C. 271–278h), except section 16 thereof (15 U.S.C. 278f), $87,733,000 for fiscal year 1981, and $119,706,000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and for other nondiscretionary costs.

(b) Section 16 of the Act of March 3, 1901, as amended (15 U.S.C. 278f), is further amended by adding at the end thereof a subsection(c) to read as follows: "(c) For the purposes of this section, there are authorized to be appropriated to the Secretary of Commerce $1,253,000 for fiscal year 1981, and $1,378,000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and for other nondiscretionary costs

(c) Section 18 of the Act of March 3, 1901, as amended (15 U.S.C. 278h), is further amended by: (1) repealing subsection (b); and (2) removing the designation "(a)" from the remaining paragraph.

AUTHORIZATIONS FOR ACTIVITIES UNDER OTHER STATUTES

SEC. 3. (a) There are authorized to be appropriated to the Secretary of Commerce $15,390,000 for fiscal year 1981, and $16,930,000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other empolyees benefits required by law, and for other nondiscretionary costs to carry out the activities specified for performance by the Secretary or the Bureau in:

(1) section 111(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 759(f));

(2) sections 5 (d) and (e), 8 and 9(a) of the Fair Packaging and Labeling Act (15 U.S.C. 1454 (d) and (e), 1457 and 1458(a));

(3) section 383(c) of the Energy Policy and Conservation Act, as amended (42 U.S.C. 6363(c));

(4) section 5002 of the Solid Waste Disposal Act, as amended (42 U.S.C. 6952);

(5) section 5(d) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704 (d)); and

(6) title IV of the Trade Agreements Act of 1979 (19 U.S.C. 2531–2573).

(b) There are authorized to be appropriated to the Secretary of Commerce to carry out research by the Bureau in the area of environmental measurement sciences $245,000 for fiscal year 1981, and $270.000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and for other nondiscretionary costs.

(c) There are authorized to be appropriated to the Secretary of Commerce to carry out the purposes of the Standard Reference Data Act (15 U.S.C. 290–290f) $4.073,000 for fiscal year 1982, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and for nondiscretionary costs.

FACILITIES IMPROVEMENT

SEC. 4. The Act of March 3, 1901, as amended (15 U.S.C. 271–278h), is further amended by striking the figure "$75,000" in section 14 of such Act (15 U.S.C. 278d) and inserting in lieu thereof the figure "$250,000"

INTERNATIONAL ACTIVITIES

SEC. 5. In order to develop and strengthen the Department of Commerce's expertise in science and engineering, to enhance the Secretary's ability to maintain the Department's programs at the forefront of worldwide developments in science and engineering, and to cooperate in international scientific activities, the Act of March 3, 1901, as amended (15 U.S.C. 271–278h), is further amended by adding immediately after section 16 (15 U.S.C. 278f) a new section 17 to read as follows:

"SEC. 17. (a) The Secretary is authorized, notwithstanding any other provision of law, to expend such sums, within the limit of appropirated funds, as the Secretary may deem desirable, through the grant of fellowships or any other form of financial assistance, to defray the expenses of foreign nationals not in service to the Government of the United States while they are performing scientific or engineering work at agencies of the Department of Commerce or participating in the exchange of scientific or technical information at agencies of the Department of Commerce.

"(b) The Congress consents to the acceptance by an employee of the Department of Commerce of fellowships, lectureships, or other positions for the performance of scientific or engineering activities or for the exchange of scientific or technical information, offered by a foreign government, and to the acceptance and retention by an employee of the Department of Commerce of any form of financial or other assistance provided by a foreign government as compensation for and/or to defray the expenses associated with performing scientific or engineering activities or exchanging scientific or technical information, when the acceptance of such fellowship, lectureship, or position or the acceptance and retention by an employee of such assistance is determined by the Secretary to be appropriate and consistent with the interests of the United States. For the purposes of this subsection, the definitions appearing in section 7342(a) of title 5 of the United States Code apply. Civil actions may be brought and penalties assessed against any employee who knowingly accepts and retains assistance from a foreign government not consented to by this subsection in the same manner as perscribed by section 7342 (h) of title 5 of the United States Code.

"(c) Provisions of law prohibiting the use of any part of any appropriation for the payment of compensation to any employee or officer of the Government of the United States who is not a citizen of the United States, shall not apply to the payment of compensation to scientific or engineering personnel of the Department of Commerce.".

● Mr. STEVENSON. Mr. President, today the Senate considers S. 2320, a bill to reauthorize the activities of the National Bureau of Standards (NBS) for fiscal years 1981 and 1982. I urge its adoption.

The NBS is the Nation's oldest research laboratory and lead agency responsible for measurement sciences and standards. The NBS' mission is vital to progress in industrial innovation, technological development and to the achievement of the responsibilities of many agencies.

Until 1978 the NBS had a continuing authorization. In 1978 the Subcommittee on Science, Technology and Space of the Committee on Commerce, Science and Transportation began oversight hearings on the status of the NBS. They were the first general oversight hearings in the Senate since the establishment of NBS in 1901.

Our hearings indicated a general erosion in the health and technical excellence of NBS. Congressional neglect was cited as one of the contributing factors. As a result, we proposed that NBS be placed on a periodic authorization, and this was done.

S. 2320 would extend authorization of appropriations for NBS through fiscal year 1982. In March we reviewed progress achieved at NBS since our 1978 hearings, along with their budget request. I am pleased to note that a number of positive things have happened in the past 2 years. The administration and Congress provided overall increases in the budget; a multi-year commitment was made to restore and increase NBS scientific and technical competence; a permanent director and deputy director are in place; the first reorganization of NBS in a decade is complete; a planning office was established; the average age of NBS personnel has gone down for the first time in a decade and younger scientists are being recruited; and the General Accounting Office reports that "the majority of users of the Bureau's four major services expressed highly favorable opinions on those services."

Continued improvement in the NBS will depend on maintaining these efforts. The scientific and engineering expertise at NBS is a vital national resource. I believe adoption of S. 2320 will contribute to the maintenance of a strong and effective NBS.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to, en bloc.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 1:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the amendment of the House to the text of the bill (S. 1144) to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981, agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. FLORIO, Mr. SANTINI, Ms. MIKULSKI, Mr. ANDERSON of California, Mr. LEVITAS, Mr. BROYHILL, Mr. MADIGAN, and Mr. SNYDER were appointed as managers of the conference on the part of the House.

HOUSE CONCURRENT RESOLUTION PLACED ON CALENDAR

The following concurrent resolution was read by title and placed on the calendar:

H. Con. Res. 307. A concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3763. A communication from the President of the United States, transmitting an amendment to the requests for supplemental appropriations for the fiscal year 1980 in the amount of $6,000,000 for the Department of Commerce; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DeCONCINI, from the Select Committee on Indian Affairs, with amendments:

S. 2508. A bill to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236–A, 236–B, and 236–E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes (Rept. No. 96–690).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2687. An original bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978, as amended, to extend the appropriations authorizations to carry out the provisions of such act for fiscal years 1981, 1982, and 1983, and for other purposes (Rept. No. (Rept. 96–691).

S. 2688. An original bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for title II of such act for fiscal year 1981 (Rept. No. 96–692).

Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. 2271. A bill to amend the Bretton Woods Agreement Act to authorize consent to the increase in the U.S. quota in the International Monetary Fund (Rept. No. 96–693). Referred to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. JACKSON, Mr. TSONGAS, and Mr. WEICKER):

S. 2686. A bill to direct the Secretary of the Interior to provide for the protection of the Barrier Islands, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, provided, if ordered reported by one committee, the other be granted 30 days to report, or be discharged.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 2687. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978, as amended, to extend the appropriations authorizations to carry out the provisions of such act for fiscal years 1981, 1982, and 1983, and for other purposes. Original bill reported and placed on the calendar.

S. 2688. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for title II of such act for fiscal year 1981. Original bill reported and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. JACKSON, Mr. TSONGAS, and Mr. WEICKER):

S. 2686. A bill to direct the Secretary of the Interior to provide for the protection of the Barrier Islands, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, provided, if ordered reported by one committee, the other be granted 30 days to report, or be discharged.

● **Mr. BUMPERS.** Mr. President, I am introducing today for myself and several of my colleagues, a bill to limit the wasteful Federal spending which encourages inappropriate development on certain portions of the barrier islands.

Briefly, the barrier islands consist of unconsolidated sand which migrates toward the shoreline, as a result of wave action and the rising sea level. The deflection of the waves by barrier islands protects the mainland behind them. In fact, many coastal communities and harbors owe their very existence to the protection provided by the barrier islands. Creating building sites destroys these natural vital processes. Bulldozing dunes to provide for oceanfront development diminishes island stability. Diking and filling wetlands and marshes often destroy critical wildlife habitat as well as nutrients critical to healthy fish populations. Groins and jetties are built to enhance one beach, but rob sand from another island thus greatly accelerating island retreat. In a related problem, access to these islands is usually by ferry or two-lane roads which are often inadequate to evacuate people quickly in cases of impending hurricanes or other disasters. In this regard, the development man places on these islands is extremely vulnerable to the violent storms and hurricanes which frequently strike the barrier islands with the full brunt of their force.

There are over 300 barrier islands, barrier spits, and bay barriers located off the Atlantic and gulf coasts. Many of these islands are already developed and would not be affected by this legislation. However, I believe we have an opportunity to protect undeveloped islands and portions of barrier islands, with substantial savings to the Federal Treasury, through my legislation.

It is estimated that more than $500 million in Federal funds has been spent over the last 3 years on barrier islands, and much of it was spent to encourage and subsidize development. It is a tremendous waste of Federal funds to encourage new development by providing beach stabilization, bridge construction, wastewater treatment facilities and flood insurance assistance in the first instance, and then paying for reconstruction, often in the same place, following a major storm. I am, therefore, calling for a limitation and redirection of Federal development subsidies in areas which are now undeveloped.

In recent years, increased attention has been focused on the hazards associated with developing the barrier islands. In 1977, President Carter's environmental message called for a comprehensive study of the islands. This study, which was recently released, stresses the hazards involved in developing residences and businesses on barrier islands, and the damage to the ecosystem that results from such development. A draft environmental impact statement was then prepared in response to the study which presents three levels of protective options—maintaining the status quo, making administrative changes only, or legislative action. The final environmental impact statement to be released this summer is expected to make final recommendations for Presidential action.

I have reviewed the draft environmental impact statement and am convinced that administrative actions alone will not adequately address the problems associated with barrier island development. Legislative action is necessary. Congressman PHILLIP BURTON introduced H.R. 5981 on November 28, 1979, with 23 cosponsors, which authorizes acquisition of many of these islands. I cannot support the expensive proposition of buying undeveloped islands or portions of islands as proposed in that bill. More importantly, I do not believe that such a course of action is necessary to provide an adequate level of protection for the islands. In my view, it is crucial that we make basic changes in Federal policy to stop the waste of billions of dollars, rather than acquiring these areas.

Mr. President, as I have stated, the bill I am introducing today would only limit Federal actions, assistance, or permits for certain islands or portions of islands. Expenditures for public recreation, navigational safety, energy development and other crucial projects will not be affected at all. But right now there are over 30 Federal programs administered by 20 different Federal agencies which impact the barrier islands. My bill would not affect the already developed areas of the barrier islands, but would aim at limiting the subsidies and permits, including flood insurance, to those islands and portions of islands not already developed.

The primary need for this legislation is threefold. First, as I have only briefly outlined, development on these "sand castles" represents a policy that is unwise and detrimental to important natural processes of these islands. Second, a serious public safety hazard is posed to the residents of the islands from inadequate evacuation routes which might be needed in cases of major hurricanes. Third, and most importantly, it is a tremendous waste of Federal funds to encourage development on these islands.

There have been numerous articles on the problems associated with unwise development on barrier islands, and I ask unanimous consent that two of these articles from the New York Times and the Wall Street Journal be printed in the RECORD at this point. 1980 has been proclaimed the "Year of the Coast." My colleagues cosponsoring this bill and I feel that the Congress must respond to one of the major issues associated with the Year of the Coast—the protection of the Barrier Islands. I hope that the Senate will be able to move forward expeditiously in passing this very necessary and fiscally responsible proposal. I also ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the articles and bill were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 23, 1979]

CRITICS QUESTION COST OF MAINTAINING COASTS IN STORM-PRONE AREAS

(By Janet Guyon)

DAUPHIN ISLAND, ALA.—Solitary pilings line the beach front of this resort island. The houses they once supported are piles of rubble scattered inland among broken pine trees. No roads are visible from the air, only trails of tangled power lines.

"Some people can't even find their lots," says E. Bruce Trickey, executive director of Alabama's Coastal Area Board. A growing number of federal officials and coastal planners are beginning to believe that the displaced Dauphin Island homeowners, as well as storm victims elsewhere on the coast, shouldn't be encouraged to rebuild even when they do find their property.

The devastation here is just a slice of an estimated $2 billion in damage left behind by September's Hurricane Frederic, the most financially crippling hurricane since Agnes, which flooded Northeastern states in 1972. But it is at the heart of a strong new debate over the wisdom, affordability—and the quality—of recent pell-mell coastal development in the U.S. While the traditional concern for fragile coastal environments remains, the new debate is economic.

THE FEDERAL TROUGH

Federal tax money not only encourages initial coastal development, critics say, but also pays for rebuilding what gets wiped out each year by storms. And some maintain that because of poor construction standards and practices, tax money in effect subsidizes development that has little chance of surviving a major storm.

Simply put, the issue is, "What does it really cost to keep a person on a beach?" asks John Sheaffer, president of Chicago environmental and engineering firm that is conducting a study for the Federal Insurance Administration. His conclusion: "It's pretty evident that it costs a lot."

"Can we forever afford to support this unwise development?" asks Gloria M. Jimenez, administrator of the Federal Insurance Administration—which last year paid out more than $135 million flood claims. "It simply doesn't make sense to develop in these very dangerous areas," she contends.

Yet counties along the Atlantic and Gulf coasts are developing at twice the national rate, according to the Interior Department. Between 1960 and 1970, for instance, population in five south Florida counties more than doubled, while population in the U.S. as a whole increased by 13.4 percent. Population density per square mile on U.S. barrier islands is more than four times the national average.

THE MONEY IS THERE

While federal tax money long has subsidized this development, it also has paid for a sizable part of redevelopment of the same hazardous area. To rebuild a bridge to Dauphin Island for 1,600 permanent residents and an unknown number of tourists will cost $30 million to $40 million in federal highway funds, and, critics say, will reopen the island to development that shouldn't have been there in the first place.

In the 1975–77 fiscal years, a dozen federal agencies committed about $500 million in tax money to aid development of barrier islands like Dauphin. The U.S. Army Corps of Engineers currently is rebuilding the beach at Miami Beach for about $65 million in local and federal funds, although many experts believe the new beach will just wash away in the first big storm.

"How do you hold back development when roads and sewer systems are put in," asks Mrs. Jimenez. "I don't think you can."

Although this unprecedented rush to the beach is costing taxpayers millions of dollars, it also is giving land speculators and coastal developers fat sources of income. In Key Biscayne, Fla., for example, homes and condominiums are selling for 25 percent to 30 percent more than they were last year. In the 1960s, homes there appreciated by only 3 percent to 5 percent a year.

The rush itself has greatly increased the potential bill for federal disaster aid and insurance claims. But many, including federal insurance officials, believe that the problem is compounded by tax local building codes that are loosely enforced and that allow flimsy construction.

NO SURGE PROTECTION

"We're more vulnerable today to the hurricane than we ever have been in the history of the nation," says Neil L. Frank, director of the National Hurricane Center in Miami. "The building codes that we have in the U.S. are only designed to give you protection against wind. I don't know of a code in the nation that gives you protection against storm surge." (These are the walls of water 10 to 20 feet high that thunder ashore before the eye of a hurricane.)

Along the beach at Gulf Shores, Ala., just east of Dauphin Island, Mr. Trickey pulls his car over near a two-tone green cottage that still is standing. Pilings with nails sticking from their tops lean crazily in the lots next door. Mr. Trickey walks under the green house, pointing to pilings that are cross-braced and bolted to the floor. "This is good." he says, eyeing half-inch bolts and the system of braces. "There's a real difference between the ones that survived the hurricane and those that didn't."

In surveying the wreckage at Dauphin Island and Gulf Shores, engineers from the Federal Emergency Management Agency found that although most buildings elevations were high enough to meet federal flood insurance requirements many buildings had pilings that weren't driven deep enough or weren't attached strongly enough to prevent them from being washed away. "When you lose five feet of sand, that piling gets pretty fragile," says Robert Cassell, an engineer in the agency's Atlanta office. Federal flood insurance requirements set buildings' elevations above mean sea level, but they don't say how buildings are to be attached to the pilings.

Mrs. Jimenez of the Federal Insurance Administration says, however, that the problem goes far beyond carpentry standards. She thinks that perhaps flood insurance ought to be denied to new construction on barrier islands. She also is considering remapping the entire coastal flood plain. By December, her agency will be able to incorporate wave heights into its methods for setting safe flood elevations. "It's going to cause a big political uproar," she says, "because it's going to cause elevations in some areas to be half again as much—instead of 12 feet. It'll have to be 18 feet."

Flood elevation requirements already are causing an uproar in Cape Coral, Fla., a growing community of single-family homes at the mouth of the Caloosahatchee River on the Gulf Coast. City officials there contend that the proposed flood elevations for the community are too high. The Insurance Administration hasn't allowed for factors that would mitigate the effect of a big storm surge, such as the barrier islands around the mouth of the river, they say. Two local contractors have taken the agency to court.

ONE-LEVEL LIFE

The increased elevation standards, the contractors say, will add $6,000 to $8,000 to the price of a standard three-bedroom home, an increase of about 15 percent. In addition, many new residents are elderly, says the city attorney, Richard Roosa, and they don't like or aren't able to walk up stairs to an elevated house. "One of the reasons elderly retirees come to Florida is because they can have a single-level home," he says. "We could lose our competitive edge as a single-family community in favor of other areas in Florida with high rises and elevators."

Cape Coral could withdraw from the federal flood insurance program and thus be exempt from its regulations. But then the housing market probably would dry up, says Mr. Roosa, because without federal flood insurance, mortgages are nearly impossible to get. Communities that don't participate in the insurance program are cut off from other federal aid, including federally backed mortgages. To get the insurance, communities must adopt federal elevation standards and a flood-control program approved by the Insurance Administration.

But some communities don't participate in the insurance program, and their residents are glad. "I live in the flood plain and I just want them (federal insurers) to keep their hands off my land," says Terry Keeling, a Houston real-estate broker who lives in Fort Bend County. "I've never found enough intelligence in the federal government to regulate a parking place for bicycles.

Mr. Keeling heads the Texas Landowners Rights Association, which wants to get the federal government out of regulating local building practices. The group figures it is futile to try to abolish the federal insurance program. So it wants the government to allow any type of construction in the flood plain and to charge flood-insurance premiums according to the risk of damage to each individual building.

SHORTAGE OF INSPECTORS

The Insurance Administration, however, has enough problems enforcing its already-existing building standards. The agency relies mainly on local building inspectors who often aren't adequately trained or can't thoroughly inspect all coastal construction. Baldwin County, Ala., for instance, (where Gulf Shores is located) has only one building inspector. "There's no way he can cover the territory he's got to cover without inconveniencing the contractor," says Stephen A. McMillan, a Mobile real-estate broker. "A lot of your coastal areas are rural areas, which means they don't have a large tax base to train their building inspectors."

For now, the hurricane season is over, and many coastal areas have averted disaster for another year. But what worries officials and planners like Mrs. Jimenez and Mr. Sheaffer is the chance of a really big storm hitting a highly developed area like south Florida. One major hurricane there could cause $1.5 billion of damage, the total amount of damage caused by hurricanes in Florida between 1960 and 1975, the Interior Department says. On the average, two hurricanes strike the U.S. coast each year and cause more combined property damage than any other type of natural disaster, to say nothing of the loss of human life.

"What you have is people who don't want to elevate because it costs more to build," says John Scheibel, an attorney for the Federal Emergency Management Agency. Mrs. Jimenez adds: "It may cost more to build, but we're really tired of paying out disaster assistance. Even the most conservative people can see it makes fiscal good sense to control development in the hazardous areas."

Curbs on Development of Barrier Islands Proposed

(By Senis King)

Washington.—The Carter Administration is moving toward protecting the barrier islands along the Atlantic Coast and the Gulf of Mexico by inhibiting their development and discouraging redevelopment after storms and flooding.

In the last three years, Federal agencies have spent nearly $500 million in largely futile efforts to stabilize barrier islands and rehabilitate private beachfront property built in parts of them that are vulnerable to flooding from the sea.

Robert L. Herbst, an Assistant Secretary of the Interior, said of the proposed new policy: "What we have in mind is to clean up our act—to set some new policies that will save heartaches and financial ruin for the misguided purchasers of such foolish developments, and to save the taxpayers a bundle in the process."

He noted that since 1972 more than 1,900 communities, many of them on barrier islands, had been declared flood disaster areas two or more times and had received Federal disaster aid that was often used to rebuild them in the same locations.

Such familiar, highly developed localities as New York State's Fire Island: Nahant, Mass.; Atlantic City, N.J.; Cape Hatteras, N.C.; and Miami Beach and Sanibal Island in Florida are barrier islands.

The Interior Department's Heritage Conservation and Recreation Service has prepared for distribution an elaborate environmental impact statement that includes proposals for Federal action to inhibit new development in the most fragile areas of the islands.

Also contained in the statement are proposals for limitations on Federal disaster aid and Federal flood insurance to discourage rebuilding of areas on the islands that have repeatedly been destroyed by hurricanes or major storms.

CURB ON ENGINEERS' PROGRAMS

The Corps of Engineers could be "turned away" from its vast and costly beach restoration and protection projects and the Federal Government could acquire undeveloped barrier islands that now provide both sanctuary for wildlife and protection from sea storm flooding of the mainland, the statement suggests.

Policy recommendations, based on these proposals, are expected to be sent to President Carter by mid-February, Mr. Herbst said.

The statement, with supporting letters to the heads of the 20 Federal agencies whose programs or policies affect the barrier islands, will be circulated within the next two weeks, Mr. Herbst said.

This will come in advance of hearings on barrier island legislation introduced recently by Representative Phillip Burton, Democrat of California, chairman of the House subcommittee on national parks.

His bill would establish a program under which the Federal Government would buy or acquire many of the 100 or more barrier islands still undeveloped. It would also authorize the Government to acquire uninhabited portions of developed islands. And it would bar spending any more Federal money on the uninhabited islands until they have been remapped and identified.

Over the centuries, barrier islands were formed as wild Atlantic storms piled up coastal dunes and then forced surf through their weak points, separating coastal strips from the mainland and forming narrow bays behind them.

An Interior Department study, prepared

last March for President Carter as the basis for Federal action that was originally expected to begin in mid-May, emphasized that all barrier islands are unstable.

Their sandy shorelines constantly move under the force of storms and currents, the study found. It also declared that man's efforts to stabilize barrier island shorelines usually caused even more damage to the islands.

As an example of barrier island problems and wasted funds, Mr. Herbst cited the communities off the coast from Mobile, Ala., that were ravaged by Hurricane Frederic this fall.

"State and local governing bodies there are already proposing to rebuild essentially the same communities, in the same vulnerable spots, in the path of the next inevitable hurricane, and, naturally, with huge infusions of Federal dollars," he said.

The environmental report suggests that the Government could insist that all Federal disaster aid and recovery programs be turned away from flood-prone areas on the barrier islands so that past mistakes would not be perpetuated by subsidizing their restoration.

The statement also suggests that new private development on barrier islands could be influenced by limited Federal grants for water and sewer lines to areas where building would be least detrimental.

Proposals for new protection of the Fire Island National Seashore also included restoring the island's natural sand movement; building of sand bypass structures around inlets, thus preventing entrapment of sand that would naturally replenish the beaches; stopping the building of beach stabilization on structures and discontinuing antimosquito ditching in the marshes.

S. 2686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND STATEMENTS OF POLICY

Section 1. The Congress finds and declares that—

(1) there are resources of extraordinary scenic, scientific recreational, natural, historic, archeological, and cultural value present on the barrier islands which are being irretrievably damaged and lost;

(2) the barrier islands are generally unsuitable for development because of erosion and sand migratory patterns that undermine permanent man-made structures;

(3) certain development on barrier islands severely restricts the natural processes on which the islands are dependent; and

(4) critical to more effective use and conservation of the unique values of barrier islands is a program of coordinated action by Federal, State, and local governments to protect the islands for natural, scenic, ecological, scientific, cultural, historic, conservation and recreation opportunities.

BARRIER ISLANDS ADVISORY COUNCIL

Sec. 2. (a) Establishment.—There is hereby established the Barrier Islands Advisory Council (hereinafter in this Act referred to as the "Council").

(b) Chairman.—The Secretary of the Interior (hereinafter referred to as the "Secretary") shall serve as Chairman of the Council.

(c) Members.—In addition to the Chairman, the Council shall consist of representatives of the following departments or agencies: the Department of Transportation; Housing and Urban Development; Commerce; Energy; Agriculture; Defense; Small Business Administration; Federal Emergency Management Agency; Environmental Protection Agency; General Services Administration; Council on Environmental Quality; National Park Service; Heritage Conservation and Recreation Service, Fish and Wildlife Service; and the Advisory Council on Historic Preservation.

(d) Meetings.—The Council shall meet at the call of the Chairman, but not less than six times each year. All Council meetings shall be open to the public, and at least fifteen days prior to the date when any meeting of the Council is to take place the Chairman shall publish public notice of such meeting in the Federal Register.

(e) Functions.—It shall be the function of the Council to—

(1) conduct studies and advise the Chairman with respect to ongoing, planned, and proposed Federal actions affecting the barrier islands, barrier spits, and bay barriers located along the Atlantic and Gulf Coasts (hereinafter referred to as the "barrier islands") including preservation of natural, cultural, and historic resources, transportation planning, acquisition priorities, economic development, beach restoration and preservation, flood insurance, disaster relief, and such other matters as may be submitted for advise by the members.

(2) make recommendations with respect to proposed regulations or management plans promulgated by any Federal agency which may adversely affect barrier islands; and

(3) make recommendations with respect to ways to improve coordination and consultation between Federal agencies and between such agencies and the several States before actions are taken which may adversely affect the barrier islands.

CONSERVATION OF BARRIER ISLAND RESOURCES

Sec. 3. (a) The provisions of this section shall apply to those undeveloped barrier islands and undeveloped portions of barrier islands identified and generally depicted on maps appropriately referenced and dated, which taken together comprise the "Barrier Islands Protection System." Such maps shall be available for public inspection in the office of the Secretary of the Interior, in Washington, D.C.

(b) Notwithstanding any other provision of law, no Federal expenditures or financial assistance may be made available under any authority of Federal law, and no Federal license, permit or other form of approval may be issued by any Federal agency for—

(1) the construction of any structure, facility, road or related infrastructure;

(2) any road, bridge, airport, boat landing facility, or other facility to be used for providing access to any area in the Barrier Islands Protection System:

(3) flood insurance policies under the National Flood Insurance Act of 1968, 42 U.S.C. 1441, as amended, for structures in which construction had not commenced prior to May 8, 1980;

(4) any project to prevent the erosion of, or to otherwise stabilize, any shoreline or inshore area of such a barrier island: *Provided,* That this subsection shall not apply to activities related to energy development, navigational safety, public recreation, and protection of the barrier island ecosystem.

(c) The Secretary is authorized to make minor boundary revisions in the areas included as part of the Barrier Island Protection System.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill for the protection of the barrier islands introduced by the Senator from Arkansas (Mr. Bumpers) be jointly referred to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, and that when ordered reported by one of these committees, the other committee have 30 days to report the bill or be discharged.

This request has been approved by Messrs. Jackson, Randolph, Hatfield, and Stafford—the chairmen and ranking minority members of the committees involved.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 2169

At the request of Mr. Schweiker, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 2169, a bill for the relief of William Kubrick.

S. 2417

At the request of Mr. Bentsen, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 2417, a bill entitled the "Productivity Improvement Act of 1980."

S. 2463

At the request of Mr. Humphrey, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2463, a bill to amend the Survivor Benefit Plan provided for in chapter 73 of title 10, United States Code, to permit a person who has elected to participate in such plan to suspend that election when such person has been rated as totally disabled for a specified period of time, and for other purposes.

AMENDMENT NO. 1742

At the request of Mr. Schweiker, the Senator from Indiana (Mr. Bayh), the Senator from Ohio (Mr. Glenn), the Senator from Alabama (Mr. Heflin), the Senator from West Virginia (Mr. Randolph), the Senator from Michigan (Mr. Riegle), and the Senator from Colorado (Mr. Armstrong) were added as cosponsors of amendment No. 1742 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 425—SUBMISSION OF A RESOLUTION TO DISAPPROVE PROPOSED EXEMPTION FROM INCREMENTAL PRICING

Mr. JACKSON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 425

Resolved, That the Senate does not approve the proposed rule under section 206(d) of the Natural Gas Policy Act of 1978 (relating to incremental pricing of natural gas) a copy of which was transmitted to the Congress on May 7, 1980.

● Mr. JACKSON. Mr. President, the Natural Gas Policy Act of 1978 requires the Federal Energy Regulatory Commission to develop an incremental pricing scheme for industrial users of natural gas. Incremental pricing for boiler fuel users of natural gas is mandatory under the NGPA; expansion of incremental pricing for other industrial uses is presently under review by the Congress.

Incremental pricing as applied to boiler fuel users is the subject of the resolution I am submitting today. At present, the incremental pricing rule passes on a specified portion of the acquisition costs of natural gas through a surcharge mechanism. The mechanism operates to increase the boiler fuel users' natural gas prices until the price equates with the cost of the users' alternate fuel.

Last fall, on October 15, FERC submitted a proposal to Congress for review establishing the alternate fuel price at the cost of No. 6 high-sulfur fuel. An explanation of that proposal appears in the CONGRESSIONAL RECORD of October 15, 1979, on pages 28319–28320. The Commission has just submitted a continuation of the program establishing the No. 6 high-sulfur fuel price as the alternate fuel price. I ask unanimous consent that the explanation of the proposal be printed in the RECORD at the conclusion of my remarks.

The proposal is subject to congressional review. Either the House or the Senate could preclude the proposal from going into effect by adopting a simple resolution of disapproval. As has been my practice in the past, I am submitting a pro forma resolution of disapproval of the proposed incremental pricing action.

Questions or comments concerning this matter should be directed to Elizabeth A. Moler, staff counsel, Committee on Energy and Natural Resources, (202) 224–0611.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY
REGULATORY COMMISSION,
Washington, D.C., May 7, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Federal Energy Regulatory Commission (FERC) herewith submits regulations which would exempt industrial users subject to Phase I of the incremental pricing program required by section 201 of the Natural Gas Policy Act of 1978 (NGPA) from the upper two tiers of the three-tier price ceiling mechanism contained in the regulations implementing Phase I. This exemption is submitted under the exemption authority contained in section 206(d) of the NGPA.

The NGPA provides for phased deregulation of most newly discovered natural gas by 1985. The incremental pricing provision, a program to transfer a larger proportion of the higher costs of new gas to industrial users, were included to partially shield residential and other high priority users from the full immediate impact of higher gas costs and to provide order in the natural gas market following deregulation.

The statute requires that incremental pricing be implemented in two phases. Phase I applies to large industrial facilities using more than 300 thousand cubic feet of natural gas per day as a boiler fuel (to generate steam or electricity). The Commission implemented Phase I on November 9, 1979.

The portion of new gas costs assigned to industrial users under incremental pricing is to be limited by a ceiling price tied to the price of alternative fuels. An industrial user subject to incremental pricing is intended, under the statute, to pay up to the price of No. 2 distillate fuel oil. However, the Commission is given discretion to reduce the price ceiling to the price of No. 6 residual fuel oil in order to prevent industrial facilities from switching off of natural gas. Industrial load loss of significant magnitude would lessen the protection from higher gas prices provided to high priority users, one of the two stated objectives of the incremental pricing program.

Under this authority, the Commission has adopted a three-tier system of price ceilings based on the regional prices of No. 2, No. 6 low-sulphur, and No. 6 high-sulphur fuel oil. The price to an individual facility is tied to the alternative fuel that the facility is actually equipped and authorized to burn.

The average price per million Btu's for No. 2 distillate fuel oil is now approximately $5.50, No. 6 low-sulphur sells for $4.00 to $4.50, and No. 6 high-sulphur is in the range of $3.00 to $3.25.

In October of 1979, the Commission submitted to the Congress an exemption under the authority provided in section 206(d) of the NGPA suspending the upper two tiers of the three-tier system for one year. The exemption was proposed to prevent industrial facilities from switching to fuel oil at the beginning of the winter heating season which might jeopardize supplies of home heating oil and to give the Energy Information Administration adequate time to develop a data collection program to determine the appropriate prices of all three grades of fuel oil. The Congress did not disapprove this partial exemption rule; it will remain in effect until November 1, 1980.

The Commission is now proposing to extend this exemption from the upper two tiers of the three-tier system in Phase I for an additional year, until November 1, 1981.

With this letter, the Federal Energy Regulatory Commission respectfully submits for Congressional review this exemption under section 206(d) of the Natural Gas Policy Act of 1978.

Sincerely,

CHARLES B. CURTIS,
Chairman.●

AMENDMENTS SUBMITTED FOR PRINTING

SENATE CONCURRENT RESOLUTION 86—FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981

AMENDMENT NO. 1755

(Ordered to be printed and to lie on the table.)

Mr. GLENN (for himself and Mr. GOLDWATER) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations will hold a markup on Wednesday, May 14, 1980, at 11:15 a.m., in room S–146, to consider S. 878, the Federal Assistance Reform Act.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

● Mr. JACKSON. Mr. President, I wish to announce that the Subcommittee on Energy Conservation and Supply of the Committee on Energy and Natural Resources will hold a hearing on Friday, May 23, 1980, on S. 1519, "to authorize and direct the Secretary of Energy to defer repayment of certain reimbursable costs incurred by the Southwestern Power Administration, to waive certain interest costs, and to amend section 5 of the Flood Control Act of 1944."

The hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by June 6, 1980, to Veronica Kun, Subcommittee on Energy Conservation and Supply, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Thursday, June 5, 1980, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on the Department of Energy's Building Energy Performance Standards (BEPS) program. This hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, June 2, 1980, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on emergency motor fuel demand restraint mechanisms. On April 16, 1980, I introduced the Emergency Motor Fuel Demand Rationing Act of 1980, S. 2570, which proposes one such mechanism. Because this bill involves the use of an emergency tax, it was quite properly referred to the Senate Finance Committee. Another mechanism is coupon rationing which is currently under consideration by the administration for submittal to Congress under the provisions of title I of the Emergency Energy Conservation Act of 1979 (Public Law 96–102).

The purpose of our subcommittee hearing is to examine the energy policy issues associated with these and other methods of dealing with episodic, severe shortages in transportation fuel.

This hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about the hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

ADDITIONAL STATEMENTS

AMERICAN BUSINESS CAN DO THE JOB

● Mr. CHURCH. Mr. President, David T. Kearns, president and chief operating officer of the Xerox Corp., has written a striking column for the "My Turn" feature in the May 5 Newsweek magazine. I ask that this article, "Let's Take Risks

Again," be printed at the conclusion of my remarks.

Mr. Kearns has laid down the challenge that American business can succeed in advancing innovation and productivity in spite of big government. He has addressed what I have long felt are the most serious problems facing our economy, and our foreign policy as we compete with other nations around the globe.

I agree with Mr. Kearns that American business can do the job, but Government must not stand in the way. Unnecessary and burdensome Government regulations and paperwork must be eliminated.

Furthermore, Mr. President, I believe that Congress must not only continue to strive to reduce big government, but also incentives must be established for business innovation and expanded productivity. The 1978 reductions in capital gains taxes and employee stock ownership plans are milestones in this course, but, as I have urged President Carter, more must be done.

Xerox is big business. It is also one of the leading innovators among all American industries. Mr. Kearns' candid and challenging article should be food for every American's thought.

The article follows:

LET'S TAKE RISKS AGAIN

(By David T. Kearns)

Almost all of us in business have complained at one time or another about the cost—and the reach—of government regulation. It now seems to me our complaints have become self-defeating excuses.

American businessmen, in fact, are hiding behind government regulations. They're using the excesses and inefficiencies of Big Government to excuse lackluster management, poor technology and deteriorating productivity.

I don't mean the complaints aren't valid, just that we've heard enough of them. Government isn't the whole problem, no matter how big and how intrusive it is or may become. Getting rid of government—and government's regulations—wouldn't be the whole solution, either. This isn't to say that government and its regulations are a good thing, only that they aren't as good an excuse as some of us think.

If we could claim that government's growth over the last 50 years has come at the expense of business, or the average family's standard of living, it would be a different matter. We can't, because it hasn't.

While government has grown into the half-trillion-dollar levianthan it has become, the economy, by and large, has prospered, and our standard of living soared. In that same period of enormous governmental growth, business has expanded, the number of jobs has doubled and the quality of the average worker's life in America has bested that any other society in history.

The growth of government didn't cause that success—but it didn't prevent it, either, and that's an important distinction.

Let's stop telling ourselves how easily we could solve our economic problems if only we could change the policies—or the politicians—in Washington. What about the policies in corporate boardrooms?

HELP

We like to preach the virtues of a free society, but at the first signs of trouble, the air lanes to Washington are filled with businessmen looking for help. George P. Shultz, former Secretary of the Treasury, said that one of his biggest disappointments was in 1971, when parades of businessmen arrived in Washington, pleading for wage-and-price controls.

The point is, we can't have it both ways. American businessmen have to square their practices with their principles, because the American people won't tolerate anything less. They will never accept a system that allows us to keep our profits, while our losses are subsidized with their tax dollars.

It's time we set aside Big Government as the Big Excuse and get to work on a more serious problem—our vanishing productivity. Since 1966, and particularly since 1970, while the United States progressed slowly—when it progressed at all—our economic competitors have thrived.

Washington is part of the productivity problem, but so is business management. A recent management survey found that U.S. workers are only two-thirds as productive as their grandfathers were—but the survey blamed management, not the workers. Fully 30 per cent of a workday is lost, the survey concluded, through scheduling problems, unclear communication of assignments, improper staffing and poor discipline.

Lay the blame on management, as well, for providing workers with old and outmoded production equipment that might have served their grandfathers well, but can't do the job today. American industry no longer seems willing to risk its resources on capital investments for the future. British essayist Henry Fairlie says of us: "The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society." Indeed, America's dismal economic record during the last decade reflects, more than anything else, an astonishing decline in research and development, innovation and productive risk-taking.

Through it all, the American economy has proven to be unusually strong and resilient, and depending on how you look at it—either because of American industry, or in spite of it—it's likely to remain so.

The one great lie in this country—and it has to be exposed—is that it's all over for us, that the age of innovation has ended. We are prosperous, it is said, because we have an abundance of natural resources. We had the good fortune to find ourselves in a place with most of the world's coal, much of its oil and a lot of its gas, ores, minerals and farmland. The corollary to that myth is that, as those resources run out, or seem to, so does our luck run out.

I don't agree, not just because I find it totally unacceptable, but because I believe it's totally avoidable. The wealth, at least of this nation, is not in the ground. It's in our minds—and that is a renewable resource. We can create new wealth, and we have.

Cost: We have entered a new, electronic age that we created and where we clearly excel. Electronic circuits have become the bargain of the century. The cost of a high-quality transistor in an integrated circuit has dropped in twenty years from $20 to one-fiftieth of a cent. Computers, which have become indispensable to our way of life, operate at 7 cents per million calculations today, when twenty years ago, those same calculations cost $1.26. In my business, we've lowered the cost of making a copy from 8.5 cents on the Xerox 914, which revolutionized the copier industry twenty years ago, to just over a penny today—and our most advanced copier-duplicators will give you those copies at the rate of two a second.

Over the past decade, the compound annual rate of productivity growth for the U.S. semiconductor industry has been a spectacular 22.5 per cent. In the next twenty years, our knowledge of electronics—and our ability to apply it intelligently—will have a profound effect on how we live and work, but more to the point, on how well we do each. Ahead are new generations of microcircuits that will spawn a multi-billion-dollar market for electronic sensors, controls, machines and computers of all sizes and types for consumer and industrial applications of every description.

With the technology we've developed, we can revitalize our tired industrial machine and restore it to its rightful place among our competitors. I mean that both as a statement of fact and a challenge.●

WITHOUT TAXFLATION, TAX FREEDOM DAY WOULD COME MUCH SOONER

● Mr. DOLE. Mr. President, Sunday, May 11, has been designated as Tax Freedom Day. This is the day when most taxpayers will have earned enough to cover their tax liabilities for 1980. The significance of this date is that, from this point forward, our taxpaying citizens will be working for themselves: What they earn for the rest of the year is theirs to save, invest, or dispose of as they choose.

We canot allow this day to keep falling later and later in the year. When that happens, we know that the overall tax burden is still rising. That should not be allowed to happen. The fewer days a taxpayer is working for his or her own benefit, or for a family in need of support, the less incentive there is to increase productivity and efficiency. We are just beginning to become aware of the impact of marginally higher levels of taxation on our rates of productivity and economic growth. It should, however, be self-evident that our citizens are most highly motivated when they can gain maximum benefit from the fruits of their own labor.

Mr. President, one obvious and simple way to help Tax Freedom Day fall earlier in the year would be to index the Federal income tax for inflation. By indexing I mean stabilizing effective tax rates relative to real income, so that the interaction inflation and the progressive income tax will not shunt people into higher rate brackets. This change can be effected simply by requiring annual adjustments in the rate brackets, zero bracket amount, and personal exemption to reflect the most recent annual rise in the price index. It can be accomplished by passing the Tax Equalization Act, (S. 12), which I introduced last year.

It is not fair for the Government to continue to absorb automatically an even larger share of the earnings of our citizens, without even having to cast a vote. Tax equalization would not only help move Tax Freedom Day earlier in the year, it would make the Congress more honest and responsive in setting tax policy. I would urge my colleagues to reflect on this matter in observance of Tax Freedom Day.●

THE INSUFFICIENT FUNDING FOR AGRICULTURAL PRICE-SUPPORT PROGRAMS IN SENATE CONCURRENT RESOLUTION 86

● Mr. McGOVERN. Mr. President, a balanced budget in fiscal year 1981 is a desirable goal, and I support efforts to achieve it. Fiscal restraint is needed and necessary during this time of high inflation rates and low productivity.

I do have great concern, however, about the types of programs that are cut back in the first concurrent resolution on the budget for fiscal year 1981, as opposed to those that are increased. Extreme austerity, for example, is evident in agriculture function 350, especially for agricultural price supports. The agriculture function 350 total for fiscal year 1981 is $2.3 billion. But $1.5 billion of this is for agricultural research and services, leaving only $.8 billion for agricultural price supports.

Therefore, Mr. President, I fear that the first concurrent resolution, as reported by the Committee on the Budget, shortchanges farmers and rural America, and consequently the economic health of most rural areas and communities. It is my understanding, with some slightly different but quite reasonable assumptions about commodity prices—especially in light of the recently announced USDA report on planting intentions—that the maintenance of current price supports would require another $2 to $3 billion.

Thus, the chances are that the function 350 total for agriculture is $2 to $3 billion less than that required at current price-support rates—price-support rates that are not even high enough to keep net-farm incomes from plummeting to around $25 billion in 1980. This is close to $10 billion less in net-farm income than in 1979. And since the inflation rate is running at 18 percent, $25 billion in net-farm income for fiscal year 1980 represents $20 billion in 1979 dollars.

Senators from States where agriculture is not a major activity may not realize that farmers in my State and other farm States are suffering the worst economic conditions since the Great Depression.

Furthermore, Mr. President, I am disturbed by the Senate Budget Committee's report language for agriculture function 350. The report suggests that current farm price supports through fiscal year 1985 would result in stable or increasing per capita net-farm incomes. I quote from page 97 of the report:

> Assuming that the current declining trend in farm population continues over the next 5 years, per capita real net-farm income would increase by about 5 percent.

In other words, the Senate Budget Committee is saying that current price supports through 1985 will give stable or slightly increasing per capita real net-farm incomes only if the number of family farms drops significantly.

Well, in my view, with the amounts budgeted for agriculture, this will be a self-fulfilling prophecy. The report language seems to imply that this is a good policy to follow for consumers and farmers. Even though there will only be a handful of farmers left, the report is saying that their net-farm incomes will be stable. How meaningful is this?

I am raising these points today because, with such a low agriculture function 350 total, there is no room for S. 2639, the Agricultural Trade Suspension Adjustment Act of 1980. The provisions of S. 2639 are designed to mitigate the adverse effects on U.S. farmers resulting from the suspension of trade with the Soviet Union. Among other things, the bill would make modest increases in the loan rates for wheat and feed grains going directly into the farmer-held grain reserve.

If the Senate agrees with me and the other members of the Committee on Agriculture, Nutrition, and Forestry that—due to the grain embargo, bumper crops, and large carryover stocks—S. 2639 is needed legislation, the budget totals for agriculture must be raised in the second concurrent resolution on the budget for fiscal year 1981.

I am not going to offer an amendment to raise the total for function 350 at this time. I do want to warn the Senate, however, that the current function 350 total is unbelievably insufficient. I certainly hope that the Senate Budget Committee will treat function 350 differently during its consideration of the second concurrent resolution on the budget for fiscal year 1981—whether S. 2639 eventually passes or not. So many seem to forget, Mr. President, that our food is not manufactured at the supermarket. How much is it worth, I ask, to have a stable farm economy and a dependable food supply? It seems obvious that, without them, we would not survive as a strong and free nation.●

MINNEAPOLIS VA HOSPITAL

● Mr. BOSCHWITZ. Mr. President, I was very pleased to hear the news last week that the Senate Veterans' Affairs Committee has taken action to recommend that $15 million be appropriated in fiscal year 1981 to begin the design, architectural and engineering plans for the replacement of the Veterans' Administration Hospital in Minneapolis, Minn.

The Minneapolis Veterans' Administration Hospital, which was originally built back in 1927, serves 72 counties in the Midwest region and approximately 547,117 veterans. It is also a valuable teaching facility which has had a long and profitable academic relationship with the University of Minnesota Hospital in Minneapolis. The VA medical center has one of the largest education and training programs in the Veterans' Administration, ranking in the top 1 percent of all VA medical facilities.

However, despite the large number of veterans dependent on the hospital and the valuable contribution it has made in the field of medical education and training, all who have personally toured the hospital agree that it is operating in an antiquated medical facility and is in desparate need of replacement. The Metropolitan Health Board in Minneapolis, which examined the current structure and the replacement plans, declared the existing 738-bed facility as "sorely inadequate" because of age and design.

Most of the facility is made up of buildings that have long past code compliance and present significant fire and safety hazards. There is also a problem with narrow corridors, inadequate space, fans for ventilation, barriers for the handicapped, and patient privacy is almost nonexistent. The building is clearly outdated, and in its present state seriously impairs the efficiency and the cost-effectiveness of its operation.

Without a modern facility, the Veterans' Administration is not able to deliver the quality medical care that we have promised to our country's veterans. We have made a commitment to serve our veterans and we must now live up to that commitment. Furthermore, if we renege on our obligations to our vets, we will jeopardize our chances of attracting the talented young into the services. We must demonstrate to our young people that we treat our veterans with dignity and deserved gratitude. The armed services today are seriously lacking in prestige, and this is, in large part, due to the unwillingness to make veterans programs—education, health, and other programs—a national priority. It is a small price to pay for the service our country receives in return.

In closing, I would like to thank the Veterans' Affairs Committee again for their vote of approval and to urge the Senate Appropriations Committee to act favorably and appropriate the funds for the hospital as recommended by both the House and Senate Veterans' Affairs Committees.●

THE NORTHEAST CORRIDOR IMPROVEMENT PROJECT—S. 2156

● Mr. KENNEDY. Mr. President, I want to congratulate Senator CANNON and the members of the Commerce Committee for their efforts to insure uninterrupted funding for completion of the Northeast corridor improvement project. S. 2156 is a prime example of continuing congressional commitment to an efficient and balanced transportation system in this Nation.

Our country is increasingly compelled to rely upon mass transportation systems. The railroads will continue to be a critical component of such systems. They were our first efficient form of mass transportation in America. Even today they move over 37 percent of intercity freight and 33 percent of intercity and commuter passenger traffic. Fuel to run our automobiles has become increasingly expensive and scarce. These same fuel costs have produced marked increases in air transportation rates. Improved rail transportation throughout the Nation can provide an important alternative, one that will alleviate congestion at our airports and on our highways, cut travel costs, save fuel, and protect our environment.

Rehabilitation of the northeast rail corridor is a long term investment for our entire Nation. It is one of the few intercity passenger rail routes capable of operating without subsidy. Increased ridership in this corridor will reduce long term Federal costs needed for support of the national Amtrak system, and the results of planning and experience in this corridor will be used as a pattern for emerging corridors throughout the Nation.

Many benefits for the Northeast region will accrue as a result of this project. Reduced fuel usage, and reduced pollution, both noise and air, will result from the use of electric instead of diesel engines. Up to 120,000 barrels of oil could be saved in this manner.

New England is in the process of shifting its electricity generation capability from petroleum to nonpetroleum fuels; thus use of electrical engines will reduce our dependence on petroleum fuels. By 1990, 85 percent of the electricity south of New York and 50 percent of the electricity north of New York will be generated from nonpetroleum sources. A 3.7 percent reduction in total pollution is estimated for 1990. Noise levels of train operations in the Northeast corridor can be expected to decrease by 28 percent.

We must make a commitment now to finish this project. There is little benefit to a 1-year authorization. Materials which could be purchased now will have to be purchased later at higher prices; equipment that will be needed 2 years from now cannot be ordered now. Without a long-term funding commitment, the project will be a haphazard, piecemeal effort. Project objectives and values have been geared toward and fixed by the total authorization—not a single year's appropriation. Most of the various operations of the project extend over a period of 2 or more years and are closely interrelated. In 1975 the Congress made a commitment to the Northeast corridor improvement project. We must not now leave the project stranded, without adequate funding for completion, and thus waste funds already committed or spent.

I encourage my colleagues to consider very carefully the need to complete the Northeast corridor project. It is the most economically viable part of Amtrak's system. If the Northeast corridor project fails, the chance for developing corridors in other parts of the country will be sorely jeopardized.

I am hopeful that Congress will act quickly to assure continued funding for this vital transportation project. Its importance to the future of rail passenger transportation in this Nation cannot be overstated.●

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, I have recently made a series of statements in connection with the United States Senate, as we look forward to the 200th anniversary of the United States Senate, which will occur in 1989.

On last Friday, I spoke of the positions of majority leader and minority leader and indicated that I would be speaking later with further reference to the whip system in the United States Senate. It is to that subject that I turn my attention today.

The office of whip is a purely British institution. It is found in what was formerly Ceylon, and Ireland, and I suppose is also found in all the other Commonwealth countries which have based their parliaments on that of the United Kingdom.

The term "whip" has two distinct parliamentary meanings in England. The whip refers not only to the party officials, like those in the Senate, but also to a written document. As a matter of fact, the term "whip" was applied to the written document itself much earlier than the term was applied to the officials who were, and those who today are, responsible for the distribution of the whip letters or whip notices.

Under the British system, the government and the opposition have whips who send to their respective party members a document—or notice—called a "whip." This notice informs members of the legislative activities for the ensuing days. Members are informed of the priority or the urgency of matters by a system of underlining.

Each legislative matter in the "whip" notice is underlined in accordance with its importance. A one-line "whip" may indicate that there will not be a vote on the matter. A two-line notice may indicate that the matter is important and that a vote may occur. A three-line "whip" would indicate that every Member is expected to be on the floor and that a vote is scheduled.

It is recorded that "whips" underscored by as many as six lines were used in the House of Commons as early as 1621. Whips that were underlined in red ink for divisions of extreme importance were introduced during the late 1800's.

I spoke with someone at the British Law Library today who indicated that "whips" were first used in 1621, when notices were sent to the king's friends in the House of Commons. A royal "whip" issued on September 21, 1675, read as follows:

> Sir J. Williamson to a Member of Parliament. The King being firmly resolved that Parliament shall meet 13 Oct., that you may not be surprised with any contrary reports, nor be detained by the business of the sessions, which unhappily is near that time, has commanded me to give you this notice, and to desire you will not fail to be here at or before the time appointed, and I desire you will let me know as soon as you come to town, that I may acquaint the King how his commands to me have been executed.

As I indicated in an earlier discussion, the "whips" in the 17th and 18th centuries were known as "circular letters." They were also known as "treasury notes" or "treasury letters." In early days they were secret letters.

By 1763 the procedure of the "circular letter" was firmly established, and the withholding of a "whip" was considered a slight.

Edmund Burke, as I stated earlier, referred to the person who dispatched the "circular letter" as being the equivalent of the "whipper-in," the whipper-in being the huntsman assigned to the task of keeping the hounds from straying from the field during the fox hunt.

In May 1769, there was a great debate in the House of Commons on the petition against the return of Colonel Luttrell for Westminster in the place of Alderman Wilkes, who had been expelled from the House by its order. The King's Ministers made great efforts to get all of their supporters together from all quarters for the debate. Edmund Burke, who took part in the debate, referred to these efforts and described how Ministers had sent for their friends to the north and as far away as Paris, "whipping them in, than, which," he said, "there could not be a better phrase."

I am told that since that time, since Burke made that reference, the members responsible for the marshaling of the forces and for giving out information have been themselves called "whips" and they occupy an important position in both the government and the opposition parties.

A common expression from England about the chief function of a whip is as follows: The whip's job is, "to make a House, to keep a House, and cheer the Minister."

Of course, the meaning of the last phrase is obvious, while the first two phrases refer to the whip's job, first, to insure that sufficient Members of his party are present to constitute a quorum and second, to guarantee that his party can outvote the opposition.

It is especially important, in the British system, for government whips to insure that their party receive a majority vote and as large a majority as possible on every issue because a "snap-vote" that is lost by the government damages their prestige within the chamber and without the chamber. A division loss by the majority party would also create the impression that Government supporters are not very keen in their support or are failing in their parliamentary duties, and it encourages the opposition, both inside and outside the House.

So the job of the Government whip or the chief whip and the deputy whips on the chief whip's side is to prevent such losses while the opposition's whip's task is to inflict as many defeats or narrow majorities as possible on the majority party.

So, to avoid such parliamentary defeats and embarrassments, the chief whip and his assistants see that all party Members are informed of the current legislative business and, as I said the other day, to see that the right Member is in the right place at the right time. If a Member wishes to be absent, his respective party whip will try to arrange pairs.

From 1789, when the Senate first was organized, until 1913 the Senate party whips did not exist, as far as I know, even though our national legislature is patterned in many respects after the English Parliament anent legislative procedural practices. It is likely that certain legislators may have performed tasks roughly similar to those of contemporary whips, but there was no institutionalization of the office apparently until the 20th century.

A probable explanation for this is that strong political parties evolved in the United States Senate only after decades of development.

In the early years of the 19th century, political parties on the Hill were largely unorganized groups. In 1874, Senator Justin Morrill, Republican of Vermont, noted this lack of party organization when he said, "I do not propose to act as 'the whip' of the Senate. I think Senators are quite competent to express their own judgment without any whip.

We have never had what is called a whip in the American Senate."

In 1913 the first Democratic Party whip was appointed. He was J. Hamilton Lewis, of Illinois. And he himself indicated that, as far as he could learn, he was the first Democratic whip appointed in the history of the United States Senate, and that was during the first Wilson administration.

Here is what the May 29, 1913, New York Times had to say about Mr. Lewis' appointment:

> As a further precaution against a snap division in the Senate by which the Democrats might find themselves in the minority, the caucus elected Senator J. Hamilton Lewis of Illinois today to serve as "whip," although designated as assistant to Majority Leader Kern in the capacity of floor leader. Mr. Lewis's chief duty will be to see that Democrats are present or paired at every rollcall.
>
> The appointment of an assistant to Senator Kern, though brought about in a way to avoid wounding the majority leader's pride, is in fact partly explained by general dissatisfaction with Mr. Kern's leadership.

That closes the quote from the New York Times story.

Others have said that poor attendance at some of the party caucuses angered the majority leader, Mr. Kern, and that, as a result, a party whip was appointed.

In this regard I quote from Claude G. Bowers' The Life of John Worth Kern, 1918, page 351:

> At times when the regular Democratic attendance had dwindled to a corporal's guard, his impatience manifested itself in caucus, where on one occasion he supplemented his appeal with sarcastic protests, and a "party whip" was selected to assist him.

So two factors may have produced conditions which led to the creation of a party whip post: one, the dissatisfaction of the Democrats in the Senate with their party leader; and, two, the need of their party floor leader in the Senate for an assistant to assure attendance at the party caucuses and on the Senate floor.

Well, having observed that Democratic innovation, the Republicans in 1915 appointed as their first party whip, Senator James Wadsworth of New York, who served but 1 week until Senator Charles Curtis of Kansas was named as his successor.

As in the case of other party leadership positions, that of party whip is not provided for in the Standing Rules of the Senate. Beginning in 1955, the legislative branch appropriations bill contained funds for two clerical assistants, one for the majority whip and one for the minority whip.

As I stated earlier, the whips are chosen in the secret caucus or conference of each party at the beginning of each new Congress.

The party whips are often referred to as the "assistant leaders." On October 7, 1969, the Republican Conference met and unanimously adopted a motion to change in the conference rules the title of "whip" to that of "assistant leader."

Former majority leader Mansfield changed Senator EDWARD KENNEDY's title as well, for a 1970 Congressional Directory identified Mr. KENNEDY as the "assistant majority leader."

When I became whip I asked that the title of "Majority Whip" be reinstituted because I preferred that title. I preferred it because of its parliamentary and congressional history. As I have already indicated, the history of the whip institution under the British parliamentary system goes back to the 1600's, and I felt that, with those deep institutionalized roots, the title of whip should continue to be carried by the person in the Democratic Party structure who fulfilled that traditional role in the legislative process.

In the United States Senate, the whips have in recent years sent to their colleagues "whip" notices as the British whips do under the British system. As an example of one of those whip notices, I ask unanimous consent that a whip notice dated June 30, 1972, which was distributed to my colleagues when I was majority whip, be printed in the RECORD.

There being no objection, the whip notice was ordered to be printed in the RECORD, as follows:

SENATE DEMOCRATIC WHIP NOTICE

JUNE 30, 1972

The Program for today is as follows:

Senate convenes at 8:15 a.m.

Fifteen minute orders as follows:

Mr. Tunney.
Mr. Harry F. Byrd, Jr.
Mr. Proxmire.
Mr. Moss.
Mr. Robert C. Byrd.

DEBT LIMIT BILL

9:30 a.m.—rollcall vote on Bennett amendment (10 percent social security increase).

9:45 a.m.—rollcall vote on Church amendment (20 percent social security increase).

Resumption of debate and amendment to Debt Limit Bill (no time limitation).

Rollcall vote on final passage of Debt Limit Bill is sure.

PUBLIC WORKS APPROPRIATION BILL

Senate will take up Public Works Appropriation Bill under a time limitation (2 hours, 30 minutes on any amendment, etc.).

Rollcall vote sure on final passage of Public Works Appropriation Bill.

CONTINUING RESOLUTION

Senate will next resume consideration of Continuing Resolution under a time limitation (1 hour for debate, 1 hour on Proxmire amendment, ½ hour on any other amendment, etc.).

Rollcall vote on Proxmire amendment.

There will also be a rollcall vote on passage of Continuing Resolution.

GENERAL INFORMATION

(1) Conference reports will also be called up during the day.

(2) Foreign Assistance Act remains the unfinished business and action thereon will be resumed when Senate returns July 17.

(3) Minimum Wage Bill will be second track item when Senate returns on July 17.

REMINDER

At least 6 rollcall votes today, the first to occur at 9:30 a.m.

POST-DEMOCRATIC CONVENTION INFORMATION

The leadership urges all Senators to plan on lengthy sessions daily, six days each week, following Senate's return July 17. A very heavy tough and controversial work load confronts the Senate at that time. For example, the following measures speak for themselves:

(1) Foreign Assistance Act.
(2) Minimum Wage Bill.
(3) Welfare Bill.
(4) No-Fault Insurance.
(5) Maritime Bill.
(6) Marine Mammals.
(7) Military Construction Appropriation Bill.
(8) Agriculture Appropriation Bill.
(9) Supplemental Appropriation Bill.
(10) Foreign Aid Appropriation Bill.
(11) Defense Appropriation Bill.
(12) Plus others.

The political radar shows stormy weather ahead; much turbulence; fasten your seat belts—but in the meantime, try to get some relaxation and rest.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent also that the "whip" notice of Friday, June 23, 1978, distributed to his Democratic colleagues in the Senate by Mr. ALAN CRANSTON, the able whip who now serves, be printed in the RECORD.

There being no objection, the whip notice was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY WHIP,
Washington, D.C., June 23, 1978.

DEAR COLLEAGUE,

MONDAY, JUNE 26

Senate convenes: 9 a.m.

Following the usual preliminary activities, the Senate will take up S. 2579 (Calendar Order 783), establishing the Presidential Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, which is under a time agreement. When work on S. 2579 is completed, we will turn to S. 2450 (C.O. 769), extending assistance programs for community mental health centers and for biomedical research and then to S. 2466 (C.O. 770), establishing the National Institutes of Health Care Research, etc. There are time agreements also on these bills. The leadership hopes that it will be possible to complete work on the above measures on Monday. If not, we will return to them after the Treasury-Postal Service appropriations bill is disposed of on Tuesday.

Roll Calls: Can be expected, but no roll call votes before 4 p.m. Monday.

TUESDAY, JUNE 27

Senate convenes: 9:00 a.m. or earlier.

After the preliminary activities and special orders, the Senate will begin work on H.R. 12930, FY 79 Treasury-Postal Service appropriations.

At 10 a.m., the Senate will interrupt its work on H.R. 12930 for a vote on the resolution of ratification of the U.S.-U.K. tax treaty which includes the Church reservation.

Following the vote on the Treaty, the Senate will resume its consideration of the Treasury-Postal Service appropriations bill. When this item is disposed of, we will either return to work on the health bills listed above (if they haven't been disposed of) or will then take up S. 419 (C.O. 733), the oil shale bill.

THE WEEK

Convening times for the remainder of the week are as follows:

Wednesday, June 28—9:00 a.m. or earlier.

Thursday and Friday, June 29-30—9:00 a.m. or earlier.

Other measures which the leadership expects to take up next week include the following (but not necessarily in this order):

Calendar Order 782, S. 2549, NSF authorization bill.

Calendar Order 771, S. 3074, a bill to amend the Foreign Assistance Act to authorize development assistance programs.

Calendar Order 773, S. 3076, Department of State, ICA and Board for International Broadcasting authorization bill.

New York City aid bill H.R. 12426 after June 28.

The leadership wishes to emphasize that there will likely be some night sessions next week (before leaving for the July recess) and roll call votes will occur daily.

Alan Cranston.

Mr. ROBERT C. BYRD. In Mr. Cranston's whip notice he indicated to his colleagues the events scheduled for Monday, June 26. He called to their attention the measures that would be taken up during that day, and he indicated that there would be no rollcall votes before 4 p.m. on that Monday.

For the business on Tuesday, June 27, he indicated the measures that would be called up, one of which would be a tax treaty between the United States and the United Kingdom, and another of which was an appropriation bill making appropriations for the Treasury and the Postal Service. Then he gave a wrapup of the remainder of the week in which he stated the convening times and the measures that were likely to be called up, and he emphasized that there would likely be night meetings during the week before leaving for the July recess, and he stated that rollcall votes would occur daily.

Mr. President, I ask unanimous consent that a whip notice dated May 17, 1979, distributed to his colleagues on the Republican side of the aisle by the distinguished Senator from Alaska, Mr. Stevens, the Republican Party whip, be printed in the Record at this point.

There being no objection, the whip notice was ordered to be printed in the Record, as follows:

Senate Republican Whip Notice

MAY 17, 1979

Dear Colleague:

MONDAY, MAY 21

11:15 a.m.

Senate will convene.

Following the usual preliminary activities, the Senate will take up S. 241, the Federal Law Enforcement Assistance Administration bill. Final action is expected today.

It is possible that the Senate might consider S. 756, authorizing appropriations for the Office of Federal Procurement Policy, assuming action on S. 241 is completed.

Rollcall votes expected.

TUESDAY, MAY 22

Time for convening uncertain.

The majority leader has unanimous consent to call up S. 584, the Foreign Assistance Act of 1961 and the Arms Export Control Act, and it is expected that he will do so.

Rollcall votes expected.

It is also anticipated that at sometime during the week, the conference report on the First Concurrent Budget Resolution will be available for action.

The program for the balance of the week has not yet been determined. Please contact 4-8601 for details on the daily schedule. My office at 4-2708 is available to answer questions.

Note: The Memorial Day recess will begin when the Senate has concluded its legislative business for the week. The Senate will then reconvene on Monday, June 4th.

(Mr. RIEGLE assumed the chair.)

Mr. ROBERT C. BYRD. The whip system has continued to develop with the passage of time in this body. For example, Mr. Cranston conducts weekly whip meetings, in which I sit and which are also attended by Miss Mary Jane Checchi, the chief counsel and staff director of the Senate Democratic Policy Committee. Mr. Cranston, in those meetings, outlines to the deputy Democratic whips the business that is expected to be taken up during the week. Those whip meetings usually are scheduled for Mondays. Mr. Cranston also indicates the work that he feels the deputy whips should assist him and the majority leader in carrying out.

Mr. Cranston has developed that aspect of the whip system during his tenure and I commend him on having done this.

The minority whip, Mr. Stevens, replaced the regional GOP whip system with a new assistant whip structure to make certain that the rights of GOP members are protected during Senate floor actions. All first year GOP Senators, along with several of their more experienced colleagues, are afforded the opportunity to become assistant whips. Mr. Stevens, the minority whip, introduced the practice of "double-teaming" the floor; in other words, a Republican whip will also be present to assist the party's floor manager during Senate debate on legislation.

Mr. President, I ask unanimous consent to have printed in the Record the names of the assistant Republican whips for the 96th Congress.

There being no objection, the names were ordered to be printed in the Record, as follows:

William Armstrong (Colorado).
Rudy Boschwitz (Minnesota).
John Chafee (Rhode Island).
John Danforth (Missouri).
Thad Cochran (Mississippi).
William S. Cohen (Maine).
Orrin Hatch (Utah).
Gordon J. Humphrey (New Hampshire).
Larry Pressler (South Dakota).
Jesse Helms (North Carolina).
John Warner (Virginia).
Richard Lugar (Indiana).
James McClure (Idaho).
Harrison Schmitt (New Mexico).
Malcolm Wallop (Wyoming).
David Durenberger (Minnesota).

Mr. ROBERT C. BYRD. Incidentally, Mr. President, last week when I inserted in the Record the names of the Democratic deputy whips, I inadvertently overlooked the name of the able Senator from Nebraska (Mr. Exon). I make amends for that inadvertence today by giving his name special attention.

So, Mr. President, these two distinguished whips, Mr. Cranston and Mr. Stevens, have brought forth to the respective whip systems in the Senate innovations that serve to improve the effective functioning of the whip systems and certainly make the development of those whip systems more and more in conformity with the whip system in the House of Representatives—which is more highly structured, more developed than is our own here in the Senate and which, more and more, take on the role and functions of the British whip system. And these changes have been meaningful.

When I was Senate majority whip, I did not have meetings with deputy whips. As a matter of fact, the deputy whips in those days were not as numerous as they are today. I feel that the institutionalizing of the whips' meetings, the meetings of the deputy whips on a weekly basis and the enlargement of the number of deputy whips, are progressive innovations for which Mr. Cranston should be commended.

The number of Democrats appointed as deputy whips have been increased from four in 1975 to ten as of now. The increase serves to strengthen the majority's capacity to process the Senate's workload and to monitor sentiment for and against legislation.

Mr. President, there have been 15 Democratic whips since 1913. I ask unanimous consent that a table entitled "Party Whips in the U.S. Senate, 1913 through 1980" be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 1.—PARTY WHIPS IN THE U.S. SENATE, 1913–80

Name, State, years as whip	Years of whip service	Years in Senate before election	Advancement to party leader	Age at election as whip
DEMOCRATS				
J. Hamilton Lewis (Illinois 1913–19, 1933–39)	12.0	0		51, 69
Peter G. Gerry (Rhode Island, 1919–29)	10.0	2.0		39
Morris Sheppard (Texas, 1929–33)	4.0	16.0		53
Sherman Minton (Indiana, 1939–41)	2.0	4.0		48
Lister Hill (Alabama, 1941–47)	6.0	3.0		46
Scott Lucas (Illinois, 1947–49)	2.0	8.0	1949–50	55
Francis Myers (Pennsylvania, 1949–51)	2.0	4.0		48
Lyndon Johnson (Texas, 1951–53)	2.0	2.0	1953–60	42
Earle Clements (Kentucky, 1953–57)	4.0	2.0		56
Mike Mansfield (Montana, 1957–61)	4.0	4.0	1961–77	53
Hubert Humphrey (Minnesota, 1961–65)	4.0	12.0		49
Russell Long (Louisiana, 1965–69)	4.0	16.0		47
Edward Kennedy (Massachusetts, 1969–71)	2.0	6.0		36
Robert C. Byrd (West Virginia, 1971–77)	6.0	12.0	1977–	53
Alan Cranston (California, 1977–)		8.0		62
Average	4.6	6.6		50.4

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a table which includes the names of Republican Party whips in the U.S. Senate from 1913 through 1980 be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 1.—PARTY WHIPS IN THE U.S. SENATE, 1913–80

Name, State, years as whip	Years of whip service	Years in Senate before election	Advancement to party leader	Age at election as whip
REPUBLICANS				
James Wadsworth (New York, Dec. 6, to Dec. 13, 1915)	(1)	1.0		38
Charles Curtis (Kansas, 1915–24)	10.0	6.0	1925–29	54
Wesley L. Jones (Washington, 1924–29)	4.0	16.0		60
Simeon Fess (Ohio, 1929–33)	4.0	6.0		67
Felix Hebert (Rhode Island, 1933–35)	2.0	4.0		58
Kenneth Wherry (Nebraska, 1944–49)	5.0	1.0	1949–51	51
Leverett Saltonstall (Massachusetts, 1949–57)	8.0	4.0		56
Everett Dirksen (Illinois, 1957–59)	2.0	6.0	1959–69	60
Thomas Kuchel (California, 1959–69)	10.0	6.0		48
Hugh Scott (Pennsylvania, 1969)	1.0	10.0	1969–77	68
Robert Griffin (Michigan, 1969–77)	8.0	3.0		46
Ted Stevens (Alaska, 1977–)		8.0		53
Average	5.4	5.9		54.9

[1] 1 week.

Note: The Republicans elected no whip from 1935 to 1944; the chairman of the Republican Conference appointed Senators to assist him.

Mr. ROBERT C. BYRD. An examination of this table will show that during the years 1935 to 1944, no Republican served as party whip. The reason that no Republican was appointed during those years to serve as whip arises from the fact that only 17 Republicans were in the Senate following the landslide election of President Franklin D. Roosevelt in 1936.

Of the Democratic whips, an examination of the table will show that J. Hamilton Lewis served longer in that office than any other Democratic whip. He served a total of 12 years.

The Republicans who served longest as Republican whips is shown as Charles Curtis, of Kansas, who served from 1915 to 1924, and Thomas Kuchel, of California, who served from 1959 to 1969. It would appear from the table that Mr. Kuchel served the longest in that position among the Republicans.

The whip appears to be next in line to succeed the leadership of his party, but it should be stressed that this is a matter of probability and not of certainty. No fixed or formalized system of party advancement can be discerned from a study of the tables which I have inserted in the Record, or from a study of the political history of the whip institution in the Senate.

Republican whip Leverett Saltonstall, with whom I served when I first came to the Senate, for example, was bypassed for the leadership position in 1952, and Senator Robert A. Taft, of Ohio, the then majority leader, appointed Senator William Knowland, of California, to be acting majority leader in his absence.

Some of the political observers of the time felt that the reason Mr. Saltonstall was not elevated to the office of acting majority leader was because many conservative Republican leaders opposed the elevation of a liberal like Mr. Saltonstall to that position.

The whip's job, like the majority leader's job, is, in countless ways, virtually a thankless task, although the whips are given additional staff and office space; they receive many invitations to social, diplomatic and political functions; and they achieve increased public visibility because of the mass media coverage that accrues as a result of the position which they have attained.

They act in the absence of their respective leaders and, as acting floor leaders, during those occasions they perform, of course, the same duties and responsibities that are incumbent upon their party leaders.

The whips also arrange pairs for Senators who are absent, but that task in more recent years has been more or less delegated to the Secretary to the Majority and the Secretary to the minority. The whips' duties are determined largely by the relations existing between the whips and the party floor leaders and involve their discussions of the legislation and the program from day to day and week to week. Of course, there are variations which develop in the interpretations of the whip's role by those whips who have held the position over the years.

Mr. J. Hamilton Lewis, who was the first Democratic whip, indicated his views concerning the work of a whip. They were as follows, in part:

> The duties of the Senate whip demand his presence on the floor as constantly as possible. Sometimes the long hours test his physical capacity, but generally he is devoted to "watchful waiting." He is ex-officio assistant floor leader, and in the absence of the floor leader, and other assistants, may be called upon to represent his party. At rollcalls he reports absentees and pairs which have been brought to his attention. He is not supposed to introduce bills lest they may divert his attention from his floor duties. While the parliamentary whip is not supposed to engage in debate, there is no such restriction on the congressional whips. In fact, as assistant floor leader it often becomes necessary for them to do so.

The chief whips and deputy whips of the Democratic and Republican parties today, of course, no longer are expected not to introduce bills. They introduce bills and resolutions just as do others of their colleagues on both sides of the aisle.

There no longer is a parliamentary whip, as distinguished from the congressional whip. As to how the Republican party whip from 1944 to 1949, Senator Kenneth S. Wherry, viewed his responsibilities, his biographer may be quoted in part as follows:

> Senator Kenneth S. Wherry saw himself as an official who was chosen by his party to assist in maintaining party discipline and united action in the day-to-day deliberations of the U.S. Senate. He viewed his position as being responsible for the attendance of party members and for the arranging and controlling of the "pairing" process. He reported the absentees, pairs, and voting attitudes of the members on rollcalls. He consulted with and worked under the party floor leader in arranging the order of business of the Senate; and he handled the details of the weekly and day-to-day legislative programs, consulting with the floor secretary of his own party and with the whip of the Democratic party.

Mr. Saltonstall, the Republican whip from 1949 to 1957, said that the whip's chief responsibility was to do the "dirty work" as assistant floor leader; in other words, being on the Senate floor or insuring that, in the whip's absence, someone designated by him would be there to protect the party and the national interest.

In addition to his Senate leadership functions, a party whip may, from time to time, serve as the Senate spokesman for major White House policies when his party controls the Presidency. He especially does this in the absence of the majority floor leader. However, the majority leader, when his party controls the White House, does not at all times necessarily reflect the views of the President and his administration.

(Mr. DeCONCINI assumed the chair.)

Mr. ROBERT C. BYRD. From time to time, the views of the majority leader and the President will differ, as they have in my own case.

The relationship between the floor leader and the whip parallels, in some ways, the relationship that exists between the President and the Vice President of the United States. Both the whip and the Vice President depend, to a great extent—though not completely, of course—upon the directions and duties given them by their party leader—the Floor Leader and the President, respectively. Both have ill-defined responsibilities.

This is not to say that the whip and the majority leader or, in the case of the minority, that the whip and the minority leader always agree.

In my own case, when I was majority whip, serving with Majority Leader Mansfield, there was never any friction, but we had an understanding that, from time to time, of course, we would have to differ in our votes and that that would be mutually understood and expected—each of us, it having been recognized, owing a responsibility to his own constituents, who sent us to the U.S. Senate to reflect their views rather than simply vote the same way on every issue that came before the Senate. So, from time to time, I had to vote differently. Mr. Mansfield understood that. He was the first to recognize that my own West Virginia constituents were responsible for my election to the Senate and that I, from time to time, would have to differ with him as to voting, but never with any personal feelings involved. Most usually, it was possible for us to vote together in support of or in opposition to measures that were before the Senate.

That same good, warm relationship exists presently between myself and Mr. CRANSTON, the current majority whip.

From time to time, just as Vice Presidents have been selected more for political balance than for ideological compatibility, so the same has been true, perhaps, in connection with the selection of party whips in the Senate.

May I say for the record that not only do I have a splendid working relationship with my own Democratic whip (Mr. CRANSTON), but also with the Republican leader (Mr. BAKER) and the Republican whip (Mr. STEVENS).

Mr. CRANSTON has earned an excellent reputation as a "nose-counter" in the Senate. I think I, myself, have given him the nod as being the "best nose-counter in the Senate." He is really superb when it comes to anticipating how the votes will fall in place on a given issue. I commend Mr. CRANSTON and the deputy whips on this side of the aisle for the cooperation and fine support that they have given me as leader. They work together and with the majority leader diligently and well.

Mr. President, may I also say that the election to the office of party whip or, for that matter, floor leader, does not rest on the custom of seniority. It differs from time to time based on many factors. For example, the selection by the party leader, Mr. Lyndon Johnson, of Senator Mike Mansfield to become his assistant in 1957 was an instance in which the majority leader, himself, made the selection of the party whip.

The factor of ideological balance may have been the major factor in the selection of Senator Saltonstall as minority whip in 1949, because he was a spokesman for liberal elements in his party.

In the case of the selection of Senator Hubert Humphrey for majority whip in 1961, President John F. Kennedy gave his support from the White House.

Incidentally, I do not think it is a good idea for the White House to attempt to influence the selection of any Senate party official. It could very well be counterproductive from the White House viewpoint.

Other factors that have influenced the selection of the respective party whips over the years are those of legislative skill, persuasiveness, energy, political instincts, knowledge of the rules, ability to get along well with colleagues, knowledge of colleagues' interests and political viewpoints, and so on.

Finally, and in conclusion, in the case of our two current whips, Mr. CRANSTON and Mr. STEVENS, I would say that they have recognized competency in legislative procedure, they have organizational ability, they have energy, they have political instincts that are accurate, and they enjoy the respect among their colleagues as men who do their homework well, and they are both good vote counters.

In recent years, the position of whip in both parties has gained considerable importance, and I believe, with good reason, that such will continue to be the case.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will convene at 9 a.m. It will resume consideration of Senate Concurrent Resolution 86, the first concurrent budget resolution for fiscal year 1981.

Under the unanimous-consent agreement that was entered into shortly before 2 a.m., this morning only the following amendments will be in order, except for second degree amendments to those amendments, on which second degree amendments the time will be limited to 30 minutes.

The following amendments will be called up in the sequence specified—which may be changed by unanimous consent—and with the limitations of debate indicated:

Three amendments by Mr. WEICKER on which there will be 30 minutes each;

An amendment by Mr. HEFLIN, 40 minutes;

The Levin amendment, 30 minutes;

The Durkin amendment, 30 minutes;

The Stevens amendment, 20 minutes;

The Metzenbaum-Dole amendment, 30 minutes;

The Domenici amendment, 30 minutes;

The Jepsen amendment, 30 minutes;

The Glenn amendment, 10 minutes;

A Glenn amendment, 90 minutes—that is a second Glenn amendment, 90 minutes;

The Pryor amendment to the Glenn amendment, 20 minutes;

An amendment by Mr. THURMOND on which there will be 20 minutes, with 15 minutes controlled by Mr. THURMOND, and with the right to modify his amendment;

Twenty minutes on a Cranston amendment to the amendment by Mr. THURMOND, if offered; and

Two amendments by Mr. HELMS on which there will be 30 minutes each, with the right to modify.

So, certain amendments in the second degree have been specified, but amendments in the second degree, though unspecified, will be in order to amendments in the first degree.

Any rollcall vote ordered in respect of amendments prior to 3 p.m. will begin at 3 p.m. and will occur consecutively in the sequence proposed, and the rollcall votes will last 10 minutes each.

I emphasize, however, that rollcall votes may occur prior to 3 p.m. on motions, points of order—if such are submitted to the Senate—and appeals, if such are taken.

By so indicating, I am not implying that such rollcalls are likely, but they could occur—such rollcall votes could occur.

If other of the amendments enumerated have not yet been reached by the hour of 3 o'clock, such amendments will continue to be called up with the time specified to be allowed thereon, following the sequence of rollcall votes which will begin to occur at 3 p.m.

It would appear from the listing of the amendments that there would be, easily, 15 rollcall votes on Monday.

If all the time is consumed as allowed by the agreement, then it would appear that there would be, roughly, 8 hours taken for debate and with an additional 2½ to 3 hours for rollcall votes.

I would imagine the session could last from 9 a.m. until 9 p.m., give or take, on Monday evening.

Mr. President, that is the program for Monday.

If the distinguished Republican leader wishes to speak, I will yield the floor.

Mr. BAKER. Mr. President, I thank the majority leader.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I will not detain the Senate further this afternoon.

I simply say that the program outlined by the majority leader is, indeed, a demanding and ambitious program for Monday. I know many Members had plans for the early part of that day based on our usual practice so far this year of not having votes except for emergency situations prior to some time in the late afternoon.

But I urge Members on this side of the aisle to take account of this description of the program for Monday.

I have canceled my plans for Monday to be out of the city for part of the day. I urge Members on this side of the aisle to do the same, unless it is absolutely essential because, as the majority leader points out, we may have 15 or more votes.

It will easily be the most active day of this session, with respect to rollcall votes, I suspect.

I thank the majority leader for outlining the program as he sees it at this time, and I wish him a pleasant weekend preparing for a difficult week ahead.

Mr. ROBERT C. BYRD. Mr. President, as always, the minority leader is most considerate and thoughtful. I reciprocate his expressions of good wishes and hope that he will have a good weekend and that the assistant minority leader (Mr. STEVENS) who is in the Chamber, will have a good weekend as well; that my colleague in the chair (Mr. DECONCINI) and our other colleagues will all be prepared for a very busy Monday and a busy week.

ORDER FOR RECOGNITION OF THE TWO LEADERS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, the two leaders or their designees have not to exceed 5 minutes each at the beginning of the day and following the prayer.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m. on Monday next.

The motion was agreed to; and, at 3:52 p.m., the Senate recessed until Monday, May 12, 1980, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 9, 1980:

U.S. Arms Control and Disarmament Agency

George William Ashworth, of Virginia, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, vice Barry M. Blechman, resigned.

Communications Satellite Corporation

Joan F. Tobin, of the District of Columbia, to be a Member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1983 (reappointment).

The Judiciary

Judith Nelsen Keep, of California, to be U.S. district judge for the southern district of California, vice a new position created by Public Law 95-486, approved October 20, 1978.

Marilyn Hall Patel, of California, to be U.S. district judge for the northern district of California to fill an additional position created September 18, 1979, pursuant to the provisions of section 372(b) of title 28 of the United States Code.

Thelton Eugene Henderson, of California, to be U.S. district judge for the northern district of California, vice Cecil F. Poole, elevated.

A. Wallace Tashima, of California, to be U.S. district judge for the central district of California, vice Warren J. Ferguson, elevated.

Justin L. Quackenbush, of Washington, to be U.S. district judge for the eastern district of Washington, vice Marshall A. Neill, deceased.

Helen Wilson Nies, of Maryland, to be an Associate Judge of the U.S. Court of Customs and Patent Appeals, vice Donald E. Lane, deceased.

Department of State

The following-named person for appointment as Foreign-Service information officer of class 2, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Robert James Korengold, of Maryland.

For appointment as Foreign Service officers of class 3, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Frances D. Cook, of Florida.
John K. Ivie, of New Mexico.
Raymond Gordon Robinson, of New York.

For appointment as Foreign Service information officers of class 4, consular officers, and secretaries in the Diplomatic Service of the United States of America:

James Michael Haley, of Washington.
Jonathan Palmer Owen, of Maryland.
Paul Richard Smith, of Maryland.

For promotion from Foreign Service officers of class 6 to class 5:

Bernard Alter, of Colorado.
Vincent M. Battle, of New York.
Anita Shashy Booth, of Florida.
William J. Brencick, of Missouri.
Martin G. Brennan, of California.
Harold Toney Angelea Burgess, of Connecticut.
James J. Carragher, of California.
J. Michael Cleverley, of Maryland.
Robert B. Courtney, of West Virginia.
Thomas E. Crocker, Jr., of the District of Columbia.
Nancy M. DeGumbia, of Connecticut.
Lynwood M. Dent, Jr., of Virginia.
William J. Duffy, of Michigan.
Alan W. Eastham, Jr., of Arkansas.
Stephen E. Eisenbraun, of Florida.
Andrea Morel Farsakh, of Virginia.
John J. Feeney, of New York.
Donald E. Grabenstetter, of Florida.
Marc I. Grossman, of California.
Anne M. Hackett, of California.
Susan Angela Haggerty, of Virginia.
Roger L. Hart, of Tennessee.
Kevin F. Herbert, of New York.
Imogene Gibson Karawa, of Massachusetts.
Gregory B. Kenny, of Florida.
Michael Klosson, of Maryland.
Ann Kelly Korky, of New Jersey.
Eric A. Kunsman, of Pennsylvania.
Julien LeBourgeois, of New Hampshire.
William F. Loskot, of Washington.
Gerald Richard Lueders, of Nebraska.
Stuart Richard Lynn, of Virginia.
Michael E. Malinowski, of Illinois.
Reginald James McHugh, of Wyoming.
James M. McGlinchey, of New Jersey.
Edward McKeon, of the District of Columbia.
Michael E. McNaull, of Washington.
John Medeiros, of Florida.
George Innes Middleton, of California.
Jerry K. Mitchell, of Illinois.
Michael C. Mozur, of Virginia.
Andrea J. Nelson, of New York.
Robert J. Nemeth, of California.
Steven Rolf Ordal, of California.
Jack P. Orlando, of New York.
Robert G. Paiva, of Connecticut.
Mildred Anne Patterson, of Missouri.
Nancy Leslie Pelletreau, of New York.
Mary Ann Peters, of Florida.
William E. Primosch, of the District of Columbia.
Douglas K. Rasmussen, of California.
Edna M. Read, of Florida.
Joseph P. Richardson, of South Carolina.
Nicholas H. Riegg, of California.
Josiah Blumenthal Rosenblatt, of Pennsylvania.
Vladimir Peter Sambaiew, of Texas.
Stephen A. Schlaikjer, of Connecticut.
Charles R. Schwarck, of Pennsylvania.
K. Dunlop Scott, of Pennsylvania.
John Michael Shelton, of California.
Raymond R. Snider, of California.
Donald E. Stader, Jr., of Pennsylvania.
Donald K. Steinberg, of California.
Barbara J. Tobias, of New Jersey.
Annette L. Veler, of Wisconsin.
Alexander Russell Vershbow, of Massachusetts.
Marc M. Wall, of Virginia.
Richard H. Wallen, of Colorado.
Carman C. Williams, of California.
Thomas Kenneth Wukitsch, of Illinois.

For appointment as Foreign Service officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Michael Joseph Hinton, of California.
Larry G. Millspaugh, of California.

For promotion from Foreign Service information officers of class 7 to class 6:

Wendy C. Forward, of California.
Mary Jo Furgal, of Illinois.
Stephen James La Rocque, of Massachusetts.
Richard C. Lundberg, of New York.
Howard Stephen Shapiro, of Texas.

For appointment as a Foreign Service officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Rosil A. Nesberg, of Washington.

For appointment as a Foreign Service information officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Anne Holmberg, of Wyoming.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

William B. Bell, of Connecticut.
Andrew F. Key, of California.
Robert L. Koenig, of Missouri.
Bruce McGowan, of Michigan.
William F. Melvin, of Masachusetts.
Antonia Maureen Moras, of Ohio.
Michael H. Morgan, of the District of Columbia.
Jeffrey C. Murray, of Maryland.
Margaret C. Pearson, of California.
Edward H. Platte, of the District of Columbia.
Margarete Schmidt, of the District of Columbia.
Richard J. Schmierer, of Connecticut.
Janet Elaine Wilgus, of Wisconsin.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Arthur N. Buck, of California.
Eliot Jay Cohen, of New York.
Mary Deane Conners, of Pennslyvania.
Patricia McMahon-Game, of Pennsylvania.
Anne H. O'Leary, of California.

Foreign Service reserve officers to be consular officers of the United States of America:

George B. Fitch, of Virginia.
David A. Lambert, of Ohio.
Randall G. Upton, of Virginia.
Phillip H. Wold, of Florida.

Foreign Service reserve officers to the consular officers and secretaries in the Diplomatic Service of the United States of America:

Clyde P. Berryman, of New York.
William L. Brooks, of Virginia.
Frederick A. Brugger, of Virginia.
Robert B. Crawford, of Maryland.
Michael I. Dane, of Maryland.
R. Bruce Ebersole, of Virginia.
Phillip C. Essman, of Virginia.
Michael J. Farmer, of Virginia.
Melvin L. Gamble, of Virginia.
Maureen D. Geisler, of Virginia.
Douglas R. Hokenson, of Rhode Island.
John Anthony Jordan, of Virginia.
Thomas F. Kady, of Maryland.
John F. Keefe, Jr., of Connecticut.
John L. Kelly, Jr., of Virginia.
Kenneth D. Moorefield, of North Carolina.
Robert A. Phillips, of the District of Columbia.
Hugh E. Price, of Maryland.
Roger P. Sherman, of Connecticut.
Eloise K. Shouse, of Indiana.
Robert D. Steele, of New York.
Lanier B. Yarbrough, Jr., of Virginia.

Foreign Service reserve officers who are candidates for appointment as Junior Foreign Service officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

William M. Bartlett, of Kentucky.
Roy Elias Chavera, Jr., of Texas.
Rhonda LaVerne Crawford, of North Carolina.
Ronald Ashley Dwight, of Rhode Island.
Janice Lee Jacobs Fichte, of Virginia.
Gretchen Anne Gerwe, of California.
Edward Herman Goff, of Virginia.
Martha E. Goff, of California.
Charles Daniel Herrington, of Idaho.
David Milton Hess, of Texas.
Pamela Ann Hughes Hurst, of Arizona.
Robert Lawrence Lane, of Virginia.
Robert Paul Ludan, of California.
Glenda Gaye Maris, of Texas.
Jane Leahy Miller, of Washington.
Jackson C. McDonald, of Florida.

Jane Leahy Miller, of Washington.
Josephine P. Patterson, of Colorado.
Horace W. Pitkin, of the District of Columbia.
Patti Post, of California.
Roy C. Rajan, of California.
Richard Joseph Rodriguez, of California.
G. Manfred Schweitzer, of New York.
Thomas A. Steele, of Georgia.
William Ross Tagliani, of Virginia.
Francisca Thomas, of Virginia.
Stephen J. Tomchik, of Pennsylvania.
Vicente Valle, Jr., of Massachusetts.
Moosa Abraham Valli, of California.

Foreign Service reserve officers to be secretaries in the Diplomatic Service of the United States of America:

John M. Hall, of Virginia.
David N. Merrill, of Maryland.

Foreign Service staff officers to be consular officers of the United States of America:

Georgia H. Alexander, of the District of Columbia.
Joan K. Campbell, of the District of Columbia.
Louise M. Jones, of California.
Elizabeth A. Montagne, of Illinois.
Lorraine M. Moreau, of Rhode Island.
Donna M. Wright, of Washington.

Fernando Sanchez, of California, for appointment as a Foreign Service officer of class 5, a consular officer, and a secretary in the Diplomatic Service of the United States of America, effective November 30, 1979.

IN THE NAVY

The following-named commanders of the Reserve of the U.S. Navy for temporary promotion to the grade of captain in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5910 and 5912, subject to qualification therefor as provided by law:

LINE

Aanstoos, Edward R.
Abeyta, Alfredo L.
Adams, Stanford M.
Ammerman, Hugh T., Jr.
Arrigo, Anthony D.
Asbury, Charles E.
Avila, Philip F.
Backer, John M.
Baker, James W., Jr.
Banks, Otis G.
Barrett, Curtis L., Jr.
Barrett, Stephen P., Jr.
Barsanti, Adolph J.
Barton, Alexander J.
Baxter, Donald J.
Baynes, Gerald T.
Bechtold, Joseph A., Jr.
Bednarek, Norbert H.
Bell, Norris H.
Berg, Peter E.
Best, John W., Jr.
Bingham, Tad H.
Birkner, Robert O.
Bishop, John R.
Blanchard, John N.
Bobrick, Edward A.
Bolwerk, James M.
Boughton, Harold G.
Boyle, Thomas J.
Braun, John C., Jr.
Braverman, Allen S.
Brenner, Marc A.
Brewer, James J.
Brinn, Ronald C.
Brooke, James F., III
Brooks, Andrew D., Jr.
Brown, Richard A.
Browne, Henry W., Jr.
Bruce, Marian L.
Bullock, William G.
Burger, Francis J., III
Burridge, George D.
Burroughs, Robert P.
Busch, Kenneth L.
Callan, James R.
Camp, Carl R., Jr.
Carlisle, Sanford K., Jr.
Carlo, James N.
Carter, Jere S.
Carter, Malcom K., Jr.
Castor, John R.
Catriz, Albert G.
Chisum, William R.
Chrisman, Virgil E.
Churchill, William B.
Clark, George G.
Clarke, Charles E., Jr.
Coffey, John J.
Combs, Charles E.
Conklin, Dwight E.
Cox, Jerry G.
Coyle, Francis X.
Crawford, Forrest S.
Curry, Robert J.
Curtis, Wendell J., III
Cushing, Robert P.
Damm, Bruce A.
Davies, William
De Castro, Julian E., Jr.
Dee, David B.
Depew, John N.
Derr, John F.
Dethomas Joseph, III
Devincenzi, Ronald D.
Dolbeare, Robert L.
Donnell, Robert F.
Doolittle, John B.
Douglas, James G.
Dutton, William M.
Dykema, Owen W.
Elliott, Norman S., Jr.
Erickson, Charles A.
Fidler, Paul P.
Finley, Robert H.
Fitzgerald, Richard S.
Florio, Anthony W.
Forsythe, William D., Jr.
Francis, Perry G.
Fuller, Gran F.
Gallagher, Edward J., III
GARD, Robert L., Jr.
Geier, Edward A.
Gillespie, Richard I.
Glatzer, Maurice
Gordon, James A., Jr.
Green, Clyde L., Jr.
Grocki, Chester J.
Guedalia, Jack I.
Hackenberg, Richard B.
Hager, Robert M.
Hall, Vaughn E.
Hamilton, John E.
Hardin, James T.
Hargadon, Edward W.
Harris, Henry E., Jr.
Hawkinson, Arthur A.
Haynes, Terry K.
Heinz, John A.
Hensey, Charles M.
Duxbury, Richard B.
Eade, Robert M.
Ellis, Howard B., III
Ferris, Edward
Finerty, Gary T.
Finney, Robert G.
Flohr, Robert B.
Foley, Robert J.
Fort, Thomas H.
Freeley, Edward D
Gallagher, Robert J.
Gallaudet, John C.
Garrido, Donald P.
Gilles, Robert J.
Gillis, Dana G.
Goldstein, Robert M.
Gore, Alfred M.
Greer, Charles R.
Guderian, William, Jr.
Hacala, Martin J.
Hackett, Vincent T.
Hair, Max A.
Hamilt, Arthur
Handler, Bruce H.
Hardy, Edward W., III
Harmon, George P. W.
Harwell, Layne H.
Hayes, Robert T.
Hazley, George J.
Helweg, Otto J.
Hensley, George L., Jr.
Herbert, Frank R.
Heyck, Joseph G., Jr.
Hinson, Bruce H.
Hobokan, Andrew
Hobson, Robert L.
Hodge, Don W.
Hogan, William P.
Hohman, Glenn W.
Hooper, John R.
Hughes, Bruce N.
Hunt, Alan G.
Hutchinson, Samuel F.
Hutchko, Alvan J.
Isquith, David A.
Jackonis, Michael J.
Jaeger, Boi J.
Jarema, Frank E.
Jenkins, Wallace T.
Johnson, Douglas A.
Johnson, Edward L.
Joslin, Ivan L.
Justus, Norman E.
Karlson, Edward S.
Kashmanian, Gregory
Keleher, Peter D.
Kelly, William C.
Kerby, Douglas G.
Kerrebrock, Robert A.
Keske, Carl D.
Kimball, Warren F.
King, Michael J.
Kitts, Earle L., Jr.
Kunst, Arthur F.
Lackey, Marvin L., Jr.
Lagueux, Paul B.
Lamb, William M.
Lambden, Jerry D.
Lamer, Wayne L.
Landers, John D.
Larson, Lawrence P.
Larson, Reuben R.
Learson, Harold W.
Lee, Martin K.
Lee, Richard M.
Leinwohl, Arthur
Leo, Paul P.
Leslie, William H.
Lester, John W.
Levit, Bernard E.
Lisle, Paul C.
London, "J" Phillip
Loughridge, Everett A.
Lowell, William A., II
Lukens, Reeves A.
Lyons, Richard B.
Maher, James J.
Malcolm, Lawrence D.
Malone, Jack H.
Marler, Marvin R.
Martel, Leon C., Jr.
Martella, Alex A., Jr.
Martin, Michael J.
Martin, Ronald C.
Mason, John A., III
Maughlin, Richard K.
May, David T.
McLoskey, Robert D.
McMillan, Joseph C.
McNergney, Robert P.
Merritt, Ernest A.
Merritt, William A., Jr.
Meyers, "L" "J" Louis J., Jr.
Mihaly, Donald G.
Miller, Gardner H.
Mills, Michael T.
Mills, Stuart K., Jr.,
Moore, Edward R.
Moriarty, Brian M.
Morrow, Frank S., Jr.
Moyse, James E.
Murdock, Robert V.
Myers, George D., II
Neal, Rodney D.
Nicholas, Jack R., Jr.
North, John H., III
O'Connell, John R., Jr.
Oechslin, Peter E.
Osborn, Jerry C.
Owen, John F.
Pappalardo, Salvatore J.
Partlow, James G.
Pepka, Ronald F.
Peters, William J., III
Peterson, Albert E.
Pfotzer, William
Pitney, James F.
Polutnik, Francis L.
Popp, Joseph M.
Poulin, Francis A.
Powell, Hurley J. T.
Quackenbush, Gilbert W.
Rausch, Harry A., Jr.
Ray, Edward J.
Redmond, James W., Jr.
Regan, James D.
Reinke, Henry S.
Reutter, Walter E.
Rich, James H., Jr.
Richards, James H.
Richards, Richard L.
Ricker, Charles T., Jr.
Ricketts, Donald B.
Rieger, Jon H.
Riggins, William S.
Rigone, John L.
Riley, James C., Jr.
Rimbach, David G.
Robbins, Clyde D.
Roberts, Michael M.
Robinson, William A.
Rossi, Robert J.
Roudebush, Daniel L.
Rufe, Robert W.
Sallade, Frederick E.
Samuelson, Ronald A.
Sanchez, William A.
Sass, Arthur H.
Sax, Samuel W.
Schaefer, Dale G.
Schick, Philip F.
Schrader, William H.
Schwob, Thomas N.
Scichili, Carl J.
Scott, Wayne E., Jr.
Shanahan, Vincent J.
Sharp, George K.
Sharp, Stanley E.
Shiflett, Edward E.
Shimkus, John J.
Shows, Ned H.
Sindelar, James H.
Skaggs, Glenn E.
Sloan, Robert L.
Smith, Canie B.
Smith, Ralph W., Jr.
Snipes, Stephen G.
Snyder, Daniel R.
Specht, Malcolm R.
Spence, Stuart B.
Stapleford, Thomas C.
Stein, Earl A., Jr.
Stephen, Earl M., Jr.
Stephenson, Graves B.
Storey, Douglas H.
Stromberg, Jack W.
Stroud, Lisle A., Jr.
Stuart, Douglas A.
Talley, Alfred F., Jr.
Tanner, John W.
Tate, John T.
Taylor, Charles A.
Taylor, Donald S.
Thompson, Bobby C.
Tiedemann, John G.
Todd, Frank P.
Turgeon, Charles F.
Twist, Gerald A.
Veal, John S.
Vestal, Ellis B.
Volz, Vincent J.
Vonderohe, Robert H.
Vunkannon, James C., Jr.
Walker, David R.
Walker, Norman L.
Waller, James W.
Walls, Hollis W.
Webster, Richard G.
Weed, John J.
Welch, Kenneth J.
White, James F.
White, Robert F.
Whittington, Frederick B., Jr.
Wilkins, John M.
Wilner Arthur I.
Wilson, James S., Jr.
Wolf, Lee E.
Womble, Robert W.
Wynn, Earl B., Jr.
Yarber, William J.
Yatsko, George J.
Yorio, Beniamino
Young, Larry R.
Young, Stephen G.
Yusem, Stephen G.
Zanin, Norman R.
Zeman, Irving M.
Zickrick, Jerome L.

MEDICAL CORPS

Bell, Donald D.
Boies, Lawrence R., Jr.
Boyd, Gerald E.
Brennan, Thomas V.
Cabell, Benjamin B.
Carlson, Richard E.
Casey, John M.
Charles, Clive R.
Christensen, Gerald R.
Crutchfield, James D.
Dodge, Herbert S.
Downing, John E.
Ende, Norman
Evans, Earl F., Jr.
Eyerly, Robert C.
Fargason, Crayton A.
Faust, Robert B.
Felsoory, Attila
France, Thomas D.
Fulton, Lyman A.
Garrett, Henry F. M.
Gondring, William H., III
Grumbling, Hudson V., Jr.
Hendrix, James Z.
Howery, Stephen E.
Janssen, Erwin T.
Jochimsen, Peter R.
Kardinal, Carl G.
Kayye, Paul T.
Kessler, David B.
Kirchner, Peter T.
Klenk, Eugene L.
Klibanoff, Edward
Marnell, Daniel J.
Mc Donald, Kenneth M.
Melton, Russell W.
Miranda, Mario C.
Monell, William C.
Nelson, Norman D.
Osius, Theodore G., Jr.
Ostroski, Joseph T.
Patriquin, David A.
Pettengill, Howard W., Jr.
Pilapil, Virgilio D.
Price, Albert C.
Proskey, Aloysius J.
Rasco, Jerry L.
Reed, Ralph E.
Richmond, Thomas F.
Rigor, Benjamin M., Sr.
Riordan, Robert H.
Schibly, William J.
Sedlack, Richard E.
Stewart, Edgar B.
Thomas, Jerry L.
Thomas, William J.
Tucker, Samuel H.
Vavrin, Charles R.
Walklett, William D.
Wanger, William H.
Worsham, Bertrand R.

SUPPLY CORPS

Bernhardt, Paul A.
Birnbaum, Leonard G.
Bowne, Charles J., Jr.
Campbell, Carroll J.
Collins, Francis A.
Donohue, Patrick T.
Eilberg, James S.
Felton, Thomas O.
Giles, Frederic P.
Graeff, Paul A.
Grip, Herman W.
Haggard, Howard F.

Harvey, Thomas G., Jr.
Head, Clarence M., Jr.
Hickey, John P.
Jaminet, John A.
Jones, William J.
Kaufman, John R.
Kitts, Willis M.
Knight, Curtis D.
Lacey, Howard W.
Lunan, Ralph G.
Maguire, James A.
McFall, Tommy K.
Mohr, Robert B.
Palmer, John D.
Palmer, William J., Jr.
Pyron, Edwyn B.
Russell, Sanford H.
Schildwachter, Stephen J.
Sklar, Fred H.
Soine, Jon C.
Sturms, Herschel T., Jr.
Taylor, Norman H.
Wilmoth, James P., III
Wyant, Frederick E.

CHAPLAIN CORPS

Adams, Edgar G.
Allen, Donald R., Jr.
Butenshon, Donald E.
Crosland, William A. Jr.
Duke, Harvey L.
Edwards, Ted E.
Gordon, Kenneth R.
Hampton, William R.
Hill, James D.
Jones, Robert E.
McNeely, Richard I.
Panko, Stephen M.
Salmon, Edward P.
Thompson, Alfred C.
Volz, Walter D.

CIVIL ENGINEER CORPS

Araneo, Peter J., Jr.
Bamburg, Marvin A.
Bruen, Walter P., Jr.
Caswell, Richard F.
Cawley, Martin L.
Denny, Thomas P.
Gaal, Philip L.
Gallaugher, James R.
Gibson, William R.
Harris, John R.
Mattox, Thomas B.
McCaslin, Joe C.
Meisner, Walter T., Jr.
Meylan, Charles L.
Miele, Joel A.
Nifong, Robert L.
Scott, James W.
Vukovitz, John C.

JUDGE ADVOCATE GENERAL'S CORPS

Aires, Randolf H.
Barber, Michael E.
Brodsky, Ronald D.
Caine, Patrick
Chapman, Henry S.
Clark, James F.
Dietrich, Donald P.
Eskenazi, Jacob V.
Falbo, Gerald A.
Hoge, William R., Jr.
Knowles, Kent N.
Lewis, John B., Jr.
Luke, Randall D.
Mauer, William F.
McCormick, Leo L.
Morse, Joshua M., III
Ryan, James L.
Scheer, George M., Jr.

DENTAL CORPS

Albright, Jimmy E.
Belinski, Edward J.
Bradley, Bruce E.
Buckis, David C.
Burk, Jimmie L., Jr.
Carroll, Lon D.
Custer, Frederic
Depuy, Robert W.
Eng, Wellington R. L.
Girolami, John J., Jr.
Hall, Lawrence B.
Hallman, Robert R.
Hohlt, William F.
Kear, Harold J.
Ketner, Bruce A.
Lanier, Thurman W.
Marsalek, Daniel E.
Miller, John J.
Nickelsen, Dale C.
O'Malley, George C.
Stende, Gregory W.
Triftshauser, Roger W.
Williams, Terry C.
Wilson, Noel C., Jr.

MEDICAL SERVICE CORPS

Boyle, Robert E.
Knisely, Ralph F.
Landers, Judson W., Jr.
Powers, Kendall G.
Reich, Melvin

NURSE CORPS

Dinardo, Mary T.

The following named lieutenant commanders of the Reserve of the U.S. Navy for temporary promotion to the grade of commander in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5910 and 5912, subject to qualifications therefor as provided by law:

LINE

Abbot, James L., III
Abel, Joseph A.
Abel, Robert L.
Abele, Robert T.
Adams, David J., Jr.
Adkins, Howard E., Jr.
Albi, Lynn J.
Allen, Clayton T.
Allen, George M.
Allman, Stephen B.
Alosi, James C., III
Alvarez, David C.
Andersen, Stanley G.
Anderson, Howard B.
Anderson, Lawrence R.
Anderson, Rodney C.
Anderson, Richard B.
Anderson, Walter E., Jr.
Andrews, John B.
Angerhofer, Gary E.
Anglada, Jose B. R.
Anzalone, Thomas A.
Apter, Marc T.
Arnold, Henry S.
Arther, Nickolas E.
Arundale, Samuel H.
Arwood, George A.
Ashworth, David B.
Asrael, Aaron R.
Attaway, Barr H., Jr.
Azzi, Paul A.
Bachmeyer, Gervase R.
Badolato, Peter T.
Baer, Thomas S.
Bagemihl, Craig R.
Bagshaw, Charles R.
Baier, Robert E.
Bailey, Douglas L.
Bailey, Harry E.
Bailey, Patrick A.
Bain, Jerry W.
Baird, James G., Jr.
Ball, Joseph E.
Bankerd, John P.
Banner, Glen E.
Baraldi, William J.
Barnes, Dewey
Barnett, Larry D.
Barnette, Richard T.
Barrow, Edward M., Jr.
Barry, Andrew M.
Bartolini, Bruce F.
Barton, Jon H.
Bartrum, David E.
Bastien, Gilbert J.
Batwinis, James E.
Bauer, Russell C.
Baumer, Edward K.
Baumgardner, Walter L.
Beal, James A.
Beaty, Robert A., Jr.
Beck, Robert L.
Becker, Richard L.
Becknel, Gerald P.
Beeby, Gered H.
Beguin, Steven G.
Behnke, Richard W.
Benator, Barry I.
Benn, James J., III
Benner, William B.
Bennett, Bobby E.
Bennett, Leroy E.
Bergstrom, Arthur E.
Berkley, Joseph B., Jr.
Benard, Gilbert C., Jr.
Berry, Robert W.
Best, Conrad C.
Best, William E.
Betzold, John N.
Bevacqua, Dominick R.
Bialecki, Lawrence A.
Bitten, Ernest J.
Black, Hugh, Jr.
Black, William H.
Blackard, William R., Jr.
Blackburn, Lewis B.
Blake, Robert D., III
Blake, Robert D.
Blansit, Griffin C., Jr.
Blanton, James H.
Block, Charles E., Jr.
Bockelmann, Peter E.
Bodanske, John W.
Bohlman, Ronald A.
Bolain, Gerald A.
Bolena, Dennis W.
Bomgaars, David A.
Booker, John W.
Boothe, Paul N.
Boots, Thomas K.
Borden, Richard C.
Borders, Donald E.
Borsum, Robert B.
Bouchard, Robert M.
Boucher, Paul R.
Bounds, Billy A.
Bourke, Michael G.
Bourret, William L.
Bowman, Bruce R.
Boyce, Allen W.
Boyd, Cecil A. K., II
Boyd, Larry R.
Bradford, William E.
Brady, Joseph F.
Bray, Stephen R. W.
Breen, Edward J., Jr.
Breen, Peter L.
Brennan, James P., Jr.
Bridges, Robert D.
Bried, Robert A.
Bright, Richard G., Jr.
Brinkley, Marland D.
Brinks, Lawrence H.
Brittenham, John C.
Brown, Carl T.
Browning, James W., II
Brumfield, Robert D.
Brunelli, John F.
Bruno, Francis A.
Bruno, George I., Jr.
Bryan, John R. G., Jr.
Bryan, John H.
Bryant, Lee W.
Bucciarelli, Eugene J.
Buckley, James K.
Budryk, Raymond J.
Bultas, William A.
Burke, Francis A.
Burneskis, James S.
Burnett, Michael J.
Burr, David S.
Burtner, Simeon J.
Butler, Edward F.
Butterbrodt, Robert D.
Button, John E.
Caldwell, Frank S.
Calhoon, William H., Jr.
Callahan, Jeffrey E.
Cambre, Kendall M.
Campbell, Oscar H.
Campbell, Robert R.
Canavan, Kenneth
Canavit, Frank H.
Canby, John C.
Caraway, John B., III
Carey, Jefferson, Jr.
Carlberg, Richard F.
Carmody, Joseph P., Jr.
Carpentier, Peter F.
Carvelli, Albert B., Jr.
Caskey, Maurice R.
Caswell, Jerry W.
Catlin, Carl V.
Catone, Robert A.
Cederholm, Walter T.
Chapman, Eugene N.
Chapman, Peter K.
Cherin, Antony C.
Cherry, Robert M., Jr.
Chessman, Gary A.
Chirurg, James T., Jr.
Chronic, Joseph A.
Chubb, Stephen D.
Chuss, Thomas G.
Ciccone, Ronald J.
Clagett, John B.
Clark, Harry B.
Clark, Thomas F., Jr.
Clarke, Jon B.
Claude, David L.
Cleary, Edward J.
Clodig, John B.
Closson, Spencer W.
Clough, Geoffrey A.
Collier, James C.
Collins, Arthur W.
Collins, Robert J.
Collins, Roy B.
Conerty, Michael J.
Conroy, John P.
Cooley, Jack E.
Coonen, Robert H.
Copenbarger, Paul D.
Cost, Richard W.
Coveney, Edward M.
Cowardin, James H.
Cowart, Joel D.
Cowen, Joseph H.
Cowgill, Curtis J., III
Cox, John A.
Cozad, Jerry E.
Craver, Charles R., Jr.
Cressman, Stephen D.
Crosswell, Mitchell M.
Crowe, Loyd A., Jr.
Crull, Thomas W.
Cuddington, Michael E.
Cunningham, Melvin D.
Curland, James W.
Curran, John P.
Curtiss, Edward B.
Custodi, George L.
Czech, Theodore T.
Czekanski, John J.
Czerwonky, Arthur H.
Dadd, Alan C.
Dansker, Alfred S.
Danskin, George A.
Dashiell, Charles M., Jr.
Daunis, Alexander B.
Dauwalder, Robert H.
Davis, Clay S., Jr.
Davis, John D.
Davis, Lorenzo D., IV
Davis, Norman L.
Davis, Robert W.
Davis, Thomas K., Jr.
Davy, Ronald K.
Dayley, Alan J.
Dean, Kenneth H.
Debrun, John B., Jr.
Decker, Christian F., III
Deemer, Leonard H.
DeFazio, Salvatore, III
DeGiorgio, Jerry R.
Dell, Robert E.
Delpizzo, Charles W., Jr.
Dempsey, Broadus A.
Dempsey, Edward J.
Denardo, Leonard F.
Denninghoff, James P.
Dennis, Gary P.
DePompei, Daniel A.
Devilbiss, John M.
Dickson, Guy T., Jr.
Dickson, James R., II
Diers, James F.
DiFilippo, William J.
Dillon, Lucius P., III
Dillon, Miles C.
Dillow, Richard M.
DiLorenzo, Leonard A.
DiLullo, Louis J.
Ditzler, Kirk J.
Dizon, Donald L.
Dobbelstein, Dennis A.
Docekal, William L.
Dodson, Max H.
Dolan, Joseph P.
Donahue, Dennis M.
Dorsett, Ralph A.
Dostal, Donald L.
Dostal, Raymond F.
Dovener, Joseph J.
Dowd, Richard B.
Dowd, Sidney E., Jr.
Dowdy, William L., III
Downton, Chaales E., III
Dozier, Frank S.
Driver, Donn R., Jr.
Drozdz, Theodore V.
Druist, George F.
Drummer, Jesse F.
Dubas, Lawrence T.
Dube, George
Dude, Robert J.
Dudley, Richard M.
Duffy, Charles G.
Dulin, Leon
Duncan, Lloyd L.
Duncan, William F., Jr.
Dunlap, Steven J.
Dunn, Paul H.
Dunn, Phillip C.
Dunning, John L., Jr.
Dunphy, Aedan B.
Durham, John L., III
Durrance, Frank M., Jr.
Dyer, Bruce P.
Dyer, Howard R.
Dyer, Hugh N., III
Eanes, James M.
Eaton, David M.
Eck, Michael A.
Edwards, James T., Jr.
Edwards, Robert S.
Eiserman, Joel T.
Eliason, Whynn S.
Elliott, Paul B.
Elliott, William D.
Elness, Curt R.
Engman, David E.
Engstrom, John T.
Eoll, John G.
Epstein, David M.
Erickson, Clifford M.
Erickson, Gaylord L.
Ernst, Ronald P.
Eubank, Paul J.
Eutsler, Ronald B., Jr.
Euvrard, Leroy E., Jr.
Evans, Frank E.
Evans, Richard H.
Evilsizer, James C.
Ewing, William D.
Faber, Brian R.
Fahs, Philip J.
Fairchild, Carl G.
Fairley, George M.
Falbe, John J., Jr.
Falcone, Harold J.
Falk, David G.
Fanning, Timothy O., Jr.
Farkas, Daniel P.
Farmer, Claude S., Jr.
Feaster, Horace W., III
Fehrenbacher, Michael R.
Felock, Dennis E.
Felger, Thomas R.
Feller, Rainer
Feltham, Francis M.
Fennell, Gerald F.
Ferguson, James T., III
Ferguson, Lawrence A.
Field, Lawrence H.
Findeisen, Kurt D.
Fischley, James H.
Fisher, Ronald E.
Fissel, Jack E.
Fitzgerald, Edward W.
Fitzgerald, John W.
Flagg, James C.
Fleming, Richard L.
Fleming, William H., III
Fletcher, Frederick F.
Flor, Frederick H., Jr.
Flora, Brian G.
Florence, Richard A.
Flynn, Ernest A.
Flynn, Michael M.
Fobes, Walter S.
Foland, Richard P.
Folgate, Julius M.
Forbes, Jon E.
Fortune, James B.
Foss, George E., III
Foster, Francis K.
Fournier, Richard L.
Fowler, Howard D.
Fowlkes, Meade A., Jr.
Fox, David C.
Foy, Clarence A., Jr.
Francis, John W.
Frank, Richard A.
Frankel, Stanton N
Franz, Dale C.
Fraser, John H., III
Freeman, William I.
Freitas, John N.
Frick, Dennis D.

Frikker, Peter M.
Fulcelli, Robert A.
Fuller, Philip B.
Fuller, William G.
Funchess, Dennis V.
Fusko, George M.
Gadberry, Raymond E., Jr.
Gaffney, William T.
Gale, Edwin J.
Gall, Robert A.
Gallagher, William J., Jr.
Ganner, Herbert E.
Garcia, Isaac, Jr.
Garcia, Ramon
Garman, James E.
Garmon, Gerald S.
Garst, Paul H.
Geiger, Clayton P.
General, John A.
Gerard, Maurice W.
Germann, Larry F.
Gervais, Kenneth A.
Gibbons, Joseph M.
Gibbs, Steven K.
Gibson, Richard A.
Giefer, Herbert G.
Gifford, John M.
Gilbert, Harris R., Jr.
Gilbertson, Jan C.
Giles, Grover S.
Gilreath, John P.
Glover, Samuel E.
Glynn, Michael K.
Godley, John B.
Goff, Robert A.
Golden, "I" "L"
Goldsmith, Wynn A.
Gonion, Gordon E.
Goodgion, Gilbert
Goodroe, Howard W.
Goodsell, Kenneth R.
Gordon, James W.
Gordon, Michael D.
Goshorn, Edward S.
Graham, David C.
Gralla, Arthur R., Jr.
Gray, Douglas C.
Greathouse, Robert R.
Green, James P.
Green, Thomas R.
Green, William L.
Greene, Raymond A.
Greenfield, Gordon A., Jr.
Greenway, William J.
Gregg, Frederick M., III
Griffith, Jesse
Grigsby, Gilbert R., Jr.
Grimm, Robert S.
Groebner, Jerome A.
Grothbo, Roger P.
Groth, John C.
Grube, Kenneth R.
Grunert, John L.
Guerin, Charles L., III
Guilfoy, James E.
Gum, Charles L.
Gustavson, Michael A.
Haase, Richard C.
Haberzetle, James D.
Hadden, Eddie R.
Hall, Cecil M., Jr.
Hall, Clarence C., Jr.
Hallissey, Ronald J.
Halverson, Gerald B.
Hamilton, Wilfred A., Jr.
Hamilton, Wallace O.
Hammond, Weldon W., Jr.
Hand, Thomas E., Jr.
Hanley, Gerald S.
Hansen, Thomas C.
Hanson, Erik A.
Harbrecht, Daniel F.
Hardee, Robert M.
Harkin, Thomas R.
Harris, Joseph W.
Harris, Richard N. N.
Hart, Gordon P.
Hart, Thomas L.
Harte, Charles R., III
Hartnett, Timothy J.
Haskell, Edwin R.
Hatton, Bruce N.
Hawes, Stephen P.
Hegele, Thomas R.
Hegland, Robert R.
Heil, Herbert M.
Heller, Thomas W.
Henderson, Charles H.
Hennenhoefer, James A.
Herder, Dale M.
Herman, Gene D.
Herrmann, Dan R.
Herrmann, Robert W.
Hibbard, Lowell
Hickman, Jerry T.
Hickok, Robert W.
Higgins, Robert W.
Higgins, Walter M., III
Hilger, John G.
Hill, Joseph B.
Hill, Leo B.
Hill, Russell G.
Hillegas, Wayne F.
Hilton, Jackson M.
Himchak, David P.
Hindman, Marion D.
Hirsch, Robert B.
Hitchcock, John W.
Hobbs, Richard R.
Hodge, Walter O.
Hoeman, Richard D.
Hoffer, Henry W., III
Hogan, Edward P.
Holden, Robert L.
Holland, William M.
Holler, Eugene J., Jr.
Hollerbach, Robert R.
Holloway, Dennis, Jr.
Holloway, Donald L.
Holloway, Richard L., Jr.
Holt, Michael S.
Holt, William G., Jr.
Holtcamp, Jimmie D.
Holty, Robert M.
Hooks, Jonathan T., Jr.
Hopkins, John D.
Horst, Julian L., Jr.
House, Arthur L.
House, Gary W.
Houseknecht, Peter S.
Hovany, Steven J.
Howie, Bruce C.
Huber, Gerald P.
Huber, Mark C.
Hudson, Michael A.
Huff, James D.
Huggard, Stephen F.
Hughes, Frank C.
Huie, Charles A.
Humphrey, Keith D.
Hundt, David W.
Hunt, Claude D., III
Hunt, Peter C.
Hunter, Ralph C., Jr.
Hurrelbrink, Kenneth H.
Husband, Willard R.
Husbands, Robert A.
Hyland, Patrick M.
Ingersoll, John A.
Ingram, Culpepper F.
Inman, Rex W.
Irland, Richard L.
Ives, Charles L., III
Jackson, Carlton A. B.
Jackson, Donald L.
Jackson, Gerald W.
Jackson, George W.
Jackson, Joe L.
James, Thornell H.
Jamieson, Jerry G.
Janssen, William F.
Jenikovsky, Richard E.
Jennings, Donald R.
Jensen, Jimmy F.
Jessell, Charles T., Jr.
Jewell, Richard F.
John, David F.
Johnson, Charles E.
Johnson, Curtiss D.
Johnson, David E.
Johnson, Don A.
Johnson, Donald W.
Johnson, Jaurvon W.
Johnson, James F.
Johnson, Stephen R.
Johnson, William R., III
Johnston, Joseph B.
Johnston, Robert M.
Jones, Donald L.
Jones, Douglas W.
Jones, Earl F., Jr.
Jones, Richard D.
Jorgensen, William F.
Jorges, David A.
Joyce, John C.
Junge, William P.
Kaiser, Dennis R.
Kaiser, Kenneth O.
Kammer, William N.
Kane, Joseph E., II
Karalekas, "S" Steven
Kary, James A.
Kasperski, Daniel C.
Kass, Frederick J., Jr.
Kautz, Norman N.
Kazlauskas, Walter V.
Kearley, Richard C.
Keller, Paul L.
Kelley, Donald A.
Kelley, Paul W.
Kent, John O.
Kepler, Donald A., Jr.
Kersenbrock, Allan J., Jr.
Keysor, Allan L.
Killam, Glenn R.
Kinder, Thomas H.
King, Richard H.
Kinney, Brian V.
Kiral, Robert H.
Kirkbride, Richard J.
Kirkland, Brent L.
Kish, John D.
Kishiyama, David N.
Kittell, John F.
Klaviter, Elroy C.
Klebba, John T.
Kletke, Dale B.
Knippel, George F.
Kokoruda, David J.
Kolassa, Stanley A. Jr.
Koral, Eugene A.
Koster, William H.
Kratt, John M.
Krause, John K.
Krauss, Theodore A.
Krewson, Gary L.
Krigbaum, Joseph
Krilla, Ronald A.
Krippes, Donald E.
Kross, James M.
Kuhn, Rik D.
Kulper, Raymond V., Jr.
Kuser, William R.
Lackey, Robert C., Jr.
Lah, Raymon G.
Lahiguera, Charles E.
Laird, Thomas F.
Lamb, Charles H.
Lamb, George E.
Lamoreaux, Charles W., Jr.
Lanctot, Roy C., Jr.
Lane, Joseph E., III
Lang, James R.
Lappan, George J.
Larsen, Thomas W.
Larue, Christopher J.
Lattimore, Bertram G., Jr.
Lawrence, Anwdrew H.
Lawrence, Walter B.
Lazenby, Maurice, III
Leboeuf, Myron J.
LeCours, Thomas E.
Leder, John E.
Lee, James A.
Leffingwell, Shelly L.
Legatt, Walter S.
Leite, Michael J.
Leonard, Thomas F.
Leroy, Dennis K.
Lewallen, Richard A.
Lieberman, Jack P.
Lindell, John E.
Linderman, Ralph D., Jr.
Lindsay, Ronald L.
Lindsey, William E.
Linscheid, Wilbert W.
Liscum, Garrie V.
Liska, Robert B.
Lister, John A.
Lomacchio, Thomas D., Jr.
Long, Charles E.
Long, James F.
Lovasz, Daniel J., Jr.
Loy, David A.
Ludeman, Stephen P.
Ludwig, John E., III
Lukowski, Thomas G.
Lumianski, Peter J.
Lumpkin, Claude C., III
Lundblad, Kurt D.
Lundgaard, Stanley H.
Lundy, Richard J., II
Lynch, John D.
Lyons, Kenneth G.
MacDonald, Dennis A.
Mac Fawn, Edward T.
Mach, Ludwig F.
Maddox, John D.
Madley, Peter M.
Madsen, Dennis R.
Magee, Marshall
Magee, Thomas H.
Maginn, James J.
Maguire, Edward S.
Maher, Jay A.
Mahoney, Richard P.
Maki, Kenneth H.
Mallen, Eugene B.
Mallini, Joseph J., Jr.
Mancias, Joe, Jr.
Mandich, Joseph
Mangiapane, Joseph S.
Mannion, Timothy J.
Mannor, Richard L.
Mapes, John L.
Mapes, Kenneth W.
Margeson, Walter L., Jr.
Marks, Earl M.
Marler, Carl M.
Marshall, Robert W.
Marsyla, Edward G.
Martin, Jack E.
Maryan, Norman E., Jr.
Mason, David O.
Mason, Lawrence J.
Mathews, Thomas D.
Matson, Thomas W.
Matt, Harold A., Jr.
Mathews, Thomas F.
Mattson, Donald R.
Matzie, Regis A.
Maultsby, James A.
Mauro, Robert D.
Mayall, James F.
Mayer, Conrad J.
McAtee, Jerry L.
McCamish, Mickey L.
McCarthy, Patrick T.
McClain, Charles M.
McClanahan, Lowell P.
McCleary, Raymond E.
McClure, James A.
McComb, Dennis N.
McConnell, James J.
McConnell, Robert P.
McCracken, Donald H.
McCrea, John H., Jr.
McCroskey, David H.
McDermid, Roy A.
McDonald, John B., Jr.
McGee, Terry R.
McGinty, Leo P., Jr.
McGrath, Martin E., Jr.
McGrath, Ronald O.
McGuiness, Brian M.
McHargue, Gary R.
McKallagat, Peter B.
McKenna, Nicholas V.
McKenna, Patrick J.
McMichael, William A., Jr.
McMurray, Vernon F., Jr.
McNeill, Michael F.
McNicholas, William E.
McVay, Peter O.
McWhite, Peter B.
Meader, Ronald N.
Meador, Malvin E.
Medlock, Robert T., Jr.
Meldahl, Craig D.
Melnyk, George R.
Mendralski, Frank T.
Mercer, William E.
Merkel, Daniel G.
Merrill, George D., Jr.
Merriman, Edwin L.
Merriner, Charles M.
Messerly, Edward J.
Meyer, James E.
Michaelis, Oliver H.
Middour, Dean L.
Mikrut, Fred R.
Milam, Benjamin T.
Milanette, Ro T.
Milas, John F.
Mildfelt, William J.
Milks, Robert D.
Miller, Dennis P.
Miller, Walter M., III
Millikin, Charles W., III
Millikin, Raymond W., Jr.
Mills, Albin D.
Minkowski, Andrew J.
Mintz, Robert B.
Mitchell, Gordon L.
Mizeras, Vincent F.
Molnar, Daniel O.
Monahan, Charles O., Jr.
Monahan, Thomas P., Jr.
Monkres, Ronald G.
Monroe, Alexander G.
Monroe, Michael C.
Montgomery, George C.
Montgomery, Michael F.
Moore, Merlyn D.
Moore, Michael K.
Moore, William H.
Morel, David W.
Morrill, Philip J.
Morris, Jeremy G.
Morris, Mark H.
Morris, Thomas E.
Mortimer, Louis R.
Moser, Walter J.
Mosier, David W., Jr.
Mountz, Charles L.
Moyer, John J.
Moylan, Daniel E.
Mozeleski, Jan
Murashie, Joseph R.
Myers, Paul
Nash, Peter G.
Neal, Joseph F.
Nelson, Gene E.
Nelson, Harold E., Jr
Nelson, Harvey G.
Nelson, John A.
Nelson, Terence K
Nerrie, George K
Neuman, Carl F.
Neve, James K.
New, Howard S.
Newcomb, Jesse M
Newell, Thomas L.
Newton, Otto A.
Nichols, Peter D.
Nielsen, Charles A
Nielsen, Danny A.
Nolan, Patrick H.
Nolan, Richard T.
Nordquist, Thomas G.
Norman, Herman H.
Norrholm, Leif J.
Norris, Clarence D.
Northcutt, William R.
Null, Donald M.
Oakwood, John P.
Obert, Francis X., Jr.
O'Brien, Stephen P.
O'Connor, Jeremiah P.
Oderkirk, Donald E.
O'Donnell, John F., Jr.
Olsen, Jack A.
Olson, Donald G.
Olson, James D., II
Olson, James R.
Oman, Ralph
O'Neil, Haines A.
O'Neill, James G., III
O'Neill, Warren H.
Orefice, Gary J.
O'Reilly, James A., Jr.
O'Rourke, James F. X., Jr.
Orr, Thomas H.
Osinski, Lawrence
Ota, Roy T.
Overland, John P.
Owens, James T., III
Pacheco, Ronald E.
Pachuta, Roger J.
Page, Arnold S.
Palm, Daniel J.
Palm, Steven B.
Palmer, Burton L.
Palmer, Gerald K.
Pananen, Lauren W.
Parker, Henry S., III
Parrent, Larry E.
Parrott, Sidney J., Jr.
Parry, John C., Jr.
Parry, William E.
Parsons, Milton L.
Patterson, Donald J.
Patterson, William J.
Paulson, Duane L.
Payne, John T.
Pearce, Robert W.
Peay, Carl H., Jr.
Penfield, Scott R., Jr.
Persson, Nils R., Jr.
Peterman, Roy J., Jr.
Peters, Geoffrey W.
Peterson, Donald O.
Peterson, Vernett R.
Peterson, Walter G.
Petrich, Martin A., III
Petrie, Harry D., Jr.
Pharis, Roy L.
Philipp, James E.
Piazza, Robert W.
Piche, James R.
Pickett, Robert D., Jr.
Pierce, Jerry S.
Pitzer, Everett S.
Pletz, Thomas G.

Pool, Robert A. F.
Poole, Bobby J.
Poole, Bradlley C.
Poole, Jeffrey C.
Porter, David K.
Pounder, John J. Jr.
Pounds, David S.
Powers, Michael E.
Pratt, James L.
Prejean, Gerard A., Jr.
Prettyman, George D.
Price, Laurence A.
Price, Milton S.
Prickett, Jerry L.
Prince, Andrew S.
Proven, Thomas R., II
Puckett, Lanny J.
Purnell, Louis S.
Putt, Kenneth F.
Pyecha, Timothy D.
Quattlebaum, Richard M., Jr.
Quinn, James P., Jr.
Quinn, Joseph F., Jr.
Rafferty, Dennis M.
Ralston, Norman J.
Rambo, Robert P.
Randall, Jeffrey W.
Ray, Raymond B.
Redmon, Howard G.
Reeve, Harold R.
Reeve, Wayne G.
Regan, Robert T.
Reichenbach, Donald D.
Reid, Edward O.
Reid, Owen P., Jr.
Remus, Thomas A.
Renshaw, George S.
Reschenberg, James R.
Reyff, Paul A.
Rhine, James W.
Rice, Bart F.
Rice, Charles D.
Rice, Charles W., III
Rice, William N.
Richards, Charles L.
Richards, James W., Jr.
Richardson, Willard D.
Richardson, Frank F., II
Richardson, Patrick J.
Richardson, Roger A.
Rieder, Terry A.
Rieser, Frank L.
Riley, James B.
Roberts, Alfred E., Jr.
Roberts, Cary L.
Roberts, Stephen S.
Robinson, Michael F.
Rocker, James T.
Rodriguez, Antonio J.
Rogers, Paul F.
Rogers, William W.
Rohr, John A.
Roller, Charles L.
Ronchetto, John R., Jr.
Rood, Edson J.
Rooney, Daniel J.
Rosen, Robert A.
Roskens, Thomas L.
Rousselo, Gary J.
Rovner, Irwin
Rowley, Charles W.
Ruehl, Victor E., III
Ruhe, William J., Jr.
Rumbaugh, Richard L.
Rumfelt, Charles H., Jr.
Rupp, Earl W.
Ruseling, Gary L.
Russ, Steven K.
Russell, David G.
Russell, Robert J.
Ryan, Michael J.
Sager, Harlan R.
Sand, Lawrence S.
Sand, Wayne R.
Sandquist, Fred C.
Sanford, William H.
Sanguinetti, Alfred J.
Sargeant, William H.
Saunders, Jerry W.
Scee, Joseph E.
Schaefer, William A., Jr.
Schar, Thomas T.
Scheider, Charles A.
Scheiner, Robert
Schloz, John M.
Schmidt, Richard J.
Schofield, Paul L.
Scholl, John P.
Schwabe, William L.
Schweizer, Edward S.
Scott, David T.
Scott, Lewis E.
Scott, Michael R.
Scott, Patrick R.
Scott, Robert G.
Scott, Stephen K.
Scott, Thomas B., III
Seamons, Dwight C.
Seffel, Joel S.
Seibert, Peter K.
Seidel, David W.
Seiple, Ronald L.
Self, John C.
Self, John F.
Seward, Lachlan W.
Sexton, Michael R.
Shaffer, Jesse S.
Shaw, Joseph W., Jr.
Shaw, Robert J.
Shay, Peter D.
Sheffield, Brian E.
Shelar, Eugene, Jr.
Shelnut, Charles A.
Shenk, Robert E.
Shields, James C.
Shingler, John J.
Shingler, Ronald L.
Shorr, Harold
Shortt, John B.
Shuler, James M.
Shultz, Robert A.
Sibley, Robert E., Jr.
Sibold, Brian B.
Sieberns, David O.
Siebert, Douglas A.
Sigg, Joseph A.
Silk, Brian A.
Simmons, Guy J.
Simonic, Frank J., Jr.
Simonson, Merlin D.
Simpson, Douglas K.
Sinutko, Michael, Jr.
Skillman, Don K.
Skokan, Bryan A.
Slaughter, William L.
Sledd, Melvin F.
Slezak, David R.
Smisek, Thomas J.
Smith, Charles R.
Smith, Dennis S.
Smith, Donald H.
Smith, Franklin P.
Smith, George E.
Smith, Kenneth C., Jr.
Smith, Lloyd L.
Smith, Robert V.
Smith, Stephen R.
Smyth, Denis C.
Sneath, William E.
Soltas, Gerald J.
Sonksen, John R.
Soraghan, Thomas C.
Spangler, Henry J., Jr.
Spangler, Richard L., Jr.
Spicer, Kenneth J.
Spiegelberg, Harrison
Spurck, Danial N.
Staab, Manfred A.
Stanfield, Robert A.
Starnes. Jimmy
Stecher, Joseph D., Jr.
Stein, David A.
Stella, Joseph W., Jr.
Stephens, Charles D.
Steube, Paul M.
Stevens, Kent
Stewart, Richard W.
Stewart, William F., III
Stillwell, Paul L.
Stokes, Floyd T.
Stone, Gary N.
Stoughton, Robert A.
Strasdauskas, Joseph A.
Strebel, John P.
Strehle, Hugh A.
Strohmann, William C.
Strouse, James L.
Sturgeon, Lanny D.
Sudikatus, George H., Jr.
Sulik, John F.
Sullivan, John J., Jr.
Sullivan, James E., Jr.
Sullivan, Timothy B.
Summers, Charles R.
Sund, Werner
Susta, Stephen J., Jr.
Suydam, Schuyler C.
Svalya, Phillip G.
Swafford, David E.
Swall, Don T.
Swanson, David M.
Swink, Harley H.
Tamney, Peter D.
Taper, William D.
Tarr, Edwin A.
Taubitz, Stewart F.
Taylor, Anthony R.
Taylor, Royce D.
Taylor, William L.
Temple, Paul H.
Tennies, Richard M.
Theriot, Glenn J.
Thiel, James S.
Thomason, George W.
Thompson, Cliff L.
Thompson, Joseph R.
Thorp, Michael J.
Throndson, David L.
Tieger, Mark L.
Timmons, Thadeus A., Jr.
Tirado, William
Titus, Dale N.
Torok, Helmut A.
Torsiello, John B.
Tourigny, Clement G.
Trainor, Edmund W.
Traub, Carl F.
Trautwein, Tom A.
Traw, David M.
Treter, Douglas E.
Trione, William R.
Twombly, James R.
Urban, Jack
Urban, Victor A.
Urquhart, Charles F., III
Utley, Wallace R.
Valetich, Frederick F.
Valitchka, Joseph J.
Vallee, Ronald A.
Valli, Allen A., Jr.
Vanderwoude, Thomas F.
Vanderwoude, Thomas S.
Vandriel, James L.
Vanhoosier, Michael E.
Vandhoven, David N.
Vannata, Michael R.
Vannerson, Robert J.
Vannice, Robert L., Jr.
Vaughn, William C., III
Velie, Gary W.
Vera, Albert J.
Verzino, William J., Jr.
Villanueva, Quintin L. J.
Vinton, Carl P., Jr.
Wachtel, Leo M., III
Waldron, James F.
Walker, Jerrel E.
Walker, Theodore C.
Walker, Thomas H., Jr.
Wallis, Wilber B., Jr.
Wallschlaeger, Michael J.
Walsh, Bartholomew J., Jr.
Walsh, Michael G.
Walsh, Victor T. C.
Ward, Edward W.
Warner, Joseph S., IV
Warnken, Wayne L.
Waters, Marshal P., III
Watkins, Prince L.
Watson, Malcolm M.
Waylett, William J., Jr.
Weber, Jerry A.
Weddington, Michael E.
Weible, Robert D.
Weiler, George W.
Wendt, Donald E.
Wentland, Norman H.
Westerman, Charles E., Jr.
Westfall, Alan R.
Whisenhunt, Thomas R.
White, George E.
White, James W.
White, Michael C.
White, Ronald Y.
Whiting, William A.
Whitman, Riley H., II
Whittaker, Ronald G.
Wiebelhaus, Raymond J.
Wiest, James H.
Wiggins, Edwin G.
Wiita, Marlin D.
Wilkes, Jerry W.
Willard, David A.
Wille, Franklin O.
Williams, John T.
Williams, Richard S.
Williams, Wade S.
Williams, William F., Jr.
Willis, Clifton F.
Willis, Henry T., II
Wilson, Charlie K.
Wilson, Earl R., Jr.
Wilson, James H.
Wilson, James M., Jr.
Wilton, Julian D.
Wimmer, Ronald W.
Winfree, James R.
Winnard, David E.
Winsko, Stanley J., Jr.
Winslow, Donald R.
Winters, Doyle E.
Wiser, Gary A.
Wolfe, Donald A.
Wood, John M.
Wood, Robert M., Jr.
Wood, Robert C.
Woodruff, Barry H.
Wodrum, Thomas R.
Woodward, George P., Jr.
Worthley, John A.
Wyvill, Samuel A., II
York, Samuel A.
Young, Donald M.
Young, John C.
Young, Kenneth L., Jr.
Young, Thomas F.
Yoviene, Ronald J.
Zacharias, John V.
Zajkowski, Stanley J.
Zaras, Artie
Zotter, James A.

MEDICAL CORPS

Zvonek, Frank B., Jr.
Andrus, Peter L.
Barvick, Edward J.
Bove, Alfred A.
Bowden, Robert H., Jr.
Brophy, James J.
Brown, Douglas E.
Byrd, John W.
Cahill, Thomas G.
Christen, Samuel E.
Dansak, Daniel A.
Davis, Barney M., Jr.
Derhagopian, Robert P.
Dillard, Robert P.
Dragoo, Robert A.
Florio, Richard L.
Hannigan, Edward V.
Harley, Earl H.
Hendricks, John L.
House, Charles M.
Huddle, Luther G., Jr.
Judman, Allen H.
Kidd, Charles E., Jr.
Konerding, Karsten F.
Kuk, Dennis S.
Levy, Leonard R.
Mabry, Nicholas R.
Mader, Jon T.
Malcolm, Robert J., Jr.
Martin, John S., Jr.
Massey, Edward W.
McCarren, Peter
Miller, Lawrence H.
Morant, Victor A.
Nyboer, Jan H.
Posner, Geoggrey. M.
Pulliam, Morris W.
Quinn, Paul V.
Russo, Raymond M.
Siegel, John E.
Vandenberg, David L.
Ward, James S.
Washburn, Michael D.
Wilson, Walter R., Jr.
Zaleski, Henry I.
Zirkle, John W.

SUPPLY CORPS

Augonis, Frank E.
Babb, Robert M., Jr.
Block, Edgar D., Jr.
Bollam, Kenneth A.
Borst, Richard E.
Bradford, Charles E.
Brainerd, Robert P., Jr.
Briggs, Robert J.
Brush, William E.
Bunten, David R.
Burris, Gary M.
Claar, Robert C.
Dahm, John H., Jr.
Davies, Christopher R.
DeAngelis, Joseph T., Jr.
Dedera, Robert E.
Delong, David L.
Donahue, John R.
Dore, David A.
Dowley, Peter W.
Duff, Donald D.
Fox, James F.
Foy, Norman F.
Francis, Paul J.
Grant, Francis B.
Gregory, Douglas P.
Grumme, Ronald W.
Hall, Robert G.
Harless, Wayne H.
Hollowell, Walter E.
Holshey, Michael L.
Huff, Howard W.
Hull, Lawrence G.
Jackson, Thomas A., Jr.
Johnston, Richard M.
Johnston, William C. Jr.
Jordan, Joseph J.
Keller, Leslie R.
Kennedy, Robert C.
King, James M.
Maitland, James R.
Mangin, Garrett N., II
Marshall, Paul G.
Mather, Samuel S., II
McCameron, James D.
McClintock, William R,. Jr.
McDaniel, Hugh H., II
McDonnell, Brian L.
McTavish, Thomas H.
Meyer, Robert L.
Mortsolf, Larry A.
Nelson, Gregg C.
Oberacker, Martin F.
Paddack, Glenn D.
Patterson, Paul R.
Pitman, John J.
Prawl, Philip W.
Price, John W.
Pulliam, Nelson B.
Puzzo, Dominic E.
Rahn, Stanley A.
Reis, Peter S.
Reynolds, Roger W.
Rice, Richard G.
Richardson, Daniel G.
Rieper, Alan G.
Running, Richard B.
Schamp, Roger G.
Schwartz, Robert G., Jr.
Semet, Robert J.
Sherrill, Robert M.
Shirley, Joseph G.
Siegel, Gary
Stack, Robert C.
Stalker, Donald J.
Stiles, Edwin P.
Stohlmann, John C.
Stolark, Edward J.
Strack, Beetem H., Jr.
Sutherland, Michael T.
Sutton, Richard A.
Switzer, Harry A.
Tarella, Raymond F.
Turczyn, Thomas J.
Walker, Paul E.
Watts, James T.
Welch, Donald S.
Whan, Geoffrey B.
Winter, Wilburn J., Jr.
Wood, Daniel A.

CHAPLAIN CORPS

Bonn, Burton L.
Bradshaw, Jack R.
Brock, Jerome W.
Bullock, James M.
Burbank, John R.
Clark, Robert E.
Connelly, Albert P., III.
Eittreim, Kinley O.
Elliott, Charles K.
Evans, Edward E.
Hankins, Charles G.
Hinton, Von J.
Jones, Thomas L.
Koch, Walter P.
Leitze, Walter E., Jr.
Markert, Leo F.
May, William R.
McClure, Phillip W.
McConnell, Larry A.
McCraven, Franklin M
McPherson, Raymond G.
Oyler, George F.

Pauling, Randall D.
Rock, Stanley A.
Spellman, John P.
Turnbow, Howard R.
Underhill, Douglas V.
Waterson, Allan F.
Whitesides, James D.
Will, William A., Jr.

CIVIL ENGINEER CORPS

Anderson, Henry R.
Bailey, Robert N.
Bevilacqua, Albert E.
Biggers, Ralph L., Jr.
Branch, Thomas L.
Christian, Paul J.
Daniels, Terry P.
Dutsch, Thomas W.
Eddins, Rufus O., Jr.
Evans, Frank C.
Ewers, James J.
Gross, Thomas J.
Haefner, James A.
Hanf, William F.
Harman, Joe H.
Hedley, John R.
Hennings, Louis W., III
Heronen, Daniel J.
Hubbs, Gerald G.
Kenny, Louis A.
Kienow, Paul E.
Long, Noah H., Jr.
MacNaughton, Louis D.
Mettke, Winston D.
Poling, Russell L., Jr.
Riddell, Gerald D.
Sargent, Delon D.
Smith, Dwight G.
Smith, Ewart D.
Snyder, Wayne C.
Tamaribuchi, Satoru
Turley, Arthur J.
Tuthill, William L.
Ward, Roderic C.

JUDGE ADVOCATES GENERAL'S CORPS

Albrecht, William E.
Arbuckle, David L.
Barr, William S.
Bell, Robert L.
Bigler, John E., Jr.
Bleveans, John A.
Burson, John H.
Callahan, James B.
Campbell, Lawrence W.
Carter, Norman M., Jr.
Cerrone, George J., Jr.
Cherry, Donald G.
Cuneo, James B.
Currie, Laurin C.
Cusick, Robert I., Jr.
Custis, Douglass L.
Dickinson, Ronald C.
Dupuis, Charles T.
Ennis, Charles W.
Ewan, William K.
Farmer, Michael K.
Flood, Kevin P.
Foote, Douglas D.
Frank, Peter M.
Friedeberg, William H.
Fuller, Robert A.
Fuller, Robert G., Jr.
George, Thomas W.
Gerard, Kenneth J.
Glassman, Stephen C.
Golub, Howard V.
Haberlach, William P.
Hagemeister, Daniel R.
Hammer, Robert S.
Henning, John F., Jr.
Hess, John L.
Hutto, Robert E.
Igo, Louis D.
Infante, Edward A.
Irvin, Alexander M.
Jaudes, Richard E.
Kanninen, Michael L.
Ludwick, Steven W.
Mallett, Donald A.
Martens, Richard L.
McCollum, Ira W., Jr.
McCrory, John W.
McMichael, Jack R.
Mick, Robert L.
Molans, James A.
Mullins, Ralph W.
Murdaugh, William J., Jr.
Neely, Charles B., Jr.
O'Connor, James J.
Perkins, John R., III
Peterson, Steven D.
Poch, Thomas B.
Quinn, Joseph T.
Radford, William R.
Reite, Charles D.
Richardson, Delroy M
Rose, William S.
Ross, Edward M.
Rubin, Edwin R.
Rutland, Roy, III
Schmitz, Dennis R.
Schnabel, Laurence H.
Secor, William F.
Shearin, Ronald V.
Smith, Lee M.
Stageberg, Roger V.
Stein, William D.
Stella, Daniel F.
Stephens, Richard H.
Strong, Fred C.
Sullivan, Paul M.
Tesler, Roy
Tomlin, James M.
Tucker, James B.
Vanarsdale, Herbert, II
Vanwye, Harlan E., II
Waterman, Kenneth M.
Welch, David D.
Werner, Robert B.
Wimpfheimer, Michael C.
Wynn, Robert A.
Wysocki, Gerald S.
Zirkle, James W.

DENTAL CORPS

Ahlin, Jeffrey H.
Antolini, Anthony P.
Arguelles, John C.
Bokmeyer, Timothy J.
Brumfiel, Robert W., Jr.
Chrispens, John B.
Clausen, Donald J.
Colbert, Earl J.
Deshazo, John W.
Dibona, Lawrence B.
Forgeng, Thomas J.
Fulp, James F., Jr.
Galliana, Robert E.
Gilsdorf, James H.
Goetsch, Eugene R.
Griffin, Charles R., Jr.
Hamilton, Jack N.
Herlson, Mark C.
Hertzberg, Stephen R.
Hook, Stephen H.
Hubbard, Thomas M., Jr.
Hudson, John I.
Jack, James, Jr.
Jaspers, Mark T.
Kelly, James C.
Kluck, Robert A.
Kommer, Dennis D.
Larson, Jeffrey F.
Lebold, Robert C.
Maddox, Don C.
Manthei, Barnard M.
Maris, Alan H.
Maurovich, Thomas J.
Meyer, Kenneth T.
Miller, Steven D.
Musser, James R.
Neal, John C., Jr.
Nelson, Stephen L.
Palus, Donald A.
Pralle, Patrick M.
Reynolds, Gerald M.
Scott, Herman D.
Soteres, James S.
Steiner, Joseph
Strohmyer, Harry A.
Stutz, Andrew C.
Wohlwend, James H.
Word, Leonidas D., Jr.
Zeno, Allan S.

MEDICAL SERVICE CORPS

Bourne, John R.
Brabant, Peter J.
Haberkorn, Susan B.
Ivory, Thomas M., III
Johnson, Ralph R., Jr.
Lyon, James P.
Mast, Harold J.
Mc Fadden, Glennon K.
Miles, Donald O.
Mullin, Michael D.
Nalewaik, Robert P.
Pock, Arnold
Randall, Herbert D., III
Smith, John P.
Stasiak, Roger S.
Stehly, David N.
Stephenson, Norman L.
Walker, Crayton C.
Walsh, Stanley E.

NURSE CORPS

Arends, Bernadette R.
Brown, Mary J.
Caruso, Mary E.
Cosgrove, Rosemary F.
Cummins, Joan
Grady, Elizabeth M.
Hodges, Elizabeth C.
Hornsby, Eva M.
Judas, Janet I.
Klose, Frieda V.
Kohn, Dorothy A.
Lajoie, Ellen M.
Meyer, James F.
Miller, Susan S.
Moore, Alice R. S.
Obanion, Lois
Seitz, Karen D.
Stairs, Mary A.
Stutz, Florence J.
Tracy, Madeline A.

The following-named women commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5911 and 5912, subject to qualification therefor as provided by law:

Bonwell, Walterine B.
Gregory, Martha J.

The following-named women lieutenant commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10. United States Code, sections 5911 and 5912, subject to qualification therefor as provided by law:

Gibfried, Carolyn J.
Jenkins, Alyce M.
Jones, Jeanne R.
Maddy, Janet M.
Mills, Lynda P.
Ross, Evelyn M.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 9, 1980:

National Railroad Passenger Corporation

M. Athalie Range, of Florida, to be a Member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981.

The following-named persons to be Members of the Board of Directors of the National Railroad Passenger Corporation for terms expiring July 18, 1982:

James R. Mills, of California.
Frank H. Neel, of Georgia.

Department of Justice

Henry S. Dogin, of New York, to be Director of the Office of Justice Assistance, Research, and Statistics.

Homer F. Broome, Jr., of California, to be Administrator of the Law Enforcement Assistance Administration.

Raymond L. Acosta, of Puerto Rico, to be U.S. attorney for the district of Puerto Rico for the term of 4 years.

John Saul Edwards, of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years.

Thomas Edward Delahanty II, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years.

John S. Martin, Jr., of New York, to be U.S. attorney for the southern district of New York for the term of 4 years.

James R. Laffoon, of California, to be U.S. Marshal for the southern district of California for the term of 4 years.

John W. Spurrier, of Maryland, to be U.S. Marshal for the district of Maryland for the term of 4 years.

DEPARTMENT OF COMMERCE

Margaret Muth Laurence, of Virginia, to be an Assistant Commissioner of Patents and Trademarks.

DEPARTMENT OF TRANSPORTATION

Thomas George Allison, of Washington, to be General Counsel of the Department of Transportation.

IN THE COAST GUARD

The following officer of the U.S. Coast Guard for promotion to the grade of rear admiral:

Frederick P. Schubert.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Odell Horton, of Tennessee, to be U.S. district judge for the western district of Tennessee.

John T. Nixon, of Tennessee, to be U.S. district judge for the middle district of Tennessee.

Norma Holloway Johnson, of the District of Columbia, to be U.S. district judge for the District of Columbia.

IN THE AIR FORCE

Lt. Gen. Howard M. Lane, U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in the grade as follows:

To be lieutenant general

Maj. Gen. Charles C. Blanton, [redacted] FR, U.S. Air Force.

Lt. Gen. Abbott C. Greenleaf, U.S. Air Force (age 53), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Howard W. Leaf, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Richard L. Lawson, [redacted], U.S. Air Force.

In the Army

The following-named Army Medical Department officers for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be major general

Brig. Gen. Floyd Wilmer Baker, [redacted] Medical Corps, Army of the United States (colonel, U.S. Army).

Brig. Gen. Bernhard Theodore Mittemeyer, [redacted] Medical Corps, Army of the United States (colonel, U.S. Army).

Brig. Gen. Quinn Henderson Becker, [redacted] Medical Corps, Army of the United States (colonel, U.S. Army).

MEDICAL CORPS

To be brigadier general

Col. Robert Thomas Cutting, [redacted], Medical Corps, U.S. Army.

Col. Guthrie Lewis Turner, Jr., [redacted], Medical Corps, U.S. Army.

Col. Chester Lawrence Ward, [redacted], Medical Corps, U.S. Army.

The following-named Army Medical Department officer for appointment in the Regular Army to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

MEDICAL CORPS

To be brigadier general

Brig. Gen. Floyd Wilmer Baker, [redacted] Medical Corps, Army of the United States (colonel, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Paul Francis Gorman, [redacted] U.S. Army.

The following-named officers to be placed on the retired lists in grades indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. William Allen Knowlton, [redacted] (age 59), Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. John Quint Henion [redacted] (age 57), Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Carter McAlister, [redacted] (age 56), Army of the United States (major general, U.S. Army).

Lt. Gen. John Woodland Morris, [redacted] (age 56), Army of the United States (major general, U.S. Army).

In the Navy

Adm. Harold E. Shear, U.S. Navy (age 61), for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be Vice Admiral

Rear Admiral James R. Sanderson, U.S. Navy

The following temporary flag officers of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780, 5781 and 5791:

LINE

John G. Wissler
Glenwood Clark, Jr.
William E. McGarrah, Jr.
Richard A. Miller
Milton J. Schultz, Jr.
Louis R. Sarosdy
Robert B. Fuller
Joseph B. Wilkinson, Jr.
Charles E. Gurney III
Richard K. Fontaine
Frank C. Collins, Jr.
James E. Service
Frederick W. Kelley
Peter C. Conrad
Dempster M. Jackson
James A. Lyons, Jr.
John B. Mooney, Jr.
James B. Busey IV
Lawrence Burkhardt III
William C. Neel
Walter M. Locke
Donald S. Jones
Joseph F. Frick
Louis A. Williams
Richard A. Martini
Powell F. Carter, Jr.
Harry C. Schrader, Jr.
Wayne D. Bodensteiner
Joseph J. Barth, Jr.
Stanley G. Catola
Richard T. Gaskill

MEDICAL CORPS

Roger F. Milnes
George E. Gorsuch
Eustine P. Rucci

SUPPLY CORPS

Duncan P. McGillivary
Richard E. Curtis

CHAPLAIN CORPS

Neil M. Stevenson

CIVIL ENGINEER CORPS

Paul R. Gates

DENTAL CORPS

James D. Enoch

In the Air Force

Air Force nominations beginning Joseph A. Accardo, Jr., to be second lieutenant, and ending Waldemar Zukauskas, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Air Force nominations beginning Ralph E. Bradford, Jr., to be colonel, and ending William E. Riecken, Jr., to be colonel, which nominations were received by the Senate on April 8, 1980, and appeared in the Congressional Record on April 15, 1980.

Air Force nominations beginning Robert F. Aaron, Jr., to be first lieutenant, and ending Robert J. Zettel, to be second lieutenant, which nominations were received by the Senate on April 14, 1980, and appeared in the Congressional Record on April 15, 1980.

Air Force nominations beginning Kenneth A. Murdock, to be colonel, and ending Eugene A. Blitch, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on April 23, 1980.

In the Army

Army nominations beginning James R. Golden, to be permanent professor, U.S. Military Academy, and ending Carol M. Wright, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Army nominations beginning Brian J. Adams, to be second lieutenant, and ending John T. Zoccola, to be second lieutenant, which nominations were received by the Senate on April 3, 1980, and appeared in the Congressional Record on April 15, 1980.

In the Navy

Navy nominations beginning Dean S. Nakayama, to be lieutenant commander, and ending Kenneth D. Brown, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on March 26, 1980.

Navy nominations beginning Josef W. Christ, to be ensign, and ending George J. Tyson, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 28, 1980.

Navy nominations beginning Timothy James Allega, to be lieutenant commander, and ending Patricia Ellard Willhelm, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on April 15, 1980.

Navy nominations beginning William Broughton, to be commander, and ending Linda E. Wargo, to be lieutenant, which nominations were received by the Senate on April 14, 1980, and appeared in the Congressional Record on April 15, 1980.

Navy nominations beginning Jeffrey R. Abel, to be ensign, and ending Charles A. Wilson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on April 21, 1980.

In the Marine Corps

Marine Corps nominations beginning Terry L. Armstrong, to be first lieutenant, and ending Raymond R. Yinger III, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 2, 1980.

Marine Corps nominations beginning John B. Airola, to be colonel, and ending Gail M. Reals, to be colonel, which nominations were received by the Senate on April 8, 1980, and appeared in the Congressional Record on April 15, 1980.

HOUSE OF REPRESENTATIVES—*Monday, May 12, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Make a joyful noise to God, all the Earth; sing the glory of His name; give to Him glorious praise.—Psalms 66: 1, 2.

O God, King of creation and Lord of our lives, we give thanks for all the blessings that are ours. Help us not to forget Your daily presence and the opportunities we have to be faithful to our calling. Even as we praise You for Your bounty to us, we remember those who have great need—the hostages, those who suffer violence and pain, and those who must face this day alone. Protect, comfort, and encourage all Your people that we may live and serve to Your glory and honor. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 279. Concurrent resolution to authorize the printing of a revised edition of "Our American Government" as a House document.

The message also announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 95. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2320. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards, including certain special statutory programs, and for other purposes; and

S. 2648. An act to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981.

The message also announced that the Vice President, upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–42, appointed Mr. DURKIN and Mr. McCLURE to attend, on the part of the Senate, the Canada-United States Interparliamentary Conference, to be held in San Diego, Calif., May 23–27, 1980.

IMPACT ON ARKANSAS OF FORCED EMIGRATION OF CUBAN CRIMINALS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the news of Cuban criminals being forced at gunpoint to board refugee boats bound for Florida is being felt in Arkansas. On Friday I learned of the Cuban commandeering of the British salvage tug *Dr. Daniels*, where 14 busloads of criminals were boarded at gunpoint onto the tug. Carl Scholler and Capt. Leapold Suresca were among eyewitnesses to the incident. Some of the criminals were observed to be handcuffed prior to boarding.

Today, I learned that one of the Cuban refugees was identified as a skyjacker and dangerous criminal. I am directly involved when some of these criminals may be transferred to Fort Chaffee, Ark., for processing and relocation.

Mr. Speaker, it is my concern that for all of the compassion with which this country is providing sanctuary for Cuban refugees, we give proper consideration to the winnowing out of criminals, mental patients, Castro agents, and provocateurs who might prey upon innocent Americans.

I ask my colleagues to join me in calling upon the Immigration and Naturalization Service and other Federal agencies to provide immediate information on the security screening being used, in order to classify and dispose of these criminals so that we may protect honest, decent American citizens from the harm that they may inflict on our society.

Admittedly, the saga of the Cuban refugee seeking freedom from the oppression of communism is one of the great tragedies of the 20th century. However, my first obligation is to American citizens. Therefore, I believe that the Cuban refugees must remain in Federal custody until positive identification has been established.

SUPPOSEDLY BALANCED BUDGET IS AN ELECTION YEAR SHAM

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, the jig is up. In today's editorial, the Wall Street Journal exposes the supposedly balanced budget which this House passed last week for what it is: An election year sham.

I cannot believe that there is a Member in this Chamber today who honestly believes that the budget we passed will stay balanced by the time we consider the second budget resolution this fall.

Yet how many Members will brag to their constituents this fall that they are fiscally responsible because they voted for a balanced budget?

Mr. Speaker, the only reason this budget is even balanced on paper today is because of more than $80 billion in increased taxes levied on the American people—increased taxes and some pretty fancy fiddling with the figures.

This budget is nothing to be proud of. It does nothing to alter the policies that the Democratic majority in Congress have pursued for the past 25 years: Taxing and spending the American people into bankruptcy.

And frankly, Mr. Speaker, it is amazing to me how the majority of this House, which is so fragmented when it comes to the Nation's important business, can suddenly band together to perpetrate such a hoax on the American people.

CRITICS OF BALANCED BUDGET SHOULD HELP KEEP BUDGET BALANCED

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, I am shocked, surprised and deeply disappointed in the remarks just uttered on this floor accusing those of us who, in good faith, presented to this House and led the House to the adoption of a balanced budget, of bad faith. And now the gentlemen on my left seem so disappointed that the Democratic majority has had the fiscal responsibility to balance the budget that they are falling over themselves in a false effort, a vain effort, I might add, to try to pretend that it is not balanced. It is not only balanced, it has a $2 billion surplus. It not only has a $2 billion surplus, it has a $10½ billion cushion against contingencies.

And now, if the gentleman is so vainly determined to try to establish that the majority is incapable of balancing the budget, I would recommend that instead of voting against the balanced budget resolution and instead of trying to discredit the work of this House, he pitch in and try to help us keep the budget in balance.

NEW SOVIET THREAT OF EXPANSION

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Chairman Brezhnev of the Soviet Union stated in the January issue of the New Times that the Soviet Union has the right and the duty to help Communists dig themselves in to power in countries outside of the established borders of the Communist world, as well as use armed force to keep existing Communist regimes in power in the world. This should frighten everybody in America. The Soviet invasion of Afghanistan has brought the Soviets within striking distance of the Straits of Hormuz, and the Soviets, with their running short of oil, in this newly announced hostile Communist invective, are a direct threat not only to ourselves but to all of our European allies who get the majority of their oil from the Middle East, including our ally Japan in Asia.

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It is obviously time for our Government to press for a formal joint agreement with European countries and with Japan to boycott all high-technology exports and credit to the Soviet Union which enables the Kremlin to implement its global program of revolutionary Communist expansion. It is a matter of vital urgency, and requires firm unequivocal leadership from the President, the State Department, and Congress.

WHY RISK THE GOOD WILL OF OUR ALLIES

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, tonight Public Broadcasting is going to present a TV show which is a most unfortunate presentation. The Arab world objects to this show.

In fact, when they ran this production on the Great Britain TV system, the Saudis returned the British Ambassador to London. They literally sent him home.

Now since the Saudis do not like it, and Egypt does not like it, I wonder why in the name of good taste our TV stations are putting that show on the air tonight.

I called the manager of our local station in Dallas, and he was not available. He was out of the city. I called Mr. Flemming here. I called Mr. Grossman. They are both out of the office and not available. I do not know who is available or who knows what is going on, but the show is committed. It is a most unfortunate experience. We do not have many friends in this world. Saudi Arabia and Egypt have been the stabilizing mediation force in the Middle East. We need a stable Israel. Why in the world we want to lose what friends we have, I do not understand.

UNITED STATES SHOULD SUPPORT CUBAN REFUGEES

(Mr. SYMMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SYMMS. Mr. Speaker, for over 20 years now, the elite, eastern establishment has been informing us that revolutionary Cuba has become the land of noble ideas, freedom, and equality. And yet, we have been and are currently witnessing thousands of Cubans dropping everything and running for the nearest boat, leaving their land of happy cane cutters, milk and honey, and revolutionary song. The Marxist experiment in Cuba has not eliminated all of the supposed ills of a capitalistic society. Cuba is still an island of sugar and slavery and that type of regressive society is quickly spreading.

I believe that it is time for the United States to change its enlightened and progressive posture toward the cancer that exists to the south of us and not only encourage but actively support the Cuban refugees that are fleeing into this country in their efforts to regain their homeland.

Russian communism and Castroism are a cancer of history, and a cancer with which the United States cannot coexist in the Western Hemisphere, much less the world. The Soviet Union has quite clearly invaded our sphere of influence, violating the principles set down in the Monroe Doctrine. The Monroe Doctrine not only outlines our sphere of influence but it also carries with it the responsibility of this Government to protect and insure that freedom exists in this hemisphere.

Through the Soviet outpost in Cuba, the Soviets have been able to expand their sphere of influence into nearly all of Central America. If the United States does not act to assist those fleeing Cubans exercising their right to vote with their feet, we will be providing refuge not only to a few thousand Cubans but, eventually, to millions of Mexicans fleeing into the safety of our borders.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DANIELSON). Pursuant to the provisions of clause 3(b) of rule XXVII and clause 5(b) of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules and each question of passing bills or agreeing to the conference report on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 13, 1980.

COW CREEK INDIAN CLAIMS

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 668) to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the U.S. Court of Claims any claim such band could have filed with the Indian Claims Commission under the act of August 13, 1946 (60 Stat. 1049).

The Clerk read as follows:

S. 668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the time limitations of sections 2401 and 2501 of title 28, United States Code, and of section 12 of the Act entitled "An Act to create an Indian Claims Commission to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (25 U.S.C. 70a), hereinafter in this Act referred to as the "Act of August 13, 1946", the United States Court of Claims shall have jurisdiction to consider any claim filed by the Cow Creek Band of the Umpqua Tribe of Indians within five years after the date of the enactment of this Act respecting any matter for which a claim could have been filed by such band with the Indian Claims Commission under section 2 of the Act of August 13, 1946, as amended by the Act of October 27, 1974 (25 U.S.C. 70a).

Sec. 2. In determining the amount to be awarded in any action under this Act, the Court of Claims shall make appropriate deductions for all payments made by the United States on any claim for which an action is brought pursuant to this Act, and for all other offsets, counterclaims, and demands that would be permitted to be made by the Indian Claims Commission under the third paragraph of section 2 of the Act of August 13, 1946, as amended by the Act of October 27, 1974 (25 U.S.C. 70a), if the claim were to be determined by such Commission.

Sec. 3. The Court of Claims may award to any prevailing party, other than the United States, in any action under this Act costs of suit and reasonable attorneys' fees. The fees of such attorney or attorneys for all services rendered in prosecuting the claim in question, whether before the court or otherwise, shall, unless the amount of such fees is stipulated in the approved contract between the attorney or attorneys and the claimant, be fixed by the court at such amount as the court, in accordance with standards obtaining for prosecuting similar contingent claims in courts of law, finds to be adequate compensation for services rendered and results obtained, considering the contingent nature of the case, plus all reasonable expenses incurred in the prosecution of the claim, but the amount so fixed by the court, exclusive of reimbursements for actual expenses, shall not exceed 10 per centum of the amount recovered in such cases.

Sec. 4 (a) For purposes of this Act, the term "Cow Creek Band of the Umpqua Tribe of Indians" means the group of persons descended from persons considered members of such band for purposes of the treaty entered into between such band and the United States on September 19, 1853 (10 Stat. 1027), as ratified by the Senate on April 12, 1854, except that such group shall not include any person, or the descendant of any person, who shared in the distribution of funds under the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (25 U.S.C. 564 et seq.), or under the Act entitled "An Act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians located in western Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (25 U.S.C. 691 et seq.).

(b) In any procceding under this Act, the Council of the Cow Creek Band of the Umpqua Tribe of Indiana, a nonprofit corporation incorporated in the State of Oregon, shall be considered to be the governing body of such band.

SEC. 5. The provisions of the Act of November 4, 1963 (77 Stat. 301), shall be applicable with respect to any claim filed by the Cow Creek Band of the Umpqua Tribe of Indians with the Court of Claims pursuant to this Act in the same manner and to the same extent as if such claim were pending before the Indian Claims Commission.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 668 authorizes the Cow Creek Band of Umpqua Indians of Oregon to file certain claims they have against the United States with the Court of Claims.

These claims are based upon a treaty entered into by the Cow Creek Band with the United States in 1853. In this treaty, the band ceded to the United States 800 square miles of its aboriginal lands in return for a promise by the United States of a reservation and a payment of $12,000 in 20 installments.

The history of the U.S. failure to fulfill the promise is set out in the committee's report. Briefly, however, while the United States took the 800 square miles, they never established a reservation for the band and paid most of the inadequate consideration to Indians who were not members of the band and not entitled to it.

Mr. Speaker, the Cow Creek Band was not negligent in seeking a remedy to their grievance against the United States. In the 68th through 72d Congress, legislation was introduced to permit them to file their claims.

In 1946, Congress established the Indian Claims Commission to hear and decide claims of Indian tribes against the United States. Tribes were given 5 years in which to file any pre-1946 claim against the United States or have such claim barred. Section 13 of the act required the Commission to send written notice to every head of identifiable tribe or band. In addition, the Bureau of Indian Affairs, as trustee for Indian tribes, had a responsibility to advise and assist tribes in availing themselves of this opportunity.

The record shows, however, that the Cow Creek Band never received notice of the existence of the Commission or of their right to file the claim they had pursued for so long.

Mr. Speaker, the committee felt that the Cow Creek request was sufficiently unique in its circumstances to warrant a waiver of the limitation on filing such claims contained in the Indian Claims Commission Act.

I urge its enactment.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 668. The purpose of this bill is to waive the statute of limitations in the Indian Claims Commission Act of 1946 to permit the Cow Creek Band of Umpqua Indians to file its claims against the United States in the court of claims. The court would consider the claims as if they had been timely filed before the now-defunct Indian Claims Commission.

The Cow Creeks are a small band of Indians who reside in and around Canyonville, Ore. The band contends that it did not file any claims with the Claims Commission simply because they were not made aware of its existence or their right to file. The Department of the Interior, the agency that was legally responsible for notifying all tribes and bands about the Commission and the deadline for filing claims, has said it has no evidence of ever having notified the band.

It is reasonable to assume that the Department should have been aware of the Cow Creeks' existence as a separate entity in view of the fact that they were named in at least five different bills introduced in Congress in the 1920's and 1930's to permit certain Oregon tribes to file claims against the United States in the court of claims. Congress even passed one such bill, in 1932, only to have it vetoed by President Hoover on grounds that the United States could not afford to pay successful claimants. Given this history of efforts to obtain a day in court, the Cow Creeks' assertion that they would have filed claims with the Claims Commission, had they known about it, is entirely plausible. The question posed by S. 668, then, is whether to give the Cow Creek band its day in court.

Regrettably, the administration, through Justice Department spokesmen, has expressed opposition to the Cow Creek bill. The Department believes that the circumstances of the Cow Creeks' case do not merit the same consideration given to the Zuni and Wichita Tribes, for whom the 95th Congress enacted legislation waiving the statute of limitations in the Claims Commission Act. However, it is the position of the committee that, with the respect to the critical question of whether the Government's responsibility to provide notice to the tribes of their right to file claims, the Cow Creeks' case is not different from that of the Zuni: Neither tribe was properly notified.

The Senate passed S. 668 by unanimous consent last November after hearings and a favorable report by the Select Committee on Indian Affairs. The House Interior Committee held a hearing and reported the bill on January 30 by voice vote. As reported, the bill includes amendments recommended by the administration to make it consistent with the Indian Claims Commission Act.

I urge the House to pass S. 668 and give the Cow Creek Band of Umpqua Indians their long-sought day in court.

Mr. Speaker, I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the Senate bill, S. 668.

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 668.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

DISAPPROVAL OF REGULATIONS FOR EDUCATION APPEAL BOARD

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution, (H. Con. Res. 318), disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act.

The Clerk read as follows:

H. CON. RES. 318

Whereas the Commissioner of Education on April 3, 1980, submitted to the President of the Senate and the Speaker of the House of Representatives final regulations pertaining to the Education Appeal Board authorized under section 451 of the General Education Provisions Act, pursuant to the Commissioner's duty under section 431 of the General Education Provisions Act, and

Whereas the Congress, in the exercise of its authority under article I of the Constitution and in accordance with the procedure established by that section of the General

Education Provisions Act for the safeguarding of that authority, has reviewed such regulations and finds certain of them inconsistent with the Act from which they must derive authority: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That, the final regulations submitted to the Congress on April 3, 1980, pertaining to the Education Appeal Board authorized under section 451 of the General Education Provisions Act, are disapproved by the Congress on the grounds of their inconsistency with the Act from which they derive their authority, and are returned to the Commissioner of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. PERKINS) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the concurrent resolution before the House today would disapprove the regulations for the Education Appeal Board authorized in section 451 of the General Education Provisions Act. These regulations were published in the Federal Register and transmitted to Congress on April 3, 1980.

Mr. Speaker, I regret that it is necessary to bring this resolution to the floor at all. As you know, section 431 of the General Education Provisions Act gives Congress the right to disapprove regulations for education programs when these regulations are inconsistent with the law. I regret that it has become necessary for us to exercise that right. However, the committee and I feel strongly that we cannot let these regulations go into effect when they contradict or go beyond the legislation that we have enacted.

The regulations which we seek to disapprove are part of a lengthy list of regulations that are just now coming out of the Office of Education pursuant to the Education Amendments of 1978. Because these amendments were so extensive, new regulations are being written for all of the programs affected by that act. These new regulations are very important because they will govern these programs for the next 4 years.

In the case of the Education Appeal Board regulations, the committee recommends disapproval because they contain a provision that is clearly not in the law. This provision gives the chairperson of the Board the authority to grant an extension of the 30-day limit in the statute for submission of an application for Board review of an audit determination.

The authorizing legislation for this matter, section 452 of the General Education Provisions Act, clearly does not allow for such an extension. The Commissioner of Education even acknowledged that fact in the appendix to the regulations.

One of the main reasons Congress created this new Education Appeal Board was to expedite consideration of appeals by placing all the education appeals under a single body and by setting strict timetables for each step in the appeal process.

I just do not think that the executive branch should have the authority to rewrite a provision of law which Congress and the Commissioner agree is clear in its intent.

Mr. Speaker, I want all the Members to be aware that I gave the Office of Education ample notice of our concerns about these regulations. The proposed regulations for this program were published almost a year ago. Following their publication, I wrote the Assistant Secretary for Education, informing her of my concerns and questions about these regulations, including the problem for which we are now seeking disapproval.

The Commissioner of Education answered my letter prior to publication of the final regulations. However, I was dismayed to learn that the provision discussed above was not going to be changed in the final regulations, despite my comments.

Mr. Speaker, I recognize the authority of the executive branch to make decisions about Federal discretionary programs and to promulgate regulations. But, it is instances like the one I have cited which have given the term "Government regulations" a bad name among the American people. As concerned as people are about overregulation, the last thing we need are regulation writers who rewrite the law to suit their own interpretation or who add onerous requirements to the statutory requirements.

I urge the Members to vote to disapprove this set of regulations. This is the only means left to us to insure that the programs we created are properly administered.

□ 1220

Mr. Speaker, I yield back the balance of my time.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I rise to commend the chairman of our full committee, the gentleman from Kentucky (Mr. PERKINS), and the ranking minority member on our Subcommittee on Elementary, Secondary, and Vocational Education (Mr. GOODLING), for their leadership in introducing this disapproval resolution, and to commend the committee for following that leadership.

Mr. Speaker, if there is anything we have too much of in this country it is legislation by resolution. The Constitution gave the Congress the power to legislate and I commend the chairman and the gentleman from Pennsylvania (Mr. GOODLING) for fulfilling that responsibility and, in this instance, moving that we overrule the bureaucracy when it goes beyond the law and, indeed, is conflict with the law as is proposed in these regulations.

It seems to me if we are to set our house in order as a government, this is the kind of example that must be followed.

Some time ago I set up for the municipal leaders in my congressional district, county and city officials, a seminar here in Washington in which I tried to introduce them to some of the departments and agencies with which they deal in their work. There was sent to participate in that seminar for officials a regulation writer from the then Department of Health, Education, and Welfare. They sent a young man from Alabama and he confessed, when he stood up to address the group, the reason they sent a regulation writer from Alabama to address the group was because they wanted to impress upon us that there could be such a thing as a regulation writer who did not have two heads. It was a pleasant surprise.

Clearly in this instance we had, as has so often been the case, the bureaucracy going beyond the intent of Congress and, indeed, creating law.

I therefore urge that the leadership of the chairman be followed and that the resolution be agreed to.

Mr. Speaker, I yield back the balance of my time.

Mr. PERKINS. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 318).

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order of no quorum is considered withdrawn.

DISAPPROVAL OF REGULATIONS FOR ARTS AND EDUCATION PROGRAMS

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 319) disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965.

The Clerk read as follows:

H. CON. RES. 319

Whereas the Commissioner of Education on April 3, 1980, submitted to the President of the Senate and the Speaker of the House of Representatives final regulations pertaining to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965, pursuant to the Commissioner's duty under section 431 of the General Education Provisions Act, and

Whereas the Congress, in the exercise of its authority under article I of the Constitution and in accordance with the procedure established by that section of the General Education Provisions Act for the safeguarding of that authority, has reviewed such regulations and finds certain of them inconsistent with the act from which they must derive their authority: Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That the final regulations submitted to the Congress on April 3, 1980, pertaining to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965, are disapproved by the Congress on the grounds of their inconsistency with the Act from which they derive their authority, and are returned to the Commissioner of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. Perkins) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. Buchanan) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the second concurrent resolution I am bringing up today would disapprove the final regulations for the arts in education program authorized part C of title III of the Elementary and Secondary Education Act of 1965. These regulations were transmitted to Congress and published in the Federal Register on April 3, 1980.

The committee is seeking disapproval of these regulations because they contain several requirements which are not in the law. The committee is particularly concerned about three such additions:

First, the regulations institute a 50–50 matching requirement for each project. The law does not require any matching of Federal funds with State or local funds. I fear that this provision would prohibit poor areas from participating in the program.

Second, the regulations mandate that each project must have a local advisory council. There is no such requirement in the law. I feel that if Congress had thought such councils were necessary, we would have written them into the statute.

Third, the regulations require each project to address at least four particular art forms. The legislation does not impose such a requirement.

To my way of thinking, these three provisions would limit the arts in education program in ways that Congress never intended. As you know, there are several other education laws which do mandate local matching or advisory councils. Therefore, the fact that we did not include such mandates in the arts in education program represents a conscious decision on our part that such restrictions were not necessary.

As with the Education Appeal Board regulations, I gave the Office of Education ample notice of our concerns about the arts in education regulations. Following the publication of proposed regulations almost a year ago, I wrote the Assistant Secretary of Education. In that letter I informed her of my concerns with the arts education regulations, including the three provisions for which we are now seeking disapproval.

I was dismayed to see that the provisions discussed above were not changed prior to publication of the final regulations, despite my comments.

I urge the Members to suspend the rules and vote for disapproval of the arts in education regulations. We cannot allow the executive branch to rewrite the law in this manner.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again I commend the chairman of the committee for bringing this resolution to the floor. This is a small, but I think telling illustration of how the bureaucracy does by regulations add to and change the legislation of Congress.

As the chairman made clear, we created no requirement for an advisory council for each local arts and education project by statute. But the regulations would require one, an unnecessary addition to the bureaucracy, and a new bureaucratic requirement upon those who participate. We did not set up a matching fund program, and yet the regulations spell out a 50–50 matching fund requirement, clearly not comprehended by the law, and one which could disqualify some very worthwhile projects who might not be well-funded enough to meet the 50–50 requirement.

As the chairman made plain, the regulations require that each individual project shall have at least the following different art forms included: Music, dance, theater, and visual arts. Each must have all of those elements. Anyone who understands anything about the arts would understand there may be many projects that should be included that would not be a cook's mixture of all of these different art forms.

I simply would say, Mr. Speaker, that again we see here illustrated the tendency of the bureaucracy to take over the legislative process and to legislate far beyond the intent of Congress. I, therefore, urge the agreement to the resolution.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. Perkins) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 319).

The question was taken; and on a division (demanded by Mr. Rousselot) there were—yeas 8, nays 0.

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FEDERAL ELECTION COMMISSION AUTHORIZATIONS

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7281) to authorize appropriations for the Federal Election Commission for fiscal year 1981, as amended.

The Clerk read as follows:

H.R. 7281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1977," and by inserting after "1978" the following: ", and $9,400,000 (of which not more than $400,000 are authorized to be appropriated for the national clearinghouse function described in section 311(a)(10) for the fiscal year ending September 30, 1981".

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. Thompson) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7281 provides for an authorization of $9.4 million for the Federal Election Commission for fiscal year 1981. The bill was unanimously reported by the Committee on House Administration and represents a $2.1 million reduction in the Federal Election Commission's request. The sum provided is the same amount provided in S. 2648 which has been reported out of the Senate Rules Committee.

In the committee's opinion, this authorization should be sufficient for the Commission to continue at its present level of operation. The committee foresees no need for the Commission to expand its level of operation in fiscal year 1981, which is essentially a nonelection year.

To assure that the Commission has sufficient funds to discharge its Federal election responsibilities, the committee has placed an expenditure ceiling of $400,000 on the Commission's clearinghouse activities. Although a number of the clearinghouse projects appear to be worthwhile, in these times of fiscal constraint, the basic responsibilties of the Commission must take priority. By putting a cap on clearinghouse activity, the committee hopes the Commission will reallocate its resources in a manner that best provides for carrying out these responsibilties. Clearinghouse projects should be restricted to those substantially related to the administration of Federal elections.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur in the remarks of the distinguished chairman of the House Administration Committee in his description of the bill, and in his discussion of the committee's feelings about the bill and about the Federal Elections Commission.

I am proud to relate to the House that the House Administration Committee approved last year in its FEC authorization bill slightly over a 4-percent increase, and this year about a 5-percent increase. Both those figures are considerably under the increases that are being requested and granted to most other agencies of Government.

In addition, the committee is continuing its oversight activities concerning the FEC. That agency is far from perfect, but compared to other Federal regulatory groups, it performs its statutory tasks relatively well and relatively cheaply. Our committee will continue to press for improved performance, and simpler regulations, and less frequently filed reports, consistent with the needs for reasonable disclosure.

☐ 1230

It is important, Mr. Speaker, that this bill be passed promptly, because the appropriations bill is being moved forward at this time. I hope that the House will pass it forthwith.

I have no further requests for time, and I yield back the remainder of my time.

Mr. THOMPSON. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. Thompson) that the House suspend the rules and pass the bill, H.R. 7281, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 2648) to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended, in the second sentence thereof, by—

(1) striking out the word "and" where it appears immediately after "1977,", and

(2) by inserting immediately before the period at the end thereof the following: ", and $9,400,000 for the fiscal year ending September 30, 1981".

MOTION OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Thompson moves to strike out all after the enacting clause of the Senate bill, S. 2648, and to insert in lieu thereof the text of H.R. 7281, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to authorize appropriations for the Federal Election Commission for fiscal year 1981."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 7281, was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

OCEAN DUMPING AUTHORIZATION, FISCAL YEAR 1981

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6616) to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1981, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1420) is amended—

(1) by striking out "and" immediately after "fiscal year 1977," and

(2) by adding immediately after "fiscal year 1978," the following: "and not to exceed $3,039,000 for fiscal year 1981,".

Sec. 2. Section 203 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1443) is amended to read as follows:

"Sec. 203 (a) The Administrator of the Environmental Protection Agency shall—

"(1) conduct research, investigations, experiments, training, demonstrations, surveys, and studies for the purpose of—

"(A) determining means of minimizing or ending, as soon as possible after the date of the enactment of this section, the dumping into ocean waters, or waters described in section 101(b), of material which may unreasonably degrade or endanger human health, welfare, or amenities, or the marine environment, ecological systems, or economic potentialities, and

"(B) developing disposal methods as alternatives to the dumping described in subparagraph (A); and

"(2) encourage, cooperate with, promote the coordination of, and render financial and other assistance to appropriate public authorities, agencies, and institutions (whether Federal, State, interstate, or local) and appropriate private agencies, institutions, and individuals in the conduct of research and other activities described in paragraph (1).

"(b) Nothing in this section shall be construed to affect in any way the December 31, 1981, termination date, established in section 4 of the Act of November 4, 1977 (Public Law 95–153; 33 U.S.C. 1412a), for the ocean dumping of sewage sludge.".

Sec. 3. Section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972– (33 U.S.C. 1444) is amended—

(1) by striking out "and" immediately after "fiscal year 1977,", and

(2) by striking out "fiscal year 1978." and inserting in lieu thereof the following: "fiscal year 1978, not to exceed $11,396,000 for fiscal year 1981, and not to exceed $12,000,000 for fiscal year 1982.".

Sec. 4. Section 301 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431) is amended by adding at the end thereof a new sentence to read as follows: "The term 'State', when used in this title, means any of the several States or any territory or possession of the United States which has a popularly elected Governor.".

Sec. 5. Section 302 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1432) is amended—

(1) in subsection (b), by inserting "(1)" after "(b)", by striking out the second sentence thereof, and by inserting at the end thereof the following new paragraph:

"(2) A designation under this section shall become effective unless—

"(A) the Governor of any State described in paragraph (1) certifies to the Secretary, before the end of the sixty-day period beginning on the date of the publication of the designation, that the designation or any of its terms described in subsection (f)(1), are unacceptable to his State, in which case those terms certified as unacceptable will not be effective in the waters described in paragraph (1) in such State until the Governor withdraws his certification of unacceptability; or

"(B) both Houses of Congress adopt a concurrent resolution in accordance with subsection (h) which disapproves the designation or any of its terms described in subsection (f)(1).

The Secretary may withdraw the designation after any such certification or resolution of disapproval. If the Secretary does not withdraw the designation, only those portions of the designation not certified as unacceptable under subparagraph (A) or not disapproved under subparagraph (B) shall take effect.";

(2) by amending subsection (f) to read as follows:

"(f)(1) The terms of the designation shall include the geographic area included within the sanctuary; the characteristics of the area that give it conservation, recreational, ecological or esthetic value; and the types of activities that will be subject to regulation by the Secretary in order to protect those characteristics. The terms of the designation may be modified only by the same procedures through which an original designation is made.

"(2) The Secretary, after consultation with other interested Federal and State agencies, shall issue necessary and reasonable regulations to implement the terms of the designation and control the activities described in it, except that all permits, licenses, and other authorizations issued pursuant to any other authority shall be valid unless such regulations otherwise provide.

"(3) The Secretary shall conduct such research as is necessary and reasonable to carry out the purposes of this title.

"(4) The Secretary and the Secretary of the department in which the Coast Guard is operating shall conduct such enforcement activities as are necessary and reasonable to carry out the purposes of this title. The Secretary shall, whenever appropriate and in consultation with the Secretary of the department in which the Coast Guard is operating, utilize by agreement the personnel, services, and facilities of other Federal departments, agencies, and instrumentalities, or State agencies or instrumentalities, whether on a reimbursable or a nonreimbursable basis in carrying out his responsibilities under this title."; and

(3) by inserting at the end thereof the following new subsection:

"(h) (1) For purposes of subsection (b) (2) (B), the Secretary shall transmit to the Congress a designation of a marine sanctuary at the time of its publication. The concurrent resolution described in subsection (b) (2) (B) is a concurrent resolution which is adopted by both Houses of Congress before the end of the first period of sixty calendar days of continuous session of Congress after the date on which the designation is transmitted, the matter after the resolving clause of which is as follows: 'That the Congress does not favor the taking of effect of the following terms of the marine sanctuary designation numbered   transmitted to Congress by the Secretary of Commerce on   :   .', the blank space being filled with the number of the designation, the second blank space being filled with the date of the transmittal, and the third blank space being filled with the terms of the designation which are disapproved (or the phrase 'the entire designation' if the entire designation is disapproved).

"(2) For the purpose of paragraph (1) of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

"(3) A designation which becomes effective, or that portion of a designation which takes effect under subsection (b), shall be printed in the Federal Register.".

SEC. 6. Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended—

(1) by striking out "and" immediately after "fiscal year 1977."; and

(2) by adding immediately after "fiscal year 1978" the following: "and not to exceed $2,250,000 for fiscal year 1981".

SEC. 7. Section 4 of Public Law 95–153 (33 U.S.C. 1412a) is amended—

(1) by amending subsection (a)—

(A) by inserting "and industrial waste" immediately after "sewage sludge",

(B) by striking out "Public Law 92–532" and inserting in lieu thereof "the Marine Protection, Research, and Sanctuaries Act of 1972",

(C) by inserting ", except as provided in subsections (b) and (c)," immediately before "in no case", and

(D) by striking out "the Marine Protection Research, and Sanctuaries" and inserting in lieu thereof "such"; and

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) After December 31, 1981, the Administrator may issue permits under such title I for the dumping of industrial waste into ocean waters, or into waters described in such section 101(b), if the Administrator determines—

"(1) that the proposed dumping is necessary to conduct research—

"(A) on new technology related to ocean dumping, or

"(B) to determine whether the dumping of such substance will unreasonably degrade or endanger human health, welfare, or amenities, or the marine environment, ecological systems, or economic potentialities:

"(2) that the scale of the proposed dumping is such that the dumping will have minimal adverse impact upon the human health, welfare, and amenities, and the marine environment, ecological systems, and economic potentialities; and

"(3) after consultation with the Secretary of Commerce, that the potential benefits of such research will outweigh any such adverse impact.

Each permit issued pursuant to this subsection shall be subject to such conditions and restrictions as the Administrator determines to be necessary to minimize possible adverse impacts of such dumping. No permit issued by the Administrator pursuant to this subsection may have an effective period of more than six consecutive months.

"(c) After December 31, 1981, the Administrator may issue emergency permits under such title I for the dumping of industrial waste into ocean waters, or into waters described in such section 101(b), if the Administrator determines that there has been demonstrated to exist an emergency, requiring the dumping of such waste, which poses an unacceptable risk relating to human health and admits of no other feasible solution. As used herein, 'emergency' refers to situations requiring action with a marked degree of urgency.

"(d) For purposes of this section—

"(1) the term 'sewage sludge' means any solid, semisolid, or liquid waste generated by a municipal wastewater treatment plant the ocean dumping of which may unreasonably degrade or endanger human health, welfare, or amenities, or the marine environment, ecological systems, or economic potentialities; and

"(2) the term 'industrial waste' means any solid, semisolid, or liquid waste generated by a manufacturing or processing plant the ocean dumping of which may unreasonably degrade or endanger human health, welfare, or amenities, or the marine environment, ecological systems, or economic potentialities.".

SEC. 8. Section 102(e) of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (33 U.S.C. 1412(e)) is further amended—

(1) by inserting after "transportation of material," the words "by an agency or instrumentality of the United States or", and

(2) by striking out "section." and inserting "section: *Provided*, That in the case of an agency or instrumentality of the United States, no application shall be made for a permit to be issued pursuant to the authority of a foreign State Party to the Convention unless the Administrator concurs in the filing of such application.".

SEC. 9. Section 106 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1416) is amended by adding at the end thereof a new subsection to read as follows:

"(f) Notwithstanding any other provision of law, dumping of dredged materials in the Long Island Sound shall comply with the provisions of section 103 of this Act, in addition to other applicable Federal and state requirements.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) will be recognized for 20 minutes and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, the Committee on Merchant Marine and Fisheries recommends that the House pass H.R. 6616 today, a bill to extend the authorization of, and provide necessary amendments to, the Marine Protection, Research, and Sanctuaries Act of 1972, commonly referred to as the Ocean Dumping Act.

The Ocean Dumping Act establishes a policy to prohibit or strictly limit the dumping of materials harmful to the marine environment and more importantly the act conveys a need for research and monitoring in the ocean of possible impacts from harmful wastes.

The act is organized into three parts. Title I establishes the ocean dumping permit program administered by the Environmental Protection Agency (EPA), which regulates the ocean disposal of sewage sludge and industrial wastes. In addition, title I gives the Army Corps of Engineers authority over dredged spoil dumping.

Title II which is administered by the National Oceanic and Atmospheric Administration (NOAA), authorizes marine research which is necessary to carry out the intent of the act. Specifically, NOAA is directed to monitor and research the effects of ocean dumping of harmful substances and investigate the long-range impacts of pollution, overfishing, and man-induced changes of ocean ecosystems.

Title III establishes the marine sanctuaries program within NOAA to protect certain fragile areas in the ocean and to balance competing demands on the limited resources there.

Mr. Speaker, H.R. 6616 has been reported out by both the Committees on Merchant Marine and Fisheries and Science and Technology. Both committees have discussed the provisions of the bill repeatedly and have agreed upon authorization figures for title II and necessary amendments.

Title I has been authorized at $3.039 million for fiscal year 1981. Title II has been reauthorized for a 2-year period at a level of $11.396 and $12 million for fiscal years 1981 and 1982, respectively. Finally, title III, the marine sanctuaries program, has been authorized at $2.25 million for fiscal year 1981.

The Merchant Marine and Fisheries Committee is deeply concerned with the health and environmental aspects of ocean dumping and believes that sufficient funding authorization must be provided in order to assure that a vigorous research and monitoring program is conducted. It is of particular importance to have an adequate information base to support future decisions relating to the protection and sound management of the oceans. We believe it is in the strong interest of the Congress that H.R. 6616 pass the full House.

Mr. Speaker, at this time I yield 5 minutes to the distinguished chairman of the Subcommittee on Oceanography, the gentleman from Massachusetts (Mr. Studds).

Mr. STUDDS. Mr. Speaker, I rise in support of H.R. 6616, and urge its passage. The Marine Protection, Research, and Sanctuaries Act of 1972—commonly known as the Ocean Dumping Act—prohibits or strictly limits the dumping into the ocean of materials which are harmful to the marine envrionment. The original act is divided into three titles: Title I, under which the Environmental Protection Agency receives funds to regulate ocean dumping; title II, under which the National Oceanic and Atmospheric Administration receives funds for research on the effects of and alternatives to ocean dumping; and title III, under which NOAA receives funds to protect particularly fragile and important areas of the ocean through the marine sanctuary program. The act is an important part of our Nation's ongoing effort to reduce pollution.

H.R. 6616 was referred jointly to the Committee on Merchant Marine and Fisheries and the Committee on Science and Technology. The two committees reported the bill with slightly differing amendments, and the substitute included in the motion to suspend the rules is the result of negotiation to reconcile the differences in the two sets of committee amendments.

The bill being considered today authorizes $16.685 million for the three titles of the original act in fiscal year 1981, and $12 million for title II of the original act for fiscal year 1982. Fiscal year 1982 authorizations for title I and title III will need to be considered next year.

Mr. Speaker, H.R. 6616 contains several substantive amendments to the Marine Protection, Research, and Sanctuaries Act the need for which has become apparent over the last 3 years. For reasons beyond the control of either authorizing committee, no authorization bill for the Marine Protection, Research, and Sanctuaries Act has become law during the last 2 years. The bill before use today, therefore, contains the backlog of substantive amendments to the act which have been included in the authorization bills reported by the committees for fiscal years 1979 and 1980 which never became law.

Many of these substantive amendments were included in the fiscal year 1979 authorization bill, which was passed by the House in the 95th Congress. The delay in passing these amendments has resulted, in the case of the marine sanctuary program, in the situation we have today where the agency has amended its regulations to implement the intended changes as much as possible under existing law, while the Congress has not yet completed amending the law to require the new regulations.

Mr. Speaker, the Committee on Merchant Marine and Fisheries and the Committee on Science and Technology have agreed that they intend for $1.5 million of the funds authorized under title II of the act for each of fiscal years 1981 and 1982 be used for assessment of the impacts on Texas and the Gulf of Mexico of the oil which was spilled from the Mexican oil well IXTOC I in the Bay of Campeche, and which inundated the Texas coastline for several months last year.

We have an excellent opportunity close to home to do the careful research which is necessary to determine the actual extent of damages caused by a major oil spill, and I believe strongly that we must not let the opportunity slip by. The results of this research should help the Federal Government anticipate the extent and nature of damages from future oil spills, and to design its cleanup efforts to achieve the most cost-effective result.

Mr. Speaker, I urge support of H.R. 6616, as amended.

□ 1240

Mr. MURPHY of New York. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. Ambro).

Mr. AMBRO. Mr. Speaker, I rise today in full support of the amendment offered by the gentleman from New York (Mr. Murphy). This amendment represents a strong and fully supportable compromise between the interests of the two committees.

This bill is an important one if we are serious about our efforts to preserve our precious marine environment. We will continue to turn to the oceans in the future for their bountiful resources, for the recreational opportunities that they offer, for their cheap transportation lanes, and for their beauty. Yet more than ever, the oceans are threatened by our flagrant use of them as a dumping grounds. The coast of Texas is now exposed to the largest oil spill in history. All of our coastal areas are subjected to a barrage of man-made chemicals whose effects on the marine environment are largely unknown. One group of these chemicals—PCB's—have nearly shut down one of the largest ports in the Nation, the Port of New York.

This bill addresses these crucial problems. It provides $11.4 million in funding authorization in fiscal year 1981 to the National Oceanic and Atmospheric Administration (NOAA) to assure that a vigorous research and monitoring program on ocean pollution is conducted.

This program will address such questions as the effects of synthetic organic chemicals, such as PCB's, on the ecology of the oceans and the Great Lakes; it will provide funding for a long-term study of the effects of the Ixtoc I oil spill in the Bay of Campeche; it will be used to monitor ocean sites used for dumping of dredged spoils, sewage sludge, and industrial wastes, and to monitor some of our most polluted areas, such as the Hudson-Raritan River Estuary. The information derived from such studies will be used to support future decisions relating to the protection and sound management of the oceans.

Finally, I would like to note that the Subcommittee on Natural Resources and Environment has devoted considerable attention to developing section 9 of the joint committee amendment, relating to the disposal of dredged materials in Long Island Sound. The sound is a precious resource serving tens of millions of people in the contiguous States of New York, Connecticut, and Rhode Island. Its direct value to commercial and recreational fishermen exceeds $500 million annually. When other uses of the sound are considered, its value is considerably higher than that. It is essential that when dredged spoils are dumped in Long Island Sound that these wastes be fully tested for toxicity to insure that their disposal will not adversely affect the fragile balance of the sound ecosystem. The effect of section 9 is just that—to insure that the best tests available—bioassay and bioaccumulation tests—be used to assess the impact of dumping dredged spoil waste into the sound.

Each year, the U.S. Army Corps of Engineers sanctions the dumping into the sound of hundreds of thousands of cubic yards of dredged materials which are heavily contaminated with toxic heavy metals, which have been shown by scientific research to enter the marine food chain.

To illustrate the magnitude of this problem, consider the amounts of toxic metals which will be dumped into Long Island Sound in the course of the proposed 7.2 million cubic yard New Haven Harbor project: 3½ tons of mercury, 560 tons of lead, 1,560 tons of zinc, 38 tons of arsenic, 1,250 tons of copper, 17 tons of cadmium. The effect of section 9 is merely to guarantee that these spoils be fully tested for toxicity, as spoils dumped into ocean waters currently are, so that the precious multibillion-dollar resources of Long Island Sound be protected for future generations.

Mr. FORSYTHE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 6616 which authorizes funding for the Ocean Dumping Act. This legislation has been carefully evaluated by the Merchant Marine and Fisheries Committee and the Science and Technology Committee. After reporting two separate measures, both committees have agreed on a single amendment in the nature of a substitute to be offered as part of the motion to suspend the rules and pass the bill. As a member of both committees, I strongly support this bill. Because of the act, significant progress has been made in our efforts to regulate and monitor more carefully the materials which are disposed of in the ocean environment.

At the time of the passage of the Ocean Dumping Act in 1972, the "out of sight—out of mind" mentality was the predominant viewpoint toward the disposal of many materials along the Atlantic coast, and especially in the New York Bight. Since that time, through stricter regulation of ocean dumping, and the establishment of a 1981 deadline for the cessation of the ocean dumping of sewage sludge, many municipalities have taken a closer look at alternative methods of waste disposal. By removing the option to, and the ease of, ocean dumping, much ingenuity has been applied to searching for alternatives to both disposal and recycling of these materials.

H.R. 6616 would authorize title I of the act, which is administered by EPA, at a level of $3.039 million for fiscal year 1981. Title II, which is administered by NOAA, would be authorized at a level of $11.396 million for fiscal year 1981 and $12 million for 1982. Title II funds are to be used by NOAA for research on the long-term effects of ocean dumping and the effects of other pollutants in the marine environment. Within these amounts, $1.5 million has been included for each year for the assessment of the impacts of the recent Campeche oil spill in the Gulf of Mexico and off the Texas coast. Finally, title III, the marine sanctuaries program, which is administered by NOAA, is authorized at a level of $2.25 million for fiscal year 1981.

In addition, there are several amendments to the act which have been carefully considered, and which I strongly support. An amendment to title I, which I offered in subcommittee, would include industrial wastes as being subject to the 1981 deadline. However, I also modified this amendment to allow the Administrator to issue a limited type of permit for the dumping of these materials, but only if it was necessary to avert a public health emergency, to evaluate a new technology, or to test a new substance in terms of its harmfulness to the marine environment. In addition to some other technical amendments, the marine sanctuaries program has been modified in this bill to require NOAA to specify the activities which will be regulated prior to the actual designation of a sanctuary in order to prevent duplication of regulatory authority. Second, the bill contains a procedure whereby either the Governor of an affected State or the Congress can disapprove the designation of a particular marine sanctuary.

I would like to take a few minutes to address the questions raised about section 9 of this legislation which would require that the best available bioassay and bioaccumulation tests be performed of dredge spoil proposed for disposal in Long Island Sound.

The argument has been raised that this legislation is aimed at ending all disposal of dredge spoils in Long Island Sound. This argument is without substance, and lacks merit. We only propose to require that all dredge spoils dumped in the sound be at least as safe as we would dump in the ocean. It is hard to believe that some would argue that for mere economic gain that we should continue to allow the dumping of materials which cannot pass minimum safety criteria for ocean disposal into the inland waters of the United States.

Second, the argument has been raised that the economic impact of such tests will fall unjustly on small marine operators. Chairman Ambro has fully addressed that argument and has shown that it too lacks merit, but let me just add that even in a small marine, one with 100 berths, which might require maintenance dredging every 5 years or so, could easily pass on the cost to the boat owners by merely raising to slip cost by $1 per boat per month. That hardly seems an unbearable burden.

Last, Mr. Speaker, I would like to compliment the gentleman from Washington (Mr. Pritchard) and the gentleman from Pennsylvania (Mr. Walker) who have worked long and hard on this bill. I have no hesitation in assuring my colleagues that this is a good bill, a bill which is important to the protection of the marine environment, and a bill which Members can and should support. I urge its passage.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Speaker, I rise in strong support of H.R. 6616.

Mr. Speaker, I rise in support of H.R. 6616, a bill to authorize appropriations to carry out the Marine Protection, Research, and Sanctuaries Act of 1972, as amended.

The Marine Protection, Research, and Sanctuaries Act—often called the Ocean Dumping Act—is of the utmost importance to the State of Delaware. For many years the city of Philadelphia has annually dumped millions of pounds of raw sewage sludge into the Atlantic Ocean off the Delaware/Maryland coast. Needless to say, this action was done despite repeated objections from Delawareans who live on the coast and depend on its resources.

In 1977, as a member of the Merchant Marine and Fisheries Committee, I joined with my colleague from New Jersey, Bill Hughes, in amending title I of the Ocean Dumping Act to establish in law a December 31, 1981, deadline for the phasing out of the ocean disposal of harmful sewage sludge. As a result of our amendment, Philadelphia is rapidly phasing out its ocean dumping program and is, instead, developing land-based alternatives such as the use of sludge-based compost for the reclamation of strip mines. We in Delaware are delighted that the dumping off our coast will soon stop, and we look forward to the day when we will not have an area 9½ miles in diameter off our coast closed to the taking of shellfish because of contamination by Philadelphia sewage sludge.

Mr. Speaker, the Philadelphia situation is not unique. At the beginning of 1979, the Environmental Protection Agency had 26 interim permits issued to municipalities for the ocean dumping of sewage sludge.

By the 1981 deadline, all but two or three of these municipalities will have stopped dumping their harmful sludge into the ocean. Few other environmental protection programs can claim such a clearcut and admirable record.

The Committee on Merchant Marine and Fisheries has authorized $3 million to implement title I of this act in fiscal year 1981. These funds are needed to continue the steady progress that the EPA has shown in stopping the ocean dumping of harmful sewage sludge and to continue a similar program with respect to the ocean dumping of industrial wastes.

This legislation also authorizes appropriations for two other important programs. The Merchant Marine Committee, in conjunction with the Science and Technology Committee, authorized more than $11 million for title II, the marine research program. These funds would allow the Environmental Protection Agency to continue to assist municipalities which are presently dumping sewage sludge into the ocean to develop and implement environmentally sound land-based alternatives. Our National Oceanic and Atmospheric Administration would also have the resources to continue a variety of marine research programs, including the continued assessment of oil pollution problems in the Gulf of Mexico.

Finally, H.R. 6616 authorizes $2.25 million for the continuing implementation of the marine sanctuary program. Since enactment of this law in 1972, two marine sanctuaries have actually been designated; seven more are currently under active consideration. The administrators of the marine sanctuary program have made a great deal of progress on a very small budget, and I support their efforts.

Mr. Speaker, in sum, I believe that the Nation has received substantial benefit from the very small investment in the Marine Protection, Research, and Sanctuaries Act. As a result of this law, our oceans are cleaner, we know more about how we can and cannot use our marine environment, and we are giving special protection to areas which have unique ecological or other values. I urge my colleagues to support the reauthorization of H.R. 6616.

□ 1250

Mr. Speaker, at this point I yield 5 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, a number of years ago, Connecticut's senior Senator, Abe Ribicoff, referred to Long Island Sound as our State's "most precious natural resource" and appropriately, it is a characterization that has stayed with us and become the essence of that which a great number of people have worked hard to maintain.

I can tell you it has not been an easy task given the environmental concerns and the economic necessities we have had to contend with. In all, however, I believe the job's been well done and there is a balance at each end of the spectrum. Understandably, this is an ongoing process and we hope to continue to move forward but I am of the opinion that future progress will be imperiled if this House approves section 9 of H.R. 6616. I should add that I am joined in this view by my Connecticut colleagues, Mr. Giaimo and Mr. Dodd, who also represent the Long Island shore, as I do.

I want to emphasize that I do not object to any other section of H.R. 6616 and I do not intend to attempt to eliminate section 9. Simply, I am interested in offering a substitute amendment to that section, one which has the support of

Mr. Giaimo and Mr. Dodd, and one which will allow the bill to conform to the stated intentions of the committee report.

The section in question deals with dredged disposal in Long Island Sound and since the beginning, its been the subject of some negotiation and to my knowledge, its been revised twice since its introduction. As late as last week, it was my understanding that an accommodation had been reached and that the bill would reflect the committee report with a section strengthening the testing procedure for dredged spoil.

Apparently, there has been some confusion in the meantime for section 9 of the bill goes far beyond that and seeks, on the one hand, to impose a host of new Federal restrictions and on the other, to negate State authority, input and control over Long Island Sound, a multifaceted function the State has discharged responsibly since the Congress institutionalized bistate authority in 1881.

I would ask then that you vote against the bill, not as a vote on the merit of the entire bill, but one which will give Mr. Giaimo, Mr. Dodd, and myself the opportunity to offer what we believe to be a strengthening and clarifying amendment. If the bill is defeated, it will go to the Rules Committee where we will ask that we be allowed to achieve that objective. It is our intent to do this with dispatch so as to bring this bill back to the floor as soon as possible. I ask my colleagues to support this effort; I believe it will make the end result worthwhile.

Mr. AMBRO. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I will be delighted to yield to the gentleman from New York.

Mr. AMBRO. Mr. Speaker, I wonder if the gentleman can tell us two things. What is the amendment he proposes that would strengthen all of this? Would he tell us something about that?

Mr. McKINNEY. The committee report states:

> The committee has adopted language which will require that bioaccumulation and bioassay tests, already required before any permit may be issued for the ocean disposal of any dredge spoil, be undertaken before allowing similar disposal in the waters of Long Island Sound.

Our amendment would read:

> Notwithstanding any other provision of law, the dumping of dredged materials in the Long Island Sound shall comply with the bioaccumulation and bioassay testing criteria established pursuant to section 192(a) of this act.

As written, the bill would subject the Long Island Sound dumping process to existing statutes which deal with testing, the issuance of permits and Federal veto power—the latter two going beyond the intent of the committee report. The proposed amendment would subject the process—and limit it to—testing criteria, as the committee report envisions and allow State input and control to remain intact.

Mr. AMBRO. Mr. Speaker, I wonder if the gentleman would yield further?

Mr. McKINNEY. I would be delighted.

Mr. AMBRO. The language of section 102(a) starts with the provision that this does not apply to dredge spoil. That is the first portion of that act, so therefore what the gentleman is proposing to do is to vitiate completely the concept here and have a section apply that has no relevance to dredge spoil. That is the objection here.

Mr. McKINNEY. I would suggest to the gentleman, that is not the case. What the gentleman is trying to do is to continue to keep the control of Long Island Sound where it belongs, which is between the State Legislature of the State of New York and the State Legislature of the State of Connecticut.

I would go further, to add to the confusion of this, if the gentleman would care to read what I have read, the bill says, "Notwithstanding any other provision of law * * *" and ends with, "* * * in addition to other applicable Federal and State requirements."

If a conflict arises, who is in charge here?

The SPEAKER pro tempore. The time of the gentleman from Connecticut has expired.

Mr. FORSYTHE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Connecticut.

Mr. McKINNEY. In other words, if a conflict arises one can rest assured that the State of Connecticut's interests are going to be lost to the Federal bureaucracy. I would suggest to the gentleman that I have for over 8 solid years worked on the dredging of Stamford Harbor. More PCB's, more chemical waste, more toxic material, was spread in Long Island Sound by the mere entrance of boats to Stamford Harbor than one could possibly imagine. The figures are very clear. The Corps of Engineers has them.

A tug pulling a loaded barge into Stamford Harbor was churning up the vilest of material. Almost 8 years of solid work went into this, and taking the example of New Haven Harbor in Congressman Giaimo's district, it was found that we could take outer harbor spoils which were uncontaminated and cap inner harbor spoils, which were contaminated. There is a million and a half dollar study on containment islands and on the effect of this type of loading of ground depositing, and from New Haven's experience we have found no aftereffects, and we are still studying.

Mr. AMBRO. If the gentleman will yield further, I do not know that we should have a dispute on the facts. Section 102(a), which is what was the subject of the gentleman's and Mr. Dodd's amendment, starts with the language, "except in relation to dredged material."

So, therefore, dredged material would be removed from the protection of this act and all other acts if this simple amendment, as the gentleman puts it, were needed to replace section 103.

The SPEAKER pro tempore. The time of the gentleman from Connecticut has again expired.

Mr. FORSYTHE. Mr. Speaker, I reserve the balance of my time.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Speaker, I rise in opposition to the consideration of H.R. 6616 under suspension of the rules. As a Member whose district borders the sound, I know a balance must be struck between the need to dredge rivers and harbors which protects the environmental integrity of natural resources, and I also understand the concern expressed in part 2 of the report without adequate safeguards to insure that contaminated surpluses are not disposed of in the sound. There is a potential for a major human health emergency.

There is, however, as the gentleman from Connecticut (Mr. McKinney) has indicated, an inconsistency between the language of section 9 and the stated purpose behind the section. Part 2 of the report states that section 9 will require biological chemical tests and biological assay tests already required before any ocean dumping may be permitted, be undertaken before allowing similar dumping in the waters of Long Island Sound.

The language of section 9, on the other hand, goes far beyond merely requiring more stringent testing. It states that dumping of dredged material shall comply with the provisions of section 103 of this act. Section 103 outlines a direct permit program for dredged material disposal in ocean waters.

☐ 1300

It covers much more than testing procedures, covered in section 103(b), which states the Secretary of the Army shall apply those criteria established pursuant to section 102(a) relating to dumping. In effect section 9 eliminates the current permit program authorized by Federal law, a permit program that permits State participation, and establishes a straight Federal program over waters that are by law within the territory of the States of New York and Connecticut.

Mr. Speaker, I think we have a discrepancy here between the stated purposes of the legislation in the report and what it says in the bill itself. I was assured that the purposes of section 9 were to have the testing procedures for ocean dumping apply to dumping in Long Island Sound, and I believe that section 9 could be narrowed to achieve the stated purpose.

It is the intention of the gentleman from Connecticut (Mr. Dodd), the gentleman from Connecticut (Mr. McKinney) and myself to offer a perfecting amendment. Obviously we cannot do this under the suspension method of bringing legislation to the floor. I believe that we could clarify section 9 so that we would be required to have the proper testing, but so that we would not lose all of the other rights which we as States bordering on the sound have. To deprive us of this right, I believe, would be to overbalance and overweigh this legislation in favor of Federal regulation rather than State participation.

Mr. Speaker, I ask that this bill on suspension be voted down so that it can come up in the proper way and be amended in the proper fashion and so that all rights can be protected.

Mr. MURPHY of New York. Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. Ambro).

Mr. AMBRO. Mr. Speaker, I would like to address two of the points made by both the gentleman from Connecticut (Mr. McKinney) and the gentleman from Connecticut (Mr. Giaimo).

I think the impression is being created here that what we are doing is engaging in some sort of subterfuge to circumvent the committee process and go to the suspension procedure. The gentleman from Connecticut (Mr. Giaimo) suggested that what he would like to do is offer a perfecting amendment. The gentleman from Connecticut (Mr. McKinney) said last week that he believed an accommodation could be reached on some other proposal.

If I may just tell all the assembled Members the facts as to what had transpired over the last year and a half. We had originally installed in this bill a proposal whereby the base line of the oceans was changed to encompass Long Island Sound. My friend, the gentleman from Connecticut (Mr. Dodd), suggested that it would be foolish to make Long Island Sound an ocean, and that he would object to that. Indeed he told us that after he continued to hold the bill up in the Committee on Rules.

The bill never did get out of committee last year, so in order to accommodate the gentleman from Connecticut (Mr. Dodd), we changed the language by superimposing the protections of this bill on this estuary, which protections are the same as those that we afford the oceans.

Now, it is somewhat ludicrous that we provide greater protections to the oceans than we do to those marine environments which are used by tens of millions of people in the United States. So we developed this language which merely requires the superimposition of bioaccumulation and bioassay tests in order to have those tests apply as criteria to that dredge spoil which is dumped in this ocean. If it is not toxic, if it is not horrendous to ecology and marine life, then certainly it can be dumped.

It seems to me that the fear here is, from knowledge supplied to us by the Corps of Engineers, by the Environmental Protection Agency, by NOAA, and by NACOA, agencies looked at this, that the quantities of toxic dredge spoil being dumped in the sound will make it a barren wasteland, a cesspool if you will, and remove all of those delights, commercial and recreational, that we enjoy in using it now.

In the second place, the accommodation mentioned by my friend on the other side that came about last week was an accommodation whereby the gentleman from Connecticut (Mr. Dodd) asked me if I would hold a hearing, saying that no hearings had been held. In fact, two hearings had previously been held. But we did accommodate Mr. Dodd, and we did hold a hearing, which was attended by the Director of the Environmental Conservation, Mr. Pac, who took Mr. Costle's place. He said he agreed with what we were doing, except that what he did not agree with is the problem that may accrue to small marina operators who might incur costs of thousands of dollars to meet the testing requirements. In fact, we demolished that argument, and we were next asked to hold a colloquy on the floor with the gentleman from Connecticut (Mr. Dodd) to address that matter.

But last Thursday the gentleman from Connecticut (Mr. Dodd) asked again that we change this bill from a suspension in order to provide section 102. But I repeat to both the gentleman from Connecticut (Mr. McKinney) and the gentleman from Connecticut (Mr. Giaimo) that section 102 completely vitiates this bill and these protections by starting with the simple language that "this does not pertain to dredged materials," which is what we are talking about now.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I would suggest to my good friend, the gentleman from New York (Mr. Ambro), that as I understand it, one of the hearings was held in Long Island and no one from Connecticut testified.

Mr. AMBRO. There was no one from the gentleman's district? I understand the mayor of Norwalk testified.

Mr. McKINNEY. The mayor of Norwalk?

Mr. AMBRO. The mayor of Norwalk testified.

Mr. McKINNEY. I also understand, on top of that, that Mr. Pac was here, and there was a hearing held after two committees reported out the bill, which in essence has got to be a farce under our system, since certainly no hearing is going to recommit a bill to a committee.

Mr. AMBRO. Mr. Speaker, I would like to suggest to the gentleman that I personally asked the gentleman and every member of the Connecticut State delegation to allow us to brief them. I pleaded with every member of the Connecticut delegation to allow us to brief them on the horrors that were being inflicted on the sound. In addition, I included the Governor in the briefing suggestion. I desperately tried to get the Governor to focus on the problem, and to this minute we have no response there.

We are not trying to engage in any subterfuge. There were two hearings, two authorization hearings. At none of those times did any member of the Connecticut State delegation seek to come before us and make their views known. I pleaded with each of the members to be briefed on what was going on.

The gentleman from Connecticut (Mr. Giaimo), I must say, took advantage of that, and so did the gentleman from Connecticut (Mr. Dodd) and the gentleman from Connecticut (Mr. Moffett).

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, I suggest that I think the State of Connecticut has been exemplary in its treatment of Long Island Sound, more so than almost any other jurisdiction that I can recognize, including some of the first tertiary requirements and right on down the line.

Long Island Sound has been in the province of the State of Connecticut and the State of New York since 1891, and this is a tremendous interruption of a job that we have done well.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, I just want to assure my friend, the gentleman from New York (Mr. Ambro), that I think we are all trying to accomplish the same thing.

I am not opposed to the testing that the gentleman mentioned and the report language that the committee adopted, the language to require bioaccumulation tests and bioassay tests. What I am concerned about is that in the gentleman's effort to accomplish that, he has gone far beyond that and made it subject to all the requirements of section 103. Be that as it may, it is quite clear here that there is uncertainty and disagreement as to what the effect of compliance with section 103 means.

□ 1310

Therefore, Mr. Speaker, I submit uncertainty of that kind should be fully debated, should be amendable and changed, and should not be the subject of legislation under suspension.

Mr. AMBRO. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. AMBRO. Mr. Speaker, I just have a question for my friend on this side or the gentleman from Connecticut.

Would you suggest that if the testing, both bioassay and bioaccumulation, did indeed indicate that these materials were highly toxic, that we should go ahead and dump them in the sound?

Mr. McKINNEY. I would suggest that in the Stanford-Harvard case, it did indicate that the inner dredgings were highly toxic, but it also indicated very clearly, from New Haven's experience, that capping them with the benign material from the outer harbor did not bring about any endangerment to the environment, and that that is still being traced and followed.

Mr. FORSYTHE. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. Evans).

Mr. EVANS of Delaware. Mr. Speaker, H.R. 6616 provides for a number of important national objectives, national objectives as opposed to regional objectives or State objectives.

Let me review with the Members, if I might, some of the history of the ocean dumping bill. In 1977, we provided for an authorization bill that passed the House, passed the Senate, was signed into law by the President. In 1978, the House passed a bill on suspension. The Senate did not act. In 1979, the Committee on Rules did not grant a rule. In 1980, the committee passed the bill. The Committee on Rules has provided for a suspension of the rules and the passage of this very important legislation.

Now, let me suggest to my colleagues that we have coming up a Republican nominating convention for President that is followed by a convention of the Democratic Party for the nomination of their President to be, possibly. It is also an election year. I might point out that the calendar is full. I suggest that what we do is move ahead on this bill. If there are some problems as it relates to Connecticut, as it relates to a particular portion of New York, let us settle that in conference, let us settle that in the Senate. I think otherwise we are potentially scuttling a very important bill that does provide protection for a number of our postal areas, including, I might add, the State of Delaware, and of the economy.

So I might respectfully suggest that we move ahead with passage of this bill now under suspension, that we work out the problems in conference or in the Senate.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy) that the House suspend the rules and pass the bill, H.R. 6616, as amended.

The question was taken.

Mr. GIAIMO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. GIAIMO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order of no quorum is considered withdrawn.

CONFIDENTIALITY OF SHIPPERS' EXPORT DECLARATIONS

Mr. GARCIA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6842) to protect the confidentiality of Shippers' Export Declarations, and to standardize export data submission and disclosure requirements.

The Clerk read as follows:

H.R. 6842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Shippers' Export Declarations (or any successor document), wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest.".

Sec. 2. Section 4199 of the Revised Statutes (46 U.S.C. 93) is amended to read as follows:

"Sec. 4199. (a) Copies of bills of lading or equivalent commercial documents relating to all cargo encompassed by the manifest required under this chapter shall be attached to such manifest and delivered to the appropriate officer of the United States Customs at the time such manifest is delivered.

"(b) The following information shall be included on such manifest, or on attached copies of bills of lading or equivalent commercial documents:

"(1) Name and address of shipper.

"(2) Description of the cargo.

"(3) Number of packages and gross weight.

"(4) Name of vessel or carrier.

"(5) Port of exit.

"(6) Port of destination.

"(c) Except as provided in subsection (d), the following information contained on such manifest, or on attached copies of bills of lading or equivalent commercial documents, shall be available for public disclosure:

"(1) Name and address of shipper, unless the shipper has made a biennial certification claiming confidential treatment pursuant to procedures adopted by the Secretary of the Treasury.

"(2) General character of the cargo.

"(3) Number of packages and gross weight.

"(4) Name of vessel or carrier.

"(5) Port of exit.

"(6) Port of destination.

"(7) Country of destination.

"(d) The information listed in subsection (c) shall not be available for public disclosure if—

"(1) the Secretary of the Treasury makes an affirmative finding on a shipment-by-shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

"(2) the information is exempt under the provisions of section 552(b)(1) of title 5 of the United States Code.

"(e) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in subsection (c) above, is authorized to establish procedures to provide access to manifests, or attached bills of lading or equivalent commercial documents which shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests or attached bills of lading, or equivalent commercial documents.".

Sec. 3. Nothing in this Act shall be construed as authorizing the withholding of information from Congress.

Sec. 4. (a) Except as provided in subsection (b), this Act, and the amendments made by this Act, shall become effective on the later of July 1, 1980, or the date of enactment of this Act.

(b) The amendment made by section 2 shall become effective on the date which is forty-five days after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. Garcia) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. Courter) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. Garcia).

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to place on the record that both myself and my colleague, the gentleman from New Jersey (Mr. Courter), the ranking minority member on the Subcommittee on Census and Population of the Committee on Post Office and Civil Service, have worked very hard on this, and without his help and support it would have been extremely difficult to get this bill to where we are right now.

Mr. Speaker, I am pleased to bring H.R. 6842 before the House today. This bill represents months of hard work and diligent labor on the part of members of the Subcommittee on Census and Population, the administration, exporters and the trade press to reach a satisfactory and workable solution to a problem involving public accessibility to export data in the Government's possession.

The Committee on Post Office and Civil Service unanimously approved and ordered this measure reported on April 23.

Mr. Speaker, as Members are probably aware, Congress voted last year to terminate the confidentiality of shippers export declarations, commonly referred to as SED's. Specifically, on September 21 of last year, by a margin of 318 to 29 the House adopted the substitute amendment offered by the gentleman of North Carolina, Richardson Preyer, to the Export Administration Act amendments of 1979 to end the blanket public disclosure exemption for SED's as of June 30 of this year.

At the time of the House vote, litigation was pending in the Federal District Court for the District of Columbia which sought to gain access to SED's under the Freedom of Information Act (FOIA). The lawsuit challenged the Government's reliance upon section 7(c) of the Export Administration Act as the statutory basis for withholding SED's from the public. Earlier a Federal court decided, in a unrelated case pertaining to Arab boycott data, that section 7(c) of the Export Act did not constitute a withholding statute for the purposes of the Freedom of Information Act. As a result of the uncertainty created by the litigation, Congress voted to temporarily extend blanket SED confidentiality until June 30, as I mentioned earlier.

Since then, the subcommittee has engaged in a careful and deliberate examination of the issues involved namely: The public's right to know versus the right to business confidentiality.

In my view, H.R. 6842 effectively balances these competing interests.

Mr. Speaker, a shippers export declaration is a hybrid document—used both for statistical and nonstatistical purposes. Over 9 million of these documents are filed by American shippers each year. Commercially sensitive and competitive information is reported on the SED about the shipment including the shipment's value, destination and ultimate consignee, to mention a few. If this information were to be released to domestic, but more importantly to foreign, competitors the consequences could potentially be rather severe to American exporting interests. If SED's were released, they would reveal detailed information about the marketing and pricing strategies of American businesses overseas. This could only serve to exacerbate the Nation's trade deficit as more businesses pulled out of the exporting market. Businesses, therefore, justifiably need to protect this commercial data.

The public, however, has a corresponding right to nonsensitive data the Government is holding. With respect to this issue, the subcommittee was advised by the trade press, steamship companies, freight forwarders and port authorities to make available a source of export data whose reliability was on par with the SED information.

H.R. 6842 in my judgment affirmatively responds to the interests and concerns expressed by both sides.

It should be noted, however, that H.R. 6842 deals exclusively with SED's and Customs Service outward foreign manifests. Validated export licenses are not covered by this legislation. Congress decided last year to continue the confidentiality of export license information. Nonetheless, I understand that the Senate report accompanying the companion version of H.R. 6842 will instruct the Secretary of Treasury to report publicly the names of shippers holding validated export licenses who have opted out their name and address from public disclosure pursuant to this bill.

Mr. Speaker, turning now to the specific aspects of H.R. 6842. First and foremost, the legislation permanently preserves SED confidentiality. Section 1 of the bill is intended as a withholding statute for the purposes of the Freedom of information Act. SED's are thus permanently exempted from the disclosure provisions of the FOIA. This section does not, however, upset the intra-agency relationship now existing between the Census Bureau, Customs Service and the Office of Export Administration to utilize these documents in administrative as well as statistical activities. In fact, the bill recognizes and sanctions this arrangement.

Section 2 of H.R. 6842 amends the shipping statute and requires shippers to file with the U.S. Customs Service an outward foreign manifest along with an attached private commercial bill of lading or equivalent commercial document. Under the bill, shippers must submit six specified items of information on either form. Additionally, this section affirmatively requires the public release of the same information, plus an item on country of destination when optionally filed.

Under this section, a shipper may opt out from the publication of its name and address by filing a claim of confidentiality with respect to the shipper's name and address once every 2 years with the Customs Service. A shipper need not assert or prove competitive harm. But, failure to make a claim will result in the disclosure of the shipper's name and address. Provisions are made in this section for the withholding of export data collected under this bill in clearly dangerous situations such as a terrorist threat to destroy the cargo or injure the crew.

Finally, this section codifies existing customs regulations governing press access to outward foreign manifests. This will insure the quickest dissemination of the export information to the public in the most economical manner.

Mr. Speaker, on balance the legislation is intended to maintain with minor exceptions, the status quo.

H.R. 6842 is a reasonable and workable compromise and solution, as I said before, to the legitimate and competing interests posed by the trade press and the exporting community. Enactment of H.R. 6842 will dispel future uncertainties concerning the confidentiality of SED's and it will likewise guarantee the public's continued access to nonsensitive export data.

I urge the bill be adopted, and I reserve the balance of my time.

☐ 1320

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the ranking member of the subcommittee which reported this legislation, I rise in its support. I would also like to thank the chairman of the subcommittee, Bob Garcia, for all the time and effort he has given to this most important and timely piece of legislation.

H.R. 6842 deals with the confidentiality of shippers' export declarations and the establishment of nationwide standards for the submission, as well as the disclosure, of export data compiled by the U.S. Customs Service. Over the years, SED's have been customarily filed by shippers at American ports of exit with Customs Service under a blanket assurance of confidentiality since 1915 from public disclosure. In 1979 when Congress amended the Export Administration Act and with recent court rulings this protection has been significantly weakened.

There is little doubt that individual SED's contain some sensitive competitive information. If released to domestic and foreign competitors, this information could potentially undermine American businesses in the international marketplace. In light of our Nation's current trade deficit, I doubt this would be a sensible course of action for Congress to adopt.

The SED is a hybrid document. On the one hand it is used by the Census Bureau to generate the Nation's export trade data. But, SED's are also utilized by the Commerce Department's Office of Export Administration to enforce provisions of the Export Administration Act. Thus, it is important to distinguish these documents from traditional census enumeration forms.

Although SED's are not used solely for statistical purposes, the legislation under consideration today nevertheless, extends census confidentiality to these documents in order to protect the process of collecting reliable export information from shippers.

Last fall, following enactment of the Export Administration Act amendments which terminated SED confidentiality on June 30, the administration requested legislation that would have provided a blanket and permanent exemption from public disclosure for these documents.

Shortly thereafter, it became apparent that the controversy defied such a quick-fix remedy. The legislation provided no alternative mandatory provision for the release of export information from some other Government agency.

Since then, the subcommittee has been working to devise a legislative solution that would balance the public's right to know along with the exporting community's concern to preserve the confidentiality of the sensitive data.

In late January, our subcommittee met informally with the principal parties to discuss details of a possible compromise. Essentially, the results of that and subsequent meetings are embodied in the legislation we are considering today.

Briefly, let me highlight the major features of the bill. First, the legislation permanently exempts SED's from public disclosure under the Freedom of Information Act. The FOIA provides in part that information compiled and maintained by the Government is otherwise subject to public release upon demand unless it falls within one of the enumerated exemption categories of the act. Under subsection (b) (3) of the act, information may be withheld from the public provided a separate Federal statute specifies confidentiality. Section 1 of H.R. 6842 is intended as a (b) (3) type of exemption and as such continues SED confidentiality.

Second, but equally important, the bill requires the U.S. Customs Service to establish uniform procedures for submitting as well as for disclosing export information filed by shippers pursuant to Customs Service rules or regulations.

Presently, shippers are required to file, in addition to a SED, an outward foreign manifest with customs at American ports of exit. These cargo declarations contain similar but fewer pieces of information relative to the overseas shipment. Additionally, the information from these customs documents is, subject to certain conditions and limitations, publicly accessible, however, complete information is not now available as a result of varied filing practices between ports. This would be corrected by the proposed legislation by establishing nationwide filing and disclosure standards and by specifying the items to be filed as well as released. Information other than a shipper's name may not be withheld unless there is a compelling national security interest involved or when disclosure could endanger personal safety or likely cause property damage.

Thus the bill affirmatively requires the public release of some export data.

In my view the proposed legislation is a reasonable compromise that protects the legitimate interests of shippers and at the same time insures the continued release of export data for public consumption. I urge my colleagues to support this legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Speaker, H.R. 6842 represents a true compromise among the various interests who are concerned about disclosure of information contained in shippers export declaration's (SED's). Those interests include the Census Bureau, the Customs Service, the press, the public, and a number of U.S.-based companies.

Last summer, in response to a Freedom of Information Act (FOIA) lawsuit filed by the Journal of Commerce to obtain access to SED information, the House adopted an amendment to the Export Administration Act which continued confidentiality of SED's until June 30, 1980. After that time, unless Congress acts, SED information will be protected from disclosure only by the subsection (b) (4) exemption to the Freedom of Information Act. Some believe that the (b)

(4) exemption is not adequate to protect the competitive position of American firms in world markets.

The various interests have worked hard to find an acceptable compromise. H.R. 6842 is the result of that effort. Each of the parties to these negotiations has given something, but the vital interest of each has been protected.

The bill would keep the SED confidential by treating it like other census material that is exempt from disclosure under title 13 of the code. Instead of relying on the SED as the source of information about exports, the bill requires that the outward foreign manifest or an attached bill of lading contain specified information. The measure also indicates what portions of that information may be made available to the public. Businesses may withhold their name and address from disclosure by filing an "opt-out" form with Treasury on a biannual basis (this is similar to current procedure). The Secretary of the Treasury would be permitted to establish procedures to expedite disclosure to the press of the information which may be disclosed under the bill. The same information would be available under the FOIA, but an FOIA request would not be expedited.

In short, the amount of information to be disclosed has been limited to that which the Journal of Commerce needs and what business believes it may safely disclose, the Census Bureau is satisfied that the SED will remain confidential, customs is permitted to provide the information to the Journal of Commerce or any similar publishers on a timely basis and the information which may be disclosed would be available under the FOIA.

Representative RICHARDSON PREYER, chairman of the Government Information and Individual Rights Subcommittee, testified before the Census Subcommittee that in his opinion this bill qualifies as a valid FOIA (b) (3) statutory exemption. I share this view.

The Census Subcommittee should be commended for the effort that went into this compromise legislation. The result is a workable product. I urge that the House approve this bill.

□ 1330

Mr. COURTER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, this bill goes, of course, far beyond the bounds of the Committee on Post Office and Civil Service. The Committee on the Judiciary has jurisdiction over FOIA; the Foreign Affairs Committee has jurisdiction over the Export Administration Act; the Ways and Means Committee has jurisdiction over the Customs Service. All of these committees have a great interest in this bill.

As a member of the committee with jurisdiction over the Customs Service, and with a good deal of jurisdiction over the general subject of the enhancement and enlargement of U.S. exports, I would like to congratulate the distinguished gentleman from New York, the chairman of the subcommittee, and the distinguished gentleman from New Jersey, the ranking member for producing a fine and needed bill. I think this is one of those problems that occurs from time to time that can be handled if men of good will sit down and think of a reasonable solution. I believe they have done so.

I think it will be important to the enlargement of the export trade and I urge adoption of the bill and yield back the balance of my time.

Mr. COURTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GARCIA. Mr. Speaker, I would just say a couple of comments. I think the gentleman from Minnesota (Mr. FRENZEL) really hit the nail right on the head. The biggest problem we had, frankly, was just getting the four interested parties to sit down and look at each other and talk to each other. We did that on two or three different occasions. I always thought that was the easiest part, but it was the most difficult part in having these four parties agree on a piece of legislation.

I think to that extent both myself and the gentleman from New Jersey (Mr. COURTER) sat with a great deal of patience, like mother hens just watching as these giants in the various and respective fields were going at each other. But I am delighted we had the bill. It is necessary and important.

● Mr. MICHEL. Mr. Speaker, I am pleased to support H.R. 6842, a bill to insure the confidentiality of shipper's export declarations and to prescribe rules for uniform submission and handling of export data provided to the U.S. Customs Service.

This is an important bill, because its enactment will help avert a serious blow to the competitive posture of U.S. exporters. The bill provides that shipper's export declarations and the confidential business information they contain will continue to be protected from disclosure, and the legislative basis for this protection will be stronger than before.

My home State of Illinois ranks first in the Nation in agricultural exports, and third in manufactured exports. I have always strongly backed the growth of this country's exporting sector. But there has been a lot of gloomy news in recent years about our international trade picture: Record annual trade deficits and a declining share of world exports.

Against this background, I think we should regard H.R. 6842 as a welcome victory for commonsense and a cooperative relationship among exporters, the trade press, the executive branch and the Congress.

Development of this bill illustrates the American political process in action. Last year, when Congress extended the Export Administration Act, the matter of shipper's export declaration confidentiality was briefly considered. The pressure of time did not allow careful study of the issues involved, so confidentiality was insured through June 30, 1980, thus allowing time for proper study of the issue.

The ensuing period has been well spent, with a bipartisan group of House and Senate Members playing a constructive role in exploring the real needs and concerns of the interested parties, and shaping a solution acceptable to all.

I mentioned that H.R. 6842 represents a victory for commonsense:

It builds on existing practices. Neither exporters nor the press will have to deal with the expense and uncertainty that broad new Government rules or forms would create.

It strengthens business confidence in the Census Bureau's reputation for dependable protection of confidential information.

It also strengthens access by the trade press to nonconfidential export information that will now be collected on a more uniform basis at all U.S. ports.

Most importantly, from my perspective, the bill is a much-needed signal to American exporters that ways can be found to safeguard important American values—such as the principle of freedom of information—without sacrificing American competitiveness in the international trade arena.

We must make exporting a high national priority, in our own interest and the interest of the international economic system. H.R. 6842 is a small, but welcome step in the right direction, and I strongly urge my colleagues to support the passage of the bill.●

● Mr. DERWINSKI. Mr. Speaker, as the ranking Republican on the House Post Office and Civil Service Committee, I am pleased to join my distinguished colleagues of the Subcommittee on Census and Population, BOB GARCIA and JIM COURTER, in support of H.R. 6842.

Each year exporters file with the U.S. Customs Service an estimated 8½ to 9 million shippers' export declarations at various American ports of exit. These documents contain some sensitive and admittedly not so sensitive information relative to the shipment and its ultimate destination.

SED's are used by the U.S. Census Bureau to generate the Nation's trade data. But they are also utilized by the Office of Export Administration for compliance purposes. Thus, the documents are not used for statistical purposes exclusively. Nevertheless, the Federal law has protected these documents as confidential.

Each SED contains sensitive commercial and competitive information concerning the outgoing shipments, including a detailed description of the merchandise, its value, ultimate destination, and consignee. As a result Federal law has, since 1915 protected SED's from public disclosure.

A recent amendment to the Export Administration Act of 1979 extended the confidential treatment of SED's until June 30, 1980.

The purpose of this amendment was to allow Congress sufficient time to act on effects of the amendment.

In my view the proposed legislation is

a reasonable compromise that protects the legitimate interests expressed by shippers to maintain the confidentiality of SED's while at the same time assuring the continued release of export data for public consumption.

I urge my colleagues to support H.R. 6842.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GARCIA) that the House suspend the rules and pass the bill, H.R. 6842.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 10, CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS ACT

Mr. KASTENMEIER. Mr. Speaker, I call up the conference report on the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. RAHALL). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement see proceedings of the House of April 22, 1980.)

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. RAILSBACK) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, I am pleased and proud to call up the conference report on H.R. 10, Civil Rights of Institutionalized Persons Act, which passed the House last May by a huge margin of 242 to 62, a vote which reflects the broad bipartisan support which this legislation has earned. The original bill and the conference report before us today present a balanced, modest effort to create a much needed mechanism for the protection of the constitutional rights of institutionalized persons. I am pleased to report that the Senate agreed to the conference report on May 6.

H.R. 10 has two purposes: First, it grants authority to the Attorney General of the United States to initiate and intervene in civil suits in Federal courts to protect the rights of institutionalized children, the elderly, the mentally impaired, and prisoners. Under this bill the Attorney General is permitted to take such action only if he believes that such rights deprivation is part of a "pattern or practice" of denial, only if he believes that the suit is of "general public importance" and only after proper notice and consultation with the appropriate State officials.

H.R. 10 provides this authority under careful restrictions which will insure that the rights of the institutionalized will be protected in a manner which does not offend or jeopardize the legitimate prerogatives of the States.

This provision will allow the expertise and manpower of the Department of Justice to address a problem of growing and troublesome magnitude. As the Assistant Attorney General testified:

> The experience of the Department of Justice through its involvement in this (type of) litigation has shown that the basic constitutional rights of institutionalized persons are being violated on such a systematic and widespread basis as to warrant the attention of the Federal Government.

Second, in order to help relieve some of the burden which prisoners' grievances frequently place on the Federal courts, H.R. 10 contains a provision that would allow courts to continue cases brought by prisoners under 42 U.S.C. 1983 in order to allow resolution of the complaint through a certified administrative procedure. This provision would encourage, but not require, States and political subdivisions to establish correctional grievance mechanisms. The committee of conference believes that combining these two purposes in one bill has resulted in a balanced, viable piece of legislation worthy of the continued support of the House.

In addition, this legislation enjoys the support of the President, the Attorney General and such national organizations as the American Bar Association, the National Mental Health Association, the National Association for Retarded Citizens, the Epilepsy Foundation of America, the United Cerebral Palsy Association, the American Association of Retired Persons, the National Council of Senior Citizens, the Childrens Defense Fund, the National Coalition for Childrens Justice, and scores of local, county, and statewide organizations too numerous to mention who are concerned about the plight of citizens in institutions throughout the country.

I would like to briefly review the major differences between the two Houses and describe the resolution of those differences as provided in the conference report.

First, the Senate bill limited the Attorney General's authority to seek to correct conditions which are "egregious or flagrant (conditions which are willful or wanton or conditions of gross neglect)" in addition to the other standard limitations contained in both bills. The House bill had no such additional limitation.

The conference report provides that the Attorney General shall address only "egregious or flagrant conditions" and drops any reference to "willful, wanton or conditions of gross neglect." Report language is provided which indicates that "egregious or flagrant" standard is a recognition that a high degree of care must be taken when one level of government sues another in our Federal system. Also, the report language indicates that this is not a new standard which in any way affects private litigants.

On another issue, both bills required that the Attorney General, prior to commencing any suit, reach a judgment that the appropriate officials have had a "reasonable time" to correct the institutional conditions and have failed to do so. The Senate bill required the Attorney General to consider several specific factors in making this judgment and the House bill contained no such requirement. The conference report adopts the Senate provision with some minor modifications.

On another issue, the Senate bill explicitly stated that mere State licensing or medicaid fundings are not sufficient to establish the necessary nexus between the State and the institution to bring a suit under this act. This language was not contained in the House bill, but is consistent with our understanding of case law.

Further, the Senate bill contained a section authorizing the Attorney General to intervene in litigation initiated by private parties and required that explicit notice requirements be met prior to intervention.

The House bill had no provision regarding intervention and permitted present permissive intervention under rule 24 to continue.

The conference report provides with some modifications, the Senate provisions. Of particular concern to the House has been the necessity of protecting the rights and interests of the primary plaintiff when the United States intervenes.

The conference report contains two provisions which respond to this concern. First, the notice of corrective measures which the Attorney General must file with the State prior to intervention must be done "consistent with the interests of other plaintiffs. Second, a new section (12) is added to the bill which disclaims any effect of this legislation on the rights of parties other than the United States to pursue litigation which they may have the authority to pursue on their own.

Finally, two other new sections are contained in the conference report which were not in the original House bill. First, the Senate bill contained a provision which required that Federal funds to an institution, or to a State for an institution, be utilized in a manner which gives priority to unconstitutional considerations first. The House bill had no such provision. The conference report contains a provision which is a "sense of Congress" resolution that priority should be given to correcting unconstitutional conditions first. No redirection of funds from one program to another is authorized or required under this section.

Last, the Senate bill contained an

amendment which required the Secretary of HEW to approve any suit brought by the Attorney General if the institution received HEW moneys. The House bill had no such provision. The conference report contains a provision which requires that the Attorney General only notify and consult with the Secretaries of Health and Human Services or Education, but no approval of the suit by them is necessary.

In sum, I believe that Members will see that we have made several substantive compromises with the Senate, but none which adversely affect the fiber of this legislation.

Those 62 Members who were opposed to the orginal House bill will be pleased to note that the conference report is an even more carefully balanced bill which will insure that the legitimate prerogatives of the States are not jeopardized.

I urge my colleagues to join me in enthusiastically endorsing this conference report.

By way of clarification, I should point out that the reference in the first clause of section 4(a) to "commencement of an action under section 2" means commencement of an action with regard to an institution defined in section 2, the authority for such commencement of an action to be found in section 3.

Further, I would like to use this opportunity to correct for the record two printer's errors on page 11 of the Conference Report 96–897. In the first full paragraph the reference to section 2(b) (1) should read "section 2(2)(A)" and in the second paragraph the reference to Section 2(b) should read "Section 2(2)".

Finally, I would like to correct for the record a printer's error on page 2 of the conference report. In section 3(a), the phrase "for or the name of the United States" should read "for or in the name of the United States."

□ 1340

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to accompany H.R. 10. I want to endorse what the chairman of our subcommittee, Bob Kastenmeier, has said.

The compromises which are reflected in the conference report are basically efforts to reassure those Members of the Senate who were particularly skeptical of the ability of the Department of Justice to pursue only carefully selected and absolutely necessary suits under this act and to give the States every opportunity to correct institutional conditions in a voluntary way.

There are three changes in that regard which I would like to point out.

First, the Senate insisted on the addition of the words "egregious or flagrant" further describing the conditions that a person institutionalized must be subjected to before action can be brought against a State. These words are to further indicate the congressional sensitivity and the high degree of care which must be taken when the Federal Government decides to sue a State government.

Second, the House report on its bill made clear that no standing is created by this legislation to pursue purely private conduct and that the institution involved must be owned or operated by the State or performing services on behalf of the State. All private nursing homes are in some way licensed by the State. This is not what constitutes "State action" for the purpose of triggering this legislation. That is to say, a State license, State money, State regulation, tax exemptions or Federal money or a combination thereof would not be adequate involvement of a privately owned nursing home with the State to activate this legislation. The Senate insisted that this clarification be placed in the statute itself and therefore the conference added a new section 2(2).

The third major change is the addition of a new section 5 relating to the Department of Justice's right to intervene in an ongoing suit. Presently, there are no restrictions on their right; the bill before you places a number of restrictions similar to that section of the bill which authorizes the initiation of such action. For example, the conditions must be "egregious or flagrant," it must involve constitutional deprivations, the inmates must suffer grievous harm, and it must be pursuant to a pattern or practice. The case must be of general public importance and materially further the vindication of such rights. The Attorney General shall not file a motion to intervene before 90 days after the commencement of the action, to mention some of the major restrictions.

In conclusion, Mr. Speaker, I would like to point out that this legislation will not create a whole new panoply of rights for these people. It creates no new rights for anyone. To the most imaginative, many institutions in this country are no more than human warehouses. They warehouse the young, the old, the feebleminded, the sick. These are the most vulnerable people in our society.

I can assure you that there are very few lobbyists waiting to see you on this legislation. You can also be assured that there are very few votes to be gained by supporting it, but I can also assure you that this bill is a good faith, modest, effort to try and help certain people obtain some decent, humane treatment and living conditions.

I urge you to support this conference report.

□ 1350

I might mention also, Mr. Speaker, I believe the chairman of the subcommittee, the gentleman from Wisconsin (Mr. Kastenmeier) has worked very hard—as have other members of the subcommittee—and deserves credit for shepherding what I think is a very valuable piece of legislation through to conclusion.

● Mr. McCLORY. Mr. Speaker, I rise in support of the conference report to accompany H.R. 10. The primary purpose of this legislation is to authorize the U.S. Attorney General to initiate civil suits to protect the rights of institutionalized children, the elderly, the mentally impaired, and prisoners. Last May 23, this bill passed this body by a vote of 342 to 62. It has overwhelming bipartisan support including strong Republican backing. Nine of the 11 Republicans on the Judiciary Committee voted favorably last April to report H.R. 10 to the floor. Similar legislation was originally submitted by the Ford administration.

In the past, Congress has not hesitated to give the Attorney General statutory authority to engage in litigation to help secure citizens' basic constitutional rights where evidence has shown a widespread denial of those rights. In seeking to remedy discrimination in voting, public accommodations, employment, and in housing, we have authorized the Attorney General to commence litigation to correct a pattern or practice of abuse.

The authority proposed in H.R. 10 and this conference report is neither novel in concept nor unprecedented in use.

I urge my colleagues to vote favorably for this conference report.●

Mr. RAILSBACK. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Speaker, I rise to support the conference report which accompanys H.R. 10. I appreciate the contribution that the subcommittee has made to this legislation and the hard work they have done during the past 4 years. I was not privileged to serve on the subcommittee in the 96th Congress, but I worked closely with it as a Member in the 95th Congress. I am pleased with the product and I think the improvements that have been made by the conferees are salutory and that we have an even better bill than the one that passed the House last year.

Mr. Speaker, I would like to take 2 minutes to reiterate a couple of points which I made on the floor when this bill passed this body in May 1979. Most of the Members of this body and especially those who are interested in this legislation and who are listening to me at this moment, know full well the condition of our institutions. Many institutions do an outstanding job and perform a valuable service to the community. Other institutions are not very good but do an adequate job, and there are still others that are outrageous. There is not a person here today who, having seen such a place, would not want to do something to try and correct it. The legislation we are debating now would only address some of the worst institutions because to activate this legislation the conditions have to be "egregious or flagrant" and deprive such persons of rights protected by the Constitution and must cause such persons to suffer a pattern or practice of grievous harm.

While drafting this legislation we were concerned that the Department of Justice may try to set up a large bureaucracy and we requested and received assurances from the Department of Justice that there would be very little increase in staff as a result of the enactment of H.R. 10.

According to our Congressional Budget Office's analysis of H.R. 10:

> It is estimated that these tasks will require two additional attorneys and one additional clerical position at a cost of $81,000 in fiscal year 1980.

In addition, Mr. Speaker, this legislation will have a very positive benefit for my State of Virginia, as well as many other States in cutting back on the number of 1983 prisoner petitions filed in Federal court and defended by the State's attorney general.

I urge your support.

Mr. KASTENMEIER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Danielson).

Mr. DANIELSON. I thank the gentleman for yielding. Mr. Speaker, I wish to say I fully approve of and adopt the arguments of my distinguished chairman, the gentleman from Wisconsin (Mr. Kastenmeier), the gentleman from Illinois (Mr. Railsback) and the gentleman from Virginia (Mr. Butler) and urge the approval of the conference report.

Mr. RAILSBACK. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, about this time last year, I was one of the few Members of this body to speak out against this legislation, which, while offered as a bill to benefit institutionalized persons, is another example of the arrogance with which the Federal Government sometimes treats the States.

Just as important, I raised a question or two as to the true cost of this legislation. The Congressional Budget Office report on this legislation I believe said that the direct cost would be two attorneys and one clerical person, amounting to some $88,000 in fiscal year 1980. However, the bill says that investigations will need to be performed in order to determine whether there is a pattern or practice of deprivation of rights of institutionalized persons, a prerequisite for Justice Department intervention or action. Who, I asked at that time a year ago, will perform those investigations, and at what cost? The FBI? The Civil Rights Division? Who shall do it?

When the House Committee on the Judiciary considered the Justice Department authorization bill, we did not find a specific request for an increase in funding for this purpose.

Mr. Speaker, I think the conference report that is before us is greatly improved over what passed the House a year ago. It may indeed go a little too far in terms of putting limitations on the intervention that the Justice Department may currently engage in without such limitations. However, I would suggest we may have discovered a place where the rest of the funding comes in to make this a meaningful bill and it is something for us to be aware of and alert to.

Mr. Speaker, I think we found the request for funds that is being made to carry out H.R. 10 may indeed be a part, or impliedly a part, of the reauthorization bill for the Legal Services Corporation. I think we ought to take a look at it in any rate in that light. That is H.R. 6386 which will be coming before us soon.

Mr. Speaker, the Legal Services Corporation came to Congress and asked for a $353 million authorization for fiscal year 1981. One of the new programs which the LSC hopes to embark upon with such funding is a new program of legal services for persons institutionalized in hospitals, nursing homes and other facilities, such as prisons.

Given the track record of some legal services attorneys, I think what we can expect from such a new program would be the generation of litigation in selected institutions, with enough individual cases to establish a pattern or practice as necessary to permit the Justice Department to take action. Indeed that may be the very best way to deal with this. I am not suggesting that is necessarily wrong, but I do think in the decisionmaking process we should know what it is we are doing.

H.R. 10 will most likely become the law of the land soon. But, we still have a chance to place some restriction on the Legal Services Corporation. I hope that my colleagues will give the closest scrutiny to that authorization bill when it comes to the floor of the House. Once again, that bill number is H.R. 6383.

Mr. KASTENMEIER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. Gudger) a member of the subcommittee.

Mr. GUDGER. Mr. Speaker, I thank the chairman of the committee and the ranking minority member for the leadership which they have provided in the development of this very important legislation.

Under present law there is no question but that the Department of Justice has no standing to initiate suits seeking redress for the violation of the rights of the institutionalized.

Under present experience we know from the numerous lawsuits which have been filed by associations and private interests in this field and by studies that there have been numerous instances of violation of constitutional rights of those who are institutionalized.

I want to commend the committee for having narrowed the right of action by the Department of Justice to the situation where the institutionalized are only those who are in a facility operated by a State or one of its political subdivisions as distinguished from a State licensed private facility; that is the Department can act only where there is direct jurisdiction and supervision of the State or its subdivisions or its institutions such as prisons, juvenile detention facilities or mental institutions. At least this is my interpretation of the general sense of the legislation.

The conference committee has rendered its report and has included further restrictions than those in the House bill which was much more restrictive in its formula than was the corresponding bill in the 95th Congress.

In each instance I think the sense of the House and the Senate and certainly the sense of the conferees has been that the very highest degree of care must be taken before the National Government will initiate litigation against another sovereign state in our Federal system.

☐ 1400

I do not have the apprehensions expressed earlier by the gentleman from Ohio (Mr. Kindness) who said that there would be a great rash of litigation in this area. I do not see that that is inherent in the bill as it is now drawn.

I also think that the bill has been improved by the conferees, not only by the more definitive language commented upon by the chairman of the committee (Mr. Kastenmeier), but also by the restrictions imposed upon the Attorney General prohibiting intervention in pending litigation absent certification by him that there has been notice without corrective action and that intervention is necessary in the public interest.

Mr. Speaker, I commend the bill. I think it should pass. I thank the gentleman from Wisconsin for giving me the opportunity to express my support of the conference report.

Mr. KASTENMEIER. Mr. Speaker, I yield so much time as he may consume to the gentleman from California (Mr. Matsui), a member of the subcommittee.

Mr. MATSUI. Mr. Speaker, I would like merely to commend the chairman of the subcommittee, the gentleman from Wisconsin (Mr. Kastenmeier), and of course the gentleman from the State of Illinois (Mr. Railsback), for the very fine and outstanding job that they did for the past 16 months or so to put this piece of legislation together.

I was a freshman Member last year, as I am today, and I was on the subcommittee. I must say that when we had our first hearings on this particular bill I was concerned that it also was possible that it could have been very divisive and could have split partisanwise the House of Representatives. But, because of the leadership of these gentlemen and because of the fact that all people were concerned with institutionalized persons, we now have a bill which both sides of the aisle could support enthusiastically.

So, I commend the chairman and the ranking minority member and the members of the subcommittee for this very fine piece of legislation, and I hope that all Members of the House will vote in favor of it.

Mr. RAILSBACK. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Speaker, I rise in favor of the conference report on H.R. 10, and would like to add my words of commendation to those of the previous Members, particularly to my colleague from Wisconsin (Mr. Kastenmeier) and to the gentleman from Illinois (Mr. Railsback).

The civil rights of institutionalized persons is a very difficult subject on which to reach a responsible compromise. This conference report is such a responsible compromise, and I think will do quite a bit in defining exactly what procedures are to be utilized in case there has been a deprivation of those civil rights. So, I would urge my colleagues in the House to support this conference report, and I hope it is adopted by an overwhelming margin.

● Mr. DRINAN. Mr. Speaker, when this legislation first passed the House in the 95th Congress, I was a member of the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice where the bill originated. Together with its distinguished chairman, the gentleman from Wisconsin, and its able members, we spent long hours in hearings and markup to perfect a bill which would, consistent with constitutional concerns, accommodate the competing interests. Although that first effort did not become public law because of inaction by the Senate, the bill in revised form is now before us for final approval, having cleared the committee on conference.

This bill will overrule the decisions of the Federal courts of appeal in United States against Solomon and United States against Mattson. Those cases held that the U.S. Government did not have the authority, without express statutory language, to bring civil suits to remedy unconstitutional conditions which institutionalized persons are required to endure. Our passage of H.R. 10 should not be interpreted in any way as approval of the decisions in Solomon and Mattson. We do not accede to those opinions merely because we take action to correct them. The Attorney General simply has no other remedy than legislative action by the Congress, unless he is to litigate the issue in every circuit and in every State of the Union.

This is not the first time Congress has had to overrule decisions of courts of appeals which denied the Attorney General the authority to enforce constitutional rights. In 1964, for example, Congress enacted title IV of the Civil Rights Act of 1964 to give the Government power to bring school desegregation suits, a power denied it by the Fifth Circuit Court of Appeals in the Madison County case. So again today we act to overturn decisions of Federal courts denying the Government the power to remedy unconstitutional conduct by persons acting under the color of law.

Although Congress stands ready to correct such erroneous decisions, it should not have to do so. The courts should not insist on express statutory authority as a prerequisite for civil suits by the Attorney General to enforce constitutional rights. Indeed the Supreme Court has, on several occasions, permitted the United States, without express authority, to institute legal action to remove obstructions to interstate commerce and in navigable waters. In the Debs case, the Court implied that right from the commerce clause and in the Wyandotte Transportation case, the Court implied it from a statute. If the Attorney General has implied authority to sue private persons (as in Debs and Wyandotte) who are interfering with commerce, surely the Attorney General has implied authority to sue persons acting under color of law who are interfering with and denying constitutional rights.

Last June in Davis against Passman, the Supreme Court implied a private right of action based on the fifth amendment for sex discrimination by a former Member of this House. And a few years ago, the Court implied a private right of action based on the fourth amendment in the Bivens case. We should applaud these decisions as standing for the proposition that, if a court has jurisdiction over the case, it may imply a right of action from the applicable constitutional provision. In Wyandotte Transportation, the Supreme Court further held that this doctrine of implying rights in favor of private plaintiffs should extend to the U.S. Government. That was, of course, implicit in the Debs case.

It has been said that the courts are the primary protectors of the constitutional rights of the people simply because legislators and executive officials often are too prone to follow the popular passions of the moment. If the courts are to play that historic role, they must not be niggardly in permitting private persons and public officials to bring civil suits to remedy violations of constitutional rights. That, in my view, is the meaning of the Debs line of cases which runs through Wyandotte Transportation, Passman, and Bivens. If the Attorney General must wait for express congressional authority before suing to protect constitutional rights, the vindication of these important interests may never occur because of the whims of popular passion. Thus the powers of the courts, approved by the Supreme Court, to imply rights of action are at their maximums when constitutional claims are at stake. And the courts should be no less reluctant merely because the plaintiff is the United States acting through the Attorney General as the President's representative.

The President has the constitutional duty to "take care that the laws be faithfully executed." If, as article VI states, the Constitution is the "supreme Law of the Land," it would appear that the President's obligation extends to the enforcement of rights secured or protected by that Constitution, whether or not Congress has expressly authorized suits to enforce such rights. So long as State or Federal courts have the jurisdiction to entertain suits by the United States, which they do, then they should not bar the President, acting through the Attorney General, to see that the law of the Constitution is faithfully executed. In broad and general terms, the Congress has recognized the inherent authority of the Attorney General, as the representative of the President and the United States, to bring civil actions or intervene in existing suits to protect "the interests of the United States," as stated in section 517 of title 28 of the United States Code.

It may be that the implied powers of the Attorney General to vindicate constitutional rights will not extend to every deprivation by a person acting under the color of law. In some marginal cases, the injury to or the interests of the United States may be so attenuated that the Attorney General will not have "standing" within the meaning of the "case or controversy" limitation of article III of the Constitution. But unless those broad limits are transgressed in any particular case, the courts should not restrict the power of the United States to protect the constitutional rights of its citizens.

It is unfortunate that we the Congress must again step in to correct erroneous decisions of lower Federal courts which have denied the Attorney General the power to institute civil litigation to protect and enforce constitutional rights. Those courts have ample authority, as the Supreme Court has held, to imply civil remedies from existing statutes or from the Constitution itself. Having been put in the situation of taking corrective action, we should not hesitate to do so, and this bill, H.R. 10, will provide the necessary relief. I urge its immediate adoption by approval of this conference report.●

Mr. RAILSBACK. Mr. Speaker, I yield back the balance of my time.

Mr. KASTENMEIER. Mr. Speaker, I wish to thank the previous two speakers for their kind comments.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RAILSBACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

IMPACT OF CUBAN IMMIGRANTS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, by coincidence the subject which I touch upon is the same one just voiced by our distinguished colleague, the gentleman from Arkansas (Mr. ALEXANDER). I feel that it is important for the administration, for the Members of Congress, for the press, and for all concerned to take note of the reaction which I find in my district to the recent influx of refugees and people seeking asylum from Cuba, Haiti, and elsewhere.

I have received a number of letters from my district. I shall not quote from them, since I respect the confidence of my constituents. Some of them referred to this influx as being stupidity on the part of the United States of America. Others point out that we already have high unemployment and now we are receiving hundreds of thousands, apparently, of additional people who will be seeking employment. Others ask, as did the gentleman from Arkansas, why indeed does Mr. Castro now willingly send these people here in fact, urge them to leave Cuba, when for 20 years he has refused exit to most of them? Are we receiving persons who would not fit into our social and economic structure?

I have had phone calls from persons in my district who state, in effect, "Stop all immigration of all immigrants. We have enough, due to our own economy and our job situation." And also—of course, I take this one with a grain of salt—"You either stop all of those immigrants, or I am not going to vote for you."

I do think that this is important because this is the reaction of many Americans, it is having an impact on the American people, and we had better pay attention to it.

Mr. Speaker, in extending my remarks, I wish to attach a recent analysis of this problem by our distinguished colleague, the gentleman from New York (Mr. Fish), which is as follows:

Factsheet—Cubans and the Law

(By Representative Hamilton Fish, Jr.)

Cubans arriving in Florida are designated undocumented aliens, admitted for 60 days, pending a deferred inspection in connection with their asylum claim.

There has been no comparable human flow to the United States. The hundreds of thousands of Cubans who came in the 50s and 60s arrived here under regulated departure procedures. The Vietnamese who escaped Saigon in 1975 or were picked up in the South China Sea subsequent to the fall of Saigon, as well as the later "Boat People" and Laotian and Cambodian overland refugees, were the subject of special legislation enacted in 1975, the Indochinese Migration and Assistance Act. These Indochinese were clearly refugees, for whom repatriation was not an option.

Along with Indochinese, Russian Jews as a class are considered refugees. The United Nation High Commissioner for Refugees estimates there are 14 million refugees world wide, over one half of them in Africa.

Today, with Cubans arriving on our shore, we for the first time since the enactment of early immigration laws are experiencing being a country of First Asylum.

Asylum, under our law, is granted on a case by case basis, at the discretion of the Attorney General, following a determination of refugee status. The applicable definition of refugee is one outside his country and unwilling or unable to return because of persecution or a well-founded fear of persecution on account of race, religion, nationality, or political opinion. Yet, an Asylum determination, unlike the refugee admission and allocation provision of the law, is unlimited as to number and not subject to consultation with the Congress.

Aliens leaving their country primarily to escape shortage, poverty, lack of opportunity, drabness or a rigid society, in short, if their motivation is essentially economic and they do not have a well-founded fear of persecution, qualify as immigrants and not as refugees. They are no different from millions around the globe who still view the United States as the land of opportunity.

Over one million foreigners around the world have applied for entry under one of the immigration law's preferences, which include the immediate family of aliens admitted for permanent residence and brothers and sisters of American citizens. These cases are pending and some have been for several years.

Last year, 290,000 immigrants were admitted for permanent residence under the world-wide ceiling, approximately 125,000 were admitted outside the preference ceiling as immediate relatives of American citizens, and 200,000 were paroled in as refugees.

Haitians are also arriving by small craft in Florida. An estimated 20,000 are in either exclusion or deportation status.

Factual Accounting of Conditions and Processing at Key West and Eglin Air Force Base

(By Representative Hamilton Fish, Jr.)

The Key West facility consists of a docking area and a large warehouse that is crowded at a 3,000 persons capacity. Plans call for expanding the capacity with tents outside adjacent to the warehouse.

Security and service (feeding and cleaning up) to the arriving Cubans is provided primarily by a battalion of Marines (approximately 860 men) and by Federal Marshalls, INS Border Patrol officers (140 compared with regular complement of 9). Outposts of Border Patrol nearby are on the lookout for arrivals other than at Key West.

All arrivals are housed presently in the warehouse, segregated according to family groups and unaccompanied males. They are issued towels and clothing; most arrive without any baggage.

Upon docking, medical and Department of Agriculture personnel board a vessel, seize food and disembark those needing medical care. Shortly thereafter, all are fed high dextrose candy and Gatorade, as many have stood 20 hours on the voyage. Shortly thereafter, they are fed sandwiches. Initial processing by INS is to determine whether arrivals have close relatives in South Florida, in which case, they are flown to Miami, processed and released to their families. If not, they are flown to other points, like Eglin, for further processing.

EGLIN

As of 10:00 P.M. Friday, May 9, Eglin reached its capacity of 10,000—achieved 7 days after opening up the base to refugees. As of Friday, 2,292 had already been processed and departed to sponsors. The quarters are adequate and clean.

Processing at Eglin, which takes place in one large room, starts off with a 30-60 minute interview with Immigration and Naturalization examiners. 500 to 600 are processed daily, with a goal of 1,000 per day. Fifty Border Patrol and 158 INS officers are presently detailed at Eglin on 12-hour shifts. One-half of those interviewed preliminarily are thereafter referred to INS criminal investigators. All are fingerprinted and subsequently interviewed by FBI and CIA agents. FBI screening is for foreign counter-intelligence activity. The CIA seeks intelligence with respect to conditions in Cuba.

Thereafter, the Cubans are medically examined and interviewed by voluntary agencies. The U.S. Catholic Conference has, by far, the most personnel present. Also in evidence was Church World Service and the International Rescue Committee. John McCarthy of the U.S.C.C. advised they had 20,000 sponsors waiting for the Cuban arrivals.

Criticism: Aside from the initial 30-60 minute interview, no other inspection concerns the validity of the arrivals' asylum claim. Subsequent interrogation is by INS criminal investigators, the FBI and the CIA. All relate to security and the detection of undesirables, not the claim of asylum.

Press Release, May 11, 1980

Representative Hamilton Fish, Jr. (NY–25), the Ranking Minority Member of the Subcommittee on Immigration, Refugees, and International Law, recently returned from Key West, Florida, where most Cuban refugees are arriving, and Eglin Air Force Base, where approximately 40 percent of the Cuban arrivals are being processed. Upon his return, Fish indicated his desire to share with his constituents his observations about the influx of Cubans into the United States in the past 12 days.

"Together with Congressman Caldwell Butler (R-Va.), a member of my Subcommittee, Congressman Bill Young (R-Fla.), a member of the Appropriations Subcommittee that funds refugee programs, and staff, I made a first-hand inspection of the reception and processing of the Cubans. In the processing, our concerns addressed health, security and identification. We were interested in the effectiveness of the steps being taken to carry out the U.S. policy," Fish stated. The Subcommittee will follow up the trip with hearings on Tuesday, May 13.

Fish said, "U.S. policy is to deter, slow down, and eventually reverse the flow of Cubans arriving on American ships. Ultimately, our goal is a managed flow with priority for family reunification and political prisoners. This is consistent with prior negotiations with the Cuban government and processing by Immigration and FBI personnel in Cuba for the past few years."

At present, there is no interference with the American boat owners taking off for Mariel Harbor, Cuba, nor in the reception and housing of the arrivals. Fish noted the following factors influencing present policy:

1. The intense personal involvement of the Cuban-American community in South Florida, as evidenced by the excess of 2,000 craft involved in bringing the Cubans over. There is a perceived potential for civil disobedience if efforts are made to prevent the departure of the craft.

2. Losing control over the processing of arrivals. Presently, the majority of the craft returning from Cuba dock at Key West. At this point of entry, health and immigration officials are able to conduct a preliminary inspection.

3. The fear that different policy would endanger lives on the high seas, as well as being counter to our pleas to Southeast Asian countries of First Asylum to accept arrival by boat.

At Key West, where the stay is approximately two days, initial inspection determines whether or not the arrival has close relatives in South Florida. These are then flown to Miami for further processing and released to their relatives. All others, up to this past weekend, were flown to Eglin Air Force Base and processed. Eglin reached its capacity of 10,000 over the weekend and flights of this category of arrivals have commenced to Fort Chaffee, Arkansas. The arrival rate at Key West until Thursday has been approximately 3,600 to 3.800 per day, dropping substantially Thursday when the weather was bad.

As of 7 A.M. Sunday, a total of 30,796 Cubans had arrived on 645 boats. Their status is a follows:

1,500: In the Key West hangar.
800. On the dock at Key West.
2,387: Awaiting processing in Miami.
9,981: Awaiting processing at Eglin.
1,910: Awaiting processing at Chaffee.
17,784: Released out of the system.
336: Found excludable and transferred to Taledago Federal Correction Institute in Alabama.

Fish stated, "By far, the majority of the arrivals are unaccompanied adult males. Initially, an overwhelming number claimed to have families in the United States; this percentage has declined in recent days. A high percentage of venereal disease has been discovered during the medical examinations, as well as tuberculosis and mental illness. What is considered to be a very high percentage, 10 percent of the first files and fingerprints forwarded to Washington, have turned up derogatory information."

"From the evidence of returning empty vessels, approximately one-third, and from the stories we heard from returning Americans, Cuban officials are playing games with them—allowing enough relatives to leave to encourage American vessels—not actually producing many of their relatives, and instead, choosing who would leave their country," Fish said. "A high percentage of the arrivals may be hand-picked and did not initiate their departure from Cuba," Fish observed. Several Americans stated they had waited at anchor at Mariel Harbor for up to two weeks, paying exorbitant prices for food and water, and frustrated daily in their attempts to reach their relatives, some have abandoned the search; others are returning.

An interesting statistic is that last Saturday there were only 379 arrivals on 7 boats. 14 boats returned empty. This is a reversal of the proportion of empty returns that had been previously experienced.

The United States is unwilling, at this time, to enter into direct negotiations with the Cuban Government, as it is believed the bargain for restraining the exodus from Cuba would involve giving up Guantanamo Bay, ending the trade embargo with Cuba, and diplomatic recognition.

"The key to the present situation," Fish said, "appears to be the Cuban-Americans who charter vessels or sail their own into Cuban territorial waters. If this effort could be severely curtailed, then the Cuban bargaining chip would be removed. The frustration experienced in Cuban waters is having its effect, and discussions are under way with Cuban-American leaders in Miami to control the number of craft leaving the United States. Once a moratorium on the American flotilla is in place, the United States should offer to negotiate."

In recent days, as the guests of the Government of Costa Rica, members of the Organization of American States, the United States, and some European countries have met in Costa Rica. Despite some modest resettlement offers, the burden remains on the United States. The pledge of $1 million of assistance is welcome, but must be compared with the first week's cost at Eglin alone of $2 million.

"A criticism of the U.S. operation is lack of command authority. The Federal coordinator, F.E.M.A., lacks knowledge in refugee matters and is unlikely to receive cooperation from the military. The need for coordination of policy and logistics indicates a top joint responsibility, military and civilian," Fish concluded.

PERSONAL EXPLANATION

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives on Thursday, May 1, 1980, for rollcall vote No. 213 when the House passed House Joint Resolution 541, making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission. Had I been present, I would have voted "yea."●

ISRAEL INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I take great pleasure in saluting the people of Israel on the occasion of the 32d anniversary of the founding of their nation. It was at midnight, May 14–15, 1948, the fifth and sixth days of Iyar, 5708, under the Jewish calendar, that the Israelis declared their independence and the British mandate for Palestine came to an end.

Founded in difficult circumstances by a people who had suffered some of the most severe persecution in the history of mankind, Israel's Government is based on the noble ideals of freedom and Israel's people have worked hard and fought valiantly to make theirs a strong and prosperous nation.

Mr. Speaker, the "Hatikvah," Israel's national anthem follows as well as an overview of the nation's independence period from the Israel Information Center book entitled, "Facts About Israel."

HATIKVAH

THE NATIONAL ANTHEM

So long as still within our breasts
The Jewish heart beats true.
So long as still towards the East.
To Zion, looks the Jew.
So long our hopes are not yet lost—
Two thousand years we cherished them—
To live in freedom in the Land
Of Zion and Jerusalem.

NATIONHOOD REGAINED

THE WAR OF INDEPENDENCE (1947–49)

On November 29, 1947, the General Assembly, by more than the required two-thirds majority, approved the recommendation of a special committee that Palestine be partitioned into independent Jewish and Arao States, in economic union, with an internationalized Jerusalem. The United States and the Soviet Union voted in favour.

On December 17, the Arab League Council announced that it would undo the plan by force. Arab irregulars infiltrated from Syria, Lebanon, and Egypt, to step up local onslaughts on the Yishuv British authorities delivered military bases and equipment to the Arabs.

On May 14, 1948, eve of the finish of British rule, the People's Council, representing all parties and sections of the Yishuv, met in the old Tel Aviv Museum, declared the establishment of the State of Israel, and approved the formation of a provisional government. Next morning the Jewish State was invaded by the regular armies of Egypt, Transjordan, Iraq, Syria, and Lebanon, and contingents from Saudi Arabia. The invasion was condemned by the US and the USSR.

The Egyptians got to 30 kilometers south of Tel Aviv. British-officered Trans-Jordanian and Arab forces besieged Jerusalem. The Iraqis traversed the coastal plan to a point 15 km. from the sea, and threatened to split Israel in two. The Syrians advanced westward into Upper Gallilee.

Israel, with a population of only 650,000, and a poorly equipped citizen army, drove the invaders back at the cost of heavy casualties.

In the course of 1949, armistice agreements were signed between Israel and Egypt, Jordan, Lebanon, and Syria, In., each, the stated purpose was "to facilitate the transition from the present truce to permanent peace." The armistice lines remained Israel's borders until June, 1967. The Arabs refused to respond to all invitations to negotiate peace.

ORGANIZATION OF THE STATE

Elections for a 120-seat national assembly in a democratic, parliamentary, sovereign state were held on January 25, 1949. Almost 85 per cent of the electorate went to the polls. The results, based on proportional representation, showed a considerable degree of political continuity, with *Mapai*, the Israel Labour Party, winning 46 seats. (The Arab Party, the Nazareth Democratic list, won two; other Israeli Arab ballots went to Jewish lists, especially *Mapai* and the Communists.)

On February 16, meeting in the capital, Jerusalem, the parliament passed a Transition Law outlining the functions and procedures of the unicameral legislature, the election and powers (limited and, in the main, ceremonial) of the President, and the structure of the Government and its relation to the *Knesset* (parliament). Chaim Weizmann was elected President, and the first Cabinet installed under the premiership of David Ben Gurion.

The Knesset did not draft a formal constitution, it was found preferable to enact separate "Basic Laws," which should ultimately be consolidated to form one.

On May 11, 1949, Israel was admitted to membership of the United Nations.

THE INGATHERING OF THE EXILES

The right of every Jew to live in Israel was recognized as a fundamental principle of the Jewish State, and the Law of Return (1950) accords free and automatic citizenship to every Jewish newcomer who elects for it.

By the end of 1951, the Yishuv had been doubled by over 754,000 arrivals, half of them refugees from Moslem-Arab lands. Many had to be housed at first in ma'abarot—transit camps. Living was hard, jobs were scarce, welfare grants or subsistence wages on ad hoc public works often had to serve.

Agricultural pioneering, one of the great ideals of Zionism, became a paramount necessity. Many of the newcomers chose the smallholders' cooperative moshav over the collective kitbbutz.

An early measure of the Knesset was the Compulsory Education Law; another ordained a 47-hour working week, a weekly rest day, and 14 days paid holiday a year. In 1951, equal rights for women were made statutory. In July 1953, the pre-state "trend" school system (General, Labour, and Religious) was abolished, and a system of State and State Religious schools, both under the control of the Ministry of Education and Culture, took its place.

The World Zionist Organization Status Law of 1952 recognized the Jewish Agency as the "authorized agency which will continue to operate in the State of Israel for the development and settlement of the country, the absorption of immigrants from the Diaspora, and the coordination of the activities in Israel of Jewish institutions and organizations active in those fields."

At the end of that year an agreement was signed with the Federal Republic of Germany or the reparation, in part, of material losses suffered by Jews under the Nazi regime; payments would be to individuals and to the State of Israel as the representative of Jewry.

In November 1952, President Weizmann died, Yitzhak Ben-Zvi succeeded him.

In December 1953, Ben-Gurion resigned. Moshe Sharett became Prime Minister, and Pinhas Lavon Minister of Defence.

Mr. Speaker, it is with pride that I join the people of Israel in celebrating Israel Independence Day, and I extend to them my best wishes for peace and prosperity and send my greetings to Americans of Jewish descent in my own 11th District, in Chicago, and all over the world as they join the Israelis in celebrating this milestone in mankind's struggle for lasting peace and liberty.

REPUBLIC OF COLOMBIA AND INTER-AMERICAN COMMISSION ON HUMAN RIGHTS PRAISED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, as chairman of the only subcommittee of the Congress that has oversight jurisdiction on human rights policies—the International Organizations Subcommittee of the House Foreign Affairs Committee—

I want to extend my congratulations to the government of our fellow democracy, the Republic of Colombia and the Inter-American Commission on Human Rights.

The recent release of the hostages in Bogota, mainly due to the effective and precedent setting cooperation of Colombia and the Inter-American Commission on Human Rights and achieved within a juridicial framework, augers well for the future of human rights.

This example of prudence, patience, and imaginative solution to a difficult problem, in my judgment, has profound implications for the successful resolution of incidents of this nature.●

COMMISSION ON SECURITY AND COOPERATION IN EUROPE COMMEMORATES FOUNDING OF MOSCOW HELSINKI GROUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, today marks the fourth anniversary of the Moscow Helsinki Group. Founded by noted physicist Yuri Orlov this group has provided new impetus for the citizens' human rights movement throughout the world.

Orlov will "celebrate" this day by sewing potato sacks, without the aid of his glasses which were confiscated by prison officials, in an isolation cell in the Perm prison camp complex. He is being punished for attempting to smuggle his scientific articles out of camp.

In a February 4, 1980, letter to his wife, Orlov asked that participants in the upcoming CSCE review conference in Madrid work toward obtaining amnesty for all Soviet political prisoners. He said:

> Any government which considers itself to be a model society cannot claim that criticism is interference in its internal affairs.

In view of Orlov's appeal, the Commission on Security and Cooperation in Europe has compiled an update to Amnesty International's recent publication which reported that more than 400 Soviet human rights activists were imprisoned or similarly restricted between June 1, 1975, and May 31, 1979. The Commission on Security and Cooperation in Europe learned that from June 1, 1979, to May 1, 1980, 71 Soviet human rights activists were convicted on various pretexts and 86 Soviet citizens have been arrested for advocating political, religious, or ethnic rights.

This pre-Olympic "clean-up" extends beyond Moscow to other Olympic cities, such as Kiev, Leningrad, Tallinn, and Minsk. An analysis of above statistics shows that there were 23 imprisonments of human rights activists in Moscow and its suburbs; 7 arrests in Leningrad; 2 in Kiev; 1 in Minsk; 3 in Tallinn; plus 6 arrests in the small state of Estonia and 14 arrests in other areas of Ukraine.

During their recent arrests of Moscow human-rights activists, the Soviets have tried to break up the Working Commission on Psychiatric Abuse by arresting most of its members, including Dr. Leonard Ternovsky and Vyacheslav Bakhmin, both members of the Psychiatric Working Group and a close associate, Aleksandr Lavut. Since 1977 the Psychiatric Working Group has documented the cases of several hundred prisoners of psychiatry, including Baptist believer Anna Chertkova, Ukrainian activist Zinovy Krasivsky, Russian activists Vasily Shipilov and Vladimir Maksimov—who have each spent more than 30 years in psychiatric hospitals—Uniate Catholic Iosif Terelya. Turkmen poetess Annasoltan Kekilova, and Lithuanian activist Algirdas Zipre.

The work of the Moscow Helsinki Group and the allied Helsinki monitoring groups which later were formed—Lithuanian, Armenian, Ukrainian and Georgian groups and Christian, Catholic, and Adventist committees—is to be commended. Although 157 people have been arrested this past year in various areas throughout the Soviet Union, the Helsinki human-rights movement endures.●

RESOLUTIONS OF THE NATIONAL SOCIETY DAUGHTERS OF THE AMERICAN REVOLUTION

(Mr. RUDD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. RUDD. Mr. Speaker, the Daughters of the American Revolution met in Washington recently and unanimously adopted a series of important resolutions of great interest to Congress.

I am grateful to Mrs. John Trudeau Salmon of Tucson, Ariz., a longtime member of this august organization and a genuine patriot, for providing me a copy of the 12 resolutions.

I would like to include several of those resolutions which address important national issues at this point in the RECORD:

[Resolutions of the National Society Daughters of the American Revolution, April 19, 1980]

THE ELEVENTH HOUR

Whereas throughout our history untold numbers of Americans have sacrificed their lives on the field of battle in defense of our liberties, and many have dedicated their lives to the preservation of our hard won freedoms; and

Whereas since World War II on the stripping of our defense forces has been a deliberate policy on the part of our civilian defense officials, yet the dangerous state of our defenses resulting from this policy has been kept from the American people; and

Whereas while the United States has been following a policy of military weakness and appeasement, has negotiated SALT I and is presently promoting SALT II, the Soviet Union has been building the greatest military force in all history capable of the complete destruction of the United States of America; and

Whereas our national weakness is not only in our military defenses, but also in our economy, and in the tragic fact that too many Americans have accepted a materialistic set of values and no longer value freedom and independence; and

Whereas the foreign policy of the United States has since the time of Woodrow Wilson been controlled by elitist groups including the Council of Foreign Relations and presently the Trilateral Commission whose attitude has been consistently internationalistic and one of general tolerance and cooperation with the Soviet Union; and

Whereas these concepts—the erroneous policies of containment, deterrance, parity, mutual assured destruction and finally the zealous belief in disarmament have been made official policies of our government; and

Whereas American public opinion is being constantly subjected to propaganda from domestic activists and foreign agents, devisiveness is being created by aggravating race relations, by encouraging labor strife, by propagandizing against our anticommunist allies, but suggesting diplomatic concessions to the Soviet Union, and by vicious and direct attack on Americans who are anti-communist; and

Whereas according to a National Security Council memorandum (no. 68) released after 25 years, there have been since 1945 two American policies—one public and one unspoken—the public policy expressing our traditional ideals—freedom, self defense, peace through strength, opposition to communism—the secret policy expressing the thinking of the advisers who have influenced every American president since 1945 selling out nation after nation, unilateral disarmament, accommodation with communism; and

Whereas because of these policies we are now faced with a situation of almost complete encirclement by communist forces;

Resolved, That the members of the National Society Daughters of the American Revolution dedicate themselves to the task of learning and disseminating the full story of the policies and activities that have brought us to the Eleventh Hour, recognizing that an informed America will demand a reversal of these policies which have steered our great Nation to the brink of disaster.

DANGER—THE UNITED NATIONS

Whereas the United Nations, established in 1945 on American soil, has evolved thirty five years later into one of this nation's and the free world's most imminent dangers; and

Whereas there are inequities in the United Nations membership representation and disproportionate payments by the United States of America to support the United Nations disastrous programs and procedures; and

Whereas the United Nations ineffectiveness is apparent in the deplorable and immoral example of the American hostages in Iran;

Resolved, That the National Society Daughters of the American Revolution in the eleventh hour of our Nation's struggle for survival reaffirms its position in opposing the presence of the United Nations on American soil and continues to enlighten public opinion concerning the imminent dangers of the United Nations;

Resolved, That the members of the National Society Daughters of the American Revolution, as individuals, reiterate emphatically to *all* elected officials, the dire necessity for the United States of America to withdraw from the United Nations in order to maintain this Nation's sovereignty; cease all financial support of the United Nations disastrous and subversive programs and act independently on foreign and domestic policy in accordance with the Constitution of the United States of America.

THE FAMILY—AN ENDANGERED SPECIES

Whereas the family as an institution is the cornerstone of our entire Judeo-Christian social structure, and stable family units form the foundation for a strong American society; and

Whereas the traditional family is under total assault from humanists, liberals and bureaucrats, calling for restructuring and legally redefining families to include multiple family forms—persons living together without marriage, communes of adults (with or without children), homosexual couples or any persons sharing common living quarters—and conferring upon these groups the same legal "family benefits" of tax allowances, credit, child custody, parental authority and property rights; and

Whereas to accomplish these goals the President has called a White House Conference on Families and appointed a National Advisory Committee, heavily weighted with feminists, humanists and social welfare proponents, has established an Office on Families in the Department of Health and Welfare, and has provided initial funding of $3,000,000 of tax monies; and

Whereas traditional parental rights and authority are being undermined by these groups which question parental discipline, oppose the teaching of parental moral and religious values and encourage experimentation with "alternative lifestyles" and flaunting of accepted standards of behavior.

Resolved, That the National Society Daughters of the American Revolution, realizing this is the Eleventh Hour in family survival, strongly supports the concept of the traditional family as two or more persons related by heterosexual marriage, blood or adoption, and advises its members, as individuals, to oppose Federal intervention, which by redefinition, undermines the Judeo-Christian concept of family.

MILITARY STRENGTH

Whereas the safety and freedom of the United States of America is dependent upon its military strength; and

Whereas the U.S.S.R. has, in furtherance of its announced goal of world domination, engaged in a massive arms buildup and the United States has pursued a course of unilateral disarmament, a trend that the present administration has accelerated by its cancellation and/or delay of most new weapons systems including the B-1 bomber, the neutron bomb, and the MX mobile missile and by its espousal of the SALT II treaty which is weighted in favor of the U.S.S.R.; and

Whereas the result of these irresponsible United States policies in the face of clear and present danger from an avowed enemy is that the United States is now #2 militarily, and this position of weakness is directly responsible for our diplomatic impotence in connection with Iran, Afghanistan, and Colombia and will result in further Soviet aggression since they have stated that they will be able in two to five years to exert their will anywhere in the world;

Resolved, That the National Society Daughters of the American Revolution support a concentrated effort to reverse the calculated and irresponsible United States policies of unilateral adherence to the SALT II treaty without Senate ratification;

Resolved, That the National Society Daughters of the American Revolution urge immediate measures to restore the military strength of the United States to its former position of supremacy in order to insure the survival of our country to the free world.

LIQUIDATION OF FREE ENTERPRISE

Whereas the American Revolution set in motion a libertarian, free enterprise, free market system that unshackled human creative energy, allowing a production greater than anything experienced or imagined anywhere for the previous 10,000 years; and

Whereas voters have sent to our nation's capital representatives who are sworn to uphold the constitution, some of whom do not understand or care about the principles of our forefathers which allowed freedom in America but formulated policies and regulations that condemn and penalize the successful while extolling the weak and immoral and trampling the free enterprise system; and

Whereas the Federal Government has been subjugating one major industry a decade: the steel industry in the 1960's, the auto industry in the 1970's, and now the domestic oil industry; and

Whereas the so called windfall profits tax is in fact an excise tax on production rather than a tax on profits and represents the greatest direct transfer of wealth from private enterprise to the Federal Government; and

Whereas it is the ultimate irony that money produced by American private enterprise is being appropriated by government and given as foreign aid which finances socialism around the world;

Resolved, That the National Society Daughters of the American Revolution *declare* unbounding faith in the free enterprise system; *warn* that the hour is at hand when Americans must choose either to defend their liberty or submit to tyranny; and *implore* the people of the United States to demand reversal of programs for the liquidation of the American free enterprise system.

INFLATION—GOVERNMENT INDUCED

Whereas William Bradford, second Governor of Plymouth Colony, warned "Do not basely relinquish that which thy forefathers attained with such difficulty"; and

Whereas the economic basis of the United States of America is being eroded by the inflation of the dollar through constant government spending and a plethora of government resources and operating funds; and

Whereas history has shown that the decline of nations has been preceded by economic collapse caused by political leaders drawing the wealth of individuals and industries from productivity to social programs, such as

1. the Social Security System, established as a supplement to retirement income, deducted from salaries and wages and deposited in trust, not as a welfare program;
2. many welfare programs, expanded far beyond the original intent of providing for the truly needy, and imposing an intolerable tax burden upon the workers of the Nation;
3. the wage-price spiral acceded to by the government under pressure from special interest groups;
4. the government take-over of industries which can be more efficiently operated by private enterprise;
5. wide spread abuse of unemployment programs; and

Whereas the Federal Reserve Banking System, in order to meet ever-rising government costs, issues interest-bearing bonds in lieu of sound convertible money; and

Whereas unchecked governmental spending results in liquidation of capital, undermining the free enterprise system and sound principles of thrift and savings all of which are morally dishonest;

Resolved, That the National Society Daughters of the American Revolution encourage its members as individuals to urge legislators to remedy the erosion of the dollar by constructive fiscal measures, to reduce government regulation and spending and to provide more incentive for production, which will restore faith in the American dream—that hard work will be rewarded.

ENERGY

Whereas an adequate supply of energy is an indispensable prerequisite for a sound economy and for national defense; and

Whereas the United States now imports approximately 45% of the oil it uses, which makes it dangerously dependent on sources that can subject it to arbitrary price increases or embargo, and much of this overseas oil travels routes that could be easily interrupted in time of war; and

Whereas the remedy for this overseas dependence is increased American energy production of all types, a goal that the United States Government is hampering (1) by its price regulations of domestically produced oil and gas which force American companies to sell their oil and gas for less than foreign producers can charge, (2) by the recently passed windfall profits tax which is not related to profits but is an excise tax of a definite amount of each barrel of oil regardless of the profit made or loss incurred by the producers and is a tax that will either have to be passed on to the consumer or deducted from oil company profits, leaving them less for future explorations, (3) by a complicated allocation and entitlement program which distorts the market flow of oil, (4) by establishing an Energy Department at an enormous cost to the taxpayer, which has done little to increase production, (5) by its restrictive and confusing environmental regulations on coal, and (6) by locking up vast areas of Federal land which contain large potential deposits of energy-producing resources; and

Whereas the development of nuclear power has been slowed by excessive governmental regulation and by the agitation of environmental and anti-nuclear groups who have exaggerated the dangers of both nuclear power and the waste disposal problem, despite a safety record for nuclear power that is the best in the energy industry with not one fatality in 35 years of operation; and despite the testimony of the American Physical Society that safe disposal of nuclear waste can be effected with existing technology; and

Whereas France is building a fast breeder reactor plant which will produce more fuel than it consumes, extend the use of nuclear fuel 50 times and greatly reduce the waste disposal problem, in contrast to the action of the United States Government which has stopped construction of the fast breeder reactor plants that were started in this country;

Resolved, That the National Society Daughters of the American Revolution warn its members that the energy crisis will not be solved until it is recognized that the No. 1 creator of our energy problems is the United States Government with its restrictive and confusing regulations on domestic producers of energy;

Resolved, That the National Society Daughters of the American Revolution urge a more constructive attitude on the part of the United States Government toward domestic production, which should include repeal of price controls and restrictive regulations on oil and gas, repeal of the windfall profits tax, easing of environmental restrictions on coal, a realistic attitude toward the development of nuclear power and encouragement of all other feasible forms of energy.

DISMANTLED INTERNAL SECURITY

Whereas the Federal Government, charged with protecting the public, is responsible for dismantling our internal security agencies and committees during a time of internal unrest—(bombings, protest marches and demonstrations)—of declining military might and of international terrorism resulting in the murder of four United States ambassadors; and

Whereas former FBI top agents have been under indictment for wiretapping the Weathermen, a guerrilla group responsible for bombings; and the CIA has been castigated and shackled with legislation pending to require that proposed covert activities be submitted to eight Congressional Committees while CIA secret agents have been publicly identified—their lives endangered, one or more murdered and the services of all rendered useless; and

Whereas the crippling of the CIA by the

Congress and a hostile press has led to an impotent position in Iran, American diplomats held hostage, and has encouraged the Soviet invasion of Afghanistan; and

Whereas government criteria have resulted in the destruction of security files on subversives in many cities, and Congressional legislation of the Privacy Act and of the Freedom of Information Act have had a devastating effect on the FBI and on other law enforcement agencies, forcing them to open files to criminals and spies;

Resolved, That the National Society Daughters of the American Revolution alert the public to the fact that America is endangered by a lack of internal security due to government action and call on elected officials, charged with protecting the public, to reinstate the internal security committees and agencies immediately and to unshackle and support an effective CIA and FBI.

International Terrorism

Whereas Marxist-oriented terrorists, militants and guerrillas are setting a pattern of seizing diplomats, businessmen and other citizens with impunity, holding them hostage with their lives imperiled, and successfully extorting $500 million from multinational corporations since 1970; and

Whereas the deplorable plight of the American diplomats held hostage by Iranian terrorists for more than five months, in violation of international law and the laws of Iran, and the apparent inability of the United States to deal successfully with the situation is shocking to every American and degrading to the United States prestige throughout the world; and

Whereas four Puerto Rican terrorists, imprisoned for an assassination attempt on President Truman, a shooting attack on the United States House of Representatives and the wounding of five congressmen, were released by the President of the United States last September and immediately began a new campaign of hatred in the United States and Puerto Rico, demonstrated by an attack on fourteen unarmed United States Navy personnel in Puerto Rico in December 1979, killing two and seriously wounding ten, and simultaneous attacks on presidential campaign quarters in New York and Chicago on March 15; and

Whereas informed sources, including the White House, the California Institute of International Studies at Stanford and Business International Research organization in New York, agree that there is a Soviet supported activity to train terrorists in Czechoslovakia, Iraq, Cuba, and Puerto Rico and to coordinate global plans to increase chaos and disintegration in the free world, whereby the power and authority of the United States is no longer respected;

Resolved, That the members of the National Society Daughters of the American Revolution, as individuals, urge the United States government either to close endangered American embassies or to take steps to insure the protection of United States diplomatic personnel and property and American citizens residing or traveling in foreign countries and to enforce sanctions against countries condoning such blatant violation of international law.

Legislation by the Judiciary

Whereas the Constitution of the United States of America provides for three independent and co-equal branches of government, Legislative, Executive and Judicial; and

Whereas the Federal Judiciary, particularly the Supreme Court, has espoused the secular humanistic philosophy of pragmatism-legal positivism, a philosophy which denies the existence of God and of inalienable rights granted by God to men and believes that the government, especially the Judiciary, is the sole source of law and rights; and

Whereas the Federal Judiciary, particularly the Supreme Court, has violated the principle of separation of powers by usurpation of legislative powers and has engaged in the making of public policy under the guise of merely interpreting the Constitution; and

Whereas James Madison, the "Father of the Constitution", Thomas Jefferson, Andrew Jackson and Abraham Lincoln stated that the Constitution clearly provides that each branch of the government has the right and duty to interpert the Constitution for itself;

Resolved, That members of the National Society Daughters of the American Revolution urge the members of Congress to curb the powers of the Supreme Court under the appellate jurisdiction of the court over which Congress has full authority under Article III, section 2 and to curb the powers of the lower federal courts under Article III, Section I of the Constitution of the United States of America.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Drinan (at the request of Mr. Wright), for May 12 and 13, on account of a necessary absence.

Mr. Rose (at the request of Mr. Wright), for this week, on account of serving as a delegate to the NATO Conference.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gudger) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Bonker, for 5 minutes, today.
Mr. Fascell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rudd, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $982.50.

(The following Members (at the request of Mr. Tauke) and to include extraneous matter:)

Mr. Ritter.
Mr. Rudd.
Mr. Symms in two instances.
Mr. Bob Wilson.
Mr. Courter.
Mr. Kindness.
Mr. Shuster.
Mr. Erlenborn.
Mr. Rousselot in two instances.

(The following Members (at the request of Mr. Gudger) and to include extraneous matter:)

Mr. Wolff.
Mr. Solarz.
Mr. Murtha.
Mr. Mathis.
Mr. Anderson of California in 10 instances.
Mr. Gonzalez in 10 instances.
Mr. Rodino in two instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Ms. Holtzman in 10 instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in five instances.
Mr. Jones of Oklahoma.
Mr. Simon in two instances.
Mr. Edgar in two instances.
Mr. Scheuer.
Mr. Bonker.
Mr. Stokes.
Mr. Hughes in two instances.
Mr. Ambro.

ADJOURNMENT

Mr. GUDGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 13, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4336. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of May 1, 1980, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–310); to the Committee on Appropriations and ordered to be printed.

4337. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on the status of certain budget authority proposed for rescission, but for which Congress failed to pass the necessary rescission bill; to the Committee on Appropriations.

4338. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing, transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army's National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4339. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2104(a), title 10, United States Code, to remove the requirement of 2 years remaining at an educational institution to be eligible for Senior Reserve Officers' Training Corps advanced training; to the Committee on Armed Services.

4340. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of converting the guard services function at the Naval Supply Center, San Diego, Calif., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96–107; to the Committee on Armed Services.

4341. A letter from the Director, Defense Security Assistant Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Switzerland (Transmittal No. 80–42), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4342. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during March 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

4343. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-181, to amend the District of Columbia Code to revise and modernize procedure relating to the administration and distribution of decedents' estates and for the proof of wills, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4344. A letter from the Secretary of Education, transmitting a draft of proposed legislation to suspend the application of certain provisions of the Higher Education Act of 1965 for 1 year; to the Committee on Education and Labor.

4345. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Switzerland (Transmittal No. 80-42), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4346. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the annual report of the Commission for calendar year 1979, pursuant to section 8 of the War Claims Act of 1948, as amended, and section 3(c) of the International Claims Settlement Act of 1949, as amended; to the Committee on Foreign Affairs.

4347. A letter from the Director of Administration, Department of Energy, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4348. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $4,760.72 in royalty overpayments to the Amoco Production Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

4349. A letter from the Secretary of the Interior, transmitting notice of the proposed repayment of excess gas royalties totaling $16,849 to the Placid Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

4350. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application from the State of Montana for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

4351. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting volume 2 of the Administration's third annual report, pursuant to section 57(a)(2) of the Federal Energy Administration Act, as amended; to the Committee on Interstate and Foreign Commerce.

4352. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission will be unable to render a final decision in No. 37315. *Coal, Colstrip, Kuehn, and Decker, Montana, to Superior, Michigan*, and No. 37316, *Rates on Coal, Decker and Kleenburn to Illinois and Indiana*, within the specified 7-month time limit, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

4353. A letter from the Secretary, Railroad Retirement Board, transmitting the first semiannual report of the Board on its activities under the Milwaukee Road Restructuring Act, pursuant to section 21(b) of the act; to the Committee on Interstate and Foreign Commerce.

4354. A letter from the treasurer, American Chemical Society, transmitting the annual report and audit of the organization for calendar year 1979, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

4355. A letter from the director, National Legislative Commission, the American Legion, transmitting statements of the organization's financial condition as of December 31, 1979, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

4356. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3102 of title 5, United States Code and section 7 of the Federal Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status; to the Committee on Post Office and Civil Service.

4357. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1979 on activities carried out under title XX of the Social Security Act, pursuant to section 2006 of the act; to the Committee on Ways and Means.

4358. A letter from the Comptroller General of the United States, transmitting a report on the need for a uniform strategy by the Department of Justice for prosecuting and investigating interstate property crimes (GGD-80-43, May 8, 1980); jointly, to the Committees on Government Operations and the Judiciary.

4359. A letter from the Secretary of Health and Human Services, transmitting the 13th annual report on medicare, covering fiscal year 1979, pursuant to section 1875(b) of the Social Security Act; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted May 9, 1980*]

Mr. WHITTEN: Committee on Appropriations. H.R. 7325. A bill making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes (Rept. No. 96-934). Referred to the Committee of the Whole House on the State of the Union.

[*Filed May 12, 1980*]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6940. A bill to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that act to assure the safety and nutrition of infant formulas; with amendments (Rept. No. 96-936). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 7153. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 and the Museum Services Act to extend the authorizations of appropriations contained in such acts, to amend the Arts and Artifacts Indemnity Act to make certain changes in the coverage provisions of such act, and for other purposes; with amendment (Rept. No. 96-937). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Resolution 655. Concurrent resolution disapproving the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing) transmitted to the Congress on May 6, 1980 (Rept. No. 96-938). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. House Concurrent Resolution 318. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act (Rept. No. 96-939). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. House Concurrent Resolution 319. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965 (Rept. No. 96-940). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

[*Omitted from the Record of May 9, 1980*]

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6899. A bill to revitalize maritime policy, reorganize certain Government agencies, and reform regulation of maritime affairs in the United States. Titles I, II, III, and V reported with amendments, and referred for a period ending not later than June 17, 1980, to the Committee on Foreign Affairs for consideration of such provisions of section 307 of the bill as introduced as fall within its jurisdiction under clause 1(h), rule XI, and to the Committee on the Judiciary for consideration of such provisions of the titles of the bill reported by the Committee on Merchant Marine and Fisheries as fall within its jurisdiction under clause 1(m)(16), rule XI (Rept. No. 96-935, pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOORHEAD of Pennsylvania:

H.R. 7326. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McDADE:

H.R. 7327. A bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 7328. A bill to amend title XIX of the Social Security Act to provide for comprehensive assessments and community-based services under medicaid; to the Committee on Interstate and Foreign Commerce.

By Mr. SAWYER:

H.R. 7329. A bill to authorize and request the President to present, on behalf of the Congress, a medal to each of the amateur athletes selected to be a member of the 1980 U.S. Olympic team to the Olympic games, and to authorize the striking of duplicate medals for public sale; to the Committee on Banking, Finance and Urban Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

455. By the SPEAKER: Memorial of the House of Representatives of the State of Missouri, relative to inflation; to the Committee on Banking, Finance and Urban Affairs.

456. Also, memorial of the Legislature of the State of Arizona, relative to Federal regionalization of local, State, and Federal Governments; to the Committee on Government Operations.

457. Also, memorial of the Senate of the State of Iowa, relative to sulfur air quality studies and standards; to the Committee on Interstate and Foreign Commerce.

458. Also, memorial of the Legislature of the State of Arizona, requesting that Congress call a convention for the purpose of proposing an amendment to the Constitution of the United States to prohibit Congress or the President or any Federal agency from withholding, withdrawing, or threatening to withhold or withdraw any Federal funds from any State as a means of imposing or implementing Federal policies; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 67: Mr. JENRETTE.

H.R. 652: Mr. JENRETTE.

H.R. 4646: Mr. YOUNG of Alaska.

H.R. 5076: Mr. ARCHER.

H.R. 6619: Mr. WILLIAMS of Montana.

H.R. 6964: Mr. VENTO, Mr. FISHER, and Mr. RITTER.

H.R. 7085: Mr. BINGHAM, Mr. DOUGHERTY, Mr. GARCIA, Mr. HUTTO, and Mr. STOKES.

H.R. 7106: Mr. HANLEY.

H.R. 7153: Mr. RICHMOND.

H.R. 7230: Mr. PEASE.

H.J. Res. 379: Mr. SOLARZ, Mr. MONTGOMERY, Mr. EMERY, Mr. GINN, Mr. COURTER, Mr. ROTH, Mr. FORSYTHE, Mr. DOWNEY, Mr. DIGGS, Mr. MOTTL, Mr. GRADISON, Mr. KEMP, Mr. ASPIN, Mr. GILMAN, Mr. COELHO, Mr. JONES of North Carolina, Mrs. HOLT, Mr. HYDE, Mr. EDWARDS of Oklahoma, Mr. PHILLIP BURTON, Mr. GRAY, Mr. ANDERSON of California, Mr. MCCLOSKEY, Mr. PETRI, Mr. DUNCAN of Tennessee, Mr. BROWN of California, Mr. PREYER, Mr. FROST, Mr. COTTER, Mr. EVANS of Georgia, Mr. HANSEN, Mr. PURSELL, Mr. FLORIO, Mr. BRODHEAD, Mr. BLANCHARD, Mr. MAZZOLI, Mr. CORMAN, Mr. ROSE, Mr. GRISHAM, Mrs. BYRON, Mr. EDWARDS of California, Mr. STENHOLM, Mr. RINALDO, Mr. EVANS of the Virgin Islands, Mr. DODD, Mr. FINDLEY, Mr. RICHMOND, Mr. BRADEMAS, Mr. DORNAN, Mr. WOLPE, Mr. LEDERER, Mr. VENTO, and Mr. WIRTH.

H. Con. Res. 323: Mr. JENKINS, Mr. WOLPE, and Mr. GARCIA.

PETITIONS, ETC.

Under clause 1 of the rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

347. By the SPEAKER: Petition of J.R. Short, Jr., Chicago, Ill., relative to proposed amendments to the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

348. Also, petition of Robert J. McManus and others, Boston, Mass., relative to the Conrail System; to the Committee on Interstate and Foreign Committee.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6974

By Mr. SKELTON:

TITLE VII—CIVIL DEFENSE

—On page 16, immediately after line 8 insert the following new section:

SEC. 704. The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 through 2297), is amended—

(1) by adding after title IV the following new title:

"TITLE V—ENHANCED PROGRAM FOR THE 1980's

"FINDINGS AND DETERMINATIONS

"SEC. 501. (a) The Congress finds that—

"(1) a program providing for relocating the population of the larger United States cities, and other risk areas, during a period of strategic warning resulting from an international crisis can be highly effective in reducing losses, and cost less than alternative programs;

"(2) the present civil defense program is inadequate; and

"(3) a new civil defense program can be developed immediately which, with only a modest increase in resource allocation, can enhance the civil defense capability of the United States.

"(b) The Congress determines that a new civil defense program should be implemented—

"(1) to significantly enhance the survivability of the American people and its leadership in the event of nuclear war and thereby to improve the basis for eventual recovery and to reduce the vulnerability to a major attack;

"(2) to enhance deterrence and stability, to contribute to perceptions of the overall strategic balance and crisis stability, and to reduce the possibility that the United States could be coerced by an enemy in times of increased tension;

"(3) to not suggest any change in the United States policy of relying on strategic nuclear forces as the preponderant factor in maintaining deterrence; and

"(4) to include planning for population relocation during times of international crisis which are adaptable to deal with natural disasters and other peacetime emergencies.

"PROGRAM ELEMENTS

"SEC. 502. To carry out section 501, the President shall develop and implement a civil defense program which includes—

"(1) nuclear civil protection planning for rapid population relocation during times of international crises;

"(2) nuclear civil protection planning for inplace protection during times of international crises;

"(3) a survey of the shelter inherent in existing facilities;

"(4) planning for the development of additional crisis shelter, of capabilities for shelter management, of the marking and stocking of shelters, and of ventilation kits for shelters;

"(5) the development of emergency evacuation plans in areas where nuclear powerplants are located;

"(6) the improvement of warning systems;

"(7) the improvement of systems and capabilities for the direction and control of emergency operations by civil governments at all levels, including development of a distributed survivable network of emergency operating centers;

"(8) the improvement of radiological defense capabilities;

"(9) the improvement of emergency public information and training programs and capabilities;

"(10) the development of plans for postattack or postdisaster economic recovery;

"(11) the improvement of systems and capabilities for building stockpiles of food, medicine, and other essential life-support materials;

"(12) the improvement of and training in self-help nuclear war survival skills;

"(13) research and development; and

"(14) the development of such other systems and capabilities as are necessary to realize the maximum lifesaving potential of the civil defense program.

"ADMINISTRATIVE PROVISIONS

"SEC. 503. The powers contained in titles II and IV of this Act shall be used in developing and implementing section 502."; and

(2) by adding at the end of the table of contents the following:

"TITLE V—ENHANCED PROGRAM FOR THE 1980's

"Sec. 501. Findings and determinations.
"Sec. 502. Program elements.
"Sec. 503. Administrative provisions.".

SENATE—*Monday, May 12, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. CARL LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, in whom our fathers trusted and in whom we trust, since in Thy mercy Thou hast brought us safely to the beginning of another week, we offer to Thee all that we are or hope to be. May Thy completeness surround our incompleteness, Thy strength support our weakness, Thy divine wisdom guide our human minds. Give us the manhood of the Master. Grant us greatness of spirit to match the magnitude of our labors. And here we would offer to Thee life's highest gift—our lives, by Thy mercy made clean, strong, and trustworthy in the service of the Nation.

We pray in His name who came not to be ministered unto, but to minister. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 12, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, I thank the majority leader.

GENOCIDE: TO DENY IT EXISTS IS THE GREATEST INJUSTICE

Mr. PROXMIRE. Mr. President, as World War II progressed, American newspapers carried daily reports about the death camps, mass deportations, and slaughter of European Jews. But rather than face the unpleasant and horrifying truth about these Nazi atrocities, America—like the rest of the free world—chose to deny what was really happening.

How could we read and know of such terror and still ignore what was happening to millions of human beings? And yet, how could we be expected to believe what the Jews themselves found difficult to comprehend?

The reason is simple. It is easier to deny or distort something which is upsetting rather than face the harsh realities. This is hardly new. Denial is one of the oldest psychological defenses used by man. The danger is that, in denying that a problem exists, we deny ourselves the opportunity of safeguarding against its reoccurring.

Elie Wiesel once said of the victims of the holocaust that the Nazis had killed them twice—first by destroying their bodies and then by denying they had done so.

This kind of denial is still true today. Despite volumes of evidence which document the program of mass murder carried out by the Nazi regime, efforts are still being made today to deny the validity of the holocaust—claiming that it never happened.

But the holocaust did happen. And it can happen again.

Even today, we hear continuing allegations of genocide in countries around the world.

Mr. President, we are indeed foolish if we allow ourselves to forget the harsh lessons of the holocaust. We must be ever vigilant to prevent this horrible crime of genocide. We must act now to ratify the Genocide Convention to insure that this most dreadful crime against humanity never again happens on this Earth.

I thank my good friend, the majority leader, and yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized for not to exceed 5 minutes.

Mr. STEVENS. Mr. President, I yield back the remainder of our time.

FIRST CONCURRENT BUDGET RESOLUTION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 86, which will be stated by title.

The legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 86) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

The Senate resumed consideration of the resolution.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against both sides on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the specificating of the amendments on last Thursday night was not intended to waive any point of germaneness under the law. I just want to be sure that there is that understanding, to wit, that the specifying of amendments by name was not intended to waive points of order relative to germaneness.

Is that the Chair's understanding?

The ACTING PRESIDENT pro tempore. That is the Chair's understanding.

Mr. ROBERT C. BYRD. I thank the Chair.

It was the intent that no point of order be waived merely because the agreement was reached.

This time agreement, under which the Senate is operating at this time, is one that is in the law itself.

So I hope that there will be that clear understanding that the amendments specified will not by virtue of that alone be in order if otherwise they are not germane.

Mr. President, I understand that the distinguished Senator from Connecticut (Mr. WEICKER) is on his way.

At the beginning of the day I do not want to have the time charged for a quorum call against his limited time on the first amendment which he will call up.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECESS UNTIL 9:18 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 9:13 a.m., recessed until 9:18 a.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. LEVIN).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 86).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be equally charged against the time on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Senator LEVIN be added as a cosponsor of amendment No. 1712.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized to call up three amendments, on each of which there shall be a limitation of 30 minutes.

AMENDMENT NO. 1712

(Purpose: To provide for increases in function 550, health)

Mr. WEICKER. Mr. President, I call up, for myself and Senator LEVIN, amendment No. 1712 and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER), for himself and Mr. LEVIN, proposes amendment numbered 1712.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

On page 2, line 17, strike "$687,900,000,000" and insert in lieu thereof "$688,300,000,000".

On page 2, line 22, strike "$612,900,000,000" and insert in lieu thereof "$613,100,000,000".

On page 2, line 23, strike "$687,200,000,000" and insert in lieu thereof "$687,400,000,000".

On page 8 line 9, strike "$70,900,000,000" and insert in lieu thereof "$71,300,000,000".

On page 8, line 10, strike "$61,900,000,000" and insert in lieu thereof "$62,100,000,000".

On page 8, line 13, strike "$70,800,000,000" and insert in lieu thereof "$71,000,000,000".

On page 12, line 2, strike "$653,700,000,000" and insert in lieu thereof "$653,800,000.000".

On page 13, line 22, strike "$59,800,000,000" and insert in lieu thereof "$59,900,000,000".

Mr. WEICKER. Mr. President, this amendment will increase the budget authority in health function (550) by $100 million in fiscal year 1980 and $400 million in fiscal year 1981 to provide funding for programs now threatened with drastic cutbacks or elimination.

In an effort to minimize expenditures in fiscal year 1980, and balance the fiscal year 1981 budget, the administration has proposed several reductions in many health related programs vital to the future needs of the American people. Many programs have been either level funded, which, at this time of inflation, realistically means an 18 percent cut, or funded below levels required to compensate for inflation. Clearly, cutbacks in these programs, which represent the most significant investment made by a government in its people, will hurt the many Americans who directly depend on these benefits. Of equal importance in this time of fiscal restraint is the fact that by jeopardizing the effects of these programs now, we will be faced with greater problems and higher costs in the years to come.

Although the Budget Committee does not "line item" programs, their budgetary assumptions take into account potential savings recommended in the President's budget request. The administration's proposal provides no room in the health function for essential governmental health care services. The purpose of my amendment is to provide sufficient flexibility for funding of programs not assumed in the Budget Committee's recommendations.

Approximately 85 percent, or $50 billion, of the health function is "uncontrollable," leaving little room for the remaining discretionary programs. Although this amendment will not specifically earmark funds for certain programs, it is predicated on the necessity of providing room in the budget for programs now targeted for critical reduction or elimination.

As a member of the Senate Appropriations Committee, and specifically the Labor-HEW Subcommittee, I am quite concerned about those programs adversely affected by the President's revised request and by the Senate Budget Committee's assumptions for the Health Function. The Appropriations Committee does not have the luxury of "assuming" budgetary ceilings but acts on the realities of appropriating funds for specific line item programs. It is not difficult to assume budgetary savings but it is difficult to translate those savings into reduced health care services for the poor, the underserved, and the aged of this Nation.

My amendment assumes increases in several programs which I feel represent important Federal priorities in health care. It is important to note, however, that my amendment does not include all of the important programs but allows for room and provides flexibility for the determination of those priorities.

I would like to bring to the attention of my colleagues some of the programs now threatened with cutbacks.

First. Mental health. There is a need for a strong Federal commitment to mental health training, planning and services. Inflation has effectively cut the researching and training budgets for mental health programs by 60 percent. My amendment would provide for an increase in budget authority of $39.1 million over the President's revised budget request for fiscal year 1981 in mental health training, to compensate for inflation, and would reinstate the administration's original January request of $12.1 million for formula grants to the States.

Second. Alcoholism and drug abuse. The economic cost of the effects of alcoholism and drug abuse is over $53 billion a year. Yet the budget does not adequately address the need for programs for the prevention and treatment of either alcoholism or drug abuse. My amendment would provide for funding of these programs, including State efforts and community programs designed to reduce the incidence and social costs of these diseases. It assumes an increase in budget authority of $40.0 million over the President's revised budget request for fiscal year 1981 for project grants and contracts and an increase of $25.0 million for formula grants to be made available both for drug abuse and alcoholism programs. By making this minimal amount of funds available, we will offset the tragic drag on our economy caused by alcoholism and drug abuse.

This program brings back far more in the way of earnings and taxes resulting from those earnings than anything that can possibly be laid out in the way of Government expenditures.

Third. Community health centers. Funds for this program are used to develop and support ambulatory health care services in urban and rural medically underserved areas where health resources are scarce or nonexistent. Existing programs serve only 10 percent of the eligible population, leaving nearly 50 million Americans without adequate quality health care. My amendment would provide for an increase in budget authority of $39 million, for a total fiscal year 1981 program level of approximately $384 million. Mr. President, this level is necessary to help provide millions of Americans with the health care they deserve.

Fourth. Health professional education. It is estimated that the average medical school tuition will exceed $16,500 this year. Children of lower- and middle-income families have been disappearing from medical schools. Capitation grants from the Federal Government have helped to offset rising institutional costs which have increased tuition. Yet, the budget resolution would drastically reduce these grants. My amendment would enable the restoration of the proposed $81 million fiscal year 1980 rescission for capitation grants and assumes an increase in fiscal year 1981 of $50 million over the President's revised request.

Fifth. Nursing. Public hospitals are literally begging for nursing services. My amendment assures continued support for nurse research and training programs. It would restore the proposed $28.7 million fiscal year 1980 rescission for nurse capitation grants and research and would increase budget authority in fiscal year 1981 by $74.5 million for capitation grants, training, and research.

Sixth. National Institutes of Health. NIH performs research in the areas of mental health, heart and lung disease, child development and cancer, and many others. Yet, program support for NIT dropped by approximately $90 million between the President's original January request and his revised budget. My amendment seeks to restore $50 million in budget authority for NIH to be used primarily for research and training grants.

Mr. President, as I have stated previously, this amendment does not specifically earmark funds for the programs just outlined. The amendment merely calls attention to programs which represent investments that we have all fought for and which have proven successful. Most importantly, my amendment stresses the need for flexibility in the budget process in order to best determine our program priorities.

Mr. President, lacking a consistent energy policy, we are forced to ration gasoline by price, and thus penalize those least capable of paying the price. Let us not, in the name of a balanced budget, ration health care services to the people in this nation who can least afford to pay the price.

In conclusion, Mr. President, it must be clear what is being achieved in the course of the debate on this budget resolution. By the time we are through, only a handful of Americans will be able to afford the benefits, the bounty, and the opportunities of this Nation. Even now, as I stand on the floor of this Chamber, only 3 percent of Americans can afford to buy a house. Yet, the Senate, on Thursday, rejected Brooke-Cranston.

In regards to education, another amendment which was, again, rejected on Thursday, many, many Americans will lose the opportunity for an education, either in the sense of vocational education or in the sense of college or graduate school. Many of those who are the most disadvantaged, the retarded, the physically disadvantaged, or the crippled will lose any opportunity to broaden their horizons.

Now we come to the business of health care and, following this amendment, an amendment concerning rental housing for the poor of this Nation, followed after that by an amendment to reduce defense spending.

But, first, it must be clear what is involved in this budgetary process. My good friend from Oregon, Senator HATFIELD, stated the other day that the true strength of a nation lies in the quality of life of its citizenry. The true strength of this Nation actually resides in our people, not in the weapons systems which we manufacture.

I think what is at issue here today is very much the security of the United States. Because without shelter, without education, without the opportunity for a job, without health, it is more than a little difficult to get up there and sing the Star Spangled Banner at the top of your lungs or to recite the Pledge of Allegiance to the Flag.

According to this budget, you can buy the security of the United States, I say to my good friends from South Carolina and Oklahoma—buy the security of the United States.

I only point out to my good friends that the Shah's army was the finest money could buy. There was only one problem with it: No one who was in the army wanted to pull the trigger or drive the tank or fly the plane because nobody was motivated.

The security of the United States resides in its people. That means a motivated people. To achieve a political slogan which has nothing to do with inflation in the year 1980—nothing—or 1981, at the expense of the American people, clearly, in my mind diminishes the security of the Nation.

I propose that what is being done in this body is nothing less than inflationary because we are postponing or deferring the costs. It is illusory and therefore is a fraud. But the coinage for all this is still going to be in human lives and the diminishing of the quality of life for those human beings. So it is not without its price.

Mr. President, I hope that this amendment will pass. Realistically, it probably will not. But at least let us have the record straight, because I think when we act on this floor we always must look forward, not to the next election, but way beyond that. It might be that in this balanced budget hysteria, there are those who will win their elections. But in the process, believe me, the spirit of the Nation will be lost.

That is a bad trade in my book.

Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, once again I must rise in opposition to the amendment of the Senator from Connecticut. I dislike doing this, of course, because of the high respect I have for my colleague from Connecticut.

But the main reason we have to oppose this amendment is that it unbalances the budget, it creates a deficit of $200 million in fiscal year 1981.

Mr. President, we are going into the last day of debate on this budget resolution. This has been a long process, with debates from early in the morning until late at night all last week. And the Senate has withstood all of the onslaughts because this is the Senate's budget resolution. It is up to the Senate to discipline itself and to balance the budget.

There is no question that an overwhelming majority of the Senate do not believe that balancing the budget is a fraud. Rather, they believe it is a sincere attempt, and a definite plan, to bring spending under control, reduce the deficit for this year, and avoid one for next year.

Now, on a Monday morning, we have an amendment that would create a deficit of $200 million for fiscal 1981.

I, as well as any other Member in this body, am familiar with the tight budget we are recommending for discretionary health programs. Yet, it is not so tight. I serve on the Labor/HEW Appropriations Subcommittee. I have heard the program advocates, time and time again, tell us about the benefits and results of these programs. I very genuinely believe them.

But there comes a time, Mr. President, when we have to seriously examine both the costs and the benefits of the multitude of programs involved. Are we getting our money's worth? Have some of these programs outlived their usefulness? Are some of these activities more truly State and local responsibilities?

Take, for example, health manpower funding. This is an area in which the Federal Government has pumped hundreds of millions of dollars for student subsidies and construction grants over the last decade. But what have we achieved with all of this spending?

Well, for one thing, we have created a surplus of physicians, but still have more than 27 million Americans living in medically underserved areas. These untargeted subsidies, which we and the President are recommending to be cut, have obviously done little to get physicians into the rural and low-income areas of our country. Does it make any sense, Mr. President, that we are subsidizing the education of a $400,000 a year surgeon when millions of our citizens do not even have one family doctor living in their town?

Further, Mr. President, it is asserted that the cuts we are recommending will put a medical education out of the reach of low- and middle-class students. But let us look at a few of the facts.

First of all, the average medical school tuition in this country is not outrageously high. It is comparable to an undergraduate education—$2,000 per year in public universities, $7,000 per year in private universities.

When my colleague mentioned that medical school cost $16,000 per year, I looked at data provided by the Association of American Medical Colleges. It shows that tuition in public medical schools averages $1,921 yer year, in private medical schools $6,908 per year. This is a far cry from the $16,000 a year mentioned earlier.

Also, the subsidies we are eliminating are small—approximately $600 a year for medical students, $200 per year for nursing students. Surely, students could absorb these costs through one or more of the multitude of Federal education aid programs now available.

What all this evidence says to me is that we should not be pouring more money into unnecessary, untargeted subsidies. Instead we should be shifting our focus to solving the problems we have today—getting more doctors in rural and inner-city areas, and getting more physicians into family and general practice.

And we have just such a program, Mr. President, in the National Health Service Corps. Here, clinics are established in medically underserved areas and physicians and nurses serve in them in exchange for scholarship aid. These are the type of targeted programs that should be expanded, and which are not being cut in our recommended budget.

Health research is another difficult area. But surely the National Institute of Health and other research agencies can tighten their belts and live within last year's spending levels. That is all we are asking them to do, and we think they can do it. We are just asking them to hold the line. We are not asking them to retrench.

Now let us look at what has happened, generally speaking, with function 550, health. The actual appropriation was $27.6 billion in 1975. Last year, it was $49.6 billion, and for the present year, 1980, it is $56.5 billion. In fiscal year 1981 we are recommending $61.8 billion. So we have, from 1975 to 1981, a 124-percent increase. I should not use the expression "tighten the belt" with that kind of an increase.

In fact, 1981 over 1980, gives us an increase of over 9 percent. But they say now that they need more. They want to throw the budget out of balance with an additional $200 million for discretionary health. But looking at the outlay figures for these programs, we see that they have grown rapidly: 1975, $6 billion, 1976, $7.1 billion, 1977, $7.4 billion, 1978, $7.8 billion 1979, $8.1 billion, and 1980 $8.7 billion.

So it has grown by leaps and bounds for an increase of 47 percent. With such growth, who can say the Budget Committee, the Appropriations Committee, or the authorizing committees have not been doing their job.

Mr. President, there are several hundred discretionary health programs in this function. They have all developed a momentum of their own. They have all developed powerful lobbyists of their own. Indeed, the 58-percent increase in appropriations over the last 5 years testifies to their strength. But until we say stop, until we start to ask if we are getting our money's worth, this unrestrained growth will continue.

And that is what the Budget Committee recommendation is saying—let us hold the line, let us eliminate the unnecessary, let us refocus our resources to aid the truly needy. To do any less is to ignore the Nation's economic health. For these reasons, I urge my colleagues to vote against this amendment.

Mr. WEICKER. Mr. President, in response to the distinguished Senator from South Carolina, I will make several points.

First of all, the Senator keeps talking about busting the budget. He says we have to say "stop." I ask my distinguished colleagues on the committee, have we said "stop" to the defense budget? Have we said "stop?"

What are we going to do with unemployment and the great assumptions made by the Budget Committee? I ask, what is the assumption for unemployment? Will we say "stop" paying compensation benefits, if it means we will unbalance the budget, will we say "stop?"

What are the assumptions made by the Budget Committee when it comes to energy? Are you going to say, "No, we are going to continue a balanced budget, so there is going to be no money in the budget for the increased costs imposed upon us by OPEC?"

The problem is that this body did not say "stop" to OPEC. That is the cause of our inflation. They do not say "stop" to defense spending—and we will get to that in a minute—which is the most inflationary spending of all. Regardless of whether it is good or bad, nobody will debate the fact that it is inflationary.

Eighty-five percent of the health budget is uncontrollable. It is not even up for debate here, and this little, narrow 51 percent which represents all the discretionary programs is getting zapped.

For example, alcoholism and drug abuse: The distinguished Senator from South Carolina said my amendment will bust the budget with $200 million. We lose $53 billion, $53 billion from drug abuse and alcoholism alone. How about that one for budget-busting? That is what goes out of the gross national product. But we are not going to invest $200 million. We would rather lose $53 billion, than invest $200 million in good programs.

No one knows about the $53 billion, just as no one knows about the $18 billion off budget, so you are not going to balance the budget, anyway.

I do not want to hear about busting the budget. What is being done here is guaranteed to bust the budget in 1982, 1983, and 1984. It is not balancing this year's budget, and it is not licking inflation. We will pay the price; if not today, tomorrow.

The PRESIDING OFFICER (Mr. EXON). The time of the Senator from Connecticut has expired.

Mr. WEICKER. I yield the floor.

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. HOLLINGS. I yield.

Mr. BELLMON. Mr. President, the Weicker amendment points out dramatically the dilemma facing Congress. There obviously is much in our society which remains to be done.

The Senator has talked about four areas, all of which I think every Member of the Senate strongly supports. One is health education. Another is the problem of alcohol and drug abuse. Another is the difficulty in treating mental health problems. The fourth deals with community health centers.

The fact is that for the last 20 years, Congress has been trying very hard to deal with the social programs. As a result, we have run up 19 deficits.

We are now facing inflation that is moving up toward 20 percent. Our problem is that we have to begin to bring Federal spending in line with our revenues. While I agree with the Senator from Connecticut that 1 year will not stop inflation, unless we get started in that direction, we are going to find inflation absolutely beyond tolerable levels. In fact, it already has reached that condition.

We are not trying to select out any program and abolish it. We are trying to exercise restraint across the board, and this function has to be treated the same as the others. Inflation is making it difficult for Americans to buy homes and to pay for education and to afford health care.

The resolution, in my opinion, treats health care fairly. In addition, it may have another beneficial effect, and that is that it may cause those who manage these programs to give serious consideration to ways of making the programs more efficient in utilizing the resources available.

There were several GAO reports that were reviewed in 1979, and I should like to take a moment to review some of the problems GAO found in these various programs.

The 1974 report and the 1979 report found that the community mental health centers were inadequately pursuing third-party reimbursement and that they were not being provided results of evaluation contracts.

The GAO report made first in 1977 and then reviewed in 1979 found that in community services for the mentally disabled, institutional services were used in many cases when not required by the condition of those being placed. The 1979 GAO report found that this problem still existed.

The 1978 GAO report on neighborhood health centers, which was reviewed in 1979, found that HEW was not adequately enforcing compliance with physicians staff productivity criteria, that HEW control of overhead charged to HEW grants was inadequate, and that health center promotion of preventive health services was inadequate.

It was found that the Alcohol, Drug Abuse, and Mental Health Administration spent 65 percent more, $100 million, on contract evaluations and consultant fees than it spent on direct staff. Mr. President, that is a remarkable finding—that is, that 65 percent more was spent on contract evaluations and consultant fees. There is something here that can stand some improvement.

Also, it was found that the community health centers program has received an increase of 45 percent since 1978.

So, Mr. President, the conclusion must be that Congress has tried hard, and with some success, to meet the needs by the programs it has enacted and funded.

For example, in 1976, the outlays for mission 1, exclusive of medicare and medicaid, of the health function were $2,038,000,000. In 1981, they were $4,095,-

000,000, an increase of 73 percent in 5 years. That is an average of 15 percent per year.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

One minute remains on the time of the Senator from South Carolina.

Mr. HOLLINGS. I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, this budget includes a 7.7-percent increase in the health service areas covered by this amendment between 1980 and 1981, so it is not fair to say that we have tried to balance the budget in this one function alone. We have treated it as we have treated the others and have provided for a reasonable increase. If the administrators will use some judgment as to how they use the funds, they will continue to expand their services.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

I move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will be held later in the day.

The Senator from Connecticut is now recognized.

UP AMENDMENT NO. 1078

(Purpose: To provide room in Function 600: Income Security for funding of the HUD Section 8 program)

Mr. WEICKER. Mr. President, I send to the desk, for myself, Mr. MOYNIHAN, and Mr. WILLIAMS, an amendment, and I ask for its immediate consideration. This amendment is the same as printed amendment No. 1715, with only changes to correct a misprint.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER), for himself, Mr. MOYNIHAN, and Mr. WILLIAMS, proposes an unprinted amendment numbered 1078.

Mr. WEICKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike "$687,900,000,000" and insert in lieu thereof "$692,800,000,000".

On page 2, line 18, strike "$759,300,000,000" and insert in lieu thereof "$768,100,000,000".

On page 2, line 19, strike "$831,500,000,000" and insert in lieu thereof "$843,900,000,000".

On page 2, line 23, strike "$687,200,000,000" and insert in lieu thereof "$687,300,000,000".

On page 2, line 24, strike "$753,300,000,000" and insert in lieu thereof "$753,700,000,000".

On page 8, line 19, strike "$245,300,000,000" and insert in lieu thereof "$250,200,000,000".

On page 8, line 23, strike "$277,200,000,000" and insert in lieu thereof "$286,000,000,000".

On page 8, line 24, strike "$246,700,000,000" and insert in lieu thereof "$246,800,000,000".

On page 9, line 2, strike "$304,400,000,000" and insert in lieu thereof "$316,600,000,000".

On page 9, line 3, strike "$271,900,000,000" and insert in lieu thereof "$272,300,000,000".

Mr. WEICKER. Mr. President, the purpose of this amendment is to provide for funding of 300,000 units of section 8 subsidized private rental housing and public housing in fiscal year 1981. Although the amendment would require budget authority, there would be no outlays in fiscal year 1981. In short, this amendment would not bust the budget.

The section 8 program provides rent subsidies to some of the poorest members of our society. It allows them to live in privately owned rental housing by paying 25 percent of their income toward rent with the Government paying the remainder.

Current HUD estimates indicate that the Nation needs approximately 550,000 to 600,000 units a year to meet the demand for multifamily rental housing and replace losses to the stock. However, production is falling far short of that mark—ranging only from 170,000 to 300,000 annually. In addition, the stock of rental units—both single-family and multifamily units—is actually shrinking, as more units are lost to abandonment, demolition, and conversion than are built to replace them.

Mr. President, by cutting 64,000 units out of the President's fiscal year 1981 request, the Senate is not only turning its back on those in need of housing assistance but it is also failing to live up to its commitment to provide decent housing for all Americans.

In 1968 Congress estimated that production of 600,000 units of subsidized housing for each of the following 10 years was needed to meet national housing needs. This goal was never met. Instead, this goal was lowered to 400,000 units in the early 1970's. Now we are faced with a proposal which would set this figure near the 200,000 mark.

As we begin the decade of the 1980's it has been widely recognized that the country is experiencing a crisis in the rental housing market. The dynamics of this crisis illustrate its seriousness.

In 1979, the national rental vacancy rate dipped to 4.8 percent. This was the lowest rate since the Bureau of the Census began compiling these figures.

In addition, the GAO reports that since 1978, 230,000 rental units have been converted into condominiums. Countless other units have been lost each year through abandonment and demolition.

Increasingly, high maintenance and repair cost, escalating heating bills, and rent control are becoming responsible for the rising trend in apartment abandonments, foreclosure, and conversions.

Our national rental housing stock is rapidly becoming old, deteriorated, and short in supply. HUD has estimated that some 6.3 million American renters are living in physically deficient housing. Another 1.2 million are living in overcrowded conditions.

Mr. President, there is presently a greater need for rental housing than this country has seen in recent memory. HUD has estimated that in 1979 some 10 million lower income renter households were in need of housing assistance. These people are either living in substandard housing, overcrowded conditions, or pay more than 25 percent of their incomes for rent.

In addition, the demographics of the American population show that the number of elderly families will progressively increase over the next decade. Furthermore, a large portion of this population will have sufficiently low incomes that they can be decently housed only if they receive housing assistance.

At present, needy Americans are living in some 800,000 units of existing section 8 housing. It is also rehabilitating deteriorated and abandoned units making them useful again. Without this program the multifamily sector of the housing construction industry would be virtually dormant.

Mr. President, as the cost of homeownership continues to rise, it will prevent numerous renters from becoming homeowners. And where only 3 percent of the Nation can afford to buy a house now, we are not going to have any alternative in terms of renting. Rental housing is the only alternative under these circumstances, and it is not available.

Unless we continue to support the Federal effort to build new rental units and rehabilitate deteriorating stock we cannot come close to easing this crisis. Section 8 is the vehicle through which the Government can provide the greatest assistance. This is why the full 300,000 units of section 8 and public housing should be funded in fiscal year 1981. Without it, our Nation will be further away from achieving its 1949 goal of providing a home in a suitable living environment for all American families within their financial means.

Mr. President, I ask unanimous consent that a table showing for each State the number of assisted housing units which are estimated to be provided in 1980, the number which would result under the Senate Budget Committee's assumptions and the number which would be provided under my amendment, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ILLUSTRATIVE ALLOCATIONS OF SECTION 8 AND PUBLIC HOUSING UNDER ADMINISTRATIVE AND SENATE BUDGET COMMITTEE LEVELS, COMPARED TO ESTIMATED LEVEL THIS YEAR

These projections are illustrative only. They are based on average of 1976–79 reservations for Section 8 and the 1977–79 average for public housing. 1980 and 1981 estimates are percentages of these averages, reflecting the lower program levels. The reason for using averages is that state figures fluctuate considerably from one year to the next and HUD allocates only 80 percent of its funds at the beginning of the year.

		1981	
	1980 estimate	Administration (Weicker) request	Senate Budget Committee
Alabama	3, 440	4, 049	3, 010
Alaska	751	884	657
Arizona	2, 425	2, 854	2, 122
Arkansas	2, 467	2, 904	2, 159
California	25, 578	30, 105	22, 381
Colorado	2, 318	2, 728	2, 028
Connecticut	3, 671	4, 321	3, 212

		1981	
	1980 estimate	Administration (Weicker) request	Senate Budget Committee
Delaware	590	694	516
Florida	8, 052	9, 477	7, 046
Georgia	6, 019	7, 084	5, 267
Hawaii	1, 090	1, 283	974
Idaho	762	897	667
Illinois	8, 820	10, 381	7, 718
Indiana	4, 514	5, 313	3, 950
Iowa	2, 620	3, 084	2, 293
Kansas	1, 807	2, 127	1, 581
Kentucky	4, 423	5, 206	3, 870
Louisiana	3, 376	3, 974	2, 954
Maine	1, 973	2, 322	1, 726
Maryland	4, 625	5, 444	4, 047
Massachusetts	7, 382	8, 689	6, 459
Michigan	7, 355	8, 657	6, 436
Minnesota	5, 212	6, 135	4, 560
Mississippi	2, 644	3, 112	2, 314
Missouri	5, 287	6, 223	4, 626
Montana	886	1, 043	775
Nebraska	1, 379	1, 624	1, 207
Nevada	869	1, 023	760
New Hampshire	1, 006	1, 184	880
New Jersey	8, 292	9, 760	7, 255
New Mexico	1, 423	1, 675	1, 245
New York	30, 814	36, 268	26, 962
North Carolina	5, 924	6, 972	5, 183
North Dakota	894	1, 052	782
Ohio	10, 962	12, 902	9, 592
Oklahoma	3, 451	4, 062	3, 020
Oregon	2, 817	3, 316	2, 465
Pennsylvania	10, 353	12, 185	9, 059
Rhode Island	1, 833	2, 157	1, 604
South Carolina	2, 914	3, 430	2, 550
South Dakota	1, 116	1, 314	977
Tennessee	3, 937	4, 634	3, 445
Texas	11, 321	13, 325	9, 906
Utah	781	919	683
Vermont	589	693	515
Virginia	5, 012	5, 899	4, 395
Washington	3, 526	4, 150	3, 085
West Virginia	2, 208	2, 599	1, 932
Wisconsin	5, 065	5, 962	4, 432
Wyoming	311	366	272
District of Columbia	1, 005	1, 183	879
Guam	248	292	217
Puerto Rico	4, 230	4, 979	3, 701
Pacific Islands	7	8	6
Virgin Islands	27	32	24
Total	240, 401	282, 952	210, 350

National Low Income
Housing Coalition,
Washington, D.C., December 12, 1979.
President Jimmy Carter,
The White House,
Washington, D.C.

Dear Mr. President: The National Low Income Housing Coalition, and the undersigned 66 national and 448 state and local organizations from all fifty states are deeply concerned at reports that the Office of Management and Budget is recommending that your 1981 budget make significant cuts in low income housing programs. We urge you to reject any such recommendations.

In a time of rapidly rising housing costs for low income people, and the lowest level of vacancy rates in rental housing ever recorded, it is imperative that low-income housing programs be expanded and the "moratorium by attrition" on low income housing which your Administration has previously imposed, as successive budgets have reduced the number of assisted units, be lifted.

We urge you to increase the number of assisted units provided through HUD's Section 8 and public housing programs and the low income programs of the Farmer's Home Administration substantially above this year's level. In addition, we urge you to provide the flexible and operating subsidies needed to operate present projects for low income people. Finally, we urge you to continue to respect the process which has been built up during the past three years of providing that local communities, who know their own housing situations best, determine the most appropriate mix between new, rehabilitated, and existing units.

Representatives of the Coalition and other national organizations signing this letter would be pleased to meet with you to discuss our concerns further before you make your final decisions on this most important matter.

Sincerely yours,
Edward W. Brooke,
Chairperson.

For the following national organizations:

American Association of Homes for the Aging.

American Friends Service Committee.

Americans for Democratic Action.

American Society of Consulting Planners.

Anti-Defamation League of B'nai B'rith.

Board of Church and Society, United Methodist Church.

Building and Construction Trades Department, AFL-CIO.

Center for Comunity Change.

Center for National Policy Review.

Church of the Brethren, Washington Office.

Consumer Federation of America.

Council of Jewish Federations and Welfare Funds.

Council of State Community Affairs Agencies.

Council of State Housing Agencies.

Environmentalists for Full Employment.

Food Research and Action Center (FRAC).

Housing Assistance Council.

Industrial Union Department, AFL-CIO.

International Ladies Garment Workers Union.

International Union, UAW.

Interreligious Coalition for Housing.

League of Women Voters.

Lutheran Housing Coalition.

Masonry Industry Committee.

Migrant Legal Action Program.

National Association for Retarded Citizens.

National Association of Farmworker Organizatons.

National Association of Home Builders.

National Association of Housing Cooperatives.

National Association of Housing and Redevelopment Officials (NAHRO).

National Association of Social Workers.

National Association of State Units on Aging.

National Association of Real Estate Brokers.

National Association of Small Communities.

National Clients Council.

National Committee Against Discrimination in Housing.

National Community Action Executive Directors Association.

National Conference of Catholic Charities.

National Consumer Law Center.

National Council of Churches of Christ.

National Council of La Raza.

National Council of Senior Citizens.

National Economic Development Law Project.

National Forest Products Association.

National Hispanic Housing Coalition.

National Housing Law Project.

National League of Cities.

National Legal Aid and Defenders Association.

National Leased Housing Association.

National Housing Conference.

National Neighbors, Inc.

National Rural Housing Coalition.

National Senior Citizens Law Center.

National Tenants Organization.

National Urban Coalition.

National Urban League.

Office for Church in Society, United Church of Christ.

Office of Washington Communicator, United Presbyterian Church, U.S.

Pacific-Asian Coalition.

Potomac Institute.

Rural America.

Unitarian Universalist Association.

United Neighborhood Centers of America, Inc.

United Presbyterian Church of the U.S.A.

U.S. Catholic Conference Office of Domestic Social Development.

Washington Office of the Episcopal Church.

And the following State and local organizations:

ALABAMA

Family and Child Services (Birmingham).

Federation of Southern Cooperatives.

Greater Birmingham Ministries.

Legal Service Corporation of Alabama.

ALASKA

Alaska Legal Services.

Alaska State Housing Authority.

ARIZONA

Arizona Chapter, Hispanic Housing Coalition.

Arizona Rural Housing Coalition.

Arizona Statewide Legal Services Project.

Coconino County Legal Aid (Flagstaff).

Community Legal Services (Phoenix).

DNA-People's Legal Services (Window Rock).

Human Rights of Arizona.

Northern Arizona Council of Governments.

PPEP Housing Development Corporation.

San Carlos Apache Tribe.

Southern Arizona Legal Aid (Tucson).

The Human Services Committees of the Community Action Program for the City of Phoenix.

Williams Housing Authority.

ARKANSAS

ARVAC Housing Development Corporation (Russellville).

Concerned Citizens for Better Housing (Little Rock).

Greater Little Rock Presbyterian Urban Council.

Peace and Justice Office, Catholic Diocese (Little Rock).

SC-Arkansas Delta Project.

Town of Madison.

CALIFORNIA

Asian Pacific Planning Council (Los Angeles).

California Coalition for Rural Housing.

California Housing Action and Information Network.

California Housing Finance Agency.

California Rural Legal Assistance.

Chinatown Neighborhood Improvement Resource Center (San Francisco).

Citizens League for Progress (Seaside).

Contra Costa Legal Services Foundation (Pittsburg).

El Concilio de Fresno.

Fresno County Legal Services.

Fresno Housing Coalition.

Fresno Metro Ministries.

Housing Advocates of Monterey County.

Housing Authority of the City of Alameda.

Housing Authority of the County of Alameda.

Housing Authority of the County of Butte.

Housing Authority of the City and County of Fresno.

Housing Authority of the City of Livermore.

Housing Authority of the City of Medera.

Housing Authority of the City of Napa.

Housing Authority of the City of Pleasonton.

Housing Authority of the City of Richmond.

Housing Authority of the County of San Joaquin.

Housing Authority of the City of San Pablo.

Housing Authority of the County of Santa Clara.

Housing Authority of the County of Stanislaus.

Housing Authority of the County of Sutter.

Housing Authority of the County of Tulare.

Housing Authority of the County of Yolo.

Humboldt Housing Action Project (Arcata).

Midpeninsula Citizens for Fair Housing.

OGO Associates (Santa Monica).

Pacific Southwest Region, NAHRO.

San Francisco Neighborhood Legal Assistance Foundation.

Self-Help Enterprises (Visalia).

Annco Properties.

COLORADO

Center for Rural Development (Alamosa).

Colorado Chapter of NAHRO.

Colorado Housing Finance Agency.

Colorado Housing, Inc.

Colorado Rural Housing Development Corporation.

Colorado Social Legislation Committee.

Housing Issue Task Force of Denver.

CONNECTICUT

Connecticut Housing Coalition (Stamford).

Connecticut Housing Finance Authority.

Connecticut Legal Services.

Greater Middletown Community Corporation.

Low-Income Planning Agency (Hartford).

Neighborhood Legal Services, Inc. (Hartford).

Northeast Connecticut Community Development Corporation (Danielson).

DELAWARE

Community Housing, Inc. (Wilmington).

Community Legal Aid, Society, Inc. (Wilmington).

Delaware State Housing Authority.

Department of Housing and Community Development, New Castle County.

Great Wilmington Development Council, Inc.

DISTRICT OF COLUMBIA

Metropolitan Washington Housing and Planning Association.

FLORIDA

Broward County Housing Authority.

Dade County Department of Housing and Urban Development.

Florida Association of Housing and Redevelopment Officials.

Florida Farmworker Housing Coalition.

Florida Rural Legal Services.

Greater Orlando Area Legal Services.

Housing Coalition Wcrk Group for Central Florida (Orlando).

Legal Services of Greater Miami, Inc.

Legal Services of the Florida Keys (Key West).

Omica Housing Corporation (Homestead).

GEORGIA

Byron Clients Council.

Gainesville Public Housing Tenants Association.

Georgia American Civil Liberties Union.

Georgia Housing Coalition.

Georgia Poverty Rights Organization.

Georgia Residential Finance Authority.

Hall County NAACP (Gainesville).

Interfaith Housing (Atlanta).

Interfaith, Inc. (Decatur).

Johnson County Client Council (Wrightsville).

Laurens County Client Council (Dublin).

Metro Fair Housing Services (Atlanta).

Middle Georgia Community Action Agency (Warner Robbins).

Prather Park Tenants Association (Toccoa).

The Atlanta Community Relations Commission.

Treutlen County Clients Council (Soperton).

Winder Public Housing Tenants Association (Winder).

HAWAII

Hawaii Housing Authority.

Legal Aid Society of Hawaii.

Oahu Tenants Advisory Council.

IDAHO

El-ADA Community Action Agency (Boise).

Idaho Housing Agency.

Idaho Legal Aid.

Idaho Migrant Council.

ILLINOIS

Capital Association Development Corporation (Chicago).

Chicago Metropolitan Chapter of SCLC.

Champaign-Urbana Tenant Union.

Leadership Council for Metropolitan Open Communities.

INDIANA

Department of Community Development, Columbus.

Housing Authority of the City of Elkhart.

IOWA

Citizens for Community Improvement (Des Moines).

Inner City Development Corporation (Davenport).

Iowa Coalition of Community Organizations.

Iowa Housing Finance Authority.

Legal Aid Society of Polk County.

Social Action Department, Diocese of Davenport.

KANSAS

Community Action Agency of Wichita.

Kansas Chapter of NAHRO.

Legal Aid Society of Topeka, Inc.

Local Housing Authority (Wichita).

KENTUCKY

Appalachian Foothill Housing Agency.

Human Economic Appalachian Corporation.

Kentucky Housing Corporation.

Legal Aid Society of Louisville, Inc.

Northeast Kentucky Legal Services, Inc. (Ashland).

LOUISIANA

Citywide Tenant Advisory Board (New Orleans).

Hope House (New Orleans).

Iberville Tenants Council.

Lefitte Project Resident Council (New Orleans).

New Orleans Citywide Housing Coalition.

Southern Mutual Help Association.

Southwest Louisiana Housing Coalition.

The Louisiana Black Assembly.

The Louisiana Chapter, Network.

Treme Community Improvement Association (New Orleans).

MAINE

Kurutz & Woodward, Architects.

Maine State Housing Authority.

Neighborhood Revitalization Program (Portland).

York-Cumberland Housing Development Corporation (Gorham).

MARYLAND

Baltimore Resident Advisory Board.

Eastern Region, National Tenants Organization.

Housing Coalition of Charles County.

Legal Aid Bureau, Inc. (Baltimore).

Legal Aid Bureau, Inc. (Salisbury).

Legal Aid Bureau of Frederick County.

Maryland Community Development Administration.

MASSACHUSETTS

Boston Indian Council.

Citizens Housing and Planning Association of Massachusetts.

Community Teamwork, Inc. (Lowell).

Concord Homes Tenant Union (Boston).

Franklin Community Action, Inc. (Greenfield).

Franklin County Regional Housing Authority.

Greater Boston Legal Services, Inc.

Housing Allowance Project (Springfield).

Housing Assistance Corporation (Hyannis).

Inquilinos Boricuas en Accion (Boston).

Mass Law Reform Institute.

Mass Union of Public Housing Tenants.

Massachusetts Housing Finance Agency.

Massachusetts Home Mortgage Finance Agency.

Massachusetts State Rural Development Committee.

Methunion Manor Tenants Council (Boston).

New England Community Action Program Directors Association, Inc.

P.H.E. March Co.

Rural Housing Improvements, Inc. (Winchendon).

South End Project Area Committee (Boston).

South Shore Housing Development Corporation (Kingston).

Tenants Policy Council of Boston.

The Center for Rural Communities (Amherst).

Western Mass Legal Services (Northampton).

MICHIGAN

Coalition for Block Grant Compliance.

Grand Rapids Urban League Tenants Union.

Inner City Christian Foundation (Grand Rapids).

Inkster Housing and Redevelopment Commission.

Law Reform Office (Detroit).

Legal Aid of Western Michigan/Housing Assistance Center (Grand Rapids).

Metropolitan Welfare Coalition (Detroit).

Michigan Committee on Law and Housing.

Research Park Tenants Council (Detroit).

United Community Housing Coalition (Detroit).

University City—A Citizens District Council (Detroit).

Wayne County Welfare Rights Organization.

MINNESOTA

Coalition for the Defense of Neighborhood Priorities (Minneapolis).

Common Space, Inc. (Minneapolis).

Community Design Center (Minneapolis).

Community Development Corporation for Archdiocese of St. Paul and Minneapolis.

Dakota County Housing and Redevelopment Authority.

Dominion Group (Minneapolis).

Elliot Park Neighborhood Improvement Corporation (Minneapolis).

Elliot Park Neighborhood Improvement olis).

Minnesota Housing Finance Agency.

Minnesota Multi-Housing Association (Minneapolis).

Minnesota NAHRO Chapter.

Minnesota Tenants Union.

Nicollet Island Project Area Committee (Minneapolis).

Northside Residents Redevelopment Council (Minneapolis).

Petrie Development Corporation (Mankato).

Powderhorn Residents Group (Minneapolis).

Project for Pride in Living (Minneapolis).

Realty Development Services, Inc. (Minneapolis).

Realty Management Services, Inc. (Minneapolis).

Sabathani Community Center (Minneapolis).

Seward Redesign (Minneapolis).

MISSISSIPPI

Central Mississippi Legal Services.

Delta Housing Development Corporation (Indianola).

MISSOURI

Greater Kansas City Interfaith Housing Information Center.

Metro Housing Resources (St. Louis).

Missouri Association for Community Action.

Missouri Coalition for Housing.

Ozark Action, Inc. (West Plains).

MONTANA

Blackfeet Indian Housing Authority (Browning).

NEBRASKA

Association of Nebraska Community Action Agencies.

Blue Valley Community Action (Fairbury).

Lincoln Action Program, Inc.

Nebraska Panhandle Community Action Agency (Gering).

Urban League of Nebraska, Inc.

NEVADA

Housing Authority of the City of Las Vegas.

Operation Life Community Development Corporation (Las Vegas).

Reno Housing Authority.

Washoe Council of Governments (Reno).

Washoe Legal Services (Reno).

NEW HAMPSHIRE

Governor Hugh Gallen.

New England Nonprofit Housing Development Corporation.

New Hampshire Committee for Fair Housing.

New Hampshire Housing Finance Agency.

New Hampshire Legal Assistance.

Southeastern New Hampshire Community Development Corporation (Exeter).

NEW JERSEY

Bergen County Council of Churches.

Bergen County NAACP.

Bergen-Passiac Unit: NJ Association for Retarded Citizens.

Community Development Coalition of Bergen County.

Downtown Urban Housing Corporation (Jersey City).

Englewood Community House.

Ethical Culture Social Action Committee (Essex County).

Fairleigh-Dickinson University School of Social Work.

Grey Panthers of Bergen County.

Hands to Task Homesteading Project (Manos a la Obra), Newark.

Health and Welfare Council of Bergen County.

Hispanic Coordinating Committee of Middlesex County.

Housing Authority, City of Passiac.

Jersey City NAACP.

Jersey City Operation PUSH.

Latin Organization of Atlantic City (LOAC).

Lawson Development Company (Plainfield).

Lawson Mortgage Company (Plainfield).

Leased Housing Corporation of Secaucus, Inc.

Marion Garden Tenants Association.

New Jersey Housing Finance Agency.

New Jersey Mortgage Finance Agency.

New Jersey Tenants Association.

Project Encounter (Newark).

Puerto Rican Action Board (New Brunswick).

Puerto Rican Action Committee of Vineland.

Puerto Rican Legal Committee (Newark).

Puertoriquenos Asocidos for Community Organization, Inc. (PACO), Jersey City.

Ramapo Mountain Indians.

St. Columban Neighborhood Club (Newark).

St. Thomas the Apostle Church Social Concerns Committee (Bloomfield).

Secaucus Housing Authority.

Senior Citizens Clubs of Bergen County.

Shelter Our Sisters (SOS) Battered Women's Shelter (Bergen County).

The Fair Housing Council of Bergen County.

The Greater New Brunswick Tenants Organization.

Urban League of Bergen County.

Women's Right Information Center of Bergen County.

YMCA of Hackensack.

YW/YMHA of Bergen County.

NEW MEXICO

Albuquerque Housing Authority.

All-Indian Pueblo Housing Authority (Albuquerque).

Eddy County Community Action Program (Carlsbad).

Espanola Housing Authority.

Ixtlan Housing Corporation (Carlsbad).

Housing Authority of City of Las Vegas.

Housing Authority of City of Santa Fe.

New Mexico Hispanic Housing Coalition.

New Mexico State Housing Authority.

Northern New Mexico Association of Public Housing Agencies.

Northern New Mexico Legal Services.

Santa Fe Housing Authority.

Southwest New Mexico Council of Governments.

Taos County Housing Authority.

NEW YORK

Catholic Charities of the Diocese of Ogdensburg.

Center for Community Development and Preservation (White Plains).

Chautauqua Home Rehabilitation and Improvement Corp (Mayville).

Chautauqua Opportunities, Inc.

Chinatown Planning Council (New York).

Diocesan Health and Social Services (Albany).

Home Front (Citywide Action Group Against Neighborhood Destruction and for Low Rent Housing), New York.

Hope Village, Inc. (North Rose).

Legal Assistance of the Finger Lakes (Geneva).

New York City Housing Development Corporation.

New York Housing Conference.

New York State Association of Renewal and Housing Officials.

New York State Council of Catholic Charities Directors.

New York State Housing Finance Agency.

New York State Rural Housing Coalition.

North Country Senior Coalition, Inc. (Massena).

People of Harrison House (Syracuse).

Settlement Housing Fund (New York).

Suffolk Housing Services (Lake Grove).

Suffolk (County) Interreligious Coalition for Housing.

The Association for Neighborhood Rehabilitation, Inc. (Ogdensburg).

Tri-County Action Council (Painted Post).

Tri-County Housing Coalition of Allegheny, Cattaraugus and Chautaqua Counties.

United Tenants Association (New York).

Watertown Urban Mission.

NORTH CAROLINA

Adrienne Meltzer Fox, member, City Council of Durham.

Executive Committee of the Orange County Council on the Status of Women, State of North Carolina.

North Central Legal Assistance Program (Durham).

Residents Advisory Council to Housing Authority of City of Charlotte.

The Department of Human Services (Chapel Hill).

The Department of Human Services (Town of Chapel Hill).

The Raleigh Tenants Association.

Wake-Johnson-Harnett Legal Services (Raleigh).

NORTH DAKOTA

Community Homes of Bismarck.

Community Homes of Fargo.

Quad County Community Action Agency (Grand Fork).

OHIO

Cleveland Tenants Organization.

Corporation for Ohio Appalachian Development (Athens).

Cuyahoga Metropolitan Housing Authority (Cleveland).

Dayton Clients Council.

Dayton/Montgomery County Chapter, National Caucus of Black Aides.

Department for Black Catholic Concerns, Diocese of Toledo.

Greater Toledo Housing Coalition.

Greene Metropolitan Housing Authority (Xenia).

Homes Casas, Inc. (Fremont).

Housing Our People Economically (Cleveland).

National Housing Corporation (Lakewood).

Ohio State Legal Services Association.

Region Four Clients Council (Dayton).

Sunshine Senior Citizens (Dayton).

The Housing Advocates, Inc. (Cleveland).

The Inner West Priority Board (Dayton).

The Model Neighborhood Community Center Advisory Council (Dayton).

The Montgomery County Hunger Coalition.

The Ohio Housing Coalition.

The State Food Stamp Advisory Committee.

Tri-County Community Action (Athens).

University Community Association (Columbus).

University District Organization (Columbus).

OKLAHOMA

Cherokee Nation Housing Authority.

National American Indian Housing Council.

Oklahoma City Housing Authority.

United Food & Commercial Workers, Local 73 (Tulsa).

OREGON

Lane County Clients Council (Eugene).

Multnomah County Legal Aid.

Oregon Legal Services.

PENNSYLVANIA

Bucks County Legal Aid.

Bucks County Welfare Rights Organization.

Hartranft Community Corporation (Philadelphia).

Housing Association of Delaware Valley (Philadelphia).

Housing Development Corporation of Lancaster County.

Kingswood Betterment Society (Bristol).

Metropolitan Tenants Organization (Pittsburgh).

North Philadelphia Block Development Corporation.

Pennsylvania Housing Finance Agency.

Philadelphia Citizens in Action.

Philadelphia Corporation for Aging.

Public Interest Law Center of Philadelphia.

Residents Advisory Board (Philadelphia).

State Tenants Organization of Pennsylvania.

Tenant Action Group of Philadelphia.

Tenant Council of York.

PUERTO RICO

Puerto Rico Housing Finance Agency.

RHODE ISLAND

Rhode Island Housing and Mortgage Finance Corporation.

Rhode Island Legal Services, Inc.

SOUTH CAROLINA

Elmwood Citizens Against Removal (Columbia).

Lyons St. Neighborhood Organization.

Midlands Housing Coalition.

Palmetto Legal Services (Columbia).

South Carolina State Housing Authority.

SOUTH DAKOTA

East River Legal Services (Sioux Falls).

Greater Missouri Community Development Corporation (Pierre).

South Dakota Housing Development Agency.

TENNESSEE

Lebanon Housing Authority.

Legal Services of Middle Tennessee (Nashville).

Mid-Cumberland Community Action Agency (Smyrna).

Rural Legal Services of Tennessee (Oak Ridge).

Southeast Tennessee Legal Service (Chattanooga).

Tennessee Housing Development Agency.

West Tennessee Legal Services (Jackson).

Tennessee Association of Legal Services/Legal Aid Projects.

TEXAS

Austin Tenants Council.

Community Action, Inc., of Hays, Caldwell and Blanco Counties.

Friedman & Associates (Houston).

L&R Development (Baytown).

River City Tenants Union (Austin).

South Marshall Recreation Association (Longview).

Southside Community Center (San Marcos).

Texas Housing Development Corporation.

West Texas Legal Services (Fort Worth).

UTAH

Crossroads Urban Center (Salt Lake City).

Mobile Homeowners Cooperative Foundation (Salt Lake City).

People Against Redlining (Salt Lake City).

Roadway Enterprise (Salt Lake City).

Tenant Association for Better Housing (Salt Lake City).

Utah Housing Coalition.

Utah Issues Information Service.

Utah Legal Services, Inc.

VERMONT

Central Vermont Community Action Council (Barre).

Vermont Fair Housing Coalition.

Vermont Federation of Teachers.

Vermont Housing Finance Agency.

Vermont Samaritan Corporation (Waterbury).

Vermont State Housing Authority.

Vermont State Housing Authority Staff Federation.

Vermont State Office on Aging.

VIRGINIA

Jefferson Area Board for Aging (Charlottesville).

Monticello Area Community Action Agency (Charlottesville).

Neighborhood Legal Aid (Richmond).

Petersburg Legal Aid Society, Inc.

Scott County Citizens for Better Housing.

Southwest Virginia Housing Coalition.

Tri-County Housing, Lee County.

Virginia Housing Development Authority.

Wise County Housing Coalition.

WASHINGTON

Evergreen Legal Services of Washington.

High Meadow Associates (Issaquah).

International District Alliance (Seattle).

Northwest Rural Opportunities (Sunnyside).

Pacific Northwest Rural Development Enterprises (Toppenish).

Region Ten Displaced Homemaker Network (Seattle).

The International District Improvement Association (Seattle).

Whitman County Regional Planning Commission (Colfax).

WEST VIRGINIA

Clarksburg Housing Authority.

Coalfield Housing (Beckley).

Human Resources Development Foundation, Inc. (Morgantown).

Local Aid Society of Charleston.

Mid-Ohio Valley Regional Planning and Development Council.

Unity Housing, Inc. (Charleston).

West Virginia Housing Development Fund.

WISCONSIN

Citizens Coalition (Milwaukee).

Legal Action of Wisconsin, Inc.

Northwest Action Council (Milwaukee).

Utility Consumers United (Milwaukee).

Wisconsin Housing Finance Authority.

Wisconsin Rural Housing Cooperatives.

WYOMING

Legal Services for Southeastern Wyoming (Cheyenne).

Mr. WEICKER. Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, the distinguished Presiding Officer is most familiar with this. I am sure that every Member of this body is in favor of the proposition that every American should be well-housed. Beyond that, this would be a better place if all the basic needs of our citizens were adequately met. But a choice must be made between what we can afford and what we would like.

The Budget Committee has made this choice and it is a very generous one, because we put an additional $27.3 billion in budget authority for fiscal year 1981. This comes on top of an existing $240 billion in obligated balances for subsidized housing which have already been provided in the past. This $27.3 billion would fund 236,000 additional units, on top of the 3 million which have already been funded through previous action. The annual growth in outlays under the committee recommendation between 1981 and 1985 would be 16 percent per year.

In considering the proper budgetary allowance for subsidized housing, it is important to remember how expensive these programs are and how much they have grown in recent years.

The average cost of a subsidized housing unit is $106,000 over the life of the Federal subsidy, the average, of course, being 1½ bedrooms, a combination living room-dining room, 1 kitchen, and 1 bath. That is just really for two people. That is pretty expensive, $106,000.

The growth in HUD subsidized housing units between 1960 and 1970 was very high—8.7 percent per year. Between 1970 and 1980, the growth was even higher—12.7 percent.

And from 1976 to 1980, outlays have grown at an average annual rate of 22 percent.

There are other reasons to oppose the Weicker amendment. Major HUD management problems must be solved before higher funding levels can be justified.

For example, the GAO has found that program costs are much higher than they need to be. Fair market rents in the section 8 program have outpaced increases in the overall Consumer Price Index and in the rent component of the CPI as well.

GAO also found that HUD officials have shown little concern for the program's high rental and subsidy levels. Some of the housing is luxurious, far beyond anything that Congress could have intended this money be spent for.

Taino Towers in New York City, for example, features a five-story medical day-care center, a five-story human resources center that includes a gymnasium, swimming pool, auditorium theater, and greenhouse. There is also air-conditioning, a 240-car underground garage, and 24-hour security featuring closed circuit television. The annual subsidy per unit is $9,600; $5,900 for section 8 and $3,700 for a section 236 interest reduction subsidy.

And finally, Mr. President, in a GAO report released just the week before last, the GAO concluded that HUD "could have misled the Congress on its needs for additional budget authority the next fiscal year by understating the balance available for obligation." Thus, the HUD request for budget authority was probably much higher than it needed to be.

For these reasons, Mr. President, I respectfully submit that the amendment should be rejected.

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. HOLLINGS. Yes. I yield 5 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, the Budget Committee assumed sufficient budget authority in its 1981 budget to continue the current level of section 8 commitments. What we must weigh here is whether we should add nearly $5 billion in long-term commitments to a program which has and is experiencing considerable problems with implementation and a program which has a record of abuse. Furthermore, the additional funds would not add a single construction unit in 1981.

I think, Mr. President, that is the key point. Here is a program that will go on at the same rate under the budget figures as it would if the Weicker amendment is approved since this would not add a single construction unit in 1981.

In fiscal year 1979, two-thirds of the section 8 commitments were made in the final month of the fiscal year, and that clearly shows a program which is not being managed in an orderly responsible manner.

Mr. President, I have in my hand a copy of a newspaper article taken from the Washington Star of Thursday, May 1, 1980, which shows, as I believe our chairman indicated in his remarks, the result of a General Accounting Office audit which shows that HUD put aside billions of dollars for tentative housing projects at the end of the fiscal year and then canceled many of those projects and used the money elsewhere after the following year's budget was approved. This article indicates that HUD tries in the last days of the fiscal year to commit its funds and indicates to Congress saying the money is spent. Later HUD cancels those commitments and has the money to use elsewhere. I read:

> GAO found, for example, that HUD had an $18-billion "surge" in expenditures during the last month of fiscal 1978. Some $16.5 billion of this money was earmarked for low-income and public housing, mostly in the form of rent subsidies.

Then this article goes on to say:

> HUD has been recording obligations for this housing account . . . when in reality there was no legal obligation on the part of the U.S. government," said the GAO letter. The process "served no purpose except to inflate the amount of the reported obligations.
>
> The auditors found that HUD canceled $7 billion worth of projects last year that had

been "obligated" since the 1976 fiscal year. Similarly, HUD officials told GAO that they expect to cancel billions of dollars in housing projects this year and spend the money for other programs.

So, Mr. President, if these needs are there and not being met, and I assume Senator WEICKER is correct, the problem is not the lack of money. It is mistakes, or it may even be abuse in the way HUD is administering the funds which Congress has made available to meet those needs.

Mr. President, to conclude from the article in the Star:

> But GAO said that the housing agency "could have misled the Congress on its needs" for the following year's budget by "understating" the amount of money it had left over in its bank account.

Mr. President, here is a case where there is simply no need to keep pushing more money at an admitted need until we clean up the way the department is using the funds it already has available.

Mr. President, I ask unanimous consent that this full article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, May 1, 1980]

HUD MAY HAVE MISLED CONGRESS ON SPENDING, GAO REPORT SAYS

(By Howie Kurtz)

The Department of Housing and Urban Development, in an action that may have misled Congress, improperly inflated the amount of money it claimed to be spending on low-income housing by $16 billion a year, a federal audit charges.

The General Accounting Office says that HUD put aside billions of dollars for "tentative" housing projects at the end of the fiscal year, then cancelled many of those projects and used the money elsewhere after the following year's budget was approved.

In a letter to Rep. Herbert E. Harris II, D–Va., and other congressional chairmen, the GAO said that the housing agency may have violated federal law. The auditors recommended that Congress not take any action on HUD's current budget request until the dispute is resolved.

HUD Assistant Secretary Anthony Freedman said last night that the matter was "an accounting disagreement" and that the auditor's findings have been blown out of proportion.

"It's a bum rap," he said. "Our lawyers gave us different advice."

Nevertheless, Harris, who requested the GAO study, charged yesterday that HUD "has been working with a slush fund. They obligated everything they had left at the end of the fiscal year, then de-obligated great chunks of it so they would have a great big pot of money to fool around with. This action has misled Congress and leaves us with no real appropriations control over this agency."

GAO found, for example, that HUD had an $18-billion "surge" in expenditures during the last month of fiscal 1978. Some $16.5 billion of this money was earmarked for low-income and public housing, mostly in the form of rent subsidies.

HUD told Congress and the Treasury Department that this money was legally obligated. But, the auditors found, HUD officials merely sent "reservation" letters to proposed builders of housing projects, saying that their proposals had been tentatively selected and were awaiting final approval.

"HUD has been recording obligations for this housing account . . . when in reality there was no legal obligation on the part of the U.S. government," said the GAO letter. The process "served no purpose except to inflate the amount of the reported obligations."

As evidence that these letters are far from binding contracts, GAO noted the "ease" with which some of these projects have been canceled.

The auditors found that HUD canceled $7 billion worth of projects last year that had been "obligated" since the 1976 fiscal year. Similarly, HUD officials told GAO that they expect to cancel billions of dollars in housing projects this year and spend the money for other programs.

Freedman called the charges "sheer nonsense." The basic question, he said, is "at what point does an agency treat a (housing) reservation as a binding commitment. We treat that reservation stage as an obligation We can't do anything else with those funds."

Freedman acknowledged that at least 10 percent of these housing projects are canceled before a contract is signed. "Some of those projects fall off," he said. "Sometimes interest rates or construction rates go up too fast, and sometimes we cancel."

But GAO said that the housing agency "could have misled the Congress on its needs" for the following year's budget by "understating" the amount of money it had left over in its bank account.

"This gives the impression that HUD has carried out its mission by actually contracting for assisted housing to a greater extent than it has," the letter said.

Freedman estimated that his agency made "reservations" for about 2,500 housing projects involving 325,000 units last year. He said the disputed spending could involve an even larger portion of HUD's $27-billion budget than the GAO suggested. But he denied that the agency had gone on a sudden spending spree, saying there is a year-long administrative process that happens to culminate in tentative awards at the end of the fiscal year.

Harris, a sharp critic of fourth-quarter spending, is pushing a bill that would bar federal agencies from spending more than 20 percent of their budgets in the last two months of the fiscal year. The congressman said he will hold hearings on the GAO findings next week.

Mr. BELLMON. This budget assumes $27.3 billion in budget authority for the section 8 program. It will have no reduction in starts in 1981. There will still be 121,000 starts from previous commitments, and it does not in any way hinder the construction industry in the near term.

This program has been growing more rapidly than most any other program in the budget between 1960 and 1970. The growth—this is not cost but units—was 8.7 percent per year. Then it grew to 12.7 percent per year from 1970 to 1980. So this is a rapidly growing program, and it is time we backed off and evaluated it, and we can do so in this budget without causing any hardship on those who would otherwise be served.

So, Mr. President, I urge the defeat of the amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I now understand the justification for the budget cut as being the inadequacy of performance by HUD and, I might add, coincidentally, the inadequacy of oversight by the Congress of the United States.

The fact is that the intent of the Congress was right on the mark and the need existed, and the need still exists, but because Pat Harris and Moon Landrieu screw up over at HUD is no reason to go ahead and penalize those who do not have any roof over their heads.

Because the Senate of the United States refuses to go and engage in its oversight function, the House also, making sure that we follow through on what it is that we pass in terms of legislation, is no reason to stand up here and say either the need does not exist today, which it does, and nobody is going to debate that, or that those to whom our efforts were directed should be penalized.

This is in essence what is being said. Not that this is not a good idea, not that the intent or the need does not exist, but it has been improperly administered.

I share in the articulated contempt for that. But instead of turning our backs on the situation and, therefore, those who need our special care, it seems to me we should make the program work. Nobody is being misled as to what the need is. Conversion after conversion to condominiums, rent control laws so that apartment buildings are abandoned, no repairs made—it is a disgraceful situation in this country.

The statistics do not lie; we are at the lowest point in our history of the availability of rental housing, that is the reason for this amendment.

I yield back whatever time I have remaining on the amendment.

Mr. HOLLINGS. We yield back the remainder of our time. I move that the amendment be tabled, and I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been asked for. Is there a sufficient second? There is a sufficient second.

The "yeas" and "nays" were ordered.

The PRESIDING OFFICER. Under the previous order, the motion to table will be voted upon later in the day.

AMENDMENT NO. 1716

(Purpose: To reduce Function 050: National Defense)

Mr. WEICKER. Mr. President, I rise to offer my amendment 1716, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 1716.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 2, line 17, strike out "$687,900,000,000" and insert in lieu thereof "$678,700,000,000".
>
> On page 2, line 18, strike out "$759,300,000,000" and insert in lieu thereof "$741,800,000,000".

On page 2, line 19, strike out "$831,500,000,000" and insert in lieu thereof "$807,000,000.000".

On page 2, line 22, strike out "$612,900,000,000" and insert in lieu thereof "$610,300,000,000".

On page 2, line 23, strike out "$687,200,000,000" and insert in lieu thereof "$678,200,000,000".

On page 2, line 24, strike out "$753,500,000,000" and insert in lieu thereof "$738,800,000,000".

On page 4, line 6, strike out "$173,400,000,000" and insert in lieu thereof "$164,200,000,000".

On page 4, line 7, strike out "$155,700,000,000" and insert in lieu thereof "$153,100,000,000".

On page 4, line 10, strike out "$204,500,000,000" and insert in lieu thereof "$187,000,000,000".

On page 4, line 11, strike out "$183,100,000,000" and insert in lieu thereof "$174,100,000,000".

On page 4, line 14, strike out "$233,900,000,000" and insert in lieu thereof "$209,400,000,000".

On page 4, line 15, strike out "$208,600,000,000" and insert in lieu thereof "$193,900,000,000".

On page 12, line 2, strike out "$653,700,000,000" and insert in lieu thereof "$653,800,000,000".

On page 12, line 4, strike out "$566,400,000,000" and insert in lieu thereof "$568,100,000,000".

On page 12, line 15, strike out "$143,700,000,000" and insert in lieu thereof "$143,800,000,000".

On page 12, line 16, strike out "$134,000,000,000" and insert in lieu thereof "$135,700,000,000".

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Now, Mr. President, let us see who wants to go ahead and bust the budget. Now let us see who wants to go ahead and apply a little fiscal responsibility, a little fiscal restraint, for that portion of the budget which is the greatest.

Mr. President, the pending amendment would set function 050, national defense, at the level recommended by the President in his amended budget request.

On March 31 the Department of Defense forwarded to the Congress an adjusted fiscal year 1981 budget to respond to changing circumstances since the original budget was developed last year. It includes $7.7 billion in new outlays to meet increased fuel costs, to recover spending power lost due to the unanticipated increase in the rate of inflation, and to provide for increased activities in the Indian Ocean necessitated by the Soviet invasion of Afghanistan.

The revised request also includes $2.6 billion in offsetting reductions in low-priority items throughout the Department of Defense. These cuts, which amount to only 1.6 percent of the outlay figure, are a responsible and credible effort by the Department to optimize and concentrate Defense resources where they are most needed.

The Congressional Budget Office reestimate of the President's most recent request is $164.2 billion in budget authority and $153.1 billion in outlays. Those are the figures in the pending amendment. As such, my amendment would reduce the levels reported by the committee by $9.2 billion in budget authority and $2.6 billion in outlays.

You could cover everything that has been covered in all of my amendments with $2.6 billion. And I am just going along with our President. Certainly nobody will deny the fact that his budget calls for a whopping increase over the President, $9.2 billion in budget authority, and $2.6 billion in outlays.

The annual defense budget is an extremely complex and sensitive document both in the importance of its mission, to protect the security of the Nation, and in the magnitude of its cost, a full 25 percent of this the total expenditure of this resolution. The defense budget demands our utmost seriousness and scrutiny. I believe the American people are best served by congressional consideration of this budget which takes full advantage of the checks and balances of our constitutional system.

The resolution as reported by the Budget Committee is based on several very constructive assumptions for redirection of defense resources. By directing funds away from the MX missile system and into such urgent needs as military personnel, operation, and maintenance and training, the committee has made a significant contribution to addressing the most critical problems before us. I strongly support the specific allowance for an increase in military pay, which will begin to address the hemorrhage of midlevel and specialized personnel for our Armed Forces. I believe, however, that these goals can be achieved within the levels contained in the pending amendment by sustaining the cuts outlined by the Department of Defense on March 31.

The offsetting reductions recommended by the Department of Defense are balanced and highly selective. Over 150 separate line items, mostly in very small amounts, are addressed. These limited reductions in low-priority items affect the three services equally, in proportion to their share of the total budget, fall most heavily in acknowledged areas of low priority at this time: Military construction and new procurement, and are minimal in the essential areas of operations and maintenance and research and development.

Unfortunately, Mr. President, the Budget Committee could not fully consider the President's revised budget before reporting its resolution. According to the committee report and discussions with the committee staff, the President's offsetting reductions were not addressed by the committee which approved the defense figures in this resolution on April 1, only the day after the revised budget was released. However, the Senate now has the opportunity to examine these new figures alongside the overall needs and priorities of the Nation.

Mr. President, I believe that the Senate can reduce the national defense function included in this resolution by the $2.6 billion recommended by the Department of Defense and still achieve all the purposes outlined by the committee.

This is not some bleeding heart liberal out here recommending the reduction; it is the Department of Defense itself, the President of the United States. Now, we want to make sure everybody understands that we mean business, so we say that we are going to spend more money on defense. If you want to go ahead and do anything about energy, which would demand sacrifice in terms of lifestyle and money, that is a different story. We want to go back home and say to our constituents we are spending money on systems so that we have a better defense—never mind what the Department of Defense says, never mind what the President says.

I believe, as I stated, that we can reduce the national defense function included in this resolution by $2.6 billion recommended by the Department of Defense and still achieve all the purposes outlined by the committee. By a fortuitous coincidence, the Budget Committee is above the President's budget, as reestimated by CBO, by the amount of the Department's recommended cuts, $2.6 billion. I believe the Senate should take full advantage of these savings.

Mr. President, this resolution imposes strict limitations on many domestic programs within this budget. As I have stated many times on this floor, the American people can ill afford the deferral of critical investments in our Nation's future. By failing to address our human needs in housing, education, and health we weaken the economic fabric of our country and the moral strength of our people.

My colleagues will all agree that national security is more than the accumulation of items of military hardware. Without men and women who will use them, or a nation that is willing to fight, they are so much highly sophisticated junk. You can consult recent history in Iran on that point. A people which is motivated—that is the key to America's security. I do not expect, and you should not expect, anybody that does not have an education, does not have food in their mouths, does not have an opportunity for a job, does not have health care, to go ahead and shoulder arms to defend this Nation.

The budget process is a matter of priorities, where the needs of the Nation can be placed side by side and assigned specific values. The amendment I offer identifies $2.6 billion of the Pentagon's least essential programs, its bottom 1.6 percent. Mr. President, I do not believe that we can justify nonessential spending on Defense when essential investment programs in America's people go unfunded. I believe that by passing this amendment we can provide for our long term economic and social needs without damaging our short term defense effort. I urge adoption of the amendment.

Now, I wait with great anticipation to hear the defense of the lowest 1.6 percent of the Defense Department request. I wait with great anticipation the explanation of why we should go ahead and spend $2.6 billion the Defense Department does not want spent.

If, indeed, there is to be fiscal restraint, fiscal oversight, and fiscal responsibility, then it has to apply to the entire budget. And that is clearly not the case in what is being presented before this Chamber.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, earlier we debated this defense issue very thoroughly on several amendments. The nearest amendment to this one of course, was the Cranston amendment. The Senate rejected that amendment by a vote of 13 to 83, and now we have the Weicker amendment with even more severe cuts.

When we analyze exactly what is needed for defense, on a very objective and dispassionate basis, we can see what has been needed over the years. For one thing, we know that the Department of Defense has said—even though they settled for a 3 percent real growth increase in the DOD budget with our NATO allies—what they really needed was 6 percent real growth.

The budget resolution proposed by the Budget Committee provides for 5.7 percent real growth. We know that the Department of Defense conducted a review in May of 1978, under the leadership of the former Deputy Secretary of Defense Charles Duncan, which was revealed during Senate debate last fall, and where it was disclosed that DOD needed at least $80 billion in the next 5 years to catch up with the expanding Soviet capability. The authors of the 5 percent amendment last fall just selected half of that requirement or $40 billion. That is how we arrived at the $40 billion amount.

Incidentally, that was what was found necessary by the DOD. We used the Department of Defense as the authority from our add-ons. We used defense witnesses on the various programs that come before the Armed Services and Appropriations Committees. We used the President's request. We took those amounts. We used the President as the authority. We used the Department of Defense as the authority. We did not dream up different programs and new programs.

Now what are some of the differences between the President as illustrated in this Weicker amendment and the Budget Committee proposal. The President does not provide for the pay and compensation increases that the Senate has voted for. The Senate voted 87 to 1 for Nunn-Warner. That is not in the President's figures. The President put a pay cap at 7.4 percent on military personnel and the budget resolution increases it to 11.7 percent. The budget resolution calls for pay absorption at 20 percent rather than the 40 percent proposed by the President.

These are some of the things that the Senate has supported in overwhelming votes. We are following the mandates of the U.S. Senate.

Other specifics of the resolution include adding to the President's request for more steaming and flying hours, R. & D. and procurement increases of $400 million, $1.1 billion for O. & M. readiness increases, and higher inflation and fuel price increases of $1.4 billion.

So what we really have done is add over $2.6 billion in the budget resolution to the President's March defense request. And we are saying to the Congress that we need to add to the President's request for pay increases, Nunn-Warner, higher fuel costs, and higher steaming hours and flying hours, all of which are very, very badly needed. Therein lies the case put before the Senate.

I yield to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, there is another part of this picture that needs to be brought to the attention of the Senate. Others have spoken about it before and I will not take too much time.

But if one goes back to the 1960 defense appropriation, in constant 1981 dollars, the appropriation that year was $146,639,000,000. Mr. President, that was 20 years ago. When you look at the President's recommendation for fiscal year 1981 in constant dollars, that is $146,241,000,000. So, in effect, the President asks for about $400 million less money in real dollars in 1981 than we spent in fiscal year 1960.

Now, that would not be so significant if it were not for the fact that during that 20-year period, according to the best information we can get from the Department of Defense and from the CIA, the Soviet Union has been increasing their defense spending at about a constant 4 percent per year rate. So, somewhere back to about the mid-1970's, the Soviets began to put forth a greater effort in the defense area than the United States is putting forth. The result is now there is a widening gap and we in Congress have little choice but to choose between becoming ultimately a second-rate military force or beginning to put forth a greater effort on our own.

It is for this reason that Congress has decided to increase defense spending this year by some 6 percent, based on the votes on the Cranston amendment and others. I strongly support the numbers that the Budget Committee is recommending, which is about 6 percent.

I remember vividly being on the floor here some weeks ago when the distinguished junior Senator from New York, Senator MOYNIHAN, made one of his typically eloquent speeches, in which he said—and I think I am quoting him fairly accurately—that the greatest social service any government can render its people is to preserve their freedom.

That is what this is all about. We can talk about needing money for health and education, and all the other good things the Government does, but none of that amounts to very much unless we are supporting also the defense effort so that the freedom of our citizens will be preserved. That is what we are doing here, Mr. President, is attempting to put the United States back into a position of dealing with the Soviet Union on at least the basis of equality. And unless we preserve that situation, the freedom of not only our own people but freedom of people all across the world will be greatly jeopardized.

It is for this reason that I urge the defeat of the Weicker amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask unanimous consent that, at this point in the proceedings, a summary of the revised request including a listing of some 150 items, nonessential items, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

OFFICE OF THE COMPTROLLER, DEPARTMENT OF DEFENSE
MAR. 31, 1980

FISCAL YEAR 1981 BUDGET AMENDMENT

WHERE THE FUEL, INFLATION AND INDIAN OCEAN FUNDS GO

	Fiscal year—		
	1980	1981	Total
Military personnel	94.6	95.8	190.0
Operation and maintenance	2,715.5	3,402.5	6,118.4
Procurement	258.5	416.0	674.5
R.D.T. & E	42.0	198.1	240.1
Military construction	71.5	309.5	381.0
Family housing	45.9	97.5	143.4
Total	3,228.0	4,519.4	7,747.4

WHERE THE RESOURCES COME FROM—ALL OUTLAY FIGURES TO BE SPENT IN FISCAL YEAR 1981

	Fiscal year—				
	1978	1979	1980	1981	Total
Military personnel				4.0	4.0
Operation and maintenance			113.7	593.0	706.7
Procurement	245.5	80.7	642.5	336.3	1,305.0
R.D.T. & E		10.2	83.5	208.1	301.8
Military construction				224.6	224.6
Family housing			5.3		5.3
Total	245.5	90.9	845.0	1,366.0	2,547.4

TOTAL INCREASES

	Fiscal year—		
	1980	1981	Total
Fuel	2,500	2,900.0	5,400.0
Inflation	300	1,000.0	1,300.0
IO/RDF	428	619.4	1,047.4
Total	3,228	4,519.4	7,747.4
Less offsets	−928	−1,619.5	−2,547.4
New appropriations	2,300	2,900.	5,200.0

FISCAL YEARS 1980–81 PROGRAM INCREASES

[In millions of dollars, fiscal years]

	1980	1981
I. Fuel	2,500.0	2,900.0
Budget estimates are revised to reflect updated fuel costs actually experienced. Fuel prices in the 1981 budget (for both 1980 and 1981) were based on September 1979 levels. We were aware at that time there was a strong possibility that fuel prices would increase as they subsequently have. Recognizing the criticality of the December OPEC meeting on the degree of change, we felt it prudent to delay a decision until early spring. In retrospect this was a wise decision.		
II. Indian Ocean operations	428.0	619.4
Indian Ocean operations (Navy)	139.4	205.1
This estimate reflects costs associated with maintaining an accelerated tempo of operations for 2 carrier battle groups in the Indian Ocean (10) through fiscal year 1980; primarily for flying and steaming hours, ship and aircraft maintenance and transportation costs. The fiscal year 1980 President's budget included funds for deployment of 2 carriers to the Pacific and 2 to the Mediterranean. Navy now has 3 carrier groups operating in the Pacific/Indian Ocean. The 2 battle groups operating in the Indian Ocean are operating 100 percent of the time. The fiscal year 1981 estimate reflects costs associated with maintaining 2 carrier battle groups in the Indian Ocean through the 1st quarter fiscal year 1981 and 1 battle group through the end of the fiscal year.		
Subsistence and PCS (Navy)	7.0	9.6
Increased subsistence-in-kind costs result from a decrease in the absentee rate for afloat units from 25 percent to about 3 percent. The decrease results from reduced in-port time. Permanent change of station travel increases result from longer distances traveled by personnel transferred to or from these units than originally planned because of the current location of the ships.		
Ship communications upgrade (Navy)	5.6	1.6
These funds provide for the installation of Parkhill secure communication devices URT–23 H.F. transmitters and other communication devices on ships deployed to the Indian Ocean. Some devices will be installed on as few as 14 ships ranging up to as many as 30 different ships.		
Transportation (Marine Corps)	1.0	---------
Funds provide for the transportation of logistical resupply support for the Marine battalion deployed as a part of the amphibious group.		
Diego Garcia ASW operations and upgrade (Navy)	11.2	8.3
These resources provide for costs associated with increased messing and public works support at Diego Garcia, Diego Garcia base support enhancement, transportation and set-up costs of certain ASW automated intelligence equipment housed in mobile vans, installation costs related to an upgrade of shore communications equipment to assure communications with deployed ships.		
Planning and design (MCN) ship berthing and fleet support	19.0	6.0
To plan and design facilities for use by the Navy. Includes the design of ship support facilities (berthing, storage, utilities) naval airfield operational facilities (ramps, taxiways, ammo storage), marine amphibious unit training support and personnel/administrative support facilities.		
Planning and design (MCAF) MAC, TAC, and SAC basing	24.7	---------
To plan and design facilities for use by the Air Force Includes the design of POL, ammo, and general storage facilities, runway/taxiway lighting and extension; cargo terminal; roads; fencing; and personnel/administrative support facilities.		
Planning and design (MCA) ground base support	4.3	5.9
To plan and design facilities for use by the Army. Includes the design of division base facilities—personnel/administrative support facilities, and utilities upgrade.		
Maritime prepositioning ship (Navy)	58.0	85.3
These resources provide for the charter and operation of Roll on/Roll off (Ro/Ro) ships. Breakbulk cargo ships and tankers in support of a 7–ship prepositioned force afloat in the Indian Ocean. This force would provide several Air Force fighter squadrons. The Ro/Ro ships will be civil service manned. The cargo and tanker ships will be contractor operated. Assumes lease of Ro/Ro and cargo ships approximately Apr. 1, 1980, and tankers on June 1, 1980.		
Maritime prepositioning items (Marine Corps)	24.1	---------
Resources provide for the prepositioning of major items of equipment and initial operating supplies to support a Marine Amphibious Brigade. Includes $4.5 million for initial operating supplies, $6.5 million to prepare equipment drawn out of reserve in a ready deployable condition, $10.5 million for transportation/port handling costs, $1 million for maintenance support and exercise of equipment during off-load periods and $1.6 million for escort personnel travel costs (personnel required for off-load, inspection and equipment maintenance).		
RDJTF headquarters communications (Air Force)	.7	---------
This funding provides communications support for the Rapid Deployment Joint Task Force (RDJTF) including secure voice, secure record, and normal unsecure telephones between the RDJTF at MacDill AFB and CINCRED, other CINC's, subordinate elements and deployed forces.		
Training exercises (Air Force/Army)	15.0	---------
Provides JCS-directed command post and field training exercises in the Africa-Indian Ocean area. This primarily finances airlift costs—approximately $3 million of the amount will be required for Army support.		
DPEM (C–141, C–5, C–130) (Air Force)	16.0	---------
This item finances repair of existing/projected C–5, C–130, and C–141 crash damage aircraft; repair of prepositioned WRM (WRSK/BLSS) components for airlift aircraft; and repair of airlift-related equipment items such as pallets and material handling equipment.		
Water treatment items (OPAF)	11.5	---------
Water treatment items include water desalinization units, well-drilling equipment and water-storage bladders. Air Force inventories do not include any equipment with a capability to desalinate water. Well drilling equipment presently consists of 2 antiquated drilling rigs and water storage facilities are nonexistent.		
Fuel bladders (OPAF)	.8	---------
These are rubberized fabric fuel tanks which are part of the aerial bulk fuel delivery system. They will be used for transporting fuel to remote locations.		
Combat communications (OPAF)	42.0	---------
These funds will procure additional telephone switches, satellite terminals and communications gear to provide reliable communications connectivity for deployed tactical air bases and SAC forward operating locations. Procurement of the equipment will reduce the need for airlift capacity for RDF initial communications equipment by ½ and significantly enhance long-haul communications reliability. A total of $34 million will be used to procure AN/TYC–39 TRI–TAC message switches and the balance of $8 million will fund various terminal equipment. The increase will have no impact on planned fiscal year 1981 procurement programs.		
RDF command and control (OPAF)	8.4	---------
These funds provide for the procurement of additional communications equipment to increase Army RDF command and control capabilities.		
463L Materials handling equipment (MHE)(OPAF)	22.5	---------
These funds provide for procurement of equipments used to move palletized cargo in the strategic and tactical airlift system. The equipment includes pallets and nets, forklifts and wide-body aircraft loaders. At the present time there is a significant shortage of this type of equipment. Should an RDF be called, pallet assets would be exhausted in 10 days.		
Revetment kits (OPAF)	6.3	---------
Provides 250 revetment kits for protection of all Air Force RDF aircraft when in a parked condition. Without the protection afforded by revetments, critical airfield facilities and parked aircraft are highly vulnerable to attack and destruction.		
Military construction, utilities and division base (MCA)		21.4
Provision for water storage, power generation, POL storage, ammo and general storage, and personnel/administrative division base support for the Army.		
Military construction, POL storage, airfield support (MCAF)		137.2
For the Air Force: Construction of operational facilities (aprons, runway barriers, hangars), and storage facilities (POL, ammo and general storage).		
Military construction, berthing and support facilities (MCN)		35.0
For the Navy: Construction of storage facilities, personnel/administrative support facilities, airfield and port facilities, including utilities upgrade. Operational facilities including runway markings, tie-downs, NAVAIDS, pierside huts, and small boat landings. Storage facilities including POL, open cargo and a covered cargo terminal.		
Diego Garcia—Wharf, Cargo Terminal (MCN)	23.5	104.0
For the Navy: Operational facilities consisting of site preparation, wharf, and a support building. Also, storage facilities for ammunition, hazardous/flammable materials, and a cargo terminal.		
III. Inflation	300.0	1,000.0
Based on OMB-approved revised economic assumptions, the following table shows the March 1980 purchase inflation rates for DOD outlays compared with the rates used in January 1980.		

	In percent	
	January 1980	March 1980
1979–80	9.3	9.5
1980–81	8.9	9.9
1981–82	8.3	8.7
1982–83	7.6	7.9
1983–84	6.9	7.1
1984–85	6.2	6.3

	1980	1981
The higher inflation on DOD purchases from industry impacts both TOA and outlays. A change in outlay rates in 1980 and subsequent years impacts TOA in prior years because of leadtimes. The cumulative effect of these revised inflation rates in DOD TOA in fiscal year 1980 and fiscal year 1981 is as indicated.		
Total increases	3,228.0	4,519.0
Offsets:		
Fuel	−200.0	---------
Inflation	−300.0	−1,000.0
10/RDF	−428.0	−619.0
Total new appropriation	2,300.0	2,900.0

TABLE II.—DISTRIBUTION OF REVISED BUDGET ESTIMATES

[In millions of dollars]

Service	Fiscal year 1980				Fiscal year 1981			
	Indian Ocean	Fuel	Inflation	Total	Indian Ocean	Fuel	Inflation	Total
Increases:								
Army	13	294	65	372	27	381	323	640
Navy	289	907	118	1,314	455	1,067	382	1,904
Air Force	126	1,270	103	1,499	137	1,407	342	1,886
Defense agencies		29	14	43		45	44	89
Total	428	2,500	300	3,228	619	2,900	1,000	4,519
Offsets:								
Army				−176				−482
Navy				−326				−663
Air Force				−411				−436
Defense agencies				−14				−38
Total				−928				−1,619

PROGRAM REDUCTIONS

	Amount millions
Military personnel, Marine Corps	−$4.0
(a) Termination of subsistence test	−1.5
(b) Lower BAQ payment estimate	−2.5

Military construction	Fiscal year— 1980	1981
European construction:		
Army: MCA	0	37.7
Air Force: MCAF	0	6.2
Planning and design:		
Army: MCA	0	19.1
Navy: MCN	0	12.3
Air Force: MCAF	0	14.5
Miscellaneous construction projects:		
Army: MCA	0	9.8
Navy: MCN	0	44.1
Modernization and replacement of facilities:		
Army: MCA	0	29.9
Navy: MCN	0	28.0
Air Force: MCAF	0	13.0
Guard and Reserve construction:		
Army Guard: MCANG	0	1.0
Army Reserve: MCAR	0	1.0
Air Force Guard: MCAFNG	0	7.0
Air Force Reserve: MCAFR	0	1.0
Family housing, Defense	5.3	0

Program reductions

[In millions]

	Fiscal year 1980	Fiscal year 1981
O&M,A	$71.2	$155.5
O&M,N	----	258.3
O&M,MC	----	11.7
O&M,AF	6.0	126.7
O&M,DA	4.0	37.6
O&M,AR	1.0	2.8
O&M,NR	30.0	0.4
O&M,ARNG	1.5	----
Total	113.7	593.0
CIVPERS	22.7	211.5
Travel	----	36.2
Studies and analyses	----	45.6
Base operating support	----	92.7
Real property maintenance	0.7	89.3
Aircraft rework	----	39.0
NRF ships	30.0	----
Readiness training	27.0	----
Other	33.3	78.7
Total	113.7	593.0

Procurement program reductions

[in millions]

	Fiscal year 1978
Army	
Aircraft program unobligated balance	−$0.8
Missile program unobligated balance	−0.4
Weapons and tracked vehicles unobligated balance	−1.2
Ammo procurement unobligated balance	−15.1
Other procurement unobligated balance	−10.0
Navy	
T-44 ECP unobligated balance	−2.0
H-46 helicopter mods	−6.0
Weapons procurement unobligated balance	−28.0
Trident I missile unobligated balance	−3.3
FLTSATCOM unobligated balance	−3.7
NEWTS unobligated balance	−1.8
Dynamic simulation	−0.6
ASW tactical support equipment	−0.7
Pollution control	−0.5
Sub support equipment	−0.2
SATS unobligated balances	−1.0
Voice frequency carrier terminal	−1.1
Air Force	
C-135 modifications	−1.7
Other production charges	−8.6
F-15 support equipment	−70.0
F-16 support equipment	−16.6
A-10 support equipment	−10.0
E-3A support equipment	−15.7
Satellite data system cost savings	−3.0
Minuteman cost savings	−4.5
Missile replenishment spares	−1.7
SHRIKE cast savings	−2.0
SDS cost savings	−0.4
TACCS I	−4.1
FMV-110	−4.5
Communications and electronic spares	−7.5
Chemical/biological defense	−1.3
BDV-38 practice bomb	−1.8
TRACALS	−1.3
Modular guided glide bomb	−8.0
Space track (GEODDS)	−2.4
UHF/VHF conversion	−4.0
Total	−245.5

Procurement program reductions

[In millions]

	Fiscal year 1979
Aircraft unobligated balances	−$0.5
Missile unobligated balances	−0.1
Weapons and vehicles unobligated balances	−0.7
Ammunition procurement unobligated balances	−2.0
Navy	
P-3C mods	−$12.0
Trident I	−15.0
Weapons indust. fac	−2.0
MK 46 torpedo	−2.0
Collateral equipment	−2.3
Submarine silencing equipment	−0.6
Submarine batteries	−0.3
Shore electronics equipment	−2.0
Air Force	
Aircraft support equipment	−6.7
MAVERICK	−13.0
TACCS I	−2.8
DSP	−12.2
MEECN	−5.0
First destination transportation	−1.6
Total	−80.8

Procurement program reductions

	Fiscal year 1980
Army	
HAWK missile modifications	$−20.4
Depot maintenance plant equipment	−7.3
M60 tank modifications	−27.0
Aviation common ground equipment	−1.1
EH-1 modifications	−1.0
RU-1 modifications	−0.5
Missile spares and repair parts	−3.0
AN/PVS-5	−2.5
Other spares	−2.3
Diving equipment	−1.0
Items less than $900,000	−1.0
ADPE for management information	−0.6
Navy	
C-9B aircraft (2 new aircraft)	−31.0
A-7 aircraft modifications	−15.5
S-3 aircraft modifications	−12.3
Common ECM equipment	−13.5
Aircraft initial spares	−3.0
Trident support equipment	−2.0
Other procurement, Navy items	−6.0
Trident electronic equipment	−2.0
SSQ-62 sonobuoys	−5.0
Manufacturing technology	−10.0
Sonar switches/transducers	−6.2
Marine Corps equipment	−10.2
FFG guided missile frigate	−190.0
Naval aviation facilities	−1.6
Air Force	
Target drones	−3.8
Minuteman II/III modifications	−10.2
Laser acquisition devices	−6.2
Chemical/biological defense equipment	−7.9
A-7K aircraft (12 new 2-seat aircraft	−112.9
C-130 aircraft (2 new aircraft)	−75.6
Other aircraft production charges	−6.0

Air Force—con.	
F-15 update modifications	−35.1
Secure voice communications	−4.5
A/E powerplant	−2.1
P-12 fire truck	−1.2
Defense agencies	
NSA classified project	−1.0
Total	−642.5

	Fiscal year 1981
XM-252 mortar and ammo	−$26.5
XM-1 Training equipment and spares	−18.0
DIVAD gun and ammo	−100.0
TRADOC automation/ADPE	−25.6
Passenger vehicles	−8.7
Navy	
HARM missiles	−88.8
Passenger vehicles	−1.9
MK-83 bombs	−20.0
Reactor cores for submarines	−35.0
C^2 test equipment	−2.0
Marine Corps combat support equipment	−.4
Passenger vehicles	−9.4
Total	−336.3

RESEARCH, DEVELOPMENT, TEST AND EVALUATION—PROGRAM REDUCTIONS

[In millions of dollars]

Appropriation	Fiscal year— 1979	1980	1981
R.D.T. & E., A	2.0	2.0	46.4
R.D.T. & E., N	8.2	20.9	29.0
R.D.T. & E., AF		56.6	131.9
R.D.T. & E., DA		4.0	.8
Total	10.2	83.5	208.1

R.D.T. & E. PROGRAM REDUCTIONS

	Defense agencies	Army	Navy	Air Force
Fiscal year:				
1979		2.0	8.2	
1980	4.0	2.0	20.9	56.6
1981	.8	46.4	29.0	131.9

FISCAL YEAR 1979

28010A	TRI-TAC unobligated balance	−2.0
11228N	Trident unobligated balance	−4.T
63505N	Antiship torpedo defense	−.5
64219N	Airborne ASW development (Arapaho)	−2.0
63514N	Shipboard damage control	−.2
25634N	Submarine silencing	−.2
64567N	Ship development (eng.)	−.2
64208N	Range instrumentation systems	−1.0

FISCAL YEAR 1980

62711E	Expl. eval. and innovative tech	−4.0
	Army personnel freeze	−2.0
61152N	In-house lab research	−.2
61153N	Defense research sciences	−2.0
62241N	Aircraft technology	−.4
62331N	Missile propulsion technology	−.5
62543N	Ship/boat/sub technology	−.5
62633N	Undersea warfare wpn tech	−.6
62711N	Undersea target surveillance	−.2
62712N	Surface/aerospace tgt. surv. tech	−.1
62¯21N	Command/control technology	−.3
62734N	Countermeasures technology	−.2
62759N	Ocean/atmospheric spt. tech	−.3
62765N	Energy and environmental protection	−.6
63508N	Shin propulsion system (gas turbine)	−5.0
63554N	SSBN-X	−5.0
63754N	High energy laser (endo-atmos.)	−5.0
63605F	Advanced radiation technology	−6.0
64754F	JTIDS	−10.0
63238F	CMCA	−15.0
63605F	High energy laser (endo-atmos.)	−5.0
64607F	Wide-area antiarmor munition	−20.6

FISCAL YEAR 1981

	Army personnel freeze	−10.4
	Army studies and analysis	−10.4
	Army admin. TDY	−.6
64310A	Fire-and-forget Hellfire	−18.0
64750A	Tactical ECM systems	−7.0
64607N	FCS electro-optics	−5.5
63545N	Integrated AAW	−8.5
61153N	Defense research sciences	−10.0
63754N	HEL (endo-atmospheric)	−20.0

R.D.T. & E. PROGRAM REDUCTIONS—Continued

64360N	Harm	+15.0
	Air Force studies and analysis	−26.5
	Air Force travel	−3.4
11113F	B-52 EMP mods	−25.0
61102F	Defense research sciences	−10.0
64742F	PLSS	−32.0
63605F	High energy laser (endo-atmos.)	−20.0
63238F	CMCA	−15.0
65104D	Technical support for U.S.D.R. & E	−.8

Mr. WEICKER. Mr. President, I have no doubt that no one looked over these 150 items on the Budget Committee to decide whether or not they should be eliminated. Two and six-tenths billion dollars. This is all nickel and dime business for the Pentagon here that we are talking about.

There is no way—and I am not going to embarrass the Senator and ask what he thinks of any of these items. No one would be able to go ahead and respond. One hundred fifty items; nonessential items.

Now the distinguished Senator from Oklahoma stands up and talks about dollar totals. Dollar totals do not mean anything here, and they should not mean anything to this country. If anybody thinks the more money you spend, the more secure you are, the greater defense you have—that is rubbish. That kind of thinking is going to get us into a hell of a lot of trouble.

To give an analogy, I was an artillery officer in World War II and the United States employed what was known as indirect fire. They could take six howitzers, place them anywhere on the ground and concentrate their fire into one area. The Soviet Union used to place their guns on the ground to achieve the same effect at the target end as the guns were positioned on the firing end. So they had to use 100 guns or 200 guns to achieve what 6 of ours could achieve by virtue of the fact that we had the better system.

I do not care what the dollar totals are. I care what it is we are getting for the dollars we spend. So to sit up here and talk about percentages and total dollars is meaningless. Were it not for the opposition of some of our colleagues, certainly this Senator, we would be running this racetrack system of the MX. Fortunately, enough voices were heard saying no.

The dollar argument is meaningless. This is the most unfortunate part of the Budget Committee's operation, though for the most part I compliment them. I know they do not have enough time. That is why it is the job of the appropriating committees and authorizing committees to go over this kind of minutia. This is the basis for my cuts, 150 nonessential items said by the Department of Defense to be nonessential, nonpriority.

As I said, I just wish we would come to the conclusion that, yes, certainly, a strong defense will require a commitment in terms of dollars, but I think that far more important in the defense of this Nation is the quality of life of its people. We will be in balance on both of these matters, only when our commitments to flesh and blood and the human condition are commensurate with our commitments to research and development and production of weapons.

This budget the committee is giving to the Senate and the American people is not balanced in terms of principle. It is not balanced in terms of priority. It gives the illusion of economic balance. It gives the illusion of security when, in fact, it is the most inflationary type of approach toward our economic problem that can be devised.

The committee is leaving the price to be paid by future generations so that we can all tiptoe off the stage and say, "We balanced the budget."

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I yield back the remainder of my time.

Mr. HOLLINGS. Before yielding back the remainder of my time, I want to go right to this point. On the particular list of minutia we did not have the time to review it nor is it our responsibility. But I can say to the distinguished Senator from Connecticut that there are members on the Budget Committee, such as the distinguished Presiding Officer, Senator EXON, and the Senator from Colorado, Senator HART, who are also on the Armed Services Committee. They know the minutia, they have likely debated the minutia in that committee. The distinguished Presiding Officer, the Senator from Nebraska, is also the member who made the $1 billion cut in the DOD budget by reducing administrative costs.

We discussed these things. And I point out that there is no sanctity in what the President and the DOD say about defense needs. If we had that, we would not have the submarine leg of the strategic triad. The Presidents and Secretaries of Defense were against Admiral Rickover, but due to his insistence we have a very vital leg of the triad.

I just emphasize the fact that, as Senator BELLMON has pointed out, that in fiscal year 1981 constant dollars defense spending has remained right at the particular $146 billion level from 1960 to 1980. In contrast, nondefense spending associated with human resources, education, health, income security, employment, training, benefits, veterans and social services, have gone from the $200 billion mark in fiscal year 1981 constant dollars in 1960 to $515 billion in 1981. I have a chart that shows these figures. However, we cannot print these charts in the RECORD. This chart is used by the Secretary of Defense.

So Defense spending has remained constant in 20 years while the Soviets have outspent us in 10 years alone. We have remained constant right across the board in defense. But, we have been rather generous to all the other particular programs in the budget. Now the Senator from Connecticut says that this kind of thinking will get us into trouble. We know what kind of thinking has gotten us into trouble, exactly the kind of thinking involved in this particular amendment which cuts $9.2 billion out of the defense budget proposed by the Budget Committee.

We have to turn it around. We cannot stand that cut. We are not increasing it by $40 billion this year as the DOD study indicated might be needed in order to equal the Soviet budget. We have not provided that. But we have provided a

5.7 percent increase in outlays to turn us around and head us in the right direction.

I yield back the remainder of my time. I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. All time has been yielded back.

Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered.

The vote will occur later in the day as per the agreement.

Under the previous order, the Senator from Alabama (Mr. HEFLIN) is recognized to call up an amendment on which there shall be 40 minutes.

UP AMENDMENT NO. 1079

(Purpose: To decrease the recommended levels of budget authority and outlays for International Affairs for fiscal years 1981, 1982, and 1983 and to increase such levels for the Administration of Justice for such fiscal years)

Mr. HEFLIN. Mr. President, I send to the desk an unprinted amendment which I sponsor along with Senators KENNEDY, MATSUNAGA, COCHRAN, DURENBERGER, and DECONCINI, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) for himself, Mr. KENNEDY, Mr. MATSUNAGA, Mr. COCHRAN, Mr. DURENBERGER, and Mr. DECONCINI, proposes an unprinted amendment numbered 1079.

Mr. HEFLIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 18, strike out "$23,400,000,000" and insert "$23,300,000,000".

On page 4, line 21, strike out "$14,700,000,000" and insert "$14,600,000,000".

On page 4, line 22, strike out "$9,700,000,000" and insert "$9,600,000,000".

On page 4, line 24, strike out "$13,400,000,000" and insert "$13,300,000,000".

On page 4, line 25, strike out "$9,700,000,000" and insert "$9,600,000,000".

On page 9, line 16, strike out "$4,200,000,000" and insert "$4,300,000,000".

On page 9, line 19, strike out "$4,400,000,000" and insert "$4,500,000,000".

On page 9, line 20, strike out "$4,500,000,000" and insert "$4,600,000,000".

On page 9, line 22, strike out "$4,600,000,000" and insert "$4,700,000,000".

On page 9, line 23, strike out "$4,700,000,000" and insert "$4,800,000,000".

Mr. HEFLIN. Mr. President, the amendment that I am offering is quite simple and straightforward. What I am proposing, is to shift $100 million in budget authority from the international affairs function, function 150, to the administration of justice function, function 750.

Mr. President, the need for this amendment is obvious. If the Budget Committee proposal prevails, there will be no effective law enforcement assistance administration program after September 30, 1980. Sufficient Federal agency personnel will not remain to administer the money in prior year funds which are already in the fund-flow pipeline from LEAA. There will be little or no Federal funds to support the State and local criminal justice planning agencies. We will, in effect, have killed a program in midstream, a program which has blossomed into maturity over the years since its organization, and which is now functioning as one of the most effective Federal programs of assistance to the State and local governments ever devised by this Congress.

Mr. President, the administration and the Budget Committee of the Senate have marked LEAA for death. I am not sure they recognize the consequences of their actions in suggesting the amount of money to be authorized under the budget for LEAA. One hundred seventy-seven million dollars is the designated amount appearing in the budget recommendation.

Under existing law, $100 million, the first $100 million, has to go for juvenile justice. This leaves $77 million that can be used for law enforcement assistance outside of juvenile justice.

Priority for the first $15 million of this amount has been given for police officer death benefits when such officers are killed in the line of duty.

This leaves $62 million, and that $62 million under the existing law would go for the research statistics-gathering process, leaving nothing whatsoever for assistance to State and local governments in the form of law enforcement assistance.

The LEAA, in early years, after it was created by the Omnibus Crime Control and Safe Streets Act, had some rough years. I am sure there was a waste of money here and there; there were a lot of programs that were not effective. The program at that time gave the States the complete decision as to the use of money. But by about 1974, in my judgment, there was a turnaround in the LEAA program. The Honorable "Pete" Velde was the administrator and under his leadership, a turnaround occurred in the LEAA program. Since that time, in my judgment, the money has been wisely spent. The States and the units of local government have effectively used the LEAA funds to assist in improving law enforcement assistance and the administration of criminal justice.

Today, I think the LEAA is a very effective program. We have seen the law enforcement agencies of the States become professionalized. Institutional correctional personnel have shown vast improvement and they likewise have become professionalized. Penal personnel, court clerks, police, sheriffs, deputy sheriffs, and, yes, judges, have become professionalized as a result of this program.

Beginning in 1975, however, the LEAA began to itself become a victim of budget cuts. The appropriation at that time was $880 million. It has been cut each year since that time down to where the proposal for new budget authority is only $177 million. During this period in which there have been constant cuts, followed each year by another cut—cut on cuts—nevertheless, the LEAA program has proven to be effective.

What does my amendment do? My amendment is not a budget-busting amendment; it is a transfer amendment. It would transfer $100 million in budget authority for international affairs function, function 150, to the administration of justice function, function 750, which includes the LEAA. What is involved in the transfer?

The recommended budget authority for international affairs, foreign aid for the 1981 budget, is $23.4 billion. The recommended outlay level for fiscal year 1981 is $9.5 billion. My amendment would move less than one-half of 1 percent in budget authority from foreign aid to internal aid against crime. Moreover, because of the 3-year payout for LEAA grants to the States, the actual impact on outlays would be so small as to be almost infinitesimal.

The Budget Committee staff has estimated that the first-year outlay of this $100 million in budget authority would be less than $50 million. Thus, the outlay figures on the budget resolution would not change at all in function 150, international affairs, or function 750, the administration of justice. It would appear under outlays as zero change. However, in all candor, outlays would amount, during fiscal year 1981, to approximately $20 million. This means that there is only a shift in my proposal of $20 million from foreign aid to LEAA during the year 1981. This is $20 million out of $9.5 billion. My staff informs me this would mean a shift of about one five-hundredths of the funds set aside for international affairs to the administration of justice. That is only two-tenths of 1 percent.

Clearly, this is a very small shift and could be made without destroying or seriously damaging any of the programs set aside for foreign aid. Actually, it can be made up from unused funds from other years. There are, for example, funds that were authorized as far back as 1974 that have not yet been used. Just to point out one—and I do not mean by this to point it out as a particular target, but to use it as an example—we have two projects that have been authorized since 1974 under the AID program for Syria which have never been undertaken and there had been no outlay for the projects. Some people who are anti-Syria—and I am not anti-Syria—could point to the fact that Syria has been more supportive of Iran during this hostage situation than other Mideastern countries.

Surely there is room for this kind of reduction in the foreign air program for 1981. The Budget Committee quite properly has not specified spending levels for the various foreign aid activities within the international affairs function. Certainly, I would not propose to dictate such spending levels in my proposed amendment. That is, of course, a function of the authorizing committees and the Appropriations Committee.

Mr. President, this amendment of less than one-half of 1 percent in budget authority and an infinitesimal amount of our good allies such as Israel, Egypt, or Saudi Arabia. It does not and could not endanger our commitments abroad, but certainly could have a tremendous impact in our commitments at home to fight crime and would save the only program that Congress has as a program to fight crime by aiding the State and local units of Government.

If it would have an adverse effect on our good allies like Israel or Egypt, then I would not offer it. In making this amendment my cosponsor and I, are not endeavoring to destroy any particular foreign aid program or to pick on any country or, really to cause any serious problem in regard to foreign aid. I have reservations about our liberal policy and our program of foreign aid, but this amendment in no way, in my judgment, would affect the overall foreign aid program.

Mr. President, I point out that the battle against crime has not been won. When we "sunset" a program or schedule it for death, it is usually when the problem for which the program was designed has been cured. Let us look at what happened in the last few years with regard to the ever-growing crime problem. Crime has grown over a period of time far greater than inflation. However, LEAA, in my judgment, has reduced the increase, the annual growth, of crime. I believe that It has been effective in reducing the growth rate. I point out, however, that last year, the statistics of the FBI show there was an 8 percent increase in crime. In some of the categories they reported, the increase was larger, as in violent crime, 11 percent; murder, 9 percent; armed robbery, 12 percent.

A few years ago, these increases were substantially higher. But I want to point out that crime is increasing and we must do something to stop crime in this country and stop its ever-spiraling growth.

Contrary to popular belief, the LEAA was not designed to stop all crime. I think we only have to look at the name, LEAA, to realize that it was not intended to stop crime. It is a law enforce assistance agency.

If Congress wants to devise a program to stop crime, then it must direct its attention toward the molders of values and attitudes. That means our attention must be directed toward our youth, and toward the family. It must be directed toward the schools and churches, those institutions that mold values and attitudes of our young people.

If we are to instill the value of law observance, so that our young people appreciate law observance, then we must start at an early age, and work through those institutions which have meaning for our young people.

I say, if there has been a mistake in our efforts to stop crime, then the guilty finger has to be pointed at Congress and the various administrations over the years, because they did not design or fund the LEAA program to stop crime. They did, however, design it to assist law enforcement, and they did design it to improve the administration of criminal justice at every level.

Mr. President, despite the billions of dollars that we have spent over the years, anti-American sentiment continues to grow around the world and it has become abundantly clear that $195 billion spent since World War II has done little to buy us friends.

But, Mr. President, as I said, my purpose is not to attack foreign aid. My purpose is to foster "internal aid" against crime.

Let us just take a quick look, Mr. President, at some of the examples of the effects on State and local criminal justice if we are not able to squeeze funds of some sort for the LEAA.

In Oklahoma, John Ransom, director of the Oklahoma Crime Commission, estimated that projects such as the following would be imperiled:

First. A grant to the Oklahoma district attorney's office to compile career criminal information;

Second. Funding for the law enforcement training center;

Third. A grant for jail renovation and training;

Fourth. Funds for a case disposition information network and management grants to State courts.

Moreover, Debbie Martin, planner for the Oklahoma City criminal justice council said projects in jeopardy include special police, burglary, and robbery prevention squads, youth programs, money spent for "sting" projects, and drug abuse programs.

In Chicago, local officials believe the proposed budget cut would eliminate:

First. A project which has led to the solution of many rape cases by providing Chicago hospitals with "rape evidence kits";

Second. An assistance program for victims of crime to make sure they keep showing up in court to testify.

Third. A project to compel courts to place priority on scheduling trials for violent offenders;

Fourth. A program to counsel victims at the scene of a crime.

In Florida, the budget phase-out of LEAA will cost that State almost $12 million in crime fighting grants, much of it directed to the State's plague of drug smuggling operations.

A Florida department of law enforcement inspector, Ron Kazorowski said, and I quote:

> We don't mind telling you we need federal help. Drug smuggling is big business—bigger than all of Florida right now.

Mr. President, I could go on and on in detailing many of the fine local programs that will come to an untimely end if the move I am making is not successful. Rather than take the Senate's time I ask unanimous consent that a listing of these programs be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

EXAMPLES OF THE EFFECTS ON STATE AND LOCAL CRIMINAL JUSTICE OF THE PROPOSED ELIMINATION OF FY 1981 FUNDING FOR THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

According to John Ransom, Director of the Oklahoma Crime Commission, Oklahoma projects such as the following would be imperiled:

A grant to the Oklahoma County district attorney's office to compile career criminal information;

Funding for the Law Enforcement Training Center;

A grant for all jail renovation and training;

Funds for a case-disposition information network and management grants to state courts.

Debbie Martin, planner for the Oklahoma City Criminal Justice Council, said local projects in jeopardy include: special police burglary and robbery prevention squads, youth programs, money for "sting" projects, the Council for Resocialization of Ex-Offenders, and Treatment Alternatives to Street Crime (TASC), a drug abuse program. (Oklahoma City Times, March 21, 1980.)

In Chicago, local officials believe the proposed budget cut would eliminate:

Chicago's police "beat representative" program in which 4500 neighborhood residents act as the "eyes and ears" of the local station house;

A project which had led to the solution of many rape cases by providing Chicago hospitals with "rape evidence kits", simple packages which allow harried medical staff to accurately record the data so crucial to pressing a rape prosecution.

An assistance program for victims of crime to make sure they keep showing up in court to testify;

A project to compel courts to place priority on scheduling trials for violent offenders;

A program to counsel victims at the crime scene. (Chicago Tribune, March 30, 1980.)

According to Joan Botts, supervisor of planning and research for the Atlanta Department of Public Safety, Atlanta has 17 LEAA grants, which run out at staggered times ranging from this June to November 1981. "We consider every one of them to be crucial," said Lee P. Brown, Atlanta Public Safety Commissioner. Among Atlanta's major programs for which LEAA is providing most of the funds are:

Domestic Crisis Intervention, in which social workers assist police in trying to reduce the incidence of domestic violence;

A program to provide medical consultations at the Atlanta jail;

Counseling support services for Atlanta police through an 11-member panel of psychiatrists and psychologists;

Project SAFE, an effort to coordinate community crime prevention programs;

A program in which 55 community service officers are hired to carry out quasi-police duties. (Atlanta Constitution, March 28, 1980.)

Davis and Yolo County, California, could lose such current programs as the Sexual Assault Center, Battered Women's Center, and the District Attorney Career Criminal Program. Other programs supported by LEAA grants include funds for training specialized personnel in the Sheriff's department, the district attorney's office and the probation department. (California Aggie April 3, 1980.)

Massachusetts Secretary of Public Safety George Luciano said elimination of LEAA could mean the end of several public safety programs in the State and could reduce law enforcement spending by as much as $9 million. ". . . . it will have a great impact on the criminal justice community of the Commonwealth as well as every state in the country," Luciano said.

Affected by the proposal to eliminate LEAA are:

The Massachusetts Committee of Criminal Justice, which would lose most of its staff;

The Massachusetts Municipal Police Institute, which would lose about $320,000 in LEAA money and several employees;

Police departments that sponsor crime prevention programs, such as Neighborhood Watch and commercial antiburglary programs;

The Massachusetts Chiefs of Police Assn., which is working on four LEAA grants;

According to First Assistant Middlesex District Attorney J. William Codinha, the Middlesex DA's office would lose 24 staff members, 17 attorneys and more than $500,000 in law enforcement program funds if the LEAA is disbanded. (The Boston Globe, April 17, 1980.)

Edward Congrove, New York State district attorney at Buffalo and executive officer of the National District Attorneys Association, wrote President Carter that the administration's proposed cuts in LEAA would be a "death blow" to some successful programs. He cited programs for fighting organized crime, major offenders programs, and programs against consumer fraud. In the "stings," state and local officials posing as underworked "fences" have recovered $260 million worth of stolen property in 100 undercover operations across the country, at a cost of $6 million in "buy" money put up by the LEAA. (Sacramento Union, March 20, 1980.)

Federal budget cuts will affect a wide array of crime-fighting programs in Dallas, which stands to lose nearly $2 million in LEAA funds. Every criminal justice expert interviewed by the Dallas Morning News predicted dramatic increases in crime as a result. (Dallas Morning News, March 30, 1980.)

Lansing, Michigan officials say the impact of funding costs could range from the death of some LEAA programs to curtailed criminal justice services, depending on the size of the budget finally approved. According to Ingham County Prosecutor Peter D. Houk, "Some of our best programs, such as the pretrial diversion and victim-witness assistance programs, and our career criminal unit, were originally LEAA grant programs." In addition, LEAA money has been used to help finance two major "sting" operations in Lansing. In September 1978, police posing as "fences" recovered $135,000 in stolen property and charged 17 adults and 25 juveniles with receiving and concealing stolen property. Last August, police staged another "sting" operation in which they recovered $840,000 in stolen property and charged 61 persons with felonies.

"Sting" operations average about a 90 percent conviction rate in the cases that go to trial. (Lansing Journal, April 4, 1980.)

If Congress upholds the budget phase-out of LEAA, Florida will lose almost $12 million in crime fighting grants, much of it directed at the State's current plague of drug smuggling.

According to John Burke of the Florida Department of Community Affairs, "Quite a few projects against drug smuggling that are under way now obviously won't be continued." They include several efforts to curb marijuana and cocaine smuggling in southwest Florida. The budget cut is also likely to snuff out current successes like Tallahassee's Rape Crisis Center, the Florida Youth and Law program, high school criminal justice demonstrations, projects to curb crimes of violence against the elderly, and a project to train Seminole Indians in security measures on reservation land.

Florida Department of Law Enforcement inspector Ron Kazorowski said, ". . . we don't mind telling you we need Federal help. Drug smuggling is big business—bigger than all of Florida right now." (Gannett News Service, April 3, 1980.)

Baton Rouge (Louisiana) Police Chief Johnny Johnston said he is concerned about the prospect of LEAA being abolished. "The impact would be bad on the Baton Rouge Police Department," Johnston said. Among projects that have been funded with LEAA grants are the Police Athletic League, Burglary Interceptor Unit, Special Police Operations Team and the Crimes Against the Elderly Unit.

"Most LEAA programs have been an attempt to impact the crime rate," said Jerry Gardiner of the city police Research Department. "They have had a tremendous effect. We feel like we'll lose a lot if (LEAA) doesn't go through."

Bill Tatemen, director of the Capital District Law Enforcement Planning Council said rural areas might be hurt most if LEAA is abolished. The rural agencies might not be able to find alternative sources of funds for programs that got off the ground with LEAA grants.

Elimination of LEAA would affect a wide range of state and local agencies, not just police forces and sheriff's offices. The state Department of Corrections, the judiciary, district attorneys, the state Department of Health and Human Resources and even state colleges are among recipients of LEAA grants in Louisiana. (Baton Rouge Advocate, March 26, 1980.)

In Philadelphia, elimination of the LEAA program would mean the end of: District Attorney's Rape Prosecution Unit; Career Criminal Prosecution Unit; District Attorneys Domestic Abuse Unit; Police Major Investigations Unit; Defenders Special Defense Unit; Prison Vocational Education and Training; Court Probation Project; and Youth Status Offender Network.

We estimate that the job loss for these currently operating LEAA projects would be between 200–250 persons. (Philadelphia Criminal Justice Coordinating Commission, March 26, 1980.)

The Minnesota Crime Control Planning Board reports that 25,000 clients are currently receiving services from LEAA projects in Minnesota. Services provided to offenders and victims include chemical dependency treatment, juvenile shelter care, jail treatment, restitution, family violence counseling and legal defense.

The loss of LEAA funds would virtually eliminate the state's ability to try out new approaches to improving the criminal justice system, and would thus have a deadening effect (the system would revert to sticking with the "status quo"). State and local governments simply cannot afford the start-up costs for new, innovative programs, nor are they generally willing to risk an untried approach versus what already exists. (Crime Control Planning Board, March 4, 1980.)

Police training, community crime prevention programs and efforts to improve probation services in the Illinois Quad-Cities will fall by the wayside if Congress approves the plan to eliminate the Law Enforcement Assistance Administration. Rock Island County Sheriff Randy Heaton said loss of LEAA funding could mean a drastic cutback in deputy training programs. "I would estimate that 50 percent or more of our training would have to stop if LEAA is stopped," Heaton said.

Bill Ettinger, Rock Island County's court services director, said an LEAA cutback would affect two probation programs in his department. A juvenile offender screening program and a program to increase the probation staff are slated to continue beyond the fiscal year, but may have to be curtailed if LEAA funds are cut off.

An LEAA cutback also would affect the Community Caring Conference neighborhood block organizing campaign. (The Daily Dispatch, Moline, March 31, 1980.)

Lewis and Clark County (Montana) Sheriff Chuck O'Reilly said the elimination of LEAA "could have a drastic effect on this department. Our entire computer project is LEAA. We're in the third year of a five-year project." The Helena Police Department and the sheriff's department are working on a cooperative computer information system that will allow them to share information, solve more crimes, and dispatch men more efficiently.

"The LEAA really brought this department out of the dark ages," O'Reilly said. "The county can't afford to fund the modern equipment or training we need." (Helena Independent-Record, March 22, 1980.)

Fairfax County stands to lose more than $500,000 in law enforcement assistance funds if LEAA is eliminated. Included in the list of programs on the federal chopping block are New Beginnings, a community-based alcoholism treatment facility, a juvenile group home, recreation and library services in the county jail, a juvenile delinquency officer for Herndon, and a special crime-fighting program, also operating in Herndon.

Without the federal money, residents of the halfway houses and participants in the alcoholism program can expect them to close and cease operations around January 1982. (Fairfax Journal, April 18, 1980.)

Carolyn Lathrop, associate judge of Boone County, Missouri, and chairman for juvenile justice of the National Association of Counties, noted that if LEAA appropriations are eliminated, $74 million less would be available for juvenile justice programs. Moreover, she added, the Juvenile Justice Act formula grant program is administered by state criminal justice councils, most of which could not function without LEAA funds. (NACO County News, April 7, 1980.)

"(LEAA's) categorical support programs against organized crime, major offenders, and repeat offenders, are unexcelled. Its support of STING operations, the Integrated Criminal Apprehension Program (ICAP), and Accreditation of Law Enforcement Agencies are dynamic examples of projects that can only exist with Federal aid.

". . . LEAA gave us the lightweight body armor program, credited with saving hundreds of lives; the explosives dog-detection program, directly credited with finding a bomb on a TWA jetliner; the high-speed steel-belted tire warning, that avoided countless accidents in police pursuits; and the standards program which, together with the testing program, provided enormous benefit with great cost savings to the public, while at the same time provided agencies with information enabling them to buy superior equipment.

"The fact remains that over eighty percent of this nation's police departments are still staffed by less than a dozen sworn officers. There is no way these agencies can conduct their own research and development without federal assistance. Programs already under way will suffer with the withdrawal of federal funds. And, as their own local resources diminish, these agencies will effectively lose much of their ongoing public safety programs. (The Police Chief, May 1980.)

Mr. HEFLIN. Mr. President, in addition to these fine local programs which are in jeopardy, a large number of programs of a wider ranging nature will also be affected. For example, in the area of organized crime and white-collar crime, the "Leviticus Project Association," which is a seven State strike force comprised of 14 law enforcement and regulatory agencies which is organized for the purpose of detecting, investigating, and removing organized white collar-crime conspiracies in the local coal industry will cease to exist if we do not act. To-date, this project has indicted four individuals on defrauding investors of over $2 million and has the potential of saving up to $13 billion in taxable income.

The Cornell Institute on Organized Crime and the National College of District Attorneys Organized Crime Training Seminar will terminate. These two training efforts, reflecting the only national attempt to upgrade the investigation and prosecution of organized crime, will cease to function if we fail to act. Presently 250 investigators and prosecutors are being trained each year in these programs.

The Dade County (Florida) Organized Crime Training Institute will cease operation if continuation of funding is not available from LEAA. The institute, which is recognized nationally as the "state of the art" in organized crime training, provides training in organized crime and investigative and prosecutorial techniques to more than 1,000 State and local enforcement and prosecutorial personnel each year.

In the area of corrections and rehabilitation, the AMA pilot jail project to improve health care in correctional facilities in 20 States will end.

In the area of special training and techniques, the following special training programs are expected to be terminated if LEAA funding ceases:

1. LEAA/U.S. Army hazardous devices course;
2. LEAA/FBI Hostage negotiation program;
3. LEAA/U.S. Air Force explosive detection canine (K–9) program;
4. LEAA/Secret Service dignitary protection program.

Thousands of law enforcement officers have already been trained in these programs and many more need to be trained. Moreover, projects dealing with arson control will come to an end.

Training is presently provided to more than 17,000 arson control personnel in this country, supported by LEAA funds and funds transferred by LEAA to the FBI, the U.S. Fire Administration and the Bureau of Alcohol, Tobacco, and Firearms.

Mr. President, I could go on and on in this litany, but rather than subject the Senate to a full funeral dirge, I ask unanimous consent that the complete list of programs under a report entitled "The Effect on Nationwide Criminal Justice Programs Resulting from Termination of LEAA" be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Effect on Nationwide Criminal Justice Programs Resulting from Termination of LEAA

ORGANIZED CRIME/WHITE COLLAR CRIME

Leviticus Project Association.—This seven state strike force, comprised of 14 law enforcement and regulatory agencies for the purpose of detecting, investigating and removing organized white collar criminal conspiracies in the coal industry will cease to exist. To date, this project has indicted four individuals on defrauding investors of over $2 million and has the potential of saving up to $13 billion in taxable income.

Cornell Institute on Organized Crime/National College of District Attorney's Organized Crime Training Seminar.—These two training efforts, reflecting the only national attempt to upgrade the investigation and prosecution of organized crime, will cease to function. Presently, 250 investigators and prosecutors are being trained each year.

The National Center on White Collar Crime.—This project serves as the only national focus point for the training of enforcement and regulatory officials at the state and local level. Without continued support, the Center will cease not only its training functions (100 students per year) but will cease development and publication of technical guides to assist in white collar crime investigations and prosecutions.

Confidential White Collar Crime Projects.—Two confidential projects, conducted jointly by local and FBI agents, will cease their operations prematurely thereby allowing significant organized criminal elements to continue their illegal operations.

Interstate Toxic Waste Project.—This project to be conducted jointly by the Attorneys General and environmental directors in eight states to address the illegal disposal of toxic waste materials will cease to exist.

Joint Organized Crime Strike Forces.—Current efforts in Miami, Tallahassee and New Jersey and other areas would be terminated with no hope of continuation due to their multi-jurisdictional nature. Individual local budget processes have enough difficulty trying to fund service maintenance efforts and find it impossible to accommodate mutli-agency efforts that may or may not directly impact upon their local jurisdiction. The Miami project, which is approaching the end of its first funding cycle has been responsible for over 700 arrests and the seizure of over $20,000,000 in illicit assets. The Tallahassee project, which has only recently begun operation, has established a coordinated network of prosecuting attorneys throughout the State designated to specifically focus attention on organized crime and narcotics trafficking.

Organized Crime Training.—The Dade County (Florida) Organized Crime Training Institute will cease operation if continuation funding is not available from LEAA. The Institute, which is recognized nationally as the "State of the Art" in organized crime training, provides training in organized crime investigative and prosecutorial techniques to more than 1000 state and local enforcement and prosecutorial personnel each year.

Regional Information Sharing Systems.—These projects, which provide for multistate efforts against organized crime and narcotics trafficking, would be effected to the extent that two of the projects would lose their funding support. The New England State Police Administrators Conference, operating in the six New England states, and the Mid-West Organized Crime Information Center operated by the Kansas City, Missouri, Police Department, are supported entirely by LEAA funds.

CORRECTIONS/REHABILITATION

Cancellation of the American Medical Association pilot jail project to improve health care in correctional facilities in 20 states.

Termination of the only federal assistance programs for drug and alcohol abusing offenders. More than 50 such projects are currently in operation with LEAA funds.

Termination of federal technical and financial assistance to local governments to reduce jail overcrowding.

Cancellation of the national Corrections Standards and Accreditation project which assists states in bringing their correctional facilities up to American Correctional Association standards.

LAW ENFORCEMENT

Integrated Criminal Apprehension Program (ICAP).—At present, 43 police departments are active in ICAP. These agencies represent approximately 29,000 police officers, who provide police services to 10,500,000 citizens in 23 states. Nine states have adopted the ICAP model as the basis for their police service delivery. The State of California recently adopted legislation requiring the ICAP model to be followed when using general funds to improve the police service delivery. The national ICAP effort would terminate if no LEAA funds are available.

Sting.—More than $280 million in recovered stolen property and economic saving has been realized for $7 million in "buy money" in Sting operations. More than 8000 persons have been charged, of whom 84 percent had prior arrest records and approximately 65 percent of whom are career criminals.

Ten currently funded Sting projects will not be continued in FY 1981. No new projects will be started. No technical assistance to state and local enforcement agencies.

SPECIAL TRAINING AND TECHNIQUES

The following special training programs are expected to be terminated if LEAA funding ceases:

LEAA/U.S. Army Hazardous Devices Course.—The purpose of the program is to improve the ability of state and local law enforcement agencies to respond to the problem of terrorist and criminal bombings by providing training for their officers in explosive devices disposal. To date, over 2600 officers have attended the basic course and more than 1200 have attended the refresher course.

LEAA/FBI Hostage Negotiation Program.—To date, the program has trained more than 9300 individuals in terrorism-related negotiations.

LEAA/U.S. Air Force Explosives Detection K–9 Program.—The program provides for the training of man and dog (K–9 team) in patrol and explosive detection techniques. The program is currently incorporated in the passenger security operations of 30 major international airports throughout the United States with two men plus two K–9s assigned to each FAA designated airport.

LEAA/U.S. Secret Service Dignitary Protection Program.—The Secret Service will conduct Dignitary Protection Seminars for 80 command-level enforcement officers. More than 1200 law enforcement officers have already completed the program.

ARSON PREVENTION

Current projects dealing with arson control such as those described below will not be continued without LEAA funds:

Training is presently provided to more than 17,000 arson control personnel throughout the country, supported by LEAA funds transferred by LEAA to the FBI, the U.S. Fire Administration, and the Bureau of Alcohol, Tobacco and Firearms.

State and local jurisdictions are receiving approximately $10 million dollars in discretionary and block funds for arson control projects.

Assistance is provided to 16 states in their data collection efforts to implement the change of arson to a Part I crime in the FBI's Uniform Crime Reports.

Mr. HEFLIN. Mr. President, an editorial appearing in the New York Times on April 15, stated and I quote:

> The tragedy is that the imminent death of the LEAA is so much a part of our urban anguish. The cities, where crime hurts most, stood to gain the most from enlightened support to reform their criminal justice system. Now the program, like the cities, is the victims of anti-inflation budget slashing. For all its faults, LEAA should not be abandoned this way.

Mr. President, I ask unanimous consent that this entire editorial be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

L.E.A.A. Should Not R.I.P.

The Law Enforcement Assistance Administration lies dying. Born in the riotous 60's, Presidential weapon in the war on crime, the

L.E.A.A. now seems doomed by legislative and executive budget cutters. Only modest research and statistics bureaus will survive, having been spun off from the parent agency just in time.

Why is death coming to an agency that, despite years of inflated expectations, bitter condemnation and endless study, has still managed to dole out $7 billion for state and local law enforcement? An experienced Congressional staffer says, "It's like the turtle in our backyard when we were little; we picked it up so many times, it finally died."

The tragedy is that the imminent death of L.E.A.A. is so much a part of our urban anguish. The cities, where crime hurts most, stood to gain the most from enlightened support for efforts to reform their criminal justice systems. Now the program, like the cities, is the victim of anti-inflation budget-slashing. For all its faults, L.E.A.A. should not be abandoned this way.

More realism at the outset about what the agency could accomplish might have produced a sounder program then and better appreciation of its genuine achievements now. The original idea was to enable Washington to help states and cities, with the incentive of sizable grants, to be innovative and improve their criminal justice systems. There's that word "systems" again. Before L.E.A.A., it was not widely recognized that criminal justice is a system. Society now sees more clearly how futile it is, for example, to think that more police will make communities safer without more efficient court machinery to handle the extra cases; or how silly to think that convicting more criminals will do much good without doing something about corrections facilities. The Federal crime program deserves credit for this increased appreciation.

Some people will always think of L.E.A.A. in terms of various misjudgments, like the early emphasis on exotic hardware—the Ultimate Tank Patrol Car, or the Shooting Shoe that supposedly could be fired when a policeman was otherwise disarmed. Too quickly forgotten are the ideas and procedures for halving police response time, or computerizing case files to make prosecutors more efficient.

Congress should not so eagerly accede to this budget execution. At a minimum, the public is entitled to some better explanation of why Washington wants to abandon this modest, relatively inexpensive leadership role. For though L.E.A.A. may be allowed to die, the need for help against crime will not.

Mr. HEFLIN. Mr. President, the most tragic aspect if we do not continue the LEAA program, however, is the impact it will have on our law enforcement officers around this country.

Let me just give one salient example. Mr. President, I am sure that everyone in this Chamber is aware of the storm of controversy that was generated by the Supreme Court's decision in the Miranda case. For several years after the Miranda decision was handed down, you could hardly pick up a paper without seeing that some criminal had been set free because the police officers failed to give the accused his Miranda warning, informing him of his right to counsel, or that somehow the warning had been improper or incorrect.

When was the last time any Member of this body saw a criminal set free because of a failure to give a Miranda warning? Through the auspices of the LEAA, training programs and police academies have been established all around the country. The police departments and other law enforcement officers have been trained by these academies and upgraded from untrained and unprofessional, to highly trained and highly professional and highly motivated. What will happen, Mr. President, if these police academies are forced to close because of lack of adequate financial funding which has been available from the LEAA? As the normal turnover occurs and older officers are retired or go on to other positions, new recruits will be brought in who will not have the benefit of the training that has been available for the last 8 to 10 years. These officers will not be schooled or educated as to the constitutional rights of the accused and I think that once again we will see a rash of cases where criminals are set free because of mistakes of the constable.

Mr. President, we cannot let this happen. We cannot permit our police departments who have come so far in such a short period of time, to deteriorate into the untrained and unprofessional organizations they were before the LEAA stimulated the upgrading of these organizations.

As I travel around my State I find that the problem of crime ranks high among the chief concerns of the citizens of Alabama. Whether I am visiting a city dweller in Birmingham or the farmer at Opp, Ala., the subject of crime usually surfaces. And although the Congress of the United States has committee after committee dealing with the issues of the economy and energy, you do not find too many committees dealing with the problem of crime. There are plenty of hearings held on what to do about inflation, but when it comes to crime the Congress is quick to answer "it's a local problem, for State and local governments to deal with."

Mention crime in the Congress and everyone is against it. Ask what should be done to reduce it—and we buck the issue to local government.

Now the Congress is being asked to wipe out the only effective program designed to aid State and local governments in their struggle against crime. Congress is being asked to send a signal to the citizens of our Nation that when it comes to crime, State and local governments must fend for themselves. We are abdicating our responsibility to the American people.

Year after year the Congress appropriates billions of dollars to protect the United States against foreign threats. A week does not go by without some new plea by the Defense Department for more financial aid—the B-1 bomber, the Minuteman missile. I support these programs.

Why should it be any different when the threat to America comes not from abroad but from within? Why should not government—all levels of government—be willing to act forcefully and dramatically to deal, not only with potential crises from abroad, but a very real crisis which confronts us now. Society need not stand by helplessly while the criminal offender rules the streets. LEAA is Congress only clear response to the American people about the problem of crime. Its elimination would be not only a practical blow to law enforcement, but a symbolic blow to our ongoing crimefighting efforts.

The effect of the Budget Committee's recommendation and the amount of money it has set aside for LEAA, is the death of LEAA.

As we reflect on the many effective programs supported by LEAA seed money and see how they are marked for extinction, I say that crime is still a serious problem in this country.

Normally, as I mentioned earlier, programs designed to cure a problem are targeted for extinction only when the problem is solved. The policy guidance and implementing programs to solve a given problem, be it crime or otherwise, are the responsibility of the administration and the Congress. If there are serious defects in our crime control programs or the LEAA itself, then I believe that the Congress should adopt the policies and methods necessary to cure these defects.

But let us not destroy the LEAA without a substitute. Let us not throw out the baby with the water. Congress and the administration, by not continuing the LEAA, would be saying that we do not have the intelligence or ability to provide a workable and effective crime control program. Abolishing a Federal assistance program to fight crime without providing a substitute is an indictment against the administration and the Congress.

The war against crime must be won. Unfortunately, the leadership in the administration, and Congress, is throwing up its hands and surrendering to crime rather than formulating and executing a counterattack.

However, I say again that LEAA is working. I do not want to arm our law enforcement officers with blank cartridges, and that is what we are doing when we are destroying LEAA.

Mr. President, I reserve the remainder of my time.

I yield to the Senator from South Carolina.

(At this point. Mr. BURDICK assumed the Chair.)

Mr. THURMOND. Mr. President, I support the amendment being offered by the Senator from Alabama for two reasons.

First, the Senator's amendment does not add any additional money to the overall budget resolution. As I understand it, it simply transfers budget authority from the foreign aid category to the administration of justice category. Compared to the large amounts of money being considered in this resolution and other amendments, the transfer is a modest one—only $100 million.

The second reason I support the Heflin amendment is because it would restore a vital program to the States and local governments of this Nation. This amendment would put back $100 million of the nearly $300 million the administration cut out of the law enforcement assistance administration program of formula grants to State and local governments.

Mr. President, on April 30, 1980, the FBI released the most recent uniform crime reports which showed that violent crime in America has increased by 11 percent, and property crimes by 8 percent. This is the largest single yearly increase in these crime rates in the last four years. Yet, the Carter administration has cut the one Federal program that would assist local law enforcement in its fight against crime.

As the ranking Republican member of the Judiciary Committee, I have gained a good insight into this LEAA program and I can say without hesitation that State and local governments have now begun to utilize this anticrime money in an effective and responsible manner. I do not believe this program should be abolished entirely. The Heflin amendment will permit some continuation of this vital program.

Mr. President, this is a modest amendment. It does not add any new budget authority. I believe it is a reasonable adjustment in the overall budget priorities of this resolution. I urge my colleagues to support it.

Mr. HOLLINGS. Mr. President, I yield 2 minutes to the Senator from Arizona.

Mr. DeCONCINI. Mr. President, I thank the Senator from South Carolina. I appreciate the time problems he faces. I compliment him for his expertise in the area of moving this budget resolution.

Mr. President, I support the amendment offered by the distinguished Senator from Alabama to transfer $100,000,000 from the international affairs area, function 150, to the administration of justice area, function 750. Over the past year and one-half no member of the Senate Judiciary Committee has displayed a greater interest in the administration of justice than our colleague from Alabama. He has consistently recognized problem areas and sought to address them. He was a strong supporter of continued LEAA funding and he has expanded great efforts in striving to assure that the system of justice established in this country is given adequate tools to do the job.

I share Senator HEFLIN's concerns, and have consistently voted with him in the Judiciary Committee on matters affecting the administration of justice. Today's amendment is another step forward in attempting to assure that the American people will have the finest resources, personnel, and facilities available to them. One does not have to look far to see where these moneys added to the administration of justice portion of the budget could be usefully expended. This amendment would strip less than 1 percent out of the proposed foreign aid, international affairs function, but it would add significantly to the moneys directly available to assure the American people have an efficient and effective justice system.

I have long been a proponent of the theory that we should spend the taxpayers' dollar on something that will bring a reasonably direct, tangible benefit to the taxpayer. I am convinced that no matter what the specific program these moneys are spent on in the administration of justice area the benefits will be far greater to most Americans than if these moneys were spent on foreign aid in foreign countries with no direct benefits accruing to the American taxpayer.

Mr. President, I should like to point out a personal experience with the LEAA, which has been under attack for some time as a wasteful program; but, indeed, if it is applied properly—and in my State of Arizona it has been applied properly—it can help combat the spread of organized crime and narcotics traffic.

When we consider that this country is under an epidemic of narcotics use and abuse, when 10 million Americans are using or have used recently cocaine, when 43 million Americans admit to the use of marihuana frequently, we have an epidemic.

I believe that our priorities should be addressed to doing something about the problems at home, first. I am not opposed to assisting other nations; but if we do not address the problem that inundates all our society and the corruption of our society through the illegal importation of narcotics, we are not going to have a society.

I hope our colleagues here will place their priorities first at home in combating organized crime, narcotics, and other areas where this money would be used thorugh the Law Enforcement Assistance Administration.

I thank the chairman of the Budget Committee and the ranking minority member for their time.

Mr. HOLLINGS. Mr. President, to summarize my position in opposition to this amendment, I refer to the expression used by the distinguished Senator from Alabama about our reducing law enforcement officers to using blank cartridges.

The Senator from Alabama and I are great States' righters. I recall, as Governor and chief law enforcement officer of South Carolina for 4 years, during a time when the State experienced the sit-ins for civil rights, not a life was lost and no one was seriously injured. I was the only chief law enforcement officer in my section of the country between 1958 and 1962 who could say that. We avoid deaths or serious injury without Federal interference. We did it without cartridges, blank or otherwise, and I am proud of that fact. This was at a time when the Governors of the several States were calling in troops. There was a schism in our society.

I hope Senators will not ask me for more time, because we have 17 more amendments to consider before we finish this budget resolution tonight.

I note that the Senator said that Senator KENNEDY cosponsors this. Because of that, we should not speak loosely about bullets.

I do not support this kind of Federal assistance for law enforcement at the local level. Local law enforcement is the function of the chief justice and chief law enforcement officer of Alabama and the chief justice and chief law enforcement officer of South Carolina. They would be the first to rule that way as well as to vote that way.

Mr. President, I understand the Senator from Alabama regarding the termination of LEAA grant funds. I am certain that as chief justice of the Supreme Court in Alabama he benefited from LEAA funds used to improve court systems.

With respect to foreign aid, I know that one Senator who has spoken this morning is vitally interested in international narcotics control. I know that the senior Senator from Florida is interested in that program also. We do not want to cut out the international narcotics control money when narcotics traffic is increasing in Southwest Asia. We do not want to cut out funds for international nutrition and food aid programs.

The amendment would reduce function 150 international development programs below the fiscal year 1979 level. The Budget Committee recommendation already reflects a 20-percent decline in budget authority for these programs when inflation is taken into account. A further cut would slash the important research and implementation of innovations in tropical agriculture, nutrition, and population that offers the best hope of helping poor countries become self-reliant and stable members of the international community.

For example, an article in the Birmingham News of March 30, 1980, entitled "Alabama Catfish Feed on Foreign Aid Monies," discusses the effect the reduction could have on the farmers of Alabama. It states that more than $3.6 million in foreign aid was used to buy farm products in Alabama under the food for peace program. The program pays farmers more than a billion dollars a year, nationwide. Another $1.5 million went to Alabama firms last year for supplies used in overseas economic development programs, according to AID. The State also received $30.6 million in technical service contracts and in grants. I could go down the list in this article, but let me return to the discussion of LEAA.

When we talk about taking the bullets away from the law enforcement officers, let us see what we did make room for in the Budget Committee recommendation.

The distinguished Senator from Alabama is generally right that we fight with the House side in our Appropriations Committee conference each year to try to maintain LEAA, because some Members feel that LEAA has had a pretty good record.

That is not the general feeling, however. The general feeling, based on GAO and other studies, is that it has failed to achieve a measurable reduction in crime. As the floor manager I can show that this program has been on the decline, not budgetarily, but in effectiveness.

The first concurrent resolution funding recommendation for function 750, mission 2, criminal justice assistance, can accommodate the President's March budget recommendations for criminal justice assistance of $0.2 billion. The President's March proposal recommends that funding be continued for Federal research and statistical efforts, juvenile justice delinquency prevention programs, and public safety officers benefits programs, and provides administrative funds for an orderly termination of the LEAA grant program.

The House budget resolution recommends complete elimination of all Federal grant programs and would allow only $60 million in fiscal year 1981 for Federal research and statistical efforts.

In the Appropriations Committee, of course, we can adjust the amount and mix of Federal criminal justice assistance programs. And, we will examine this issue thoroughly in the Appropriations Committee.

As Senators know, there have been several negative evaluations of LEAA, and it appears that it has failed to achieve a measurable reduction in crime. Further, there is no guarantee that the authorizing changes enacted last year, will be successful in removing abuses of the program.

Because Federal grants represent such a small share (2 percent) of total State and local criminal justice expenditures, the committee's recommended funding reduction could not severely impact present State and local criminal justice operations. In addition, because LEAA is a 3-year grant program, funds appropriated in prior years will be spending out through fiscal year 1984, and State and local governments will have sufficient time to plan for the reduction in Federal assistance.

State and local authorities have also become better trained and equipped to deal with crime and are in better financial condition than they were when LEAA was first initiated.

In fact, another $700 million to the States in revenue sharing has been added on the floor to this budget resolution.

We must now consider whether Federal research and statistics or continuation of grant assistance to States is a higher priority. The Budget Committee's recommendation is intended to continue funding at a level that would accommodate the President's March request and this is, in fact, a generous recommendation given the stringent budget situation this year.

I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. I thank my friend from South Carolina.

Mr. President, I shall be very, very brief. I have only about three points to make.

First, in response to the point made by the distinguished Senator from Alabama about funding of public safety officer death benefits, the figure we have in our budget will be more than adequate to cover that particular need.

Our function 750 targets will not only allow funding of public safety officer death benefits and juvenile justice and delinquency prevention programs of LEAA but also allow funding for the National Institute of Justice and Bureau of Justice Statistics.

They seem to be the better parts of LEAA, and our resolution preserves funding to take care of those needs.

I wish to point out to the Senate that LEAA grants currently comprise roughly 2 percent of total State and local government criminal justice expenditures. State and local governments do not appear to be highly dependent on this Federal aid and a cutback in Federal funding is not likely to have a lasting effect on State and local activities.

In addition to that, I have before me a report from the National Conference of State Legislatures dated April 1980, in which they list their low-priority programs and they put LEAA in the low-priority category. The National Conference of State Legislatures lists here their high priority, medium priority, and low priority Federal aid programs, and LEAA is one of their low-priority programs.

Also before me I have a survey report of the National Governors' Association, and I shall read into the RECORD about three short paragraphs of their comments regarding LEAA:

> The Governors had mixed reactions to federal adrministration of justice programs. They placed a high priority on juvenile justice and delinquency prevention programs and generally supported a few other programs administered by the Law Enforcement Assistance Administration.

And the juvenile justice and delinquency prevention programs are the ones that I have already referred to which could be fully funded with the figure in our resolution. Continuing:

> However, some Governors felt that LEAA programs were ineffective in their State.

One Governor commented, and I quote:

> Close scrutiny of the entire LEAA program is essential. Where local governments have replaced local funding with Federal subsidies for the same service, the program should be phased out.

And that has happened in a great many cases.

To quote further from this report:

> Finally, a few Governors believe that certain LEAA programs have not lived up to their original intent and should be eliminated. For example, one Governor responded: "I know of no other area where money has been spent less effectively. The elimination of the $650,000,000 appropriation along with the elimination of concomitant regulations would not significantly impair the effectiveness of our law enforcement programs."

Then to go further in the report I read this paragraph:

> The general feeling is that most LEAA programs, with a major emphasis on juvenile programs, should continue but with major revisions that reflect Governors' concerns about overcategorization and ineffective programs. One Governor concluded: "Given our limited resources, we need to pay for those programs that work effectively."

Mr. President, what we have tried to do here is to leave room for funding the parts of LEAA that are working that are supported by the Governors and by the State legislatures and to eliminate funding for programs that have not worked as effectively. I believe strongly that the Budget Committee position is one which the Senate should support.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the position of the Levin amendment be shifted to a position immediately following the second Glenn amendment and Pryor amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield to the Senator from Alabama 2 minutes.

Mr. HEFLIN. Mr. President, I appreciate the distinguished Senator from South Carolina yielding me 2 minutes.

I realize that the Senator from South Carolina has the responsibility for the overall management of the budget resolution, since Senator Muskie has become the Secretary of State. If it were not for the responsibility of keeping the budget resolution intact, he would be at my side fighting with me because down deep in his heart I know that he wants to win the battle against crime.

I shall mention two or three things that have been raised.

First, as it has been admitted, the LEAA program that is authorized will be for juvenile justice and the police officers, and I support that; but the remaining portion, $62 million, is a Washington-based program of research and statistics support. The $62 million that remains will be used here in Washington for research, for the Institute of Justice, and for a statistics gathering process. To me, that is not what we need. We need assistance to the policemen in the small town and on the beat in the ghetto. That is where crime is—not in the Department of Justice where some bureaucrat is fooling with statistics and research.

Second, I wish to point out is that they mentioned a Governor here and there, who did not place a high priority on LEAA, but the National Conference of Governors supports my amendment. All of the national organizations, including the National Conference of Legislatures, are supporting this amendment now.

The amount I would shift is an almost infinitesimal amount. It has been pointed out that the LEAA funds constitute only 2 percent of the funds which go into the overall program of law enforcement at the State and local level. I ask anyone to point out a program that has proven so effective for such a small investment.

What other Federal assistance program is so effective with a participation of only 2 percent?

The amendment which I offer, which has zero impact for budget resolution purposes in 1981 budget outlays demonstrate that with a small shift the LEAA can be revived and saved. Now it is scheduled for death. I certainly think we should revive it.

I think it is a program which is working, but if Senators do not think it is working let us join together to devise a program under the LEAA that will work to stop the ever escalation of crime.

I thank the Chair, and I thank Senator HOLLINGS for the use of his time.

I ask for the yeas and nays on my amendment.

Mr. HOLLINGS. Mr. President, I yield back the remainder of our time and move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from New

Hampshire (Mr. DURKIN) is recognized to call up an amendment on which there shall be 30 minutes.

UP AMENDMENT NO. 1080

(Purpose: An amendment to S. Con. Res. 86 to reorder spending priorities)

Mr. DURKIN. Mr. President, I have an amendment at the desk that I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN) proposes unprinted amendment numbered 1080.

Mr. DURKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

Strike all, beginning on page 2, line 4 through page 18, line 25 and insert the following:

(1) the recommended level of Federal revenues in as follows:

Fiscal year 1981: $620,400,000,000;

Fiscal year 1982: $705,400,000,000;

Fiscal year 1983: $789,600,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: +$3,800,000,000;

Fiscal year 1982: −$1,400,000,000;

Fiscal year 1983: −$24,500,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $700,700,000,000;

Fiscal year 1982: $774,300,000,000;

Fiscal year 1983: $849,700,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $620,400,000,000;

Fiscal year 1982: $697,500,000,000;

Fiscal year 1983: $756,600,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $0;

Fiscal year 1982: +$7,900,000,000;

Fiscal year 1983: +$24,000,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,800,000,000;

Fiscal year 1982: $951,700,000,000;

Fiscal year 1983: $963,500,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,700,000,000;

Fiscal year 1982: $23,900,000,000;

Fiscal year 1983: $11,800,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1981:

(A) New budget authority, $173,400,000,000;

(B) Outlays, $155,700,000,000.

Fiscal year 1982:

(A) New budget authority, $204,500,000,000;

(B) Outlays, $183,100,000,000.

Fiscal year 1983:

(A) New budget authority, $233,900,000,000;

(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1981:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $9,500,000,000.

Fiscal year 1982:

(A) New budget authority, $14,700,000,000;

(B) Outlays, $9,700,000,000.

Fiscal year 1983:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $9,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1981:

(A) New Budget authority, $6,400,000,000;

(B) Outlays, $6,100,000,000.

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1981:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $8,300,000,000.

Fiscal year 1982:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $9,900,000,000.

Fiscal year 1983:

(A) New budget authority, $9,400,000,000;

(B) Outlays, $11,000,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1981:

(A) New budget authority, $12,000,000,000;

(B) Outlays, $12,200,000,000.

Fiscal year 1982:

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

Fiscal year 1983:

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1981:

(A) New budget authority, $5,600,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1982:

(A) New budget authority, $6,600,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,500,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1981:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $800,000,000.

Fiscal year 1982:

(A) New budget authority, $6,600,000,000;

(B) Outlays, $3,400,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000;

(B) Outlays, $3.700.000,000.

(8) Transportation (400):

Fiscal year 1981:

(A) New budget authority, $20,000,000,000;

(B) Outlays, $18,300,000,000.

Fiscal year 1982:

(A) New budget authority, $19,000,000,000;

(B) Outlays, $19,500,000,000.

Fiscal year 1983:

(A) New budget authority, $19,800,000,000;

(B) Outlays, $20,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1981:

(A) New budget authority, $8,800,000,000;

(B) Outlays, $9,200,000,000.

Fiscal year 1982:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $8,800,000,000.

Fiscal year 1983:

(A) New budget authority, $8,700,000,000;

(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1981:

(A) New budget authority, $31,800,000,000;

(B) Outlays, $30,100,000,000.

Fiscal year 1982:

(A) New budget authority, $34,300,000,000;

(B) Outlays, $31,900,000,000.

Fiscal year 1983:

(A) New budget authority, $35,200,000,000;

(B) Outlays, $34,100,000,000.

(11) Health (550):

Fiscal year 1981:

(A) New budget authority, $71,600,000,000;

(B) Outlays, $62,300,000,000.

Fiscal year 1982:

(A) New budget authority, $82,900,000,000;

(B) Outlays, $71,400,000,000.

Fiscal year 1983:

(A) New budget authority, $93,400,000,000;

(B) Outlays, $79,300,000,000.

(12) Income Security (600):

Fiscal year 1981:

(A) New budget authority, $249,500,000,000;

(B) Outlays, $220,300,000,000.

Fiscal year 1982:

(A) New budget authority, $284,400,000,000;

(B) Outlays, $249,200,000,000.

Fiscal year 1983:

(A) New budget authority, $314,600,000,000;

(B) Outlays, $275,200,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1981:

(A) New budget authority, $22,100,000,000;

(B) Outlays, $21,400,000,000.

Fiscal year 1982:

(A) New budget authority, $23,700,000,000;

(B) Outlays, $23,300,000,000.

Fiscal year 1983:

(A) New budget authority, $25,200,000,000;

(B) Outlays, $24,800,000,000.

(14) Administration of Justice (750):

Fiscal year 1981:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1982:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1981:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,300,000,000.

Fiscal year 1982:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $5,100,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1981:

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,500,000,000.

Fiscal year 1982:

(A) New budget authority, $7,300,000,000;

(B) Outlays, $7,300,000,000.

Fiscal year 1983:

(A) New budget authority, $7,500,000,000;

(B) Outlays, $7,400,000,000.

(17) Interest (900):

Fiscal year 1981:

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

Fiscal year 1982:

(A) New budget authority, $74,000,000,000;

(B) Outlays, $74,000,000,000.

Fiscal year 1983:

(A) New budget authority, $77,700,000,000;

(B) Outlays, $77,700,000,000.

(18) Undistributed Offsetting Receipts (950):

Fiscal year 1981:

(A) New budget authority, −$24,700,000000;

(B) Outlays, −$24,700,000,000.

Fiscal year 1982:

(A) New budget authority, −$27,500,000,000;

(B) Outlays, −$27,500,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,800,000,000;

(B) Outlays, −$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTON ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):

(A) New budget authority, $143,700,000,000;

(B) Outlays, $134,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $9,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $37,900,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,700,000,000;

(B) Outlays, $5,500,000,000.

(8) Transportation (400):

(A) New budget authority, $19,700,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

(A) New budget authority, $59,800,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,500,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,300,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000

RECONCILIATION

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committee on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $1,500,000,000 in budget authority and $1,500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,700,000,000 in budget authority and $3,600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

Mr. DURKIN. Mr. President, I am firmly committed to a balanced Federal budget, and have voted consistently to balance our Federal budget. We can balance the budget, cut Government spending and waste, and provide targeted tax cuts without cutting defense and without doing it at the expense of working families, senior citizens, veterans, education, environment, transportation, and small business. We can accomplish this by simply making the multinational oil companies pay their fair share of Federal income taxes.

I think the Budget Committee has done an excellent job. There is no doubt that in light of the world situation we have to increase defense spending, especially for conventional military arms. I am concerned that the President is making boasts in the Middle East and the Persian Gulf that we cannot back up at this time. This amendment reflects my votes on the budget resolution to support the defense figure of the Budget Committee.

However, the Budget Committee's

treatment of many domestic programs is grounded on a very serious misconception; namely, that the victims of inflation are somehow the cause of inflation. I reject that because I do not think that the victims of inflation, whether it be senior citizens, veterans, homebuilders, or the people who provide transportation, education, and health care services, have caused the inflation that we are faced with in this country.

What is one of the causes of inflation in this country, is the rising cost of energy. That is why inflation is hitting the necessities so hard, in transportation, fuel, and food costs. The price of gasoline is going up daily, the cost of home heating oil in New Hampshire is over a $1 a gallon. Gasoline stations are required by law to write the price of gasoline on the pumps, today they have to write them on flash paper because the price goes up every day.

You cannot dress today without petrochemical stocks and you cannot eat today without indirectly paying for high energy costs. Our agriculture is the most efficient in the world, but it is also the most energy-intensive. Diesel fuel is needed to plow the field, and run the irrigation pumps. The cost of fertilizer, the expense of transporting a head of lettuce to New Hampshire from the San Joaquin Valley, and the price of the saran wrap it is wrapped in at Sully's Superette in Manchester all are energy-based. So I cannot let the moment pass without once again pointing out the tremendous inflationary impact of the President's action in decontrolling the price of domestic crude oil. The decontrol of domestic crude oil is having a devastating impact in my area of the country. In New England we are never going to get inflation under control until we get the price of energy under control and develop a balanced, integrated transportation system. And to do that it makes sense to go directly to the source of our energy-induced inflation—the major multinational oil companies.

It is high time that we in the Senate stand up to these international oil conglomerates and stand up for the desperately needed and much deserving domestic programs which serve the needs of millions of Americans. It is high time that we eliminate the preferential tax treatment enjoyed by the major multinational oil companies who are unfairly earning record profits at the expense of the U.S. consumer. In short, it's time to get the major multinational oil companies off welfare.

We have all seen the oil company profits, Occidental Petroleum first quarter profits, on top of obscene profits during the first quarter of last year, up 236 percent; Exxon up 102 percent; Sohio up 169; Texaco up 98; Shell 67; and it goes on, Conoco up 100 percent.

Then last week we read in the Washington Post business section of the tremendous increase in oil company reserve figures because the rising price of energy has impacted on the oil they still have in the ground.

My amendment addresses this problem and closes three outrageous tax loopholes enjoyed by the major oil conglomerates.

These major oil companies are slipping through existing tax loopholes the size of oil tankers to avoid paying billions of dollars in Federal taxes each year. By closing these loopholes the average American taxpayer will receive a much-deserved and long-overdue tax break. In addition, essential domestic, defense, and environmental programs will be able to continue their vitally important work.

My approach will accomplish two major objectives. First, the Senate Budget Committee's recommendation for defense spending will be maintained in full. There is no question in my mind but that we need a strong and expanded national defense. International events dictate it. Second, deep cuts in essential domestic programs which threatens to aggravate our deepening recession will be avoided.

For too long the major oil companies have held the cards. The ante has gone up with every hike in oil and gasoline prices, small businesses across the country are folding in the face of exorbitant energy costs and high interest rates. The overburdened consumer is down to his last chip. It is time for a reshuffle.

The amendment I am introducing today will do just that. These multibillion dollar oil conglomerates have consistently gotten away with paying a disproportionately low Federal income tax. Many major oil companies are in the 6- to 9-percent Federal income tax bracket. I would be hard pressed to find many working families in New Hampshire who pay such an unusually low percentage of their income in Federal taxes. My amendment would eliminate the following three tax loopholes:

First. The percentage depletion allowance for oil and gas;

Second. The expensing of oil and gas intangible drilling costs, and

Third. The foreign tax credit and tax deferral by oil companies.

The percentage depletion allowance has already been eliminated for most major oil and gas producers. My proposal would eliminate this costly tax break for the independent oil companies. In light of the skyrocketing price of oil and gas this subsidy is clearly no longer needed or desired. The Congressional Budget Office estimates that repeal of this allowance will result in $1.8 billion in additional revenues.

By repealing the writeoff on intangible drilling costs, an additional $2.6 billion can be gained. Most businesses must first capitalize such expenditures and write them off over time. In essence this tax loophole provides the oil companies with a tax free loan. There is no reason why the oil companies should receive preferential treatment on this provision, especially when the administration has frozen loans for small business, homebuilders, and the automotive industry. Since their profits are high and their retained earnings are even higher, repealing this credit will not affect the incentive to drill for more oil. According to the CBO this loophole is largely a subsidy for low-risk drilling in already developed and producing fields.

There is not an oil-drilling rig in the United States that is not working, except for the ones that are being transported to a new site. So to provide a $2.6 billion giveaway program as an incentive for drilling I think is just throwing money away, money that is needed to balance the budget, money that is needed for domestic programs, money that is needed for national defense.

Finally, and perhaps most importantly, my amendment assumes the elimination of the so-called "Foreign Tax Credit." Presently American oil companies operating abroad are permitted to take a dollar for dollar tax credit for royalties they pay to a foreign country. It does not make sense to let the major oil companies out of their tax obligations to the United States simply because they have paid business royalties to OPEC countries or some other foreign oil producers. These royalties are not taxes and they should be treated as business expenses. Repealing this loophole will increase U.S. tax revenues by a whopping $3.1 billion.

This unfair tax credit is contrary to the national interest because it provides an oil company with an incentive to invest abroad rather than in the United States. It also provides an incentive to export jobs when unemployment in this country is rising daily. It's high time to repeal this major oil company welfare program.

This simple and fair measure will result in an additional $7.5 billion in Federal revenues all totaled. By eliminating these loopholes, we can increase our defense spending and keep our important domestic programs intact. By making the major oil companies pay their fair share in taxes, millions of jobs in the health, education and social service fields will be protected—school children can be assured of a nutritious lunch—senior citizens will not have to worry about Social Security cuts—and the hundreds of our invaluable services for the handicapped and disadvantaged will continue.

We can increase funding for the strategic petroleum reserve as well as funding for energy conservation and renewable resource programs by a total of $1.5 billion. The absence of a strategic petroleum reserve is a threat to our economic security and our military security.

We can increase the land and water conservation fund and other natural resources and environment programs by $0.3 billion. We can restore $0.6 billion in Postal Service cuts to enable us to preserve 6-day delivery of mail. $0.2 billion would be added for railroad revitalization and $2 billion will be set aside for education, training, employment, social services, youth employment and training. We simply cannot afford to abandon our youth, who are our investment in our future.

Necessary health services will receive $0.5 billion for emergency medical services, community mental health, and medical research.

A full $2 billion will go to offset proposed reductions in social security, food stamps, low-income housing assistance, and child nutrition.

Finally, $0.4 billion will be set aside to increase funding for a disability compensation cost-of-living increase, and for adequate medical care for veterans.

I think this amendment addresses the concerns of my constituents and the concerns of those of us who know that we must spend more for national defense even though we are facing economic problems.

Mr. JOHNSTON. Mr. President, will the Senator from South Carolina yield to me 4 minutes?

Mr. HOLLINGS. I yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank the distinguished Senator from South Carolina for yielding.

In reply to the Senator from New Hampshire, who has been a leader for consumers in this country, and I concur with him in his concern about consumers and about higher prices and about inflation and everything, everybody is concerned about it but, Mr. President, you cannot legislate lower prices where market forces dictate otherwise.

Mr. President, it would be one of the most unwise things we ever did in this Senate if we passed the amendment of the distinguished Senator from New Hampshire. You simply cannot do it and continue to produce oil and gas in the quantities that need to be produced.

Mr. President, we just finished a very lengthy consideration of the windfall profit tax on the floor of the Senate, a bitterly debated piece of legislation.

Many of us, particularly those of us from producing States, thought it was unwise to take a bite out of the producers that was that deep and that difficult because, in our judgment, Mr. President it took away too much of the incentive to produce the oil and gas that this country needs.

Nevertheless, Mr. President, after months and months of consideration, we passed a bill that provides a 30-percent tax on stripper oil, which actually brings down the value that stripper producers are getting; a 30-percent tax on new oil, which brings down the price they were getting for that new oil; as much as 70 percent for producers of old oil.

So, Mr. President, we just finished passing a tax which, in my judgment, was deeper, more difficult than the tax should have been in the national interest.

Now, if we come along and put these taxes, these additional taxes—and that is what they amount to—on top of the already-passed taxes, we would dry up the production of oil in this country, Mr. President.

Mr. President, I think we went too far. But it is very clear that the passage of the Durkin amendment would be two or three or four steps beyond where this country ought to go if we are going to produce additional oil and gas.

In 1978, we had a great debate on the Natural Gas Policy Act. In that debate, we ended up with the deregulation of natural gas, with higher prices for natural gas producers. And we heard those from consumer States saying that that was going to sink the country and not produce any additional gas.

We have now seen, Mr. President, that the additional production that has come forth in that natural gas from that act is proof positive that incentive pays off in oil and gas production.

Let me close, Mr. President, by saying that the kind of economics that this amendment would give us reminds me very much of the fellow back during the depression, when they were selling apples on the street. He came by the fellow's apple place and said, "How much are those apples?" A fellow said, "My apples are a nickel a piece." He said, "Well, how can your apples be a nickel a piece? Down the street they are only 3 cents a piece." He said, "Yeah, that's right. But they don't have any apples."

And so it is, Mr. President, you can keep lowering the price of gasoline and the price of crude oil, but pretty soon you are not going to have any.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the Senator from Texas.

Mr. BENTSEN. Mr. President, I strongly oppose the pending amendment which would have a very serious adverse impact on our energy objectives.

In 1975 Congress debated the issue of percentage depletion for oil and gas producers at great length. We decided to repeal percentage depletion for the major integrated oil companies but retain the deduction for the independents. The deduction was retained for the independents since they are the ones that do 90 percent of the wildcat drilling and Congress wanted to increase domestic exploration and development. The events of recent months clearly demonstrate that our decision in 1975 was a correct one. We must increase domestic production. We simply are unable to rely on extremely unstable overseas sources of crude oil. There is absolutely no reason to cut back on percentage depletion at this time. I urge the Senate to reject the pending amendment.

Independent oil producers traditionally rely on three sources for their drilling capital: the intangible drilling deduction, internally generated funds, and the percentage allowance.

Thus, the pending amendment would reduce the capital available for exploration for new oil and gas at a time when we desperately need to increase domestic production.

It is the independent producer who drills about 90 percent of the exploratory wells directed at finding new oil and natural gas reserves in the United States. According to the American Association of Petroleum Geologists, independents made 75 percent of the "significant" U.S. oil and natural gas discoveries in the years 1969–73. Drilling is an extremely high-risk business. Many estimate that only one exploratory well in nine produces anything. The rest are dry holes.

The number of independents has declined in recent years from 20,000 to some 12,000. A study released by the Federal Trade Commission in 1974 indicated that between 1957 and 1970 the 20 largest major integrated oil companies purchased 106 substantial American oil and gas producers—7 of which were large integrated companies themselves.

It is counterproductive to place additional burdens on independent producers. Without the existence of independent producers, we will find that independent refiners and independent marketers will find it more and more difficult to exist. We should be encouraging competition and not concentration.

The President's 1977 energy message stated:

> Since energy is an essential commodity for all Americans, effective competition in the energy industries is a matter of vital concern. The President's energy plan calls for continuous vigilance to insure that the structure, behavior and performance of the energy industries are vigorously competitive.

The costs of drilling and exploration have risen substantially in recent years. The greater depths required to find oil and gas translates into higher costs. The "easy" oil has been found. New discoveries produce smaller yields. The same level of investment in exploration and development yields progressively fewer barrels of oil.

The costs of drilling a 16,000-foot well in the Green River Basin of Wyoming can cost $2.4 million. The completion costs alone—which include the cost of "fracing" the well and renting appropriate equipment—may cost about $200,000.

A 13,000-foot exploratory well in North Dakota can cost more than $1 million, including $700,000 of intangible expenses.

A 10,000-foot wildcat well in Bear Lake County, Idaho, may cost about $1.8 million, including $1.5 million in intangible costs.

The typical independent producer uses the cash flow from the sale of crude oil and natural gas production to finance his exploration and production efforts. According to recent studies, the independent historically has reinvested over 100 percent of his net revenue at the wellhead in exploration, development, and production. In comparison, major oil companies only put about 55 percent of oilfield revenues back into the oilfields. We should not discourage independents from continuing their active wildcatting operations.

Drilling is an extremely high-risk business. It is estimated that only 1 exploratory well in 9 produces anything. Eight out of nine exploratory wells are dry holes. In addition, at least 20 percent of developmental wells are dry holes. Due to the extreme risk, private foundations are not allowed under Federal law, to invest in oil and gas activities. In addition, trust funds of widows or orphans cannot be invested in drilling, again because of the extreme risk of these investments. In order to prevent increasing dependence on overseas oil, our tax laws must not discourage risk taking in the oil and gas business.

Mr. President, the allowance for percentage depletion under section 613 of the Internal Revenue Code currently applies to about 100 different minerals and many of these minerals receive a depletion allowance which is larger than the allowance for oil and gas.

Let me briefly list just some of the minerals eligible for 22-percent depletion: sulphur, clay, asbestos, bauxite, graphite, mica, quartz crystals, cobalt, lead, lithium, manganese, mercury, nickel, platinum, tin, tungsten, zinc, and vanadium.

A 15-percent depletion applies to gold, silver, copper, and iron ore.

A 14-percent depletion is available for rock asphalt, vermiculite and certain kinds of clay.

Other items eligible for 14 percentage depletion include borax, calcium carbonates, granite, limestone, marble, and phosphate rock.

Under present law, percentage depletion for oil and gas has been repealed for major, integrated companies and is being phased down for the independents. For 1979 only 1,200 barrels per day of oil were eligible for percentage depletion and this is being phased down to 1,000 barrels per day in 1980. The depletion rate for oil and gas is 22 percent in 1979 and 1980 and this is gradually phased down to 15 percent in 1984.

When it comes to drilling for oil and gas today, it is a sophisticated business. It is an expensive business. It is not a mom and pop operation, either. You do not take some handmade rig out of the barn and go in the back yard and drill for oil and gas these days. No, you sure do not.

You are talking about wells that will cost you a million dollars, $1.5 million, $2 million, up to $5 million—a highly technological, expensive operation that requires the kind of cash flow and the kind of income that is necessary to try to buy time to bring on the alternative sources of energy in this country.

We are not talking about becoming energy self-sufficient. I doubt that day will ever come.

The PRESIDING OFFICER. The Senator's 5 minutes has expired. Who yields time?

Mr. DURKIN. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from New Hampshire has 4 minutes and 59 seconds remaining, and the Senator from South Carolina has 6 minutes and 14 seconds remaining.

Mr. BELLMON. Mr. President, I yield myself 3 minutes.

Mr. President, the Durkin amendment, in my judgment, would set this country back dramatically in its efforts to solve the energy problem. It is true that there are more drilling rigs running now—or at least they are getting very close to being a historical high—and for the first time, at least in my State, oil production, which has been going down for years, has turned around and is now starting to come back up, indicating there is a lot more oil to be found and produced in these oil States where literally hundreds of thousands of wells have been drilled.

But if we turn around and hit the oil industry with another tax on top of the windfall profit tax, so called, which is going to generate about $18 billion in this budget, we can expect to see those rigs shut back down, see the level of activity decline, and see our oil production begin to drop again, thus making us more and more dependent on insecure, costly foreign oil.

So we now, with decontrol, are beginning to produce more from our own domestic resources. We simply cannot reverse that trend.

The bad part about the Durkin amendment is that it will hit not only the majors—the majors, as I understand it, practically pay none of this tax. The tax would be paid by the independents. They are the ones who drill about 85 percent of the wildcats that are drilled in the United States. The majors primarily operate offshore and in foreign countries.

So here is a tax on the independent producers who look for and find the secure oil here in our own country.

In addition to that, the independents traditionally plow back about 105 percent of their revenues. This simply means they would have that much less money to put back into exploration and the country yould get less oil as a result.

Mr. President, we feel we have taken care of the functions the Senator from New Hampshire would like to increase. We have been more than adequate in funding for energy, for natural resources, for post office, transportation, and the like, and what we have to choose now is whether or not we want more oil from our own resources. I believe the decision is a simple one to make, that we have to produce more from our own resources and get less and less dependent upon oil which costs us money we do not have and which could be taken away from us at any time.

Mr. HOLLINGS. Mr. President, this amendment would increase revenues by $7.5 billion and spending by $12.8 billion in budget authority and $7.5 billion in outlays above the Senate resolution.

Such increases cannot be justified when the public expects and demands fiscal restraint by the Congress.

The lower spending and revenue levels proposed by the committee are more in line with public sentiment.

The Budget Committee recommended levels are also more in line with the budget proposed by the President and the budget resolution adopted by the House. In fact, the House considered and defeated an amendment very similar to the one we are now debating.

I would like to turn to the revenue issues raised by the Durkin amendment.

This amendment contemplates an additional $7.5 billion in revenues above those in the committee recommendation. These revenues would be raised by restricting or eliminating tax provisions favorable to oil companies.

Mr. President, the issue is not the desirability of these tax changes. The issue is whether we can expect the tax-writing committees to generate $7.5 billion more than the $6.4 billion anticipated by the Budget Committee. Asking the tax-writing committees to raise a total of $13.9 billion in new revenues, in addition to performing their nontax duties and possibly working on a tax cut, is asking too much.

Balancing the budget by assuming massive and unlikely revenue increases would damage the credibility of the budget process. Businessmen, workers, and investors, all of whom we are trying to convince of our fiscal restraint, would realize that the budget would be balanced in name only. The psychological impact of a balanced budget would be lost.

This amendment also raises the issue of line item assumptions in the revenue recommendation. This was discussed at length last Thursday and Friday morning. The fact of the matter is that we cannot dictate to the Finance Committee what tax changes should be made. Even if $13.9 billion in new revenues are raised, there is no guarantee that the revenues would come from ending tax advantages for oil companies. We may end up with tax increases that might not be worth the higher levels of spending.

The Budget Committee has had only limited success in influencing the shape of tax legislation through the budget resolutions. In 1976, the budget resolution assumed that $2.0 billion would be raised through tax reform. The final version of the tax reform act of 1976 contained $1.6 billion in higher revenues through tax reform measures, achieving 80 percent of the resolution's target. But a part of this extra revenue was raised by making the reforms retroactive and some of these reforms were dismantled in subsequent years.

This is not to say that Senators cannot be successful in pursuing tax reform through other vehicles. For example, in 1975, I led a successful fight to repeal the oil depletion allowance for major oil companies. This reform was made in the Tax Reduction Act of 1975.

I would urge those Senators who care strongly about the tax issues raised by this amendment to make their case before the Finance Committee and on the Senate floor during debate over tax legislation. Indeed, such changes in the tax code could be an alternative means of raising the special purpose revenues recommended in the resolution.

In summary, Mr. President, a tax bill, not a budget resolution, is the appropriate vehicle to change tax policy. The budget resolution should set appropriate and credible levels for aggregate revenues and spending. We believe that the resolution recommended by the Budget Committee does that.

Mr. President, let us now turn to the spending side of the proposal. This amendment would increase the Senate resolution by $12.8 billion in budget authority and $7.5 billion in outlays. We are fighting a battle against inflation. The public is demanding that we reduce Federal spending. The proposed increases cannot be justified in a period of fiscal restraint.

The amendment would add $3.1 billion in budget authority and $1.5 billion in outlays to acquire oil for the strategic petroleum reserve and to increase support for energy conservation and renewable resource funding.

The Senate has already considered and rejected three amendments to increase funding levels for the strategic petroleum reserve, a clear indication that the proposed reductions reflect the mood of the Senate.

With respect to energy conservation,

outlays have increased fourfold since fiscal year 1979. In addition, there have been substantial increases in tax expenditures for energy supply and conservation activities in the last few years. Sufficient funding has been provided; further increases are unjustified.

The amendment would add $0.5 billion in budget authority and $0.3 billion in outlays to restore funding for the acquisition of parks. In this period of fiscal restraint, the committee recommended a postponement of park acquisition in order to meet higher spending priorities in fiscal year 1981.

The proposal would increase both budget authority and outlays by $600 million for the purpose of avoiding the elimination of Saturday mail delivery. Increasing the Federal payment to the Postal Service will not guarantee continuation of Saturday mail delivery, since the Postal Service can make this decision without congressional direction.

For education, training, employment, and social services, the amendment would add $2.8 billion in budget authority and $2 billion in outlays—another unjustified expense.

At a time of fiscal restraint, the committee is convinced that the President's youth employment initiative must be deferred until fiscal year 1982. The amendment would fund it in fiscal year 1981.

The committee assumes that 14-year-olds will no longer participate in summer youth programs. The evidence shows that they have not gained meaningful work experience from the program. But the amendment would restore funds to cover their participation.

The committee assumes that the CETA countercyclical program, title 6, will be phased out. It has not served as an effective countercyclical tool. The amendment would continue the program.

Mr. President, the proponents of the amendment, like many Senators, will argue that these programs should be provided for. But their relative lack of merit in light of the present economic emergency simply cannot justify the expense.

For health programs, the proposed amendment would add funds for discretionary initiatives. But budget authority for discretionary health programs has increased by 58 percent since 1975. That rate of increase has more than outpaced inflation.

The committee's recommendation for reductions in health manpower education programs would only affect student subsidies that have outlived their usefulness or do not do what they are designed to do.

Half of the committee's proposed reductions in discretionary health programs are due to the assumption that agencies will reduce administrative and operating expenses by 5 percent. Such reductions can surely be achieved without seriously impairing the delivery of services.

The Durkin amendment would add $4.2 billion in budget authority and $2.0 billion in outlays for income security programs to restore funds to offset proposed reforms and reductions in social security, food stamps, child nutrition, and low-income housing assistance programs. This is on top of the $245 billion 300 million in budget authority and $218 billion 300 million in outlays included in the resolution for these programs. The committee recommendation is already generous and the proposed savings are achieved by targeting benefits to those in need. The recommended savings in this resolution are modest, given the massive scale of these programs. The Senate has already considered and rejected similar amendments that would eliminate the needed reforms and reductions in these programs. It should reject this amendment as well.

For veterans' programs, the proposed amendment calls for a budget authority increase of $600 million and an outlay increase of $400 million. The committee's recommendations are generous for veterans' programs, which have grown 27 percent since fiscal year 1979, having provided a 13.9-percent cost-of-living increase in pension benefits to needy, aged veterans, a 10-percent cost-of-living increase in GI bill benefits, an 11.8-percent cost-of-living increase in compensation benefits to disabled veterans, other liberalizations in veterans' training and rehabilitation benefits, and funding for new VA health care facility construction projects.

I urge my colleagues to reject the amendment.

Mr. President, I ask unanimous consent that additional statements pertaining to the Durkin amendment, accompanied by selected tables pertaining to the Durkin amendment, be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

FISCAL YEAR 1981

[In billions of dollars]

		Senate resolution		Durkin increases		Durkin	
		BA	O	BA	O	BA	O
050	National defense	173.4	155.7			173.4	155.7
150	International affairs	23.4	9.5			23.4	9.5
250	General science, space, and technology	6.4	6.1			6.4	6.1
270	Energy	3.8	6.8	+3.1	+1.5	6.9	8.3
300	Natural resources and environment	11.5	11.9	+.5	+.3	12.0	12.2
350	Agriculture	5.6	2.3			5.6	2.3
370	Commerce and housing credit	5.1	.2	+.6	+.6	5.7	.8
400	Transportation	19.8	18.1	+.2	+.2	20.0	18.3
450	Community and regional development	8.8	9.2			8.8	9.2
500	Education, training, employment, and social services	29.0	28.1	+2.8	+2.0	31.8	30.1
550	Health	70.8	61.8	+.8	+.5	71.6	62.3
600	Income security	245.3	218.3	+4.2	+2.0	249.5	220.3
700	Veterans' benefits and services	21.5	21.0	+.6	+.4	22.1	21.4
750	Administration of justice	4.2	4.6			4.2	4.6
800	General government	4.6	4.3			4.6	4.3
850	General purpose fiscal assistance	7.2	7.5			7.2	7.5
900	Interest	72.2	72.2			72.2	72.2
950	Undistributed offsetting receipts	−24.7	−24.7			−24.7	−24.7
	Total	687.9	612.9	+12.8	+7.5	700.7	620.4
	Revenues		612.9		+7.5		620.4

[1] Action to date.

	Durkin of amendment increases to Senate resolution [1]	BA	O	Effect of Durkin
270	Energy	+3.1	+1.5	Would increase budget authority $3.1 billion and outlays $1.5 billion. To increase support of energy conservation and renewable reserve funding and to require oil for the Strategic Petroleum Reserve (SPRO). At a time when reduced Federal spending is needed, SPRO is a logical target for cutbacks. 3 amendments to increase the fiscal year 1981 levels of $0.1 billion in B.A. and $0.3 billion in outlays for SPRO already have been defeated. Energy conservation outlays have increased 4 fold—from $250 million to an estimated $950 million—since fiscal year 1979. There has been a substantial increase in tax expenditures for energy supply and energy conservation activities. From fiscal year 1980 to fiscal year 1981 the increase is estimated to be from $3.4 billion to $5 billion including a substantial tax deduction for renewable energy systems.
300	Environment and natural resources	+.5	+.3	Would restore funding for acquisition of parks through the Land and Water Conservation Fund to about present levels. The SBC recommended a postponement of park acquisition in fiscal year 1981 because of the need to restrain Federal spending and provide a balanced budget. Park acquisition can be postponed without serious unemployment or contractual consequences during a period of fiscal restraint.
370	Commerce and housing credit	+.6	+.6	The amendment would increase both budget authority and outlays by $0.6 billion in fiscal year 1981 to avoid the need to eliminate Saturday mail delivery. Increasing the Federal payment to the Postal Service will not guarantee that Saturday mail delivery will be continued, as the Service can make this decision without congressional direction. Both the House resolution and the administration have also taken reductions in the payment to the Postal Service to encourage service reductions that would reduce the need for subsequent rate increases.

Durkin amendment increases to Senate resolution[1]	BA	O	Effect of Durkin
400 Transportation	+.2	+.2	Would restore $0.2 billion in budget authority and outlays for railroad restoration. It is not clear whether the proposal involves the nationwide program of assistance to railroads or is targeted to the Northeast (e.g., Conrail). The resolution provides for continuing the nationwide program of rail rehabilitation at fiscal year 1980 levels. No reductions in this program were assumed. The amendment would represent a 200 percent increase over fiscal year 1980 levels for nationwide rail rehabilitation assistance. This sharp increase in Federal assistance is not consistent with the Senate's recent action (S. 1946) to help railroads become more self-reliant and less dependent on Federal assistance. Moreover, if intended for Conrail, the proposed assistance is unnecessary. Available funding for Conrail will be adequate to sustain continued operations through fiscal year 1981 and the enactment of regulatory reform legislation (S. 1946) is expected to offset the need for additional Federal assistance in fiscal year 1982 and beyond.
500 Education, training, employment, and social services.	+2.8	+2.0	Durkin amendment appears to provide partial fiscal year 1981 funding for the President's youth initiative. While funding a new initiative to help unemployed youth is worthwhile, at this time of severe budget restraint, the SBC recommended delaying funding of this program until fiscal year 1982. Would restore approximately $0.2 billion for concentration grants and other elementary and secondary education programs, including concentration grants. Concentration grants do not send sufficient funds to rural areas, where the money is needed the most. In addition, it is a new program, and phasing it down will hurt local education agencies the least. Would continue—with inflation increases—the Young Adult Conservation Corps (YACC) and the Summer Youth Employment program. The SBC recommendation would (1) eliminate YACC, a poorly targeted and very costly program for youth, and (2) eliminate participation by 14-year olds in the Summer Youth program because youths of this age have not gained meaningful work experiences from this program. The Durkin amendment would continue the CETA countercyclical public service employment program (Title VI), although at a reduced level. The Budget Committee recommendation would phase out this program, which is not an effective countercyclical tool, and concentrate funding on the better targeted CETA employment and training programs for the structurally unemployed.
550 Health	+.8	+.5	Would add funds for discretionary health programs. Budget authority for discretionary health programs has increased by 58 percent since 1975. This increase has more than outpaced inflation for that time period—49 percent. The Budget Committee recommendation does not cut funding in health research below last years level. Funding for health research has increased by 143 percent during the last decade. Halt of the Budget Committee's proposed reductions in discretionary health programs are due to the assumption that agencies will reduce their administrative and operating expenses by 5 percent. In time of tight budget restraint, it is not unreasonable to assume that such savings can be achieved without seriously affecting service delivery.
600 Income security	+4.2	+2.0	Would restore funds to offset proposed reforms and reductions in social security, food stamps, child nutrition and low income housing assistance programs. The amendment would eliminate outlay savings assumed by the Budget Committee in the social security program. The $0.5 billion in savings assumed by the Committee represent less than ½ of 1 percent of social security program outlays for fiscal year 1981, which are projected to be $139.5 billion. These savings could be achieved without cutting benefits for aged ro retired beneficiaries. Social security costs are escalating rapidly. The 14.3 percent cost-of-living increase scheduled for July amounts to a $15 billion increase in costs in the 1st full year. The old age and survivors part of the social security program is in financial distress—the fund will be depleted by 1983, unless Congress takes action. $500 million in savings in social security seems modest when compared to the high cost-of-living increases in view of the financial troubles of the system. The Budget Committee assumed $1.4 billion in legislative savings in the food stamp program for fiscal year 1981. The Durkin amendment would reduce these savings by $0.8 billion. The food stamp program was only recently projected to cost $8.7 billion in fiscal year 1980 and $10 billion in fiscal year 1981. CBO now states tha program outlays are expected to be $0.5 billion higher in fiscal year 1980 and $0.6 billion higher in fiscal year 1981 than when the Budget Committee marked up the resoltuion. In view of the rapidly escalating costs of the food stamp program, it is essential to better target the program to hold down costs. The Budget Committee assumed savings in child nutrition programs of $0.5 billion in budget authority and outlays. These savings were also recommended by the administration and are included in the House's resolution. The assumed savings in child nutrition programs are precisely the type of changes we should make; they improve targeting of benefits so the really needy will be helped and unnecessary spending will be eliminated. The changes also provide for annualization of adjustments in school lunch benfits. This change is part of a package of proposals to put Federal programs (including food stamps and benefits for Federal civilian and military retirees) on an annual indexing basis. Outlays for subsidized housing have risen enormously in recent years. Between 1976 and 1980, they rose 22 percent per year. The committee recommendation is already very geneorus (an additional $27.3 billion in budget authority for fiscal year 1981); outlays would rise at an annual rate of 16 percent per year between 1981 and 1985. An additional increase as provided by the amendment is nct justified; a choice must be made between what we would like and what we can afford. Problems of excessive section 8 housing costs, uncovered in a GAO study, must be resolved before higher funding can be justified.
700 Veterans benefits and services	+.6	+.4	The Budget Committee's recommendations for veterans' programs are generous. They allow a 27 percent growth in funding since 1975, and provide: (1) A 13.9 percent cost-of-living increase in pension benefits to needy, aged veterans. (2) A 10 percent cost-of-living increase in GI bill benefits. (3) An 11.8 percent cost-of-living increase in compensation benefits to disabled veterans. CBO estimates that this increase will keep veterans' compensation benefits constant in real terms. (4) Other liberalizations in veterans' training and rehabilitation benefits. (5) Funding for new VA health care facility construction projects. The legislative savings in veterans programs assumed in the Budget Committee's recommendation are not harmful. For example, the committee assumes that 3d-party insurors will be required to reimburse the VA for medical care provided to insured veterans in VA hospitals. This change only requires insurance companies to provide the coverage they have contracted to provide; it does not reduce the total funding available for veterans' health care programs. The reductions in veterans flight training and correspondence benefits assumed in the Committee recommendation are consistent with S. 870, the GI bill amendments by the Senate in January. If inflation is to be brought under control, prudent reductions in all Federal programs are necessary—including veterans programs.

[1] Action to date.

Mr. DOMENICI. Will the Senator yield 1 minute?

Mr. HOLLINGS. I yield 1 minute to the Senator from New Mexico.

Mr. DOMENICI. Everything I would have said about the validity of this amendment in terms of our energy situation has been said, but I would just like to tell the Senate what I think it is. The good Senator from New Hampshire calls it an antioil company amendment. I would like everyone to know that it is a pro-big government amendment. That is what it is. The Senator from New Hampshire is asking that we add $7.5 billion in Federal expenditures. No one ought to forget that. While we listen to his rhetoric about oil companies, he is saying that he wants to add $7.5 billion more to the outlays under this budget. While we have been talking here on the floor about tax cuts in the future, about trying to keep our ever-growing expenditures of the Federal Government down, he comes before us under the guise of taxing oil companies, and that tax is never going to occur. The depletion allowance, which is now only for independents, is not going to hurt. So while he might call it anti-oil, I want everyone to know this Senator is calling it pro-big government. He wants $7.5 billion more in Government in programs across the board that have been looked at and relooked at in an effort to trim Federal expenditures.

You see what will happen, Mr. President, if these tax measures do not occur, if we do not add these taxes. Incidentally, there is no way this Senate and this resolution can mandate that these be the sources. He is asking two things: That we increase the level of taxation, which is already the highest in history. He wants to make it higher, and at the same time he wants to make sure that instead of spending less we spend more on the programs in this Government that we are trying desperately to cut.

The PRESIDING OFFICER. All time of the opponents of this amendment has expired. There remains to the Senator from New Hampshire 4 minutes 59 seconds.

Mr. DURKIN. Mr. President, I am concerned about the devastating impact today's energy-fueled inflation is having on our economy and on the lives of hardworking Americans. I am as committed as any Senator to balancing the budget in an effort to get Government spending under control. However, we must remember that the victims of inflation are not the cause of inflation. To attack inflation, it is only commonsense to focus our attention on one of the primary causes of inflation—energy costs. While the rest of the economy is limping slowly, the major multinational oil companies are sailing merrily along, laughing all the way to the bank.

My proposal will put an end to that by having the major oil companies pay their fair share of taxes. I want to get the major multinational oil companies off welfare.

Mr. President, if I had more time, I would ask for 5 minutes so we could all say a prayer for the oil companies, they are in such dire straits.

Some people think the windfall profit tax was too tough on the major oil companies. I want to point out that the windfall profit tax does not hit on independents, as the Senator from Texas alluded to, it is instead a low-cost loan for the American people.

And I want to point to those who say the major oil companies need this money to drill. That Exxon recently drilled and drilled, until it found Reliance Electric. Mobil drilled and drilled until it found Montgomery Ward. I would like to ask how much oil Mobil found in the aisles of Montgomery Ward and how much it has helped the national energy problem.

People across the country just filed their income tax. How many of them are in the 6- to 9-percent tax bracket? The major multinational oil companies are in the 6- to 9-percent Federal income tax bracket. How many people who still have a job under the White House's 20–percent interest rates, and 10-percent employment are in the 6- to 9-percent tax bracket?

In addition, by virtue of the President's ill-advised decision to decontrol the price of domestic crude oil, the major oil company profits will increase by $1 trillion, at least $1 trillion. The windfall profit tax bashfully takes back $227 million. The major multinational oil companies are still laughing all the way to the bank.

As the Senator who spoke earlier said, there are no gas lines now. Of course not, the lines are at the bank because consumers cannot pay for home heating oil and they cannot pay for gasoline. Supplies have increased only because the price has increased prohibitively.

The cavalier practices of the major oil companies continue. The Wall Street Journal, hardly an organ of the new left, recently reported that the oil companies are embarrassed with their riches. They cannot drill, they cannot poke any more holes in the ground and they cannot find anything more to invest in. They are swimming in their cash, swimming in our cash, swimming in our taxes.

I think it is time to reform the Federal income tax laws and I think it is time we started here to close those loopholes. Then there would be money, money for essential programs.

We are not talking about pro-big government. But, we cannot tell senior citizens to plant a victory garden. And we cannot walk around school cafeterias and snatch hot lunches from kids. And do we not still have an obligation to our veterans? It was the policy of this country to induct them, and it should be the privilege of the country to help them. The GI bill today is far less than what it was when many Members of the Senate got out of the military. It simply needs to be improved.

We have emergency health services.

My amendment takes the major multinational companies off welfare and puts some of the money back in to necessary domestic programs.

Our inflation and recession problems are increasing daily. The same geniuses who got us into this mess now say that the recession is going to be worse than they planned. We are not talking about statistics; we are talking about my neighbors. We are talking about sons and daughters who go to school with my children, about their parents being out of work.

We cannot forget that each increase of 1 percent in the unemployment rate increases the budget deficit by as much as $22 billion. We talk about the slack in the economy as though it is just a figure. It is not. We are talking about real people who are facing real economic trouble. The time for tough action is now.

I urge my Senate colleagues to join with me today in standing up to the major multinational oil companies who have called the shots for too long. It is high time that the American public, the elderly, the handicapped, and low to moderate income families receive their full representation here in Washington. My amendment to eliminate the oil companies' preferential tax treatment is an essential step in that direction. I ask also that fair newspaper accounts documenting high oil company profits and high oil and gas reserves be printed in the Record in their entirety.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times]

Oil Industry Leads in '79 Executive Raises

(By Anthony J. Parisi)

It was a good year for the oil business last year—in the paycheck as well as at the pump. Raises for the top executives of Big Oil are running well ahead of those being reported for their counterparts in other industries.

While oil prices soared and company profits exploded, the chief executive officers at the nation's five largest oil companies—Exxon, Mobil, Texaco, Standard of California and Gulf, in that order—got increases averaging about 16 percent last year, which brought their pay and bonuses, on average, to almost $740,000. The increases were in good part from bonuses tied to company profit gains, which ranged from 106.4 percent at Texaco to 55.6 percent at Exxon.

The oil executives seemed to have fared notably better than their counterparts elsewhere in the corporate world, at I.B.M., G.E., du Pont, Procter & Gamble and Eastman Kodak—a sampling of very large companies in other fields—the chief executives averaged only 7.8 percent more in 1979 than they did in 1978.

The executives in oil also did appreciably better than the industry's rank and file. On average, members of the Oil, Chemical and Atomic Workers union, which represents most of the organized workers employed by the nation's oil refineries, received an 8.3 percent increase last year. In the aggregate, the officers and directors of the Big Five oil companies, some 220 persons in all, got 12.6 percent more in 1979 than in 1978.

The data on executive pay generally come from the companies' proxy statements, recently mailed to shareholders in advance of this year's annual meetings. The proxy matter, which covers the election of directors and other business to be decided at the annual meeting, is required to include detailed compensation data for the company's highest-paid executives.

Rawleigh Warner Jr., chairman of the Mobil Corporation, led the field last year with $1,187,055 in salary and bonuses. By contrast, the lowest-paid chief executive among the five largest oil companies was Jerry McAfee, chairman of the Gulf Oil Company, whose salary and bonus came to $403,333, or substantially less than half of what Mr. Warner was paid.

In percentage terms, the increases ranged from 8.1 percent for Clifton C. Garvin Jr., chairman of the Exxon Corporation, the world's largest industrial company, to a healthy 27 percent increase for Mr. Warner of Mobil, second to Exxon in the oil industry.

INCENTIVE BONUSES

According to a Mobil spokesman, Mr. Warner's pace-setting increase stemmed primarily from incentive bonuses that were pegged to Mobil's earnings, which the spokesman described as "exceptional" in 1979. But a year-to-year comparison is misleading, he contended, because the bonus plan was not completely in effect during 1978. He added that Mr. Warner's salary rose only 6.2 percent, to $453,250.

The proxy material also discloses that the oil companies, like most other big corporations, provide their executives with a considerable indirect remuneration. In addition to the fringe benefits familiar to most employees, oil executives enjoyed such perquisites as stock options, property payments and free financial counseling. At Standard of California, for example, Harold J. Hayes, for example, its chairman and chief executive, got $1,640 in financial counseling and help with his tax return last year at Social's expense.

The indirect pay also included the sums that the executive reaped last year by exercising stock options awarded in previous years—Mr. Warner of Mobil led the pack here, too, realizing a cool $2.4 million by exercising stock appreciation rights—as well as "contingent" payments being deferred until some future date. These are contingent on a variety of factors, primarily fluctuations in the market value of the companies' shares.

COMPARISONS ELUSIVE

These indirect forms of pay usually do not represent payments for services rendered during 1979, so it is all but impossible to make valid year-to-year comparisons for this category of executive pay. Moreover, companies tend to report their indirect remuneration differently, making company-to-company comparisons tricky in any case. Nonetheless, the individual proxy statements do provide some idea of what such extras can mean to a top oil executive.

Mr. Garvin of Exxon received $585,000 in salary, up 8.8 percent from 1978, along with cash and stock bonuses worth $245,000, versus $230,000 in 1978. On top of this, he got $147,993 in such additional, "noncontingent" remuneration as employee profit sharing and various stock rights. What is more, Exxon estimated that, as of last Dec. 31, Mr. Garvin had $842,866 in contingent remuneration coming to him, mainly reflecting his accumulated paper profits in stock options awarded in past years.

Mobil's proxy matter also showed that William P. Tavoulareas, the president of the company, received $1,005,482 in salary and bonuses, as well as other noncontingent remuneration of $967,666. Mr. Tavoulareas—the No. 2 man at Mobil, which is the nation's second-largest oil company after Exxon—thus made more than any of the other four oil companies' chief executives.

At Gulf, both its president, James E. Lee, and one of its executive vice presidents, Edward B. Walker 3d, earned more in salaries, fees and bonuses than Mr. McAfee, the company's chairman. Mr. Lee made $527,083, or nearly $125,000 more than Mr. McAfee; Mr. Walker made $425,000, or almost $22,000 more. But Mr. McAfee's $164,169 in other compensation, presumably from his exercise of various stock rights, far exceeded that of the other two, making his total the largest.

Collectively the top people at Texaco Inc. had a larger increase than their counterparts at the other four largest oil companies. Maurice F. Granville, Texaco's chairman, earned $757,400 in salary and bonuses, up 14.9 percent from 1978, but as a group, the 51 directors and officers of Texaco earned 21.5 percent more than they did in 1978.

The top people at the top five companies were not the industry's highest-paid executives, however. The Union Oil Company California, for example, which ranked 12th among the traditional oil companies and 35th among all industrial corporations in 1978, paid its chairman, Fred L. Hartley, a total of $560,667 in salaries, fees and cash awards last year, or 14.5 percent more than in 1978. His total cash and cash-equivalent forms of remuneration came to $843,054 last year. Mr. Hartley is currently chairman of the American Petroleum Institute, the oil industry's main trade group.

[From the Wall Street Journal]

"Big Oil" Finds Outlets Limited as It Attempts To Invest Its Earnings

(By Paul Blustein)

Two months ago Jack Neafsey, senior vice president of Sun Co., the nation's 10th largest oil company, was voicing an extraordinary problem: With 1979 profits up by 69%, the company was practically in the position of having too much money to invest at once. The only constraint the company was facing, he said, was "the question of how many opportunities we can take on at one time."

Two days ago, Sun found a place for some of its expansive profits—it offered $2.3 billion for the bulk of the U.S. oil and gas properties of Seagram Co. The proposed acquisition's price tag was second only to Shell Oil Co.'s $3.65 billion takeover of Belridge Oil Co. last year.

For many large U.S. oil concerns the embarrassment of riches brought their way by last year's record profits is both an odd and a vexing problem. Even though their capital budgets are at record levels and far exceed their profits, these companies say they have more financial resources than they can profitably spend.

Exxon Corp., the world's largest oil concern, has a $7.5 billion spending program for this year, a 25% increase from last year's initial appropriation. But Exxon would like to spend even more, says Roger Headrick, the deputy controller. "We're not financially constrained from doing so," he says. "We're what you might call opportunity-limited."

"DON'T WORRY ABOUT MONEY"

At Standard Oil Co. of California, Mobil Corp., Phillips Petroleum Co. and Getty Oil Co., capital spending is proceeding as though money were no object—which it isn't. "I've told our operating people that if they've got a sound oil and gas project they can handle, don't worry about the money—I'll find a way to get it," says Howard Bell, California Standard's vice president of finance.

Mr. Bell's main problem is making sure his managers don't misinterpret his encouragement as a license to squander. He fears that his people will start pushing favorite projects that have failed financial reviews in the past.

To many critics of the oil industry, the cash-rich oil firms seem to be investing too much of their capital conservatively in existing oil and gas properties rather than taking more risks on exploration or even on alternative fuels. "They (the oil companies) figure it costs less to buy a barrel of oil that's already been located than to find new oil in the U.S.," says a Wall Street analyst.

One congressional critic complains that "with all the oil and other energy supplies the U.S. needs, I question whether the companies are really doing all they can to solve the problem." He notes that the oil companies "are cautious" about going into debt and have been spending "plenty on buying existing reserves." Why, he asks, do the oil companies "insist on decontrol of oil prices and object to the 'windfall profits' tax if they've got so much money already?"

PROFITS COME FIRST

The companies' response is that while their pockets may be deep, they aren't so deep that they can afford to ignore the basic principles of looking for the most profitable rate of return. "It isn't that we've got so much profit that we don't know what to do with it," says Exxon's Mr. Headrick.

It's not only profit considerations that are preventing the oil industry from spreading more of its cash around. Major acquisitions outside the oil business, companies say, would almost certainly face government opposition and building badly needed new refineries would come up against widespread environmental resistance. The companies also tick off the obstacles that are preventing greatly expanded exploration and drilling programs: tough environmental regulations, shortages of skilled manpower and drilling equipment, and, overseas, the nationalization of much of "big oil's" assets.

Oilmen reject the notion that their budgets aren't bold enough.

The industry has allocated $50.5 billion for capital projects in the U.S. this year, according to the Oil & Gas Journal, up from the $33.5 billion initially forecast for last year and the $40.1 billion actually spent. Foreign spending, according to the trade publication, will rise this year to $10.5 billion from $7.9 billion in 1979.

A large portion of the increase in this year's spending will simply reflect inflation. The cost of drilling, in particular, has soared in recent years: According to the American Petroleum Institute, the cost of drilling rose by 21 percent in 1978 from 1977.

$18.2 BILLION FOR EXPLORATION

As for the argument that too much of the industry's capital spending is going for investments in existing oil properties, oil executives assert that exploration is the single biggest item in most major companies' budgets. U.S. exploration spending this year should total $18.2 billion, the Oil & Gas Journal estimates, with crude-oil production adding another $11.9 billion. Exploration and production combined will account for two-thirds of all spending, the trade publication says.

Exxon, for example, is planning to spend over 80% of its capital budget this year on petroleum. About three-fourths of that, or $4.6 billion, will be aimed at crude-oil exploration and production. The exploration budget includes Exxon's investments in well over 200 "wildcat" wells—that is, wells drilled in geological structures where oil and gas haven't previously been found—about the same as last year.

With so much cash already available for exploration and production, why, critics ask, does the industry need the considerable additional profits that will flow from the price decontrol of domestic oil? The industry argues that exploration programs will be greatly expanded only if the oil companies are guaranteed a high rate of return on new oil production.

Without the additional profits from price decontrol, the oil companies say they have dug into their coffers as far as they can. "Last year we put more into the ground than we had cash flow," says LeRoy Culbertson, Phillips's senior vice president for planning and budgeting. Phillips could borrow more to increase its exploration and production budget, but "with interest rates the way they are, we're not too enthusiastic about that," he says.

Even Exxon, with shareholder equity of $22.5 billion, had a relatively modest long-term debt of $4.3 billion at the end of 1979 and doesn't show any interest in going much beyond that level. Last year, the company's new debt (less repayments) added only $650 million to cash flow, bringing the total to about $8.4 billion. Thus, Exxon could greatly increase its capital spending if it could find enough worthwhile projects.

Some companies assert that their finances already are stretched to capacity. "We have more projects than we have money to drill," says a spokesman for Standard Oil Co. (Indiana), a company that in recent years has aggressively bought large quantities of unexplored acreage. Officials of Atlantic Richfield Co., Cities Service Co., Marathon Oil Co. and Conoco Inc. also say they are restricted by their financial situations.

But for those companies searching for investments, the acquisitions of other oil concerns, of oil and gas reserves and of unexplored acreage are clearly the most attractive. Investing in business unrelated to oil is generally regarded as inviting opposition by Washington—at least, if the acquisitions are on the scale of a Phillip Morris or a Boeing (the Senate Judiciary Committee recently reported out a bill, endorsed by the administration, that would prohibit major oil companies from making large acquisitions unless they demonstrably increase competition or enhance energy production). Analysts point out that an acquisition would have to be of that nature to make an appreciable difference to the biggest oil companies' profits. Acquisitions on the scale of Exxon's $1.17 billion takeover of Reliance Electric last year, they say, add no more than a few pennies to earnings per share.

As for investing in alternative energy projects, there is some doubt that Washington will make these ventures attractive enough to lure oil-industry money. "When these guys start putting money in synthetic fuels and synthetic gas and tar sands and so on, it will require enormous amounts of capital," says Constantine Fliakos, an analyst at Merrill Lynch, Pierce, Fenner & Smith.

Conventional investment possibilities often can be ruled out by government policies that can cause costly delays, oilmen say. "There are plenty of opportunities, but trying to find one that you can put along in an expeditious way is tough," says Glen Brown, senior vice president of Standard Oil Co. (Ohio). He adds, "Everyone was all set to drill in the Beaufort Sea (off the north coast of Alaska) a while back, but now there's some environmental injunction against it." It's particularly difficult to obtain drilling permits in California, industry executives say, because of tough state environmental regulations.

Such logjams recently caused Shell Canada Ltd. to lower its 1980 capital-spending budget by about 23 percent. The company, a unit of Royal Dutch/Shell Group, cited delays in certain projects, notably a proposed $6 billion synthetic oil-processing plant that is still awaiting the Canadian government's approval.

Another roadblock is the scarcity of trained technicians and of drilling equipment. Says Getty's central division production manager. James Starrak: "We've had wells held up six, eight or even nine months waiting for drilling rigs." Competition for manpower is fierce, with independent oil concerns offering fat salaries to lure trained employes from the major companies. "We like to have 100 engineers in our division, and we've been hiring 15 to 18 a year out of college," Mr. Starrak says. But the company is still between five and 13 short.

Plowing back profits can be particularly difficult abroad. Overseas operations provided the bulk of many oil companies' earnings gains last year, mainly because of the absence of foreign price controls. But in many oil exporting countries, "big oil's" assets have been nationalized. Thus, says Robert Wycoff, Atlantic Richfield's senior vice president for planning and finance, "they don't have the opportunities to invest internationally they used to have because they no longer own many of the producing properties overseas."

William Randol, an analyst at Salomon Brothers, cites the example of Iran. Under the shah, the consortium of companies that operated Iran's oilfields used sophisticated drilling techniques, such as water-flooding and gas injection, to exploit oil deposits. These projects were halted after the fields were expropriated. "Not only is this something that the companies won't have to spend money on anymore, it also has unfavorable implications for the world supply situation because the Iranians won't do what the companies were doing," Mr. Randol says.

The end result of heightened nationalism abroad? More money is being spent domestically. Nicholas Gal, financial-analysis manager of the American Petroleum Institute says: "Since 1974–75, there has been a decisive trend toward directing an increasing percentage of capital and exploration expenditures toward the U.S."

California Standard, for example, which still gets most of its crude oil from Saudi Arabia, will spend nearly two-thirds of its $2.6 billion 1980 budget in the U.S. Most of the domestic spending—about $1.1 billion—is aimed at finding and producing crude oil. Projects include two exploratory wells in Alaska costing about $25 million apiece, two dozen gas wells in Louisiana and the Rocky Mountains costing between $4 million and $7 million each, and a $42 million steam-flooding project to increase heavy-oil production in California's San Joaquin Valley.

Spending money at home has public-relations value, of course. At one big oil company, there is the rumor that a "political" percentage was tacked onto the bids that the firm submitted for a big offshore lease sale a few years back. After the tracts had been appraised, a company course says, "word was going around that the suggested bids were sent up to the chairman's office, and he grossed them up because he wanted our spending figures to look bigger."

[From the National Journal, Apr. 26, 1980]

THE $100 BILLION MISTAKE—IS THE "WINDFALL" REVENUE ESTIMATE TOO HIGH?

(By Robert J. Samuelson)

Philip K. Verleger Jr., who served the Carter Administration for two years as chief energy economist in the Treasury Department, is worried. He thinks Congress and the Administration may have made a tiny error in estimating the revenues from the "windfall profits" tax on domestic oil. It's just a little error of, say, $100 billion over the next decade. And Verleger frets that before Congress realizes the magnitude of the miscalculation, it may use revenues it doesn't have either by increasing spending or reducing other taxes.

Come again?

If you've followed the windfall tax debate, you know that the conventional wisdom is that the official revenue estimate of $227 billion over the next decade is, if anything, low. That estimate assumed a world oil price of $30 a barrel at the end of 1979, when, in fact, the actual price was nearer $35. So, it was reasoned, U.S. oil would be sold at higher prices and more tax revenues would be collected.

Maybe so. But Verleger, now an economist at Yale University, found other details in the projections that could have huge offsetting effects. And the mere possibility that he is right—a possibility conceded by officials familiar with the estimates—means that the windfall tax could become the center of a series of economic and political battles in the 1980s.

One provision of the law, for example, allows the deduction of state "severance" taxes on oil before payment of the federal tax. If states raise those taxes, anticipated federal revenues could decline significantly. Another provision offers a powerful tax inducement to start so-called tertiary projects—involving sophisticated, expensive recovery techniques such as the injection of steam—on existing oil fields. But, if oil companies start such projects in large numbers, much of the oil that the federal government now expects to tax at a 70 per cent rate could end up being taxed at only 30 per cent.

Taken together, both these developments could bite heavily into the revenues of the windfall tax. And if, as Verleger believes, the estimates of over-all U.S. oil production that were used in the projections are too high, then the resulting shortfall could prove enormously contentious.

Federal spending is expected to be squeezed in the early 1980s, and northeastern and midwestern states aren't likely to take kindly to increases in state severance taxes that erode the windfall tax. Indeed, Frostbelt states are already critical of the huge revenue increases accruing to oil states, arguing that it gives the oil states an unfair economic advantage that ought to be offset by other federal policies.

As for the promotion of tertiary recovery projects, it has all the makings of a classic tax "reform" issue, with critics seeing it as a gaping "loophole" and the industry viewing it as a needed "incentive." For years, oil companies have argued that federal price controls have discouraged such enhanced recovery projects that could result in billions of barrels of extra oil production. According to a survey by the *Oil & Gas Journal*, only about 4.5 per cent of current U.S. oil production results from such projects, but, admittedly, the windfall projects tax was fashioned to give lower tax treatment not only to oil produced by such projects but also to a lot of oil that would have been produced anyway.

"People [in the industry] know about it." said Arthur L. Smith, a securities analyst for Oppenheimer & Co., who specializes in oil industry stocks. "There's going to be an awful lot more work in this area."

At a minimum, all this adds up to a lot more uncertainty in planning future federal tax and spending policies. But many of these possible problems were lost in the general weariness that accompanied the end of the year-long debate and in the widespread assumption that the tax would produce more—not less—than the official estimates.

That's clearly possible, because world oil prices may well run ahead of the estimates and raise the windfall tax revenues in the process. But Verleger's worries aren't far-fetched. During the congressional debate, James W. Wetzler, chief economist for the Joint Committee on Taxation, which made the revenue estimates, was quoted as saying the projection could be off $100 billion in either direction. His comment was widely interpreted as meaning the estimate was low, but Wetzler confirms that he meant precisely what he said.

Like Verleger, the joint committee staff thinks the estimates of oil production—which it got from Treasury, which in turn got them from the Energy Department—could be high. In 1990, the projections put domestic oil production at 10.7 million barrels daily, against actual production of 8.5 million barrels last year. Looking at several private forecasts, Verleger thinks a more realistic estimate would be level production, at best; the Exxon Corp's most recent forecast for 1990 is less than 7.0 million a day.

INCENTIVES

Of all the uncertainties, perhaps the most intriguing—and the most overlooked—involves tertiary production, because it goes to the heart of the basic issue that dominated the windfall tax debate: what the potential for oil production is in the United States. To a large extent, the debate pitted those who argued that significantly higher prices would result in greater production against those who contended that the depleted nature of the U.S. petroleum base means that higher prices and revenues have only a limited potential for increasing production. By the latter theory, the higher prices—unless tempered by a windfall profits tax—would mainly enrich producers.

As enacted, the tax attempts to reconcile these views. There's little doubt that, on balance, a new boom in exploration and development is in the offing. In June 1979, the Administration began the gradual elimination of price controls on domestic oil; by September 1981, all oil will be sold at or near the world price and new oil discoveries will command the world price, now somewhere between $35 and $40 a barrel. Even after the effects of the windfall tax, producers will be substantially better off than they were under controls. In May 1979, the price of controlled U.S. oil averaged $10.70 a barrel.

But Congress attempted to placate those who argued that large revenue increases to producers wouldn't stimulate much more oil production, especially if the revenues came simply from oil already in production. Consequently, the legislation divided oil production into a variety of categories, imposing the stiffest taxes on existing production. With the lightest tax—and, therefore, the highest effective price—on newly discovered oil, the incentive would be where it ought to be, Congress concluded.

Specifically, the legislation created three types of oil:

Tier One oil consists of existing production that would have been covered by the price controls now being phased out. It is to be taxed at 70 per cent above a base price of $12.81 a barrel. For example, if the oil sells for $34.81 a barrel, the producer would get $12.81 plus 30 per cent of the price above $12.81, or $6.60. For the producer, the effective price would be $19.41, and the federal government would get $15.40. The federal share could be reduced, however, by the deduction of a state severance tax of up to 15 per cent—or $3.30 in this case. Moreover, the "base" price is to be increased annually by the rate of inflation, as measured by the "deflator" of the gross national product.

Tier Two oil is so-called stripper oil and production from the government-owned national petroleum reserves. In general, stripper oil comes from wells whose rates of production are less than 10 barrels daily; the best known of the national petroleum reserves are Elk Hills in California and Teapot Dome in Wyoming. The tax rate on Tier Two oil is lower than on Tier One: 60 per cent. Likewise, the base is higher: $15.20 a barrel, and it, too, is increased by the annual inflation factor.

Tier Three oil is all newly discovered oil, plus some "heavy" oils—which are generally more difficult and expensive to extract—and "incremental" production from tertiary projects. The tax rate for Tier Three oil is lowest of all, 30 per cent, and the base is the highest, $16.55 a barrel. Moreover, the base is annually adjusted by not only the inflation rate but also by an added two percentage points.

SHIFTING PRODUCTION

In practice, Verleger believes, many producers will find it relatively easy—and extraordinarily profitable—to shift much of their production from Tier One to Tier Three oil by beginning tertiary recovery projects.

There's little doubt that Congress—or, at any rate, the Members who understand the provision—wanted to encourage such projects. One of the realities of conventional oil production is that much of the oil gets left in the ground. The initial flow of oil results from natural pressures built up in oil reservoirs; after these have diminished, production can be maintained by pumping, reinjecting natural gas into the field (which creates new pressure) or flooding the field with water (which pushes the oil out). But even these techniques typically leave between three-fifths and two-thirds of the oil in the ground.

The American Petroleum Institute estimates, for example, that 453.2 billion barrels of oil had been discovered in the United States by the end of 1978. Of that, 117.8 billion had been pumped out and 27.8 billion remained as "proven" reserves, which means that the oil is capable of being extracted with existing technology at prevailing prices. That leaves 307.6 billion barrels in the ground, and the question is how much of it can be gotten out.

No one really knows.

A 1978 report from the congressional Office of Technology Assessment (OTA) implicitly agreed with the oil industry's contention that price controls inhibited new, more expensive enhanced recovery techniques. Higher prices, the OTA said, would undoubtedly prompt producers to try more costly approaches, such as injection of steam and a variety of chemicals into reservoirs.

Some of the reasons these methods are more expensive are straightforward. Steam generation, for example, requires substantial amounts of high-cost energy; many of the chemicals injected into the oil fields are made from oil and are expensive themselves. OTA estimated that at a price of $30 a barrel, enhanced recovery projects might result in the ultimate production of 49 billion more barrels of oil. But OTA cautioned that predictions are risky: much of the technology hadn't been widely used, and forecasts were bound to contain a wide range of potential error.

Some companies are now moving toward massive projects that will give theory a test in the real world. For example, the Shell Oil Co. is considering building a 500-mile pipeline—at an estimated cost of $300 million to $500 million—that would move carbon dioxide gas from Colorado to western Texas, where it would be injected into the "Denver" unit of the giant Wasson field.

The gas, which occurs in natural reservoirs in Colorado, would not only increase the pressure but also mix with the oil to form a liquid that moves more easily. Shell says that the "Denver" unit originally contained 2.1 billion barrels of oil, of which about 679 million barrels have been pumped out. Continued water flooding, Shell estimates, might result in production of another 121 million barrels, but the injection of carbon dioxide would add a further 250 million barrels. Ultimate production would increase from 800 million barrels to 1.05 billion.

The windfall tax legislation has now considerably enhanced the appeal of enhanced recovery. For qualified projects, Congress wrote a formula into the law that allows a lot of Tier One oil, which might have been produced in any case, to be considered as Tier Three oil and taxed at the lower rate. The system works this way:

Each field has a base level of production, set at the average daily production for the six-month period that ended on March 31, 1979. Once a field is qualified as a tertiary project, production over the base is taxed as Tier Three (at 30 percent) and the other production is taxed as before—probably Tier One (at 70 percent). But the base decreases rapidly. During the period before the project starts, the producer is allowed a 1 percent monthly decline in the base for every month beginning January 1979; after the project starts, the monthly decline rate is 2.5 percent.

Consider a project with a base production of 10,000 barrels a day and a tertiary project that begins on July 1, 1980. Its initial base would be 8,200 barrels (10,000 barrels reduced by 1 percent a month for 18 months). After that, the base would decline 250 barrels a month, which means that it would reach zero after 33 months. From then on, all the oil pumped from the project would be taxed as Tier Three oil at the 30 percent rate.

HOW MUCH OIL?

Just how much oil would that be? No one can know for sure. All fiields have natural cycles, with daily rates of production increasing to a peak and then declining. Only by knowing each field's natural decline rate—and each is slightly different, depending on the type of oil and the field's geologic formation—would it be possible to know precisely what the production rate would have been without an enhanced recovery project.

That Congress legislated a decline rate into law reflected the widespread dissatisfaction of oil producers with past attempts by the Energy Department to write regulations attempting to encourage enhanced recovery projects. Under one set of rules, the department granted producers preferential treatment under existing price regulations. But the special treatment was allowed only on oil above a predicted decline rate, and the department demanded proof that the project would be uneconomic without it. Finally, the department reserved the right to withdraw special pricing treatment after auditing the project. Virtually no one applied.

"On a hindsight basis, the agency could come in and say 'you goofed' and take away the incentive," said Thomas Biery, vice president of the Midwestern Oil and Gas Association, a trade group of producers in a seven-state area that includes Texas, Louisiana and Oklahoma. "This is an unknown technology. Producers aren't comfortable with it. It's not like drilling exploratory wells, where they know what the risks are."

So Biery and others pressed Congress for a complete exemption of tertiary projects from the windfall tax. The House Ways and Means Committee wouldn't go that far, but it did accept a proposal drafted by the staff of the Joint Committee on Taxation to write a decline rate into law. The House then voted to impose a 50 percent tax rate on oil above the base. The Senate voted to lower that to 20 percent, and the House-Senate conference settled at 30 percent.

There's little doubt that the legislated formula provides a decline rate a lot faster than the natural decline rate. Verleger believes that the difference is so large that the financial lure of beginning tertiary projects is enormous. Based on a variety of world oil prices and varying degrees of success of the projects, he estimated their potential attractiveness. By his calculations, investments in tertiary recovery could easily yield $100 to $300 a barrel by 1985. Those high returns mostly reflect the effects of moving a lot of existing production from a 70 percent tax rate to a 30 percent rate.

Biery agrees that the decline rate in the law substantialy exceeds the natural decline rate, but says that "from the standpoint of policy, I don't find that alarming. . . . It took 20 to 25 years to get water flooding to the point where people felt comfortable with it, and unless you want to spend 25 years [introducing enhanced recovery], you're going to have to do this."

Under the new law, a company could certify its own project or ask for certification by the state, through all certifications would be subject to federal review. The projects would have to use specified tertiary recovery techniques—such as steam or carbon dioxide injection—and have a "reasonable expectation of more than an insignificant increase in production."

It's difficult to predict how much oil will be shifted from higher tax rates to the 30 percent rate, or how rapidly. Last year, the Energy Department issued more liberal rules for enhanced recovery that have already prompted a number of producers to begin projects. But during the 1980s, production from existing fields that could take advantage of the more favorable tax treatment will be declining. In the projections used by the joint committee, that production will decline to about 6.0 million barrels in 1985 (from about 8.3 million in 1979) and 3.9 million barrels in 1990, with about two-fifths of that consisting of stripper wells and another fourth from production in the Prudhoe Bay field in Alaska.

Verleger believes that most of this production will be shifted to Tier Three oil. Companies will favor tertiary projects over new exploration, simply because the financial rewards are greater. By his estimates, production from tertiary projects will actually be greater than it would have been without a windfall profits tax. But production from newly discovered wells will be less and, over all, total production would be less than predicted by the Energy Department.

The staff of the joint committee is more cautious. Tertiary projects can't be started overnight, even if there's a widespread understanding in the oil industry—and it isn't clear that there is—of the magnitude of the financial incentives. Moreover, the inducement to begin projects in fields where production is already low (particularly stripper fields) is much less than in fields where production is high. The joint committee's revenue estimates assume that only about a fifth of the potential oil will shift from the higher tax brackets to the lower in 1985; by 1990, the shift will be about a fourth of the potential.

How this would affect total windfall revenues is anyone's guess. The other potential sources of erosion are also large. Various state severance taxes now average about 5 percent, but the law allows state taxes of up to 15 percent to be deducted from the federal tax; an increase to the maximum would chop about 10 percent off federal revenues. Likewise, excessively high Energy Department forecasts could mean that the tax base—oil production—is 20 to 25 percent lower than the predictions.

The arithmetic may work out neatly. It's conceivable that the original estimates may turn out to be reasonably reliable, because the errors tend to cancel each other. But the politics may be something else. As there's wider understanding of the tax, it may turn out that passage didn't end the fight over who should get lush oil revenues, but simply opened a new chapter.

[From the Washington Post, May 8, 1980]

OIL, GAS RESERVE VALUE LEAPS

(By John M. Berry)

The 11 largest U.S. oil companies, using a controversial new accounting technique insisted upon by the Securities and Exchange Commission, estimate that the present value of the future flow of cash from their oil and gas reserves rose last year by $95.1 billion to reach $227.8 billion.

The enormous jump in expected future revenues from their oil and gas in the ground is probably understated, since the estimates assume no futher rise in oil and gas prices. However, taxes—in some instances very large ones—will have to be paid on these revenues.

The huge increase is a major reason, along with the more highly publicized and much criticized increases in 1979 oil company earnings, that oil company stocks have shot up in value in the last 15 months. The aggregate value of the common stock of the 11 companies rose $48.7 billion between the end of 1978 and last week.

Meanwhile, their first-quarter 1980 earnings more than doubled compared to last year, reflecting the OPEC-led 127 percent increase in world oil prices.

Even stock market analysis say that, based on the oil and gas reserves of the companies and the prospect of future earnings from them, their stock prices should be much higher. They are not, the analysts say, because investors fear governments in the United States and elsewhere will tax away an even larger portion of those future earnings.

The stock of some of the 11 companies, each of which had sales of more than $10 billion last year, has risen much more rapidly than others, with Mobil leading the pack.

The price of a share of Mobil, which has had several impressive new finds of oil and gas off the east coast of Canada, in the North Sea and elsewhere, has more than doubled since the end of 1978, splitting two for one in the process.

That price jump prompted Rawleigh Warner Jr., chairman of Mobil, to exercise stock options he held from prior years that netted him $3,125,850 between the end of 1978 and Feb. 8, 1980, according to a Mobil proxy statement. Adding Warner's 1979 salary and bonuses totaling $1,187,055 made him one of the most highly paid executives of any U.S. corporation.

The oil company reports to the SEC on the value of their oil and gas reserves are full of disclaimers—and for good reason. Estimating the amount of oil or gas that a particular field contains is, as one industry executive puts it, an "engineering art, not a science."

Once the company has an estimate of how much oil or gas a field has, it has to make a further guess about how much of it can be brought to the surface, since all of it can never be recovered. To comply with the SEC reporting requirements, further estimates of the timing of production—whether this year, or 10 years from now—must be made, along with other calculations about future development and production costs.

The company, at the SEC's direction, generally assumes prices and costs will remain unchanged from what they were at the end of 1979. Cranking in the rate, costs and timing of production gives a figure for future revenues year by year.

Then comes the final wrinkle, something called discounting. As everybody knows, a dollar you get next year is worth less to you than a dollar you have today even if there were no inflation. That's because if you have the dollar now, you can buy something with it and use it immediately, or perhaps invest it and receive interest or dividends.

Therefore, revenue from oil and gas produced in 1981 or 1985 is considered worth less to a company now than oil and gas it will produce and sell in 1980. The SEC directed the companies to discount those future revenues at the rate of 10 percent a year.

The result is probably an extremely conservative estimate of how much the value of the companies' oil and gas reserves changed during 1979.

The $95.1 billion increase recorded by the 11 companies, for instance, reflects very little of the effects of the phased decontrol of domestic crude oil prices.

Since all of the big companies are also major refiners and marketers, having their own crude supplies can be the key to making money on those operations.

This is one reason that some of the oil giants have been paying enormous prices for smaller oil companies—to get their hands on these companies' reserves.

The name of the game is reserves, and the prerequisites that can lead to them: a good "land" position and an aggressive and successful exploration program.

Standard Oil Co. of California, the No. 4 oil major, and Standard Oil Co. (Indiana), the sixth biggest, are credited with both by industry analysis. Social's stock price has sky-rocketed 170 percent since the end of 1978, though the total market value of its common stock has risen less than that of larger Mobil. Standard of Indiana, which has made several strikes in the Overthrust Belt of Utah and Wyoming, has seen its stock value jump nearly 80 percent.

On the other hand, notes analyst Charles Maxwell of Cyrus J. Lawrence, an institutional research firm, "Exxon, which has had no big exploration stories and was not desperately undervalued" has gone up far less in value, only about 23 percent.

All of the oil industry executives object to the new SEC disclosure requirements, which are called reserve recognition accounting, or RRA for short. On every page of the section of Mobil's annual 10-K report to the SEC that deals with RRA, it printed a warning: "Mobil cautions investors and analysts against simplistic use of Section J data."

What really upsets Lause and his counterparts, such as David Welch at Conoco, is another aspect of RRA that, for 1979, presents a radically different picture of what happened to the big oil companies.

Under RRA, the companies had to calculate their earnings—again on an unaudited and experimental basis—counting as income any changes in the value of their reserves. Normally, income from a business activity is recognized only when it is received. But under RRA, income would be recorded when new reserves were found or old ones increased in value, and all the costs of finding the oil and gas would be deducted as an expense immediately.

On the basis of conventional accounting, the 11 oil companies earned $17.1 billion after taxes from all of their business activities, including refining and marketing, petrochemicals, coal and a host of other enterprises * * *

● Mr. BOREN. Mr. President, the amendment by the Senator from New Hampshire would do grave damage to our Nation's security by further discouraging the domestic production of energy.

It is not aimed primarily at the large major oil companies but at the smaller domestic independent producers.

Mr. President, from the reduction already scheduled in the depletion allowance, the independent producers already face a 32-percent increase in tax burdens from a reduction in the depletion allowance alone. The combined effect of doing away with both the IDC deductions and the depletion allowance would cost independent producers more than $50 billion over the next 10 years. This catastrophic reduction in cash flow will affect independent producers only and will directly result in a decrease in domestic energy production. Independents are presently reinvesting 105 percent of their wellhead revenues in new energy exploration and development. A reduction in this cash flow will reduce drilling at the very time when we most need to reduce our dependence on the Middle East as a source of supply. It has been estimated that the abolition of the depletion allowance alone for independents would cut drilling by as many as 1,000 wells per year.

The Durkin amendment would cripple the smaller independent segment of the domestic oil industry. It would make us less energy self-sufficient and would also reduce competition in the energy field by reducing the ability of independents to compete with the major companies.

The amendment would also abolish the foreign tax credit, the practical result of such an action would be to decrease our ability to develop other foreign sources which are more secure and closer to the United States than Middle Eastern sources.

In short, the Durkin amendment would do great damage to the vital interests of the entire Nation. This is not a matter of regional interest. It is a question of the security and well-being of all Americans.●

● Mr. WALLOP. Mr. President, Senator DURKIN proposes to restore $7.5 billion in funding to a number of worthwhile programs that are deserving of our support. It is regrettable that the funds for these programs will come from proposed cuts in the three most important tax incentives for domestic and internal oil production. If the Senate were to adopt the Durkin amendment to repeal percentage depletion, the foreign tax credit and the expensing of oil and gas intangible drilling cost, we might have more money for domestic programs, but this Nation and every consumer would have less gasoline, less home heating oil, less gas, and less domestic energy.

At this juncture in our Nation's energy situation, the Durkin mendment would strike a devastating blow against domestic oil production that would leave the Nation increasingly dependent on foreign oil. It is not enough that we levy the windfall profit tax on the domestic oil industry. How can the Senate even consider adding to the $227 billion that will be added to the domestic oil industry's tax liability over the next 10 years?

The amendment would remove the percentage depletion allowance for independent producers. These are not international oil companies reaping windfall profit. They are not integrate companies making money off of a wide range of production, transportation, refining, and marketing activities. These companies derive their revenue from domestic oil and gas production, and the Senator from New Hampshire would like to curtail these activities.

Percentage depletion is essential to the independent producer's ability to continue as a competitive force in the development of domestic oil and natural gas resources. Percentage depletion is important to U.S. energy consumers because of its role in generating the capital required for drilling exploratory and development wells.

The independent has as his primary, and often only, source of income the sale of crude oil and natural gas at the well head. It is from the proceeds of such sales that all the internally generated funds are derived which finance future exploration and drilling activity. Percentage depletion provides the after-tax dollars, without which the independent cannot operate. It is an efficient means of providing cash flow.

Some indication of the effect of any negative action on percentage depletion can be gained by looking at the effects of prior changes. In late 1969, the percentage depletion rate was cut from 27½ percent to 22 percent. The following year, 1970, there was a drop of 21 percent in the number of wildcat wells drilled in the United States—the largest decline in exploratory drilling in a single year in the history of the petroleum industry. Exploration activity did not recover to the 1969 level until 1977, even though oil and gas prices began to increase significantly after the 1973 OPEC embargo.

I would urge the Senate not only to reject the Durkin amendment, but also to support legislation that I have introduced that would freeze the scheduled decline in the rate of percentage depletion available for independent producers. Under present law, percentage depletion is scheduled to decline from the present rate of 22 percent to 15 percent by 1984.

When the rate scale-down is fully effective in 1984, every producer eligible for percentage depletion will find that it is entitled to approximately 32 percent less depletion than it was in 1980. The tax dollars saved by percentage depletion frequently are significant to a producer's cash flow, and thus its ability to engage in exploration and development activities.

The 1981 to 1984 rate reduction mav be of even greater impact than that of 1970. The reduction from a 22 percent depletion rate to a 15 percent depletion rate represents a cut in a producer's depletion deduction of as much as 32 percent compared to the 20 percent reduction when the rate dropped from 27½ percent in 1969 to 22 percent in 1970. Thus the upcoming dip in the percentage depletion rate will be more than 1½ times as great as that in 1970.

Obviously, this is no time to begin tampering with the percentage depletion allowance as suggested by the Durkin amendment. Now is the time to prevent the scheduled decline in the percentage depletion rate and retain the incentives that will allow independent oilmen to produce domestic oil.

The Durkin amendment would not only reduce the ability of the independents to produce here at home, but it would also repeal the foreign tax credit which has played an important role in stimulating oil production overseas. It is especially important to continue to encourage oil production in non-OPEC countries, so that we can break their hold on the international oil market.

Unfortunately, the Senator from New Hampshire wants to take away the foreign tax credit for U.S. oil companies operating overseas. Such a move would only decrease the financial ability of oil companies to explore for and produce more oil. There is also a danger that by removing the foreign tax credit for oil we will be taking a step toward eliminating the foreign tax credit for all U.S. corporations operating overseas.

This is a system long accepted in the United States and in other nations throughout the world whereby a country does not tax unremitted earnings from the operations of the foreign affiliates of one if its corporations.

Under present law, U.S. taxes on income earned abroad shall not be paid until the foreign profits are actually brought back into this country. To do otherwise, it has been demonstrated time and again, would prove disadvantageous to the competitiveness of the U.S. businesses operating abroad. This is more than ever true today when American companies are engaged in a struggle for survival in world markets and cannot afford harsher tax treatment of their foreign source income.

If we would eliminate "deferral" and tax these firms unfairly, this could only serve to damage most severely the competitiveness of the largest overseas customers of U.S. exports—namely, the subsidiaries of U.S. corporations operating on foreign soil.

Something in the order of 10 million American jobs depend on U.S. exports, Secretary Vance told a meeting of U.S. Governors last year. If between one-quarter and one-half of U.S. exports goes overseas to subsidiaries of U.S. firms, then many of the between 2.5 and 5 million of the 10 million U.S. workers producing for export would find their jobs in jeopardy if "deferral" were eliminated.

It was pointed out in the Senate last year that an independent study of 88 companies with overseas operations made by the accounting firm of Arthur Anderson & Co. demonstrates that President Carter's proposals to eliminate the "deferral" system on foreign source income could result in a net revenue loss to the U.S. Treasury of $153 million and an increase of at least $359 million in tax collections by foreign governments from these 88 companies alone.

Mr. President, this is an ill-conceived amendment that would significantly distort our Nation's ability to stimulate energy production at a time when such production is of the utmost importance, not only to this country, but the free world as a whole. I urge my colleagues to vote against passage of the Durkin amendment.●

● Mr. DOLE. Mr. President, the Senator from Kansas strongly opposes the amendment offered by the distinguished Senator from New Hampshire. If this amendment were adopted, the Finance Committee would be required to raise another $7.5 billion in taxes.

Mr. President, without this amendment the tax burden proposed in the budget resolution is already the largest in the history of this country. Under the fiscal year 1981 budget, nearly $105 billion in additional taxes are heaped on the American people. We clearly should be cutting taxes, not adding more as the Senator from New Hampshire would have us do.

The point has been repeatedly made during this debate that specific legislative suggestions, such as those made by the Senator from New Hampshire, are not binding on the committee concerned. We have absolutely no assurance that the proposed $7.5 billion in new Federal taxation will turn out as the Senator from New Hampshire suggests. This Senator fears that additional $7.5 billion in needed revenues would merely doom any chance of a tax cut this year.

It is extremely unlikely that any of the specific suggestions made by the Senator from New Hampshire can be enacted. During the debate on windfall profit tax, an amendment was offered by Senator LEAHY to partially reduce the amount of percentage depletion that can be claimed. This amendment was tabled by a vote of 57 to 37. Similarly, specific amendments proposing termination of the foreign tax credit and deferral have been rejected in the past.

Mr. President, the percentage depletion and intangible drilling cost provisions are essential to vigorous exploration of oil in this country. Under current law, only independent producers and royalty owners may claim percentage depletion. As we discussed at length during the debate on the windfall bill, independent producers do a lion's share of wildcat drilling inside the United States. The final version of the windfall bill imposed higher taxes on both independents and royalty owners than a majority in the Senate would have liked. It would be folly to cut the drilling incentives for independents even further. In the Tax Reform Act of 1969 we cut the rate of percentage depletion from 27½ percent to 22 percent. The next year exploratory drilling dropped by approximately 2,000 wells, a 21-percent decline in the 1969 drilling rate. This was the biggest decline in exploratory drilling in the history of the oil industry.

Thus, we should not quickly assume the abandonment of proven incentives to increased exploration in the United States. That move would merely aggravate our domestic energy problems and slow our drive toward energy independence.●

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. HOLLINGS. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 1081

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I have an amendment at the desk and I ask unanimous consent that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1081.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 15, line 10, insert the following: after the word "Operations": "and the House Committee on Post Office and Civil Service".
>
> On page 15, line 18, between the words "the" and "jurisdictions" insert the word "legislative".
>
> On page 15, line 18, insert the following after the word "committees"; "which would require reductions in spending or appropriations and which are".

Mr. STEVENS. Mr. President, I call attention to the Congressional Record, page 24960 for September 18, 1979. After a series of discussions last year, the former chairman of the committee offered this as a technical amendment. It was adopted. It is an amendment I had personally cleared with both sides on both the Budget Committee and the Governmental Affairs Committee.

The former chairman (Mr. Muskie) made a response to my request for an answer to my question. I asked him this question:

> To what extent would these assumptions be binding on the authorizing committees with jurisdiction over these programs?

Senator Muskie made a series of comments, but let me quote just three sentences from his response:

> Our job is to set spending targets for each of the major functions and missions of the budget. In order to do so in a responsible way, the committee has always discussed major policy options when establishing the targets for each function and mission, and these choices are described generally in our report. We would be shirking our duty if we simply set spending targets for each function and mission without discussing the policy implications of our decisions. It is well understood, however, that our detailed policy assumptions are not binding on the Congress.

After we had explored that between April and September, in order to make certain that the budget resolution contained language that reaffirmed the statement he had made in April, Senator Muskie offered this amendment. I found this year that these words are no longer in the budget resolution.

This budget resolution does not say what the committee has repeatedly said it says; that is, that its recommendations are advisory; so long as the spending limits set by the budget resolution are met by the authorizing committee, they have complied with the budget resolution, the committee continues to tell us. The resolution does not say that. Senator Muskie agreed to that last year and offered this technical amendment.

Mr. President, I am coming close to believing that we are wasting our time. We have Senators telling Senators what the budget resolution means. The staff on the Budget Committee tells the committee staffs, on the committees I serve, no, it does not mean that at all; it means something else. We spent from April to September last year trying to work this out, getting agreement on what it did mean. We finally agreed to a unanimously agreed to amendment; the amendment I called up just now. The committee staff took those words out this year. Now I am informed the committee does not want to support the same language it supported last year.

Mr. President, there is no reason at all for not keeping the committee's word. This is a battle, I believe, between the authorizing committee staffs and the Budget Committee staffs. I hope that the chairman and ranking Republican will recognize that, because they keep telling me, "No, if you keep the spending level, if you bring about the spending savings that our resolution mandates the committees to bring about, you have complied with the budget resolution."

Then their committee staff says to our committee staff, "That means you must pass the legislation dealing with retirement that our report says you must pass."

Mr. President, either we are going to put this language in there the way Ed Muskie agreed to last year, after 6 months, or so far as this Senator is concerned, this is the last day he will ever support the budget process, and I have supported it from day 1.

It is time we stopped this perpetual battle between the young staffs that we hire to assist us. Either the committee means what it is saying or it does not. Ed Muskie finally faced up to it last year and he offered this amendment himself. It was adopted as a technical amendment. I view it as a technical amendment still. It says the committee members believe what Senator Muskie believed, and he stated it very categorically. Let me read it again just to make sure that we are not missing the point:

> It is well understood, however, that our detailed policy assumptions are not binding on the Congress.

That is all this amendment does. It says we are keeping to the same philosophy of the Budget Act, and I hope we will.

I reserve the remainder of my time.

Mr. President, do I have any time left?

The PRESIDING OFFICER (Mr. Pryor). The Senator has 5 minutes and 46 seconds remaining.

Mr. HOLLINGS. Mr. President, let me assure my distinguished friend from Alaska, and he knows that I have the highest respect for him, that if it were just staff, I would say so. This is not just a staff position. I have been studying it, trying to learn whether this is a competitive stand or position taken, that we were supporting our staffs. It is not my intent to support the staff, it is my intent to support the budget resolution. In supporting that budget resolution, we made certain reconciliation instructions for saving or spending. We did it in a very realistic way. We tried to determine where the committees could save or not. Let us say this:

The purpose of this amendment is to allow the Governmental Affairs Committee to avoid its $500 million reconciliation instruction in the budget resolution and shift the burden for making those savings over to the Appropriations Committee. The reconciliation instruction in the budget resolution requires the Governmental Affairs Committee to save $500 million in programs within its spending jurisdiction.

In its spending jurisdiction; we do not line-itemize. But we said spending, not authorizing. That instruction means Governmental Affairs would have to cut spending over which it has control and Appropriations does not. But the Stevens amendment would allow the Governmental Affairs Committee to avoid the cut in spending and make Appropriations find the savings instead.

The Stevens amendment achieves this result by authorizing the Governmental Affairs Committee to find savings in programs within its authorizing jurisdiction instead of its spending jurisdiction.

What the Stevens amendment boils down to is that the Governmental Affairs Committee wants to be able to cut authorizations instead of spending bills and leave it to the Appropriations Committee to try to save the money. This is impractical, Mr. President. It is impractical and unfair, really, because no other committee has tried to transfer its burden in this budget resolution from the programs in its spending jurisdiction over to the Appropriations Committee. Why should we make an exception here for Governmental Affairs?

It is impractical because the budget resolution has already reduced spending under the Appropriations Committee's jurisdiction to the point where it is not practical to cut it further. The programs that Governmental Affairs Committee authorizes have already been cut. That is our main point. The practical effect, then, of the Stevens amendment is that there are going to be no savings.

The distinguished Senator points out that Senator Muskie accepted the amendment last fall in the debate on the budget resolution. We looked at the acceptance at that time, and our experience was that we suffered because there savings were made. So we find that the budget is $10 billion higher than the second budget resolution totals we adopted last fall.

I must add this, too, Mr. President: Last fall, we did not have a 5-percent cut in administrative expenses that is already built into this resolution. So we have already cut the budget by as much as the Governmental Affairs Committee would likely find. We have to look at it realistically and also say the understanding of last fall really did not work at all, and particularly we bring it into focus when we say we have already cut 5 percent from administrative costs.

We are not trying to find fault with the Governmental Affairs Committee. It is a practical situation. Governmental Affairs did not pass any savings legislation which shows how unrealistic it is to expect the Appropriations Committee to bear the whole burden of savings under the budget and allowing authorizing committees to go scot-free without requiring any savings within their own unique spending jurisdiction.

If Governmental Affairs is serious about not shifting responsibility for saving to the Appropriations Committee, of course, the Stevens amendment is unnecessary. If the Governmental Affairs Committee is not serious about saving any money, then the Stevens' amendment must be rejected because its purpose is to avoid the responsibility for saving any real money.

This amendment is really just a Stevens' amendment of last week in new form. Last week, the Senate rejected by a vote of 50 to 43 the Stevens amendment, which would have eliminated the $6 billion worth of saving over the next 5 years which we asked be achieved by bringing the cost-of-living adjustments into line to the other retirement programs.

If we go this route, we go completely. We cannot allow just a once-a-year adjustment, rather than a twice-a-year adjustment for the civilian retirees and not for the military. We cannot do twice a year for the civilian, and not the nutrition, or food stamp programs. So we can go on down the list, and it is a $6 billion cost to the Government.

Mr. President, my friend is brilliant. He knows what is intended, and I do not ascribe any malicious intent to him. We just differ on this.

We have to save, and there is not any room left in the authorizing jurisdiction of the Governmental Affairs Committee.

In other words, Mr. President, the intent of this amendment is to let the committee avoid changing civilian retirement cost-of-living increases to a once-a-year basis.

I know that the committee finds this change to annual increases difficult. The Senator from Alaska made that clear when he debated his amendment last Thursday.

But the Senate decided last Thursday—in its vote on the Stevens' amendment—that this change should be made.

The House has decided—in its budget resolution—that this change should be made.

The President decided—in his revised March budget—that this change should be made.

And in the series of meetings between administration and congressional leaders earlier this year, one of the first things decided was that this change should be made.

I know what the Senator from Alaska says—that we are forcing a line item decision on this committee. But let us take a look at this line item.

This budget assumes that civilian retirees will have their benefits increased only once a year, for a savings of $500 million in fiscal year 1981.

It also assumes that military retirees will have their benefits increased once a year, for a savings of $400 million.

Together, these two provisions will save $4 billion over the next 5 years.

The Senator's amendment would let civilian retirees keep getting twice-a-year increases. But it would not change the Armed Services Committee's requirement to put military retirees on a once-a-year basis.

But, you know that if the civilians are not put on a once-a-year basis, then the military retirees would not be either.

And we will spend $4 billion more than this budget calls for over the next 5 years.

Not only that, but this budget also assumes that food stamps and child nutrition benefits will be changed so that they are increased only once a year. Those changes will save $300 million in fiscal year 1981, and $2.1 billion over the next 5 years.

So if the civilian retirees do not have their benefits increased once a year, the military retirees would not. And if they do not, then the food stamp and child nutrition people would not have their benefits changed, either.

And then, Mr. President, we will end up spending $6 billion more over the next 5 years than this budget calls for.

Maybe the Senator from Alaska considers $6 billion to be a line item. But I do not, and I do not think the Senate does.

The Senator also argues that last fall we agreed to an amendment to the 1980 second budget resolution that was similar to this one. That is true, but a lot of things were different last fall.

Last fall, no one but the Budget Committees were calling for a once-a-year cost-of-living increase for Federal retirees.

Now, the President and both Houses of Congress agree that this is a change that should be made.

Last fall, the Governmental Affairs Committee said they could cut items like travel and consultants to get the same amounts of savings.

But this budget already includes a 5-percent across-the-board cut for administrative and operating expenses. That reduction amounts to $3.1 billion in fiscal year 1981. I do not think a Senator in this Chamber seriously believes that the Governmental Affairs Committee—or anyone else—can find $500 million in administrative savings on top of that cut.

Last week, Mr. President, I laid out all the arguments in favor of increasing Federal retirement benefits once a year instead of twice a year.

I pointed out the inequity in giving Federal retirees increases twice a year while social security recipients only get one increase each year. If social security benefits were increased twice a year the cost would be $2 to $3 billion each year.

I pointed out that we know of no private pension plan that is indexed automatically twice a year. Only 3 percent of private pension plans provided automatic increases, and 37 percent provide no increases. So Federal retirees are unique in their special treatment.

And as I also pointed out last week, this special treatment is done at the expense of the taxpayers—not employees paying into the system. In 1979, the taxpayers paid $8.8 billion into the trust fund—43.5 percent of trust fund income.

I pointed out that many Federal civil service retirees get low annuities because they worked part of the time for the Government and part of the time in a job covered under social security. Roughly half of civil service annuitants age 65 and over also get social security benefits.

But I will not repeat all those arguments now, Mr. President. The Senate heard them last week and was convinced. They voted clearly and decisively for the once-a-year benefits.

The fact is, Mr. President, that balancing the budget and fighting inflation is hard.

But we must make these hard choices and move aggressively if we are to balance the budget and fight the inflation that ravages Federal retirees as well as everyone else.

Mr. STEVENS. Mr. President, let we know when I have used 2 minutes.

I am sorry to hear my friend make that statement, because as budget chairman I thought he might take control of the committee and not come in and read comments written by the staff.

Mr. President, I am sincere in wanting this to work. It has not worked. It did not work last year, not because my language was in the bill, but because we did not get a reconciliation last year.

The Senator says if the Governmental Affairs Committee decides to put a pay cap on all pay in postal or civil service and to maintain the systems at current levels, on our retired people, and if we brought it today through legislation from our committee, that savings would be given to the Appropriations Committee.

Senator Muskie was careful in saying this is not the case. The case is that if the Congress brings about a savings through the total action of the Congress, not just the Governmental Affairs Committee, but the Governmental Affairs Committee and the Appropriations Committee. I can think of a dozen ways we can save $500 million in terms of the Governmental Affairs jurisdiction, and where that savings can go in terms of credits and books is immaterial, as long as we do it with our action and bring about spending and savings of $500 million. That ought to suffice.

That is what I thought I supported. Now the Senator tells me, "No, you must do precisely what our staff says to do," because they stated that.

The way we put it, if the Senator remembers, at the time of the kicker, when we repealed the kicker, we said that we would adjust these twice a year.

But that is not the problem. It is not whether we do or do not follow the staff's suggestion on the twice-a-year adjustment.

The question is whether we have the discretion in the Governmental Affairs Committee, or the Energy Committee on which I serve, to make the savings where we think they should be taken and not where the Senator just pointed his finger and said that he thinks we can do it here.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. STEVENS. Senator Muskie was clear about pointing a finger, and it was not binding, as my friend indicates it is. If it is binding, I am against the Budget Act from now on.

Mr. HOLLINGS. Just one word, Mr. President. It is not the staff. One more time, it is a fact of life.

Direct spending in the Governmental Affairs Committee involves one program, and that is the civil service retirement system.

So that is why it becomes fixed in the Budget Committee's mind, and Governmental Affairs' mind, and the Senate's mind.

If we do not desire the saving in the one area we have, then what are we talking about? We have to be realistic.

Mr. STEVENS. Mr. President, let me have 1 more minute.

Let us make sure we understand. It has only one function because that is what the staff says. The rules say we have jurisdiction over archives, budget and accounting measures, census and collection of statistics, congressional organization, Federal civil service, Government information, intergovernmental relations, municipal affairs of the District of Columbia, organization and management of U.S. nuclear export policy, organization and reorganization of the executive branch, Postal Service, I could go on.

I ask unanimous consent to have printed in the Record subsection (k) of the rule XXV delineating jurisdiction.

There being no objection, the material was ordered to be printed in the Record, as follows:

(k) (1) Committee on Governmental Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Archives of the United States.
2. Budget and accounting measures, other than appropriations, except as provided in the Congressional Budget Act of 1974.
3. Census and collection of statistics, including economic and social statistics.
4. Congressional organization, except for any part of the matter that amends the rules or orders of the Senate.
5. Federal Civil Service.
6. Governmental information.
7. Intergovernmental relations.
8. Municipal affairs of the District of Columbia, except appropriations therefor.
9. Organization and management of United States nuclear export policy.
10. Organization and reorganization of the executive branch of the Government.
11. Postal service.
12. Status of officers and employees of the United States, including their classification, compensation, and benefits.

(2) Such committee shall have the duty of—

(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the Senate as it deems necessary or desirable in connection with the subject matter of such reports;

(B) studying the efficiency, economy, and effectiveness of all agencies and departments of the Government;

(C) evaluating the effects of laws enacted to reorganize the legislative branches of the Government; and

(D) studying the intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member.

Mr. STEVENS. Mr. President. I say to my friend that we have other functions—if I may have 1 more minute—not just this civil service retirement.

The only function they put in the Budget Act is civil service retirement, and they say that is the only thing we can work on to bring about savings.

Well, my friend is wrong. We spend 99 percent of our time on other things than the Retirement Act. If we bring about savings of $500 million, we are entitled to the credit, or we ought to quit going to those meetings.

Mr. HOLLINGS. Mr. President, the list has been included in the Record, it goes to authorizing, not spending jurisdiction.

I said that the spending jurisdiction involves one spending program, and that is the civil service retirement system.

Mr. STEVENS. Mr. President, that is not true. It is only true because that is what they put in the resolution. They only included one function as spending.

We have the jurisdiction over the whole range of the Government in the postal, civil service, the whole jurisdiction. But they took one item to put in the budget resolution and said that on Federal civil service retirement, we must bring about $500 million savings.

That is not proper, and as long as we effect the savings of $500 million, we comply with the Budget Act. This year, for the first time, this committee is saying an authorizing committee must report out the legislation that we direct them to report out, or it has not complied with the Budget Act.

Now, that is wrong, and this act must be amended, if that is the case, and this vote will be very indicative.

I remind the Senator that Senator Muskie offered this amendment himself last year. He accepted it. This is a direct change, and my good friend, and he is one of my best friends, is following the staff, that from April to September tried to get Senator Muskie to follow the same direction.

It is wrong. It must be wrong. I just do not go to other committee meetings just to play games.

We are effecting a considerable saving and we will continue to do it through Governmental Affairs. But for the staff to say that we only get credit for one item, and that is the retirement, "because we decided you can save $500 million," is absolutely wrong.

My good friend is on the wrong course if he pursues this.

Mr. HOLLINGS. Mr. President, we never question the Governmental Affairs authorizing jurisdiction.

One more time, the only spending program, and the only chance to save in spending programs, would be civil service retirement.

We are not blaming the Governmental Affairs Committee. But no other committee comes in in this fashion and says, "Let us take the savings out of our authorizing bills."

We know what we allocated to the Appropriations Committee. The distinguished Senator from Alaska knows how difficult that level of savings is. He serves on Appropriations.

This is a roundabout way of saying to get the savings, what was lost the last time on civil service retirement is by having the cost-of-living adjustment being recalculated once a year, rather than twice a year.

I am confident if Senator Muskie were here, he would not go along. We talk now about across-the-board, once-a-year adjustments, and that is the particular recommendation that was made.

So if this is changed for civil service, it would change for all.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, will the Senator yield me 1 minute?

The PRESIDING OFFICER. The Senator from South Carolina has 1 minute and 50 seconds remaining. The Senator from Alaska has 1 minute and 20 seconds remaining.

Mr. BELLMON. Mr. President, will the Senator yield me 1 minute?

Mr. HOLLINGS. I yield.

Mr. BELLMON. Mr. President, let us try to get in focus what the issue here really is.

I think most Members realize that Federal benefit programs are adjusted once a year for cost-of-living increases, except one, and that is the Federal retirees' program. Social security, supplemental security income, railroad retirement, and veterans' pensions are adjusted for inflation once a year.

This resolution seeks to make Federal policies in this area consistent. It assumes a shift from twice-a-year to once-a-year adjustments for Federal civil service retirement, military retirement, food stamps, and child nutrition.

That is all we are talking about, and that is where these savings would come from.

Mr. STEVENS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alaska has 1 minute and 20 seconds remaining.

Mr. STEVENS. Mr. President, we have jurisdiction over the Post Office, the Postal Service. Interestingly enough, the jurisdiction to Governmental Affairs requires savings be achieved in Governmental Affairs and in its counterpart the House Government Operations Committee. But as I showed Senator Muskie last year, the Governmental Affairs Committee has the same jurisdiction as two House Committees, not just the House Government Operations Committee.

This year, in order to make their point again, the staff recommended the reconciliation instruction leave out the House Civil Service and Post Office Committee, whose jurisdiction is also under the Senate Governmental Affairs Committee. Why? To show that we cannot use the savings we bring about through our legislative jurisdiction, our spending jurisdiction pertaining to the Post Office, to meet this savings objective. So the staff says, "You can't do that."

Show me anything in the Budget Act that says we do not get credit for any jurisdictional action we take in effecting savings in meeting the objectives of the Budget Act.

To accentuate it again, they have left out the House Post Office and Civil Service Committee, which has the same jurisdiction as the Senate Governmental Affairs Committee, if you put together both the House Governmental Operations Committee and the House Post Office and Civil Service Committee.

I can think of nothing that would show the intent any more than to say that we cannot have credit for the action we bring about.

Mr. PRYOR subsequently said: Mr. President, I support the technical amendment offered by the Senator from Alaska. The purpose of this amendment is to clarify the jurisdiction of the Committee on Governmental Affairs and to give the committee the needed latitude to achieve the level of savings recommended by the Budget Committee. This amendment is virtually identical in substance and purpose to the amendment which was offered by the distinguished former chairman of the Senate Budget Committee during proceedings on the second concurrent budget resolution for fiscal year 1980, during September, 1979.

As pointed out in a letter which I signed along with Senators RIBICOFF, PERCY, and STEVENS, which was sent to the Budget Committee, the only sizable program under the jurisdiction of the Governmental Affairs Committee is the civil service retirement system. Further, the reconciliation instructions to the Governmental Affairs Committee, if adopted by the Senate require the Committee on Governmental Affairs to reduce spending for fiscal year 1981 by $500 million. As a result, the effect of the reconciliation instructions to the Governmental Affairs Committee will be to force an authorizing committee of the Senate to make specific policy changes in a statutory program, specifically, the reduction of the twice-a-year cost-of-living adjustment formula.

The Governmental Affairs Committee, through the Stevens amendment, is only asking for the flexibility which it has been accorded in the past to come up with alternative savings in programs other than the civil service retirement system and, in effect, the opportunity to retain responsibility over its jurisdiction by deciding where it is appropriate to make reductions. I believe it is not the intent of the Budget Committee to force a standing, authorizing committee of the Senate to make policy changes in a statutory program without the consent and approval of the committee which has oversight responsibility over the program.

As the Senator from South Carolina knows, the Governmental Affairs Committee is exploring alternative areas to achieve a comparable savings. Legislation has been introduced and hearings have been initiated on issues which I believe are necessary and proper modifications of the civil service disability retirement system, the use of early retirement authority, and even the proration of the initial cost-of-living adjustment for new retirees. In addition, as the chairman of the Civil Service and General Services Subcommittee, I have undertaken an extensive review of the Federal Government's use of consultants. Last year, as a result of my findings, I offered an amendment to the defense appropriation bill to reduce wasteful and abusive consultant expenditures in the Department of Defense by $100 million. This amendment was adopted by the Senate and I plan to carefully scrutinize each new appropriation bill which is reported to the Senate and trim wasteful and unnecessary consultant expenditures where it is appropriate. However, regardless of these savings which have been achieved and which are expected to be achieved, under the reconciliation instructions to the Governmental Affairs Committee as presently constructed, the Governmental Affairs Committee does not reecive credit for these savings from the Budget Committee. In my opinion, this is an oversight in the wording of the budget resolution which can be easily corrected by the adoption of the Stevens technical amendment. I urge my colleagues to support me in voting to adopt the Stevens amendment.

● Mr. RIBICOFF. Mr. President, this amendment is technical in nature and is designed to clarify the intent of the Budget Committee with respect to the reconciliation instruction to the Committee on Governmental Affairs.

The Budget Committee has instructed the Governmental Affairs Committee to enact legislation which would reduce spending by $500 million in fiscal year 1981. I support this instruction. I have voted against amendments which would delete it. A balanced budget is necessary in this fiscal year. As chairman of the Committee on Governmental Affairs, I can assure the managers of the budget resolution that I will act promptly to call together the committee to consider legislation which would comply with the reconciliation instruction.

The report accompanying the Budget Resolution recommends that the Governmental Affairs Committee achieve these recommended savings by reporting legislation to annualize the cost of living adjustment for retired Federal workers. It is clear from the Budget Committee report that recommendations with respect to the reconciliation instructions are meant to be advisory in nature and are not intended to bind the authorizing committees. Page 247 of that report states:

> Under the Budget Act, each committee that receives a reconciliation instruction is free to make the required savings in any manner it sees fit. The itemization considered by the Budget Committee does not have to be observed so long as each committee reports savings an amount equal to the reconciliation instruction.

I want to stress, so that there is no misunderstanding, as Chairman of the Committee on Governmental Affairs, I am prepared to introduce and support legislation which would achieve $500 million in savings in fiscal year 1981. However, the Governmental Affairs Committee has a dilemma because of the manner in which budget accounts are allocated to the committees of the Senate. We have legislative jurisdiction over a number of large Federal establishments and programs—including the U.S. Postal Service, the General Services Administration, the Census Bureau, the General Accounting Office, the Office of Personnel Management, the Office of Management and Budget, and the entire Federal pay system. But, in spite of the fact that the committee has broad legislative jurisdiction, the only account actually "crosswalked" to the Governmental Affairs Committee is the civil service retirement fund.

Hence, it is unclear whether the committee can comply, both in spirit and in fact, with the reconciliation instruction if it chooses to achieve savings in areas other than the civil service retirement fund. It would appear that, contrary to the intent of the Budget Act, and the committee's report on this resolution, we may be bound—through a technicality—to achieve savings with respect to the cost of living adjustments and would be without authority to consider alternative legislation which would reduce spending in other areas.

Mr. President, I am not passing judgment on the Budget Committee recommendation to annualize the cost of living adjustment. This policy change has been recommended by the President in his revised budget submission and it deserves and will have the fullest consideration. This amendment, however, would authorize the Governmental Affairs Committee, for purposes of reconciliation, to consider other program areas within its legislative jurisdiction where passage of legislation would result in spending reductions of $500 million. It would give the committee the necessary flexibility to consider alternatives before reaching a final decision on the retirement fund and it would recognize the full extent of the jurisdiction of the committee. It is fully consistent with the intent of the Budget Act and the spirit of the reconciliation instruction.

The amendment is identical to one which was adopted by the Senate last year at the request of my friend and colleague, Senator Muskie. That amendment was recommended to the Senate on behalf of the Governmental Affairs Committee after discussions between its chairman, myself, and our respective ranking minority members. It was offered in recognition of our dilemma and the sincerity of our desire to cooperate fully and comply with the budget process.

The need for fiscal austerity is urgent. The alternatives to achieve savings may be equally unattractive. However, this amendment would clarify the range of flexibility which the Governmental Affairs Committee has in deciding among difficult options to determine where we can best achieve $500 million in savings. I regret any characterization that we would shirk our responsibilities if the amendment is adopted. If that were the case, I would neither offer nor support it.

Mr. President, I am confident that the Members of the Committee on Governmental Affairs are sincere in their commitment to the budget process and any instructions of the Congress reached through that process. We share responsibility with the Budget Committee for the success of the budget process. The Members of the Budget Committee have taken on a tough job and have seen it through with determination. The managers of the Budget Resolution deserve congratulations for their leadership and the public service they have performed.●

Mr. PERCY. Mr. President, I simply wish to affirm my support for the amendment offered by Senator STEVENS as a clarification of the jurisdiction of the Committee on Governmental Affairs.

The Stevens amendment accepts the judgment of the Senate Budget Committee that the Committee on Governmental Affairs be responsible to recommend $500 million in savings within its jurisdictional area. At issue is a matter of definition. Under current "crosswalk" rules, Governmental Affairs is provided but a single narrow substantive issue area in which to recommend savings, that is, civil service retirement.

I believe, Mr. President, that this limitation unfairly distorts the legislative jurisdiction of the Committee on Governmental Affairs. As you know, Governmental Affairs maintains jurisdictional responsibility for a variety of legislative issues, including the Postal Service, the Office of Management and Budget, pay reform proposals, sunset, the Civil Service System, the General Services Administration, and a variety of governmental reforms ranging from lobby registration to limitations on the use of outside contractors and consultants.

It was never the intention of the Budget Act to allow the Budget Committee to dictate substantive policy decisions for jurisdictional committees. Yet this is exactly the effect of the "crosswalk" for Governmental Affairs. The Stevens amendment would have resolved this problem by allowing Governmental Affairs the flexibility to achieve the mandated $500 million savings in other areas of its expertise and responsibility. This, I believe, correctly implements the intent of the Budget Act.

As one who has voted to sustain the full magnitude of budgetary reductions for the Governmental Affairs Committee, including casting a reluctant vote on the subject of cost-of-living adjustments for retired persons, I consider the Stevens amendment a fair and even-handed approach to the immediate problem.

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

Mr. HOLLINGS. Mr. President, to make sure it is not the staff which is arguing now, we will not raise the germaneness question.

I yield back the remainder of my time. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, will the Senator from Oklahoma yield me 2 minutes on the bill?

Mr. BELLMON. I yield.

Mr. STEVENS. Mr. President, when we considered the time on this amendment, we limited it to 20 minutes because I felt that it was a technical amendment. Since Senator Muskie had offered it last year, I must confess my total surprise at the opposition of the committee to the very amendment offered by Senator Muskie last year and unanimously adopted by the Senate.

This teaches a valuable lesson, even to someone who spends as much time on the floor as I do.

With regard to the Budget Act, I say again—and I mean it—I fully intend to be in the Senate for many years to come. If the Budget Act is to be interpreted as apparently it is being interpreted today, to mean that the Budget Committee may tell an authorizing committee precisely what legislation it must report in order to comply with the Budget Act, then the Budget Act needs to be amended.

The Budget Act may even need to be repealed, in terms of the amount of time we are devoting to it on the floor of the Senate and what it is accomplishing for the country, which so far is nothing. Absolutely nothing has been accomplished. We did not even get a reconciliation last year; and this year, we are in the position in which apparently one committee is going to tell the Senate what to do. I predict that that will cause others to join me in opposing the budget per se, if this persists. I mean it; I sincerely mean it; and I intend to show the Senate I mean it.

Mr. HOLLINGS. Mr. President, I only answer that we do not tell that committee. We just told them with respect to spending—we look at the committee's jurisdiction and the only opportunity to try to carry out the savings.

We will reiterate for the 50th time: This is not what Senator Muskie faced last year. This is a directive across the board with respect to a computation of once-a-year rather than twice-a-year for the cost of living. It applies to the Governmental Operations Committee, and it goes to the Civil Service Retirement System, and that is all.

So he knows what he is doing; he knows exactly what he is doing. He is trying to put back to the authorizing committee. On that score, there is no misunderstanding, and there is no doubt about the Budget Committee intention and what the budget process intends.

We do it for the Finance Committee on what reconciliations are there. This year, for example, we have reconciliation already agreed to on the House side. He is right; we could not get it last year.

Here we are with a complete understanding and no change in signals and no deviousness. We are trying to stop the tactics of the Senator from Alaska regarding not changing the cost-of-living adjustment with respect to civil service, and he is trying to wiggle around and destroy the Budget Act and the discipline we have built in, in the last 2 weeks. He knows what is going on.

If he gets strong on this, I can get equally strong.

So let us leave it at that and get on to the next amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. Metzenbaum) is recognized to call up an amendment on which there will be 30 minutes.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. What is the situation with respect to the parliamentary procedure at the moment?

The PRESIDING OFFICER. The Senator from Ohio has been recognized, under the previous order, to call up an amendment on which there will be 30 minutes. The Senator from Ohio is recognized for that purpose.

UP AMENDMENT NO. 1082

Mr. METZENBAUM. Mr. President,

(Purpose: To restrict the effect of Section 17)

Mr. METZENBAUM. Mr. President, for Mr. Dole, I send to the desk an amendment, on behalf of Mr. Dole, Mr. Williams, Mr. Roth, Mr. Heinz, Mr. Chafee, Mr. Bumpers, Mr. Durkin, and myself.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Metzenbaum), for Mr. Dole, submits an unprinted amendment numbered 1082, on behalf of Mr. Dole, Mr. Metzenbaum, and other Senators.

At the end of the resolution add a new section as follows:

"Sec. . Notwithstanding section 17 of this resolution, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 USC 1) which has the effect of reducing revenues shall be enrolled.

this amendment is called up by Senator Dole, Senator Williams, Senator Roth, Senator Heinz, Senator Bumpers, and me. I am happy to yield the floor to Senator Dole at this point or else I shall proceed, whatever the Senator from Kansas wishes.

Mr. DOLE. Why does the Senator from Ohio not proceed and then I shall follow the Senator?

Mr. METZENBAUM. I yield myself 5 minutes.

Mr. President, this amendment has to do with the oil import fee. Under the law, as it is presently provided in section 402 of the windfall profit tax bill, there is a specific procedure spelled out as to how Congress can disapprove an action of the President in connection with any action he may take with reference to imports.

That section and the action under which the President is actually acting does not clearly spell out the right to impose a tax. But in a previous case the issue had been raised under the Ford administration and under certain specified circumstances the court indicated that the President could impose such a tax. That was the case of Federal Energy Administration against Algonquin SNG, Inc.

The matter now before us does not really fall within that provision of the legislation. As a matter of fact, it does not come within the provisions of the court decision.

What this is and what it simply is is an indication. It gives the Senate an opportunity to make clear its views with respect to the oil import fee.

Mr. President, I cannot represent to you, because it would be a misrepresentation, that it will vitiate the oil import fee. But, otherwise, the Senate may not have an opportunity even to act upon this issue and to permit the Members to show what their views are or indicate their views.

The matter is pending before the Finance Committee on a resolution offered by the distinguished Senator from Kansas, myself, and 33 other Members of the Senate.

The issue becomes very relevant at the moment because on May 15 the oil import fee will start to become operable.

If we act today and accept this amendment, we will be sending a loud and clear message to the Finance Committee, to the leadership of the Senate, and, yes, to the administration that the Members of the Senate do not want the oil import fee and, whether before Wednesday or not, in due time we are going to negate the right of the President to impose it.

Having said that, Mr. President, let me address myself to the issue. There is not any reason under the sun to have an oil import fee. A 10-cent-a-gallon tax on top of that which people are presently paying for gasoline is an absurdity. It will add anywhere from three-quarters of a percent to one percent to the rate of inflation in this country.

How can we possibly permit an act of the administration to increase the inflation rate, to add to the burden of the average American? It is bad enough what the oil companies of this country have done to the American people, aided and abetted by the administration so far. It is this administration that decontrolled the price of oil. It is this administration that decontrolled the price of natural gas. It is this administration which by its orders day in and day out in the Department of Energy indicated that it wanted to increase gasoline prices and increase oil prices. And the argument is made that it will save as far as conservation is concerned. I am not going to argue that point. I think it has some de minimis effect.

I think the 10 cents a gallon might cut down a little bit on the amount of gasoline that is used in this country, but I say to you, Mr. President, that there are 50 other ways that could be used that would not cost the American people one dime, other than this particular provision.

But since the inception, the administration, under the leadership of Jim Schlesinger and now continuing on since he has left, wants only to increase the price to the American people.

This is counterproductive. I think this is an imposition upon the American people, the average American. I think it is totally inflationary and I think that we in the Senate should indicate clearly today that we are not in favor of the oil import fee. This gives us an opportunity to do so.

Mr. DOLE. Mr. President, I understand there are 15 minutes on a side. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, I yield myself 5 minutes.

Mr. President, I would like to underscore the points made by the distinguished Senator from Ohio. We could talk about the details of this amendment all day long, but in the final analysis the issue is whether we are going to impose a 10 cent per gallon tax on gasoline and whether the administration is going to raise between $12 billion and $12.6 billion in new revenue.

I think it is important, as the Senator from Ohio just indicated, that we have some indication by the Senate if we support the import fee. If we support this increased tax then of course Senators should vote against our amendment. If they are against increases in tax on Americans for the average motorist, they should send that signal right now.

This Senator is told that the Secretary of the Treasury, Mr. Miller, is calling around the Capitol trying to figure out some way to derail this amendment. They want the import fee. They want that little $10 billion to $12 billion nest egg and will probably offer a little tax cut later on this year that will be effective next January. That is how the administration would like to use the import fee.

The oil import fee is not a conservation measure. It is a tax. It is not going to do anything except increase inflation. In fact, as indicated, the White House admits the fee will cause about a three-fourth percent rise in inflation, a one-half percent directly and one-fourth of a percent indirectly. The fee is not going to save any significant amount of oil.

The White House estimates the conservation effect of the fee to be 100,000 barrels a day in the first year and up to 250,000 barrels by the third year. The CBO estimates the conservation effect will be only 80,000 barrels the first year and 90,000 barrels by 1983. So there is a wide variance in the estimates of the conservation impact of the fee.

As the Senator from Ohio indicated, the Senator from Kansas and a number of others have introduced resolutions to block the import fee in both the House of Representatives and on the Senate side. These resolutions have strong bipartisan support.

On the Senate side we have Senators COHEN, DANFORTH, EXON, HEINZ, HUMPHREY, LAXALT, LUGAR, MCGOVERN, SCHMITT, HATCH, TOWER, WALLOP, BOREN, BUMPERS, BURDICK, CHURCH, COCHRAN, HAYAKAWA, PRESSLER, KENNEDY, HELMS, ZORINSKY, MCCLURE, CHAFEE, DURENBERGER, ARMSTRONG, PRYOR, BAYH, METZENBAUM, and BOSCHWITZ, and the Senator from Kansas as cosponsors.

And there are probably two or three others since this list was compiled.

So there is an indication of the strong bipartisan support. The support for this resolution does not come from just one region. The only question is whether or not Senators are for an increase in taxes. If they are for an increase in taxes then they want to oppose this amendment. But if they support eliminating this tax increase, then they will support the Senator from Kansas, the Senator from Delaware, Senator ROTH, and the Senator from Ohio, Senator METZENBAUM.

We have sound reasons for opposing the oil import fee. There is some concern that the fee will merely operate as a signal to the OPEC nations to initiate further price increases. There are, also, serious questions about the President's legal authority to impose the fee.

I note that several consumer groups and Members of Congress have filed suit to enjoin the implementation of the import fee program.

I say, as I started, the fee is nothing more than a 10 cent tax on gasoline.

The amendment that the Senator from Kansas is offering with the distinguished Senator from Ohio (Mr. METZENBAUM) and the distinguished Senator from Delaware (Mr. ROTH) has one simple purpose. The amendment will insure that the new procedure established by section 17 of the budget resolution will not operate to preclude Congress from acting on the oil import fee.

The import fee is nothing more than a 10 cent per gallon tax on gasoline. In fiscal year 1981, it is estimated this new tax will add $10 billion in new Federal revenues. Yet Congress has never had an opportunity to even consider the wisdom of this new tax.

Under section 17 as it is now constituted, any bill or resolution cannot be enrolled until after August 28 if it reduces fiscal year 1981 revenues by more than $100 million. Consequently, a resolution to block the imposition of the import fee would run afoul of the restrictions of section 17. The amendment proposed here would simply allow Congress to act on the import fee issue without having to wait until the end of August to send a resolution of disapproval to the President.

Mr. President, a considerable number in this body oppose this Presidentially imposed tax on gasoline consumers. On April 2, Senator ROTH and I introduced Senate Joint Resolution 159 to block the imposition of the import fee. Already there are 32 cosponsors on Senate Joint Resolution 159 including Senator METZENBAUM and I suspect more cosponsors will join as we get closer to the date—May 15—when this new tax will begin to be collected at the gasoline pump.

In this Senator's view, the administration import fee proposal is fatally flawed and should be blocked. The fee was announced as part of an anti-inflation program, yet the CBO estimates that the fee will raise the Consumer Price Index by a full percentage point. The fee is called a conservation measure, but the CBO estimates that in calendar year 1980 it will reduce oil consumption by only 80,000 barrels per day. This means that the import fee will cost the American people nearly $300 for each barrel of oil conserved; $300 per barrel hardly seems a good buy in conservation.

During the conference on the windfall profit tax, conservation measures that were 10 to 20 times more cost effective were dropped from the final version of the bill.

The cosponsors have other sound reasons for opposing the oil import fee.

There is some concern that the fee will merely operate as a signal for OPEC nations to initiate further price increases. There are also serious questions about the President's legal authority to impose the fee in the manner proposed. I note that several consumer groups and members of Congress have filed suit to enjoin the implementation of the import fee program.

Moreover, many experts believe the import fee program will be a regulatory nightmare, loading new entitlements and regulations on an already overloaded system. This Senator suspects that many in the Department of Energy have come to the same conclusion. That is why the DOE has been balking at releasing its staff documents on the import fee to the congressional committees that subpenaed them.

This Senator believes that the President's misguided import fee will be ultimately overruled by Congress.

The import fee amounts to nothing more than a 10-cent tax on gasoline. Congress should have some say in the imposition of new taxation on the American people. Accordingly, the import fee should be set aside, and at an appropriate time we should take up the President's gasoline tax proposal.

Mr. President, this amendment will make it easier for a resolution of disapproval to pass the Senate by excepting it from the enforcement mechanisms in section 17.

Far more important, however, it will demonstrate to the country that we in the Senate will not tolerate a new 10-cent-per-gallon tax imposed on our fellow citizens.

This is the issue. This amendment should be a signal to the Senate Finance Committee, where the Senator serves as the ranking Republican member. Regardless of what may happen on the Senate floor, there will be efforts to move forward with a disapproval resolution. We also may want to attach it to the debt ceiling extension.

The Senator from Kansas notes that the budget has $622.9 billion as its total revenue figure, and this figure is arrived at as follows: You have $623 billion in revenues expected to be collected including the $10 billion from the import fee. You subtract that $10 billion as a so-called tax cut, and it leaves you with $612.9 billion. So we are not talking about a tax cut, we are talking a tax increase. The fee would be a direct increase on the people who can afford it the least, the working men and women, the men and women who have to drive to make a living, have to drive in their jobs, traveling sales people. These are the ones impacted by this tax, sales increase, and I hope we can demonstrate in this body that we are against a tax increase at this time.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator from Arkansas.

Mr. PRYOR. The Senator from New Mexico has risen before me, and I think he might desire the floor. I am seeking some time to speak in favor of the amendment.

Mr. DOMENICI. We were conferring here. I do not desire the floor.

Mr. PRYOR. I would like to speak in favor of the amendment.

Mr. METZENBAUM. I yield 1 minute.

Mr. PRYOR. I would like to compliment the Senator from Ohio, the Senator from Kansas, and the Senator from New Mexico for their leadership in opposing the imposition of the oil import fee. I think this is going to be one of the most devastating taxes ever placed on the American people. I do not think it is understood exactly what is about to take place on May 15. The impact of this tax may not be fully realized until it reaches the people at the gas pumps around the first of June. However, there is going to be a crippling tax placed on gasoline to be borne by every consumer in this country.

I received a letter just last week from a county official in the State of Arkansas, Columbia County Judge Henderson. As Judge Henderson pointed out in his letter, this tax does not preclude the counties and the municipalities of America from also having to pay this import fee of 10 cents a gallon.

In fact, Judge Henderson concluded in his letter that this tax alone will cost Columbia County an added $100 per day just to operate that county's road equipment.

Multiply this by the 75 counties in my State and by the thousands of local governments around this country and we can see how inflationary this tax will be. Of course, the added cost placed on local governments is only an example of the burden placed upon everyone living in communities all over America.

I thank the Senator for yielding his time, and I certainly urge my colleagues to support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time is remaining to the Senator from Kansas?

The PRESIDING OFFICER. Three minutes.

Mr. DOLE. I reserve the remainder of our time.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from New Mexico.

Mr. DOMENICI. May I ask the Senator from Kansas a question? Am I correct that the Senator's amendment would merely amend section 17, one of the enforcement sections, so that for the 1981 aspects of the oil import fee, if the Senate desires to vote on that, you are merely taking out the enforcement procedures so that it could vote on that; is that not correct?

Mr. DOLE. That is correct. The amendment provides that a resolution disapproving the import fee can be immediately sent to the White House for whatever action they might want to take. We just do not believe that we should wait on something of this magnitude, even with the modification of the enforcement procedures agreed upon by the Senate the other evening.

Mr. DOMENICI. Then I was going to ask the second question: The other evening when we agreed on the leadership amendments to sections 16, 17, and 18, and I believe you supported those amendments, as a matter of fact, we can vote on a bill that came out of the Finance Committee that would negate the 1981 effect by a simple majority vote of the Senate; is that not correct?

Mr. DOLE. That is correct.

It had been our hope that we could have offered this amendment to the package the other evening. But this move was not in order. We were advised by the Parliamentarian that if we wanted to change the procedure, we would have to do it in a separate section of the resolution. It is a fact that we do not want to hold this resolution at the desk or wherever you hold it until everything has been balanced up, which may be around October. We would like to send it on down to the White House, let the President veto it if he so chooses, and then try to override the veto.

Mr. DOMENICI. I thought the other night, I say to my good friend from Kansas, the amendment to section 17, which has been adopted by the Senate, the purpose for a vote in 2 weeks or 1 month or 6 weeks was precisely to eliminate holding this bill at the desk. That is what we voted on, that by a simple vote of the Senate, majority vote, that section of the enforcement provisions which said any tax-cutting bill in excess of $100 million had to be held at the desk until the second concurrent resolution we said was that that can be waived by section 904 which merely says that the Senate votes; is that not right?

Mr. DOLE. That is correct.

Mr. DOMENICI. So what the Senator wants is the Senate to vote on any other tax measures, but he does not want them to vote on a waiver for this one, that is what the purpose of this amendment is; is that correct?

Mr. DOLE. That, in essence, is the purpose; plus it is time we had a test vote on this issue.

We are talking about a tax increase of about $10 billion to $12 billion here, which is rather significant by any measure.

Mr. DOMENICI. I understand. But if there are those who think there are other tax cuts that are significant, if——

Mr. DOLE. This is a tax increase. If there are other tax increases somebody wants to propose maybe we could make an argument. We are not talking about a tax cut, we are talking about an increase in taxes here which we do not want to happen. We are now claiming the fee is going to be cut if it passes.

We are just suggesting there should not be a tax increase. Congress ought to have a right to speak. We are going to be meeting on the issue on Wednesday morning in the Finance Committee. We may offer an amendment to the debt ceiling and probably proceed with our resolution of disapproval. I do not think the Senator from New Mexico supports the import fee.

Mr. DOMENICI. I have not made up my mind.

Mr. DOLE. We do not want to get lost.

Mr. DOMENICI. I lean against it, but I really think we ought to know that this amendment—you can say this is not a tax cut, but the truth of the matter is if there were any Senators who thought one of the most important issues for our country was another kind of a tax cut, if he thought the 10-5-3 ought to be going through here, and if he thought that ought to be $3 billion or $4 billion of a tax cut in 1981, what this amendment is saying is he will have to come down here and get a vote of the Senate granting a waiver from holding that at the desk.

But you do not want that to apply to a resolution that would negate the effect of the import fee. You want to have a special kind of treatment over other tax-reducing measures; is that not correct? That is the issue.

Mr. DOLE. Well, that may be the way the Senator interprets it. I look upon this as a tax increase, and if there are others who have tax cuts, then they are going to have to find some revenue. As I look at the budget——

Mr. DOMENICI. I did not mean to cut my friend off. I do not know what the leadership wants to do here, but for myself I would just make this point. It seems to me that on the one hand we are clamoring for the Budget Committee—I mean the Senate is clamoring for some processes to make the budget process work, some Senate procedures. But 3 nights ago they gave us some procedures. They agreed there had to be some procedures to build some teeth into budget numbers, to build some teeth into what we might expect next year. Part of that the U.S. Senate, not the Budget Committee, agreeing to some processes, said that if we are going to reduce the revenue figures all you have to do if you want a new tax cut bill instead of holding it at the desk until the second concurrent resolution, which we thought was a good enforcement measure to see if we really were going to get a balanced budget, that procedures said, "OK, you can bring a bill to the floor, and if it is the Senate's pleasure to waive the Budget Act, just vote."

You cannot even filibuster that—just vote. Now, the Senator is saying that was good the other night but it is not good for this one. That is the only point I make. The Senator wants to treat this one separately.

It seems to me that the issue is not whether the Senate favors or does not favor the import fee. The issue is whether we want to further modify the procedure for encouraging the levels of revenue and levels of expenditure by giving this one a special preference that it will not require a Senate vote in the future.

I thank my friend from South Carolina for yielding.

Mr. DOLE. Mr. President, will the Senator yield? May I have just 1 minute?

Mr. HOLLINGS. Yes, I yield to the Senator.

Mr. DOLE. Mr. President, I do not quarrel with the Senator from New Mexico. I think he properly interprets what was accomplished the other evening when section 17 was amended.

I think it is fair to say, in all candor, that this amendment is offered a test vote to find out how much support there is for the import fee. There is a lot of things happening on the House side. But, apparently, the administration thinks this amendment is significant enough that they are making calls all over the Capitol trying to defeat this little innocuous measure, which, if the Senator's interpretation is correct, would not have any real impact.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, at one point in a famous novel, Huckleberry Finn tells Tom Sawyer that "Faith is believing what you know ain't so."

Now, the authors of this amendment, Mr. President, are asking us for that kind of faith. They are asking us to believe that we can cut taxes to encourage productivity, cut taxes to offset social security increases, do away with the energy tax, and balance the budget all at the same time.

They are asking us to believe that we can go to conference with the House of Representatives and come away without a dime's worth of increase in our total spending picture.

They are asking us to believe that we can count on the permanent accuracy of all our current cost and economic assumptions—that we do not have to wait till September to see if we can wipe out these revenues and not have a deficit.

They are asking us to believe that we can have energy conservation without feeling the pinch.

Mr. President, they cannot believe all of that. Every Senator knows for a fact that it just is not so.

Let me be sure to say what I am not asking Senators to believe.

Any Senator who wants to repeal the oil import fee will find nothing in the recommended budget that stands in the way. A vote for the proposed amendment is not a vote to eliminate the import fee. Congress may consider that option in due course and at the appropriate time.

But a vote for the proposed amendment could very well be a vote to unbalance the budget.

I am not asking the Senate to give its final blessing to the oil import fee. I am asking the Senate to exercise prudence and keep our options open.

In a little more than 3 months time, we will take a second look at the 1981 budget. As the events of the past 3 months have shown, a great deal can happen in the course of 120 days.

In 3 months we will know if we can approve a major tax cut while balancing the books. We will know if we can go home to our constituents in October and point to a balanced budget. We will know what kinds of tax cuts we can afford and we will know how deep those tax cuts can run.

But we do not know those things just now. And we will do our constituents a real disservice if we leap without looking at the state of our affairs 3 months down the road.

Let me mention one thing that we do know now. A few weeks ago, 56 Senators voted in favor of Senate Resolution 380. That measure instructed the Budget Committee to report a balanced budget and to reserve any surplus for a productivity tax cut and for a tax cut to offset mandated social security increases.

I ask unanimous consent to have printed in the RECORD the resolution and the names of those 56 Senators, so that the Senators referred to will not find it difficult to find exactly how they voted for that balanced budget amendment.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

S. RES. 380

Resolved, That it is the sense of the Senate that the Committee on the Budget shall report a Federal budget for fiscal year 1981 which is balanced in accordance with the mandate of the Congressional Budget adopted pursuant to the Public Debt Limit Act and which reserves any surplus for a tax reduction, one-half of such reduction being designed to increase productivity, and the other half to offset social security tax increases, and shall also report such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 per centum of the gross national product.

YEAS—56

Baucus, Bayh, Bentsen, Biden, Boren, Bradley, Bumpers, Burdick, Byrd, Robert C., Cannon, Chiles, Church, Cranston, Culver, DeConcini, Durkin, Eagleton, Exon, Ford.

Glenn, Hart, Hatfield, Heflin, Hollings, Huddleston, Inouye, Jackson, Johnston, Leahy, Levin, Long, Matsunaga, McGovern, Melcher, Metzenbaum, Morgan, Moynihan, Muskie.

Nelson, Nunn, Packwood, Pell, Pryor, Randolph, Ribicoff, Riegle, Sarbanes, Sasser, Stafford, Stennis, Stevension, Stewart, Talmadge, Tsongas, Williams, Zorinsky.

Mr. HOLLINGS. Under the assumptions of the recommended budget resolution, revenues derived from the oil import fee would be returned to the public in the form of social security tax relief and productivity incentives.

Under those same budget assumptions, there is no 1981 deficit, and there is no surplus beyond the revenues which are assumed to flow from the oil import fee.

Senators may choose to approve those productivity and social security tax cuts if our assumptions hold up through the summer. Senators may choose instead to repeal the oil import fee. But Senators cannot do both. The former is consistent with Senate Resolution 380, the latter is not.

Those who voted a few weeks ago to plan for the tax cuts assumed in this budget cannot possible reconcile that position with a decision today to assume the repeal of the oil import fee—not without abandoning our commitment to a balanced budget.

Mr. President, let me make two more points about the importance of our decision on this amendment as it relates to our fiscal plan.

First, since the budget process began 5 years ago, we have completed 11 budget resolutions. The Senate's outlay level has averaged $1.6 billion less than the House's. For the total of those 11 resolutions, the Senate has been $17.7 billion lower.

Mr. President, if the Senate approves this amendment and the conference arrives at a total spending figure one dime higher than the one we approve, there will be no balanced budget resolution for fiscal 1981.

A second point—our economic assumptions are essential to prospects for success in cutting taxes and balancing the books. The economy must behave at least as well as CBO projects or there may be no balance consistent with a tax cut in the oil fee, a productivity tax cut or a social security offset. At any rate, the amount of tax relief could be reduced.

Mr. President, we hope and expect to realize the forecast for the economy which CBO has given us. It is at least as reasonable as any other forecast. But those projections are not carved in stone. The laws of supply and demand are not ratified on the floor of the Senate.

Under the assumptions contained in the recommended budget, we have a cushion to absorb a degree of slippage in the economy beyond what is projected.

With acceptance of the proposed amendment, however, and all it implies, that cushion would disappear. We just cannot afford to let that happen.

Finally, Mr. President, let me respond to those who argue that the oil import fee has nothing to do with our energy policy. The charge has been leveled that this is nothing more or less than a measure designed to balance the budget.

"Oh, well, they are just trying to balance the budget," these critics are saying. To begin with, Mr. President, I believe there are more than a few Members of this body who would have no trouble accepting the validity of that goal.

But beyond that, no one can reasonably deny that the oil import fee would play a major role in supporting an effective energy conservation program.

Gasoline accounts for 50 percent of the total domestic usage of crude oil. A larger proportion of gasoline is used for luxuries than any other petroleum product. So the greatest potential for petroleum conservation can be found in a policy that restrains consumption of gasoline.

The administration expects that the oil import fee would reduce our consumption of foreign crude by 100,000 barrels a day in 1980. By 1983, we would save some 250,000 barrels a day.

Mr. President, we have heard glowing praise in this Chamber for the enlightened economic policies of our trading partners during the course of this debate. Compared to them, the United States has by far the lowest level of gasoline taxation.

The Federal excise tax is only 4 cents on the gallon. State taxes average about 8 cents.

In contrast, the 1979 per-gallon tax in Great Britain was 89 cents. It was a dollar and fourteen cents in West Germany, and a dollar and sixty-two cents in France.

These are nations far more dependent on foreign oil than we. And they have taken far more stringent measures to ease that dependence.

The existing Federal gasoline tax has not been increased in 20 years. And over that same time frame, the States have added only two and a half cents per gallon.

Mr. President, some Senators may believe that despite the conservation potential of the oil import fee, the President's initiative should be turned back. But let it not be said that the initiative is irrelevant, nor that it would not make an important contribution in the vital effort to reduce our dependence on foreign oil.

Mr. President, we are being asked to commit ourselves to repeal of the oil import fee 3 months before we can be confident that the budget can be balanced without it. I cannot help but suspect that the author of this amendment is less concerned about the potential consequences than some other of our colleagues.

But Senators who believe that a balanced budget is a paramount objective cannot support this proposal.

Senators who believe that we should endeavor to combine a balanced budget with productivity and individual tax cuts cannot support this proposal.

Senators who believe that we must take the measure of our economy in August before we lock ourselves into a revenue commitment in May cannot support this proposal.

Mr. President, I cannot support this proposal. I am confident that a majority of our colleagues will agree.

Mr. ROTH. Mr. President, I am pleased to join my distinguished colleagues from Kansas (Mr. DOLE) and from Ohio (Mr. METZENBAUM) in sponsoring this amendment to the budget resolution dealing with the oil import fee.

Under section 17 of the budget resolution, all bills or resolutions which reduce tax revenues by more than $100 million could not be sent to the President until the second budget resolution is adopted.

The effect of this section could prevent the Senate from disapproving the President's oil import fee. The President's oil import fee is nothing but a $10 billion tax increase, and I do not believe a procedural provision such as section 17 should be allowed to prevent the Senate from disapproving the oil import fee.

Therefore, our amendment simply states that a resolution of disapproval of the oil import fee will not be held at the desk.

Mr. President, the adoption of this amendment will clear the way for Senate action on Senate Joint Resolution 159, a resolution Senator DOLE and I have introduced along with 31 of our colleagues to block the oil import fee.

The American people need more energy, not new taxes.

The typical American family is drowning in high taxes and high prices. The economy is sliding into a serious recession. The last thing the American people need right now is higher taxes and higher prices.

The President's oil import tax will add 10 cents to the price of a gallon of gasoline at the pump and increase inflation by as much as 1 percent.

The working people of this country need tax relief, not a new $10 billion oil import fee which attempts to balance the budget through higher taxes.

(Later the following occurred:)

Mr. DOLE. Mr. President, first, I ask for the yeas and nays on the Dole-Metzenbaum amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I move to table the Metzenbaum-Dole amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

(Conclusion of later proceedings.)

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Ohio has 2 minutes remaining.

Mr. METZENBAUM. Mr. President, is it possible to reserve that 2 minutes until later on today?

The PRESIDING OFFICER. Only by unanimous consent.

Mr. HOLLINGS. I will yield more time if the Senator needs it now but we do not want to get into further debate.

Mr. METZENBAUM. Mr. President, is it necessary to ask for a rollcall vote on this matter at this time or can that be done later?

The PRESIDING OFFICER. During the time of the next 2 minutes the Senator may ask for the "yeas" and "nays."

Mr. BELLMON. That was not the question. The question was could he ask for the "yeas" and "nays" later.

The PRESIDING OFFICER. If the Senator does not ask for it now, there would be——

Mr. METZENBAUM. Mr. President, I ask for the "yeas" and "nays."

The PRESIDING OFFICER. Will the Senator suspend for a moment? The "yeas" and "nays" have been requested. It is not in order to ask a parliamentary inquiry until the Chair has determined whether or not there is a sufficient second for the "yeas" and "nays."

Is there a sufficient second for the "yeas" and "nays?"

There is not a sufficient second.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator does not have sufficient time remaining to suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President, will the Parliamentarian advise what the procedures are that are available to the Senator from Ohio? I ask unanimous consent that I may ask for the "yeas" and "nays" any time prior to 3 o'clock.

Mr. HOLLINGS. And I can also ask to table the amendment by 3 o'clock.

Mr. METZENBAUM. No problem.

Mr. HOLLINGS. Is all the Senator's time yielded back?

Mr. METZENBAUM. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator? Hearing none, it is so ordered.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is recognized to call up an amendment on which there shall be 30 minutes' time.

Mr. DOMENICI. Is it not true that the present allocation of funds through the Federal-aid highway program is set in law and that the budget resolution before us assumes that this allocation under title 23 of the Highway Act be maintained?

Mr. HOLLINGS. The Senator is correct. The present formula by which Federal-aid highway funds are apportioned to the States is established in the Federal-Aid Highway Act and the resolution before us assumes no change in this formula.

Mr. DOMENICI. Under this resolution, are we not assuming and recommending the present law, title 23 of the Highway Act still remain the law and that funds in the program be allocated under the formula?

Mr. HOLLINGS. Yes; that is true, while the resolution assumes a reduction in highway obligations for fiscal year 1980 and fiscal year 1981, such as that proposed by the President, the committee assumed that remaining highway funds would be made available to the States under the current formula. Any change in this statutory formula is the prerogative of Congress.

Mr. DOMENICI. Therefore, does the committee not assume and recommend that the funding for all States during the next 18 months of change in the obligation ceiling be apportioned according to the formula in title 23 of the Highway Act, and not as planned by the Department of Transportation as shown in an exhibit which I will ask to be printed in the RECORD.

Mr. President, I ask unanimous consent that two tables be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

State	Apportionment by State fiscal year 1980–1981 $8.75 billion ceiling	Obligations, Oct. 1, 1979 to Mar. 14, 1980	Apportionment, Apr. 2, 1980 to Oct. 1, 1980 $2.155 billion	Revised total amount available for obligation Oct. 1, 1979 to Oct. 1, 1980 col. (2) + (3) = (4)	Percent of fiscal year 1980–1981 apportionment now available for obligation col. (4) − (1) = (5)	Total obligation authority available if reduced ceiling $7.694 billion is apportioned by formula (1) − 8.75 × 7.694	Remainder available for obligation based upon new obligation ceiling of $7.694 billion cols. (6) − (2)	Apportionment of balances 7.694 − 0.509[1] = 7.1 billion	Remainder available for obligation based upon obligation ceiling of $7.1 billion cols. (8) − (2)
Alabama	$149, 701	$102, 314	$36, 869	$139, 183	93	$131, 634	$29, 320	$121, 472	$19, 158
Alaska	116, 039	53, 139	29, 336	82, 475	71	102, 035	48, 896	94, 157	41, 018
Arizona	105, 984	59, 345	32, 256	91, 601	86	93, 193	33, 848	85, 998	26, 653
Arkansas	77, 739	39, 158	19, 573	58, 731	76	68, 357	29, 199	63, 080	23, 922
California	657, 785	279, 997	147, 936	427, 933	65	5, 784	298, 403	533, 746	253, 748
Colorado	113, 317	85, 132	27, 431	112, 563	99	99, 641	14, 509	91, 949	6, 817
Connecticut	141, 621	23, 856	33, 467	57, 323	40	124, 529	100, 673	114, 915	91, 059
Delaware	38, 207	14, 246	11, 224	25, 470	67	33, 596	19, 350	31, 002	16, 756
Florida	311, 560	352, 495	74, 120	426, 615	137	273, 959	(78, 536)	352, 495	--------------
Georgia	245, 366	274, 309	60, 510	334, 819	136	215, 754	(58, 555)	274, 309	--------------
Hawaii	91, 252	18, 117	31, 871	49, 988	55	80, 239	62, 122	74, 044	55, 927
Idaho	54, 373	15, 532	13, 333	28, 865	53	47, 810	32, 278	44, 120	28, 588
Illinois	301, 422	221, 058	67, 555	288, 613	96	265, 045	43, 987	244, 582	23, 524
Indiana	151, 264	81, 152	35, 853	117, 005	77	133, 008	51, 856	122, 740	41, 588
Iowa	130, 328	96, 913	32, 323	129, 236	99	114, 599	17, 686	105, 752	8, 839
Kansas	114, 502	107, 651	28, 386	136, 037	119	100, 683	(6, 968)	107, 651	--------------
Kentucky	159, 803	149, 980	39, 619	189, 599	119	140, 517	(9, 563)	149, 980	--------------
Louisiana	230, 144	77, 362	67, 039	144, 401	63	202, 369	125, 007	186, 745	109, 383
Maine	48, 275	20, 134	11, 687	31, 821	66	42, 449	22, 315	39, 172	19, 038
Maryland	253, 326	467, 106	61, 177	528, 283	209	222, 753	(244, 353)	467, 106	--------------
Massachusetts	190, 918	68, 564	43, 308	111, 872	59	167, 877	99, 313	154, 916	86, 352
Michigan	247, 514	123, 261	56, 730	179, 991	73	217, 643	94, 382	200, 840	77, 579
Minnesota	179, 244	80, 132	43, 866	123, 998	69	157, 612	77, 480	145, 444	65, 312
Mississippi	78, 276	23, 604	19, 692	43, 296	55	68, 829	45, 225	63, 515	39, 911
Missouri	170, 189	131, 418	40, 735	172, 153	101	149, 650	18, 232	138, 096	6, 678
Montana	74, 435	67, 797	18, 477	86, 274	116	65, 452	(2, 345)	67, 797	--------------
Nebraska	74, 908	32, 340	18, 618	50, 958	68	65, 868	33, 528	60, 782	28, 442
Nevada	63, 179	50, 331	15, 566	65, 897	104	55, 554	5, 223	51, 265	934
New Hampshire	46, 036	19, 655	11, 053	30, 708	67	40, 480	20, 825	37, 355	17, 700
New Jersey	218, 736	50, 377	48, 582	98, 959	45	192, 338	141, 961	177, 489	127, 112
New Mexico	94, 052	16, 526	23, 864	40, 390	43	82, 701	66, 175	76, 316	59, 790
New York	501, 023	276, 145	110, 744	386, 889	77	440, 557	164, 412	406, 544	130, 399
North Carolina	171, 792	110, 462	42, 842	153, 304	89	151, 059	40, 597	139, 397	28, 935
North Dakota	57, 181	37, 485	14, 062	51, 547	90	50, 280	12, 795	46, 398	8, 913
Ohio	270, 471	101, 247	60, 719	161, 966	60	237, 829	136, 582	219, 468	118, 221
Oklahoma	85, 584	76, 473	20, 767	97, 240	114	75, 255	(1, 218)	76, 473	--------------
Oregon	101, 903	59, 156	25, 102	84, 258	83	89, 605	30, 449	82, 687	23, 531
Pennsylvania	426, 310	272, 437	100, 471	372, 908	87	374, 860	102, 423	345, 920	73, 483
Rhode Island	68, 547	9, 032	16, 516	25, 548	37	60, 274	51, 242	55, 621	46, 589
South Carolina	105, 866	34, 878	26, 440	61, 318	68	93, 090	58, 212	85, 903	51, 025
South Dakota	56, 307	31, 729	13, 922	45, 651	81	49, 512	17, 783	45, 689	13, 960
Tennessee	179, 495	116, 563	44, 058	160, 621	89	157, 832	41, 269	145, 647	29, 084
Texas	438, 376	399, 919	103, 880	503, 799	115	385, 470	(14, 449)	399, 919	--------------
Utah	89, 187	71, 273	22, 018	93, 291	105	78, 423	7, 150	72, 369	1, 096
Vermont	46, 906	8, 147	13, 129	21, 276	45	41, 245	33, 098	38, 061	29, 914
Virginia	241, 277	95, 269	58, 867	154, 136	64	212, 158	116, 889	195, 779	100, 510
Washington	221, 136	140, 488	56, 308	196, 796	89	194, 448	53, 960	179, 436	38, 948
West Virginia	118, 086	196, 637	29, 566	226, 203	192	103, 835	(92, 802)	196, 637	--------------
Wisconsin	131, 102	91, 258	31, 415	122, 673	94	115, 280	24, 022	106, 380	15, 122
Wyoming	62, 382	34, 056	19, 841	53, 897	86	54, 853	20, 797	50, 618	16, 562
District of Columbia	65, 864	2, 684	15, 910	18, 594	28	57, 915	55, 231	53, 444	50, 760
Puerto Rico	35, 918	21, 282	7, 766	29, 048	81	31, 583	10, 301	29, 145	7, 863
Total	8, 405, 208, 177	--------------	--------------	--------------	--------------	--------------	--------------	7, 450, 365	--------------

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[1] $509,000,000,000 is the total apportionment overrun in col. 6. Therefore col. 8 is the apportionment of $7,100,000,000.

Mr. HOLLINGS. The committee certainly did not intend or assume that the reduced obligation ceiling for fiscal year 1980 and fiscal year 1981 should disadvantage one State over another. Over the next 18 months, we would expect that the present allocation formula will be used since it is required by law unless the Congress decides that there is some more equitable method of distributing highway funds to the States during this period.

UP AMENDMENT NO. 1083

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 1083.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

Whereas, the United States Senate is committed to preservation and enhancement of the Congressional Budget Process under P.L. 93–344, the Congressional Budget and Impoundment Control Act of 1974; and

Whereas, the United States Senate wishes to have at its disposal, to effectively carry out its decisions as expressed in the Concurrent Budget Resolutions that it approves, the necessary enforcement tools; and

Whereas, it may be necessary to amend the Congressional Budget and Impoundment Control Act of 1974 in the area of enforcement procedures in order to give the Senate stronger control over the fiscal discipline it chooses when it approves Concurrent Budget Resolutions; therefore,

Be it resolved, that the United States Senate hereby instructs the Committees on the Budget and on Governmenal Affairs, to study possible amendments and additions to the Congressional Budget and Impoundment Control Act of 1974 in the specific areas of enforcement procedures only; and

Be it resolved, further, that the Committees on the Budget and on Governmental Affairs hold hearings, either jointly or separately, on such measures, inviting the Chairman and Ranking Minority Members of all other Senate Committees to testify; and

Be it resolved, further, that formal recommendations based upon these hearings be made to the Senate not later than June 15, 1981, in order for the Senate to consider and act upon these recommendations before action is completed on the Second Concurrent Budget Resolution for FY 1982.

The **PRESIDING OFFICER.** If the Senator will suspend, the Parliamentarian advises that the Senator has not sent an amendment to the desk. The Senator sent a resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the resolution be in order.

The **PRESIDING OFFICER.** The Senator may not offer a resolution as an amendment.

Mr. DOMENICI. Mr. President, I intend to discuss this resolution and then withdraw it. I have discussed it with the floor managers. I once again ask unanimous consent that the resolution be in order for the purpose stated by the Senator.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I am fully aware that I sent a sense of the Senate resolution to the desk and that it is not an amendment. But I believe the subject matter of that proposed resolution is of utmost importance to the U.S. Senate as an institution, the budget process as a procedure, and to the American people who are genuinely concerned about why the U.S. Congress cannot get both taxation and the expenditure of Federal funds under control.

That resolution basically says that the Budget Committee, operating under the Budget Act, which Budget Act is about 6 years old, cannot continue to originate enforcement proceedings and enforcement procedures in the Budget Committee itself and under the existing act. But after 6 years of experimenting with this act, it is obvious that we must amend the Budget Reform Act to provide teeth, to provide some enforcement procedure, and that we are not going to be able to live up to our commitment unless we have a procedure which meets with the cooperation of the major committees of this Senate.

We have reconciliation here directed at the Finance Committee of over $4 billion. We have reconciliation here directed at over $4 billion to Appropriations. We have reconciliation directed at Government Operations, and we just heard the distinguished minority whip indicate his displeasure with that process.

Yet the truth of the matter is without enforcement mechanisms such as reconciliation that are truly binding, and other mechanisms for enforcement, that it becomes more and more obvious as we proceed through these years that we are going to be unable to enforce a budget resolution that, at the beginning, is the will of the Senate; after it has gone to conference is the will of the Congress, and that without some stronger teeth in this act we are going to pit one committee against the other and then ultimately pit them all against the Budget Committee.

The Budget Act is working because it is the institution's law. It is not the Budget Committee's law. It was adopted by the U.S. Senate.

That resolution says it is urgent that the two committees of jurisdiction begin hearings and report modifications after consultation with the other committees of this Senate on mechanisms for enforcing the budget process.

There already is at least one bill, and I am sure there are others, that seek to address the issues of the unenforceability, the lack of teeth, the lack of credibility to this budget process.

If the meager enforcement provisions that are found in this budget resolution are not complied with by both bodies of the Congress, we will be back here next year with another nail in the coffin of credibility of the Congress. We will have a deficit of anywhere from $15 billion to $30 billion, even without changes in the economics, without changes in the assumptions.

We are going to have a $15 billion deficit if the enforcement mechanisms in this resolution are not complied with.

We are putting over $20 billion into this year's resolution because of the lack of teeth, the lack of enforcement procedures, and the lack of the kinds of changes in this Budget Act that must occur—not Budget Committee changes, but changes effected by this institution.

On page 267 of this report to the U.S. Senate for this year, there are proposed amendments, sections 20, 21, and 22, which are not part of the resolution. They would be amendments to the Budget Act itself and to the rules that govern our conduct when it comes to the enforcement of the Budget Act. Obviously, they are not going to pass. They are taken, for the most part, from a Senate bill which I introduced, which the Budget Committee, in the course of the year, had some hearings on.

Obviously, the Budget Committee is yearning for this institution, through all of the committees, to come up with some new ideas to make this budget process enforceable, to build teeth into it, to make it a true tool of fiscal responsibility, a true tool of Government policy with reference to inflation, the kinds of recessions we have had, the lack of productivity in the economy, the counterproductive nature of our tax law.

Without reform in the Budget Act itself, we are going to pit committees against themselves here, on the floor, and then against the Budget Committee, and the process is in serious jeopardy. There are those who do not think it is working very well now. Let me suggest that without a format such as this, there will be no chance to get any real commonsense into the budget process in this institution and in the Congress itself.

So, while I offered that resolution in a hope that we would begin to direct that hearings be commenced in the committees of jurisdiction, I shall withdraw it hoping that the distinguished Senator from South Carolina, the chairman of the Committee on the Budget, the distinguished Senator from Oklahoma, the ranking member, and our leaders will insist that hearings begin soon and that the various chairmen and ranking members be called before that committee to give their suggestions on how we can build enforcement mechanisms that they are going to be willing to comply with.

We cannot cut out-year Federal expenditures unless somebody is willing to cut. We cannot have a balanced budget when the existing laws will spend more than the revenues if nobody is willing to change existing laws.

If the budget process does not have a mechanism that will force those kinds of changes which the institution itself can vote upon and direct the committees to do, there is no hope for credibility in this process, no hope to control the ever-expanding expenditures; there is no hope for true tax reform of the type everyone is beginning to talk about now, directed at productivity and growth in the American economic system.

I hope, Mr. President, that we can get through this year as best we can, but I hope that those who do not want reconciliation directed at them, or do not see how they can comply with reconciliation, will answer the question: How are we going to get a balanced budget without it?

For those who do not want any change in how appropriations bills, one at a time, flow through here and go to the President for signature without our knowing the cumulative effect of their actions, I hope they will offer some constructive solutions as to how we are going to know what we are spending.

I hope the Committee on Finance and the other eight or nine committees that are charged with making some law changes for 1981, an outpouring of tax dollars, if they do not think this is the way as recommended under existing budget practices, will take part in recommending a way. Business as usual by our committees and by the Congress at large is just not going to bring a balanced budget, fiscal responsibility, and room for tax reform and productivity-oriented activities on the part of Congress.

Having said that, Mr. President, I hope that Members of the Senate will understand that I, as one member of the Committee on the Budget, am not looking to enforce the will of the Budget Committee; I am looking to enforce the will of the Senate through the Budget Committee.

If the process is now, at best, fragile authority in the Budget Committee, authority that brings acrimony and pitting of one committee against another, I am for changing that so that, when we come down to the budget resolution, we are enforcing this institution's desires—which they have voted in for themselves, after further discussion, further hearings. It has had 6 years of experience to tell us it is time to build some real enforcement mechanisms into this Budget Act.

Mr. President, how much time does the Senator from New Mexico have remaining?

The PRESIDING OFFICER. The Senator has 4½ minutes remaining.

Mr. DOMENICI. I yield the floor at this time.

Does the Senator from South Carolina desire any time on this?

Mr. HOLLINGS. No, Mr. President.

As the Senator knows, by my record and the colloquy we have had, we did not change the formula. I agree very vigorously that we did not change the formula, with the intent in the comments made by the distinguished Senator from New Mexico.

He has been most helpful, Mr. President. I am looking forward to working with him the rest of this year and next year on this budget. I am glad he has raised this point.

Mr. DOMENICI. I thank the distinguished chairman. I appreciate his remarks.

Mr. President, I ask on the broader issue, the issue of the need for additional reform so that this Budget Act will have some teeth in it, for some enforcement proceedings, so that we do not have to come down here and fight for them as if they are ours but, rather, as if the U.S. Senate has to revise the act to provide the teeth. Is that not the point?

Mr. HOLLINGS. That is the point to be made, Mr. President, enforcement proceedings, and the Senator from New Mexico has been in the vanguard trying to impress it on us as a body. Some people take it individually, some people take it as a committee competition. The fact is that this is the Senate budget resolution and if we exceed it, then all the Senators ought to have a general feel that we are exceeding it or what we are doing in not adhering to it and otherwise. Those enforcement proceedings only bring generally to the attention of all the membership just exactly what is provided, what they have passed, and what they have asked.

Just a minute ago, we were debating, though we should not have been debating, that the Senate directed a committee to bring in a balanced budget and leave excess revenues for a tax cut and for the diminution of the impact of social security tax.

So we are doing what the Senate says, yet we think it is a selfish or a little restricted budget version of Government and how we ought to go and everything else of that kind. That was a Senate directive.

The Senator from New Mexico really puts his finger on the point: If we can bring in what he calls stronger enforcement procedures—I might even characterize them as reminder provisions—the Senate as a body would be reminded, rather than, as the Senator indicated, coming up every day and bringing in the bad news. We want everybody to think ahead of time what budgetary impact that particular measure will have so we will not be standing in their way, but the general feel for a balanced budget will be prevailing.

Mr. DOMENICI. I thank my good friend from South Carolina. I hope he and Senator BELLMON will, at the earliest possible time—even this year, before we get into next year—begin hearings in the Budget Committee on needed amendments to the Budget Act to make it more enforceable, to have more teeth in it, to make it more the product of the enforcement of the entire Senate, rather than our having the kind of enforcement fights here on the floor that we have been having in the past.

Mr. President, I withdraw my resolution and yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The resolution was withdrawn.

UP AMENDMENT NO. 1084

(Purpose: To apply the revenues from the windfall profits tax to the public debt)

Mr. JEPSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 1084.

Mr. JEPSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 22, strike out "$612,900,000,000" and insert "$594,900,000,000".

On page 3, line 4, strike out "$0" and insert "+$18,000,000,000".

On page 3, line 9, strike out "$927,800,000,000" an insert "$909,800,000,000".

On page 3, line 10, strike out "$953,800,000,000" and insert "$935,800,000,000".

On page 3, line 11, strike out "$968,700,000,000" and insert "$950,700,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$14,700,000,000".

Mr. JEPSEN. Mr. President, my amendment is very simple and I will not take up a great deal of time.

What concerns me is that for weeks now I have been reading in the paper and hearing on the floor about how we are cutting spending, how we have a tight budget, and how wonderful it is that we have the first balanced budget in 12 years, or that we can plan to work toward one.

Well, I think these statements are very misleading, with the exception of the last, because we are not cutting spending, we are not even holding the line on spending, and we have only been able to balance the budget with revenue from the windfall profits tax. The fact is that spending is increasing dramatically in 1981 over 1980, and the magnitude of this increase is only disguised by the fact that spending for fiscal year 1980—which we are about half-way through—has increased equally dramatically over the past year and a half.

Let me recount a bit of history for those of you who may not remember:

In January 1979 President Carter sent to Congress a proposed budget for fiscal year 1980 setting outlays at $532 billion. A few months later we set spending in the first concurrent resolution on the budget for 1980 at the same level. Thus, the $613 billion budget for fiscal 1981 being discussed here today represents an increase of $81 billion over the level of outlays proposed by the President's budget for 1980 and by the first concurrent resolution on the budget for 1980, established just 1 year ago. This means that we are increasing spending by 15.2 percent in 1981 above the level for 1980 established by the President in his budget and the first budget resolution for 1980. And yet, people stand here and talk about how tight the 1981 budget is, about how we are cutting spending. Yet the truth is that we are increasing spending by a very substantial amount—$81 billion, compared to the budget levels for 1980 set a year ago.

The only reason why we have been able to maintain the fiction that spending is only increasing by a small amount is because the fiscal 1980 budget has increased dramatically itself. The second concurrent resolution on the budget for 1980 set spending for 1980 at $548 billion, an increase of $16 billion over the first budget resolution. Yet if we were to compare the proposed 1981 budget to the second budget resolution for 1980, it still represents an increase in outlays of $65 billion, or 12 percent. To my mind, increasing spending by 12 percent in peacetime hardly represents "holding the line" on spending.

Now the second budget resolution is supposed to set binding limits on spending. That is the whole purpose of the budget resolution, the budget process, and this whole exercise we are engaged in today. Yet, in his budget for fiscal 1981 released in January of this year, President Carter estimated that the budget for 1980 would end up being $564 billion—an increase of $16 billion over the second budget resolution in just 2 months. This is astonishing when you consider that we are not at war, not in the midst of massive unemployment, or facing any other condition that would require such a massive increase in spending in the middle of a fiscal year.

More astonishing still is the fact that in March, when President Carter realized his serious error in sending to Congress a budget for 1981 containing a $16 billion deficit, he also reestimated spending for 1980 and set it $5 billion higher than it was in January, up to $569 billion. This means that the 1980 budget has increased by $37 billion since it was first proposed by President Carter. This is just mind-boggling. If the people of America realized how incapable we are of controlling spending or of even coming up with remotely accurate estimates for spending they would be thoroughly disgusted—and rightfully so.

The point I am getting at is that you can only get away with calling the fiscal 1981 budget resolution we are working on today a tight budget, with only a small increase in spending, is by comparing it to a 1980 budget which has grown even as we speak. Right now the administration is warning that food stamps will be cut off within weeks unless we appropriate substantial new funds just to get the program through the end of the fiscal year.

In my view, there is only one thing we can do to get a handle on this runaway budget, and that is to make some real, serious cuts, or just as sure as I am standing here we will be back in the fall with another budget resolution which is $10 or $20 billion higher, and back again next year with a third budget resolution $10 or $20 billion higher still. This is why my amendment proposes an $18 billion cut in outlays for 1981 below those contained in the Budget Committee's resolution.

The $18 billion represents the amount of revenue estimated to be raised by the windfall profits tax in 1981. In my opinion there is no justification whatsoever for using this revenue to balance the budget. It is the height of fiscal irresponsibility to use "windfall" revenues to pay for current expenses. I believe that this revenue ought to be used for one thing and one thing only: To help pay off the national debt. And this is what my amendment would accomplish. It would reduce outlays by $18 billion, cause an $18 billion budget surplus, and reduce Government borrowing and the national debt by the same amount.

My rationale for this action is that if we had not passed the windfall profit tax, we would have $18 billion less in revenue to play with. Given the pressure for a balanced budget this year, therefore, we would have had to cut spending by $18 billion, putting us at the level of outlays I am proposing.

Now I know that the first thing that everyone is going to say to me is where are we going to make $18 billion in cuts, do I not know that 80 percent of the budget is uncontrollable? Well I do not buy that. If we have to change the law to get the budget under control, then we are just going to have to bite the bullet and change the law. And as for making the cuts, I have no doubt that if we here today vote to reduce spending by $18 billion that the Appropriations Committee will find a way to do it. The problem is that now they basically have no reason to try. Why should a member of the committee try to reduce spending now? If he cuts someone else's program they might get one of their own cut. It is much easier to just increase everything. But if the Senate mandates an across the board cut, then I am sure that working together we can find a way to do it. But we have to make the commitment first; here; today.

You know, Howard Jarvis did not have any idea where the State of California was going to cut its budget if proposition 13 became law. He did not know and he did not care. All he knew was that the only way you will ever control spending is by denying politicians the money to spend. He did not know much, but he won, and he was right. Once proposition 13 passed it became very easy to cut the waste and fat out of government. It gave politicians the backbone to be able to stand up to the spending constituencies and say no, for once.

In summary, let me just repeat: In my view it is irresponsible to use revenues from the windfall profits tax to pay for current expenditures and balance the budget. This money should be used to pay off the national debt, which will reach $1 trillion very shortly unless we start to do something to reverse the trend. Who in this Chamber wants to tell their constituents that they were responsible for increasing the public debt to $1 trillion? And, I would also point out, at the rate we are going we are very close to reaching the $1 trillion level in annual spending. At the rate we have been increasing spending we will reach that level within 5 years.

I urge my colleagues to suoport my amendment and take a concrete step toward really cutting spending.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, I join my friend in the objective of trying to hold down Federal spending. I believe that the record which the Budget Committee has made over the years will indicate that the committee has tried to accomplish this objective, also.

When we look at the budget resolution which is presently before the Senate, we find that if we take out the increases for interest—which I think the Senator from Iowa will agree we are legally obligated to pay—and if we take out the incerases for defense, which I believe the Senator from Iowa supports, we find that the remainder of the budget is less in real dollars by more than 7 percent than the budget for 1980.

In my opinion, Mr. President, when we can make a 7 percent real reduction in 1 year in Federal spending, we are accomplishing a very significant change of direction.

The Jepsen amendment proposes to reduce Federal outlays by $18 billion below those already proposed by the Senate budget resolution. I assume that he would not cut defense, and he certainly cannot realistically cut interest. So if we add another $18 billion cut on top of the 7 percent cut we already have made in constant dollars, in my opinion we are getting the figure way below what is realistically possible.

The Senator from Iowa does not indicate where those cuts would be made, and I am not pressing him to do that on the floor of the Senate. I agree with him that there is no such thing as uncontrollable spending. Every item of spending that goes on in this Government is authorized by Congress, the funds are appropriated by Congress, and we can control that money. So I do not hide behind this false defense of uncontrollability.

If Congress chooses to cut back on a program, we do have control. We have control over every program of Government, and I agree with the Senator that we can avail ourselves of that possibility. However, there is a limit to how far we can go.

When we take into account the 7-percent cut we have made in real terms and the fact that we probably are not going to cut defense or interest, we have approached that limit.

I share the concern that we must reduce the national debt, and we are being hurt by the high level of interest we are paying on the national debt. Over time, these reductions must be made. The problem is that first we have to get the budget in balance. If we can achieve balance this year, in future years we can begin to plan for their reduction, and interest rates will come down automatically. We cannot get there by wishful thinking, and I am of the opinion that the amendment by the Senator from Iowa does amount, to a degree, to wishful thinking.

If we try to go too far and overreach ourselves, our whole enforcement process will be unworkable and meaningless, because the budget resolution will be overturned time after time.

Senator JEPSEN's amendment reduces spending almost $2 billion below the spending level proposed by Senator ARMSTRONG and $10.7 billion below the cuts proposed by Senator HATCH. The Senate has rejected both those proposals, and I believe it will reject the Jepsen proposal.

For the reasons outlined above, I urge the Senate to reject this amendment.

Mr. President, I reserve the remainder of my time.

Mr. JEPSEN. Mr. President, I respond to the distinguished Senator from Oklahoma by saying that early in his remarks, he again compared proposed spending for 1981 to actual spending for 1980, rather than looking at the huge increase in 1980 spending since the 1980 budget was first proposed. That is part of the hooker that is coming in here.

My amendment and the thought behind it should illustrate a point which I have found in my experience as President of the Senate of Iowa, Lieutenant Governor for 4 years, and a member of the Iowa Senate for 2 years prior to that.

I refer to the trap that many legislators inadvertently, or for some other reason, seem to fall into when they start talking about budgeting. They take a one-time revenue or a limited source of revenue, such as the windfall profit tax, which is a tax that is scheduled to run out at some time in the future. It is an unknown amount of tax. It is a temporary tax at best.

What they are proposing to do is to balance the budget by using this source of revenue and committing it to recurring expenses. This is not sound accounting. When you plug in a committed revenue or expense to a budget and initially take an account for that committed expense to a revenue that will be of an undetermined amount—and certainly, in this particular case, of limited duration—then you are doing nothing except balancing the budget with mirrors, as I think we are doing, and you are asking for future deficits with some other session of Congress on down the line.

It is said that we cannot cut spending because these things are uncontrollables, and the distinguished Senator does not disagree that these are controllable. When people talk about built-in expenses or built-in expenditures, I say, in response, that it was the people here who built in those things, and it is the people here who have the power and authority to build them out. It is not the budget that is out of control in Washington, D.C. It is the people who are making the budget who are out of control.

Mr. President, I read the other day about our new Department of Education, a huge department created this year, in times of inflation and deficit financing of this Government—a new department installed, among other things, to be more streamlined, to theoretically and supposedly do a better job in many things. For many reasons, I voted against that Department. But it grieved me to see the garishness and the disregard for either the ethical or the prudent concern for spending and taxpayer money, when I saw headlined in the paper last week the fact that they were having a $100,000 reception paid for by the taxpayers, just to celebrate their new agency—a $100,000 taxpayer party.

It is part of the same Department that just 2 years ago lost or could not account for between $6 billion and $7 billion. Then they say we cannot cut expenses. Those are pretty hollow excuses.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BOREN). The Senator will state it.

Mr. JEPSEN. Have we agreed that the yeas and nays are automatic on all these amendments prior to the 3 o'clock vote?

The PRESIDING OFFICER. No, the yeas and nays are not automatic.

The time of the Senator from Iowa has expired.

The opponents have 10 minutes remaining.

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, I shall expand for a moment on the issue raised by the Senator from Iowa about the increases in the 1981 budget over increases in the 1980 budget.

It is true that these items are up. I think the Senator may be interested in knowing just where the increases are.

In defense, the 1980 defense figure is $143.7 billion; the 1981 figure is $173.4 billion. There is a little over $20 billion increase in budget authority. And in outlays the 1980 figure is $134 billion and the 1981 estimate is $155.7 billion. That is almost $22 billion increase in outlays.

In the income security area, and this is social security and other programs of that kind, the 1980 budget authority is $223 billion and in 1981 the budget authority is $245.7 billion which is about $22.3 billion increase. In outlays the 1980 figure is $190 billion and the 1981 figure is $218.3 billion. That is an increase of $28.3 billion largely in social security.

In health the increase is $5.5 billion.

Then in interest the increase is $4.8 billion.

So these are programs that are very, very difficult to reduce by any amount even similar to the $18 billion that the Senator from Iowa is recommending, particularly when one takes into account the fact that we have already reduced the budget by 7 percent in constant dollars.

So I simply make the point that we feel this budget resolution is going in the direction the Senator from Iowa wishes to go. Perhaps it is not going quite as fast as he would wish to go, and in all candor it is not going as fast as the Senator from Oklahoma wishes. But I believe we have hit a pace where, if we sustain it for 2 or 3 years, we will be doing what both of us want, which is to cut back on our deficit and begin to get interest under control.

Mr. President, I have no request for time on this side and I am willing to yield back our time.

The PRESIDING OFFICER. All time has now been yielded back on both sides.

Mr. BELLMON. Mr. President, I wish to ask for the yeas and nays on a tabling motion, but I am not sure there are enough Senators in the Chamber.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator wish to take time off of the resolution on the quorum call?

Mr. BELLMON. I ask unanimous consent to take time on the resolution. I will try to get the Members here.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote on the tabling motion will occur sometime after 3 p.m. in sequence with the votes on the other amendments.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? On the resolution?

Mr. STEVENS. And I ask unanimous consent that it be taken out of both sides on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, will the Senator from South Carolina yield me about 2 minutes?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. HOLLINGS. Yes, I yield to the Senator.

Mr. BUMPERS. Mr. President, while this discussion is going on, I want to, first of all, thank the Senator from South Carolina for yielding to me. Second, I want to say that I simply want to add my strong support to the amendment offered by the Senator from Ohio (Mr. METZENBAUM) dealing with the oil import fee, or whatever exotic name it is going by these days.

My opposition to this import fee, which translates into a 10-cent gasoline tax, is based on a few simple facts:

No. 1, it is going to cost the American people about $10.3 billion. I have a strong suspicion if that money is available and if we have any difficulty at all making the balanced budget work, that money will be dumped into the Treasury and used to balance the budget.

No. 2, not only is it going to cost the American people $10.3 billion, it is going to reduce imports about 100,000 barrels per day of the roughly 8 million barrels a day we import.

No. 3, it is going to reduce our trade deficit by about $1.3 billion.

So in exchange for roughly $10.3 billion a year the American people are asked to cough up for this, we are only going to reduce——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate while the Senator is addressing the Senate? Will the Chair get order in the Chamber?

The PRESIDING OFFICER. Will Senators please take their seats? We must have order in the Chamber.

Mr. BUMPERS. I thank the Senator from West Virginia.

There will be a 10,000 barrel reduction in imports, and a $1.3 billion a year decrease in the trade deficit.

Here is the big tradeoff: It increases inflation between 0.5 percent and 1 percent.

Mr. President, I have always been one of the most ardent proponents of mandatory conservation. I have always thought that if we did not go to gasoline rationing and mandatory fuel efficiency standards on our automobiles, we were going to wind up with the worst of both worlds, namely shortages and high prices, to say nothing of the betrayal of the rights of my children whose oil and energy we are now using.

I have never understood why the President wanted to impose this tax for such very small benefits.

Mr. President, I find that most of the people who say, "Let the price of gasoline go to $3," really do not care if it goes to $5 because they have the $5. But more importantly, it does not make any difference how high it goes. All the charts of Western Europe and Japan show that you achieve rather insignificant economies when you try to do it the cruelest way of all, by the pricing mechanism.

So we continue to stumble around, as we have for 6½ years, trying to make this whole thing palatable to the American people and in the process evolve the worst, elitist economic planning in the history of the country. It translates simply into the rich will ride and the poor will walk.

I am opposed to it now, and I am always going to be opposed to it for two reasons: No. 1, it is cruel, and, No. 2, it does not work.

I trust that my colleagues will strongly support the Senator from Ohio on this amendment.

Mr. President, if I may, I should like to digress for just a moment in a sort of unrelated way to say I find a lot of people in this country and in this body who are talking about tax cuts, and who strongly supported the President's decision to decontrol the price of oil, thereby imposing a $100 billion annual tax on the American people. Those same people are the ones who will defend steadfastly the President's decision to add this 10-cent tax and impose another $10.3 billion tax or, combined, an over $110 billion tax on the American people for virtually nothing in exchange. Those are the same people who say the American people are entitled to a tax cut. It is a contradiction.

I think they are entitled to a tax cut, too, but I am not going to stand up here and scream about a tax cut and, at the same time, impose the biggest tax ever imposed on the American people in this country, through decontrol, of what I consider this ignominious decision of a 10-cent gas tax.

I thank the Senator from South Carolina for yielding.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BUMPERS. Mr. President, I let the Senator from South Carolina answer that.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I see the Senator from Michigan is here. I ask unanimous consent that we proceed to consider the amendment of the Senator from Michigan; and that he be recognized at this point to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan is recognized.

Mr. LEVIN. I thank the Chair and the Senator from South Carolina.

UP AMENDMENT NO. 1085

(Purpose: To provide for increase in Function 550, Health by reducing interest payments in Function 900 by an equivalent amount)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. Levin) proposes an unprinted amendment numbered 1085.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 9, strike "$70,900,000,000" and insert in lieu thereof "$71,300,000,000".

On page 8, line 10, strike "$61,900,000,000" and insert in lieu thereof "$62,300,000,000".

On page 10, line 21, strike $72,200,000,000" and insert in lieu thereof "$71,800,000,000".

On page 10, line 22, strike "$72,200,000,000" and insert in lieu thereof "$71,800,000,000".

Mr. LEVIN. Mr. President, the purpose of this amendment is simple. It is designed to restore $400 million of the $1.4 billion which the Budget Committee has cut from the level of spending currently authorized by existing law for the health function. Yet this increase, under my amendment, still retains a balanced budget. The money to fund additional activity in the health function comes from the CBO informal reestimate of interest cost.

At one point, I was considering the possibility of assuming a 1-cent-per-pack increase in the tobacco tax; that is not the assumed source of the revenue in this amendment, however. That has been discarded as a possibility by myself. Instead, we are assuming the interest source, the reduction of the interest cost that I mentioned before.

Mr. President, we have discussed both the need for increases in health spending and the use of the $400 million in reduced interest payments before during these debates. But my amendment addresses these issues in a way which differs significantly from the amendments we have previously considered.

First, in terms of health care expenditures, unlike Senator Weicker's amendment, my increase in this function does not result in an unbalanced budget.

Second, in terms of the $400 million in reduced interest payments, unlike the amendment offered by Senator Javits and Nelson, I do not combine these funds with any reduction in defense spending. Unlike Senator Cranston, I do not add to this $400 million any other new revenue figures. Instead, I simply have taken the best evidence available to us at this time and concluded, along with the Congressional Budget Office, that when you combine the impact of a balanced budget—which we clearly are going to have—with the impact of current and projected decreases in interest rates, the net result is a $400 million reduction in interest expenditures from the levels currently projected in function 900.

As evidence of this, since March, we have seen a sharp decline of over 300 basis points in interest costs on Treasury securities.

Thus, while we have discussed these issues before, this is the first time we have discussed increased health expenditures which are consistent with a balanced budget and which are funded solely by using the CBO's own informal reestimate of reductions in interest expenditures.

Let me turn now to the Health function. Mr. President, I do not believe that most Members of this body think that the health care system in this country is adequate. Reducing our expenditures by $1.4 billion will make it even less adequate. I recognize that simply throwing money into health care will not make the system better. I agree with the distinguished floor manager of the bill, who said this morning that we need to better target our expenditures to meet the health needs of this Nation. But this budget will make it more difficult for us to do that. When we cut discretionary spending—as the Budget Committee does by at least $300 million—we certainly do not leave very much money available to spend on effectively targeted programs. Just this morning, the distinguished floor manager was mentioning how effective the National Health Service Corporation could be in getting doctors and other health care professionals into areas which now suffer from inadequate medical care. Yet this targeted program, and others like it, is jeopardized by the cuts now before us.

The plain fact is that the budget recommendations before us are not just a surgical removal of the fat in the system; they cut into muscle and draw blood. They are going to bleed us where we can least afford it. Let me give some specifics.

Let us first look at health research. While the Budget Committee does not spell out their line item assumptions, their total spending for the National Institutes of Health Research agrees with the total suggested by the President in March. And, in March, the President did spell out the line item impact of his request. That request held health research to last year's spending levels. Given the rate of inflation, that translates into significant practical cuts in research in vital health programs.

According to the President's line item assessment, which we have assumed the Budget Committee accepts since they accepted the total figure that resulted from his specific cuts, this budget will mean an effective reduction of over $40 million in cancer research; it will mean an effective reduction of $15 million in research on heart, lung, and blood disease; it will mean an effective reduction of $5 million in research on crippling arthritis; and all of that will mean a real reduction in effective programs designed to help us deal with these diseases. The Budget Committee seems to recognize this reality, Mr. President, since they say in their own report that "each new breakthrough requires even more time and more resources." Yet they effectively give us less resources and that will mean less time for millions of Americans who turn to research for answers in the battle against illness and disease.

Mr. President, the Budget Committee does more than reduce expenditures for programs designed to help us understand disease—they also cut spending on the so-called discretionary programs designed to help us treat disease. In this mission, the Budget Committee recommendations call for cuts which will cripple our ability to better target our health delivery system. Their suggestions cut discretionary health services $500 million more than the President did in his March budget, and that adds up to a $900 million reduction in outlays when compared to 1981. Again, let me give some specifics.

For guidance, we can turn again to the line item implications of the President's March message. Given the fact that the Budget Committee has gone below even the President's total figures for this mission, it seems safe to assume that they are not anticipating any increases above the President's for specific programs. And that means trouble for a variety of programs designed to address the specific needs of a large number of Americans. That would mean a $30 million reduction in community health care services which are designed to assist the 5 million people living in urban and rural areas now suffering from critical shortages in health care availability. And as the Budget Committee recognized in their report, "cuts in such programs make it even more difficult to provide quality services and attract personnel in medically underserved populations in both urban and rural areas." Yet despite this recognition, the Budget Committee did make those cuts and those people will be the ones who will have to pay the price.

And they will not be alone. They will be joined by the millions of Americans who now turn to the mental health training, planning and service program for assistance. They, in turn, will be joined by the millions who look to federally funded programs designed to assist them in fighting drug abuse. And they, in turn, will be joined by millions more who find their health needs cared for by State administered programs which will be jeopardized by these cuts. The plain truth is simply this, Mr. President: We can not cut $1.4 billion out of this mission without paying a heavy price in terms of the quality of care available to American citizens in every State of this Nation.

Additionally, this budget will force us to defer programs which the appropriate committees of Congress have indicated are in our best interest. Programs like CHAP, which provide for cost effective early treatment and preventive care, will find it difficult to secure funding. And in the long term that will mean that more children will become more seriously ill than they would have been had the program been in place.

Mr. President, it just does not make sense to cut all these programs to defer all these initiatives. These efforts have made and can continue to make a real contribution to improving the health of Americans. I think that in the long run any savings that we achieve in this fiscal year will be more than offset by the increased costs we will have to bear in future years as the seeds of illness which these reductions plant begin to bring forth their evil flower of illness.

Mr. President, this is a modest amendment. Yet we have repeated in earlier debates that we need to hold the line in this function. My point is that this budget does not hold the line. We can not, in the face of the inflation rates we have had, spend the same amount of money next year as you did last year and say that you have not reduced real support for programs. It is also suggested that the large increases experienced in this function over the past 10 years justify restraint now. But, Mr. President, other functions, like energy, have been increased in the past, and are being increased now, and will be increased in the future. The relevant issue is not how much we have spent but rather how much we need to spend and as relates to other needs. My amendment does not give us all the funds we need to make the kinds of improvements we want in health care—but at least it is a step in the right direction.

In conclusion, let me stress just a few points. First, this amendment does not violate the principle of a balanced budget—it pays for increased expenditures with the CBO's informal reestimate of reduced interest expenses in function 900. Second, while we have heard some discussion about the wisdom of using that reestimate in light of potential offsetting increases in other expenses, the point remains that CBO has said that they appear to be off the mark in the interest function and they have said that it is too early to tell, with any precission, if there will be increases in other functions and how great any such increase will be.

At least that is what the CBO said in the last sentence of their letter of May 7 that was addressed to the chairman (Mr. HOLLINGS). The CBO wrote in that letter:

> It is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

While that may be inconsistent with an earlier statement in this same letter to which the chairman referred, at the very best, it is an ambiguity in the CBO as to their position, there is no ambiguity relative to function 900; the function is too high, and that interest costs are going to be less, in their informal opinion, than they were in March.

Third, this amendment does not restore the totality of the cuts in the health area—but it would make it possible for us to continue, at least at current levels, research into cancer, heart attack, stroke and other diseases; it would make it possible for us to continue to fund at closer to to current levels vitally needed and effectively targeted delivery programs like the National Health Service Corporation and drug and mental illness programs; and it would make it possible for us to realistically consider programs like CHAP which are designed to reduce costs by providing effective prevention and early treatment programs. Mr. President, this is, as I have said, a modest amendment which I would hope my colleagues could support. I reserve the balance of my time.

Mr. HOLLINGS. Mr. President, once again we are being asked to accept a new, preliminary CBO estimate of interest outlays in fiscal year 1981 in order to provide for some extra spending.

This proposal was already put to the Senate in the Cranston amendment. At that time I had printed in the RECORD a letter from the Congressional Budget Office, and I ask unanimous consent to have it printed again at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 7, 1980.

Hon. ERNEST F. HOLLINGS,
Committee on the Budget,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: This is in response to your letter concerning the current status of CBO estimates of 1981 outlays. Based in our analysis of the President's March 31 budget revisions, we made some preliminary reestimates of 1981 spending during the month of April. These reestimates include some possible downward revisions, such as the one in interest receipts mentioned in your letter, and some upward changes. On balance, the changes would raise somewhat our estimate of 1981 outlays.

As you noted in your letter, under current procedures CBO does comprehensive reviews of spending reestimates twice a year. We will undertake our next complete review of 1981 spending estimates in July, following the submission of the President's mid-session review and prior to the markup of the Senate Budget Resolution. Our April preliminary reestimates will be incorporated in this comprehensive review. Based on past experience, we would expect a number of additional revisions to our current estimates at that time. However, it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin,
Director).

Mr. HOLLINGS. Mr. President, the letter is dated May 7 from Dr. Alice Rivlin, Director of the CBO.

When they talk about the reestimates, revisions, but in the last paragraph:

> However, it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

She talks in that particular paragraph of increases.

This letter says that preliminary reestimates of 1981 spending made during the month of April include, and I quote, "Some possible downward revisions, such as the one in interest receipts mentioned in your letter, and some upward changes. On balance. the changes would raise somewhat our estimate of 1981 outlays."

Senator LEVIN, like Senator CRANSTON, does not want to pick up the upward reestimates; he only wants the downward reestimate. As I said last Wednesday, we could reestimate the budget weekly or even daily—everybody could come and have a new budget for every day—and we could take only the reestimates which went our way—but in doing so we would reduce the budget process to chaos.

Now, on the increased health spending which this amendment is designed to produce. In fact, budget authority for discretionary health programs has increased by 58 percent since 1975, more than outpacing inflation. Funding for health research has increased by 143 percent during the last decade, with increases of 451 percent for the National Cancer Institute, 394 percent for environmental health, 228 percent for heart, lung, and blood disease research, and 186 percent for the Child Health Institute.

Overall, outlays for the health function increased from $27.6 billion in 1975 to $33.4 billion in 1976, from $38.8 billion in 1977 to $43.7 billion in 1978, and from $49.6 billion in 1979 to $56.5 billion in 1980. In 1981, we provided outlays of $61.8 billion. This is nearly a 10 percent increase for 1981 over 1980.

FUNDING FOR HEALTH CARE HAS INCREASED

It should also be noted, Mr. President, that the budget resolution proposed by the Budget Committee does recommend cuts in health manpower subsidies, but only those subsidies that do little to solve the problem of having too many specialists and not enough family doctors, and that do little to solve the shortages of doctors in rural and low-income urban areas. Overall, we now have a surplus of doctors.

The reductions which we recommended would not put medical educations out of the reach of low- and middle-income students. The subsidy being cut only amounts to approximately $600 per year for M.D.'s and other health specialists and $225 per year for nurses. Surely, these amounts can be made up with other Federal education loan programs or by obtaining loans in the private sector.

The budget resolution does not provide funding for expanding medicaid benefits to presently uncovered low-income children and pregnant women—the proposed child health assistance program. This program may be very meritorious, but it would create a new entitlement program with outyear costs of over a billion dollars a year. Until existing entitlements in health are brought under control by measures such as hospital cost containment and reductions in fraud and abuse, it would be unwise to create massive new uncontrollable spending.

The Senate has so far, and rightly, rejected the use of selective and piecemeal spending reestimates, in order to finance additional spending however desirable that spending might be. I urge my colleagues to reject this amendment as well.

I yield to the Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that Senator WEICKER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, as indicated before, the difference between this amendment and the circumstance which the floor manager describes is that the CBO has given us an informal estimate that the interest function is too high. That is their informal estimate.

In the case of the balance of the reestimates, we do not know whether or not it is a net plus or a net minus. As the letter they sent us reads:

> Based on past experience, we would expect a number of additional revisions to our current estimates at that time. However, it is much too early to determine whether the net budgetary impact would be to raise or lower estimated outlays.

So that with the remainder of the outlays, we do not know whether or not a reestimate is going to raise them or lower them. But with this reestimate, we know that it is a downward revision of interest costs; and the only question we really face is in what amount. We think the $400 million which has been estimated is a correct amount, and that does not seem to be disagreed to by the Budget Committee.

The difference between this and the Cranston amendment, as I have indicated, is that there are no other new revenue figures which are added to this. This revenue figure is limited to the informal estimate which the CBO itself has made.

I yield the floor.

Mr. BELLMON. Mr. President, the amendment by Senator LEVIN points out dramatically the dilemma Congress faces. Clearly, there is much in our society which remains to be done.

The programs to which Senator LEVIN has referred are community health centers, health research, alcoholism services, and drug abuse services. These are many of the same areas of need that were dealt with this morning in the Weicker amendment. Obviously, all are worthy of consideration. I am sure that in each of these areas there are unmet needs, as there are in every other area of Government spending.

Our big problem is inflation, which has been running at close to 20 percent during this calendar year. This is the reason most people have a problem in buying a house or paying for an education or paying for their doctor bills when they are ill.

Congress has treated the health functions fairly. Outlays in this function have grown annually between 10 percent to 20 percent during each of the last 5 years, and they will grow close to 10 percent under the budget before us.

In the specific spending area which the Senator from Michigan wishes to increase by $400 million, annual outlay increases have averaged 15 percent during each of the last 5 years.

In fiscal year 1981 outlays, increases in the health service areas proposed by Senator LEVIN, without this amendment, will be close to 8 percent.

While it is true that the Budget Committee has accepted rescission recommendations from the President, these reductions do not neceessarily mean that a reduction in services will occur. Such reductions will force program managers and administrators to operate their programs more efficiently.

Several evaluations conducted by the General Accounting Office have indentified continuing problems in the administration of these programs, as I pointed out earlier today. I am not going to go through them now.

The fact is that the resolution before us does allow continued growth in these programs. We simply cannot afford to make the kind of upward adjustment Senator LEVIN and Senator WEICKER have asked for, without seriously jeopardizing balancing the budget. If we do not balance the budget, that will mean more inflation and more of the problems of the kind that Senator LEVIN and Senator WEICKER are attempting to address.

Mr. LEVIN. Mr. President, with respect to the total health function figures, current law provides in budget authority $71.7 billion for the health function. Under this budget resolution, it would be reduced by $800 million. In budget outlays, the health function under current law is $63.3 billion, and under this resolution it would be reduced to $69.9 billion, or a reduction in budget outlays of $1.4 billion.

We can help restore this without unbalancing the budget, because in my amendment we provide for the $400 million necessary to fund it.

Mr. President, I yield back the remainder of my time if the managers are in a position to yield back the remainder of their time.

Mr. HOLLINGS. Mr. President, by way of emphasis, I refer to the letter to the Budget Committee, dated May 7, from Dr. Rivlin of the Congressional Budget Office:

> This is in response to your letter concerning the current status of CBO estimates of 1981 outlays. Based on our analysis of the President's March 31 budget revisions, we made some preliminary reestimates of 1981 spending during the month of April. These reestimates include some possible downward revisions, such as the one in interest receipts mentioned in your letter, and some upward changes. On balance, the changes would raise somewhat our estimate of 1981 outlays.

There, again, I have to emphasize that, on balance, the Congressional Budget Office says that the outlays would increase.

Dr. Rivlin goes on to say that in July, they will make some reviews and get it properly for the second budget resolution, to be voted in August.

For right now, this is as up to date as it can be, dated May 7; and, on balance, it would be increased.

I am prepared now to yield back the remainder of my time. Is that what the Senator wishes?

Mr. LEVIN. Yes.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, will the Senator from South Carolina yield the Senator from Ohio 6 minutes, which he intends to share with the Senator from Kansas?

Mr. HOLLINGS. Mr. President, we are going to get into a misunderstanding. I have discussed this with the Senator from Ohio. It will cost not just 6 minutes but 60 minutes. We have debated his amendment, and I will not yield further.

UP AMENDMENT NO. 1086

(Purpose: To provide for increases in veterans programs)

Mr. THURMOND. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. Thurmond), for himself, Mr. Dole, Mr. Schweiker, Mr. Garn, Mr. McClure, Mr. Humphrey, Mr. Simpson, and Mr. Helms, proposes an unprinted amendment numbered 1086:

On page 9, line 6, strike out "$21,500,000,000" and insert "$22,100,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert '$21,500,000,000".

On page 10, lines 21 and 22, strike out "$72,200,000,000" each place and insert in lieu thereof "$71,800,000,000" each place.

Mr. THURMOND. Mr. President, I offer an amendment which will increase the veterans function $600 million in budget authority and $500 million in budget outlays. I believe this is a fair, just, and reasonable compromise of this issue. This budget will stay in balance because the outlays and revenues will be increased equally.

Mr. President, on Tuesday night of last week I offered an amendment, to which my colleague from New Hampshire (Mr. Humphrey) offered a substitute, both of which would have increased the veterans function programs. These amendments were tabled by the narrow margin of 5 votes—44 to 39. The next day the chairman of the Senate Committee on Veterans' Affairs (Mr. Cranston) offered another amendment to increase budget outlays for veterans programs, and this amendment also failed by a narrow margin.

During the past several days, I have been working with my colleagues on both sides of the aisle and, especially with the Budget Committee in an effort to reach an equitable compromise which will provide additional funds for the veterans function while continuing to maintain the integrity of the budget process and a balanced Federal budget. I am hopeful that a majority will support it.

Mr. President, I have spoken at great length in this Chamber on the historical commitment that Congress and the American people have made to those who have fought for our country. I have also joined some of my colleagues in speaking on the need to maintain a strong national defense. I am certain that this is a sound position and that it would serve the best interest of this country to increase the overall defense estimates. In any case, the defense of this Nation is placed in the hands of the men and women who serve in the various armed services. But how can be expect to recruit and maintain qualified personnel if the Budget Committee continues to cut so deeply the benefits that veterans receive after they have faithfully served their country? I believe the defense of this Nation is our first priority for survival, and the care of those who have served as defenders should also rank high in our budget priorities.

Mr. President, others who joined on this amendment are the distinguished Senator from Kansas (Mr. Dole), the distinguished Senator from Pennsylvania (Mr. Schweiker), the distinguished Senator from New Hampshire (Mr. Humphrey), the distinguished Senator from Idaho (Mr. McClure), the distinguished Senator from Wyoming (Mr. Simpson), the distinguished Senator from North Carolina (Mr. Helms), and the distinguished Senator from Utah (Mr. Garn).

Mr. President, I now yield 2 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to join my good friend and colleague, Senator Thurmond, in offering an amendment that will restore $600 million in fiscal year 1981 budget authority and $500 million in budget outlays for veteran benefits and services.

VETERANS: A NATIONAL PRIORITY

Mr. President, in recent days I have seen amendments offered by several of my colleagues that have attempted to address the inadequate VA budget as recommended by the Budget Committee.

Mr. President, the concern expressed by those Senators who have offered these amendments is certainly understandable. I share that concern very deeply. As one deeply involved with veterans' issues ever since I came to the Congress, I have worked hard to assure that veterans' programs are effective and are maintained at adequate levels. I have always felt very strongly that all veterans' programs must continue to be among our Nation's highest priorities, and I intend to do all I can to make sure that our commitments to those who served our Nation are honored.

BUDGET RECOMMENDATIONS

Mr. President, because of my strong commitment to our Nation's veterans, I believe the Budget Committee's recommendations for veterans' programs in the first budget resolution for fiscal year 1981, are totally inadequate.

When the President of the United States sent the fiscal year 1981 budget request to Congress, the VA portion went to the Veterans Affairs Committee where they reduced it by $297.5 million. After the veterans' committee reported it's budget letter, the Budget Committee cut an additional $800 million more. The Senator from Kansas believes this cut was too much. I do not suggest that the veteran not carry his share in the fight against inflation, but we must remember that even the budget the President sent to Congress was inadequate. Since then we have seen the Committee on Veterans' Affairs making some additional cuts followed by the Budget Committee's slashing.

Mr. President, this Senator from Kansas believes the majority of the Senate feels it should restore the amount that is needed to properly take care of our Nation's veterans. The close vote on VA budget increase amendments offered by my distinguished colleagues, Senators Thurmond (44 to 39) and Cranston (47 to 45) bear this out. The problem is, Mr. President, that we cannot get a majority of the Senate to agree on where to cut.

Mr. President, the Veterans' Committee budget recommendation, if left unamended, will see veterans function decline from $4.1 billion this year to $3.4 billion next year, 1981.

Accepting the Budget Committee's recommendation will provide for only a 10-percent increase instead of the 15-percent increase the Senate has already approved for recipients of GI benefits. These are individuals going to school under the GI bill who have not had an increase in more than 2 years during which time inflation has reduced their purchasing power by 25 percent.

HEALTH SERVICES

Another area where veterans will suffer is in health services. The proposal as it now stands, if this amendment is not accepted, will literally result in the elimination of hospital beds at a time when we can ill afford to eliminate one further bed in a VA hospital.

The VA will be forced to do more with less in the central areas of medical care.

A large portion of the reductions will come out of the needed construction and renovation of the VA medical facilities.

The VA will be forced to ask military retirees to seek care elsewhere in Defense Department facilities which are already operating at capacity.

Pay raises for VA doctors, who we find very difficult to retain, and dentists and nurses will have to come from reduced services in other areas.

To add insult to injury, headstones and grave markers as well as the $300 payment toward burial expenses may well have to be eliminated.

THURMOND AMENDMENT

Mr. President, the amendment we are offering seeks to deal with needs in the veterans function relating to GI bill and compensation cost-of-living increases and health care. It is my understanding that it is in accord with the budget recommendations of the Veterans' Affairs Committee, but it does not accomplish what is needed there by taking money from any other program. It does not take from the defense or social program functions. It provides increased funding for veterans programs by taking into account a CBO reestimate of the President's March revision of the cost of interest on the public debt in the 1981 budget. It also provides additional funds from prompt tax collections by the IRS.

Mr. President, I am not particularly satisfied with this amendment as I do not think it goes far enough; however, I fully understand that the budget must be balanced. But I am also of the opinion that we must not balance the budget at the inequitable expense of the American veteran.

I am certain that most veterans are willing to accept some cuts, but not cuts that threaten the very existence of the programs intended to compensate them for their years of service to their country.

Let us balance the budget, but let us not ask anyone, especially the American veteran, to bear more than his fair share of the burden. To this end, I urge my colleagues to join me and others in adopting this important measure.

Mr. President, I say hopefully we can finish debate on this amendment and any modifications thereto prior to 3 p.m.

I am pleased to join my good friend and colleague, Senator THURMOND, in offering an amendment to restore $600 million in fiscal year budget authority and $500 million in budget outlays for veterans' benefits and services.

Mr. President, in recent days I have seen amendments offered by several of my colleagues that attempted to address the inadequate VA budget by the Budget Committee.

Mr. President, the concern of those Senators who offered those amendments is certainly understandable. I share that concern very deeply. As one deeply involved in veterans' issues ever since I came to Congress, I work hard to insure that veterans' programs are effective and all veterans' programs must continue to be among our Nation's highest priority.

I intend to do all I can to make certain that our commitment to those who served the Nation is honored.

I thank my distinguished colleague for yielding and I yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back my time on this amendment.

UP AMENDMENT NO. 1087

(Purpose: To provide for increases in veterans programs

Mr. RANDOLPH. Mr. President, on behalf of the Senator from California (Mr. CRANSTON), I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) for himself, Mr. CRANSTON and Mr. BAYH, proposes an unprinted amendment No. 1087 to the amendment of Mr. THURMOND, unprinted amendment No. 1086.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 6, strike out "$21,500,000,000" and insert "$22,100,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$21,400,000,000".

On page 10, lines 21 and 22, strike out "$72,200,000,000" each place and insert in lieu thereof "71,800,000,000" each place.

The PRESIDING OFFICER. Is the Senator's amendment in lieu of the Cranston amendment?

Mr. RANDOLPH. It is offered on his behalf.

The PRESIDING OFFICER. It will take unanimous consent.

Mr. RANDOLPH. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, on behalf of the senior Senator from California, I send to the desk an amendment to the amendment of our able colleague on the Veterans' Affairs Committee, the Senator from South Carolina (Mr. THURMOND).

Mr. President, I am submitting this amendment on behalf of myself and the very able and effective chairman of the Veterans' Affairs Committee, the Senator from California. Senator CRANSTON, as my colleagues are aware, intended to offer this amendment himself, but, because of a very serious injury to a family member over the weekend, he is in California today and unable to be here.

I am very pleased that he asked me to offer this amendment. It is a proposal that I support fully. It provides for essential funding for veterans' programs.

Mr. President, this amendment would provide for increased support for veterans' programs in the amount of $600 million in budget authority and $400 million in outlays over the amounts set forth in the budget resolution as reported. These levels are $200 million less in both budget authority and outlays than would have been provided in the amendment Senator CRANSTON offered last Wednesday and which I supported very strongly and which, unfortunately, was tabled by the very narrowest of margins.

Mr. President, as my colleagues will recall, the amendment that Senator CRANSTON offered last week would, if it had been agreed to, have set the budget levels for veterans' programs at the same figures that the Veterans' Affairs Committee had recommended in its March report to the Budget Committee on the budget for veterans' programs for fiscal year 1981.

Mr. President, our committee, in making its recommendations, adopted the approach that the Veterans' Administration should be part of a Federal Government-wide belt-tightening effort aimed at achieving a balanced budget; and we recommended spending levels that were fully consistent with the attainment of that very important goal. Thus, we proposed reductions of $298 million in outlays from the amounts originally proposed by the President for veterans' programs as presently authorized.

Unfortunately, the Senate has not accepted the very prudent but responsible recommendations of the Veterans' Affairs Committee.

But, we should not, Mr. President, let matters rest there. We should not approve the very deep cuts as the Budget Committee has recommended. Thus, the amendment I am now proposing is of critical importance. While it does not provide for the level of support for veterans' programs that I and others on the Veterans' Affairs Committee believe is necessary, it would provide for better, badly needed protection for these high priority programs than would the resolution as reported.

Mr. President, I shall mention briefly the areas in which this additional support is needed in order to prevent great harm to the benefits and services funded under this budget category.

First, additional funding is needed to allow for as fair and reasonable a cost-of-living increase in service-connected disability compensation programs as possible. The 11.7 percent cost-of-living increase that the Budget Committee has assumed for benefits paid to veterans disabled in the line of duty in service to the Nation is clearly not adequate. It is 2.6 percentage points less than social security beneficiaries and the beneficiaries of all other programs keyed to the social security indexed increase will receive this year. Surely, this is no way to treat VA compensation program beneficiaries—who are, our committee believes, the most deserving of all groups of Federal income security beneficiaries.

Second, Mr. President, increased support is needed to make it possible to provide a modest increase in GI bill educational benefits—the first in 3 years.

Third, additional funding is needed to avoid the cuts in existing benefits that the Budget Committee has assumed would be enacted. I and other members of the Veterans' Affairs Committee are strongly opposed to such action to eliminate—after the veteran has served the country—benefits earned through honorable service. As I have noted, our committee has worked long and hard to eliminate waste and to achieve all reasonable economies in veterans' programs. But, I resist the notion that we should go further and break our promises by eliminating existing benefits.

Fourth, Mr. President, the funding we are proposing is very badly needed to protect the VA health-care system from the extremely damaging cuts that the Budget Committee has recommended with respect to veterans' medical benefits. The Veterans' Affairs Committee recommendations that I have previously mentioned reflected budget authority reductions of $245 million and outlay reductions of $195 million from the President's January budget request for VA health-care programs as presently authorized. To accept the Budget Committee's recommendations to make a further $40 million cut in a VA medical budget that had already been pared down so extensively simply cannot be implemented without producing severe dislocations and seriously weakening the system. It cannot be implemented by tightening up administrative expenses and eliminating certain purchases of supplies and equipment and maintenance and repair items. Our committee's recommendations have already wrung such items out of the budget.

Mr. President, I take a further moment to mention, as I know Senator CRANSTON intended to, two aspects of VA programs that I think all Senators should have in their minds as they vote today—in this time of great international tension and threats to world peace—on whether to maintain a viable, effective VA system or to cause the damage to that system that the Budget Committee's recommendations would produce.

Mr. President, veterans' programs serve in very constructive ways as partial repayment of the debt which the Nation owes to those whose service has kept it strong, free, and safe from invasion during a century in which powerful military forces have often threatened the security of our people. In my view, it is essential that these programs be accorded the same high priority that attached to the national needs which our veterans have met, and that this priority continue undiminished during times of peace secured through the service and sacrifices of those veterans.

In addition, veterans' programs bear a direct and very important relationship to our Nation's military defense. The role of the VA in national defense has two important aspects, one intangible and the other tangible. The intangible aspect relates to the recruitment and retention of capable, motivated military personnel and to their morale. The defense of our Nation and the great costs entailed include our commitment to restore our warriors injured while serving the Nation. If we are perceived as failing to keep our promises to veterans of past conflicts—by, for example, impairing the VA's ability to provide health-care services to eligible veterans—it is difficult to expect that those presently in the service and would-be recruits will be eager to serve. Thus, it should be understood that the costs of war do not end with the cessation of hostilities; our obligation to those who fight, their families, and their survivors continues as an ongoing cost of national defense and must be understood as such.

Moreover, Mr. President, in the event of a future conflict the VA would be called upon to play a vital role in caring for military casualties. Thus, the tangible element in the VA/national defense equation is that the VA health-care system, with its 172 hospitals and hundreds of other health-care facilities, is the first backup to the relatively meager medical resources available to the Department of Defense in the event of war. The great importance of the VA to our military preparedness must be understood and given the full consideration that it deserves when we vote on the budget.

Thus, Mr. President, it is critically important—both in order to keep our solemn commitment to the Nation's veterans and in order to assure the Nation's military preparedness—that we make adequate provision in the budget for VA health-care programs.

This amendment—while reflecting all truly feasible economies and belt-tightening—would do the most Senator CRANSTON and I believe we can now help provide that assurance. The recommendation of the Budget Committee to provide $400 million less in budget authority for the veterans' health-care mission than the Veterans' Affairs Committee has recommended would clearly deprive us of that assurance and, in the context of this budget, would produce a very grave threat to a viable VA health-care system.

Now let me explain the second half of the amendment—which allows the maintenance of a balanced budget.

Mr. President, this amendment maintains the balance in the budget. It accepts the administration's estimate of Federal interest payments, as reestimated by the Congressional Budget Office to factor in CBO's latest economic assumption, and thus reduces budget authority and outlays in function 900 by $400 million. Senator THURMOND has already referred to the OMB letter on this subject.

In light of the recent decline in interest rates, which began after the Senate Budget Committee completed its markup, I believe the lower estimate of Federal interest by OMB is far more likely to be correct.

Thus, Mr. President, my amendment accurately reflects a more realistic level of funding for veterans—and offers a reasonable way to help meet those needs within the structure of a balanced budget, and without taking money from any other vital national priority.

Mr. President, I urge its adoption.

Mr. President, matters have been considered in the Senate on the subject of, let us use the word justice, and I am not trying to divide this Senate as to only for veterans, for those who served in the Armed Forces of the United States.

I commend the acting chairman of the Budget Committee, the Senator from South Carolina, who has worked constructively with Senator CRANSTON, the able chairman of the Committee on Veterans' Affairs. He certainly has worked very earnestly with his able colleague of the Senate from his own State of South Carolina, Senator THURMOND, a Senator whom we know has had an important input for veterans through the service that he has had for long years on the Committee on Veterans' Affairs.

These are not just words of pleasantry that I speak. There is within the Senate a sensitivity to the needs of veterans, to those who served in the Armed Forces, and I express again my commendation to the chairman who is handling this important measure.

Mr. THURMOND. Mr. President, I modify my amendment by incorporating there in the figures of the distinguished Senator from West Virginia (Mr. RANDOLPH).

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment follows:

On page 9, line 6, strike out "$21,500,000,000" and insert "$22,100,000,000".

On page 9, line 7, strike out "$21,000,000,000" and insert "$21,400,000,000".

On page 10, lines 21 and 22, strike out "$72,200,000,000" each place and insert in lieu thereof "$71,800,000,000" each place.

Mr. HOLLINGS. Mr. President, we have been trying to do our dead-level best for the veterans, all of us.

UP AMENDMENT NO. 1712

The PRESIDING OFFICER (Mr. BAUCUS). The hour of 3 p.m. having arrived, the question is on agreeing to the motion to lay on the table the amendment (No. 1712) of the Senator from Connecticut.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. NUNN), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 80, nays 10, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—80

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Nelson
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—10

Baker
Cohen
Hatfield
Javits
Levin
Moynihan
Pressler
Riegle
Weicker
Williams

NOT VOTING—9

Cranston
Glenn
Gravel
Helms
Kennedy
Mathias
Morgan
Nunn
Tsongas

So Mr. HOLLINGS' motion to lay on the table Mr. WEICKER's amendment (No. 1712) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1078

The PRESIDING OFFICER. The question now occurs on the motion to table Senator WEICKER's unprinted amendment No. 1078. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order. The Senate is not in order. Will Senators who are conversing please retire to the cloakrooms?

The clerk will resume.

Mr. NELSON. Mr. President, the Senate is still not in order. There are Members conversing in the aisles and in the well. Can we have order?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Members who wish to converse will please clear the aisles and retire to the cloakroom. The clerk will not continue until the Senate is in order.

Will Senators who wish to converse please leave the Chamber? Will Senators who are conversing please retire to the cloakrooms?

The clerk will resume the call of the roll.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Georgia (Mr. NUNN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The PRESIDING OFFICER. Does any other Senator wish to vote?

The result was announced—yeas 67, nays 26, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—67

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Danforth
DeConcini
Dole
Domenici
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Long
Lugar
Matsunaga
McClure
McGovern
Metzenbaum
Morgan
Percy
Proxmire
Pryor
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NAYS—26

Baker
Bradley
Cannon
Cohen
Culver
Durenberger
Durkin
Hatfield
Javits
Laxalt
Leahy
Levin
Magnuson
Melcher
Moynihan
Nelson
Packwood
Pell
Pressler
Randolph
Ribicoff
Riegle
Sarbanes
Stewart
Weicker
Williams

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So the motion to table Mr. WEICKER's amendment (UP No. 1078) was agreed to.

AMENDMENT NO. 1716

The PRESIDING OFFICER. The question now recurs on the motion to table Weicker printed amendment No. 1716. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 12, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—81

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
Melcher
Morgan
Moynihan
Nelson
Packwood
Percy
Pressler
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—12

Baker
Culver
Hatfield
McGovern
Metzenbaum
Pell
Proxmire
Riegle
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So the motion to lay on the table Mr. WEICKER's amendment (No. 1716) was agreed to.

UP AMENDMENT NO. 1079

The PRESIDING OFFICER. The question now occurs on the motion to lay on the table the Heflin unprinted amendment No. 1079. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber wishing to vote?

The result was announced—yeas 33, nays 60, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—33

Armstrong
Baker
Bellmon
Biden
Bumpers
Byrd, Robert C.
Chiles
Culver
Danforth
Domenici
Exon
Hart
Hatch
Hayakawa
Hollings
Inouye
Javits
Kassebaum
Leahy
Morgan
Moynihan
Nelson
Pell
Proxmire
Ribicoff
Sasser
Schweiker
Stafford
Stennis
Stevens
Stevenson
Tsongas
Williams

NAYS—60

Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Church
Cochran
Cohen
DeConcini
Dole
Durenberger
Durkin
Eagleton
Ford
Garn
Goldwater
Hatfield
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Packwood
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Schmitt
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So the motion to lay on the table UP amendment No. 1079 was rejected.

The PRESIDING OFFICER. The question now occurs on the amendment.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), and the Senator from Alaska (Mr. GRAVEL), are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 68, nays 25, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—68

Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Garn
Goldwater
Hatfield
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Packwood
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stennis
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—25

Armstrong
Baker
Bellmon
Biden
Bumpers
Culver
Danforth
Exon
Hart
Hatch
Hayakawa
Hollings
Inouye
Javits
Kassebaum
Leahy
Moynihan
Pell
Proxmire
Ribicoff
Schweiker
Stafford
Stevens
Stevenson
Tsongas

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So Mr. Heflin's amendment (UP No. 1079) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DeCONCINI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1080

The PRESIDING OFFICER. The question now occurs on agreeing to the motion to lay on the table the amendment (UP No. 1080) of the Senator from New Hampshire (Mr. Durkin).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Ohio (Mr. Glenn), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Georgia (Mr. Nunn) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The PRESIDING OFFICER (Mr. Johnston). Are there any other Senators present in the Chamber who have not voted who wish to vote?

The result was announced—yeas 71, nays 22, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—71

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Matsunaga
McClure
Melcher
Moynihan
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—22

Bayh
Bradley
Church
Cohen
Culver
Durkin
Eagleton
Jackson
Javits
Levin
Magnuson
McGovern
Metzenbaum
Morgan
Nelson
Packwood
Pell
Sarbanes
Stone
Tsongas
Weicker
Williams

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So the motion to lay on the table Mr. Durkin's amendment (UP No. 1080) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1081

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the rollcall vote on my amendment be vitiated and that my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The order for the yeas and nays will be vitiated and the amendment is withdrawn.

Mr. STEVENS. Mr. President, at this point I wish to submit for the Record a colloquy between the Senator from South Carolina (Mr. Hollings) and me relative to the amendment which has just been withdrawn.

I am still troubled by where we have left things this morning regarding the reconciliation directions to the Governmental Affairs Committee in section 4 of this resolution. My problem simply is this: by directing the reconciliation instruction against spending under the direct control of Governmental Affairs, the resolution really targets on a single program—Federal civilian retirement. While we may very well report a bill saving money in that program, I do believe this type of targeting on a single program is inconsistent with the flexibility that we all thought existed under the Budget Act.

I would like to ask the manager of the bill a hypothetical question: Let us suppose the Governmental Affairs Committee responded to the reconciliation instruction by reporting a bill which forced savings in a program other than Federal retirement, which is in the legislative jurisdiction of Governmental Affairs, but for which the spending jurisdiction is in the Appropriations Committee. If the bill reported left absolutely no doubt that it would reduce spending by the amounts specified in the resolution, and not duplicated by the reconciliation instructions or savings allocated to any other committee, would the Budget Committee find such a bill an unacceptable response to the budget resolution and the reconciliation instructions in it?

Mr. HOLLINGS. It would depend on just what the bill proposed and whether it was an obvious ploy to try to avoid any real savings.

A bill which would, if enacted, assure that the required savings would be made would probably not be opposed by the Budget Committee. Again, we are not trying to line item. The Budget Committee—and the Senate as a whole—wants these savings achieved. If the Governmental Affairs Committee reports a bill which is designed to achieve a real savings equal to those specified in section 4, and not duplicated by the reconciliation instructions or savings allocated to any other committee, it would not be be automatically considered "out of bounds" or nonresponsive—even if it involved a program other than Federal retirement.

I would alert the Senator that the resolution as reported by the Budget Committee already assumes some $3.1 billion in administrative cost savings, a 6.2-percent pay raise cap for Federal civilian employees, and a 40-percent absorption rate for the pay raise for civilian employees. So the cuts proposed by the Governmental Affairs Committee would have to go beyond those cuts if the reconciliation is to be fulfilled and the budget is to remain in balance. The cuts would have to be in areas where savings cannot be made by other committees without such a change in the authorization law. Changes in authorizations for appropriations which duplicate savings already assumed in the budget resolution or savings which can be made by the Appropriations Committee in the regular appropriations process, without legislative riders, would not meet the reconciliation instruction.

UP AMENDMENT NO. 1082

The PRESIDING OFFICER. The question now recurs on agreeing to the motion to lay on the table the amendment of the Senator from Ohio (Mr. Metzenbaum). The yeas and nays have been ordered.

Mr. HOLLINGS. I moved to table the Metzenbaum amendment, is that right?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Ohio (Mr. Metzenbaum).

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Ohio (Mr. Glenn), and the Senator from Georgia (Mr. Nunn) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 21, nays 72, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—21

Bellmon
Bentsen
Bradley
Byrd, Robert C.
Chiles
Domenici
Hart
Hatfield
Hollings
Inouye
Jackson
Matsunaga
Morgan
Moynihan
Pell
Percy
Ribicoff
Stafford
Stevenson
Tsongas
Weicker

NAYS—72

Armstrong
Baker
Baucus
Bayh
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Metzenbaum
Nelson
Packwood
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young
Zorinsky

NOT VOTING—6

Cranston
Glenn
Gravel
Kennedy
Mathias
Nunn

So the motion to lay on the table Mr. Metzenbaum's amendment (UP No. 1082) was rejected.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1082

The PRESIDING OFFICER. The motion now occurs on the amendment of the Senator from Ohio. The yeas and nays have been ordered.

Mr. METZENBAUM. Mr. President, in view of the vote, I think the position of the Senate is clear. I do not think another rollcall will be necessary. I ask unanimous consent to vitiate the order for the rollcall.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Georgia (Mr. Nunn) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 75, nays 19, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—75

Armstrong
Baker
Baucus
Bayh
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Packwood
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young
Zorinsky

NAYS—19

Bellmon
Bentsen
Bradley
Byrd, Robert C.
Chiles
Domenici
Hart
Hatfield
Hollings
Inouye
Jackson
Matsunaga
Moynihan
Pell
Percy
Ribicoff
Stevenson
Tsongas
Weicker

NOT VOTING—5

Cranston
Gravel
Kennedy
Mathias
Nunn

So Mr. Metzenbaum's amendment (UP No. 1082) was agreed to.

Mr. DOLE and Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1084

The PRESIDING OFFICER. The question now occurs on a motion to lay on the table the amendment of the Senator from Iowa (Mr. Jepsen). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Georgia (Mr. Nunn) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator who wishes to vote?

The result was announced—yeas 58, nays 36, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—58

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Culver
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Young

NAYS—36

Armstrong
Baker
Boschwitz
Byrd, Harry F., Jr.
Cochran
Cohen
Danforth
Dole
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Morgan
Percy
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—5

Cranston
Gravel
Kennedy
Mathias
Nunn

So the motion to lay on the table UP amendment No. 1084 was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1085

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment by the Senator from Michigan (Mr. Levin). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Georgia (Mr. Nunn), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 73, nays 20, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—73

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry, F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
McGovern
Melcher
Metzenbaum
Morgan
Packwood
Percy
Pressler
Proxmire
Pryor
Ribicoff
Roth
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NAYS—20

Bayh
Bradley
Culver
Durkin
Jackson
Javits
Leahy
Levin
Magnuson
Matsunaga
Moynihan
Nelson
Pell
Randolph
Riegle
Sarbanes
Sasser
Stewart
Weicker
Williams

NOT VOTING—6

Cranston
Gravel
Kennedy
Mathias
Nunn
Stevenson

So the motion to table Mr. Levin's amendment (UP No. 1085) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1086 (AS FURTHER MODIFIED)

Mr. HOLLINGS. Mr. President, for the information of my colleagues now we are going to complete our work on the veterans' amendment with Senators Thurmond and Randolph. There could be an up and down vote on that amendment. Therefore, there will be the amendment of Senator Glenn, there are a couple of amendments there, and Senator Pryor has a perfecting amendment, so we could get one or two rollcall votes on that, and I think we are about winding down. I am hoping to get out of here by 8 o'clock. I am not trying to rush anybody, but there are 2 hours set aside on the post office amendment of Senators Pryor and Glenn.

Let me start in then, Mr. President, with Senator THURMOND because we have the amendment by Senator THURMOND of $600 million in budget authority and $500 million in outlays.

Then the Randolph amendment was presented for $600 million in budget authority and $400 million in outlays.

During the time of the rollcalls I have tried to work out with the distinguished Senators, who have been leading the debate on their amendment, together with Senator CRANSTON, who is, unfortunately, not with us today due to a very tragic accident his son was involved in, but we have been working with his staff and Senator RANDOLPH and Senator THURMOND to see if we could not reconcile the differences that the Budget Committee has.

As you will remember, the Budget Committee now in the present resolution has provided a 13.9-percent increase in pension benefits, a 10-percent cost-of-living increase in GI bill benefits, and 11.8 percent cost-of-living compensation benefits to the disabled veterans, and other liberalizations in the veterans' training and rehabilitation benefits.

Senators THURMOND and RANDOLPH, together with Senator CRANSTON's representatives, impress that there are certain constructions that need to be taken care of, and I was wondering if we could go along, Senator THURMOND, with a budget authority figure of $400 million and an outlay figure of $300 million? I want to make that as a suggestion.

Mr. THURMOND. Mr. President, I have discussed this matter with the able and distinguished Senator from West Virginia (Mr. RANDOLPH) and we feel that this amount is not what we wanted and what the veterans need. But in an effort to work with the Budget Committee and to bring about a balanced budget, and in order not to run the risk of losing the important increase we need, Senator RANDOLPH will now offer an amendment for us that will embrace the amounts that have been suggested, I believe, by the distinguished Senator from South Carolina (Mr. HOLLINGS).

I might say I had previously modified my amendment to accept the first Randolph amendment.

Senator RANDOLPH will now proceed from there.

Mr. RANDOLPH. Mr. President, I would like to further the comments being made by the able Senators from South Carolina. I want to be very certain—I think I do understand—that if we reduce the budget authority to the $400 million and then the outlays to $300 million, and take that $300 million from the added revenues, it is my understanding that you, Mr. Chairman, acting in your capacity as floor manager and with the distinguished ranking Member Senator BELLMON, as I understand, would accept the arrangement just made; is that correct?

Mr. BELLMON. Mr. President, if I might say, it is agreeable to the Senator from Oklahoma.

Mr. HOLLINGS. It is definitely agreeable with the manager of the bill. We will do everything we can, of course, in conference to maintain that figure for the veterans.

Mr. RANDOLPH. I do want to say we have been in touch this afternoon with Senator CRANSTON, in California. He is very reluctant, in a sense, as we can understand, to withdraw from the position he had taken earlier in this body. But I wish to say to the Senator from South Carolina (Mr. HOLLINGS) that he is also very understanding of the attempts that have been made in good conscience to resolve this matter and to help all of us who are involved, including the Senator from South Carolina (Mr. THURMOND), as well as others from the Veterans' Affairs Committee who have been interested in this matter. He is accepting what has been agreed to, and he hopes that we will adopt this proposal which has been worked out in his understandable absence.

Now, is it understood that the budget authority and the outlay numbers in the conference might be figures that could be brought back to the Senate?

Mr. HOLLINGS. That is very much in the mind of the Senator from South Carolina. As I just stated a moment ago, we will do our level best to maintain those figures in our conference with the House.

Mr. RANDOLPH. I appreciate that.

Mr. THURMOND. Mr. President, as I understood when we discussed this matter it was agreed that the distinguished managers of the bill, the distinguished junior Senator from South Carolina and the distinguished senior Senator from Oklahoma, would definitely hold out for those figures in conference. Is that correct?

Mr. HOLLINGS. I am going to guarantee a good faith. I am going to tell you that. I cannot guarantee every figure here, and I do not want to mislead. If there was one difference, a change, that should have been made, perhaps along with Senator Muskie they should have sent the House Budget Committee—they are the toughest negotiators I have ever seen—to the Department of State. That would have been the one big change I would have made in his department. [Laughter.]

Mr. THURMOND. As I understand, every effort will be made to hold these figures since they are much lower figures than we felt we should have obtained in behalf of the veterans.

Mr. HOLLINGS. That is true. I know how you felt and how we felt, too, in all candor. We have had two votes already on this matter, and we are going to do our dead level best to hold these figures.

Mr. RANDOLPH. I believe that, and I feel that we do not want to labor this matter further. I appreciate the commitment Senator HOLLINGS and Senator BELLMON have made.

With this understanding and with the feeling that there has been a sensitivity on the part of those on the Budget Committee in working out such an agreement, I send this amendment as a substitute to the desk.

The PRESIDING OFFICER (Mr. BENTSEN). The clerk will report.

Mr. THURMOND. Mr. President, I will modify my amendment to accept the wording and the figures presented by the able Senator from West Virginia in the amendment he has offered.

Mr. HOLLINGS. What is the posture, Mr. President, the parliamentary position? Is it the Randolph amendment as modified or the Thurmond amendment as modified?

Mr. THURMOND. The Thurmond amendment as modified.

The PRESIDING OFFICER. The Parliamentarian is debating this.

Mr. THURMOND. The Thurmond amendment as modified by the two amendments by the Senator from West Virginia.

Mr. RANDOLPH. That is correct.

The PRESIDING OFFICER. Can the Chair get the Parliamentarians to agree?

Mr. HOLLINGS. Mr. President, will the distinguished Senator from South Carolina modify the language in his amendment that was not applicable?

The PRESIDING OFFICER. Is the Senator sending it up as a perfecting amendment to the amendment of the Senator from South Carolina?

Mr. THURMOND. Mr. President, I agreed to the first modification by the Senator from West Virginia, and I have agreed to the second modification that the Senator from West Virginia has offered.

Mr. HOLLINGS. So it will be the Thurmond amendment as modified?

Mr. THURMOND. Mr. President, I now ask——

The PRESIDING OFFICER. Will the Senator from South Carolina modify his amendment?

Mr. THURMOND. Yes, it is well known that I have the right to modify my own amendment.

The amendment, as modified, is as follows:

On page 9, line 6, strike "$21,500,000,000" and insert "$21,900,000,000".

On page 9, line 7, strike "$21,000,000,000 and insert "$21,300,000,000".

On page 2, line 6, strike "$612,900,000,000" and insert "$613,200,000,000".

On page 2, line 6, strike "$612,900,000,000" and insert "$613,200,000,000".

On page 2, line 12, strike "$3,700,000,000" and insert "$3,400,000,000".

On page 2, line 17, strike "$687,900,000,000" and insert "$688,300,000,000".

On page 2, line 22, strike "$612,900,000,000" and insert "$613,200,000,000".

Mr. THURMOND. I ask unanimous consent that the last paragraph of my original amendment beginning on line 5. where it states "on page 10 * * * " and ending with "each place," be stricken as it is no longer applicable.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. THURMOND. In my original amendment.

Mr. HOLLINGS. Mr. President, do my colleagues want a record vote?

Mr. THURMOND. We want a record vote, but I wanted to say just a word.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I just wanted to express my appreciation to the able managers of the bill, Senator HOLLINGS and Senator BELLMON, for the consideration they gave this amendment.

As I stated, it is not all that we feel we need. On the other hand, we are all anxious to get a balanced budget. I have supported every amendment during this budget process to keep this budget balanced, and I am sure the amendment we are offering now will not unbalance the budget.

I just want to express my appreciation to them for their consideration in this matter and to commend them for the splendid manner in which they have handled this bill throughout for a balanced budget.

Mr. HOLLINGS. I thank my distinguished senior colleague, Senator RANDOLPH and, of course, our colleague, the Senator from California (Mr. CRANSTON).

Mr. THURMOND. Mr. President, I also want to thank the able Senator from West Virginia (Mr. RANDOLPH) for his deep interest in the veterans and for the splendid manner in which he has performed here today in this important matter.

Mr. HOLLINGS. We yield back our time.

Mr. THURMOND. I yield back my time.

The PRESIDING OFFICER. Will the Senator for the edification of the Chair tell us what it does?

Mr. HOLLINGS. The amendment increases the veterans' function $400 million in budget authority and $300 million in outlays.

The PRESIDING OFFICER. Who seeks recognition?

Has all time been yielded back?

Mr. HOLLINGS. Has the senior Senator from South Carolina yielded back the remainder of his time?

Mr. THURMOND. I have yielded back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Carolina. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GOLDWATER (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. CRANSTON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I further announce that, if present and voting, the Senator from Maryland (Mr. MATHIAS) would vote "yea."

The PRESIDING OFFICER. Does any other Senator desire to vote?

The result was announced—yeas 88, nays 6, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—88

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—6

Boschwitz
Byrd,
Harry F., Jr.
Danforth
Hayakawa
Percy
Proxmire

ANSWERED "PRESENT"—1

Goldwater

NOT VOTING—4

Cranston
Gravel
Kennedy
Mathias

So Mr. THURMOND's amendment (UP 1086), as modified, was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1088

(Purpose: To increase the recommended levels of new budget authority and outlays for fiscal year 1981 and for the Department of Energy in the areas on Energy Conservation and Energy Research, Development and Applications)

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask unanimous consent that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 1088.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out "$687,900,000,000" and insert "$689,500,000,000".

On page 2, line 22, strike out "$612,900,000,000" and insert "$613,800,000,000".

On page 3, line 4, strike out "$0" and insert "−$900,000,000".

On page 3, line 9, strike out "$927,800,000,000" and insert "$928,600,000,000".

On page 3, line 15, strike out "$32,700,000,000" and insert "$33,600,000,000".

On page 5, strike lines 11 through 14, and insert in lieu thereof:

"(4) Energy (270):

Fiscal year 1981:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $7,700,000,000."

Mr. GLENN. Mr. President, this amendment to Senate Concurrent Resolution 86, the first concurrent budget resolution, will provide an additional budget authority and outlays for energy conservation and energy research and development activities in fiscal year 1981, with emphasis on those areas of energy research and development where a small breakthrough could make a tremendous difference in our energy supplies in the future.

Mr. President, the Nation's dependency on imported oil continues to buffet our economy and exacerbate the high rate on inflation. If imports of oil continue at the 1979 rate of 8.1 million barrels per day, the Nation's oil import bill may reach $90 billion in 1980, representing a cash outflow of over $10 million per hour. The Budget Committee's fiscal year 1981 recommended levels of new budget authority and outlays for the Department of Energy's energy conservation and energy research and development programs total to approximately $3.8 billion and $4.4 billion, respectively. This level of outlays represents an investment in the Nation's energy future of less than the cost of about 18 days of oil imports.

My amendment would provide an additional total budget authority and outlays in the areas of energy conservation and energy R. & D. for fiscal year 1981 of $1.6 billion and $0.9 billion, respectively. Note that the outlay figure of $0.9 billion represents a relatively modest investment in our Nation's energy future—less than the cost of 4 days' worth of oil imports and less than 7 percent of the estimated windfall profits tax receipts for fiscal year 1981.

Mr. President, the additions I am suggesting to the proposed budget resolution in function 270 have not been plucked out of thin air. I asked the staff of my Energy Subcommittee of Governmental Affairs, as part of their review of the Department of Energy's organization, to examine the Department's R. & D. programs for the purpose of making recommendations on where additional funds, beyond those suggested by the President, would do the most good in terms of the potential for future savings and production of energy.

Experts within the Department of Energy, as well as outside, were consulted for their views on these matters. A report listing these recommendations in detail has been completed and will be released in a few days. I ask unanimous consent to have printed at this point, a set of tables based on the report which details the impact my amendment is expected to have on specific program areas.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

AMENDMENT IMPACT

[Dollar amounts in thousands]

Program area		DOE's January fiscal year 1981 budget request	DOE's revised request	Amendment recommended level
ENERGY SUPPLY R. & D.				
Solar applications	BA	$176,286	$156,286	$186,286
	BO	167,586	148,286	177,568
Solar technology	BA	465,900	456,900	525,727
	BO	460,000	451,000	512,827
Geothermal	BA	143,400	143,400	162,400
	BO	144,050	144,050	163,050
Hydrothermal commercialization	BA	10,000	10,000	20,174
	BO	10,000	10,000	20,235
Hydropower	BA	19,000	19,000	28,827
	BO	26,000	26,000	28,827
Nuclear	BA	802,346	787,546	787,546
	BO	915,915	893,615	893,615
Magnetic fusion	BA	403,617	396,117	485,617
	BO	463,897	456,397	545,897
Electric energy systems and storage	BA	111,723	111,723	148,523
	BO	116,873	116,873	151,473
Environment	BA	249,961	227,661	249,961
	BO	242,215	220,215	242,215
Basic research	BA	357,685	341,185	357,685
	BO	326,417	309,917	326,417
Subtotal, energy supply R. & D.	BA	2,751,051	2,660,951	2,952,746
	BO	2,688,694	2,699,511	3,062,124
FOSSIL ENERGY R. & D.				
Coal	BA	1,046,906	1,011,906	1,164,006
	BO	822,913	780,913	933,563
Petroleum	BA	63,758	63,758	90,840
	BO	61,143	61,143	83,882
Gas	BA	30,821	30,821	31,821
	BO	31,673	28,673	32,673
Subtotal, fossil energy R. & D.	BA	1,141,485	1,106,485	1,286,667
	BO	915,729	870,729	1,050,118
Total, energy R. & D. (271)	BA	3,892,536	3,767,436	4,239,413
	BO	3,604,423	3,570,240	4,112,242
ENERGY CONSERVATION (272)				
Building and community systems	BA	97,600	97,600	245,300
	BO	93,108	85,108	217,908
Industrial	BA	58,900	58,900	74,500
	BO	51,304	51,304	64,704
Transportation	BA	113,000	113,000	140,700
	BO	111,604	100,004	139,304
State and local	BA	568,584	518,584	682,084
	BO	480,681	430,681	706,531
Multisector	BA	29,200	29,200	40,200
	BO	23,701	23,701	34,701
Energy information campaign	BA	50,000	50,000	50,000
	BO	33,000	33,000	33,000
Total, energy conservation (271)	BA	917,284	867,284	1,232,784
	BO	793,398	723,798	1,196,148

SUMMARY

Program		Amendment recommended level	Budget Committee recommendation	Increase
Energy R. & D.	BA	$4,232,413	[1] $3,130,378	$1,103,035
	BO	4,112,242	[1] 3,402,153	710,089
Energy conservation	BA	1,232,784	700,000	532,784
	BO	1,196,148	1,000,000	196,148
Total, energy R. & D. and conservation	BA	5,465,197	3,830,378	1,634,819
	BO	5,308,390	4,402,153	906,237

[1] Current levels assumed for all programs except for nuclear with BA and BO reductions of $389,000,000 and $143,000,000,r espectively, below current level.

Mr. GLENN. Mr. President, the suggested additions in R. & D. funds for specific program areas cut across the entire gamut of R. & D. activities from conservation through magnetic fusion and including fossil fuels and renewable resources. DOE has indicated to me that these funds would be of great benefit in helping to meet the energy goals of our Nation and in meeting the goals of the associated programs.

This is not a Government give-away program that I am proposing. This is an investment in our future. It is an investment that must be made if our national security is to be maintained.

Mr. President, I would like to say a few words concerning some of the specific items that would be covered by the additional R. & D. expenditures.

I think we would all agree on the need for a substantial long-term energy R. & D. program that will enable us to continue our standard of living and to raise our level of productivity. In examining all our energy alternatives, it is important to recognize that energy conservation is no less an energy alternative than oil, gas, coal, nuclear, or any synthetic energy source that we might develop some years hence. In fact, over the next 20 years, at least, conservation is the best source of energy supply for us of all the others that I mentioned. A number of recent and important studies have confirmed this idea.

For example, a 4-year study recently completed by the National Research Council Committee on Nuclear and Alternative Energy Systems of the National Academy of Sciences, concluded the following:

> There is great flexibility in the technical efficiency of energy use and there is correspondingly great scope for reducing the growth of energy consumption without appreciable sacrifices in the growth of GNP. . . . Reducing the growth of energy demand should be accorded the highest priority in national energy policy.

How much can conservation actually help? Is it true that conservation can only have a limited impact on our energy problem? Here is what the report of the energy project at the Harvard Business School has to say about this problem.

> If the United States were to make a serious commitment to conservation, it might well consume 30 to 40 percent less energy than it does now and still enjoy the same or an even higher standard of living. That saving would not hinge on a major technological breakthrough and it would require only modest adjustments in the way people live. Moreover, the cost of conservation is very competitive with other energy sources. The possible energy savings would be the equivalent of the elimination of all imported oil—and then some.

The fact is that a careful look at the relationship between energy and GNP shows that the link between them is much more elastic than used to be assumed. Therefore, to give an indication of the possibilities for energy savings in the United States, we may look at how much energy is used per unit of GNP in other industrialized countries. We should remember that with only 6 percent of the world's population the United States uses approximately one-third the total amount of energy. For the same unit of GNP, West Germany consumes less than three-fourths as much energy as we do, and France only half.

The problem with realizing the potential savings with conservation is that there is no one centralized place where the savings can be obtained. It involves decisions made by millions of people. Decisions having to do with insulating houses, making more efficient automobiles, making industrial processes and home appliances more efficient, and capturing waste heat. The latter case is of particular interest. Two-thirds of the amount of heat generated in a powerplant goes up the stack.

For example, the waste heat generated at the Portsmouth nuclear enrichment facility amounts to the equivalent of about 10 million barrels of oil per year. Nearly 3 years ago I provided an amendment to the Department of Energy Authorization Act for a study of the utilization of waste heat at our nuclear enrichment facilities. The studies at the Portsmouth plant in Ohio show potential uses for the waste heat in areas involving lumber drying and greenhouses that could result in as many as 1,600 new jobs and an addition of $20 million per year to the Ohio tax base within the next 5 to 10 years. Such efforts can be repeated across the Nation and make a significant contribution to help solve our energy dilemma.

Mr. President, my amendment will provide for additional budget authority and outlays for fiscal year 1981 for conservation activities of over $0.5 billion and nearly $0.2 billion, respectively.

Conservation is not the only area where more R. & D. is needed. We also need more government sponsored energy R. & D. on the supply side because private markets fail to produce an adequate level of energy R. & D. themselves. There are many reasons for this. For one thing, patent protection for energy production, conversion, and conservation processes is often not complete, nor can it fully cover innovative processes and new ways of achieving savings or greater energy production. Second, much of the R. & D. required is basic research which, by its nature, has no private markets since it promises no directly salable product. Third, some of the R. & D. required is of a scale and development period such that private firms do not consider it feasible for them to undertake it. Finally, private parties may be loath to bear all the risk associated with certain kinds of projects.

One of the highest priority items is for an increase in energy R. & D. funds for energy storage, particularly electrical energy storage. One major breakthrough in this area—just one—would have an incalculable impact on our energy supply picture. We could then produce electricity from solar energy, including wind energy and tidal energy, as well as from other significant but intermittent sources and spread the supply evenly over a 24-hour period.

The significance of this is revealed by stating one fact. The reserve capacity of electric utilities in the United States, on the average, is about 34 percent of peak load demand. That is, much of the available power produced by an electric utility goes to satisfy the peak load demand in the evening. If we could find a way of storing the energy produced by the utilities' electrical generators we would need a much smaller number of generators in order to meet the same demand. In fact, we might not need to build another power plant for quite a few years under those conditions.

Additional R. & D. is also required if we are to be able to fully exploit our Nation's vast coal and oil shale resources in an economic and environmentally safe manner. Much more work is needed to bring solar technologies such as photovoltaics, wind and biomass on line. We must also increase our efforts to bring to fruition the vast energy resources available to us by successful development of geothermal and fusion technologies.

Mr. President, my amendment will provide for additional budget authority and outlays for fiscal year 1981 for energy R. & D. of over $1.1 billion and $0.7 billion, respectively.

The energy problem does not arise from a physical scarcity of resources. The problem is in effecting a socially acceptable and smooth transition from depleting resources of oil and natural gas to new technologies whose potentials are not now fully developed and whose costs are unpredictable. We need time for planning and time for development. An accelerated program of energy R. & D. will provide for our needs in the long run. In the meantime, we need to save as much energy as we can and we cannot afford to shut down any of our supply options. That means that even as we expand the use of coal, we are still going to have to keep the nuclear option open during this transition period. And we should be looking ahead to nuclear fusion in particular, as a possible future option.

Mr. President, we have discussed this at long length with the staff and committee people. I am realistic enough to realize that this amendment has no chance for adoption in the present climate. Accordingly, I withdraw the amendment. But I believe it to be my duty to point out that, in the process of balancing the budget today, we may end up costing ourselves significant benefits tomorrow.

Mr. President, I withdraw the amendment.

The amendment was withdrawn.

UP AMENDMENT NO. 1089

(Purpose: To retain 6-day delivery of mail)

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) for himself, Mr. GOLDWATER, Mr. STEVENS, and Mr. BURDICK, proposes an unprinted amendment numbered 1089.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page , line , insert the following:

On page 2, line 17, strike out $687,900,000,000;" and insert in lieu thereof "$688,200,000,000;"

On page 2, line 18, strike out "$759,900,000,000;" and insert in lieu thereof "$759,700,000,000;"

On page 2, line 19, strike out "$831,500,000,000;" and insert in lieu thereof "$831,800,000,000;"

On page 2, line 22, strike out $612,900,000,000;" and insert in lieu thereof "$613,200,000,000;"

On page 2, line 23, strike out "$687,200,000,000;" and insert in lieu thereof "$687,600,000,000;"

On page 2, line 24, strike out "$753,500,000,000;" and insert in lieu thereof "$753,800,000,000;"

On page 3, line 4, strike out "$0;" and insert in lieu thereof "—$300,000,000;"

On page 3, line 5, strike out "+$10,000,000,000;" and insert in lieu thereof "+9,600,000,000;"

On page 3, line 6, strike out "+$27,100,000,000;" and insert in lieu thereof "+$26,800,000,000;"

On page 3, line 9, strike out "$927,800,000,000;" and insert in lieu thereof "$928,100,000,000;"

On page 3, line 10, strike out "$953,800,000,000;" and insert in lieu thereof "$954,500,000,000;"

On page 3, line 11, strike out "$968,700,000,000;" and insert in lieu thereof "$969,700,000,000;"

On page 3, line 15, strike out "$32,700,000,000;" and insert in lieu thereof "$33,000,000,000;"

On page 3, line 16, strike out "$26,000,000,000;" and insert in lieu thereof "$26,400,000,000;"

On page 3, line 17, strike out "$14,900,000,000;" and insert in lieu thereof "$15,200,000,000;"

On page 6, line 18, strike out "$5,100,000,000;" and insert in lieu thereof "$5,400,000,000;"

On page 6, line 19, strike out "$200,000,000;" and insert in lieu thereof "$500,000,000;"

On page 6, line 21, strike out "$5,900,000,000;" and insert in lieu thereof "$6,300,000,000;"

On page 6, line 22, strike out "$2,700,000,000;" and insert in lieu thereof "$3,100,000,000."

On page 6, line 24, strike out "$6,300,000,000;" and insert in lieu thereof "$6,600,000,000;"

On page 6, line 25, strike out "$2,900,000,000;" and insert in lieu thereof "$3,200,000,000."

Mr. GLENN. Mr. President, this amendment is of importance to every single American man, woman, and child, every business in America. This involves whether we will have 6-day delivery of mail continued or, by our budget cutting now, force the Postal Service to go to 5-day delivery, which they will have to do unless we make a change in the recommendations brought out of the Budget Committee.

Mr. President, the Budget Committee proposes to ask the Postal Service to eliminate Saturday mail deliveries in hopes of saving $588 million in fiscal 1981. Testimony presented to the subcommittee that I am chairing, the Subcommittee on Energy, Nuclear Proliferation and Federal Services, and within it the postal jurisdiction, has convinced me that this plan is not workable and does not represent good policy for our Nation at this time.

SAVINGS NOT ACHIEVABLE

Absolutely nobody in the Postal Service or in the mailing industry has suggested that the Postal Service could save $588 million in fiscal year 1981 by eliminating Saturday delivery. The $588 million figure is simply a "guesstimate" of what some in the Postal Service think they might be able to save over a full year after a suitable transition period. This would only be after the transition period.

The fact of matter is that there is no way that delivery can be reduced to 5 days beginning next October 1 on the basis of an appropriation cut enacted at most a few weeks before the fiscal year begins. There are many transitional hurdles that would have to be cleared before Saturday deliveries could stop.

First of all, the Postal Service does not have authority to eliminate Saturday delivery right away on its own. There must be a formal evidentiary presentation and hearing with witnesses and cross-examination before the independent Postal Rate Commission. The Commission would then issue a written advisory opinion which the Postal Service would have to review and consider.

There are employee rights and protections to be observed as well. Most postal employees are protected by no-layoff clauses in their labor contracts. This makes any savings largely dependent upon gradual atrition with reductions in new hiring. Those employees who are subject to layoffs are covered by grievance and appeal rights which permit litigation over who has to be laid off first.

From an operational standpoint, the Postal Service cannot simply eliminate Saturday deliveries and expect everything else to remain the same. The mail that was sorted at the carrier unit and delivered on Saturdays would have to be added to the workload on other days. More mail to deliver on Mondays and Tuesdays would mean that many existing routes could no longer be completed in an 8-hour day. Routes would have to be restructured and people moved around to adapt to the larger daily workload.

So even if we thought halting Saturday delivery was a good idea, we would be sticking our head in the sand if we cut $588 million for fiscal year 1981 and pretend it can be saved by 5-day delivery. It cannot. That, indeed, would be a pretense for that saving cannot be made. This proposal is not in fact a proposal to cut Federal deficits by $588 million. It will merely shift a part of the deficit from the main budget to the off-budget Postal Service account.

INOPPORTUNE TIME TO REDUCE JOBS

Furthermore, as a matter of policy, eliminating Saturday delivery is not a good idea. The most recent unemployment figures show we have an unemployment rate at 7 percent and rising. We should not be looking now for additional ways to eliminate jobs.

MAIL SERVICE WOULD SUFFER

It is not the time for reductions in mail service either. The Postal Service has just asked for a 33⅓ percent increase in first-class postage from 15 to 20 cents. The American people do not want to hear from their Government that it expects them to swallow a rate increase and a service reduction at the same time.

We received testimony that Saturday service is considered essential by many people, particularly those in rural areas. Many people, for example, receive their newspaper on Saturday in the mails. The Budget Committee seems to have assumed arbitrarily that Saturday service is not needed, without giving the people who benefit from it a chance to speak. Our committee has heard from many of them and they want to keep it.

Saturday service is not the only service likely to be affected either. As a matter of common sense, we cannot expect the Postal Service to run a 5-day delivery work-week and deliver 2 days' worth of mail on Monday. You can be sure they will have to even out some of the load across the other weekdays. This means that average delivery times will go up. If first class letters which would have been delivered on Saturday are given a preference, then other classes that would have been delivered on Saturday may have to wait until Tuesday or later. This means some mail would be delivered a half a week later than at present.

THE WRONG TIME

The upcoming fiscal year is going to be the wrong time to require the Postal Service and the mailing public to wrestle with all of these problems. In addition to the rate increase, they are going to be deep in negotiations for a new labor contract next year at about this time. The very crucial issue of their role in the fast-developing field of electronic mail remains to be worked out. There should be no tinkering with a major facet of the present postal system until more can be known about what that system will need to achieve in the years ahead and how such a delivery change might affect its ability to perform changing assignments.

BIGGER FIELDS TO PLOW

Finally, we should recognize that the current Postal Service authorization is a very small part of the budget we are striving to balance. The $736 million public service appropriations authorized for 1981 is a very small price for us to pay for the important contribution to the life of the Nation made by this huge operation, which touches everyone. The $486 million payment proposed by my amendment is a much smaller price yet. The postal subsidy is but a small part of the reason for the tremendous growth in the Federal budget. The Postal Service appropriation already has been declining every year and will continue to do so in the future. Surely, in this $600 billion budget, we can afford the funds needed to keep Saturday mail delivery service

Mr. President, I reserve the remainder of my time.

Mr. GOLDWATER. Will the Senator yield?

Mr. GLENN. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, first I thank the Senator from Ohio for the long hours of hard work he has put forth on our Postal Service.

The fact that the Postal Service has remained more acceptable than it was is due to the work of Senator GLENN. I thank him.

I am pleased to join the Senator from Ohio in seeking to preserve the public service traditions of the Post Office.

To my mind, Mr. President, mail service should be just that—a public service—and I have always believed that was the intent of the Constitution. I do not believe the Constitution intended that the Postal Service make a profit. It actually should do its best to stay even, but it is just a service. If there is any function the Central Government can properly handle, surely an effective, low-cost mail service to tie the country together is it.

Mr. President, I believe it is important the Postal Service receives adequate funds to provide full service, 6 days a week. I have inquired of numerous persons in Arizona about this idea, and the overwhelming response I received is that the Postal Service should improve its service, not cut it.

On this point, I note that the Senate voted earlier to spend almost $10 billion in foreign aid outlays. In contrast, our amendment asks for less than half a billion dollars for mail service, one-twentieth of the foreign aid program.

I believe in a tight budget as much as anyone, but when it comes to choosing between important services for the American people or giving away money to foreign countries, I say let us cut foreign aid first, instead of depriving our own citizens.

Frankly, I do not believe adequate thought has been given to the harmful aspects of stopping Saturday delivery service, particularly as it would affect rural areas.

I note that the present occupant of the Chair the Senator from Texas (Mr. BENTSEN) is from a State that has a lot of rural Postal Service, as does my State, and most States we call western or southwestern.

For example, it is said the Post Offices can be kept open and people can drive in to pick their mail up, if they want it. Yet, what about the energy cost?

As a rural carrier in Arizona has explained:

> It only stands to reason that one mail carrier delivering to four hundred farmers and rural patrons in one trip will use far less gasoline than 200 farmers driving all the way into town to pick up their mail.

Also, I believe reducing mail service loses sight of the human element. Millions of Americans receive important, personal mail on Saturday.

Many citizens receive their insurance checks or retirement pay by mail on Saturday. I am informed this mail will often arrive in time for it to be deposited at local banks or cashed at stores. But if there is no Saturday service, many persons will have to wait 2 more days, until Monday, to deposit money important to their family budgets.

Also, millions of Americans receive magazines or delivery of weekly newspapers by mail on Saturday. Cutting these people off from delivery service will mean that the news they receive is at least 3 days late.

Moreover, how do we know that Saturday will be the nondelivery day? It is possible that delivery service may be canceled on Wednesday or Friday, instead of Saturday, depending on the region and the regional postmaster. This would mean that some mail carriers would be unfairly required to work a split week.

I wonder if dropping 1 day of service would be just the beginning. A few years ago, a Postal Service staff study raised the idea of alternate day deliveries. This was one of the items on the agenda of the Postal Study Commission in 1976. I say we should reject the idea of reduced service today before it goes any further.

To sum up, Mr. President, I support the continuation of full mail services. I have an old-fashioned idea that the art of writing and communication with other persons should be encouraged.

Mr. President, I wonder whether doing

away with Saturday delivery will not mean picking out another day of the week and doing away with that.

I know that many people on this floor are used to conversing with one another, particularly a group of three who have been doing it rather loudly all through my presentation, and they do not need the mail. But not all of us live as close together as these three gentleman I am talking about, who are talking rather loudly.

Mr. President, I believe it was a plan of the Founding Fathers to help tie our country together by allowing friends, families, and businesses to speak to one another by mail, by the Postal Service.

The PRESIDING OFFICER. The Senator will cease his presentation until the Senate is in order. Senators who wish to converse will please retire to the cloakrooms, so that the Senator from Arizona can be heard.

Mr. GOLDWATER. And the mail got through. [Laughter.]

Mr. President, the earliest history of our country has been written around the mail service, written around the Pony Express, the early days of horse delivery, the early days of the railroads in the far West, and the stage coaches. All this was built on the idea of the promise that the Constitution was right when it said the Federal Government should provide mail service. It did not even say there should be a charge for it. It did not even say that it should break even.

Now, all of a sudden, we find people who want to balance the budget by denying some of our Americans of this service, particularly those Americans who live out of the big cities, who live out across the length and breadth of this land, where we still do not have adequate mail service.

In my State is a small community of 11,000 people that got postal delivery last year, for the first time. Prior to that, they had to drive into town to get their mail.

So, Mr. President, I am most happy that the Senator from Ohio has offered this amendment. I repeat: I admire him for the work he has done in this very difficult region, a misunderstood region, because far, far too many people in our country receive mail and think nothing of it.

I assure Senators that in my part of this country, the hour the mail comes, the day the mail comes, it is a big time of the day or a big time of the week.

I thank Senator GLENN again for the great work he has done in this field.

Mr. GLENN. I thank the distinguished Senator from Arizona.

Mr. President, I yield my remaining time to the Senator from North Dakota.

Mr. BURDICK. Mr. President, the Budget Committee recently voted to reduce the public service appropriations to the U.S. Postal Service by $582 million in fiscal year 1981. It has also recommended the elimination of Saturday mail delivery. I rise in strong opposition to these proposals.

As many of my colleagues know, for many years I was a member of the old Post Office and Civil Service Committee. As the ranking majority member of that committee, I had an opportunity to become intimately familiar with the operations of the Postal Service, and to develop an appreciation of the unique public services which it provides. Drawing upon that background then, I wish to make clear the folly of our Budget Committee's proposal and to urge Senators support for Chairman GLENN's amendment to restore moneys to the Postal Service budget.

In an appearance before the House Post Office and Civil Service Committee on March 26 of this year, Postmaster General William Bolger offered a number of illuminating observations about the proposed postal cuts, and I shall share them with Senators:

If Congress immediately approved a reduction in appropriations to the Postal Service, it would be January to February of 1981 at the earliest before any service cuts could be actually implemented.

The total cost savings in the first fiscal year of implementation would only be $200 to $250 million at most. That cost savings figure after full implementation of the cuts sometime in the future would rise to no more than $683 million. Hardly the bonanza budget cutters had anticipated.

In addition to reducing personnel through attrition, the Postmaster General has estimated that some 20,000 full-time and 15,000 part-time postal employees, mainly from the city and rural carrier crafts, would lose their jobs. The Postmaster General has estimated this cost to State unemployment compensation funds to be at least $85–100 million dollars. I should note that in an April 10 Wall Street Journal article entitled, "A Recession Could Strain Jobless Funds, and Widen Federal Role in Insurance Programs," the Journal underscored the financially strapped condition of most State unemployment compensation funds. By adding some 40,000 workers and $85 to $100 million in costs to those systems, we can only exacerbate their condition. I cannot believe that is what our Budget Committee really intended to recommend when it approved a major reduction in public service appropriations to the Postal Service.

The Postmaster General agreed during those hearings that the elimination of Saturday mail delivery, particularly in rural areas, would be energy inefficient and costly. At present, rural letter carriers serve hundreds of families on a route often stretching for a hundred square miles or more. They provide needed services in an energy efficient manner. As a former rural resident, I can tell Senators that if farmers and ranchers cannot get Saturday newspapers and the market and grain reports they contain delivered to their homes, they will get in their cars and go find them on their own. This is hardly energy conservation at its best.

Now let me comment on what I know best—the special meaning of postal services to rural America. I think the Fargo-Moorhead Forum in my own home State of North Dakota summed it up best when they declared:

> When the down Easterners who serve in Congress and struggle through their 4-day work week start scratching for economies in Government, one of the first places they look is the U.S. Postal System. Their prime target in the system is Saturday mail delivery. They don't need it, and they don't think anybody else should need it. Unfortunately, the urban mentality of the crowded metropolitan centers, including Washington, D.C., does not understand the need for a daily flow of information to the farms whether they be on the open plains of the great mid-west or in the hidden valleys of the massive ranch country in the mountains of the west.

The Forum makes the point well I think. Rural America does have special postal needs, and I for one can tell you for a fact that Saturday mail delivery plays an important part in satisfying those needs.

Eliminating Saturday mail delivery would be to the detriment of rural America, because of its dependence on the Postal Service for delivery of many items that are normally delivered by private carriers in urban areas.

For example, letter carriers in rural communities not only deliver letters to their customers but also deliver medicines, farm machinery parts, and mail order goods as well as other important parcels. These items are important to the rural customer regardless of what day of the week it is. This is particularly true of our Nation's farmers who depend upon various publications for the latest market quotations for their products. Any delay in the delivery of those materials would be costly to the farmer or rancher.

In many rural communities the daily newspaper is delivered by mail. If the Postal Service was forced to eliminate Saturday mail delivery, many newspapers would have to stop using the cost efficient Postal Service and switch to private carriers who might offer them delivery on a 6-day basis. The loss of volume to the Postal Service would be substantial.

It is my concern that should the Budget Committees recommendations be approved and the public service subsidy allowed to decline or be severly reduced, many unprofitable but public service oriented postal functions would be lost. Comprehensive rural delivery services could be one such case in point.

To illustrate that possibility, I need only cite the February 1980 Congressional Budget Office background paper entitled, "Reducing the Federal Budget: Strategies and Examples." Quoting from the report:

> Opponents of six-day mail delivery argue that those who live in remote areas are no more entitled to full mail service than they are to full fire protection at public expense.

If such an observation seriously reflects the thinking of budget staff members, I for one must wonder what additional reductions in rural postal services budget cutters can have in store. The Postal Service is a public service, whose entire history has been predicated upon unfettered access to universal services at nondiscriminatory rates rates for all Americans.

As a Midwesterner, a rural resident, and as a Member of this great body with some expertise about postal matters, I can tell Senators that the elimination of Saturday mail delivery would be a tragic blunder, and the first real step toward the development of a two-tier postal system which of necessity discriminates against rural residents.

In closing, I wish to share a few random thoughts with Senators:

I think my colleagues should know that the Budget Committees proposed cuts in public service appropriations to the Postal Service were made without the benefit of professional consultation with the Postal Service as to their impact. Perhaps this helps to explain the unwitting consequences of these cuts for many of our constituents—if approved, the reduction in public service appropriations to the Post Service could mean a 45 to 55 percent increase in postage costs to nonprofit mailers living in our district including churches, civic groups and patriotic organizations.

Elimination of a day of delivery is certain to have a significant and adverse impact upon time sensitive business mail, particularly during those 7 calendar weeks in the course of the next year when a legal holiday falls on a Monday. As mail piles up in local post offices, the delivery schedule for the following week is certain to be affected.

The Postmaster General recently proposed an increase in the cost of a first-class stamp from 15 to 20 cents. I must tell Senators that the Postmaster General's recent rate increase assumed that no cuts would be made in public service appropriations to the Postal Service. I must wonder whether my colleagues really want to go home this November and be known to their constituents as the Senators who gave them less for more—a 20-cent stamp and 5 days of delivery instead of the present 15-cent stamp and 6 days of delivery.

When the 1971 Commission on Postal Services recommended the elimination of 6-day delivery, the House of Representatives went on record by a vote of 377 to 9 as expressing its conviction that the U.S. Postal Service should not reduce the frequency of delivery services. Through legislation in the 95th Congress and again through legislation (H.R. 79) in the 96th Congress, the House has gone on record as favoring increases in the public service appropriations to the Postal Service. The House of Representatives took these actions out of recognition of a clear and urgent need—the need to preserve and enhance comprehensive postal services. Elimination of 1 day of delivery would be inconsistent with those efforts.

I ask that Senators help me preserve equality in the postal services for all Americans by voting with Chairman GLENN for his amendment to restore public service funding to the Postal Service.

I thank the Chair.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. BOSCHWITZ. Mr. President, will the Senator from Ohio yield me time?

Mr. GLENN. I yield.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I join with the distinguished Senator from Ohio in support of this amendment, and with the junior Senator from North Dakota in his analysis of the rural mail delivery.

I point out that there is no study showing that savings from eliminating Saturday mail delivery would actually occur. There is simply no evidence of that.

As I look at the State of Minnesota and the rural mail delivery in general, I think that we may indeed have additional costs.

I have asked the rural newspapers of Minnesota to tell me what percentage of their circulation is by mail on Saturday. Of the total newspaper circulation in Minnesota over 100,000 papers, probably closer to 125,000 papers, are delivered on Saturday by rural mail carriers. Often that is 35, 40, and in some instances over 50 percent of the circulation of those newspapers.

Mr. President, what happens? What happens is that very obviously no merchant is going to advertise in a Saturday newspaper if those Saturday newspapers are not delivered until Monday and some newspapers dependent on that advertising revenue may fold. Or, if that does not happen, those newspapers will have to effectuate their own delivery. As a practical matter no newspaper is going to deliver its product just 1 day of the week. It is going to deliver its product on all 6 days of the week. The result will be a substantially lowered income to the Postal Service.

What will the next step be? In my judgment, the next step will be, as long as the newspapers are out there delivering papers, they will also make an effort to deliver other things that the Post Office now delivers.

So there is no question in my mind that a new set of delivery systems will be established around the country which not only will increase the use of energy but will also create duplicate delivery systems. Newspapers will be delivered by one set of delivery services and other mail by the existing set of delivery services in the post office.

Mr. President, I really believe that we are not going to make the savings that are proposed in this budget resolution. So I support the amendment by the Senator from Ohio.

I ask unanimous consent that a list of the Minnesota newspapers and the percentage of the circulation which is mailed on Saturday and the actual figures be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

City/town	Percent of circulation by mail	Actual circulation figures
Albert Lea	25.0	2,644 out of 10,577.
Austin	22.0	2,322 out of 10,438.
Bemidji	17.0	1,162 out of 6,835.
Brainerd	22.0	3,300 out of 14,500.
Fairmont	42.0	5,300 out of 12,628.
Faribault	32.0	3,000 out of 9,500.
Fergus Falls	56.0	7,700 out of 13,700.
Hibbing	3.0	315 out of 10,521.
International Falls	21.3	1,208 out of 5,665.
Mankato	15.3	4,000 out of 26,151.
Marshall	49.3	3,933 out of 7,978.
Minneapolis	11.5	37,000 out of 420,653 (plus 2,500 out of 212,473 for Friday).
New Ulm	40.3	4,498 out of 11,158.
Owatonna	30.0	2,440 out of 8,170.
Red Wing	35.0	2370 out of 9,377.
Rochester	3.0	1,110 out of 37,010.
St. Cloud	13.4	3,657 out of 27,288.
St. Paul:		
(Saturday)	7.2	Approximately 24,000.
(Morning)	12.1	
Stillwater	7.0	450 out of 6,429.
Waseca	30.0	1,494 out of 4,981.
Willmar	34.0	6,000 out of 17,600.
Worthington	40.0	7,247 out of 18,117.

Mr. BOSCHWITZ. Mr. President, in closing, I have voted very consistently for savings in the budget. I even was among the handful of Senators who voted against the last amendment concerning veterans.

I am very, very intent on making savings in this budget and bringing the budget into balance. But there is no study, Mr. President, that indicates that savings that are indicated here by the Budget Committee are going to be realized. As a matter of fact, because of the duplication of delivery systems that will occur on Saturday, there is no question in my mind that savings will not be made but that costs will be incurred.

I yield back the time.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair and I thank my friend from Ohio.

I am going to support the Glenn amendment. As I understand, it is going to be amended in the next few minutes by the Senator from Arkansas.

A brief explanation: I am a member of the Budget Committee and I believe the chairman and ranking member of that committee will recognize that the Senator from Nebraska has generally supported the action of the Budget Committee up and down the line. But I told them I must depart on this occasion from them because of a misunderstanding that evidently took place on my part during the deliberations on this matter in the Budget Committee.

The President, under his recommendations to the Congress in his budget, recommended a reduction of $250 million in the Postal Service funds. The House recommended an $800 million cut, and when the motion was made to reduce the appropriation of the Postal Service by $600 million in the Budget Committee I was there. It was my understanding at that time, on which I may have been wrong, and certainly from the standpoint of the report that is published on page 105 of the first concurrent budget resolution, it would indicate that Saturday mail delivery—and I emphasize delivery—would be eliminated.

When we discussed this in the Budget Committee it was my understanding and assumption that since we were some $200 million below the cut that was made by the House that there would be included therein authority for the Postmaster General to continue service for Saturday mail delivery in areas where he felt that such delivery was critical.

Certainly the points that have been made by my friend from North Dakota I find myself in complete agreement with. I do not happen to feel that Saturday mail delivery service to my home in Washington, D.C. or my home in Lincoln, Nebr., is critical at all, and I think that mail service to save money could be eliminated and I could well receive that on Monday.

Now, it is true, and those who have not lived in that part of our country and who do not depend on certain types of mail delivery, especially newspapers on Saturday, do not understand how critically important that is. Therefore, I could not basically support the amendment by the Senator from Ohio as it was offered because it did not provide for raising the money to cover it.

However, the Senator from Arkansas will be offering an amendment that I understand has already been agreed to by the Senator from Ohio, that will provide the money in the budget so that we will keep the budget balanced.

As I understand it, the Senator from Arkansas will be suggesting that we make an additional 1 percent across-the-board cut in personnel, in paper clips, in rubber bands, and travel, and what-have-you across the Federal Government, and we can use that to restore Saturday mail delivery service.

After all, Mr. President, I wish to go on record at this time in supporting the amendment offered by the Senator from Ohio which, as I understand it, will be amended by the Senator from Arkansas.

I thank the Senator from Ohio for yielding me time.

Mr. GLENN. I thank the distinguished Senator from Nebraska, and I reserve the remainder of my time.

Mr. DOLE. Mr. President, I rise in support of the amendment offered by Senator GLENN which would reduce the Budget Committee's cut in the postal subsidy.

For the past several days we have all been discussing the need to cut the budget in every possible way. I have long supported a balanced budget, and I continue that support today. This amendment recognizes the need to reduce Federal spending so that we can address the economic problems confronting our Nation. The Glenn amendment does not restore the Postal Service payment to its full level. It would still mean a cut of $250 million.

However, the funds that it would restore are particularly critical. If we cut postal funding by $250 million, we can force the Nation's mail service to increase its efficiency and reduce waste, while retaining Saturday service and mail service to rural communities. If we cut postal funds by the $600 million as the Senate budget does, we are threatening the reliability of communication for millions of Americans.

As we cut the budget, we must not lose sight of our priorities. Adequate mail service should be one of those priorities. The availability of fast and dependable communications is critical to businesses and individuals throughout rural America and the entire country.

Postal officials have estimated that eliminating Saturday service will save about $500 million. However, we should not lose sight of the fact that there are other factors which contributed far more to high postal rates, for instance high labor contracts, bulk mail centers, and highly paid officials.

Elimination of this service will lead to many problems in my State of Kansas. Small businesses will be faced with the loss of mail service for several days. Friday and weekend newspapers will not be received until Monday in some areas, and when legal holidays are scheduled for Monday, newspapers may not arrive until Tuesday. Mail in rural and small community areas will stack up after Saturday and Monday holiday nondelivery days.

I do not doubt that we need to make cuts in postal funding. That is why I support the Glenn amendment which would provide for a quarter of $1 billion in cuts. We may also need to make cuts in some services provided by the Postal Department. But that is a decision to be made with more care. We should not eliminate an important service such as this without a closer look at alternatives or compromises. We should not eliminate all Saturday service, especially in rural areas, without taking a closer look.

The ability to send and receive mail may be more important in States like Kansas than it is in the more urban parts of the country. In rural America driving distances are long, phone calls are expensive, and towns are small. The mails are often the lifeline of my constituents. It is a service which should not be cut lightly.

I hope that my colleagues will keep this in mind, and vote in favor of the Glenn amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Is it the Senator from Ohio's position then that he will accept that amendment? I do not want to argue that you are busting the budget.

Mr. GLENN. I think it best to let the Senator from Arkansas go ahead with his proposal and then we can debate it once.

I reserve the remainder of my time.

Mr. PRYOR. Mr. President, I do have an amendment.

The PRESIDING OFFICER. I will indicate to the Senator from Arkansas that it will take unanimous consent to speak at this juncture on the amendment.

Mr. HOLLINGS. You will have to yield back all your time in order for the Senator from Arkansas to offer his amendment, so just ask for unanimous consent.

Mr. GLENN. I ask unanimous consent that we permit the Senator from Arkansas to propose his amendment without my losing what available time I have left.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Arkansas.

UP AMENDMENT NO. 1090

(Purpose: To Retain 6-day Delivery of Mail)

Mr. PRYOR. Mr. President, I do have a perfecting amendment to Senator GLENN's amendment and, at this time, I send that amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an unprinted amendment numbered 1090.

Mr. PRYOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, also at this time I would like to ask unanimous consent that the Senator from Minnesota (Mr. BOSCHWITZ) be added as a cosponsor to this perfecting amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 2 of the amendment strike out $688,300,000,000 and insert in lieu thereof the following:

$688,200,000,000.

"Notwithstanding any other provision of the resolution, the budgetary totals and the functional totals for the appropriate functions are set at the following levels:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982:

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $688,200,000,000;
Fiscal year 1982: $759,300,000,000;
Fiscal year 1983: $831,400,000,000.

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $613,100,000,000;
Fiscal year 1982, $687.200,000,000;
Fiscal year 1983: $753,400,000,000.

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $100.000.000;
Fiscal year 1982: +$10,000,000,000;
Fiscal year 1983: +$27,200,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,700,000,000;
Fiscal year 1982: $953,700,000,000;
Fiscal year 1983: $968,500,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,600,000,000;
Fiscal year 1982: $26,000,000,000;
Fiscal year 1983: $14,800,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1. 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1982:

(A) New budget authority, $6,300,000,000;
(B) Outlays, $3,100,000,000.
Fiscal year 1983:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,200,000,000.
(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority. $19,750,000,000;
(B) Outlays, $18,050,000,000.
Fiscal year 1982:
(A) New budget authority, $18,750,000,000;
(B) Outlays, $19,250,000,000.
Fiscal year 1983:
(A) New budget authority, $19,550,000,000;
'B) Outlays, $19,950,000,000.
(10) Education, Training, Employment. and Social Services (500):
Fiscal year 1981:
(A) New budget authority, $28,900,000,000;
(B) Outlays, $28,000,000,000.
Fiscal year 1982:
(A) New budget authority, $30,000,000,000;
(B) Outlays, $28,500,000,000.
Fiscal year 1983:
(A) New budget authority, $30,800,000,000;
(B) Outlays, $30,200,000,000.
(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $70,700,000,000;
(B) Outlays, $61,700,000,000.
Fiscal year 1982:
(A) New budget authority, $82,000,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $92,500,000,000;
Outlays, $78,400,000,000.
(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $245,200,000,000;
(B) Outlays, $218,200,000,000.
Fiscal year 1982:
(A) New budget authority, $277,100,000,000.
(B) Outlays, $246,600,000,000.
Fiscal year 1983:
(A) New budget authority, $304,300,000,000;
(B) Outlays, $271,800,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority, $21,850,000,000;
(B) Outlays, $21,250,000,000.
Fiscal year 1982:
(A) New budget authority, $23,050,000,000;
(B) Outlays, $22,650,000,000.
Fiscal year 1983:
(A) New budget authority, $24,550,000,000;
(B) Outlays, $24,150,000,000.

Mr. PRYOR. Mr. President, I would first like to thank the distinguished Senator from Ohio (Mr. GLENN) for his leadership in this effort to keep Saturday or 6-day mail delivery alive and viable for this Nation.

I first confronted this issue the other day in the Committee on Governmental Affairs, and when this issue was brought to a vote in that committee on that particular day, I must say—and I do not mind announcing it to the world at this time—I opposed his amendment, and I did so because I felt that I could not support the Glenn amendment without a way to pay for the Saturday or the 6-day mail delivery.

So I set out to find a way to pay for that Saturday or 6-day mail delivery. This perfecting amendment simply states how we can pay for the 6-day mail delivery without further deficit spending.

Mr. President, here is what my amendment proposes to do: First, just as Senator GLENN's amendment does, it will will increase postal funds up to the level where 6-day mail service could and certainly would continue.

Second, this perfecting amendment, to pay for this increase, reduces operating funds for civilian agencies by 1 percent below the level now proposed by the Budget Committee.

Third, it excludes the Department of Defense. In other words, my perfecting amendment does not take 1 penny away from our Defense budget.

Fourth, it takes nothing from funding for services or programs. It only strikes at the heart of administrative and operational costs of the various agencies of Government.

Finally, Mr. President, it keeps the budget balanced.

My amendment furnishes a way to pay for 6-day mail delivery without increasing the deficit and without decreasing the Defense budget.

Mr. President, in its wisdom, the Budget Committee cut 5 percent from general operation funds of the agencies of Government. My amendment takes 1 additional percent from general operations from every department except Defense, and the savings comes out to $400 million or more than enough, in fact $100 million more than enough, to pay for delivery of mail for 6 rather than 5 days. I do not think the distinguished chairman of the Budget Committee will refute my statement when I say that if we pass the Budget Committee's recommendation for funding for the Postal Service, Mr. President, we are going to have 5-day mail delivery in this country as a result of our action.

I must state that our perfecting amendment would assure enough funds for 6-day service for the immediate future. The long-term issue remains in doubt. I must be very honest with my colleagues. We must, however, realize that without these funds 6-day service will end as a part of our American way of life.

Mr. President, I reserve the remainder of my time. I am proud to yield to my friend and colleague from the State of Ohio, should he want to address himself to this amendment.

Mr. President, before the Senator begins, I ask unanimous consent that Senator EXON, of Nebraska, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair will inquire whether the Senator from Arkansas is yielding time to the Senator from Ohio on the time of the Senator from Arkansas.

Mr. PRYOR. I would only assume that the Senator will speak on his own time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I compliment the distinguished Senator from Arkansas for taking the initiative in this matter of working out the money figures, where it is going to come from to make up this difference. As the Senator so properly said, if we go the route that the Budget Committee has proposed, the $588 million cut, it guarantees 5-day delivery and no questions. The Postmaster General indicates that he will have to go to that.

By only cutting $250 million, which I proposed, we will be able to maintain 6-day delivery this year while the two studies that are underway now by the Postal Service determines what would be done in the out years and whether this amount would be possible to also keep 6-day delivery in the out years.

The distinguished Senator from Arkansas has come up with a good way to balance this budget. Mr. President, I ask unanimous consent that I be permitted to accept his amendment as part of my amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. HOLLINGS. As I understand the present posture, the Senator from Ohio has accepted the amendment of the Senator from Arkansas.

The PRESIDING OFFICER. He has said he would accept that.

Mr. HOLLINGS. He has not ordered the yeas and nays yet.

The PRESIDING OFFICER. It does require unanimous consent for the acceptance of the amendment.

Mr. HOLLINGS. Reserving the right to object, let me find out. I did have a request for a vote on both of them.

Mr. GLENN. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina reserves the right to object.

Mr. HOLLINGS. Mr. President, we would have to object. Certain folks want to vote on the amendment of Senator PRYOR. What we would do is to vote on that one and then have the vote on the Glenn amendment. I object.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. PRYOR. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Let me be heard first on the amendment of the distinguished Senator from Arkansas. I will move to table the amendment.

Going right to the point, Mr. President, of cutting budgets for services, let me on the one hand talk about the cut. We are getting to the end of the line right now. Now this is the Senate's resolution, and not the resolution of the Budget Committee. Senators themselves have voted at least two dozen times and confirmed cuts in food stamps of $1.4 billion; confirmed cuts in the retirement—not just the retirement pay but the retirees, the civilian retirees—a $500-million amount and military retirees $400 million; confirmed cuts of $1.4 billion by several votes in the health program; $1 billion in revenue sharing.

What we did was come to all different departments and cut 5 percent. If we had applied the 5 percent cut to the Post Office, if it had been on budget, a 5 percent amendment—and I am confident the Senator from Nebraska would have applied it to the Post Office as well because he applied it to Defense and there is no one stronger for a strong defense than the Senator from Nebraska—

if we had applied that 5 percent cut to the U.S. Postal Service that would have amounted to $1.1 billion, which is really the amount we are appropriating.

We did not cut that amount. What we did was to come back to the Post Office Department and take various savings as a result of the testimony made before the Congress, some could be made in Saturday delivery, some could be saved in other ways.

Actually, the Senator from Ohio does not eliminate Saturday. He still cuts Saturday deliveries as well. Because while he provides $300 million, it is $250 million that is still cut in his particular amendment. Some degree of Saturday mail delivery, if we want to be categorical, is also cut in the amendment of the Senator from Ohio.

I understand Senator GLENN's motives in offering an amendment to increase function 370 to accommodate a higher Federal payment to the Postal Service. As chairman of the Subcommittee on Energy and Nuclear Proliferation of the Governmental Affairs Committee it is his responsibility to offer this amendment.

I might say, having been chairman of the Postal Operations Subcommittee, if we had had a different situation, we would not have done away with the Cabinet post. I had a bill in for over 5 years and was successfully prevented from even having a hearing on trying to put it back into the Cabinet.

I believe very strongly in the public service nature of the Postal Service, but the majority of the Congress did not vote that way. The majority of the Congress said 10 years ago to put the Service out on its own as a quasi-independent, self-sustaining unit. The Service could pay its own bills, they could save money and get out from under all the politics and everything else, and have it like private enterprise. They could continue with the service.

Now we find many of the services have been eliminated.

It was not the intent to eliminate the actual post office openings in certain rural areas, as the Senator from Nebraska was saying. He looked at the report. You can see on page 105 that we said savings that could be achieved by the Service in eliminating Saturday postal delivery while keeping post offices open on Saturday.

Still, under the recommendations the Postal Service could provide for Saturday mail delivery.

But, Mr. President, the resolution assumes $1.1 billion in budget authority and outlays for payments to the Postal Service in function 370 for 1981 and 1982 and $1 billion in budget authority and outlays in fiscal year 1983.

That is quite an amount still, and 10 years later they were supposed to have come up self-supporting. We put $10 billion in there. We let them buy all the new machines they wanted. They wanted to gear up in 1970 with new buildings and everything else and they got a hierarchy around the Postal Service. Congress did not allow for oversight. In fact, Congress abolished the committee on the Senate side.

Now, everybody likes to make their little talks about rural services and all of these other things and the Senators do not have the mechanism to require it. We do not have the Postmaster General under the Cabinet; we do not have him within the Government. We could easily have provided that the Postmaster be within the Cabinet and we could have provided for continued service.

The fiscal year 1981 allowance that we have under this budget resolution assumes a CBO estimate for congressional appropriations required under law for reduced rate mail, which builds in the recently filed rate increase, and Federal payment to the Service. The recommendation is a reduction of $0.6 billion, concomitant with the savings which could be achieved by eliminating Saturday delivery.

Mr. President, Senator GLENN's amendment is inconsistent with the reduction assumed by the House. It is inconsistent with the administration's request over the 3 years covered by the resolution. The House Budget Committee recommended that the Federal payment to the Postal Service be completely eliminated and that revenue foregone payments to the Postal Service be reduced by $100 million. The administration has proposed reducing the postal appropriation by $250 million in fiscal year 1981, $644 million in fiscal year 1982, and $552 million in fiscal year 1983. Large reductions were recommended by all these parties in order to encourage the Service to eliminate Saturday delivery or other services and thereby decrease its costs.

The Senate Budget Committee specifically recommends a $1.1-billion funding allowance for the Postal Service, $600 million below current law for the savings associated with eliminating Saturday delivery. This reduction is equivalent to the annual savings that the Postal Service itself indicated could be achieved by eliminating Saturday mail delivery while keeping the post offices open.

The $0.6 billion estimate was provided by the Assistant Postmaster General Finch of the Postal Service in testimony before the House Committee on the Post Office and Civil Service on March 26, 1980.

While I realize that the Postal Service will face a difficult task to achieve the full saving in the first year, something must be done to encourage the Service to reduce its costs.

Mr. President, the amendment would restore funding and provide a reduction only $0.3 billion below current law. While the President did propose a reduction for fiscal year 1981 to this level in his March revisions to the fiscal year 1981 budget, Postmaster General Bolger indicated in testimony before the House Committee on the Post Office and Civil Service on March 26, 1980, that if the appropriation to the Service was reduced by only $250 million for 1 year, he would look at increasing productivity to achieve that saving.

That is why we are not categorical. This does not automatically cut out Saturday delivery. I would like to be more specific. Postmaster General Bolger talked in terms of that $250 million saving. He further stated that the Service would "not necessarily" have to go to the drastic consideration of elimination of a day of delivery on a "continuing basis" under that level of revenue loss.

So we can only take him on this particular record. today, under the present practices, in 9 weeks of the year, the holiday weeks, they eliminate Saturday mail delivery—Christmas, Thanksgiving, New Year's—all the other Federal holidays.

In April 1977, the Commission on Postal Service recommended mail delivery service be reduced from 6 to 5 days per week. Their recommendation was based in part on an opinion survey by A. C. Neilson Co., which indicated that 79 percent of the American public were willing to have 5-day delivery to hold down rates. In fact, as I said, there are already 9 weeks in the year during which mail is delivered on only 5 days.

The rising costs of current delivery services recently forced the USPS to file for a rate increase from 15 to 20 cents for the first-class stamp, to go into effect sometime early next year. Mr. President, our recommended reduction is large enough to encourage the Service to reduce its operating costs by eliminating nonessential service such as Saturday delivery. A service reduction such as this can lessen or delay the need for subsequent rate increases.

Mr. President, I would also wish to add that Postmaster General Bolger has indicated that, if staff reductions are necessary, the Service will attempt to reduce personnel through attrition and through reassignments to other crafts to the maximum extent allowed under labor contract rules. Widescale layoffs are not anticipated.

While vital public services should be continued, it appears that the public will support Postal Service reductions. A reduction in Federal subsidies and a balanced Federal budget are certainly preferred. And, in this instance, we are talking about a reduction which does not unduly impact lower income groups.

Mr. President, by way of emphasis, on the Pryor amendment, which I think my distinguished colleague will discuss in time, first we vote on the Pryor amendment as desired by the Senator from Oklahoma and others. We had already cut 5 percent, but here comes the off-budget department. The Postal Service is not on-budget and now we are trying to treat it as if it were on budget—I said once before that I would have liked to bring it on-budget. I resisted the present system that we have, trying to continue these services without control. We are appropriating $1.1 billion of the taxpayers' money and the Service is not after 10 years on a pay-as-you-go balanced budget basis itself.

But with all the different budgets that the Senate Budget Committee effected, we went back and took 5 percent off the Budget Committee recommendation. Now the Congress does not want 5 percent off. If we had taken 5 percent of the $22 billion annual Postal Service budget and said, "Just deal with it in the administrative area," it would have been $1.1 billion. Actually, the reduction we took is only half of the $1.1 billion—$588 million. So we did not treat the Service any differently or casually or drastically in any way, or in any punitive fashion. We really put the reduction where we could, where the Postmaster General himself said it should be put. And reductions have been taken in the Postal Service appropriation many times.

The Glenn amendment would bust the budget. However, we will first vote on the Pryor amendment, which is balanced off with an additional 1-percent reduction in administrative expenses.

I do not think we can very easily achieve that reduction. It is going to be very difficult to effectuate the 5 percent in many of the areas already and to add another 1 percent is going to be next to impossible.

I reserve the remainder of my time and yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank the distinguished chairman for yielding.

Mr. President, I think probably everyone in the Senate is in agreement with the intentions of this amendment, which is supposed to reduce waste in Government spending. As a member of the Budget Committee, I voted for a 5-percent reduction in these expenses when it was proposed by Senator EXON, a valued member of the Budget Committee. It is my position, however, that we have got to be responsible and fair when we take these actions. We cannot expect Federal agencies to carry out the responsibilities—which we assign to them—efficiently and effectively unless we provide them with the adaquate resources to do so.

Eleven of the fifteen functions targeted for reductions in the amendment have already been significantly reduced below the current law level. Imposing another reduction upon these functions could result in severe programmatic reductions.

Senator KASSEBAUM's amendment on general revenue sharing has also imposed a squeeze on 7 of the 15 functions affected by the Pryor amendment. Senator KASSEBAUM's $700 million cut is an across-the-board cut in those 7 functions: Functions 270, 300, 400, 450, 500, 550, and 350.

Along comes the distinguished Senator from Arkansas. He would cut an additional $50 million out of transportation, $100 million out of education, $100 million out of health, $100 million out of income security, $50 million out of veterans. We have just voted to increase to veterans, but now we come along and cut $50 million from that increase.

So, Mr. President, having already administered a cut of 5 percent in all these functions in the administrative operating expenses and then having taken another $700 million in the Kassebaum amendment, I frankly believe we have gone too deep in this cutting effort and that we are going to wind up crippling these agencies as they undertake to administer the responsibilities we have given them.

The budget resolution already assumes a 5-percent reduction for administrative operating expenses for all spending functions and a 35-percent absorption rate by agencies of the October 1980 pay raise.

The budget proposed in this resolution is a tight budget. Most of the functions which are affected by the Pryor amendment have already been cut below the current law level. I do not think they can be cut any further and still meet the responsibilities we have given them. It is for that reason, not because I am opposed to cutting waste, but because I think we have already mandated a maximum cut and that this cut is, frankly, overdoing it—for that reason, I oppose the Pryor amendment. I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, if I might respond to my very good friend and disguished colleague from Oklahoma, I do applaud his very, very fine work on the Budget Committee and as a Member of the Senate. The implication of those remarks just delivered by him were that these cuts that I am proposing are going to basically come out of programs and services.

Mr. President, that is not true. The cuts I am proposing at this time come out of that category that we call operations and administrative costs, which are, as mentioned previously by the Budget Committee, in their 5-percent cut: personnel, contracts, consultants, travel, and furniture. These are the areas, I say to my friend from Oklahoma, that I am intending to cut—not the programs and not the services rendered by these departments or by these agencies; but, rather, these particular categories that were previously mentioned and referred to by the Budget Committee itself.

Mr. BELLMON. If the Senator will yield, I did not mean to imply that we are going to cut funds for programs, but, rather, we are going to cut funds for administration so deeply that the agencies will not then be able to administer the programs assigned to them. I understand what the Senator intends to do and if there were room, I would support him. But having cut 5 percent across the board and then an additional $700 million in the Kassebaum amendment, I am afraid the Senator is going too deep in this cut.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, the Budget Committee has done an outstanding job in its proposal before us. They have a very tough and vital assignment in their attempt to curb Federal spending and, hence, reduce the rate of inflation. Our economy simply cannot endure the current inflation rate. And I think most of us would agree that the perennial deficit contributes to inflation. So, I again applaud the Budget Committee's courageous attempt to stem ever increasing Federal spending. Moreover, the specific recommendations of the Budget Committee has forced us to reevaluate all the various Federal departments and agencies to see whether the programs they administer are necessary and are being efficiently operated. For one, the recommendation to reduce public service appropriations to the U.S. Postal Service in the amount of $588 million has focused attention on the operation of one of the oldest departments in the Federal Government. A close look at the Postal Service, however, will reveal the outstanding record that this department has had—not only in service, but in economies and energy savings, as well.

Over the years, the U.S. Postal Service has consistently reduced its number of employees while seeing the amount of work processed increased. They were one of the first Federal agencies to develop plans for energy conservation, both in heating and cooling their facilities and in the use of alternative transportation fuels. Postal rates have not increased in the last 2½ years, and few—if any—industries can boast that their customers have not had to face constantly rising costs.

Yet, the Budget Committee recommends that $588 million can be eliminated from public service appropriations. Where is the Postal Service going to find $588 million worth of savings? The Budget Committee assumes such savings will be achieved if the Postal Service simply ceases delivering mail on Saturdays. But, the Postmaster General has testified that only $250 million could be saved in fiscal year 1981 with greater savings later if Saturday mail delivery were ceased. It is estimated that from $450 to $600 million could be saved yearly, but only after the first full year of implementation. This discrepancy in savings is in large part due to the protracted legal process that must occur in order to eliminate an important service such as Saturday mail.

First, the Postal Service must obtain approval from the Board of Governors. Then the Postal Service must present their case to the Postal Rate Commission before it can receive final approval from the Board of Governors. This process would take approximately 9 months. Thus, the difference between the Budget Committee's recommended cuts and those that can actually be made by eliminating Saturday delivery will undoubtedly have to be made up in increased rates and additional service cuts. We are all aware that the Postal Service is requesting a postal rate increase to take place in 1981. This rate increase is approximately 33 percent for first class mail. Such cuts as proposed by the Budget Committee could accelerate a second request, or possibly increase the amount of the current proposal. In either case, the major effect will be increased inflation—something I thought the Budget Committee was attempting to avoid via their current action.

We must consider other important, perhaps irrevocable, damage which will be done to the U.S. Postal Service if such precipitous budget cuts are approved. Large mailers and shippers are already looking for alternative means of delivering their products. Service cutbacks coupled with rate increases will undoubtedly accelerate that search for alternative means of delivery. Such a move by large mailers and shippers will decrease the volume of mail, thus putting added pressure on first-class mail to make up for lost revenues. Consequently, we will be caught up in a vicious cycle of decreasing mail volume and increasing prices.

Those that will be hurt the most by such service cuts and increased rates are those Americans most dependent upon the Postal Service. Those who reside in the rural areas of this Nation, as well as the poor, are the individuals who often do not have ready access to inexpensive telecommunications systems or who are unable to walk to the nearest newstand to pick up a magazine or newspaper.

Mr. President, I am also afraid that if we agree to the Budget Committee's request, we will change a traditional objective of the U.S. Postal Service. For over 200 years, the Postal Service has been the one Federal agency that binds all Americans together by fostering communications, allowing for mass, inexpensive dissemination of intelligence, education and culture, and advancing this Nation's economy by delivering messages and articles of commerce and industry. I fear that with increasing rates and increasing service cuts, we will wind up with a system that can only be utilized by the rich and the middle class residing in the urban and suburban areas. Those who need this system the most will be priced out of the market.

I do not know what more we can ask of the Postal Service that we have not already asked for and received. The Federal public service appropriations have decreased 10 percent annually over the last 2 years and is scheduled to continue at that rate until 1984 where it will level out at $460 million per year. When Congress passed the 1970 Postal Reorganization Act, it authorized public service appropriations of 10 percent of the Postal Service's operating expense, which at that time was $920 million. Although most agree this percentage is far too low, 10 percent was to represent the cost of the functions that post offices and postal employees performed that had little or nothing to do with the actual delivery or receipt of mail. Such functions include dispensing food stamps, selling automobile license tags, issuing passports, and now the possible assisting in the registration of young Americans for the military service.

There are hundreds of other social functions that postal employees and post offices provide. How, for example, can you price out the existence of a post office in a small town which provides that area with an identity, a community gathering place and social services otherwise not available? Some post offices are just not economically justifiable, but are not closed because that post office gives the individuals living in the area a sense of identity and a sense of belonging to the Nation.

Public service appropriations which were 10 percent of the operating costs in 1970, and, as I said, were even then far too low to actually cover the public service costs of operating the Postal Service, is, under the current fully funded appropriations, only 3.5 percent of the Postal Service's operating expense. If the Budget Committee's recommendation is adhered to, the mail ratepayers would, in essence, be paying an extra tax to support nonpostal functions of the Postal Service. Mr. President, I am not one who subscribes to the method of fighting inflation by raising taxes, whether directly or indirectly.

Finally, I want to remind my colleagues that once the Federal Treasury's contribution to the operation of the Postal Service falls under 1 percent of their operating budget—which it will if we adhere to the Budget Committee's recommendation—I can assure you that your efforts on behalf of your constituents are not going to receive the same attention they now do. If I were in the Postal Service and a Member of Congress began telling me how to run my office, without any financial contribution toward the operation of that office, congressional inquiries would not mean much. Our current Postmaster General is one of the finest we have had in many years. And he has stated that his organization will not run that way—that congressional inquiries and recommendations would always be considered. However, we cannot depend on Mr. Bolger to be at the helm of the U.S. Postal Service indefinitely.

In light of the inevitable change to the Postal Service if the Budget Committee's recommendation is accepted, I urge my colleagues to support the cut of $250 million, rather than the Budget Committee's recommendation, so that major dislocation of postal operations will not be required.

Mr. President, I recently received a mailgram from large mailers, postal union organizations, and postal employee groups which I ask unanimous consent to have printed in the Record.

There being no objection, the mailgram was ordered to be printed in the Record, as follows:

Mltn., Va.,
April 11, 1980.

Ted Stevens,
Senate Office Building, Washington, D.C.
To Members of Congress:

The Senate and House Budget Committees' proposal to severely cut appropriations will have an effect which is opposite from that which we assume is intended.

The purpose of the cut, as stated in the Senate Budget Committee's report on the first concurrent resolution on the budget, FY/81, "assumes a significant reduction in the federal payment to the postal service commensurate with the savings that could be achieved by the service in eliminating Saturday delivery . . ." The House Budget Committee "assumes elimination of the federal subsidy payments to the postal service for Saturday delivery and partial reduction of the federal subsidies for below cost bulk mail rates."

Let us examine the two issues separately.

The House Budget Committee recommends the elimination of the entire $736 million public service appropriation by discontinuing Saturday delivery; while the Senate Budget Committee severely reduces public service appropriation for the proported same reasons. These savings cannot possibly be realized in fiscal 1981. The Postmaster General has testified that the maximum savings in fiscal 1981, from elimination of Saturday delivery would be only $250 million. This means that the remaining cut would have to be made up through increased postal rates or by other severe cuts in service.

If the governors of the postal service decide not to eliminate Saturday delivery or make other service cuts, all the millions in decreased public service appropriations would be added to the postal service deficit, which would have to be passed on to mail users through higher postal rates. This could cause as much as a 1 cent increase in the first class rate, which is already tentatively scheduled for a 3 or 4 cent increase in the near future. Of course, there would be a commensurate increase in other classes of mail.

Therefore, since postal rates are part of the Consumer Price Index, the budget committees' recommendations would actually add to inflationary pressures. Moreover, if the budget committees' recommendations were adopted, it would be impossible under law to stop Saturday delivery without lengthy and expensive regulatory hearings. Again, the shortfall would have to be made up in increased postal rates.

With respect to the recommendation for additional reductions in "revenue foregone" appropriations, the House Budget Committee is not specific about where the cuts should be made. As a practical matter the only mailers benefitting from subsidies in the bulk mail category are non-profit organizations. Should this recommendation be adopted, the postal service would be required by law to double non-profit rates immediately.

To sum up, the budget committees' recommendations concerning the postal service cannot achieve significant savings for the taxpayers, will add to the inflationary spiral by increasing postal rates, and have a severe impact on churches, charities, educational institutions, patriotic organizations and other non-profit groups. In addition, it will have a severely adverse impact on mail service nationwide, and on rural America in particular where farmers and other citizens depend on the delivery of their community newspapers on Saturday. This will happen not only by the loss of one day of mail delivery, but also by the impact on the whole Nationwide delivery system by disrupting continuity of service.

Finally, we might point out that H.R. 79, which slightly increased public service funding, was approved by the House only six months ago, by a vote of 350–14. Supporters included the Chairman and virtually all Members of the House Budget Committee. We do not believe that enough has happened during the brief time since that vote to warrant a complete and irrevocable reversal of major postal policy.

Thank you for your attention on this vital issue, important to not only the organizations represented in this letter, but to the American public in general.

Respectfully,

Vincent R. Sombrotto, President, Nat'l. Assn. of Letter Carriers. William A. Irvine, Executive Director, ATCMU. Dean King, president, Nat'l. Rural Letter Carriers. Diane Rennert, Cong. Liaison, Assn. of American Publishers. James Lapenta, Director, Federal-Public Service Division, LIUNA. Norman Halliday, Exec. Vice Pres., Nat'l. Greeting Card Assn. Donald Ledbetter, President Nat'l. Assn. of Postal Supervisors. David A. Bunn, Exec. Vice Pres., Parcel Shippers Association. Emmet Andrews, President, American Postal Workers Union. Richard Barton, Vice President, Government Affairs, Direct Mail Marketing Association. Arthur B. Sackler, General Counsel, National Newspapers Association. James D. Syers, President, NAPUS. Eugene D. Dalton, President, Nat'l. League of Postmasters.

Mr. STEVENS. Mr. President, let me point out that when we started the new

Postal Service in 1970, we actually decreed that public service appropriations which were $920 million at that time be decreased beginning in 1980 and that, by 1984 appropriations would be down from $920 million a year to $460 million a year.

This is approximately a 50-percent cut in Federal support in Public Service Appropriations to the Post Service despite inflation.

As we all know, the inflation has necessitated increases in post rates.

I support the proposal of the Senator from Ohio, and I hope that the Senate will also.

There are many social functions that the postal employees and post offices provide, especially in rural communities. The existence of a post office in a small town gives an area an identity, a community gathering place.

There are many services available in urban areas that are not available to small communities.

I do not believe we should cut the Postal Service as recommended by the committee. I do feel that the cut suggested by the chairman is sufficient.

I particularly would like to call the attention of the Senate to the number of Monday holidays we now have. If we do away with Saturday mail, and with the congressional penchant to put all holidays on Monday, we have many weekends of the year where we will not have either Saturday or Monday mail delivery. Thus it will take up to a week to catch up deliveries of the mail when we do not have delivery on those 2 days. Consequently, we increase inefficiency in the Postal Service, not increase efficiency. I thought that was our task with regard to this item.

Mr. President, I support the Senator from Ohio and I hope the Senate will do likewise.

Mr. GLENN. I thank the Senator from Alaska.

I yield to the Senator from New Hampshire.

Mr. DURKIN. Mr. President, I will be very brief, I think it has all been said.

But I rise in support of the amendment of the Senator from Ohio. I do not think it makes any economic sense whatsoever to eliminate 6-day delivery, and I hope my colleagues will see the wisdom of maintaining the 6-day delivery.

I do not think it will save any money. I think it will compound things. The impact on the letter carriers, again, is the message that the victims of inflation are the cause of inflation.

I, for one, reject that.

Mr. GLENN. I thank the Senator for his comments.

Mr. President, I will respond briefly to the comments of the distinguished floor manager of the bill on where this figure of $588 million came from.

In our hearings, I asked the Postmaster General, as follows:

> Senator GLENN. How firm are your figures on what the saving on going from six to five, because your labor contract which is 86 percent of your budget is not such that you can just say, well, lop off X numbers of people here. There are terminations, attritions, time periods, it would take years to work out in a situation like that.
>
> What did you say? $250 million. Is that a fairly firm figure that you think you really would save? In operating costs or fewer vehicles or fuel costs? Or, what would be the saving when you went from six to five when your labor costs are so great and they don't really change that materially on a short-term period.
>
> Mr. BOLGER. The total savings per year, Senator, after this was once implemented—in today's money, I am talking about—would probably be around $600 million. The $250 million is what we figured we could save in fiscal year 1981 if we pressed the button and went ahead and implemented the six to five day delivery probably in October 1980 or February 1981. That is the best we could get out of it. The annual savings would be about $600 million after we had fully implemented. The first full year of implementation would only reduce our financial liabilities by $588 million.

I repeat, that is after the first full year of implementation, which they could not get to for 1 to 2 years, so he made a complete digest like that. He gave an example that there was $84 million just for unemployment compensation they would have to plan for.

So these are figures that the administration has proposed for fiscal 1981. I have supported them. I am submitting them today. I think on the $250 million, as the Postmaster General said, he can live with that in fiscal 1981, a $250 million cut as opposed to $588 million and still keep Saturday delivery intact while we complete the two studies.

Just as additional evidence, in my original statement I indicate the reason the Postal Service cannot make bigger savings now is that they do not have it under law. They cannot cut without going through evidentiary hearings before the Commission, which takes some time.

They have employee labor contracts they cannot get out of and they have Saturday delivery pileups. If we went to 5-day delivery, it would mean possibly some overtime in the following week.

So it does take a year or two to implement it, so there would not be that saving.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, I am going to conclude my presentation on this amendment. I think we were only given 20 minutes on the amendment.

I say to my colleagues that this particular perfecting amendment to the Glenn amendment is very simply stated, a way that we can continue 6-day mail delivery in the United States. It is a way we can pay for that mail delivery for 6 days. It is a way, furthermore, we can pay for that mail delivery without additional deficit spending.

Finally, Mr. President, it is a way that we can take up one more notch in that belt, tightening the bureaucracy, by taking funding and moneys and dollars away from the administrative and operating costs of the Federal budget.

It does not affect in any way the defense budget. It does not affect in any way the programs and the services offered by the various departments and agencies of Government.

It simply carries forward the spirit, Mr. President, of the Budget Committee, as shown by the amendment offered by the distinguished Senator from Nebraska (Mr. EXON) in the Budget Committee when the committee took 5 percent of operating and administrative costs out of the budget.

My amendment simply goes one step further. It takes one additional percent out without taking away any of our defense dollars.

I think it is a fair amendment. It is equitable. I think it would be supported by the people of this country.

Hopefully, Mr. President, it will have the support of the Members of the U.S. Senate.

Mr. President, on my amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. Mr. President, was there a formal objection before? I moved earlier for unanimous consent that I may be permitted to accept——

The PRESIDING OFFICER. Objection was heard.

Mr. HOLLINGS. Mr. President, I am going to move to table the amendment, after a few comments, because we want to vote on the two amendments.

Mr. President, the distinguished Senator from Arkansas says it is a fair amendment. This is why I think it is unfair, and I say this in all candor and politely to him. I am not trying to be strident.

When we come down to it, we are at the end of the line, and we have cut $12.5 billion from the Government, all the way around.

The Senator has already cut transportation, and now he wants to cut another $50 million. We already cut education, and the Senator wants to cut another $100 million from that function. We have already cut $1.6 billion from health, everybody doing their fair share. I am using that approach and I think that is the only way to do it. We cut $1.6 billion from the health provisions, and yet the Senator wants to cut another $100 million.

In income security, we included such itemized aid for dependent children, social security, food stamps, and black lung payments. We know already that we have a supplemental for black lung awaiting us in the Appropriations Committee.

In food stamps we already cut $1.4 billion. I do not know where the $100 million cut in the function 600 Income Security is going to come from. I could go right down the different lists.

In defense, we already cut $300 million and Senator PRYOR asks for another $100 million more.

Within the hour, the Senate voted to add on to the veterans, 6 percent in function 700; now we are taking $50 million more from the veterans.

Are we saying that the veterans have not taken their fair share? On the contrary, they have already taken a 5-percent cut.

It reminds me of the approach of the distinguished Senator from Louisiana: "Don't tax me; tax the fellow behind the tree."

The Senator from Arkansas says we should take the 5-percent cut, cut it off the defense budget, cut it off all these other budgets, and everything else. "But when you come to the post office, don't cut off anything. Take an additional percent off the veterans and an additional percent off income security and save me, so the Postal Service won't have to participate in the belt tightening or any of the cuts."

The Congress has evidence to the effect that you could save those funds easily—with Saturday deliveries or other economies.

We have very little effect on the postal operations since we took it out of the budget several years ago, to put it on a self-sustaining basis.

To call this a fair approach does not characterize it truly. On the other hand, it is unfair to the veterans; it is unfair to all the other categories: for health, education, and transportation. The Postal Service does not have to participate in the 5-percent administrative cuts.

If for no other reason, on that basis, Mr. President, I move to table the amendment, and I ask for the yeas and nays.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair informs the Senator that that motion is not in order until the Senator from Ohio has yielded back his time or used it.

Mr. GLENN. Mr. President, do I have to yield back all time before we can vote on the Pryor amendment? These are not together.

Mr. HOLLINGS. Yes, they are. One is perfecting.

The PRESIDING OFFICER. Does the Senator from South Carolina wish to table the amendment by the Senator from Arkansas or the amendment by the Senator from Ohio?

Mr. HOLLINGS. The Senator from Arkansas. That was my motion.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from South Carolina to table the motion of the Senator from Arkansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD announces that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER (Mr. MATSUNAGA). Is there any other Senator who has not voted wishing now to vote?

The result was announced—yeas 40, nays 56, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—40

Baker
Bellmon
Bentsen
Biden
Byrd, Robert C.
Cannon
Chafee
Chiles
Danforth
Domenici
Hatfield
Hayakawa
Heinz
Helms
Hollings
Huddleston
Jackson
Johnston
Kassebaum
Leahy
Levin
Long
Mathias
McClure
Metzenbaum
Morgan
Moynihan
Nunn
Packwood
Percy
Ribicoff
Riegle
Stafford
Stennis
Stevenson
Stone
Thurmond
Weicker
Williams
Young

NAYS—56

Armstrong
Baucus
Bayh
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Church
Cochran
Cohen
Culver
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Heflin
Humphrey
Inouye
Javits
Jepsen
Laxalt
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Nelson
Pell
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stevens
Stewart
Talmadge
Tower
Tsongas
Wallop
Warner
Zorinsky

NOT VOTING—3

Cranston
Gravel
Kennedy

So the motion to lay on the table Mr. PRYOR's amendment (UP No. 1090) was rejected.

Mr. PRYOR. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment itself.

Mr. GLENN. Mr. President, I ask for the yeas and nays on the amendment itself.

The PRESIDING OFFICER. The yeas and nays have been previously ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. What is the question?

The PRESIDING OFFICER. The question is on the Glenn amendment as amended——

Mr. HOLLINGS. Oh, wait, no, it is on the Pryor amendment. We have not yielded back time on the Glenn amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The Chair will state that a vote is in progress.

The legislative clerk continued and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators who have not voted wishing now to vote?

The result was announced—yeas 60, nays 36, as follows:

So Mr. PRYOR's amendment, (UP No. 1090), was agreed to.

(Later the following occurred:)

[Rollcall Vote No. 132 Leg.]

YEAS—60

Armstrong
Baucus
Bayh
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Church
Cochran
Cohen
Culver
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Humphrey
Inouye
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Pell
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stevens
Stewart
Talmadge
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—36

Baker
Bellmon
Bentsen
Biden
Byrd, Robert C.
Cannon
Chafee
Chiles
Danforth
Domenici
Hatfield
Heinz
Helms
Hollings
Huddleston
Jackson
Johnston
Levin
Mathias
McClure
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Ribicoff
Riegle
Stafford
Stennis
Stevenson
Stone
Thurmond
Tower
Weicker

NOT VOTING—3

Cranston
Gravel
Kennedy

Mr. HEINZ. Mr. President, on the vote on the substance of the Pryor amendment, I inadvertently voted "aye." I thought we were voting on the Glenn amendment to which it was pending.

I ask unanimous consent that my vote on the Pryor amendment, on its substance, be changed from "aye" to "nay."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(The above tally has been changed to reflect the foregoing order.)

Mr. PRYOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1089

The PRESIDING OFFICER. The question now recurs on the amendment offered by the Senator from Ohio, as amended by the amendment of the Senator from Arkansas. Who yields time?

Mr. HOLLINGS. Mr. President, I yield myself such time as I may require.

Mr. President, what we are doing now is we are beginning to break a little. I think the Senate has done a magnificent job in trying to maintain discipline. But what we have here is the Postal Service, which had not been cut at all. I remind my colleagues that we have cut some

$12.5 billion out of the entire budget, we have cut food stamps $1.4 billion. We have cut the education some $300 million. We cut transportation $1.5 billion, and all the rest of these functions had cuts. Then we came with an administrative cut of $1 billion out of the Pentagon, a 5-percent cut within all the particular departments.

Now what they are doing is saying, "Post Office, you do not economize at all. The Congress will just take another 1 percent out of the other function." Again, we are taking funds away from black lung program, from health, transportation, and education, where we have just decreased the outlays some $300 million. Now, in the same hour we must cut $50 million by a majority vote. That is why I think we are beginning to break ranks without thinking that we are voting for. I think if we stayed in another hour we would increase the veterans spending another $200 million and then come back and appropriate some more. We are weaving back and forth a little.

With respect to this particular appropriation we started out 10 years ago and at that particular time I remember when we were edging up to around a $300 million subsidy. We said then that the post office has gotten entirely out of hand, that the Congress did not want to be appointing these postmasters to patronage positions, we could not pay attention to it. The Service had to be put in as a civilian corporate group, and would operate on a self-sustaining basis.

Then the Service said one of the big things wrong was that the post office had not had new equipment. So the Congress put in $10 billion and now the Congress puts in some $900 million in subsidy payments for second and third class mail. The Congress was supposed to reduce that payment over the years. By 10 years we had hoped to come to a self-sustaining postal unit.

The fact of the matter is this fiscal year, 1980, we have appropriated $1.7 billion, and what we have tried to do in fiscal year 1981 was to cut back some $600 million by way of the Budget Committee resolution.

Our colleagues on the House side cut out $836 million, to eliminate Saturday delivery, which was recommended by the President and some congressional rate reduction. Saturday deliveries were considered in our action. The Senate Budget Committee took the testimony of the distinguished Director of the Postal Service. He said that by saving the amount indicated for Saturday delivery, by the year 1987 we would actually save $1,041,000,000.

What the Senators are about to say, if they approve the Glenn amendment, is that we do not want to have any of those savings, but let us go ahead and spend and unrealistically ask for these other departments to cut 6 percent rather than the 5 percent the Budget Committee recommended.

It will be extremely difficult to go to all of the departments and administrative heads and hold the 5 percent, much less go to 6 percent, and maintain Saturday deliveries. The Budget Committee did not recommend Saturday closings of the small post offices. That is in the Budget Committee report, as Senators can see.

But we can take this cut or not take the cut. We can take the Glenn amendment or not. I would rather speak of what was intended. It was intended that we would cut back on Saturday deliveries so that we could effect the savings. The Postal Rate Commission had a poll which showed that 79 percent of the people favored eliminating Saturday delivery and the people could have their part of the savings. Now the Congress is about to say "let us not have any savings in the Postal Department." If that is the desire of the colleagues, we would be glad to take that to conference and see what we can do, to do our best to maintain the Senate position on that particular score.

But it does come after being discussed and voted on by the leadership and the administration, the House and everybody else, to come right to the end and say, "You really mean to cut the veterans $50 million and cut all of these other particular things and call these savings in your mind."

I think the logical, rational, reasonable things to do is ask the post office to at least save the $300 million the distinguished Senator from Ohio is trying to add on. It is really $250 million rounded out to $300 million. I reserve the remainder of my time.

Mr. GLENN. Mr. President, we are not cutting the veterans on this. We are cutting administrative costs. What the committee already did to the extent of 5 percent we added 1 percent to it, Senator PRYOR's amendment did. Eighty-six percent of the Postal Service is labor. What I do is cut the Postal Service by $250 million and permit 6-day service to continue as opposed to the committee's cut that cannot be met of $588 million and go to 5-day service. It is that simple.

The Postmaster General has repeatedly testified before us that he can live with $250 million and still keep 6-day service. If he goes to $588 million, which he cannot possibly meet, we go to 5-day service.

As far as us taking money away from the veterans and these other good functions, the committee already did that to the extent of 5 percent on administrative cost and did not think anything was wrong with it at that point. We are adding 1 percent to it and do not see anything wrong with that. I would rather do that and keep the 6-day service. I reserve the remainder of my time.

Mr. HOLLINGS. I yield.

Mr. DOMENICI. I would like to say in the closing day of this budget process, and I hate to use this word because I have the greatest respect for the Senator from Ohio and the Senator from Arkansas, this is an absolute gimmick. This amendment is a gimmick. What they are saying is the Budget Committee recommends 5-percent administrative cuts across the board. They also say the Post Office ought to take some savings. Noboday wants to face up to the postal unions, nobody wants to face up to the Post Office taking a cut. So they say, "Well, 5 percent, why do we not make it 6-percent savings?" So they go down the list and say, "One percent is not bad here. We will add 1-percent administrative savings in veterans, 1-percent administrative savings in transportation."

The truth of the matter is you are not going to effect the 1-percent savings. What you are doing is adding $300 million to the budget. You cannot go through these functions and take $20 million here and $20 million there and say, "We are really providing savings to make up for this new expenditure."

I submit if any Senator wants to find a way to do this, you have a good gimmick. Find your favorite amendment, make it around $500 million or $600 million, go through the budget and say, "We will cut everybody a little bit on administration."

If we had cut 10 percent on administration, good Senators here would have said, "Make it 11 or 10.5. We will add up those little percentages and we are not breaking this budget. We just found a way to let you vote for everything that is wonderful and good and you are not cutting anything. Obviously, this little cut in the departments will not hurt anyone."

The truth of the matter is it will not be carried out and you are adding to the budget. So we have developed a wonderful gimmick to take care of the programs we want without really effecting any cuts.

I regret to have to say this, Mr. President, but I truly believe that if we had cut 10 percent in administrative, they would have been here saying, "Well, a nice way to do it is cut 11 percent administrative, another percent on each one."

I thank the Senator and I yield.

Mr. GLENN. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield for a question.

Mr. GLENN. Will the Senator tell me where the $588 million saving came from in the first place?

Mr. DOMENICI. Which $588 million?

Mr. GLENN. That $588 million that the committee proposes.

Mr. DOMENICI. The Post Office or administrative?

Mr. GLENN. I am talking about the $588 million cut.

Mr. DOMENICI. On this function?

Mr. GLENN. Yes, this one.

Mr. DOMENICI. Senator BELLMON will give the specifics.

Mr. BELLMON. Will the Senator yield me 2 minutes?

Mr. HOLLINGS. Yes.

Mr. BELLMON. Mr. President, this was my amendment in committee markup. I am happy to respond to the distinguished Senator from Ohio.

The $588 million cut was recommended on the basis of testimony to the House of Representatives Committee on Post Office and Civil Service dated March 26, 1980, by Mr. Bolger, Postmaster General, and by his assistant, Mr. Finch. I read directly from that testimony: The question was asked by Congressman COURTER of Postmaster General Bolger. He said:

> You indicated that phasing out of Saturday delivery or some other day delivery, if

that were made necessary and mandated by the Congress, would save $588 million of the first year.

Mr. BOLGER. Right.

Mr. COURTER. Is that a temporary phenomena, or have you projected beyond the first year?

Mr. BOLGER. It actually increases, that amount would increase beyond the first year. First of all, that is the first year after full implementation. It increases as we go along, because our labor rates are increasing. These are based on today's prices as we know them, and of course the labor rates would be increasing, so it is a bigger contribution. Jim Finch and I did a little projecting, and if you do not mind, I will have him answer that.

Mr. COURTER. No, not at all.

Mr. FINCH. Yes, sir, if you assume the $588 million figure for Fiscal year 1981, and you assume, which I guess in today's environment would be a rather conservative assumption, a 10 percent escalation in our cost to provide a day of delivery, that being salaries, fringe benefits, fuel, transportation, all those things, an average 10 percent increase, you would be talking about something in the $650 million category in 1982, $710 in 1983, $782 in 1984, $860 in 1985, $946 in 1986, and $1 billion, $41 million in 1987.

That is where the figure came from.

Mr. GLENN. The key words there are "when fully implemented."

Mr. BELLMON. No, the Senator is mistaken.

Mr. GLENN. I understood a while ago that it takes 1 year to 2 years to fully implement.

Mr. BELLMON. According to this gentleman, you can do it in the first year.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I yield him 5 minutes.

Mr. BELLMON. Mr. Finch said: "If you assume the $588 million figure for fiscal year 1981." That is the figure he is assuming here. He thinks it can be done.

Mr. President, I would like to say what we are doing here does not close any post offices on Saturday. It keeps those post offices open. Remember, there are 9 weeks in the year already when we have only 5-day delivery. This is not anything new. We already have 9 weeks when the Postal Service already doing it. I am probably the only Senator who gets his mail on a rural route, and I do—Rural Route 1, Red Rock, Okla.

I know very well rural people can get along without Saturday delivery as easily as people can in the city. Here is a chance to save $588 million in the first year, a billion dollars in 1987. This is one place we can do it without causing undue hardship to the public.

Mr. GOLDWATER. Mr. President, I call to the attention of the people who spoke about this gimmick that the Glenn amendment does cut Postal Service by $250 million. That is still quite a cut. Talk about gimmicks, I heard veterans kicked around the hall here five or six times, and, finally, $400 million or $500 million went to veterans.

I have no objection. I am a veteran myself. But I also have a State full of people who live out in the boondocks and they do not like to drive 50 miles for their mail or 25 miles for their mail. In small States like mine, where we only have 4 daily newspapers and some 40 weekly and biweekly newspapers, that is the paper that counts. It comes on Saturday.

So I am not talking about a gimmick that is going to get a few votes by being gimmickized. I am talking about an amendment that cuts $250 million, does what we want to do, gives the American people the service that the Constitution calls for.

I remind my friends, I have said repeatedly that there is no mandate that the Postal Service make money or even break even. I am the first one to say that it is a very, very poorly run institution, about as badly run as you can find in the world. But that is up to us and we have not done a lot about it.

All I want to do is see the Glenn amendment passed so the American people—not just veterans, but the American people—can have mail when they want it.

● Mr. McGOVERN. Mr. President, I support the amendment offered by my distinguished colleague, Senator GLENN.

As chairman of the Senate Governmental Affairs Subcommittee on Energy, Nuclear Proliferation and Federal Services, which among its other important assignments, handles postal matters—Senator GLENN is in an excellent position to assess the damage that would be done if Postal Service is reduced to weekdays only. I believe that the Glenn amendment represents a thoughtful and useful compromise between the effort to balance the Federal budget for the 1981 fiscal year and the need to preserve a vital public service.

Mr. President, the often quoted inscription over the Main Post Office in New York City reminds us that—

> Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

Yet, if we fail to act responsibly on the amendment the Congress will have done to the mail service what nature could not—namely, to reduce it to 5 days a week.

When the Postal Reorganization Act of 1970 was passed—abolishing the cabinet level Post Office Department and creating the independent U.S. Postal Service—there are those in the Congress who felt they had washed their hands of postal matters.

That could not be the case, because the Postal Service, under whatever organizational structure it functions, is very much a part of the Federal Government's involvement in our large cities, our suburbs, our smaller communities and towns, and on every rural route in the country. It is "part and parcel" of the economic, informational, and cultural life in all our citizens.

The Postal Service was not created as the "summer soldier and sunshine patriot" of Federal services. It is a vital link for every activity of the public and private sector and it must function on a full 6-day basis.

We must not now retreat from our historic commitment to a truly national mail system that meets the needs of every postal patron regardless of location, volume of mail or type of mailing.

This national system was the basis and the reason for the enactment of the private express statutes to provide the Postal Service with a monopoly on first class mail. With that monopoly comes an obligation to provide the service—6 days a week.

If we back away and permit reductions in the postal subsidy that will trigger 5-day service, we are opening the door to those who will subsequently call for repeal of these private express statutes. That, in turn, will mark the end of the postal system that we know today. Private operators will soon rush into service gaps where the postal office is forced to withdraw.

Let me say that the Congress and the administration are not solely responsible for this current situation. In the midst of this controversy over mail service, the Postmaster General elected to announce that he would be asking for a substantive postal rate increase that would amount to some $3.7 billion. It is ironic that the request for such an increase should be made at this time.

I recognize, of course, that postal operations are not immune from inflation. But such an increase should also reflect the need for 6-day service in addition to the other costs postal managers hope to meet with the proposed postal rate hike.

This amendment, then, represents a good faith effort on the part of the Congress to go part of the way with the postal system in retaining 6-day service.

The Postmaster General has, as I understand it, indicated in testimony that a reduction of the public subsidy contained in this legislation would not trigger the elimination of 1 day of service.

I think it is important to every area of the country to have 6-day mail dispatch, processing, transport and delivery. But I think it is of special importance to those of us who are privileged to represent essentially rural areas of the country.

The farmer needs Saturday mail service for his market reports and newspapers, the small town merchant and the city businessman need the assurance in their economic activities that only 6-day service can provide. The elderly, for whom the arrival of the postman is a major event in any day, appreciate Saturday service.

We cannot shut down the country over the weekend—and we cannot shut down the postal system either.

I know that 6-day service is important to South Dakota—and I think it is important to the country as well. Let us make that point clear here today by acting affirmatively on the Glenn amendment.●

SIX-DAY POSTAL SERVICE ESSENTIAL

Mr. CULVER. Mr. President, I wish to record my strong support for Senator GLENN's amendment to the budget resolution to permit continuation of 6-day Postal Service. If this amendment is not adopted, it is all but certain that Saturday delivery of mail will be discontinued. Such action would be an unwarranted inconvenience for most Americans, but for rural Americans the hardship would be particularly severe.

Saturday mail brings letters from from friends, paychecks, needed social security payments and other valued items to American citizens no matter where they live. But for those living on farms and in small towns in States like Iowa, the Saturday mail is also the source of much more. Medicine is purchased at the corner drug store in large cities. To farm families it may be delivered in Saturday mail. In urban areas, it is often convenient for business equipment to be picked up by the customer or delivered by the retailer. Many farmers routinely receive their spare part needs in the mail. In cities, Saturday newspapers are available on nearby newsstands or are carrier delivered. But in Iowa where Saturday newspapers are essential to farmers for the latest grain and market reports, it is the rural letter carrier who makes the delivery.

In many cases, elimination of Saturday mail delivery would result in at least a full 2-day delay in the provision of these vital services. The backlog it created could make it longer. In other cases, rural residents would find ways to obtain these necessities on Saturday. Suppliers to rural customers might arrange to deliver time-urgent goods by truck. Farmers might drive to towns where newspapers were available.

But those alternatives are possible only at a cost of time and dollars. In addition, they are far less energy efficient than the coordinated, planned single route of a rural letter carrier. I am particularly proud, Mr. President, that my own State of Iowa has been so successful in energy conservation. In every month this year, Iowans have more than met the stringent conservation goals set by the President. Available data shows that this achievement was made largely by reducing travel. Eliminating Saturday mail delivery cannot help but to undermine this progress.

The potential hardships to individuals and the counterproductive effect on energy conservation argue strongly against ending Saturday mail and for the pending amendment. But it is also important to note that the potential economies usually cited by proponents of eliminating Saturday service are exaggerated. To begin with, because it would take considerable time to fully implement the cutback, the contribution made by this sacrifice to a balanced budget this year would be only $250 million. This is far less than advertised and far too little to justify the disadvantages the cut would entail.

Furthermore, the financial balance sheet should show offsetting entries to much of the budgetary savings. Some 35,0000 to 40,000 jobs would be endangered by elimination of Saturday service. The Postmaster General estimates that an $85 to $100 million unemployment compensation outflow would be the result. Any fair balance sheet must take that cost into account.

In light of these facts, Mr. President, particularly the disproportionate sacrifice which rural residents would be forced to make, I believe that the amendment before us is very much in the national interest and I urge my colleagues to support it.

Mr. HOLLINGS. Mr. President, I am prepared to yield back my time. I have about 20 seconds.

Mr. President, I move to lay the amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay Mr. GLENN's amendment on the table. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators wishing now to vote?

The result was announced—yeas 27, nays 69, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—27

Baker
Bellmon
Bentsen
Biden
Byrd, Robert C.
Chafee
Danforth
Domenici
Hatfield
Hollings
Huddleston
Inouye
Jackson
Johnston
Levin
Matsunaga
McClure
Metzenbaum
Morgan
Nunn
Packwood
Percy
Ribicoff
Stennis
Stevenson
Stone
Weicker

NAYS—69

Armstrong
Baucus
Bayh
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Cannon
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
McGovern
Melcher
Moynihan
Nelson
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NOT VOTING—3

Cranston
Gravel
Kennedy

So the motion to lay on the table Mr. GLENN's UP amendment No. 1089 was rejected.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. PRYOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio, as amended by the amendment of the Senator from Arkansas.

The amendment, as amended, was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I yield to the Senator from Oregon.

Mr. CULVER. Mr. President. I will vote in support of this budget resolution which eliminates the Federal deficit for the new fiscal year. In setting equivalent spending and revenue targets, it meets the urgent national goal of a balanced budget.

I support this balanced budget because it will signal our willingness to put the Federal financial house in order at a time when we are asking sacrifices of the American people as part of our battle against inflation.

I support this balanced budget because it validates the faith of those of us who worked for creation of the congressional budget procedures that they would give us the tools to discipline our taxing and spending decisions.

I support this balanced budget because it reflects our determination not to tax future generations for today's needs.

That does not mean that every feature of this resolution is useful and beneficial. As well as bringing discipline to total taxing and spending, the budget resolution should be the vehicle for ordering national priorities in an equitable and rational fashion.

In short, the Federal budget should be balanced in its burdens and benefits as well as in its revenues and expenditures.

We are agreed, Mr. President, on the urgency of strengthening our defense posture. But the provisions for the defense function on this resolution are excessive.

In fact, our national security would be better served if we avoided a sudden orgy of spending on defense and instead committed ourselves to a more prudent and sustainable program for improvements.

Last summer, the Senate approved a budget resolution providing 5 percent real growth in defense—a figure 2 percent higher than President Carter had agreed to maintain in the mutual commitment of our NATO allies, 2 percent higher than the Ford administration's final 5-year plan forecast as necessary.

Nevertheless, the President acceded to the sentiment of this body and proposed a real growth of more than 5 percent in his January budget. He then revised his budget in March to take account of higher than expected fuel costs and Indian Ocean operations. Thus, the President's budget of $164.5 billion in budget authority and $150.5 billion in outlays fulfills the guidelines set by the Senate last year.

The Budget Committee only narrowly—by a 10-to-8 vote—agreed to the substantially higher figures contained in this resolution: $173.4 billion in BA and $155.7 billion in outlays.

Mr. President, the administration's budget does not neglect defense. It contains a $20.5 billion increase in authority over this year and a $16.5 billion boost in spending.

The question is, Why do we need to add another $10 billion in BA and $5 billion in outlays to these already generous increases?

As I have said repeatedly over the

years, it is not what we spend that is important, but what kind of defense capability we get for our money.

Spending extra billions on unreliable or unnecessary weapons will make us weaker, not stronger.

And cutting more than necessary into the bone of programs which address the health, education, housing, and nutrition needs of the American people cannot help but undermine national security.

The proponents of higher defense spending in the Budget Committee suggested several possible increases which I did not believe the Senate would or should accept. For example, they called for an extra $1.0 billion to buy planes for the Navy which were not requested by the President. A wiser course, in my judgment, would be to get the planes we have in working order.

The advocates of a higher budget also assumed $500 million for a new manned penetrating bomber. But even the commander of the Strategic Air Command has acknowledged that the B-1 will not likely be able to penetrate Soviet air defenses in the 1990's.

Mr. President, right now our emphasis should be on readiness now. According to Pentagon studies, we can bring aircraft to a state of combat readiness for one-tenth the cost of buying new planes. That makes military as well as budgetary sense, because new systems are so complex and difficult to maintain that we strain our forces by adding too much too fast. The NATO Commander, General Rogers, told the Armed Services Committee this year that adequate funds for operation and maintenance leads to job satisfaction which leads to increased retention of skilled personnel. In other words, higher readiness and greater weapons reliability helps retention, which is our most critical manpower problem today.

But I oppose embarking on new spasms of procurement when many of our current weapons are not sufficiently ready and reliable. And I oppose throwing money into Pentagon budget coffers without careful planning and justification simply because someone wants more helicopters and missiles and ammunition than the President requested.

Mr. President, even conservative analysts see dangers in rapidly increased military spending. Business Week magazine said in March: "Increases in defense spending could redefine double-digit inflation to mean 20 percent or more rather than 13 percent."

And an economist for the U.S. Chamber of Commerce, Mark Lefkowitz, wrote in February that increased Government defense contracting would lead businesses to tool up. He went on:

> That will bring about anticipatory capital spending and a hoarding of certain types of skilled labor. That will mean higher wages for that labor force and the non-defense sectors of the economy will probably suffer. All of this will have a tendency to feed inflation.

Mr. President, the revenues in this budget resolution could have met this year's defense requirements in a realistic and efficient fashion—and left far more funds for health and education, for job training and soil conservation.

There were enough revenues in this budget resolution to meet our defense requirements in a realistic and efficient fashion—and leave funds needed to address the national housing crisis through an implementation of "Brooke-Cranston" legislation.

In short, Mr. President, this resolution could have better and more equitably ordered national priorities and my votes on amendments in the course of debate indicated where I thought that ordering could be improved.

But I do agree strongly and without reservation that in balancing expenditures and revenues it meets an important national goal and that is why I will vote for its adoption.

● Mr. WALLOP. Mr. President, I have supported and worked for a balanced budget since I first arrived in the Senate. The first legislation I introduced calls for a constitutional amendment to balance the budget. In spite of my long-standing support for a balanced Federal budget, I will vote against the so-called balanced budget contained in the first concurrent resolution for fiscal year 1981.

When most Americans think of Congress working on a balanced budget, they imagine and expect that Congress goes through the same process that each household struggles with as they try to bring their incomes and expenditures into balance. As inflation increases costs and destroys buying power, most Americans have to make real sacrifices to bring their budget into balance. They cut down on food expenditures, buy less meat, drive less, forget about summer vacations, and cut corners in every way possible to make ends meet.

Most Americans expect that when they demand that Congress balance the budget, and it is evident they are making such demands, Congress should actually be decreasing spending. They believe that as Congress acts to balance the budget it is making tough decisions on making cuts in Government programs.

Instead we have a budget that only slows the increase in spending and is in balance by increasing taxes. This is not an austerity budget demonstrating the willingness of the Congress to cut spending. This is a business-as-usual, tax-and spend budget. This budget continues to fuel inflation and places the greatest burden on the working men and women of this country who are watching their income taxes and social security taxes climb ever higher. If this budget resolution called for a balance through a real decrease in Federal expenditures and no additional tax increases, it would have my support, but I cannot vote for this travesty of a so-called balanced budget.

The media has been encouraged to highlight the sacrifices that will come from this congressional effort to balance the budget. The fact is that the Senate is moving to increase spending over the fiscal year budget for 1980. The fiscal year 1981 budget calls for revenues of $612.9 billion, but when we compare this budget with the fiscal year 1980 budget adopted last spring, we see that spending is increased by $81 billion—an increase of 15.2 percent over last year. Americans must wonder how on Earth can we balance the budget and increase spending at this rate. The answer comes from the Budget Committee, increase taxes.

Compared to the fiscal year 1980 budget resolution adopted last spring this budget increases total taxes by $114 billion. As we increase spending by 15 percent, the budget also proposes to increase taxes by 22.4 percent through the effects of inflation, new tax increases already passed by Congress, and tax increases proposed by the administration.

We used to use the term bracket creep to describe the phenomenon of inflation pushing Americans into higher income brackets, forcing them to pay more in taxes. Under the Carter administration and this budget resolution we can abandon the term bracket creep and adopt the term bracket gallop. This year Americans will pay $20 billion more in taxes due to inflation alone, without any act of Congress. On top of that they face an increased social security tax liability of $15 billion resulting from the increases passed by Congress in 1977.

The American economy is facing an additional drain of $18 billion from the windfall profit tax which takes money out of the productive sector of the economy and puts it into more Government spending. And just to make sure that we all bear the burden of a mismanaged fiscal policy and a leaderless energy policy, the President calls for an additional $11 billion in revenue through the oil import fee which will increase the price of gasoline. Since these tax increases still do not do the job of balancing the budget, the Budget Committee calls for $6.4 billion in additional taxes.

The Budget Committee assumes that if they cannot make ends meet through spending cuts, they can just call on the Finance Committee to pass another few billion in tax increases. As a member of the Senate Finance Committee I want to make it clear that I will not vote for another tax increase even if it means that this budget will not be in balance. I have voted for a series of sensible, well structured amendments that would decrease spending in various categories of the budget. I have made it clear that with the exception of defense programs, I will vote for an across-the-board spending cut in all categories. But I will not vote to balance the budget by increasing taxes on the average American.

One of the options we have before the Finance Committee is to pass the President's proposed withholding tax on dividend and interest income. That proposal would require banks to withhold 15 percent of interest payments to individuals and send them back to the U.S. Treasury. The proposal would increase the administrative cost of savings institutions, create real hardships for the elderly and others on fixed incomes, and create yet another disincentive to saving. I can promise you I will work to defeat the withholding tax on interest income, but in so doing I will be accused of taking the fiscal year 1981 budget out of balance.

I am convinced that the combination of increased Government spending and rising tax burdens are choking off this economy. The American people face the highest interest rates in this century, destroying their hopes of buying homes. Economists used to say that due to energy development, States like Wyoming would be insulated from a recession. In spite of the energy boom, Wyoming is feeling the impact of this recession. In spite of the need for housing in energy boom areas like Casper, Gillette, and Rock Springs, the housing industry in Wyoming has collapsed under the burden of high interest rates.

The most recent inflation reports indicate we are still seeing price increases at a rate of 18 to 19 percent and unemployment is heading to levels above 7 percent. This puts the so-called "misery index," the combination of the inflation and unemployment rates, at well over 25 percent.

Certainly the American electorate is grateful to President Carter for developing this "misery index" as a tool to examine the mismanagement of the Nation's economy. We can only assume that the American electorate will remember which President has managed to increase the "misery index" to the highest level since the Great Depression.

It is appropriate that the Senate votes on this budget resolution as Tax Freedom Day fell on this past Sunday, May 11. Tax Freedom Day is the date the average workers' taxes would be paid if all earnings from January 1 were applied directly to the tax bill. Last year Tax Freedom Day fell on May 8, and in 1978 Tax Freedom Day fell on May 6. We can be assured that next year under this budget, it will take longer for Tax Freedom Day to arrive. On an average basis, the average worker spends 2 hours and 52 minutes of an 8-hour work day earning enough money to pay taxes. By voting for this budget resolution, we can assure Americans that they will be spending a longer period of each working day to pay taxes.

Mr. President, I support the congressional budget process, and I applaud the born-again fervor of interest in the Congress in fiscal responsibility. I only wish that this interest in fiscal responsibility helped Congress move toward real decreases in Federal expenditures and cuts in Federal taxes. I will continue to support efforts to cut spending, balance the budget and reduce the tax burden on the average American and the entire economy, but I will not balance the budget through increased taxation.●

● Mr. HART. Mr. President, for the first time in 12 years, the Senate is about to adopt a balanced Federal budget. This is an important step and one of the few tools we have available to counter the double-digit inflation which is undermining our economy.

As a member of the Senate Budget Committee, I offered my own proposal to balance the budget, by suggesting cuts in spending for programs throughout the Federal budget. Some of these were adopted, and the final budget ceiling adopted by the committee was within one-tenth of 1 percent of the one I had originally proposed.

In October of 1978, I proposed a budget plan which was a tax cut/spending restraint plan. This program, which was eventually adopted by the Budget Committee and put in the fiscal year 1980 budget resolution, would restrain the growth of Federal spending roughly to the rate of inflation. Tax cuts would be postponed until the budget was balanced in 1981.

The present Budget Committee's proposal is consistent with this tax cut/spending restraint plan. The growth of spending for 1981 over 1980 is 8.3 percent. This is significantly below the rate of inflation which was 9.2 percent. In other words, this budget, after adjustment for inflation, is actually lower than the budget passed by Congress for the current fiscal year.

The budget reported by the Budget Committee cuts spending enough to allow tax cuts in fiscal year 1981 and still balance the budget. If the Budget Committee's outlay ceilings are adhered to, there will be $5 billion for cuts in the social security tax and $5 billion for supply-side tax cuts to stimulate productivity.

In summary, this budget is the toughest budget considered by the Senate in recent years. It reduces spending in all areas of the budget, except defense, where we face a need to increase spending to improve military effectiveness.

NEED PRACTICAL LIMITS

In deciding upon a budget resolution for 1981, we must assure that this approach is practical. Such a practical approach must maintain our national priorities for domestic as well as foreign responsibilities. It must set achievable spending limits which, indeed, will be enacted. Beyond that, we should cut elsewhere, wherever practically possible.

In this practical approach to a balanced budget, we should avoid two extremes. One extreme would slash spending so deeply that we would not be able to achieve important national priorities. Furthermore, the cuts would be so deep that it is extremely unlikely that the authorizing committees, the Finance Committee, and the Appropriations Committees would, in fact, report legislation needed to change programs to cut to these extreme levels. Such an extreme cut in the budget resolution, while it may look good for political purposes, could leave the country with a budget deficit this fall.

At the opposite extreme are proposals which would cut national defense and add to domestic programs. Such approaches would add to the overall level of Federal spending. This extreme is just as unwise. The totals agreed to in the Senate Budget Committee establish feasible cuts by weeding out unnecessary programs or retargeting them. Therefore, increases in these programs are unnecessary—an unnecessary burden for the American taxpayer.

Furthermore, during this time of international tension, we cannot substantially reduce the defense budget. We need to build up our conventional forces.

NEED TO ENFORCE RESOLUTION

The real challenge now is not only to hold the line of the budget the Senate Budget Committee reported, but also to insure that the actions taken by the Senate and individual committees through the rest of the year do not break the budget ceiling we are setting. We must preserve the integrity of the budget process this year, or lose all discipline over Federal spending which the process now provides.

First, I urge all my colleagues to support the spending levels close to those adopted by the committee. They were adopted through a process of debate and consensus, and represent a careful balancing of the Nation's priorities. While any measure can be approved, attempts from either extreme to undo the committee's work and consensus achievement must be rejected.

Second, the actions by nine Senate committees will be the critical test of our commitment to a balanced budget this year. Those committees will be asked to make spending cuts of $9.6 billion in the programs in their jurisdictions for 1981. While each of these cuts will be difficult to make and will attract the outrage of one constituency or another, they are the key to the integrity of our budget process and to the success of the Congress in producing a balanced budget next year.

We must resist every effort to increase spending above the ceiling, even though many of the bills the Senate will consider will be important and worthwhile. Each committee must demonstrate the resolve and discipline to make the necessary cuts in spending and hold the budget in balance.

This year will be the critical test of the Congress will to balance the budget. We will be tested each time there is a vote, each time there is a new proposal. Everyone talks about balancing the budget to control inflation. Now we must do it.●

BALANCING THE AVIATION TRUST FUND

● Mr. CANNON. Mr. President, I am in favor of, and will support, the Budget Committee's overriding objective of obtaining a balanced budget for fiscal year 1981. My support of the Budget Committee's proper authority to establish a spending ceiling and a revenue level does not however translate into support of the assumptions made by the Budget Committee within those boundary limits. The Budget Committee has, for the programs within the jurisdiction of the Committee on Commerce, Science and Transportation, stated its assumptions on one way to meet the overall spending limit which our committee will carefully consider. However, that does not mean that our committee agrees with all of the Budget Committee assumptions on matters that are clearly within the legislative jurisdiction of the Committee on Commerce, Science and Transportation, and we certainly intend to exercise our authority to allocate funds among our spending programs to meet any limits finally agreed to by the Congress.

In addition, I am especially concerned about one of the Budget Committee assumptions on tax levels which would have a profound effect upon the Airport and Airway Trust Fund. Clearly, these tax levels are within the jurisdiction of the Finance Committee which I am certain will establish appropriate levels for continuation of this important program. However, the guidance provided by the Budget Committee on this matter is badly lacking in justification. The Budget Committee report assumes a continuing increase in aviation tax revenues for fiscal year 1981 and beyond, despite a surplus in the Airport and Airway Trust Fund of over $3 billion at the present time. The Budget Committee's recommendations to the Senate on aviation tax levels in combination with the trust fund expenditure levels already approved by the full Senate (under a budget waiver approved by the Budget Committee) would result in a trust fund surplus of over $10 billion by the end of fiscal year 1985. This makes absolutely no sense. Keeping aviation trust revenues high and expenditures low is a bookkeeping manipulation which creates the appearance of helping to balance the budget, but the reality is that trust fund revenues can only be spent to meet the authorized expenditures for trust fund programs. Therefore, the bottom line result of keeping these taxes high is to increase an already unconscionable surplus of unobligated funds.

Logic dictates that once the authorization levels are approved by the Senate for a 5-year period, the taxes should be established at a level which will result in a balanced fund at the end of 5 years, including in that consideration any surplus of funds which may exist. The Finance Committee's expertise in these matters is unquestioned and I am confident of their understanding of this user-tax supported fund. However, I am perplexed by the Budget Committee's apparent desire to balance the Federal budget by bringing money to Washington and keeping it here.

Finally, I want to remind my colleagues of the nationwide editorial and general public outrage in 1978 upon finding a $2 billion surplus in a trust fund dedicated to aviation safety, after the PSA crash in San Diego, which claimed 144 lives. That crash was directly traceable to the lack of navigational equipment in the San Diego area, an item funded by the aviation trust fund. I ask you to consider what the public reaction would have been to finding a $10 billion surplus, and what any future reaction may be if we continue to ignore this matter and pile up a useless surplus.

Fiscal prudence demands we balance the Federal budget; fiscal prudence also demands that we balance the aviation trust fund.●

● Mr. LONG. Mr. President, I join with Senator CANNON in his support of a balanced budget in fiscal year 1981.

As far as the revenue figures are concerned, the Finance Committee has always looked at the total amount in the budget resolution for revenues under new legislation as a target that could be met in a variety of ways. But agreeing to a particular revenue number does not represent a commitment to any particular tax cut or tax increase proposal. The specifics of the legislation are to be determined in the course of the usual legislative process—with hearings, and with careful committee consideration of the various alternatives available.

The Senator raises the particular case of the taxes which support the airport and airway trust fund. In the past, the Commerce Committee has recommended to the Senate the appropriate spending levels for the airport and airway programs while the Finance Committee has made recommendations on the appropriate way of raising these funds. With our commitment to achieve a balanced budget in fiscal year 1981, we will need to look at all sources of revenue carefully. But we will bear in mind that the basic purpose of the airport and airway taxes is to provide the funds needed for the airport and airway programs.●

● Mr. LEVIN. Mr. President, let me begin by indicating the great respect I have for Senator HOLLINGS and for the members of the Budget Committee. I know the committee has had to face more than the usual number of conflicting interests which any budget document must seek to balance.

But despite my admiration and respect for the members of the committee, I am unable to find enough to admire in the document they have produced that I am able to vote for it. I yield to no one in my support for a strong national defense, but I do not believe we can get a strong national defense by throwing money at our problems any more than we can get a strong domestic economy by squeezing money out of it. I believe that the Budget Committee figures for defense will simply increase the existing dangerous tendency to believe that what we need are more sophisticated and complicated pieces of military hardware. In fact, I believe that what we need to do is pay attention to military pay, retention of military personnel and more reliable hardware. Additionally, I believe we are acting on a misleading perception of the relative strength of the United States and the Soviet Union. The strength of this Nation and its allies is adequate to deter any Soviet attack and more than sufficient to deal with one should deterrence fail.

I also believe the strength of our defense is dependent on more than the force of our arms. It is also dependent upon the health of our domestic economy and the health of our social system here at home. I fear that the document we have before us will only add to the sickness of the economy and move us even closer to deeper social ills. In the midst of a recession which already shows clear signs of being more severe than anticipated when the misbegotten decision to engineer a recession was made and the recessionary devastation created by existing policies, I fear that this budget will simply drive us further into a pit of human despair and misery.

Beyond those concerns I also want to comment briefly here on the central operating tenet of this budget: it must be balanced whatever the price. I have consistently indicated that I think we ought to be moving toward a balanced budget, and I could have supported one if it had been balanced both in terms of a ledger sheet and also in terms of social and defense needs. But the budget before us is not balanced in either human or accounting terms. I have indicated my concern about the imbalance of priorities; now let me indicate my concern about the economic imbalance this budget contains.

We have achieved a balanced budget if, and only if, the assumptions upon which this document is based are accurate. The plain truth is that they are not accurate and we know that now. This budget is built on the assumption that the annual unemployment rate in fiscal year 1981 will be approximately 7.4 percent. That simply is not going to happen. Given the administration's tight money policy and the impact of our reductions in countercyclical spending, the unemployment rate is going to be much higher than that. Last month it hit 7 percent nationally. A key Presidential aide was quoted yesterday as saying that there are now fears it could reach 11 percent by the end of the year. There is simply no way to justify the 7.4-percent assumption which serves as the foundation of this "balanced" budget.

And when that foundation crumbles—and the economy crumbles along with it—the balance this budget says we will achieve will crash to the ground. For every percentage point increase in unemployment we go above the assumptions of the Budget Committee, we will automatically incur obligations to spend an additional $20 billion—dollars which simply do not exist in this document. This budget encourages unemployment and then refuses to fund the expenditures which we must make in response to that unemployment.

Mr. President, if there is one thing the American people want more than a balanced budget it is some candor from Government. I fear that this budget gives them neither.

At this point, all I can do is register my opposition by voting against this budget. I hope that the conference between the House and the Senate will produce some changes for the better. And I trust that when we consider the second concurrent budget resolution we may be able to correct some of the errors contained in this document.●

● Mr. PELL. Mr. President, I have voted in favor of final passage of the first concurrent budget resolution for fiscal year 1981 with great reluctance because I believe the resolution, in its final form, represents a serious distortion of our national priorities. However, the resolution does meet one very important national need, and that is the imperative need for a balanced budget during the coming fiscal year to combat inflation. Although balancing the Federal budget during 1981 will have relatively little direct impact on the rate of inflation, it is essential as a symbol of the determination of the Congress and the Nation to control inflation, and to make the sacrifices necessary to achieve a more stable economy.

I disagree strongly, however, with the

priorities established within the confines of a balanced budget.

The budget resolution provides a major increase in spending for military and national defense. I agree that we do need to devote increased attention and increased funds to our national defense, particularly in the light of the Soviet Union's continued emphasis on military capabilities and its action in invading Afghanistan. I have supported and voted for a 3-percent increase in defense spending, after inflation, in keeping with the commitment we made to our NATO allies in 1977.

In my view, however, this budget resolution provides an excessive increase in spending for military forces and military hardware at the expense of programs that serve the human needs of the American people.

The resolution adopted by the Senate would provide for an increase of nearly 10 percent in defense spending authority and 5.7 percent in defense spending during 1981 in real dollars, after inflation is discounted. Under this resolution defense spending would be $5 billion more than requested by the President. The growth in defense spending in real dollars under this resolution will be greater than the growth in any peacetime year since World War II. I am not convinced that this large increase in defense spending is essential and I am not convinced that the Defense Department is prepared to use this huge infusion of money wisely.

This very large increase in defense spending is made at the cost of very substantial sacrifices in programs designed to meet the needs of the American people for jobs, housing, education, training, and health services.

While the defense budget is increased, in real dollars, by 5.7 percent, nondefense programs will suffer a cut in available funds of 7 percent from the 1980 (current year) level.

If inflation is to be brought under control, every American must be prepared to accept a fair share of the burden, and to sacrifice some well-being in the short run so that all may prosper in the future. This means that no Federal Government program, no matter how worthwhile, can automatically be exempted from budget cuts in the effort to combat inflation.

Because of the necessity to restrain spending to combat inflation, I am prepared to support reasonable restraints and cutbacks even in programs which I consider highly worthwhile, efficient and justified.

I believe, however, that the excessive defense spending increases in this budget have forced unnecessary and unjustified cuts in domestic programs intended to serve human needs. It is for this reason that I have voted with deep reservations for final approval of the resolution, although I fully support the objective of a balanced budget.●

● Mr. BAUCUS. Mr. President, for the past 2 weeks we have been debating this budget resolution. The decisions we have been making have tested the integrity of the budget process itself. Yet, as we complete this resolution—and produce the first balanced budget in over a decade—I would like to share with the Senate the results of a questionnaire I recently mailed to my constituents.

We all seem to be slaves to the latest public opinion poll. Yet, if the results of my sampling of Montanans are any indication, opinion is crystallized along some very sharp lines.

To date, nearly 10,000 Montanans have responded to my questionnaire. They overwhelmingly favor a balanced Federal budget—even if it means cutting the benefits they receive from the Federal Government. Meanwhile, Montanans also strongly reject a 10-percent Federal income tax cut. They endorse sunset legislation resoundingly. And, they support across-the-board budget cuts.

When asked what specific areas of the budget they would cut, Montanans sent a virtually unanimous message. They want cuts in Congress and foreign aid, the Postal Service and revenue sharing.

When asked what parts of the budget they would like to increase, two strong answers emerged: national defense and energy research and development.

A famous statesman once said "one of the weaknesses of a democracy * * * is that until it is right up against it, it will never face the truth."

Montanans—and I believe all Americans—are sending us a clear message. They are up against it. They are tired of deficit spending and phony, election year tax cut schemes. Montanans want a return to responsible budget practices.

We are about to adopt the first balanced budget in over a decade, but only under enormous political and economic pressure. I hope we don't have to wait another decade to balance the budget again.

Mr. President, I ask that the tabulated results of my poll be included at the conclusion of my statement.

The material follows:

[In percent]

	Favor	Oppose	Undecided
Policy questions:			
1. Do you favor or oppose lower loan interest rates for selected industries—such as farming, small business, and housing—even if it means slightly higher inflation?	56.8	36.8	6.5
2. Do you favor cr oppose tax incentives for business to increase productivity?	60.2	31.9	7.8
3. Do you favor or oppose imposing mandatory wage and price controls?	37.0	54.0	9.0
4. Do you favor balancing the budget even if it means reducing the benefits you now receive from the Federal Government?	78.6	15.0	6.4
5. Do you favor tax incentives to increase personal savings even if it makes it more difficult to balance the national budget?	49.1	38.6	12.3
6. Do you favor or oppose "sunset" legislation that would abolish Federal programs and agencies unless they are specifically reauthorized by Congress?	80.7	10.2	9.1
7. Do you favor a 10-percent cut in your Federal income taxes even if it makes it impossible to balance the national budget?	30.5	58.9	10.6
8. Do you favor or oppose cutting spending for every Federal program 3 percent to balance the national budget?	67.3	24.6	8.1
9. Do you favor or oppose cutting Federal spending by 5 percent—except for social security, veterans benefits, and national defense—in order to balance the budget?	78.5	15.0	6.5
10. Do you favor or oppose using revenues from our national forests to hire unemployed Montanans to work in reforestation?	75.6	15.5	8.9

	Spending questions		
	More	Less	About the same
For each program listed below, please include whether you think the Federal Government should be spending more, spending less, or spending about the same as it does now:			
11. Agriculture	31.5	32.6	35.8
12. Congress	2.0	86.6	11.4
13. Court system	20.5	45.6	39.9
14. Defense	64.5	15.6	19.9
15. Education	26.3	34.4	39.3
16. Energy research and development	66.0	16.9	17.1
17. Environmental protection	18.1	54.7	27.3
18. Foreign assistance	3.1	86.4	10.5
19. Health care	24.7	34.8	40.6
20. Housing	22.6	40.4	37.0
21. Law enforcement	33.5	21.4	45.1
22. Local economic development	16.9	50.2	33.1
23. Postal Service	4.7	62.1	33.2
24. Public assistance for people unable to support themselves	17.4	41.3	41.3
25. Revenue sharing	11.3	56.6	32.1
26. Senior citizens programs	30.0	28.5	41.5
27. Small business assistance	32.9	28.5	38.6
28. Social security	30.9	23.4	45.7
28. Transportation	28.3	49.1	29.6
30. Unemployment (benefits, training, jobs)	16.2	61.7	32.1
31. Veterans benefits	24.2	23.4	52.4

●

Mr. PERCY. Mr. President, despite my great and high regard for the distinguished chairman of the Committee on the Budget and the ranking minority member and for the magnificent job that they have done in presenting this budget, I shall cast my vote against the budget resolution for the following reasons:

I do not think we can count on this budget being balanced in another 5 months when the fiscal year begins. The spending is going to climb too fast in the next few months and, with the onset of a recession, we can expect revenues to fall. The result will be another budget deficit and I cannot support a red ink budget in fiscal year 1981. (Considering the goals so many of us have established and the personal pledges I have made.)

I would like, however, to congratulate my two good friends, the new chairman of the Budget Committee, Senator HOLLINGS, and the ranking minority member, Senator BELLMON, for bringing to the floor of the Senate a restrained budget. I know it has not been an easy job to mold this consensus budget in the Budget Committee and on the floor.

Last week I offered several amendments to this budget that would have cut spending further, giving us a better chance to meet a balanced budget goal. Yet they were not accepted, leaving us with a budget balanced on paper only.

Despite its shortcomings, this budget for next year shows a real maturation of the budget process that we created just 6 years ago. Senators Muskie, ERVIN, and I joined together then to bring a sembalance of order and organization into the way Congress handles its money matters. When I first came to the Senate from industry, I could not believe that we had no real overview, no mechanism for dealing with overall spending plans and revenues. When I joined the Government Operations Committee, that was one of my chief goals. Over the years we worked carefully with the House of Representatives to draw up legislation that would impose guidelines and discipline, without unnecessarily compromising committee flexibility. Since then, we have seen the fledgling budget process grow slowly and, at times, even agonizingly. Last fall, for example, the Budget Committees wrestled with a new enforcement procedure to bring about reconciliation between the overall budget totals and specific spending proposals. It was a rocky road but it laid the foundation for the enforcement procedures that will be essential to meeting a balanced budget.

For this foresight and hard work, I commend my colleagues on the Budget Committee. I would also like to give special recognition to the diligence and persistence of the former chairman of the committee, Senator Muskie. He has truly been the John Marshall of the budget process and took a paper creature and gave it substance and purpose. We wish him success in his new undertaking at the State Department, and appreciate what he did before leaving the Senate to help bring a businesslike approach to the business of Government.

I would also like to take a moment to commend the Budget Committee for incorporating a credit budget in this budget. For the first time, we have an idea of how many loans and loan guarantees are planned for fiscal year 1981. Although it is widely acknowledged that spending deficits have a major impact on the economy and private credit markets, the similar effects of Federal credit programs are not as widely perceived. It is time we began to get a handle on these programs because they do play a significant role in deficit spending. The inclusion of the credit budget is a step in the direction of legislation I introduced along these lines last fall, S. 2151.

Mr. President, we have known for years that we needed to bring this budget into balance. In July 1978 I joined with the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and others in support of an amendment that mandated a fiscal year 1981 balanced budget. I was pleased when that amendment was signed into law but it is even more important that we give substance to that requirement with this fiscal year 1981 budget. Last week, the distinguished chairman, Senator HOLLINGS, noted that cumulative deficits of the 1970's totaled $342 billion. That was money spent that we did not have and we should have curbed deficit spending long ago. A truly balanced budget, the first in 12 years, would be a landmark step toward curbing Government spending growth and inflation.

Several aspects of this budget cause me great concern, however. The level of spending at which we are balancing the budget is quite high. We are allowing spending and taxes to grow at a rapid clip and, as such, they are consuming an ever-larger share of our economy. The "historical" level of Federal spending—throughout the 1950's and 1960's—was in the range of 18 to 19 percent of gross national product—GNP. We have seen spending steadily climb until it has reached nearly 22 percent of GNP. This growing role of the Federal Government in the private economy is a trend that has to be reversed and we should begin this year.

Mr. President, the Senate Republicans have worked together this past year to bring forth a unified anti-inflation program that includes not only a balanced budget, but also a reduction in Federal spending to 21 percent of gross national product. I ask unanimous consent that the Senate Republican anti-inflation program be printed with my remarks at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

STATEMENT

The Senate Republican Conference, having met to consider the inflation crisis, has adopted the following declaration:

We consider inflation to be the number one domestic crisis we face today. It must be stopped and then reversed. Inflation is destroying the purchasing power and standard of living of the American people and is steadily eroding the economic and social foundations of our Nation. Inflation is causing taxes to rise as a percentage of income for most American families; it is driving up the cost of government; it is weakening our competitive position in the world; it is encouraging spending instead of saving; and it is robbing us of our ability to plan for the future, thereby stifling capital investment and the modernization of the U.S. industrial machine. Also, the international position of the dollar as the linchpin of the international monetary system requires that we get inflation under control. We must reassure the world and the overseas holders of the more than $900 billion in U.S. dollars of our resolve to stop the dollar from becoming a depreciating asset.

The Administration does not now have, nor has it had, a viable and coherent program for fighting inflation. Administration economic policies have been inconsistent, unpredictable and disjointed, and have been initiated haphazardly over the past three years. The present 18 percent inflation rate compares to the 4.8 percent annual rate which existed at the end of President Ford's Administration.

The Administration's frequently contradictory pronouncements have sent mixed signals which make it impossible for Americans to know, with any degree of certainty, the environment in which they must make their basic economic decisions.

Furthermore, the democratic-controlled Congress has shown no capability to control the growth of federal entitlement programs in order to restrain government spending.

We believe the following principles must be implemented to control inflation and offer Americans a positive economic program on which they can count year after year and will promote real economic growth and jobs in the private sector:

1. A limitation of Federal outlays to a percentage of the Gross National Product (GNP) must be adopted, and we establish this figure at 21 percent for FY 1981.
2. The Federal budget for FY 1981 must be balanced without tax increases (and as a threshold, rescissions will have to be made in spending for FY 1980) and we commit ourselves to a balanced budget over a period of years.
3. Federal taxes must be reduced and tax laws changed to encourage greater individual and business savings, investment, output and productivity and thus more jobs for Americans.
4. America's energy dependence on foreign imports must be reduced by 50 percent over the next decade through conservation and domestic energy production.
5. An immediate program of regulatory reform must be undertaken.
6. A real export drive must be implemented.
7. The formation of appropriate labor-management committees to deal with the problems of worker morale and of youth and structural unemployment must be encouraged to improve the participation and productivity of the U.S. work force.

Mr. PERCY. Mr. President, on March 25, the Senate took up Senate Resolution 380 which our colleague, Senator ROTH, had introduced earlier that month. The Roth resolution was quite simple. It stated that the Budget Committee should report a budget that limited spending to 21 percent of GNP. As such, it required additional pending cuts and allowed room for an anti-inflation tax cut—along the lines of the seven-point Republican economic program. Our purpose was also to balance the budget, at a much lower level of spending. Were the Roth resolution adhered to, we would today be discussing a budget balanced at about $597 billion instead of the $612.9 billion in the committee budget.

Unfortunately for the taxpayer, the substance of the Roth resolution was lost when substitute language was inserted merely directing the Budget Committee to report a balanced budget. As important as a balanced budget is, the level of spending is of equal importance and I am sorry that this budget does not move us substantially in that direction.

Mr. President, my other major concern lies in the fact that the fiscal year 1981 Federal budget imposes a massive tax increase on the American taxpayer. I ask unanimous consent that a table showing this year's tax increases be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1981 TAX RECEIPTS BY SOURCE

[Dollar amounts in billions, fiscal years]

Source	1980	1981 (January budget)	1981 (March budget)	Percent change 1980/1981 (March budget)
Individual income	$241.5	$271.4	$283.3	+17.3
Corporate income	74.2	71.6	74.1	−.13
Social insurance	163.5	187.4	188.9	+15.5
Excise taxes	25.2	40.2	52.4	+107.9
Estate and gift	5.8	5.9	6.0	+3.5
Customs duties	7.3	8.4	7.8	+6.8
Miscellaneous receipts	14.9	12.1	15.5	+4.0
Total	532.4	600.0	628.0	+17.96

Source: President's fiscal 1981 Federal budget; Office of Management and Budget.

Mr. **PERCY**. Mr. President, my table shows several things. First, it points out that the tax burden on individuals will increase by over 17 percent this year, well ahead of the 12 percent rate of inflation predicted by the President a few months ago. Second, and perhaps most alarming of all, we see that just between the President's January budget and his March revised budget, the total tax burden jumps by $28 billion. Included within that figure, of course, are two major tax initiatives: the 10 cents a gallon oil import fee—raising revenues by $12.6 billion—and the proposal for a withholding tax on savings interest and corporate dividends—raising revenues by $3.4 billion. The remaining increase stems from inflation-generated taxes. Now these taxes may be important and necessary, but they should be offset in other areas so that the overall burden of taxation does not rise. And yet we see no evidence that the President is moving in this direction or that he even recognizes the severity of the growing tax burden.

Mr. President, in my own State of Illinois, the newspaper in our State capital at Springfield—the State Journal-Register—has editorialized on this very subject of using tax increases to balance the budget. Their editorial, from April 1, 1980, is right on target and an excellent analysis from back home of what is clearly a dangerous trend. I ask unanimous consent that this editorial be printed with my statement at the close of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **PERCY**. Mr. President, in a sense, it is ironic that we scheduled to vote on this budget today for last week, May 11 was "Tax Freedom Day." The Tax Foundation has devised this index of tax burdens for individuals and business and it was on May 8 in 1979 that Americans began working for themselves; all income earned on prior days that year were served up to the Federal Treasury. The foundation has pointed out that this year Tax Freedom Day has moved back 3 more days, to May 11, signaling this rising burden of taxation.

There have been several solutions to this ever-rising tax burden offered here in the past week, however. Several days ago Senator ARMSTRONG brought up an amendment that would have given us a $19 billion tax reduction in fiscal 1981 and would have cut spending back to $597 billion.

In short, we would have had a balanced budget—but at a lower level of spending. This cutback was only a cut in the proposed increases, however, and would have still allowed a $30 billion increase in fiscal year 1981 spending over the fiscal year 1980 level. I gave this amendment my strong support not only because it limited spending to about 21 percent of GNP, but also because it allowed room for an all-important tax cut. I did not agree completely with the assumed cuts made by Senator ARMSTRONG, but felt we could forge those cuts when we accepted the necessary discipline.

The Armstrong amendment was defeated, however, but we tried again with a less ambitious approach—offered by Senator HATCH—that would have trimmed less spending and would have allowed for a smaller productivity-improving tax cut. Yet even that did not clear the Senate. I am disappointed we have not been able to make these reductions and I urge the committee, when it comes back to us in the fall with the second—and binding—resolution, to look closely at rising tax burdens, make room from a significant tax cut and bring us a budget balanced at a lower level of spending.

It is true that the committee has held in reserve the revenues from the President's oil surcharge. A tax cut of $10 to $12 billion would be helpful to the economy if it eliminated the inflation penalty in individual tax rates and allowed for an investment-oriented business tax cut. But already I have heard that the President's budget of $611 billion has underestimated billions of dollars of spending and I am concerned that this fragile balance will ultimately be maintained only by using some of that oil import fee for spending. And that would be, in my view, a big mistake.

I cannot support this budget that approves a $90 billion tax increase and I will, accordingly, vote against it.

EXHIBIT 1

[From the State Journal-Register, Apr. 1, 1980]

DEMOCRATS COUNT ON TAX INCREASES

The argument between Democrats and Republicans on economic policy is coming down to this: Should the federal budget be balanced by cutting spending or raising taxes?

The division along party lines became clear in the Senate recently when Republicans lined up solidly behind Sen. William Roth of Delaware in his effort to expose the budget balancing act of the Democrats as a "smokescreen" for a massive tax increase. The Republicans were voted down, as they inevitably are on party-line votes in the present Senate, but Roth made his point.

The point is that the cries of anguish from Democratic leaders over cutting $10 billion to $15 billion in spending in 1981 are diverting attention from what is happening on the other side of the budget—the revenue side. Cuts of that amount are no big deal, says Roth. Even if they are made, the Democrats will be relying on tax increases of nearly $90 billion to keep the budget in balance in 1981.

The revenue side of the ledger looks like this:

An economy supercharged with inflation will increase income tax revenue by $35.7 billion. That includes the effect of "bracket creep," which gives the government a bigger bite out of incomes even though higher wages and salaries leave Americans with less buying power than they had before.

Social security taxes will rise by $25.2 billion under increases voted by Congress in 1978 and taking effect next Jan. 1.

The new "windfall profits tax" on domestic oil production will bring in $13.9 billion.

If Congress adopts President Carter's proposal to withhold tax from interest and dividend payments, this will produce an extra $3 billion.

Finally, the $4.60 a barrel import fee Mr. Carter is imposing on foreign oil—passed on to motorists as a 10-cent-a-gallon "conservation tax" on gasoline—will produce an additional $10 billion in federal revenue.

That's $87.8 billion in additional revenue in sight for 1981—an increase of more than 16 percent over what the feds are collecting in 1980. This will push the federal tax burden to nearly 22 percent of the gross national product. And with all that, spending programs now in place would leave a deficit of between $10 billion and $15 billion in the 1981 budget unless Congress starts cutting back, which is what the Democrats are noisily promising to do.

Roth and his Republican colleagues offered the Senate an alternative—a strategy committing the federal government not simply to a balanced budget but a budget trimmed back substantially enough to hold federal spending to 21 percent of the GNP. That would entail budget cuts in the range of $33 billion and would permit taxpayers to keep some of the $87.8 billion in additional taxes they will otherwise surrender to Washington. The Democrats closed ranks, however, and the Roth plan was defeated.

The Republican position set forth in the Senate debate is that a responsible fiscal policy does not begin and end with a balanced budget. Government borrowing to finance budget deficits is only one aspect of our economic problem. Overall, it is the ever-increasing federal claim on our national wealth, both through borrowing and taxation, that is working against the formation of investment capital and leading to a decline in productivity.

Yes, Washington should balance the budget. But what the Republicans are pointing out is that the Democrats are proposing to balance it with a thumb on the scale—with tax increases, not meaningful cuts in spending.

Mr. **BAYH**. Mr. President, I plan to support the first budget resolution which provides a balanced budget for fiscal year 1981. During the past week we have been debating parts of that resolution as to how it should be balanced, but there is a large consensus here in Congress that the budget we pass should be in balance.

Balancing the budget alone will not solve our economic problems, but it can play a role in reducing inflationary expectations. To really deal with inflation and unemployment, we have to come to grips with the high price of energy and the high cost of credit.

The budget process began earlier this year when the President submitted a budget which had a deficit of about $16 billion. This not only failed to meet the provisions of the Public Debt Limit Act we passed last year requiring the fiscal year 1981 budget to be in balance, but it touched off concern in the financial markets that inflation would not be brought under control. The high interest rate policy which the Federal Reserve followed in an attempt to control these inflationary expectations is still creating havoc, not only for the financial markets, but for housing, the automotive industry, and the entire economy.

Thus I joined Senator Muskie in offering a resolution which passed the Senate last month and called upon the Budget Committee to report a balanced budget. In the meantime, the President revised his budget to bring it into balance. However, even the President's revised budget, when reestimated by the Congressional Budget Office, was $5 billion in deficit. Furthermore, the President's proposal assumed raising $3½ billion by withholding taxes on interest and dividends which I oppose. Only by raising the oil import fee, which I also oppose, does his budget come into balance.

The House Budget Committee responded by reducing the President's revenue estimates by some $3½ billion, cutting national defense outlays by over $5 billion, and cutting domestic outlays by $5½ billion to provide a $2 billion surplus.

The Senate Budget Committee responded in a different manner. It reduced revenue estimates by $4½ million, eliminating the need to impose withholding on interest and dividends. However, instead of reducing both defense and domestic outlays to balance the budget, it actually increased the defense budget by $2½ billion above the President's proposal. That represented a 9.8-percent increase in budget authority above the rate of inflation and a 5.7-percent increase in budget outlays above the inflation rate. To achieve a balanced budget in these circumstances, the Senate Budget Committee reduced domestic programs by $12 billion below the President's recommendations.

That is how the Senate budget was submitted to the floor. It achieved the balanced budget we requested, but it did so at a severe cost to domestic programs proposed by the President in his budget. For nearly a week we have been debating the wisdom of these cuts in domestic programs beyond the recommended budget cuts submitted by the President in his revised budget. Because reestimates indicated that his revised budget was not balanced, and because it assumed enactment of withholding taxes on interest and dividends, it was not possible to restore all the cuts made in his budget without either reducing defense below the President's recommendations or imbalancing the budget.

However, the Senate Budget Committee went beyond the President's recommendations for defense, and what we have been doing over the last few days is just what a family does when it makes up its budget. You start by adding up those items which you think you need, and then discover that such a budget is not possible, so you go back through and cut those which you can most afford to do without.

Now that process is a little different when 100 people are involved in making those decisions. We all have different priorities, and so you have a process of tugging and pulling, trying to get a majority of your colleagues to agree to the changes you would make in the budget. Some of these changes may be accepted, others rejected, but in the end, you have to add them all up and reconcile your differences if you want to come out with a balanced budget.

Because we asked the Budget Committee to recommend a balanced budget, it was much easier to stay within a balance when the final product came out even if we did not agree with the priorities. Each Senator has different priorities. I thought that defense outlays should have been set at a level closer to that recommended by the President. I did not feel we should rely on revenues which would have to come from either the oil import fee or from withholding on interest and dividends. I also thought prudent reductions could be made in the foreign aid program and water projects. I cosponsored the reduction in foreign aid, but it failed by only a few votes. I also supported an amendment to improve collection methods on delinquent debt owed to the Government.

One other amendment which I cosponsored would have applied the 10–5–3 depreciation formula to the auto and steel industries. This would have provided more rapid capital cost recovery for investment in these key industries which are vital to the economic health of the State of Indiana. The cost of this amendment would have been covered by reducing administrative costs of Government. However, the amendment we offered was not accepted.

There were other proposals which were put forward that I voted against. They included even deeper cuts in domestic budget categories which would result in reductions in such programs as social security, employment programs, health, transportation, and others which affect people who are least able to withstand the impact of both inflation and recession.

In the end, the Senate Budget Committee recommendations prevailed over both those who would cut domestic programs further and those who would reorder the Senate Budget Committee's priorities to be more in line with the budget passed by the House. The House Budget Committee recommendations are substantially different in priorities and these will now have to be hammered out in the conference committee.

I plan to vote for the budget resolution, not because it best represents my priorities, but because it is balanced and that is what we asked the Budget Committee to report to us. I am confident that the conference committee will also come out with a budget that is balanced. However, I hope it will also take greater interest in some of the domestic needs which the Senate budget neglects.

Mr. HAYAKAWA. Mr. President, we have spent considerable time on the first concurrent budget resolution. This has given me, as I am sure it has my colleagues, time to consider this matter very carefully. I take this time to comment on this budget resolution. First, I am disappointed with this last minute rush we are enduring today. My distinguished colleague, the Senator from Minnesota, remarked in the wee hours of Friday morning on this. He stated that:

> The report came out on the 9th of April, and there were 3 days thereafter, and we could have started consideration of this budget on the 14th or 15th of April. We began instead this week. 3 weeks later. Now we put ourselves into a corner, and we must discipline ourselves, and it has been stated that time has run out.

I think that Senator BOSCHWITZ raised a very serious point. We have had sufficient time to provide for full consideration of every amendment, yet we here tonight attempting to resolve this budget resolution under severe time restraints. I do not know if less hurried consideration would have changed any votes, but it is certain that they surely would have received more deliberate thought. Section 305(b) (1–2) tells us how much time we have on the concurrent resolution and subparagraph (2) specifically allows 2 hours on each amendment. Not one of the amendments we have considered today have been given that time. I was present in the Senate about 1:45 a.m. Friday morning, when the Senators who introduced these amendments were frantically working to reach time agreements to limit debate on their amendments.

Although their solicitude is appreciated, I must wonder if we are well served by limiting debate because of time restraints rather than on the merits of each amendment. Certainly many of my colleagues would have willingly agreed to 15 minutes per side, but I am equally sure that there were others who felt ill-served by such a limitation. I decided against introducing an amendment because of the time constraints, as I am sure did a number of my colleagues. I must concur with Senator BOSCHWITZ in his final remarks on the subject that, "it is appropriate that we note that the whole process has been delayed, and consideration of important amendments has been squeezed down, because it is late in that process."

Another related matter is the conference report on this resolution. We are bound by law to finish this entire matter by May 15—including the conference report. According to section 305 (c)(1) "the conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. In addition, debate on such a conference report is allowed 10 hours, equally divided, under section 305(c)(2) of the Budget Act.

It is obvious to me that we are going to have to waive this section of the Budget Act as well as the May 15 deadline. Senator BELLMON pointed out Thursday that—

> It is my opinion that it is going to take a minimum of 3 days, probably longer, to reach agreement with the House when we get to conference. We had some difficulty in the past trying to adjust our high defense number and their high social number. I do not see there will be any less difficulty this time. So I say that we need to start the conference Monday, if possible, to finish in time to complete action on Thursday.

Well it is Monday, and we still have not gone to conference. As a former member of the Budget Committee, I am inclined to agree with Senator BELLMON'S statement, and I might add that I find his comments even more apropos today. When are we going to complete action on the budget resolution? How can it occur Thursday? Even if we managed to bring it up Friday, we have agreed only to vote in emergency situations on Fridays, and the action of last week seems to indicate that we do not consider the budget an emergency or we would not be here today. It seems to me that the conference might be completed by the weekend, if we are lucky. If so, the final action then could not occur until next week, allowing 3 days on the report as provided under the Budget Act.

It is not my purpose to chastise the Senate for not acting sooner. I am as guilty as anyone here I suppose, in allowing this debate to be delayed this long—at least I made no effort to have it considered earlier. Whatever the reason, we are now in a situation where we will surely be in violation of the Budget Act. I will not take up any more of our limited time. However, I wish to see the matter resolved. I ask the leadership and the chairman and the ranking member of the Budget Committee, when will we have final action on this resolution and in what manner will we waive the restrictions of the Budget Act we are coming up against? I would appreciate an answer to this question.

I thank the Chair.

Mr. JAVITS. Mr. President, last Wednesday the Senator from Wisconsin (Mr. NELSON) and I, with Senators METZENBAUM, TSONGAS, and WILLIAMS offered an amendment—statement, May 6: 10036-10040—in the nature of a substitute for the budget resolution reported by the Senate Budget Committee.

Our amendment was for a balanced budget for fiscal year 1981 because while we do not feel it will, of itself, abate inflation materially, it will help to bring Americans and foreigners to a greater measure of confidence that the United States proposes to put its financial house in order. It differed from the Budget Committee by reallocating $2.4 billion from planned outlays recommended by the committee for defense and interest costs to:

First. Transportation assistance, including aid for mass transit—+$200 million;

Second. Education, job training and social services—particularly for elementary and secondary education and youth jobs and training—+$700 million;

Third. Health care, +$100 million.

Fourth. Income security, including restoration of funds for food stamps, social security and housing assistance, +$900 million;

Fifth. Fiscal assistance to economically distressed local governments, +$500 million.

We felt that while we must try to bring the budget for fiscal year 1981 into balance—and at the outlay level recommended by the committee—we must give a better balance among our country's military, international, human service and fiscal assistance requirements. The Nelson/Javits amendment would have made an important improvement in the distribution of our scarce Federal revenues among the main budgetary categories on proper priorities.

We and our cosponsors believed the Senate could and should have provided an important measure of additional help for the distressed cities, the sick, the unemployed, the illiterate, the hungry, the old, and the unsheltered, particularly with a deepening recession coming on, by adopting our amendment. But the Senate did not choose to do so, even though we had strong administration support.

Accordingly, I had considered casting my vote against Senate Concurrent Resolution 86, having tried and not succeeded in making it more just to our people. On further consideration, however, I have decided to vote aye on Senate Concurrent Resolution. 86 because, given the grave economic and international peril we face today, I believe we must get this first, target balanced budget resolution—which also contains urgently needed provisions affecting fiscal year 1980 spending for such things as the food stamp program—to conference with the House of Representatives. Indeed, the first budget resolution is a target resolution only, the first step in a long process by which the Congress will adopt spending ceilings for the fiscal year beginning this October 1.

Moreover, Mr. President, I believe that in the end the conference outcome will be very close to the amendment offered by the Senator from Wisconsin and me.

On that basis, Mr. President, I shall vote in favor of Senate Concurrent Resolution 86, to begin the process from the Senate of attaining a balanced budget for fiscal year 1981.

Mr. HATFIELD. Mr. President, I cannot support the Senate Budget Committee's recommended budget because of the tremendous increase in defense expenditures in both budgeted authority and outlays. I do commend the committee and its hard working floor managers for their commitment to balancing the Federal budget and reducing the overall growth of the size of Government. The choices are difficult, the pressure from various interest groups intense and it is no fun to fashion a budget that gets the approval of a majority of a stubborn Congress. However, in a time when we are asking all sectors to accept less, and share the burden of weaning the Congress from deficit spending, I cannot support the committee's proposal to grant defense a 9.8-percent increase in budgeted authority and a 6-percent increase in outlays.

Mr. President, I supported the Armstrong-Roth proposal to hold spending at $596 billion for the 1981 budget because of its directive to hold spending to 21 percent of GNP and its commitment to a major tax cut. I disagreed strongly with the Armstrong-Roth allocation of spending because it, too, exempted defense from its share of the burden.

In the 1981 budget, interest expense on the Federal debt will total $72 billion—the third highest function in the budget. This amount is greater than what we allocate to veterans, education, health, and energy. These interest costs are 10 times what we will spend on energy and 4 times what we will spend on transportation. It has been estimated that Federal borrowing will capture 23 percent of all available credit in 1981. This fact has an obvious effect upon interest rates and has effectively shut down the housing market and lumber industry in Oregon.

For decades we have thrived upon deficit spending. In the sixties, we tried to have guns and butter without accompanying tax increases. Thus, we were forced to borrow approximately $160 billion to finance the Vietnam war. Since the 1974-75 recession, we have gone our merry way and pumped $200 billion of deficits into the economy when we have experienced four very prosperous years. Now our habits are coming home to haunt us. In a time when we need to drastically increase our capital investment in synfuel, alternative energy technologies, mass transit, and conservation efforts in order to strengthen our strategic position in the world, we are spending $72 billion to finance our debt.

This committee assumes that defense outlays are the answer to greater national security. In budgeted authority, this budget provides for an increase from $127 billion in 1979 to $293 billion by 1985, and a growth in outlays from $117 billion to $267.7 billion by 1985. This provides for over a 100-percent increase in both outlays and authority. Last fall, the Senate voted for a 5-percent real increase in spending for defense that would translate into $1 trillion over 5 years. Yet this budget calls for a 9.8-percent real increase in budget defense authority. By the committee's own report, this budget calls for the largest increase for defense since World War II and more than doubles the commitment to our NATO allies.

Mr. President, let us compare these defense outlays to amounts that we have budgeted for energy, for transportation, for our troubled farmers and our Nation's unmet needs of housing. Over the 5-year period, these functions remain the same or even decrease. It is obviously the assumption of the Senate Budget Committee that these areas do not make up much of this country's national security. Instead, we are faced with a 1980 version of the 1960's famous war on poverty which assumed that spending billions of Federal dollars would have solved the problems of poverty, education, health, and crime. Are we to fall into the same trap of writing blank checks to achieve some illusive goal of national security?

I do not believe it insignificant that our major competitors in the industrialized world are saving more, investing more in plants and equipment, have lower inflation rates, higher rates of productivity growth, and greater real growth in their economy. It is curious that these countries spend less on defense than the United States. The World Watch Institute has pointed out that more than 50 percent of our Government research and development expenditures already go into new weapons systems. The Government's portion of

R. & D. dominates private efforts. This concentration on defense may help to explain sagging productivity which is a key element in our inflation rate.

We must remember that billions for more weapons systems adds nothing to our Nation's capacity to produce while investment in the private sector augments production and real growth in our GNP. On November 30, 1967, a brilliant economist named Arthur F. Burns eloquently made the same observations on defense spending that I am trying to make today.

The real cost of defense spending includes not only the amount spent, but also the amount of growth in our economy that is foregone that can be achieved by investing in human or business capital.

On Monday, my distinguished colleague from Ohio eloquently detailed the waste and inefficiency that occurs in the defense budget. Many of my colleagues take a great deal of delight in discovering waste and abuse of taxpayers' dollars in food stamps, welfare, unemployment, Government contracts, and so forth. However, we rarely scrutinize the defense budget with the same intensity. The Scripture teaches us to beware of attempts to point out the specks in our neighbor's eyes when we ignore the planks in our own. The Wall Street Journal recently reported that the Pentagon's 48 major weapons systems rose $28.76 billion in the last quarter of 1979 to a total of $256.11 billion. This budget ignores the realities of those consistent overruns and exempts defense from any cuts in the Federal budget.

Since January the economy has suffered a series of shocks—a prime interest rate of 20 percent, an inflation rate of 18 percent, the spectacular collapse of the bond and silver market, a virtual shutdown of the housing market and a return to depression-like unemployment rates in the auto industry. All eyes have focused on the Federal budget and the Congress seems bent on enacting a balanced budget. The question remains whether a balanced budget for a fiscal year that begins October 1 will effectively do anything to stop inflation and cure the long-term problems facing the economy. By creating such expectations do we face a danger of losing all confidence of our people and thereby raise the specter of more Government control of the entire economy?

We did not get to where we are today overnight. The philosophy of protecting all sectors of the economy from the vagaries of the market began with the New Deal. In order to return to a more balanced approach we need to focus our attention on a new conservation ethic, on alternative energy sources, on regulatory reform that will free up our small businesses, a new emphasis upon international trade, and a change in policy from aiding declining industries to a new program of aiding growing small businesses. According to a recent MIT study, those companies with fewer than 20 employees provide two-thirds of private sector growth. It is my hope that the Congress will not send a wrong signal to the American people that our troubles are over now that a balanced budget resolution has been agreed to.

Mr. HOLLINGS. Mr. President, I yield 2 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I intend to vote against the first budget resolution.

This budget is a recipe for recession.

The working people of this country are facing roaring inflation and soaring unemployment, but the Senate's only response is a business-as-usual budget of more spending and higher taxes.

Supporters claim this is a historic budget. I would suggest it is more hysterical than historical—a frantic attempt to produce a political budget, rather than doing something about recession, inflation, and economic growth.

The only thing historic about it is its historic high taxes.

The budget we are voting on today contains one of the highest spending levels in history and the highest tax level in history.

What working people will get from this budget is more inflation, higher taxes, bigger spending, and deeper recession.

We had a number of opportunities to vote for economic growth through spending restraint and lower taxes. But, instead of voting for economic recovery, the Senate has voted for recession.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. ROBERT C. BYRD. Mr. President, the journey to a balanced budget has been long and difficult; but, for the first time in the history of the new budget process, both the House and Senate Budget Committees have reported a resolution calling for a balanced budget. Barring a severe downturn in the economy or other unforeseen emergencies, which would render a balanced budget impossible, the fiscal year 1981 budget would be the first budget to be balanced in 13 years.

The first major step in the journey began with the passage of the Congressional Budget and Impoundment Control Act of 1974. The process established by that act has imposed fiscal discipline and a mechanism for setting priorities. Through this process the Senate Budget Committee has developed a budget which is tight, even austere.

The balanced Federal budget was dealt an early blow by the 1974–75 Ford recession. Increased social spending and decreased revenues, resulting from the most serious economic slowdown since the Depression, drove the deficit to a staggering $66.4 billion in fiscal year 1976.

During the long march back from enormous recession-induced deficits, the road was strewn with "quick-fix," easy-vote solutions to our fiscal problems. Some advocated a constitutional amendment requiring a balanced budget. Others promoted formulas to tie spending to some measure such as the GNP.

But, in the main, the Senate resisted these easy fixes, recognizing that the way to balance the budget—was to balance the budget.

The current balanced budget was mandated in 1978 by adoption of an amendment to an International Monetary Fund bill, which required that the fiscal year 1981 budget be in balance.

During consideration of the public debt bill in March 1979, Congress instructed the Budget Committees to report budgets which were balanced by 1981 or 1982.

During consideration of both the first and second concurrent resolutions on the fiscal year 1980 budget, the Congress chose paths which would lead to a balanced budget in fiscal year 1981.

In March of 1980, the Senate adopted a substitute for a Roth resolution, Senate Resolution 380, expressing the sense of the Senate that the Senate Budget Committee should report a budget for fiscal year 1981 which is balanced and which dedicates any surplus to a tax cut. The resolution also instructed the committee to develop an amendment which would reduce Federal spending to 21 percent of the GNP, the original thrust of the Roth amendment.

Many observers are claiming that the achievement of a balanced budget is impossible in light of current economic conditions. Unless the evidence becomes conclusive, we would be ill-advised to veer from our current balanced budget course. We chose that course in March for a good reason—we wanted to establish a sense of stability and certainty for financial markets which were on the verge of collapse.

Since the joint House-Senate leadership announced a balanced budget plan in March, interest rates on 3-month Treasury bills have fallen from more than 16 percent to about 9.5 percent. Certificates of deposit at banks have fallen from about 18 percent to about 9½ percent. The bond market has revived, as prices have soared and rates have dropped.

But we still have a long way to go. The prime rate charged by banks has not fallen to the extent which one might expect, given the dramatic fall in the cost of money to the banks. On May 1, I addressed this issue at some length on the Senate floor. Since then most banks have dropped their prime rate by 1½ percentage points. But until the prime comes down substantially from its current level of 17 to 17½ percent, there will be little relief for the hard-pressed farmer, homebuilder, and small businessman.

The balanced budget not only fosters a psychological atmosphere in which interest rates will continue to fall, it will keep the pressure off interest rates in fiscal year 1981 by keeping the Government from competing with the private sector for borrowed money.

I am concerned about this recession. I think the Federal Reserve slammed the brakes on too hard in October of last year, and I warned about the possible consequences at that time. But now that interest rates are tumbling from their alltime high, we must not rock the boat.

Realistically, the level of stimulus which the Federal Government can provide from spending or tax-cuts is minimal compared to the healthy impact on the economy of low interest rates.

Therefore, I opposed any amendments to this budget resolution which directly or indirectly would have taken us off the balanced budget course.

Mr. President, I commend my good friends, the acting chairman of the Budget Committee—soon to be the chairman—Mr. HOLLINGS, and the ranking minority member, Mr. BELLMON, for their determination to stay on the balanced budget course.

I know they will work long and hard to hammer out a conference report on the budget as quickly as possible.

ORDER FOR CONSIDERATION OF S. 598, SOFT DRINK INTERBRAND COMPETITION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the pending measure, the Senate proceed to the consideration, without any further action, of Calendar No. 687, S. 598, the bottlers' bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I salute the acting chairman of the Budget Committee, the Senator from South Carolina (Mr. HOLLINGS), and the able ranking minority member of the committee, the Senator from Oklahoma (Mr. BELLMON), who has been so helpful all the way through, for a tremendous job on this budget.

As the majority leader has just said, this is the first balanced budget we have had for a long time.

I know there are some in this Chamber who will vote against this balanced budget. It was just referred to as a political budget. As a member of the Budget Committee, I think this is the least political budget we have had in this body for a long, long time.

I point out that because of the work of the Budget Committee and the majority of this body, we have cut a budget here today that represents a percentage growth over last year to the fiscal year 1981 of a total of between 8 and 9 percent. I suggest that there are few agencies of Government, at any level, that will be able to hold their spending for the next fiscal year to between 8 and 9 percent.

In mentioning that figure, I also point out that in the budget we have raised defense expenditures by about 17 percent and at the same time we have raised all of the other programs of Government by only about 5.7 percent.

As a man who worked with budgets for a long, long time, I say that this is not a perfect budget, but I know that the Budget Committee has worked extremely hard. We have had long and proper debates on this budget in this body.

I am proud to vote for this budget, a balanced budget, although I suspect that there will be detractors from the good work that I think this body has done.

I thank my friend from South Carolina.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Chair is unable to hear what is being said in the Chamber.

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to vitiate the order for the Helms amendment and also that it be in order to consider a technical amendment to the resolution to make nonsubstantive changes which are necessitated by the adoption of several amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1091

(Purpose: To make technical and nonsubstantive changes)

Mr. HOLLINGS. Mr. President, I call up the amendment, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes an unprinted amendment numbered 1091.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all from page 2, line 1, through the end of the resolution, and insert the following:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1981: $613,200,000,000;
Fiscal year 1982: $697,200,000,000;
Fiscal year 1983; $780,600,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: —$3,400,000,000;
Fiscal year 1982: —$9,600,000,000;
Fiscal year 1983: —$33,500,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $688,200,000,000;
Fiscal year 1982: $759,300,000,000;
Fiscal year 1983: $831,400,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $613,100,000,000;
Fiscal year 1982: $687,200,000,000;
Fiscal year 1983; $753,400,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: +$100,000,000;
Fiscal year 1982: +$10,000,000,000;
Fiscal year 1983: +$27,200,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,700,000,000;
Fiscal year 1982: $953,800,000,000;
Fiscal year 1983: $968,500,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,600,000,000;
Fiscal year 1982: $26,000,000,000;
Fiscal year 1983: $14,800,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $208,600,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $23,300,000,000;
(B) Outlays, $9,500,000,000.
Fiscal year 1982:
(A) New budget authority, $14,600,000,000;
(B) Outlays, $9,600,000,000.
Fiscal year 1983:
(A) New budget authority, $13,300,000,000;
(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,100,000,000.
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1983:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $8,900,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1981:
(A) New budget authority, $11,500,000,000;
(B) Outlays, $11,900,000,000.
Fiscal year 1982:
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,500,000,000.
Fiscal year 1983:
(A) New budget authority, $11,800,000,000;
(B) Outlays, $12,700,000,000.

(6) Agriculture (350):
Fiscal year 1981:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1982:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $3,100,000,000.
Fiscal year 1983:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,200,000,000.

(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority, $19,750,000,000.
(B) Outlays, $18,050,000,000.
Fiscal year 1982:
(A) New budget authority, $18,750,000,000.
(B) Outlays, $19,250,000,000.
Fiscal year 1983:
(A) New budget authority, $19,550,000,000.

(B) Outlays, $19,950,000,000.
(9 Community and Regional Development (450):
Fiscal year 1981:
(A) New budget authority, $8,800,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $8,500,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 1983:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $8,800,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1981:
(A) New budget authority, $28,900,000,000.
(B) Outlays, $28,000,000,000.
Fiscal year 1982:
(A) New budget authority, $30,000,000,000.
(B) Outlays, $28,500,000,000.
Fiscal year 1983:
(A) New budget authority, $30,800,000,000.
(B) Outlays, $30,200,000,000.
(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $70,700,000,000;
(B) Outlays, $61,700,000,000.
Fiscal year 1982:
(A) New budget authority, $82,000,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $92,500,000,000.
(B) Outlays, $78,400,000,000.
(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $245,200,000,000;
(B) Outlays, $218,200,000,000.
Fiscal year 1982:
(A) New budget authority; $277,100,000,000;
(B) Outlays, $246,600,000,000.
Fiscal year 1983:
(A) New budget authority, $304,300,000,000;
(B) Outlays, $271,800,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority, $21,850,000,000;
(B) Outlays, $21,250,000,000.
Fiscal year 1982:
(A) New budget authority, $23,050,000,000;
(B) Outlays, $22,650,000,000.
Fiscal year 1983:
(A) New budget authority, $24,550,000,000;
(B) Outlays, $24,150,000,000.
(14) Administration of Justice (750):
Fiscal year 1981:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1983:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,800,000,000.
(15) General Government (800):
Fiscal year 1981:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,300,000,000.
Fiscal year 1982:
(A) New budget authority, $4,800,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1981:
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,500,000,000.
Fiscal year 1982:
(A) New budget authority, $7,300,000,000;
(B) Outlays, $7,300,000,000.
Fiscal year 1983:
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7.400,000,000.
(17) Interest (900):
Fiscal year 1981:
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
Fiscal year 1982:
(A) New budget authority, $74,000,000,000;
(B) Outlays, $74,000,000,000.
Fiscal year 1983:
(A) New budget authority, $77,700,000,000;
(B) Outlays, $77,700,000,000.
(18) Undistributed Offsetting Receipts (950):
Fiscal year 1981:
(A) New budget authority, −$24,700,000,000;
(B) Outlays, −$24,700,000,000.
Fiscal year 1982:
(A) New budget authority, −$27,500,000,000;
(B) Outlays, −$27,500,000,000.
Fiscal year 1983:
(A) New budget authority, −$29,800,000,000;
(B) Outlays, −$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):
(A) New budget authority, $143,700,000,000;
(B) Outlays, $134,000,000,000.
(2) International Affairs (150):
(A) New budget authority, $15,200,000,000;
(B) Outlays, $9,900,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $5,900,000,000.
(4) Energy (270):
(A) New budget authority, $37,900,000,000;
(B) Outlays, $6,500,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,200,000,000;
(B) Outlays, $12,900,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $5,500,000,000.
(8) Transportation (400):
(A) New budget authority, $19,700,000,000;
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,600,000,000;
(B) Outlays, $9,100,000,000.
(10 Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,300,000,000;
(B) Outlays, $29,900,000,000.
(11) Health (550):
(A) New budget authority, $59,800,000,000:
(B) Outlays, $56,500,000,000.
(12) Income Security (600):
(A) New budget authority, $223,000,000,000;
(B) Outlays, $190,000,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,500,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,300,000,000;
(B) Outlays, $8,300,000,000.
(17) Interest (900):
(A) New budget authority, $8,300,000,000;
(B) Outlays, $65,500,000,000.
(18) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$22,300,000,000;
(B) Outlays, —$22,300,000,000.

RECONCILIATION

Pursuant to subsections 310(c), (e), and (f), of the Congressional Budget Act of 1974, reconcilation measures shall be reported and considered as follows:

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4,800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,700,000,000 in budget authority and $4,100,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 12. The Senate Select Committee on Small Business and the House Committee on Small Business shall reduce spending in fiscal year 1981 in reported or enacted laws, bills, and resolutions by $900,000,000 in budget authority and $700,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reductions required by this section.

SEC. 13. The Committees specified in sections 4 to 12 herein shall report the recommendations required by this resolution no later than June 20, 1980, or ten days after Congress completes action on this resolution, whichever later occurs.

SEC. 14. It is the sense of the Congress that the President should direct agencies not to increase the rate of obligation of fiscal year 1980 budget authority in advance of anticipated rescission actions.

It is the further sense of Congress that due to the extreme rates of inflation in the U.S. economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of FY1980 and FY1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

1. It is judged to have no significant positive or negative impact on inflation;

2. It is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index;

3. It is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

CREDIT BUDGET

SEC. 15. There is established a Congressional Federal Credit Budget for fiscal year 1981.

(a) The appropriate levels of total Federal credit activity for fiscal year 1981 are:

(1) New direct loan obligations, $63,900,000,000;

(2) New primary loan guarantee commitments, $77,000,000,000.

(b) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1981 the off-budget lending activity of the Federal Government to a level not to exceed $25,800,000,000; the on-budget lending activity to a level not to exceed $38,100,000,000; and new primary loan guarantee commitments to a level not to exceed $77,000,000,000.

LEGISLATION DEALING WITH CREDIT TO BE SUBJECT TO APPROPRIATION LIMITATIONS

SEC. 16. It shall not be in order in the House or Senate to consider any bill, resolution, or amendment authorizing new direct loans or new loan guarantees unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

This section shall not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Community Credit Corporation.

SEC. 17. (a) No bill or resolution which would reduce federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

(b) After federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totaling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the Second Concurrent resolution on the budget, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

MISCELLANEOUS PROVISION

SEC. 18. No bill or resolution providing new budget authority for fiscal year 1981 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 for such fiscal year in excess of the allocation made to or reported by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the second concurrent resolution on the budget for that fiscal year as required to be reported under section 310 of the Budget Act, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

SEC. 18A. Section 904(b) of the Congressional Budget Act of 1974 shall be deemed to apply to sections 16, 17, and 18 of this Resolution.

HUMPHREY-HAWKINS GOALS

SEC. 19. Pursuant to subsection 301(e) of the Congressional Budget Act of 1974, the target date for the achievement of the employment goal provided for in section 4(b)(1) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act is 1985.

SEC. 20. Notwithstanding section 17 of this resolution, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 USC 1) which has the effect of reducing revenues shall be enrolled.

Mr. HOLLINGS. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, before we move the adoption of the budget resolution and ask for the yeas and nays, let me just say one thing.

It is not a political budget as one of my colleagues characterized it.

Senator Muskie and this Budget Committee, the staffs on both sides, and particularly my colleague, HENRY BELLMON, and the members of the Budget

Committee have been working around the clock on this resolution. The Senators themselves have disciplined themselves for the first time in the past 10 years because this will be the first balanced budget that the Senate has ever voted upon.

It cuts general Government 16 percent. It cuts down the size of the Government relative to the gross national product from 22.3 percent to 21.8 percent. It mandates a very, very tough $9.6 billion in reconciliation and it sets aside approximately $10 billion for a tax cut.

I think the Senate has done itself proud.

I move the adoption of the budget resolution and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

Mr. HOLLINGS. I understand that the vote is automatic. The order has already been entered.

The PRESIDING OFFICER. All time having been yielded back, under the previous order the Senate will now proceed to the consideration of House Concurrent Resolution 307.

Under the previous order, all after the resolving clause is stricken and the text of Senate Concurrent Resolution 86, as amended, is inserted in lieu thereof.

The question now recurs on the adoption of the House Concurrent Resolution 307 as thus amended.

On this question, under the previous order, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. EXON assumed the chair.)

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. CRANSTON) would vote "nay."

The PRESIDING OFFICER (Mr. MATSUNAGA). Is there any Senator who has not voted?

The result was announced—yeas 68, nays 28, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—68

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Culver
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Williams
Young

NAYS—28

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Cochran
Danforth
DeConcini
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Levin
Lugar
McClure
Percy
Proxmire
Roth
Schweiker
Simpson
Stevenson
Wallop
Weicker
Zorinsky

NOT VOTING—3

Cranston
Gravel
Kennedy

So the resolution (H. Con. Res. 307), as amended, was agreed to as follows:

H. CON. RES. 307

Resolved by the House of Representatives (the Senate concurring) That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1981: $613,200,000,000;
Fiscal year 1982: $697,200,000,000;
Fiscal year 1983: $780,600,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: −$3,400,000,000;
Fiscal year 1982: −$9,600,000,000;
Fiscal year 1983: −$33,500,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $688,200,000,000;
Fiscal year 1982: $759,300,000,000;
Fiscal year 1983: $831,400,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $613,100,000,000;
Fiscal year 1982: $687,200,000,000;
Fiscal year 1983: $753,400,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: +$100,000,000;
Fiscal year 1982: +$10,000,000,000;
Fiscal year 1983 +$27,200,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $927,700,000,000;
Fiscal year 1982: $953,800,000,000;
Fiscal year 1983: $968,500,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,600,000,000;
Fiscal year 1982: $26,000,000,000;
Fiscal year 1983: $14,800,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1980, October 1, 1981, and October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1981:
(A) New budget authority, $173,400,000,000;
(B) Outlays, $155,700,000,000.
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New budget authority, $233,900,000,000;
(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1981:
(A) New budget authority, $23,300,000,000;
(B) Outlays, $9,500,000,000.
Fiscal year 1982:
(A) New budget authority, $14,600,000,000;
(B) Outlays, $9,600,000,000.
Fiscal year 1983:
(A) New budget authority, $13,300,000,000;
(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1981:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,100,000,000.
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1981:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,800,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1983:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $8,900,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1981:
(A) New budget authority, $11,500,000,000;
(B) Outlays, $11,900,000,000.
Fiscal year 1982:
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,500,000,000.
Fiscal year 1983:
(A) New budget authority, $11,800,000,000;
(B) Outlays, $12,700,000,000.

(6) Agriculture (350):

Fiscal year 1981:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1982:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1981:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1982:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $3,100,000,000.
Fiscal year 1983:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,200,000,000.

(8) Transportation (400):

Fiscal year 1981:
(A) New budget authority, $19,750,000,000;
(B) Outlays, $18,050,000,000.
Fiscal year 1982:
(A) New budget authority, $18,750,000,000;
(B) Outlays, $19,250,000,000.
Fiscal year 1983:
(A) New budget authority, $19,550,000,000;
(B) Outlays, $19,950,000,000.

(9) Community and Regional Development (450):

Fiscal year 1981:
(A) New budget authority, $8,800,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,800,000,000.
Fiscal year 1983:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1981:

(A) New budget authority, $28,900,000,000
(B) Outlays, $28,000,000,000.
Fiscal year 1982:
(A) New budget authority, $30,000,000,000;
(B) Outlays, $28,500,000,000.
Fiscal year 1983:
(A) New budget authority, $30,800,000,000;
(B) Outlays, $30,200,000,000.
(11) Health (550):
Fiscal year 1981:
(A) New budget authority $70,700,000,000;
(B) Outlays, $61,700,000,000.
Fiscal year 1982:
(A) New budget authority, $82,000,000,000;
(B) Outlays, $70,600,000,000.
Fiscal year 1983:
(A) New budget authority, $92,500,000,000;
(B) Outlays, $78,400,000,000.
(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $245,200,000,000;
(B) Outlays, $218,200,000,000.
Fiscal year 1982:
(A) New budget authority, $277,100,000,000;
(B) Outlays, $246,600,000,000.
Fiscal year 1983:
(A) New budget authority, $304,300,000,000;
(B) Outlays, $271,800,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority, $21,850,000,000;
(B) Outlays, $21,250,000,000.
Fiscal year 1982:
(A) New budget authority, $23,050,000,000;
(B) Outlays, $22,650,000,000.
Fiscal year 1983:
(A) New budget authority, $24,550,000,000;
(B) Outlays, $24,150,000,000.
(14) Administration of Justice (750):
Fiscal year 1981:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1983:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,800,000,000.
(15) General Government (800):
Fiscal year 1981:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,300,000,000.
Fiscal year 1982:
(A) New budget authority, $4,800,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1983:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1981:
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,500,000,000.
Fiscal year 1982:
(A) New budget authority, $7,300,000,000;
(B) Outlays, $7,300,000,000.
Fiscal year 1983:
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7,400,000,000.
(17) Interest (900):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $72,200,000,000.
Fiscal year 1982:
(A) New budget authority, $74,000,000,000;
(B) Outlays, $74,000,000,000.
Fiscal year 1983:
(A) New budget authority, $77,700,000,000;
(B) Outlays, $77,700,000,000.
(18) Undistributed Offsetting Receipts (950):
Fiscal year 1981:
(A) New budget authority, —$24,700,000,000;
(B) Outlays, —$24,700,000,000.
Fiscal year 1982:
(A) New budget authority, —$27,500,000,000;
(B) Outlays, —$27,500,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,800,000,000;
(B) Outlays, —$29,800,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of S. Con. Res. 53 is revised as follows:

(1) The recommended level of Federal revenues is $528,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased or increased is $0.

(2) The appropriate level of total new budget authority is $653,700,000,000.

(3) The appropriate level of total budget outlays is $566,400,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $37,500,000,000.

(5) The appropriate level of the public debt is $895,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $16,100,000,000.

(b) Section 2 of S. Con. Res. 53 is revised as follows:

(1) National Defense (050):
(A) New budget authority, $143,700,000,000;
(B) Outlays, $134,000,000,000.
(2) International Affairs (150):
(A) New budget authority, $15,200,000,000;
(B) Outlays, $9,900,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $5,900,000,000.
(4) Energy (270):
(A) New budget authority, $37,900,000,000;
(B) Outlays, $6,500,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,200,000,000;
(B) Outlays, $12,900,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,900,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $5,500,000,000.
(8) Transportation (400):
(A) New budget authority, $19,700,000,000;
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,600,000,000;
(B) Outlays, $9,100,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,300,000,000;
(B) Outlays, $29,900,000,000.
(11) Health (550):
(A) New budget authority, $59,800,000,000;
(B) Outlays, $56,500,000,000.
(12) Income Security (600):
(A) New budget authority, $223,000,000,000;
(B) Outlays, $190,000,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,500,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,300,000,000;
(B) Outlays, $8,300,000,000.
(17) Interest (900):
(A) New budget authority, $65,500,000,000;
(B) Outlays, $65,500,000,000.
(18) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$22,300,000,000;
(B) Outlays, —$22,300,000,000.

RECONCILIATION

Pursuant to subsections 310 (c), (e), and (f) of the Congressional Budget Act of 1974, reconciliation measures shall be reported and considered as follows:

SEC. 3. The Committees on Appropriations shall reduce spending in enacted laws by $4.800,000,000 in budget authority and $2,600,000,000 in outlays for fiscal year 1980 and are instructed to report no later than ten days after Congress completes action on this resolution their recommendations for changes in new budget authority for fiscal year 1980 and budget authority initially provided for prior fiscal years contained in enacted laws, within the jurisdictions of those committees, sufficient to accomplish the reductions required by this section.

SEC. 4. The Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. The Committees on Armed Services shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 6. The Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and are instructed to report promptly the recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $500,000,000 in budget authority and $600,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 8. The Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 9. The Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $2,000,000,000 in budget authority and $2,000,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 10. The Committees on Veterans' Affairs shall reduce spending for fiscal year 1981 in reported or enacted laws, bills and resolutions by $200,000,000 in budget authority and $400,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorizations therefor, and new spending authority which is to become effective during fiscal year 1981 contained in reported or enacted laws, bills, and resolution within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 11. The Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, the resolutions by $2,700,000,000 in budget authority and $4,100,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reductions required by this section.

SEC. 12. The Senate Select Committee on Small Business and the House Committee on Small Business shall reduce spending in fiscal year 1981 in reported or enacted laws, bills, and resolutions by $900,000,000 in budget authority and $700,000,000 in outlays and are instructed to report promptly their recommendations for changes in new budget authority for fiscal year 1981 or budget authority initially provided for prior fiscal years, or authorization therefor, and new spending authority which is to become effective during fiscal 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdiction of those committees sufficient to accomplish the reductions required by this section.

SEC. 13. The Committees specified in sections 4 to 12 herein shall report the recommendations required by this resolution no later than June 20, 1980, or ten days after Congress completes action on this resolution, whichever later occurs.

SEC. 14. It is the sense of the Congress that the President should direct agencies not to increase the rate of obligation of fiscal year 1980 budget authority in advance of anticipated rescission actions. It is the further sense of Congress that due to the extreme rates of inflation in the United States economy, the possible inflationary effects of Federal regulations and legislation shall be carefully monitored as part of this program of fiscal restraint. Inflationary effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the Federal regulations promulgated in the remainder of fiscal year 1980 and 1981. This policy will require the President to keep an accounting for fiscal years 1980 and 1981 of all new regulations which have a significant, measurable cost to the economy. The aggregate net increase in costs or price effects of new regulations would have to be offset by modifications to existing regulations which reduce the costs or price effects by at least that amount in fiscal years 1980 and 1981, as well as subsequent fiscal years. The cost-saving modifications need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety. It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation scorekeeping" report which shall contain an estimate of the positive or negative inflationary effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether:

(1) it is judged to have no significant positive or negative impact on inflation;

(2) it is judged to have a positive or negative inflationary impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index;

(3) it is judged likely to have a significant positive or negative impact on inflation, but the amount cannot be determined immediately.

CREDIT BUDGET

SEC. 15. There is established a Congressional Federal Credit Budget for fiscal year 1981.

(a) The appropriate levels of total Federal credit activity for fiscal year 1981 are:

(1) New direct loan obligations, $63,900,000,000;

(2) New primary loan guarantee commitments, $77,000,000,000.

(b) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1981 the off-budget lending activity of the Federal Government to a level not to exceed $25,800,000,000; the on-budget lending activity to a level not to exceed $38,100,000,000; and new primary loan guarantee commitments to a level not to exceed $77,000,000,000.

LEGISLATION DEALING WITH CREDIT TO BE SUBJECT TO APPROPRIATION LIMITATIONS

SEC. 16. It shall not be in order in the House or Senate to consider any bill, resolution, or amendment authorizing new direct loans or new loan guarantees unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Commodity Credit Corporation.

TAX REDUCTION

SEC. 17. (a) No bill or resolution which would reduce Federal revenues in fiscal year 1981 by more than $100,000,000 shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of the Congressional Budget Act of 1974, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

(b) After Federal revenues for fiscal year 1981 have been reduced by enacted bills and resolutions totaling $100,000,000, no other bill or resolution which would reduce revenues in such fiscal year shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

MISCELLANEOUS PROVISIONS

SEC. 18. No bill or resolution providing new budget authority for fiscal year 1981 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 for such fiscal year in excess of the allocation made to or reported by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the second concurrent resolution on the budget for that fiscal year required to be reported under section 310 of the Budget Act, such action to be completed not later than August 28, 1980, and on any required reconciliation legislation.

SEC. 18A. Section 904(b) of the Congressional Budget Act of 1974 shall be deemed to apply to sections 16, 17, and 18 of this resolution.

HUMPHREY-HAWKINS GOALS

SEC. 19. Pursuant to subsection 301(e) of the Congressional Budget Act of 1974, the target date for the achievement of the employment goal provided for in section 4(b)(1) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act is 1985.

RESTRICTIONS

SEC. 20. Notwithstanding section 17 of this resolution, a resolution adopted under section 402 of the Crude Oil Windfall Profit Tax of 1980 (26 U.S.C. 1) which has the effect of reducing revenues shall be enrolled.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the concurrent resolution (H. Con. Res. 307) was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I move the Senate insist on its amendments to House Concurrent Resolution 307, request a conference with the House, and that the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer (Mr. MATSUNAGA) appointed Mr. HOLLINGS, Mr. BELLMON, Mr. MAGNUSON, Mr. DOMENICI, Mr. CHILES, Mr. ARMSTRONG, Mr. JOHNSTON, Mr. HART, Mr. EXON, and Mrs. KASSEBAUM.

Mr. HOLLINGS. Mr. President, I move to indefinitely postpone Senate Concurrent Resolution 86.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I would like to add my voice to the others who have complimented our new chairman, or chairman to be, for the excellent manner in which he handled this resolution.

I have been on the Budget Committee now, this makes about the 6th year. I believe the controversy, the debate over the budget resolution this year was perhaps as sharp as any we have had.

Our new chairman has certainly defended the Budget Committee's position with the same vigor and the same effectiveness that we became accustomed to under Chairman Muskie. I am extremely optimistic that the budget process will be in as highly capable hands with Fritz Hollings. We are going to have a test of that, I might say to our new chairman, when we get into conference with the House. It will be very instructive to see how well we do that, because that certainly is not going to be an easy conference.

If our calculations are right, we have been on the floor for 56½ hours. There have been 40 votes. The budget is still balanced. Its shape has not changed dramatically from the shape it was in when it came out of the committee.

I give great credit to Chairman Hollings for holding the line and having achieved, for the first time in a decade, a balanced budget that has a significant surplus that is available for a tax cut if the Senate decides to vote a tax cut later in the year. So, Fritz, congratulations and best wishes for the future.

Mr. HOLLINGS. Mr. President, let me thank my colleague on the other side of the aisle. He makes it a bipartisan approach to the budget proceedings throughout. And there is no one who can do the job as well as he. We cannot thank Henry Bellmon enough. We all know that from the bottom of our hearts. It is just a thrill to work with him, because we agree and disagree very modestly and quietly and no one is more sincere. The last amendment is a perfect example: He was the only rural mail delivery recipient, yet he was for cutting his own services in an effort to get a balanced budget.

I want to say something about the Budget Committee members. I am looking forward, of course, to working with our good friend, the Senator from New Mexico. I do not believe he is in the Chamber. Yes, he is. He is sitting right here, still working hard right now. I am looking forward to working with him and having his magnificent support and the support of these staffs that make you look good.

But what really made us look good, Mr. President was the majority leader. When the bond market went out from under this country about 5 or 6 weeks ago, Senator Byrd, our majority leader, called together the leadership, not only of the Senate, but also of the House, and got the budget changed by the administration. He called over the economic leadership, the Treasurer and others, the Chairman of the Council of Economic Advisers and the Office of Management and Budget, in around-the-clock sessions, from late at night until in the morning, and on Sundays. The majority leader held everybody's foot to the fire. So that really set the background and the scene for this salutary action by the U.S. Senate.

On the House side, last year we could not get the House to pronounce the word "reconciliation." Now they have adopted reconciliation and, in certain instances with respect to some of the executive departments, as the debate just concluded shows, they were much more rigid than we.

So we will be looking forward to working with our House colleagues. But let us all remember that Bob Byrd is the one who led us to the balanced budget. I want to salute him, and thank the entire Senate and particularly Henry Bellmon.

I also want to thank the very fine staff of the Budget Committee for all their hard work and dedication, paricularly John McEvoy and Sid Brown.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for his kind comments.

Mr. BELLMON. Mr. President, I would like to take just a minute of the Senate's time to thank the Republican members of the Budget Committee for the work they did in support of the resolution, both in committee and here on the floor, particularly the distinguished senior Senator from New Mexico, who will be taking my place as ranking member of the Budget Committee at the beginning of next year.

Senator Domenici has certainly done yeoman service to the budget process, not only this year but throughout the time he served on the committee.

I am confident that, as the new ranking member, he will do even better than the present member has been able to do in helping to make the budget process meaningful and effective. I look forward to turning the responsibility over to Senator Domenici when I leave the Senate at the end of this term with absolute personal assurance that he will carry on the work that has been carried on thus far and do it in an even better manner.

So I wanted to recognize the contribution Senator Domenici has made and also say that I have total confidence in his ability and his desire to go ahead with this work.

In addition, Mr. President, I do not know that anyone fully appreciates the contributions both the majority and minority staff make of this process. They have an almost impossible task of trying to keep up with the numbers which keep changing. They have to put in extremely long hours, work weekends and holidays, to prepare the documents used in this process. They also have come to be expert in various functions so they can give us counsel as to where savings are possible. Enough simply cannot be said in behalf of the contribution they make. So I want to take a moment tonight to congratulate them for the help they have given us.

Mr. DOMENICI. Will the Senator yield?

Mr. BELLMON. I am happy to yield.

Mr. DOMENICI. Mr. President, I certainly thank the Senator from Oklahoma for his kind words. I look forward to the job, but we are going to miss you, Senator. It is going to be difficult to take your place.

This whole process is difficult, as evidenced by the last few days. I would just say that if only one Senator had to prepare the budget, it would be a different matter. No one can get his way. The great feat of a legislative body is to get a majority of a committee to agree.

So by no means is this a budget that I personally would be for in every respect. But I am very proud of the fact that, with the divergence of opinion that exists on the Budget Committee and in this body, that we came up a with a budget that will significantly improve our military posture, that leaves our social programs in a relatively good position, but says they cannot grow as fast as they have in the past, and couples that with a balanced budget.

We cannot do everything all at one time. We have made some real starts in the direction of what I think is fiscal prudence. In the future, we will be able to add to the milestones that occurred here that I have just enumerated. I look forward to being part of an ever improving national budget in terms of making America more productive and ever better place to live.

I also want to commend the distinguished new chairman of the committee. On short notice, he took over a very difficult job. I think we all agree that he handled it in an outstanding manner. We lost on a few amendments, but when you look at it all, we came out with a budget very, very close to what the Budget Committee recommended.

I hope we can enforce it during the next couple of months. That will be the real test of whether or not we want to give our people what we promised them here tonight. I am sure we will have the support of many Senators, including our leadership, as we attempt to enforce the reconciliation process and the other mechanisms that will keep this budget in balance and keep our commitment to the American people.

Mr. BAKER. Mr. President, I wish to express my appreciation to Senator Bellmon the distinguished ranking member of the Budget Committee, and his staff for an outstanding job in the consideration of this year's budget reporting the first concurrent budget resolution to the Senate, shepherding it through this difficult time over an extended period of debate.

Senator Bellmon has shown the courage, consistency, dedication, and skillful parliamentary technique that have come to characterize his service in the Senate. People will disagree with particular items in the budget. Indeed, many Members on this side of the aisle voted against final passage. But I think every Member on this side of the aisle, and I believe every Member of the Senate, will join me in expressing our gratitude to the distinguished ranking member, Senator Bellmon, and the chairman, Senator Hollings, and to the former chairman, our former colleague, Senator Muskie, presently the Secretary of State, for an outstanding accomplishment in this field.

Mr. President, I wish to compliment as well the minority staff, particularly the minority staff director, Bob Boyd, for his excellent work and his high level of cooperation and leadership in preparing this matter for presentation to the full Senate, and his assistance, which I know is invaluable to Senator BELLMON, was also very helpful to every Member on this side of the aisle.

Finally, Mr. President, I wish to express my gratitude to the majority leader for his kindness and consideration in helping to arrange the schedule of amendments, with the timing so that it met the maximum convenience of the greatest number of Senators under very difficult and trying circumstances.

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader for his kind words. I wish to thank him for his help in arranging the agreement that was entered into on last Friday morning at about 1:30 a.m. He was very helpful in that regard and I am most appreciative.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order entered earlier, the Senate was to go to Calendar Order 687 immediately upon the disposition of the budget resolution. I ask unanimous consent that that order be delayed for not to exceed 20 more minutes during which Senators will be allowed to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire.

BIRTHDAY OF SENATOR NORRIS COTTON

Mr. HUMPHREY. Mr. President, yesterday was the 80th anniversary of the birth of one of our most respected colleagues, Norris Cotton. He is being honored in his native State of New Hampshire this evening, and I greatly regret that I am unable to be present for the dinner in his honor.

Senator Cotton could be identified in many ways—scholar, statesman, politician, and practicing attorney. His entry into politics commenced as a young man 23 years of age when he first served in the New Hampshire State House of Representatives. He ended his service in the New Hampshire House as Speaker in 1945. His service in the State legislature had been interrupted when he came to Washington as Secretary to Senator George H. Moses from 1924 to 1928. During that time he attended George Washington University Law School, and he was admitted to the bar in 1928.

Norris served almost 30 years in Congress. He was elected to the 80th Congress, and served from January 3, 1947 until his resignation on November 7, 1954, after having been elected to the U.S. Senate to fill the vacancy caused by the death of Senator Charles W. Tobey. He served continuously from that time until the end of his term January 3, 1975.

During his service in the U.S. House and Senate, Senator Cotton issued a periodical "report" to his constituents. These reports tells us a great deal about him. If there ever was a Senator who did his homework, it was Norris Cotton. There was never a more ardent guardian of the Public Treasury. He was shocked and dismayed at the ever-increasing growth of the Federal bureaucracy. He expressed his concern to his constituents in clear and certain terms.

In these reports, he explained his position on national legislation, and in them he analyzed his decisions on hundreds of issues and the reasoning that led to those decisions.

Several years before the ratification by the U.S. Senate of the so-called Panama Canal Treaty, Senator Cotton sent a warning signal which unfortunately went unheeded. In 1967, he had this to say:

> The Canal Zone is not "occupied" territory. It's not "conquered" territory like seven states from Texas to California wrested in war and paid for with a pittance. It's American soil. It was solemnly ceded and amply compensated for in the Hay Treaty with Panama in 1902 and backed up by treaty with Colombia. It would almost seem that Theodore Roosevelt and John Hay had the gift of prophecy, for had they foreseen the rise of Castro and Communism in this hemisphere, they could not have nailed down more firmly our perpetual sovereignty and control over our interoceanic lifeline. Now we are going to be asked to surrender that sovereignty.

Can there be any better example of a man of wisdom and prophecy?

Those who know Senator Cotton will recall his dry wit and humor—one of his favorite stories concerned a fellow member who was entertaining an enthusiastic lady constituent:

> She had been raving on about the wonders and glories of Washington and how thrilled she was by the sights of the Capital, until he grew a little restive, conscious that he had duties awaiting him. Finally he held up his hand to check the deluge, cocked his ear, and said, "I think I heard a quorum call." "I am sure you did," gushed the lady, "isn't it wonderful that you have so many lovely birds here."

I mentioned earlier Senator Cotton's continued concern of the growth of the bureaucratic government. Eighteen years ago, he concluded one of his reports, which said:

> We have enough bureaucrats already. If they keep on increasing, every citizen will be supporting one government employee. Pass this bill, and city dwellers may be supporting more than one. Or as Josh Billings put it, "No man is so poor that he can't afford to keep one dog, and I have seen them so poor they can afford to keep three."

Norris Cotton retired from the U.S. Senate with respect and admiration on both sides of the aisle.

On the occasion of the 80th anniversary of his birth, I am privileged to join his many friends in wishing him years of good health and happiness.

I am pleased to report to his colleagues that Senator Cotton is enjoying much improved health. I heard him regale a public gathering in his hometown, Lebanon, N.H., last Friday evening, and he was the same Norris Cotton as those who remember him so well during his years in the Senate. I am sure all of you who served in the Senate with Norris join me in wishing him continued good health and happiness for many years to come. Thank you.

BIRTHDAY OF SENATOR NORRIS COTTON

Mr. BAKER. Mr. President, I thank the Senator from New Hampshire for calling to our attention the 80th birthday anniversary of our former colleague, Senator Norris Cotton, of New Hampshire. He was one of the truly distinguished Members of this body when I first came here almost 14 years ago. I learned a great deal from him in my early senatorial career. I continue to hold him in the highest esteem and regard. I am joined by, I am sure, every Member who served with him, most certainly by all the citizens of the State of New Hampshire, in wishing him many more birthdays to come.

BIRTHDAY OF SENATOR NORRIS COTTON

Mr. ROBERT C. BYRD. I also wish to join in congratulating our colleague, former Senator Norris Cotton, on his 80th birthday. Psalmists have said, "The days of our years are threescore years and 10; and if by reason of strength, they be fourscore years, yet is their strength labour and sorrow; for it is soon cut off and we fly away."

Norris Cotton has not only extended his lifespan beyond the threescore years and 10 referred to by the psalmist, but he has also reached the fourscore mark. He was a great Senator. He was respected highly by the Members of the Senate on this side of the aisle as well as those on his side of the aisle. He is still held in that same high respect and regard and personal esteem by all of us who served with him.

I join with the minority leader and others in wishing him many happy returns of the day and many future happy birthdays.

HAPPY BIRTHDAY, SENATOR COTTON

Mr. DURKIN. Mr. President, on Sunday, May 11, Norris Cotton celebrated his 80th birthday. Much could be said in tribute to Norris Cotton's years in Government. However, I think the greatest tribute to Norris is that, in all his years in Congress, never was there one taint or rumor of scandal regarding Norris Cotton. Furthermore, he returned to Lebanon, N.H., after over 20 years in Congress, not one cent richer than the day he left Lebanon as a young Congressman.

Mr. President, I ask unanimous consent that an editorial from the Manchester Union-Leader, written by the publisher, William Loeb, be printed in the RECORD in its entirety.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> HAPPY BIRTHDAY SENATOR COTTON
>
> Tomorrow, retired United States Senator Norris Cotton of Lebanon will celebrate his 80th birthday and 53rd wedding anniversary. This newspaper would like to pay tribute to the senior statesman of the Granite State.
>
> Senator Cotton was born in the North Country town of Warren 80 years ago. He was a scholarship boy at Exeter Academy. After that, he was graduated from Wesleyan College and George Washington University Law School.
>
> As a state's attorney and then, as a young Congressman from the 2nd District, he soon made his mark which finally brought him to the U.S. Senate where he served with great

> distinction until he voluntarily retired in order to take better care of his ailing wife who has since, unfortunately, died.
>
> Senator Cotton is that rare thing among politicians—a humble man without pretense or pomp and with a sense of humor.
>
> Senator Cotton retired to his home in Lebanon without, unlike some politicians in Washington, having turned his government position into a great deal of cash. His entire life has been one of modest living and service to his state that he loves so well.
>
> As ranking member of the Commerce Committee and because of other important positions he held in the Senate of the United States, he was able to do a great deal for New Hampshire, including keeping the Portsmouth Naval Base open at a time when various Washington bureaucrats wanted to close it, the oldest naval base in the United States.
>
> Since he retired, Senator Cotton has written a book, not eulogizing himself but analyzing the events which he witnessed during his long years in Washington. It is like everything else about the Senator—modest, frank and able.
>
> It is very difficult to express appreciation or gratitude to any one for a life of service, especially when that individual apparently regards what he has done as merely what he should have been doing, and takes no credit for it.
>
> However, this newspaper would like not only to extend to Senator Cotton our best wishes for a wonderful birthday, and many, many more of them, but also the heartiest thanks on behalf of not only this newspaper but of all the citizens of New Hampshire for the great service he has rendered so selflessly to the people of the Granite State, and often with a chuckle on himself.
>
> Few who attended a dinner in Concord shortly after he had retired from the Senate will ever forget the Senator's remarks.
>
> "Since I have retired from the Senate, I have been sleeping like a baby. I sleep for an hour, wake up and cry, sleep for an hour, etc." So exited the Senator laughing—and with our praise and all best wishes.

Mr. MAGNUSON. Will the Senator yield to me?

Mr. DURKIN. Yes, I yield.

Mr. MAGNUSON. I want to join in greetings to my old friend, Norris Cotton. I wish him well. I say "amen" to everything the distinguished Senator from New Hampshire has stated.

Mr. HOLLINGS. I join in those sentiments, also, Mr. President.

Mr. DURKIN. I thank the Senators. I know Norris will appreciate it.

THE URGENT NEED FOR ELF

Mr. HUMPHREY. Mr. President, the Navy has proposed that 8 of its 10 Polaris submarines, which will be phased out abruptly as ballistic missile carriers before the same number of the new Trident submarines join the fleet, be converted to carry Tomahawk submarine launched cruise missiles. I strongly endorse this proposal and believe it is time we realized that submarine launched cruise missiles as theater forces will make the immediate deployment of ELF communications an absolute necessity. It will be perhaps even more vital to them than it is now essential and advantageous to our SSN and SSBN forces.

Opponents of ELF have argued that the absence of a proven, quantified threat to strategic ballistic missile submarines allows us to defer ELF deployment. While that argument is not supported by facts and is based on dangerous assumptions, it becomes completely invalid for submarines acting as forward antisubmarine detectors in hostile waters, a normal attack submarine role.

These submarines cannot roam freely in the vast ocean areas where they and their trailing wires and buoys are somewhat difficult to detect. They will be required to operate in very dangerous theaters of very hostile and effective Soviet antisubmarine warfare. Yet they must, as quick response theater forces, be under positive control of the national command authority at all times. This means ELF, and it means ELF now.

There are many in the Congress and apparently in the White House, who would deny a threat or would like to clutch at the straw of a sophisticated, multi-satellite scheme which may be achievable by the year 2000, and may be able to reach submarines down to 300 feet. ELF has already operated at considerably greater depth than that. This satellite idea is really farfetched. Our satellites are vulnerable now, we have too many eggs in that basket, and I cannot support a policy which lets us risk our submarine safety while we throw $500 million at a futuristic concept. We are already possessed of a proven technology to deeply submerge the submarines in oceans proven to be hostile. It is time to put it to use.

Deploying Tomahawk missiles on converted Polaris submarines is a sound idea for the dangerous early 1980's. Deploying them without ELF is ridiculous—to send them into the teeth of enemy forces and ask them to sit near the surface is irresponsible and unfair to their crews and the population they would protect. We should not abide the political delay which is depriving our submarine crews of the protection of the depths now, and it surely cannot be tolerated in the future.

For nearly 20 years we have tried to improve our difficult global communication problems by developing effective satellite systems. We have done so, only to find that not only they, but other satellites presently planned will be instantly vulnerable to a Soviet antisatellite kill capability known to exist today. How then are we still being told by some that instead of burying 130 miles of cable in the ground for ELF, we should go to satellites, using 7 to 14 of them to mount "blue-green lasers" yet to be developed, which may or may not penetrate clouds and may or may not be available by the year 2000 at a cost of over $1 billion? Some people like to believe that a hypothetical communication or weapon system is a force in being. Many people have been speaking of Trident or MX as if they already existed. But we are still tens of billions and years away from an effective Trident and MX force. Yet the administration has acted as if the systems were out there now ready to deter the Soviets, who have the hardware now while we debate the concepts.

I have no quarrel with advanced technology. I think we fund far too little. But when we fund it to avoid filling real and immediate needs, I have to object. How did we get here? I think Congress has a right to know and the people have a right to know.

In January 1979, in hearings before the House Armed Services Committee, Dr. Harold Brown spoke in reference to the blue-green laser idea as an alternative to ELF. Secretary Brown told the committee:

> I have "grave doubts that an alternative to ELF called 'Blue-Green Laser' is even feasible", explaining, "There's a difference between a 'good idea' and what makes up an effective military system." Blue-Green Laser is really a group of small basic research projets that might help to communicate with submerged submarines using a satellite-borne laser transmitter to communicate, as Brown puts it, "in frequencies where the ocean is transparent." But, he cautioned, there are real operational problems with that "interesting idea," noting that Blue-Green Laser performance is sensitive to "angles of obliquity, practical levels of data rate, and sea state conditions." Considering those, Brown, "It doesn't look that good." Brown told the committee, "I think we need to proceed with a system that we know works—ELF."

Dr. Brown seemed quite annoyed that the blue-green laser idea was advocated by Congressmen opposed to ELF, but DOD has nevertheless gone along this year and requested substantial funding for the idea. However, this year it is described as congressionally assigned.

My good friend and colleague, Senator LEVIN introduced Dr. Lowell Wood of Livermore Labs as an expert witness last year in this committee to testify on these blue-green laser satellites and I know Dr. Dinneen (ASD C^{3}1) and he had quite a little debate here on the subject. The thing that struck me most, though, was the proponent's opening remarks. He said, "Although the proposed ELF system is relatively very modest in data rate, it is undeniably the lowest technical risk and lowest available of any augmented strategic communications capability for the 1980s." Regarding the laser concept, he said, "Until and unless (it) as a technology has demonstrated capability in the field to operate through all atmospheric and oceanic conditions which occur in strategic submarines operations areas, I believe that the strategic communications capability which cannot be rapidly neutralized by Soviet technical surprises must be available, or the national investment of tens of billions of dollars in the increasingly crucial fleet, ballistic missile leg of the Triad, will be exposed to rapid and severe compromise. The ELF is the only strategic communications technology of which I am aware that cannot be rudely compromised by foreseeable Soviet ASW advances."

This, Mr. President, was the opening statement of the major proponent of the satellite idea.

In March of 1979, Dr. Gerald Dinneen, one of the most respected technical experts in the Department of Defense, wrote in a letter to a congressional advocate of lasers in space:

> This is in response to your letter of 12 February 1979 to Secretary Brown about an alternative to the proposed Extremely Low Frequency (ELF) communications system to reach our strategic ballistic missile submarines.
>
> I have reviewed the research done in this

> field both in and out of the Department of Defense and do not support your conclusion that a blue-green laser system is the best system for the Department of Defense to institute in place of an ELF system.
>
> A blue-green laser communications system may have promise for contributing eventually to our ability to communicate with submerged submarines; however, planning such a system is not now possible. Major improvements are needed in both transmitter and receiver technology before we can build and deploy a blue-green laser communications system to be used for communications with submarines. Regarding transmitters, improvements needed include: increased cycle life of laser flashlamps; increased levels of peak transmitter power, average power and energy per pulse; and increased transmitter energy efficiency. To improve receiver technology necessary for a deployable system we need marked increase in optical efficiency as well as the development of a narrowband, wide field of view optical filter. There have been some recent promising developments at the Lawrence Livermore Laboratory in optical filters, but this is only part of the overall system, problems which are still a long way from solution.
>
> In addition to the deficiencies in hardware technology, uncertainties about laser light losses in the variable water of the open ocean and in clouds and variations in background light interference hinder our ability to design, cost, and size such a system. These uncertainties must be investigated to determine means of reduction or elimination. Antennas or optical sensors, or both, would be required in an overall system.
>
> The past and current Department of Defense research program on blue-green laser communications to submarines is directed toward solution of some of the aforementioned deficiencies. The program consists of basic research and exploratory development efforts. This type of research is "idea-limited" which is not conducive to achieving accelerated development just by increasing the dollar investment. In some areas we do not have ideas for solutions or even for avenues of approach to solutions. Although there is no known reason why these system deficiencies cannot be solved, the solutions are just not immediately at hand.
>
> In summary, the technology to support the construction and deployment of an opertional blue-green laser submarine communication system will not be available until the later 1990s or early 2000s. The technical risk in pursuing the immediate development of such a system is high and the system cost is expensive. On the other hand, the ELF communications system is ready now and can be deployed by 1985. The technology is proved and the proposed system is safe. The environmental impact of a space-based laser communications system and associated ground terminals has not been assessed. The minimal impact on the environment of the proposed ELF communications system has been examined in detail and the appropriate Environmental Impact Statements have been filed, as required by law, with the Environmental Protection Agency.
>
> Thank you for your interest in this important aspect of our national defense. The security of our sea-based strategic deterrent forces is vital to the nation. I agree that decisive action should be taken now to develop and deploy the best and most modern means of improving the communications to submarines, and I request your support for the immediate deployment of the ELF communications system.

In April of 1979, a special panel of the Defense Science Board was convened to study the matter. It concluded, and I quote:

> We are agreed that we cannot now exclude, on scientific grounds, the possibility that such a concept may, in the end, lead to an effective communication system. This statement is phrased as a double negative because there are many scientific and technological hurdles to be overcome, whose outcome is by no means certain, before the question can be confidently answered. Apart from the questions of such things as laser development, adaptive optics for active systems, etc., which are now under active study for other reasons, there are open questions (such as bioluminescence) *which could cause the entire concept to fall flat on its face*. In addi- such as *ground* based (soft system but simple satellite) versus space-based (the opposite) is not yet available. These two fundamental options also have different propagation, laser, and environmental aspects. This is just one of a number of system questions that need to be addressed *after* the scientific input is in hand.
>
> Though we have a range among ourselves of approximately a factor of 2 in our personal estimates, we believe that there is a necessary period of some 3 to 5 years to answer the scientific questions required to assess feasibility and make a rational system choice, plus a comparable length of time for a feasibility demonstration of a prototype system. The time from there to IOC can be derived from comparable experience on other systems, and could be somewhat shortened if there were a sense of urgency.
>
> We believe that the most widely advertised estimates of time and cost are for a feasibility demonstration of the ground-based laser system, and are underestimated with respect to both time and cost by a factor which we have variously estimated as anywhere from *2 to 5*.
>
> We believe that Lowel Wood has (with his enthusiasm) performed a public service by rekindling interest in this concept. Little work is now being done on the development of this as a *system*, and we believe that it should be under consideration as a *long-term* option. However, many scientific, technical, systems, and policy (e.g., space war) questions need to be addressed before the viability of the option is clear. *In particular, an IOC of 1985 at cost of $300 million dollars is completely out of the question.*" (emphasis added)

Referring back to the panel of the Defense Science Board, if the conservative estimates are used, the arithmetic is staggering—5 times 300 million is $1.5 billion and 5 times 5 years is 25 years. Initial DOD estimates are usually low by half. So are we really taking about $3 billion and 50 years to get the President off the hook on a campaign statement which really referred to a different system? Is that how we set our defense system priorities?

This year, in its "get well" budget for defense, the administration requested $12.9 million for 1981 and $22.4 million in 1982 for blue-green lasers, calling it a congressionally directed program.

In the same budget, only $453,000 was requested for ELF, a system proven to work and available now, which fills a need that we have now.

I submit that all of this adds up to a kind of technological filibuster contrary to our interpretation of the national interest.

Spend hundreds of millions of dollars on experiments to avoid putting 130 miles of electrical wire in the ground? Incredible. Why is this all happening? It is crystal clear, and shows the length this administration will go to in trying to avoid making decisions that may be perceived (wrongly) to be politically difficult.

I think the national interest was described well earlier this month in the statement of Vice Admiral Griffith, Deputy Chief of Naval Operations for Submarine Warfare before the Subcommittee on Seapower of the House Armed Services Subcommittee on the fiscal year 1981 budget request for Strategic and Tactical Submarine Forces. He said, in part:

> Our plans envision retiring two and removing the remaining eight Polaris ships from the strategic nuclear forces. They will be utilized as attack submarines (SSNs) and may well become cruise missile carriers . . .
>
> Traditional wartime tasks have required attack submarines to conduct offensive operations in the open ocean and forward areas, independently or in conjunction with other forces. Within the recent past the major new role of SSN direct support of battle groups has been developed. Today a new task, cruise missile land attack, is beginning development. SSNs conducting forward area offensive operations in Soviet peripheral waters may be called upon to attack ships in harbor, air fields and construction facilities, and other key maritime or theater land targets. The unique characteristics of our submarines permit us to operate offensively in high threat areas without support from other forces.
>
> Today we are faced with a Soviet naval threat more serious than any since World War II, their predominant emphasis is on submarines. The Soviet submarine fleet is substantially larger than ours and the gap between the two fleets is growing. Nuclear powered submarines in the Soviet fleet have increased from 69 in 1969 to 160 today. Today the Soviet submarine fleet is the world's largest—with 357 compared to our 122 . . .
>
> While building this nuclear deterrent force, the Soviets have also developed a formidable attack and cruise missile submarine force. The Soviets have a total of 270 attack and cruise missile submarines compared to our 81. Of this total, about 90 are nuclear powered, 40 of which carry cruise missiles in separate launchers.
>
> Against these threats, nuclear attack submarines are an essential part of our general purpose forces charged with sea control. Because nuclear submarines are uniquely able to operate covertly for long periods of time, they can conduct operations in waters that are otherwise under control of enemy air and surface forces, waters which would be untenable for other types of U.S. forces.
>
> In a war with the Soviets, a 90 SSN force would be spread exceedingly thin. SSNs would be best employed deep in enemy areas and in strategic choke points where their unique ability to survive in contested waters would be put to advantage. Forward area roles would include interdicting the movement of enemy forces into the open ocean and power protection with Tomahawk land attack cruise missiles.
>
> Beyond these major assignments, other operations, such as open ocean intercept of Soviet forces, anti-shipping, direct support, covert mine-laying and reconnaissance, could be accomplished concurrently only with a minimal force or by drawing down on forces committed to other tasks and capitalizing on the mobility of the 668 class SSNs.
>
> Tomahawk will provide the nuclear attack submarine with a multi-purpose, long range offensive weapon having three variants.
>
> The first of these is the conventionally armd land attack cruise missile . . . (which) . . . "gives a covert submarine, operating in waters where the U.S. may exercise neither sea nor air control, the capability to place an unmanned vehicle on targets up to several hundred miles away."

Mr. President, the word covert runs through the entire text. How can a submarine remain covert when it is trailing a wire or buoy at the surface? The clear necessity to extend the use of missile submarines into hostile waters certainly puts to rest the already unfounded arguments that there is "no threat" to justify ELF. We have put billions into improving the force effectiveness of our weapon systems through command and control. Here we have a force effectiveness multiplier affecting the whole submarine force, and in a way which touches on their very survivability and safety. Submarine command and control has no meaning without ELF. All we do is compromise with systems that do not let the subs stay deep.

One of the systems we rely on to communicate with our submarines, still at severely constrained shallow depth and speed, is TACAMO. We will still need it when we get an austere ELF system, because these aircraft are supposed to be available after an attack. While $453,000 has been requested to keep ELF in caretaker status, $45.1 million is requested in fiscal year 1981 for one EC 130 TACAMO aircraft. Rear Adm. Paul H. Speer, director of the Navy's Aviation Plans and Requirements Division, told Congress that the (TACAMO) system is "barely adequate" to support the requirements of the Joint Chiefs of Staff. He told us the current TACAMO operating force is flying over 130 hours per aircraft per month, an "unusually high utilization rate" which is expected to continue indefinitely.

Well, perhaps we would not need to have such a large fleet of aircraft, and fly them to death if we had ELF. They could be held in reserve for post attack.

The President of the United States made a minor error of statement in an election campaign by promising in 1976 not to deploy ELF in Michigan against the will of its people. But the President never tried to persuade the people of Michigan to accept ELF, although he did declare that it was in the national interest. The President can correct his error by making an ELF site decision. Maybe then we can believe that there will be an MX ICBM. Until then, I, for one, am doubtful.

THE CHRYSLER LOAN

Mr. GOLDWATER. Mr. President, I address a parliamentary inquiry to the Chair.

In either yesterday's newspaper or the day before, there was a headline to the effect that the Secretary of the Treasury and the President had granted $3.5 billion more to the Chrysler Corp., and it said that Congress had 15 days in which it could nullify that action.

What form does a nullification take—merely a resolution?

The PRESIDING OFFICER. The Chair will have to obtain a copy of the public law in question, before a statement can be made, and the Chair is in the process of obtaining a copy of that public law.

Mr. GOLDWATER. Will the Parliamentarian let me know?

The PRESIDING OFFICER. The Senator will be notified.

Mr. GOLDWATER. I thank the Chair.

ANOTHER HISTORIC FIRST FOR ALBUQUERQUE'S MAXIE ANDERSON

Mr. DOMENICI. Mr. President, less than 2 years ago, on August 17, 1978, I come to the Senate to congratulate three intrepid New Mexicans: Ben Abruzzo, Maxie Anderson, and Larry Newman. These three brave men from Albuquerque became the first men to successfully cross the Atlantic in a balloon. After more than 137 hours of flight and 3,120 miles, their balloon set down near Miserey, France, and a heroes' welcome awaited them.

Now one of these three men has done the impossible again. Maxie Anderson and his 23-year-old son, Kris, have become the first balloonists to cross the American continent. They left San Francisco on Thursday, and early this morning they landed near Canada, successfully completing another journey that some men have tried and that many have only dreamed about.

At a time when Americans need a challenge, at a time when we need something to feel good about, Maxie Anderson and his son, Kris, have given it to us. I am proud of their achievement, as I am sure all New Mexicans and indeed all Americans are. They have succeeded not only in doing something for the record books, but also, they have succeeded in restoring some of our national pride, candoism.

SMALL ARMS NIGHTMARE: GAO CALLS FOR REFORM OF ARMY'S MANAGEMENT PRACTICES

Mr. PERCY. Mr. President, in March of 1979 I was presented with information that the Army was planning to purchase new .50 caliber M2 machine guns after disassembling 57,000 of these weapons between 1966 and 1971. This information led me to request that the General Accounting Office review the Army's management of its M2 machine gun. GAO recently completed its review and issued its report, "Army Needs to Improve Its Management and Inventory Control of Small Arms." The report identifies a number of serious problems of waste and mismanagement.

The first problem is that the Army has inadequate procedures for obtaining information on the status of other services' inventories. The result of this deficiency, according to GAO, is that the Army cannot reliably determine if other services have an excess of weapons available before purchasing new weapons. This problem was illustrated by the fact that while the Army was on the verge of spending $10.2 million for 1,530 new M2's, GAO discovered, unbeknownst to the Army, that the Navy and Air Force had thousands of excess M2's available.

However, the experience of the M2 machine gun is not an isolated example. According to the GAO, "In 1977, the Army procured 5,283 M16 rifles for the Navy at a cost of $1.1 million, while the Marine Corps and Air Force had over 70,000 M16 rifles excess to their Approved Force Acquisition Objective," the report said. "We could find no evidence that attempts were made to obtain the 70,000 weapons from the other services before the new procurement was initiated."

The second problem concerns the Army's inventory control system. GAO found that the Army's system does not "provide reliable information on either the quantity or the condition of M2 assets." GAO discovered nearly 4,000 unaccounted for M2's stored at an Army depot in Anniston, Ala. Furthermore, after the discovery, the Army Armament Materiel Readiness Command (ARRCOM) ordered the disassembly of virtually all of these M2's because they were listed as not being whole guns. However, GAO inspected the guns and found the Army order to be inaccurate. Virtually all the M2's were whole guns and "at least 1,700 were in a 'like new' condition."

The third issue in the report relates to the Army's small arms disposal policy. According to the report, between 1966 and 1971, 57,000 M2's were disassembled for spare parts; since 1951, an estimated 100,000 were sold or donated to foreign countries resulting in a shortage to the Army of more than 20,000 guns. The report criticizes the Department of Defense as well as the Army for using inadequate guidelines for determining when to retain weapons and when to dispose of them.

> Established DOD and Army policies and practices regarding the retention of principal item assets have allowed the depletion of Army M2 assets to a level which is insufficient to meet current total force requirements.

The fourth problem identified in the report relates to deficiencies discovered in the DOD small arms serialization program. While the program is intended to minimize the loss and theft of small arms by improving control procedures, GAO reports the program has not proven successful. According to an Army official quoted in the report:

> There are over 80,000 errors involving the registration of small arms at the Anniston Army Depot alone. Although this condition does not necessarily indicate that weapons have been lost, it may be difficult to determine their location and loss is a possibility.

In addition, GAO found that the serialization program also failed to keep track of thousands of outstanding shipping transactions:

> As of May, 1979, Anniston had not acknowledged receipt of 1,806 M2s supposedly shipped. One Army official estimates that Army-wide there are over 136,000 outstanding small arms shipments.

I found these problems to be most disturbing because they clearly were not isolated examples of individual negligence but the product of systematic mismanagement. It is apparent, from reading the GAO report, that over the years the Army has devoted insufficient money and manpower to efficiently and effectively manage its small arms inventories. Surely, this must change. Given the Nation's pressing need to increase its military strength and still balance the budget, we cannot tolerate a system that threatens military preparedness and wastes tightly budgeted dollars. There is no room for excuse-making or foot-dragging when such vital national issues are at stake.

For this reason, I intend to follow up the GAO report by writing to the Secretary of Defense to determine what will be done to solve the serious problems identified in this report.

I want to commend Jim Mitchell and Julie Denman of GAO's Logistics and Communication Division for their excellent investigation, insightful analysis, and well-written report.

Mr. President, I ask unanimous consent that the digest of the GAO report be printed in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

DIGEST

Because of their cost, vital role in defense missions, and sensitivity to theft, military small arms require careful management and control.

Senator Charles H. Percy, Ranking Minority Member of the Senate Committee on Governmental Affairs, asked GAO to investigate the Department of Defense's (DOD's) weapons procurement, inventory control, and disposal policies. Senator Percy cited a number of concerns about DOD's management of the M2 .50 caliber machine gun program. He asked GAO to determine if there is potential waste in DOD's management of these weapons.

GAO found that the Army's systems for managing and controlling M2 machine guns are not reliable enough to assure that procurement and/or disposal actions related to these guns are in the best interest of the Government. Further, the deficiencies identified in the Army systems for managing and controlling M2 machine guns may also apply to other small arms since the same policies, systems, and procedures are used by the Army for managing all small arms.

BACKGROUND

The M2 .50 caliber machine gun is a reliable, versatile weapon in use since the end of World War I. The current versions of the M2 were produced during the 1940s. During this time approximately 2 million weapons were produced in various configurations at a cost of no more than $750 per weapon.

The M2 machine gun has been used by all U.S. military components, the Army being the most extensive user. The M2 has also been exported extensively. It can be adapted for use on aircraft, ships, tanks, personnel carriers, and other major equipment, and it can also be used as a ground-mounted weapon.

Each military service independently determines its needs for M2 machine guns and other small arms and manages and controls its own inventories. Further, each service keeps serial number control over its small arms so that losses and thefts can be traced and responsibility fixed.

The Army, which owns more than 75 percent of all M2s in DOD inventories, is designated the single procuring agent for M2s for all DOD components. Further, the Army is responsible for maintaining a central registry of the serial numbers of all DOD small arms, including the M2.

INVENTORY AND ACCOUNTING CONTROL OF M2 ASSETS

The Army has not established or maintained accurate inventory information needed to effectively manage its M2 machine gun program. Specifically, GAO found that:

Army inventory control systems do not provide reliable information on either the quantity or the condition of M2 assets.

The Army does not have adequate procedures for obtaining information on the status of other services' inventories.

Deficiencies in the DOD program for keeping serial number control of M2 machine guns and other small arms have prevented the achievement of expected asset visibility and physical controls over small arms inventories.

In view of these weaknesses, the Army has no assurance that decisions on procurement, distribution, or disposal of M2s are appropriate. To illustrate, after GAO identified that M2s were available in the Army as well as the Navy and Air Force inventories of which the Army was unaware, the Army canceled a planned $10.2 million purchase of M2s. Furthermore, the Army had overlooked almost 4,000 M2s in its own inventories.

The inventory control problems GAO identified are not new to the Army or DOD. GAO and internal DOD audit groups have previously identified similar problems. Further, GAO has previously stressed to DOD the need for proper monetary control of the property for which it is responsible.

The Army must devote increased management attention to inventory control of M2 machine guns and other small arms. To avoid future unnecessary procurements of small arms, the Army must develop better procedures to ensure that, prior to procurement, the procuring activity obtains specific information on the status of the items in all DOD component inventories.

RETENTION OF AVAILABLE ASSETS

For many years Army stocks of M2 machine guns far exceeded estimated requirements. During this time tens of thousands of M2 machine guns were sold or given to foreign countries or disassembled for needed repair parts. Because of this severe depletion of M2s and a rapid increase in M2 requirements, since 1975 the Army has been unable to meet its M2 total force requirements. Although DOD guidance does not provide for procurement to meet total force requirements, the Army estimates that over 20,000 additional M2 machine guns would be needed to meet this requirement objective.

DOD has a longstanding policy which allows the Army to retain machine guns and other principal items in its inventories as economic retention or contingency retention stocks. However, DOD has not provided the services sufficient guidance concerning the circumstances under which such stocks should be held and the factors to consider in determining the quantities to be held. Guidance is available on the retention of secondary items (e.g., spare and repair parts) but not for principal items (e.g., machine guns).

GAO found that the Army was contemplating additional disassembly of almost 2,000 M2s to obtain repair parts. In view of the current shortage of M2 machine guns, GAO believes that further disassembly is not justified.

RECOMMENDATIONS

The Secretary of Defense should issue specific guidance on the economic retention levels for principal items in DOD inventories similar to those procedures now followed for secondary items.

Also, the Secretary of Defense should direct the Secretary of the Army to:

Require that the light barrel M2 machine guns in storage at Anniston Army Depot be converted to meet current Army M2 machine gun requirements rather than disassembled for repair parts.

Ensure that discrepancies between physical inventories and inventory records for M2 machine guns and other small arms are investigated, and accurate inventory balances are established and maintained in the Continuing Balance System.

Improve the Army's implementation and maintenance of the DOD Small Arms Serialization Program by ensuring that all serial numbered small arms are registered and that the Small Arms Registery is maintained in an accurate and timely manner.

Establish improved procedures for obtaining information on the status of inventories of other DOD components prior to procurements by (1) assuring that the communications regarding asset availability spell out both the quantities of assets onhand and the quantities required by each component queried and (2) requiring that item managers ascertain asset availability of each DOD component immediately prior to each procurement date.

CORRECTIVE ACTIONS

The Army canceled its planned $10.2 million buy of M2s after GAO advised the Secretary of the Army that other DOD components had available M2s which could be transferred to the Army.

The Army also took actions to improve its program for keeping serial number control of small arms. The Army Deputy Chief of Staff for Logistics has established the Small Arms Serialization Program Upgrade Project to resolve problems with the overall implementation and operation of the Army's serialization program.

The Army has also initiated action to revise its systems of accounting to achieve monetary control of property, in addition to the item control provided for in its logistics systems. The Standard Financial System Redesign, planned for implementation in 1982, is expected to maintain general ledger control over all fixed assets from acquisition through consumption or disposal.

AGENCY COMMENTS

GAO representatives met with representatives from the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) and the Department of the Army to discuss the report. They generally agreed with GAO's recommendations with one exception. DOD officials said that DOD Directive 4100.37 provides adequate guidance to DOD components regarding the computation of retention levels for principal items.

GAO agrees that DOD Directive 4100.37 allows the computation of economic retention levels for principal items, but it does not require DOD components to compute an economic retention level or provide guidance as to how such computations should be made. To make sure that the policy provided for in DOD Directive 4100.37 is implemented consistently throughout DOD, GAO believes that specific guidance should be issued regarding the computation of economic retention levels for principal items.

Other DOD comments are incorporated within the text as appropriate.

EDMUND S. MUSKIE: SECRETARY OF STATE

Mr. BAYH. Mr. President, last week the Senate acting in true wisdom overwhelmingly confirmed one of our own to be the new Secretary of State. I believe that act of confirmation may go down in history as one of the most significant votes in the history of this Congress or any other. I say this because of my fundamental faith in the character and capability of Ed Muskie to be more than equal to the formidable tasks which he must now face as the leading figure in implementing the foreign policy of this Nation. Having worked with our new Secretary of State for many years and, on occasion, having debated issues with him on opposite sides, I know he will be an eloquent and effective spokesman for the national interests of this country in a turbulent and dangerous world.

Many have described the stature of Senator Muskie as "Lincolnesque." Certainly, there is a quality of strength about him which will be more than a match for any of his foreign minister counterparts in the world. But, as importantly for America, Secretary Muskie's career in the Senate, his experience as a candidate for national office, his family life also send a message to the world of an America which is decent and fair, which does not wish to take over the weak, but to forge friendships with those who would be friends on an equal basis of partnership and progress. To those nations who would insist on making a mockery of international law and trampling human rights, I am confident that the character of Edmund S. Muskie also sends a clear message that such policies are undertaken and sustained at the peril of those nations' short- and long-term interests.

As important as I believe the signal is to the world in the selection of Secretary Muskie to be Secretary of State, the message which he sent to us by accepting this thankless assignment is also significant. It has to do with a quality called patriotism. The dictionary definition of this word is simple.

It applies to those who love, support, and defend their country. For Americans, after the tribulations of the past several years, patriotism has been subject to debates which seem to rob the world of any real substance and meaning. With one courageous and, to the minds of the pundits, surprising act, patriotism is alive and well in the person of our new Secretary of State.

CRITICAL TACTICAL AIRCRAFT PROGRAMS IN THE FISCAL YEAR 1981 DEPARTMENT OF DEFENSE BUDGET

Mr. JAVITS. Mr. President, four of the Navy's most important tactical aircraft programs are programs built by the Grumman Aerospace Corp., in New York State. Those programs are the F–14, which with its Phoenix missile system and radar comprises the most unique and sophisticated air-to-air weapons system in the world, the E2–C, which is a vital partner to the F–14 and which provides the early warning and airborne control capability of the Navy's fleet defense, the A–6E, which is the only all-weather attack bomber presently in production in the free world, and the EA–6B, which provides the critical electronic warfare fighting capability of the Navy and Marine Corps. Grumman also performs the modification of the F–111 into the EF–111 for the Air Force, which gives that service its most advanced electronic warfare capability in the air. All of these programs are vital and important and, in my judgment, should be supported by the Congress in its consideration of the fiscal year 1981 defense budget.

The A–6E is the only all-weather bomber in production in the free world; its replacement is not even on the drawing boards; existing squadrons in the Navy and Marine Corps are each short 2 aircraft from the 12 each should have. To close that production line in my judgment, would be a serious mistake. Last year Congress funded the production of 30 F–14's; this year, the President asked for the production of 24; that less efficient production rate makes each F–14 more expensive, especially when the threat posed to our naval forces is being enlarged by the deployment of antiship equipped Backfire bombers by the Soviet Union.

The House Armed Services Committee has funded 30, rather than 24, F–14's; that committee has also funded 6, rather than 3, EA–6B's and has funded 12, rather than 0, A–6E's. In addition, that committee funded 6 E2–C's and 12 EF–111's, as requested by the administration.

The amendment Senator NELSON and I proposed to the first concurrent budget resolution would have both funded these needed programs and would have redistributed $2 billion from the function 050 recommendation from the Senate Budget Committee to other social programs which desperately need that money.

Mr. President, I have expressed my views on these essential aircraft programs to the leadership of the Senate Armed Services Committee; I very much hope that the committee will give my recommendations its serious consideration and support.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:29 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 3928. An act to amend the Act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico; and

H.R. 5673. An act to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 426. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2238. Referred to the Committee on the Budget.

S. 2238. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development (Rept. No. 96–694).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 1644. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the promulgation of regulations related to whether modification, and for other purposes (Rept. No. 96–695).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with an amendment:

S. 2134. A bill to provide for the acquisition of certain property in square 758 in the District of Columbia as an addition to the grounds of the U.S. Supreme Court Building (Rept. No. 96–696).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

H.R. 5259. An act to name a certain Federal building in Santa Fe, N. Mex., the "Joseph M. Montoya Federal Building and U.S. Courthouse" (Rept. No. 96–697).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments and an amendment to the title:

S. 2459. A bill to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981 and 1982, and for other purposes (Rept. No. 96–698).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SASSER:

S. 2689. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

By Mr. RANDOLPH:

S. 2690. A bill to provide bridge protective systems, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SASSER:

S. 2689. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

SMALL BUSINESS DIRECT EXPENSING ACT OF 1980

● Mr. SASSER. Mr. President, I rise today to introduce legislation to deal with the capital formation problems of small business. The need for this legislation has been established by an overwhelming body of evidence. The volatile economy we now face exacerbates the already distressing trends which make it difficult for businesses, especially small businesses, to raise much needed equity capital.

Due to the greater risks involved with the new or small business, the lack of adequate collateral and the higher cost of making smaller loans, the small business is often shunned by banks and other credit suppliers. In times of tight money small businesses must often pay higher interest rates than their larger competitors. Stresses in the economy, such as the very high interest rates and inflation we are now experiencing, hit the small business especially hard because of its relatively limited resources.

In addition to borrowing, growing businesses also sell issues of securities to raise equity capital. This method, once a prime source of funds for small business, has all but disappeared. From 1974–77, only 61 small companies, worth $5 million or less, were able to sell stock to the public. In 1969, 698 such companies were able to sell stock.

Business Week reported that "for some years now * * * capital markets have been pretty much open only to the Nation's big companies * * * the top 1,000 or so corporations."

According to a survey conducted by the American Electronics Association, companies founded in the 1970's were able to raise an average of only $522,000 in current dollars. The average for companies established in the 1960's was almost twice that amount. In real dollar terms, this disparity is even greater.

These problems are especially alarming when the critical role of small business in the Nation's economy is realized. Small business accounts for almost 57 percent of all business receipts and 43 percent of the Gross National Product. It provides 58 percent of total U.S. business employment.

Its tremendous impact on the Nation's employment is further illustrated by a study conducted by the MIT Development Foundation. Five small, new companies were compared with six large, mature corporations. It was found that the small companies, despite having combined annual sales of less than one-fortieth of the giants, created 10,900 more jobs over a 5-year period than did the larger corporations. Over this period the small companies experienced an average growth in jobs of 41 percent, while the larger corporations created jobs at an annual rate of less than 1 percent.

Small business is also a crucial innovative force in the economy. Since World War II, firms with fewer than 1,000 employees were responsible for one-half of the most significant new industrial products and processes. Firms with less than 100 employees produced 24 percent of such innovations.

Mr. President, we must work toward creating the kind of government that will allow these businesses to survive and to flourish. Government tax and regulatory policies must not be allowed to stifle this vitality that we find in the small business sector. We need its productivity, its jobs and its innovation too badly to allow this to happen.

My bill is a step toward that end. It will allow the small entrepreneur to deduct, or "direct expense," up to $10,000 in depreciable assets in 1 year. Existing law requires that this deduction be spread over a period of several years.

This one year feature gives the small entrepreneur the chance to recover $10,000 in capital expenses very quickly. He or she is then able to purchase new or replacement equipment earlier than would otherwise be possible. This allows more flexibility for small businesses to modernize and make their operations more efficient.

Another important aspect of the bill is the simplification it brings to this very complicated area of the tax law. Depreciation is responsible for a tremendous number of errors on tax returns every year. These errors are often made by taxpayers who have great need of the tax benefit provided by depreciation but who cannot afford to retain an accountant to maintain accurate depreciation records. A tax advantage does little good if it is so complicated that the taxpayer to whom its benefits are directed is unable to comply with its terms.

Mr. President, the real strength and relevance of this proposal is derived from the fact that it comes directly from small business people. The Tennessee delegates to the White House Conference on Small Business first brought the concept to my attention. They felt strongly about it because they know better than anyone what the problems and the needs of small business are. They canvassed their small business colleagues to refine the idea and to insure its broad acceptance and workability. Then they began to push their idea.

So successful were their efforts in gaging the potential support for direct expensing that when the idea came to a vote among small business people from all over the country at the White House Conference on Small Business, the idea was approved overwhelmingly. When the delegates assembled on the last day of the Conference to select as top priorities 15 of the 60 recommendations they would make to the Congress and the President, the direct expensing concept received the second highest number of votes on this priority list.

We cannot ignore this resounding vote of confidence any more than we can ignore the importance of small business to the Nation. I can think of no more fitting observance of the first day of National Small Business Week than the introduction of legislation embodying such an idea.

Therefore, Mr. President, I commend this piece of legislation to my colleagues in the Senate and urge my good friend, the gentleman from Louisiana, chairman of the Committee on Finance, to carefully consider this proposal when the next tax bill is brought before the committee.●

ADDITIONAL COSPONSORS

S. 599

At the request of Mr. BAYH, the Senator from Kentucky (Mr. FORD), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 599, a bill relating to the Indiana Dunes National Lakeshore, and for other purposes.

S. 1177

At the request of Mr. KENNEDY, the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 1177, a bill to improve the provision of mental health services and otherwise promote mental health throughout the United States; and for other purposes.

S. 1372

At the request of Mr. COCHRAN, the Senator from North Carolina (Mr. HELMS), and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 1372, a bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services.

S. 1435

At the request of Mr. NELSON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1784

At the request of Mr. STEVENS, the Senator from Maryland (Mr. MATHIAS), the Senator from North Dakota (Mr. YOUNG), the Senator from Montana (Mr. BAUCUS), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1784, a bill to improve the electric generation efficiency of joint Federal-civilian pooling practices in Alaska and for other purposes.

S. 2082

At the request of Mr. ZORINSKY, the Senator from North Dakota (Mr. BURDICK), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2082, a bill to amend title 17 of the United States Code to exempt nonprofit veteran's organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 2239

At the request of Mr. NELSON, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options.

S. 2251

At the request of Mr. METZENBAUM, the Senator from Alabama (Mr. STEWART), the Senator from Maryland (Mr. SARBANES), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Kentucky (Mr. FORD), the Senator from New Hampshire (Mr. DURKIN), the Senator from Washington (Mr. MAGNUSON), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2251, a bill to amend the Clayton Act to prohibit restrictions on the use of credit instruments in the purchase of gasohol.

S. 2376

At the request of Mr. HAYAKAWA, the Senator from Utah (Mr. HATCH), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2376, a bill to amend the Food Stamp Act of 1977 and the Internal Revenue Code of 1954, and for other purposes.

S. 2386

At the request of Mr. COCHRAN, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 2386, a bill for the establishment of a National Economic Commission.

S. 2419

At the request of Mr. PERCY, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 2419, a bill to protect the confidentiality of shipper's export declarations, and to standardize export data submission and disclosure requirements.

S. 2487

At the request of Mr. BELLMON, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 2487, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of independent oil producers, including royalty owners, under the crude oil windfall profit tax.

S. 2581

At the request of Mr. CHURCH, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. BAUCUS), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2581, a bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

S. 2582

At the request of Mr. CHURCH, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. BAUCUS), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2582, a bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country.

S. 2630

At the request of Mr. JACKSON, the Senator from Georgia (Mr. NUNN), and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 2630, a bill to establish the Martin Luther King, Jr., National Historic Site in the State of Georgia, and for other purposes.

S. 2634

At the request of Mr. BENTSEN, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 2634, a bill to provide for making of payments to certain citizens and nationals of the United States held hostage in Iran, and for other purposes.

SENATE JOINT RESOLUTION 115

At the request of Mr. RIEGLE, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of Senate Joint Resolution 115, a joint resolution designating July 1980 as "National Poreclain Art Month."

SENATE JOINT RESOLUTION 153

At the request of Mr. BURDICK, the Senator from Utah (Mr. HATCH) was added as a cosponsor of Senate Joint Resolution 153, a joint resolution to freeze Senators' salaries for 3 years.

SENATE JOINT RESOLUTION 156

At the request of Mr. BURDICK, the Senator from New Hampshire (Mr. DURKIN), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of Senate Joint Resolution 156, a joint resolution to authorize the President to issue annually a proclamation designating that the week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE JOINT RESOLUTION 161

At the request of Mr. BENTSEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Joint Resolution 161, a joint resolution proposing an International Code of Business Conduct.

SENATE CONCURRENT RESOLUTION 67

At the request of Mr. NELSON, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of Senate Concurrent Resolution 67, a concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits.

SENATE RESOLUTION 392

At the request of Mr. MAGNUSON, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of Senate Resolution 392, a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE RESOLUTION 405

At the request of Mr. PROXMIRE, the Senator from Tennessee (Mr. SASSER), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Resolution 405, a resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, production and stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

SENATE RESOLUTION 411

At the request of Mr. HAYAKAWA, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Resolution 411, a resolution expressing the sense of the Senate that no withholding tax be imposed on certain interest and dividends.

AMENDMENT NO. 1712

At the request of Mr. WEICKER, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of amendments No. 1712 proposed to Senate Concurrent Resolution 86, a concurrent resolution setting forth, the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

SENATE RESOLUTION 426—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 426

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2238, a bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development for fiscal year 1980. Such waiver is necessary to permit consideration of an additional fiscal year 1980 authorization of enactment of new budget authority for the National Aeronautics and Space Administration for the Space Shuttle program.

The Space Shuttle program consists of two major funding elements: Design, development, test and evaluation (D.D.T. & E) which supports system development, and production which supports manufacture of the second, third, and fourth flight orbiters. The additional authorization is necessary to complete critical development tasks on the most efficient schedule and thereby avoid restructuring both the D.D.T. & E. and production programs and incurring the substantial cost penalties associated therewith. The Space Shuttle program, a complex, high technology activity, is at a very intensive stage of development and at a very high spending rate with activities focused on the first orbital test flight scheduled to occur between December 1, 1980, and March 31, 1981.

The transfer of residual uncommitted funds from the production program to the D.D.T. & E. program, the most viable option in the absence of the budget amendment, would not provide adequate D.D.T. & E. funding and would necessitate deferral of production program activities. However, should such action be necessary, it is estimated that the D.D.T. & E. program would be delayed three to four months with a cost increase in the $200,000,000–$250,000,000 range. It is estimated also that the orbiter vehicles in the production program would be delayed seven to nine months each with a cost increase ranging from $400,000,000 to $600,000,000.

The supplemental authorization request for fiscal year 1980, which is programmatically integrated with the fiscal year 1981 authorization request, was submitted to maintain existing work schedules to the greatest possible extent to avoid the substantial cost penalties and to assure the early availability of the Space Shuttle fleet to meet critical civil and defense requirements. Delay in fleet availability to users is estimated to incur additional indirect cost penalties approaching $500,000,000.

SENATE RESOLUTION 427—SUBMISSION OF A RESOLUTION WITH RESPECT TO INDEPENDENCE OF YUGOSLAVIA

Mr. ROTH (for himself, Mr. BOREN, Mr. BOSCHWITZ, and Mr. COHEN) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 427

Whereas Yugoslavia has historically played a key role in determining the course of peace and security in Europe and elsewhere in the world;

Whereas the Soviet Union has demonstrated by its relations with Yugoslavia and by its invasion of Afghanistan a pattern of intervention which may portend an attempt to exploit internal political developments in Yugoslavia in order to undermine its political independence, territorial integrity, and nonaligned status;

Whereas Yugoslavs have clearly demonstrated a determination to remain free of Soviet domination;

Whereas the political independence, territorial integrity, and nonaligned status of Yugoslavia is an important factor in the security of Europe; and

Whereas the continued political independence, territorial integrity, and unity of Yugoslavia has been a consistent foreign policy interest of the United States since Yugoslavia publicly asserted its independence of the Soviet bloc in 1948: Now, therefore, be it

Resolved, That it is the sense of the Senate that, during the critical period of transition of leadership in the Socialist Federal Republic of Yugoslavia, the President should—

(1) make clear the firm opposition of the United States Government to any attempt by the Government of the Union of Soviet Socialist Republics to violate or subvert the political independence, territorial integrity, or nonaligned status of the Socialist Federal Republic of Yugoslavia; and

(2) undertake such diplomatic initiatives as may be necessary to encourage the heads of governments of other countries to announce publicly their continued support for the political independence, territorial integrity, and nonaligned status of the Socialist Federal Republic of Yugoslavia.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an oversight hearing before the Committee on Energy and Natural Resources.

The hearing is scheduled for June 3, 1980, beginning at 10 in room S-407 of the Capitol. The hearing has been called to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands. Pursuant to committee vote in compliance with rule XXVI.5.(b) of the Standing Rules of the Senate and rule 3(a) of the Rules of the Senate Committee on Energy and Natural Resources, the hearing will be closed.

For further information regarding the hearing, you may contact Mr. James B. Beirne, Counsel to the Committee on extension 224-2564 or write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on Friday, May 30, 1980, on miscellaneous tax bills.

The hearing will begin at 9 a.m., in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation of general application, unless otherwise noted, will be considered. Revenue estimates will be available at the time of the hearing:

S. 2484. Introduced by Senators Riegle and Levin. Would provide that certain foreign losses would not be subject to the loss recapture rules of the Tax Reform Act of 1976. A principal beneficiary of this bill is the Sealed Tower Co. of Muskegon, Mich.

S. 2486. Introduced by Senators Culver, McGovern, and Baucus. Would exempt from taxation the interest earned on industrial development bonds if the proceeds are used to provide financing for railroad rehabilitation.

S. 2500. Introduced by Senators Moynihan, Javits, and Heinz. Would provide an investment tax credit for theatrical productions.

S. 2503. Introduced by Senator Kassebaum. Would provide for a refundable tax credit based on certain interest paid on loans for agricultural operations.

S. 2548. Introduced by Senator Stone. Would amend the substantial user rules for industrial development bonds if the proceeds are used for wharf improvements. A principal beneficiary of the bill is the Tampa Port Authority in Florida.

H.R. 5043. Bankruptcy tax bill of 1980. Provides Federal income tax rules for bankruptcy with particular emphasis on bankruptcy reorganizations and bankrupt estates.

Witnesses who desire to testify at the hearing must submit a written request, including a mailing address and phone number, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on May 21, 1980.●

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that the Special Committee on Aging will hold a hearing on May 22, 1980, on the subject of "Aging and Mental Health: Overcoming Barriers to Service." The hearing will feature testimony from the U.S. Commission on Civil Rights, the Administration on Aging, the Veterans' Administration, and the Alcohol, Drug Abuse, and Mental Health Administration. A second panel of witnesses will represent national aging and mental health organizations. The hearing will focus on oversight of the administration of mental health programs to serve the elderly and the legislation which has been proposed to overcome service barriers to other Americans.

The hearing will be held from 9 a.m. to 12 noon in room 1202 of the Dirksen Senate Office Building. Further information on the hearing can be obtained from Carnie Hayes at 224-5364.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold an oversight hearing on the women-in-business programs in the Federal Government.

The hearing will begin at 10 a.m., in room 457 Russell Senate Office Building, on May 29, 1980.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a "Symposium on Economic Growth: Problems, Prospects, and Policies."

The hearing will begin at 9 a.m. through 5 p.m., in room 6226, Dirksen Senate Office Building on May 20, 1980.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on the Small Business Administration's Veterans' assistance programs.

The hearing will begin at 10 a.m. on June 4, 1980, in room 424 of the Russell Senate Office Building.●

ADDITIONAL STATEMENTS

NATIONAL GUARD COMMANDERS REQUEST SUPPORT

● Mr. SCHMITT. Mr. President, today there is no more urgent crisis facing the Nation than that of our military preparedness. Under the Carter administration we have military readiness problems of staggering dimensions, due primarily to the unrealistic policies this administration has pursued. Nowhere is this lack of support more evident than when one surveys the National Guard and Reserve forces on which the United States must rely in any military crisis. Certainly the commanders of our various State National Guard units know the immense problems facing them in manpower, equipment, and training.

Recently at a meeting in Portland, Oreg., the Adjutants General Association of the United States, an association of commanders of State and territorial National Guards, adopted a series of "Resolves" highlighting the lack of support given the National Guard by this administration. Calling the issue of support for national defense a matter of "now or never," the National Guard commanders know they need help. A complete description of the meeting I referred to was printed by the New York Times on May 8, 1980. I request that the article be printed in the Record.

The article follows:

National Guard Chiefs Call Force Inadequate for Crisis

Portland, Oreg., May 7.—The top officials of the nation's National Guard units made strong public charges today that Guard and reserve forces lacked the equipment, training aids and personnel they needed to meet a military crisis.

"Changing these conditions is not only desirable; it is essential," said a resolution adopted by the Adjutants General Association of the United States. "In these times our national defense has become a matter of now or never."

NOT ADEQUATELY SUPPORTED

The association of commanders of state and territorial National Guards said that "one-half of the nation's combat power and two-thirds of support capability are maintained in the reserve forces" but that they "receive only 5 percent of the total United States defense outlays."

The statement charged, "The reserve component forces of the United States, particularly the Army National Guard and Army Reserves, are not adequately supported."

"With the possible exception of the Air National Guard and Air Force Reserves," the association said, reserve forces lack "much of the modern equipment they need," as well as "necessary training aids, the administrative support systems and procedures required" and "recruiting and retention incentives provided to the active Army forces."

The report said that the actual strength of some Guard and reserve units was little more than half the authorized number. Nationally, the reserve forces are said to be short 185,000 men and women.

The vote on the resolution, in a closed session of 50 adjutants general and three representatives of absent adjutants general from the states and territories, was "a majority but not unanimous," according to Brig. Gen. Bruce Jacobs, executive director of the association.

THE PORTLAND RESOLVES

In a list labeled "the Portland resolves," the adjutants general asked that America's leaders provide these things:

"Effective equipment and training parity with those of our potential adversaries" for conventional armed forces.

A fair system of Selective Service.

Airlifts and sealifts required to move troops and equipment where needed.

Training aids and devices that Guard and reserve forces "desparately need."

An air and sea defense system to "protect our country at home and our forces in transit abroad."

Assurance of the effectiveness of the nation's industrial base.

Full-time staffing for reserve units.

They also called for the development of national policies recognizing and supporting the essential role of the National Guard and reserves.●

THE SIGNIFICANCE OF INTERNATIONAL COMMERCE

● Mr. SASSER. Mr. President, our Nation has reached a plateau in its economic development which now demands that decisions of significant proportion be considered. We are currently witnessing an inflation rate approaching 20 percent; increased costs of OPEC oil which will probably reach $90 billion this year; and, an international trade deficit of nearly $25 billion in 1979. These are some of the chief concerns of our Nation's leaders as well as its citizens.

In a speech given before 250 small to medium-sized Wisconsin businesses on international trade, my colleague, Senator GAYLORD NELSON, chairman of the Senate Small Business Committee, of which I am a member, spoke of the significance of international commerce in reducing inflation, strengthening the dollar and improving our Nation's productivity. I ask that Senator NELSON's speech be printed in the RECORD.

The speech follows:

SPEECH BY SENATOR GAYLORD NELSON

Today, our economy is in a crisis so serious that not only is our prosperity threatened, but our basic institutions as well. History clearly shows that few democratic nations have survived continuing high rates of inflation and economic dislocation without radically restructuring their political or economic systems.

For too many years, our response to this growing cancer has been timid, uncertain, and ineffective. We have responded to short-term needs and problems applying only bandaids where major surgery is required.

Our economy is facing its most serious challenge. It is time that we think about creating a new economic policy that can restore our nation's leadership in productivity, prosperity, and growth, while at the same time controlling inflation.

In thinking about these problems, however, we must recognize the coming of a new age—the reality of a new global economy. For most of our history, the United States was able to rely on itself and its own markets for its growth and prosperity. Today, however, we are only a part of a global economy, one in which there is an enormous supply of so-called "Eurodollars"—dollars held abroad by multi-national banks and corporations—that act as an independent money supply beyond the effective control of the American government. Our efforts to restrain inflation by dampening credit and the money supply have little impact on this situation. Moreover, we now import tremendous amounts of foreign oil, as well as automobiles, steel, textiles, and other products and commodities. As our balance of payments worsens, more dollars are shipped overseas only to be moved around from country to country by entities not under U.S. control.

Since we cannot control the Eurodollars, we must increase our global competitiveness, so that our balance of trade will improve and the amount of dollars we cannot control will decline.

This increased competitiveness will depend on increasing our productivity. To do this, we must modernize our industrial base, we must return to our leadership role in innovation, and we must move aggessively into newly developing industries, such as renewable energy, global communication and information, and new industrial products. In short, we must create a national policy of growth and productivity as this is the sum and substance of the vitality of a nation's economy. As history has shown us time and again, nothing is beyond our capabilities when we set our minds and bodies in motion. We must become an active participant in this new global economy.

Let's look for just a moment at some very revealing statistics.

Only a fraction of all exporting firms—about 2,000 companies—actually account for the majority of U.S. exports. To put it another way, over 92 percent of all American firms sell only in the United States, while approximately 93 percent of the world's population is elsewhere.

And, let us not forget that today, overseas competitors account for nearly 40 percent of the patents issued in the U.S.—double the number just 20 years ago.

There are vast untapped foreign markets for U.S. exports such as food, durable goods and technology. For example, in Japan today, there is a great potential for quality consumer durables. The standard-size Japanese refrigerator is about 6 cubic feet and sells for around $520. In the U.S., that is about the size of a bar refrigerator that lists for only $200. An aggressive U.S. manufacturer should be able to crack this potentially lucrative Japanese market on price alone.

Although precise figures are not available in the make-up of the U.S. exporting community, it is estimated that there are between 250,000 and 300,000 manufacturing firms in the United States, of which roughly 20,000 to 30,000 export.

In Wisconsin, there are over 8,000 manufacturing firms and only 900 of these companies are now exporting. The Small Business Development Center of Madison estimates that 3,600 additional firms have products that could successfully be exported.

One way to expand trade, not only in the export of manufactured goods but also in agricultural food and fiber, is to open the field to small and medium-sized producers. As is the case for our economy as a whole, most exporting firms are small or medium-sized.

According to estimates by the United States Department of Commerce, 70 percent of U.S. exporting firms have fewer than 100 employees. However, these small firms do not account for the bulk of U.S. exports. Potentially, the most significant contributor to solving our trade problems is the small and medium-sized business community—both the firms now exporting that could do more, and the 20,000 or so U.S. firms that could enter new exporting markets.

What is required for these small firms to enter this market is a strong government that gets involved where it is needed and out of the economy where it is not needed—and, a resolve that gives business confidence in the stability and continuity of our government's policies. Above all, we must recognize American economic interests over the interests of other countries—a fundamental principle of national economic sovereignity.

The Senate Select Committee on Small Business, through its own research, has given top priority to developing policy and legislation that will encourage exporting by American business.

The expansion of American small business into international trade is becoming more and more important to our national economy.

You know the types of problems you run into personally when you have more dollars going out than you are taking in. That is exactly the problem America is facing today in international trade. It is a serious and long-term threat that debilitates the vitality of our economic system.

In 1978, we ran a record $30 billion plus trade deficit. That means we purchased $30 billion more in automobiles, steel, textiles and other foreign goods than we were able to sell abroad. That many more dollars have flowed out of our country, leaving the U.S. with fewer dollars to invest at home. The final figure for 1979 was $24.7 billion, only a slight improvement over the preceding year.

If we are going to buy oil and other commodities abroad, the U.S. must also be able to sell its commodities abroad. We must compete. The cost to the U.S. of OPEC oil will probably reach $90 billion this year. It is unlikely that this sum will diminish, and, indeed, it will probably rise steadily putting constant pressure on the dollar. However, if we are going to balance our budget we must reduce our dependence on foreign oil, even if rationing is our only alternative.

The significance of international commerce is paramount in importance if we consider that the U.S. exports only 6.7 percent of its gross national product. This is nearly 2.5 times greater than that of our closest ally. Certainly, a paltry figure if compared with some of our major trading competitors:

West Germany, 23 percent; England, 20 percent; France, 17 percent; and Japan, 12 percent. These figures are even more significant, if we consider that these nations are nearly totally dependent upon OPEC nations for oil.

This nation's greatest strength lies in our ability to export American goods and services to nations who lack our technical sophistication and manufacturing expertise. It is time that we get back to basics. The only viable course for returning our international payments to balance, in my view, is to expand substantially the volume of U.S. exports, and to significantly cut our consumption of oil. Small businesses must embark upon a more aggressive program in discovering and developing export markets in the decade ahead if we are to regain our competitive edge worldwide. And, in regaining that competitive edge, small businesses can not only realize substantive profits, they can also help generate a healthier economic climate in which to operate that small business.

In the past our trade policies have been reflexive, after-the-fact reactions to real change. Economists and other experts have been unsuccessful in predicting inflation rates because they cannot fully understand this inflation. Unable to understand it, they cannot end it. Higher interest rates strengthen the dollar, but retards investment, adds costs to the production of housing, food, fuel, and all goods and services. This causes more inflation and economic stagnation, to be followed by more budget deficits, more inflation, declining growth rates the world over and a weaker dollar. High interest rates buy time and little more. We need to attack the causes of inflation—not just its symptoms.

The cause of inflation is a function of distortions in the marketplace, low productivity, excessive government spending, and inefficiencies and high producer costs. It is caused by the insufficient capacity of some industries to produce needed goods and by government policies such as unnecessary paperwork and overregulation which inhibit productivity gains and retards investment. And, it is caused by an insufficient number of American businesses in international commerce. With decreasing rates of productivity growth and higher inflation, investors seek more tangible, often unproductive investments such as gold and silver. And the wheel takes another turn.

The Senate Small Business Committee is taking a more positive approach, in recognition of two key facts:

One, exports create jobs. About 40,000 new jobs are created for every $1 billion of U.S. exports.

Two, exports strengthen the dollar. Foreign exchange reserves earned by American exports strengthen the dollar and help us pay for necessary imports, including increasingly expensive petroleum products.

Clearly, there is a need to expand the exporting activities of small businesses. To reach that goal, however, will require that some serious barriers to their entry into the export market be overcome.

We must first convince potential exporting firms that international trade can be profitable. The firm that decides to export, or to enter a new export market, faces difficult problems that are often discouraging. When a small or medium-size business attempts to enter the export market, it is met with government indifference and resistance, rather than encouraging hand.

If you were to list the difficulties exporters or potential exporters face, it would read as follows: too much government red tape; financing arrangements are often too difficult; prospective customers are remote and inaccessible; and there are no on-site technical assistance programs for exporters to rely upon. The smaller firms need step-by-step guidance on the "how-tos" in the familiar export business. The MASS PORT program in Boston and the University of Wisconsin's Small Business Development Center at Madison have made enormous progress in establishing export programs specifically suited to serve the needs of the small exporters. However, we need to do more.

Recognizing the problems small business faces when it enters export markets, I introduced the Small Business Export Expansion Act. The specific purpose of this bill is to minimize the risks and uncertainties involved when new-to-export companies enter international commerce.

It creates a grant program to states, small business development centers and port authorities to develop individualized, international marketing programs for small businesses.

Assistance to the new-to-export small business would be provided in the form of analyzing markets to determine the nature of a company's export potential; providing training and expertise on matters such as pricing and documentation; identifying and contacting potential foreign buyers; and, managing and sponsoring foreign trade missions for participating firms to meet with prescreened buyers.

If this provision of the bill is enacted, it will be the first direct-targeted federal effort to help small businesses engage in foreign commerce.

This bill also creates one-stop shop information centers in Commerce Department field offices so that businessmen don't get the bureaucratic shuffle when they ask the government for assistance.

Finally, this bill provides for increased SBA financial assistance in areas of bridge financing, or working capital loans, and equity financing.

Although the Small Business Export Expansion Act is a step in the right direction, much more needs to be done. We have reached a plateau that mandates a reevaluation of our national economic policy and its goals.

During the early 1960's we were a leader among nations in the fields of innovation, technology, research and development and industrial expansion. However, since the mid-1960's, foreign-based companies have been rapidly overtaking and replacing U.S. companies in their relative position as the major commercial forces in the world.

In 1965, 68 U.S. corporations were among the 100 largest companies in the world, ranked by sales. In 1978, the number of U.S. companies in the top 100 had dropped to 48.

The time has come, more imperative than ever, that we embark upon an aggressive expansion and modernization of plants and equipment at a rate at least equal to that of our foreign competitors. Our future levels of growth and expansion is wholly dependent upon increasing productivity, creating new U.S. employment, and seeking new markets where we can enter into open competition.

This should be our goal for this decade, not a policy that encourages empire-building through mergers, acquisitions and international cartels. It should not suffice that over 85 percent of U.S. foreign sales accrue to only 200 companies. The success of our major U.S. corporations is formidable; yet, a handful of companies will be unable to expand exports sufficiently to redress our growing trade imbalance.

To help shape our destiny for the 1980's, we need to set national goals that, as a nation, we can strive to meet and even exceed. As a matter of course:

Worldwide exports of goods and services to 1982 are projected to rise at an annual average rate of 13 percent, compared to an anticipated increase for the U.S. of not more than 9 percent. A realistic and attainable goal for the U.S. should be at least to close the gap between expected U.S. and world export growth rates.

Continued efforts must be made to reduce tariff barriers, especially those that are maintained by more advanced developing countries.

Corrupt business practices must not be condoned in any form. However, multilateral agreements are needed to establish uniform standards of ethical and equitable business conduct.

There needs to be greater educational and communications efforts on behalf of government, trade associations, and chambers of commerces to encourage and facilitate export expansion.

To accomplish these goals, government, industry and labor must work in concert so that America can, once again, reclaim her rightful place in the world's marketplace. Before I conclude let me say that America is on the verge of a significant revolution. This economic revitalization will be known as America's Second Industrial Revolution. It will be a constructive revolution that is not only good for our economy, but good for our people and our nation. This industrial revolution, as was the case over 100 years ago, cannot succeed without the ingenuity, creativity, and fortitude of our small and independent businesses.

Small business plays a vital role in our economy. It contributes 43 percent of the GNP, nearly all of new private sector employment and 50 percent of all new major innovations, yet it contributes less than 10 percent of total exports.

Small business has proven that with the proper encouragement and support, it is capable and ready to meet this new challenge. I am confident that if we all work together, small business' contribution to U.S. exports will grow substantially in the decade to come. When this happens, everyone will benefit.●

SOVIET HARASSMENT

● Mr. **BOSCHWITZ**. Mr. President, the Soviet Union has recently added three more individuals to its list of those being submitted to official harassment. These three men, Moisey Tonkonogy, Moisey Zats, and Leonid Volvosky, are being persecuted merely for applying to emigrate to Israel, a right specifically granted to them by the Soviet Union in the so-called Basket III of the Helsinki Accord on Security and Cooperation in Europe (signed August 1, 1975), principle No. 7. This treaty was signed by the Soviet Union, in exchange for which it received major concessions from the United States in the economic sphere (in Basket II) and in the recognition of the current boundaries of the Warsaw Pact states (in Basket I). As signatories to this treaty, we have the right to complain about Soviet violation of its specific precepts.

Mr. Tonkonogy has been arrested on the charge of "parasitism." A "parasite" is someone who was fired from his job for applying to emigrate, and then is arrested for not having a job. Mr. Volvosky is being threatened with vagrancy charges, stemming from the fact that he too lost his job when he applied to go to Israel some 6 years ago. Mr. Zats is being threatened with prosecution on trumped-up charges of embezzlement. All these men want is their right to emigrate.

I am submitting this for the Record with the understanding that a copy will be sent to Leonid Brezhnev, insisting that the U.S.S.R. live up to its treaty rights.●

ENERGY CONSUMPTION

● Mr. **BENTSEN**. Mr. President, I examined again this morning the statistics on our Nation's vital fight to reduce our dangerous dependence on foreign supplies of oil. We have seen time and again in the past 7 years since the Arab oil embargo just how much that dependence costs us, not only in how many dollars are sent overseas—and it is over $96 billion per year—but also what it costs our Nation in our expression of foreign policy.

Mr. President, you can measure those costs in many different ways. We have been talking a great deal about the defense budget in recent days. The Congressional Research Service estimates that the rapid deployment force—largely necessitated by Persian Gulf oil—will cost in fiscal year 1981 over $1.3 billion. That is only the military cost of defending oil interests in that area, and many claim that the expenditure will do no good in the face of an oil cutoff.

We have not come far enough, but we are on the right path. For the first time since the Arab oil embargo of 1974, we have begun to reduce our dangerous dependence on foreign oil, 1979 now appears to have been the peak of dependence, when we imported over 6.4 million barrels per day. We have reduced that to approximately 6 million barrels per day, and I am sincerely hopeful that we will continue to make progress.

One powerful tool for reducing imports is the proposed crude oil import fee, which will cut our dependence by as much as 100,000 barrels per day. For this reason, I urge my colleagues to join with me in opposing this amendment by my distinguished colleague from Ohio.

The revenues from this fee will not result in a net increase in taxes, but will be used to finance a tax cut targeted at increasing productivity in our economy. It is an investment in our Nation's future, rather than an investment in that of our foreign suppliers. The import fee—translated into higher gasoline prices—would be a very significant step in signaling the world that the United States is indeed serious about reducing our reliance on imported oil.

Although we have made progress in reducing energy consumption, we have not come far enough. Certainly the price will be heavy—but I must remind my colleagues that we will pay a much heavier price if we fail.●

THE BARRIER ISLANDS

● Mr. WEICKER. Mr. President, I am pleased to join with my distinguished colleagues, Senators BUMPERS, JACKSON, and TSONGAS, in introducing S. 2686, legislation to protect the undeveloped and unprotected barrier islands of the Nation's Atlantic and gulf coasts.

Much of our Nation's coastline, from Maine down along the Atlantic States to Florida and west along the gulf coast to Mexico, is separated from the oceans by a thin strip of sand spits and islands.

These natural mosaics of water and sand are one of our Nation's great resources. Because they are offshore barriers they provide protection for the mainland against inevitable storm surges and hurricanes. The wetlands and bays which they enclose provide habitat for the early life stages of most of the marine life that will be caught by the Nation's fishermen, both inshore and on the high seas. Finally, they provide delightful places for Americans to live and play.

Barrier islands are dynamic. With each surge of the sea, inlets can be closed or islands washed away. Because of this precarious existence and the vulnerability to storms many barrier islands are unsuited for development, yet each year the Federal Government provides hundreds of millions of dollars in subsidies to promote development and redevelopment. These subsidies are estimated at $500 million from 1975 to 1977 for roads, bridges, and utilities. Because of the islands' vulnerability to storms, additional subsidies are required to assure survival of this development. Flood insurance losses will cost the Federal Government an estimated $400 million in 1980 and an average of $75 million are spent annually for island stabilization and rebuilding programs.

In December of 1979, the Department of the Interior completed a study of the Nation's barrier islands and made the observation that the instability of these islands makes many of them hazardous to building. Additionally, man's efforts to stabilize the islands are usually short lived and often cause damage. For example, groynes and jetties that are built to keep sand from drifting away by projecting out to sea may trap sand on their up-current side, but can cause damage by allowing erosion on their down-current side. Because of these conditions, the study observed, the development of barrier islands should be carefully controlled.

There is an urgency in responding to barrier island development. These islands are already 14 percent urbanized as compared to 3 percent urbanization nationwide. Of the approximately 186 barrier islands on the Atlantic and Gulf coasts only 68 remain unspoiled and many are threatened with development. Each year that we wait before implementing a new barrier island policy we will be adding to the financial obligations of an already heavily burdened Federal budget.

Being the first line of natural defense against hurricanes and winter storms, the barrier islands usually sustain the heaviest storm damage. Concern has grown over the increased risk to human lives as these areas are developed. Many islands are dependent on a single bridge or ferry for evacuation which may be inadequate without proper warning. Since 1900, 18,000 lives have been lost in hurricanes and winter storms.

The legislation which I am cosponsoring today would provide protection for undeveloped barrier islands by prohibiting Federal expenditures, assistance or approval for construction on specified barrier island areas, except activities related to energy development, public recreation and the protection of the barrier island ecosystem. The specified lands total almost 500,000 acres in 182 sites on the Atlantic and Gulf coasts and are identified on maps available in the Office of the Secretary of the Interior. In addition, the legislation would establish the Barier Islands Advisory Council to study the islands and make recommendations to Federal agencies before actions are taken which may have an adverse effect on them.

I hope that my colleagues will join with me in supporting the protection of our undeveloped and unprotected barrier islands. This is an opportunity to save the Nation hundreds of millions of dollars of continuing obligations in development that will yield to the forces of the sea like sandcastles. This is an opportunity to protect the coastal ecosystem that can contribute renewable resources to our economy for generations to come. And finally, this is an opportunity to encourage our citizens to live behind these barriers that nature has provided and be shielded from the storms that have already claimed thousands of lives.●

RURAL TRANSPORTATION ADVISORY TASK FORCE FINAL REPORT

● Mr. BAUCUS. Mr. President, the grain embargo this past winter diverted public attention from many other issues, among them the release of a significant, major report on agricultural transportation.

On January 3, 1980, the Rural Transportation Advisory Task Force submitted its final report and recommendations to Congress. Because of the importance of rural transportation to the economic well-being of my State and our Nation, I would like to share some of my thoughts about the work of the task force and to commend the task force's final report to the attention of my colleagues.

Mr. President, transportation is the life-line of our economy. Our ability to feed people—to produce agricultural commodities—depends upon transportation. Our ability to heat homes—to move energy resources—depends upon transportation. Our ability to manufacture and market goods—to provide jobs—depends upon transportation.

The economic health of our Nation rests upon transportation. And, in no other area, are urban people and enterprises so dependent upon rural America than in the efficiency and costs of rural transport services. Agriculture, upon which we all depend, is the heart of the Nation, and transportation its circulatory system. Agricultural exports, which totaled $32 billion in 1978, alone comprise the single, must positive element in our Nation's balance-of-trade payments. Truly, a sound and effective rural transportation system is in the national interest.

Special needs and problems, nevertheless, plague rural transportation. Vast distances and sparse populations—twin characteristics of rural America—place a greater premium upon transportation services in rural than in urban areas. In rural areas, the combination of distance and sparsity limits the potential for revenue to support the costs of transportation. Urban areas, with greater concentrations of population and business activity, are just the opposite. Rural areas are heavily dependent upon and severely limited in their transportation options. Increasingly, too, transportation alternatives available to rural areas are being strained to their outermost limits. Grain car shortages and discriminatory freight rates have plagued farmers annually since at least 1973, while the automobile, an essential vehicle for travel in rural areas, is becoming an anachronism in the face of inflationary fuel costs and the need to conserve energy resources.

Mr. President, Congress recognized the continuing importance of rural transportation needs and problems in establishing the Rural Transportation Advisory Task Force in November 1978 pursuant to Public Law 95-580. The law directed the task force to evaluate the needs and problems of rural transportation and to develop recommendations for consideration by Congress.

Chaired jointly by the Secretaries of Agriculture and Transportation, the task force published a preliminary report in July 1979. In its preliminary report, the task force addressed some of the concerns of agricultural transportation and invited the public to comment. During July and August, the task force held 9 days of public hearings in 12 cities. The task force gathered testimony from numerous individuals and groups. In January of this year, the task force released its final report and recommendations.

I have studied carefully the task force's final report and recommendations. I want to commend the task force and its staff, headed by Mr. Ronald Schrader, Director of the Office of Transportation in the Department of Agriculture. Congress charged the task force with a large and difficult undertaking—to assess the needs of rural transportation, to determine the efficacy of the current rural transportation network, and to recommend to Congress ways to improve the transportation system. To its credit, the task force carried out its charge with great diligence.

The work of the task force merits the serious and critical attention of Congress. If Congress is going to forcefully address the problems that afflict our Nation's transportation system—and we cannot afford not to—the work of the task force is a good place to begin.

The final report of the task force begins by recognizing that "there is an urgent need" for "major improvements in the transportation system." The report acknowledges that current transportation policy is severely fragmented, that this fragmentation produces inefficiencies and inequities, and that the entire economy could benefit significantly from a unified transportation policy.

The report then shifts to an almost exclusive discussion of the problems and needs of agricultural transportation. The task force justifiably recognized that—

> National dedication to improving the transportation system must begin with a comprehensive transportation policy that integrates, as an essential element, agricultural transport policy.

Identifying the problem attendant to agricultural transportation required no new research. The problems were, and are, all too readily apparent. From chronic grain car shortages, rail car underutilization, terminal congestion, and waterway bottlenecks to deteriorating highways and bridges, poor intermodal connections, conflicting Federal and State laws, and scattered and uncorrelated data, the problems are everpresent.

To deal with these problems the task force offers over 30 specific recommendations for congressional consideration. These recommendations touch upon nearly every mode of agricultural transportation. Many of them are bound to incite controversy. Among them are recommendations to: Accelerate the construction of locks and dam 26 on the upper Mississippi River; encourage States to increase truckload limits to 80,000 pounds and length limits to 65 feet on interstate highways; liberalize rail branchline abandonments; revise the rules of Federal and State funding for maintenance of highways; and reform of regulations to permit carriers and shippers to negotiate contracts under certain conditions.

I am not completely satisfied, myself, with all aspects of the task force's recommendations. For instance, the task force's recommendation concerning negotiated contracts between shippers and carriers, while theoretically sound, contains no enforcement provisions. The task force did not, I believe, adequately address the situation of the captive shipper in regard to negotiated contracts: No recourse is provided a shipper when a carrier fails to fulfill the terms of the contract. Nevertheless, I appreciate the time and resource constraints that may have hampered the task force in its efforts to thoroughly review all of its recommendations.

I would like now to touch briefly upon only one of the task force's recommendations—its recommendation of that there be an agricultural component of a national transportation policy.

It states in part:

> The primary objective of the agricultural transportation policy of the United States is to assure the efficient movement of agricultural products and farm inputs. . . . Such a system should be achieved primarily through market forces. . . . Any cost imposed on the transportation system in advancing other national or state goals primarily nontransportation or social in nature . . . should be assumed by the public. Such goals may include farm policy, rural development, agricultural exports and energy conservation.

Several aspects of the recommended policy statement concern me. Nowhere does the task force define or address what it means by "market forces." We should be skeptical, I believe of assuming that the traditional way of looking at transportation as just another business enterprise governed by some mystical "market forces" will insure that agricultural transportation will be integrated effectively and equitably into the national transportation network. Too much of what constitutes rural life—vast distances and sparse populations—make it captive to the development of a stable transportation system at a nondiscriminatory cost.

Just as perplexing as the task force's failure to address the question of "market forces" is how it could define "farm policy," "agricultural exports," and "energy conservation" as primarily "nontransportation or social in nature." Agricultural exports—transportation to markets—forms the cornerstone of our balance of trade, while transportation—all modes—consumes the single largest share of our energy resources.

A disturbing theme appears to underlie the task force's entire policy recommendation. That theme, implicit if not explicit, is that agriculture should be shaped around transportation. It is disturbing because, intuitively, one would think that it should be the other way around—that the transportation infrastructure should be shaped around agriculture. Farms—and forests, and mines, for that matter—cannot be readily moved to follow transportation opportunities.

Transportation, on the other hand, can and should be shaped to conform to the natural resources that are fixed in place.

If my understanding of the task force's policy recommendation is correct, I fear that it would have us believe that the farmer should bear the burden of the costs of revitalizing our rural transportation system, that our national policy should not focus on agricultural production unless the public bears the costs of transportation.

The task force's policy recommendation misses the axiom that our capacity to produce is tied to our capability to transport, that where transportation policies fail, there will be negative impacts on agricultural production and, as a consequence, there will be negative impacts on the health of our national economy.

We need to look very carefully at the implications—direct and indirect—of any rural transportation policy statement to insure that it addresses the unique dependency of rural areas on transportation as well as the dependency—and the sharing of the costs—of the entire Nation on the effectiveness and efficacy of a sound rural transportation network.

The work of the task force, nonetheless, is an excellent place to begin to examine solutions to the problems that beset rural transportation. The work of the task force deserves a better fate than getting derailed by the grain embargo. Once the impacts of the grain embargo subside—and one of those impacts was a freeing up, albeit inadvertently, of grain cars—we will again have to face the serious challenge of improving the transportation system serving grain producers and agricultural consumers.

Mr. President, Congress created the task force in recognition of the special needs and problems of rural transportation. Although the task force did not go far enough in studying rural transportation problems—for these problems extend far beyond the matter of improving farm-to-market roads—the task force performed a valuable service in examining a major component of rural transportation, that of agriculture. Too often in the past, Federal policymakers have failed to account for the needs of rural America in national transportation planning as well as recogizing the dependency of the entire Nation upon a sound, rural transportation network. As one of the staffers to the task force commented:

> We do need a rural flavor and agricultural input into our transportation planning activities. We have not had that in the past.

Mr. President, I commend the work of the task force to the serious attention of my colleagues.●

IMPORTS OF ALCOHOL USED AS FUEL

● Mr. BAYH. Mr. President, Public Law 96–223 requires the Secretary of the Treasury to provide Congress with a report on what methods may be used to limit U.S. imports of alcohol for use as fuel. On May 8, 1980, in my capacity as Chairman of the National Alcohol Fuels Commission, I wrote Secretary Miller a letter reminding him of the aforementioned duty and offering the services of the Commission staff to assist the Department in this regard.

At the time that I sponsored the amendment to the crude oil windfall profit tax, which provides an extended exemption from the Federal excise tax for gasohol and an alternative production credit for farm and industrial users of alcohol fuels, I thought that it would be foolish to allow other countries to dump their alcohol fuels production in our country, taking markets away from domestic producers while earning production incentives designed to encourage the development of a domestic alcohol fuels industry. A careful study of the methods which may be available to limit the introduction of limiting imports of alcohol for use as fuel is paramount to the interests of our domestic alcohol fuel industry. We must develop a strong domestic alcohol fuels industry. We must be careful to see that those incentives to alcohol fuel production provided in the crude oil windfall profit tax are not diluted by dependence upon foreign production. It is only through reliance upon domestic production of alcohol fuels that we can make the greatest possible strides toward energy independence.

Mr. President, I ask that my letter of May 8, 1980 to Secretary of Treasury Miller and the attached statistical chart be printed in the RECORD.

The material follows:

U.S. NATIONAL ALCOHOL FUELS COMMISSION,
Washington, D.C., May 8, 1980.

Hon. E. WILLIAM MILLER,
Secretary, Department of the Treasury,
Washington, D.C.

DEAR SECRETARY MILLER: Public Law 96-223 requires the Secretary of the Treasury to provide Congress with a report on what methods may be used to limit United States imports of alcohol for use as a fuel. The U.S. National Alcohol Fuels Commission has a strong interest in alcohol fuel imports, and is currently studying this subject as part of the Commission's comprehensive alcohol fuels report to Congress and the President.

Thus far our research has shown a steady increase of U.S. imports of non-beverage ethyl alcohol over the past several years. During the period 1976 through 1978, imports from Brazil totaled 550 gallons. In 1979, however, imports from Brazil skyrocketed to nearly 2.5 million gallons, and in January, 1980, nearly 2.2 million gallons were imported from Brazil.

Since both the Treasury Department and the Commission will be working on this subject, I feel that we should coordinate our efforts and share information. This could be especially beneficial since the Commission's final report is likely to be issued not long after Treasury's report is required to be completed. I hope that a meeting between the Commission's staff and representatives of the Treasury Department could be arranged in the near future to discuss this subject and identify appropriate areas for cooperation.

I appreciate your consideration of this matter, and look forward to working with you.

Sincerely yours,

BIRCH BAYH,
Chairman.

YEARLY TOTALS

	Gallons
1980: 1st quarter	6, 373, 982
1979	28, 073, 096
1978	22, 943, 951
1977	19, 199, 292
1976	12, 832, 004

ANNUAL IMPORTS BY COUNTRY[1]

	Gallons
Argentina:	
1980: 1st 1/4	2, 849, 892
1979	9, 346, 580
1978	6, 884, 004
1977	6, 426, 901
1976	5, 380, 584
Belgium:	
1977	831, 075
1976	2, 213
Brazil:	
1980: 1st 1/4	2, 709, 192
1979	2, 476, 979
1977	550
Canada:	
1980: 1st 1/4	814, 895
1979	9, 562, 476
1978	7, 595, 171
1977	9, 716, 326
1976	4, 710, 934
Federal Republic of Germany:	
1980: 1st 1/4	3
1979	1, 388
1978	4, 264
1977	105
1976	1, 243
France:	
1979	36, 338
1978	31, 513
Italy: 1978	20
Japan:	
1979	1, 296, 971
1978	46
1976	150
Mexico: 1978	106
Netherlands: 1977	97, 884
Norway: 1979	539
Peru: 1977	5, 220
Philippines: 1979	320, 178
Sweden:	
1979	10, 484
1978	4, 209
United Kingdom:	
1979	5, 006, 783
1978	8, 409, 498
1977	2, 121, 231
1976	1, 884, 641
Yugoslavia:	
1979	14, 380
1978	15, 120

[1] During years not listed under an individual country, no imports were received.●

THE REPUBLICAN ECONOMIC AGENDA FOR THE 1980'S

● Mr. ROTH. Mr. President, last Monday, May 5, 1980, Republican National Committee Chairman Bill Brock outlined in a major address before the Detroit Economic Club the economic program a Republican administration would implement if elected this November.

In direct contrast to the Carter administration's policies of high taxes, inflation, and Government-sponsored recession, the Republican economic policy is based on encouraging economic growth through lower taxes and Federal spending restraint.

In his speech, Chairman Brock described an economic policy to promote economic growth through across-the-board tax cuts for all working Americans, indexing of the tax system, limits on Federal spending as a percent of GNP, incentives for savings and investments and a simplified depreciation schedule to promote productivity.

Legislation embodying these principles are the Roth-Kemp Tax and Spending Reduction Act, the Roth-Brown-Rousselot Savings Expansion Act, and the Conable-Jones 10-5-3 bill.

The Republican Party is leading the fight for an economic policy based on hope and upward mobility, not despair and lower standards of living, and I urge all of my colleagues to study Chairman Brock's excellent speech.

Mr. President, I submit for the RECORD a copy of the speech.

BROCK OUTLINES REPUBLICAN ECONOMIC AGENDA FOR THE 1980'S

DETROIT, MICH.—In a speech before the Economic Club of Detroit, Republican National Committee Chairman Bill Brock today outlined a five-point economic program that a Republican administration would implement if elected this November.

Brock called for a policy that would encourage economic growth, limit the rate of growth of federal spending, encourage savings in the private sector, provide incentives for investment and a gradual reduction in the growth of the money supply.

Brock noted that the Carter Administration's programmed $500 billion tax increase over the next four years can finance a phased-in across-the-board tax cut for individuals, savings incentives for the reindustrialization of American industry and reform in the laws which govern depreciation accounting.

Above all, Brock noted, "We make this commitment; to establish constancy in our economy. No more quick fix—not more fine tuning—but constancy."

A copy of the prepared text is attached.

PREPARED TEXT

The state of the nation today is not good. Put bluntly, it hasn't been worse since the days of the Great Depression. Across the board, certainly in terms of our prestige and position in the world, our perception as a world leader and, ominously, our capacity to defend ourselves and protect our vital interest, all are in question. On a subject of more immediate interest to this group, the economic indicators are bad and point toward worse yet to come.

The recession is upon us, while inflation persists at 18 percent. The economic news is consistent—even if economic policy is not. The news is of lay-offs in major industrial sectors and declines in production in such benchmark industries as housing. The homebuilders tell me, for instance, that most of the homes to be built in 1980 have already been started. I don't have to tell this group about the effect of this recession on the automobile industry.

The real tragedy is this: these dismal economic indicators do not actually represent the failure of current economic policy. In a perverse, but nonetheless real way they represent its success. The recession is what this Democrat administration intended, and, with the collaboration of the Democrats in Congress, it has been achieved.

The nation is confronted with stagnant, if not declining, economic growth. The national work force confronts lay-offs and falling real income. Nothing is being done to reverse the deterioration of our capital stock. And our people are encouraged by their government's own policies not to save and not to invest for the future.

Against this background of recession, inflation, and the lowest rates of saving in our history, the Administration has proposed its solution. To meet the current crisis, they have proposed to increase taxes almost $100 billion in this one fiscal year. Notice the remarkable timing of President Carter's tax hike—the overwhelming bulk of his $500 tax increase on every average family will come after November 4. But we already know the results—higher prices, rising joblessness, lower savings, stagnation, frustration, anger, fear and confusion.

For the impact of these economic problems on the American family and workers cannot be measured solely in the dollar cost. Household budgets are put under tremendous strain to be sure. But even more profoundly, inflation and high taxes combine to turn the usual expectations of punishment and reward upside down. Prudence, saving, and hard work are punished, while debt and improvidence are rewarded.

In the face of all this, enter the Republicans proposing to achieve balanced budgets at lower tax rates, with declining inflation and rising expenditures for national defense.

We've met with some skepticism.

I would be a skeptic too if I bought the premise that economic growth must be a thing of the past. In the context of a stagnant economy, none of these objectives can be squared with the other commitments government in this country has already made to those in need.

But we don't have to buy that premise, and in fact, most Republicans don't.

As an important preface to what I'm about to say, I would ask you to keep in mind the following fact, which I will develop later.

The fact is that with programmed tax increases already written into law and even relatively conservative inflation estimates, revenues to the federal government will grow in the next four years by over half a trillion dollars. In short, unless we change our policies, the only real growth we will see in this economy during the first half of the 1980s will be a growth in government revenues and an equal growth in government spending.

And as the public sector grows, the private sector will shrink, as will the prospects for all Americans, because the Democrats are wedded to a state philosophy.

The Republican Party is committed to a policy which is precisely the opposite and which we believe will yield precisely opposite results. In order to achieve them, we need to insure that some of those $500 billion in new revenues now projected over the next four years be withheld from government and retained in the private sector. It's out of those funds—coupled with the stimulus that growth-oriented policies would create—that we could find the wherewithal to cut taxes and increase defense spending.

One of the questions in greater controversy about the new Republican economics is the extent to which tax cuts can fund themselves by stimulating growth and broadening the tax base. Some Republicans believe the feedback would be substantial, come relatively early, and be predictable. Others think it would come more slowly and less predictably. Let us agree that the precise feedback effect can't be known until we've tried.

But like it or not, because of inflation and new taxes which the Carter Administration has been adding since it began, government revenues are going to grow enormously in the next four years. This revenue growth almost by itself, even without revenue feedback from tax cuts, could provide enough to fund those cuts and fund reasonable growth in government spending. And no one suggests that there would be no stimulus to production, no growth whatever, no increased revenue yield at all, from these proposed Republican tax and growth policies. (Harvard)

Let's step back for a moment and look at what the consequence would have been for us today if past growth rates had been higher.

Since 1950 the average annual growth of the U.S. economy in real terms has been 3.6 percent. Many other major industrialized countries have grown at annual real rates averaging nearly five percent, and some have averaged six percent or more. If the United States had grown an average 1.5 percent faster each year since 1950, at a rate of just over five percent, its GNP would now be $3¾ trillion.

In a $3¾ trillion economy:

Income would be 50 percent higher than at present.

Jobs would be more plentiful and more productive.

Federal revenues this year would be about a third higher.

The federal budget would be in balance with enough revenues left over to provide a major increase in defense spending. The societal choice between "guns and butter" would be resolved in favor of both.

Federal income and payroll taxes could have been kept lower. The tax cut we seek now would, in effect, already have been in place.

Real growth would generate price stability as an expanding economy would eliminate budget deficits. The Federal Reserve would not be pressured to create more money.

The social gains from growth are enormous. Faster growth leads to higher income and plentiful jobs. These are exactly what the unemployed, the underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid economic expansion of the private sector. Bitter experience with unproductive, dead-end public jobs programs has convinced many among our minorities that young people need the skills which can be learned and benefits which can be earned in the production of real goods and services.

Thus, it is crystal clear that economic growth is essential.

Economic growth is inextricably linked to savings. Only that part of the national product which goes into saving is available to finance investment. Farmers have known for 3,000 years that they must set aside seed. By definition, investment depends on saving and growth depends on investment. Thus, only by increasing savings to a higher level can long-term sustained growth take place.

There are three basic sources from which savings are derived: depreciation allowances, retained earnings, and personal savings.

The following figures compiled by the Joint Economic Committee illustrate the gravity of the situation and the magnitude of the current shortfall in savings.

In 1979 gross investment was $387 billion. But of that, $114 billion went for housing and $18 billion for additions to inventory. Only $254 billion went into plant, equipment, and other production-oriented private sector investment. Of that, $188 billion went to replace worn out plant and equipment, leaving $66 billion. Of that net investment, some $25 to $30 billion went for pollution control and safety, leaving $40 billion or less. But 2.5 million people entered the labor force, each requiring about $20,000 in plant and equipment, or $50 billion, just to be as productive as existing workers! We have an investment gap of at least $10 billion just to keep productivity standing still. In reality, productivity fell 0.9 percent in 1979. Even worse, the average weekly spendable earning (adjusted for inflation and taxes) of the average worker have now declined for several years and have fallen to 1964 levels!

Thus, it is the interaction of high taxes and a low savings rate, inflation and compliance costs of federal regulations that have brought us to an economic impass.

There are essentially five principles which underlie the Republican plan to end this impasse:

First, that growth is both possible and essential in today's economy and that the major obstacle to economic growth is the growth of government; second, that government's growth need not and possibly cannot be halted, given the obligations we have heaped on it. But its growth can and must be limited; third, that savings are the prerequisite to investment and that, therefore, economic growth is not attainable unless savings grow; fourth, that tax policies can be prudently reconstructed to make savings first possible again for the average American family which today finds itself barely able to meet current costs for necessities, and then to make savings attractive by creating inducements and incentives to save; fifth, that a gradual and sustained reduction in the growth of the money supply along with reduction in the regulatory burden must accompany any such Republican fiscal policy.

In good times, we could do much of what we propose to do easily and with relative speed. Think back to 1977 when the recovery was at full force. We could have cut taxes then, and restrained the federal budget's growth, increased defense spending without putting the progress we were then making against inflation in jeopardy. In fact, that is precisely what was urged upon President Carter. In good times, we could have done it routinely. At the start of a recession, in bad times, nothing is easy and timing takes on more importance.

We do not claim—particularly as this recession deepens—that we could stimulate growth overnight, nor that we could, or even would, implement every facet of our program instantaneously. We would make this commitment: to establish constancy in our economy. No more quick fix—not more fine tuning—but constancy. This, we think, is long overdue. Our dedication to economic principles that would restore economic growth would be more devout than our dedication to any specific schedule of implementation. But with that as a preface, it should be understood that a Republican government would implement both business and personal tax reduction, a limit on the growth of federal spending, and the creation of statutory incentives to save.

We would propose to phase in across-the-board cuts in personal income tax rates over a fixed number of years—preferably as few as three, possibly as many as six. When fully phased in, individual tax rates would be reduced from the present. range of 14–70% down to a range of 10–50%. And once that were accomplished, the tax system would be indexed to keep rates down and deny government such windfalls in the future as it presently enjoys at our expense.

These reductions in marginal tax rates would be complemented by a statutory limit on federal spending. The federal budget would be pegged to a scheduled and declining share of the GNP until it returned to a level of 18 percent of GNP—the historic post-war average for federal spending—down from the present level of over 21 percent.

On the business side, we would simplify and accelerate the tax depreciations schedules to stimulate capital investment and job creation. One proposal which has broad Republican support makes such compelling good sense that it has attracted some Demcrats as well. The so-called Conable-Jones 10–5–3 proposal would establish three categories for capital assets, each with a different cost recovery schedule. Basically, this schedule would call for ten-year recovery for buildings and structural components, five-year depreciation of machinery and equipment, and three-year recovery of certain short-lived assets like cars and light-duty trucks. Assets depreciable over three years would be allowed a 6 percent credit, while those depreciated over five or ten years would get the full 10 percent investment tax credit. Like the personal cuts, these too would be phased in over a period of years to minimize any adverse short-term revenue implications. Most importantly they would be predictable.

Additionally, it's essential that we create incentives for increased saving. The Republican proposal would lower tax rates on savings and investment income to a maximum rate of 50 percent. The legislation would tax earned and unearned income separately, both at rates ranging from 14 percent to 50 percent. Currently, earned income is taxed at those rates, but so-called "unearned" income, such as savings, interest, and dividends, are added on top of the earned income amount and taxed at rates up to 70 percent. Under this proposal, the first dollar of unearned income would be taxed at the lowest 14 percent rate, rather than at the highest rate reached by the earned income. To discourage the use of tax shelters and encourage more productive investment, the bill would not allow income-splitting for individuals with more than $10,000 in tax preference income other than capital gains.

Again, as we can see, real growth is the only way to finance a program of tax cuts and real increase in needed programs such as defense. And the only way to get real growth in the first place is to remove the disincentives which currently stand in its way.

The biggest obstacle standing in its way over the next four years is that half a trillion dollars of new revenues I spoke of earlier. It averages more than a $100 billion per year drain on the private sector. It will come as a result of inflation's impact on the progressive tax rates, programmed social security tax increases, the windfall profits tax, the oil import fee and other energy taxes, and interest and dividend withholdings—the newest tax on savings.

We have looked back to see what the benefits of larger growth over the past 30 years would have meant for us and for our economy. We must look ahead too, to see what growth can accomplish for us in the future. Should our three-year program be put into effect then for fiscal 1981, the shortfall in revenue would be about $25 billion out of the now anticipated revenue increases.

But $25 billion less than the $86 billion of anticipated new revenues leaves $61 billion—exactly 10 percent of the President's $611 billion budget for fiscal 1981—left aside for growth in government spending. Surely 10 percent is enough, even for the most ambitious of big spenders. And surely $25 billion, one percent of the Gross National Product, left in the private sector is not too much, even for the most ardent of income redistributors.

In the following year, 1982, there would be $53 billion left even after the tax cut was taken into account and again, with no consideration of any feedback effect.

Should the tax cuts be phased in over a six-year, instead of a three-year period, of course, the amounts left to the Treasury would be even greater.

The columnist. George Will wrote that the decade of the 70's has been a decade of second thoughts—"second thoughts about FDR's idea of government . . . but doubt itself." Will added. "has become a dogma. It is time for third thoughts."

For Democrats whose first thought was capsuled for us 45 years ago by Harry Hopkins. "tax and spend, spend and tax," doubt has become not only a dogma but paralysis.

It is indeed time for third thoughts—they ought to be about the supply side of the economy—and it is Republicans who are having them.●

THE EL SALVADOR LAND REFORM PROGRAM

● Mr. ZORINSKY. Mr. President, in an effort to achieve some measure of economic justice and at the same time broaden its political base. the beleaguered but courageous Government of El Salvador has instituted a major land reform program. It deserves the full backing and support of the United States.

Historically, Mr. President, land reform in Latin America, with the notable exceptions of Mexico and Bolivia, has been on a par with the weather—everybody talked about it, but nobody did anything. In fact, most land reform efforts in Latin America rarely survived the "drawing board" and, even if they did, the implementation never quite matched the expectation.

Not so in the case of El Salvador. Clearly, the land reform effort there serves to make it one of the very few exceptions to the rule. It is a genuine program of reform and of income redistribution. And because it is, it has generated a great deal of controversy and contention.

But despite the controversy and the contention, as well as a lot of misinformation, the program is going forward. The largest estates or plantations have been expropriated, as a result of the Salvadoran Government's decree of March 6, 1980. Following the initial decree, the Government announced April 28, 1980, that all sharecroppers or tenant farmers were to be given title to the land they previously rented. At a later date, it is envisioned that additional farmlands will be expropriated and made available to El Salvador's rural poor.

There are many, Mr. President, who view the Salvadoran land reform program as something akin to a sinister Socialist or Communist plot. The fact is—it is neither. Rather, it is a program designed to meet the basic economic and social needs of the majority of the Salvadoran people, most of whom have been raped historically by a handful of absentee landlords. Indeed, if the people of the United States had had to confront the same situation here, the vast majority of them would have taken to the streets long ago. And I and a lot of people would have been right there with them.

The long and the short of it is, Mr. President, that the "captains of industry" in El Salvador have created a situation that could not endure. And so it has not. The Salvadoran land reform program serves to signal an end to it—and justifiably so.

Mr. President, one of the strongest supporters of this program in the United States has been the American labor movement. And not surprisingly, U.S. labor officials have been hard at work, both here and in El Salvador, offering advice and counsel and helping to explain the details of the program and answering questions about it. Because of their work in this area and their recognized expertise, I ask that background information on El Salvador's land reform program prepared by the AFL–CIO sponsored American Institute for Free Labor Development be printed at this point in the Record, together with a couple of recent articles from the Christian Science Monitor and the Miami Herald.

The material follows:

El Salvador's Land Reform and the Democratic Union Movement

El Salvador has one of the highest proportions of landless agricultural laborers and tenant farmers found anywhere in Latin America. The grievances of the country's landless have played a crucial role in the process of political polarization and the growth of revolutionary violence. What has happened on the land issue in the last two months is, therefore, potentially crucial to the development of a broadly supported democratic government in that country.

On March 6, 1980, the ruling Junta of El Salvador decreed a land distribution program which, when fully implemented, will become proportionally the most sweeping agrarian reform in the history of Latin America. At the forefront of this breakthrough is the Union Comunal Salvadoreña (UCS), a peasant farmer pressure group first organized in 1966 with assistance from the American Institute for Free Labor Development (AIFLD), an AFL–CIO sponsored organization involved in development in Latin America.

The reform, as conceived by the Junta and the UCS leadership, will take place in three stages. The first phase, already 90% complete, entails the expropriation of the 376 largest estates in El Salvador, all of which are over 500 hectares,* representing some of the choicest farmland in Central America. The second stage, decreed on April 28, involves the transfer of fee-simple title to all tenant farmers of the land they presently rent, an action which will benefit more than 150,000 campesino families. In the final stage, lands between 100 and 500 hectares will be expropriated.

The UCS was formed with the specific mandate of procuring access to land for tenant farmers, sharecroppers and landless agricultural laborers. Over the years, with financial and technical assistance from AIFLD, the UCS succeeded in effecting the transfer of government lands to a large portion of its membership. Through pressure on legislative bodies, it also brought the benefits of formal rental contracts to tens of thousands of sharecroppers who previously had been exploited by the large landowners. The present land reform decree, which potentially could benefit 1.5 million people, or 90% of the landless rural population in El Salvador (and one-third of the country's total population), represents for the UCS the fruition of a fifteen year struggle.

The roots of the social and political evolution of the UCS may be traced back to the late 1960's, when the then incipient leadership was undergoing an intensive education program, sponsored by the AIFLD. Its purpose was to imbue the campesinos with the trade union "mystique", i.e. the identification of the campesino with his fellow workers and other groups with similar problems and desires, and the conviction that, through collective action, organization and political pressure exerted through democratic means, these desires could be transformed into realities. The singular effectiveness of the free trade union approach in restoring a sense of dignity and personal worth in the campesino, as well as motivating and directing their innate creativity into constructive channels of benefit to the larger society, has been dramatically demonstrated by the recent passage of the land reform decree. It is a measure of the esteem in which the UCS held the AIFLD and its education programs that when the Institute was ejected by the Salvadorean government in 1973 (ostensibly on the grounds that it was a destabilizing influence on the countryside), that the UCS lobbied vigorously for the next six years for

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*500 hectares—1,250 acres.

AIFLD's return to El Salvador, which became a reality in the fall of 1979.

The UCS's role in the land reform process has been pivotal. With most of the campesino sector in El Salvador unorganized or radicalized by extreme leftists, the Junta was desperate to identify a moderate, democratic small farmer organization to serve as the vehicle for the implementation of the reform. The UCS, with strong popular support in the countryside and a politically experienced team of organizers, provided the solution.

The AIFLD takes great pride in the UCS and what it feels was a major role played by the Institute's Agrarian Union Development Department in the initiation of a process of non-violent, non-communist social change unique in Latin America. The timely support of the Embassy and A.I.D. staff in El Salvador and Washington was and continues to be a key factor in the success of this endeavor. At present, with the help of a one million dollar grant from USAID, AIFLD is assisting the UCS in the consolidation phase of the reform, which involves the extension of emergency interim financing for agricultural production, legal and management consulting to handle titles and administrative problems, and a major education program to apprise farmer beneficiaries of their rights and obligations under the new land tenure system.

FACT SHEET

Decree of 28 April 1980 enacting "Land-to-the-tiller" articles of the Agrarian Reform Law in El Salvador.

EFFECT OF THE DECREE

This decree gives immediate ownership of the land they presently cultivate to all of El Salvador's tenant farmers and sharecroppers, effectively abolishing the landlord-tenant system in El Salvador. This decree covers all holdings not covered by Phase I which expropriated the 500 hectare and over holdings.

About 150,000 campesino families are immediately benefitted by this decree, giving them all rights of property and possession. Combined with the 75,000 families included in the decree of 6 March 1980 expropriating the holding of 500 hectares and over, the agrarian reform law now benefits 225,000 of El Salvador's 300,000 campesino families. Of the 376 farms over 500 hectares, about 350 have been expropriated to date.

About 3,000 to 5,000 landowning families will be affected by the decree.

Compensation to the owners

Like the owners of the large haciendas, the landlords will be compensated with combinations of cash and bonds, depending on the size of the holding and the quality and value of the land. Compensation will be determined on the basis of the owner's declared valuation of the land on his 1976–1977 tax returns. Owners of 100 hectares or less will be paid 50 percent cash and 50 percent bonds.

Restrictions and obligations of the New Campesino owner-operators

The size of the land holding by any tenant farmer will be limited to 7 hectares (17 acres).

The new recipient will pay for the land in equal installments over a maximum of 30 years, the total amount being same as that being paid to the landlord. In virtually all cases this annual payment will be considerably less than half of what he has been paying in rent. The total cost of the land can be reduced ⅓ if payments are accelerated.

All rights of inheritance by his family are included. The recipient is prohibited from renting the land, to anyone else, and he cannot sell it for a period of 30 years. He can lose the land if he abandons it or fails to make the payments without cause.

Implementation of the decree

This decree is self implementing. The tenant now occupying and cultivating a piece of land becomes the owner of that piece of land. He will stay on his land and plant his crop as usual. The only difference is that he does not pay rent to the landlord, and acquire permanent rights of possession and the other rights of ownership. Over the coming months the government will issue titles to the land, requiring only that the new owner fill out and submit a form to be provided for that purpose.

This procedure simplifies greatly the administration of the law. It also prevents uprooting families or dividing land into plots too small to support a family.

A BRIEF SUMMARY OF DECREE NO. 207: LAW FOR THE TAKING AND TRANSFER OF AGRICULTURAL LANDS IN FAVOR OF THEIR DIRECT CULTIVATORS

Effects: While the earlier stage of the agrarian reform, proclaimed on March 6, has affected large estates over 1,200 acres in size, transferring them to the agricultural laborers who worked on them, the stage of the agrarian reform which is proclaimed today provides ownership of the land they farm to El Salvador's numerous tenant-farmer and sharecropper families. Under the previous stage, over 350 large holdings comprising some 600,000 acres have been transferred to approximately 35,000–40,000 families of agricultural laborers—a number which will rise to 60,000–75,000 as additional laborer families are settled on these lands, most of which will continue to be operated, cooperatively, as large-scale units producing coffee, cotton, and sugarcane. Under the new stage, an additional 400,000 acres intensively farmed in small units is passed immediately to the 150,000 families of tenant farmers and sharecroppers who presently farm it.

These small holdings produce corn, beans, vegetables, and other basic food crops, and are similar to the units passed to tenant farmers in the successful land reforms of Japan, Taiwan, and South Korea. El Salvador is unusual in Latin America in having a proportion of tenant farmers at least as great as its proportion of agricultural laborers within the total rural population. With this new decree, the reform has now taken some 1 million acres—around 30 percent of all land in farms and at least 50 percent of all cultivated land in the country—and redistributed it to roughly 185,000 families (probably to reach 210,000–225,000 with the full settlement of the large holdings initially taken). This represents an estimated 1.1 million people benefitted (185,000 × 6), representing a majority of all landless families and nearly one-quarter of the country's total population.

The New Law: I, II and III.—The decree begins with three preambular paragraphs, which recite the policy of the Basic Law of Agrarian Reform (the law issued March 6), that all agricultural land must be worked directly, rather than indirectly by tenants or sharecroppers, or else are subject to taking under the agrarian reform, by which tenants and sharecroppers may become the owners of the land they work.

Art. I.—This states that the object of this law is for the government to acquire all lands not worked directly by the owner, and transfer them to the tenants and sharecroppers who work them. The latter are recognized as having, from this moment, a preferential right in these lands. All tenanted holdings are affected, regardless of the overall size of the landlord's holding, and regardless of whether rent is to be paid in cash or kind.

Art. 2.—This decrees, effective with the Decree, the expropriation by the government, by immediate action of law, of all tenanted lands. These will be transferred to the tenants and sharecroppers, upon their carrying out formalities described later.

There is an exception for large commercial tenants who farm holdings of 250 acres or more as a single unit; their holding is not expropriated by the government, or transferred, until its owner is expropriated under the next stage of the law (it might be said that their farming it on this large scale gives it a temporary immunity from the law's application).

Art. 3.—Tenants and sharecroppers will receive a maximum of 17 acres (note: only a tiny minority farm parcels larger than this). The excess over 17 acres, where it exists, will be administered by ISTA the Salvadorean Agrarian Reform Agency—which will allow the continuation of the tenancy arrangement for this portion of the land for the present agricultural year and redistribute it to other beneficiaries after the harvest. Certain tenants are not limited to 17 acres, including those who are buying the land on installments under a sales contract previously placed on the public register, and cooperative or campesino groups that are renting land.

Art. 4.—The law affects all land under rental contract, whether in effect because newly-made or in effect because, in general, all last year's rental contracts have been automatically extended by an earlier decree. It doesn't matter whether the contract is verbal or written, whether the rent has been paid, or what the amount of rent is.

Art. 5.—The previous owners of the expropriated holdings, if they owned less than 250 acres, will be paid 50 percent cash, while if they owned 250 acres or more, they will be paid in conformity with the Basic Law of Agrarian Reform (which provides for 25 percent cash for many or most owners up to 1,200 acres; for all owners, the non-cash portion will be in bonds whose terms will be set in a regulation being drafted). The total amount of indemnification—whether in cash or bonds—will be based on the value declared by the owners for their 1976 and 1977 taxes; if there was no tax declaration, the procedure of the Basic Law will apply.

Art. 6.—The recipients will pay back an amount equal to what the government pays out, over a maximum period of 30 years. The periodic payments will be timed in accordance with the crop and harvest.

Art. 7.—Until the price is fixed, the recipients will pay, provisionally, an amount equal to the legal rent for the land (normally, this is substantially less than the rent actually charged), but this payment won't be required in the 1980–81 agricultural year if the recipient had already paid his rent on the land. For those continuing on lands over 17 acres, the rent will be the full legal rent, reduced by anything already paid. Beneficiaries will also have the option, under a regulation to be issued, to accelerate their payments and thereby reduce their total payments by as much as one-third.

Art. 8.—Certain restrictions apply to the recipients: They cannot rent out the lands received, nor, for thirty years, transfer or mortgage them, except they can transfer them upon their death and can, also, use them as security for production credit from banking institutions. If, without excuse, they fail to make their payments for one or more years, or abandon or attempt to rent out their lands, the land reverts to the agrarian reform agency for redistibution.

Art. 9.—To obtain title to the land, the tenants or sharecroppers who wish to avail themselves of the benefits of this law must indicate this to the agrarian reform agency, together with certain basic information (location of the land, name of the old owner, and their own former status as tenant otherwise), and any other pertinent facts. This must be done within one year of the publication, by the agrarian reform agency, of a notice to this effect, or else they lose their benefits (and the land may be redistributed to others). Pending their indication of their desire to formally acquire the land, the agrarian reform agency must respect, in those who have been the tenants or sharecroppers of the land, the rights that they hold in the affected lands (it might be said that they have, presently, a right of undisturbed possession, and a right of ownership waiting to be perfected by certain formalities).

Art. 10.—The procedure to identify the expropriated lands and formally legalize their transfer to the agrarian reform agency is to be as provided in the Basic Law, except that neither the previous physical taking of the property (by governmental officials) nor the publication of the property's name is required (this makes the governmental role, in effect, a pure after-the-fact formality of changing land records based on information in applications to be made by the beneficiaries, plus whatever statements ex-landlords make, with the actual physical "intervention" of the property done for the government, immediately, by the tenant himself).

Art. 11.—The Minister of Agriculture will issue a special regulation concerning the administrative details within 30 days or less of the law's effect.

Art. 12.—The law becomes effective eight days after publication (a constitutional requirement, for all permanent laws).

(Meanwhile, there is simultaneously issued a Transitory Decree, effective immediately which preemptorily prohibits any attempt to evict, whether in direct or indirect form, the existing tenants and sharecroppers. With this Transitory Decree, the legal rights of the present landlord end, and the effective ownership of the present tenant begins, for all practical purposes, today.)

April 28, 1980.

QUESTIONS AND ANSWERS ABOUT THE "LAND-TO-THE-TILLER" DECREE

What does the new "land to the tiller" agrarian reform decree do?

The law abolishes the landlord-tenant system in El Salvador, the same way Japan, Taiwan and South Korea did this 25 years ago.

Every campesino who cultivates a piece of land as a tenant or sharecropper is now, from date forward, the owner of the land he has been renting. He no longer pays rent for this land. His sons, his family, will inherit the land, and their sons after them He has all the rights of ownership.

What about the rights of the former owner?

Every landlord who formerly owned that land will be paid fair compensation. Landlords who own less than 100 hectares will be paid 50 percent in cash and 50 percent in bonds for the land transferred to the cultivator. The amount of compensation paid will be based on the owner's 1976–77 valuation in his tax returns.

Will the new campesino-owner pay anything for the land?

Yes, he will make payments over the coming years, buying the land for a small annual payment, much less than he presently pays as rent. In the meantime, from date forward, the former tenant or sharecropper has the right to farm the land as he chooses, to use the profits from the crops to make improvements and increase production.

What will be the effect of the new law on the middle classes, who own little or no land but who work and create jobs in business, industry and the professions?

Business and the economy will improve and flourish. As the 225,000 new owner-operator farmers increase their production, the demand will increase for housing, consumer goods and services. This will begin very soon, within a year, and soon El Salvador will begin to experience an economic miracle with the potential to become the Japan of Central America.

But most important, all of our children can grow up and live in peace and freedom, instead of living with increasing violence with the risk of dying in a senseless bloody civil war between the extreme right and the extreme left. When the campesino becomes a participant in society, instead of a slave to the landlord, he will no longer be vulnerable to the false promises of the extreme left. Neither he nor his sons will be interested in becoming part of the extremist or guerrilla movements. As the threat from the extreme left diminishes, the extreme right can no longer draw an effective following. With peace assured, El Salvador can begin to fulfill its own true potential.

How do you know these things will happen?

Japan, Taiwan and South Korea redistributed their land to the tenant farmers over 20 years ago, as we are doing here today, resulting in great benefits for everyone concerned, campesinos, former landlords and the middle classes. Their economies have grown enormously, creating jobs, business and industry, benefitting all sectors of their societies.

Some people say that the land reform law cannot work because it will cut up the land into small pieces that cannot support a family. Isn't this true?

No, this is not true. There is no splitting up or dividing up of the land. The large farms under the decree of March 5, are continuing to operate as single large units on the same scale, with the same campesinos, as cooperatives. The new decree (4/28) gives to the aparcero and arrendatario the same piece of land he has been cultivating. Thus, the law preserves the existing scale of agricultural operations.

Does the government have the personnel and facilities necessary to start such a far-reaching land reform law?

The law is basically self-implementing. The tenant farmer stays where he is. He knows what piece of land he has been cultivating. This becomes the piece of land he owns. He does not need to go anyplace else to get land, nor can anyone move in and take his land. He farms this land as he has done before. He simply pays no rent. In due course, over the coming months, he will fill out a form and the government will issue his title, spelling out his rights and obligations.

What are the rights and obligations of the new recipient of the land?

The size of his holding can be no more than 7 hectares (10 manzanas). He will pay for his land equal annual installments over a maximum of thirty years, the same amount being paid to the landowner. His payments will be far lower than he previously paid as rent. This gives him an opportunity to invest in improvements which will increase his production.

He can pass his land on to his sons and daughters, keeping the land in the family. He cannot rent the land to another tenant. He cannot sell the land for a period of thirty years. He will receive title to the land during the coming months.

Why has the Junta taken this action at this difficult time?

We have done this for the benefit of every citizen of El Salvador. To create new opportunities for the middle classes, the workers, the landowners as well as the campesinos; we have done this to correct the inequities, in an unjust system, to broaden participation in society to include every Salvadorean.

We call upon all "hijos de la patria" to get behind this act, deposit your vote of confidence through your civil organizations, professional associations, church and youth groups.

With your support for this action, we will all succeed in bringing about peace and prosperity for ourselves, our children and our children's children.

[From the Christian Science Monitor, May 1, 1980]

SALVADOR'S SWEEPING LAND REFORM: THREAT TO LEFT?

(By James Nelson Goodsell)

SAN SALVADOR.—The massive land-reform program just promulgated by El Salvador's military-civilian junta is so sweeping that it could take the wind out of the sails of Salvadorean leftists.

This is clearly one of the hopes of the embattled junta, which announced its second—and most far-reaching—stage of land reform April 27.

The reform package puts a good 50 percent of El Salvador's cultivable land immediately into the hands of more than a million landless peasants. More than a million acres is affected by the measure.

Its scale, given the miniscule land area of this overpopulated country, dwarfs all previous land-reform efforts in Latin America.

For the moment, many Salvadoreans admit to being stunned by the scope of the measure.

"We expected some land-tenure changes," comments a local businessman whose own 800 acres were farmed by tenants, "but we never expected the junta to go as far as it has gone. It is robbery! I admit we may have lived a charmed life under the old arrangements, but why should we be made to suffer so heavily just so a landless person can get his piece of land?"

In many ways, the program goes beyond the demands of the Salvadorean left, which has accused the centrist junta of being no better than rightist military governments of the past.

It may be just a coincidence, but the left has been planning May Day demonstrations this week against the junta. As in the past, it had been expected to call for land reform.

On previous occasions, the left drew huge crowds of peasants to demonstrations, trucking thousands from the countryside into San Salvador. But it is unlikely that many peasants, suddenly given their own land, will take part in this week's demonstrations.

In human terms, 185,000 peasant families are receiving land. Assuming six people per family (a conservative average), this means an estimated 1.1 million people, a quarter of El Salvador's 5 million population, benefit from the program. Before the transfer, only approximately 5,000 families owned land.

The immediate-ownership features of the program give it a unique touch among Latin-American land transfers.

The reform package is not regarded by the junta as confiscation, for it provides compensation to the previous owners. There are likely to be many court cases that challenge the transfers however.

Eventually the new title holder must pay for the land—an amount equivalent to the sum the government pays the original owner. But the new owners' payments are not due in full for 30 years.

Salvadorean authorities say that although production could drop slightly due to land-title adjustments, there will be no serious upset, even in this first year of transition. Officials have assurances from many of the new landholders that they will produce at least as much as they did when they worked the land for others.

The program comes on the heels of a change in junta membership and the junta's announcement of a commitment to land reform just after the first of the year.

The first stage of the plan occurred March 5, when some 367 large landholdings making up 600,000 acres—estates of 1,200 acres or more—were transferred to the agricultural laborers who worked on them. The April 27 transfer was the second stage, in which some 400,000 acres, intensively farmed in small units, were passed immediately to tenant farmers and sharecroppers who had been working them.

[From the Miami Herald, Apr. 30, 1980]

Sharecropping, Tenant Farming Abolished by Salvadorean Junta

San Salvador, El Salvador.—The governing civilian-military junta has abolished sharecropping and tenant farming as part of a wide-ranging land reform program initiated in early March.

The government, in a decree Monday, provided for the transfer of land ownership to sharecroppers and tenants now working it in what one agrarian reform official described as a "land to the tiller law."

"The basic principle is that the man who works the land should be the man who owns the land," said the official.

An estimated 400,000 acres, most of them planted in basic crops such as beans and corn, will be affected by the lastest action. It benefits about 150,000 families or 900,000 people; some 20 per cent of the country's population and 40 per cent of its rural population.

Each new owner will get a maximum of 17 acres.

Informed sources said government assessors valued the land at about $50 million and would be taken from about 3,000 original landowners.

Land redistribution has been a major demand of extreme leftists who are trying to establish a socialist state and oust the junta, whose military members last October overthrew the rightist military regime of Gen. Carlos Humberto Romero.

It is hoped that the agrarian reform will bolster the moderate civilian-military government and undercut the extreme left.

Monday's action brings to about 1 million acres that have been taken over by the government as part of what has been described as one of the most far-reaching agrarian reform programs in Latin America.

Under the first phase, announced in early March, properties of more than 500 hectares, or about 1,200 acres, were expropriated for redistribution to Salvadoran campesinos.

A second phase called for the takeover of 100- to 500-hectare properties although that has not yet been decreed. It is expected that Monday's action—which had initially been planned as a third and final phase—will cover many of the properties that otherwise would have been involved in the planned second phase.

Original owners affected by Monday's decree will be paid similarily to those involved in the previous takeover; partially in cash and partially with government bonds.

Payments will be made on the basis of land values declared in 1976–77 tax declarations.

The United States last week loaned El Salvador $32.5 million for the agrarian reform program.

The new owners will be required to make annual payments to the government for their land with payments roughly the equivalent of legal rent limit. In many cases, the tenants had been paying the original owners amounts in excess of the legal limit.

The government estimates that by the end of the year, about 1.5 million of the country's 4 million arable acres are expected to be in new hands and that up to 80 per cent of the country's landless farmers will be landowners.

Antonio Morales Ehrlich, a civilian member of the five-man junta, said he expects the reforms to increase production of the country's vital cash crops, coffee, cotton and sugar.

Meanwhile, U.S. Embassy officials said Rene Tamsen, 28, a U.S.-based Salvadoran reporter for WHUR radio in Washington, D.C., was missing after dropping out of sight nearly one week ago.

And authorities said leftist guerrillas kidnaped a prominent Salvadoran businessman.

Authorities said about 10 leftist guerrillas, two of them women, kidnaped wealthy Salvadoran businessman Victor Kielhauer, 48, as he drove home from his office in downtown San Salvador Monday.

They said the guerrillas forced Kielhauer, the major stockholder of the large Comercial Kielhauer auto distributor, out of his car and into a getaway van, then sped away.●

OIL COMPANIES AND POLITICS

● Mr. BAYH. Mr. President, the American people are treated to a nightly barrage of slick Madison Avenue ad campaigns which seek to justify the outrageous and unconscionable profits of the vertically integrated major oil companies. We are told that oil company profits are not too high and that these corporations are working for the best interests of the American people. To the extent that those advertisements imply that "Big Oil" reinvests all of that income into increased energy production, they are greatly misleading. Indeed, we know that "Big Oil" only reinvests about 42 percent of the funds available for investment into increased energy production.

Mr. President, the only things these advertisements demonstrate are the ability of Madison Avenue to package anything attractively regardless of its real merit and "Big Oil's" utter disregard for the intelligence of the American consumer. The plain truth is that the "Big Oil" companies are selling the American people a bill of goods.

Among those companies who tell us how much they are doing for us, rather than to us, is the Mobil Oil Corp. Last year Mobil Oil, the country's second largest oil company and number three in Fortune's 500, increased its profits over 1978 by 76 percent and earned $1.950 billion. For the first quarter of 1980, Mobil's profits increased by 105 percent over the same period of 1979. Doubtlessly those profits would have been higher if Mobil did not spend such great sums on advertising and running their regular columns on the op-ed pages of America's daily newspapers. Those advertising expenses are deductions from their income. Among those claims made in their advertising is Mobil's interest in "encouraging" the development of alternative fuels at the same time they work full time to dissuade marketers and jobbers affiliated with Mobil from marketing gasohol. It was practices like Mobil's efforts to discourage the wide-scale commercialization of gasohol which led Senator Metzenbaum, myself, and several of our colleagues to introduce the Gasohol Competition Act, S. 2251, which would make these practices antitrust violations.

Mr. President, along with Mobil's multimillion dollar advertising campaigns, they are making other expenditures to learn about the American consumer. Indeed, Mobil has taken advantage of the recently developed Federal Election Commission policy which allows anyone to acquire a copy of the agency's computer tapes which will contain the names, addresses, occupations and gifts of every person who will be donating $200 or more this year to a candidate for Federal political office.

Mr. President, I am at a loss to understand Mobil's need for this information just as I fail to understand how Mobil's purchase of Montgomery Ward adds to our energy security or increases production of energy from renewable domestic sources.

Mr. President, I ask that an article from Political Finance, Lobby Reporter, written and edited by Ed Zuckerman, an outstanding and veteran reporter who has so ably covered the Hoosier congressional delegation, dated April 16, 1980, be printed in the Record.

The article follows:

Mobil Oil Co. Seeks Computerized Donors List

The Mobil Oil Co., which expresses its opinions on a wide range of political subjects in a multi-million dollar newspaper advertising campaign, is planning to acquire information about every person who will be making a donation to a political campaign this year.

Under a recently adopted Federal Election Commission policy, anybody can buy a copy of the agency's computer tapes which will contain the names, addresses, occupations and gifts of every person who will be donating $200 or more this year to a candidate for federal political office.

Mobil spokesman James Amanna said the company has "no particular reason in mind . . . we just heard the information was available and, at this point, we're just curious about it."

The request for purchasing a computer tape came from Mobil's "Public Affairs Support Group" which is based at the company's New York City headquarters.

The unit's mission, Amanna explained, is to "maintain communications with consumer, environmental and other special interest groups . . . and get information from the national level distributed to the local level."

Put another way, Amanna agreed, the group helps develop Mobil's public advocacy advertising campaign.

Mobil began its grassroots lobbying ad campaign in 1970 with a modest budget. By 1977, the company committed $3.2 million of its total $10.9 million advertising budget to grassroots lobbying ads.

Currently, the campaign consists of weekly ads in 400 Sunday newspaper supplements that have a combined circulation of more than 37 million copies. In addition to the weekly ad, a viewpoint column called "Observations," Mobil periodically purchases space in major newspapers to rebut specific newspaper articles and television broadcasts.

Amanna could not say if Mobil is contemplating an extension of its grassroots lobbying campaign into direct mail.

As a list for direct mail purposes, the FEC's computer tape is a bargain.

According to an FEC spokesman, the computer tapes will probably hold data on at least 500,000 people by the end of the current election year. The cost of acquiring the tapes, he said, "will be a matter of only a few hundred dollars."

The FEC is currently preparing a manual which will be ready in May to advise potential purchasers how the agency's computer program is structured so they will be able to determine if the tapes are compatible with their own systems.

The FEC spokesman cautioned that the

tapes hold information that comes from financial disclosure reports. Federal law forbids using such information for commercial or fund-raising activities. He noted that Congress passed a new election law last year that permits candidates and political action committees to "salt" their disclosure reports with phony contribution entries to help reveal unlawful use of the information.

Ordinarily, a mail list broker would charge between $30 and $40 per 1,000 names and, in the commercial world at least, the FEC's list is easily worth between $15,000 and $20,000 for the raw data alone. Since the list also includes occupations and information about a person's political preferences, its true commercial value would be a great deal more.

Once stored in a computer, it would be possible to extract the data sorted in a variety of ways. For instance, it could deliver pre-printed mailing labels just for liberals living in specific congressional districts (based on who they gave money and their address zip codes).

And, from a socio-economic standpoint, the FEC's data exclusively lists only Americans who are both politically interested and capable of donating at least $200 to a candidate.●

IT IS TIME TO REIGN IN OSHA

● Mr. HELMS. Mr. President, over the past several weeks, the Senate Committee on Labor and Human Resources has been conducting oversight hearings on the activities of the Occupational Safety and Health Administration. These hearings have provided an opportunity to reexamine the broad mandate the Congress gave OSHA when it was created in 1970, and which only three Senators at that time opposed.

I submit, Mr. President, that OSHA has proved to be far more of a public menace than a public benefactor. I see scant evidence that OSHA has actually improved worker safety and health. Yet there is ample evidence that the agency has caused untold consternation for every type of business, large and small—especially the small ones.

Let us examine the facts for a moment. Since 1972, 2 years after the enactment of OSHA, the number of serious on-the-job injuries has increased by 25 percent. During that same period, the number of lost workdays per 100 full-time workers has risen by 33 percent. If anything, this record suggests that OSHA may well have contributed to the problem of safety in the workplace.

According to a study conducted by the California Department of Industrial Relations, 82 percent of all occupational accidents are of a sort that no system of Government inspection could alter anyway.

In light of this history, I have introduced S. 1572, a bill to exempt family farms from the Occupational Safety and Health Act of 1970. I would prefer to see all farmers exempted from the requirements of the act, as the National Cattlemen's Association has urged. And I would like to see small businesses exempted. My bill does not seek to do that. But it would exempt over 90 percent of all farms, and that is an important first step.

Mr. President, perhaps all Senators are not aware of the extremely adverse economic conditions farmers are now experiencing. Farm income has dropped dramatically because of the increased costs of farmers inputs. Net farm income will drop some 35 percent this year, in real terms. That would be in the area of $23 billion for 1980, as compared to $33 billion net in 1979. Now, gross receipts will be up 4 percent, but higher costs will put the net below both 1979 and 1978.

The essential fact of farm income is this: farmers must purchase their inputs at retail and sell their crops at wholesale. That means that they are the ultimate consumers—they are not in a position to pass on their increased costs.

One of the principal reasons for this dramatic—and devastating—drop in farm income in the face of increasing gross receipts is the increasing costs of excessive and unnecessary regulation such as OSHA regulations.

My bill seeks to reduce that unnecessary burden on farmers. Until we take this kind of action farm income will continue to decline. The very survival of family farming in America is dependent upon our willingness to face that essential reality.

I ask that the remarks I submitted at the Labor and Human Resources Committee hearings, as well as those submitted by Mr. W. H. Webster, chairman of the Committee on Labor for the National Cattlemen's Association, be printed in the RECORD.

The material follows:

STATEMENT OF SENATOR JESSE HELMS TO COMMITTEE ON LABOR AND HUMAN RESOURCES

Four years ago, Congress voted to exempt all small farms from OSHA rules and regulations. This was done through an amendment to the appropriations bill for the Departments of Labor and Health, Education and Welfare. Ever since that time, these small farmers have continued to be free from OSHA rules, because each year the language of the appropriations bills has expressly prohibited OSHA from using any funds to regulate small farmers.

I believe it is high time we write this exemption permanently into the law. If we do not, the day may come when this language no longer appears in appropriations bills. Once again, small farmers will become the targets of OSHA inspectors.

Farm safety is important not just to the farmer and his employees, but to the nation as a whole. Every farm injury means less work accomplished. Less work means fewer vegetables, less meat, less fruit—in short, less food to feed the nation's people. And every reduction in the quantity of the nation's food supply means higher prices for all.

But of course it is the farmer who suffers most from farm injuries. When his harvest is poor, or the livestock go unattended, income may suffer terribly. Even temporary losses of labor could spell economic disaster for a small farm, dependent on perhaps a single crop for its livelihood. So to protect his own best interest, a farmer must make every effort to provide safe working conditions for himself and his employees. He does not need government to penalize him for a farm injury, or tell him when conditions are unsafe.

The farmer is his own best judge of how to make his operation safe. He can remember all too clearly the days of portable potties for fieldworkers and cattlemen out on the range. He doesn't forget paternalistic warnings about the hazards of slippery cow manure.

Over 90 percent of our nation's farms hire ten or fewer employees. And almost half of our farm labor force works on such farms. S. 1572, which I introduced last summer, would permanently exempt these enterprises from OSHA regulation. It would simply write into the law the farm exemption already in effect. It is a very brief, concise bill, meant to protect one segment of the national work force from one form of excessive federal regulation.

But this is not enough. Since the original passage of the small farm exemption, OSHA seems to have acquired a peculiar suspicion of farming as a whole. Rather than reducing the number of farm inspections it makes each year, as a percentage of overall inspections it has increased them six-fold since 1975. While the total number of OSHA inspections per year has declined since FY 1975, the number of farm inspections has increased.

It is essential that we put a stop to this trend. The budget of OSHA has quintupled since 1972, and the end is nowhere in sight.

Mr. Church has introduced another bill which is a major step toward keeping OSHA out of places it doesn't belong. Not only does his bill cover small farms and businesses, but it also covers all businesses, regardless of size, if they have a favorable safety record. I am pleased to see that S. 1486 is based on an amendment my good friend Dewey Bartlett introduced in 1978. The Bartlett amendment to the Small Business Authorization Act would have exempted all small businesses with good safety records. Unfortunately, this was rejected in conference with the House.

Passage of S. 1486 would mark a major step toward safeguarding our citizens against the ever more intrusive fourth branch of government. No safe business or farm needs OSHA inspectors coming in and looking for problems. Certainly our taxpayers don't need to see more of their dollars being poured down the drain for such enterprises.

If this legislation is not approved by the committee, then we must take S. 1572 to the Senate floor. Congress has approved this same language in the past, and I am certain that it will do so in the future. Passage of S. 1572 would be one small step in the right direction. But I urge the committee to do even more, and support adoption of S. 1486.

STATEMENT OF THE NATIONAL CATTLEMEN'S ASSOCIATION

From the time it was enacted in 1970, the members of the National Cattlemen's Association have had serious reservations about, and strong objections to, the Occupational Safety and Health Act, particularly as it pertains to farmers and ranchers. It was apparent that the Act was a gross invasion of privacy, an encroachment on individual freedoms, and we questioned its application and administration would produce any particular benefits.

After nine years of existence, there remains no convincing evidence the statute has improved the safety and health of employees. Moreover, the program has cost billions of dollars in administration plus untold billions required to be spent by businesses to comply. As a result, the Act has created an unrivaled degree of antagonism among employers.

The issue at the moment, which this statement addresses, involves amendments to the Act which would permanently exempt certain farmers and ranchers from the provisions of OSHA. Before going any further we assure the Committee that farmers and ranchers are profoundly interested in and concerned about the safety and health of their employees. This is not only a moral consideration, but is also an economic one. In particular, the smaller employers cannot afford to contend with lost time, injuries, or unhealthy circumstances.

However, in the best judgment of this Association, the approach made by OSHA is unworkable and inappropriate. Therefore, the members of the NCA strongly support legislation that will exempt farm and ranch employers from OSHA, and we are prepared to substantiate that position. In the opinion of our members, a program of education and training offers a far more practical approach toward improving and protecting the safety and health of agricultural employees.

Two of the bills being considered at these hearings—S. 1486 and S. 1572—would amend the Act so the statute would not apply to any person who is engaged in a farming operation except that the excused persons would be those who employ 10 or fewer employees. Since those agricultural operators with 10 or fewer employees represent a high percentage of agricultural employers, the NCA can and does support the concept of such an amendment. If an amendment is reported out and acted upon, we would much prefer the exemption for persons engaged in farm operations as it is stated in S. 1486.

However, when considering such an amendment, we would urge that the Congress would, in its wisdom, decide to exempt all agricultural employers from the provisions of OSHA for the reasons stated hereafter.

At the same time, we do recognize that the Committee is also considering S. 2153 by Senator Schweiker and others. With little question, this bill would redirect the agency's priorities and be definite progress toward restricting OSHA. However, it would not, in itself, fully correct the situation for farmers and ranchers if the Act is applied to them.

There is ample precedence for the exemptions the Committee is considering; namely, those contained in S. 1486 and S. 1572. The Congress has concurred in this action for a number of years through annual expenditure restraints in appropriation bills. In these several years, including the current fiscal year, the annual appropriation bill for the Department of Labor, Department of Health, Education and Welfare, and related agencies, has disallowed the expenditure of appropriated funds for enforcing the Occupational Safety and Health Act where it might be applicable to any person engaged in a farming operation, provided that person employed 10 or fewer employees and did not maintain a temporary labor camp.

Since this has been the sense of the Congress on a number of occasions in the past, it would seem there is every justification for amending the statute and making this exemption permanent thus avoiding the exercise of an annual inclusion in the appropriation bill. Such an amendment would merely continue the action that has previously been taken by the Congress.

From the beginning, the NCA has maintained the provisions of OSHA were not tailored for farmers and ranchers. Under the Act, farmers are required to abide by only six specific OSHA standards. These six farming standards are:

(1) Establish health and sanitation rules for temporary labor camps housing migrant workers;

(2) Require the use of slow-moving vehicle emblems where applicable to farm machinery being driven on the highway;

(3) Establish regulations governing pulpwood logging operations;

(4) Set up requirements for the storage and handling of anhydrous ammonia which is used as fertilizer;

(5) Require machine guards to protect employees from coming into contact with various moving machinery parts; and

(6) Mandate rollover protective bars for tractors.

This means that any additional application of the Act to farmers would have to be made under the vague and ambiguous General Duty Clause which would put farmers and ranchers in the untenable and frustrated position of not knowing what standards of conduct might be expected. The General Duty Clause provides "each employer shall furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees".

For this purpose and other reasons, we contend the Act was tailored and designed to fit other industries and businesses in general and is not adaptable to or appropriate for agricultural operators, farmers and ranchers. The vagueness and ambiguity of the application of the Act to agriculture as previously mentioned could seriously disrupt livestock operations as well as other agricultural operations. The structure, methods and extent of farming, feeding and ranching are unique and can, in no way, be dealt with in the same manner as a manufacturing plant, a warehouse, a place of business and the like.

Further supporting justification for the exemption of farmers and ranchers from OSHA are the highly questionable features of the Act itself.

Despite any conclusions to the contrary, there remain ample reasons to question the constitutionality of the Act. The all-powerful authority vested in the Secretary of Labor to act as legislator, policeman, judge and jury, along with the almost complete lack of due process accorded employers, raises serious questions as to the constitutionality of the Occupational Safety and Health Act. Specific sections delegate to the Secretary of Labor certain legislative, police and judicial powers with respect to enforcement and standards of conduct. Rights of appeal are limited for employers, and there are certain denials with respect to public trials as well as the right to confront and cross-examine accusors.

Further support for the argument on constitutionality is the action by the Supreme Court. A section of OSHA provided for unlimited search and investigation of the premises and facilities of employers, treating said property as if it were publicly owned and controlled.

The Supreme Court has now ruled that OSHA does not have the authority to conduct warrantless searches. The Court applied the Fourth Amendment of the Constitution, which protects the rights of people in their houses, against warrantless searches and spells out that no warrants shall be issued, but upon probable cause. The Court ruled that the businessman, like the occupant of a residence, has a constitutional right to go about his business free from unreasonable official entries upon his private commercial property.

Moreover, the Act is highly discriminatory. It places all responsibility for employee safety and health solely on the employer, including accidents and the like resulting from careless, negligent, or malicious acts of employees. The Act encourages the employees to report alleged violations and then shields the employee even though his charges may be unwarranted or without foundations at all.

Perhaps the most telling and convincing argument against the retention of OSHA, in any form, is the miserable record of performance by the Department of Labor under the law. After nine years of active existence, in the words of one of the original strong supporters of the law, thereis no demonstrable evidence the law has improved workers' safety. Not only is there no clear-cut evidence of benefit to employees, there are reliable statistics to show the program has been an utter failure.

While the Department of Labor and labor organizations maintain these statistics show that OSHA has prevented thousands of deaths and injuries since its origin, realistic opponents have shown the Act to be an absolute failure using the same government statistics. A study by the United States Chamber of Commerce reveals that, since 1971, the number of serious injuries in America's workplace is up by 25 percent. And the severity of those injuries, measured by total lost workdays, in up by more than 34 percent. Worst of all, the Chamber report continues, OSHA has had almost no positive impact on the number of workplace fatalities.

This inferior record of OSHA since 1971 follows an eight-year period prior to 1971 when industry was not subject to the unrealistic standards of OSHA and the aribitrary attitudes of compliance officers, during which period the National Safety Council reports there was actually a steady decline in the rates of both serious injury and fatality. In fact, according to the National Safety Council, industry had shown consistent improvement in the prevention of serious injury and fatality since the mid-1940's.

Most of the statistics used undoubtedly came more prominently from the records of business and industry, other than agriculture. Since the program has been a dismal failure for the types of employers and businesses for which is was designed, it seems even more reasonable and justified to excuse from the provisions of OSHA the entire agricultural industry for which the Act was not designed, and does not fit.

In this connection, we raise a very critical question. Since the Act was implemented in 1971 billions of taxpayers' dollars have been spent in the administration of OSHA, and the expenditure of untold billions of dollars have been forced upon businesses and industry in order to meet the requirements of the Act, its rules and regulations. How can anyone conscientiously defend the continuance of such a statute considering that its existence has cost multibillions of dollars without any clear-cut and conclusive evidence of benefit to anyone.

The argument becomes even more compelling, at this point in time, when it is imperative that the Federal Government throw out costly and wasteful programs, reduce Federal expenditures, ease the burdens on business and industry, foster reductions in unemployment, and contribute to an industrial climate that will improve productivity.

In conclusion, we urge the Congress to at least amend the Occupational Safety and Health Act so it does not apply to farmers and ranchers. We believe the circumstances fully justify this action and we trust the Committee and the Congress will concur with such an exemption.●

PROPOSED PHASE II RULES

● Mr. BAYH. Mr. President, on Wednesday, May 7, 1980, I joined several of my colleagues in introducing Senate Resolution 423 to veto the Federal Energy Regulatory Commission's (FERC's) proposed phase II rules implementing incremental pricing under the Natural Gas Policy Act (NGPA) of 1978. At that time I alluded to a regional energy impact brief being prepared by the Northeast-Midwest Institute. That energy impact brief is now available and I commend it to the attention of my colleagues, for it demonstrates why the phase II rulemaking must be vetoed.

Mr. President, I ask that Northeast-Midwest Institute's Regional Energy Brief No. 11 be printed in the RECORD.

The material follows:

NORTHEAST-MIDWEST INSTITUTE: REGIONAL ENERGY IMPACT BRIEF NO. 11

This report was prepared by the Northeast-Midwest Institute, under contract with the New England Regional Commission. The statements, findings and recommendations contained in the report are solely those of the Northeast-Midwest Institute and do not necessarily reflect the official policy of the New England Regional Commission.

The New England Regional Commission was created under Title V of the Public Works and Economic Development Act of 1965, P.L. 89–136 as amended. The Commission is a federal/state partnership whose membership comprises the governors of the six New England states and a federal co-chairman appointed by the President.

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The last three years have marked an increasing recognition that the future of the Northeast and Midwest, America's traditional industrial heartland, is of critical importance to the nation. It was not until the severe recession of the early and mid-1970s that political, business, and community leaders in the region began to acknowledge how far its once-vigorous economy had slipped.

The mounting evidence of this economic shift away from Northeastern and Midwestern states moved members of Congress, governors, state legislators, business and labor leaders, and others to organize for study and common action.

Formed in September 1976, the Northeast-Midwest Congressional Coalition is a bipartisan organization of 213 representatives from 18 states in the region. The Coalition's 35-member steering committee is headed by four officers: Representative Robert W. Edgar (D-Pa.), chairman; and Representatives Frank Horton (R-N.Y.), James L. Oberstar (D-Minn.), and Silvio O. Conte (R-Mass.), co-chairmen. The Northeast-Midwest Senate Coalition, formed in 1978, is headed by Senators Birch E. Bayh (D-Ind.) and John H. Chafee (R-R.I.), co-chairmen, and Daniel P. Moynihan (D-N.Y.), secretary-treasurer.

These Northeast-Midwest coalitions in the House and Senate seek to inform their members about the regional implications of national policies and proposals, and to influence those issues of greatest importance to states in the region.

The Northeast-Midwest Institute—an independent, nonprofit research center—was developed to analyze the common problems of the region and to seek realistic solutions, particularly through congressional and administrative initiatives. While the 249 members of Congress represented in the House and Senate coalitions are key clients of its work, the Institute makes its findings available to governors and other elected officials, leaders of business, labor and industry, and the public.

The Institute neither seeks nor encourages confrontations with other regions of the nation. In the Institute's view, economic problems of the regions must be adressed in the context of national policy because continued economic decline in one region undermines the economic health and vitality of the entire nation.

The Northeast-Mideast Congressional Coalition and the Northeast-Midwest Senate Coalition represent these state delegations: Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

INTRODUCTION

In preparation for the deregulation of natural gas prices, the Federal Energy Regulatory Commission (FERC) has submitted proposed regulations for implementing the second phase of a pricing system. These latest regulations are subject to a one-house legislative veto for 30 calendar days following May 6. If they survive this period, the regulations will go into effect after 90 days. If they are vetoed, however, first phase incremental pricing regulations will remain in effect.

Incremental pricing is a system established under the Natural Gas Policy Act of 1978 to phase in deregulation of natural gas and provide protection for residential, small commercial, and other high-priority users of gas now and when prices are fully deregulated in 1985. This protection is achieved by charging industrial users of gas a higher price than residential and other exempt users pay.

This briefing paper, requested by Representative Elwood Hillis and Senator Birch Bayh, (1) defines incremental pricing; (2) describes the experience with incremental pricing under the first phase; (3) explains the issues and regional implications involved with the second phase; and (4) summarizes major legislative options available to Congress.

INCREMENTAL PRICING

After major debate in Congress between supporters of continued regulation of natural gas prices and advocates of deregulation, the Natural Gas Policy Act of 1978 (NGPA) passed as part of a comprehensive National Energy Act. Deregulation was intended to allow the price of gas to rise in response to market forces, increasing incentives for gas suppliers to seek and make availale new sources of gas and thus helping to reduce American dependence on foreign energy sources. The Natural Gas Policy Act called for deregulation of recently discovered, or "new," gas in 1985, as well as a new pricing mechanism called incremental pricing. This feature was designed to provide protection for exempt users of gas (residential, small commercial and other high-priority parties) from the higher prices accompanying deregulation and to mitigate disruption of the gas market as prices rise from regulated levels. Under incremental pricing, industrial users pay a surcharge on their gas, providing a subsidy to exempt customers and shielding such users from much of the increased price of deregulated gas.

Incremental pricing provides a system in which all classes of customers pay the same base, or "threshold," price for natural gas. If revenues from the base price do not cover the gas distributor's costs, the remaining amount of money, called an "incremental surcharge", must be recovered from large industrial users. The level of the surcharge is limited, however, by a ceiling price established by the Federal Energy Regulatory Commission and set by statute just below the price of oil. This was designed to eliminate the incentive to switch to oil, the most readily available alternative fuel for many industries.

The pricing system is extremely complex, but the following example will provide the basic outline of the plan (residential and other users do not necessarily start with the same base price).

Suppose a gas distributor is allowed by the state utility commission to charge $10 (which includes his cost of purchasing the gas, overhead, profit, etc.) for 2 Mcf (2000 cubic feet) of natural gas, of which 1 Mcf is sold to a residential customer and the other 1 Mcf to an industrial customer. Suppose further that the base price for gas is $4, permitting the distributor to collect $4 from the residential customer and $4 from the industrial customer. Since the distributor receives only $8 from the base price but must recover $10, incremental pricing requires the firm to charge the industrial customer $2 more. So, the resident would pay $4 for 1 Mcf and the company would pay $6 for the same amount.

If the ceiling price for gas were $5.50, however, the pricing would be different. The resident would pay $4, and the company would pay its $5.50 ceiling, while the remaining $.50 would be charged to the resident. In this case, the resident would pay $4.50 ($4 + $.50) and the industry would pay $5.50. The distributor is paid a total of $10.[1]

IMPLEMENTATION OF INCREMENTAL PRICING

Title II of the NGPA mandated that incremental pricing be implemented in two phases. Under Phase I, which went into effect January 1, 1980, 5,000 to 7,000 thousand large industrial customers are charged incrementally for boiler fuel use.[2] For example, this affects large chemical, textile, paper, steel, and automobile manufacturing companies which use natural gas for heating and boiler fuel.[3]

Phase I was restricted to large boiler-fuel users because they were the most readily curtailed during natural gas shortages, and thus would benefit the most from greater supplies.

Phase II regulations were announced by FERC on May 6. These regulations now are subject to a one-house legislative vote for 30 calendar days. If the regulations survive the 30-day period, they go into effect after 90 days. If they are vetoed, however, the first phase of incremental pricing would remain in effect.

Phase II will extend incremental pricing to approximately 50,000 users of natural gas, spreading the higher cost of deregulated natural gas to the maximum number of industrial users possible under the statute.[4] The NGPA specfically exempts commercial users, electric utilities, hospitals, schools, agricultural and other uses as determined by FERC from incremental pricing.[5]

Under Phase I, any user who averaged less than 300 Mcf per day during the month of peak use in 1977 was exempted from incremental pricing even if the firm increased consumption above 300 Mcf. This policy remains in effect for boiler fuel users under Phase II. Under Phase II, however, FERC decided to establish a "first 300 Mcf" rule, under which every industrial gas user pays the base price for the first 300 Mcf per day of gas used in non-boiler facilities and pays the incremental surcharge for consumption above 300 Mcf in those facilities.[6]

EXPERIENCE UNDER PHASE I

Because of unanticipated increases in the price of oil since the NGPA was enacted, incremental surcharges in Phase I have been greater than expected. FERC temporarily adopted a price ceiling tied to the price of high sulfur No. 6 oil, the least expensive alternative fuel oil. But few in Congress foresaw the dramatic rise in the price of oil following enactment of the NGPA in 1978.

The high ceiling price affects the cost of natural gas to large industrial users in two ways.

First, when the NGPA was enacted, the difference between the threshold and the ceiling, or Maximum Surcharge Absorption Capability (MSAC), was fairly small. As a result, the amount of surcharge that an industry would be required to pay was relatively modest, and any greater amount was spilled over to the exempt users' gas prices. When the ceiling price (price of oil) rose, however, the maximum potential surcharge increased because it now was the difference between a relatively low threshold and a much higher ceiling price. With a greater surcharge capability, or MSAC, spillover to exempt users became far less likely, because industry had to shoulder the extra costs of increased gas prices.[7]

Footnotes at end of article.

Second, because it began to appear that surcharges would reach the ceiling price, a number of states adopted plans that automatically increase industry's cost for gas all the way up to the ceiling. The rate structures adopted by these 28 states (including 13 of the 18 states in the Northeast-Midwest region) are called "zero-MSAC" plans.[8] (See appendix A for list of states that have adopted "zero-MSAC" plans.)

These state plans actually exaggerate the intended effects of incremental pricing by automatically charging every industrial user more than under federal incremental pricing regulations. In addition, industries in zero-MASC states are not included in the incremental pricing system, which places an extra burden on neighboring states without zero-MSCA plans: the fewer firms remaining under federal incremental pricing, the higher the surcharge each company must pay to cover the cost of the gas.[9]

At the same time, zero-MSAC plans provide extra revenues that can be retained by the State government. Pennsylvania, for example, has already collected $5 million through a zero-MSAC plan. This amount represents the difference between what would have been collected under federal incremental pricing and the ceiling price required by the state plan. Because Phase I industries in Pennsylvania are paying roughly the same price for gas as they would for oil, companies might switch to oil, which is contrary to National Energy Policy. Pennsylvania has this money in an escrow account, but has not yet decided what to do with it. According to the Governor's Energy Council, the money probably will be redistributed in some way among the exempt users.[10]

Before the NGPA was enacted, shortages of natural gas caused serious supply problems for many industrial users of gas. Industries were willing to pay a higher price for gas if they could have access to more dependable supplies. For this reason, it was felt that any fuel-switching resulting from incremental pricing would free up more gas for those willing to pay for it.[11] According to the American Gas Association, there already is some evidence of fuel switching caused by incremental pricing.[12] It now is unclear if this "load loss" will result in increased costs for those remaining on the system or if new industrial customers will take the place of those who have switched to alternative fuels, keeping prices on a plateau.

REGIONAL IMPLICATIONS OF PHASE II

Supply and consumption of natural gas vary greatly from region to region in the United States. According to the Federal Energy Data Systems Summary Update, over one-third of the natural gas used in the United States is consumed in the Northeast and Midwest, primarily in the residential sector (see the Table below for natural gas use within the Northeast-Midwest region and Appendix B for similar data for all regions). Production of natural gas is concentrated in Texas, Louisiana, Oklahoma, and New Mexico. The Northeast-Midwest region produces less than 2 percent of the nation's natural gas.[13] Increased transportation costs lead to higher prices in Northeastern and Midwestern states.

NORTHEAST-MIDWEST REGION'S CONSUMPTION OF NATURAL GAS, 1977

[In trillion Btu]

	New England	Mid-Atlantic	Midwest	Northeast-Midwest total	Region's percent share of U.S. consumption
Residential	148	855	1,743	2,747	55
Commercial	66	338	802	1,206	47
Industrial	53	462	1,536	2,051	23
Transportation	1	29	58	88	16

Source: Federal energy data system (FEDS) statistical summary update; July 1979, U.S. Department of Energy, Assistant Administration for Program Development.

The increase in total gas costs to the estimated 50,000 industrial users which would be charged incrementally under Phase II would increase energy costs for industries. Conversely, the cost of gas to residential and other exempt users would be lower than in the absence of incremental pricing. FERC estimates that the average residential customer would save $18 per year as a result of Phase I and II regulations.[14]

Depending on the size of the increase to industrial users, the extra costs might prove difficult to absorb. For example, Mr. Brad Oelman, Vice President for National Affairs for Owens-Corning Fiberglass Corporation, indicated that his company would tend to shift production from the Midwest to the exempt intrastate markets of the Southwest during periods of excess capacity if Phase II goes into effect.[15]

Mr. Jim Hamilton, Manager of Governmental Affairs for the U.S. Steel Corporation, said Phase II would add an estimated $100 million a year to his company's energy costs. This translates into an extra $4, or 1 percent increase, per ton of steel. This increase would have the most impact on marginal facilities, which have difficulties absorbing increases of any kind.[16]

LEGISLATIVE OPTIONS AVAILABLE TO CONGRESS

Congress has at least four options for incremental pricing under Phase II:

Sustain Phase II regulations (reject veto).

Veto Phase II regulations.

Repeal Title II (incremental pricing) of the Natural Gas Policy Act of 1978.

Modify Title II.

Sustain or Veto Phase II regulations. The Federal Energy Regulatory Commission submitted final Phase II regulations without clearly recommending their adoption. FERC believed its job was to draft regulations according to the demands of Congress in the NGPA, and not to second-guess congressional intent. This position is somewhat unusual because FERC generally supports the adoption of rules it has drafted. FERC has stated that it is up to Congress to decide whether its original goals still are appropriate to national policy.[17] Phase II would extend incremental pricing from 5,000 to 7,000 up to approximately 50,000 industrial users, spreading the higher price of deregulated gas to the maximum number of industrial users permitted under the statute while keeping prices lower for exempt users.

Supporters of incremental pricing argue that deregulation originally was designed to free gas supplies for use by industry and that industry, therefore, should pay the bulk of the increased costs associated with deregulation. Opponents claim that the price of oil has risen dramatically since passage of the NGPA and industry now is forced to pay inordinately high and discriminatory prices for gas.

The 30-day one-house veto provision was written into the NGPA to give Congress the opportunity to review the regulations. If Phase II is vetoed, Phase I would remain in effect. In this case, incremental pricing would continue to affect large industrial boiler-fuel users only. If Phase II is vetoed, FERC has the opportunity to submit a new set of Phase II regulations no sooner than six months but no later than two years from the date that they are vetoed.

On May 7, 1980, the House Interstate and Foreign Commerce Committee reported H. Res. 655, introduced by Rep. Philip Sharp (D-Ind.), by a voice vote. The Resolution, which would veto the Phase II incremental pricing regulations, will be scheduled for floor action shortly.

REPEAL OF TITLE II

Repeal of Title II would eliminate both phases of incremental pricing. Legislation to repeal Title II has been introduced in the House (H.R. 5862) by Representatives Richardson Preyer (D-N.C.) and Dave Stockman (R-Mich.), and in the Senate (S. 2392) by Senators Richard Lugar (R-Ind.) and Adlai Stevenson (D.-Ill.). They are supported by a number of groups, including: the American Gas Association, the National Association of Manufacturers, the United States Chamber of Commerce, and the National Association of Regulatory Utility Commissioners.[18]

Repeal of Title II would lead to a return of "rolled-in" pricing, which was used prior to implementation of incremental pricing. Under rolled-in pricing, the price of gas is determined on an average-cost basis (reflecting the acquisition price the distributor must pay for the gas). Deregulation would still take place in 1985, with no "shielding" for small or other high priority users.

As of April 18, 97 members of the House and 15 Senators were co-sponsors of the repeal bills. The incremental pricing issue, however, was a compromise measure to gain the deregulation of natural gas, and many members of the Congress are wary that incremental pricing repeal might open up the entire deregulation issue again.

MODIFICATION OF TITLE II

Currently, the veto and repeal bills are the major options before the Congress. Regardless of the outcome of the vote on the Phase II regulations, it appears that the Congress will still face proposals to repeal Title II. An alternative to repeal is modification of incremental pricing, which would shift a larger portion of the burden of higher gas prices to residential and other exempt users. This would ease the impact of higher oil prices on industrial users of natural gas, while preserving the core of the original agreement that industrial users should pay higher prices to insure greater supplies. Such a compromise would require special legislation action. To date, no bills along these lines have been introduced.

FOOTNOTES

[1] Based on information from: Department of Energy Technical Staff Analysis, February 8, 1980, pp. III-2, III-3.

[2] Testimony of Mr. George H. Lawrence, President of the American Gas Association, before the House Energy and Power Subcommittee, April 3, 1980, pp. 5-6.

[3] Telephone conversation with Mark Decker, National Association of Manufacturers, Director of Energy.

[4] Testimony of George H. Lawrence, pp. 5-6.

[5] National Gas Policy Act of 1978, Public Law 95-621, Section 206.

[6] FERC regulations for Phase II, Rm 80-10, May 6, 1980, p. 30.

[7] Department of Energy Technical Staff Analysis, Executive Summary.

[8] National Association of Regulatory Utility Commissions (NARUC), March 10, 1980 survey on "Status of State Natural Gas Rate Design," questionnaire sent to all public utility commissions.

[9] Meeting with Mr. Edward L. Petrini, National Consumers Law Center.

[10] Telephone conversation with Mr. John Buffington, Governor's Energy Council, Harrisburg, Pennsylvania.

[11] Department of Energy Technical Staff Analysis, February 8, 1980, pp. I–2, I–3.

[12] Testimony of George H. Lawrence, pp. 7–8.

[13] American Gas Association, *Gas Facts: 1978 Data,* supply tables, pp. 24–27.

[14] FERC's regulations for Phase II, Rm 80–10, May 6, 1980, p. 86.

[15] Telephone conversation with Mr. Brad Oelman, Vice President for National Affairs, Owens-Corning Fiberglas Corporation.

[16] Telephone conversation with Mr. Jim Hamilton, Manager for Governmental Affairs, U.S. Steel Corporation.

[17] FERC regulations for Phase II, Rm 80–10, May 6, 1980, introduction, pp. 2–5.

[18] American Gas Association, news release, April 3, 1930; National Association of Manufacturers, "Washington Outlook" newsletter, Mark Decker (contact); United States Chamber of Commerce, news release, April 3, 1980; and National Association of Regulatory Utility Commissions, Floor Resolution No. 12, 91st Annual Convention, Atlanta, Georgia.

APPENDIX A: STATES WITH ZERO-MSAC PLANS IN NORTHEAST-MIDWEST REGION

Connecticut, Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin.

OTHER STATES

Alabama, California, Kansas, Montana (already above price ceiling), Nevada, New Mexico, North Carolina, Oregon (already above ceiling price), South Carolina, Tennessee, Utah, Virginia, and Wisconsin.

SOURCE: National Association of Regulatory Utility Commissioners, "Status of State Natural Gas Rate Design," April 1980.●

THE STATE OF ISRAEL CELEBRATES 32d ANNIVERSARY

● Mr. **DURKIN.** Mr. President, the history of the State of Israel, and its position in our world today, have drawn considerable attention in recent weeks. Israel just celebrated the 32d anniversary of its establishment as a free and independent country—a joyous occasion for the Jewish people of America as well as of Israel. I would also like to join in offering my congratulations and reaffirming my support for Israel, which for 32 years now, has been one of the United States' closest friends and allies. If a free and independent State of Israel did not exist, it would be in the interest of the free world to create an Israel.

It is very ironic and disturbing, however, that this celebration was preceded by the major fiasco of the United States' vote against Israel in the United Nations on resolution No. 465, on March 1, 1980. With that vote, the Carter administration participated in a blatant castigation of Israel. At a time that required subtle negotiation, the administration acted with the delicacy of a sledgehammer. In a single move, the administration publicly repudiated our long-standing policy of support for Israel.

I strongly disapproved of the administration's calamitous vote, and I was greatly disappointed that when the administration later announced its disavowal of the vote, it did so with so many dissenting voices and in such an equivocal manner that it further complicated, rather than clarified, the issue. The nagging question remains: What is the position of the Carter administration on Israel?

At this juncture I can only hope that the most recent summit meeting between Prime Minister Menachim Begin and President Carter contributed to repairing this rupture in relations. Unfortunately, the administration's support for Israel remains open to question. Regardless of the disavowals of the U.N. vote, and regardless of the summit meetings between our nations' leaders, one can't help but wonder when the next critical withdrawal of our support from Israel will occur.

Mr. President, I would like to urge each of my colleagues in the Senate to act to reaffirm the United States' support for Israel.

Since its establishment in 1948, Israel has been one of the United States' strongest and most loyal allies, a cornerstone of democracy and anticommunism in the troubled Middle East. I believe that the United States must maintain a solid commitment to the well-being and security of Israel. We must also diligently and tirelessly continue in the pursuit of peace in the Middle East; to prevent a bitter and destructive war which would threaten the lives of millions and cause economic chaos for the whole world. The administration's vote against Israel at the United Nations did not contribute to this goal.

I also urge that the United States resolutely continue to provide strong military aid to Israel—still our most reliable military ally in the Middle East. In addition, I oppose, as I have in the past, the sale of sophisticated arms and military equipment to Israel's opponents in the Middle East. The folly of surfeiting these less-than-stable countries with advanced American weaponry is well borne out in the case of Iran. In 1976, I cosponsored 17 resolutions objecting to the sale of such lethal equipment to Iran and Saudi Arabia. Our sales to Iran included scores of jet fighter planes so new and sophisticated that they were not yet fully available to our own Air Force. Today, those fighters are in the hands of the new "government" of Iran whose tolerance of international terrorism and solidarity with the PLO violate everything for which the United States and Israel stand. Such a haphazard arms policy gambles with Israel's security, as well as with our own.

The convolutions of international events cannot be reflected in our own foreign policy. And they must not be exacerbated by our actions. Instead, there is no better strategy than consistency and staunch reliability in our international stance. With Israel we have an eminently worthy partner. I urge that we return to this basic precept, firmly join hands with Israel and go forward in our task of achieving peace and stability in the Middle East.●

THE CUBAN REFUGEES

● Mr. **PRESSLER.** Mr. President, I have been very concerned about the Cuban refugee admissions of recent weeks. I want our Nation to do our "fair share," but I also want other developed nations to do their fair share in regard to refugees. It is unclear whether these recent refugees are political refugees, economic refugees, prisoners of conscience fleeing religious oppression, or simply ordinary prisoners or convicts. The entry of these emigres differs in important respects from the way refugees have entered this country in the past. I think we should take a very close look at what is happening and I hope that the Foreign Relations Committee will soon have the opportunity to review all of the evidence regarding the situation.

We are the most generous Nation in the world. We are a Nation of refugees, but the same is true of other nations. We must insist that other nations do their fair share.

Mr. President, I ask that the Charles Bartlett editorial on the Cuban refugees situation in the Washington Star of May 12, 1980, be printed in the RECORD.

The article follows:

AN INVITATION TO EMIGRATE?

Rarely at top form in its dealings with Fidel Castro, the U.S. government is not managing to get out in front of the dilemma created by his decision to turn loose a flow of Cuban emigres.

The rush for the boats at the Cuban port of Mariel is vivid testimony to Castro's mismanagement of the Cuban economy. These are refugees fleeing economic austerity more than political persecution. But clumsiness on this side may yet transform the callousness with which Castro is covering his failures into an American black eye.

It would have been ideal from the U.S. standpoint if all the Cubans who took sanctuary in the Peruvian Embassy in Havana could have been airlifted to resettlement centers in Costa Rica. They would then have dramatized the point that Castro's Cuba is a dwindling enterprise. They could have been resettled, under a "fair share" formula, throughout the hemisphere.

But Castro sensed the trap, cut off the Costa Rica airlift and invited those whom he loosely condemned as "anti-social elements" to make their way to the United States. He vindictively noted the United States has already taken half his nation's doctors. "Now they have no choice," he chortled on May Day, "but to swallow the sword to the hilt. Every time they have provoked us, they have come out losers."

The Carter administration has so far floundered in the gap between toughness and compassion. Initially determined to hold off the flow, it wound up dispatching naval escorts to bring the refugees safely ashore. Federal welfare officials, who have already dispensed some $1.4 billion to some 700,000 Cuban emigres since 1962, authorized the state of Florida to set up tables to pass out checks to aliens disembarking in Key West.

This largesse to those not certified as refugees was not contemplated in the Refugee Act of 1980 and officials of the new Health and Human Services Department (HHS) have acknowledged to Congress that their lawyers are still looking for the legal authority for this generosity. They simply made a bureaucratic decision—the payment is $128 for a family of two and $156 when there is a child.

"This is peanuts," commented an HHS official after a House hearing. Peanuts or pistachios, the spreading word of these grants will make it more appealing to leave Cuba where possibly as many as 250,000 disenchanted persons are casting their eyes across the Florida straits.

Once begun, there will be no end to it. It creates an immediate political problem for members of Congress who represent blacks. The 3,000 or so Haitians who made it to Florida in small boats in recent months have been given nothing and black leaders are angry.

The fact is that nobody knows a good way to handle the Cubans coming ashore. But they will earn their admission if they prod Congress and the president elected in November into dealing promptly with the problem of illegal immigration.

Delay becomes riskier and riskier in times when the affluence gap is enlarging this country's attraction to the hemisphere's poor. The present ambivalent policy is being interpreted as an invitation.●

VINCE TULLEY RECEIVES QUALITY DEALER AWARD

● Mr. DURKIN. Mr. President, it has been a very difficult year for our Nation's automobile dealers. Thus, it is with special pride that I commend Vincent Tulley of Nashua, N.H., for the outstanding work which earned him his industry's most coveted honor, the Time Magazine Quality Dealer Award. Mr. Tulley was one of only 70 winners nationwide who were honored last month, for "exceptional performance in his dealership combined with distinguished community service."

Mr. Tulley began his automotive career in 1945, after serving in the Navy and as a special agent in the Secret Service. Twelve years later, his sales talent and determination paid off when he purchased his Nashua dealership, which he has maintained ever since. The franchise handled only Buick until 1959 when it became Tulley Buick-Pontiac Co., Inc.

A past president and director of the New Hampshire Automobile Dealers Association, Mr. Tulley was nomoniated for the Time award by that organization. A member of NADA for 23 years, he is also a past president of the Nashua New Car and Truck Dealers Association.

In addition, he is a member of Pontiac's Zone and Regional Dealer Councils, having previously served on Buick's Dealer Council. He chairs the County Buick Dealers Advertising Association of New Hampshire and Massachusetts, and the Southern New Hampshire and Eastern Massachusetts Pontiac Dealer Advertising Association.

Vincent Tulley has led his dealership to many sales, service, and customer service awards throughout the years.

Active in community affairs, Mr. Tulley is the past director of the Nashua Chamber of Commerce. He is also a member of the Nashua Elks and a former member of the Lion Club.

The small businesses of America are the backbone of our economy. Their perseverance against bureaucratic regulation, big business pressures, and other hardships exemplify the fortitude required to make any industry run soundly. With thousands of automobile dealers being driven out of business by skyrocketing interest rates and gas prices, Vin Tulley's "service with a smile," on the job and in the community, is a source of pride and inspiration to all New Hampshire citizens.●

NATIONAL HISTORIC PRESERVATION WEEK

● Mr. CHAFEE. Mr. President, I am pleased to cosponsor Senate Joint Resolution 173, declaring the week of May 11 to May 18 as National Historic Preservation Week.

Our country is rich in cultural, historic, and architectural resources that serve not only as functional reminders of our past, but give Americans a sense of pride in our accomplishments as a people.

A comprehensive effort by the Federal Government to encourage historic preservation was initiated in 1966. Under this program each State has surveyed its jurisdiction and developed a list of structures to be placed on the Nationl Register and preserved for future generations. Federal money has been made available to preserve and improve these structures. In addition, State and Federal officials have become increasingly more aware of the effect that State and Federal projects have on areas of historical value.

In my state of Rhode Island, the historic preservation program has had excellent results. Three hundred sixteen properties have been listed on the National Register. Numerous federally funded projects were reviewed for their effect on historic areas. And every Federal dollar spent in Rhode Island for historic preservation has led to an additional $3 to $5 of State and private money for rehabilitation projects.

Typical of the excellent results of historic preservation programs is what happened to the college hill section of Providence, 20 years ago, this neighborhood—which includes Brown University and Rhode Island School of Design—was deteriorating. The majority of the homes sold for between $2,000 and $10,000. Federal funds for planning improvements in this historically rich area stimulated subtantial private investment and 75 percent of the 1,500 buildings in this area were restored. The success of this project has led to many other preservation efforts, not only in Providence, but throughout all of Rhode Island.

Mr. President, as unemployment increases and energy prices continue to climb, two benefits of historic preservation take on additional value. Preservation work is both labor intensive and energy efficient.

Compared to many other Federal programs, the historic preservation program is modest in size. By any standards, it has made significant contributions to our Nation, and I am pleased to lend my support to this resolution.●

STATES SHOULD HAVE VETO POWER OVER SITING OF NUCLEAR WASTE

● Mr. DURKIN. Mr. President, I urge the Senate to take prompt action in granting States absolute veto power over the siting of nuclear waste. This problem is simply too important and too close to the lives of our citizens to be left in the hands of the Federal bureaucracy. I ask that the Congress immediately take the matter away from Federal control and give it to the State government where it belongs.

I am a firm advocate of the philosophy that the lowest level of government equipped to handle a task should be the highest level assigned the job. Today, the Federal Government exercises almost complete control in the selection of a site for radioactive waste disposal, with far too little consideration given to the States.

Recent plans for radioactive waste disposal involve encasing the waste in rock, specifically granite beds. As a representative of the Granite State, I am vehemently opposed to seeing New Hampshire become the White Mountain National Nuclear Dump.

For the past 15 years, the Federal Government has imposed policies which have discriminated against New Hampshire's hard-working consumers and small businesses. We will not stand for further bureaucratic edicts which may adversely affect our economic and physical safety.

The important task of establishing the Nation's waste management policy was assumed by the Federal Government in the Energy Research and Development Administration Act of 1974.

The ERDA Act recognized the need for public participation in the site selection process, and included consultations with State and local officials as well as other Federal agencies and public hearings in its selection procedure. Yet ultimate authority in the selection of a site for waste disposal was left completely in the hands of the Federal Government. State concern over nuclear waste storage has led numerous States to pass legislation establishing some form of State involvement in the waste siting process. These laws present a bewildering patchwork or requirements that are not consistent with the national nature of this problem. States, for all practical purposes, are involved in the waste site selection process. It is time that we recognize this involvement and establish a workable system of concurrence.

In 1978, a task force headed by the Department of Energy advocated a policy of concurrence between the Federal Government and affected States. This allowed the State to participate in each step of the decision process. Institutionalizing the concepts of concurrence and consultation will give States real power in determining the sites for radioactive waste. Such a policy is adopted in the legislation I introduced.

The legislation will establish a Radioactive Waste Management Commission to be created by the Secretary of the Department of Energy in States considered for storage or disposal of radioactive waste. The Commission would consist of representatives from Federal, State, and public organizations. Its function would be to examine proposed actions related to radioactive waste disposal sites with the intent of achieving substantial concurrence. Public meetings would be held with time available for reports by non-Commission members. A report by the Commission stating the degree of concurrence would be reported to the Congress and to the State legislatures of the affected States. States would then be given control over waste management projects. Waste management cannot be left totally in the hands of the Federal Government, but should operate as a process in which both the State and the Federal Government work together in reaching a final decision.

Realistically, concurrence may not always result. Should nonconcurrence be issued by Commission representatives of an affected State or by its legislature, no further action by Federal agencies concerning the disposal of radioactive waste would be permitted unless and until the objections had been settled. This safeguard assures that a site satisfactory to all parties will be reached, while safegarding the State veto.

I am convinced that a State veto will improve the site selection process. Federal agencies desiring to establish a waste depository will be certain to seek only the safest sites possible when they know that their decision will be subject to approval by the State in question. History shows that State involvement improves the waste selection process. The old Atomic Energy Commission would have pushed ahead with its plan to put wastes in underground salt mines near Lyons, Kans., had not the State of Kansas found serious flaws in the AEC's plan.

This country has reached an impasse over nuclear wastes. Because so many States have prohibited waste storage within their borders, we have a de facto State veto. The States are involved in this process and it is time we recognize and legitimize this involvement.

The people of New Hampshire and the Nation are demanding a more responsive Government. I urge immediate consideration of the legislation safeguarding site selection for radioactive waste disposal. This will end the current burreaucratic bottleneck and restore the States to their proper role in the resolution of this national problem. Prompt passage of this legislation is essential.●

WHY PRODUCE?

● Mr. JEPSEN. Mr. President, the grain embargo, in addition to our other economic woes, has had a devastating effect upon our farm economy in Iowa. While some of us here in Congress have attempted to work out legislation to help provide relief, the spirits of many in the breadbasket of the world are at an all-time low.

Recently, Randy and Beth Shaull of Stanwood, Iowa, sent me a poem they have written to inform me of their feelings about the situation. It describes the general attitude in my part of the country in a very poignant way, and I would like to include the poem, "Why Produce?" for the Record.

Why Produce?

Here we are in the month of April
we're suppose to produce but are we able
prices are down, costs are up
should we continue our farming or should we give up?
Hogs aren't pocketing
but taxes are rocketing
Cattle are lowering
with interest rates soaring.
Corn and bean prices far from enticing
seed, fertilizer, chemicals always keep rising.
Income continues to be in the red
machinery and fuel costs way over our head.
So here we sit wondering, is it worth it or not,
while the government keeps fumbling
and depleting their pot.
If farmers fail to produce just one year
the prices you pay will become so dear
The world will be hungry in such a short time
all the oil and gold won't be worth a dime.
Get the government officials off our back
so we can operate our farms at least in the black.
Monitor the marketing to make it fair
so everyone gets an equal share.
Put the railroads back in, should be our mission
to keep Opec nations from collecting commission.
Inflation is caused by government spending
on programs and laws that just are not rendering.
Save our resources so not to deplete
because future generations will have to eat.
Thank you for listening to what I've said.
I hope you will help us get out of the red.
All that we ask is to have our chance
to produce this world's needed food plants.●

OIL COMPANY PROFITS

● Mr. DURKIN. Mr. President, recent articles in the Wall Street Journal and the New York Times have brought to mind, once again, that in spite of the Crude Oil Windfall Profit Tax Act, which the Congress passed and President Carter has signed into law, the big oil companies will still reap a tremendous profit because of President Carter's ill-conceived decision to lift price controls on domestic oil.

An article in the Wall Street Journal, "Going to the Well, Big Oil Limited as it Attempts to Invest Its Earnings," reports the "tragic" problems that the oil companies face in finding suitable markets far afield from energy to invest their enormous profits. The New York Times article, "Oil Industry Leads in 1979 Executives Raises," needs no explanation at all. These articles come just after the passage of the windfall profit tax when the big oil lobbyists roamed the halls of Congress explaining that these large profits are needed for additional energy exploration.

These news articles directly contradict the claims made by the proponents of big oil during deliberations on this bill They are an affront to every consumer in this country, especially those in the Northern and colder regions of the Nation who bear the greatest portion of the energy burden. They insult our intelligence and assault our standard of living.

At the root of this whole controversary on the imposition of a windfall profit tax is the President's misguided decision to decontrol the price of crude oil. It has been the contention of the administration and oil producers that decontrol would result in more exploration and that the supply of domestic oil would increase. This, of course, would help break our dependence on OPEC oil.

What the President has in fact done by decontrolling the price of crude oil is to tie the price of domestic oil to the price set by the OPEC cartel. Thus the price to the consumers for domestic oil has increased and will continue to increase at an enormous rate. The profits of the domestic oil companies will also go up sharply, regardless of whether they drill or explore for any additional oil. Thus, President Carter has once again thrown oil on the fires of our runaway inflation.

As a result of decontrol there are estimates that the oil industry will realize $1.6 to $2.2 trillion in increased profits between 1980 and 1990. To make up for these outrageous unearned profits created by his ill-advised decision to decontrol domestic crude oil prices, President Carter proposed a windfall profit tax. I, along with the entire New England delegation, save one, lent my strong support for this bill, which will recapture $227 billion of the profits the oil industry will unjustly realize. This money will be directed to areas which will help solve our energy problems and relieve the hard pressed energy consumer.

Despite the misinformation which has been disseminated by the oil industry, the windfall profit tax is not an additional tax on the consumer. Because of the President's action of decontrolling, the consumer will pay the oil industry an additional $1.6 to $2.2 trillion over the next decade. This money will be paid by consumers with or without the windfall profit tax. This legislation simply insures that part of these enormous and unearned profits will be used to explore for additional energy sources, to provide for the energy needs of the elderly and the poor, to balance the budget, and to offset the terrible burden that today's energy-fueled inflation has placed on hardworking overburdened consumers. as well as provide for targeted tax cuts to get the ecoonmy of this great country moving again.

I ask that the attached articles be printed in the Record.

The articles follow:

Big Oil Finds Outlets Limited as It Attempts To Invest Its Earnings

(By Paul Blustein)

Two months ago Jack Neafsey, senior vice president of Sun Co., the nation's 10th-largest oil company, was voicing an extraordinary problem: With 1979 profits up by 69 percent, the company was practically in the position of having too much money to invest at once. The only constraint the company was facing, he said, "was the question of how many opportunities we can take on at one time."

Two days ago, Sun found a place for some of its expansive profits—it offered $2.3 billion for the bulk of the U.S. oil and gas properties of Seagram Co. The proposed acquisition's price tag was second only to Shell Oil Co.'s $3.65 billion takeover of Belridge Oil Co. last year.

For many large U.S. oil concerns the embarrassment of riches brought their way by last year's record profits is both an odd and a vexing problem. Even though their capital budgets are at record levels and far exceed their profits, these companies say they have more financial resources than they can profitably spend.

Exxon Corp., the world's largest oil concern, has a $7.5 billion spending program for this year, a 25 percent increase from last year's initial appropriation. But Exxon would like to spend even more, says Roger Headrick, the deputy controller. "We're not financially constrained from doing so," he says. "We're what you might call opportunity-limited."

"DON'T WORRY ABOUT MONEY"

At Standard Oil Co. of California, Mobil Corp., Phillips Petroleum Co. and Getty Oil Co., capital spending is proceeding as though money were no object—which it isn't. "I've told our operating people that if they've got a sound oil and gas project they can handle, don't worry about the money—I'll find a way to get it," says Howard Bell, California Standard's vice president of finance.

Mr. Bell's main problem is making sure his managers don't misinterpret his encouragement as a license to squander. He fears that his people will start pushing favorite projects that have failed financial reviews in the past.

* * * * *

One congressional critic complains that "with all the oil and other energy supplies the U.S. needs, I question whether the companies are really doing all they can to solve the problem." He notes that the oil companies "are cautious" about going into debt and have been spending "plenty on buying existing reserves." Why, he asks, do the oil companies "insist on decontrol of oil prices and object to the 'windfall profits' tax if they've got so much money already?"

PROFITS COME FIRST

The companies' response is that while their pockets may be deep, they aren't so deep that they can afford to ignore the basic principles of looking for the most profitable rate of return. "It isn't that we've got so much profit that we don't know what to do with it," says Exxon's Mr. Headrick.

"It's not only profit considerations that are preventing the oil industry from spreading more of its cash around. Major acquisitions outside the oil business, companies say, would almost certainly face government opposition and building badly needed new refineries would come up against widespread environmental resistance. The companies also tick off the obstacles that are preventing greatly expanded exploration and drilling programs: tough environmental regulations, shortages of skilled manpower and drilling equipment, and, overseas, the nationalization of much of "big oil's" assets.

Oilmen reject the notion that their budgets aren't bold enough.

The industry has allocated $50.5 billion for capital projects in the U.S. this year, according to the Oil & Gas Journal, up from the $33.5 billion initially forecast for last year and the $40.1 billion actually spent. Foreign spending, according to the trade publication, will rate this year to $10.5 billion from $7.9 billion in 1979.

A large portion of the increase in this year's spending will simply reflect inflation. The cost of drilling, in particular, has soared in recent years: According to the American Petroleum Institute, the cost of drilling rose by 21 percent in 1978 from 1977.

$18.2 BILLION FOR EXPLORATION

As for the argument that too much of the industry's capital spending is going for investments in existing oil properties, oil executives assert that exploration is the single biggest item in most major companies' budgets. U.S. exploration spending this year should total $18.2 billion, the Oil & Gas Journal estimates, with crude-oil production adding another $11.9 billion. Exploration and production combined will account for two-thirds of all spending, the trade publication says.

Exxon, for example, is planning to spend over 80 percent of its capital budget this year on petroleum. About three-fourths of that, or $4.6 billion, will be aimed at crude-oil exploration and production.

* * * * *

With so much cash already available for exploration and production, "why, critics ask, does the industry need the considerable additional profits that will flow from the price decontrol of domestic oil? The industry argues that exploration programs will be greatly expanded only if the oil companies are guaranteed a high rate of return on new oil production.

Without the additional profits from price decontrol, the oil companies say they have dug into their coffers as far as they can. "Last year we put more into the ground than we had cash flow," says LeRoy Culbertson, Phillips's senior vice President for planning and budgeting. Phillips could borrow more to increase its exploration and production budget, but "with interest rates the way they are, we're not too enthusiastic about that," he says.

Even Exxon, with shareholder equity of $22.5 billion, had a relatively modest long-term debt of $4.3 billion at the end of 1979 and doesn't show any interest in going much beyond that level. Last year, the company's new debt (less repayments) added only $650 million to cash flow, bringing the total to about $8.4 billion. Thus, Exxon could greatly increase its capital spending if it could find enough worthwhile projects.

Some companies assert that their finances already are stretched to capacity. "We have more projects than we have money to drill" says a spokesman for Standard Oil Co. (Indiana), a company that in recent years has aggressively bought large quantities of unexplored acreage. Officials of Atlantic Richfield Co., Cities Service Co., Marathon Oil Co. and Conoco Inc. also say they are restricted by their financial situations.

But for those companies searching for investments, the acquisitions of other oil concerns, of oil and gas reservations and of unexplored acreage are clearly the most attractive. Investing in business unrelated to oil is generally regarded as inviting opposition by Washington—at least, if the acquisitions are on the scale of a Phillip Morris or a Boeing (the Senate Judiciary Committee recently reported out a bill, endorsed by the administration, that would prohibit major oil companies from making large acquisitions unless they demonstrably increase competition or enhance energy production). Analysts point out that an acquisition would have to be of that nature to make an appreciable difference to the biggest oil companies' profits. Acquisitions on the scale of Exxon's $1.17 billion takeover of Reliance Electric last year, they say, add no more than a few pennies to earnings per share.

As for investing in alternative energy projects, there is some doubt that Washington will make these ventures attractive enough to lure oil-industry money. "When these guys start putting money in synthetic fuels and synthetic gas and tar sands and so on, it will require enormous amounts of capital," says Constantine Fliakos, an analyst at Merrill Lynch, Pierce, Fenner & Smith.

Conventional investment possibilities often can be ruled out by government policies that can cause costly delays, oilmen say. "There are plenty of opportunities, but trying to find one that you can put along in an expeditious way is tough," says Glen Brown, senior vice president of Standard Oil Co. (Ohio). He adds, "Everyone was all set to drill in the Beaufort Sea (off the north coast of Alaska) a while back, but now there's some environmental injunction against it." It's particularly difficult to obtain drilling permits in California, industry executives say, because of tough state environmental regulations.

Such logjams recently caused Shell Canada Ltd. to lower its 1980 capital-spending budget by about 23 percent. The company, a unit of Royal Dutch/Shell Group, cited delays in certain projects, notably a proposed $6 billion synthetic oil-processing plant that is still awaiting the Canadian government's approval.

Another roadblock is the scarcity of trained technicians and of drilling equipment. Says Getty's central division production manager, James Starrak: "We've had wells held up six, eight or even nine months waiting for drilling rigs." Competition for manpower is fierce, with independent oil concerns offering fat salaries to lure trained employes from the major companies. We like to have 100 engineers in our division, and we've been hiring 15 to 18 a year out of college," Mr. Starrak says. But the company is still between five and 13 short.

Plowing back profits can be particularly difficult abroad. Overseas operations provided the bulk of many oil companies earnings gains last year, mainly because of the absence of foreign price controls. But in many oil-exporting countries, "big oil's" assets have been nationalized. Thus, says Robert Wycoff, Atlantic Richfield's senior vice president for planning and finance, "they don't have the opportunities to invest internationally that they used to have because they no longer own many of the producing properties overseas."

William Randol, an analyst at Salomon Brothers, cites the example of Iran. Under the shah, the consortium of companies that operated Iran's oilfields used sophisticated drilling techniques, such as water-flooding and gas injection, to exploit oil deposits. These projects were halted after the fields were expropriated. "Not only is this something that the companies won't have to spend money on anymore, it also has unfavorable implications for the world supply situation because the Iranians won't do what the companies were doing," Mr. Randol says.

The end result of heightened nationalism abroad? More money is being spent domestically. Nicholas Gal, financial-analysis manager of the American Petroleum Institute says: "Since 1974–75, there has been a decisive trend toward directing an increasing percentage of capital and exploration expenditures toward the U.S."

California Standard, for example, which still gets most of its crude oil from Saudi Arabia, will spend nearly two-thirds of its $2.6 billion 1980 in the U.S. Most of the domestic spending—about $1.1 billion—is aimed at finding and producing crude oil. Projects include two exploratory wells in Alaska costing about $25 million apiece, two dozen gas wells in Louisiana and the Rocky Mountains costing between $4 million and $7 million each, and a $42 million steam-flooding project to increase heavy-oil production in California's San Joaquin Valley.

Spending money at home has public-relations value, of course. At one big oil company, there is the rumor that a "political" percentage was tacked onto the bids that the firm submitted for a big offshore lease sale a few years back. After the tracts had been appraised, a company source says, "word was going around that the suggested bids were sent up to the chairman's office, and he grossed them up because he wanted our spending figures to look bigger."

OIL INDUSTRY LEADS IN '79 EXECUTIVE RAISES

(By Anthony J. Parisi)

It was a good year for the oil business last year—in the paycheck as well as at the pump. Raises for the top executives of Big Oil are running well ahead of those being reported for their counterparts in other industries.

While oil prices soared and company profits exploded, the chief executive officers at the nation's five largest oil companies—Exxon, Mobil, Texaco, Standard of California and Gulf, in that order—got increases averaging about 16 percent last year, which brought their pay and bonuses, on average, to almost $740,000. The increases were in good part from bonuses tied to company profit gains, which ranged from 106.4 percent at Texaco to 55.6 percent at Exxon.

The oil executives seemed to have fared notably better than their counterparts elsewhere in the corporate world. At I.B.M., G.E., Du Pont, Procter & Gamble and Eastman Kodak—a sampling of very large companies in other fields—the chief executives averaged only 7.8 percent more in 1979 than they did in 1978.

The executives in oil also did appreciably better than the industry's rank and file. On average, members of the Oil, Chemical and Atomic Workers union, which represents most of the organized workers employed by the nation's oil refineries, received an 8.3 percent increase last year. In the aggregate, the officers and directors of the Big Five oil companies, some 220 persons in all, got 12.6 percent more in 1979 than in 1978.

The data on executive pay generally come from the companies' proxy statements, recently mailed to shareholders in advance of this year's annual meetings. The proxy matter, which covers the election of directors and other business to be decided at the annual meeting, is required to include detailed compensation data for the company's highest-paid executives.

Rawleigh Warner, Jr., chairman of the Mobil Corporation, led the field last year with $1,187,055 in salary and bonuses. By contrast, the lowest-paid chief executive among the five largest oil companies was Jerry McAfee, chairman of the Gulf Oil Company, whose salary and bonus came to $403,333 or substantially less than half of what Mr. Warner was paid.

In percentage terms, the increases ranged from 8.1 percent for Clifton C. Garvin, Jr., chairman of the Exxon Corporation, the world's largest industrial company, to a healthy 27 percent increase for Mr. Warner of Mobile, second to Exxon in the oil industry.

INCENTIVE BONUSES

According to a Mobil spokesman, Mr. Warner's pace-setting increase stemmed primarily from incentive bonuses that were pegged to Mobil's earnings, which the spokesman described as "exceptional" in 1979. But a year-to-year comparison is misleading, he contended, because the bonus plan was not completely in effect during 1978. He added that Mr. Warner's salary rose only 6.2 percent, to $453,250.

The proxy material also discloses that the oil companies, like most other big corporations, provide their executives with a considerable indirect remuneration. In addition to the fringe benefits familiar to most employees, oil executives enjoyed such perquisites as stock options, property payments and free financial counseling. At Standard of California, for example, Harold J. Hayes, for example, its chairman and chief executive, got $1,640 in financial counseling and help with his tax return last year at Socal's expense.

The indirect pay also included the sums that the executives reaped last year by exercising stock options awarded in previous years—Mr. Warner of Mobil led the pack here, too, realizing a cool $2.4 million by exercising stock appreciation rights—as well as "contingent" payments being deferred until some future date. These are contingent on a variety of factors, primarily fluctuations in the market value of the companies' shares.

COMPARISONS ELUSIVE

These indirect forms of pay usually do not represent payments for services rendered during 1979, so it is all but impossible to make valid year-to-year comparisons for this category of executive pay. Moreover, companies tend to report their indirect remuneration differently, making company-to-company comparisons tricky in any case. Nonetheless, the individual proxy statements do provide some idea of what such extras can mean to a top oil executive.

Mr. Garvin of Exxon received $585,000 in salary, up 8.8 percent from 1978, along with cash and stock bonuses worth $245,000, versus $230,000 in 1978. On top of this, he got $147,993 in such additional, "noncontingent" remuneration as employee profit sharing and various stock rights. What is more, Exxon estimated that, as of last Dec. 31, Mr. Garvin had $842,866 in contingent remuneration coming to him, mainly reflecting his accumulated paper profits in stock options awarded in past years.

Mobil's proxy matter also showed that William P. Tavoulareas, the president of the company, received $1,005,482 in salary and bonuses, as well as other noncontingent remuneration $967,666. Mr. Tavoulareas—the No. 2 man at Mobil, which is the nation's second-largest oil company after Exxon—thus made more than any of the other four oil companies' chief executives.

At Gulf, both its president, James E. Lee, and one of its executive vice presidents, Edward B. Walker 3d, earned more in salaries, fees and bonuses than Mr. McAfee, the company's chairman. Mr. Lee made $527,083, or nearly $125,000 more than Mr. McAfee; Mr. Walker made $425,000, or almost $22,000 more. But Mr. McAfee's $164,169 in other compensation, presumably from his exercise of various stock rights, far exceeded that of the other two, making his total the largest.

Collectively the top people at Texaco Inc. had a larger increase than their counterparts at the other four largest oil companies. Maurice F. Granville, Texaco's chairman, earned $757,400 in salary and bonuses, up 14.9 percent from 1978, but as a group, the 51 directors and officers of Texaco earned 21.5 percent more than they did in 1978.

The top people at the top five companies were not the industry's highest-paid executives, however. The Union Oil Company of California, for example, which ranked 12th among the traditional oil companies and 35th among all industrial corporations in 1978, paid its chairman, Fred L. Hartley, a total of $560,667 in salaries, fees and cash awards last year, or 14.5 percent more than in 1978. His total cash and cash-equivalent forms of remuneration came to $843,054 last year. Mr. Hartley is currently chairman of the American Petroleum Institute, the oil industry's main trade group.●

JOE BRUNO

● Mr. HEFLIN. Mr. President, in my short-lived career in Washington, I have heard increasing numbers of voices that bemoan the decline of American power, the weakening of the American economy, the diminution of the American spirit, and the deterioration of the American dream. The voices become more strident and the message more gloomy with each passing month, and now there are those who predict the ultimate and final decline of America. I, for one, reject this conclusion.

I believe that this Nation will endure, that it will revive, and that it will prosper, simply because capitalism depends upon individuals, like you and me, who have hopes, aspirations and dreams: Hopes for themselves, aspirations for their families, and dreams for the future. The American dream still lives. The admirable career of Joe Bruno of Birmingham, Ala., is proof that an individual can overcome adverse economic conditions and, with perseverance and dedication, can prosper under America's infinitely flexible form of capitalism. On May 16, 1980, Dr. Norman Vincent Peale will present Mr. Bruno with the coveted Horatio Alger Award, symbolic of "rags-to-riches" American success stories. The life of Joe Bruno is the quintessential American success story, and I would like to recognize his achievement today because of my admiration for Mr. Bruno and because I would like to debunk the current myth that the American dream is dead.

The son of an immigrant from Italy, Joe Bruno opened his first grocery store during one of the most unpropitious moments in American history—in the middle of the Great Depression—yet he was undaunted by the comments of cynics who, like today's prophets of pessimism, foresaw nothing but darkness and decline for the economy. Mr. Bruno had courage, initiative, and determination, but most of all he had hopes and dreams for a better tomorrow. "If you stop dreaming," he says, "what is there left?" This attitude, along with his diligence and hard work enabled him to translate his initial $600 investment into a chain of grocery stores and drug stores that is now worth 100,000 times that first $600. It was not easy. He had to compete with other locally owned stores, as well as with national chains such as A & P, but he worked hard and held on to his hopes, and now he is chairman of the board of Alabama's largest food and drug retailer.

I would like to congratulate Joe Bruno on his winning the Horatio Alger Award. I bring his success story to the attention of the U.S. Senate because there is something in his life's story wherein we may all learn. He overcame economic depression, ethnic prejudice, and business competition because he had confidence in himself and in the American way of life.

Contrary to the opinions of some observers, the American dream does not wither away, even during times of economic upheaval. Rather, it lives on as a hidden, driving force in the hearts and minds of men and women like Joe Bruno.●

THIRD ANNUAL FRANCO-AMERICAN SERVICE AND CEREMONY

● Mr. PELL. Mr. President, I had the great pleasure of participating last Sunday in ceremonies in Lafayette Park in Washington honoring one of the great men in the history of our Nation, General Rochambeau.

The program was the Third Annual Franco-American Service and Ceremony sponsored by the Lafayette-Rochambeau Society. It observes the French-American alliance, which led the King of France 200 years ago to send an expeditionary force of nearly 6,000 officers and men with Rochambeau at its head to help the colonists in preserving their young Nation.

Because of his great contribution to our struggle for independence, and because of General Rochambeau's close association with the State of Rhode Island, the people of my State have commemorated his memory in the past.

The observance here in Washington was but a prelude to a greater observance in Newport this summer when there will be special events over a 4-day period, July 10 through 13, which will mark the

200th anniversary of the landing of the French Army.

The Rochambeau program began with services in St. John's Church at Lafayette Square, including a speaking program, moved outdoors to the Rochambeau statue, which was a gift of France in 1902, and concluded with a French dinner in the Parish House.

Those participating included George Cyr, director of the Bicentennial Commission of the Thirteen Original States; Adm. Georges Le Clorerec, naval attaché, French Embassy; Col. Antoine de Longvilliers, assistant military attaché, representing the Rochambeau family; Rev. H. Stein-Schneider, president of the Lafayette-Rochambeau Society; Col. Arthur Stewart of the National Huguenot Society; Horace Delisser, vice president of the Lafayette-Rochambeau Society; and the Marquise de Chambrun, wife of President de Chambrun of the society. I was most pleased to also have been invited to speak in praise of Rochambeau.

I am proud, indeed, to again be on the Rhode Island General Rochambeau Commission as an honory cochairman, as I was on a similar one 25 years ago, and as was my father, Herbert C. Pell, 50 years ago, to plan observance to honor Rochambeau.●

REMINDER TO FILE STATEMENT OF OUTSIDE BUSINESS OR PROFESSIONAL ACTIVITY OR EMPLOYMENT UNDER SENATE RULE 37(3)

● Mr. HEFLIN. Mr. President, this will remind Senate officers and employees of the requirement to report to their supervisors any outside business or professional activity or employment in which they may be engaged for compensation by May 15 in accordance with Senate Rule 47(3) which states:

> No officer or employee shall engage in any outside business or professional activity or employment for compensation unless he has reported in writing when such activity or employment commences and on May 15 of each year thereafter so long as such activity or employment continues, the nature of such activity or employment to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.●

NATIONAL NURSING HOME WEEK

● Mr. DOLE. Mr. President, today marks the beginning of National Nursing Home Week. The Senator from Kansas is proud to have been selected as the honorary chairman of this event in Kansas. Unfortunately, I am unable to be in Kansas for the scheduled events, but am pleased that Elizabeth Hanford Dole will be representing me as she is also deeply concerned about services for the elderly and disabled. I would however, like to take this opportunity to share with my colleagues my thoughts as to the importance of this week.

The recognition of this important sector of the health care industry comes at a particularly good time, when increasing attention is being given to caring for the elderly and the disabled.

NURSING HOME CARE

As you well know more than 5 percent of all our citizens above the age of 65 reside in a nursing home. I know that the homes in which they rest range from models for which we can all be proud, to those that contribute to the shame of our Nation.

It strikes me that as our country moves more and more actively to debate the role of Federal intervention and regulation, as opposed to the further development of State and individual rights and actions, the nursing home industry faces a crucial juncture. It is now time for them to demonstrate more of the creative and constructive initiative that built so many of their best programs. Give us cause to point to you as examples of private enterprise once again leading the way.

This week provides us with an opportunity to reexamine all our responsibilities for caring for the elderly and disabled; and our progress toward resolving any problems in meeting these duties.

CARING FOR THE AGED

At long last, our country is awakening to the need to develop better tools for dealing with the health and social consequences of growing old. Our health professional training schools are slowly beginning to develop programs that address geriatrics as a discipline.

It strikes me that nursing homes provide ideal laboratories for studying our elderly and developing ways to improve their health. I would urge them to join hands with other health care providers in asking some difficult questions and coming up with answers that pay a handsome dividend.

QUESTIONS FOR US ALL

Why, for example, are some of our elderly disabled, while others are able to carry on the activities of daily life? Is it perhaps because there are subtle degrees of dementia that our health providers ignore? Are there approaches to overcoming such difficulties, so that we may return an institutionalized patient to his home? What about the medicines that our elderly swallow more and more today? Which are safe? How can we devise techniques to insure that those who forget easily take the right pills and recognize that others are left best alone?

How should we best utilize the physical therapist whose skills may mean the difference between a bedridden, suffering patient, or a citizen who can contribute meaningfully to our society and enjoy life in the bargain? How much of the chronic disease of the elderly truly represents a one-way track? Can we reverse some of the processes we label "degenerative" and tend to ignore?

How can we bring our brightest young physicians and nurses into the lives of the elderly, so that they can apply their talents and creativity with the same degree of enthusiasm that they have traditionally lavished on those who may have far less need?

It seems to me that the nursing home industry stands at the crossroads in these discussions.

We debate the mixed blessings of advancing technology. We urge more dignity for our senior citizens. We seek to contain costs. We speak of providing better access to good health care for all our citizens. In all these issues, they can play a central role.

LOVE IS AGELESS

As the theme of this week's activities proudly points out, "Love Is Ageless." Many patients have survived family and friends. They are literally alone in this world, having only the companionship of their fellow patients and the nursing home staff. They look to them for more than just physical care, they seek comfort, support, and indeed love. Many nursing homes have done a magnificent job of meeting these needs and we owe them a debt of gratitude for their continued efforts on behalf of their residents, many of whom are members of our families or friends.

I am pleased to join them in again pledging our commitment to caring for our citizens in an environment filled with dignity and love, and I challenge each of you in the nursing home industry to strive toward the excellence that we all know can be achieved.●

DEDICATION OF THE JAMES MADISON MEMORIAL BUILDING OF THE LIBRARY OF CONGRESS

● Mr. PELL. Mr. President, Thursday, April 24, 1980, was the 180th anniversary of the approval by the President of the United States, John Adams, of the bill which formally established the Library of Congress.

It was, therefore, most fitting that this day was selected by the Librarian, Dr. Daniel J. Boorstin, for the ceremonies of dedication of the new James Madison Memorial Building of the Library of Congress.

I have the privilege of serving on the Joint Committee on the Library, as did my father, Herbert C. Pell, when he was a Member of Congress from New York City.

As current chairman of the Joint Committee, it was also my privilege to acknowledge our debt to the many men and women who, for the last two decades, have worked tirelessly to make this great building a reality, including especially my fellow Princetonian, Dr. Harold W. Dodds, Chairman of the James Madison Memorial Commission, and my predecessor, the late Senator B. Everett Jordan of North Carolina, whose cooperative efforts in behalf of this building during the 1960's helped make this day possible.

At the ceremonies, I was particularly struck with the moving tribute paid to "James Madison—the Man" by the senior Senator from Virginia, the Honorable HARRY F. BYRD, JR. As you may know, James Madison, a Virginian, was in many ways the father of the Constitution.

Because of my high regard for President Madison, for the Library of Congress, and for Senator BYRD's eloquent words, I would like to put in the RECORD the text of his remarks.

The address follows:

JAMES MADISON AND THE LIBRARY OF CONGRESS

(Address by Senator HARRY F. BYRD, JR.)

From time to time it has been suggested that Virginians exhibit an excess of reverence for ancestors.

As to that charge, on this occasion I shall plead neither guilty nor innocent. Let's say that I enter a plea of nolo contendere.

But I can say this: If guilty, we have on our side a lot of mitigating circumstances.

If Virginians tend to a somewhat heroic view of our past, it is understandable.

The so-called Virginia Dynasty consisted of four of the first five presidents of the United States, each an important figure in our history, and such other leaders as the firebrand orator, Patrick Henry; the great legal scholar, George Wythe; and the reclusive genius, George Mason, in some ways the most influential of all.

It could be argued that among the Virginians who distinguished themselves in the struggle for independence and the founding and early days of the republic, no one contributed more and received less credit than James Madison.

It is not that Madison has been neglected. Historians generally refer to him, with perfect accuracy, as "Father of the Constitution." Yet beside the towering figures of Washington and Jefferson, James Madison—who, incidentally, was a small man physically—sometimes stands in the shadows.

True enough, Madison was not as imposing as Washington, nor did he possess Jefferson's gift for penning memorable words. He lacked Ben Franklin's wit, Patrick Henry's gift for oratory and George Mason's scholarship.

Yet Madison's role in the creation and early guidance of the United States was of immense significance. Indeed, it may be that he was an indispensable man.

For it was James Madison who led the nationalist faction in the Continental Congress, working for a national government strong enough to cope with national problems.

Not successful in that fight, he carried the battle to the Virginia Legislature, and in 1786 and 1787 took the lead in calling for a constitutional convention.

With Alexander Hamilton and John Jay, he wrote the Federalist Papers, which remain to this day as impressive an argument for republican government as can be found anywhere.

And of course at the convention in Philadelphia, in that steamy summer of 1787, his logic consistently prevailed in the debates which led to the framing of the Constitution.

Despite his having championed strong central government, his good sense told him when it posed dangers, and he split with the Federalists over Hamilton's financial plans and the Alien and Sedition Acts.

Madison worked hard for the election of Thomas Jefferson, his long-time friend, as President in 1800. And when Jefferson's term was ended, it was Madison, who had served so well as Secretary of State, who was the heir apparent.

Madison's term of office was stormy and desperate. He had powerful enemies in the Congress, and in the War of 1812 he suffered the humiliation of witnessing the burning of the White House and the Capitol by British troops.

Many at that time were ready to write off the United States as a failure, yet President Madison persevered and after the Treaty of Ghent had the satisfaction of a triumphant final two years in office.

I think that James Madison holds up well under close scrutiny of his 40-year career in public life.

He was a steady man, a problem solver, and perhaps the most creative thinker about problems of government in an era when many men of vast talents were in prominent positions.

And I think that much of Madison's accomplishment can be traced to his lifelong passion for books—a trait he shared with Thomas Jefferson.

Indeed, Madison and Jefferson can rightly be regarded as the co-founders of the Library of Congress, surely one of the great libraries of the world.

The story goes back to 1783, when Madison was a member of the Continental Congress. He obtained an appointment from that body—and I quote—"to report a list of books proper for the use of Congress."

The good gentlemen of the Congress did not know what they were in for.

Madison indeed produced a list—a compilation of thousands of volumes, based on a document he'd received from Jefferson. It was a combination of a catalogue of Jefferson's library and a kind of shopping list which Jefferson had compiled prior to being sent to France, then the book-buying capital of the world.

Madison added liberally to Jefferson's list.

When he presented the list to the Congress, he argued that—again quoting—"Congress should have at all times at command such authors on the law of nations, treaties, negotiations, etc., as would render their proceedings in such cases comfortable to propriety."

He added: "No time ought to be lost in collecting every book and tract which related to American antiquities and the affairs of the U.S."

The Continental Congress, strapped for funds for national survival, gave short shrift to Madison's ambitious proposal. Even when he shortened the list to what he called "the most essential part," he was turned down.

The idea of a Library of Congress lay dormant for the rest of the century, but at last, in 1800 an act was passed establishing the library.

Madison's struggle for the library was not over, however. For it was during his administration that the infant library was burned, necessitating a new start.

Again Thomas Jefferson entered the picture. President Madison arranged for the purchase of Jefferson's library by then more than 6,000 volumes, as the nucleus of a rejuvenated collection for the Congress.

That, of course, grew to our present Library of Congress.

Today we are gathered to dedicate a magnificent new building, a great addition to the Library of Congress, named in honor of James Madison.

Nothing could be more fitting, for the Library of Congress was in the first instance an idea in the mind of Madison, and it was building when it had been destroyed.

And it is fitting, too, for a larger reason.

In this city, where splendid memorials to Washington, Jefferson and Lincoln long have been part of the landscape the James Madison Memorial Building represents an overdue tribute to the Father of the Constitution, the leader of the United States through one of its darkest hours, a man who in the truest sense devoted his whole life to his country.

I end with a salute to James Madison—and a salute to the dedicated men and women who make the Library of Congress a priceless part of our national treasury of history, art and ideas.●

SMALL BUSINESS WEEK

● Mr. DOLE. Mr. President, this week is National Small Business Week. The Small Business Administration has selected several small businesses to honor for the services they contribute to American society.

The Senator from Kansas would like to pay a special tribute to three Kansas small businesses being honored. Wilson Machine Co., Hutchinson, was named Kansas Contractor of the Year, and Trio Machine, Inc., of Wichita, was named Subcontractor of the Year. I would like to offer my congratulations to the presidents of these fine companies: William A. Darling and Elizabeth Wilson Dufek, respectively. The Kansas Small Business Person of the Year is Donald Leroy Collins, of Collins Industries, Hutchinson. Mr. Collins will be among those considered for the honor of "National Small Business Person of the Year," to be awarded this week in a White House ceremony.

Mr. President, the American business person—big and small—is in a delicate situation. Inflation soars to 18 percent, investors are frightened by excessive interest rates, the recession that we have tried to avoid has taken hold. And yet, with all of these economic burdens to bear, the Federal Government continues to saddle them with an ever increasing blizzard of regulations. You do not have to be a big businessman to understand the big problems created by Federal regulations. You do not have to be a fat cat to see the fat.

The Senator from Kansas believes that it is prime time for legislation that will mandate a nonmathematical accounting of the costs and benefits of each regulation, allow for public input, and insure that the regulation being promulgated is the most cost-effective means to the desired goal.

The Senator from Kansas introduced such legislation in November. The "rulemaking Improvements Act," S. 1969, was cosponsored by Senators THURMOND, STEVENS, LAXALT, HATCH, COCHRAN, SIMPSON, and HEINZ. I plan to offer this legislation in amendment form when regulatory reform is considered on the Senate floor.

Along these lines, the Senator from Kansas would like to urge Judiciary Committee approval of Senate Resolution 164, to designate June 17, 1980 "Business Productivity Day." I introduced this legislation on April 17 for the purpose of honoring American business for services performed on behalf of our free enterprise system, and often in the face of bitter criticism.

Troubled as it is, the American economic system works. But the system works best when allowed to perform freely.

The small business people we honor this week are men and women whose hard work and productivity have paid off. The Senator from Kansas believes that if we loosen the regulatory noose that is choking America's economic neck, the system may yet breathe free again.

I am sure that the people of Kansas join me in congratulating the men and women selected by the Small Business Administration for these awards. I urge my colleagues to demonstrate a commitment to economic growth with swift and positive action on legislation intended to honor, encourage, and liberate Americans attempting to go about their business.●

ENDANGERED SPECIES ACT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 6839.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6839) to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 6839) was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT OF CONFEREES ON S. 662

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CHURCH, I ask unanimous consent that Senators MCGOVERN and PELL be removed as conferees on S. 662, a bill to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, and that Senators CHURCH and GLENN be named as their replacements.

The PRESIDING OFFICER. Without objection, it is so ordered.

PASSENGER RAILROAD REBUILDING AND ROCK ISLAND RAILROAD EMPLOYEE ASSISTANCE ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2253.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2253) entitled "An Act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

TITLE I—RAIL PASSENGER CORRIDORS

SHORT TITLE

SECTION 101. This title may be cited as the "Passenger Railroad Rebuilding Act of 1980".

FINDINGS AND PURPOSES

SEC. 102. (a) The Congress hereby finds that—

(1) the growing scarcity of fossil-fuel resources in the United States has resulted in escalating energy prices and increasing national dependence on insecure foreign energy sources;

(2) this growing scarcity of resources is contributing to the escalating inflation which threatens the United States economy;

(3) transportation accounts for a large portion of the energy consumption in the Nation, and accordingly greater national energy conservation efforts should be focused on the transportation sector;

(4) safe, modern, and efficient high-speed intercity rail passenger service in regional corridors affords significant potential for energy savings, as well as for providing environmental benefits and alleviating congestion on the highways and overcrowding of airways and airports;

(5) such intercity rail passenger service will assume growing importance in meeting long-range national transportation needs in view of the continuing increased demand for public transportation services;

(6) Federal financial assistance is necessary in order to develop modern and efficient high-speed intercity rail passenger service;

(7) the Northeast Corridor improvement project has demonstrated the potential for attracting passengers from private automobiles and airplanes;

(8) significant benefits are expected as a result of the substantial Federal financial assistance that has been provided for the development of modern and efficient high-speed intercity rail passenger service in the Northeast Corridor, and similar benefits can be anticipated from such assistance for corridors in other areas of the United States;

(9) a national rail passenger corridors program is in the public interest in order to provide modern and efficient high-speed intercity rail passenger service in all regions of the United States, and such service must provide revenues which cover operating expenses, excluding the capital costs of maintaining rights-of-way;

(10) reliable intercity rail passenger service will assist in rational land use planning and will promote orderly residential and industrial growth and development in urban and suburban areas; and

(11) the National Railroad Passenger Corporation presently has insufficient equipment to provide service on existing passenger routes and to increase service on additional routes, and new equipment requires substantial time to order and deliver.

(b) It is the purpose of this title to provide for the development of high-speed intercity rail passenger service in corridors throughout the United States, which will—

(1) provide public transportation alternatives between heavily traveled city pairs;

(2) encourage the use of convenient alternatives to the automobile, thereby reducing energy consumption and traffic congestion;

(3) provide for an accelerated program of equipment acquisition to ensure more frequent and reliable service;

(4) promote commerce and tourism between key city pairs;

(5) maximize public benefits derived from Federal, State, local, and private investments in equipment, track, or related facilities;

(6) contribute to the revitalization of urban areas;

(7) assist in rational land use planning and promote orderly residential and industrial growth and development in urban and suburban areas;

(8) encourage intermodal coordination with respect to operations and facilities: and

(9) provide improved mail and package express.

DATE CHANGES FOR REQUIRED GOALS

SEC. 103. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

(1) in paragraph (1)(A)(i), by striking out "this Act" and inserting in lieu thereof "the Passenger Railroad Rebuilding Act of 1980"; and

(2) in the fourth sentence of paragraph (1)(E), by striking out "6" and inserting in lieu thereof "9".

ADDITIONAL GOAL

SEC. 104. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended by adding at the end thereof the following new paragraph:

"(6) ELIMINATION OF CONGESTION.—The elimination, to the maximum extent practicable, of congestion in rail freight and rail passenger traffic at the Baltimore and Potomac Tunnel in Baltimore, Maryland, by the rehabilitation and improvement of such tunnel and the rail lines approaching such tunnel, for purposes of implementing the Northeast Corridor improvement project under this title.".

AUTHORIZATION OF APPROPRIATIONS FOR THE NORTHEAST CORRIDOR

SEC. 105. (a) Section 704(a)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)(1)) is amended—

(1) by striking out "$1,600,000,000" and inserting in lieu thereof "$2,322,000,000"; and

(2) by striking out "and after such goals have been achieved, the goals of section 703 (1)(A)(ii)".

(b) Section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) is further amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(2) by adding at the end thereof the following new paragraph:

"(4) $28,000,000 to remain available until expended in order to effectuate the goal of section 703(6) of this title.".

(c) The amendments made by this section shall take effect on October 1, 1980.

AUTHORITY OF THE SECRETARY

SEC. 106. (a) Section 704(c) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(c)) is amended—

(1) by striking out "COORDINATION.—The Secretary" and inserting in lieu thereof "COORDINATION AND CONSULTATION.—(1) The Secretary"; and

(2) by adding at the end thereof the following new paragraph.

"(2) The Secretary shall consult with the Secretary of Housing and Urban Development and the Secretary of Commerce and with other appropriate Federal officials to take steps to utilize, on a priority basis, Federal funds from the several Federal departments to assist and encourage public and private redevelopment in the vicinity of urban rail stations on the Northeast Corridor served by intercity and commuter rail service for purposes of aiding in the revitalization of urban areas around such stations. The Secretaries shall, within one year after the date of the enactment of this subsection, report to the Congress on the methods by which Federal funds from the several Federal departments have been and will be coordinated to achieve urban redevelopment and revitalization in the vicinity of such stations.".

(b) Section 704 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854) is amended by adding at the end thereof the following new subsections:

"(h) ACQUISITION OF REAL PROPERTY.—The Secretary is authorized to acquire for the United States, by lease, purchase, condemnation, or otherwise, any interest in real property (including lands, easements, and rights-of-way, and any other property interests, including contract rights) which the Secretary considers necessary to effectuate the goals of section 703 of this title.

"(i) REIMBURSEMENT AGREEMENTS.—Where a portion of the costs of improvements authorized under section 203 of this ttile are to be borne by a State or local or regional thorized under section 203 of this title are to ble parties, the Secretary is authorized to enter into agreements with such cost-sharing parties providing for the Secretary to carry out such improvements with funds appropriated pursuant to this section and requiring reimbursement to the Secretary by the cost-sharing parties of their portion of the costs of such improvements. Where the Secretary has entered into such reimbursement agreements, the Secretary is further authorized to the extent and in the amounts provided in appropriation Acts, to incur obligations for contracts to carry out such improvements in anticipation of such reimbursement. Funds reimbursed to the Secretary shall be credited to the appropriation originally charged for the costs of such improvements and shall be available for further obligations.

"(j) EXCESS EQUIPMENT AND OTHER PROPERTY.—Notwithstanding the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) or of any other law, the Secretary may transfer to the National Railroad Passenger Corporation, in accordance with procedures which the Secretary shall establish, excess real or personal property from the Northeast Corridor improvement project. As consideration to the United States for such transfer, property so transferred shall be made subject to the mortgage entered into pursuant to subsection (e) of this section. For purposes of this subsection, the term 'excess real or personal property' means—

"(1) any interest in real property acquired under the authority of subsection (h) of this section which is determined by the Secretary to be (A) usable by the National Railroad Passenger Corporation, and (B) no longer required by the Federal Government in order to implement the Northeast Corridor improvement project; or

"(2) any item of personal property, such as equipment, which is acquired with funds authorized under this section.".

MANAGEMENT GOAL

SEC. 107. Section 701 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851) is amended by adding at the end thereof the following new subsection:

"(d) MANAGEMENT GOAL.—It shall be a goal of the National Railroad Passenger Corporation to manage its operating costs, pricing policies, and other factors so that, beginning not later than 5 years after completion of the Northeast Corridor improvement project authorized by this title and continuing thereafter, annual revenues derived from the operation of intercity rail passenger service over the Northeast Corridor route between Washington, District of Columbia, and Boston, Massachusetts, shall equal or exceed the annual operating costs of providing such service. Within 5 years after the date of completion of the Northeast Corridor improvement project, the National Railroad Passenger Corporation shall submit to the President for transmission to the Congress a report on the success of the National Railroad Passenger Corporation in meeting the goal set forth in this subsection.".

TRANSFER OF AUTHORITY

SEC. 108. (a) Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.) is amended by redesignating sections 705 and 706 as sections 706 and 707, respectively, and by inserting after section 704 the following new section:

"TRANSFER OF AUTHORITY

"SEC. 705. (a) TRACK IMPROVEMENTS.—Within 90 days after the date of enactment of the Passenger Railroad Rebuilding Act of 1980, the Secretary and the National Railroad Passenger Corporation shall agree on the reallocation to the Corporation of authority and responsibility with respect to the contracting of construction solely related to track improvements in connection with the Northeast Corridor improvement project.

"(b) OTHER AUTHORITY.—Effective 5 years after the date of enactment of the Passenger Railroad Rebuilding Act of 1980, the Secretary shall transfer to the Corporation all authority and responsibility (except with respect to outstanding contracts) for carrying out the Northeast Corridor improvement project and implementing the goals of section 703 of this title.".

(b) The table of contents of the Railroad Revitalization and Regulatory Reform Act of 1976 is amended by striking out the items to sections 705 and 706 and inserting immediately after the item relating to section 704 the following:

"Sec. 705. Transfer of authority.
"Sec. 706. Conforming amendments.
"Sec. 707. Facilities with historical or architectural significance.".

DEMONSTRATION SERVICE

SEC. 109. Section 601(b)(1)(B) of the Rail Passenger Service Act (45 U.S.C. 601(b)(1)(B)) is amended by inserting immediately after "1980," the following: "of which $500,000 shall be expended for the purchase of a self-propelled single car capable of carrying 50 to 60 passengers for purposes of demonstrating the feasibility of developing feeder service to basic system service and State subsidized service,".

RAIL PASSENGER CORRIDORS

SEC. 110. The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is amended by adding at the end thereof the following new title:

"TITLE IX—RAIL PASSENGER CORRIDORS

"SEC. 901. DEVELOPMENT OF EVALUATION METHOD.

"(a) The Secretary, in consultation with the Corporation, shall develop a method for evaluating the following rail passenger corridors:

"(1) The Cincinnati-Chicago Corridor (between Cincinnati, Ohio, and Chicago, Illinois).

"(2) The Cleveland-Chicago Corridor (between Cleveland, Ohio, and Chicago, Illinois).

"(3) The Detroit-Chicago Corridor (between Detroit, Michigan, and Chicago, Illinois).

"(4) The Los Angeles-Las Vegas Corridor (between Los Angeles, California, and Las Vegas, Nevada).

"(5) The Los Angeles-San Diego Corridor (between Los Angeles, California, and San Diego, California).

"(6) The Miami-Jacksonville Corridor (between Miami, Florida, and Jacksonville, Florida).

"(7) The New York-Buffalo Corridor (between New York, New York, and Buffalo, New York).

"(8) The Saint Louis-Chicago Corridor (between Saint Louis, Missouri, and Chicago, Illinois).

"(9) The San Jose-Sacramento Corridor (between San Jose, California, and Sacramento, California).

"(10) The Seattle-Portland Corridor (between Seattle, Washington, and Portland, Oregon).

"(11) The Texas Corridor (between Dallas-Fort Worth, San Antonio, and Houston, Texas).

"(12) The Twin Cities-Chicago Corridor (between Minneapolis-Saint Paul, Minnesota, and Chicago, Illinois).

"(13) The Washington-Richmond Corridor (between Washington, District of Columbia, and Richmond, Virginia).

"(14) Any other rail passenger corridor which the Secretary determines should be included for purposes of this title on the basis that such corridor has potential to attract riders and to reduce energy consumption and is capable of providing cost-effective rail passenger service.

"(b)(1) The evaluation method developed by the Secretary under this section shall be designed to determine which of the corridors listed in or included under subsection (a) of this section (A) have the greatest potential for attracting riders on rail passenger service in the corridor, (B) have the greatest potential to reduce energy consumption, and (C) are capable of providing the most cost-effective rail passenger service.

"(2) In developing an evaluation method for purposes of making the determinations described in paragraph (1) of this subsection, the Secretary shall consider at least each of the following factors for each corridors:

"(A) The ratio of passenger miles to train miles.

"(B) The short-term avoidable loss per passenger mile.

"(C) The ratio of revenue to long-term avoidable cost.

"(D) The minimum long-term avoidable loss plus annual capital cost per passenger mile.

"(E) Economic and demographic growth projections.

"(F) The evidence of State commitment to rail passenger service.

"(G) The adequacy and energy efficiency of other transportation modes in the area served.

"(c)(1) The Secretary shall, within 45 days after the date of enactment of this title, submit the proposed method for evaluating rail passenger corridors (together with explanatory material) to both Houses of the Congress and to the Committee on Interstate and Foreign Commerce and the Committee on Appropriations of the House of Representatives and to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate. The proposed method shall be deemed approved at the end of the first period of 45 calendar days of continuous session of the Congress after the date such method is to be submitted, unless either the House of Representatives or the Senate adopts a resolution during such period stating that it does not favor such method.

"(2) If either the House of Representatives or the Senate adopts a resolution of disapproval of the proposed evaluation method of the Secretary, the Secretary shall develop a new method within 45 days after passage of such resolution. Such new method shall be submitted to the Congress for review in accordance with paragraph (1) of this subsection.

"(3) For purposes of this subsection—

"(A) continuity of session of Congress is broken only by an adjournment sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 45-day period.

"(d) The Secretary shall submit an annual report to the Congress (1) evaluating the potential for extending the rail passenger corridors listing in or included under section 901(a) of this Act, and (2) describing additional rail passenger corridors which the Secretary determines have potential to attract riders and to reduce energy consumption and are capable of providing cost-effective rail passenger service.

"SEC. 902. CORRIDOR EVALUATIONS.

"Upon the submission to the Congress of the evaluation method developed under section 901(c) of this Act, the Secretary shall use such method to evaluate each corridor listed in or included under section 901(a) of this Act. On the basis of such evaluation, the Secretary shall compile a ranking of such corridors, beginning with the corridor which the Secretary determines has the greatest potential to attract riders and reduce energy consumption and is capable of providing the most cost-effective rail passenger service. The Secretary shall immediately submit such ranking of corridors to the Corporation.

"SEC. 903. DESIGN AND ENGINEERING PLANS.

"(a) Upon receipt of the Secretary's ranking of corridors under section 902 of this Act, the Corporation shall, to the extent of funds available under section 909(1) of this Act, immediately begin to develop design and engineering plans for those corridors which, on the basis of the Secretary's rankings, have the greatest potential to attract riders and reduce energy consumption and are capable of providing the most cost-effective rail passenger service.

"(b) The Corporation shall, no later than February 15, 1981, submit a report to both Houses of the Congress with respect to each corridor for which a design and engineering plan is developed under subsection (a) of this section. Each such report shall contain a summary of the plan, and shall include—

"(1) construction and cost information for the corridor;

"(2) ridership projections for rail passenger service in such corridor;

"(3) operating cost and revenue projections for such corridor; and

"(4) projected capital expenditures for improvements in such corridor.

"(c) In preparing a design and engineering plan for a corridor under this section, the Corporation shall consult with the Secretary and shall request the views of the appropriate officials of each State in such corridor.

"(d)(1) The Corporation shall develop each design and engineering plan for a corridor under this section cooperatively with the rail carriers that own tracks and facilities used or to be used in providing passenger service in such corridor.

"(2) If a rail carrier described in paragraph (1) of this subsection is unwilling to cooperate with the Corporation in developing a design and engineering plan, the Corporation may apply to the Secretary for assistance in obtaining such cooperation. The Secretary may require such a private rail carrier to cooperate with the Corporation in developing such plan, and shall fix an amount which the Corporation shall reimburse such carrier for the work it performs.

"(e) A plan developed by the Corporation under this section shall not include information with respect to station improvements or upgrading.

"SEC. 904. EQUIPMENT ACQUISITION.

"The Corporation shall, to the extent of funds available under section 909(2) of this Act, acquire necessary equipment for purposes of providing rail passenger service in corridors listed in or included under section 901(a) of this Act.

"SEC. 905. STATE REIMBURSEMENTS.

"The Secretary shall, to the extent and in the amounts provided in appropriation Acts, reimburse any State for 10 per centum of the amount such State expends, prior to the date of enactment of this title, for capital upgrading and design and engineering work in any corridor listed in or included under section 901(a) of this Act.

"SEC. 906. PRIVATE SECTOR DEVELOPMENT.

"(a) The Secretary shall encourage the private sector development of potential rail passenger corridors, including the corridor between Atlantic City, New Jersey, and Philadelphia, Pennsylvania.

"(b) In order to carry out the purposes of this section, the Secretary shall—

"(1) in cooperation with private rail carriers, the Corporation, the Consolidated Rail Corporation, commuter agencies, and State and local transportation authorities, take all necessary steps to remove institutional and legal barriers to the private development of rail passenger corridors;

"(2) ensure that investment of Federal funds in contiguous corridors is coordinated with privately developed corridors; and

"(3) coordinate the investment of Federal funds with State, local, and private funds for nonoperational improvements, such as stations, in privately developed corridors.

"(c) The Secretary shall, no later than February 15, 1981, submit a report to the Congress describing the action taken under this section.

"SEC. 907. SERVICE BETWEEN CORRIDORS.

"If the Corporation determines that improvements in or institution of rail passenger service on a route between particular corridors listed in or included under section 901 of this Act would increase overall ridership on Amtrak trains, the Corporation shall undertake such service or improvements in such service as it considers appropriate in order to maximize ridership on such route and in the connecting corridors.

"SEC. 908. SPEED RESTRICTIONS.

"(a) The Corporation shall identify any restriction imposed by a State or local government on the speed of Amtrak trains that the Corporation determines impedes the achievement of high-speed intercity rail passenger service by the Corporation.

"(b) The Corporation shall consult with each State or local government that imposes a speed restriction identified under subsection (a) of this section, for purposes of (1) evaluating alternatives to such speed restriction, taking into account the particular local safety hazard which is the basis for such restriction, and (2) considering the possibility of eliminating or modifying such speed restriction in order to permit safe operations at higher speeds in the State or locality involved.

"SEC. 909. AUTHORIZATION OF APPROPRIATIONS.

"(a) There are authorized to be appropriated to the Secretary for the benefit of the Corporation, out of funds in the Windfall Profit Tax Account allocated for transportation programs under section 102 of the Windfall Profit Tax Act of 1980—

"(1) for the development of design and engineering plans under section 903 of this Act and for State reimbursements under section 905 of this Act, not to exceed $55,000,000 for the fiscal year ending September 30, 1981;

"(2) for the acquisition of equipment under section 904 of this title, not to exceed $50,000,000 for the fiscal year ending September 30, 1981; and

"(3) for the implementation of corridor improvement projects, not to exceed $850,000,000, to be available beginning with the fiscal year ending September 30, 1982, but only upon the enactment by the Congress of legislation specifically authorizing the implementation of such projects.

"(b) There is authorized to be appropriated, out of funds available under section 704(a)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976, for private sector development under section 906 of this Act, not to exceed $200,000 for the fiscal year ending September 30, 1981.

"(c) Amounts appropriated under subsection (a)(2) of this section are authorized to remain available until expended.".

AMTRAK INTERCITY SERVICE

SEC. 111. Section 403(d)(2) of the Rail Passenger Service Act (45 U.S.C. 563(d)(2)) is amended by striking out "April 1, 1981" and inserting in lieu thereof "October 1, 1981".

OPERATION OF ADDITIONAL TRAINS

SEC. 112. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following new subsection:

"(h) Upon receipt of an application from the Corporation in any situation where the Corporation is unable to obtain a satisfactory, voluntary agreement from a rail carrier for operation of additional trains on the rail lines of that rail carrier, the Secretary shall order such rail carrier, within 60 days, to permit or provide requested operation of Amtrak trains over any of its rail lines on schedules based upon the fastest legally permissible elapsed running times for operation of a passenger train over such rail lines. In establishing such running times, the Secretary shall give proper consideration to the statutory goal that the Corporation shall implement schedules which will attain a system-wide average speed of at least 55 miles per hour which can be adhered to with a high degree of reliability and passenger comfort. The compensation payable by the Corporation to a rail carrier for an operation ordered pursuant to this subsection shall be that which is properly established pursuant to an agreement between the Corporation and such rail carrier, or, in the absence of an applicable agreement, shall be determined by the Commission in a proceeding pursuant to subsection (a) of this section.".

CONRAIL EMPLOYEE PROTECTION

SEC. 113. (a) The Consolidated Railroad Corporation shall make payments in accordance with title V of the Regional Rail Reorganization Act of 1973, and the United States Railway Association shall not, as a result of such payments, withhold any funds from the Corporation.

(b) This section shall take effect as of March 1, 1980, and shall remain in effect until the expiration of the 45-day period beginning on the date of enactment of this Act. After the expiration of such 45-day period, payments by the Consolidated Rail Corporation under title V of the Regional Rail Reorganization Act of 1973, and funding of the Corporation by the United States Railway Association, shall be governed by applicable law.

RELOCATION OF FACILITIES

SEC. 114 (a) The Secretary of Transportation may not take any action with respect to the relocation of the Amtrak maintenance-of-way facility at Bristol, Pennsylvania, until 60 days after the date the Secretary reports to the Congress under subsection (b) of this section.

(b) The Secretary of Transportation shall consider and report to the Congress with respect to—

(1) preliminary design plans for sites which are potential alternatives to the maintenance-of-way facility referred to in subsection (a) of this section;

(2) the current value, current use, and alternative uses of such potential alternative sites;

(3) potential labor protection costs to be incurred in the maintenance-of-way relocation; and

(4) potential problems arising from jurisdictional labor disputes arising as a result of such a relocation.

TITLE II—ROCK ISLAND RAILROAD EMPLOYEE ASSISTANCE

SHORT TITLE

SEC. 201. This title may be cited as the "Rock Island Railroad Employee Assistance Act".

CONGRESSIONAL FINDINGS

SEC. 202. The Congress hereby finds that—

(1) uninterrupted continuation of services over Rock Island lines is dependent on adequate employee protection provisions covering Rock Island Railroad employees who are not hired by other railroads; and

(2) for those Rock Island Railroad employees not hired by other rail carriers, there is no other practicable means of obtaining

funds to meet the necessary costs of such employee protection that are assumed by the Rock Island Railroad.

DEFINITIONS

SEC. 203. As used in this title—

(1) the term "bankruptcy court" means the court having jurisdiction over the reorganization of the Rock Island Railroad;

(2) the term "Board" means the Railroad Retirement Board;

(3) the term "Commission" means the Interstate Commerce Commission;

(4) the term "employee" includes any member of the Rock Island Railroad employed by the Kansas City Terminal Railway Company on October 1, 1979, in its capacity as a directed service operator, but does not include any individual serving as president, vice president, secretary, treasurer, comptroller, counsel, member of the board of directors, or any other person performing such functions;

(5) the term "Rock Island Railroad" means the Chicago, Rock Island and Pacific Railway Company; and

(6) the term "Secretary" means the Secretary of Transportation.

RAILROAD HIRING

SEC. 204. (a) Each person who is an employee of the Rock Island Railroad on August 1, 1979, and who, prior to January 1, 1981, is separated or furloughed (other than for cause) from his employment with such railroad, or from his employment with another rail carrier providing temporary service over lines of the Rock Island Railroad, as a result of a reduction of service by such railroad or such temporary service carrier shall, unless found to be less qualified than other applicants have the first right of hire by any other rail carrier that is subject to regulation by the Commission for any vacancy that is not covered by (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, that is required by Federal or State statute, regulation, or Executive order, or by the order of a Federal or State court or agency, or (2) a permissible voluntary affirmative action plan. For purposes of this section, a rail carrier shall not be considered to be hiring new employees when it recalls any of his own furloughed employees.

(b) The rights afforded to Rock Island Railroad employees by this section shall be coequal to the rights afforded to Chicago, Milwaukee, Saint Paul and Pacific Railroad Company employees by section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907).

EMPLOYEE PROTECTION AGREEMENTS

SEC. 205. (a) No later than 10 days after the date of enactment of this title, the Rock Island Railroad and labor organizations representing the employees of such railroad may, with the assistance of the National Mediation Board, enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad. Such employees protection may include, but need not be limited to, employee relocation, incentive compensation, moving expenses, and separation allowances.

(b) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subsection (a) of this section within 10 days after the date of enactment of this title, the parties shall immediately submit the matter to the Commission. The Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection no later than 30 days after the date of enactment of this title, unless the Rock Island Railroad and the authorized representatives of its employees have by then entered into a labor protection agreement. For purposes of this subsection, the term "fair and equitable" means no less protective of the interests of employees than protection afforded under section 9 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 908), subject to the limitations set forth in section 211(d) of this title.

(c) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the bankruptcy court shall immediately authorize and direct the Rock Island Railroad trustee to, and the Rock Island Railroad trustee and the labor organizations representing the employees of the railroad shall, immediately implement such arrangement.

(d) (1) An order of the Commission under subsection (b) of this section may not be stayed by the Commission or by any court, and an order of the bankruptcy court under subsection (c) of this section may be stayed by any other court.

(2) Any order described in paragraph (1) of this subsection may be appealed only to the court of appeals of the United States having jurisdiction to review decisions and orders of the bankruptcy court. Any such appeal to such court of appeals shall be filed within five days after the date of entry of the order of the Commission or the bankruptcy court, as the case may be, and such court of appeals shall finally determine such appeal within 60 days after the date such appeal is filed. No determination by the court of appeals under this subsection may be reviewed in any other court.

(e) (1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into under this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

(2) Benefits and allowances under such agreement or arrangement entered into under this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 211 of this title, and claims of employees for such benefits and allowances shall be treated as administrative expenses of the estate of the Rock Island Railroad.

(f) The first sentence of section 7(b)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(7)) is amended by striking out "and the Milwaukee Railroad Restructuring Act" and inserting in lieu thereof ", the Milwaukee Railroad Restructuring Act, and the Rock Island Railroad Employee Assistance Act".

EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

SEC. 206. (a) The Board shall prepare and maintain—

(1) a list of employees separated from employment with the Rock Island Railroad who indicate a desire to appear on a list to be available to rail carriers; and

(2) a list of employment, by class and craft, available with rail carriers,

based upon information submitted to the Board by the Rock Island Railroad and other rail carriers. Upon the request of any rail carrier, the Board shall make available to such carrier a copy of the list described in paragraph (1) of this subsection.

(b) The Board shall maintain the lists required by subsection (a) of this section through December 31, 1984.

NEW CAREER TRAINING ASSISTANCE

SEC. 207. (a) An employee who elects to receive a separation allowance from the Rock Island Railroad under an employee protection agreement or arrangement entered into under section 205 of this title may receive from the Board reasonable expenses for training in qualified institutions for new career opportunities.

(b) To be eligible for assistance under this section, an employee—

(1) must first exhaust any Federal educational benefits available to such employee under any existing program; and

(2) must begin his course of training within two years following the date of such employee's separation from employment with the Rock Island Railroad.

(c) Reasonable expenses for assistance under this section shall be determined by the Board on the basis of an application therefor filed by an employee with the Board.

(d) No assistance may be provided under this section after April 1, 1984.

(e) As used in this section—

(1) the term "expenses" means actual, reasonable expenses paid for room, board, tuition, fees, or educational material in an amount not to exceed $3,000; and

(2) the term "qualified institution" means an educational institution accredited for payment by the Veterans' Administration under chapter 36 of title 38 of the United States Code.

ELECTION

SEC. 208. Any employee who receives any assistance under an employee protection agreement or arrangement entered into under section 205 of this title or any new career training assistance under section 207 of this title shall be deemed to waive any employee protection benefits otherwise available to such employee under the Bankruptcy Act, title 11 of the United States Code, subtitle IV of title 49 of the United States Code, or any applicable contract or agreement.

ELIGIBILITY FOR ASSISTANCE

SEC. 209. An employee shall not be eligible to receive any assistance (other than moving expenses) under an employee protection agreement or arrangement entered into under section 205 of this title or any new career training assistance under section 207 of this title—

(1) during any period in which such employee is employed by any rail carrier providing temporary service over any lines of the Rock Island Railroad; or

(2) at any time after the date such employee receives an offer of employment, in his craft and for which such employee is qualified, from a rail carrier acquiring lines of the Rock Island Railroad.

AUTHORIZATION OF APPROPRIATIONS

SEC. 210. (a) Section 14(b) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 913 (b)) is amended—

(1) by inserting "and section 207 of the Rock Island Railroad Employee Assistance Act" immediately after "this Act"; and

(2) by adding at the end thereof the following new sentence: "Effective October 1, 1980, there is authorized to be appropriated an additional $1,500,000 for new career training assistance under section 12 of this Act and section 207 of the Rock Island Railroad Employee Assistance Act.".

(b) Section 14(c) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 913(c)) is amended—

(1) by inserting "and the Rock Island Railroad Employee Assistance Act" immediately after "this Act"; and

(2) by adding at the end thereof the following new sentence: "Effective October 1, 1980, there is authorized to be appropriated to the Board an additional $1,000,000 to carry out its administrative expenses under this Act and the Rock Island Railroad Employee Assistance Act.".

OBLIGATION GUARANTEES

SEC. 211. (a) The Secretary, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations of the Rock Island Railroad for purposes of providing employee protection in accordance with the terms of any employee protection agreement or arrangement entered into under section 205 of this title.

(b) Any obligation guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Rock Island Railroad.

(c) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $75,000,000.

(d) The total liability of the Rock Island Railroad in connection with benefits and allowances provided under any employee protection agreement or arrangement entered into under section 205 of this title shall not exceed $75,000,000.

(e) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with any employee protection agreement or arrangement entered into under section 205 of this title.

(f) Section 511(g) and section 516 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(g) and 836) shall not apply to any obligation guaranteed under this section.

EMERGENCY ROCK ISLAND ASSISTANCE

SEC. 212. (a) The Commission shall order directed service over any line of the Rock Island Railroad if the Secretary finds and certifies to the Commission that—

(1) a transportation emergency exists which cannot be resolved by a grant of interim operating authority over such line or by any other means;

(2) an application for the purchase of such line is pending with the Commission, and all circumstances indicate that the purchase transaction will be consummated; and

(3) grains or foods are ready to be shipped to market.

(b)(1) Not more than $6,000,000 of the funds available for expenditure by the Secretary out of the Railroad Rehabilitation and Improvement Fund established under title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821 et seq.) may be made available by the Secretary to the Commission for purposes of providing directed service under this section.

(2) Funds may be made available for directed service under this section without regard to the findings of the Secretary required under title V of the Railroad Revitalization and Regulatory Reform Act of 1976, and section 516 of such Act (45 U.S.C. 836) shall not apply to any directed service provided with such funds.

DIRECTED SERVICE

SEC. 213. (a) The Commission shall order directed service, for the two-year period beginning on the date of enactment of this title, over any commuter line of the Rock Island Railroad that was in operation on March 1, 1980, if the directed service carrier agrees to provide such service without payment under section 11125(b)(5) of title 49 of the United States Code.

(b) Notwithstanding any other provision of law, a commuter line of the Rock Island Railroad over which directed service is provided pursuant to this section may not be abandoned, and service over such line may not be discontinued, during the period of such directed service.

TEMPORARY RAIL BANKING

SEC. 214. During the 180-day period beginning on the date of enactment of this title, no rail line or facility of the Rock Island Railroad which has been approved for abandonment by the Commission or the bankruptcy court may be downgraded, scrapped, or otherwise disposed of without the approval of the Secretary under this section: *Provided*, That in no case before abandonment has been approved and before the 180-day period has elapsed shall the Secretary approve a disposition of said portion of the rail line or related facility to any carrier or other entity not engaged in providing railroad services or not formed for the purpose of providing railroad services. The Secetary, upon application by the Rock Island Railroad, shall grant such approval unless he finds that—

(1) a rail carrier, shipper, State, or other interested party has expressed in writing an interest in purchasing the particular rail line or facility for purposes of providing rail service; and

(2) there is a reasonable expectation that such purchase transaction will be consummated.

EXPEDITED PROCEEDINGS

SEC. 215. The Commission shall give any proceeding involving the Rock Island Railroad preference over all other proceedings pending before the Commission, and shall expedite such proceeding and make its decision therein at the earliest practicable time.

CONTINUATION OF TERMS OF COMPENSATION

SEC. 216. The terms of compensation for all trackage rights, joint facilities, and similar arrangements between other rail carriers and the trustee of the Rock Island Railroad which are in effect on the date of enactment of this title on portions of the lines of the Rock Island Railroad involved in temporary emergency operations shall be continued in effect during the duration of the temporary emergency operating authority with the carrier providing temporary emergency service substituting for the trustee. Such continuation shall not alter or affect the ultimate rights of other rail carriers under trackage rights, joint facilities, or similar arrangements, nor prejudice the ultimate determination of any controversy or proceeding concerning rights of the parties with respect to assignment by the trustee of rights in or to the facilities or under the arrangements.

TEMPORARY OPERATING APPROVAL

SEC. 217. (a) The Commission may authorize any rail carrier willing to do so voluntarily to use the tracks and facilities of the Rock Island Railroad or the Milwaukee Railroad. The use of such tracks and facilities shall be under such terms of compensation as the carriers establish between themselves, or if the carriers are unable to agree, under such term of compensation as the Commission finds to be reasonable.

(b) In carrying out the provisions of this subsection, the Commission shall require, to the maximum extent practicable, the use of the employees who would normally have performed work in connection with the traffic subject to the action of the Commission.

(c) As used in this section, the term "Milwaukee Railroad" means the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company.

APPLICABILITY OF NEPA AND EPCA

SEC. 218. The provisions of the National Environmental Policy Act and section 382(b) of the Energy Policy and Conservation Act (42 U.S.C. 6362(b)) shall not apply to transactions carried out pursuant to this title.

AUTHORITY OF THE RAILROAD RETIREMENT BOARD

SEC. 219. (a) The Board may prescribe such regulations as may be necessary to carry out its duties under this title.

(b) In carrying out its duties under this title, the Board may exercise such of the powers, duties, and remedies provided in subsections (a), (b), and (d) of section 12 of the Railroad Unemployment Insurance Act (45 U.S.C. 362 (a), (b), and (d)) as are not inconsistent with the provisions of this title.

PUBLICATIONS AND REPORTS

SEC. 220. Within 45 days after the date of enactment of this title, the Board shall publish, and make available for distribution by the Rock Island Railroad to all eligible employees, a document which describes in detail the rights of such employees under sections 204, 205, 206, and 207 of this title.

DEFINITION OF RESTRUCTURED MILWAUKEE RAILROAD

SEC. 221. Section 3(6) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 902 (6)) is amended to read as follows:

"(6) the term 'restructured Milwaukee Railroad' means the entity that is designated as the reorganized railroad under the reorganization plan for the Milwaukee Railroad finally certified by the Commission.".

SAVINGS PROVISION

SEC. 222. If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.

Amend the title so as to read: "An Act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes.".

UP AMENDMENT NO. 1092

(Purpose: Amendment in the nature of a substitute for language of S. 2253)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I move that the Senate agree to the House amendment to S. 2253 with an amendment which I send to the desk on behalf of Mr. CANNON, striking all after the enacting clause and substituting the amendment I have sent to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), on behalf of Mr. CANNON, proposes an unprinted amendment numbered 1092.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

"TITLE I

"SHORT TITLE

"SEC. 101. This title may be cited as the "Rock Island Railroad Transition Act".

"CONGRESSIONAL FINDINGS

"SEC. 102. (a) Congress hereby finds that—

"(1) a cessation of service over the Rock Island Railroad appears imminent;

"(2) a cessation of operations by the Rock Island Railroad would have serious repercussions on the economies of the States in which such railroad principally operates;

"(3) a cessation of service would have a dramatic impact on the farm economy due to the volumes and value of fertilizer and agricultural products moved on the Rock Island Railroad, damaging the economic viability of the Nation's grain producers and handlers by seriously impeding the movement of grain for both domestic and export sales;

"(4) a cessation of operations of the Rock Island Railroad would result in the loss of many thousands of jobs of railroad workers and other workers whose employment is dependent upon rail service over the lines presently operated by the Rock Island Railroad;

"(5) premature cessation of services over lines which are the subject of pending purchase application would result in harm to the shipping public and could imperil continuation of vital commuter service;

"(6) uninterrupted continuation of such services is dependent on adequate employee protection provisions covering Rock Island Railroad employees who are not hired by other railroads; and

"(7) for those Rock Island Railroad employees not hired by other rail carriers, there is no other practicable means of obtaining funds to meet the necessary costs of such employee protection that are assumed by the Rock Island Railroad.

"(b) The Congress declares that emergency measures set forth in this title must be taken to avoid extensive disruptions in transportation services in the areas served by the Rock Island Railroad.

"DEFINITIONS

"SEC. 103. As used in this title, the term—

"(1) 'Board' means the Railroad Retirement Board;

"(2) 'Commission' means the Interstate Commerce Commission;

"(3) 'employee' includes any employee of the Rock Island Railroad working for the Kansas City Terminal Railway Company on March 1, 1980, in its capacity as a directed service operator, but does not include any individual after he is offered employment in his craft with a rail carrier providing temporary service over Rock Island Railroad lines and which becomes the acquiring carrier of such lines, or any individual serving as president, vice-president, secretary, treasurer, comptroller, counsel, member of the board of directors, or any other person performing such functions; and

"(4) 'Rock Island Railroad' means the Chicago, Rock Island, and Pacific Railroad Company.

"SERVICE CONTINUATION

"SEC. 104. (a) Directed service over the lines of the Rock Island Railroad which were in operation on March 1, 1980, shall be continued by the Commission through the 45th day after the date of enactment of this Act.

"(b)(1) No later than 45 days after the date of enactment of this Act, the Commission shall issue a final decision on all applications for temporary emergency operating authority over lines of the Rock Island Railroad which are filed with the Commission prior to or on the 21st day after the date of enactment of this Act.

"(2) The terms of compensation for all trackage rights, joint facilities, and similar arrangements between other railroads and the trustee of the Rock Island Railroad which are in effect on portions of the lines of the Rock Island Railroad involved in temporary emergency operations under this subsection shall be continued in effect during the duration of the temporary emergency operating authority with the carrier providing temporary emergency service substituting for the trustee: *Provided, however,* That such continuation shall not alter or affect the ultimate rights of other railroads under trackage rights, joint facilities or similar arrangements nor prejudice the ultimate determination of any controversy or proceeding concerning rights of the parties with regard to assignment by the trustee of rights in or to the facilities or under the arrangements.

"(3) In its determination of the merits of such an application, the Commission shall give weight to continuation of service and other public interest benefits provided by any applicant carrier which performs or offers to perform temporary operations over the properties which are the subject of the application.

"(4) The trustee of the Rock Island Railroad shall receive compensation from the temporary emergency operator for the use of the properties and facilities of the Rock Island Railroad on reasonable terms determined by the Commission.

"(5) A decision by the Commission to authorize temporary emergency operations pursuant to this subsection shall be sufficient authority for the temporary emergency operator to enter upon and operate the properties and facilities of the Rock Island Railroad without permission of the trustee.

"(6) Decisions and determinations made by the Commission pursuant to the provisions of this subsection shall not be subject to review in any court except to insure that no less than the constitutionally required minimum compensation has been provided. Any appeal shall not stay the Commission's decision.

"(c)(1) Until December 1, 1980, the provisions of this section shall be in lieu of any directed service on any line of the Rock Island Railroad under section 11125 of title 49 of the United States Code. Notwithstanding the provisions of such section, payments under this section are authorized only to the extent that budget authority has been provided in advance in appropriations Acts.

"(2) Notwithstanding any other provision of law, the funds for directed service under this section and section 117 and section 118, not to exceed $25,000,000, shall immediately be made available to the Commission for implementation of the directed service provisions by the Secretary of Transportation out of funds appropriated under Public Law 96–131 to implement section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 or such other previously appropriated funds as the Secretary may deem appropriate. Funds shall not be made available pursuant to this provision until the Commission has exhausted its directed service funds.

"RAILROAD HIRING

"SEC. 105. Each person who is an employee of the Rock Island Railroad on March 1, 1980, and who, prior to September 30, 1980, is separated or furloughed from his employment with such railroad or from his employment with another rail carrier providing temporary service over Rock Island Railroad lines (other than for cause) as a result of a reduction of service by any such railroad shall, unless found to be less qualified than other applicants, have the first right of hire by any other rail carrier which is subject to regulation by the Commission for any vacancy except where such priority would interfere with the achievement of a carrier's equal employment obligations under (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, which is required by Federal or State statute, regulation, or executive order, or by the order of a Federal or State court or agency; or (2) a permissible voluntary affirmative action plan: *Provided, however,* That any employee who does not accept any of the first three employment offers, in his craft, made pursuant to this section shall have no further rights under this section and section 107 of this title. For purposes of this section, a rail carrier shall not be considered to be hiring new employees when it recalls any of its own furloughed employees, and the rights afforded to Rock Island Railroad employees by this section shall be coequal to the rights afforded to Chicago, Milwaukee, Saint Paul, and Pacific Railroad Company employees by section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907).

"EMPLOYEE PROTECTION AGREEMENTS

"SEC. 106. (a) The Rock Island Railroad and labor organizations representing the employees of such railroad may, not later than 10 days after the date of enactment of this Act, enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad or a restructuring transaction carried out by such railroad. Such employee protection may include, but need not be limited to, interim employee assistance, moving expenses and separation allowances.

"(b)(1) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subsection (a) of this section within 10 days after the date of enactment of this Act, the parties shall immediately submit the matter to the Commission. No later than 30 days after the date of enactment of this Act, the Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection unless the Rock Island Railroad and the authorized representatives of its employees have entered into a labor protection agreement. For purposes of this subsection, the term 'fair and equitable' shall mean fair and equitable in accordance with the use of such term in section 9(c)(1) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 908(c)(1)).

"(2) Any agreement or order entered into pursuant to this section shall be accomplished within financial limitations set forth in sections 110 (c) and (d) of this Act.

"(c) Any order of the Commission entered pursuant to subsection (b) of this section may not be stayed by any court and is appealable directly to a United States circuit court of appeals having jurisdiction in the matter. Appeal to such court shall be filed within 5 days after entry of the Commission's order, and such court shall finally determine any appeal under this subsection within 60 days after the filing of an appeal. Review of determinations by such court under this subsection shall be limited to that normally afforded informal rulemaking.

"(d) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the Rock Island Railroad reorganization court shall authorize and direct the trustee of the Rock Island Railroad immediately to implement the arrangement, and such trustee and the labor organizations representing the employees of the Rock Island Railroad shall immediately implement the arrangement.

"(e)(1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into pursuant to this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

"(2) Benefits and allowances under an agreement or arrangement entered into under this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 110 of this title.

"(f) Any interim employee assistance received by any employee pursuant to this section shall be considered to be compensation solely—

"(1) for purposes of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); and

"(2) for purposes of determining the compensation received by such employee in any base year under the Railroad Unemployment Insurance Act.

"(g) The first sentence of section 7(b)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(7)) is amended by inserting "and the Rock Island Railroad Transition Act" immediately before the period at the end thereof.

"EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

"SEC. 107. (a) The Board shall prepare and maintain—

"(1) consistent with sections 105 and 15 of this title, a list of employees separated from employment who indicate a desire to appear on a list to be made available to rail carriers; and

"(2) a list of employment, by class and craft, available with rail carriers, based upon information submitted to the Board by the Rock Island Railroad and other rail carriers. Upon the request of any rail carrier, the Board shall make available to such carrier a copy of the list described in paragraph (1) of this subsection.

"(b) The Board shall maintain the lists required by subsection (a) of this section through December 31, 1984.

"ELECTION

"SEC. 108. (a) Any employee who receives any assistance under an employee protection agreement or arrangement entered into under section 106 of this title shall be deemed to waive any employee protection benefits otherwise available to such employee under (and except to the extent provided in an implementing agreement executed by employee representatives and any rail carrier acquiring or temporily serving Rock Island Railroad lines, which agreement shall be consistent with the Milwaukee Railroad Restructuring Act (45 U.S.C. 901 et seq.), no such temporary service or acquiring carrier shall have any liability to any Rock Island Railroad employee under, and upon execution of said implementing agreement by an acquiring carrier, as to employees hired by any acquiring carrier, the Rock Island Railroad shall have no further liability under) the Bankruptcy Act, (title 11 of the United States Code), subtitle IV of title 49 of the United States Code, or any other applicable contract or agreement.

"(b) Any employee of the Rock Island Railroad who is entitled to receive assistance under this Act shall, no later than April 1, 1981, file a statement with Board indicating whether such employee elects to receive (1) assistance under this Act; or (2) any employee protection benefits otherwise available to such employee under the Bankruptcy Act (title 11, United States Code), subtitle IV of title 49, United States Code, or any applicable contract or agreement.

"(c) With regard to any employee who elects benefits under subsection (b)(2) of this section, nothing in this title shall be deemed to determine or otherwise affect the priority status or timing of payment of, or the liability for a claim or claims, if any, for employee protection which might have existed in the absence of this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 109. There are authorized to be appropriated to cover administrative expenses of the Railroad Retirement Board under this title for fiscal year 1981 not to exceed $750,000. Such sums shall remain available for obligation until expanded.

"OBLIGATION GUARANTEES

"SEC. 110(a). The Secretary of Transportation, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations, not to exceed $50,000,000, of the Rock Island Railroad for purposes of providing employee protection in accordance with the terms of any employee protection agreement or arrangement entered into under section 106 of this title. Guarantees under this section shall be entered into without regard to the requirements of section 511(g) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(g)).

"(b) Initial obligations up to $30,000,000 guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Rock Island Railroad and shall be utilized prior to guarantee of additional obligations. Furthermore, additional obligations not to exceed $20,000,000 beyond obligations classified as administrative claims shall take priority in the Rock Island Railroad estate only to claims of common stockholders and shall be below the claims of general unsecured creditors of the Rock Island Railroad estate in existence or accruing as of April 1, 1980.

"(c) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $50,000,000. Furthermore, the guarantee of loans and commitments to guarantee loans are authorized for any fiscal year only to the extent and in such amounts as are provided in appropriation Acts.

"(d) The total liability of the Rock Island Railroad in connection with benefits and allowances provided under any employee protection agreement or arrangement entered into under section 106 of this title shall not exceed $50,000,000.

"(e) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with any employee protection agreement or arrangement entered into under section 106 of this title.

"(f) Section 516 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 836) shall not apply to any obligation guaranteed under this section.

"EXPEDITED PROCEEDINGS

"SEC. 111. (a) The Commission shall give all proceedings involving the Rock Island Railroad preference over all other pending proceedings related to rail carriers and make all of its decisions at the earliest practicable time.

"(b) The Commission shall, within 100 days of the filing of an application or such shorter period as the court may set, pursuant to section 17 of the Milwaukee Railroad Restructuring Act (45 U.S.C 915), reach a decision on all proceedings filed after January 1, 1980, which involve a sale, transfer or lease of any line of the Rock Island Railroad to a solvent carrier.

"TRANSACTION ASSISTANCE

"SEC. 112. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

'(h) PURCHASE OF ESSENTIAL PROPERTIES FOR COMMON CARRIER SERVICE.—(1) Notwithstanding subsections (a) through (g) of this section (other than subsections (b)(2) and (d)(3)), the Secretary shall, to the extent applications are filed, immediately purchase not less than $25,000,000 in redeemable preference shares, bonds, or trustee certificates convertible to redeemable preference shares, under this section as necessary to facilitate the purchase of properties of the Rock Island Railroad by responsible noncarrier entities to be used for common carrier rail service. Such entities may include, but are not limited to, an association or associations composed of representatives of national railway labor organizations, employee coalitions, and shippers (or any combination thereof) which wishes to acquire and rehabilitate Rock Island Railroad lines pursuant to a feasible employee or employee-shipper ownership plan. Such association could also contain any railroad or other responsible entity which wished to combine its property under common ownership with the property being acquired by the association. Such business plan shall be submitted to the Secretary on or before the date specified in section 104(a) of the Rock Island Railroad Transition Act, or such later date as the Secretary shall deem advisable. For purposes of this subsection, the term 'railroads' in subsection (a) of this section shall be deemed to include responsible noncarrier entities. This subsection shall apply only to purchase applications filed with the Commission prior to June 1, 1980.

'(2) The loan shall be granted upon such terms and conditions as insure that the applicant will be financially capable of making the requisite interest and principal payments without a drain on its financial resources: *Provided*, That the Secretary shall insure that all indebtedness under this section is secured.'.

"APPLICABILITY

"SEC. 113. The provisions of the National Environmental Policy Act and the Energy Policy and Conservation Act of 1975 shall not apply to transactions carried out pursuant to this title.

"AUTHORITY OF THE RAILROAD RETIREMENT BOARD

"SEC. 114. (a) The Board may prescribe such regulations as may be necessary to carry out its duties under this title.

"(b) In carrying out its duties under this title, the Board may exercise such of the powers, duties, and remedies provided in subsections (a), (b), and (d) of section 12 of the Railroad Unemployment Insurance Act as are not inconsistent with the provisions of this title.

"PUBLICATIONS AND REPORTS

"SEC. 115. Within 45 days after the date of enactment of this Act, the Board shall publish, and make available for distribution by the Rock Island Railroad to all eligible employees, a document which describes in detail the rights of such employees under sections 106, 107, and 108 of this title.

"SEPARABILITY

"SEC. 116. If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.

"AMENDMENTS TO MILWAUKEE RAILROAD RESTRUCTURING ACT

"SEC. 117. (a) Section 18 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 916) is amended—

"(1) by striking 'Until' and inserting in lieu thereof '(a) Except as provided in subsection (b) of this section, until'; and

"(2) by adding at the end thereof the following new subsection:

'(b) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, limited, however, to those lines or line segments where railroads, States, local governments or other entities have entered into agreements with the trustee of the Milwaukee Railroad for the acquisition of such lines or line segments, or where legislations currently pending before a State legislature which would provide for such State to tender a bona fide offer for acquisition of such lines or line segments. The Commission shall have authority under this subsection to direct service by the Milwaukee Railroad without inclusion of a 6 percent profit factor. The Commission shall take the action described in this subsection only in the event that the Secretary of Transportation determines that such service cannot be continued under the Emergency Rail Service Assistance Act.'.

"(b) Section 22(a) of such Act (45 U.S.C. 920(a)) is amended by striking 'Until' and inserting in lieu thereof 'Subject to the provisions of section 18 of this Act, until'.

"PROVIDE A REASONABLE TRANSITION AND CONTINUED SERVICE ON LINES SERVED BY THE MILWAUKEE RAILROAD

"SEC. 118. (a) The Commission shall provide for directed service, not to exceed 30 days, on the Milwaukee Railroad under section 11125 of title 49, United States Code, and such service shall be provided in whole by the Milwaukee Railroad without regard to the limitation concerning directed rail service by a carrier over its own lines, limited however, to—

"(1) such lines of its railroad system for which firm initial bids of purchase have been made by responsible parties prior to the date of enactment of this subsection, pursuant to the process carried out under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654), and such bids remain effective: *Provided, however*, That this requirement shall not apply to lines where alternative operators are operating such lines under interim service orders or where alternative operators are willing to operate said lines at no cost to the United States; and

"(2) those lines included in the reorganization approved, conditionally or unconditionally, by the Commission.

"(b) The service shall be at a level no less than the regular level of service provided as such service existed on October 15, 1979, except as provided in subparagraph (1) of this section, and there shall be no embargo traffic on such lines (other than when necessitated by acts of God or other safety requirements), or abandon or discontinue service over any such lines.

"(c) The Interstate Commerce Commission, through its Bureau of Investigation and Enforcement, shall promptly investigate and report to the Congress within 30 days after the enactment of this Act, the extent to which the Milwaukee Railroad has complied with the amendments made by subsection (a) of this section and whether the Milwaukee Railroad has taken the steps necessary to comply with section 22(c) of the Milwaukee Railroad Restructuring Act.

"RAIL TECHNOLOGICAL IMPROVEMENTS

"SEC. 119. Notwithstanding any other provision of law, the Federal Railroad Administration shall have the authority and discretion to exempt from the mandatory requirements of the provisions of the Act of March 2, 1893, the Act of March 2, 1903, and the Act of April 14, 1910 (45 U.S.C. 1 through 16), also referred to as the Safety Appliance Acts, any railroad equipment, or equipment which will be operated on rails, when such requirements preclude the development or implementation of more efficient railroad transportation equipment or other transportation innovations under the existing statutes.

"AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION OF 1973

"SEC. 120. (a) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is amended by adding the following sentence after the first sentence thereof: 'For purposes of this subsection, the Railway Labor Executives' Association shall be deemed to represent all of the representatives of crafts or classes of employees of the Corporation and its subsidiaries as though that organization held powers of attorney from each representative of a craft or class for the limited purposes of negotiating and agreeing upon an employee stock ownership plan.'.

"(b) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is further amended by adding the following sentence after the second sentence thereof: 'The plan shall not be subject to change under the provisions of section 6 of the Railway Labor Act until after such time as securities have been distributed from the plan to the participants in the plan or their beneficiaries pursuant to the terms of the plan.'.

"(c) Section 216(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726 (f) is further amended by adding the following at the end thereof:

'(8)(A) Except as provided in subparagraph (B), no person described in subparagraph (C) shall have or be subject to any fiduciary responsibility, obligation or duty, nor shall any such person be subject to civil liability, under any Federal or State law, as a fiduciary or otherwise, (i) in connection with the employee stock ownership plan and related trust established by the Corporation pursuant to the requirements of this subsection or with ConRail Equity Corporation on account of any reorganization or restructuring of the Corporation, its successors or assigns, or their assets or capital structure, or on account of any action taken or not taken by the Corporation which may affect its ability to attain the performance levels established in connection with the plan pursuant to paragraph (2)(A)(ii) of this subsection, (ii) for or in connection with the establishment, continuation or implementation of the plan and related trust or of ConRail Equity Corporation or the acquisition of, investment in or retention of any security of the Corporation or ConRail Equity Corporations, or of any of their successors and assigns, by the plan or ConRail Equity Corporation, or the disposition of any such security to the extent that such disposition is made in connection with a reorganization or restructuring of the Corporation, its successors and assigns, or their assets or capital structure, as directed or approved by or on behalf of the Association or the United States, or the acquisition or retention of any cash, security or other property received in connection with any such reorganization or restructuring, or (iii) for or in connection with any other action taken or not taken pursuant to any term or condition of the plan or related trust agreement or of the articles of incorporation or bylaws of ConRail Equity Corporation: *Provided*, That any actions described in clauses (i), (ii), or (iii) are taken at the direction, or with the consent of the Association.

'(B) Subparagraph (A) shall not be interpreted to relieve any person from any fiduciary or other responsibility, obligation or duty under any Federal or State law to take or not to take actions in respect to the plan in connection with (i) receiving contributions, (ii) exercising custodial responsibilities, (iii) determining eligibility to participate in the plan, (iv) calculating, determining and paying benefits, (v) processing and deciding claims, (vi) preparing and distributing plan information, benefit statements, returns and reports, (vii) maintaining plan records, (viii) appointing plan fiduciaries and other persons to advise or assist in plan administration and (ix) other than as provided in subparagraph (A), acquiring, holding or disposing of plan assets.

'(C) The term 'person' as used in subparagraph (A) shall mean each of the following:

'(i) the trustee or trustees of the plan, the Corporation and its subsidiaries, ConRail Equity Corporation, the Association, and any of their successors and assigns:

'(ii) each director, officer, employee, and agent of the Corporation of any of its subsidiaries, of Conrail Equity Corporation, of the plan, of the Association or of any of their successors and assigns; and

'(iii) each member of the Finance Committee and any of their employees and agents.

'(D) Neither this paragraph nor paragraph (9) shall be construed to grant immunity from any criminal law of the United States or of any State or the District of Columbia.

'(9) The United States shall indemnify, defend and hold harmless the persons described in paragraph (8)(C) from and against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses (including reasonable fees of accountants, experts and attorneys) actually incurred in connection with the establishment, implementation or operation of the plan or Conrail Equity Corporation or with any transaction which is required by or is appropriate to effectuate fully the provisions of this subsection, except as may rise in connection with the execution of a responsibility, obligation or duty excluded from paragraph (8)(A) by paragraph (8)(B), if it is determined that such persons were acting in good faith. The indemnity provided in this paragraph shall be a full faith and credit obligation of the United States.

'(10) All securities of the Corporation, all securities of any subsidiary of the Corporation and of Conrail Equity Corporation and all interests in the employee stock ownership plan which are issued or transferred in connection with the employee stock ownership plan established by the Corporation pursuant to the requirements of this subsection shall be deemed for all purposes to have been issued subject to and authorized and approved pursuant to section 11301(b) of title 49 of the United States Code and any corresponding provision of any successor statute.'.

"TITLE II

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Northeast Corridor Completion Act'.

"FINDINGS AND PURPOSE

"(1) completion of the Northeast Corridor improvement project has taken far longer than originally expected and requires more funding than originally authorized;

"(2) in a time of inflation and severe budget limitations, such an improvement program should have definite limits in both time and funding committed;

"(3) the efficient and orderly management and funding of rail passenger service requires that the Northeast Corrider improvement project be eventually terminated as a separate program and that future improvements in the Northeast Corridor be integrated into the budget of the National Railroad Passenger Corporation so that any future improvements can be compared with and considered with other expenditures which might be undertaken elsewhere in the Nation; and

"(4) within 5 years, the National Railroad Passenger Corporation should recover all costs of operation in the Northeast Corridor and, following completion of the Northeast Corridor improvement project, the Corporation should also recover the costs of any subsequent capital improvements.

"RAIL PASSENGER CORRIDOR SERVICE

"SEC. 203. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

"(1) in the first sentence, by striking 'goals:' and inserting in lieu thereof 'goals to the extent compatible with the amount of authorizations specified in section 704 of this title:';

"(2) in paragraph (1)(A)(i) thereof, by striking 'Within 5 years after the date of enactment of this Act,' and inserting in lieu thereof 'No later than September 30, 1985,';

"(3) in paragraph (1)(E), by inserting '(i)' immediately after the paragraph designation (1)(E), and by striking '(i)' and '(ii)' in such paragraph and inserting in lieu thereof '(I)' and '(II)', respectively;

"(4) in the fourth sentence of paragraph (1)(E)(i), as so redesignated, by striking '6' and inserting in lieu thereof '10'; and

"(5) by adding at the end of paragraph (1)(E) the following new subparagraph:

'(ii) Within 12 months after the date of enactment of the Northeast Corridor Completion Act, the Comptroller General of the United States shall submit to the Congress a report on rail passenger corridor service. Such report shall include (I) an evaluation of the potential costs and benefits of improvements in the Northeast Corridor and of developing rail passenger service in other corridors, and (II) proposals on the manner in which costs should be shared or trackage rights fees established between rail freight and passenger service. In the preparation of such report, the Comptroller General shall consult with the Department of Transportation, the National Railroad Passenger Corporation, the Association, affected railroads, and other interested parties. The Comptroller General, in preparing such report, shall consider such factors as congestion, delays to both passengers and freight, fuel efficiency, safety, the control of train operations, and the impact of diversion to other modes and the impact of diversion on other modes. In carrying out this subparagraph (E) (ii), the Comptroller General may use unobligated funds, previously appropriated for fiscal year 1980 and available to the General Accounting Office for the purpose of carrying out studies, if there are such funds, or such sums as may be appropriated to the General Accounting Office to carry out such studies for the fiscal year 1981. Sums used in carrying out this subparagraph shall not exceed an aggregate of $5,000,000.

"SEPARATION OF PASSENGER AND FREIGHT TRAFFIC

"SEC. 204. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is further amended—

"(1) by inserting '(A)' immediately after the paragraph heading in paragraph (3) and by adding at the end of such paragraph the following:

'(B) Within 6 months after the date of enactment of the Northeast Corridor Completion Act, the Department of Transportation shall develop plans for alternate off-corridor routings of freight traffic over lines along the Northeast Corridor between Washington, District of Columbia, and the New York Metropolitan area including intermediate points.

'(i) The Secretary may enter into agreements with rail freight carriers and regional transportation agencies for a period of no less than 5 years to provide for the implementation by such rail carriers of the off-corridor routings on such terms and conditions as the parties may agree. Promptly upon reaching such agreement, the Secretary shall apply to the Commission for approval of the agreement and all related agreements accompanying such application.

'(ii) If the Commission finds that approval of such agreements is necessary to carry out the purposes of this Act, it shall within 90 days approve such application and related agreements including the provision of service and/or use of tracks and facilities as provided in said application.

'(iii) If the Secretary and any other involved rail freight carriers are unable to reach the agreement or agreements necessary as provided in clause (i) of this subparagraph, the Secretary may, with the consent of all involved rail freight carriers, make application to the Commission which shall, within 90 days after such application, if it finds that doing so is necessary to carry out the purposes of this Act, find the terms and conditions for the agreement necessary and such terms and conditions shall be binding upon all involved rail freight carriers.

'(iv) Within 12 months after the date of enactment of the Northeast Corridor Completion Act, the Secretary shall submit to the Congress a report on:

'(I) an evaluation of the extent to which passenger and freight operations should be separated in the Northeast Corridor; and

'(II) an evaluation of any operational, safety, maintenance, or other problems of mixing freight and passenger service on the same rail lines. In the preparation of such report, the Secretary shall consult with the Comptroller General of the United States, the National Railroad Passenger Corporation, the Association, affected railroads, and other interested parties. The Secretary, in preparing such report, shall consider such factors as congestion, delays to both passengers and freight, fuel efficiency, safety, the control of train operations, and the impact of diversion to other modes and the impact of diversion on other modes."; and

"(2) by adding at the end thereof the following new paragraph:

'(6) ELIMINATION OF CONGESTION.—The elimination, to the maximum extent practicable, of congestion in rail freight and rail passenger traffic at the Baltimore and Potomac Tunnel in Baltimore, Maryland, by the rehabilitation and improvement of such tunnel and the rail lines approaching such tunnel, for purposes of implementing the Northeast Corridor improvement project under this title.'.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 205. (a) Section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) is amended—

"(1) in paragraph (1) thereof, by striking '$1,600,000,000 to remain available until expended' and inserting in lieu thereof '$2,313,000,000 to remain available until September 30, 1985';

"(2) by striking the period at the end of paragraph (3) and inserting in lieu thereof '; and'; and

"(3) by adding at the end thereof the following new paragraph:

'(4) $37,000,000 to remain available until expended in order to effectuate the goals of section 703(3) and section 703(6) of this title.'.

"(b) The amendments made by subsection (a) of this section shall take effect on October 1, 1980.

"(c) Section 704 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854) is further amended by adding at the end thereof the following new subsections:

'(h) ACQUISITION OF REAL PROPERTY.—The Secretary is authorized to acquire for the United States, by lease, purchase, condemnation, or otherwise, title to any interest in real property, including, without limitation, lands, easements, and rights-of-way, and any other property interests, including, without limitation, contract rights, which the Secretary deems necessary to effectuate the goals of section 703 of this title.

'(i) REIMBURSABLE AGREEMENTS.—Where a portion of the costs of improvements authorized under section 703 of this title are to be borne by State or local governmental entities or other responsible parties, the Secretary is authorized to enter into agreements with such cost-sharing parties providing for the Secretary to carry out such improvements with funds appropriated pursuant to this section and requiring reimbursement to the Secretary by the cost-sharing parties of their portion of the costs of such improvements. Where the Secretary has entered into such reimbursable agreements, the Secretary is further authorized to incur obligations for contracts to carry out such improvements in anticipation of such reimbursement to such extent or in such amounts as may be contained in appropriation Acts. Funds reimbursed to the Secretary shall be credited to the appropriation originally charged for the costs of such improvements to be available for further obligation.

'(j) EXCESS EQUIPMENT AND OTHER PROPERTY.—Notwithstanding the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) or of any other law, the Secretary may transfer to the National Railroad Passenger Corporation, in accordance with procedures which the Secretary shall establish, excess real or personal property from the Northeast Corridor improvement project. As a consideration to the United States for such transfer, property so transferred shall be made subject to the mortgage entered into pursuant to subsection (e) of this section. For purposes of this subsection, the term 'excess real or personal property' means—

'(1) any interest in real property acquired under the authority of subsection (h) of this section which is determined by the Secretary to be (A) usable by the National Railroad Passenger Corporation; and (B) no longer required by the Federal Government in order to implement the Northeast Corridor improvement project; or

'(2) any item of personal property, such as equipment, which is acquired with funds authorized under this section.'.

"MANAGEMENT GOAL

"SEC. 206. Section 701 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851) is amended by adding at the end thereof the following new subsection:

'(d) MANAGEMENT GOAL.—(1) It shall be a goal of the National Railroad Passenger Corporation to manage its operating costs, pricing policies, and other factors so that annual revenues derived from the operation of intercity rail passenger service over the Northeast Corridor spine between Washington, District of Columbia, and Boston, Massachusetts, shall equal or exceed:

'(A) 60 percent of the annual operating costs of providing such service in fiscal year 1981;

'(B) 75 percent of the annual operating costs of providing such service in fiscal years 1982 through 1985;

'(C) 100 percent of the annual operating costs of providing such service in fiscal years 1986 and 1987; and

'(D) in subsequent fiscal years, 100 percent of the annual operating costs of providing such service plus the annualized cost of any capital improvements undertaken after fiscal year 1985.

'(2) The National Railroad Passenger Corporation shall submit to the President for transmission to the Congress an annual report on the success of the National Railroad Passenger Corporation in meeting this goal.'.

"TRANSFER OF AUTHORITY

"SEC 207. (a) Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.) is amended by redesignating sections 705 and 706 as sections 706 and 707, respectively, and by inserting after section 704 the following new section:

'TRANSFER OF AUTHORITY

'SEC. 705. (a) Effective October 1, 1985, the Secretary shall transfer to the Corporation all authority and responsibility for carrying out the Northeast Corridor improvement project and implementing the goals of section 703 of this title.'.

"(b) Effective October 1, 1985, section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

"(1) by striking 'Secretary' the first place it appears and inserting in lieu thereof 'National Railroad Passenger Corporation';

"(2) in paragraph (1) (D), by striking 'the Secretary and';

"(3) in the fifth sentence of paragraph (1) (E), by striking 'Secretary' and inserting in lieu thereof 'Corporation';

"(4) in the first sentence of paragraph (5), by striking 'Secretary' and inserting in lieu thereof 'Corporation';

"(5) by striking the second sentence of paragraph (5); and

(6) in the last sentence of paragraph (5), by striking ', together with the Secretary,'.

"(c) The table of contents of the Railroad Revitalization and Regulatory Reform Act of

1976 is amended by striking the items relating to sections 705 and 706 and inserting immediately after the item relating to section 704 the following:

'Sec. 705. Transfer of authority.
'Sec. 706. Conforming amendments.
'Sec. 707. Facilities with historical or architectural significance.'.

"WORKING CAPITAL FUND

"SEC. 208. Section 9 of the Department of Transportation Act (49 U.S.C. 1657) is amended by adding at the end thereof the following new subsection:

'(r)(1) The Secretary is authorized to establish a working capital fund for financing the activities of the Transportation Systems Center. Such fund will be effective on October 1, 1980, and shall be available without fiscal year limitation. The Transportation Systems Center is authorized to perform research, development, test, evaluation, analysis, and other related activities as the Secretary may direct for thhe Department and other Government agencies and, when approved by the Secretary or his designee, for State and local governments, other public authorities, private sources, and foreign countries.

'(2) The capital of the fund shall consist of—

'(A) the net assets of the Transportation Systems Center as of October 1, 1980, including any unexpended advances made to the Center for which valid obligations are incurred as of September 30, 1980;

'(B) any appropriations to the fund, which are hereby authorized to be made; and

'(C) the fair and reasonable value of property or other assets transferred to the fund after September 30, 1980, by the Department and other agencies of the Government less the related liabilities and unpaid obligations, and the fair and reasonable value of property or other assets donated to the fund from other sources.

'(3) The fund shall be reimbursed or credited with advance payments from applicable funds or appropriations of the Department and other Federal agencies, and with advance payments from other sources, as authorized by the Secretary or his designee, for services provided at rates that will recover the expense of operation, including accrual of annual leave and overhead, and for acquisition of property and equipment in accordance with regulations to be issued by the Secretary. The fund shall also be credited with receipts from the sale or exchange of property or in payment for loss or damage of property held by the fund.

'(4) At the close of each fiscal year, there shall be transferred into the Treasury as miscellaneous receipts any funds accumulated which the Secretary determines to be surplus to the needs of the working capital fund.'.

"AMENDMENT TO RAIL PASSENGER SERVICE ACT

"SEC. 209. Effective October 1, 1980, section 601(b)(3) of the Rail Passenger Service Act of 1970 (45 U.S.C. 601(b)(3)) is repealed.

"PRIORITIES FOR IMPROVEMENTS

"SEC. 210. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 is further amended by adding at the end thereof the following new paragraph:

'(7) PRIORITIES FOR IMPROVEMENTS.—The following considerations shall be applied to the selection and scheduling of specific projects, in the following order:

'(A) safety of the passengers and users of the Northeast Corridor must be paramount, and safety-related items should be completed prior to other items;

'(B) potential ridership should be considered, with those activities which benefit the greatest number of passengers completed before those involving fewer passengers;

'(C) reliability of intercity passenger service must be emphasized;

'(D) trip-time requirements of this Act must be achieved to the extent compatible with the priorities cited in subparagraphs (A) through (C) of this paragraph;

'(E) reducing maintenance cost levels is desirable, and improvements which will pay for the investment by achieving lower operating or maintenance cost should be implemented;

'(F) on-time performance of Corridor commuter and freight operations must be optimized, and construction operations should be scheduled in order that the fewest possible passengers are inconvenienced and service is maintained; and

'(G) planning should focus on completing activities which will provide immediate benefits to the users of the Northeast Corridor.' ".

Mr. ROBERT C. BYRD. Mr. President, this amendment is S. 2253 as originally passed by the Senate on March 6, 1980, as title 1.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. Now, Mr. President, I move that the Senate insist on its amendment to the House amendment, that the Senate request a conference with the House on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Chair appointed Messrs. CANNON, LONG, STEVENSON, PACKWOOD, and KASSEBAUM conferees on the part of the Senate.

The PRESIDING OFFICER. Is there further morning business?

ORDER FOR RECOGNITION OF SENATOR STEWART TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. STEWART be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TODAY TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SOFT DRINK INTERBRAND COMPETITION ACT

The PRESIDING OFFICER. Under a previous order, the Senate will proceed to the consideration of S. 598, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 598) to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1093

(SUBSEQUENTLY AMENDMENT NO. 1756)

(Purpose: To assure that S. 598 is not in any way interpreted to authorize enforcement of the territorial restrictions used in the industry by means which would otherwise be illegal under the anti-trust laws)

Mr. BAYH, Mr. President, I send to the desk an amendment to S. 598 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an unprinted amendment numbered 1093:

On page 3, insert the following new Section 5:

SEC. 5. "Nothing contained in this Act shall be construed to legalize any acquisition of licensees engaged in the manufacture, distribution and sale of trademarked soft drink products which would otherwise be unlawful under section 7 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914."

UP AMENDMENT NO. 1094

(SUBSEQUENTLY AMENDMENT NO. 1757)

Mr. BAYH. Mr. President, I have an amendment that I should like to propose for the Senator from Mississippi (Mr. COCHRAN), who intended to be here, but he was called off the floor temporarily. Inasmuch as the parliamentary position is a bit delicate right now, I should like to send to the desk the amendment in the name of the Senator from Mississippi.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. ROBERT C. BYRD. Mr. President, that would require unanimous consent, would it not?

The PRESIDING OFFICER. The Senator is correct. It would take unanimous consent because a Senator cannot offer an amendment as long as he still has the right to modify it.

Mr. BAYH. I understand that the Senator from South Carolina is prepared to offer the amendment.

Mr. THURMOND. Mr. President, I offer the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) for Mr. COCHRAN proposes an unprinted amendment numbered 1094 to unprinted amendment numbered 1093:

After the period insert the following:

"Nothing contained in this Act shall be construed to legalize enforcement of the territorial provisions described in this Act by

means of horizontal restraints of trade which would otherwise be unlawful."

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. Can an amendment in the second degree be offered prior to the time the rollcall has been asked for in connection with an amendment in the first degree?

The PRESIDING OFFICER. The Chair advises that it certainly may.

Mr. METZENBAUM. I thank the Chair.

Mr. BAYH. Mr. President, the measure before us is a measure which the Senator from Indiana and some 80 of our colleagues have been working to get passed over the past couple of years. It basically deals with the preservation of the franchise agreement of the soft drink bottling industry. It is critical to the continued existence of hundreds of small bottling companies in the country.

I think that the best course of action would be—I respectfully ask the leader's advice and also that of my distinguished colleague from Ohio, who is also my very dear friend. I very rarely find myself in dispute with him, but on this one, we are on opposite sides of the issue. I wonder if wisdom might not suggest that we wait until tomorrow to make our major presentations on this bill.

Mr. ROBERT C. BYRD. Is the Senator asking me?

Mr. BAYH. I shall follow the will of our leader and of the Senator from Ohio.

The PRESIDING OFFICER. Will the Senator yield to the Senator from Ohio?

Mr. BAYH. I shall be glad to yield to the Senator from Ohio, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, the hour is 9 o'clock. The measure is an important one. I think that the comments of the Senator from Indiana, which I am certain are significant and persuasive—except to me and some others—should be made at an earlier hour of the day, some time tomorrow. At that time, I shall be prepared to address myself to the issue contained in this bill. I have no objection if we wait until tomorrow in order to debate this matter.

Mr. BAYH. Mr. President, I ask unanimous consent that on tomorrow, the Senator from Indiana and the Senator from Ohio will have the opportunity to debate this as if we were starting out initially, right out of the batter's box.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, what is the request?

Mr. BAYH. That tomorrow, we each start off with our first speech.

Mr. ROBERT C. BYRD. The Senator is asking unanimous consent that he be recognized immediately upon the resumption of the debate on this bill tomorrow and that Mr. METZENBAUM be recognized next, after him; is that it?

Mr. BAYH. Yes, Mr. President. What the Senator from Indiana was asking was unanimous consent that when we start tomorrow, each Senator who seeks recognition will be speaking for the first time. Unfortunately, that only applies to one Senator, namely, the Senator from Indiana.

Therefore, Mr. President, I ask unanimous consent that these brief remarks not be counted as a first speech on this subject.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I certainly have no objection. I assume that the ruling will be equally applicable to the Senator from Ohio, who did make some remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO TOMORROW, TUESDAY, MAY 13, 1980, AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 o'clock tomorrow.

The motion was agreed to and, at 9 o'clock p.m., the Senate recessed until tomorrow, Tuesday, May 13, 1980, at 11 a.m.

EXTENSIONS OF REMARKS

INTERIM FINDINGS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. BOB WILSON. Mr. Speaker, in passing the Education Amendments of 1978, the Congress included a provision creating a 10-member commission to study the Federal impact aid program. The commission was charged with the responsibility of evaluating the merits of the currently authorized program and with reporting to the Congress and the President its recommendations for continuation of assistance to school districts affected by Federal activity. On August 15, 1979, President Carter appointed the commission members. Its interim report was recently filed. I include portions of the report as a part of my remarks and want to call your attention particularly to the last section which deals with the question of continued funding:

INTERIM FINDINGS

The Commission has, at this time, completed only half of its evidence gathering task; no final judgments can be made regarding recommendations for changing existing law based on the evidence gathering to date. The Commission, through the hearing process and staff research, has gathered sufficient evidence to formulate general policies which can be the basis for the development of those recommendations.

A. VALIDITY OF THE UNDERLYING PREMISES OF THE PROGRAM

At this point, the evidence makes clear that many of the problems Public Law 874 was originally enacted to address still exist today. The Federal Government still owns vast areas of land and uses that land as places of residence for children in attendance in public schools and as places of employment for their parents. School districts still rely on property tax revenues to support their operations. Federal ownership and use of land thus continue to deprive local educational agencies of substantial amounts of revenues and to place children in their schools without adequate compensation for the cost.

While some school districts today rely less heavily on local real property taxation and while there has been some increase in the percentage of funds for public education that come from State sources, these changes in the pattern of financing public schools that have occurred since 1950 are not great enough to justify discontinuing the Impact Aid Program in the foreseeable future. They are significant enough, however, to merit adjustments in the program with respect to the method by which the amounts of payments are computed. These adjustments are more in line with determining a more accurate estimation of actual burden than with making any major changes in the underlying policies of the program, however.

Specifically, local educational agencies which rely upon real property taxes for revenues to support the operation of their schools continue to derive those revenues from taxation of residential property and commercial property; both are major factors in the tax base. So long as the Federal Government owns and uses land as places of residence and places of employment, it should carry a responsibility similar to that of a private land owner.

The Commission finds, as of this time, that the evidence thus far before the Commission—

(1) shows little, if any, dispute respecting the Federal obligation to assist in paying for the local share of the cost of educating children who both reside on, and live with a parent employed on, Federal property; and

(2) shows with respect to the education of children who either live in low-rent public housing or live with a parent employed on Federal property, there is no basis to justify a policy distinction between (1) and (2) at this time.

B. STATE AND LOCAL LAWS

Witnesses representing the Administration contended that the economic benefits resulting from Federal activities are sufficient to compensate local educational agencies for a major part of any burden placed upon those agencies by the Federal government. The Commission is giving this contention substantial consideration, questioning witnesses on economic impact issues, and tentatively finds:

(1) that if there are net economic benefits to the affected localities, the revenues from those benefits are primarily in the form of income and sales taxes imposed and used by State government and local units of general government, rather than by local educational agencies;

(2) that those revenues can only become available to local educational agencies through substantial changes in State laws which would affect fiscal independence of those agencies;

(3) that Federal policy should be neutral with respect to the relationship between the States and their subdivisions and with respect to fiscal independence of local educational agencies; and

(4) that the policy in favor of treating the Federal Government, to the extent practiced, as a private owner is sound and should be continued.

C. SCOPE OF THE STUDY

The evidence before the Commission which would support major reductions in the Impact Aid Program is based on a contention that the Federal Government must reduce expenditures generally and that among Federal priorities Impact Aid is of less importance than other items in the Federal budget. This contention does not speak to the merits of the program on its own terms but to the program's relative merits when measured against other meritorious Federal activities. The Commission finds:

(1) That budgetary considerations are political questions which change from year to year, based on many factors beyond the scope of this review and evaluation of the Impact Aid Program;

(2) The degree to which Federal activities constitute a burden on local educational agencies is relatively constant over the years and can be determined based upon factors within the scope of this review and evaluation;

(3) That budgetary considerations are not relevant to determining the magnitude of burden placed upon local educational agencies;

(4) That budgetary considerations, if they are to be a factor in the amounts paid to local educational agencies, should bear on determining the overall levels of appropriations for the program, and

(5) That, if those levels of appropriations are insufficient to compensate local educational agencies for the burdens placed upon them, the funds appropriated for the program should be allocated within the program on the basis of priorities which take into consideration the magnitude of the types of such burdens.

D. SUBJECTS OF RECOMMENDATIONS

The Plan of Study adopted by this Commission included as means for developing recommendations a series of special studies designed to focus upon the issues about which recommendations would be appropriate. The evidence to the Commission thus far appears to justify a decision to make recommendations on a number of issues. The Commission finds that recommendations should be made in the final report regarding the following issues:

(1) The kinds of ownership and use of land by the Federal government which warrant consideration in an Impact Aid program, including, but not limited to, Indian lands, low-rent public housing, post offices, and leasehold interests;

(2) The criteria, if any, which school districts should satisfy to be eligible for Impact Aid;

(3) Whether in-lieu-of-taxes payments from other agencies should be taken into consideration in determining the amount of Impact Aid payments;

(4) Compensation for the increased costs caused by sudden and substantial enrollments resulting from Federal activities;

(5) Whether the present provisions for including children of Cuban Refugees should be expanded to include Indochinese refugees and children of undocumented aliens;

(6) Whether local educational agencies should be compensated for the costs they incur in complying with Federal laws and regulations;

(7) The method of calculating the amounts to which local educational agencies are entitled;

(8) The obligation of the Federal Government with respect to the education of federally-connected children;

(9) State treatment of Impact Aid payments in their programs of payments to local educational agencies including equalization plans;

(10) The treatment of federally operated schools for military dependents; and

(11) Priorities in allocating funds when appropriations are insufficient to satisfy all entitlements.

E. CONTINUATION OF THE PROGRAM

Subsequent to the establishment of this Commission, the Administration submitted

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to the Congress a budget request which would, were it adopted by the Congress, result in a substantial reduction in the level of appropriations for the Impact Aid Program for fiscal year 1981 from those of fiscal year 1980 and preceding fiscal years. This request has been a major subject of concern in much of the evidence submitted during the Commission's hearings.

This situation began with the first witnesses at the Commission's first hearing after the Administration's representatives testified in favor of its budget request. The situation has continued to the point that many people who testified expressed concern about the continuation of the program even while the Commission is conducting its study.

It was in this context that the Commission was requested to submit to the Congress an interim or preliminary report and to make a recommendation concerning funding continuation of the program.

The Commission finds:

(1) that the hearings have revealed that any major reduction in the level of appropriations for Public Law 674 will cause serious disruptions in the operation of many schools and, in the case of the more heavily impacted districts, school closings;

(2) that there are local educational agencies (such as those with school districts wholly within the boundaries of military installations) which have limited or no local tax base and are, therefore, extremely or entirely dependent upon Impact Aid payments for their operation and for which payment of less than the full amounts to which they are entitled under existing law threatens their ability to continue operations;

(3) that any such reductions would so change the program as to defeat the value of the final report of this Commission;

(4) that on the basis of evidence about such factors as mobility of students, the disproportionate number of children in need of special services, the sudden fluctuation in enrollments, and the competition with private industry before the Commission there is justification for continuation of the program with some refinements; and

(5) that the basic premises of the program have validity today and will continue to have that validity until there is a major change in the structure of financing public education.●

NATIONAL CATTLEMEN'S ASSOCIATION ENDORSES H.R. 4646

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, I am proud to announce that the National Cattlemen's Association has joined the stampede in favor of the Capital Cost Recovery Act, H.R. 4646. In their newsletter, the Beef Business Bulletin, and in their 1980 policy resolutions, the NCA endorsed this proposal.

They recognize the important roles this legislation would play in recovering part of the enormous capital investment in a ranch or farm business. Their policy resolution states:

WHEREAS, the "Capital Cost Recovery Act," cointroduced by Congressman James R. Jones (D-OK) and Barber Conable (R-NY) . . . would allow a faster write-off of property used in a ranch or farm business and would simplify the depreciation rules; and

WHEREAS, NCA favors less complex depreciation provisions which allow a faster write-off of business property;

BE IT RESOLVED, That the NCA supports legislation which would allow a shorter depreciation period for property used in a ranch or farm business and which would simplify the depreciation rules.

Mr. Speaker, this bill is not directed toward a special interest group or a single industry. The aid it would give to a broad base of the American economy is reflected in its bipartisan support in Congress—nearly 300 of my colleagues are cosponsoring this bill.

Mr. Speaker, we want to brand the hide of the American economy with the stamp of this bill. That brand will show everyone just where we stand—for a sound stable American economy, achieved through a sane policy of depreciation and effective capital recovery.●

NUCLEAR CAVE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. WOLFF. Mr. Speaker, last Thursday I announced my opposition to the State Department's recommended sale of enriched uranium to the Government of India. The following editorial, which appeared in Friday's Wall Street Journal, evidences the fact that I am not a lone wolf in this controversy.

The editorial follows:

NUCLEAR CAVE

Having failed to face down communists in Afghanistan or Ayatollahs in Iran, President Carter has just struck an ecumenical note by caving to the Hindus. Despite Indira Ghandi's adamant refusal to accept safeguards against the diversion of nuclear materials for military purposes, Mr. Carter has decided the U.S. will continue to ship to India.

In 1974, India set off its "peaceful nuclear explosion" using explosives produced with fuel from Canada and heavy water provided by the United States. Canada immediately cut off uranium supplies, but the U.S. took no action. With the failure of successive administrations to wrestle a promise from India to cease further testing, the Congress banned shipments of nuclear fuel to any nation that did not allow international inspection of its nuclear power facilities. The ban took effect last March, but the President has utilized a doubtful interpretation of the law to reach his present decision.

Not only has the U.S. failed to get India to agree to inspection of its nuclear operations, Prime Minister Indira Gandhi has already implied that India may plan further nuclear explosions. In a Jan. 31 speech, she declined to rule out "peaceful nuclear experiments."

President Carter maintains that refusing to ship fuel to India would have two harmful effects. Such an action, he says, could lead to a "political breakdown" in the Indian subcontinent and it would have caused India to pull out of its nuclear cooperation pact with Washington, thus depriving the U.S. of any influence over future Indian nuclear developments.

In fact, nothing could be more destabilizing to the region than a decision to supply uranium to India without safeguards. Indian nuclear weapons development is a direct threat to its neighbors Pakistan and China—the two nations the U.S. has been trying to woo in the wake of the Soviet invasion of Afghanistan. President Carter's decision, therefore, will make cooperation with those two nations more difficult and will lend impetus to Pakistan's drive to develop its own nuclear bomb.

Moreover, the President's action signals to non-nuclear countries that they can go ahead with a nuclear bomb program with impunity. If they get caught at it, the United States is likely to do little more than kick up a minor diplomatic fuss. Worst of all, it adds to the already dangerous impression of American ineffectuality. Everyone in the world knows that the Indians double-crossed the U.S. by using nuclear materials for weapons purposes, and now everyone witnesses that the U.S. will not do anything about it, not even refuse to supply more nuclear materials. People, and nations, who issue invitations like that should not be surprised if they get walked over nearly everywhere.●

MARY GRAY

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. COURTER. Mr. Speaker, it is with great pleasure that I congratulate Mrs. Mary M. Gray of Ewing Township on her appointment as president of the New Jersey Federation of Business and Professional Women's Clubs, Inc. As a member of the State board of directors and manager of marketing services for Thiokol's Specialty Chemical Division, Mary is familiar with the intrinsic needs of the business community in New Jersey. Furthermore, her many years of involvement in Mercer County community affairs and other organizations such as the Delaware Valley United Way, the chamber of commerce, and the commission on women balance the enterprising aspect with a concerned approach to the needs of individuals.

Under the competent direction of Mary Gray, I think we will have cause to sit up and take note of the considerable contributions made by women in all professions to the benefit of the citizens of New Jersey.●

DOT 504 REGULATIONS—NOT FEASIBLE FOR ALL COMMUNITIES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. SYMMS. Mr. Speaker, I wish to insert in the CONGRESSIONAL RECORD a letter from Dick Eardley, the mayor of Boise, Idaho, regarding the Department of Transportation's 504 regulations which would require that half of the city's bus fleet be equipped with wheelchair lifts within 6 years. Mayor Eardley is seeking an exemption from these regulations for the city of Boise, because Boise has provided an excellent alternative transit system for the handicapped with door-to-door service by small vans equipped with wheelchair lifts. I support Mayor Eardley in his attempt to obtain this exemption, and I have been working with the city of Boise and the DOT to try and resolve this matter.

Along with Mayor Eardley's letter, I am also attaching a "Guest Opinion" written by Corky Carico, Jr., which appeared in the Idaho Statesman of March 1, 1980, discussing these regulations. Corky is a quadriplegic and a member of the Governor's Committee for the Handicapped, the Idaho Association of Physically Handicapped Adults and Paralyzed Veterans of America. Corky also feels that the DOT's 504 regulations are not workable for Boise and that the present system is far more preferable.

I urge my colleagues to read this letter and accompanying article, as they concisely cover the problems for smaller cities in complying with these regulations. I know many cities are trying to decide how they are going to retrofit half of their buses without substantial Federal assistance. It is important that we provide handicapped citizens with the means to get around in the cities, but equipping most of the public buses with wheelchair lifts may not be the best way.

OFFICE OF THE MAYOR,
BOISE CITY, IDAHO,
April 15, 1980.

Hon. STEVEN D. SYMMS,
Representative of Idaho, Room 2244, Rayburn Building, Washington, D.C. 20515.

DEAR REPRESENTATIVE SYMMS: We are writing this to call your attention to what we believe is a fertile field for the saving of substantial amounts of Federal and local funds, and specifically to seek your support for an action which will be of great benefit to the City of Boise.

Briefly, the situation is this. In order to continue to qualify for Federal support of municipal mass transit systems (80 percent grants for capital purposes and 50 percent for operating subsidies), such systems must be made fully accessible for transportation-handicapped riders by 1987. Under Department of Transportation Section 504 Regulations, this means that at least 50 percent of the bus fleet in a system like Boise's must have wheelchair lifts installed by that date, and all acquisitions of new buses must be so equipped.

Provision of a wheelchair lift adds $10,000 to the cost of a new bus. Of even greater concern is the fact that the lifts have proven to be serious and costly maintenance headaches, subject to frequent breakdowns, and in each such case the bus must be taken out of service until the lift is repaired. The City of Milwaukee, which has a climate not unlike that of Boise, has been using lift-equipped buses for about a year, and reports that the annual added cost per bus to maintain the lifts amounts to $1,500, and an average of 40 of their 100 lift-equipped buses are out of service at any given time because of lift problems. Use of the lift-equipped buses by wheelchair-bound people has been minimal, averaging less than one one-way trip each day for the entire 100 bus fleet since the service was started in April 1979. Furthermore, delays incident to boarding and unboarding wheelchair-bound people upset bus schedules, and would require more equipment to serve established routes if there was any substantial use of the system. Similar unsatisfactory results are reported by other cities, but the DOT persists in enforcing its regulations.

These are costly penalties, but they might be justified if the needs of transportation-handicapped people were fully served, and if there were no better alternatives, but neither of these circumstances prevail. While Boise bus routes fall within three blocks or so of most residents, the average transportation-handicapped person, particularly one using a wheelchair, finds it difficult if not impossible to navigate from home to bus stop, either because of lack of sidewalks, high curbs, or snow and cold in the winter. The same impediments apply but to a lesser extent in the downtown area when disembarking. So accessibility is provided at great cost, but not true mobility.

The alternative is door-to-door service by small vans equipped with wheelchair lifts. These vehicles, of which the Boise bus system now has six in service (in addition to a number of others operated by various social service agencies) respond to trip requests of transportation-handicapped people either on a scheduled or emergency basis. The needs of the handicapped are much better served, operating and maintenance costs are far less, bus schedules are not jeopardized, and the results are far superior in every respect. The attached "Guest Opinion" by a paraplegic in the March 1, Idaho Statesman states the case very succinctly.

The American Public Transit Association (APTA) is in full concurrence with the views expressed above, so much so in fact that APTA filed suit in the Federal District Court in Washington, D.C. seeking a permanent injunction against issuance of the DOT Section 504 regulations. Boise was the first city to join APTA in the suit, followed by eleven other cities. Unfortunately, while the court considered that the proposed regulations went beyond the intent of the law, it nevertheless found that issuance of the regulations was within DOT's authority. Additional information on the suit and the issues involved is available at APTA's Washington, D.C. office.

Boise is in the process of purchasing ten new buses, which in the absence of a waiver of DOT regulations must be lift-equipped. We have applied for a waiver, but so far this has not been granted, and the deadline by which time bus manufacture will start and the issue must be settled is June 1, 1980.

So our immediate request to you is that you use your good offices with the DOT to encourage the granting of a waiver on the provision of wheelchair lifts on the ten buses now on order for Boise. Beyond that, we suggest that a thorough investigation of the Section 504 regulations would expose their inordinate costs, their unsatisfactory service to transportation-handicapped riders, and their failure to consider the benefits of the alternative of demand-responsive door-to-door service.

We are sending letters identical to this to Senator McClure and Senator Church.

Sincerely,

DICK EARDLEY,
Mayor, Boise City.
WM. R. CHANDLER,
Chairman, Mayor's Transit Advisory Committee, Boise City.

WHEELCHAIR LIFTS ON BUSES CALLED WASTE OF MONEY

(By C. T. "Corky" Carico, Jr.)

Installing wheelchair lifts on buses is the craziest idea to come out of Washington, D.C., yet. It won't increase the mobility of the handicapped one bit, but it might wipe out mass transit for everyone. An extreme statement? I don't think so.

I don't doubt the sincerity of the coalition that pushed this legislation through Congress. But I believe they were more interested in civil rights than in promoting mobility for the handicapped.

Some members of the coalition have been quoted as asking, "Why should the disabled have to use something apart?" They were referring to van services that some cities have for handicapped riders."

My answer is: "Why not?" People in wheelchairs, like me, are different. We have special problems requiring special solutions. These solutions should not include lifts on transit vehicles. A regular city bus is not suitable for the vast majority of wheelchair users, no matter how accessible it may be.

The reason is obvious: Most of us cannot get to the bus stop. Our physical limitations, plus the natural and man-made barriers that exist between our homes and the bus stop, make it all but impossible for us to get there. Even a gentle slope on a paved street, if we had a curb cut to get to the street, would be enough to stop most wheelchair users from ever getting to the bus stop.

The idea of a "Transbus," a bus with a floor that can be lowered to within 18 inches of the ground, is silly. Quite aside from the enormous cost, the Transbus simply wouldn't do the job. A ramp would have to be extended for the wheelchair user. As most wheelchair users know, a ramp should not be steeper than 12 to 1. That means for every inch of height you have 12 inches of length. A ramp should be a minimum of 36 inches wide. A Transbus would have to have a ramp 18 inches long and 3 feet wide. This is ridiculous. But the Department of Transportation doesn't seem to realize it, so they're going ahead with the Transbus, neglecting the cost or whether it is practical. It isn't.

Some cities have experimented with accessible vehicles, and the results have been disastrous. San Diego retrofitted five regular buses with wheelchair lifts. They used the buses on two routes they thought would serve the most wheelchair users. It cost them at least $100,000 to install the lifts and keep them in working order. After 11 months of more or less continuous service (the lifts broke down a lot) they had registered a grand total of 162 wheelchair trips on both routes. This isn't much when you consider that during the same period they carried over 7 million passengers on the same routes. This figures out that the wheelchair users were about 0.000023 percent of the total ridership. And it cost San Diego over $615 for each trip taken by a wheelchair user.

St. Louis bought 157 lift-equipped buses. The lifts alone cost $904,000, and the maintenance of them from August 1977 through July 1978 cost $157,100. Apparently the lifts weren't very reliable. About 62 percent of them, and thus the buses they were attached to, were inoperable at any given time. But St. Louis kept trying and by August 1978, they had logged 958 trips by wheelchair users, or about four a day. This wasn't very good, but when they checked with their drivers they found that the situation was even worse than believed. All of those 958 trips were made by four people, who were apparently the only wheelchair users who could make it to the bus stops along 22 routes served by lift-equipped buses. The cost per trip? Nine hundred and forty-three dollars.

In Washington, D.C., the Metrorail subway system was sued so that it would be accessible to wheelchair users. The result was a tremendous cost overrun. Just how much no one really knows, but one transit expert has calculated that the 12 wheelchair trips taken each day cost $2,000 each.

Unfortunately, the Department of Transportation is ignoring these facts. It is going ahead with 504 regulations as originally proposed. The catastrophe is not limited to Washington, D.C., St. Louis or San Diego. Mass transit systems throughout the country are going to be affected. The estimated cost of making mass transit "accessible" to wheelchair users is $8 billion. To my knowledge Congress has not made funds available, and I doubt that it will. That much money won't be easy to come by in this day of tax reform, expecially when it would benefit so few and antagonize so many.

People generally are sympathetic toward the handicapped. But if transit systems are slowed to load a few wheelchairs, or are destroyed entirely, that sympathy will be turned to anger. That we don't need. Support for good legislation would be lost. It's a shame that all the work that went into passing this law hadn't been done in behalf of establishing a more practical and economical means of transporting the handicapped such as the Dial-A-Ride system currently operating in Boise and other cities.

The YMCA in Spokane operates one of the most successful of such systems. Twenty-four vans equipped with lifts, air-conditioners and two-way radios operate 12 hours a day on weekdays and eight hours a day on weekends. During 1978 more than 131,000 trips for the elderly and disabled were logged, including 12,000 trips by wheelchair users. The cost per trip was about $2.50.

Such systems work so well that I can't imagine why any disabled person would fight for wheelchair lifts on buses.

(C.T. "Corky" Carico Jr., a quadriplegic, is a former Payette County commissioner, a member of the Governor's Committee for the Handicapped, the Idaho Association of Physically Handicapped Adults and Paralyzed Veterans of America.)●

COMMEMORATING THE SONS OF ITALY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. MURTHA. Mr. Speaker, I want to recognize the Order of the Sons of Italy in America on the occasion of their Diamond Jubilee Year, commemorating their 75th anniversary.

The order is the oldest, largest, and most geographically representative organization of its kind in the United States. Since 1905 this group of proud Italians has served America with an enthusiasm and dedication that I am sure will last for another 75 years and beyond.

Throughout their long history, members of the order have given their time to many great causes, including: help for the tens of thousands of Italian immigrants who came to our shores in the early 20th century; building and maintaining orphanages for Italian children left homeless; and aid that is readily recognized in the area I represent—assistance to flood victims. The order contributed hundreds of thousands of dollars to flood victims in the city of Florence and earthquake victims in Sicily and Friuli. During the disastrous 1977 flood in Johnstown, I know of the effort of many of my personal friends in the local chapter who exemplified the order's tradition of humanitarianism and community spirit.

These are only a few examples of the fortitude and dedication exhibited by the Order of the Sons of Italy during their existence, and I am certain this tradition will continue to build on the great history of the order.●

HOUSE CONCURRENT RESOLUTION 285

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. BONKER. Mr. Speaker, recently we passed House Concurrent Resolution 285 which expressed the sense of Congress with respect to the disappearances of persons which is caused by the abduction and clandestine detention of those persons by the governments of foreign countries or by international or transnational terrorist organizations.

The question of missing and disappeared person has grown to constitute one of the most widespread and serious human rights violations in the modern world. In fact there is seldom a day when some horror story is not brought to my attention. As an example, on April 24, shortly after leaving his residence in San Salvador, Rene Tamsen who covers El Salvador for WHUR Radio in Washington, D.C., disappeared. Mr. Tamsen was involved in reporting the daily violations of human rights in El Salvador. It is my profound hope that Rene Tamsen will be found alive and well and I want to express my personal appreciation to U.S. Ambassador Robert White who I know is doing all he can to find Mr. Tamsen.

The International Organization Subcommittee of the House Foreign Affairs Committee which I chair held several hearings some months ago on the phenomenon of disappearances as a violation of human rights. Witnesses testified that this phenomenon is occurring around the world with numerous cases reported in Asia, Africa, and behind the Iron Curtain. However, most of the documented cases presented to us concerned Latin America generally and Argentina specifically.

Last week, the Organization of American States Inter-American Commission on Human Rights made public a strong and detailed report on human rights conditions in Argentina. I commend this report to my colleagues. One-third of the report is devoted to the problem of the disappeared and reaffirms the subcommittees findings concerning the disappeared in Argentina.

In summary, the Commissions report states "that due to the actions or the failure to act on the part of governmental authorities amd their agents, numerous serious violations of fundamental human rights, as recognized in the American declaration of the rights and duties of man were committed in the Republic of Argentina during the period covered by this report 1975-79." That, "Government security agents have killed numerous men and women after detaining them and security agents have engaged in systematic torture and other cruel, inhuman and degrading practices." The Commission further expressed its concern about "the circumstances relating to the thousands of detainees who have disappeared and who, for the reasons set forth in the report, based on evidence, may be presumed dead." The report also points out that it, "appears evident that the decision to form the command units that were involved in the disappearance and possible extermination of these thousands of persons was adopted at the highest levels of the Armed Forces * * *" and adds that the, "Commission is morally convinced that, in general, these authorities could not have been ignorant of the events as they were occurring and did not adopt the measures to terminate them."

Mr. Speaker, the problem of disappearances continues to demand our attention. We and all members of the international community must speak out. We must speak out because of the needs of the victims. We must speak out because of our feelings of compassion and we must speak out because it is our duty to send an unmistakable signal to the principal offenders that they will be checked and stopped.●

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. RODINO. Mr. Speaker, as a Member of Congress I am deeply committed to rebuilding America's cities. I know that Congress must accept its responsibilitiy to play a role in helping our cities, and that is why I have pushed for legislation that will provide jobs and development funds. However, I also know that rejuvenation of urban America must start with a spirit of hope, of commitment to a better way of life, and of selfless dedication to each individual community by the residents.

I want my colleagues to know that there are urban Americans who are actively involved—right now—in putting together the kind of cooperative effort and commitment on the local level that will win results in the months and years ahead.

I am proud that in my home city of Newark, there will be thousands of people on hand on May 18 to proclaim their commitment to building better cities. New Jersey's Black Heritage Day Parade will take place down Broad Street, Newark, on that day to proudly celebrate the contributions of black Americans.

It will be a uniquely American event. The parade will not only celebrate the rich cultural heritage of our country, but will particularly recognize the struggles, the frustrations, the hopes, and the victories of America's black citizens. Dr. Martin Luther King may have said it best in his letter from a Birmingham jail in 1963, when he reminded his brothers and sisters, "Abused and scorned though we may be, our destiny is tied up with America's destiny."

I think that in 1980 the meaning of Dr. King's words is very clear—that the destiny of America is indeed tied up with the destiny of its black people.

The parade in Newark on May 18 is a celebration of this theme and a renewed affirmation to build a better future for our cities—and in particular Newark, East Orange, and other New Jersey cities. The black Americans in my district will play a vital role in that future.

Mr. Speaker, I will be honored to join the parade's grand marshal, Kenneth A. Gibson, the mayor of Newark, as well as Mr. Kurt A. Culbreath, the parade's chairman, and Mr. Michael Terrell and Mr. Harold Edwards, the cochairmen of the parade. These men and many other men and women on the parade committee have worked hard to put together this important event.

I believe it will be a success because the people participating will carry on the message of Black Heritage Day—to celebrate the contributions of black Americans and to work together for a better future.●

LET US REBUILD, AMERICA

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. KINDNESS. Mr. Speaker, I would like to bring to the attention of my colleagues the text of remarks given recently by C. William Verity, chairman of the board of Armco Steel, upon the occasion of the beginning of his term as president of the Chamber of Commerce of the United States.

His remarks are typical of the strong, constructive leadership he has provided Armco. Under his leadership, we can expect the chamber to provide strong, constructive assistance to the task we have in rebuilding the economic might of America.

The address follows:

LET US REBUILD, AMERICA

Assuming this new position is an enormous challenge for me. I believe, indeed I know, America is in danger. Economically, politically and militarily, we're in real trouble. And I'll be quite frank with you—near 20 percent interest rates and inflation are so new, and so high, that I don't know just how frightened I am.

I see an America threatened abroad by foreign ideologies—one holding Americans prisoner because they are Americans, another rolling over a primitive people sitting astride our energy life-lines.

I see our economy threatened by an unfriendly oil cartel, OPEC.

I see an industrial plant whose major sectors are plagued by sagging productivity, under seige by foreign competitors, with unemployment spreading.

I see a shrunken defense capability, lacking manpower, starved for new defense systems and anything but ready to confront the challenges which face us today.

I don't believe in sitting back and talking about how things are getting worse. And I don't believe in hand wringing—silent or otherwise.

I do believe in what you and I can do as U.S. Chamber members, through our national officers and staff, through our local chambers and through Associations.

We can't afford the luxury of blaming others for our plight. It is not "them" that are to blame—it is us.

We have been on the defense too long. We have reacted—rather than led. We must go on the offensive with positive programs—positive programs aimed directly at solving the major problems of America. We must turn our country around.

So let's talk, ladies and gentlemen, about why we are all here, about what our country urgently needs most. We must rebuild America. We need to focus on these three fundamental tasks.

First, we must rebuild the economic base of the nation and get our domestic economy back on track by cutting federal spending and providing incentives to save and invest.

Second, we must become again the Yankee Trader of old and increase our ability to excel in world markets. That will allow us to create jobs, eliminate trade deficits and strengthen our economy.

Third, we must rekindle people's confidence in their institutions—family, church, school, community and government—by reasserting each individual's, each chamber member's role and personal involvement in the political process—especially in 1980.

Now, let me touch briefly on these three major areas.

The first, rebuilding the economic base of America, requires putting our domestic house in order. This, in turn, will require six dramatic changes from present policy. They include the need to: Lower inflation through reduced federal spending and close control over the money supply; re-industrialize, re-capitalize and innovate; reduce individual tax burdens and encourage savings and investment; eliminate regulatory waste and confusion; develop our rich resource base, and, finally, rearm and lead the free world through strength and resolve.

First, curing the cancer of 19 percent inflation means the federal budget must be balanced by real, and not phony, spending cuts. Unfortunately, Federal Reserve Chairman Paul Volcker—God bless him—is currently the only one doing anything about inflation. We must support him, because his medicine of controlling the money supply is the surest, although painful, way to cure the cancer of inflation.

One way to make his job easier is to insist the Administration and Congress cut the 1981 budget by $25-$30 billion. Then, to control future deficits, they must put a cap on federal spending and gradually reduce it by 1 percent per year, until it reaches 18 percent of GNP.

By reducing spending, we can leave more money in private hands and increase productivity with the second and third changes needed to rebuild America's economic base: modernization of our plant and equipment, and reductions of individual tax burdens to encourage greater saving and investment.

America, the can-do country, the pioneer in technological innovation and the leader of the western world, now risks becoming none of the above unless it moves fast to arrest and reverse its plunging rate of productivity. We know that productivity can only be increased through capital investment. That's the engine that makes our system go. So how do we increase capital investment?

Reform of depreciation through a simplified capital cost recovery system and schedules, reduced rates of taxation on all business—large and small—will help provide more investment capital for modernization and expansion, and with that, new jobs.

But just as clearly, we must also reduce the tax burden on individuals and encourage a higher level of personal savings and investment.

A country's rate of savings measures its economic readiness for the tomorrows. But by any standard of measurement, we're not ready. The U.S. now has the lowest rate of savings in the industrialized world. Small wonder when you consider the government punishes savers by taxing interest as income. Small wonder when you consider Washington will soon tax away the largest share of this nation's wealth since 1944, when we were fighting the Germans and the Japanese on two continents. Isn't that what they call winning the war, only to lose the peace? In fact, were Will Rogers alive today, I think he would have to conclude that this government never set a tax it did not hike!

We in the business community must make it absolutely clear that we stand shoulder to shoulder with the American taxpayer. For too long, the family budgets of working America have been sacrificed so spending on the federal budget could remain high. We must insist that priority be reversed and that family budgets be saved.

Reducing the maximum personal rate of taxation from 70 percent to 50 percent, and raising the interest income exclusion to $400 are two important steps. We must also work to end the double taxation of dividends and reduce the capital gains tax further. Taken together, these measures could generate significant supplies of desperately needed capital into our economy—especially into small business which is such a vital, dynamic source of job creation and technological innovation.

Fourth, reducing the burden of taxation should be reinforced by genuine efforts to eliminate regulatory waste and confusion. As it now stands, the government spends more than $100 billion each year to provide us with regulatory protection. This expense is simply added to the costs of goods and services and translates into approximately $500 for every man, woman and child in the country. I think this great nation might be able to scrape by, and even survive, with just a little less protection. That's why the Chamber favors freezing regulatory budgets; granting industry greater latitude in deciding how to comply with what government insists must be done, like in the Bubble concept; granting Congress power to veto unnecessary regulations, to mandate cost-benefit analysis, and to review systematically the purpose, scope and effectiveness of agencies.

An omnibus bill to curb regulation is on the way through Congress. We must help make this bill the beginning of the end of unnecessary and arrogant over-regulation.

Fifth, we must develop our own, I repeat our own, unbelievably rich energy resources. I'm all for more conservation, as long as it's a function of the market, not government mandates and higher taxes. But the real question, and it is one that can no longer be dismissed, is this: What will America do if, one morning, it wakes up to learn its energy imports have been totally cut-off? Period. How will we grow crops, transport food, manufacture goods, run the military and prevent millions of people from freezing to death?

We are talking about nothing less than this nation's security and survival. We are the Saudi Arabia of coal. It's time to get it out of the ground. We know we have stupendous reserves of oil and gas. But the federal government has got much of it all locked up. Why shouldn't the federal government make more government land available for exploration and development?

We have 91 nuclear power plants just sitting on hold. It's time to find a safe way to get those plants operational just as France has done, and Sweden and Japan and Brazil.

It's time to stop playing politics with energy, pleading with OPEC, pouncing on oil companies, and praying for miracles, and to start producing energy before it really is too late.

Finally, as the last part of our major rebuilding program, I believe we must rearm America.

You and I know that America is the greatest country in the world. But unfortunately in the world we populate, as in the jungle, the king must be able to defend himself. That is just a very unpleasant fact of life.

The Soviets are engaged in the most massive military buildup in world history. And I haven't seen much evidence lately that we are able to defend ourselves. This capability, to defend ourselves in any confrontation not of our making, must be restored—and restored quickly.

Some say businessmen should not become involved in military policy. I agree, we should not be making decisions that are better left to military experts.

But I believe we can and must personally take a stand, and should support a policy, that places the preservation of freedom as its top priority. If we lose our freedom, we have lost everything. That is why I'm willing to support whatever is necessary to protect it.

Our second major task is to become again the Yankee Trader of old and to expand exports. Our sagging performance in world markets has much to do with a seriously weakened dollar, strained relations with allies and a general loss of diplomatic leadership. Export led growth must become the cornerstone of an expanding, job-creating U.S. economy.

Exports do create jobs. They currently support one of every eight jobs, and each additional $1 billion in orders translates into 40,000 new jobs. Also, when more people want more American products, they bid up the value of the dollar.

If we want to excel as traders again, we must start viewing the world as it is—not as we wish it—or as it once was.

We must rid ourselves of what I call the "Marshall Plan Mentality."

It holds that the U.S. has unlimited resources, all the technology, and an economy so strong that we can afford to subsidize the rest of the world through trade policies which produce mammoth trade deficits at home.

I am convinced we must encourage enactment of legislation providing a major overhaul of export policy. This must be done in 1980.

It must remove present export disincentives; increase the size and breadth of export financing programs; clarify all too confusing antitrust laws; redirect the efforts of government to help, rather then hinder, small and medium-sized businesses, and allow American exporters, through creation of trading companies, to aggressively and competitively pursue business.

In addition to fighting for these major changes in government policy, the Chamber will, in cooperation with the United States Trade Representative and the Department of Commerce, play an aggressive, active role in building export awareness and sharing knowledge in the private sector.

Let us never forget two things:

First, America's future is in our hands, individually as Americans, as business managers, chamber members and community leaders. That's because the business of America is still business.

Second, let's remember that issues may be discussed nationally, and discussed . . . and discussed . . . and discussed, but answers and action come from the people at the local level.

Not too long ago, America's most respected commentator Walter Cronkite said: "If we can get the American people behind an idea they'll respond with personal dedication. I'd like us to get behind the idea that it's time to take a hard look at ourselves, the world we live in, and how we are living in it. I'd like us to quit looking for voices of leadership from other people, other places—the President or Washington. Our best voices have always come from ourselves."

Politically, 1980 is all-important; it is crucial. In fact, it is the single most important election for our economy and the integrity of our Enterprise System in post-war history. It represents the opportunity of a lifetime—an opportunity we cannot, we must not waste. If we do, we may never have another. At stake, is the election of a President, 34 Senators, 435 Congressmen, and state elections which will set the political landscape for the next ten years.

In the 1978 elections, U.S. Chamber Political Action Committees were heavily involved. We did well. We won more than 60 percent of our races. But that was just a start. We must do even better in 1980.

The Chamber has pinpointed 17 Senate and 73 House "opportunity races" for 1980—races where we want to hold good people and replace others. We need your involvement, your input, your time.

Form with others in your community or chamber a legislative or Congressional Action Committee. Use it to communicate your point of view to your representatives, to examine their records as well as their rhetoric.

If you can't educate them, replace them. Join with your fellow business leaders in taking effective political action. Identify a candidate who is right on the issues . . . and who can win. Support him with your dollars, your talent and your time. In 1978, six Iowa businessmen badly wanted a pro-enterprise candidate, and did just that. They pooled their resources, they raised the needed money, they even helped run the campaign of Tom Tauke. Now he's their Congressman.

That's one example. There are others. The Royer race in California, Porter in Illinois, Hopkins in Kentucky. But just imagine what could happen to America in the Eighties if we had a majority in Congress who would initiate and support the program I have just outlined.

It would rekindle the spirit of Enterprise—new jobs would be created for the young; incentives provided to the 82 million men and women working in the private sector; security provided for our senior citizens.

It would prove that our great experiment in freedom—called America—can work—and will work—when we work.

You and I, individually, are America.

You and I, individually, are the Chamber.

You and I, in 1980, have the greatest opportunity of our lives.

What I have outlined in the way of a positive program—for all Chambers—and all of you—can be the most important and meaningful contribution we can ever make for the betterment of our communities—and our country.

Let's get our domestic economy on the track with our six initiatives.

Let's "breathe life" into the Yankee Trader of old by pushing for major export trade expansion legislation.

Let's rekindle our faith in our institutions by becoming personally involved in the political process. Let's Rebuild America.

Would you say today—right now—join with me in a commitment to Rebuild America?●

GET THE WATER OUT OF THE PORK BARREL

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. EDGAR. Mr. Speaker, I include in today's CONGRESSIONAL RECORD an editorial from the May 4 edition of the New York Times. The editorial emphatically states that despite all the rhetoric about balancing the Federal budget, neither Congress nor the administration has seriously looked at cutting wasteful water projects—one of the biggest boondoggles in the Federal budget. I urge my colleagues to read this editorial and examine their consciences.

GET THE WATER OUT OF THE PORK BARREL

All the fierce talk about balancing the budget and curbing inflation has had little effect on one of the biggest boondoggles in the Federal budget—extravagant water projects that cannot pass any reasonable test of cost-benefit balance. Neither the President's proposed budget trims nor those advanced by Congressional budget committees would do away with wasteful water projects. The economizers have found it much easier to retrench on food stamps, mass transit, youth employment and a host of social programs than to dip very deeply into the pork barrel.

Representative Robin Beard, whose Tennessee district includes the partly built Columbia Dam, a project whose value is now questioned even by its builder, the Tennessee Valley Authority, gave the classic pork-barrel defense. He told CBS-TV's "60 Minutes": "I see that as a more productive segment of Federal spending than I do a CETA [job training] program for New York or a subway program for Washington D.C." But President Carter has a better idea of how much such undertakings are worth. After the House authorized $2.5 billion for about 125 water projects that the Administration considers needless, the President denounced the bill as wasteful, inflationary, and environmentally destructive. And he threatened to veto it.

The defects of this pork-barrel process are well known. Projects are often authorized without thorough study or are justified by analyses that underestimate the costs and exaggerate the benefits. The beneficiaries are seldom forced to pay anything close to their fair share in user charges. And projects are sometimes approved over the objection of the agency that must build them. All this is bad enough in normal times; in a period of budgetary constraint it is unconscionable.

The Senate has two opportunities to contain this extravagance. It can modify its version of the water resources bill, now in committee, to eliminate scores of needless or premature projects. And it can tightly limit water project expenditures in the coming fiscal year. The Senate Budget Committee has proposed a ceiling close to current levels; Senator Cohen of Maine plans to seek a further cut of $500 million when the resolution comes to a floor vote in the near future. That would force the appropriations committees to look harder for wasteful projects that should be reduced or eliminated. The search should not take very long.●

LEARNING FROM CANADA'S EXPERIENCE WITH METRICS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. RUDD. Mr. Speaker, even though it is not U.S. national policy to convert to the metric system, there is currently a concerted effort among a small number of metric advocates to accomplish this objective with support from the U.S. Metric Board, the National Bureau of Standards, and other elements of the Federal Government bureaucracy.

Together, metric advocates in and out of Government have mounted a campaign throughout the United States to convince American citizens and businesses that the metric system is a better system than our own customary American system of weights and measures, and that a changeover to metric is inevitable.

My own research has convinced me that metric is not a better system for the vast majority of our people—although I believe that anyone should be free to use metric so long as they do so through their own initiative.

Certainly it is not inevitable that our entire country will switch over to metric. This is a self-fulfilling prophecy being promoted and orchestrated by metric advocates, who are using the power and resources of the Federal Government as well as some large corporations to impose metric in various ways.

The most recent effort is a campaign to convert the Nation's gas pumps to sale of gasoline by the liter instead of the gallon—an action advocated by the U.S. Metric Board—which would force motorists to use and accept metric regardless of personal choice if the big oil companies make the switch as they are being encouraged to do.

Congress will inevitably have to address the matter of metric versus customary American measurements once again, since the ambiguous 1975 law which created the U.S. Metric Board and established the International System of Units (SI) as the official U.S. metric system without fixing standards for SI units as required by the Constitution, has caused most of the problems now confronting our people on this issue.

I have introduced legislation with 26 cosponsors to repeal the 1975 statute, Public Law 94-168, and to abolish the U.S. Metric Board, since use of metric measurement along with customary American measurements is currently authorized under another statute passed by Congress in 1866.

As Congress prepares to face this issue of metric usage and the continued existence or elimination of the U.S. Metric Board, I believe that all Members will benefit from a better understanding of Canada's experience with metric, where a virtual public revolt has taken place against its national implementation by the Canadian Government.

Britain faced similar public resistance to metric, and last year abolished its own metric board before metric conversion had been completed. Furthermore, I have just learned that Japan, which had a law mandating use of only metric measurements, in 1979 passed a law reinstating a dual system—restoring use of American customary measurements along with metric. The trend is therefore away from metric-only measurement in large industrialized countries, not toward metric conversion as some would lead us to believe.

I include at this point in the RECORD an article from the Review of the News, which reports Canada's metric experience:

[From the Review of the News, Apr. 23, 1980]

LEARNING FROM CANADA'S EXPERIENCE WITH METRICS

(By Paul Fromm)

Canada provides a textbook example of conniving politicians and a bureaucratic dictatorship in imposition of the metric system on an unwilling people. Polls show that a majority rejects the forced move to metric and Parliament has never approved compulsory metrication. And yet bureaucratic legions led by the Trudeau Government are pushing this system down the throats of their countrymen.

The story of the imposition of metric in Canada is a classic of trickery and deceit. Jean-Luc Pepin, a Trilateralist and member of the Trudeau Cabinet, tabled a White Paper on Metrication in 1970 which said that the metric system was desirable, inevitable, and the Government should lead the way. This was merely a position paper and there was no vote in Parliament. But the Government then established a Metric Commission and during this stage of the campaign people were told that metrication would be voluntary. Over the next six years a number of impressive business and farm organizations were invited to participate in the Metric Commission. They would serve as window dressing to disarm critics in 1976 when metrication suddenly became a compulsory blueprint for coercing Canadians.

In the early 1970s, meanwhile, many businesses were told to appoint a metric conversion officer. These frequently met with government officials and soon found themselves appointed as chairmen or vice chairmen of implementation planning subcommittees. When the Government announced that metrication would be compulsory, a number of farmers and businessmen complained. Then the trap shut. Look, government officials pointed out, your organization appointed a metric conversion officer who participated on our committees. Obviously you supported the move to metric and can hardly complain now.

By 1979 the government was ready to introduce metrication in retail stores on an experimental basis in Peterborough, Ontario, and two other centers. The growing anger at metrication burst into a prairie fire in the wake of bureaucratic thuggery in Peterborough. "People are frustrated," says Sally Hayes, a 41-year-old businesswoman who led the opposition there. "Merchants in Peterborough are forbidden by law from giving translations of weights into the old imperial system. People are being forced to go metric cold turkey."

Bureaucratic arrogance fueled the Peterborough protest. For instance, the scales of Gary Wakeland at Dale's Meat Market were sealed when his metric cylinder did not arrive on time. A delay in the mail? Too bad, he was told. Wakeland was out of business until his metric cylinder arrived. Many small businesses, says Sally Hayes, cannot afford the high cost of metric conversion. At least one Peterborough-area dairy may have to close.

Forced metrication will be a disaster to the fragile Canadian economy. There is no reason why industries that sell to countries on the metric system cannot package their goods in metric weights. However, the compulsory nature of metrication will produce no economic benefits and will cost billions in useless expenditure, raising the cost of everything. Even the Metric Commission, Canada's bureaucratic "enforcer" of metrication, has no idea what metric will cost. Says Metric Commission executive director Paul Boire: "Costs-benefits analyses are all but impossible and too complex to calculate." Certainly the Metric Commission has been no piker in spending money. Between 1975 and 1978 alone, this agency which was not created by Parliament but by order-in-council spent $16,487,000.

Sally Hayes argues: "The U.S. unofficially estimates that metric conversion will cost them between $40 and $100 billion. Adjusted for Canada (one-tenth the U.S. population), that comes to as much as $430 for every man, woman and child," or between $4 billion and $10 billion! "Canada will be committing economic suicide," she says. As industry by industry estimates flow in, the picture grows ever gloomier. Just to convert Canada's 3,000 grain elevators to metric weights will cost $20 million. A further $100 million will be spent to metricate Canada's dairies.

Allen C. Jackson, president of Dominion Stores Ltd., says that conversion to metric scales in his company's stores will cost at least $10 million. He contends that this money would be better spent on energy conservation programs. "Such an investment would help control the rising cost of food for Canadian consumers rather than adding to costs and thus forcing prices even higher." Referring to last year's metrication experiment in Peterborough, Ontario, and Sherbrooke, Quebec, Jackson reports that at least two-thirds of his company's customers there prefer to buy meat in pounds and ounces rather than in kilograms. "We are unable to find any significant benefit to the Canadian consumer at this time in using metric weights for fresh meats, fruits, and vegetables," Jackson says. "Depending on the U.S. decision, it may even be appropriate to abandon metrication as far as retail food stores are concerned."

Tim Carter of the Retail Food Council of Canada reckons that metric conversion will cost Canadian food retailers between $100 and $150 million.

Auto mechanics will have to spend approximately $3,000 each for a new set of metric tools. Len Huyser, president of Canadian Freightways, estimates that metrication in the trucking industry will mean a 10 to 12 percent hike in freight rates. And individual consumers have already found horrendous costs inflicted by compulsory metrication. In Canada, roofing shingles are now manufactured in metric sizes only. A Toronto journalist added a new room to his house. He asked the builder to match the new shingles on the addition to those in the rest of his roof. But with shingles now available exclusively in metric sizes the only way to match was to reshingle the entire house at a cost of $4,000!

Various provincial bureaucrats have already caught the metric madness. The Ministry of Education in the Province of Ontario prescribes a list of approved textbooks, called Circular 14. To appear on Circular 14, a text must be vetted by the federal Metric Commission. A Mississauga teacher authoring a new geography text submitted the galleys to the Metric Commission. The Commission demanded that kilowatt hours be changed to megajoules. This despite the fact that every water meter in Canada currently reads kilowatts. The cost of making the changes in charts, vocabulary, and questions in the proofs will run the publisher about $500. Of course, this will all be passed on to the consumer. And such changes will have to be made in all textbooks, tables, schedules, maps, and reference works. The cost will be overwhelming.

Little wonder that a November, 1979, Gallop Poll revealed that 52 percent of Canadians oppose metrication. On January 16, 1980, the *Toronto Globe and Mail* editorialized:

"This country, without any reference to the voters, has been compelled to accept metrication on the weather, on the highways, in the Post Office (which was confused enough to begin with). The bureaucrats, unleashed, took the thing to ridiculous lengths.

"How ridiculous was revealed recently when calorie-counters were told that in the future they would have to count kilojoules instead. A calorie is already a metric measurement—it is the amount of heat required to raise the temperature of one gram of water by one degree Celsius—but the bureaucrats want kilojoules. It takes more than four kilojoules to make a calorie, which would totally confuse the generations that are interested in weight losing and who were not taught in metric.

"Most Canadians haven't known whether they were hot or cold or how fast they were driving; they have known that almost every time a metric change was made it became the excuse to raise the price of something. They have been subjected to the tyranny of the bureaucracy."

Even the metric system itself is misleading. There is not one, but several metric systems. Typically, when Canada adopted Metric SI (SI = Systeme Internationale), it adopted the system in use in only five percent of the world. There are considerable differences in metric systems from country to country. John Bramsen, Metric Coordinator for the Canadian Manufacturers' Association, told *Harrowsmith* magazine: "There are about a dozen types of metric systems in Europe."

W. R. Jarmain, a member of the Canadian Meteorological and Oceanographic Society, urges: "If we are going metric, absolute SI, which is already compromised by treating masses as weights, should be replaced by a gravitational system. That would bring Canada into line with a majority of other countries. Consultation, both internally and externally, should replace compulsion."

Jarmain explains the complication caused by the variety of metric systems. "Many scientists are justifiably mad at metric (SI). . . . For atmospheric pressure, the kilopascal was adopted in Canada in 1976, with only two or three countries following our lead. Then in 1979 the World Meteorological Organization rejected that unit in favor of the much used millibar (1 kPa = 10mb.). Secondly, a huge body of spectroscopic literature shows wavelengths in Angstroms. Thus the nanometre, larger by a factor of 10, is a poor choice. Similarly, 'special' electron volts should not be drowned in a sea of joules. Finally, Celsius is clearly inferior to Fahrenheit in public use."

Enough said. And may the United States learn from the Canadian experience.●

DEATH OF A PRINCESS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. SCHEUER. Mr. Speaker, tonight the Public Broadcasting Service intends to present the docu-drama film "Death of a Princess." I commend PBS for standing up to domestic and international pressure not to air this film. Six of my colleagues joined me this past Friday in encouraging Lawrence Grossman, president of PBS, to go ahead with the presentation. The text of our telegram to him follows:

We urge you to go ahead with your plans for public presentation of "Death of a Princess." Whether or not one agrees with the impressions resulting from this film, we cannot deny PBS' right and responsibility to air controversial material and bring informative and disputed programs before the public.

We commend PBS' plans to invite responsible spokesmen to discuss alternative and divergent analyses and views of "Death of a Princess" alongside the presentation. We would welcome official Saudi comment and the thoughts of Islamic scholars.

Public broadcasting is and must remain an intellectual marketplace of ideas. Capitulation to administration, Congressional and corporate threats of PBS funding cuts would endanger the integrity of public broadcasting, which should be free of censorship.

We urge you to present this film and uphold the broadcast industry's dedication to the public right to controversial presentations.

James H. Scheuer,
Ted Weiss,
Edward J. Markey,
Elizabeth Holtzman,
Andrew Maguire,
Gerry E. Studds,
Norman Y. Mineta. ●

MANEUVERS IN THE INDIAN OCEAN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. SIMON. Mr. Speaker, as chairman of Members of Congress for Peace Through Law, I would like to insert a short article which documents the great-power military buildup in the Indian Ocean.

In early April, MCPL completed a staff study on rapid deployment forces, outlining the long-term dangers of U.S. intervention in the Indian Ocean and Persian Gulf. The article I insert, from the May edition of the Bulletin of the Atomic Scientists, shows the vastly increasing naval and air presence of both United States and Soviet forces in the Indian Ocean—an area which only 2 years ago was under negotiation as a zone of peace.

Ever-escalating military intervention by the superpowers will provide neither of us increased security. Let us try to lessen, rather than increase, the chance of war.

Mr. Speaker, the article by Frank Barnaby, director of the prestigious Stockholm International Peace Research Institute, follows:

Maneuvers in the Indian Ocean

(By Frank Barnaby)

One hope dashed by the Soviet invasion of Afghanistan was to make the Indian Ocean a zone of peace. In the past few months great power rivalry in the Indian Ocean has escalated alarmingly.

On January 23, the U.S. combat supply ship *San José* entered the Indian Ocean. The United States then had 26 naval ships there. This force, by far the most powerful naval group assembled in recent history, included three U.S. aircraft carrier battle groups headed by the carriers *Nimitz, Kitty Hawk,* and *Midway.* The American presence was accentuated by B-52 strategic bombers, borrowed from the U.S. strategic nuclear forces and AWACS (airborne warning and control system aircraft), exercising with the U.S. carrier task forces and flying surveillance missions over the Indian Ocean and Arabian Sea areas.

On February 15, five Soviet warships sailed into the Indian Ocean. There were then 32 Soviet ships, 15 warships and 17 supply ships, in the area—also a record number.

By this time, one U.S. carrier force had left the Ocean. But, on March 17, a 7th fleet task force entered the Indian Ocean, en route to the Arabian Sea, carrying 1,800 Marines. There were then 31 U.S. ships—24 combat and 7 support—and about 24,000 U.S. sailors and Marines deployed in the Ocean, an all time high. The Soviet Union had 29 ships—13 combat and 16 support—in the Ocean.

These naval forces pack a fearsome punch much more fearsome than that of the previous record naval forces which were present during the 1971 Indo-Pakistani war when the United States had 14 warships and auxiliaries in the Ocean and the Soviet Union had 26.

According to the New York Times one of the Soviet naval ships, the *Taman,* has been stationed in the Strait of Hormuz since November 1979. Tankers pass through the 40-kilometer wide Strait, at a rate of 1 every 20 minutes, carrying about half of the world's oil supplies. The *Taman* stays in the middle of the Strait, monitoring shipping and radio communications. Daily, an Omani gunboat and Omani aircraft buzz the Soviet intruder, an activity which indicates how volatile the situation in the Persian Gulf region is.

Oman was one of the countries visited by a team of American officials in January to discuss access to naval and air bases. The others were Kenya and Somalia. Land-based facilities are being sought to help supply American ships in the Indian Ocean.

The team also visited Saudi Arabia. But Arab countries (except Egypt) are unlikely to encourage an American presence in the region unless the United States officially accepts the Arab position on Palestinian autonomy—a concession impossible to imagine in an election year and difficult to see happening in the foreseeable future.

After the Iranians release the hostages the number of American ships in the Indian Ocean close to the Persian Gulf will probably decrease. But a sizable American naval presence in the Indian Ocean is likely to be continuous. Its nature will probably vary: sometimes it will be a carrier task force, sometimes a cruiser task force, and sometimes a marine air-ground task force. These ships will augment the U.S. Middle East Force, a naval force consisting of a flagship and four destroyer-type ships which has been stationed at Bahrain in the Persian Gulf since 1950.

The current Soviet naval deployment has, with the exception of one short period, been continuous since March 1968, when a squadron of three warships visited the Ocean. Until the recent unprecedented build-up, the normal Soviet Indian Ocean squadron consisted, on average, of three to five surface warships headed by a cruiser or one or two destroyers, two oceanographic ships, and probably two or three submarines.

Among the specific reasons for the increasing great power rivalry in the Indian Ocean are:

The dependence of the United States and its major allies on Persian Gulf oil;

The political instabilities in the Persian Gulf area, brought home by recent events in Afghanistan, Iran and Mecca;

The fact that within a few years the Soviet Union will become a net importer of oil and compete with the West for Persian Gulf oil; and

The decision by the United States to organize a rapid deployment force and the need to control the eastern area of the Indian Ocean if this force has to take military action in the Middle East.

But underlying the affairs in the Persian Gulf area, as virtually everywhere else, are the consequences of the coming shortage of energy supplies. Current total world energy consumption is running at about 10 billion metric tons of coal equivalent a year. If energy demand grew at its recent rate (say, since the mid-1960s), it would reach 25 billion tons of coal equivalent a year by 1990 and 35 billion a year by 2000.

But potential supply is most unlikely to exceed 15 billion tons of coal equivalent in 1990 and 20 billion in 2000. Feasible energy conservation cannot reduce this large gap very much. Hence, economic growth in the 1980s and 1990s will be low, probably very low, compared to, say, growth rates over the past decade. In fact, if there is little conservation, it is hard to see how there can be any economic growth at all.

This will obviously have serious political and social impacts throughout the world. Not only will the rich countries have painful readjustments to make to high inflation and high unemployment, but the gap between the rich and poor countries will grow bigger. North-South tensions will, therefore, probably increase and it would be surprising if it did not come to threaten world security more than East-West tension.

It is in just such circumstances of great social and political uncertainty and unrest that countries are likely to exaggerate threats to their security and become involved in military actions. In particular, a future threat to our oil supplies may well provoke a military response.

The United States and its major allies are dangerously dependent on oil imports in general, and Persian Gulf oil in particular. Oil accounts for roughly half of the total energy consumed by the United States, Western Europe and South Korea, but for as much as about three-quarters of that consumed by Japan and Taiwan. Oil from the Persian Gulf supplies a significant fraction of the total energy used by these countries—ranging from about one-tenth for the United States to over a half for Japan. The nervousness caused by the relatively small post-revolution loss of Iranian oil supplies to the United States shows how precarious the situation is.

By contrast, oil accounts for about a third of the total energy used by the Soviet Union.

Serious thinking about military action to secure Gulf oil supplies dates back to October 1973, when the Arabs started their 5-month oil embargo against the United States. In January 1974, then Defense Secretary James R. Schlesinger publicly warned that it was "feasible" for the United States to "conduct military operations [in the Gulf area] if the necessity should arise." Since then much has been said about plans for a U.S. "quick-reaction force" (or, as it is now usually called, a "rapid-deployment force").

Recent events have accelerated these plans. Defense Secretary Harold Brown recently announced the intention to spend $9 billion or so over the next seven years on new long-range aircraft to transport troops over long distances and a fleet of cargo ships to supply the troops. The plan is to keep 14 ships in ports from which they could quickly sail to unstable Third World regions carrying artillery, tanks, trucks food, water, etc. A brigade of 16,500 Marines would fly in (from the Atlantic or Pacific coasts or Okinawa) to rendezvous with and unload the ships. The ships, to be operational in the mid-1980s, will probably be stationed in Guam in the Pacific, the Azores in the Atlantic, and Diego Garcia in the Indian Ocean. This rapid deployment force may be effective if invited in by the country concerned. But it would be quite a different story if it had to invade a hostile Persian Gulf country.

The Persian Gulf states have a total of about 757,000 men under arms: Iran has about 420,000; Iraq, 190,000; Saudi Arabia, 95,000; the United Arab Emirates, 27,000; and Kuwait, about 25,000. These troops, supplied with the most modern tanks, aircraft and missiles, are specially trained to defend the oil fields.

The Iraqi forces, for example, could present a formidable challenge to an invader. Ten Iraqi divisions (4 armoured, 4 infantry, and 2 mechanized) equipped with about 2,000 tanks and supported by about 370 combat aircraft (including 12 fighter/attack squadrons) could rapidly be brought to bear.

American contingency plans for the Persian Gulf region hinge on Diego Garcia. This British island in the Chagos Archipelago is an uninhabited coral atoll, about 20 kilometres long and up to about 7 kilometres wide, strategically situated almost at the centre of the Indian Ocean. Agreements made in 1966 and 1970 between the United States and the United Kingdom—as part payment by Britain for American Polaris strategic nuclear submarines and their ballistic missiles—allowed the United States to build a naval communications station on the island for joint use, and made the island available to both countries for military pur poses until 2016.

The communications station was expanded to a naval support facility in 1976. The United States has constructed a 3,700-metre long coral runway on the island, built fuel storage tanks holding 640,000 barrels (enough to supply a carrier task force for a month), and deepened the lagoon to more than 13 metres so that it will handle several large warships.

A runway of 3,700 metres can take almost any aircraft in the world, including B-52 strategic bombers, the huge KC-135 refuelling aircraft for B-52s (even if fully loaded) and Lockheed C-5 transports. Long-range maritime patrol aircraft, like the P-3 Orion, operate out of Diego Garcia for months at a time, searching the Indian Ocean for submarines and surface warships.

The facilities at Diego Garcia, which is manned by a contingent of several hundred American servicemen, are sufficient to allow a major U.S. naval squadron to operate in the Indian Ocean more or less continuously. Until now, excursions of U.S. naval forces have originated from Subic Bay and the Clarke base in the Philippines.

The Russians lost their only major Indian Ocean base at Berbera, Somalia, in November 1977, when Moscow decided to take sides with Ethiopia during the Ethiopia-Somalia war. The Soviet navy is now restricted to some minor facilities, including fleet anchorages near the island of Socotra and near the Chagos Archipelago; permanent moorings off the Seychelles, Mauritius, Madagascar, the Chagos Archipelago and off the East African coast; and the use of port facilities at Aden, in Democratic Yemen. It would be surprising if the Soviet Union was not angling for a new major base in the Indian Ocean.

It was in the initial weeks of the Carter administration that some hope arose for the Indian Ocean being declared a zone of peace, a zone with no external military presence. Unfortunately, however, the Soviet-American Indian Ocean Forces Limitation talks became bogged down in 1978. Until they are resumed the great powers should show some restraint in their rivalry in the Indian Ocean region. But such is the state of international relations that this will almost certainly prove to be a vain hope.●

BURN VICTIMS OF IRAN RESCUE ATTEMPT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. GONZALEZ. Mr. Speaker, I know that all Americans have been closely following the many news reports that have been written on the attempted rescue of our American hostages being held in Iran. Today, I am placing in the Record an article from the American Medical Association publication American Medical News that I believe will be of interest to many Members and their constituents.

The article is an in-depth story on the four American soldiers who were badly burned in the rescue attempt in the desert in Iran. It describes the Brooke Army Medical Center's Burn Center located in my congressional district in San Antonio, and directed by Col. Basil A. Pruitt, M.D., as well as painting a very optimistic picture of the outcome for these young soldiers that were brought to this center from Iran.

The article follows:

Iran Burn Victims' Care Was Routine for Army Center

(Dennis L. Breo)

The world wondered what it all meant, but Army Col. Basil A. Pruitt Jr., MD, had no doubts. The four American soldiers suffering burn injuries in the desert incident last month in Iran would be coming to Fort Sam Houston, Texas, for treatment.

Dr. Pruitt is commander-director of Fort Sam's prosaically named Institute of Surgical Research, otherwise known as the Brooke Army Medical Center's burn center, which is not only the military's only burn center but is also one of the best in the world. If an American soldier is badly burned, he comes to Brooke.

The 49-year-old surgeon supervises the care of up to 300 burn patients a year. The average patient will have a burn covering 40% of his body and will for an average stay of 40 days require the most sophisticated care medicine can offer. Not all Brooke patients survive, but Dr. Pruitt says, "We treat them all as if they are going to make it. That's the only way to advance the frontier of medical knowledge."

On Saturday, April 26, he and his colleagues examined the four U.S. servicemen who had been flown from West Germany. Air Force Lt. Jeffrey Harrison, Warren, Ohio; Marine Majs. James Schaefer Jr., Los Angeles; and Leslie B. Petty, Jacksonville, N.C.; and Air Force Staff Sgt. Joseph J. Beyers III, Charleston, S.C., arrived in good shape—considering. Dr. Pruitt praised "the many years of experience gained by the military in caring for and transporting burn victims."

(The four soldiers' medical records are, of course, protected by confidentiality statutes, but piecing together previous press reports and the physician's general medical appraisal of burn cases—he refused to discuss individual cases—one comes up with an optimistic picture.)

"When I started in this field 20 years ago," Dr. Pruitt said, "many burn patients died from shock and renal failure, consequences of medicine's inability to properly resuscitate and prevent shock. We didn't know how to precisely replace the necessary body fluids."

America's four Iranian casualties arrived with their wounds cleansed and covered and intravenous solutions in place. Transferred to the burn center's fourth-floor clinical facilities at the Brooke Army Medical Center, the servicemen submitted to body shaving and a "tanking" in the large tubs used to thoroughly cleanse the wounds and debride burned tissue.

The commander of the burn center since 1968, Dr. Pruitt promptly reached his conclusions:

Two of the soldiers, Harrison and Schaefer, had only minor second-degree burns and would be out of the hospital within days. The other two, Petty and Beyers, were seriously injured and would test the military facility's skills. Bronchoscopy exams disclosed that only Beyers suffered inhalation injury from breathing in smoke and fumes. "There was evidence of a chemically induced tracheal bronchitis with cherry-red coloring and swelling," Dr. Pruitt said. "There were specks of black carbon all over the bronchial tree. We had to guard against pneumonia." Beyers' burns covered 40% of his body. Petty's burns covered 44% of his body, and both would require careful monitoring.

"Burn victims," the physician emphasized, "not only have suffered severe trauma to the skin, which is obvious, but disturbance to some degree of every organ in the body. The severity is directly related to the size of the burn and the survival odds to the burn size and patient's age."

The first goal is to protect the open burn wound and prevent infection. "We alternate topical ointments like Sulfamylon Cream and Silver sulfadiazine Cream, both of which were discoverd in the mid-1960s," Dr. Pruitt said. "Wound care is the first essential. Then, we provide nutritional support and lab support (the bulk of the burn center's 230 military and civilian personnel work out of lab facilities in a building separate from the hospital). This specialty is both people-intensive and lab-intensive. Not only do we have to ward off infection, but we have to monitor all the vital functions—cardiovascular; pulmonary, endocrine, renal, metabolic. The entire body is deranged by the trauma. We have to anticipate body changes and alter the treatment as necessary."

Beyers, the only soldier in intensive care, would daily require 19 hours of nursing care. His condition was put at "critical," Petty at "serious," with Harrison and Schaefer at "satisfactory." That was on the afternoon of Saturday, April 26.

Two hectic days later, Dr. Pruitt had a distinguished visitor ("all our visitors lately," he wryly notes, "are the highest you can get")—President Jimmy Carter.

The President was to the point—"How are your patients?"

Dr. Pruitt's reply: "Each and every one is progressing quite satisfactorily."

A day later when American Medical News visited the military medical facility, the physician was even more sanquine—

"They all should pull through."

All four GIs wore protective Nomex clothing, which partially shielded the burns to their arms, legs, faces and torsos. Harrison and Schaefer each had only second-degree burns covering less than 5% of their bodies and are expected to fully recover. Petty and Beyers may eventually require skin grafts in the weeks ahead. A tangential excision and grafting of Beyers' hands may be necessary to assure optimal function. But Beyers is off intravenous solutions and the respirator, on solid food, and "doing remarkably well."

Dr. Pruitt says, "The general rule of thumb is that a patient has less than a 50-50 chance to live only if his age and the body-percent size of the burn total more than 100. Well, the oldest of our patients (Beyers) is only 37 and the one with the most-severe external injury (Petty) is 44% burned, so, clearly, we don't expect to lose any of them. The worst that we anticipate is the impaired function of a hand, and we may be able to avoid that, too."

The four burn victims and their GI colleague, Airman 1st Class William B. Tootle, Fort Walton Beach, Fla., who was the least seriously hurt and who is being treated for a knee injury at the nearby Lackland Air Force Base's Wilford Hall, have needed their hands—and their good spirits—recently. They are off limits to all but medical personnel and politicians.

With the Texas primary election only days away, Dr. Pruitt and Brooke are seeing a parade of politicians.

On Monday, April 28, it was President Carter who paid a visit. Tuesday, it was Sen. Edward Kennedy and his wife Joan and the assistant secretary for manpower of the Air Force. Dr. Pruitt says other top government and military officials may be visiting as well.

But the physician thinks, "The attention has been good for the patients. They're glad to see that people care about them, and the people visiting are glad to see that the patients are on the road to recovery.

"We've been a bit busy, yes, but the attention has been beneficial. And the patients are going to make it.

"The two servicemen with minor burns will probably be discharged within a few days. The other two probably have deep second-degree or third-degree burns and will later require surgery for skin grafts. But their prognosis is favorable, too. None of the facial burns were full-thickness, or third-degree, which means that within a year or two at the most their faces will appear virtually normal."

Clearly, were it not for the politicians and press interest, it would be nothing but business as usual for Dr. Pruitt and the Army burn center. Had the accidents happened during routine Army training maneuvers, no one at Fort Sam Houston would have taken much notice. After all, Dr. Pruitt and his people have other pressing business, like the 84-year-old blind man with a 70% burn that Brooke is determined to save.

As for the young soldiers, Dr. Pruitt concludes:

"To a man, they are in good spirits. In fact, among their greatest discomfort is knowing things didn't work out.

"Each soldier says he would volunteer to do it again."●

GUSTAV HENINBURG

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. RODINO. Mr. Speaker, since 1968 the Newark metropolitan area has benefited from the dedicated service of Gustav Heninburg, the president and chief executive officer of the Greater Newark Urban Coalition.

Gus Heninburg brought knowledge, experience, and ability to his work. Having completed his studies at the Hampton Institute as a distinguished graduate in the Reserve Officer Training Corps, he won an Army commission. He served 3 years as an antiaircraft and guided missile expert, and another 3 years as an assistant operations officer in Army counterintelligence.

He subsequently worked with the United Negro College Fund, establishing Pre-Alumni Clubs, which encouraged students to financially support their alma maters prior to graduation.

As president and chief executive officer of the Greater Newark Urban Coalition, Gus Heninburg waged a compassionate struggle for human rights. His leadership in the fields of civil rights and affirmative action greatly improved the lives of his fellow citizens.

Moreover, Mr. Heninburg has time and again proven his capacity for extraordinary public service. The people of New Jersey distinctly recall two such occasions. In one instance, he successfully served as a mediator in a particularly heated Newark teacher's strike. In the other, he strove mightily to justly conclude a prison disturbance at New Jersey's Rahway State Prison. These, and countless untold examples, reflect an enviable record of excellence in the public service.

The guidance Gus Heninburg provided as helmsman of the Greater Newark Urban Coalition will be sorely missed. Newark has lost a concerned and effective public servant. We wish him well in his new career as a consultant in urban and minority affairs, and hope we may still benefit from his wise and considered counsel in the years to come.●

STANLEY TOLLIVER—A MAN COMMITTED TO THE COMMUNITY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to cite a person who is not only my friend but a man who is truly a friend of the entire Cleveland community—Attorney Stanley Tolliver.

Attorney Tolliver is the kind of individual who dedicates 150 percent of his energy when only 50 percent is asked for. He is a dedicated and decent human being who has helped others who were left down and out by society.

He is an institution in Cleveland. He epitomizes the classic success story. He was reared by hardworking, simple parents who instilled in him a unique philosophy about life. He has embraced that philosophy of excellence and has not forgotten the little guy from his humble beginnings at East Technical High School to Cleveland Marshall Law School to his current status as a celebrated lawyer in Cleveland. His successes have not clouded his commitment to the people who are not as fortunate as he is. This praise is echoed by any person you talk with on the street of Cleveland.

I admire Stanley Tolliver. I wish that there were more sincere and high quality people like him. His achievements are many. His challenges to the people who know him are even greater.

Accordingly, at this time, Mr. Speaker, I would like to enter an article which appeared in the March 26, 1980, Cleveland Press on Stanley Tolliver in the RECORD.

The article follows:

STANLEY TOLLIVER, AN ATTORNEY WITH STYLE YOU'LL NEVER FORGET

(By Norman Mlachak)

He's awake by 6 a.m. and an hour later he's at the Central YMCA, running 100 to 150 laps around the track (24⅓ laps to the mile), bench pressing 175-pound barbells, hammering away at a punching bag, huffing through 100 or so sit-ups and working out on a number of exotic exercise machines.

By 9 a.m., maybe 10, he's making his daily rounds at the Justice Center, moving from courtroom to judicial chambers to bailiff quarters, now hustling a reporter for a favorable story, now sweet-talking a probation officer, now joshing with a judge on a tentative trial date ("Make it Juneremeber 1911ty") . . . dealing, appealing, pleading and otherwise interceding for his multitude of clients, 90 percent of them poor, black, Hispanic; 100 percent of them in deep trouble . . .

Portrait of mutton-chopped, mustachioed Stanley E. Tolliver, attorney in a perpetual footrace to keep his clients out of the penitentiary and his 54-year-old body from collapsing from the siege of time.

Tolliver's twin skills in rhetoric and running flowered during his student days at Baldwin-Wallace College.

It was there that Eddie Finnigan, the athletic director, and Dana Burns, a speech professor, urged him to forget his dreams of being an operatic singer and steered him into a career as a trial lawyer.

And it was there that he ran his way to track championships: the 880-yard relay with the famed Harrison Dillard and the mile relay with Guenther Katzmar, former Cleveland ports director.

Tolliver still pursues profession and pastime with a passionate zeal rivaled only by the devotion for his family: His schoolteacher wife Dorothy to whom he has been married 29 years and their three children, Stephanie, 24, a dance teacher; Sherrie, 23, a drama teacher, and Stanley, Jr., 17, a junior at University School.

Running, he says, provides him with a spiritual release from the tension and frustration in the courtroom.

"I find it mentally, spiritually and physically therapeutic," Tolliver asserts. "I talk to God while I'm running . . . I ask for guidance . . . ask for help . . . express gratitude for how well I'm doing . . . for my good wife . . . healthy children. What some people find in booze and bars, I find in running."

Tolliver has also found it exhausting, on occasion. He collapsed at the finish line while running a classic marathon in Honolulu (it took him six hours) late last year, only to recover sufficiently to dance a vigorous hula that evening, a testament to the chutzpah, flamboyance, persistence and confidence which mark Tolliver's conduct on cinder path and courtroom alike.

To see Tolliver, hear him or watch him in action, even if only once, is not to forget him.

Tolliver smooth-talking a judge in behalf of an accused felon: "Given me a misdemeanor and I"ll be on my way."

Tolliver reassuring a probation officer on behalf of another accused felon: "He's got two defenses. No. 1, he's insane. No. 2, he didn't do it."

Tolliver is about as subtle as the pearl gray, beaver-blend plantation owner hat he sports . . . as inconspicuous as the leather-with-suede-inset maroon shoes he wears . . . as reserved as the silver 1978 Cadillac Town Car (the biggest luxury automobile on the American market) he drives.

He grew up in the Quincy Avenue-East 86th Street neighborhood, and speaks with deep affection of his parents, describing them as good, solid and hardworking folks who provided him with love, security and encouragement.

"We were never on relief . . . never on welfare," he recalls.

His late father Eugene, born in Hazelhurst, Miss., was a lumberyard laborer turned cabinet maker. "My daddy had only a third-grade education, but if I could get four more college degrees, maybe I'd have half as much sense as he," Tolliver said.

He describes his 79-year-old mother Edna as an old fashioned Christian lady who instilled in him a love for music and exhorted him to follow the paths of moderation and continence. She succeeded. Tolliver neither drinks nor smokes and his speech, during a recent interview at any rate, was void of even so much as a vulgarity.

His character was forged in the home and in the foundries of Cleveland and in front of the open hearth furnaces at Republic Steel, where he worked during his student years.

He attended East Tech High School, Baldwin Wallace College, old Cleveland-Marshall Law School, and passed his bar exam in 1953 during a tour of Army duty at Fort Hayes in Columbus.

Tolliver fondly remembers Jack Clowser, retired Press sportswriter, who helped him and other black students to get into Baldwin Wallace.

He has come a long way since college, realizing what he said was his boyhood dream: "I used to watch how the white folks lived. They had trees, yards, basements, beautiful houses and I said I wanted to live like that some day."

Today, Tolliver lives in a 15-room home at 11104 Wade Park Ave. in University Circle, "a five minute walk from Severance Hall and right around the corner from the Cleveland Art Museum. He calls his neighborhood "Hough Heights," describes his home as a "Southern mansion type with big pillars."

During his career, Tolliver represented clients in some of the more sensational cases brought to trial here.

These included Fred (Ahmed) Evans, convicted leader of the 1968 Glenville riot, who died in prison; David (Rabbi) Hill and James Raplin, convicted of blackmail in the 1969 boycott of four white-owned McDonald Restaurants in the Inner City; John A. File, convicted of the kidnap-slaying of supermarket executive Julie Kravitz; Melvin Bay Guyon, serving a life term for the slaying of FBI Agent Johnnie Oliver, and former Ward 18 councilman James Boyd, indicted and acquitted in the carnival kickback case.

These are, to be sure, exceptions. Most of his clients are what society considers castaways, many figuratively lockstepping their way toward courtrooms, jails and penitentiaries through days and nights of crime.

Tolliver has had his own problems with the courts, notably for failing to appear in court on time or for failing to appear at all. Steaming over another no-show by Tolliver three years ago, Common Pleas Judge John L. Angelotta had Tolliver arrested and brought bodily into the courtroom for a judicial dressing down.

Tolliver's defense: The four defendants claiming Tolliver was their lawyer were using his name in vain.

Internal Revenue Service has given him problems, too. It's not that he failed to file his tax forms, but he didn't pay what he owed.

He recalled that the IRS was attaching his income a few years back when Uncle Sam was holding his marker for about $30,000. He has since paid up.

Is he current on his taxes? "Just about," Tolliver says.

Tolliver keeps current with the Lord not only on the track but also at Antioch Baptist Church. Past chairman of the board of trustees there, he is a baritone member of the Men's Chorus and Gospel Chorus. He also serves as legal counsel for about 10 churches—Calvary Hill, New Light and New Galilee Baptist Churches among others.

He is one of the founders of the Round Table, a group of black business and professional leaders which meets regularly at the Carnegie Hotel, 6803 Carnegie Ave. to take stands, with varying degrees of success, on public issues. Tolliver can be found there each Friday, dining on chitlins, blackeyed peas, rice, corn bread and buttermilk.●

TRIBUTE TO RABBI TOBIAS ROTHENBERG

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. AMBRO. Mr. Speaker, on Saturday, May 17, 1980, the members of the Huntington Hebrew Congregation will join together to honor their spiritual leader, Rabbi Tobias Rothenberg on the 35th anniversary of his ordination as a rabbi. I would like to take this opportunity to add my voice to theirs in wishing the rabbi a hearty mazel tov on this auspicious occasion.

A graduate of the College of the City of New York, Rabbi Rothenberg then attended the Jewish Theological Seminary where he was awarded a bachelor of Hebrew letters in 1941, ordained in 1945, and received doctoral degrees in education and divinity in 1961 and 1970, respectively. Following his ordination, he became the rabbi of Congregation Beth Israel in Roanoke, Va., where he served until 1959. While in Roanoke, he also was involved in a number of community organizations and activities including the Hillel Foundation at Virginia Polytechnic Institute, the Veterans' Administration hospital, where he served as chaplain, and the Clergy Association, which he led as their president from 1952 to 1954.

This combination of religious and community activity is a pattern that can be seen in each locality in which Rabbi Rothenberg has resided. In 1959, he and his family moved to Philadelphia, Pa., where he held the pulpit at Congregation Beth Israel for the ensuing 10 years. Again, We find the rabbi participating actively in civic as well as religiously oriented organizations including the Clergy Club, of which he was president from 1964 to 1966, the Boy Scouts, United Synagogue Youth, and the Philadelphia Board of Rabbis, among others.

In 1969, Rabbi Rothenberg came to lead the Huntington Hebrew Congregation in Huntington, N.Y. It was then, during my tenure as the supervisor of the town of Huntington, that we became acquainted. I was immediately impressed with Rabbi Rothenberg's commitment to both his religious responsibilities and to the community at large. As the vice president of the Senior Citizens Housing Committee, that was created during my administration, he was one of five concerned and courageous community leaders who brought the housing plight of our elderly residents to the attention of the town board and who produced a plan for a charming garden apartment complex—now called Paumanock Village—which was dedicated last summer and is now the home for 300 of Huntington's senior citizens—near their families, near their friends, in the community that they loved and helped to build.

Mr. Speaker, I have known Rabbi Tobias Rothenberg for more than 10 years, and in that time, I have become proud to call him a friend and adviser. He and his wife, Ethel, and their four children have made an important contribution to both the religious and secular life of the town of Huntington that should be recognized and appreciated by all of its residents. On this 35th anniversary of his ordination, I want to thank Rabbi Rothenberg on behalf of the citizens of Huntington, and to wish him many more years of good health, fulfillment, and nachas from his children and grandchildren.●

SEVENTH OHIO CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORTS ITS FINDINGS FOR 1979-80

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. BROWN of Ohio. Mr. Speaker, on April 25, the Seventh Ohio District Congressional Youth Advisory Council, which I sponsor, completed its work for the 1979-80 school year and reported to me at its spring meeting. I want to take this opportunity to share with my colleagues the conclusions of these high school students.

The council is now in its 9th year, and consists annually of students selected by the high schools from throughout the Seventh Congressional District to participate. In the fall of each year, the students meet for a 1-day session at Urbana College to organize into four committees and to select legislative topics for study during the current year. Following the organizational meeting, a 1-day hearing for each of the four committees is held, utilizing expert witnesses in each of the fields of consideration. Following the hearings, the students then meet for the next several months to do additional research, to debate the topics and to draw up final reports on their conclusions which are presented to me during their spring meeting.

I also want to take this opportunity to thank not only the students who worked on the committees, but also the faculty advisers from the various high schools who contributed time and effort to the projects, and also the witnesses, without whom the program would not reach anywhere near the potential that it does in allowing the students to deal, in a very real way, with the legislation under consideration.

For this year, the four topics selected were: Marion-Union Counties—hospital cost containment; Champaign-Logan Counties—expansion of Federal crop insurance; Clark County—continuation of Federal revenue sharing; and Greene County-Mad River Township—savings incentives to increase capital formation.

Those students who worked on the reports and assisted in the presentations were:

From Marion-Union Counties—Sharon Beckel and Kirk Detweiler of River Valley High School; Mark Kearns, Dan Mitchell, and Denise Jones of Elgin High School; Dave Penrod and Kelly Dean of North Union High School; Priscilla Albernaz and Martin Cormody of Marion Catholic High School; Tami Holtz of Ridgedale High School; and Aimee Thorpe of Marysville High School.

From Champaign-Logan Counties—John Auldridge of Urbana High School; Daryl Kitchen and Wendy Howard of Triad High School; Sandy Faurot and Tate Antrim of Hi-Point JVS; Amy Stahler of Riverside

High School; Kelly Bennett and Kelli Chester of Mechanicsburg High School; Jeff Schmitt of West Liberty-Salem High School; Dee Dee Westfall of Triad High School; Jill Stanley and Rosanne Weatherby of Benjamin Logan High School; and Don Lonsert of Indian Lake.

Clark County Committee—Scott Phyllips and Wendy Blackwell of Springfield South High School; Karla Gilliam and Chris Widener of Greenon High School; and Michael Shaw of Springfield North High School; and

From Greene County-Mad River Township—Jim Guenther, David Hart, and Jenny Dowdell of Yellow Springs High School; Rich Brown and Phyllis Stubblefield of Beavercreek High School; Kathy Colbert and Bill Robinson of Xenia High School; Mark Owens of Park Hills High School; David Lorenzetti of Fairborn Baker High School; and Mark Back of Stebbins High School.

Following is the report of the committee from Marion and Union Counties:

MARION AND UNION COUNTIES CYAC COMMITTEE

Hospital Cost Containment (H.R. 2626)

INTRODUCTION

For the past decade hospitals have been experiencing double digit inflation. In part the hospital cost increase results from inflation in the general economy that increases the prices of existing goods and services that hospitals buy. That portion of the hospital cost increase is reflected in the hospital "market basket". Population growth also contributes to the increase in total hospital spending because it creates a greater demand for services.

The residual cost increase results from increase service intensity—additional services, new equipment, facilities, and techniques, and more highly trained personnel. Historical trends show service intensity at about four percent annually.

There is considerable concern that this rate of increase is not producing commensurate improvements in health status. In fact, there is strong evidence of substantial waste in the hospital industry, fueled by the rapid growth in service intensity.

The service intensity factor is the key to producing savings under hospital cost containment since it is the spending areas that is relatively controllable by the hospitals. This service intensity allowance under the voluntary limit is one percent, comparable to the growth of service intensity permitted by the hospital industry's own Voluntary Effort goal. Under the mandatory program the similar increase is permitted to reward efficient hospitals.

The Administration's Hospital Cost Containment legislation introduced in the 95th Congress was basically simple; there was a mandatory flat cap on the rate of increase in the hospital revenue. The bill was criticized for not giving the hospital industry a chance to control costs voluntarily, for not considering the different financial circumstances of each hospital, and for not rewarding efficiency.

The President's legislation submitted to the 96th Congress was designed to be simple and flexible. It also responded to the legitimate criticisms raised by the previous Congress.

1. Hospitals were given the opportunity to reduce their cost increases voluntarily;

2. Hospitals were given bonuses to reward those which have acted diligently to keep their costs below the level of similar type hospital and;

3. Exceptions were added to meet the individual need of the hospitals.

More importantly, the revised legislation abolished the complex formula used to calculate the mandatory limits in last year's bill and tried to simplify the overall legislation.

PRESIDENT'S PROPOSAL

The proposal made by President Carter would be disasterous to the hospital industry. The President proposed to institute voluntary price controls for all hospitals and if the control limits were not met, he would invoke mandatory controls. The mandatory controls would limit inflationary growth to 7.9 percent which could be raised to adjust for overall inflationary increases. However, this 7.9 percent figure was proposed with 12 to 13 percent inflation, so hospital costs could not rise as fast as other consumer prices. Added to the President's proposal was a 1.8 percent additional inflationary increase for selective hospitals which can show an increase in population or necessary hospital services.

The major problems with the President's proposal are: (1) The 7.9 percent figure is too low even if adjusted for inflation. (2) The 1.8 percent figure is not significant enough to allow for any hospital expansion. (3) The controls will punish the most efficient hospitals more because they would have to reduce their already low costs, when they couldn't afford to, while the inefficient hospitals would be favored. (4) Only the final costs and not the factors which make up the cost (i.e. equipment, wages, energy, and drugs) will be regulated, so the hospitals will be forced to absorb the inflationary costs from other sectors of the economy. (5) These controls will force hospitals to cut necessary programs for their community in order to reduce their costs. (6) The new regulations will mean more costs for hospitals to comply with the new government regulations.

The penalties for not meeting these regulations are disasterous in themselves, and could never be invoked. They include denial of Medicare and Medicaid reimbursements and 150 percent excise tax on the hospital and the person who paid the bill.

SECOND OPINION

A "second opinion" or "second consultation" as defined in its medical context is the judgement of a second surgeon regarding the necessity of a patient's operation. In most cities employing this technique, it is the patient's option to ask for a second consultation. In the event of a difference in opinion between the surgeons, the patient may request a third consultation. In all cases, the final decision regarding the operation is left to the patient; the second and third opinions merely serve to inform the patient of the risks and benefits as viewed by the surgeons and to check the quality of surgery performed. In a few cities, it is mandatory that the patient receive at least a second consultation, but the final decision whether or not to have the operation remains his.

Our proposal for implementing second opinions on a required basis across the board is outlined in three major parts:

First, an administrative referral service will be established on regional levels, directing patients to other surgeons for second opinions on a random basis within specific locales. Surgeons will be reimbursed at set rates for their consultations.

Secondly, there are specific criteria for receiving second opinions. All non-emergency patients seeking elective surgery must receive a second consultation. If the second surgeons recommendation differs from the first, the patient or either surgeon may request a third consultation. Whatever the final conclusion of the doctors, the patient shall make the final decision concerning his operation.

Thirdly, crucial restriction must be placed on the second opinion. No Inter-hospital referrals will be allowed—the consulting surgeon must be affiliated with a different hospital; the consulting surgeon may not perform any operations on the referred patient.

Emergency surgery will be exempt from the requirements of this proposal.

Mr. Speaker, following debate, the proposal of the Marion-Union Counties' committee was approved by a vote of 54 to 28, and the report was submitted to Congressman CLARENCE J. BROWN for his consideration.●

NO TO MX

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. SIMON. Mr. Speaker, in a recent editorial, the St. Louis Post-Dispatch criticized the MX program on grounds that its socioecomonic and environmental impact would be disastrous; that it has nearly doubled in cost; that it is extremely destabilizing to the strategic balance; and that it probably will not work. They suggest that we should "scrap it now."

As chairman of Members of Congress for Peace Through Law I have had the opportunity to closely monitor the MX debate. I have concluded that MX is not in our best national security interests. This week I will offer an amendment to the DOD authorization bill to delete funding for the MX to effectively scrap the basing mode, leaving funds to study alternatives. I ask that you support my amendment and I submit this thoughtful editorial for the consideration of my colleagues:

[From the St. Louis Post-Dispatch, March 29, 1980]

A "NO" TO THE MX

The opposition expressed by the governors of Utah and Nevada to the deployment of the MX missile in their states is a serious and perhaps fatal setback for the project as it now is designed. Their complaints against the mobile missile system apparently came as no surprise to the Defense Department, for the Pentagon has announced that it is looking for an alternate site in New Mexico and west Texas. Yet the problems that make the MX unacceptable in Utah and Nevada will exist elsewhere, and the New Mexico and Texas locations carry the additional handicap of population density and high land costs.

As proposed by the Defense Department, the 200 MX missiles would be deployed in clusters consisting of 23 launching shelters scattered around racetrack-like compounds. Altogether, 4,600 shelters would be required, the concept being that the Soviets could never by certain which shelters actually contained missiles. But as the governors told a House appropriations subcommittee, the deployment would be ruinous to the environment of the Utah-Nevada Great Basin Desert. Moreover, they said, bringing 50,000 workers into the area to build and operate the system would "destroy the chosen way of life as it is now known in those communities—forever."

It is inconceivable that the Pentagon would attempt to impose such a scheme over the protests of the states' highest elected officials. But the governors' opposition is by no means the only reason to abandon the MX. A new General Accounting Office study warns that the system could cost nearly $60 billion, nearly double the estimated price—and that figure does not include the nuclear warheads. As a first strike weapon, it would dangerously destabilize the strategic balance; and without SALT, and the warhead limits the treaty would impose, the MX would be vulnerable to a Soviet saturation attack. In short, the system is a bad bargain on every score. Why not scrap it now? ●

HELEN KELLER DAY

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. EDGAR. Mr. Speaker, recently I added my name as a cosponsor of House Joint Resolution 470. As introduced by my colleague, Representative FLIPPO, this resolution would proclaim June 27, 1980, as "Helen Keller Day."

June 27, 1980, will mark the 100th anniversary of the birth of one of America's most remarkable people. Though she became totally blind and deaf as a baby, Helen Keller overcame these serious handicaps through her own determination and that of her teacher, Anne Sullivan. Helen Keller learned to communicate fluently in sign language, mastered the braille alphabet, and even learned to speak.

It is fitting that we honor the memory of Helen Keller and hold up her courage and determination as an inspiration to others. It is also appropriate to use this occasion to honor those organizations, like the Lions Clubs International, which have furthered her efforts to provide encouragement, education, and opportunities to deaf and blind persons.●

A "BALANCED" BUDGET

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. SHUSTER. Mr. Speaker, the editorial in today's Wall Street Journal lucidly details a fact everyone in this Chamber knows: Namely, the Democrat budget for fiscal year 1981 is a hoax on the American public. Despite the claims of the majority party, this budget is not balanced, this budget does not restrain Government growth; this budget does not ease the tax burden of the American taxpayer. In other words, Mr. Speaker, this is nothing but a phony budget and I commend the following article to my colleagues:

A "BALANCED" BUDGET

The nation finally has a balanced budget—on paper. How long will it last? A week? A month? Certainly not past the second budget resolution in the autumn. Indeed, as the exchange in "Notable & Quotable" indicates, the long awaited balanced budget was unbalanced before it ever got off the House floor.

The reason is that the spending projections never turn out to be very close to the mark set. Peter Grace of W. R. Grace has compiled a table that compares the President's 1977 five-year budget forecast with the actual or latest estimates (in billions):

Fiscal year	Budget forecast	Actual or latest estimates	Increase
1978	$440.0	$450.8	+$10.8
1979	466.0	493.7	+27.7
1980	496.6	568.9	+72.3
1981	527.0	611.5	+84.5
1982	558.7	683.3	+124.6

In other words, the current year, with still four months to go, is already off $72.3 billion, a goodly sum, from an estimate made only three years ago. It is important to note that this occurred without the benefit of a recession, although, of course, with some help from—and help to—inflation. The actual figure for fiscal 1982 still is anyone's guess, but the fact that the 1977 forecast already is $124.6 billion off the target tells us something about how close that 1977 five-year projection is likely to come.

And it also tells us something about how likely that election year promise of a "balanced" fiscal 1981 budget is of ever coming true. Its vaporous quality was demonstrated only last Thursday when the Congress passed "emergency funding" to raise the fiscal 1980 food stamp budget by almost 50 percent. That's the second time in two years that Congress has underestimated the annual cost of the food stamp program. As the recession builds, it will more than likely push these welfare program underestimates higher, even if inflation diminishes.

Everyone in Congress knows that the balanced budget that has just passed will never materialize. But that won't stop any of them from campaigning as fiscally responsible—a stance that won't cost them any votes in other quarters either, after having first packed all the spending into the 1980 budget, allowing them to open the spending floodgates from now until the election and brag about a balanced budget all at the same time. The press, too, must know know that the gathering recession makes the budget debate a fairyland fantasy; there was not only the Baltimore Sun article referred to in the House debate, but also a lengthy page-one article in this newspaper. Yet we continue to read big headlines in important newspapers taking the balanced budget charade at face value.

Even this phony balanced budget would not have been possible without a tremendous upward revision in tax revenues. We won't give you the increases since the 1977 forecast; that would do more than ruin your day. Instead, just look at the budget revisions between January and March of this year and you have got the picture. The two month period saw upward revisions in tax revenues of $8.6 billion for 1980, $28 billion for 1981 and $33.7 billion for 1982. With the government picking up new revenues so rapidly, little wonder they can keep spending and still momentarily balance the budget.

When you look at all the political energy that went into producing a balanced budget that is really not there, it tells you that even symbolic victories don't come cheap. If all that energy had gone instead into producing a fiscal and budgetary policy that increased the incentives for being productive and decreased the rewards for being wards of the state, the nation might be able to look forward someday to a real balanced budget.

Now, we do not believe a balanced budget ought ever to be the single overriding goal of economic policy. What this economy needs is a fresh dose of incentives to restore growth and expand the tax base. This does not require more government spending programs, but relief from oppressive taxation. Congress has provided a facade of a balanced budget by fiddling with the figures and raising taxes. It is guilty of both deceiving the public and crippling the economy.●

AMENDMENTS TO H.R. 3904, THE MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1980

● Mr. ERLENBORN. Mr. Speaker, in the next few legislative days, the House will take up H.R. 3904, the Multiemployer Pension Plan Amendments Act of 1979. The bill is necessarily complex, yet delicately balanced, in an attempt to fashion a workable program of "insolvency" insurance coverage for nearly 2,000 joint labor-management trusteed pension plans covering 8,000,000 participants.

Due to what I consider an unfortunate oversight, the bill does not go far enough in reducing the risk of future abuses or catastrophic losses under the program. For example, while the bill increases premium costs by over 400 percent, the Pension Benefit Guaranty Corporation has estimated that premiums will have to increase by 900 percent in the event plans are forced to terminate because of the mass withdrawal of all employers.

The several amendments I will offer to H.R. 3904 when it is taken up are designed to improve the workability of the program while retaining the delicate balance of the legislation.

I urge my colleagues to support the following amendments which will:

First, reduce the chance for abuse and the high cost of mass withdrawal plan terminations;

Second, encourage faster funding for pension liabilities arising in the future; and

Third, increase the financial soundness of the program, thus preventing the otherwise inevitable demands of both employers and unions for a Federal bailout.

EXPLANATION OF AMENDMENT NO. 1

Under the bill, future unfunded past service liabilities—for example, arising from plan amendments increasing benefits related to past service—are required to be amortized over 30 years rather than 40 years as under current law. The amendment would require such unfunded past service liabilities to be amortized over 30 years for plan years beginning before January 1, 1986, over 25 years for plan years beginning January 1, 1986, and ending before January 1, 1992, and over 20 years for plan years beginning January 1, 1992.

The bill places single employer and multiemployer pension plans on the same funding schedule by requiring both types of plans to amortize unfunded past service liabilities over 30 years. The amendment would continue this equal treatment of single and multiemployer pension plans with respect to the 25- and 20-year amortization requirements.

By requiring sounder plan funding, the amendment would significantly reduce the risk, the exposure, and the long-term costs of the multiemployer plan program.

EXPLANATION OF AMENDMENT NO. 2

This amendment is identical to the first amendment except that the provisions apply only to multiemployer plans.

EXPLANATION OF AMENDMENT NO. 3

Under section 4022A(c)(1) as added by the bill a participant's monthly benefit for each year of credited service is guaranteed up to a maximum of: One, 100 percent of the monthly accrual rate up to $5 plus two, 70 percent of the lesser of $15 or the monthly accrual rate in excess of $5. Under the amendment, for plans electing 20-year funding the 70-percent factor would be increased to 75 percent at the time of the election.

In order to avoid antiselection, plans meeting a certain assets-to-benefits ratio test would have 3 plan years after date of enactment in which to elect 20-year funding and the higher benefit-guarantee level. A plan meets the assets-benefits test if in a period of 3 consecutive years the ratio of plan assets to plan benefits is at least 8 to 1. A plan meeting the 8-to-1 assets-benefits test for the first time after the initial 3-year period would be able to elect the higher benefit guarantee and 20-year funding at the time it meets such test.

Under the amendment, plans making an election for the increased benefit guarantee would be required to amortize over 20 years any unfunded past service liabilities which arise in plan years after the date of the election.

The amendment would encourage sounder plan funding among the plans eligible for the election—approximately three-fourths of all plans—thus reducing the risk, exposure, and the long-term costs of the multiemployer plan program. The amendment would have no immediate impact on the estimated short-term costs of the program as presented to the Congress by the PBGC.

EXPLANATION OF AMENDMENT NO. 4

The amendment would reduce the cost of the multiemployer plan program by providing disincentives for plans to terminate prior to plan insolvency whereby employers withdraw en masse in order to avoid further obligation through changes in business structure. First, a 5-percent coinsurance factor is introduced in the level of benefit guarantees for those who are active participants at the time of plan termination. The amendment would not affect the benefit-guarantee levels of retired participants or their beneficiaries. By setting benefit-guarantee levels at 95 percent of what they would otherwise be, the amendment would discourage active employees and their collective-bargaining representatives from either colluding with employers to abandon a plan or acting unilaterally to place retirees and employers in economic jeopardy.

Second, the amendment would increase by 10 percent the annual amount of the employer withdrawal liability payment for each employer participating in the mass withdrawal. However, the total amount of each employer's share of withdrawal liability would remain unchanged. By discouraging mass withdrawals, the effect of this provision would be to encourage employer plan participation and funding, thus reducing the chance that accrued vested benefits would ever have to be cut back to the guaranteed level.

EXPLANATION OF AMENDMENT NO. 5

The amendment in the nature of a substitute to H.R. 3904 strikes all after the enacting clause and provides for the exemption of multiemployer pension plans from coverage under title IV of ERISA.

The amendment provides for the cessation of premiums and insurance coverage for multiemployer plans after the date of enactment. The amendment also authorizes the continued payment of guaranteed benefits with respect to those terminated plans the PBGC covered prior to the date of enactment pursuant to its discretionary authority under present law.

As under H.R. 3904, the amendment repeals section 4023 of title IV of ERISA relating to a program of contingent employer liability insurance for single and multiemployer pension plans.

The following page and line references are to H.R. 3904—report No. 96-869, parts I and II—as reported by the Committee on Education and Labor on April 2, 1980—part I—and by the Committee on Ways and Means—part II. While the references are to part II, identical amendments reference part I.

AMENDMENT NO. 1

Page 404, line 19, strike out "and".

Page 404, insert after line 19 the following:

(2) by striking out clause (iii) of subsection (b)(2)(B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking our clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,"; and

Page 404, line 20, strike out "(2)" and insert in lieu thereof "(4)".

Page 385, insert after line 23 the following:

(2) by striking out clause (iii) of subsection (b)(2)(B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking out clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

Page 385, line 24, strike out "(2)" and insert in lieu thereof "(4)".

Page 388, line 15, strike out "(3)" and insert in lieu thereof "(5)".

AMENDMENT NO. 2

Page 404, line 19, strike out "and".

Page 404, insert after line 19 the following:

(2) by striking out clause (iii) of subsection (b)(2)(B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) is unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking out clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,"; and

Page 404, line 20, strike out "(2)" and insert in lieu thereof "(4)".

Page 385, insert after line 23 the following:

(2) by striking out clause (iii) of subsection (b)(2)(B) and inserting in lieu thereof the following:

"(iii) separately, with respect to each plan year, the net increase (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 plan years in any case in which such plan year begins on or after January 1, 1992,";

(3) by striking out clause (i) of subsection (b)(3)(B) and inserting in lieu thereof the following:

"(i) separately, with respect to each plan year, the net decrease (if any) in unfunded past service liability under the plan arising from plan amendments adopted in such plan year, in the case of a single-employer plan, over a period of 30 plan years, and, in the case of a multiemployer plan, over a period of—

"(I) 30 plan years in any case in which such plan year begins before January 1, 1986,

"(II) 25 plan years in any case in which such plan year begins on or after January 1, 1986, and before January 1, 1992, and

"(III) 20 years in any case in which such plan year begins on or after January 1, 1992,";

Page 385, line 24, strike out "(2)" and insert in lieu thereof "(4)".

Page 388, line 15, strike out "(3)" and insert in lieu thereof "(5)".

Amendment No. 3

Page 193, line 19, strike out "paragraph (6)" and insert in lieu thereof "paragraphs (6) and (7)".

Page 198, insert after line 17 the following:

"(7)(A) In any case in which this paragraph applies to a plan—

"(i) in applying paragraph (1) to such plan the term '75 percent' shall be substituted in paragraph (1)(A) for the term '70 percent', and

"(ii) effective for the plan year following the date of the election under subparagraph (B), in applying paragraphs (2)(B)(iii) and (3)(B)(i) of section 302(b) to such plan, the term '20 plan years' shall be substituted for all that follows the term 'period of' therein.

"(B) This paragraph shall apply to a plan only if, during a year of election described in subparagraph (C), the plan sponsor elects that this paragraph apply with respect to such plan. Such election shall be irrevocable.

"(C) A year of election described in this subparagraph for a plan is—

"(i) except as provided in clause (ii), any plan year, during the period of 3 consecutive plan years beginning with the first plan year beginning after the date of enactment of the Multiemployer Pension Plan Amendments Act of 1980, which meets the assets-benefits test under subparagraph (D), or

"(ii) in any case in which there is no year of election under clause (i), the first plan year, beginning after the 3-year period described in clause (i), which meets such assets-benefits test under subparagraph (D).

"(D) A plan meets the assets-benefits test under this subparagraph if the plan year is the third plan year of any period of 3 consecutive plan years in which the ratio of the value of the assets of the plan at the beginning of each such plan year to the benefit payments made during the plan year preceding such plan year is at least 8 to 1.

Amendment No. 4

Page 198, insert after line 17 the following:

"(7) Notwithstanding the preceding provisions of this subsection, in the case of a plan which terminates as described in section 4041A(a)(2) before becoming insolvent (within the meaning of section 4246(b)(1)), the benefit guaranteed under this subsection of a participant who was not in pay status at the time at which the plan terminates (or of a beneficiary of such a participant) shall be 95 percent of the benefit which would be guaranteed under such provisions without regard to this paragraph.

Page 259, line 12, strike out "and".

Page 259, insert after line 12 the following:

"(ii) in any case in which such termination, or such withdrawal by substantially all the employers, occurs before the plan becomes insolvent (within the meaning of section 4246(b)(1)), in applying subparagraph (C)(i) to such plan, the term '110 percent of' shall be inserted before the term 'the highest contribution rate' in subclause (II) of such subparagraph (C)(i), and

Page 259, line 13, strike out "(ii)" and insert in lieu thereof "(iii)".

Amendment No. 5

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

Section 1. This Act may be cited as the "Multiemployer Pension Plan Amendments Act of 1980".

AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 2. Whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of title IV of the Employee Retirement Income Security Act of 1974.

EXCLUSION FROM COVERAGE

Sec. 3. Section 4021(b) is amended by striking out "or" at the end of paragraph (12), by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; or", and by adding at the end thereof the following:

"(14) which is a multiemployer plan.".

PREMIUM RATES

Sec. 4. (a) The second sentence of section 4006(a)(1) is amended to read as follows: "The premium rates charged by the corporation for any period shall be uniform for all plans with respect to basic benefits guaranteed by it under section 4022.".

(b) Section 4006(a)(1) is amended by adding at the end thereof the following new sentence: "Except as provided in section 4082(f), no premium shall be charged by the corporation with respect to any multiemployer plan for any plan year of such plan ending after the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980.".

(c) Subparagraph (A) of section 4006(a)(2) is amended to read as follows:

"(A) basic benefits,".

(d) Paragraph (4) section 4006(a) is amended by striking out the last sentence thereof.

(e) Subparagraph (A) of section 4006(a)(5) is amended to read as follows:

"(A) The corporation may establish annual premiums composed of—

"(i) a rate applicable to the excess, if any, of the present value of the basic benefits of the plan which are guaranteed over the value of the assets of the plan, not in excess of 0.1 percent, and

"(ii) an additional charge based on the rate applicable to the present value of the basic benefits of the plan which are guaranteed.

The rate for the additional charge referred to in clause (ii) shall be set by the corporation for every year at a level which the corporation estimates will yield total revenue approximately equal to the total revenue to be derived by the corporation from the premiums referred to in clause (i) of this subparagraph.".

REPEAL OF CONTINGENT LIABILITY COVERAGE

Sec. 5. (a) Section 4023 is repealed.

(b) Section 4006(a)(2) is amended—

(1) in subparagraph (A)(ii), by inserting "and" after "plan,";

(2) by striking out subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) The table of sections in section 2 is amended by striking out the item relating to section 4023.

LIABILITY OF EMPLOYERS ON TERMINATION OF CERTAIN PLANS OTHER THAN MULTIEMPLOYER PLANS

Sec. 6. Subsection (a) of section 4064 is amended by inserting "to which section 4021 applies" after "employers who maintain a plan".

TRANSITIONAL RULES

Sec. 7. (a) Subsection (c) of section 4082 is amended by redesignating paragraph (4) as paragraph (2) and by striking out all that precedes such paragraph and inserting in lieu thereof the following:

"(c)(1) The corporation shall pay benefits guaranteed under this title (as in effect immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980) with respect to a multiemployer plan which terminated before such date, if the corporation made a final determination before such date under this subsection (as in effect immediately before such date) to pay such benefits.".

(b) Paragraph (2) of section 4082(c) (as redesignated by subsection (a) of this section) is amended—

(1) by striking out all that precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) With respect to any benefits to which paragraph (1) applies, the corporation—"; and

(2) by striking out subparagraph (D), by inserting "and" at the end of subparagraph (B), and by striking out ", and" at the end of subparagraph (C) and inserting in lieu thereof a period.

(c) Section 4082 is amended by adding at the end thereof the following new subsection:

"(f)(1) An insurance premium shall be charged by the corporation in accordance with section 4006 (as in effect immediately before the date of the enactment of the Multiemployer Pension Plan Amendments Act of 1980) with respect to each multiemployer plan to which section 4021 applied immediately before such date for the plan year in which such date occurs, except that the insurance premium rate applicable to such multiemployer plan for such plan year shall be the rate described in paragraph (2).

"(2) The rate described in this paragraph shall be the product of—

"(A) the insurance premium rate applicable to such multiemployer plan immediately before such date under such section 4006, and

"(B) a fraction—

"(i) the numerator of which is the number of months of such plan year ending before such date, and

"(ii) the denominator of which is 12.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) Subtitle E is amended by adding at the end thereof the following new section:

"AUTHORIZATION

"SEC. 4083. There are authorized to be appropriated to the trust funds established with respect to multiemployer plans by section 4005 for fiscal years beginning after the date of enactment of the Multiemployer Pension Plan Amendments Act of 1980 such sums as may be necessary to meet the obligations of such trust funds.".

(b) Section 4005(b)(1) is amended by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(G) amounts appropriated pursuant to section 4083.".

EFFECTIVE DATE

SEC. 9. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Amend the title so as to read: "A bill to amend the Employee Retirement Income Security Act of 1974 to eliminate multiemployer plans from the coverage of such Act, and for other purposes.".●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 13, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 14

9:30 a.m.
Commerce, Science, and Tranportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 3 and 1710, bills to provide procedures for Federal constitutional conventions for the purpose of proposing amendments, and on the method used by the Senate in processing Petitions and Memorials received.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
Business meeting, to consider the nominations of Sheldon V. Ekman, of Connecticut, and Edna G. Parker, of Virginia, each to be a Judge of the U.S. Tax Court; and to resume consideration of proposed legislation to extend the temporary limit on the public debt, and proposed legislation relating to employer-based catastrophic health insurance.
2221 Dirksen Building

Foreign Relations
To hold oversight hearings on the implementation of the Taiwan Relations Act.
4221 Dirksen Building

Labor and Human Resources
Business meeting, to discuss and consider pending calendar business.
4232 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

3:00 p.m.
Select Committee on Indian Affairs
Business meeting, to markup proposed legislation authorizing funds for fiscal year 1981 for the Indian Health Care Improvement Act.
5302 Dirksen Building

MAY 15

9:15 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, to strengthen fair credit reporting, and provide safeguards for citizens in the areas of credit, banking, and insurance records.
5302 Dirksen Building

9:30 a.m.
Foreign Relations
To continue oversight hearings on the implementation of the Taiwan Relations Act.
4221 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the defense establishment.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981, for programs of the Department of the Interior.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Finance
Business meeting, to consider the nominations of Sheldon V. Ekman, of Connecticut, and Edna G. Parker, of Virginia, each to be a Judge of the U.S. Tax Court; and to resume consideration of proposed legislation to extend the temporary limit on the public debt, and proposed legislation relating to employer-based catastrophic health insurance.
2221 Dirksen Building

11:15 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
Business meeting, to mark up S. 878, to simplify the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
S-146, Capitol

1:00 p.m.
Select on Small Business
To receive a briefing on the final report of the White House Conference on Small Business.
424 Russell Building

2:00 p.m.
Appropriations
Military Construction Subcommittee

To hold closed hearings on nuclear chemical storage and security.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Judiciary

To hold hearings on the nominations of Stephen R. Reinhardt, of California, to be U.S. Circuit Judge for the Ninth Circuit; William A. Norris, of California, to be U.S. Circuit Judge for the Ninth Circuit; Earl B. Gilliam, to be U.S. District Judge for the Southern District of California; and Robert P. Aguilar, to be U.S. District Judge for the Northern District of California.

2228 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981, for programs of the Department of the Interior.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1533 and 1940, bills to provide an exemption for qualified small business venture capital companies.

5302 Dirksen Building

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

MAY 19

9:00 a.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on H.R. 5563, to allow certain proceedings in the U.S. District Court for the District of Puerto Rico to be conducted in either English or Spanish.

1224 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

*Science, Technology and Space Subcommittee

To hold hearings on industrial applications of recombinant DNA techniques.

235 Russell Building

Environment and Public Works

To hold hearings on S. 1631, proposed Fish Restoration Act.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.

1223 Dirksen Building

10:30 a.m.

Judiciary

Business meeting, to consider pending calendar business and nominations.

2228 Dirksen Building

2:00 p.m.

Office of Technology Assessment

The Board to hold a meeting on pending business items.

EF-100, Capitol

MAY 21

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of expected appointments for disabled veterans.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 2523, to clarify certain antiquated inspection and manning laws which affect smaller commercial vessels, and H.R. 1198, to establish appropriate identifiable lines dividing inland waters of the United States from the high seas.

235 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

MAY 22

9:00 a.m.

Special on Aging

To hold oversight hearings on the administration of mental health programs to serve the elderly and to review proposals to overcome service barriers to older Americans (the substance of S. 1177).

1202 Dirksen Building

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

10:00 a.m.

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, proposed Environmental Emergency Response Act.

4200 Dirksen Building

*Select on Indian Affairs

To hold hearings on S. 2513, to promote economic self-sufficiency among Indian tribes by providing tax incentives to industries who hire Indians and locate on or near their reservations.

1318 Dirksen Building

MAY 23

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 1519, authorizing the Secretary of Energy to redress the capital repayment problems of the Southwestern Power Administration without undue burden to the current ratepayers.

3110 Dirksen Building

MAY 28

10:00 a.m.

Energy and Natural Resources

To hold hearings on the impact of acid rain in the atmosphere resulting from an increased use of coal.

3110 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.

5302 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of Federal programs for women in business.

457 Russell Building

MAY 30

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on the following miscellaneous tax legislation. S. 2484, 2486, 2500, 2503, 2548, and H.R. 5043.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.

5302 Dirksen Building

JUNE 2

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to examine certain energy policy issues dealing with episodic, severe shortages in transportation fuel.

3110 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.

5110 Dirksen Building

JUNE 3

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands.

S-407, Capitol

JUNE 4

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.

5110 Dirksen Building

JUNE 5

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.

3110 Dirksen Building

JUNE 10

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.

5110 Dirksen Building

JUNE 11

9:30 a.m.

***Veterans' Affairs**

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

JUNE 19

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.

412 Russell Building

JULY 1

10:00 a.m.

Veterans' Affairs

To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.

412 Russell Building

SENATE—*Tuesday, May 13, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

Commissioner Arthur R. Pitcher, commander of the southern territory of the Salvation Army, Atlanta, Ga., offered the following prayer:

Let us pray.

O God, our Heavenly Father, we humbly beseech Thee to bless us as we present our needs to Thee at the beginning of this new day. Our minds would seek the clarity of vision, the integrity of purpose, and the certainty of Thy presence which will assure us that the deliberations and decisions of this day will glorify Thee. We present for Thy gracious care and comfort those who sorrow, those who suffer, those who are held in physical or spiritual bondage, and those who face this day in uncertainty or fear. We pray that Thou, whose ministry among men was to preach the Gospel to the poor, to bind up the brokenhearted, to preach deliverance to the captives and the opening of the prison to those who are bruised, shall find us ready to share with Thee in Thy healing involvement with mankind. We acknowledge that our resources are meager, until they are augmented and strengthened by Thine infinite grace, and our way cloudy and indistinct until it is illuminated by Thy wisdom. May we find a new assurance of Thy presence, a new awareness of Thy power, and a new consciousness of Thy providence, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 13, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. METZENBAUM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SOVIET IMPERIALISM

Mr. ROBERT C. BYRD. Mr. President, the massive Soviet intervention in Afghanistan began 4 months ago. A populous, relatively rich, industrialized nation has invaded a small, poor, less developed neighbor in southwest Asia.

One of the effects of the Soviet intervention in Afghanistan has been to destroy forever the Soviet pretension to have a special relationship with Third World nations. The reality behind the Soviet Union's anticolonial rhetoric has been laid bare. The Soviet Union has shown that it is a practitioner of very crude, old-style imperialism.

Historically, there have been two patterns of imperial expansion: The subjugation of overseas territories and peoples, and the subjugation of neighboring peoples. In light of the Soviet move into Afghanistan, it is significant to note that today's Soviet Union is the remnant of the czarist subjugation of neighboring peoples. Afghanistan was a frequent target of czsarist imperial designs. The move into Afghanistan is perfectly consistent with traditional Russian foreign policy.

There are three general motivations behind imperial expansion: Ideology economic gain, and security. Each seems to have played some part in the Soviet decision to intervene in Afghanistan.

Soviet ideology is inherently expansive because the Soviets assume they represent a historical wave of the future. The Soviet leadership has never accepted the right of other nations to reject the Soviet model. The right of Third World nations to develop their own social, political, and economic systems is being violated by the Soviets today in Afghanistan.

A second motivation for imperial expansion is economic gain—a search for markets for finished goods and for access to sources of raw material. The czars' desire for a warm-water port reflected economic motives. Afghanistan is not important either as a market or as a source of raw materials, but it is important as a traditional trade route. Today its importance lies in the access it provides to the oil-rich nations of the Persian Gulf, especially Iran. The Soviets are expected to need oil imports in the next decade, and their position in Afghanistan will allow them to move farther into the Persian Gulf area. The independence of several of the nations of the region could be threatened by Soviet designs.

The third motivation for imperial expansion is security. The czars expanded west and east to provide buffer zones for the Russian heartland. It seems highly likely that Soviet intervention was predicated, in part, on security concerns. But the threat in Afghanistan was not military. The threat was that the Soviet-backed Afghan regime would be toppled, and would be replaced by a government representing, in part, Moslem fundamentalists. Soviet power would have been undermined; but more important, the contagion of religious fundamentalism might spread to the 50 million moslems in the Soviet Union.

Third World nations have seen what the Soviets are doing in Afghanistan, and many have spoken out. At the United Nations in January, the General Assembly voted 104 to 18 to call for an end to the Soviet intervention. And the February 1980 summit of Islamic nations condemned the Soviet Union's intervention in Afghanistan.

I urge these nations to continue to speak out. The people of Afghanistan are resisting the Soviet take-over of their country. They deserve the support of other nations. And Third World nations should continue to voice their opposition to predations by the Soviet Union along its borders because other nations in the region—Iran, Pakistan, and Turkey—could face the same threat, and do face the same threat.

Third World nations recognize old-fashioned imperialism when they see it, because they have been victims of imperialism and colonialism in the past. There is little that is new about the threat posed by Soviet intervention in Afghanistan: It is the threat of aggression to further imperial expansion. The Soviet threat is not new, but it is very grave.

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, is there any Senator to whom the minority leader wishes to yield some time?

Mr. BAKER. Mr. President, I thank the majority leader.

I have no need for my time under the standing order. Unless there is a request from some other Member, I am prepared to yield it back.

Mr. President, I have no such request, and I yield back my time under the standing order.

RECOGNITION OF SENATOR STEWART

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Alabama (Mr. STEWART) need more than the 15 minutes under his order?

Mr. STEWART. I do not.

Mr. ROBERT C. BYRD. I yield my remaining time, Mr. President, to him in the event that he should need it.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. STEWART) is recognized for not to exceed 15 minutes.

WASHINGTON POST ARTICLE ON WORKER OWNERSHIP

Mr. STEWART. Mr. President, the Outlook section of Sunday's Washington Post carried a very thoughtful article on employee ownership by Daniel Zwerdling.

In the last few years, there has been a tremendous increase in employee ownership in this country. It is now estimated that 4,000 companies have an employee stock ownership plan. At least 100 companies—and probably many more—have over half their stock owned by over half their employees. Congress recently required the Chrysler Corp. to give its employees $162.5 million worth of Chrysler stock, and Congress will hopefully soon approve legislation, now in conference, to provide authority for the Small Business Administration and the Economic Development Administration to assist employee ownership efforts in a further manner.

Employee ownership has had some very impressive successes. The Small Business Committee published a staff report last year showing that since 1971 employees had purchased approximately 60 companies previously scheduled to close, companies with tens to thousands of workers each. In every case, the employees have turned the companies around to profitability. A comprehensive study by the University of Michigan Survey Research Center showed that employee owned companies were 1.5 times as profitable as comparable conventional firms, while other studies have documented productivity increases of 25 to 30 percent in employee owned firms.

As the prime sponsor of the legislation mentioned above, these successes have been very encouraging to me. The strong, bipartisan support in Congress is similarly encouraging. Employee ownership is more than just good business practice, however; it is a fundamentally important means of including people in the economy. It gives working people a stake. It makes them owners. It gives them a share in their company's growth. Essentially, employee ownership is just more fair.

As the Post article shows, however, employee ownership has much unrealized potential. While it has increased profits and productivity, and while it has saved thousands of jobs, it has only begun to change the worker's role in the company. Employee ownership promises the opportunity for workers to have a say in how their work is organized, as well as what their company decides to do on basic issues. Experience in Japan and Germany with worker participation has long shown the tremendous impact this has not only on productivity, but on worker satisfaction as well. Limited experiments with the idea in the United States, such as GM's Tarrytown plant, have also been great successes. Overall, though, we have a long way to go in this area in this country.

We need to travel that road, however, for employee ownership's greatest potential is not profits or productivity—it is the potential it creates for people to have more say about their own lives, and, in the process, to feel part of a larger, common endeavor. These were the dreams on which this country was nourished, and they are dreams we need to revive.

On May 20, employee ownership will be a major area of concern at the Small Business Committee's symposium on economic growth. That symposium will involve leading economists, business and labor representatives, and other economic analysts in a discussion of this country's increasing difficulties with productivity, investment, and global competition.

I ask unanimous consent that the Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORKERS TURNED OWNERS FIND THEY'RE STILL JUST WORKERS

(By Daniel Zwerdling)

Carl Vogel's peeling yellow clapboard house, just around the corner from the new Ponderosa Steak House in Herkimer, N.Y., doesn't seem like a flash point of a nascent movement that could affect the course of American history. With his orange plastered walls, bright blue carpets, china dog statues and massive TV elevated on a white pedestal, Carl Vogel seems the essence of the skilled factory craftsman who has hammered and sawed his way toward the American dream.

For 43 years, Vogel built components of library furniture in the Herkimer Library Bureau Inc., just as his father and grandfather did before him. He worked his overtime, paid his union dues, was twice elected president of the union local. Until recently his most radical thought was believing he might beat Willie Mosconi in a local pool exhibition (and regulars at the Mohican Restaurant will proudly tell you he almost did).

But then the bombshell hit one afternoon four years ago. In a seven-sentence press release that Vogel and his fellow workers will never forget, executives of the distant $4 billion Sperry Rand conglomerate announced they were shutting down the Library Bureau—a profitable but minor subsidiary they had picked up in a merger. In a depressed valley where abandoned factories litter the landscape like crumpled beer cans, the news condemned Vogel and the 277 other employes to a future on the unemployment and welfare rolls.

But unlike citizens of most communities hit by plant shutdowns, the factory workers and other citizens of Herkimer fought back. In an extraordinary campaign—"the most single unified effort that this area has ever known since the American Revolution," one community leader declared—the townspeople scraped together $6 million in cash and loans and bought the plant from Sperry.

And today, the rank and file build library checkout counters and card catalogues in their own newly named Mohawk Valley Community Corp.—100 percent employe- and community-owned.

The takeover story soared to four minutes of fame on the Evening News with Walter Cronkite—a story of jubilant workers and townspeople triumphing over the evils of far-flung conglomerate power.

But now, as he sits in his living room one rainy evening four years later, union president Carl Vogel is talking angrily about how the dream of worker ownership has soured. "We saved our jobs, yes, but it could have been a lot better," Vogel says. "We thought things would be, well, different. We expected to be treated more like part-owners, with respect, not just as employes.

"The employes should have had a lot larger role than what they did have," Vogel says, clenching his fist for emphasis, "but they [management] just kind of pushed us to the side and said, 'We're the boss and we're going to run the show.'

"The people on the floor know a lot more than running machines," Vogel says, thumping the couch. "We know how to make this company run."

The factory takeover in Herkimer, and the anger stirring in workers like Carl Vogel, symbolize new visions being born in factories and communities across the nation. As the economy stumbles and conglomerates shut down aging plants, workers and worker-community coalitions have bought at least 60 threatened corporations in the past few years.

Worker groups have saved firms ranging from a small sewing company in a poor black region of North Carolina to the 500-worker South Bend Lathe machine tool factory in Indiana. More than 1,000 employes in the graying mill town of Lewiston, Maine, recently bought and saved a textile plant scheduled for shutdown as the conglomerate parent pulled its money out of fabrics and invested in coal.

Unemployed printers in Clinton, Mass., recently launched a worker-owned co-op factory on the ashes of a printing plant, discarded by the Toledo-based Sheller-Globe conglomerate. And, in perhaps the most dramatic worker takeover to date, almost 2,000 slaughterhouse workers are likely to purchase the Armour conglomerate's ailing Rath Packing Co., including five plants spread across Iowa and Texas.

There have been other fleeting moments in U.S. history when working people, desperate that the economy wasn't working for them, took matters into their own hands. The radical Knights of Labor, for instance, launched more than 100 worker-owned firms during the recession years of the late 19th century.

But the new wave of worker- and community-owned firms shatters the historical precedents. For it's not fringe radicals leading the takeovers, but local Chamber of Commerce presidents, clergy and union leaders. Officials at practically every level of government, from the Hartford City Council to the National Governors Association, have endorsed employe ownership to save jobs. Congress has passed bills in recent months that would provide federal loans to help employe and community takeovers, with support ranging from George McGovern to S. I. Hayakawa. Federal agencies have already aided a handful of employe takeovers—in fact, if the Rath workers buy their company in the next two months as expected, it will be with the help of the Departments of Commerce and Housing and Urban Development.

Historically, of course, employe and community ownership of industry has been championed by radicals as a building block of socialist democracy. Karl Marx hailed worker-owned firms as "the first sprouts" of a revolutionary age. But most advocates of the current generation of takeovers don't envision them as a radical step toward worker and community control. Far from it:

They view employe ownership merely as a pragmatic strategy, a "viable option," as HUD policy planner John Simmons calls it, to prevent more plant closings and fight unemployment.

But supporters of these Herkimer-style takeovers are unwittingly sowing the seeds of what could become an historic democratic movement. For as rank-and-file factory employees like Carl Vogel awaken to new possibilities of influence—the simple fact that they can join hands and save their own multi-million-dollar corporation—they are opening their eyes to bolder visions. In firms from Herkimer's MVCC to South Bend Lathe, worker-owners like Carl Vogel have tasted new possibilities of influence over the corporate policies that affect their lives—and now a growing number of workers say they want more.

Random press clippings spread on a table, like pieces of a jigsaw puzzle, form a rough picture of the mounting plant-closing problem. Goodyear Tire and Rubber lays off almost 3,000 employees in Akron, and then buys the biggest tire manufacturer in Chile. U.S. Steel announces it will shut down 16 factories and put 13,000 employees out of work—as it invests massive amounts of money, more than half a billion dollars in the past few years, into chemicals operations and hotel-condominium projects in the South.

Plant shutdowns are striking hardest at the aging industrial towns of the "graybelt," stretching from the Great Lakes to the Northeast. According to federal-funded studies, conglomerates have been casting off older plants, many of them swallowed during the merger wave of the Sixties, and shifting their investments to the boom towns of the South and Southwest, and overseas—lands of weaker labor unions, cheaper labor, cheaper transportation and energy.

Conglomerates aren't necessarily discarding the plants because they are losing money—as studies at Cornell University show, many shutdown plants were earning decent profits—but often because by shifting their capital to other investments, executives figure they can earn even more. And under current federal tax laws, corporations can actually make more money by shutting down subsidiaries and writing off the losses than by selling them.

The small towns sprinkled through the Mohawk Valley in Upper New York are like tombstones to the failure of federal policies to grapple with the problem.

The economy here has been so chronically ill in recent years—General Electric, Carrier Corp., Sperry and others have all fled the area—that news of a Mr. Steak restaurant coming to Herkimer rates a front-page headline. Townspeople aren't excited about cheap T-bones, but about the 35 new jobs the restaurant franchise may bring.

As their economy crumbled around them, local residents looked to the Library Bureau as their financial Rock of Gibraltar. Founded in 1876 by Melvil Dewey, of Dewey Decimal System fame, the corporation had earned a decent profit in 19 out of 20 years. Townspeople still talk about how proud they felt when their yellow and red brick factory first became part of the multinational Sperry conglomerate. It was proof, they thought, that they had earned world respect as they took birches from the Adirondacks and debarked, planed and hammered them into card catalogues and checkout counters for institutions from Princeton University to U.S. embassies around the world.

And so the factory's workers and community residents were stunned when they picked up the Evening Telegram one frigid March afternoon and read that Sperry executives were going to close the plant and sell off the equipment. Sperry wasn't closing the area's single largest employer because it was losing money, executives acknowledged, but because the factory's furniture products "do not fit the company's present product lines"—including office electronics and guidance systems for warplanes.

Sperry executives added privately that while the Library Bureau's profits were good, they didn't consider them good enough—below 22 percent return on investment, the hefty "target hurdle" that Sperry executives strive to achieve.

Karl Marx had envisioned that workers on the factory floor would spontaneosuly seize the means of production, but in Herkimer, the worker-community takeover was launched by a small group of local managers and businessmen. "They wanted to buy the factory from Sperry," says John Ladd, executive director of the Mohawk Valley Economic Development District Inc., a local conduit that funnels federal funds to local business. "But we knew the business groups weren't capable of raising the equity themselves to put the funding together. So," Ladd says, "we decided to go after the little guy on the street."

When the factory employes first heard the idea at a mass meeting in the Herkimer Community College auditorium, high on a hill overlooking the factory, they ran with it. "I had never even dreamed about worker-community ownership," Carl Vogel recalls. "But what was the choice? It was either go out and draw unemployment and then go on welfare, or go and purchase the plant."

Sawmill employes and school librarians and members of the Jaycees fanned out through the valley, knocking on every door and selling stock coupons as if they were raffle tickets. Local businesses chipped in, from the local funeral home to Utica Club breweries. Retired schoolteachers walked into Ladd's office carrying shoeboxes bulging with dollar bills, smelling musty after years cached in their basements.

But it was the Library Bureau workers—the rank and file whacking nails and sawing wood, 52 hours a week including overtime, for an average $10,000 a year and not a single day's paid sick leave—who really rescued the town. In the middle of acrimonious negotiations, Sperry executives suddenly demanded a $200,000 down payment, nonrefundable even if the takeover deal fell through. "I went right through the plant, floor by floor, man by man." Vogel says, "and I told them, 'We got to come up with the money and we don't care where you get it. Draw it out of the bank or out of your mattresses.' Within a few days," Vogel says with obvious pride, "we come up with $193,000 in cash—the employes alone."

Ironically, while Herkimer residents were fighting to save their factory by buying it, state and federal officials were trying to prevent another Sperry subsidiary from closing in nearby Utica. But they were using more conventional tactics—enticing the conglomerate with generous land and tax incentives worth millions of dollars.

The offers weren't good enough. Sperry shut the Utica plant, putting 1,000 employes on the unemployment rolls, and shifted production to Tennessee. Three weeks later, the Herkimer strategy succeeded.

Herkimer-style success stories have hit the pages of the nation's newspapers. Something about the populist spirit of these employe ownership campaigns, linking small town managers and bank presidents to union leaders and machine tool operators, seems to capture the imagination of a nation that's becoming more aware of conglomerate power. Press stories often glow with reports of how the employe takeovers have boosted worker morale, productivity and profits.

In fact, to read about the employe-owned firms in the press—headlines such as "Workers Take Over Plant," "Workers Are Running the Show"—you'd think the revolution has come to small towns like Herkimer and South Bend.

It hasn't. If you walk through the Herkimer furniture factory, you won't find worker councils shutting down the saws to vote on corporate policies. You won't find grease-stained machinists running the executive offices at South Bend Lathe. Virtually nothing has changed since the workers bought the factories—except that now employes have some shares of stock in their dresser drawers.

At most of the firms saved recently by employe or employe-community ownership, in fact, the same local plant managers who ran the enterprise under conglomerate ownership still run the show. "I worked here before [under Sperry] and I worked here afterward," a vice president of the Herkimer factory said. "And I don't see any change. Things go on exactly as before."

In most of the firms saved recently by employes, worker ownership of corporate stock has not bought workers' control.

In many new worker-owned firms, employes don't even have the power to cast their shareholder votes, as even the smallest stockholders of General Motors do.

When 800 employes in California and Oregon bought two factories from the Fibreboard Corp., for instance, they agreed to surrender to the plant managers the power to vote their stocks. And in cases where employes do cast shareholder votes, such as in Herkimer or at South Bend Lathe, their votes don't carry significant power. When the rank-and-file machinists at South Bend Lathe bought and saved the ailing factory, the local officers of United Steelworkers of America agreed to let plant manager J. Richard Boulis hand-pick the board of directors. The result is a self-perpetuating corporate board dominated by top managers and their allies.

Why didn't employes flex their ownership muscle to gain control? Most rank-and-file workers, raised on orders from the boss and the punching of time clocks, never even considered the possibility. "I never thought I was buying a piece of management. In fact, I never even gave it a thought," a young employe said as he strolled out of the Herkimer factory at the end of a shift. "I was just buying a piece of stock to stick in my drawer—and saving my job."

But recent interviews with employe-owners at Herkimer, South Bend Lathe and other firms suggest that attitude is changing. As workers gain experience in their new roles as owners, a subtle fermentation is taking place—changing the expectations workers have about their role in management and asserting decision-making power.

As you stroll through the shopfloor of the Herkimer furniture factory, through the screech of the band saws and through eye-stinging clouds of varnish, employes talk angrily about their mounting frustrations and resentments: managers keep information secret, managers are arrogant, managers "spend money like water."

"Look, Sperry ran that plant the way they saw fit and they paid our wages and it was none of our business what they were doing," says Joseph LaBate, an 18-year Herkimer veteran who coats the wood with a noxious-smelling sap so the stains will hold. "But we own the plant now."

LaBate, like most employes, is furious that management recently bought a costly subsidiary without even consulting the employes-owners first: "That's our money they're spending," LaBate says. "If they wanted to buy that plant they should have gone to the people and said, 'Should we do this?' And they should have gone along with what we said. If I own my own home, I want to run it the way I see fit. I ain't going to have nobody else tell me how to run it."

Did LaBate feel the same way four years ago, before he and the other employes saved the plant? He shakes his head. "Never gave it a thought."

The same mood of discontent is gnawing at South Bend Lathe. The employe purchase in 1975 was hailed by the media as in industrial miracle. Front-page press reports described how Chicago-based Amsted Industries was going to liquidate the plant after five straight unprofitable years; how the local plant manager called the employes to a mass meeting one afternoon and proposed that they buy it; how an employe trust, called an Employe Stock Ownership Plan (or ESOP) bought the plant for $10 million in federal, municipal and private loans, creating what was then the biggest worker-owned plant in the nation.

A year and a half later, follow-up stories and surveys told how worker morale—and company profits—had surged. "For awhile all the guys here were going around saying, 'Yeah, it feels good to be an owner,'" remembers Robert Newton, a 32-year-old machinist who churns out gear blanks for lathes. "Now I can tell them [the managers] what I really feel."

But today, if you join Newton and fellow workers at their local union hall, next door to the Ace-High topless bar, they'll tell you how their visions have crumbled. They sound as if they're reading from the Herkimer script, reciting tales of management secrecy and arrogance, simmering with the anger of feeling forgotten and ignored.

"You wouldn't believe how management wastes money around here," Randy Reynolds, a quality control inspector, complains. "But when you come up with an idea how to make things better, they treat you like you're stupid—it goes in one ear and comes out the other."

Employe-owners bristle as management tacks up wall posters exhorting them to work harder for "their" company—only to hand out company profit bonuses according to salaries, so that managers walk off with the biggest chunks. "Second-class citizens," Reynolds calls the workers. "They're trying to make ESOP slaves out of us," says Newton, a member of the union bargaining committee. "They tell us, 'It's your company, you're the owners—now do as we tell you.'"

Like the disgruntled American colonists who began demanding representation in King George's government, shopfloor employes at South Bend Lathe and the Herkimer furniture plant have begun to speak out. Vogel, LaBate and other union members have been pressing top managers of Herkimer's MVCC to consult with them on major issues. And at South Bend Lathe, over 180 rank-and-file workers, more than half the hourly work force, have signed a petition to plant president Boulis asking that worker representatives take control of half the seats on the board of directors. Some employes argue that demand should be just the beginning. "The whole board should be elected by the employes," says Gerald Vogel, vice president of the United Steelworkers local at South Bend Lathe. "After all, this company's employe-owned. We should elect the people who run it, just like we elect the people who run our union, and the people who run the country."

The top managers at South Bend Lathe and MVCC tend to shrug off workers' complaints. At Herkimer, one top official says, "We've put up a suggestion box. I hate to open it," he laughs, "because there are so many suggestions in there." And at South Bend Lathe, says president Boulis, the militant demands "are coming from a handful of union discontents who don't speak for a majority."

Still, Boulis acknowledges he has "morale problems." "It's obvious our people want to participate more in the company we own," he says. "The problem is, in the first two or three years I've been so goddamn busy trying to get economic problems resolved that we just haven't had time to bring employes into some kind of decisions where they can make meaningful contributions."

Recently, Boulis called a series of meetings with representatives from the shop-floor, to chat informally about company business, shopfloor problems and other issues. He hasn't yet decided whether to make such meetings a regular affair.

But some employes question whether a monthly chat with the boss—without building any formal structure and training programs to increase employe participation—will be enough to channel growing worker discontent. If the story of the demise of worker ownership at the Vermont Asbestos Group Inc. is any guide, the problems simmering at South Bend Lathe and Herkimer and other worker-owned firms could someday explode. The spirit of worker ownership soured at the Vermont asbestos mine as employe-owners found themselves locked out of any participation in decision-making by "their" managers and board of directors. When the board of directors rammed through a controversial decision to build a costly subsidiary—despite widespread employe sentiment against it—the discontent erupted. Enraged and disillusioned, employes sold their stocks to a local businessman and gave him effective control. "People was just fed up, what with the board ignoring them and all," one miner explained.

To some extent, the disillusioned workers at the asbestos mine, or Herkimer, or South Bend Lathe, have themselves to blame. When they purchased their factories they agreed to the small print that eventually locked them out of power, and by the time they started complaining after the fact, it was too late. But employes in these firms argue that they were venturing into unknown territory, and should have had help. "Man, I had never even heard about employe ownership before all this," one South Bend Lathe machinist says. "Next time around I wish someone was here to tell us what it's all about."

The tensions in the worker-owned firms are provoking a new kind of thinking among some of the shopfloor owners. "Me and another guy were just talking about this the other day," Robert Newton of South Bend Lathe mused one evening, as he relaxed at home after putting in his usual overtime. His house was quiet; his wife had just left to work the operator night shift at the local Bell Telephone subsidiary.

"We said, well, why couldn't we have this company set up like the Congress? We don't need foremen—we could elect team leaders, or something like that. And we could have a man elected from each department to a committee, and then when things come up in the shop, why, the guys on the committee could take a vote on it—just like congressmen do."

Newton paused for a moment, as if letting this far-reaching vision sink in. "Good idea, huh?" he laughed, in a self-mocking tone, as if to say, Where'd I get this crazy idea? "Before we bought the plant I guess I never really did think about anything like this," Newton said, "you know, employes making decisions and things like that."

As more communities turn to employe ownership to save viable companies from closing, the problems plaguing firms like South Bend Lathe and Herkimer—and the growing worker demands for influence—are not going unheeded. When the laid-off printers in Clinton, Mass., launched their new firm, they organized it as a worker "co-operative": every employe costs an equal vote in electing the board of directors and forging major corporate policies. And the mostly low-income, Puerto Rican worker-owners of a small poultry processing factory in Willimantic, Conn., called International Poultry Inc. have not only given themselves decisionmaking power—they've set up weekly infactory training program to teach the rank and file how to run the plant in a business-like but democratic way.

But more than any other recent takeover, the drama unfolding in the sprawling red brick slaughterhouse in Waterloo, Iowa, could chart the new course of employee ownership in the United States. The story began almost two years ago, when executives of Rath Packing Co. told officials of the local meatcutters union (now Local P46 of the United Food and Commercial Workers International Union) that employes would have to accept a whopping $4-an-hour wage and benefit cut—or, executives hinted, the Armour conglomerate might shut the ailing subsidiary.

"That's when we said, we're not giving these dummies another dime," says Charles Mueller, union steward. "We've made other concessions in the past, and management just throws the money away." So Mueller and local union president Lyle Taylor hatched another idea: "We said, 'Okay, we'll take the wage cuts,'" Mueller recalls, "if we can buy the plant."

Taylor and Mueller heard about problems brewing at South Bend Lathe and other firms, where workers bought the company without also buying control—and they were determined not to make the same mistakes. And so, 2,000 slaughterhouse workers are on the verge of launching one of the most far-reaching experiments in recent U.S. labor history. Barring any last-minute snags—HUD, Commerce and company managers have endorsed the plan, but a Labor Department official is raising objections—the 1,500 employes in Waterloo, plus several hundred workers at four smaller plants, will acquire 60 percent of the Rath Packing Co. stock.

The rank-and-file workers "sticking hogs" on the kill line and transforming them into bacon, hams and hot dogs will vote their new stocks as a bloc—which means, in effect, that union members will shape all the major corporate policies that shareholders normally control, by majority vote. Unlike the other employe-owned firms, where employes have at best token representation on the board, the Rath workers will select a majority of the board of directors, both blue-collars and professionals. In fact, union officers demanded a majority by two, so they'll sway corporate decisions even if one of their representatives is absent from a meeting.

The current, unpopular top executives of Rath Packing Co. are on the way out, because the union leaders will hand-pick the top professional managers, too. And, under the guidance of consultants from Cornell and Brigham Young Universities, workers and managers are already forming joint committees throughout the aging plant so that employees can take part in key decisions that affect them. At a recent meeting of labor and management representatives, for instance, union members helped hammer out a strategy for launching a new line of products.

"We'd like to explore the concept of worker control on this new production line," said Mueller, who takes turns chairing the meetings with company vice president John Lambert, an enthusiastic advocate of the employee purchase. "We'd like to try letting the workers run the line on their own, without being managed by a foreman.

Today, Chuck Mueller beams as he sits in his drab union office across the street from the main plant. Through the open window you can hear the squeals of hogs lined up to be killed, in their "hog hotel." A south wind is blowing, making the air thick with the musty, sweet stench of dried pig's blood and manure. "When we get to thinking about the possibilities," Mueller says, "when we get to thinking about how we could start running this plant right, up to capacity, and making it a viable company; when we think how we might be able to bring our workers' pensions up to date; when we think how we might change policies so workers disabled on the job can keep decent jobs here, instead of being thrown out like old machines—I mean, there are all kinds of things we could try to do here to make this the best place to work.

"Now the fun begins," Mueller says, with a half-laugh. But he's deadly serious about the tough job that lays ahead, working with management to make the company—and the nation's biggest worker ownership experiment—work. He pauses. "There's no point in owning a company," Mueller says softly, "unless you're going to run it."

ORDER OF BUSINESS

Mr. STEWART. Mr. President, I yield back the remainder of my time to the majority leader.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 30 minutes, and that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business? If not, morning business is closed.

SOFT DRINK INTERBRAND COMPETITION ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 598, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 598) to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER (Mr. STEWART). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 598, a bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

Harry M. Jackson, J. James Exon, Strom Thurmond, Lawton Chiles, Jennings Randolph, Richard (Dick) Stone, Howell Heflin, Frank Church, Charles McC. Mathias, Jr., Edward Zorinsky, Donald W. Stewart, George McGovern, James A. McClure, Russell B. Long, Birch Bayh, David L. Boren, Max Baucus, Robert Morgan, David Pryor, Dale Bumpers, Robert C. Byrd.

SOFT DRINK INTERBRAND COMPETITION ACT

The Senate continued with the consideration of S. 598.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Indiana (Mr. BAYH) is recognized.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, the matter before the Senate is an amendment offered to S. 598 in my behalf by the distinguished Senator from South Carolina (Mr. THURMOND).

We have to recognize that the basic legislation that has been reported from the Judiciary Committee is legislation that has the overwhelming support of the membership of the Senate. This legislation was introduced by the distinguished Senator from Indiana (Mr. BAYH), cosponsored by this Senator and over 70 other Members of the Senate.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. COCHRAN. Mr. President, I am happy to yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I believe it is important for the record to show that our distinguished colleague from Mississippi was actively involved in this legislation prior to his coming to this body, and I offer my particular appreciation for the role he has played in the Judiciary Committee as well as now initiating this debate on this important piece of legislation.

Mr. COCHRAN. I thank the Senator from Indiana.

It has been a pleasure to work closely with the distinguished Senator from Indiana on this legislation.

Mr. President, I shall touch on some of the reasons why it is so important for the Senate to act on the legislation and to act on it at this particular time.

(Mr. HARRY F. BYRD, JR., assumed the chair.)

Mr. COCHRAN. Mr. President, most know that the soft drink bottling industry has operated for approximately 75 years under the assumption that it was legal, that it was appropriate to have exclusive territorial provisions or franchises in agreements to manufacture, distribute, and sell soft drink products.

As early as 1920 there was a Federal district court decision supporting this proposition.

But in 1971 following an investigation by the Federal Trade Commission, complaints were issued against Coca Cola, Pepsi Cola, Crush, Dr. Pepper, Seven-Up, Royal Crown, and National Industries, alleging that the bottlers' exclusive territories are unlawful restraints on competition.

During a 6-week proceeding, 43 witnesses testified on this subject. The full record of the proceedings before the Federal Trade Commission consisted of 4,000 pages of trial transcript, 14 stipulations totaling over 500 pages, and 1,300 exhibits totaling thousands of pages.

And on October 3, 1975, following this investigation that began back in 1971, the administrative law judge at the Federal Trade Commission issued a 91-page opinion containing detailed findings of fact which upheld the legality of territorial provisions in trademark licenses.

The matter then proceeded to the full Commission, and the FTC, without precedent or foundation, voted 2-to-1 to find unlawful the territorial licenses.

This legislation, therefore, Mr. President, is in response to that decision by the Federal Trade Commission. The decision has now been appealed into the Federal court system and is pending before the Court of Appeals. Oral arguments were heard in 1978 but no decision has yet been made.

There has been considerable uncertainty created throughout this, one of the major industries in the United States, as to whether or not the operation under exclusive territorial franchises is, in fact, legal and consistent with the antitrust laws, the principles of free and open competition in this country.

Because of that uncertainty, Congress should act. Congress should act at this time to set the matter straight and to reaffirm the legality of 75 years of continuous operation under these franchise arrangements.

The legislation will protect the business opportunities and enterprises of over 2,000 bottlers and the jobs of their employees throughout the country which could be jeopardized if this FTC decision is upheld by the courts and Congress fails to act.

The bill would, in effect, reverse the FTC decision and create a standard whereby as long as there is substantial and effective interbrand competition then the vertical nonprice restrictions, that is, the exclusive territories, which prevent intrabrand competition, will not be actionable under the antitrust laws.

Having worked on this issue both in the other body and here in the Senate, I have reviewed the points that have been raised in criticism of this legislation, very carefully. It is inconceivable to me that the FTC could find any lack of competition or consumer choice in the soft drink industry which results from the franchise system.

The Federal Trade Commission's case is based on a textbook theory about the effects of exclusive territories. The majority of the commission ignored the real-life facts about the nature of the competition in the soft drink industry.

There is effective interbrand competition as determined by every key indicator. These indicators include low prices, high quality products, easy entry for new products, good quality service through deep market penetration, and low concentration, that is, there are many small bottlers.

This was proven and illustrated very clearly in hearings that were held in the subcommittee when a small bottler—as a matter of fact the smallest soft drink bottler in the State of Mississippi, a man named Charles Moak from Indianola—testified that he, for promotional purposes, occasionally will price his product as low as 99 cents for 8 quarts of soft drinks. That is a good price.

Mr. Moak operates under an exclusive territorial franchise. If this legislation is not adopted his firm will be gobbled up by larger regional bottlers, and he will not be able to continue to operate.

The evidence before those hearings clearly indicated that large regional bottlers will inevitably take over from smaller companies; that many smaller bottlers will go out of business with employees out of work. There will, obviously, because of that be an adverse impact on local economies, and an inevitable reduction of tax revenues in every State.

A rapid concentration of this industry will occur. That will lead to the opportunity for those firms to charge higher prices to consumers since the smaller and competitive firms, the more competitive firms, at the local level will be eliminated. Returnable bottles may also be eliminated, wasting energy and reducing consumer choice.

With the demise of the small community bottling operation there will also be a deterioration of service to small retailers.

There was an impression that was clearly made on the subcommittee, Mr. President, during these hearings through testimony of some of the small bottling company owners, who described that they had two or three trucks, that these firms were usually family-run businesses, that small rural grocery stores and service stations and other businesses which served as retail outlets for the product were visited on a regular basis by the small businessmen and women servicing their customers' needs, attending to the needs of the smaller retailer.

But that if the firms ceased to exist, then the only way a small retail operation could purchase products would be from a large regional bottler, many of whom only deliver occasionally to small areas, and then usually in nonreturnable packages, reducing the choices that are available to consumers in those areas; that there will not be the same quality of service available to the small rural communities and small towns throughout the United States without the small independent family-owned bottling operation in existence.

Another reason that was touched on here earlier, Mr. President, why we are so concerned about the apparently interminable delay in resolving this legal question, since the FTC decision in 1975, is the matter of job opportunities, job opportunities in small towns and rural communities.

On the subject of jobs, I have a letter from the International Brotherhood of Teamsters supporting this legislation. The letter states in part:

> From our perspective we believe the basis for the FTC proceeding is in error. The consequences of the decision would have an adverse impact on over 30,000 of our members working in this industry, and a legislative solution is necessary.

The letter elaborates on the jobs question, and I quote from that part of the letter:

> That is, when small bottlers are eliminated, so, too, will jobs. In addition, surviving companies will eliminate stops and again jobs. Our experience in the milk industry is testimony to these consequences, that is, immediately after World War II many of our members worked for small dairies, but with the advent of large volume purchasers these companies were driven from business both in terms of the number of stops, home delivery, for example, and also in terms of competing for the accounts of volume purchasers, like supermarket chains. Not only were jobs eliminated but dairy pension and health and welfare funds were placed in serious financial jeopardy, with one plan being taken over by the Pension Guaranty Corporation.

Another important issue, Mr. President, in this legislation is the opportunity to have refillable containers.

To me, this is one of the least understood of the consequences of the failure of Congress to adopt this legislation in a timely fashion. The FTC decision attempts to exempt refillable bottles. But the real impact of the FTC decision will be to eliminate many firms whose main dispensing package is the refillable bottle. So contrary to the stated intent of the Commission is the reality of the decision and the economic impact that it would have which will cause the demise of the returnable or the refillable package.

A split system with territories permissible for returnable bottles, but no territories for nonreturnables is just simply not feasible.

Nobody who testified before our committee supported the notion that there could be two kinds of territorial permissions, there could be two kinds of franchises, one where the law would prohibit exclusivity with respect to nonreturnable packaging and one which makes territories legally permissible with respect to refillable bottles. There is just simply no way in our economic system and in the real live world of business for that kind of system to exist.

According to the Congressional Office of Technology Assessment, in a study that it made in July 1979:

> If upheld by the courts and not amended by the Congress, the recent FTC decision, which outlaws territorial franchise restrictions for trademark soft drinks in nonreturnable containers, could lead to a rapid concentration of that industry. The outcomes would be an industry with only a few firms having a few large plants, as well as the rapid disappearance of the refillable bottle for soft drinks.

Some may ask, well, so what? What difference does it make? To begin with, the product purchased by consumers in refillable bottles is cheaper than the product purchased in nonrefillable or nonreturnable packages. Customers would be deprived, therefore, by inaction by this Congress of a choice between a higher priced product and a more competitively priced or lower priced product.

Another reason for saying that this is an important consideration is that some States have been moved to adopt laws prohibiting the selling of products in nonreturnable packages. We see, then, one level of government taking action which would discourage the use of nonreturnable bottles and another level of government doing just the opposite.

I think that there is no question, Mr. President, that consumers throughout this country would like to protect the choice they have, in the kinds of containers that are available in the marketplace.

Invariably, in the small towns and rural communities, the country stores, you will find, if they are served by small independent bottlers, there are refillable bottles available. If this legislation is not adopted, that will come to an end.

RESTRUCTURING THE INDUSTRY

Those of us supporting this legislation, Mr. President, believe very strongly that the antitrust laws should not be used to completely restructure an industry for no reason at all. This is especially true where there is already a high level of competition within that industry.

There can be no question but that the Federal Trade Commission efforts in the soft drink cases are about the business of restructuring this industry. The administrative law judge, during the procedural stages of the case, described this matter as "landmark" and said it involved "a fundamental restructuring of a very substantial industry in the United States."

With the demise of literally hundreds of business units at stake as well as the impact of such loss upon employees and the economic contribution to the communities where they are located, there is a compulsion to ask the question: "Did the Congress of the United States, in the 88 years of the history of the antitrust laws, mean them to be used as tools for the predominant purpose of restructuring an industry?" The Supreme Court does not think so; the Attorney General of the United States, other antitrust experts and economists do not think so.

Justice Brennan, speaking for the Supreme Court 15 years ago, pointed out that the restructuring of an industry requires a delicate weighing and balancing of varied economic and social factors and objectives, and that, "A valued choice of such magnitude is beyond the ordinary limits of judicial competence." It is the Congress which determines how to preserve our traditional competitive economy.

That is an interesting observation, Mr. President, and one which I hope is not lost on this body, and the challenge that it presents to the Senate as we attempt to grope with this question that necessarily comes to us. The Congress passed no new law. The Congress did not urge the Federal Trade Commission to embark on a restructuring of this industry under existing antitrust laws or rules of competition.

It is now, then, the responsibility of Congress to say whether or not the FTC, as a creation of the Congress, is reflecting congressional intent through its actions.

The 70-plus Members of the Senate who have joined as sponsors of S. 598 speak loudly and clearly to the question of the intent of this body. It is not reflected in the decision of the Federal Trade Commission on this question.

It is the prerogative—no, it is the responsibility—of this body to adopt this legislation and say that we are not in favor of restructuring an industry when there is no basis in fact or law for doing so.

As late as 1972, a year after this initial investigation by the FTC began, in dealing with the competitiveness of horizontal territorial arrangements, (in the soft drink industry by the way, they are merely vertical) which have been considered illegal since 1899, three Supreme Court Justices, in majority, concurring, and dissenting opinions, cited the Congress as the proper forum to consider antitrust relief where the effect of the decision of the Court will tend to stultify competition.

Justice Marshall, in the majority opinion, echoing the philosophy of Justice Taft and Justice Frankfurter, stated:

> If a decision is to be made to sacrifice competition in one portion of the economy or greater competition in another portion, this decision must be made by Congress and not by private forces or by the courts.
>
> To analyze, interpret, and evaluate the myriad of competing interests and the endless data which would surely be brought to bear on such decisions, and to make delicate judgments on the values to society of competitive areas of the economy, the judgment of the elected representatives of the people is required.

On April 14, 1977, the Attorney General of the United States, speaking to the antitrust section of the American Bar Association, pointed out that:

> The questions at hand involve the basic restructuring of American industry and the shape of the American economy. These are questions that are perhaps most appropriately answered by the legislature, not by the courts.

Maybe the most cogent explanation for the purposes of the antitrust laws came from Judge Learned Hand. He said:

> Throughout the history of these statutes, it has been constantly assumed that one of their purposes was to perpetuate and preserve for its own sake, and in spite of possible cost, an organization of industry in small units which can effectively compete with each other.

(Mr. BUMPERS assumed the chair.)

Mr. COCHRAN. This, of course, is exactly what the FTC is not doing in the soft drink cases. Instead, it is on a course to wipe out small units of an independent industry that were created and grew through the efforts of small businessmen and women effectively competing with one another.

The FTC seems intent on substituting bigness by depriving the small soft drink manufacturer of his property and his ability to earn a living.

Private practitioners, economists, indeed, the U.S. Senate itself, recognized the danger to small business when other than the elected Representatives of the people seek to restructure an industry. The danger is amplified when, as in the soft drink industry, the effort is with small business.

The President's call for a White House conference on small business in January of 1980 is a recognition of the plight of the small businessman caught in the maze of a nonbusiness oriented bureaucracy. The enactment of legislation to create an antitrust standard that will recognize a contractual relationship almost a century old is imperative, unless the near certain destruction of a small business oriented industry is determined to be best for the American way of life.

TESTIMONY OF CHARLES MOAK

Earlier in my remarks in discussing the hearings that were held before the subcommittee, I mentioned the testimony of the owner of the smallest bottler firm in the State of Mississippi, a fellow named Charles Moak, from Indianola, Miss. Mr. Moak's business is a family enterprise. His personal experience in the industry, based on his observations, his working every day in the real world, as recounted in his testimony, is so appropriate to the consideration of this legislation. I want to read what he told our committee.

> My first contact with the soft drink business was in June 1937 when at the age of 13 I worked during the summer for Richard Bottling Works of Tunica, Miss., a small, independent operation with no national franchise, belonging to mother's youngest brother. I worked in this plant every summer until I finished high school, doing every job in the plant, beginning with sorting bottles to production to route sales. After 3 years of college, I worked full time as a production and plant manager.
>
> In 1953 my wife and I purchased a small, independent plant at Indianola, Miss. In our first year, we operated two full-time route trucks. I worked in the plant 3 days a week and drove a third truck 3 days and my wife kept the books. We employed six people with a payroll of $12,000 to $15,000 and a total dollar volume of about $75,000. We produced a line of flavored drinks consisting of orange, grape, strawberry, peach, root beer, lemon, and cola. We covered a six-county area and our customers were the farm and country store, a market that disappeared with the advance of farm mechanization.
>
> In 1968 a fire destroyed the rear of our building and we moved to a new 60 by 100 building out of the downtown area.
>
> In 1969 the opportunity to obtain RC Cola and Dr Pepper franchises came to us, and believing that our future lay in the franchise system and national brands, we acquired a franchise covering a 2½-county area with a population of 109,000 people.
>
> In our first year as a franchised bottler, we operated 3 full-time route trucks and employed 12 people with a payroll of $38,518. We had sales of $115,000. I supervised the production and worked nights and Saturdays on vending machines which were acquired in the purchase of the franchise territory.
>
> In 1971 we purchased a part of the territory of the Seven-Up Bottling Co. of Leland, Miss. We hired a production manager, operated four route trucks, and I concentrated on sales and vending.
>
> Three years ago my youngest son joined me in the business as sales manager for postmix and premix fountain sirup and took over the vending operation and service. My oldest son joined us 1½ years ago and heads our sales force. Both of these young men have worked in the business during their school years, as I did. I might add, my wife still keeps the books.

Mr. Moak's testimony was especially important because he is the owner of a small bottling company.

Mr. Moak is a small bottler who might lose his business if this legislation is not adopted by the Senate, and he is one of the small bottlers who the opponents of the legislation allege, are inefficient and, if they cannot operate their business efficiently, ought not to survive in the real world of business.

Mr. Moak identified, throughout his testimony, three inevitable consequences if this Federal Trade Commission decision is allowed to stand: Service to customers will deteriorate; the small bottlers demise will mean that the values of the investment in business will be destroyed; and prices to consumers will increase.

There were questions and answers which followed Mr. Moak's prepared statement, which clearly illustrate what will really happen unless the Senate acts in this case. I asked Mr. Moak the following question:

> There was comment earlier about the personalized service of small operations and the flexibility of bottlers in rural or sparsely populated areas of the country.
>
> I would like to ask Mr. Moak, for instance, in the territory you serve in the Mississippi Delta, what if I owned a small service station or a country store and wanted to have a sales operation, a vending machine or just over-the-counter soft drinks there, but I only required about two cases a week? Would that be an account that would be large enough for your operation to serve?
>
> Mr. MOAK. As long as I am there you will get served.

Then I asked:

> What if you weren't there? I understand from your testimony that you have a territory that is served by Memphis Coke, which overlaps in some respects in that area, and also Vicksburg, which is a larger bottling operation to the south of you. Would that same customer be able to have that kind of service from a distant bottler if you weren't there to provide it?
>
> Mr. MOAK. I can't see where he would. The cost of the truck operation for the very small store off the beaten path is such that they can't hardly afford it. I make that a part of my business because he is in my territory and I feel that if I sell this small store and you drink my product there, you come down to the supermarket and buy it, or if you go to some other place you buy it, it is a cold bottle sample. I think if we cover every place and make our product just as available as we can, I don't think anybody else could do that.

In addition to quality of service to the small communities, Mr. President, there was a question about what happens to the investments, what happens to the business built up over a lifetime? I asked Mr. Moak this question:

> If this is not prying into personal economic secrets, I was curious whether or not you had others make offers to purchase your business. If so, when is the last offer you had?
>
> Mr. MOAK. Just prior to the FTC challenge I had an offer to sell my business. Since then I have had no offer. These particular people that made the offer haven't been back to see me.
>
> Senator COCHRAN. Have you had any offers, or any indication anybody wanted your business, since the FTC action began?
>
> Mr. MOAK. No, sir.

The point is that the value in the marketplace of a small bottling firm which has an exclusive territorial franchise has deteriorated just because of the decision of the Federal Trade Commission. It does not make good economic sense for anyone to come in and offer to purchase one of these firms now when, if the FTC decision stands, it might just fall, like a ripe apple from the tree, into the lap of a larger competing firm, and be gobbled up for little or nothing. A lot of these firms not only will become worth considerably less in terms of investment value but they already have already become worth less.

One of the most compelling reasons for trying to protect the opportunity for small businesses to continue to operate in this industry was clearly indicated during a question-and-answer session with this bottler with respect to prices to consumers. One of the reasons that everybody agrees on as a rationale underlying the antitrust laws is benefit to the consumer on the basis of price. The theory is and the reality is that the more competition there is, the better break the consumer gets on prices of goods. The Federal Trade Commission, as a creation of the Congress, is supposed to help promote and see that consumers' interests are protected. Well, this is one effort where they just flat missed the boat. If this decion is allowed to stand, listen to what the consequences will be. I asked Mr. Moak:

> There is an argument in the FTC opinion that small bottlers are inefficient and charge higher prices. What do you charge for your product?
>
> Mr. MOAK. I charge in the marketplace what I feel is a reasonable profit to recover my investment. We compete with every special promotion that we can.
>
> In fact, I brought several tear sheets out of newspapers which will show what our prices are in the supermarket. Here is one—

And he held it up—

> for Piggly Wiggly—

A small little store down home—

> which happens to be my competition. It is 1 quart of Coke, 6 for 88 cents. I don't think you will get much cheaper. There are others showing 1 quart of Dr. Pepper, Seven-Up, Nehi, and RC, 8 for 99 cents.
>
> Senator COCHRAN. That is 8 quarts for 99 cents?
>
> Mr. MOAK. That is right. The competition does the same thing. I have some of their ads here. I would like to pass these around, if you would like to look at them.
>
> Senator COCHRAN. Senator Dole just observed you can't get water that cheap up here. [Laughter.]
>
> On the other hand, if the exclusive franchise is destroyed, could your prospective competitors for Coke sell it down there in the Indianola area at 8 quarts for 99 cents?
>
> Mr. MOAK. No, sir; they would have to freight it to Indianola. Of course, where they would do me such tremendous damage is to sell it to the wholesale warehouses located in Memphis. Then the wholesale warehouse would deliver it to the stores. They, of course, would deliver in trailer/truckload lots, which is the way groceries are now delivered. That would be a part of their delivery. The Memphis operation I can't conceive of running trucks down in my area to just work those sales.

The point is, and what that illustrates, that if the small bottling operation in Indianola, Miss., goes under as a result of this Federal Trade Commission decision, then that kind of competition will be gone and those consumers in that area will then be subjected to the giant warehouse distribution system, the expensive large trucks, the nonreturnable bottles, all of the things that will inevitably mean higher cost.

ECONOMIC CONSEQUENCES OF RESTRUCTURING

Mr. President, earlier, I mentioned the legal issues involved in restructuring an industry such as the soft drink bottlers. There are serious economic issues, as well.

These economic issues have been studied in detail by one research company, Sanford C. Bernstein & Co., a member of the New York Stock Exchange.

Mr. President, they have compiled a report entitled "Elimination of Exclusivity for One-Way Containers. Implications for Soft Drink Bottlers and Consumers."

Because of the importance of the question that is before us, I will quote from one part of that report, Mr. President, as follows:

> Implementation of the FTC order will subject soft drink bottlers to unprecedentedly heavy financial pressures, which only the largest companies will be able to withstand. The pressures will arise from the following sources:
>
> (1) Intensified competition in the large food chains. This is as a result of two factors:
>
> (a) The soft drink bottlers generate their greatest volume and profits in these chains, making this market a prime target for all bottlers intent on geographical expansion once exclusivity for one-way containers disappears.
>
> (b) The chain stores will, in nearly all cases, order soft drinks in one-way containers only in order to eliminate the added hassel and cost of handling refillable soft drink bottles—thus making it for the first time economically feasible for geographically distant bottlers to compete (with cans and plastic bottles) for supermarket business far from their bottling plants. (Shipment of refillables over long distances is simply not economical.) Clearly, considering the benefits of becoming a major supplier to a large chain, those bottlers with the largest financial resources will not let this opportunity to get new business pass unheeded, and the smaller bottlers will be subjected to enormous pressure as their profitability shrinks. Ironically, though, this high level of competitive activity will not be accompanied by lower product prices. In fact, consumers will pay anywhere from 50% to 100% more for the same volume of soft drinks because of the higher costs inherent in the manufacture and distribution of soft drinks in one-way containers. Certainly, the "economies of re-use" of the refillable bottle far exceed the economies of scale for soft drinks packaged in cans or one-way bottles. (Representative figures are shown in the attached table.) However, without the contractual provisions granting exclusive sales territories to soft drinks, regardless of container type, the refillable bottle will disappear from the supermarket shelves (and ultimately from all shelves), and its very substantial "economies of re-use" will be replaced by the far smaller "economies of scale" inherent in the much higher priced one-way product.
>
> (2) The financial problems created by the disappearance of the refillable bottle from supermarket shelves. The chains' shift to only one-way containers will necessarily entail the writeoff of plant and equipment related to the refillable bottle and force soft drink bottlers to make huge capital outlays to accommodate the shift to cans and one-way bottles. The average bottling company has total assets of well under $1.5 million, and long-term debt approximating $500,000. Considering the substantial size of a typical refillable-bottle inventory and the high cost of new can and one-way bottle lines today, it is clear that the demise of the refillable bottle will place a severe strain on the resources of smaller bottlers, just when sales to their primary customers, the supermarkets, are put in jeopardy. Indeed, many small bottlers will be driven to the brink of insolvency by the sharp increase in debt service necessitated by the higher capital outlays, plus the substantial contraction of operating margins as larger bottlers (those with greater financial resources) invade formerly exclusive territories. It is at that point that the parent companies—whether they like it or not—will be forced into making further in-

vestments in the soft drink bottling business, simply to protect their market positions.

Mr. President, these excerpts from the report clearly indicate a new dimension of the economic consequences of the failure to adopt this legislation.

I urge all my colleagues to support the effort to get this legislation through the Senate and enacted into law.

Mr. President, I yield to the Senator.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Is the Senator from Mississippi yielding the floor or simply yielding to the Senator from Ohio for another purpose?

Mr. COCHRAN. Mr. President, this Senator yields to the Senator from Indiana.

Mr. METZENBAUM. Mr. President, the Senator from Ohio does not intend to object, but would be forced to object, since he had a prior understanding he would gain the floor at this point.

Mr. COCHRAN. That is my understanding. I thought the Senator from Indiana would yield to the Senator from Ohio on that at this point.

Mr. BAYH. Mr. President, will the Senator yield, without losing his right to the floor and without having it counted as another speech?

Mr. COCHRAN. Mr. President, I yield, and I ask unanimous consent that it should not count against the opportunity for this Senator to speak again on this issue.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I object. Each Senator is entitled to one speech on the floor. The Senator from Ohio objects to the Senator from Mississippi yielding without giving up the floor. If he is prepared to hold the floor for the remainder of the day, I have no objection.

Mr. COCHRAN. I yield to the distinguished Senator——

Mr. BAYH. Mr. President, will the Senator yield for a question?

Mr. COCHRAN. I yield to the Senator from Indiana for a question.

Mr. BAYH. I assume that the Senator from Mississippi, as modest as he is, will not object to his friend from Indiana complimenting him on the fine educational speech he has made, which I think puts this whole measure in proper perspective, and that he will not object to my offering my deep gratitude to him for his speech and for the contribution he has made this morning.

Mr. COCHRAN. I thank the Senator.

I yield to the Senator from Ohio (Mr. METZENBAUM).

Mr. METZENBAUM. Mr. President, I commend the Senator from Mississippi for a very excellent statement setting forth the position of the Senator from Mississippi in opposition to the bill pending before the Senate.

The Senator from Mississippi has been very erudite. He has been all encompassing in his remarks, and he has been extremely persuasive. As a matter of fact, he has been so convincing that I point out that he has pending an amendment that was offered on his behalf by the Senator from South Carolina. I think it is a great amendment and, without further debate, I should like to propose that we accept that amendment. It does not require further debate. I know of no one else in the Senate who is even interested in the amendment. I think it moves in the right direction. It is a superb undertaking on his part. It is typical of the quality of his leadership in this body.

Therefore, I should like to urge strongly that at this point we accept the Cochran-Thurmond amendment.

I urge upon the Senator from Indiana that the amendment be accepted.

Mr. BAYH. Mr. President, I do not want to interrupt the Senator.

Mr. METZENBAUM. I am waiting for a response.

Mr. BAYH. I appreciate the cooperation of the Senator from Ohio. He is usually very cooperative, and this is very much in character for him.

The amendment of the Senator from Mississippi and the previous amendment offered by the Senator from Indiana, as well as the bill, are of such important consequence, I think it is important for us to have a chance to debate it a little further, so that all Members who are not here will have a chance to understand the true dimensions of this issue.

Mr. METZENBAUM. The Senator from Indiana, too, is an able and qualified Member of this body. He, too, is very persuasive in his position, so far as his amendment is concerned. The Thurmond-Cochran amendment is an amendment to the amendment of the Senator from Indiana, and that, too, is a good amendment.

I suggest at this time, without further debate, that we might debate the whole bill, but we should know what the bill is going to look like; we should know what its final form is going to be.

So, since the Senator from Mississippi has been so able in presenting an amendment to the amendment of the Senator from Indiana, and since both those amendments are of such a qualified and quality nature, I think we should be able to debate the bill in the form in which the Senate finally will consider it.

Therefore, I should like to urge that we not only accept the Cochran amendment but also that we accept the Bayh amendment, as amended by the Cochran amendment. Then we can get about the business of discussing the amendments to the so-called bottlers' bill. I make that proposal to the Senator from Indiana, because I always like to be helpful in connection with his pending legislation.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. BAYH. I am just overwhelmed——

Mr. METZENBAUM. I thought the Senator would be. [Laughter.]

Mr. BAYH (continuing). By the spirit of graciousness and cooperation of the Senator from Ohio. As I said earlier, it is characteristic.

Unfortunately, there may be a few other Members of the Senate who are not as enthusiastic about these amendments as is the Senator from Ohio. The Senator from Indiana learned a long time ago that in an important legislative matter, he should not take anything for granted. I believe that it is important for those of us who feel very strongly about the proposed legislation not to take for granted that the wisdom and the judgment of the Senator from Ohio is shared by all our colleagues.

Mr. METZENBAUM. Will the Senator from Indiana and the Senator from Mississippi, then, be receptive to our agreeing to a vote at a time certain, either by voice vote or by rollcall vote, so that we might be able to consider the bill, as we move down the path together, in its final form? We could give notice to all Members of the Senate that we are going to vote on it by 2 o'clock or 3 o'clock or 4 o'clock or 7:30 tomorrow morning. Any time that the Senator from Indiana and the Senator from Mississippi would find acceptable would be totally acceptable, including some hour in the middle of the night, to accept these wonderful amendments, so long as it came prior to the time cloture was to be invoked.

Mr. BAYH. The Senator from Ohio, as usual, has come up with a real nugget of genius there. I will take his idea as a nexus for a specific request.

Mr. President, I ask unanimous consent that we vote on the Cochran amendment at 2 o'clock; that we vote on the Bayh amendment immediately thereafter; that we vote on final passage of the bill immediately thereafter.

Mr. METZENBAUM. Provided that that does not foreclose my right to offer an amendment in between, and if the Parliamentarian advises me that, once having voted on the Cochran amendment and the Bayh amendment, any Member of the Senate would have a right to call up his amendment, with the understanding that no time would be allowed for debate.

Am I correct that we could do that?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAYH. That is not the unanimous-consent request made by the Senator from Indiana. The request of the Senator from Indiana is that those three votes would come back to back, with no intervening votes.

Mr. METZENBAUM. I am certain that the Senator from Indiana, even though he has an excellent piece of legislation and even though it is going to be more excellent after the amendments are adopted, would not suggest for a moment that the Senator from Ohio be precluded from calling up his amendment. I am perfectly willing to have my amendment called up without any debate and immediately submitted for a vote.

Mr. BAYH. Would the Senator from Ohio limit his amendments to those that were considered germane to the bill before the Senate?

Mr. METZENBAUM. Not any more than my good friend from Indiana would agree to the same.

I believe that the rules of the Senate are such that we have long recognized that, prior to cloture being invoked, every Member has the right to call up nongermane amendments. I believe we are well aware of the fact that an effort is being made today by filing a cloture motion before debate actually had begun—

at least, begun in reality. We mentioned it last night on the floor. A cloture motion was filed today, before debate had truly begun, and then an amendment in the first degree was called up, then an amendment in the second degree. So that what really is happening is that an effort is being made to do by procedure that which the rules do not actually contemplate.

I believe, further, that what is being done is that we find ourselves in a situation in which the Senator from Ohio has no intent whatsoever to filibuster, no intent to have extended debate. But what has occurred is that the Senator from Indiana and the Senator from Mississippi have the thought in mind of filibustering long enough with respect to a pending amendment so that the Senator from Ohio will never have an opportunity to call up a nongermane amendment.

It may be right that we not have nongermane amendments. I think one can make a very strong argument against nongermane amendments. When the Senate rules are changed to provide that no nongermane amendments may be offered to any piece of legislation, the Senator from Ohio will be prepared to consider that on its merits.

Mr. President, I am ready to vote on the Cochran amendment. I am ready to vote on the Bayh amendment. I am ready to agree to accept them by unanimous consent. I am ready to have it occur by rollcall vote.

What is really involved is an effort to invoke cloture before the Senate has invoked cloture.

What we have before us is an effort to keep a nongermane amendment——

Mr. TALMADGE. Mr. President, will the distinguished Senator yield to me now on a privileged matter for a few seconds?

Mr. METZENBAUM. If I could just finish my sentence I will be happy to yield to my good friend from Georgia.

What we have before us is an effort to keep a nongermane amendment from being called up prior to cloture.

That was never the intent of the cloture rule. Cloture was to cut off a filibuster.

What we have here is a filibuster against the Senator who wishes to call up a nongermane amendment prior to cloture having been invoked.

I am happy to yield at this point to the Senator from Georgia. I will address myself further to this.

Mr. TALMADGE. I thank my distinguished friends from Ohio and Indiana for yielding.

FOOD STAMP ACT AMENDMENTS OF 1980

Mr. TALMADGE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1309.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved That the bill from the Senate (S. 1309) entitled "An Act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Food Stamp Act Amendments of 1980".

TITLE I—REDUCTION IN FOOD STAMP ERROR AND FRAUD AND REVISION OF DEDUCTIONS

MEALS IN SHELTERS FOR BATTERED WOMEN AND CHILDREN

SEC. 101. (a) Section 3 of the Food Stamp Act of 1977, as amended, is amended by—

(1) striking out in clause (1) of subsection (g) "and (7)" and inserting in lieu thereof "(7) and (8)";

(2) striking out in subsection (g) "and (7)" and inserting in lieu thereof "(7)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (8) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters";

(4) inserting in the last sentence of subsection (i) after "section 1616(e) of the Social Security Act" the following: "temporary residents of public or private nonprofit shelters for battered women and children"; and

(5) striking out in clause (2) of subsection (k) "and ((7)" and inserting in lieu thereof "(7), and (8)".

(b) Section 10 of the Food Stamp Act of 1977, as amended, is amended as follows:

(1) inserting after "purchased" a comma;

(2) striking the comma immediately after "residents"; and

(3) inserting after "programs" the following: ", public and private nonprofit shelters that prepare and serve meals, for battered women and children".

EXCLUDING ENERGY ASSISTANCE PAYMENTS FROM INCOME

SEC. 102. Section 5(d) of the Food Stamp Act of 1977, as amended, is amended by—

(1) deleting the "and" before "(10)";

(2) deleting the period at the end thereof and adding the following: ", and (11) any payments or allowances made under any Federal, State, or local laws for the purpose of providing energy assistance.":

The effective date of this amendment shall be November 1, 1979.

CONSUMER PRICE INDEX

SEC. 103. Section 5(e) of the Food Stamp Act of 1977, as amended, is amended by inserting "for all urban consumers" after "Consumer Price Index" (et passim).

DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS

SEC. 104. Section 5(e) of the Food Stamp Act of 1977 as amended, is amended by:

(1) in the fourth sentence, striking out all of (1) and inserting in lieu thereof the following: "(1) a dependent care deduction for the actual cost of payments necessary for the care of a dependent regardless of the dependent's age, up to a maximum of $160 per month, per household, when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment, and";

(2) in the fourth sentence, deleting everything after "March 31" up to the period at the end of the sentence: and

(3) in the last sentence, in clause (B), striking out "that for the excess shelter expenses deduction contained in clause (2) of striking out "that for the excess shelter ex. the preceding sentence" and inserting in lieu thereof the following: "described in clause (1) of the preceding sentence.".

EXPANDED MEDICAL DEDUCTIONS FOR THE ELDERLY

SEC. 105. Section 5(e)(A) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting "or their spouses" before "exclusive of special diets,";

(2) striking out "that portion of"; and

(3) striking out ", that exceed $35 a month".

MEDICAL DEDUCTION FOR THE BLIND AND DISABLED IN CERTAIN AREAS

SEC. 106. Section 5(e) of the Food Stamp Act of 1977, as amended, is amended by:

(1) in the fourth and last sentences, inserting "and blindness" after each time "disability" appears; and

(2) in the fourth and last sentences, striking out "title II" each time that it appears and inserting in lieu thereof: "titles I, II, X, XIV, and XVI".

RETROSPECTIVE ACCOUNTING

SEC. 107. Section 5(f) of the Food Stamp Act of 1977, as amended, is amended as follows:

"(f) Household income for those households which by contract for other than an hourly or piecework basis, or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by the State agency for the purpose of determining household eligibility by being averaged over a twelve-month period. For those households which receive nonexcluded income of the type specified in subsection (d)(3) of this section, such income shall be calculated by being averaged over the period for which it is provided. State agencies shall elect and utilize one of the following two methods in calculating income for all other households:

"(1) taking into account the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income which has been received by the household during the thirty days preceding the filing of its application for food stamps so that the State agency may reasonably ascertain the income that is and will be actually available to the household for the certification period; or

"(2) using income received in a previous month as the basis in accordance with standards prescribed by the Secretary, except for the month of application and subsequent month(s) specified by the Secretary for newly applying households (other than households reapplying within thirty days after the end of a prior certification period). In addition, the Secretary shall make modifications or exceptions to this method of income calculation with respect to households experiencing sudden and significant losses of income (including households experiencing losses of income of $50 per month or more) or the addition of a new member, households in immediate need in accordance with the provisions of subsection 11(e)(9) of this Act, migrant farmworker households, and other classes of households if the Secretary determines that this method of income calculation would be impracticable to administer or would cause serious hardship for such households. In promulgating regulations governing the method of income calculation described in this subsection, the Secretary shall consult with the Secretary of Health, Education, and Welfare so that, wherever feasible, and consistent with the purposes of the applicable Acts, households receiving income under title IV-A of the Social Security Act shall have income calculated on a consolidated and comparable basis.".

VEHICLE USE BY HANDICAPPED HOUSEHOLD MEMBERS

SEC. 108. Section 5(g) of the Food Stamp Act of 1977, as amended, is amended in the second sentence thereof—

(1) inserting after the phrase "other than one used to produce earned income" the following: "or that is necessary for transportation of a disabled household member"; and

(2) deleting the phrase "or to transport disabled household members".

STATE OPTION ON ADMINISTRATIVE FRAUD HEARINGS

SEC. 109. Section 6(b) of the Food Stamp Act of 1977, as amended, is amended by inserting after the first sentence thereof the following: "Each State agency shall have the option to proceed against such alleged fraudulent activity either by way of administrative fraud hearings in accordance with paragraph (1) or by way of referring such matters to appropriate legal authorities for civil or criminal action in accordance with paragraph (2) of this subsection, or both.".

PERIODIC REPORTING

SEC. 110. Section 6(c) of the Food Stamp Act of 1977, as amended, is amended by striking everything after the first sentence and inserting in lieu thereof the following:

"(1) State agencies which have elected to use a system of retrospective accounting in accordance with section 5(f)(2) of this Act shall require certain categories of households to file periodic reports of household circumstances in accordance with standards prescribed by the Secretary. Other State agencies which have received the approval of the Secretary, may also require such categories of households to file periodic reports. Each household which is not required to file such periodic reports on a monthly basis shall instead be required to report or cause to be reported to the State agency on a form designed or approved by the Secretary, changes in income or household circumstances which the Secretary deems necessary in order to assume accurate eligibility and benefit determinations.

"(2) Any household required to file a periodic report pursuant to paragraph (1) of this subsection shall, (A) if it is eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures which permit the filing of the required information in the event all adult members of the household are mentally or physically handicapped or lacking in reading or writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on forms approved by the Secretary, and (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights pursuant to subsection 11(e)(10) of this Act.

"(3) Reports required to be filed pursuant to paragraph (1) of this subsection shall be considered complete if, in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels. All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. The reporting requirements prescribed by paragraph (1) of this subsection shall be the sole such requirements for reporting changes in circumstances for participating households. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Secretary of Health, Education, and Welfare and, wherever feasible, households which receive assistance under title IV–A of the Social Security Act and which are required to file comparable reports under that Act shall be provided the opportunity to file reports coincidentally for purposes of both Acts.".

CONFORMING AMENDMENTS FOR RETROSPECTIVE ACCOUNTING AND PERIODIC INCOME REPORTING

SEC. 111. Section 3(c) of the Food Stamp Act of 1977, as amended, is amended as follows:

"(c) 'Certification period' means the period for which households shall be eligible to receive authorization cards. For those households which are required to submit periodic reports as provided in section 6(c)(1) of this Act, the certification period shall be at least six months but no longer than twelve months. For households that are not required to submit periodic reports, the certification period shall be determined as follows:

"(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

"(2) In the case of all other households, the period shall be not less than three months: *Provided*, That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or primarily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary.".

SEC. 112. Section 5(d)(2) of the Food Stamp Act of 1977, as amended, is amended by inserting after the comma the following: "subject to modification by the Secretary in light of section 5(f)(2) of this Act.".

SEC. 113. Section 11(e)(4) of the Food Stamp Act of 1977, as amended, is amended by inserting immediately after "subsection" the following: ": *Provided*, That the timeliness standards for submitting the notice of expiration and filing an application for recertification may be modified by the Secretary in light of sections 5(f)(2) and 6(c) of this Act if administratively necessary;".

EXPANSION OF WORK REGISTRATION REQUIREMENT

SEC. 114. Section 6(d)(2)(B) of the Food Stamp Act of 1977, as amended, is amended by striking out "twelve" and inserting in lieu thereof "six".

PARTICIPATION BY STRIKERS

SEC. 115. Section 6(d) of the Food Stamp Act of 1977, as amended, is amended by adding the following new paragraph:

"(4) Notwithstanding any other provision of law, a household shall not participate in the food stamp program at any time that any member of such household, not exempt from the work registration requirements of the preceding subsection (1), is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: *Provided*, That a household shall not lose its eligibility to participate in the food stamp program as a result of one of its members going on strike if the household was eligible for food stamps immediately prior to such strike, but in no case shall the household receive increased benefits under this Act as a result thereof: *Provided further*, That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout: *Provided further*, That such ineligibility shall not apply if the household meets the income qualifications, assets requirements, and work registration requirements, as mandated in subsection (i) of this section.".

INCOME AND RESOURCES OF INELIGIBLE ALIEN

SEC. 116. Section 6(f) of the Food Stamp Act of 1977, as amended, is amended by adding the following: "The income (less a pro rata share) and financial resources of the individual rendered ineligible to participate in the food stamp program pursuant to this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member.".

MATCHING OF INCOME INFORMATION AND OTHER VERIFICATION

SEC. 117. Section 11(e)(3) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting the following after "section 5(d) of this Act"; "(in part through the use of the information, if any, obtained pursuant to subsections (h) and (i) of section 16 of this Act)"; and

(2) adding after the phrase "sections 5 and 6 of this Act," the following: "although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and any factors of eligibility involving households that fall within the State agency's error-prone household profiles as developed by the State agency from the quality control program undertaken pursuant to section 16 of this Act and as approved by the Secretary,".

ELIMINATION OF STATE OUTREACH ACTIVITIES

SEC. 118. (a) Section 11(e)(1) of the Food Stamp Act of 1977, as amended, is amended—

(1) by striking out subparagraph (A) and subparagraph (B); and

(2) by redesignating subparagraph (C) as subparagraph (B).

PHOTO IDENTIFICATION

SEC. 119. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by deleting "and" at the end of subsection (15), and adding the following new subsection:

"(17) that the State agency shall require each household certified as eligible to participate by methods other than the out-of-office methods specified in the last sentence of subsection (2) in those project areas or parts of project areas in which the Secretary, in consultation with the Department's Inspector General finds that it would be useful to protect the programs integrity, to present a photographic identification card when utilizing its authorization card in order to receive its coupons.".

REPORTING ILLEGAL ALIENS

SEC. 120. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(18) notwithstanding paragraph (8) of this subsection, for the immediate reporting to the Immigration and Naturalization Service by the State Agency of a determination by personnel responsible for the certification or recertification of households that any member of a household is ineligible to receive food stamps because that member is present in the United States in violation of the Immigration and Nationality Act.".

COMPUTERIZATION

SEC. 121. Section 11(e) of the Food Stamp Act, as amended, is amended by inserting "; and" at the end of subsection (18) and adding the following new subsection:

"(19) At the option of the State agency, for the establishment and operation of an automatic data processing and information retrieval system(s) which meet such conditions as the Secretary may prescribe and which is or are designed to provide efficient and effective administration of the food stamp program.".

STATE COMPLIANCE WITH LAW

SEC. 122. Section 11(g) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting after "determines" the following: ", upon information received by the Secretary, investigation initiated by the Secretary or investigation that he shall initiate upon receiving sufficient information evidencing a pattern of lack of compliance by a State agency of a type specified below,";

(2) deleting the "or" before "the State plan of operation";

(3) inserting after "section" the following: "or the Secretary's standards for the efficient and effective administration of the program established pursuant to section 16(b)(1) of this Act";

(4) deleting the period at the end of the second sentence and inserting thereafter the following: ", and, whether or not the Secretary does refer such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under section 16(a) and (c) of this Act as the Secretary determines to be appropriate.".

SEC. 123. Section 16(b) of the Food Stamp Act of 1977, as amended, is amended by deleting the last sentence thereof.

SOCIAL SECURITY OFFICE APPLICATION

SEC. 124. Section 11(i)(2) of the Food Stamp Act of 1977, as amended, is amended by deleting the phrase "simplified affidavit" and inserting "simple application" in lieu thereof.

SPECIAL FINANCIAL AUDIT REVIEW OF HIGH PARTICIPATION STATES

SEC. 125. Section 11 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(1) If in any quarter of a fiscal year, the ratio of a State's average food stamp participation in that quarter to the State's total population in that quarter (estimated on the basis of the latest available population estimates as provided by the U.S. Department of Commerce, Bureau of the Census, Series P-25, Current Population Reports (or its successor series)) should exceed sixty per centum, the Department's Office of Inspector General shall immediately schedule a financial audit review of a sample of project areas within that State, and shall, within two fiscal year quarters thereafter, provide a report to the Congress of its findings and recommendations.".

FORFEITURE OF PROPERTY INVOLVED IN ILLEGAL FOOD STAMP TRANSACTIONS

SEC. 126. Section 15(a) of the Food Stamp Act of 1977, as amended, is amended by—

(1) Inserting "(1)" before "provide", and

(2) Deleting the period at the end thereof and inserting in lieu thereof the following: "and (2) subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act, with any such forfeiture to be conducted and forfeited property disposed of in accordance with those procedures set forth in section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended, that the Secretary determines to be appropriate in the context of this Act.".

STATE INCENTIVES FOR REDUCING ERROR

SEC. 127. Section 16(c) of the Food Stamp Act of 1977, as amended, is amended as follows:

(1) deleting "Effective October 1, 1978," and capitalizing "the";

(2) inserting "(1) effective October 1, 1978," after the phrase "such share to";

(3) inserting "(A)" after the phrase "State agency whose";

(4) inserting "semiannual" before "cumulative";

(5) inserting "area" in lieu of "is" after "section" and before "less";

(6) deleting the period after "centum" and inserting the following: "and (B) whose rate of invalid decisions in denying eligibility as calculated in the quality control program undertaken pursuant to subsection (d)(1) of this section is less than a nationwide percentage that the Secretary determines to be reasonable,"; and

(7) deleting the period at the end thereof and inserting the following:

"(2) effective October 1, 1980, 65 per centum of all such administrative costs in the case of a State agency meeting the standards contained in paragraph (1) of this subsection,

"(3) effective October 1, 1980, 60 per centum of all such administrative costs in the case of a State agency whose cumulative allotment error rate as determined in paragraph (1)(A) of this subsection is greater than five per centum but less than eight per centum or the national standard payment error rate for the base period, whichever is lower, and which also meets the standard contained in paragraph (1)(B) of this subsection; and

"(4) effective October 1, 1980, 55 per centum of all such administrative costs in the case of a State agency whose annual rate of error reduction is equal to or exceeds 25 per centum; but no State agency shall receive more than one of the increased federally funded shares of administrative costs set forth in paragraphs (1) through (4) of this subsection.".

STATE LIABILITY FOR ERRORS

SEC. 128. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(g)(1) The Secretary shall institute an error liability program pursuant to which each State agency shall, other than for good cause as determined by the Secretary, pay to the Secretary or have withheld by the Secretary as described in paragraph (4) of this subsection, the amount by which the dollar value equivalent of the State agency's payment error rate, as determined by the Secretary, for each six-month period, exceeds the dollar value equivalent of either—

"(A) the State agency payment error rate for the base period less a national annual rate of error reduction, as determined by the Secretary, taking into account program circumstances and rates of error reduction in comparable Federal or federally assisted public assistance programs, or

"(B) the national standard payment error rate for the base period, whichever is higher.

"(2) As used in this subsection (A), 'base period' means, for fiscal year 1981, the six months beginning October 1, 1979, and ending March 31, 1980 and, for any fiscal year thereafter, the six months beginning October 1 of the prior fiscal year, and ending March 30, of the prior fiscal year; (B) 'payment error rate' means the percentage of all food stamp allotments which are issued in a given period by a State agency to households which fail to meet the eligibility requirements of sections 5 and 6 of this Act, are overissued to eligible households, and are underissued to eligible households; (C) 'national standard payment error rate' means the weighted mean payment error rate for all State agencies; and (D) 'dollar value equivalent' means the value of allotments determined by multiplying a given error rate by the dollar value of all the allotments issued by a State agency during the particular period in question.

"(3) The Secretary shall conduct a study to determine whether it is feasible to include in the calculation of each State agency's payment error rate, and in the calculation of the national standard payment error rate, invalid decisions by each State agency denying eligibility to households which are in fact eligible. If the Secretary determines that such a change in the method of calculation is feasible, the Secretary shall implement changes in the method of calculating payment error rates for the purposes described in this section.

"(4) In the event that the Secretary makes a claim against a State for payment pursuant to paragraph (1) of this subsection, that State may seek administrative and judicial review of such claim pursuant to the procedures set forth in section 14 of this Act. If such claim is ultimately determined to be valid or is not contested by the State, it shall be collected by the Secretary and may be collected through State payment, through withholding amounts otherwise payable to the State agency pursuant to subsection (a) of this section, or through other mechanisms authorized by the Federal Claims Collection Act of 1966.".

DISCLOSURE PROVISIONS

SEC. 129. (a)(1) Subsection (1) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(7) DISCLOSURE OF CERTAIN RETURN INFORMATION BY SOCIAL SECURITY ADMINISTRATION TO DEPARTMENT OF AGRICULTURE AND TO STATE FOOD STAMP AGENCIES.—

"(A) IN GENERAL.—The Commissioner of Social Security may disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection—

"(i) upon request, to officers and employees of the Department of Agriculture, and

"(ii) upon written request, to officers and employees of a State food stamp agency.

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, determining an individual's eligibility for benefits, or the amounts of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(C) STATE FOOD STAMP AGENCY.—For purposes of this paragraph, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2)(A) Subparagraph (A) of section 6103(p)(3) of such Code (relating to records of inspection and disclosure) is amended by striking out "(1)(1) or (4)(B) or (5)" and inserting in lieu thereof "(1)(1), (4)(B), (5), or (7)".

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out "(1)(3) or (6)" in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof "(1)(3), (6), or (7)".

(C) Clause (i) of section 6103(p)(4)(F) of such Code is amended by striking out "(1)(6)" and inserting in lieu thereof "(1)(6) or (7)".

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended—

(i) by striking out "or any educational institution" and inserting in lieu thereof "any educational institution, or any State food stamp agency (as defined in section 6103(1)(7)(C))", and

(ii) by striking out "subsection (d), (1)(6), or (m)(4)(B)" and inserting in lieu thereof "subsection (d), (1)(6) or (7), or (m)(4)(B)".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency—

"(i) wage information,

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual.

"(iii) the current (or most recent) home address of such individual, and

"(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, on the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

"(3) For purposes of this subsection, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out "subsection (b) or (3)" and inserting in lieu thereof "subsection (b), (c), or (d)".

(3) The amendments made by this subsection shall take effect on January 1, 1983.

PAYMENT OF CERTAIN LEGAL FEES

SEC. 130. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(k) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of officers and employees of the Department of Agriculture may be paid in judicial or administrative proceedings to which such officers and employees have been made parties and which arise directly out of their performance of duties pursuant to this Act.".

COST SHARING FOR COMPUTERIZATION

SEC. 131. Section 16 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(1) Effective October 1, 1980, the Secretary is authorized to pay to each State agency an amount equal to—

"75 per centum of the costs incurred by the State agency in the planning, design, development, installation, or leasing of automatic data processing and information retrieval systems which the Secretary determines (A) will assist in meeting the requirements of this Act, (B) meet such conditions as the Secretary prescribes, (C) are likely to provide more efficient and effective administration of the food stamp program, and (D) will be compatible with other such systems utilized in the administration of State plans under the program of Aid to Families with Dependent Children under title IV of the Social Security Act: *Provided*, That there shall be no such payments to the extent that a State agency is reimbursed for such costs pursuant to any other Federal program or uses such systems for purposes not connected with the food stamp program: *Provided further*, That any costs matched pursuant to this subsection shall be excluded in determining the State agency's administrative costs under any other subsection of this section.".

CONTINUATION OF CASH-OUT PILOT PROJECTS

SEC. 132. Section 17(b)(1) of the Food Stamp Act of 1977, as amended, is amended by adding the following new sentence: "Any pilot or experimental project implemented pursuant to this paragraph involving the payment of the value of allotments in the form of cash to eligible households shall be continued until October 1, 1981, if, prior to the scheduled termination date of such project, legislation is enacted providing for a cash payment to such households in lieu of food stamps to become effective on October 1, 1981.".

WORKFARE JOB-SEARCH TIME PERIOD

SEC. 133. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by adding after the phrase "thirty days" in the second sentence the following: "(ten days in at least one pilot project area designated by the Secretary)".

WORKFARE PILOT PROJECT REVISIONS

SEC. 134. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "Act" in the last sentence thereof and inserting in lieu thereof the following: "shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation.".

The provisions of section 17(b)(2) of this Act involving sharing of administrative costs shall be effective upon the date of enactment of this Act.

STUDY OF CPI

SEC. 135. Section 17 of the Food Stamp Act of 1977, as amended, is amended by adding the following new subsection:

"(e) The Congressional Budget Office, in consultation with the Secretary, and the Secretary of the Department of Commerce and the Secretary of the Department of Labor, shall review the Consumer Price Index and the various alternative consumer price or cost-of-living indices, such as the Personal Consumption Expenditure (PCE) Deflator to examine the limitations of each statistical alternative and the factors causing the various indices to differ with each other and to reflect inconsistencies with their own prior year indices in measuring the cost-of-living or the rate of inflation. The study shall seek to determine whether the Consumer Price Index is the most accurate indexation base for the food stamp programs, or whether an alternative or combination of alternatives may be the more accurate indexation base in order to reflect consumer prices or changes in the costs of living. The Congressional Budget Office shall report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, of the Senate, together with such recommendations as the Congressional Budget Office deems appropriate, by February 1, 1981.".

USE OF FEDERAL FUNDS TO INTERFERE WITH PROGRAM IMPLEMENTATION

SEC. 136. Section 20(a) of the Food Stamp Act of 1977, as amended, as so redesignated by section 204 of this Act, is amended by—

(1) inserting "(1)" immediately after the section designation; and

(2) adding the following new paragraph:

"(2) No funds authorized to be appropriated under this Act or any other Act of Congress shall be used by any person, firm, corporation, group, or organization at any time, directly or indirectly, to interfere with or impede the implementation of any provision of this Act or any rule, regulation, or project thereunder, except that this limitation shall not apply to the provision of legal and related assistance in connection with any proceeding or action before any State or Federal agency or court. The President shall insure that this paragraph is complied with by such order or other means as he deems appropriate.".

ADMINISTRATION OF OUTREACH ACTIVITIES

SEC. 137. Section 11(e)(1)(B) of the Food Stamp Act of 1977, as amended, is amended by inserting the following before the semicolon: "and not impose any time requirements related to outreach activities upon any personnel administering the program in any political subdivision in the State".

SEC. 138. Section 3(o) of the Food Stamp Act of 1977, as amended, is amended by—

(1) inserting "through January 1, 1980," after (4);

(2) deleting the period after "respectively" and inserting a comma in lieu thereof; and

(3) adding at the end thereof the following: "and, as of January 1, 1981, adjust the cost of such diet every January 1 to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30."

SEC. 139. Section 5(e) of the Food Stamp Act of 1978, as amended, is amended by—

(1) deleting the comma after "1978" in the second sentence and inserting "through January 1, 1980," immediately thereafter;

(2) deleting the period at the end of the second sentence;

(3) inserting at the end of the second sentence the following: "and, starting January 1, 1981, shall be adjusted every January 1 to the nearest $5 to reflect such changes for the twelve months ending the preceding September 30.";

(4) deleting "(commencing July 1, 1978)" in paragraph (2) in the fourth sentence and inserting "on July 1, 1978, and July 1, 1979' in lieu thereof;

(5) deleting the period at the end of the fourth sentence; and

(6) inserting at the end of the fourth sentence the following: ", on January 1, 1981, adjusted annually to the nearest $5 increment to reflect such changes for the eighteen-month period ending the preceding September 30, and, on every January 1 thereafter, adjusted annually to the nearest $5 increment to reflect such changes for the twelve months ending the preceding September 30.".

SEC. 140. The provisions of sections 104, 105, and 106 shall take effect on October 1, 1981.

ADJUSTMENT OF POVERTY GUIDELINES

SEC. 141. Section 5(c) of the Food Stamp Act of 1977, as amended, is amended by striking everything after "forty-eight contiguous States" and inserting a period at the end of that phrase.

REDUCTION IN ASSETS LIMITATIONS

SEC. 142. Section 5(g) of the Food Stamp Act of 1977, as amended, is amended by deleting "$1,750" and inserting "$1,500" in lieu thereof.

RESTRICTION ON STUDENT PARTICIPATION

SEC. 143. Section 6(e) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "(1)" and inserting in lieu thereof the following: "is physically and mentally fit and is between the ages of eighteen and sixty, (2) is enrolled at least half time in an institution of higher education, and (3)(A) is not employed a minimum of twenty hours per week or does not participate in a federally financed work study program during the regular school year or (B) is not the head of a household (or spouse of such head) containing one or more other persons who are dependents of that individual because he or she supplies more than half of their support, or (C) is not so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act, as amended (42 U.S.C. 602)."

SEC. 144. Section 6(d) of the Food Stamp Act of 1977, as amended, is amended by deleting everything after "person" in the parenthesis in paragraph (D) of subsection (2) of such section and inserting in lieu thereof the following: "Enrolled in an institution of higher education shall be ineligible to participate in the food stamp program unless he or she meets the requirements of subsection (e) of this section)".

TITLE II—REPAYMENT FOR CERTAIN EXCESS FOOD STAMP BENEFITS RECEIVED

FUNDS TO PROVIDE ASSISTANCE

SEC. 201. The first sentence of section 4(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", and any funds collected by and any funds transferred to the Secretary under section 19," after "of this Act".

CONDITIONAL ASSISTANCE

SEC. 202. The last sentence of section 5(a) of the Food Stamp Act of 1977, as amended, is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act, after "furnished".

NOTICE OF CONDITIONAL NATURE OF ASSISTANCE

SEC. 203. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is nineteen years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (18), as added by section 120 and amended by section 121 of this Act, by striking out "and" at the end thereof;

(3) in paragraph (19), as added by section 121 of this Act, by striking out the period and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

LIABILITY FOR EXCESS FOOD STAMP BENEFITS RECEIVED

SEC. 204. The Food Stamp Act of 1977, as amended, is amended by redesignating section 18 as section 20, and by inserting after section 17 the following new sections:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"SEC. 18. (a)(1) Each individual who is nineteen years of age or older during any entire taxable year and who, in any taxable year, participates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93-66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual nineteen years of age or older the lesser of—

"(1) an equal share of all the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary and the Secretary of the Treasury may issue jointly and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is nineteen years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual nineteen years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section;

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 per centum of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who files a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(f) The Secretary may transfer to the Secretary of the Treasury an amount, as specified in appropriations acts, of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, which is sufficient to enable the Secretary of the Treasury to carry out section 19 of this Act.

"(g)(1) of the aggregate amount of any funds collected under section 19 and made available to the Secretary by appropriations acts to carry out this subsection, the Secretary shall—

"(A) transfer 15 per centum of the aggregate of such funds, but not to exceed $15,000,000 in any fiscal year, to the States, and

"(B) use the portion of the aggregate of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the aggregate of any funds so collected and made available to the Secretary under section 19; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected under the regulations prescribed in accordance with section 19, from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liability for funds to be collected under such regulations from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.

"COLLECTION OF REQUIRED REPAYMENTS

"Sec. 19. (a) The Secretary and the Secretary of the Treasury shall issue jointly regulations establishing the procedures for determining and collecting any liability imposed by section 18(a). Such regulations shall provide that—

"(1) to the extent feasible, any liability shall be collected by the Secretary of the Treasury in coordination with his responsibilities under other Federal laws; and

"(2) any liability not collected by the Secretary of the Treasury shall be collected by the Secretary.

Such regulations may provide that such liability shall be offset by any overpayment of a Federal tax to which the individual involved is entitled but for the operation of this subsection, and such offset shall be treated as if it were a refund of such overpayment.

"(b) Funds collected under subsection (a) shall be deposited in the Treasury as miscellaneous receipts and shall be available to the Secretary of the Treasury to defray administrative costs incurred in carrying out the provisions of subsection (a) and to the Secretary to carry out the provisions of this Act, in such amounts as are specified in appropriation Acts.".

AVAILABILITY OF FUNDS REPAID FOR EXCESS BENEFITS RECEIVED

Sec. 205. The first sentence of section 20(b) of the Food Stamp Act of 1977, as so redesignated by section 204 of this title, is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and the aggregate of any funds collected and made available to the Secretary under section 19 of this Act in such fiscal year" before the period.

CONSTRUCTION OF AMENDMENT

Sec. 206. No provision of the amendment to the Food Stamp Act of 1977 made by section 204 of this Act shall be construed to change or affect in any manner the Internal Revenue Code of 1954 or the application of any provision of such Code.

CONFORMING AMENDMENT

Sec. 207. Section 4(a) of the Food Stamp Act of 1977, as amended, is amended by striking out "section 18" and inserting in lieu thereof "section 20".

APPLICATION OF AMENDMENTS

Sec. 208. Section 18(a) of the Food Stamp Act of 1977, as added by section 204 of this title, shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

Sec. 209. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 203 of this title, and section 18(d) of the Food Stamp Act of 1977, as added by section 204 of this title, shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.

TITLE III—FOOD STAMP FUNDING

APPROPRIATION CEILING

Sec. 301. The first sentence of section 20 (a), of the Food Stamp Act of 1977, as amended, as so redesignated by section 204 of this Act, is amended by:

(1) striking out "$6,188,600,000" and inserting $9,191,000,000" in lieu thereof; and

(2) striking out "$6,235,900,000" and inserting "$9,739,276,000" in lieu thereof.

RETROACTIVE REIMBURSEMENT

Sec. 302. Section 18 of the Food Stamp Act of 1977, as amended, is amended by adding at the end thereof the following new subsection:

"(e)(1) Notwithstanding any other provision of this Act, the Secretary—

"(A) shall sell coupons to any State participating in the food stamp program on May 31, 1980, for distribution to eligible households for June 1980 upon the request of such State to purchase coupons;

"(B) may redeem purchased coupons in such State with the receipts from coupons sold under this subsection; and

"(C) may expend the receipts from the sale of coupons under this subsection to administer the food stamp program for June 1980 in States which purchase coupons under this subsection.

"(2) For purposes of paragraph (1)(A) the Secretary shall sell coupons at a cost equal to the sum of the face value of such coupons and a proportionate share of the costs incurred by the Secretary to administer the food stamp program with the authority provided by this subsection.

"(3) For purposes of paragraph (1)(B) the Secretary, in cooperation with the Secretary of the Treasury, shall redeem coupons purchased under this subsection in the same manner as the Secretary redeems coupons with funds appropriated to carry out this Act.

"(4) From any funds made available after the date of the enactment of this Act to the Secretary for the fiscal year ending September 30, 1980, to carry out this Act, the Secretary shall reimburse States which purchase coupons under this section and which carry out the food stamp program in accordance with this Act.

"(5) The amount of any reimbursement paid to a State under paragraph (4) shall be equal to the sum of the aggregate purchase price paid by such State for coupons purchased under this section and any administrative costs for June 1980 for which such State would have been reimbursed under this Act with funds appropriated to carry out this Act for June 1980.

"(6) The authority vested in the Secretary by paragraph (1)(A) and paragraph (1)(C) of this subsection shall lapse if funds to carry out this Act for June 1980 are appropriated before June 1, 1980.".

Amend the title so as to read: "An Act to amend the Food Stamp Act of 1977, as amended, to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to remove specific dollar limitations on appropriations while continuing to limit expenditures to available funds; and for other purposes.".

Mr. TALMADGE. Mr. President, I move that the Senate disagree to the House amendments and agree to the conference requested by the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BUMPERS) appointed Mr. TALMADGE, Mr. MCGOVERN, Mr. HUDDLESTON, Mr. LEAHY, Mr. MELCHER, Mr. HELMS, Mr. DOLE, and Mr. HAYAKAWA conferees on the part of the Senate.

Mr. TALMADGE. I thank my distinguished friends from Indiana and Ohio.

SOFT DRINK INTERBRAND COMPETITION ACT

The Senate continued with the consideration of the bill.

Mr. METZENBAUM. Mr. President, let me come back to my friend from Indiana and inquire of him as to whether or not his unanimous-consent request as interpreted by the Parliamentarian is still pending because on that basis I am prepared to accept it.

The PRESIDING OFFICER. The Senator is correct. It is the pending business.

Mr. BAYH. Mr. President, I do not wish to interrupt the Senator's dialog, his assessment of what is happening here.

I do feel that it is important to have further debate, discussion, and education on this issue so I hope that the Chair at the conclusion of the remarks of my friend from Ohio will permit the Senator from Indiana to proceed with the debate.

Again, I say to my friend from Ohio that I am prepared to vote if we can vote on the subject matter and not bring in other matters that are not germane.

I understand exactly where he is coming from. He knows exactly where I am coming from. And it is sort of a difference of opinion that does not occur very often between two friends like myself and the Senator.

Mr. METZENBAUM. We are, indeed, good friends, and it is not a personal matter as he knows and I know that about him, but there is a unanimous-consent request at the desk and an interpetation has been given by the Parliamentarian.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is it possible for the Senator from Indiana to make a unanimous-consent request requesting back-to-back votes on the two amendments and the final passage on the bill without any intervening amendments or votes thereon?

The PRESIDING OFFICER. It is possible.

Mr. BAYH. I make such a unanimous-consent request at this time.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Mr. President, I wish to make it clear that in objecting I would not object to cutting off debate. I would not object to a vote at any time set by the Senator from Indiana with respect to his amendment, the Cochran amendment, and one amendment as may be called up by the Senator from Ohio without debate. I have no problem with that.

Mr. BAYH. Mr. President, I have to object to that, and the Senator will see why when my time comes to have the floor.

Mr. METZENBAUM. I now yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate the courtesy, the warmth, and the friendship of the Senator from Ohio, and I think anyone examining the record will find on most issues my friend from Ohio and I are on the same side.

On this one we are on different sides of a very relatively small point, and that is whether we should immediately proceed to consideration of the Soft Drink Interbrand Competition Act. That piece of legislation is extremely important.

The Senator from Mississippi has gone into some degree of detail explaining its importance and the Senator from Indiana will also.

I think it is important for us to look at where we are procedurally so everyone will know in advance just exactly what is happening.

The measure before us, the Soft Drink Interbrand Competition Act, is a very important piece of legislation to a relatively small segment of American industry. It is extremely important to keep the soft drink bottlers, particularly the small bottlers, solvent and to keep them from becoming bankrupt.

The Senator from Ohio feels very sincerely that this legislation would be anticompetitive and would be a breach of our normal antimonopoly and antitrust laws. He has every right to feel that way. He does not make decisions like that lightly. For that reason he is opposing and has opposed the Soft Drink Interbrand Competition Act.

With 80 percent of the Senate feeling that this measure is important, it stands to reason that if the measure reaches the floor, it is going to pass.

My friend from Ohio has very skillfully used what are certainly his rights, and they have been used historically by others for less laudatory purposes, let me hasten to say, but he has used a series of rights that he has as a Member of the Senate to try to keep us from having a chance to vote on this bill as it now stands.

He is desirous of adding two amendments which are extremely controversial to the Soft Drink Interbrand Competition Act.

The irony of ironies that the Senator from Indiana finds himself in is that he has been a long-time cosponsor and supporter of both of these amendments. One amendment deals with oil merger, which would make it difficult if not impossible for the oil companies to continue to buy other industries and to thus take the resources they need to help us become energy independent. I could make a 2-hour speech on the evils of that practice, as I have been a long-time supporter of this legislation.

However, there are a number of our brethren who are violently opposed to this particular amendment; the oil merger amendment of the Senator from Ohio, and thus if that measure gets onto this measure or gets onto the floor we will have a filibuster on this where the debate will be against the amendment presented by the Senator from Ohio, so we will never get a vote on the Soft Drink Interbrand Competition Act.

Also, the Senator from Ohio is a major champion of a piece of legislation that he and the senior Senator from Massachusetts have been pursuing for a good long period of time, the legislation dealing with the Illinois Brick case.

Now the Senator from Indiana has shared the concern of the Senator from Ohio about the Illinois Brick precedent and is supporting that legislation.

The Senator from Indiana has supported his friend from Ohio and his friend from Massachusetts on this Illinois Brick matter. However, it is fair to say that issue, too, is at least mildly controversial. In fact, that is probably the understatement of the decade. It is violently controversial, and all of us who have studied this know that as much as we might support the Illinois Brick question or we might support the oil company merger question, as soon as one of those gets on the floor then the opponents of those measures are going to debate them at such length that we will never have a chance to get to our innocuous, motherhood, pie-in-the-sky, God-bless America Soft Drink Interbrand Competition Act.

So what the Senator from Indiana and his friend from Mississippi are trying to do is to eliminate controversy, to permit the U.S. Senate to have a chance to vote on an issue which is cosponsored by 80 of our colleagues on its merits and not be confronted with other matters which are highly controversial and which will involve the Senate in long, tenuous, and acrimonious debate.

I think what the Senator from Mississippi and what the Senator from Indiana are trying to do is to maintain the tradition and the spirit of brotherly love in the Senate and to keep out the acrimony and confrontation. To do that we have, indeed, arrived at a parliamentary situation where using the rules, as all of us have a right to do, we have confined the debate to the bill and to the two amendments which are before us, both of which are germane. Neither of the amendments proposed by the Senator from Ohio are germane, and thus it stands to reason that if we want to keep the debate centered on the Soft Drink Interbrand Competition Act, we would have to oppose these nongermane amendments.

Mr. METZENBAUM. Mr. President, will the Senator from Indiana yield for one moment?

Mr. BAYH. Without losing my right to the floor and without this being counted as another speech.

Mr. METZENBAUM. Of course.

I will point out to the Senator from Indiana that I do not have any amendments laid down yet nor have I indicated what I am going to call up, if at all. So that I know that I have heard rumors about as to what I am going to call up, but I just want to point out to the Senator from Indiana that at this moment neither the oil company antimerger bill, Illinois Brick, or any of the other nefarious legislation that I might be inclined to call up has been submitted as an amendment, and it just may never be.

Mr. BAYH. I say to my friend from Ohio, I do not think he accurately described those amendments. I think they are good amendments.

Mr. METZENBAUM. They are not nefarious.

Mr. BAYH. The only difference is that others in the Senate do not agree with us and, unfortunately, sometimes a majority of the Senate does not agree with my friend from Ohio and his friend from Indiana, and if he were to tell us that he did not have any plans to offer these two amendments, then I think we might be able to move along on a little different motion.

Mr. METZENBAUM. Well, the Senator from Ohio is giving a lot of consideration as to exactly which steps to take, and at some later point, perhaps just as soon as we dispose of the Cochran and Bayh amendments, I think I would then be very much prepared to indicate to the Senator from Indiana what I intend to call up. But until I know what the final bill looks like, as modified by Cochran and Bayh, I cannot make up my mind as to what I ought to offer. But I am cogitating on it.

Mr. BAYH. Well, I think the Senator from Ohio is one of the best cogitators in this body, and I will be anxious to find out what that cogitation leads to as far as his determination as to whether he is going to offer these two nongermane amendments.

If he decides not to we will proceed to final passage on this very quickly. If he determines he wants to find another vehicle and bring these up in a way that will not have the effect of killing the Soft Drink Interbrand Competition Act he can count on his friend from Indiana supporting him on these two amendments just as he has when they have been discussed in our subcommittee and in our committee.

I want to compliment my friend from Ohio for the kind of leadership he has provided for that Antitrust and Monopoly Subcommittee. I think it is important to have someone who is concerned about competition and concerned about the issues brought to focus in the Oil Merger Act and in the Illinois Brick case. I just hate to see us making a rather complicated, controversial legislative fruit salad out of something that is a little small cookie called the Interbrand Competition Act.

Mr. METZENBAUM. Does not the Senator from Indiana recognize that bricks and soft drinks and oil can mix very well? He need not answer.

Mr. BAYH. I think perhaps from my own standpoint I had better not because I am not too certain how you would mix them. But I would not want to judge that.

Mr. President, I, for the sake of those who may either want to listen to what I have to say or do not want to listen to what I have to say, would like to indicate that the Senator from Indiana is going to address himself to the merits of the Soft Drink Interbrand Competition Act. Hopefully when other Members of the Senate have had a chance to be fully educated on this they will understand the importance of confining our consideration today and tomorrow to the Soft Drink Interbrand Competition Act so that we can actually pass it as it is and not have it cluttered up with other amendments which would make it impossible really to ever get a final vote on the current measure which is before us.

So let me address myself to the merits of S. 598. Mr. President, the Soft Drink Interbrand Competition Act is designed to preserve a unique industry practice which has existed for 75 years, the manufacturing, bottling, and distribution of trademarked soft drinks by local companies. While I am anticipating we will hear much over the next few days about economic efficiency and about how such efficiency would be best served by the elimination of territorial franchises, these arguments have little meaning to the small businessman in Portland, Indiana, who feels his business would be shut down in less than 6 months if such agreements did not exist. Nor would such efficiency be of particular benefit to the families of the 83 employees of the plant who would be out of work and on the unemployment rolls.

Neither, in my judgment, would it be of any benefit to the taxpaying public who would be charged with unemployment compensation, perhaps welfare, and a general lack of economic stimulus caused by these shutdowns all over the country in those communities wherever these bottling plants happen to exist.

I would like to emphasize, Mr. President, that although there has been a concern expressed about the precedent we may be setting here by passing the Soft Drink Interbrand Competition Act, it seems to me that the precedent has already been set and has been established. We are not suggesting that something new and novel be foisted on the consuming public or on the soft drink industry. What we are suggesting is that something that has been good and sound, both from a business practice and a consuming standpoint, for 75 years should not be summarily removed from the books by an act of the Federal Trade Commission, acting on a split vote, contrary to every bit of evidence compiled by the hearing examiner who took evidence on this matter in the field.

What we are saying is that we should continue the relationship which has existed in the soft drink industry and continue the manufacture, distribution and sale of high quality soft drink merchandise. Perhaps the record of the past 75 years is good, solid precedent that should be continued until there is ample evidence that it is not working. This measure is not designed to change things. This measure is designed to continue the kind of relationship that has existed in the soft drink industry over the last 75 years.

Now, if one looks at the soft drink industry, one is impressed with the fact that the most lucrative account for these small bottlers is the large chain store account. Without such accounts, the small bottlers would be left with the low volume, high service industry, sometimes described as the mom-and-pop stores, and the vending machines that exist in offices, service stations, and small businesses throughout the country.

It is this kind of service mechanism, the vending machine, that has made it possible not only for the bottlers to sell their merchandise, but for the consuming public to have ready access to soft drinks at very many diverse locations in a given community. It is that kind of service that has become accepted. The consumer expects it. The way the present franchise is enunciated, that kind of service can be provided by the bottler in a manner that does not permit the inconvenience and the cost of the service to cause the bottler to have to lose money that cannot be compensated for elsewhere and thus have to go out of business totally.

The fear of the soft drink bottlers is that without territorial restrictions, large bottlers in neighboring areas would raid their chain store accounts by offering to sell to them in high volumes from warehouses. These small bottling businesses would then be worth little more than the price of their machinery.

In other words, at the risk of oversimplification, the soft drink market can be roughly divided into two general categories: One, the large supermarket outlet, where large amounts of soft drinks are sold day after day after day; and two, the much smaller stores or the vending machine, one bottle-at-a-time or one-can-at-a-time operation, where a much smaller volume of merchandise is sold.

A bottler, in order to be able to provide the service of the vending machine or the smaller mom-and-pop store operation must incur a significant amount of overhead and expense. It stands to reason that it is much more expensive to deliver and service a machine which sells one bottle at a time, one can at a time, than it is to be able to sell and service to a supermarket where you can sell many cases at a time and have practically no overhead cost whatsoever.

In order for the bottler to be able to finance the service of the vending machine to the office, the beauty parlor, the barber shop, the filling station, the lawyer's office, the doctor's office, the small business, and to the smaller store, it is necessary to have the high volume, low service costs which results from selling in larger quantities to the supermarket.

Now, if we have a removal of the territorial franchise arrangement—take my own State of Indiana, for example, which I am particularly aware of, of course, but the same is true in other States. What would happen is that a huge bottling plant in Chicago, or perhaps in Cincinnati, would truckload semiloads full of soft drinks into, let us say, Portland, Ind., and would take away the large volume business in the supermarkets. Once that large volume had been taken away by larger manufacturers, who produce in a much greater volume than the bottler in Portland could, so that their per unit cost might be just a little bit less, the only remaining outlet for the small bottler in Portland is the high cost, low volume business. Then the operation becomes inefficient, uneconomical, and impossible to continue by these small bottlers, and thus he or she or they go out of business.

It stands to reason that a major bottler who ships in soft drinks by the truckload is not going to take the time to service the local filling station, the beauty parlor, or indeed, perhaps, not even the mom-and-pop store.

So what we are doing is not only putting out of business a small bottler in Portland, Ind., or the Portlands of America, but what we are also doing is seriously diminishing the service to the consumer that is now readily available almost on every corner on Main Street, U.S.A.

We have heard, Mr. President, that the elimination of territorial restrictions would be beneficial to consumers. The reason most often cited is an alleged decrease in the price of a given soft drink. Yet even an official of the FTC states that calculating the alleged benefits is impossible. Moreover, others have contended that the long-range effect of the FTC ruling might be an increase in prices.

I think it is important, Mr. President, to point out that some people have been concerned about consumers.

I suggest there are very few people in this Senate who have been more concerned about consumers than the Senator from Indiana. But if one really examines the facts of this issue and the way the industry operates, I think passage of this bill is important to protect the consumer. Thus, I heartily support it.

I have already referred to the way in which the consumer would not have as much access without the small bottlers who provide the high service, low volume business which exists in many small businesses and in individual locations throughout the community.

If the beauty parlor or the hardware store, the lawyer's office or the filling station, do not have the kind of vending machine service that is provided now by the small bottlers, needless to say the consumer, by not having access, is inconvenienced to say the least.

On the other hand, if one looks at the long-range impact of prices, I think the consumer would ultimately suffer as the small bottlers go out of business.

If one examines the way industries have become concentrated in the past, and the effect that these concentrations have on consumers, one could predict that with the first invasion of a territory that now is in the hands of the small bottler by a large, out-of-territory bottler, there would be a small reduction in the price because of the very volume that a large bottler can sustain. For example, if one is producing Coca-Cola in Cincinnati or in Chicago by the tens of thousands of cases and shipping it by the truckload, it makes sense to assume that such a large volume operation could offer its product at a fraction of a penny per bottle cheaper than the smaller bottler.

Thus, when the large bottler goes into my supermarket that I referred to in Portland, they can offer that case of Coca-Cola at a slightly lower cost than that which is manufactured in Portland. However, once the small bottler is no longer there, once the small bottlers have gone out of business and declared bankruptcy, there is absolutely no competition for that large bottler. The large bottler could raise the price back up again or raise it even higher than it was before he invaded the territory in the first place.

Anybody who believes this is not the way it works ought to ask themselves whatever happened to the radio industry in the United States of America. We used to have a real corner on the market producing radios. The Japanese now make almost all the radios that we buy. We have no radio industry.

What happened was that the Japanese came in with their radios. They underbid the price of the radio being made in the United States. They got our radio industry into economic difficulty. They bought into the American radio industry in those areas where we had the most wholesome industry. The rest of the radio companies went bankrupt. So after there was no competition, the Japanese were then in a position to run up the price of radios.

Admittedly, when we are talking about a radio and a bottle of Coca-Cola, we are talking about different merchandise, different considerations. But the scheme economically is exactly the same: Go in as a huge producer, underbid the small producer, take away his most lucrative marketplace. When he goes bankrupt and there is no competition, then jack up the price and stick it to the consumer by charging even more for the soft drink than now is the case.

(Mr. MOYNIHAN assumed the chair.)

Mr. BAYH. We have heard that current territorial agreements have led and will continue to lead to concentration in the industry. Claims are made that the number of soft drink bottling plants around the country have been reduced by as much as 50 percent in the last 20 years. Yet no one can or will deny that what is meant by economic efficiency in the soft drink industry is simply a further and faster concentration or vertical integration of this industry.

We have heard that there is no intrabrand competition with exclusive territorial franchises. We agree that it must be the case under such agreements. Yet no one has been able to explain how, with further concentration and the possibility of the syrup companies owning all of their brands' bottling plants, there will be intrabrand competition.

In fact, and I think I should point this out for those who are not really students of the competitive situation here, we must make a distinction between interbrand and intrabrand competition because, as the Senator from Indiana intends to point out later on, there has been ample interbrand competition, which, at least as far as the hearing examiner for the FTC was concerned, was sufficient that he felt the franchises were not violative of sufficient competition environment.

In fact, as I have examined this problem, it has become more and more apparent to me that in the absence of these territorial agreements and in the presence of substantial vertical integration, there will not only be an absence of intrabrand competition but there will be substantially less interbrand competition. I defy anyone to explain how that will be of benefit to the consumer.

If Coca-Cola owns all of its bottling plants and 7-Up and Pepsi own all of their bottling plants, and the other companies do the same, the Pepsi Co. is surely not going to set up a situation, nor are any of the other sirup companies going to set up a situation, in which they are in competition with themselves.

As I prefer to say directly, I think what we will have is a situation where we will have less competition, not more.

I have been given information which leads me to believe that should territorial franchises not be permitted in the soft drink industry, if one looks at the Coca-Cola soft drink, the State of Indiana's soft drink business would be divided between Dayton Coke and Chicago Coke. That would mean the end of approximately 50 businesses in Indiana, and unemployment for the people who work in those businesses.

We are told that economic theory is such that those people would find other work in another industry. That could be. However, I doubt they would find that a comfort. And particularly today, to anyone who is familiar with the shape of the economy in many places in Indiana, it would not be a great deal of consolation for someone losing a job with Coca-Cola to be told that they could go out and get a job with Ford, General Motors, or Chrysler. We have 20 percent unemployment in some of those communities and that is not a likely way to recover from losing your job when your small bottling plant goes bankrupt.

In the absence of compelling evidence that the consumer would save substantially through vitiation of the present agreements between bottlers and sirup companies and in the presence of significant evidence that an entire industry would suffer through a potentially devastating reorganization, I decided to offer this legislation for the consideration of my colleagues. About 80 of my colleagues have agreed that the evidence is on the side of the bottlers and have joined me in this effort.

Mr. President, the American small businessman and businesswoman deserves some consideration. He or she is the bulwark of our American economic system and we in Washington must not impose upon such businessmen and women unworkable regulations based solely on economic philosophy and theory without concern for their very pressing economic realities.

Mr. President, I want to go into some detail in examining just exactly what this bill is trying to accomplish. In order to do that, I should like first to look at the FTC decision on the soft drink industry territorial franchise arrangement and to advise my colleagues in the Senate of what the impact of this decision would be on the soft drink industry. I think it is fair to say that elimination of bottlers' territories will have a substantial adverse impact on bottlers, on use of returnable containers, on soft drink competition, and on industry concentration. Let me speak to those points in greater specific detail.

First, let us look at the impact on the bottler. There will be a shift to food chain warehouse distribution from store-door delivery, in the judgment of the Senator from Indiana.

Without exclusive territories where the bottler can maintain store-door delivery, chain supermarkets and other high volume food store customers will insist on warehouse delivery of franchised soft drinks in nonreturnable containers.

A study of the soft drink bottling and canning industry and the impact of the FTC complaint on the industry's future is contained in the Cresap, McCormick, and Paget, Inc. study of July 1972:

> If the FTC order is upheld, most bottlers would lose their sales to supermarket chain stores.

If one cares to look at that in greater detail than the Senator from Indiana feels it is necessary to present right now, I suggest he look at that study on page 3, because I think it makes a very cogent argument about what would happen as far as the loss of supermarket chain store sales is concerned.

The study goes on:

> The loss of chain supermarket, grocery and convenience store accounts would severely affect bottlers' operations . . . [T]he decline in most bottlers' sales would average between 24 and 50 per cent of their present soft drink sales. . . .

So it stands to reason that no business can really remain solvent if, with one fell swoop, the FTC or a court or, indeed, Congress suddenly passes legislation, hands down a case, or hands down a decision which has the impact on every bottling plant of, let us say, the smaller bottling plants losing somewhere between 24 and 50 percent of their present soft drink sales. Without that volume, the business in question becomes bankrupt.

Delivery of returnable bottles is economical through storewide delivery not through warehouse delivery. A split distribution system will stimulate a rapid movement toward nonreturnable containers, the study tells us.

In other words, for those who are concerned about returnable bottles, they should be very concerned about the disappearance of the franchise agreement. If soft drinks are purchased through the store or consumed at a place of business, it is relatively easy to return that bottle to the place from which it was purchased. If, however, we have larger volumes moving through warehouses, a truckload at a time, it then becomes inefficient to try to reclaim the unused returnable bottles. Thus, we see a movement more and more toward total utilization by the industry of nonreturnable containers.

Mr. President, I ask unanimous consent that the Senator from Indiana may be permitted to call a quorum and retain the right to the floor and that, upon regaining the floor, my remarks not be counted as a second speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, another impact on the bottler would be that customer service would decline and availability of soft drinks would decrease. Smaller unprofitable accounts would be all that remained to a bottler that does not have chain store accounts.

Of course, that makes his whole operation economically tenuous, to say the least.

Also, consumers' freedom of choice in selecting or buying soft drinks would ultimately be diminished.

Price increases required to restore bottler profitability would be substantial and are unlikely to be accepted by bottlers' remaining customers. The majority of soft drink bottler operations would become unprofitable and would go bankrupt.

So, in the judgment of the Senator from Indiana, the whole present structure of the soft drink industry would be significantly changed, and most all of the small hometown bottlers would be out of business.

The kind of personal, store-door service to which we have all become accustomed would disappear. We would see the large, wholesale dispensation of soft drinks, which is about like buying dresses from the Sears catalog. Perhaps that is not a good comparison, because the Senator from Indiana has not bought too many dresses from the Sears catalog.

But I think it is a good comparison to show that the tender loving care that is attendant to every account as long as it is the personal account of a hometown dealer would disappear, and we would have a large impersonal dispensation of soft drinks by the wholesaler, not by the accessible, individual route which now is a fundamental part of the industry.

One might look a little further, Mr. President, at the structure of the industry and the impact that the FTC decision would have.

In my judgment, it is inevitable that there would be a significant concentration in the soft drink industry as a result of the FTC decision.

Many bottlers would be forced out of business by the economic effects of the FTC decision. I have referred to that earlier.

Mergers, sales, or switches to distribution operatives would result in the loss of value of many production facilities.

Also, in my judgment, the result will be a concentrated regionalized bottling system with de facto territories limited by transportation costs, not by the kind of franchise arrangement that exists now.

Let there be no doubt about the fact that there will be a territorialization of the dispensation of soft drinks. But instead of it being by a legal document, where everyone knows in advance who is serving what community, so a small businessman can invest his life savings not only in the bottling but in the initiation and maintenance of the dispensation of soft drinks through the present way of providing on the scene merchandising through the various ingenious machines that have been developed, the territories would be decided by the cost of shipping from point A to point P in Portland, Ind.

These costs are not always constant. They change. They are not immune from raiding by other companies that might want to move into the territory, temporarily depress the prices, and thus take over the territory ultimately with the resulting increase in prices. Because of that uncertainty, one is not liable to see the kind of investment in long range service that exists today.

I think it should be pointed out that the FTC's stated goal of intrabrand competition will be unattainable, and in the desire to reach this goal an industry will be altered radically.

I remind the Senate of what I said a while ago. I cannot envision how Coca-Cola is really going to permit itself to be competing with Coca-Cola, and that is the situation which the FTC decision is trying to attain. The FTC decision totally ignores the hearing examiner's conclusion that there is ample competition existing now between Coca-Cola, Pepsi Cola, RC, Dr. Pepper, 7-Up, and Mountain Dew. The list is as long as my arm and includes, of course, a wide variety of various kinds of carbonated and uncarbonated drinks and other substances, powders, concentrates, that can be obtained in any store in town.

I think when one looks at the real competition for beverages that one has to look at a wide variety of 200 or 300 different options that are available.

The Senator from Indiana was really unaware of this until he started studying it, quite a while back, just to see how much competition exists.

I asked some folks in Indiana to arrange for me to see at one time all of the available beverages that were present in the stores for my constituents, as customers, to purchase.

As I recall, it was somewhere between 250 and 300 different kinds of beverages. It is amazing the kind of competition any consumer that goes into the store faces when he or she has to make a choice as to what kind of beverage he or she wants to serve in his home. The choice is available has due to ample interbrand competition.

To suggest there is no competition out there is foolish. It is equally foolish, in the judgment of the Senator from Indiana, to expect Coca-Cola to compete with Coca-Cola, RC to compete with RC, Pepsi to compete with Pepsi, or Dr. Pepper to compete with Dr. Pepper. That is not the way it is going to work.

So the fact is that we will have less competition instead of more, despite what the FTC stated as a well-intentioned goal.

Perhaps the Senate would like to have a little closer examination of the impact of the FTC's decision on the consumers' choice.

First, with the elimination of store-door delivery and with the elimination of local bottlers, there will be a decided negative impact on consumer choice.

The demise of one hometown bottler will not automatically and immediately be assumed by someone selling the same product from half a State away.

Second, slower moving brands, traditionally piggybacked by bottlers of major brands, will be eliminated in favor of high volume brands.

Soft drink manufacturers are not totally dissimilar from the bottlers so far as the difference in profitability is concerned of various brands they make or various brands they market within the confines of their total company.

Now, the less profitable subbrands of Coca-Cola are sold through the distribution system of the more popular subbrand of Coca-Cola; namely, Coca-Cola itself. However, with the move toward rapid turnover and high volume, it seems to the Senator from Indiana that these traditionally less profitable subbrands will be removed from the marketplace, thus eliminating another choice for the consumer.

Third, the elimination of store-door delivery will limit the locations served to those high-volume locations serviced by warehouse dealers. Once-a-week deliveries to gas stations, beauty parlors, and the like will be eliminated. The Senator from Indiana referred to that earlier.

So it seems to me that, contrary to those who suggest that this is really a pro-consumer decision by the FTC, in the judgment of the Senator from Indiana, the opposite is the fact—that we are lessening the availability of this product which now exists in many locations in a community.

If this FTC decision is permitted to stand, if this soft drink bill is not permitted to pass, we will see a number of these locations closed down and the consumer less well served.

Now let us look again at the impact of this measure on consumer prices.

A temporary intrabrand price war will result, in my judgment, where you have competition within the same brands for high volume, general warehouse accounts, only for soft drinks purchased by those outlets. Bottlers set only wholesale prices, not retail. It will be up to the chain store to pass on this saving. Chain stores will not price national brands in competition with their own cheaper house brands. The price increase will naturally occur in nonchain store soft drinks because of increased cost induced by reduced volume.

Once the restructured industry has stabilized, with many small bottlers eliminated, regionalized large bottlers will no longer compete intrabrand, and price increases will naturally result.

I reemphasize again my deep concern for the consuming public. I am sensitive to those well-intentioned editorials and columns I have seen to the effect that the bottling bill will cost consumers $1 billion more. With all respect to those who conclude that this is accurate, I do not know where anyone finds a scintilla of evidence to suggest that.

As I mentioned earlier, if one is to follow the consequence of pricing and marketing, the availability to the marketplace of other items that are manufactured—I mentioned radios earlier—it only makes commonsense that as the small bottlers go out of business, there will be no competition for the big boys.

Once they determine what part of the turf they are going to serve, the price goes up. There is less competition, and a higher price. That is axiomatic. I think the consuming public will be poorly served by the implementation of the FTC decision and well served by the passage of the bill introduced by the Senator from Indiana and some 80 of my colleagues.

Let us look now at another impact which I think is very critical today. I want to look at the impact of this FTC decision on the work force which now is manufacturing the soft drink through the present industrial distribution chain.

We are in a situation right now in which we can ill afford to sit still and let an agency decision or the lack of congressional action increase the unemployment which exists in our society today.

I am sure that other Members of the Senate are as concerned as the Senator from Indiana over the unemployment which exists throughout our country. In my State of Indiana, we have some communities with 18, 19, or 20 percent unemployment. In a community such as that, does it make a lot of sense to allow an FTC decision which is automatically going to add 50 or 100 more to the unemployment rolls? There is no doubt about it—that is exactly what is going to happen.

Those who oppose the measure by the Senator from Indiana agree that that is what is going to happen. They say it is good to do away with these small bottlers, for reasons that escape the Senator from Indiana. I think this is going to be tragic. I cannot see the wisdom and the logic of those who believe that we should go ahead with a planned unemployment policy so far as the soft drink industry is concerned.

First of all, there is going to be a demise of hundreds of local bottlers, and this is going to cause the loss of thousands of jobs.

Second, not only will jobs be lost, but also, the demise of individual companies will result in employees' lost pension plans, so that all the money these employees have invested in the future of their families and their own retirements will go right down the drain with the remanants of the sirup which will no longer have a market, as the small businesses go bankrupt.

Third, jobs lost would include management, production line jobs, and delivery route jobs, not just those people who work in the plant but also those who now have the responsibility of distributing these soft drinks throughout an entire community.

Fourth, there is small likelihood that any of the lost jobs would be replaced by expansion in surviving bottler operations. Warehouse delivery requires no route delivery personnel. Management personnel already would be in place in the parent company in Chicago or Dayton or Cincinnati, as would be the case in Indiana, and only a few production line personnel would be added.

For someone who is out of work in Portland, Ind., it is small consolation to say, "We are going to hire a couple of extra people in Chicago." That certainly provides little comfort to those who have lost their livelihood.

I point out that if we are looking at the total cost to society generally, we have to look at the thousands of people joining the unemployment rolls. The cost of unemployment compensation goes up. We have to look at those people who may be forced on welfare. We have to look at the retirement loss to those who may have worked 30 years in the local Coca-Cola plant.

They have invested in their pension and, lo and behold, the pension is no longer there because the plant goes bankrupt.

That kind of impact on society generally is lost in the fuzzy-headed thinking of those who reside in the ivory tower down at the FTC. They ignore the impact on the families and the communities of this kind of ruling that puts the small business out of business.

That is why I joined with my friend from Mississippi and others in introducing this legislation.

Mr. President, I wish to ask my colleagues in the Senate to look further at the effects of eliminating exclusive territorial provisions in the soft drink trademark licenses. Elimination of bottler territories will have a substantial adverse impact on bottlers, especially small bottlers, on the use of the returnable bottle, and soft drink competition, and on industrial concentration.

Let us look at this whole problem in more detail.

First, let us examine in more detail the shift to food chain warehouse distribution. I think that is going to happen.

Historically, franchised bottlers have used store-door delivery as a means of handling returnable bottles, assuring quality control, and providing other customer service to both large and small accounts on their routes. Most food chains, however, prefer to receive delivery of soft drinks at their warehouse distribution centers rather than at their retail stores. Thus, without exclusive territories where the bottler can maintain store-door delivery, chain supermarkets and other high volume food store customers will insist on warehouse delivery of franchised soft drinks in nonreturnable containers. Because of the purchasing power of the high volume chain stores, bottlers generally will be pressured into making deliveries to warehouses or to allow chains to pick up franchised brands on the chain's trucks for backhaul to the warehouses.

Let us look at the effect upon returnables.

Delivery of returnable bottles is economical through store-door delivery but not through warehouse delivery. For this reason, and because returnables involve extra handling costs and vigorous price per ounce competition with the chains' own private label soft drinks, which are sold almost exclusively in nonreturnable containers, many food chains have discouraged the sale of returnables in the past. With the shift to warehouse delivery, returnables would be eliminated at many food chains. Once returnables and nonreturnables are not distributed together, cost of delivery of returnable bottles will increase dramatically; the ultimate effect will be the demise of the route delivery system and, therefore, of the returnable bottle.

Mr. President, I will look again because I just do not think we can overemphasize the impact this decision will have on many bottlers.

I am just convinced that we are going to have large numbers of soft drink bottlers go bankrupt; people who now have been small businessmen in their own communities, the pillars of their communities, are going to be out on the street. They have invested a whole lifetime, and thousands of dollars in developing a small economically viable soft drink bottling plant.

Most of the FTC commissioners, I dare speculate, have never been in a hometown bottling plant but have sat there and listened to the so-called economic experts. Thanks to that kind of decision these small bottlers are going to go out of business. I am sure that the FTC commissioners were trying to do their best, but in my judgment, they got some very, very faulty information.

For example, the basis for the FTC decision is that there must not be enough competition because if there had been sufficient competition the return on the investment to the bottlers would not be as high as it presently has been, the theory being, of course, that with competition between bottlers the return on the price would have to go down to the place that it was just barely above the cost of doing business, enough to make a little profit to stay in business, and, thus, the return on the investment would be less.

Mr. President, it is dangerous to put any magic arbitrary formula on what is or what is not a proper return on investment to a given industry.

But I was interested enough in this particular part of the argument that when our distinguished colleague and friend from Ohio held hearings, we had the FTC folks and we had the experts on whom they rely up to testify.

Again not wishing to be unduly harsh on the FTC, I think that we have to look at the kind of information that they were given to make this decision.

I fault the FTC for not looking behind the so-called expert testimony. I find no excuse at all for the lack of reliability of the testimony itself.

I think it is unfortunate that those folks who delivered the testimony were not delivering relevant testimony.

When we had those expert witnesses who had testified before the FTC and had talked about the fact that the return on investment was too great and thus there was not competition, I asked them some questions. Inasmuch as they had talked about the tremendous conscionable anticonsumer return on investment in the soft drink bottling industry, I said:

> Now, Professor, I have a number of small bottlers in Indiana, a little more than 50; most of them employ less than 50 people. Can you tell this committee what the return on investment on this type of bottling operation is?

There was a pause and then a somewhat reluctant assertion that no, they could not.

I said:

> Well, now, is it that you say that the reason we need to do away with territorial franchises is that the bottlers are making too great a return on investment, and if there had been sufficient competition the rate of return on investment would be lower, so you say the best way to deal with this is to do away with the franchise and therefore the return on investment will go down? What is the return on investment? I asked again.

Again, unfortunately, I got the response that they do not know.

The figures that were used by the so-called experts to say that my Indiana hometown bottlers were getting too large a return on investment were the returns on investment of the sirup companies, the parent companies, the returns on investment of Atlanta Coke or Pepsico or Philip Morris or the major conglomerate owners. They did not discuss the return on investment of the small businesses in question.

In fact, I asked the president of the Indiana Bottlers Association if he would be so kind as to give us a breakdown of what his return on investment was, and I think it might be of some interest to our colleagues in the Senate to know what his response was. His name is Mr. Robert Delauter. He is an outstanding figure in the community of Portland, Ind. I just want to read from the record here, Mr. President:

> Mr. DELAUTER. Yes, sir. It is a matter of survival. I think some people misunderstand us. I am an independent bottler. I am not a part of the Coca-Cola Co. What appears in the paper on the Coca-Cola Co. in Atlanta, Ga., has absolutely nothing to do with how much money I make or how much I invest in Portland, Ind. That is my business. If I go broke, that is my loss.
>
> Senator BAYH. Can you give us an idea, if you compare the recent profit figures of Coca-Cola in Atlanta compared with the Delauter operation in Portland? I don't want to get into your finances.
>
> Mr. DELAUTER. I don't know much about the profit of the Coca-Cola Co. in Atlanta, Ga. What I read in the paper is that they have had an increase. In my 25 years in Portland, Ind., I have never earned more than 5 percent on dollar sales. I have never earned more than 5 percent. Last year it was less than 2 percent. In 2 of those 25 years I lost money.
>
> As a matter of fact, I can very recently recall having carried a couple of checks in my pocket for a few weeks to make certain that we weren't overdrawn at the bank, Senator.
>
> Senator BAYH. Many of us can sympathize with that. In fact, maybe a few of us have let those checks slip out in cases. [Laughter.]
>
> Let me ask you now, as I perceive this, quite the contrary to a couple of articles I have seen—and I think here again the folks just had some bad information. Where that is coming from, I don't know. I am sure it is well-intentioned.
>
> If you put a lot of small businesses out of the picture and a few large bottlers get into the picture, it would seem to me that the chance to manipulate the price to the disadvantage of the consumer would be significantly increased, and the willingness to buy the kind of personalized service from local vending machines would go down.
>
> Give us a picture, a succinct picture, Mr. Delauter, of what happens to your business if the FTC ruling stands.
>
> Mr. DELAUTER. Senator, if the FTC is successful in their suit, I will lose most of my take-home market. It will go to NR's and cans.
>
> Senator BAYH. The take-home market from where?
>
> Mr. DELAUTER. From chainstores, independent grocery stores, big accounts in all the counties that I serve. That will leave me with a lot of small accounts, with too little volume to survive. The returnable bottle will disappear. Let me explain why that will happen. It is very obvious to a small bottler.
>
> I would have to compete in my home market against giant bottlers who could sell Coca-Cola in cans and large non-returnable bottles. These are packages which I cannot now produce. I now buy these packages from the very bottlers who would be my main competitors. They could come in and would in fact, offer lower prices temporarily to eliminate me from those big stores.
>
> After I am out of the business, retail prices will be raised, in my opinion, by the big grocers and the chains who at least in the past have always priced national brands above their private labels to assure that those private labels do in fact sell.

Those are the words of a man who has to pay a payroll. He runs a business. He hires several dozen people. He does not have the good fortune of sitting in the ivory tower down at the FTC or some other place and coming in temporarily to advise the FTC. He speaks with actual knowledge of what happens.

I might go one step further and put in the RECORD at this particular time the finding of fact of Mr. Joseph Dufresne, the administrative law judge, who actually went out and took facts and figures and held hearings on this case before the Federal Trade Commission made its determination. Here is what the administrative law judge said in his finding No. 86:

> 86. Effective interbrand competition has also kept the profits of bottlers of other national brands at a reasonable level. The Pepsi-Cola bottler in Albany, New York, obtains 4½ percent return on the market value of his investments (Strachan, Tr. 2873). The Dr. Pepper-Pepsi-Cola bottler in Dyersburg, Tennessee obtains a five percent before tax return on the replacement value of the company's assets (Burks, Tr. 3047), takes less than $20,000 in salary (Burks, Tr. 3047), has paid only $16,000 in dividends since 1965 (Burks, Tr. 3046–47), and makes a per case profit of only 13 to 14 cents before taxes (Burks, Tr. 3048). The Dr. Pepper bottler in Galveston, Texas, makes a profit of $40,000 on sales of $1,600,000 (Ippolito, Tr. 3271–72), obtains a five percent return on the market value of his investments (Ippolito, Tr. 3268) makes a profit of 15 to 20 cents per case before taxes (Ippolito, Tr. 3267), and has not paid any dividends in the last decade (Ippolito, Tr. 3267).

You tell me, Mr. President, how, given those facts, given that judgment by the administrative law judge, you can have a bunch of people who find the profit return to the major sirup companies to be exorbitant and then treat that as being identical to the very modest return on investment of the small hometown dealers. It escapes me, and I think it is totally irresponsible.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BAYH. I would be glad to yield to the distinguished Senator from West Virginia with the understanding that it does not constitute a second speech.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

ORDER FOR RECESS AT 2 P.M. FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 2 o'clock the Senate stand in recess until 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until the hour of 3 p.m.

Thereupon, the Senate, at 2 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. METZENBAUM).

THE SALVATION ARMY CELEBRATES ITS CENTENNIAL

Mr. RANDOLPH. Mr. President, this is the 100th year in which the Salvation Army has had a history of service to our God and service to men, women, and children in the United States of America.

Earlier today the Chaplain of the U.S. Senate, Dr. Edward Elson, arranged for Commissioner Arthur Pitcher, of the Salvation Army, to give the opening prayer.

A century of the Salvation Army in America from 1880 to 1980 has been a time of serving. The army was formed in England in 1865 by William Booth. It is significant that a 16-year-old woman, Eliza Shirley, established a mission in Philadelphia in 1879. That was the first of the Salvation Army activities in America.

Mr. President, Members of the Senate know of the vital work of the Salvation Army, a work for God and those programs for humanity throughout the cities and the towns and the countryside of our States. There are now over 1,000 corps community centers in this country and there are 8,000 additional places of their service throughout the United States.

It was 2 years ago today, Mr. President, that I spoke at the annual dinner of the Salvation Army in Beckley, W. Va. I remember very well that all of the churches of that city were represented, either by their pastors or someone from the official family; all of the civic organizations including the service clubs, like Rotary, Kiwanis, Lions, and others were represented. It was a night of rejoicing because the Salvation Army was helping people who needed help.

In West Virginia, there are 19 corps community centers. During 1979, these centers either helped or served in a positive way approximately 140,000 citizens—men, women, and children—in programs they understand as rightly "rehabilitation."

In camping facilities, there is a wonderful installation near Hedgesville, Berkeley County, called Camp Tomahawk, in the Eastern Panhandle of West Virginia.

In addition, the Salvation Army offers day care programs; assistance at senior citizens centers; youth clubs; emergency disaster services; placement of children in foster homes and adoption services for children; maternity homes; and hospital visitation.

The army marches under the banner of God, and we also know that this organization is the most important private social service that operates in the State of West Virginia. I give as an illustration to my colleagues the successful "Hotline" program. Members of the Salvation Army came here from Charleston to discauss the growing problem of child abuse in our State.

They were seeking, possibly, some type of Federal funding. But when they realized that it would take a long time, and then perhaps not be successful, they said: "We will go back home and we will act!"

And so, they developed a statewide, child abuse "Hotline," a toll-free number, 800–642–8595.

It rings at the Charleston headquarters. The caller's name and location, in any one of our 55 counties is recorded. A network of counseling takes place, and welfare and legal assistance is available.

That caller is placed in direct communication with an agency that can provide immediate care for any abused child plus important counseling for the parents.

This is the first program of its kind in West Virginia. I say it is the brainchild, it is the heartchild, of a Salvation Army officer whom I have come to cherish as a friend, Brig. Warren Fulton of Charleston.

There have been developed since that time related programs for persons other than children who are abused in connection with family problems.

Yes, it was 2 years ago today that I spoke at the annual dinner. This Sunday, Representative NICK RAHALL, the Member of Congress from that district, will address the group in his hometown of Beckley.

The Salvation Army represents one of the world's largest private social service organizations concerned not only with the soul of humanity, but it copes with the very perplexing problems that affect our society.

The work of the Salvation Army properly is involvement, not interference, but a desire to help where help is needed and where help is requested.

The true spirit of the Salvation Army is the willingness of its volunteer members, to take on by the millions of people, the chores that are not easy, but are really tough.

Many groups and individuals are deploring the status of mankind. They are discussing our broken families. They are thinking, very often, of the deterioration and the lack of treatment of some who are less physically and mentally able than others to solve their problems. These people often talk. The Salvation Army does something about it.

A poet has written:

> "I thought to hear the voice of God,
> And climbed the topmost steeple.
> But God declared: 'Go down again,
> I dwell among the people'."

Yes, the Salvation Army dwells and works among the people.

I appreciate the opportunity given to me by the Chair and the understanding of my colleagues as I have talked about this mighty army whose service and sharing and caring in this country, and throughout the world, has made a commitment to the well-being of men, women, and children. Here is an army that marches under the banners, not toward war, but with joy and faith. It is the Salvation Army.

(Mr. PRYOR assumed the chair.)

THE SOFT DRINK INTERBRAND COMPETITION ACT

The Senate continued with consideration of the bill.

Mr. THURMOND. Mr. President, as we consider S. 598, the Soft Drink Interbrand Competition Act, it is important that we give significant attention to the legislative history and developments leading to the present bill, as well as to the hearings conducted this year on S. 598.

In 1971, the Federal Trade Commission initiated a number of cases challenging the territorial provisions in bottlers' trademark licenses as unfair methods of competition in violation of section 5 of the Federal Trade Commission Act. A decision by the administrative law judge held that the franchise system was lawful. The Federal Trade Commission, however, overruled that decision. This created an issue of such importance to many Senators that they felt it imperative to introduce a bill to clarify the conflicting issues of contract obligations among the various interests affected by that FTC decision.

It has been noted that neither the courts nor the FTC will consider several pertinent factors and that only the Congress can resolve this matter. The Congress is better equipped to cope with the broad range of issues and interests which are involved in the soft drink franchise matter.

Mr. President, I am a cosponsor of S. 598, along with 79 other Senators, and I have maintained a continuing strong interest in this matter from the time that the original legislation was proposed by Senator Eastland. It is my desire and hope that the full record regarding this important matter will be recognized and given due consideration. Briefly, the territorial franchise system for soft drinks has been in effect for over 78 years, with over 2,000 large and small bottlers making capital investments of billions of dollars in reliance on such territorial agreements.

A few years ago, in South Carolina, we had 44 soft drink plants and 36 soft drink warehouses and distribution firms. The great majority were domestically owned. They employed approximately 2,800 people with an annual payroll over $18 million. Our hearings testimony indicates similar situations in the other States. The Nation's soft drink industry is populated strongly by local independent bottlers who face intense interbrand competition and who provide the consumer with a wide range of soft drink choices.

The territorial limitations have provided incentives to bottlers to make investments for production, distribution and marketing, which have resulted in substantial and effective interbrand competition. At the same time, the territorial system has not prevented adaptation in the public interest to changing economic and demographic factors.

Without territorial restrictions, without corrective legislation, there would be a tendency for the larger bottlers with greater capital availability and flexibility to capture much of the smaller firms' business and, at the same time, we would see the remaining small independent bottlers pressed toward submarginal profits. With concentration achieved by the large bottlers, competition would truly be diminished in this field.

The proposed legislation, S. 598, directs the attention of the enforcement agencies in the proper direction and it would, in my opinion, be an appropriate and important addition to the antitrust laws.

Hence, I shall share with my colleagues the views of some of the witnesses as follows:

Mr. President, there was a statement prepared by Hackney and Sons, Inc., Washington, N.C.; Independence, Kans.; and Fountain Inn, S.C., entitled "Economic Impact Statement, Soft Drink Delivery Body and Trailer Industry." I should like to present this statement to the Senate, It is dated April 30, 1979:

ECONOMIC IMPACT STATEMENT

IMPACT ON PATTERN OF DISTRIBUTION IN THE SOFT DRINK INDUSTRY

At the present time, most packaged soft drinks are delivered by route delivery vehicles of local bottlers, driven by local employees. These driver-salesmen fill vending machines, stock supermarket shelves, and arrange special merchandising displays to increase sales. In 1977, 72.1 percent of all packaged soft drinks container units (cans, bottles, etc.) were sold through food stores. Nonreturnable containers of all types accounted for 68.0 percent of food store soft drink unit sales. Expressed differently, 49.0 percent of all packaged soft drink sales were nonreturnable type containers sold in food stores.

If the exclusive territory granted the local soft drink bottler by his franchisor is eliminated, major changes are anticipated in the pattern of distribution of soft drinks to food stores and other chain outlets. Instead of buying brand-name soft drinks from each local bottler, as is the case with the present terriorial limitation, a chain food store's central purchasing department would be able to negotiate directly with large regional bottlers to furnish soft drinks in nonreturnable containers, delivered in bulk to the central distribution warehouse of the food store chain. The food store chain would then deliver these soft drinks in bulk on its own vehicles, along with other canned goods, from its central warehouse to its retail stores. Food store employees would stock the shelves with soft drinks as they stock other items.

The need for conventional route delivery equipment by local bottlers (and the employees to operate it) to service outlets such as food stores would be greatly reduced once warehouse delivery is established. The type of transportation equipment used in the warehouse distribution method by food store chains is the 40-foot van trailer, produced primarily by large trailer manufacturers such as Fruehauf and Trailmobile.

It would be unrealistic to expect a local bottler to lose the entire 49 percent of his total packaged soft drink sales presently represented by food stores' purchases of nonreturnable containers. However, 30 percent sales loss is not an unrealistic estimate, meaning that local bottlers could face a substantial loss in sales to the larger bottlers who are able to sell in bulk. The resultant weakened financial condition of small bottlers would make them vulnerable take-over targets for acquisition by larger bottlers. As large bottlers become larger and small bottlers disappear, less, rather than more, competition will result.

IMPACT ON THE BEVERAGE TRUCK BODY AND TRAILER INDUSTRY

Route delivery beverage truck bodies and trailers are currently supplied by several dozen small manufacturers throughout the United States. Hackney & Sons, Inc. is the largest of these, but still only had total beverage body and trailer sales in 1978 of $24 million and employed a total of 600 persons in three manufacturing plants located in Washington, North Carolina; Fountain Inn, South Carolina; and Independence, Kansas. By comparison, Fruehauf Corporation had trailer operations sales in 1978 of $1.25 billion, with Trailmobile's sales at about half of Fruehauf's.

If the franchise territory system for soft drinks in nonreturnable containers is eliminated, it is anticipated that all companies in the beverage truck body and trailer industry will experience an immediate decrease in soft-drink delivery body and trailer sales of approximately 70 percent (the new level of sales will be 30 percent of previous levels), and that the severity of this decline will last for approximately five years. After that, sales might return to approximately 70 percent of previous levels. It is doubtful whether many of the present manufacturers of soft drink delivery bodies and trailers could survive five years of such declines. It is probable that some will be forced into bankruptcy; others will be forced into acquisition by a larger company. In the face of such a decline, Hackney & Sons, Inc. anticipates an immediate loss of at least 350 jobs and cannot make any predictions as to its ability to survive five years of such economic trauma. The chief beneficiary from this decline will be very large truck/trailer manufacturers, such as Fruehauf and Trailmobile, whose equipment is presently not used in the local delivery of soft drinks.

The reason for the severity of the anticipated decline in beverage body sales is not obvious without some explanation of the buying and operating habits of soft-drink fleet owners. Most soft-drink fleets operate with 90 percent of their fleet on the routes each day and 10 percent as "spares," either held in reserve for peak demand or withheld from duty for normal maintenance. Historically, bottlers have dramatically reduced buying of new delivery equipment in difficult years and simply used up spares.

Assume, as an example, a hypothetical fleet of 100 soft-drink route trucks. This is considerably larger than average, but makes arithmetic simpler for illustrative purposes. Presently, such a fleet would typically have 90 trucks on the route each day and 10 units in reserve. If this bottler's sales are reduced by 30 percent, he would then need only 70 percent of his 90 trucks on the route each day, or 63 units. An active fleet of 63 units would require approximately 7 spares, for a total fleet size of 70 units. Typically, one-tenth of the total fleet is replaced each year, so that the annual replacement requirement would then be 7 units, down from the previous 10. With 30 extra liberated units over and above normal operating and spare requirements, this bottler can simply use up his extra units for 4.3 years before being down to his new required fleet size of 70 units. Thereafter, it would be assumed that he might order 7 units each year to maintain his 70-unit-fleet.

To illustrate this situation more graphically, the present and anticipated phaseover buying pattern is shown in tabular form.

PRESENT ROUTE DELIVERY METHOD

[Assume a fleet of 100 vehicles]

	Number
Units on daily route	90
Spares	10
Total fleet size	100

TYPICAL PROJECTED BUYING PATTERN

[Assuming no growth]

Year	Units retired	New units needed	Total fleet size
1980	10	10	100
1981	10	10	100
1982	10	10	100
1983	10	10	100
1984	10	10	100
1985	10	10	100

REVISED FLEET REQUIREMENTS WITH WAREHOUSE FOOD-STORE DELIVERY ACCOUNTING FOR 30 PERCENT OF SALES (LOCAL BOTTLER'S SALES ARE 70 PERCENT OF PRIOR SALES)

[Initial fleet size 100 units]

	Number
Units on daily route	63
Required spares	7
Total new required fleet size	70
Extra trucks liberated by sales decrease	30
Total fleet size	100

Year	Units retired	New units needed	Total fleet size
1980	7	0	93
1981	7	0	86
1982	7	0	79
1983	7	0	72
1984	7	5	70
1985	7	7	70

It is not anticipated that every bottler would stop ordering new route delivery equipment for more than four years. However, it is reasonably projected that at least 60 percent would do so, with the remaining 40 percent ordering at the new reduced annual level of requirements. The net impact would be a 70 percent reduction in sales to the beverage body and trailer industry. This is similar to the percent decline of orders during the period from August, 1974 through February, 1975, when bottlers were worried about sales declines resulting from sharply higher sugar prices. Fortunately, sugar prices declined, soft drink sales returned to previous levels, and strong spring and summer delivery-equipment orders kept Fiscal Year 1975 from being a disaster in the beverage body and trailer industry. Nonetheless, soft-drink route bodies and trailers delivered in 1975 were still down by 20 percent from the previous year. A softening of sales is now being felt in the beverage body and trailer industry because of anxiety over a possible unfavorable outcome in the FTC case.

SUMMARY

The present system of route delivery of soft drinks evolved over many years of trial and error as the most efficient and economical means of delivering the greatest volume of soft drinks to the consuming public. It evolved without any government interference and in full public view. The system resulted in a great number of independent local industries—the local soft drink bottlers. Many of these are now third-generation family businesses.

The system also gave birth to a great number of small peripheral industries, such as the beverage truck body and trailer industry, which specialized in serving the local bottler. Neither the soft drink industry nor the truck body and trailer industry have enjoyed special favorable tax treatment; in fact, the reverse is true. Soft drinks have been singled out for discriminatory taxes in several states, and the truck body and trailer industry is almost the last industry in America subject to the Federal Manfacturer's Excise Tax.

The Federal Trade Commission proposes, by the stroke of a pen, to totally restructure the soft drink industry. This restructuring would greatly favor the large bottlers and virtually eliminate many small bottlers. The new structure would have less competition which, in the long run, would lead to higher soft drink prices to the average consumer.

The peripheral industries which have developed to serve the soft drink industry, such as the beverage truck body and trailer industry, would be far more adversely affected by the restructuring. It is probable that most companies in this industry will be driven out of business. These companies are, for the most part, small, independent family businesses. Here again, the beneficiaries will be a few large trailer manufacturers. The level of competition in the truck body and trailer industry will be reduced, with eventual higher prices in that industry also.

The Federal Trade Commission apparently believed that its action would enhance competition in the soft drink industry. Not only do we believe the reverse will be true, but it is clear that competition will also be reduced in the peripheral industry, such as the beverage truck body and trailer industry.

A decision of this magnitude, affecting several industries, should not be made by a Federal Commission but, instead, should be made by the Congress.

Now, Mr. President, I should like to present to the Senate another statement. This one is by J. F. Koons, Jr., president of Central Investment Corp., on September 26, 1979, on the same subject.

STATEMENT BY J. F. KOONS, JR.

Mr. Chairman and Members of the Committee: You have my great appreciation for this opportunity to appear before you to support the imperative need for legislation to overrule the decision of the Federal Trade Commission invalidating exclusive territorial rights in the soft drink beverage industry, assuming that result is not sooner achieved by judicial action.

The company of which I am president, Central Investment Corporation, has its headquarters in Cincinnati, Ohio. It is a publicly held corporation with approximately 65% of the stock owned by members of my family. The company owns two Pepsi-Cola franchises covering nine northern Ohio counties around Mansfield and Canton, and two in Florida—Palm Beach and Ft. Lauderdale. I am also president of the Ohio Pepsi-Cola Bottlers Association, the membership of which includes all Pepsi-Cola franchises in Ohio, all of which are independently owned. With me today is Richard Caudill, President of our Florida operations; my son, Jeff Koons, Vice President of our Florida operations, and Emanuel Goldman of Sanford C. Bernstein & Co., Inc., a security analyst specializing in the soft drink and brewing industries.

When I became president of the company, we were exclusively brewers of beer under the trademark "Burger Beer." The increasing concentration of economic power in the brewing industry subsequent to World War II led to our decision to leave the beer and enter the soft drink business. Observing that concentration develop in an industry that did not have territorial rights, provided me with firsthand experience relevant to my testimony today.

We are aware that other independent bottlers have appeared before you, and we are pleased to join them in support of legislative relief from the FTC decision. We are also grateful to the approximately 80 members of the Senate who have sponsored S. 598. If we could not contribute something more to the debate on this legislation, we would not have requested this opportunity to testify. The fact is, however, that we have made a substanial personal effort to demonstrate that, if the FTC decision is not reversed by judicial or legislative action, it will have an immediate and serious adverse impact on essential national energy, environmental and economic goals. Moreover, the FTC order confiscates without compensation the most valuable property right of any independent bottler—the grant of his exclusive territorial rights which was paid for by him or a predecessor in title. It will lead to the destruction of hundreds of independent bottlers and a reduction in interbrand competition, without increasing intrabrand competition, and without benefits of any kind to the consumer.[1]

The thrust of our case is that, if the FTC decision becomes effective, the near total disappearance of the returnable, reusable glass bottle will soon occur, directly resulting in the adverse effects just mentioned. We have commissioned a study by Franklin Associates, Ltd., consultants on resource and environmental policy and planning, a summary of which we offer for the record, and to which we shall later refer. That study establishes the enormity of the environmental and energy loss consequences that will follow the disappearance of the returnable bottle in the carbonated soft drink beverage industry. When we became aware of how seriously the FTC decision would affect the environment, we filed suit against the Commission in the U.S. District Court in Florida,[2] seeking to enjoin the enforcement thereof on the grounds that the orders entered constituted "major federal actions significantly affecting the quality of the human environment" and that the FTC had failed to file an environmental impact statement as required by the National Environmental Policy Act. A motion for preliminary injunction, which has been briefed and argued, is presently held under advisement by the trial judge awaiting the outcome of the direct appeal from the decision pending in the Court of Appeals for the District of Columbia.

BACKGROUND

Let me briefly describe how the structure of the soft drink industry has developed. Starting with Coca-Cola near the turn of the century, hundreds of independent bottlers have acquired exclusive trademark licenses to manufacture, distribute and sell the trademark licenses to manufacture, distribute and sell the trademarked products within a specified territory. These territories are usually rather small in area, consisting of a municipality and its suburbs, or, in rural areas of the country, a number of counties may comprise a territory. The bottlers, by contract, must purchase all of their syrup or concentrate needs from their franchisor—Coke, Pepsi, Seven-Up, etc.—national concerns which own the formula and the trademark. The bottlers then complete the manufacturing processing of the products in their own plants. The bottler franchisee must maintain a large capital investment in plant, package inventory and production lines, and a fleet of trucks to distribute the product. The soft drink franchisee is a manufacturer of the product sold in addition to his role as a distributor. The franchise owned is perpetual and may be bought and sold at current market values, and transferred in accordance with the owner's wishes at death.

The soft drink industry structure described has permitted the development of vigorous competition among the many popular brands, to the benefit of all consumers. There is intensive price advertising competition among brands seeking to increase their market shares. The effectiveness of competition within the industry is proven by the fact that by 1977 the price per ounce of Coke in the 16 ounce returnable bottle had increased less than three per cent over the 1939 cost of the product, despite a rise in the Consumer Price Index during those years of 344 percent. Nevertheless, in 1971, the FTC filed a complaint against the syrup manufacturers, alleging that the exclusive territorial provisions in the franchise agreements were unlawful because they prevented intrabrand competition among the bottlers. After many delays and a lengthy six-week trial, the Administrative Law Judge, in a 91-page Initial Decision containing 195 detailed findings of fact, upheld the legality of the territorial provisions and dismissed the complaint. Undertaking an extensive rule-of-reason analysis, the ALJ concluded that the effect of the restraint on intrabrand competition is outweighted by its effect on competition in the marketplace as a whole—interbrand competition—and that on balance the challenged territorial restrictions promote competition.

Indeed, the territorial system has helped to promote competition by making it much easier and less expensive for new brands to enter the market. With a ready-made system of local manufacturers and distributors in place, promoters of new brands can "piggyback" by contracting with existing bottlers, instead of having to invest in a complete distribution system of their own.

Unfortunately. the wise and sensible ruling of the ALJ was rejected by the FTC in a 2–1 decision. The case is now on appeal to the U.S. Court of Appeals for the District of Columbia.

To give you some idea of the weakness of the complaint counsel's case before the administrative law judge, we quote the following from one of the briefs filed in the Court of Appeals:

> Complaint counsel could not and did not make the type of showing promised by his predecessor: he did not establish the existence of submarkets; could not prove the existence of product differentiation; made no showing of undue concentration either within the "corridor" or nationwide; could not establish that barriers to entry into the soft drink industry were high; did not show that advertising and promotion were inordinate or useless to the consumer; could not call a single chain store representative or other purchaser to testify to any problems in purchasing soft drinks; eschewed the attempt to demonstrate cost savings or other benefits to the consumer; and in six weeks of trial devoted largely to bottler testimony, could not produce a single witness to say that he felt restrained or disadvantaged in his business because of territorial restrictions. Brief of Pepsi-Cola Bottlers Association *et al*, p. 13.

To our knowledge, this statement remains unchallenged.[3]

COMPETITION AND PRICE ADVERTISING

Since presumably the FTC action and decision was based on the belief you could improve competition and reduce price to the consumer by eliminating territorial restraints, we shall briefly give a layman's views on the subject. Based upon our knowledge of the FTC proceeding, there was ample evidence to justify the findings of the Administrative Law Judge that competition is intense and increasing in our industry. We quote from the summary of the ALJ's findings appearing in the brief of the Pepsi-Cola Bottlers Association (omitting citations to the record):

(1) There exists price sensitivity between Coke and other carbonated soft drink brands;

(2) The relative success of the different brands varies according to competitive conditions such as competitors' discounting and promotional activities;

(3) Intense interbrand competition is carried out both in terms of list prices and by means of continuous promotions and discounting;

(4) The interbrand market is characterized by an enormous number of different brands available to the consumer;

(5) The interbrand market is characterized by an enormous variety of package types and sizes, including the economical returnable packages which can compete directly in price on a per-ounce basis with the cheapest form of carbonated drink and even with the prices of Coke and Pepsi of decades ago;

(6) Interbrand competitors must engage in intense marketing activity in order to gain acceptance in the market and prevent subsequent loss of sales to competitors. They must fight for shelf space; and vie with one another in performing in-store and point-of-sale services, in servicing numerous points of sale, in offering free or low-cost special events services, and in placing and servicing vending machines;

(7) Entry of new competitors, both new brands and new product types, into the soft

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[1] The FTC originally estimated that savings to consumers from elimination of exclusive territories would be one billion dollars "or more." Later the estimate was reduced to $250 million and then to $50 million. At trial, complaint counsel made no attempt to prove that there would be savings to consumers in any specific amount.

[2] Pepsi-Cola Bottling Company of Ft. Lauderdale-Palm Beach, Inc. v. FTC CA–79–8060, U.S.D.C., S.D. of Fla.

[3] That the FTC's staff found difficulty in developing a consistent theory on which to try the case is apparent from the following remarks of Raymond Hays, Esq., new complaint counsel who entered the case in May 1973. In asking approval at a prehearing conference to abandon his predecessor's approach on the ground proof for it could not be found, he stated

"Perhaps I might say, just by way of background, that all of the Government counsel at this table who are charged with carrying these cases forward are new on the cases. As of May of this year, none of us had any knowledge of any aspect of any of these cases, officially or unofficially.

"Our first duty was to find out about the cases, what were they all about, what was the background, the procedure and what was the evidence. I did that. We did that to the best of our ability and as quickly as possible.

"I say, with a great deal of sadness and with a great deal of humility, that I reached the judgment that I just could not live with the positions that had been taken by Government counsel that preceded us. I don't like to say that. I think the Government should be held to strict accountability where it is possible to do so without prejudicing the public interest.

"But, in analyzing the theory of the case—which was, in part, a per se theory and, in part, a partial rule-of-reason case to be put on in Los Angeles, Minneapolis, Chicago, and Washington—in looking at the backup material to the designated witnesses, I could not discern any continuity in factual development that would support the charges.

"So, with that in mind, I wish to formally move you here today to allow us, among other things, to amend the previous trial briefs and designations of witnesses and designations of documents. When I say 'amend,' I mean, for all intents and purposes, it is a substitution, practically a whole new list of witnesses." (Tr. of November 29, 1973 Prehearing Conference in FTC Dockets 8853, *et al.*, at 3–4.)

drink market has been frequent and effective and has been made easier by the territorial system of local bottlers;

(8) Bottler profits are reasonable.

The two-member FTC majority that decided the case apparently chose to ignore these findings and as one commentator observed: "The Commission relied primarily upon logic, and only secondarily upon empirical data, to support its conclusions that [the territorial] restrictions had significant anticompetitive effects."[4] From what both our lawyers and our common sense tell us, there is little logic in the Commission's approach, only the dogged determination of two members to reject any kind of vertical restraints in the process of manufacturing and distributing soft drinks.

In an effort on our part to determine the status of competition in the carbonated soft drink beverage industry, we engaged the services of Majers Corporation of Omaha, Nebraska, an independent marketing research firm which monitors newspaper retail food store advertising in the top 106 United States markets. Majers found that out of 45 leading categories (excluding meat and fresh produce) in food stores measured over a period of years carbonated soft drinks ranked second in feature price ad activity and first in dollar volume. (Exhibits 1 and 2)

How competitive is the soft drink industry? So highly competitive that the featured ad price per ounce of Coca-Cola and Pepsi-Cola in the 16-oz. returnable bottle for the 12 months ending November 1977 rested only 2.6 percent higher than the price of Coca-Cola in the only bottle available in 1939. The unadorned facts found by the Administrative Law Judge and now confirmed by the Majers data, establish that the independent franchised soft drink bottler system is highly competitive and that the consumer is receiving the benefit of intense price competition.

THE EFFECT OF THE FTC DECISION ON THE RETURNABLE BOTTLE

Soft drinks are sold in either returnable or non-returnable (NR) packages. By definition, returnables are packages which, following use, are collected by the bottler, washed and reused. Returnables are bottles made of glass which are heavier and more durable than non-returnable bottles. Nonreturnables, packages used only once, consist of cans made from various materials and bottles of lighter glass and thinner construction than returnable bottles. There are also some nonreturnable plastic bottles.

Despite the fact the returnable bottle is the most expensive container for the bottler to purchase, the product can be sold therein to the consumer at the lowest cost per ounce. This reflects the simple fact that the returnable bottle is used on an average of 20 times and the package cost amortized over so many sales. Present approximate costs per container to the bottler of three major package forms are returnable glass (16 oz.) 16.7 cents; (10 oz.) NR glass 7.8 cents; and (12 oz.) cans 8.66 cents.

The returnable bottle continues to enjoy a high level of usage in the market. Approximately 58 percent of all soft drinks are sold in food stores. Figures for 1978 show that 41 percent are in returnables, with the percentages considerably higher for Coke (51.7 percent) and Pepsi (49 percent).

Virtually everyone with knowledge of the soft drink industry agrees that, if the FTC order is allowed to become effective, there will be a rapid movement to concentration within the industry, resulting in the major markets falling under control of the syrup manufacturers. Pepsi-Cola Co., a subsidiary of the conglomerate PepsiCo., Inc., which manufactures the Pepsi concentrate, and from whom all independent bottlers must, by contract, purchase all of their Pepsi concentrate, also owns and operates its own bottling plants in franchises covering about 25 percent of the population of the United States.

Mr. President, I ask unanimous consent that I may continue my speech at a later time and it not be counted, when I do resume, as a second speech on the same legislative day.

The PRESIDING OFFICER. Without objection. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I will vote in support of S. 598, the Soft Drink Interbrand Competition Act, and I urge my colleagues to do likewise. The time has come to end the uncertainty that has faced this industry since 1971 when the Federal Trade Commission filed suit against seven soft drink sirup companies alleging that the territorial provisions contained in the trademark licensing agreements constitutes unfair methods of competition.

Following the filing of that complaint, the administrative law judge after a trial lasting from May 5 to June 11, 1975, made extensive findings of fact concerning the soft drink industry and the effects of territorial arrangements. Upon completion the major finding was that the effect of the arrangements was to promote competition of bottlers of different soft drink products.

In April 1978, the FTC in a 2 to 1 decision reversed the trial judge and held that the arrangements were unsuitable restraints of trade. Thus it was almost 7 years from the date of filing of the complaint to a decision that was not even unanimous amongst the Commission members. That case is now under appeal in the D.C. Court of Appeals and no final conclusions are in sight. I believe, therefore, that it is appropriate that Congress act to end the 9 years of uncertainty and to preserve the territorial system within which this industry has developed over the last 75 years. In voting favorably upon this bill by a vote of 14 to 2, the Judiciary Committee felt that regardless of the short-term effects of the elimination of territories, within a few years, the soft drink industry will become concentrated in the hands of a few extremely large soft drink bottlers.

These surviving bottlers would raise wholesale prices to all customers with resulting increases in prices to consumers but offer fewer brands in fewer packages to fewer accounts. This is not good public policy.

I think it is important to note that in enacting S. 598 we are not approving an exemption from the antitrust laws. Rather, we are clarifying the application of such laws to these provisions used throughout the history of the development of this industry and which have been upheld by every court which has had occasion to decide their legality. Thus in clarifying the application of such laws with a test that substantial and effective interbrand competition must be found, the public interest will be protected as well as the continued operations of small, local independent business units. Therefore, I urge my colleagues to vote for S. 598.

S. 598 is an opportunity for us as Members of the Senate to act to protect an industry which has demonstrated competition over its 75-year history at the same time we are protecting the consumers' interests in price competition, availability of services, and distribution of products. When the FTC filed its complaint against the sirup manufacturers in 1971, various savings to the consumer would, it was alleged, result if the territories were destroyed. Instead, what the Judiciary Committee has found is the fact that the elimination of territories will destroy almost all of an industry which has developed over 75 years without providing any benefits whatsoever to the purchasing public.

The territorial concept has promoted intensive interbrand price competition and extensive market penetration by bottlers throughout the country. All of us, I am sure, have bottlers in our own States whose services and products reach all of our constituents. By operating within a territory an individual bottler has been able to develop service to large and small customers, to profitable and not so profitable accounts. If the territories come down, however, many of these bottlers who are viable entities today will be faced with the loss of large chainstore accounts. The store door delivery system utilized successfully by bottlers would be cut back in many areas when warehouse delivery, preferred by large food chains, becomes more prevalent and large bottlers would be the ones most likely to benefit because of their access to such accounts.

One consequence of such a conversion will be a decline in the use of returnable bottles which are incompatible with warehouse delivery. This incompatibility stems from the extra handling costs of returnables. This elimination will increase costs to other customers and eventually doom this type of container. We should not be in a position of waiting for such results to happen.

Senate bill 598, which we are being called upon to consider, is needed in order to prevent the destruction of a system that has been functioning for over 75 years under the understanding that the exclusive territories are legal. Senate bill 598 does not provide an exemption from the antitrust laws but clarifies their application in those circumstances in which there is substantial and effective interbrand competition among bottlers.

Throughout the 9 years that this case has been pending, the Congress has been provided evidence that if it fails to act and the territorial system is destroyed, we will see a restructuring of the entire industry such that within a few years the industry would be characterized by concentration in the hands of a few extremely large bottlers. These few larger bottlers would be in direct contrast to the fact in 1978 there were 1.724 soft drink bottling companies. Of the 2,000 plants in the United States, almost 1,500 have fewer than 50 employees. Many such plants have developed over the years as family owned plants and are significant employers in the small communities in which they operate.

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[4] *The Federal Trade Commission and the Soft Drink Cases:* Stephen Breyer, Consultant; Martin Romm; The First Boston Corporation; New York, July 1978. In fairness to Mr. Breyer, we observe he is not entirely critical of the Commission's methodology in this respect.

It is clear, however, that the FTC decision would impact on many of these operations because bottlers would be subject to losing large chain store accounts which prefer distribution from central warehouses located in large metropolitan areas. Such areas are generally served by large bottlers who would be most likely to acquire all the warehouse accounts, should the territorial system be eliminated. Once smaller bottlers lose such accounts, sales volumes will decrease significantly. At the same time, unit costs increase sharply. The result would be increased prices and/or reduction in services. The scenario is that more and more bottlers will be unable to remain viable business entities.

It is interesting to note that even the opinion of the FTC in its 2-to-1 ruling against the territorial system agrees with the conclusion of its administrative law judge that many smaller bottlers will not survive if territories are eliminated. Such a fact runs directly counter to congressional interest in promoting a system of independent local businesses which can and do effectively compete with one another. It is that type of system which will promote the public interest and protect the consumer not only in prices but in service, availability, and choices of products they will find in the marketplace.

The Judiciary Committee had before it extensive testimony regarding the various issues involved in this legislation. Consistent with the committee's action in approving this legislation by an overwhelming vote of 14 to 2, I believe that the public interest would be served by passage of S. 598 now, and Congress should move forward without further delay.

TRIBUTE TO SENATOR HOLLINGS

Mr. President, I would like to take this opportunity to congratulate the newly selected chairman of the Budget Committee, Senator FRITZ HOLLINGS, who did a magnificent job over the last several days in managing on the floor the first concurrent resolution. I think that there probably were many issues raised which Senator HOLLINGS might otherwise have supported but which he may have voted against. I am sure he felt that he had the duty to stay with the Budget Committee's recommendations even if his own personal views may have differed from some of the committee decisions.

He handled the bill in a magnificent manner. I think we will find as we go forward under his leadership that we will have a balanced budget year in and year out. The fact is that this is the first time in the history of the Senate, under the budget provisions now provided by law, that we have given the American people a balanced budget.

I think Senator HOLLINGS, the committee, and the staff should be congratulated for this achievement and their fine efforts.

Mr. President, I think most of my colleagues know that I am a strong believer in the revitalization of our military strength. I think this will be one of our most important undertakings during the decade ahead.

In my judgment, the fact that the Budget Committee, under Senator HOLLINGS' leadership, has taken bold action to insure that substantial additional funds will be available to our armed services for the revitalization of our military strength, is a great achievement on his part and he deserves congratulations for that part.

As I stated earlier, for the first time under the current budget process, and indeed, for the first time in 12 long years, we have a balanced budget approved by the Senate.

I think a great deal of the credit must go to Senator ERNEST HOLLINGS of South Carolina for his effort in the last few days. Of course, I would be remiss if I did not praise the efforts of Senator Ed Muskie who, prior to his selection as Secretary of State, worked as chairman of the Budget Committee and did a great job in the committee work. He was not privileged to lead the battle on the Senate floor because of his appointment as Secretary of State. But he is to be congratulated for his work and his efforts prior to his appointment.

I think that a majority of the Senators are convinced that we must have a balanced budget. They kept this in mind and worked toward this end during the last several days as we overcame many obstacles as we moved toward adopting the resolution calling for a balanced budget.

Now, Mr. President, let me return to the business at hand with a few remarks about the history of antitrust litigation as applied to cases of vertical restraint in general.

Mr. President, the earliest major vertical restraint case, *Dr. Miles Medical Co.* v. *John O. Park & Sons Co.*, 220 U.S. 373 (1911), dealt with a restraint relating to pricing. There the Supreme Court ruled that a manufacturer who sells medicine to a wholesaler is not entitled to restrict resale through interference with the purchaser's pricing decisions. Where the purpose of the arrangement is to destroy competition by fixing prices, the Court held, the restraint is "injurious to the public interest and void." Dr. Miles was qualified in United States against Colgate & Co., where the Court allowed a manufacturer to control resale prices by the simple expedient of announcing his intention not to sell to price-cutters and then unilaterally refusing to sell to any retailer who failed to comply.

Mr. DOLE. With reference to the matter before the Senate, Mr. President, I hope that in all the discussions we have, we keep in mind that we are about to vote to overturn an opinion written by a distinguished Federal Trade Commissioner by the name of Elizabeth Dole when she was a Federal Trade Commissioner, so I shall probably not participate at great length in the debate. But I hope we conclude this before tomorrow night, because she is getting back home tomorrow night. If not tomorrow, I hope we finish at the earliest possible time Thursday, because I have to go home.

Mr. HEFLIN. Is there any significance between her returning home and the Senator's returning home and meeting her?

Mr. DOLE. I have to deal with this.

Mr. HEFLIN. Would it help to create domestic tranquility and peace and quiet in the Dole household if this decision were reached before her return?

Mr. DOLE. That might ease the entrance—or the exit, I am not certain which. I just suggest that, in effect, the effort, by the Senate, in effect, overrules an opinion of which she is the author. We all make mistakes. I am not certain if she made one or we are about to make one, but in any event, I wish you luck.

Mr. HEFLIN. I see the Senator is very good at avoiding the question I asked him, giving an appropriate answer concerning the domestic peace of the Dole household on this issue when she returns.

Mr. DOLE. Well, I think I have a live pair. I am not sure I will when she gets home.

Mr. HEFLIN. Mr. President, the law relating to vertical, nonprice restraints developed somewhat later. White Motor Co. against United States (1963) involved White Motor's practice of selling its trucks to dealers who agreed to resell them to customers not otherwise reserved to the manufacturer and who agreed to confine their business within the assigned territory. The U.S. Supreme Court concluded that it did not "know enough of the economic and business stuff out of which these arrangements emerge" to be certain whether they stifle or invigorate competition and therefore remanded the case for a trial on the merits.

Mr. President, I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I should like to yield a few minutes of my time to the distinguished Senator from Ohio. Then I should like to reserve the right to follow him, if I may.

Mr. METZENBAUM. Mr. President, I appreciate the graciousness of my friend from Arkansas. We are not on limited time, and I do not think anybody actually needs to yield any time to anybody else, because we have all the time in the world except as we approach the cloture period. I did want to make a statement, not too long, about why I am here on the floor opposing a measure that is supported by 80 Members of the Senate and why the Senator from Ohio is out of step with 80 of his fellow Members. Let me say that I am not out of step. This is one of those instances when the whole army is out of step and I am in step.

I appear here in opposition to this proposal as chairman of the Antitrust Subcommittee because my opposition relates to the antitrust exemption which would be granted to the soft drink bottling industry by this measure. I am not going to say that this exemption will be earth shattering. I am not going to say that it would destroy the economy. As a matter of fact, I will say that it will be inflationary. But even that is not enough of a reason for me to stand here and oppose this legislation.

I oppose it because it sets a dangerous precedent. If it is granted, it would be the first major antitrust exemption approved by Congress in more than 30 years.

And, Mr. President, granting this exemption would run directly counter to the constructive efforts the Senate has made to remove artificial obstacles to free competition.

Mr. President, if we pass this measure, I can anticipate that day when the automobile dealers come in here and ask that all their franchise areas be protected and that one not be permitted to compete with another outside their local community.

And, yes, that day ought to arrive when the Japanese manufacturers of all the radio and TV sets that are being bought these days ask for protection of their franchises, one against the other.

I can imagine the day will come when people who manufacture all kinds of items will be appearing before Congress and asking for an exemption from the antitrust laws in order to protect the small businessmen.

Let me emphasize one point on that score. This bill not only protects the small business bottlers, it protects the large sirup manufacturers as well.

Why is it that a Coca-Cola bottler in Mansfield, Ohio, should not have the right to come into Cleveland, Ohio, and sell his product for 10 cents a case less? Would anybody really suggest there would be something evil or pernicious about that?

As a matter of fact, I attempted to work out an arrangement on this measure which would have said that the exemption provided under this law would not be available to the large conglomerates who own some of the major distributing companies in the country and to the sirup companies themselves, but that was not accepted.

I said that if they really were talking about the small bottlers, then they should talk only about small bottlers, and let us not provide this special antitrust exemption for those tremendous conglomerates in the bottling business, or for the sirup manufacturers.

Mr. President, granting this exemption would run directly counter to the constructive efforts the Senate has made to remove artificial obstacles to free competition.

We have a pretty fair record in this respect.

On April 15, the Senate passed by a wide margin legislation that would limit antitrust exemptions in the trucking industry.

Bravo. That is good for competition.

Earlier, we took similar action with regard to the commercial airlines, and we deserve credit for doing that.

We have taken these actions, Mr. President, on the basis of overwhelming evidence that anticompetitive special arrangements for these industries have discouraged innovation, lowered productivity, and passed on unjustified costs to consumers.

There is one thing we can be proud of in the laws of our country, it is that the antitrust laws are the Nation's charter of economic freedom, they are designed to insure that our society receives the important benefits that flow from competition in the marketplace.

I am proud of the fact that as I stand here as a Senator from Ohio that it was an Ohio Senator of the opposite political faith to mine, John Sherman, who was the author of the Sherman antitrust law. The Sherman antitrust law and the Clayton Act were designed to insure that our society receives the important benefits that flow from competition in the marketplace.

As a matter of fact, Mr. President, exemptions from the antitrust laws should be permitted only in those very rare instances where competition is unworkable. In the bottling industry, it is workable. Competition could occur. That is one of the reasons we have pending in the Federal courts at the moment this appeal from the FTC decision.

Mr. President, this measure has the votes to put it through. It has been subjected to one of the finest lobbying efforts I have encountered since I have been in the Senate, and I find no fault about that. But let us not kid ourselves. S. 598 is a giant step backward from our Nation's commitment to competition.

This bill exempts the territorial restrictions which characterize the soft drink industry from the antitrust laws. Those territorial restrictions are part and parcel of that industry.

Why should they not be subject to the antitrust laws? I do not know.

If Congress gives the soft drink industry this special treatment, I predict that the same lobbyists who will have done so well in this area will be back representing other industries to seek similar exemptions for those industries' business practices.

We will, Mr. President, in other words, set the stage for converting antitrust law into a meaningless patchwork of special interest exemptions.

Supporters of S. 598 have argued that territorial restrictions enhance competition between different soft drink brands to a greater extent than they restrict competition between bottlers of the same brand.

There is no need to argue the merits of that claim—and for one simple reason. If, as the bill's supporters maintain, the territorial restrictions are fundamentally pro-competitive, then there is no need for this bill. The courts will uphold the restriction under a test known in antitrust law as the "rule of reason." And if the arrangements are, as I believe them to be, fundamentally anti-competitive, then we have no business enacting this legislation.

The courts are now at this very moment examining the soft drink industry's territorial restriction under the rule of reason test. This is a fair test which applies across the board to all industries in the economy.

And what are we doing? We are worried that the courts may recognize the anticompetitive aspects of territorial restrictions.

And I see no justification for congressional action to pre-empt the on-going application by the Federal court of the rule-of-reason test to the soft drink industry's territorial restrictions.

This Congress does not normally interfere when the courts have deferred a matter which is being considered, which is the very substance of the issue itself.

Mr. President, President Carter's National Commission for the Review of Antitrust Laws and Procedures recommended that exceptions from free market competition "should only be made where there is compelling evidence of the unworkability of competition or a clearly paramount social purpose." In seeking an exemption for its iron-clad territorial restrictions, the soft drink industry simply has not demonstrated the existence of either of these criteria.

We have been told about all of the mom and pop bottlers and how they need some protection from the Goliaths of the industry. We have been assured that there will continue to be some kind of competition.

But the facts are, Mr. President, that this is, purely and simply, an antitrust exemption that will protect the large and provide special privilege for the conglomerates and sirup manufacturers, as well as for the small bottlers.

We must keep in mind that these iron-clad territorial restrictions completely eliminate competition between companies that bottle and distribute soft drink brands produced by the same sirup company. While restrictions like these may assist small companies trying to break into new markets, they stifle competition in concentrated markets.

The sirup manufacturing market is dominated by huge companies like the Coca-Cola Co., Pepsi Co., and Philip Morris.

The five largest firms have 77 percent of the market. Yes, indeed, they need protection from competition.

The average rate of return for these companies over the past 15 years has been an incredible 21 percent. As compared to an average return of 12 percent for all manufacturing in this same period.

In light of these facts, it is impossible to maintain that the industry's territorial restrictions have promoted vigorous interbrand competition.

At the bottling company level, the territorial restrictions have done nothing to stem the tide of increasing concentration. In the typical metropolitan area, the four largest bottling companies have 70 percent of the market. And nationally, the number of soft drink bottlers has dropped from over 4,500 in 1960 to about 1,700 today. Everyone in the industry expects this trend to continue whether or not the territorial restrictions remain in effect. The territorial restriction will only serve to prevent competition among a reduced number of bottling companies in the future.

The Senate should also take note of the fact that many larger corporations, Fortune 500 companies, such as Beatrice Foods, IC Industries, General Cinema and Warner Communication—all of these are major soft drink bottlers.

The Coca-Cola Bottling Co. of New York, a so-called independent bottling company, ranks in the Fortune 500 and owns bottling companies in Maine, Kentucky, Kansas, Nebraska, and Colorado, as well as in New York.

The Coca-Cola Co. and Pepsico, Inc. are themselves among the Nation's largest bottlers.

None of these companies needs to be protected from competition.

Mr. President, there is absolutely no justification for giving the soft drink industry an exemption from the antitrust laws. The Department of Justice has called S. 598 "special interest legislation." The Department of Justice is opposed to the exemption provided in the proposed legislation. I agree with the Department of Justice. There is no reason to exempt the soft drink industry from the same rule of reason test that applies to all other industries.

As one distinguished antitrust expert said, the exclusive territory is "a wall against efficiency" and prevents "the consumer from realizing the benefits of the cost-saving promised by the dynamic, new competition that is being shunted aside."

Mr. President, I recognize that the odds against defeat of S. 598 are very great. I believe, however, that the case against this legislation is overwhelming. I urge my colleagues to defeat this bill and leave to the courts the decision on the legality of the soft drink industry territorial restrictions under the antitrust laws as they are written.

Mr. President, I again indicate to my good friend from Mississippi and my good friend from Indiana that the debate today—the present speaker excluded—has been excellent, it has been eloquent, it has been persuasive, whether emanating from the lips of the Senator from Mississippi, the Senator from South Carolina, the Senator from Indiana, the Senator from Alabama, or any others who have spoken to this subject. I have been mightily impressed.

I have been so impressed that I repeat my offer to accept the wonderful, magnificent, excellent, superbly drafted and crafted amendment of the Senator from Mississippi; and if the Senator from Indiana would like me to accept his amendment as well, I could not be more pleased. I think they are superb amendments and that we should accept them, add them to the bill, either by voice vote or by amendment, so that we might get on to the further debate in connection with this piece of legislation.

(Mr. METZENBAUM assumed the chair.)

Mr. PRYOR. Mr. President, I believe that during the debate on this very critical piece of legislation, it would be most timely to go back just a few moments to discuss the real purpose and the intent of S. 598; because, truly, the real purpose is simply to clarify the application of the antitrust laws to territorial provisions contained in licenses to manufacture, distribute, and sell trademarked soft drink products.

I should like to take a little time this afternoon to touch on some of the highlights of the report of the Committee on the Judiciary together with minority views. It is a most enlightening document, and it succinctly clarifies the purpose and the intent of S. 598. I believe that it will help to convince our colleagues in the Senate that this legislation is sorely needed. The report follows:

> S. 598 provides that the traditional territorial soft drink franchise system is lawful under the antitrust laws so long as there is substantial and effective interbrand competition. If, however, it can be established that there is not substantial and effective interbrand competition the provisions of this bill shall not apply. The committee believes that, in the absence of enactment of this legislation, the effect of the recent decision of the Federal Trade Commission in the soft drink cases will be to cause a restructuring of the industry in such a manner that the legitimate interests of many members of the industry and of the consuming public will be harmed.
>
> This industry has been functioning for over 75 years under the clear understanding that such arrangements were legally permissible. Therefore, S. 598 includes a section which would provide protection against crippling and excessive treble damages until such time as territorial arrangements might be found unlawful because of the absence of substantial and effective interbrand competition.
>
> The committee is mindful that the Supreme Court has stated that the balancing of complex economic and social values of the kind involved here is the proper function of the Congress and the action of the committee is consistent with this reasoning.
>
> Historically, the Congress has been committed to fostering competition as the most effective means of protecting the public interest and, at the same time, to promoting an economic system of independent local businesses which can effectively compete with one another.
>
> The committee has concluded that the present territorial franchise system in the soft drink bottling industry can foster effective competition. The committee recognizes that the destruction of the system is likely to depress the value of the franchised bottling plants and cause tremendous economic harm to hundreds of small bottlers who have depended on this system for many years. It is the judgment of this committee, based on the record, that the public interest will be protected by the continuation of vigorous interbrand competition among the various soft drink products. This legislation would not only preserve such competition and protect the consumer but also insure the continued opportunity for small local independent business units to survive. Thus, it has approved this legislation, which shall be applicable in those areas where substantial and effective interbrand competition exists.

Mr. President, in addition to discussing the purpose and the intention of S. 598, I think my colleagues would also be interested if we brought to the attention of the Senate a short history of the industry itself.

Once again, Mr. President, I take this opportunity to extract portions from the Committee on the Judiciary report on this legislation because I think it is most timely that all of us understand fully the history of this industry to which this legislation relates so directly:

> Under the trademark licensing system which exists in the soft drink industry, the franchise company produces and sells syrups or flavoring concentrates pursuant to trademark licensing agreements with independent bottlers, participates in advertising and promotional expenditures made in connection with trademarked products, provides advice and technical assistance on production, quality control, management, and sales problems, and assists in development and test marketing of new products and containers.
>
> The bottler, in turn, manufactures, distributes and sells the trademarked products and provides the capital investment necessary for this market. He determines the plant and equipment to be used, the volume of production by size and type of container, the product mix, the wholesale price to be charged, and the manner in which he can maximize his market penetration to secure the widest possible distribution of his products throughout the territory. The bottler delivers soft drinks directly to retail stores and other outlets through what is commonly referred to as the "store-door" system. On a regular basis the bottler makes deliveries, retrieves empty returnable bottles for reuse, and provides merchandising and other services.

I was taken just a few moments ago by our distinguished colleague from South Carolina, Senator THURMOND, when he very eloquently stated that each soft drink returnable bottle is used on the average some 20 times. He said:

> Route delivery to a combination of large and small volume stops permits the small accounts to be economically serviced, because the bottler is also making deliveries to high volume accounts on the same route.
>
> In June, 1979, this committee heard testimony concerning the structure and dynamics of the soft drink industry. According to the testimony, there were 1,724 soft drink bottling companies competing in the United States in 1978. Of the 2,048 bottling plants in the United States, 1,412 had fewer than 50 employees.

What we are talking about, clearly, is the fact that the great majority of bottlers in this country are small business people, continuing:

> Many of these plants are family owned; many of them hire significant numbers of employees in the small communities in which they are located. Moreover, while this industry has been experiencing a trend of acquisitions in recent years, the testimony before the committee indicated that this growth was principally in the number and market shares of moderate sized firms, which reflects efficiency promoting adjustments to economies of scale and new technology by the soft drink industry. As a result, a survey of large metropolitan areas reveals that "most of them are served by between 6 and 12 franchised soft drink bottlers, plus unfranchised operations (e.g., Shasta) and supermarket private labels" and that even in the smaller metropolitan areas "the availability of fewer than 5 or 6 sources of soft drink supply is relatively rare."
>
> In addition, the soft drink industry has low entry barriers and has experienced the successful entry of many new brands in recent years. Entry has been facilitated by the industry practice of "piggybacking," i.e., using the good will, production and distribution of strong local bottlers of other brands. A number of national brands, such as Dr. Pepper, Nestea, and Lipton canned iced teas, Welch's Grape Soda, Bubble-Up, Frostie Root Beer, NuGrape, and Suncrest have been able to achieve nationwide distribution in a very short time by means of piggybacking.

Mr. President, some of those I have never had the opportunity to consume or to taste, but I have just noticed the reaction of several of these very fine pages who assist us so well and who perform so many worthwhile functions. I have noticed that they do very, very directly relate to some of these brand names that I have just mentioned. I continue to read:

For example, Nestea canned ice tea was able to obtain distribution in areas serving approximately 90 percent of the population in 3 years by entering into exclusive territorial licenses with 135 established national brand bottlers. The committee is not aware of any significant evidence that in those areas of the United States where a few bottlers carry many brands of soft drinks those bottlers have engaged in shared monopoly or other types of illegal joint conduct.

Mr. President, I believe the Federal Trade Commission proceeding should be discussed at this time so that our colleagues will be aware of additional history as it relates to the soft drink industry and why this legislation is so necessary. Continuing:

On July 15, 1971, the Federal Trade Commission filed complaints against seven soft drink syrup companies, alleging that the territorial provisions contained in the trademark licensing agreements between the companies and their bottlers constitute unfair methods of competition. The complaint against Coca-Cola was tried from May 5 through June 11, 1975. The trial record in the *Coca-Cola* proceeding was subsequently incorporated as the record in the *PepsiCo* case.

In the *Coca-Cola* case the Administrative Law Judge (Judge) made 195 detailed findings of fact concerning the safe drink industry and the effects of the territorial system upon competition in the distribution and sale of soft drinks. The Judge ruled that even though territorial provisions eliminate competition among bottlers of the same soft drink product (intrabrand competition), the net effect of the arrangements was to promote competition among bottlers of different soft drink products (interbrand competition). Indeed, the Judge found that elimination of the territorial provisions "would adversely affect competition because it would lead to the business failure of many small and some large bottlers as well to the accelerated growth of large bottlers" and "the contributions to the economies of the area in which small bottlers and their employees now earn their living would certainly diminish substantially and would disappear completely where the bottler was forced out of business."

The specific findings of the Judge revealed a highly competitive industry whose competitiveness was largely caused by the territorial provisions. The Judge found "intense competition in the sale of flavored carbonated soft drinks which stems from the fact that there is a large number of brands available to the consumer in local markets." He found a large number of brands available "in large urban areas, small towns, and rural areas alike." He also found that local and regional brands "have been strong competitors in specific markets for decades" and that private label soft drinks "since the early 1960's have become a substantial competitive force in the soft drink industry."

The Judge found "keen interbrand price competition" which compels Coca-Cola bottlers to price equal to or below their major competitors because even a few cents differential on a six-pack would adversely affect sales. In an effort to reduce prices, bottlers have emphasized returnable bottles, which are "the most economical packages sold . . . in almost every market. . . ."

In fact, not only is Coco-Cola in 16-ounce and 32-ounce returnable bottles cheaper than private labels in many local markets, but in July 1971, when the FTC cases were started, "the average retail price of Coca-Cola in the United States in 16-ounce returnable bottles, according to Neilsen sources, was lower than the average price per ounce at which Coca-Cola in the 6½-ounce returnable bottle was sold at retail in 1900."

The Judge found that elimination of the territorial provisions was likely to produce some unfortunate changes in the industry. "Without exclusive territories the use of the returnable bottle by bottlers . . . would be substantially reduced, if not eliminated." This would happen because without territories bottlers would be uncertain whether they could recapture their large investment in returnable bottles and because the loss of the high volume accounts would adversely affect the costs of producing and delivering returnable bottles. Moreover, those bottlers which, as a result of elimination of territories, lost chain store customers "would be obliged to cut back service to small accounts or to raise prices, either of which would reduce volume."

In addition, "a substantial number of soft drink brands and flavors would be eliminated in local markets" and "even better known brands such as Seven-Up and Dr Pepper might not survive in many local markets." The Judge found that smaller companies, such as the Dr Pepper Co. and Thomas J. Lipton Co., "would be placed in economic peril as availability of their products in many markets was reduced or eliminated entirely." Finally, "hundreds of bottlers would go out of business if exclusive territories were determined to be unlawful. The number of bottlers would be reduced to a fraction of the number that would otherwise exist under the present system."

THE OPINION OF THE FEDERAL TRADE COMMISSION

Complaint counsel for the Federal Trade Commission appealed the decision of the Administrative Law Judge to the Commission. Because of numerous changes in the membership of the Commission, oral argument before the Commission was held on two different occasions, in March and July 1976. In April 1978, 2½ years later, the Commission in a two-to-one decision, reversed the Judge and held that the territorial arrangements in question were unreasonable restraints of trade.

Both the Commission and respondent soft drink companies recognize that the governing legal principles are those recently enunciated in *Continental T.V., Inc.* v. *GTE Sylvania Inc*. There the Supreme Court held that the correct standard for judging vertically imposed nonprice restrictions, such as the territorial restrictions in bottlers' contracts, is the rule of reason, rather than a rule of per se illegality. The Court observed that "[v]ertical restrictions [on *intra*brand competition] promote *intra*brand competition by allowing the manufacturer . . . to compete more effectively against other manufacturers" and that *inter*brand competition "is the primary concern of antitrust law. *Sylvania* thus established that the mere fact that a vertical restriction eliminates *intra*brand competition is the starting point, not the conclusion, for legal analysis; the question is whether the overall effect of the restraint is to promote interbrand competition.

The Committee believes that the Commission based its opinion in the *Coca-Cola* and *PepsiCo* proceedings simply on the intrabrand effects which are inherent in any territorial restriction. Thus, the effect of the Commission's decision has been to impose a rule of per se illegality which in the committee's opinion is not consistent with *Sylvania*. It is difficult to imagine territorial restrictions in any industry surviving the rationale found in the Commission opinion.

For example, the Commission acknowledges only that the soft drink market is "not devoid of interbrand competition." The Commission also observed that the large number of brands available is "no measure of the intensity of the competitive interaction among the brands." This observation is a departure from the Commission's usual emphasis upon levels of concentration. It concluded that the significant effect of piggybacking was, not that it facilitated market entry of many new products, but that it enabled too few local bottlers to control the distribution of too many brands. The committee believes that these are but a few of the instances in which substantial record evidence relating to the effects of the territorial restrictions was inadequately treated by the Commission.

The Commission opinion relies principally on the intrabrand effects of the restraint. It finds that intrabrand competition is almost completely foreclosed. It finds that interbrand competition is also restrained because bottlers may not compete outside their territories with bottlers of the other brands. However, that conclusion would apply to any situation in which a licensee is prohibited from selling outside of its territory. The Commission finds that some prices to chain stores might be reduced by elimination of the restraint. The committee believes that in reaching these findings the Commission may have failed to take into consideration certain aspects of the record. For example, the Commission appears to have paid little attention to the unanimous, uncontroverted testimony that "there is no assurance that the chain stores would pass this reduction on to the consumer" and that "chain stores are not likely to reduce their retail prices for national brands."

The Commission's decision was appealed by the companies to the U.S. Court of Appeals for the District of Columbia, where the cases are now pending. Oral argument in the *Coca-Cola* and *PepsiCo* cases before a panel of the court of appeals was held in October 1978. Whatever the court of appeals decides, it is probable that this case will continue either via petitions for certiorari to the Supreme Court or via remand to the FTC. If there is a remand to the FTC a new trial could be held with another round of briefing, oral argument and time consuming decision making. The more protracted the proceedings the more likely it is that the continuing uncertainty will cause disintegration of the existing industry structure which will be irremediable even if the franchise system is eventually vindicated. The committee believes that passage of this bill will clarify the status of bottler franchises and as a result eradicate the uncertainty caused by the current proceedings.

IMPACT OF THE RULING BY THE FEDERAL TRADE COMMISSION

The Administrative Law Judge made detailed findings regarding the consequences of elimination of the territorial provisions. These consequences would be felt by bottlers, by soft drink franchise companies, by various retail accounts, and by consumers. Elimination of territories would affect survival of returnable bottles, ease of market entry, the level of services offered to retailers, advertising and promotion, and pricing. The committee believes that the Judge correctly described the probable effects of elimination of territories.

Store door delivery has been utilized successfully by bottlers for many years to assure quality control, to handle returnable bottles and to provide other services to large and small customers. However, most large food chains distribute products from central warehouses located in large metropolitan areas. Consequently, such food chains prefer that soft drinks be delivered to their warehouses rather than to individual stores. Since large metropolitan areas are generally served by large bottlers, these large bottlers would have the most direct access to the chain warehouses and, therefore, would be most likely to acquire the warehouse accounts should the territorial system be eliminated. As a result, smaller bottlers would lose the chain store accounts, which represent a large portion of their sales and profits and would be left with the smaller, less profitable accounts.

Sales volume is a crucial factor in the financial viability of a bottling operation. If a small bottler loses his chain store accounts his sales volume will decrease significantly and his unit costs will increase sharply. In such a circumstance, the bottler would have to increase prices, or reduce service to customers, or both. However, such actions will result in the loss of more customers who are unwilling to pay higher prices or to tolerate decreased service. With the loss of these customers the bottler will be unable to remain viable. The committee believes that this scenario will be repeated hundreds of times in this industry if the decision of the Federal Trade Commission is permitted to stand.

The Administrative Law Judge found that "[i]f the chain stores converted to a system of warehouse delivery, the chain stores would eliminate returnable bottles entirely because the returnable bottle is incompatible with warehouse delivery." This incompatibility results from the facts that returnable bottles involve extra handling costs and compete vigorously in price with the private label soft drinks sold by the food chains (which are sold almost entirely in non-returnable containers). If the food chains do eliminate returnable bottles when they adopt a warehouse delivery system for soft drinks the cost of delivering returnables to other customers will increase dramatically. The committee believes that the ultimate result will be the abandonment of the route delivery system and, therefore, the demise of the returnable bottle.

The opinion of the Federal Trade Commission does not disagree with the conclusion of the Administrative Law Judge that many small bottlers would not survive if territories are eliminated. The demise of these bottlers will affect the choices of soft drinks available to consumers because many of the newer soft drink brands have succeeded in particular markets by being piggybacked by bottlers of the older franchised brands. According to the Administrative Law Judge "[t]he chains already want fewer brands and flavors and would cut out slower moving brands if they had warehouse delivery . . ." These preferences of chain stores and the obvious need for surviving bottlers to deal only in high volume brands will, the committee believes, result in fewer consumer choices among competitive soft drink brands.

If territories are eliminated, wholesale prices for non-returnable packages may fall temporarily for large volume accounts, principally chain stores. However, it is the committee's opinion that it is unlikely that chain stores will pass on these reduced prices to their customers because their past practice has been to maintain a retail price differential between their own private label soft drinks and the franchised brands. Moreover, it is clear that prices in non-chain stores, which account for 55–60 percent of sales, would rise and the cheaper returnable bottles would be more difficult to find.

Regardless of the short term effects of the elimination of territories the committee believes that within a few years the soft drink industry would become concentrated in the hands of a few, extremely large, regional soft drink bottlers. These few surviving bottlers would raise wholesale prices to all customers including food chains. Consequently, retail prices to consumers would increase. Simultaneously, the surviving bottlers will offer fewer brands in fewer types of packages to significantly fewer accounts than are presently served. The committee therefore believes that the public policy stated in the antitrust laws would be better served by retention of the existing, competitive structure of the soft drink industry under the standards of this bill.

Mr. President, I thought my colleagues would like and enjoy hearing some of these facts relative to this decision, to the need for this legislation, to the history of the bottling business, and to the purpose of S. 598.

Mr. President, at this time I yield to my very good friend, Senator DeConcini.

Mr. DeCONCINI. I thank the Senator from Arkansas for the stimulating statement he has prepared. I am going to do likewise, but I doubt that I can deliver it with the eloquence with which he has.

Mr. President, I think it is important with respect to this issue that Ernest Gellhorn's statement—he is a professor at the University of Virginia Law School—be included in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. I think it will have weight in convincing Members of this body if it is read into the Record, and knowing that the Chair is anticipating the statement with great anxiety, I will commence to read it:

The primary question raised by H.R. 3567 is simply whether territorial distribution arrangements—specifically the allocation of exclusive territories to franchised bottlers—should be allowed where substantial and effective competition exists among trademarked soft drink products. If, as I believe, the goal of antitrust is to protect and improve consumer welfare through competition, then this proposed bill is consistent with the antitrust laws.

Where substantial and effective competition exists among soft drink products, franchised bottlers would be allowed by this legislation to retain their historic territories to bottle and sell soft drinks without fear of lawsuit by the government or private claimants.

With the consumer protected by interbrand competition, this bill would assure that soft drink producers could seek the benefits of vertical integration by contract. These contract arrangements are generally designed to increase the efficiency of each firm's distribution system; in a competitive market these efficiency gains should result in lower product prices or, at least in intensification of competition among branded competing soft drinks. On the other hand, where markets lack strong and vigorous competition, this legislation would have no effect. That is, the usual rules of antitrust which measure such vertical arrangements under a rule of reason analysis would apply.

As will be described below, this proposed legislation is supported by the rationale of, and is consistent with, the Supreme Court's recent decision in *Continental T.V., Inc.* v. *GTE Sylvania Inc.*, 433 U.S. 36 (1977). It would, in other words, codify existing legal rules. Yet, as illustrated by the Federal Trade Commission's opinions in *Coca-Cola*, Dkt. No. 8855, and *PepsiCo Inc.*, Dkt. No. 8856 (FTC April 7, 1978), (the *Cola* cases), alternative interpretations apparently are possible. Thus without this legislation it may take years of litigation and numerous hearings and appeals to resolve the question. Adoption of H.R. 3567 would establish the legal standard in a way likely to protect the consumer interest.

An understanding of the role which H.R. 3567 would play in the antitrust laws requires analysis of these laws and the practices they prohibit. In serving the consumer interest, the antitrust laws seek to prevent individual firms, either acting alone or with each other, from restricting output and thereby raising price (or its equivalents) above competitive levels. Reduced to their primary elements, two practices are attacked by the antitrust laws: (1) collusion among competing sellers to raise prices directly or indirectly; and (2) individual or group efforts to exclude other sellers from competing and thereby to gain a larger share of the market.

Under this framework, collusive practices have been banned by legal prohibitions of price fixing and market division. Each involves a horizontal agreement by competing firms where the effect on rivalry has seemed clear and little justification could be offered. Thus, per se rules have been applied to make such horizontal agreements illegal without further consideration of their purpose, justification or effect. However, where the horizontal arrangement does not fit within these categories—such as a trade association's public distribution of market statistics from its members, or a cooperative program of institutional advertising by all or some firms in an industry—the courts have applied a more lenient rule of reason test in order to determine whether some justification might support the practice and whether it outweighs any adverse effects. When this latter rule of reason measure is applied, the courts usually examine the purpose of the arrangement, the market power of the participants and the effect of the arrangements on competition.

A similar approach has been followed in examining exclusionary practices by individual firms (monopolization or attempts to monopolize) or joint actions such as vertical tie-in agreements, horizontal group boycotts and similar arrangements. In situations where the exclusionary practice raises serious antitrust questions, those in or seeking a monopoly position are trading today's monopoly returns for a larger share of the market by making it unprofitable for others to compete with them. Here the law is in a state of flux as both per se and rule of reason tests are applied.

One reason for this lack of legal clarity, especially in regard to the rules governing territorial restrictions in vertical distribution arrangements, is that the courts and agencies have often tried to borrow antitrust concepts developed for collusive horizontal practices. However, they have applied these horizontal rules without careful consideration of their analytical foundations or whether they have any relevance for vertical agreements whose only possible harm could be exclusionary. On the other hand, many, perhaps almost all, vertical restraints are designed for another purpose. That is, rather than being aimed at restricting output, their likely goal is to increase firm efficiencies. For example, vertical sales restrictions required by firms without market power are generally conceded as having no possible effect on price or interfirm competition; yet the aim and result of horizontal sales restrictions are to restrict output and thereby to affect price. It is therefore not surprising that attempts to apply horizontal, per se, rules to their vertical counterparts have proved unsatisfactory and been unstable.

As will be explained below, this borrowing of horizontal case rules to vertical arrangements without qualification was first developed in the area of vertical price fixing. Subsequently, it was extended to territorial and customer allocations. In both areas the horizontal case rules are clear. Price-fixing among competing firms has been condemned on a per se basis without regard to the reasonableness of the prices, any justification for the arrangement, or other supposed beneficial effects, since 1897. See *United States* v. *Trans-Missouri Freight Ass'n*, 166 U.S. 290 (1897); *United States* v. *Trenton Potteries Co.*, 273 U.S. 392 (1927); *United States* v. *Socony Vacuum Oil Co.*, 310 U.S. 150

(1940). Horizontal agreements to divide markets by allocating exclusive territories, assigning customer classes, or like arrangements similarly provide participants with an opportunity to restrict output and thereby to raise prices. Therefore, beginning in 1898 courts have condemned such territorial restrictions under increasingly rigid per se rules. See *United States* v. *Addyston Pipe & Steel Co.,* 85 Fed. 271 (6th Cir. 1898); *Timken Roller Bearing Co.* v. *United States,* 341 U.S. 593 (1951); *United States* v. *Sealy, Inc.,* 388 U.S. 350 (1967); *United States* v. *Topco Assoc., Inc.,* 405 U.S. 596 (1972). The application of these rules to similar vertical arrangements has long been criticized and with telling effect in recent years, at least in regard to vertical territorial restraints.

The development of the law regarding restrictions on the distribution of goods and services began with early efforts by manufacturers to set prices below which retailers could not subsequently resell their products. In the still leading case of *Dr. Miles Medical Co.* v. *John O. Park & Sons, Co.,* 220 U.S. 373 (1911), the Supreme Court ruled that a manufacturer who sells medicine to a wholesaler is not entitled to restrict resale through interference with the purchaser's pricing decisions. It relied on ancient property law rules making restraints on resale invalid. Where the purpose of the arrangement is to destroy competition by fixing prices, the Court held, the restraint is "injurious to the public interest and void." In reaching this result, the Court equated vertical price-fixing with horizontal cartel behavior. Since the latter was per se illegal, it followed that resale price maintenance was similarly prohibited.

The Court's assumption that a manufacturer's interest in eliminating price competition among its resellers is based on the same motives and consequences as those by resellers in forming a cartel, however, was badly flawed. That is, unless forced to do so by his retailers, the manufacturer would seem to have no interest in assuring retailers a monopoly profit, especially since it would be done at his expense. As one leading antitrust critic has correctly observed, a "rule of per se illegality was thus created on an erroneous economic assumption." R. Bork, The Antitrust Paradox 33 (1978).

Perhaps recognizing the infirmity of its own rule, the Supreme Court shortly cut back its prohibition of vertical price fixing by creating an exception to the per se rule in *United States* v. *Colgate & Co.,* 250 U.S. 300 (1919). There the Court allowed a manufacturer to control resale prices by the simple expedient of announcing his intention not to sell to price-cutters and then unilaterally refusing to sell to any retailer who failed to comply. However, the exception, which was based on the absence of any agreement essential to a Sherman Act contract, combination, or conspiracy, quickly proved illusory.

Mr. BAKER. Mr. President, at least 80 Senators have placed commonsense above the vagaries of antitrust theory and will give their support to S. 598, a bill which promotes interbrand soft drink competition and preserves the existence of hundreds of small bottlers throughout the Nation.

All too often, Federal regulatory agencies have attempted to impose their view of ideal competition. While no one can doubt the integrity of their motives, the effects have often been less than ideal. Government regulation, where it is truly needed, must reflect the realities of the market it seeks to regulate. This bill recognizes the realities of the soft drink industry and seeks to preserve the vigorous competition which characterizes it.

For over 75 years the soft drink industry in general and interbrand competition, in particular, have thrived because of the territorial license system we seek to preserve today. Elimination of this system will destroy the bottling industry as we know it. Small bottlers will not be able to compete with the largest bottlers for chainstore accounts or adapt successfully to a large-scale warehouse distribution system.

In my own State of Tennessee, the demise of small bottlers would have a disastrous effect. In 1978, bottlers employed approximately 4,400 persons and paid State and local taxes of $6 million. These bottlers bought goods and services from other firms totaling $223.6 million.

These figures are not unique to Tennessee. Virtually every other State in the Nation can demonstrate a similar adverse impact. And yet, opponents of this bill argue that it is anticompetitive; that economic efficiency will be promoted by voting against this legislation.

Over the years, only the FTC has concluded that intrabrand competition is so important that the adverse effects on interbrand competition and the survival of hundreds of small bottlers are of secondary importance. The courts and Congress disagree.

As the Judiciary Committee report notes, the administrative law judge who heard the case found that the elimination of territorial licensing would "adversely affect competition because it would lead to the business failure of many small and some large bottlers as well to the accelerated growth of large bottlers" and "the contributions to the economies of the area in which small bottlers and their employees now earn their living would certainly diminish substantially and would disappear completely where the bottler was forced out of business."

As the economic recession deepens, now is not the time to pursue a questionable antitrust philosophy which threatens to put hundreds out of their jobs. I am not convinced that 75 years of industry practice and judicial scrutiny should be put aside in deference to a split decision of the Federal Trade Commission.

I am convinced that the legislation will promote interbrand competition and small businesses throughout the country, and I urge my colleagues to support it.

● Mr. CULVER. Mr. President, I am pleased to lend my strong support to this legislation designed to preserve a unique industry practice—the manufacture, bottling, and distribution of soft drinks by local, independent companies.

The Soft Drink Interbrand Competition Act will permit local bottlers to operate under exclusive territorial licenses for their trademarked soft drink products as long as there is "substantial and effective competition" between different trademarked brands. For the last 75 years, these territorial licenses have served to create an industry organization of 2,000 plus small units which effectively compete with each other.

According to all the key indicators of competition, there is today intense competition in the soft drink industry. This competition has been a major factor in keeping consumer costs down. The cost of a 6½ ounce cola bottle in 1939 was 77/100ths of 1 cent per ounce. The cost today in the 16 ounce returnable bottle is 79/100ths of 1 cent per ounce. This is on a 2.6-percent increase over 28 years. I only wish the Nation's overall inflation rate was somewhere close to that low figure.

We must continue to be aware of the needs of the small business person in America and to protect the invaluable contribution he or she makes to our economy and our way of life. I believe this legislation is vital to the survival of the small bottler and to the maintenance of a high level of service we have come to expect from the soft drink industry.

I am very concerned that, should territorial licenses be prohibited, we would find these predominately small bottling businesses swallowed up by large, regional firms. This would have a serious adverse effect on conservation measures now making great strides in the soft drink industry. The fact is that returnable bottles cannot, as a practical matter, be distributed and collected by large regional operations. Without this bill, we could see a phase out of the use of returnables which save energy in production, are less expensive to the consumer, and greatly reduce our waste disposal burden.

Mr. President, I urge my colleagues to fully support this significant legislation.●

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDGE BLOCKS DIME-A-GALLON GAS TAX

(The following remarks occurred during Mr. HEFLIN's presentation on S. 598 and are printed at this point by unanimous consent:)

Mr. METZENBAUM. Mr. President, I wonder if the Senator from Alabama would yield to me for about 2 minutes on a subject completely removed from this, without losing his right to the floor.

Mr. HEFLIN. As long as I do not lose my right to the floor.

Mr. METZENBAUM. Mr. President, the Senate took a major step yesterday in indicating its opposition to the oil import fee. I have interrupted my good friend from Alabama in order that I might report to the Senate that just this afternoon a Federal court judge declared President Carter's 10-cent a gallon tax on gasoline unlawful, blocking it from taking effect on Thursday.

The court stated that "The gasoline conservation fee at issue in the instant litigation does not fall within the inherent powers of the President." He went on to say that the fee was not sanctioned by two laws the administration cited and "was contrary to manifest congressional intent."

I do not know if the judge was reading what was done here on the floor of the Senate yesterday or how he knew what congressional intent was, but suffice it to say that I rise to congratulate that jurist on his wise decision and to indicate that I hope that the President will now interpret the court's decision, as well as the Senate's action and the action that is pending in the House, as being an appropriate and proper basis for him to withdraw the oil import fee. I think it would be great news to the American people and I think it would be appropriate under the circumstances.

Mr. President, I ask unanimous consent that my comments in this respect be reflected in the RECORD after the conclusion of the remarks of the Senator from Alabama and I express my gratitude to the Senator from Alabama for permitting me to take the floor and to interrupt his remarks.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

The Senator from Alabama.

Mr. HEFLIN. I would like to state that the Senator from Ohio, in making this statement, brings good news to the American people. And it is certainly good news to a great number of Senators.

I also congratulate the Senator from Ohio for his valiant fight on yesterday in this regard. I supported him in that fight, and I think that he did a great service to the American people by his battle.

Mr. METZENBAUM. I thank the Senator from Alabama. I am very grateful to him for his cooperation and support.

Mr. DOLE. Will the Senator from Alabama yield to the Senator from Kansas on the oil import fee for 1 minute, and with the understanding that my remarks will follow the remarks of the Senator from Ohio (Mr. METZENBAUM)?

Mr. HEFLIN. It will be a pleasure to so yield.

Mr. DOLE. I thank my colleague.

Mr. President, I want to indicate my pleasure and applaud the ruling of Federal Judge Robinson against the oil import fee. It seems to me that Judge Robinson's action was a step in the right direction following the decisive action taken yesterday in the Senate by a vote of 75 to 19, the test vote which should have sent the President a message on the oil import fee. The Senate's action yesterday and the ruling handed down today will be followed tomorrow morning in the Senate Finance Committee by voting out, I hope, my resolution of disapproval, and, also, as a second part of the attack, an amendment to the debt ceiling I plan to offer which, in effect, would halt any efforts to implement the import fee under the President's Executive order.

So we have, in addition to an expression yesterday by the full Senate, two other Senate legislative efforts tomorrow to be taken in the Finance Committee, and today a Federal district court has spoken on the issue. I am advised that on the House side, one of the distinguished Members of the House has indicated that he will push for the disapproval resolution in the Ways and Means Committee.

Mr. President, I guess that perhaps the taxpayers of America can be a little encouraged by the fact that they may not have to pay $10 to $12 billion in new taxes as proposed by President Carter in the oil import fee. If my efforts to disapprove the President's action are successful and if Judge Robinson's ruling is not overturned the price of gasoline will not rise at 10 cents a gallon in the next 30, 40, 50, 60, or 90 days as the administration would have it. That should be good news to the American people. I hope the President reads the signals very clearly and takes a second look at the import fee and the imposition of new taxes.

I, with many others in Congress, have insisted from the moment this import fee was announced by the President that what he proposed and how he proposed to implement his actions exceeded the powers of the executive branch. The court today confirmed that the President does not have the authority to unilaterally impose such a gasoline tax, and it is clear that the power to tax is a power best left to the U.S. Congress. In passing the Trade Expansion Act and the Emergency Petroleum Allocation Act, Congress never intended to abrogate its taxing powers to the executive branch.

Mr. President, I have been vocal in my objections that this gas tax is not only legally questionable, but bad policy as well. I am pleased that the action taken by Judge Robinson will apparently provide us in Congress with more time to mobilize forces to kill this ill-advised measure for good.

The administration was clearly having a hard time convincing either the Congress or the American people that this gas tax was either a conservation or an anti-inflation measure, as they had claimed.

Yesterday, as I said earlier, the Senate clearly voiced its strong disapproval by adopting my amendment to the first concurrent budget resolution, which paves the way for an ultimate vote of disapproval. I am glad to have the opportunity to rally a majority of my colleagues to see to it that this issue is not resurrected.

Tomorrow the Senate Finance Committee and the House Ways and Means Committee will debate resolutions by me and other Senators to effectively block the imposition of the import fee. Senate Joint Resolution 159, which I introduced, now has won the support of 38 Senators.

The timeliness of Judge Robinson's decision is especially welcome, for if the oil import fee and the subsequent gasoline tax had gone into effect on May 15, it would have been extremely difficult for the consumers to recover the costs.

I thank my colleague for yielding.

Mr. HEFLIN. Mr. President, I thank the Senator from Kansas for his remarks and his statements. I agree with him. I supported his position and Senator METZENBAUM's position. I think it is an excellent position. There are many reasons that I think we should be adopting that position, which reminds me of a story.

In Alabama, at one time, there was a lawyer up in the northern part of the State, who practiced law in a community called Russellville. He lived in the small town of Vina. Vina is very small, it has only 68 people. He was a great lawyer, always winning his cases before the jury.

He was not very good, however, at looking in the books. He was a sort of "ear" lawyer as opposed to being an "eye" lawyer. He was very effective in front of a jury but he never wore a necktie to court.

Over the years, he developed the name of "No-tie." His name was James "No-tie" Hawkins.

"No tie" practiced before the days women served on juries, and he would say, "Gentlemen of the jury" with the most melodious tones of anyone I have ever known. He knew all the jurors and could really select a jury. Because of this, he lost very few jury cases.

On one occasion, as happens to the best of lawyers, he lost a case. They told him he had to take an appeal to the supreme court of Alabama. At that time, I was on the supreme court of Alabama. His colleagues told him that when he argued his case before the supreme court of Alabama, he had better wear a necktie or he would lose.

"No tie" said he did not want to wear a necktie and thought that might hex him a little bit, since he always had a lot of success without having to wear a necktie. So he came down and argued his case before the supreme court of Alabama without a necktie.

Nobody said anything to him. A few of my more dignified colleagues on the bench gave him a few hard looks, but they did not say anything.

A few weeks later, after he had returned home, he received the opinion and he saw that he had lost his case.

He ran into me a few days later, and said, "You know, all my friends tell me the reason I lost my case was because I didn't wear a necktie."

I tried to assure him that the supreme court of Alabama would not decide a case on such extraneous matters but would decide them upon the law and the facts.

He said, "I want to tell you this," "If that had been the reason, it would have been a damn sight better than the one you gave."

So you can have many different reasons to support various and sundry positions, but I think all of the Senator's reasons that he has stated in regard to the oil import fee are valid and I certainly stand with him in that regard.

Mr. DOLE. If the Senator will yield right there, I noticed the distinguished chairman of the Finance Committee just entered. He is probably aware of the fact that the judge has issued a permanent injunction with respect to the oil import issue. The administration plans an appeal, so they are not going to be able to impose that fee as quickly as they would like. Then, hopefully, tomorrow morning, I say to the chairman, we can report out a disapproval resolution of which he is cosponsor and we can get this ball rolling.

MR. ARTHUR T. CLAYTON AND MR. DONALD G. OLSEN, RHODE ISLAND SMALL BUSINESS PERSONS OF 1980

Mr. CHAFEE. Mr. President, more than ever before, it is important that we appreciate the vital role that small business plays in the U.S. economy. Our Nation's small businesses provide for 56 percent of our private sector employment, 45 percent of the gross national product, and over half of our important industrial inventions and innovations.

During this week—National Small Business Week—this potential should be recognized by the American public, as well as Government officials. When we assist small businesses to become stronger and healthier, we are helping the entire U.S. economy to become stronger, thereby creating new jobs, improving productivity and increasing foreign trade.

Throughout National Small Business Week, it is especially fitting that we not only applaud the great contributions that small business has made, but that we also commit ourselves to searching for even more effective ways to help these firms to develop and prosper.

Each year, the U.S. Small Business Administration selects for its small business person of the year award, an individual who has succeeded in an owner-operated business.

This year, SBA has selected not one, but two such people from my State, whose experiences have demonstrated that a partnership between Government and business can work for the benefit of us all.

Mr. President, I take great pleasure in announcing that Mr. Arthur T. Clayton and Mr. Donald G. Olsen, founders of the Crown Optical Co. in Greenville, R.I., are the recipients of this prestigious award.

The preparation of prescription opthalmic lenses and eyeglasses is a highly specialized and technical service, and one in which Mr. Clayton and Mr. Olsen have studied for a lifetime. Since their early days of high school friendship, both men had worked for two well-respected optical companies—Mr. Clayton primarily in a sales capacity, and Mr. Olsen in the laboratory. In 1971, when they decided to extend their friendship to business and become partners in a joint company, their combined backgrounds in the opthalmic field amounted to 45 years of practical erperience.

The history behind the Crown Optical Co., is a true American success story, and exemplifies the rewards that can come from dedication and hard work. The firm was started with an initial investment of only $15,000 which was derived from Mr. Clayton and Mr. Olsen placing second mortgages on their homes almost 9 years ago. In addition, an SBA loan provided funds for initial equipment and the hiring of three people.

Through perseverance in obtaining sales, and a commitment to an extremely high standard of quality, the potential of this investment was soon realized. Within 1 year, the sales had already exceeded the volume which was projected for the end of the third year of operation, and more equipment and capital were needed in order to keep up with demand and to expand the operation. Again, with the assistance of a local bank, the Small Business Administration provided additional loan money for this purpose. The results of this assistance are best shown in the tremendous growth of Crown Optical in less than 9 years.

Originally, the firm serviced the Rhode Island and nearby Massachusetts areas. Today, it is the second largest independent laboratory in New England and employs over 60 workers, most of whom are women.

In 1972, sales were $320,000. By 1979, sales amounted to an astounding $1,735,000. Annual sales growth has averaged nearly 16 percent, with an average of 4 percent in net profit. Projected sales for the current fiscal year are expected to top $2 million.

It is also important to note that Mr. Clayton and Mr. Olsen are providing for the continuity of their business. Mr. Clayton's son, Tom, is following in his father's footsteps as a salesman for the firm, while Mr. Olsen's son, Tom, is likewise studying the laboratory aspects of the business, as his father had. In addition, another of Mr. Olsen's sons, Ken, is working toward a degree in business accounting. It is this practice of passing a family business from one generation to the next that is an important goal which the Government should seek to encourage.

The future of Crown Optical Co., is secure as a result of the efforts of its founders. In addition, however, the assistance provided by the Rhode Island SBA office under the direction of Mr. Charles Fogarty, and in particular, the help and advice of SBA's Mr. Dan Pearson, made a crucial difference in making a dream become a reality. The career of Mr. Clayton and Mr. Olsen in building their business is evidence that Government assistance, such as that provided by SBA, can contribute to a better life for individuals, to more prosperous communities, and a stronger economy.

It is an inspiration to all those people who have shared a dream of owning their own successful company, of providing quality products to their own community, and to all of us who share a faith in entrepreneurship.

It is my hope that the partnerships between Government and business continue to grow and be successful. For just as in the partnership-friendship that developed between Mr. Clayton and Mr. Olsen, we all become the beneficiaries of cooperation.

I know that all of my colleagues join me in congratulating Mr. Clayton and Mr. Olsen on receiving this award and on a job well done for American small business.

THE VIETNAM VETERANS MEMORIAL

Mr. CHAFEE. Mr. President, on April 30, the Senate unanimously passed a joint resolution (S.J. Res. 119) authorizing the Vietnam Veterans Memorial Fund Inc. to erect a memorial to the more than 2.7 million veterans of the Vietnam war. To be located here in the District of Columbia, the memorial will commemorate the toils of the men and women who served in this Nation's longest and perhaps most anguishing war.

I rise today to ask that a story, by syndicated columnist James J. Kilpatrick, be reprinted in the Record. I do so because, in this article, Mr. Kilpatrick recognizes the outstanding leadership provided by my good friend from Maryland, Senator Mathias, in this worthy effort. Senator Mathias secured the prompt and unanimous cosponsorship of the Senate for this measure, and I join in commending his hard work and dedication.

Many of my colleagues are also aware of the time and effort devoted by the distinguished Senator from Virginia, Senator Warner. He, like Senator Mathias, has taken the lead in activities to insure that the service and sacrifice of millions of Americans be appropriately honored through the construction of this memorial.

I ask unanimous consent that the statement by Mr. Kilpatrick be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Wounds of Vietnam

There were no parades when the veterans of Vietnam came drifting home. No bands, no speeches in the park, no heroes' welcome marked the end of a long war and a lost cause. For the most part, the survivors of Vietnam got the silent treatment. So you served in Vietnam? Forget it.

A decade after the war's end, this shameful experience may be in part redressed. Congress is about to complete action on a bill authorizing a memorial here in Washington to the 2.7 million who served in Vietnam, and especially to the 57,661 who died there. If ever a patriotic cause merited universal support, this is such a cause.

It is said that the war in Vienam was the most unpopular war our nation has ever waged, and probably this is true. The Civil War claimed a heavier toll in dead and wounded, but it came to an honorable end. A thousand courthouse towns, North and South, erected statues to the Union and Confederate dead. Veterans of the Civil War had a certain standing in their communities.

Almost no one ever had a good word to say about our agony in Vietnam. In the beginning, many of us supported the commitment. It seemed an altogether moral and honorable act for the great and powerful United States to come to the aid of a small and almost defenseless ally.

But in time it became apparent that the Johnson administration's aimless purpose was to wage the war but not to win it. Even the small enthusiasm faded. And meanwhile, on college campuses across the nation, violence erupted. Thousands of young men turned into draft evaders; hundreds went to prison. This war was not "unpopular." This war was despised.

And perhaps the saddest aspect of the whole miserable experience came later, when hostility to the war somehow got transferred to the men who served in it. Veterans who used their G.I. benefits to take college courses tended to be shunned by their fellow students. An infamous colloquy made the rounds:

"How did you lose your arm?"

"Lost it in Vietnam."

"Serves you right."

No memorial ever can make up for this shabby treatment, but the current effort will try. The venture is largely the product of one man's determination. Jan C. Scruggs was wounded while fighting with the infantry in Vietnam in 1969 and 1970. He is now a specialist with the Department of Labor.

Last year he rounded up a small band of fellow veterans. They formed a non-profit foundation to raise funds by public subscription to finance an appropriate memorial—not as a political statement of any sort, but simply as a symbol of reconciliation and remembrance.

Sen. Charles Mathias of Maryland went to work in the Senate. Two weeks ago he brought off a remarkable feat: All 100 members of the Senate came on his bill as cosponsors. The measure now is pending in the House, where John Paul Hammerschmidt of Arkansas is pushing for early action. By the end of this month, authorization may be completed.

The sponsors do not envision anything very monumental. The bill would set aside two acres on the mall near the Lincoln Memorial. There would be a piece of sculpture, to be approved by the National Commission of Fine Arts. The area would be serenely landscaped. A memorial wall would bear the names of the dead.

No tax funds are sought for the memorial itself. The venture is essentially private, which is as it should be. Once the necessary funds are raised and the memorial is completed, the Park Service will take over maintenance and Scruggs' small foundation will go out of existence.

In the 16 years I have been writing this column, I don't believe I ever have urged contributions to a particular cause. I do now. Tax-deductible gifts should be made to the Vietnam Veterans Memorial Fund, 1025 Connecticut Avenue, N.W., Washington, D.C. 20036. The bitterness engendered by Vietnam may never be forgotten. The sacrifice at least should be remembered.

YAD VASHEM: A TRIBUTE TO THE MILLIONS

Mr. PROXMIRE. Mr. President, on August 19, 1953, the Israeli Knesset passed an act establishing a memorial to the 6 million Jews killed in the holocaust of World War II—Yad Vashem.

While there are other places around the world which commemorate the victims of the holocaust, the Yad Vashem in Jerusalem is the prime example.

The library of Yad Vashem contains over 40,000 volumes and documents telling the story of this horrible event—an event and loss unparalleled in our time. The eternal flame that burns in the Hall of Remembrance illuminates the names of the death-centers, inscribed in the floor, where so many of the victims were ruthlessly and methodically exterminated. The story, in both photos and documents, is repeated in the Exhibition Hall.

In the Hall of Names, one can read—row after row, book after book—the names of millions of men, women, and children, each of them a victim of the Nazi holocaust. These figures are incomprehensible. Think of the millions of people these names represent—the millions of lives that were maliciously and senselessly obliterated as a result of the Nazi genocide.

Yad Vashem was created not only as a remembrance for the millions who died in the Nazi death camps, but also as a way of insuring that such a tragedy never recurs. The horrors of the holocaust are remembered and taught so that people can be made to understand how such a terrible crime could have happened. A true understanding of the holocaust, and the events leading up to it, is essential in preventing a repetition of this inhumane crime of mass murder.

Remembering the holocaust is important, but striving to see that it never recurs is imperative.

What can we, in the U.S. Senate, do to insure that genocide never happens again?

Mr. President, for over 30 years we have had the opportunity to ratify the only international treaty which protects the most basic right—the right to live. It is this fundamental right that was denied the millions of victims of the holocaust.

What could be a more fitting tribute to those who died such senseless and horrible deaths?

It is high time that we strengthen our resolve to eliminate this most horrible crime of genocide and ratify the Genocide Convention.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF PROPOSED RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 205

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on the Judiciary, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $9.0 thousand in budget authority previously provided by the Congress and two new deferrals of budget authority totaling $19.8 million.

The rescission proposal affects the National Alcohol Fuels Commission. The deferrals involve the Departments of Commerce and Justice.

The details of the rescission proposal and the deferrals are contained in the attached reports.

Jimmy Carter.

The White House, *May 13, 1980.*

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 668. An act to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the U.S. Court of Claims any claim such band could have filed with the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049).

The message also announced that the House has passed the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, with amendments; that the House insists upon its amendments and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Foley, Mr. de la Garza, Mr. Jones of Tennessee, Mr. Richmond, Mr. Panetta, Mr. Nolan, Mr. Glickman, Mr. Akaka, Mr. Harkin, Mr. Wampler, Mr. Findley, Mr. Symms, Mrs. Heckler, and Mr. Jeffords were appointed as managers of the conference on the part of the House.

The message further announced that the House has passed the bill (S. 2648) to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981, with amendments and an amendment to the title, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6842. An act to protect the confidentiality of Shippers' Export Declarations, and to standardize export data submission and disclosure requirements.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 319. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 10. An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

The enrolled bills were subsequently signed by the President pro tempore (Mr. Magnuson).

At 3:44 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. GIAIMO, Mr. WRIGHT, Mr. ASHLEY, Mr. SIMON, Mr. MINETA, Mr. JONES of Oklahoma, Mr. BRODHEAD, Mr. WIRTH, Mr. PANETTA, Mr. GEPHARDT, Mr. NELSON, Mr. LATTA, Mr. CONABLE, Mrs. HOLT, Mr. REGULA, and Mr. RUDD were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

S. 668. An act to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the United States Court of Claims any claim such band could have filed with the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049).

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILL AND RESOLUTIONS REFERRED

The following bill and joint resolution were read twice by their titles and referred as indicated:

H.R. 6842. An act to protect the confidentiality of Shippers' Export Declarations, and to standardize export data submission and disclosure requirements; to the Committee on Governmental Affairs.

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture; to the Committee on Appropriations.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 319. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965; to the Committee on Labor and Human Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3764. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for involuntary retirement of permanent regular officers designated for limited duty in the Navy and Marine Corps consistent with that provided other permanent regular officers; to the Committee on Armed Services.

EC–3765. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to contracts negotiated by NASA under 10 U.S. Code 2304(a) (11) and (16) for the period July 1, 1979 through December 31, 1979; to the Committee on Commerce, Science, and Transportation.

EC–3766. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of February 1980 on (1) the average number of passengers per day on board each train operated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC–3767. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of February 1980 on (1) total itemized revenues and expenses; (2) revenues and expenses of each train operated; and (3) revenue and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC–3768. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission will be unable to render a final decision in No. 37315, Coal, Colstrip, Kuehn, and Decker, MT, to Superior, WI, and No. 37316, Rates on Coal, Decker and Kleenburn to Illinois and Indiana, within the specified seven-month time limit which is to expire at the earliest on June 25, 1980; to the Committee on Commerce, Science, and Transportation.

EC–3769. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a rule further exempting industrial boiler fuel facilities from incremental pricing above the price of No. 6 fuel oil and applying ceiling price to forty-eight incremental pricing regions, issued May 7, 1980; to the Committee on Energy and Natural Resources.

EC–3770. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes; to the Committee on Energy and Natural Resources.

EC–3771. A communication from the Secretary of the Interior, reporting, pursuant to law, that Amoco Production Company has submitted an application to the Department for refund of excess gas royalty payments totaling $4,760.72, overpayments on lease OCS–G 1972, East Cameron Block 33 Unit, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC–3772. A communication from the Secretary of the Interior, reporting, pursuant to law, that Placid Oil Company has submitted an application to the Department for repayment of excess gas royalties totaling $16,849.00 for leases OCS–G 2105, Eugene Block 296, and OCS–G 2109, Euguene Island Block 306, offshore Louisiana; to the Committee on Energy and Natural Resources

EC–3773. A communication from the Secretary of the Interior, reporting, pursuant to law, that Shell Oil Company has submitted an application to the Department for refund of 1-year's rental totaling $17,280.00 on lease OCS–G 3204, Block 356, Mississippi Canyon; to the Committee on Energy and Natural Resources.

EC–3774. A communication from the Secretary of the Interior, reporting, pursuant to law, that Shell Oil Company has submitted an application to the Department for refund of a minimum royalty payment totaling $15,000.00 representing minimum royalty on lease OCS–G 3293, East Cameron Block 96, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC–3775. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, Order No. 83, Section 206(d) exempting agricultural uses from incremental pricing surcharges; to the Committee on Energy and Natural Resources.

EC–3776. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, Volume Two of the third Energy Information Administration Annual report to Congress; to the Committee on Energy and Natural Resources.

EC–3777. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, application by the State of Montana for a loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3778. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities for the fourth calendar quarter of 1979; to the Committee on Environment and Public Works.

EC–3779. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, a report on the activities carried out under title XX during each fiscal year; to the Committee on Finance.

EC–3780. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the 24th annual report on the financial condition and results of the operations of the Highway Trust Fund; to the Committee on Finance.

EC–3781. A commmunication from the Acting Assistant Secretary for International Organization Affairs, Department of State, transmitting, pursuant to law, reports issued by the United Nations Joint Inspection Unit during the second half of 1979; to the Committee on Foreign Relations.

EC–3782. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–181, "District of Columbia Probate Reform Act of 1980" and report, adopted by the council on April 22, 1980; to the Committee on Governmental Affairs.

EC–3783. A communication from the District of Columbia Auditor, transmitting, pursuant to law, various reports of the Office of D.C. Auditor; to the Committee on Governmental Affairs.

EC–3784. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3102 of title 5, United States Code and section 7 of the Federal Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status; to the Committee on Governmental Affairs.

EC–3785. A communication from the Director of Administration, Department of Energy, transmitting, pursuant to law, a report of a new system of Records; to the Committee on Governmental Affairs.

EC–3786. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report of a modified system of records; to the Committee on Governmental Affairs.

EC–3787. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–179, "Rental Housing Locator Consumer Protection Act of 1979," and report, enacted by the council on April 1, 1980; to the Committee on Governmental Affairs.

EC-3788. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 697 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-3789. A communication from the Executive Director, United States Naval Sea Cadet Corps, transmitting, pursuant to law, its annual audit report for the fiscal year which ended 31 March 1980; to the Committee on the Judiciary.

EC-3790. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, the annual report of the Director on the National Cancer Program, covering fiscal year 1979, and the annual plan for the program for fiscal years 1981-85; to the Committee on Labor and Human Resources.

EC-3791. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, its report on its activities under the Milwaukee Railroad Restructuring Act; to the Committee on Labor and Human Resources.

EC-3792. A communication from the Chairman, Commission on the Review of the Federal Impact Aid Program, transmitting, pursuant to law, an interim report on its review and evaluation of the program authorized by P.L. 81-874, which was considered and adopted at a meeting of the commission on April 22, 1980; to the Committee on Labor and Human Resources.

EC-3793. A communication from the Secretary of Education, transmitting a draft of proposed legislation to suspend the application of certain provisions of the Higher Education Act for one year; to the Committee on Labor and Human Resources.

EC-3794. A communication from the Executive Director, Commission on the Review of the Federal Impact Aid Program, transmitting, pursuant to law, supplemental documentation to accompany the Interim Report (transmitted April 29, 1980) which was approved by the Commission at a meeting of the Commission on May 1, 1980, in Montgomery, Alabama; to the Committee on Labor and Human Resources.

EC-3795. A communication from the General Counsel, United States General Accounting Office, reporting, pursuant to law, on the status of budget authority that was proposed for rescission, but for which Congress failed to pass a rescission bill as defined by Section 1011 of the Impoundment Control Act; to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, and the Committee on Energy and Natural Resources, jointly, pursuant to order of January 30, 1975.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred as indicated:

POM-721. A resolution adopted by the House of Representatives of the State of Missouri; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, the Missouri House of Representatives is alarmed at the economic plight of a number of industries in Missouri, including the auto industry, the construction industry, the real estate industry, agriculture, and many small businesses; and

"Whereas, a major cause of this plight is the high rates of interest; and

"Whereas, the high rate of inflation is a major contributor to these high rates of interest; and

"Whereas, the rapid expansion of the monetary supply and the easy availability of credit in recent years are major causes of the high rate of inflation; and

"Whereas, the Board of Governors of the Federal Reserve has taken action to lower the rate of inflation by restricting the growth of the supply of money and the growth of credit; and

"Whereas, the Congress and the President have recognized that certain areas of the economy have been especially hard hit by the policy of monetary restraint and are taking action to bring relief to those areas, as in the changes being made in the "Section 235 Housing Program"; and

"Whereas, there are great pressures to ease the policies of restraint of money and credit; and

"Whereas, premature easing of said restraint would only further fuel inflation and keep interest rates high;

"Now, therefore, be it resolved by the Missouri House of Representatives that the Federal Reserve Board and the Federal Reserve Open Market Committee be urged to continue the policy of monetary and credit restraint until the rate of inflation is reduced to a much lower level than the present level and that Congress and the President be urged to carefully monitor the effects of restraints on money and credit and give temporary assistance to those areas of the economy most adversely affected; and

"Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to send a properly inscribed copy of this resolution to each member of the Federal Reserve Open Market Committee, to each member of the Missouri Congressional Delegation, to the Speaker of the United States House of Representatives, to the President Pro Tempore of the United States Senate, and to the President of the United States."

POM-722. A resolution adopted by Legislature of the State of New York; to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION No. 385

"Whereas, Twenty-two members of a United States Amateur Athletic Union boxing team including fourteen boxers, eight team officials and aides died March fourteenth, nineteen hundred eighty, aboard a Polish jetliner that crashed while making an emergency landing at Warsaw, Poland; and

"Whereas, The team had been scheduled to compete against the Polish national team at Katowice, Poland; and

"Whereas, Several of the boxers were considered Olympic candidates; and

"Whereas, The boxing team members included Kelvin Anderson, Joseph Bland, Colonel Bernard Callahan, Elliott Chavis, Tyrone Clayton, Walter Harris, Tom Johnson, Byron Lindsey, Andre McCoy, Paul Palomino, Byron Payton, George Pimental, John Radison, Richard Robinson, Yrenio Robles, David Rodriguez, Steve Smiegel, Lemuel Steeples, Jerome Stewart, Ray Wesson, Dolores Wesson and Lonnie Young; now, therefore, be it

"*Resolved*, That this Legislative Body urge Congress to memorialize twenty-two American amateur boxing team members who died in a jetliner crash in Poland and requests the President of the United States to issue posthumous awards in their memory to their families; and be it further

"*Resolved*, That copies of this resolution, suitably engrossed, be transmitted to the President of the United States, the Speaker of the House and the President Pro Tem of the Senate."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EAGLETON, from the Committee on Appropriations, with amendments:

H.J. Res. 545. Joint resolution making urgent appropriations for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

By Mr. CHURCH, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1388. A bill to establish a forgivable loan program for geothermal reservoir confirmation, to amend existing geothermal leasing and permit laws, and for other purposes (Rept. No. 96-699).

By Mr. CHURCH, from the Committee on Foreign Relations, with amendments:

S. 2422. A bill to provide for increased United States participation in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes (Rept. No. 96-700).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MOYNIHAN:

S. 2691. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 2692. A bill to require analyses of proposed and final major rules, to require Federal agencies to compensate State and local governments for excessive costs of Federal regulation, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 2693. A bill for the relief of Gunther Herbert Kromp and Velma Jean Kromp, his wife; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2694. A bill for the relief of Shyh-Fann Tyan-Norem Bin-Ti Yao Tyan-Norem and Jean Marie Tyan-Norem; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN:

S. 2691. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 2692. A bill to require analyses of proposed and final major rules, to require Federal agencies to compensate State and local governments for excessive costs of Federal regulation, and for other purposes; to the Committee on Governmental Affairs.

STATE AND LOCAL GOVERNMENT COST ESTIMATE ACT OF 1980 AND STATE AND LOCAL GOVERNMENT MANDATE REDUCTION AND REGULATORY COMPENSATION ACT OF 1980

Mr. MOYNIHAN. Mr. President, in the 6 years since passage of the Congressional Budget and Impoundment Control Act of 1974, the Congress has greatly improved its ability to anticipate the costs to the Federal Government of proposed new legislation, and has grown more conscientious about trying to keep those costs within reasonable bounds.

There has, however, been one unanticipated and unfortunate side effect of this otherwise commendable process. Too often, we have allowed ourselves to disregard the costs that are incurred by others in carrying out the terms of new Federal legislation. Indeed, we sometimes tend to shape our legislation as if the cost to the Federal Government were the sole fiscal consideration, rather than the aggregate cost to the Nation of doing what the law requires. This is especially vexing—and irresponsible—when the legislation requires States and localities to alter their behavior in ways that impose heavy costs on them, costs that the Federal Government seldom reimburses in full and frequently ignores entirely.

One of the two related bills that I am introducing today would amend the Budget Act to require that before a bill can be considered by Congress, it must be accompanied by a Congressional Budget Office estimate of the costs (if any) it would impose on State and local governments. This procedural safeguard precisely parallels the requirement, already in force, that CBO supply the Congress with a 5-year estimate of the bill's fiscal impact on the Federal Treasury. It does not affect the substance of any legislation, but it does take a long step toward complete estimation of all the costs of legislative decisions by the Congress.

It seems to me especially urgent that we give ourselves the opportunity to evaluate costs before they are imposed on State and local governments, both because the stability of our Federal system itself requires a strong sense of responsibility toward other levels of Government, and because the already-precarious financial condition of many States and localities is further weakened by many of the budget-cutting and budget-balancing proposals now under active consideration by the Congress. It would be irresponsible in the extreme to balance the Federal budget by imposing ever-heavier burdens on the budgets of other governments.

My second bill moves in a parallel direction. It would require the costs to State and local governments of compliance with new Federal regulations to be weighed by the Federal agencies issuing the regulations, and it would provide relief for State and local governments from excessive costs resulting from Federal mandates and regulations.

It is no secret that the costs of Federal legislation are sometimes invisible until the regulations implementing the legislation are drafted. It is no secret that the attainment of worthwhile policy objectives often carries heavy costs. It is no secret that these costs often cannot be borne by those who, under the regulations, are held responsible for attaining the objectives.

My bill states that it is the policy of the Federal Government to pay the costs of complying with mandates, regulations and other requirements imposed by the Federal Government on State and local governments. It requires those costs to be assessed. It gives State and local governments opportunities to comment on the estimated costs, as well as the substance, of major regulations. It gives them a subsequent opportunity to report on the actual costs of compliance with a regulation or mandate that is in force. And it provides them with several means of taking the initiative to mitigate excessive costs: by obtaining exceptions and exemptions from regulations, by substituting less expensive means of compliance, by receiving direct reimbursement for the costs of compliance when those costs are exceptionally heavy, or by whatever combination of these remedies is deemed the most effective balance between the fiscal realities of the State or locality and the Federal purpose at stake.

The bill is intended to contribute to the ambitious "regulatory reform" efforts already underway in the Congress. The Senate Committees on Governmental Affairs and on the Judiciary recently completed their versions of regulatory reform legislation. A major element of these bills is the definition of "major rules" that warrant special attention as they are developed and promulgated. My proposal—which I would expect to incorporate into the general legislation at the appropriate time—would identify the economic impact on State and local governments as a specific factor that commands such attention.

I do not suggest for a moment that State and local governments are the only fit objects of our concern with the costs of Federal mandates and Federal regulations. But I have been particularly concerned with their plight in an era when such previously secure-seeming pillars of fiscal federalism as general revenue sharing are in jeopardy. And I have been struck by what Mayor Edward I. Koch of New York City, in a brilliant address entitled "The Mandate Millstone," characterized as the "ever-widening gulf separating the programmatic demands of an activist Congress from its concurrent fiscal conservatism."

Activism led to one after another—usually costly—Federal requirement, prohibition or mandate. But fiscal conservatism led to ingenious devices for transferring many of those costs to those being regulated. The result, in the instance of New York City, is estimated by the mayor to total $7 billion in costs that the city must bear during the 4 fiscal years 1980–83 as a result of Federal (and some State) mandates.

The bills I am introducing today will not have an immediate or direct effect on those costs, for each is embedded in the structure of an extant Federal law or regulation. But over time they would force greater scrutiny of such costs by Congress and by the Federal executive branch, would give State and local governments greater opportunity to participate in the process, and would provide exemptions, variations, compensation, and other forms of redress in situations where the costs of compliance with Federal mandates are excessive.

I want to call attention to the large difference between the approach I am suggesting and that embodied in an amendment to the budget resolution that the Senate agreed to on May 7. My proposal accepts the inevitability of Federal legislation and regulation and asks only that fiscal impact be weighed and, if necessary, mitigated in particular situations where they are unduly burdensome. By contrast, the amendment offered last week by my good friend and distinguished Budget Committee colleague, Senator CHILES—by mandating that all Federal regulations have in the aggregate a "zero net inflation impact"—could paralyze the governmental process. To be sure, that is not its intent, but as Senator RIBICOFF, chairman of the Governmental Affairs Committee, pointed out during the debate on it, "it is unworkable, it violates basic principles of administrative law, and it ignores legislative alternatives that have been carefully considered and adopted by the Governmental Affairs Committee."

The amendment carried by a rollcall vote of 53 to 34. I believe it is significant, however, that of the 25 Northeastern Senators who cast their votes, 15 were opposed. This, notwithstanding the fact that in the main it is the cities and States of the urban, industrial Northeast that are most adversely affected by Federal regulations and least able to bear the costs of complying with them. Why, then, did three-fifths of the Northeastern Senators vote against the Chiles amendment? I submit that a substantial part of the reason may be associated with the fact that we, in the main, recognize a legitimate Federal role in these matters. We do not seek to shackle the National Government but, rather, to identify specific problems with Federal regulation and propose remedies that are tailored to them.

These bills are a beginning. They initiate the process of being honest with ourselves in recognizing that change, no matter how desirable, is seldom free. "It is an all too American belief," David Riseman has written, "that all reforms are compatible." It may be that we cannot revitalize our city and State governments at the same time as we require them to spend billions of dollars that they do not have to comply with Federal initiatives—including otherwise landable reforms—that the Federal Government cannot or will not pay for. My bills declare it to be the policy of the United States that the Federal Government should pay for what it requires of others, and they commence the establishment of procedures and mechanisms to carry out that policy.

I ask unanimous consent that the texts of my bills, of the factsheets describing them, and of Mayor Koch's speech, the "Mandate Millstone," be printed in the RECORD:

There being no objection, the bills and material were ordered to be printed in the Record, as follows:

S 2691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Government Cost Estimate Act of 1980".

Sec. 2. (a) (1) Section 403 of the Congressional Budget Act of 1974 is amended by inserting "(a)" before "The".

(2) Clause (1) of section 403(a) of such act (as redesignated by paragraph (1) of this subsection) is amended by striking out "costs which would be incurred in carrying out such bill or resolution" and inserting in lieu thereof "the costs which would be incurred by the Federal Government in carrying out such bill or resolution, and an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution".

(3) Section 403(a) of such act (as redesignated by paragraph (1) of this subsection) is further amended by striking out "estimate" each place it appears in clause (2) and in the last sentence, and inserting in lieu thereof "estimates".

(b) Section 403 of such act is further amended by adding at the end thereof the following new subsection:

(b) For purposes of subsection (a), the term 'local government' has the same meaning as in section 103 of the Intergovernmental Cooperation Act of 1968.".

Sec. 3. The amendments made by the first section of this act shall apply with respect to bills and resolutions reported by committees of the Senate and the House of Representatives after the date of the enactment of this act.

Description of Legislation—S. 2691

Short title: "State and Local Government Cost Estimate of 1980".

This bill amends the Congressional Budget Act of 1974 by adding the requirement that the CBO provide Congress "an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution."

This new requirement would be an addition to the current requirement that CBO provide estimates of 5 year costs to the Federal government of bills and resolutions.

S. 2692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Government Mandate Reduction and Regulatory Compensation Act of 1980".

STATEMENT OF FINDINGS

Sec. 2. The Congress finds and declares that—

(1) too little attention has been paid during the Federal rulemaking process to the costs incurred by State and local governments in carrying out rules promulgated by Federal agencies;

(2) Federal agencies have tended to promulgate rules which, individually or cumulatively, place a financial burden on State and local governments which such governments are often unable to support;

(3) Federal agencies do not make an adequate effort during the rulemaking process to ascertain the actual costs incurred by State and local governments in carrying out rules; and

(4) the Federal regulatory process does not have adequate means to provide relief or redress to State and local governments overburdened by the costs of carrying out Federal rules and complying with Federal mandates.

STATEMENT OF POLICY

Sec. 3. It is the policy of the United States that—

(1) the Federal Government, and not State and local governments, should bear the costs incurred by State and local governments in carrying out rules promulgated by Federal agencies; and

(2) until the Government achieves the policy specified in clause (1), the Government should waive or modify the applicability of a major rule in any case in which a State or local government establishes that it cannot implement the rule in good faith without incurring severe economic stress.

DEFINITIONS

Sec. 4. (a) For purposes of this Act—

(1) the term "agency" has the same meaning as in section 551(1) of title 5, United States Code;

(2) the term "rule" has the same meaning as in section 551(4) of such title;

(3) the term "major rule" means any rule which the agency estimates will—

(A) have an annual effect on the economy of $100,000,000 or more;

(B) cause a significant change in costs or prices for individual industries, geographic regions, or State or local governments;

(C) have a significant effect on employment or the competitive process; or

(D) otherwise have a major impact, except that such term does not include a rule promulgated to implement the internal revenue laws of the United States; and

(4) the term "local government" has the same meaning as in section 103 of the Intergovernmental Cooperation Act of 1968.

REGULATORY ANALYSIS

Sec. 5. (a)(1) Whenever an agency is required by section 553(b) of title 5, United States Code, or by any other law, to publish general notice of proposed rulemaking for any major rule, the agency shall prepare an initial regulatory analysis, written in plain English, for the rule. The agency shall make copies of the initial regulatory analysis available to members of the public without charge and shall publish in the Federal Register at the time of publication of general notice of proposed rulemaking for the rule a statement describing how members of the public may obtain such copies.

(2) Each initial regulatory analysis shall include—

(A) a description of the reason why action by the agency is required;

(B) a succinct statement of the need for and objectives of the rule and of the statutory authority on which the rule is based;

(C) an identification, to the extent practicable, of all relevant rules which the proposed rule may duplicate, overlap, or affect; and

(C) a preliminary description of the costs of the rule and of the portions of such costs that will be incurred by the Federal Government, State governments, and local governments.

(3) Following the publication of general notice of proposed rulemaking for a major rule, the agency shall allow a period of not less than 60 days prior to the promulgation of the final rule in order to provide opportunities for public comment on the initial regulatory analysis and for public participation in the rulemaking under section 553 (c) of title 5, United States Code.

(b)(1) Whenever an agency—

(A) prepares an initial regulatory analysis of a rule under subsection (a); or

(B) determines, on the basis of comments received concerning a proposed rule, or on the basis of changes made in the rule by the agency, that such rule is a major rule under section 4(3) for which an initial regulatory analysis should have been prepared under subsection (a);

the agency shall prepare and make available to the public, upon adoption of the rule, a final regulatory analysis. The agency shall make copies of the final regulatory analysis available to members of the public without charge and shall publish in the Federal Register with the publication of a final rule under section 553(d) of title 5, United States Code, a statement describing how members of the public may obtain such copies.

(2) Each final regulatory analysis shall include—

(A) a succinct statement of the need for, and the objectives of, the rule;

(B) a detailed analysis of the projected costs of the rule and of the portions of such costs that will be incurred by the Federal Government, State governments, and local governments; and

(C) a summary of the comments made by the public in response to the initial regulatory analysis, a summary of the assessment made by the agency of such comments, and a statement of any changes made in the proposed rule as a result of such comments.

COST ANALYSIS

Sec. 6. (a) Within one year after the effective date of a major rule, and annually thereafter, the agency which promulgated the rule shall prepare and transmit to the Chairman of the Regulatory Council an analysis of the costs incurred by the Federal Government and State and local governments in carrying out the rule. In preparing the analysis, the agency shall request State and local governments to submit data to the agency concerning such costs. A State or local government is not required to respond to a request of an agency under this subsection.

(b) The Chairman of the Regulatory Council shall compile the data contained in each analysis received pursuant to subsection (a), classify the costs incurred by the Federal Government and State and local governments in carrying out agency rules according to the functional areas of regulatory activity used in the Calendar of Federal Regulations published by the Council, and prepare and transmit an annual report to the President and the Congress containing such compilations and classifications.

REVIEW OF EXCESSIVE COSTS OF AGENCY RULES

Sec. 7. (a)(1) In furtherance of the policy described in section 3, each agency shall establish procedures to permit a State or local government, or a group of such governments, to initiate an agency proceeding to review a major rule. The agency shall initiate such a proceeding upon receipt of a written notice from a State or local government stating that the State or local government has determined that—

(A) the aggregate cost such government will incur in carrying out the rule will exceed—

(i) two percent of the average annual operating or capital budget of the State or local government during the three years preceding the year in which the rule is promulgated; or

(i) two percent of the average annual cost, during the three years preceding the year in which the rule is promulgated, of the programs or activities conducted by the State or local government which are directly governed or affected by the rule;

(B) such government incurs costs in carrying out the rule which exceed the costs of meeting the performance objectives or standards of the rule;

(C) except as provided in paragraph (2), such government is under fiscal and economic stress and incurs costs in carrying out the rule which severely and adversely affect the ability of the government to support programs, actions, or activities to alleviate the fiscal, economic, and social causes of such stress; or

(D) the objectives of the rule can be carried out by such government through means which are equally effective as the means required by the rule and less costly to the government than such means.

(2) A local government may only make a determination under paragraph (1)(C) on or after the date on which the Regulatory Council establishes the indices required under section 8.

(b) For purposes of subsection (a)(1)(C)—

(1) a State government shall be deemed to be under fiscal and economic stress if—

(A) between the date of enactment of this Act and the date on which the Regulatory Council establishes the indices required by section 8, the rating of such government on the composite index of fiscal and economic stress published in 1979 by the Advisory Commission on Intergovernmental Relations exceeds the median rating on such index for all such governments; and

(B) at any time on or after the date on which the Regulatory Council establishes the indices required by section 8, the rating of such government on the index of fiscal and economic stress developed by the Council under section 8 for State governments exceeds the median rating on such index for all such governments; and

(2) a local government shall be deemed to be under "fiscal and economic stress" if, on or after the date on which the Regulatory Council establishes the indices required by section 8, the rating of such government on the index of fiscal and economic stress developed by the Council under section 8 for local governments exceeds the median rating on such index for all such governments.

(C) After receipt of a notice from a State or local government under subsection (a), the agency shall hold a hearing to review the notice and to decide whether such government correctly made each determination stated in such notice pursuant to subparagraph (A), (B), (C), or (D) of paragraph (1) of such subsection. The agency shall give such government an opportunity to participate in the hearing. If, on the basis of the evidence adduced at a hearing, the agency decides that the determinations made by the government in the notice with respect to the rule are correct, the agency shall review the rule, provide the government with an opportunity to participate in such review, and take one or more of the following actions:

(1) Modify the rule to eliminate the costs which—

(A) exceed the costs described in subparagraph (A) of subsection (a)(1); or

(B) exceed the costs of meeting the performance objectives or standards of the rule; or

(C) are incurred by the government and which cause the severe and adverse effects described in subsection (a)(1)(C).

(2) Waive, in whole or in part, the requirements of the rule applicable to such government to the extent necessary to eliminate the costs described in subpargraph (A), (B), or (C) of pargraph (1).

(3) Compensate the government for the costs described in subparagraph (A), (B), or (C) of paragraph (1) incurred by such government in carrying out the rule.

(4) Permit such government to carry out the objectives of such rule through alternative means which are equally effective as the means required by such rule and are less costly to the government than such means.

(d) Any determination or action of an agency under subsection (c) shall not be subject to judicial review.

(e) To carry out the provisions of subsection (c)(3), there are authorized to be appropriated such sums as may be necessary.

DEVELOPMENT OF INDICES OF FISCAL AND ECONOMIC STRESS

Sec. 8. Within two years after the date of enactment of this Act the Regulatory Council, in consultation with the Advisory Commission on Intergovernmental Relations, shall develop and establish separate indices of fiscal and economic stress for State governments and local governments.

Sec. 9. The provisions of this act shall take effect on the date of enactment of this act.

DESCRIPTION OF LEGISLATION—S. 2692

Short title: "State and Local Government Mandate Reduction and Regulatory Compensation Act of 1980"

Operative provisions: (intended as steps toward achieving the general policy that the Federal government ought to pay the costs incurred by State and local governments for compliance with Federal mandates)

1. Before the promulgation of a major Federal rule, estimates of the rule's costs to the Federal government and to state and local governments must be published by the promulgating agency.

2. After the promulgation of a major Federal rule, the promulgating agency must annually provide an analysis of the actual costs of the rule to the Federal government and to the State and local governments.

3. Whenever a State or local government establishes (subject to the Federal agency's confirmation) that it incurs excessive costs (described below*) in complying with a major Federal rule, or that it could effect the rule's intent by less costly means, the promulgating agency will be obliged to take one or more of four actions (i.e., either singly or in combination) with regard to that government:

a. modify the rule so as to eliminate the excessive costs; or

b. waive the requirements of the rule in a way which will eliminate the excessive costs; or

c. permit the government to use an alternative means to achieve the rule's intent (means which are less costly and as effective as the means required in the rule); or

d. compensate the government for the excessive costs.

4. The United States Regulatory Council (and ACIR) will, within two years of this bill's enactment, develop separate stress indices for States and local governments—which will then replace the index noted above, so that both States and localties will ultimately be covered.

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*Note: The bill sets forth criteria for what might be called excessive costs to a State or local government. These include—

a. that portion of the aggregate cost of compliance with a major rule which is in excess of—

(1) two percent of the average annual operating or capital budget of the State or local govenment, as measured over the three years prior to the year of the rule's promulgation; or

(2) ten percent of the average annual cost of programs or activities (conducted by the State or local government) whose costs are directly affected by the rule, again as measured over the three years prior to the rule's promulgation.

b. any costs which are in excess of those costs needed for a State or local government to meet the actual performance standards of the rule. (For example, if the government can meet a rule's pollution control guidelines without increasing its staffing or without building new modifications into its physical plant—then any costs of adding such additional staff or modifications as may be required by the rule will be deemed excessive.)

c. costs which seriously impede a State's efforts to relieve its fiscal, economic, or social distress—which State government itself is already under severe fiscal and economic stress, as defined by the "fiscal-economic stress index" developed by the staff of the Advisory Commission on Intergovernmental Relations. (Those states which are above the composite index's median are considered to be under fiscal and economic stress. Note: This index measures only States' stress, there being no comparable index yet available for localities.)

THE MANDATE MILLSTONE

(By Mayor Edward I. Koch)

My topic this morning is "The Mandate Millstone"—a maze of complex statutory and administrative directives that, over the past decade, has come to threaten both the initiative and the financial health of local governments throughout the country. My concern is not with the broad policy objectives that such mandates are meant to serve, but rather with what I perceive as the lack of comprehension by those who write them as to the cumulative impact on a single city, and even the nation.

I want to emphasize that my criticism is directed at the shortcomings of a system that has evolved over the course of many years. This is not the fault of particular individuals nor of today's leadership; it is rather an inheritance from the work of several Administrations and Congresses, including some in which I served.

The City of New York, as an example, is driven by 47 federal and state mandates. The total cost to the city of meeting these requirements over the next four years will be $711 million in caiptal expenditures, $6.25 billion in expense budget dollars and $1.66 billion in lost revenue.

In the federal level, the current crop of mandated programs is really the second stage in the evolutionary process of activist lawmaking exhibited by the Congress. First, in the 1960's came the Great Society programs. The nation's cities could choose from a bountiful catalog of Federal grants which offered to foot 80, 90 or even 100 percent of the cost of enormously ambitious programs. In a time of unprecedented prosperity, with only higher expectations ahead, local governments eagerly went after Federal funds even, at times, at the expense of comprehensive planning.

Left unnoticed in the cities' rush to reallocate their budgets so as to draw down maximum categorical aid were the basic service delivery programs taken for granted by the Great Society architects. New roads, bridges and subway routes were an exciting commitment to the future, but they were launched at the expense of routine maintenance to the unglamorous, but essential, infrastructure of the existing system. Further, the enticement of federal aid drew cities into new social service commitments that were soon to monopolize their budgets.

The 1960's left a bitter legacy for cities in two respects. As prosperity fell hostage to inflation, and then stagflation, the bright promises of programs so boldly launched with Federal aid collapsed under exponential cost overruns. Projects under construction, such as our Second Avenue subway, had to be abandoned and the new concealed but still remembered excavation serves to remind the public of how easily government can fall victim to monumental folly.

Perhaps more damaging was the shift in the 1970's in the legislative approach, particularly in Congress, to the grand commitments of the 1960's. Sweeping solutions to social ills were still in vogue, but this time the public purse had a bottom to it, and its guardians became adept at fending off the claims of local governments. The result has been an ever widening gulf separating the programmatic demands of an activist Congress from its concurrent fiscal conservatism.

By the close of the 1970's the cities found themselves under the guns of dozens of Federal laws imposing increasingly draconian mandates. From the perspective of local government the mandate mandarins who write these laws appear to be guided by certain disturbing maxims such as:

Mandates solve problems, particularly those in which you are not involved.

The Federal government, for example, has shown no reluctance in ordering sweeping changes, whose impact it will never have to face since it does not hold the final service delivery responsibilities in, for eamxple, education, transportation and sewage disposal.

Mandates need not be tempered by the lessons of local experience.

Frequently a statutory directive will impose a single nationwide solution to a perceived problem, such as sewage treatment, that has been developed in the isolation of a consultant's office and rarely, if ever, exposed to real world conditions in the affected regions.

Mandates will spontaneously generate the technology required to achieve them.

Congress has shown a disturbing penchant for prohibitions on existing approaches to problems such as ocean dumping, for which no practical replacement has been developed.

The price tag of the lofty aspiration to be served by a mandate should never deter its imposition upon others.

Statutory commands are rarely accompanied by adequate financial assistance. Most extreme in this instance is the accessibility mandate for transit systems and the requirements relating to the education of the handicapped.

I do not for a moment claim immunity from the mandate fever of the 1970's. As a Member of Congress I voted for many of the laws which I will discuss, and did so with every confidence that we were enacting sensible permanent solutions to critical problems. It took a plunge into the Mayor's job to drive home how misguided my Congressional outlook had been. The bills I voted for in Washington came to the Floor in a form that compelled approval. After all, who can vote against clear air and water, or better access and education for the handicapped? But as I look back it is hard to believe I could have been taken in by the simplicity of what the Congress was doing and by the flimsy empirical support—often no more than a carefully orchestrated hearing record or a single consultant's report—offered to persuade the Members that the proposed solution could work throughout the country. The proposals I offer address this problem by increasing the level of scrutiny applied to both the cost and feasibility of mandates directed at local governments.

Let me now turn to the case histories of some of the more onerous mandates faced by New York City. I use my city as an example, because I know its problems best. The problems we face of course, recur throughout the United States. The numbers may be larger in New York but these mandates have an equally significant impact on the budget and local autonomy of every city.

PROVIDE TOTAL ACCESS FOR THE HANDICAPPED

An example of a mandate that may totally skew capital spending nationwide in the 1980's at all levels of government is the handicapped access program required by regulations promulgated in response to Section 504 of the Rehabilitation Act of 1973.[1]

No one would argue that we need to commit funds to make transit systems and buildings accessible to the handicapped. But one also has to deal with the limitations—both financial and physical—that exist in the real world beyond the printed page of the Federal Register.

The Departments of Transportation[2] and Health, Education and Welfare[3] have issued regulations that set as a mandate total accessibility for the handicapped to transit systems, instead of dealing with the function of transportation: mobility. In rejecting numerous appeals for modest exemptions and waivers, these regulations impose a restrictive and inflexible interpretation of the basic mandate of Section 504. Ironically, in focusing on accessibility the regulations fail to benefit a significant portion of the severely disabled. Subways and buses may ultimately be made fully accessible, but a disabled person may not be able to get to the system to enjoy its accessibility.

In this instance, alternatives are available. New York City has a far more extensive and flexible bus system than its subway system. Given the numbers of handicapped people impacted—some 22,800 in wheelchairs and 110,000 semi-abulatory for a system that carries about 5.3 million people on a weekday—a more reasonable approach can be formulated to meet the transportation needs of the disabled. The City of New York has proposed making its buses accessible and providing a paratransit system for the most severely disabled. Paratransit will provide door-to-door service and can make the difference between a handicapped person being a prisoner in his or her home or a mobile member of the community. Similar paratransit services are in planning or underway in other cities.

The DOT regulations presently proposed do not accept the alternative of a bus and para-transit mix.[4] Beyond bus accessibility, the regulations appear to demand accessibility in 53 percent of our subway stations within thirty years, at a cost in today's dollars of some $1.3 billion. Added to this will be at least $50 million in recurring annual operating expenses. And the regulations make no affirmative provision for meeting the handicapped community's myriad difficulties in getting to buses and subways.

It would be cheaper for us to provide every severely disabled person with taxi service than making 255 of our subway stations accessible. Indeed, the Congression Budget Office in its report of November, 1979 on Urban Transportation for Handicapped Persons, Alternative Federal Options, estimated that the cost of implementing the 504 regulations when spread over the limited number of wheelchair users and severely disabled passengers, will be $33 per trip. In contrast, transit trips by the general public cost, on the average, about 85 cents.

Should we somehow achieve the prescribed level of systemwide rapid transit accessibility, I believe that even the most courageous will test it only once to satisfy themselves that they are able to ride the subways and that few will do it on a regular basis.

The history of this mandate points up a basic fallacy in the process leading to its promulgation: unrealistic projections by Federal agencies of the cost of realizing mandated goals. When the Department of Transportation issued its preliminary nationwide regulations for public review and comment in early 1978, it used a figure of $1.8 billion for the contemporary cost of making all transportation systems accessible. This was clearly an unrealistic estimate and implied an unwillingness by the Department to face up to the magnitude of the course they were proposing to require. The Congress acknowledged this credibility gap and in 1978[5] ordered the Department to submit a report by early 1980 on the costs of accessibility based on a survey of all rail transit operators.

Finally, the Section 504 regulations are crippled by the lack of available technology to achieve the mandated standard of accessibility. Bus lifts have yet to be developed that operate without frequent breakdowns; no U.S. bus manufacturer would even bid to build the Transbus; and people are just starting to think about devices than can span the distance between a rapid transit vehicle and the passenger boarding platform.

The issue of transit accessibility is one that the Department of Transportation must deal with quickly. If an affirmative policy decision is not made to bring the demands of 504 in line with the practical limits on compliance efforts, transit subsidies in the 1980's will be severely distorted making systems accessible to several thousand people while forsaking improvements needed on the total system. The cost in operating reliability will very likely reduce the quality of service available to both current users and those who should benefit from improved accessibility. We may, in fact, build a system under the 504 mandate which most handicapped people can't use due to the barriers still remaining, and which, if they do manage to board breaks down far more frequently.

EDUCATE HANDICAPPED CHILDREN

While the Congress may have been thoughtless or arbitrary in compelling universal access for the handicapped without sufficient consideration of the real world constraints on localities, it has been almost cynical in its implementation of the directive that all handicapped children be provided "a free and appropriate education."[6] It is impossible to attack the virtues of this objective. Yet the structure of the program enacted to accomplish it not only dooms the compliance efforts of local school districts, but also jeopardizes the overall quality of education that can be offered to all children.

The Federal law contains three fundamental defects. First, the formula by which accompanying Federal assistance is measured looks to the national average cost of educating a non-handicapped child and thus completely overlooks the far broader scope of services that are needed to bring the promise of the mandate to the actual population it was designed to benefit. The formula contains a second fallacy in its use of a single nationwide average cost; it deprives school districts with high education costs and high concentrations of handicapped pupils of any recognition of the greater costs and special problems they face in designing compliance programs.

In New York City we have had to budget $8,180 per handicapped pupil, nearly three times the cost of educating a non-handicapped child. This compares to the national average figure of $1,400 for non-handicapped children employed by the federal government to determine the level of assistance for handicapped educational programs. Third, and most disturbing, has been the consistent failure by Congress even to appropriate the full measure of assistance authorized by an already restrictive formula. Here we have the Congress implicitly reneging on the delivery of an already meager federal share of the cost of meeting its own national mandates. The shortfall in appropriations has grown over the past two years to the point where less than half of the authorized amount has bee distributed to affected school districts. The act authorized an appropriation in Fiscal Year 1980 of 20 percent of the understated federal calculation of national costs; the appropriation however was only 12 percent.

To sum up: first. they underestimate the costs and then they underfund the underestimate. New York City is receiving only $8.5 million in federal aid while spending an estimated $221 million in tax levy dollars for special education in Fiscal Year 1980. Our commitment will grow to at least $278 million in Fiscal Year 1981 and we can only hope that the Congress will keep pace.

This mandate, combined with an inadequate level of federal funds for its fulfillment, has compelled the diversion of increasingly scarce local resources from the education of the rest of the school population. And as in 504, the absolute terms of the mandate discourage any efforts at the local level to develop alternative approaches to the statutory objective, such as the use of

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special facilities providing intensive attention to the needs of handicapped children, which might ease the enormous financial burden imposed by the program.

CLEAN UP THE WATER NOW; WORRY ABOUT THE LAND LATER

Perhaps the most graphic example of a mandate gone haywire is the prohibition, effective on December 31, 1981, of current ocean dumping programs, including New York's for the disposition of sewage sludge In the face of an absolute command to shut down ocean dumping we must look for alternate technology. It would seem elementary that the planet earth, reduced to its most basic elements, offers us only land and water and what can not be dumped in the ocean must be deposited on land.

Incredibly, the Congress and the Environmental Protection Agency have imposed the ban out of concern for water quality in its absence of reliable land disposal technology. Every way the City turns with its sludge it encounters another federal regulation. Banned from the ocean, the alternative we must use—dewatering and composting—will create an end product ladened with heavy metals, the disposal of which may come into conflict with anticipated landfill regulations,[8] permanently rob the landfill of future agricultural use and endanger the area's watertable. The dewatering and composting of sludge will require a $250 million capital investment and $35 million in annual operating costs. The federal government will provide 75 percent of the capital costs; but New York City must shoulder at least 75 percent of the operating costs with the State assuming the remaining 25 percent. This will be only an intermediate step toward an as yet undeveloped permanent replacement for the existing ocean dumping program.

It is anticipated that a permanent replacement will be available in ten years, at which time we will be forced to abandon $150 million of the capital investment in the interim solution because of the potential health and environmental hazards it poses. This is what you might call a classic example of planned obsolescence—all for an imperceptible alteration in water quality for a brief period of time.

While we are covering our land with sludge contaminated by toxic materials, full compliance with yet another EPA regulation,[9] administered jointly with the U.S. Army Corps of Engineers,[10] may result in the cessation of all commerce in the Port of New York. This commerce annually produces more than $32 billion on foreign cargo trade and generates $1.5 billion in personal and business income for New York City's economy. To accommodate the large container vessels that have become the standard vehicle for moving goods by water, the natural depths of New York Harbor must be continually dredged. We have secured a three year extension of the ban on ocean dumping of dredged material. The extension does not, however, relieve us from the obligation to perform the costly bioaccumulation tests required by EPA's ocean dumping criteria,[11] which are subject to evaluation by both EPA and the Corps of Engineers. The interpretation of these tests by the two agencies can be inconsistent so that they may be judged to be within permissible parameters by the Corps of Engineers but not EPA.

The disposition of dredge spoil is plagued by yet another arbitrary standard: the requirement that localities assess seven alternatives for the disposal of the material.[12] The review of seven "possibilities" is required even though only three practical options appear to be available: ocean disposal, contained upland disposal, and use of subaqueous burrow pits.

While the standard laid down by the ocean dumping mandate is currently unrealistic, another federal standard compels the City of New York to operate its sewage treatment plants at secondary treatment capacity, even though area water quality does not require this level of treatment year round. It may be hard to argue against pure waters, but this, standard will force the City of New York to spend $10 million in FY 1981 for superfluous secondary treatment.[13] I might add that while the Federal government contributes 75 percent of the cost of constructing sewage plants, it leaves to the locality the full cost of their operation. Furthermore, the Federal government tells us how to operate and man the plants. New York State has used its interpretation of these Federal regulations as an excuse to deny its 25 percent share of operating costs. We are now having to sue the State of New York over the denial of the City's application for reimbursement in the amount of $6 million withheld in FY 1977.

San Francisco, like New York City, plans to build new secondary treatment facilities. It also contends that full secondary treatment is not necessary on a year-round basis. Consequently, San Francisco has asked EPA to allow it to operate the plant at the primary treatment level during the winter months. Other localities like Los Angeles and Boston have filed applications with EPA, in an effort to obtain complete exemptions from the secondary treatment requirements.

My concern is not simply with the needless expenditure of local dollars, but also with the Federal dollars committed to these programs in amounts that, considered in the context of overall urban needs, are desperately required by other urban programs. We must respond to the fiscal and public policy dilemma that is created by the cumulative impact of courses that individual mandates are blindly propelling us down. Mandates obscure priorities and encumber comprehensive planning.

DON'T ENCUMBER WELFARE RECIPIENTS' SPENDING FREEDOM

Another example of a federal statutory mandate that frustrates local efforts to administer vital programs is the ceiling placed on the use of restricted public assistance payments. In New York State the AFDC program is structured to include a separate shelter allowance for welfare recipients. The total grant paid to each recipient is different depending on his or her rent expenses. The Congress mandates that these monies be included in the recipient's grant and not be paid directly to the landlord.[14] The ostensible rationale for this measure is to preserve the tenant's basic freedom of choice in allocating his check to food, housing and clothing in a manner consistent with his priorities. Exceptions to this policy are made only if a recipient is found to have mismanaged the federal funds. Historically, nonpayment of rent for more than a month has satisfied the mismanagement test.

New York City is faced with an accelerating syndrome of insolvency and abandonment by landlords who provide many of the lower income rental units to AFDC recipients usually because monthly rent collections fall far behind costs. These building owners have repeatedly approached the City seeking relief in the form of "two-party" welfare rent checks which would be issued to tenants who receive public assistance but require co-signature by their landlord before cashing. The City has made a strong effort to implement a two-party check program in areas especially hard hit by urban blight.

Our efforts to improve the situation have been blocked by a federal law that limits to 20 percent of the caseload the number of welfare clients who can be placed on restricted two-party payments.[15] If we exceed this limit we are subject to federal and state disallowances that could result in the withholding of the 75 percent federal and state share of restricted rents exceeding the 20 percent ceiling. A flat 20 percent limit is unrealistic given the magnitude of the problem in New York City. In August 1979 restricted grants reached a level of 18.8 percent of total grant recipients. This required the launching of a crash effort last October to remove clients from two-party rent restrictions before we could recoup the funds advanced to prevent their eviction for nonpayment of rent. We are now at a level of 17 percent of the overall caseload.

Our problems in this area could be compounded further. The Department of HEW has aired a regulation that would prohibit placing a welfare recipient on the restricted payment procedure solely because rent is not paid on time.

HEW argues that failure to pay rent may not be sufficient evidence of mismanagement. When pressed to provide an acceptable definition of mismanagement, HEW suggests that the City would, in every individual case, have to show a diversion of rental funds to such things as vacations, drugs or liquor. Using rent money for items such as food and clothing would not be deemed evidence of mismanagement, despite the fact that the landlord will come up short in rent collections, and even though each recipient receives a special amount for rent, as well as food and clothing allowances.

The HEW answer to the loss of housing caused by non-payment of rent would appear to require the City to publicize counseling services to clients who have difficulty managing their budgets. HEW has even suggested that the City's social service staff make home visits to clients to provide the counseling. This latter suggestion from Washington bureaucrats is particularly naive when it is made to a City saddled with an AFDC population of 736,000 since the administrative cost of such a system would be enormous, and its effectiveness a matter of speculation.

Fortunately, wiser heads appear to be prevailing. The Department of HEW officials are now discussing with state and city officials a more realistic approach to the problems associated with the definition of mismanagement. I am hopeful that this will yield an administratively practical way of protecting the interest of families while not contributing to further deterioration of our housing stock.

THE COSTLY PUBLIC ASSISTANCE PARTNERSHIP

The most severe impact of the restrictions imposed on the two-party check program is the loss of an important component of the City's housing preservation efforts. Of far more immediate concern to our overall financial condition is the statutory formula that sets ceilings on the Federal share of total AFDC and Medicaid programs. The underlying design of both programs directs that the City provide assistance to a potentially unlimited number of recipients, but allows little local control over the benefit levels or eligibility standards which determine their total cost. Having imposed these enormous expenditure commitments, the Congress then restricts its participation by a cost sharing formula that has long been obsolete.

Enacted in the 1940's, the Federal share formula links the reimbursable percentage of program costs to the per capita income of each state.[16] As much as 65 percent of AFDC and 70 percent of Medicaid benefits will be absorbed by the U.S. Treasury in states which rank lowest by this single measurement. New York, with one of the highest per capita incomes in the nation, is limited to the minimum 50 percent contribution for each program. The authors of the formula may have thought their index accurately measured the capacity of state and local government to generate the revenues needed to cover their share of the total costs of an open-ended program. But per capita income, in isolation, cannot reflect two other critical determinants: cost

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of living and the size of the overall tax burden that a state or city is asking its citizens to shoulder. Since New York ranks at or near the top in these criteria, the ability of its taxpayers to carry steadily increasing public assistance costs is, in fact, no better than states enjoying the aid of the higher Federal reimbursement rates.

This inequity has been addressed in several pending legislative proposals. I urge the Congress to give prompt consideration to S. 2073, introduced by Senator Moynihan, which would build cost of living considerations into the Medicaid reimbursement formula and refine the definition of recognized per capita income to assure a fair measurement of a state's ability to finance its share of the costs of that program. Enactment of these reforms would reduce public assistance expenditures in New York City alone by $200 million, and would also establish a vital precedent to guide the more comprehensive welfare overhaul efforts currently underway in both Congress and the Administration.

COURT MANDATES

In addition to the federal statutory and administrative mandates reviewed so far, the City must also cope with the staggering impact that decisions of the federal courts, interpreting and applying the sweeping mandates of federal law, can have on the fiscal stability of localities and on their ability to govern with some minimum degree of flexibility. In New York City, for example, a program was initiated in conjunction with a planned new hiring of entry level officers aimed at increasing the total number of minorities on the police force.

The Police Department spent $250,000 conducting an intensive recruiting campaign among minority groups, and arranged for test preparation classes at locations throughout the City that were readily accessible to candidates from minority communities. The City designed a civil service examination with the aid of outside experts that would produce the largest possible number of eligible candidates from all ethnic groups. Minority applicants represented 30 percent of those taking the test.

When the Civil Service appointment list was prepared from the results of the test, 13,000 candidates, the number sought as the pool needed for hiring, had obtained a grade of 94 or better. When an ethnic survey disclosed that of the 13,000 placed on the list only approximately 15 percent were black and hispanic, a federal judge found not only statistical discrimination from the test results, but went further and held that the results were evidence that the City had practiced intentional discrimination. He then directed that a quota be used in hiring from the list calling for 50 percent new hires to be black and hispanic candidates until at least 30 percent of the entire police force was black and hispanic.[17] The net effect is that the courts are no longer examining the fairness of the test; they are examining the results. And if the test does not turn out the way the judge wants, he imposes the result that is consistent with his personal, political viewpoint.

I believe that the judge in the police case is simply wrong on the finding of intent, and on the facts and the law. But the real threat to the City from this decision is that under federal law, unless the City enters into a compliance agreement with the Office of Revenue Sharing in the Treasury Department imposing some kind of quota or affirmative action program—and, I might add, thereby violates our Civil Service obligations under the State Constitution—the City's unrestricted revenue sharing funds, approximately $300 million per year, could be withheld by the federal government. That situation is simply intolerable and affects not only New York but every state and city in this country. I will never accept quotas voluntarily in any program administered by the City of New York. It is unconscionable to me that in this matter, where the tests are job-related and reasonable, the courts will ultimately impose quotas.

STATE REQUIREMENTS

The problem posed by the self-styled altruism of the federal mandates reviewed thus far are compounded by equally and in some cases more arbitrary dictates of state government. The unique size and density of New York City usually precludes our legislature from using the shield of uniformity to cloak an inflexible directive. That has not, however, prevented Albany from imposing its own onerous requirements on the City.

The state, with local concurrence, has assumed since 1976 responsibility for the administration of the judiciary at all levels.[18] The generosity of this arrangement has been tempered in large degree by legislation a year later which restored the local obligation to finance all maintenance, improvement, and expansion programs required to support an adequate level of caseload capacity.[19] Thus reduced to the status of a silent partner, we face escalating annual local tax levy commitments to the state-run court system that will reach $23 million by Fiscal Year 1982.

The state public housing program offers a second example of the serious fiscal implications of an imposed local partnership. Prior to 1961 New York State made separate payments to each State Housing project. Then, the Legislature consolidated its subsidy payments, and froze the state share at $44 million.[20] This has left the City's budget as the bank of last resort for the chronic deficits experienced in metropolitan area projects. With rents kept down to assure an adequate housing supply for lower income tenants and maintenance costs increased by the facilities' age and inflation, the City must increase its subsidy to this program by an average of 17 percent each year. We will be spending $13 million by Fiscal Year 1983 to comply with the state-mandated obligations.

An even more extreme example in the state mandate that the City provide legal services for indigent parties in the courts.[21] This exposes our budget to still another significant and potentially unlimited expenditure requirement that will amount to at least $9 million annually in the next three fiscal years. The State's contribution to this program is zero.

Perhaps the most unfair type of state regulation is that which holds out the promise of fiscal relief but measure eligibility by an impossibly high standard. Public assistance recipients in New York who are not eligible for the federal AFDC program are given Home Relief benefits financed jointly by the state and the client's locality.

The state share of these costs is normally set at 50 percent but increases from 50 percent to 60 percent for any social service district that can demonstrate on AFDC error rate of 4.5 percent or less.[22] That has not proved to be an overly difficult task for upstate communities whose aggregate caseload permits intensive monitoring. In New York City, however, a marginal reduction in error rate is achieved only after enormous investments in detection and prevention programs which must survey a welfare population of 736,000, larger than most towns in New York State.

We have made impressive progress in this area, and can point to an error rate reduction program that has brought the City from the 1973 level of 18 percent to the current 7 percent rate. But we are far from achieving the 4.5 percent rate specified as a condition for a 60 percent state share of program costs, and the $23.5 million saving that would bring. It is quite possible that a system as huge as New York City's can never reduce errors to 4.5 percent, or could do so only at a cost far beyond the proffered fiscal incentive. The discrimination practiced by the state's formula is obvious and warrants immediate relief through an appropriate adjustment to the Social Services Law that would set realistic targets for New York City.

No review of state-imposed mandates would be complete without reference to the Heart Law.[23] This directive, first enacted in 1970, is the most frustrating example of how the Legislature can tie the hands of local officials charged with the responsibility of administering a program in accord with the best interests of their community. The law deprives public pension fund trustees of the broad discretion traditionally allowed them by erecting what the unions claim is an absolute presumption that every heart ailment reported by a retiring police or fire department employee was attributable to an "accident" in the course of his employment. Since the underlying retirement program authorizes a tax-free disability pension at three-quarters pay for such a condition, the Heart Law creates a huge potential loophole in the half-pay ceiling placed on standard pension benefits. The mandate reflects an overwhelming concern for the welfare of one group of City workers, who can develop a heart condition on the job but may also do so behind the lawn mower on a day off; a concern, I might add, which does not extend to the job title of Mayor whose occupant routinely encounters stress throughout a far less predictable working day.

The City believes that fully half of the disability applications approved under the law's compulsion would not stand up under a thorough medical analysis of the ailment's actual cause. And while some may view the law as generous, it is a measure of generosity, amounting to $12 million to date, that the Legislature did not choose to fund and that the City can ill afford.

NEEDED REMEDIES

In parading this catalog of arbitrary, restrictive, or counterproductive mandates before you I hoped to demonstrate both the complex demands confronting an urban chief executive today and the need for comprehensive revisions to the process by which such directives are formulated. To its authors a new mandate may appear to be a bold experiment in behavior modification for a worthy goal. But I do not think they view themselves as accountable for the hardship they may inflict on a particular locality. A superior level of government can not, they would argue, be expected to anticipate every nuance in a far reaching policy initiative. Indeed not—here lies the very reason why federal mandates must be flexible enough to accommodate local circumstances.

As the Mayor to whom those who must endure the hardship of irresponsible mandates look for relief, I must serve notice that I can no longer accept the monotonous refrain that "it's up to Washington to correct its errors." It is long past time for the system to become responsive to the needs of those it purports to regulate, and for effective controls to be placed on the mandate machinery.

I do not claim to offer more than a rough outline for a modest measure of protection from the kinds of excesses now faced by a city like New York, but urge that prompt and careful consideration be given to the following proposals:

All mandates should include waiver provisions that afford an appropriate measure of recognition of a locality's efforts to address the objective through alternate means, or to integrate the required program with competing or complementary policies. New York has, in several instances, commenced negotiations seeking administrative relief only to be met with an almost reflex hostility to allowing the slightest relaxation or modification of the mandates. This attitude may reflect a natural bureaucratic concern that the first variance breeds a collection of ex-

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Footnotes at end of article.

ceptions that will carve the underlying statute into an unworkable patchwork. But the administrators of these laws must be directed, by statute or Executive Order, to accommodate requests for waivers authorizing additional time or modified procedures from communities who offer reasonable evidence of an unfavorable impact.

Special consideration should be given to cities whose local revenue raising and expenditure powers have come under the control of external authorities. It may be some years before we can measure the success of current efforts by all three levels of government to insulate the American metropolis from the twin cycles of declining revenues and spiraling costs. It makes absolutely no sense for the federal and state authorities to nullify their own ambitious urban assistance programs through the inflexible application of arbitrary mandates and the horrendous price tags they carry.

Action on any proposed mandate should be deferred until a report has been prepared on both the potential impact it would have on local government expenditures and the state of existing or proposed technology available to achieve timely compliance. Agencies such as the Congressional Budget Office and the Office of Technology Assessment are already in a position to perform an objective analysis of this nature which could be summarized in reports that would accompany legislative proposals to the Floor. Such a procedure would assure that the mandate makers are fully informed of the potential shock waves their action may send throughout affected communities.

No mandate should be imposed unless alternative methods of compliance are offered, with the final selection left to local option. In the exceptional case where its authors are convinced that a single standard and procedure must be imposed they should authorize variations in the timing of and approach to compliance within appropriate parameters, which are proportional to the degree of hardship or potential program failure among affected communities.

Finally, it is of overriding importance that every mandate be accompanied by financial aid sufficient to achieve compliance. The aggregate tax levy resources which must be committed to all of the federal and state presently imposed on the City amount to $938 million at a time when we must identify $200 million in net expense budget reductions for Fiscal Year 1981.

Action on any proposed mandate should be deferred until a report has been prepared on both the potential impact it would have on local government expenditures and the state of existing or proposed technology available to achieve timely compliance. Agencies such as the Congressional Budget Office and the Office of Technology Assessment are already in a position to perform an objective analysis of this nature which could be summarized in reports that would accompany legislative proposals to the Floor. Such a procedure would assure that the mandate makers are fully informed of the potential shock waves their action may send throughout affected communities.

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Finally, it is of overriding importance that every mandate be accompanied by financial aid sufficient to achieve compliance. The aggregate tax levy resources which must be committed to all of the federal and state mandates presently imposed on the City amount to $938 million at a time when we must identify $299 million in net expense budget reductions for Fiscal Year 1981.

This nation has encouraged local independence and diversity throughout its history. We cannot allow the powerful diversity of spirit that is a basic characteristic of our federal system to be smothered under the grim conformity that will be the most enduring legacy of the mandates I have reviewed today.

In this speech, I have not been able to discuss all the mandates New York City is laboring under. What follows is a summary of the 47 mandates and their costs. An appendix describing the nature and costs of each mandate is also available.

FOOTNOTES

[1] 29 U.S.C. § 794.

[2] 49 CFR Part 27.

[3] 45 CFR Parts 84 and 85.

[4] 49 CFR Part 27.

[5] Surface Transportation Assistance Act of 1978, 49 U.S.C. § 1612.

[6] Education for All Handicapped Children Act, 20 U.S.C. § 1401 et seq.

[7] Marine Protection, Research & Sanctuaries Act, 33 U.S.C. § 1412a.

[8] EPA is required to promulgate regulations under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. Draft regulations have been circulated.

[9] 40 CFR Part 227.

[10] 33 CFR Part 324.

[11] Marine Protection, Research and Sanctuaries Act, 33 U.S.C. § 1401 et seq. and 40 CFR Part 227.

[12] 40 CFR § 227.15.

[13] Clean Water Act, 33 U.S.C. § 1251 et seq. and Federal Water Pollution Control Act, 33 U.S.C. § 1287 et seq.

[14] Social Security Act, 42 U.S.C. § 606.

[15] Social Security Act, 42 U.S.C. § 603.

[16] 42 U.S.C. § 1396d(b).

[17] *Guardians Association of N.Y.C. Police Department, Inc.* v. *Civil Service Commission of the City of New York*, 79 Civ. 5314 (S.D. N.Y. January 11, 1980).

[18] Section 39 of the Judiciary Law.

[19] *Id.*

[20] Section 73 of the Public Housing Law.

[21] Family Court Act Sections 262 and 1120; County Law Section 722, Articles 18–A and 18–B; Surrogates Court Procedure Act § 407.

[22] Sec. 153–C of the Social Services Law.

[23] Gen. Mun. Law § 207–K.

SUMMARY—FINANCIAL PLAN IMPACT, FEDERAL/STATE MANDATES, FISCAL YEARS 1980-83

[Dollar amounts in millions]

	Fiscal years 1980–83			
	Total	City	State	Federal
EXPENSE BUDGET				
Criminal justice:				
Court administrative costs	$82	$82		
Minimum standards	83	82		$1
Public defender	37	37		
State readies	32	32		
Custody of felony inmates	40	32	$8	
Arrest records	7	7		
Education/higher education:				
Special education	2,027	1,203	684	140
Senior college prefinancing	28	28		
Shinn pensions	42	21	21	
Environmental protection:				
Water pollution and control	151	111	14	4
Secondary treatment	55	41	36	
Ocean dumping	54	41	13	
Sanitary landfills	8	8		
Incinerators	20	20		
Health:				
Mental health charge backs	29	29		
Child health/school health	24	12	12	
Bureau of Child Guidance	18	9	9	
Prison mental health	37	32	5	
Tuberculosis control	10	5	5	
V.D. control	11	6	5	
Prison health	9	8	1	
Mental health—Courts	5	3	2	
Working papers	2	1	1	
Housing:				
Police costs	211	123		88
State subsidy	98	42	56	
Termination proceedings	11	7		7
Social services:				
AFDC	3,819	939	955	1,925
Medicaid	8,579	2,157	2,157	4,265
Home relief	943	471	472	
Medicaid—Home relief	414	207	207	
EXPENSE BUDGET—Continued				
Social services—Continued				
Preventive services	$38	$8	$18	$12
IV–D collection target	24	24		
Day care	24	24		
Interim assistance	16	4	4	8
Home care	12	3	3	6
Foster care—Indochinese refugees	11	4	4	3
Transportation services	11	3	3	5
Emergency assistance	8	4	4	
Public works employment program (PWP)	8	8		
Child support services	8	4	4	
Miscellaneous budget:				
Computer assisted mass appraisal project	30	21	9	
Heart bill	24	24		
Total expense	17,500	6,245	4,752	6 501
CAPITAL BUDGET				
Environmental protection:				
Secondary treatment	875	108	108	659
Sludge—Ocean dumping	250	31	31	188
Sanitary landfills	513	513		
Incinerators	118	95	23	
Section 504:				
Education	16	16		
Transit	[1] 1,300	[1] 1,300		
Total capital	1,772	763	162	847
REVENUE BUDGET				
Tax exemptions	(1,600)	(1,600)		
Water and sewer charges	(24)	(24)		
FICA deposits	(21)	(21)		
OTB—Horsebreeders' fund	(16)	(16)		
Total revenue	(1,661)	(1,661)		

[1] Not included in totals since it is an obligation of MTA/NYTA. Timing is uncertain.●

ADDITIONAL COSPONSORS

S. 1631

At the request of Mr. RANDOLPH, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 1631, a bill to provide additional funds for certain projects relating to fish restoration, and for other purposes.

S. 2037

At the request of Mr. DURENBERGER, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2037, a bill to establish a Commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes.

S. 2239

At the request of Mr. PACKWOOD, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options.

S. 2414

At the request of Mr. DURENBERGER, the Senator from Idaho (Mr. MCCLURE), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 2414, a bill to extend for 4 years the general revenue sharing program under the State and Local Fiscal Assistance Act of 1972.

S. 2623

At the request of Mr. GOLDWATER, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 2623, a bill to incorporate the U.S. Submarine Veterans of World War II.

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

AMENDMENTS SUBMITTED FOR PRINTING

SOFT DRINK INTERBRAND COMPETITION ACT—S. 598

AMENDMENTS NOS. 1758 THROUGH 1762

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted five amendments intended to be proposed by him to S. 598, a bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management, of the Finance Committee, will hold two hearings on Friday, May 23, 1980.

The first hearing will begin at 9 a.m., in the underground tunnel auditorium between the Sequoyah and Will Rogers Buildings, the State Capitol Complex, Oklahoma City, Okla. The second hearing will begin at 2 p.m., at the Great Bend Elks Lodge, 1120 Kansas Avenue, Great Bend, Kans. The hearings will be chaired by Senators BOREN and DOLE.

The hearings will examine the impact of the Crude Oil Windfall Profit Tax Act of 1980 on royalty owners, independent producers, and future domestic oil production. The subcommittee will specifically focus on S. 2521 introduced by Senators DOLE, BOREN, WALLOP, BENTSEN, BELLMON, DOMENICI, MCCLURE, TOWER, and KASSEBAUM. S. 2521 would entirely exempt royalty owners from the windfall profit tax for up to a total of 10 barrels per day of royalty interest.

Witnesses who desire to testify at either hearing must submit a written request, including the location at which they wish to testify, a mailing address, and phone number, to Michael Stern, staff director, Committee on Finance, room 227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on May 19, 1980.

WRITTEN STATEMENTS

Witnesses who are not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed hearings. These written statements should be typewritten, not more than 25 double-spaced pages in length, and mailed with 5 copies to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, not later than Friday, June 20, 1980.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources will hold a hearing on S. 2665, the National Coal Production, Distribution, and Utilization Act of 1980.

The hearing will be held on Tuesday, May 20, at 10 a.m. in 3110 of the Dirksen Senate Office Building.

Questions regarding this hearing should be directed to Thomas Laughlin of the committee staff at 224-2564.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BAYH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to begin markup of S. 2294, the fiscal year 1981 Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAYH. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate today, tomorrow, and Thursday, May 13-14-15, 1980, to markup S. 1280, the Energy Management Partnership Act, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAYH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold a markup session on legislation concerning the Department of State's International Communications Agency and the Board of International Broadcasting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL JUSTICE

Mr. BAYH. Mr. President, I ask unanimous consent that the Criminal Justice Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate today beginning at 3 p.m. to hold a hearing on the Pretrial Services Act of 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on legislation relating to water resources, nuclear energy and public buildings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 14, 1980 to hold a hearing on the Taiwan Relations Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Intergovernmental Relations Subcommittee of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 14, 1980 to hold a markup session on S. 878, the Federal Assistance Reform Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOVIET AUTOMOBILE IMPORTS INTO THE UNITED STATES

● Mr. HARRY F. BYRD, JR. Mr. President, at a time when foreign imported automobiles are taking a growing share of the American market, it is interesting to note that a new competitor will soon be appearing on the American market. This time the competitor is not from Japan, Germany, or some other market economy but from the Soviet Union.

A newspaper editorial in the Lynchburg News and Daily Advance indicated that our Government will be giving the Soviets considerable assistance in its export efforts, including help and technical assistance from the Environmental Protection Agency so that the Soviet import will meet American environmental standards.

In confirmation hearings today before the Trade Subcommittee of the Senate Finance Committee, Robert Herzstein, who has been nominated for the position of Under Secretary of Commerce for International Trade, indicated that the administration plans no action to prevent the importation of the Soviet automobiles into the United States.

The importation of Soviet-made automobiles into the United States comes at a time when our own domestic auto manufacturers are facing severe difficulties. Many of these difficulties are because of the heavy regulatory burden which our Government places upon the American automobile industry.

I find the administration's apparent willingness to permit, and even assist, the Soviet trade effort inconsistent with the current concerns the administration has expressed about Soviet foreign policy and our efforts to use trade as a weapon to reverse the growth of Soviet aggression.

I ask that the text of the News and Daily Advance editorial be placed in the Record.

The editorial follows:

New Car—From Russia

This President of the United States may be adamant in refusing to send American athletes to the Moscow Olympics to show his displeasure at the Soviet invasion of Afghanistan and the slaughter of many thousands of its people—but he's going ahead with plans to allow the Soviets to sell compact model cars in the United States.

At a time when thousands of auto workers have been laid off because of the competition of imports.

Not only is the present Administration preparing to allow this competition from Soviet slave labor—its Environmental Protection Agency has been working with the Soviets to enable the imports to meet environmental and fuel standards.

And: it has approved a tune-up plant for last minute adjustments which will be located in—surprise?—Savannah, Georgia.

Reporter Martha Hamilton called attention to the deal last week. The "non-frills Russian-built economy car" will be introduced for sale in this country, she reported, possibly as early as next year.

The car is the "Lada"—a 76-horsepower subcompact with a body design similar to the Fiat but an engine and suspension system of Soviet Design. The body model is Fiat because Fiat designed it—in a factory built in conjunction with Fiat. It will sell for around $4,500—or under the price of most American models. Some 5,000 cars will be imported initially, building up to 50,000 to 60,000 cars within five years.

The EPA has been helping the Soviets for three years—testing the car, working with Soviet tchnicians to improve it to meet EPA standards—at American taxpayer expense. When the time came to acquire an American plant for last-minute touches before putting the car on the market, the Soviets chose—not New York or New Jersey or any of the big metropolitan centers—but Savannah, Ga.●

THE AVIATION TRUST FUND

● Mrs. **KASSEBAUM**. Mr. President, during our deliberations in the Budget Committee, we discussed many alternatives for bringing about a balanced fiscal year 1981 budget. That is a goal I share with my Budget Committee colleagues, and toward which I will continue to work diligently.

However, while I support the overall revenue level in the committee's report, I am concerned about the implications of revenue assumptions. The committee assumed current levels for all user taxes which support the avaition trust fund. That fund currently has a surplus of $3.5 billion and is supported by taxes placed on airlines passenger tickets, general aviation fuel, tubes, tires, et cetera. Moneys accumulated in this fund are intended to be used to subsidize safety and capital improvement projects at public use airports.

The Aviation Subcommittee, on which I serve as ranking member, this year reexamined the entire aviation trust fund and airport development aid program (ADAP). It was our recommendation that the aviation trust fund surplus be brought down by reducing the airline passenger ticket tax from 8 percent to 2 percent. This will save airline passengers approximately $5 billion over the next 5 years. Without such a reduction, we estimate the trust fund will show a surplus of some $10 billion by the end of fiscal year 1985.

While the Budget Committee assumptions are not binding on other committees, it is our expectation that they will be used as guidelines in considering legislation with a fiscal year 1981 impact.

However, it is my hope that the Senate Finance Committee, in considering S. 1649, the Airport and Airway Revenue Act, which reduces the airline passenger ticket tax from 8 percent to 2 percent, will examine the aviation trust fund surplus issue carefully. It makes no sense whatsoever to allow this trust fund to continue to grow. It serves only to frustrate airport managers who need the funds for safety and improvement projects. Congress cannot possibly authorize much higher funding levels because of our interests in controlling Federal spending.

By permitting a reduction in the airline passenger ticket tax, from 8 percent to 2 percent, estimates show that the trust fund will show a reasonable relationship between revenues and expenditures in fiscal year 1985. That is a goal worth achieving, and I would hope that the Finance Committee would act toward that end.●

EXTENSION OF REVENUE SHARING

● Mr. **EXON**. Mr. President, I ask that the text of S. 2678, introduced by me on May 8, 1980, upon which I addressed the Senate on the above date, be printed in the Record.

The bill follows:

S. 2678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Extension of Program; Establishment of Separate Accounts.

(a) In General.—Subsection (c) of section 105 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1224) is amended—

(1) by striking out "and" at the end of subparagraph (c) of paragraph (3),

(2) by striking out the period at the end of subparagraph (D) of paragraph (3) and inserting in lieu thereof "; and", and

(3) by adding at the end of paragraph (3) the following new subparagraphs:

"(E) The entitlement period beginning October 1, 1980, and ending September 30, 1981;

"(F) The entitlement period beginning October 1, 1981, and ending September 30, 1982;

"(G) The entitlement period beginning October 1, 1982, and ending September 30, 1983;

"(H) The entitlement period beginning October 1, 1983, and ending September 30, 1984; and

"(I) The entitlement period beginning October 1, 1984.".

(b) Establishment of Separate Accounts for State Governments and Local Governments.—

(1) In general.—Subsection (a) of such section (31 U.S.C. 1224(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Establishment of separate accounts.—

"(A) In general.—For entitlement periods beginning after September 30, 1980, the Secretary shall establish within the Trust Fund a State government account and a local government account.

"(E) State government account.—The State government account shall be credited only with amounts transferred to that account under section 107A (d). Amounts in the account may be used only for the payments to State governments provided by this subtitle.

"(C) Local government account.—The local government account shall be credited only with amounts appropriated to the Trust Fund for entitlement periods beginning after September 30, 1980. Amounts in the account may be used only for the payments to local governments provided by this subtitle.".

(2) Reduction in authorization of appropriations.—Subsection (b) of such section (31 U.S.C. 1224 (b)) is amended by adding at the end thereof the following new paragraph:

"(5) Reduction of authorization for fiscal years 1981 through 1985.—For the purpose of applying this subsection in the case of an entitlement period described in subparagraph (E), (F), (G), (H), or (I) of paragraph (3), the amounts authorized under paragraphs (1) and (2) shall be reduced by one-third.".

(1) Subparagraph (C) of section 108 (c) (1) of such Act is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1985".

(2) Paragraph (7) of section 141 (b) of such Act is amended by striking out "and 1979" and inserting in lieu thereof "1979, 1980, 1981, 1982, 1983, and 1984".

Sec. 2. State Government May Elect Entitlement in Lieu of Categorical Grant Funding.

Subtitle A of title I of the State and Local Fiscal Assistance Act of 1972 (3 U.S.C. 1221–1228) is amended by inserting immediately after section 107 the following new section:

"Sec. 107A. State Government May Elect Entitlement in Lieu of Categorical Grant Funding.

"(a) General Rule.—Notwithstanding the provisions of section 107, the amount a State government shall be entitled to receive under this subtitle for any entitlement period beginning after September 30, 1980, shall not exceed the amount of the categorical grant funding reduction elected by that State for that entitlement period.

"(b) Categorical Grant Funding Reduction Election.—For purposes of this section, the amount of the categorical grant funding reduction elected by a State for any entitlement period is the sum of that State's allotments under categorical grant programs for the fiscal year which coincides with the entitlement period—

"(1) which have been designated by the chief executive officer of that State as categorical grant programs under which the State's allotment is to be transferred to the State government account established under section 105(a)(3), and

"(2) under which the amount allotted to the State for the fiscal year is transferred to that account.

"(c) Definitions; Special Rules.—For purposes of this section—

"(1) Categorical grant program.—The term 'categorical grant program' means any program for which the budget authority is included in Appendix H of the Special Analyses, Budget of the United States Government, 1981 (or in the corresponding part of the Special Analyses, Budget of the United States, for any subsequent fiscal year) other than—

"(A) any such program designated by the President for the fiscal year as a program of grants for payments to individuals, or

"(B) any such program under which each State's allotment is not determined by reference to the allotment of other States and which is not intended to operate in all States (as determined by the Secretary after consultation with the head of the administering department or agency charged with the administration of the program).

"(2) Allotment.—The term 'allotment' means any allotment, apportionment, or other division of funding under a categorical grant program, determined before any reallotment, reapportionment, or redivision of funding.

"(3) Designation by chief executive officer.—In order for the allotment of a State under a categorical grant program to be transferred to the State government account, the designation shall be—

"(A) irrevocable,

"(B) made in writing, in such form and manner as the Secretary may prescribe, by the chief executive officer of that State, and

"(C) received by the Secretary, and by the head of the department or agency charged with administration of the program—

"(i) before September 1, 1980, for the entitlement period beginning on October 1, 1980, and

"(ii) before February 1 of each year thereafter for any entitlement period beginning in such year.

"(d) Transfer of Allotments to State Government Account.—Whenever the chief executive officer of a State designates a categorical grant program under subsection (c)(3), the Secretary shall transfer the amount of that State's allotment for the fiscal year under that program from the appropriation for that program for the fiscal year to the State government account established under section 105 (a) (3). The amounts required to be transferred to the Trust Fund under this subsection shall be transferred at least quarterly from the account to which the appropriation is credited to the State government account on the basis of estimates made by the Secretary. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(e) Application With Certain Reallotment Provisions.—Notwithstanding any other provision of law to the contrary now or hereafter enacted (except to the extent that such provision explicitly overrides this subsection), if the chief executive officer of a State designates a categorical grant program under this section as a program from which that State's allotment for the fiscal year is to be transferred to the State government account established under section 105(a)(3), then such transfer shall be treated, for purposes of any provisions of law providing for the reallotment of amounts not paid under the program to a State government, as if it constituted a payment to that State under the program.".●

TRANSYLVANIA UNIVERSITY BICENTENNIAL

● Mr. FORD. Mr. President, this week Transylvania University, in Lexington, Ky., is celebrating the 200th anniversary of its founding. Chartered in 1780 by the Virginia Assembly, under the direction of Thomas Jefferson, Transylvania University has earned a reputation for insistence upon quality ideals in educating every student.

In recognition of this milestone in its history, Transylvania has planned a weeklong series of events and lectures commemorating not only the school's history and achievements but its supportive role as a part of the Lexington metropolitan area as well. A heritage festival involving exhibits, a fair, and displays will examine various aspects of the many-faceted history of Transylvania.

I call this event to the attention of my colleagues, Mr. President, because I am proud of the reputation acquired by Transylvania. Transy turns out scholars, not diplomas. Its administrators have worked hard to earn their reputation and they will continue to strive for excellence in the future. I know my Senate colleagues join me in wishing them well on this happy occasion.●

ADDRESS BY EDWIN I. COLODNY BEFORE INTERNATIONAL CIVIL AVIATION CONFERENCE

● Mr. CANNON. Mr. President, on April 29, 1980, Mr. Edwin I. Colodny, chairman and chief executive officer of U.S. Air delivered a presentation before the International Civil Aviation Conference sponsored by Lloyd's of London Press. Mr. Colodny's remarks highlight the need for a new technology, fuel-efficient aircraft to meet the needs of markets that are under 1,000 miles. He points out that two-thirds of U.S. domestic traffic consists of trips under 1,000 miles. Further, of the 65,000 market pairs in our air traffic network, 37,000 are under 1,000 miles, yet no aircraft tailored to this large segment of the market-place is available.

I believe Mr. Colodny's point is well taken and appropriately timed. The need for such an aircraft certainly exists and the aircraft would be marketable. The absence of this aircraft type from our commercial fleet creates a void which is steadily growing, particularly as our air carriers face ever-rising fuel costs. The successful development of this aircraft type will fill that void and contribute significantly to the efficiency of our Nation's air transportation system. I commend Mr. Colodny for these timely remarks and I would like to insert the full text of his statement into the Record.

The address follows:

U.S. Domestic Aviation Patterns of Growth—Opportunities and Problems

The world's airlines have entered the most exciting decade in the history of civil aviation.

Generating this excitement is the increased travel demand from the world business community along with an increased use of air travel as a means of fulfillment of the natural urge to visit and experience different places, people, and things.

World airline traffic is estimated to grow from approximately 680 billion revenue passenger miles in 1980 to 1.4 trillion RPMs in 1990. U.S. domestic travel will almost double—from a 1979 level of 202 billion RPMs to some 370 billion RPMs by 1990.

While long-range predictions are subject to a range of error, which could produce a higher or lower level by the end of decade, the upward direction of air travel is clearly established.

Based on growth projections of this magnitude, the opportunities for those who run airlines appear tremendous on the surface. There are some qualifiers.

My remarks today relate to a portion of the travel market, and perhaps parochially, the domestic U.S. portion.

The U.S. market embraces about 65,000 market pairs, with some 37,000 of these being under 1,000 miles. In terms of passengers, two-thirds of U.S. domestic traffic consists of trips under 1,000 miles. Those are key numbers to think about—a large portion of our industry serves travelers in short to medium haul markets.

"The Economic Challenge of the 1980s," is a fitting theme indeed—in our industry everything is an economic challenge. We entered this decade greeted by a host of challenges—the rapidly rising cost of fuel, labor, and capital; an inflationary economy; portents of depressed traffic; and the pressing need to re-equip our fleets. Of these, one of the most critical—perhaps because it is the one that most impacts the others—is that of fleet planning.

Now more than ever we need the most fuel-efficient aircraft possible.

In this re-equipment cycle in the '80s, we begin using the third generation of jet aircraft. Considerably more efficient aircraft will soon be flying. Airframe and engine manufacturers have developed more efficient airframes and more efficient engines, using more durable and lightweight materials, and achieving greater fuel efficiencies.

The A–300 already represents much of this new technology, and will be joined in mid-1982 by the Boeing 767. Powered by two fuel-efficient high by-pass ratio jet engines, the B767 promises significant fuel savings, as much as 39 percent per seat-mile compared to a Boeing 707. The Boeing 757 will be airborne in 1983; the McDonnell Douglas ATMR is under consideration.

These new designs, as you know, are not the sum of the work being done to provide more efficient commercial transport. We are also seeing the development of more efficient aircraft from existing models, the so-called derivatives. Manufacturers are taking aircraft whose designs have proven successful, and are re-sizing them and adding new technology systems. McDonnell Douglas is doing this with the DC–9–80; Lockheed with the L–1011–500.

There are, of course, trade-offs between designing entirely new aircraft and fixing up, if you will, existing aircraft types. The major benefit of derivatives is the great savings in development time and cost. And, you still get a more efficient aircraft for today's demanding marketplace. This is all well and good.

But, in all this what we are not seeing is adequate consideration for new designs, or derivatives incorporating new technology, to take care of a significant portion of those 100 million plus passengers who travel each year in the United States on flights under 1,000 miles. While there is a definite need for larger aircraft in the 175–200 seat range for some high density markets under 1,000 miles, it is only half a loaf. Which of the new technology aircraft is designed for the other half a loaf, or more importantly, for the airlines that serve those markets?

Not a one. A review of both the new design aircraft and the derivative aircraft reveals that there is much concentration and overlap in the larger sized medium to long-range aircraft. Yet, there is a large market potential for new technology aircraft of lesser capacity. These would be for the shorter-haul routes and for those short to medium range trips where passenger demand does not call for a 175–200 seat aircraft. It is particularly important that frequency of schedules be maintained in many of these markets and not be traded off for larger aircraft.

USAir's route network for example, involves over 70 cities, served by over 850 daily departures on 184 nonstop segments. Some 1.25 million passengers ride our airline each month. Our concentration is in markets under 1,000 miles. We need a new technology aircraft.

We are not alone. Our route structure is not unique. Other carriers have the need for smaller, short to medium range aircraft. In our opinion, from the mid to late 1980s there could be a market for several hundred of this type aircraft. This number could exceed 2,000 in the next 15 years.

Another way to look at this is the number of short to medium range aircraft currently flying our airways—domestically and abroad. Including all models of the DC–9, BAC 1–11, the B–737, and the B727–100 and –200s, there is a production total of 3,530 units. This number continues to grow.

As fuel prices continue to rise and the airlines experience increased environmental constraints, the cost of operating current generation equipment will mushroom—they will have to be replaced. What is there to replace them?

In our own situation, one DC–9–30 aircraft operated an average of 2,735 flight hours, consumed 3,043,582 gallons of jet fuel, at a cost of $1,699,232 in 1979. We estimate our fleet will consume some 300 million gallons of fuel annually by 1982, at a cost of $340 million. If we can improve fuel efficiency by 5 percent per year starting in 1983, our consumption will decrease by 15 million gallons per year, or 75 million gallons over five years, at a savings of $85 million. This is a pretty good incentive for replacing older aircraft with something sized for the marketplace.

The question that logically follows is, how are we to achieve the development of a shorter range aircraft that will embody state-of-the-art technology and efficiently serve these markets? Let me mention two possibilities.

One possibility is to have the aircraft manufacturers expend a greater portion of their development efforts in the direction of an energy efficient derivative, short to medium range transport. Some work has been done in this area, but no firm commitments have been made to date. This is a workable and attractive possibility, however, and could meet our fleet planning objectives, as well as those of other airlines.

A second possibility, even more attractive in terms of potential efficiencies, would be the design and development of a totally new aircraft.

We believe the design and manufacture of such an aircraft is possible—the technology is available. In fact, to demonstrate that it is, and to illustrate our current thinking, we collected information on state-of-the-art aircraft technology and "molded" it into a specification for consideration.

Since it is common industry practice to designate new aircraft prototypes with a series of letters and numbers, we took the liberty to give ours a designation. It's the SMH–1500, for short/medium haul, 1,500 nautical mile range.

This aircraft can be produced. We believe the specification developed by our engineering staff, assisted by Robert W. Rummel Associates, can be translated into reality with reasonable developmental effort.

The full specification of the SMH–1500 is attached to the prepared text of this speech, but let me take a few moments now to highlight our suggested design.

Design payload of 30,000 pounds and passenger payload between 110 and 135, depending on seating configuration.

Range of 1,500 nautical miles on an 84-degree F ambient day from Denver, Colorado's Stapleton Airport.

Power delivered by two fuel-efficient high by-pass ratio jet engines such as the JT10, RB432, or CFM56. These engines are either already certified, or are being actively pursued on the drawing boards.

Wings to be the most efficient possible with an aspect ratio, sweep, and thickness to provide the desired aerodynamics, and a smooth ride.

Take-off weight in the range of 115,000 pounds with an engine thrust of approximately 20,000 pounds.

In our specification we spell out the various factors that must be considered in developing an aircraft that is not only efficient when in the air, but also when on the ground. These include ease in servicing and overhaul, and ease of problem diagnosis. The capability to achieve reasonable direct operating costs must be paramount in the minds of the manufacturers.

How much better can we do if such a new narrow-body aircraft is developed? Based on energy efficiency factors alone, when compared to a DC–9–30 with JT8D–7 powerplants, or a B737–200 with JT8D–15 powerplants, a 25 percent reduction in costs is expected. These savings are considerable, and critical, in the face of the challenges of the 1980s. We cannot afford time lags between what is efficient on paper and what is efficient in the air.

The technology is here. Only the aircraft is missing.

Just about now some of you are probably muttering that this non-engineering type doesn't know how much it costs to develop a new aircraft, how long it takes, and that if he did understand such things, he would know that the aircraft would have to be bigger than the one proposed in order to spread the development costs over more seats. In other words, let's build another big airplane not sized for the marketplace, or build a derivative.

This non-engineer does not underestimate these difficulties—I have been told them for years, part of which I do understand and accept. Obviously, many operators will find derivative aircraft an acceptable solution for these very reasons. Time and money. We ourselves may accept this solution for lack of a better one.

The matter of funding a new aircraft is always troublesome. However, there is one possible new source of funding—the recently enacted windfall profits tax, the Crude Oil Windfall Tax Act of 1980, which provides estimated revenues of some $220 billion in the 1980–1990 decade.

The monies gained through the provisions of this legislation are for programs that will aid energy conservation. And, of these taxes to be collected through December 1990, 15 percent, or an estimated $34 billion, is earmarked for energy and transportation programs.

The aviation industry, and those two-thirds traveling in markets under 1,000 miles, could benefit from the allocation of some of these monies to the development of an energy-efficient short to medium range aircraft.

Perhaps these funds could be allocated through NASA, which is already involved in a special program to develop the technology for more energy-efficient aircraft. There must be some recognition by our government that use of these monies to support development of an SMH—1500 type aircraft is totally consistent with the legislative intent in enacting the windfall profits tax.

There is another economic challenge of the '80s that I have neglected to mention. I saved it for last because how successful we are with those other challenges—rising costs, inflation, depressed traffic, and re-equipping our fleets—determines how successful we will be with this last challenge.

The challenge: meeting passenger demand while still providing service at a reasonable cost.

Air transport is now one of the most convenient and reasonably priced forms of transportation. And we should keep it that way.

In the '80s, we have to continue to improve the efficiency of our operations to keep from carte blanche passing our higher costs on to the passenger. We have to keep our costs, and our ticket prices, down. The law of "demand elasticity" has not been repealed. The airlines have already taken many steps to improve the efficiency and productivity of their operations. But, as you know, it all comes back to aircraft. One of the most important elements in controlling an airline's costs has to do with the fleet it operates.

On that, there's only so much we can do ourselves; at some point those outside of the airlines have to get involved—the manufacturers and, perhaps as I mentioned earlier, the government.

We need that half a loaf now—a short to medium range aircraft, an SMH–1500.

Surely this is a case where smaller—not bigger—is better.●

WAS EVIDENCE OF SOVIET GERM WARFARE CAPABILITY COVERED UP FOR 5 YEARS?

● Mr. HUMPHREY. Mr. President, I have just read the following editorial in Strategic Review (spring 1980) by Mr. Walter Hahn entitled "A National Scandal?"

I shall submit this excellent editorial for the RECORD.

Mr. President, if the Ford and Carter administrations both have covered up evidence of illegal Soviet germ warfare capabilities, what other arms control violations have been covered up?

I am deeply concerned. I believe Congress owes it to the American people to investigate what has happened and tell them the facts.

The editorial follows:

A NATIONAL SCANDAL?

(By Walter F. Hahn)

In the intelligence business there is a phenomenon commonly called the "mind-set." It refers to the major subjective factor in the processing of intelligence—the preconceived picture on the part of the individual official or government agency evaluating a given item of intelligence. This preconceived picture (which may, indeed, mirror a broader official "concensus") can be pivotal in how the item is weighed—whether it is accepted or ignored, judged important or disparaged.

History teems with horrendous examples of the "mind-set." In early 1940, Stalin disdained repeated warnings of German preparations for an attack on the Soviet Union, simply because the warnings did not fit his image of Hitler's strategy. The tragedy of Pearl Harbor arose not only from grievous gaps in U.S. intelligence-gathering and transmission, but in the final analysis from the inability of U.S. officials to give credence to a Japanese surprise attack scenario.

Because errors of the "mind-set" usually emerge from a scramble of circumstances, it is not always either easy or just to cast categorical blame; besides, hindsight is not necessarily the fairest judge. Some errors are the product of honest, if tragic, human myopia and misconception. But one generalization seems unassailable: if governmental leaders deliberately suppress intelligence that is highly relevant to the security of the nation—and if that suppression is inspired not by doubts about the intelligence, but rather by political self-interest and protection of a given policy—then we have the potential of a national scandal.

Such a scandal seems in the making in the strange case of the Soviet "Sverdlovsk affair." All of the facts in the case have not yet come to light. But that is the point: the implications of the facts unearthed thus far are so grave that the full story must be brought to light.

Both the Soviet Union and the United States are signatories to a treaty that prohibits the development, production and stockpiling of biological ("germ") weapons. The treaty went into effect in March 1975. In June of that year, the Soviet Union solemnly declared that it "does not possess any" such weapons. Yet, later in 1975 U.S. reconnaissance satellites recorded new construction and expansion by the Soviet Union of facilities that U.S. experts confidently identified as sites for the production or storage of biological warfare agents—at Zagorsk, some 50 miles north of Moscow, at Omutninsk, 500 miles northeast of the capital, and at Sverdlovsk 900 miles to the east.

It seems that some officials in the Ford Administration deemed the evidence sufficiently compelling to urge that the United States challenge the Soviet Union and lodge a formal complaint with the U.N. Security Council. They saw the implications reaching beyond the issue of a Soviet germ warfare potential (frightening though this prospect was in and of itself) into the taller question of Soviet intent to comply with the provisions of arms control agreements, notably SALT. Apparently, however, these initiatives were deflected at the highest levels of the Ford Administration (presumably at least the level of the Secretary of State) precisely on the grounds that the evidence was not totally conclusive, that the Soviets obviously would deny the charges, and that a challenge therefore not only would prove futile, but would unnecessarily roll the waters of detente and arms control. End of Act I.

We do not know what additional intelligence concerning the three Soviet sites accumulated between the fall of 1975 and early 1979. In any event, Act II opens in April 1979, when the United States received intelligence of an explosion in the Soviet facility in Sverdlovsk. This was followed by hard evidence, including eyewitness reports, of an epidemic in Sverdlovsk of the deadly (but virtually extinct) anthrax disease which victimized hundreds of Soviet military and civilian personnel—evidence that, given the specific manifestations of the disease, clearly linked it to the Sverdlovsk explosion. This time it was the Carter Administration, locked into the last stages of the SALT II negotiations and into the selling of the impending Treaty to the U.S. Senate, that said nothing and did nothing.

Act III began on March 18, 1980, when the U.S. Department of State finally issued the first public statement about the Sverdlovsk incident and its meaning. The statement came amid a swelling flood of information that Soviet forces were using nerve gases against primitive rebel tribesmen in Afghanistan, again in brutal breach of a convention that the Soviet Union signed more than fifty years ago and has reaffirmed since. The fact that Moscow subsequently denied the Sverdlovsk allegations with the feeblest cover story, which is overwhelmed by the available evidence, need not detain us.

The main point to be made here concerns not so much Soviet unscrupulousness, nor even those implications of the "Sverdlovsk affair" that hang heavy over any lingering prospects of SALT II. Veteran analysts of the Soviet Union have long contended that, notwithstanding the Soviet leaders' pretense at legalism, Soviet compliance with treaty obligations is dictated by a definition of self-interest that is bereft of the usual qualifier "enlightened." In the conception of a total struggle between two global systems, all means and methods are admissible. Power yields impunity, and we are witnessing the accelerating manifestations of that impunity today.

The point to be made, rather, has to do with the implications of the "Sverdlovsk affair" for the conduct of our own government "of the people, by the people, for the people." They are implications sharpened by the statement attributed to a State Department official that the American people would never have heard about the Soviet germ warfare program had it not been for the Soviet invasion of Afghanistan.

For some fifteen years now, the "mind-set of detente" has well nigh dominated U.S. security policies—in their perceptions and in their execution. The "mind-set" shaped a whole series of grotesquely erroneous intelligence projections of Soviet power. It mandated the deliberate braking of U.S. defense efforts. And the "mind-set" either refused to admit evidence of Soviet transgressions—such as a host of reported Soviet violations of SALT I—or tried to shield them from public consciousness as "minor" or "peripheral" to the substance of detente and American security.

Some such "shieldings" conceivably might have been rationalized in the past by honest, if misguided, belief in the "minor" nature of the transgression, or on the grounds of ambiguous treaty language. But the "Sverdlovsk affair" suggests less leeway for charitable interpretation. It emits the odor of what other societies—no less civilized or democratic than ours—would indict as governmental perfidy worthy of impeachment.

That odor alone would seem to warrant a full Congressional inquiry into the "Sverdlovsk affair" and its handling by the Executive Branch. Since the fuller story spans two administrations, the inquiry would be bipartisan in a real sense. Moreover, perhaps it is high time that Congressional committees that have staged dissection after dissecton of the purported misdoings of U.S. intelligence agencies turn the floodlights fully upon the equally serious question of the use (and abuse) of intelligence by its "consumers" in policymaking.

If such an investigation is not mounted today, and if the current drift continues, one could well envisage a new and more catastrophic version of the post-World War II inquiry into Pearl Harbor. Only in this new scenario, there might not be a Congress around to do the investigating.

OFFICE POWERED BY SUN AND WIND

● Mr. CULVER. Mr. President, as the problems of short energy supplies and high cost continue to worsen, many people make changes in their living patterns and their home and work places.

Most people are setting back thermostats, turning off lights and using less hot water. Others make changes to existing buildings such as adding insulation or installing solar heating systems. New buildings are being designed to make use of the sun through passive solar concepts.

Few, however, have taken steps to become completely independent of conventional energy sources, as Ron Kelly and Thad White of Davenport, Iowa, have done. On the 10th anniversary of Earth Day, April 22, 1980, Kelly and White unveiled their firm's new energy-independent office building. This heavily insulated building obtains heat and hot water through a combination of active and passive solar systems, and uses wind power to generate electricity.

One reason that more people have not used wind energy in their homes and office buildings is the high initial cost of the equipment. The 40-percent tax credit for wind energy equipment in the windfall profit tax legislation which I strongly supported should encourage the use of this alternate source of energy.

Mr. President, I feel that our country's energy independence, as illustrated by this new building, can only be achieved by using all the available technology of conservation and renewable resources. I ask that an article from the Quad-City Times about this interesting building in Davenport be printed in the RECORD as an example of how energy independence can be achieved.

The article follows:

SUN, WIND POWER USED: OFFICE DEMONSTRATES ENERGY ALTERNATIVES

(By Rick Jost)

A peculiarly shaped wedge planted at 2744 W. 72nd St., Davenport, represents, what planners say will be the first totally energy independent building in the Quad-Cities.

Unveiled Tuesday on the 10th anniversary of Earth Day, the one-story office of Natural Energy Inc. is designed to demonstrate various methods of alternative energy use.

By harnessing power from the sun and wind, Ron Kelly and Thad White expect to do without conventional forms of energy.

"What we want to do is put something out that works, and then we can show the public it works," Kelly said. "Anyone can do it, that's the point."

Construction began in December after Kelly and White obtained a loan from the Small Business Administration. The two 30-year-old friends from Worthington, Iowa, who have studied wind and solar energy for several years, designed the building and did much of the construction.

The office areas have complete natural lighting, natural air ventilation and circulation, and there is maximum insulation in all areas.

Solar panels and the building's only windows are on the south, more upright side of the wedge to allow maximum, daylong exposure to the sun.

"Passive" solar heating systems in the two "wings" of the building use colored concrete mass floors—each consisting of one foot of concrete and 37 tons of rock—to absorb the sun's energy from the windows. Lower floors on the north side of the two wings act as a "cold sink" in the winter and, with the concrete mass, are used to cool the building in the summer.

An "active" solar water heating system in the center of the building consists of a 2 feet by 10 feet solar panel and a 62 gallon water tank in the basement. It's designed to provide nearly all hot water for a shower and bathroom.

A solar space heating system consists of six panels—each 4 feet by 8 feet—in the middle of the building. Reflective walls in these panels focus the sunlight to a black absorber plate, where air transports heat to a storage center of 10½ tons of rock and 300 pounds of salt solution. Heat is stored in the container for sunless periods.

Electricity is where wind power comes in. In a couple of weeks, a crane will hoist up an 85-foot tower on the north side of the building. Atop the tower will sit an Australian-made generator and three propeller blades. Electricity will flow through lines from the generator and be stored in a bank of batteries in the basement.

"We're also going to add an alcohol distillation center this summer," Kelly said, as yet another form of energy. The solar panels would be used as an energy source for distillation.

Initially, White and Kelly will sell energy conservation devices and conventional solar collectors. They also plan to work with local architects who get requests for solar and wind power systems.

The company also has a distributorship for smaller wind generators for residential use. While wind generation systems aren't economically feasible for a suburban setting, White and Kelly said there may be more interest in them because of a 40 percent tax credit recently approved by the federal government for wind and solar energy projects.●

RESOLUTION ASSIGNING SENATOR TSONGAS TO COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 428) making majority party appointment to the Senate Committee on Foreign Relations for the 96th Congress.

Resolved, That Senator Tsongas of Massachusetts be, and he is hereby, assigned to service on the Committee on Foreign Relations to fill a Democratic vacancy on that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

There being no objection, the resolution was considered and agreed to.

RESOLUTION ASSIGNING SENATOR HOLLINGS AS CHAIRMAN OF THE BUDGET COMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 429) electing chairman of the Senate Budget Committee.

Resolved, That Senator Hollings of South Carolina be, and he is hereby, assigned as Chairman of the Budget Committee vice Senator Muskie, resigned.

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

RESOLUTION PROVIDING AN EXCEPTION TO RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 430) to provide an exception to Rule XXV of the Standing Rules of the Senate.

Resolved, That notwithstanding Rule XXV of the Standing Rules of the Senate, a Senator who on the date of approval of this Resolution is serving as chairman of the Committee on the Budget and also is serving as chairman of subcommittees on two of the other committees listed in paragraph 2 of such Rule may continue to serve as chairman of such Committee and of such subcommittees until the end of the 96th Congress.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I failed to hear the beginning words of the resolution. Do I correctly understand that this is for this year only?

Mr. ROBERT C. BYRD. That is correct.

Mr. President, the resolution which I have just sent to the desk authorizes a temporary exception to rule XXV to enable Senator Hollings, who has just been confirmed by the Senate as chairman of the Budget Committee, to additionally continue chairing two paragraph 2 subcommittees. This exception is specifically granted to enable him to continue serving as chairman of the Communications Subcommittee of the Commerce, Science, and Transportation Committee until the end of this Congress in order that he may complete action on extremely complicated Communications legislation pending before that subcommittee.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

BOGUE CHITTO NATIONAL WILDLIFE REFUGE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 720.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2115) to establish the Bogue Chitto National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 3, line 21, strike "shall" and insert "is authorized";

On page 4, beginning with line 19, strike all through and including line 20, and insert the following: "beginning October 1, 1980—

"(a) $13,000,000 for the acquisition of lands and interests therein, to remain available until September 30, 1985.

"(b) $1,000,000 for construction of the refuge headquarters and boat launching facilities and the accomplishment of boundary surveys, to remain available until September 30, 1985."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATIONS OF FINDINGS AND PURPOSE

Section 1. (a) The Congress finds that—

(1) thousands of acres of bottomland hardwoods are being cleared each year in the Mississippi River Delta;

(2) these forested wetlands represent one of the most valuable and productive wildlife habitat types in the United States and have extremely high recreational value for hunters, fishermen, birdwatchers, nature photographers, and others; and

(3) the Bogue Chitto area is a bottomland hardwood swamp which harbors over one hundred fifty species of birds and many types of other wildlife, including several species imperiled with extinction.

(b) The purpose of this Act is to establish the Bogue Chitto National Wildlife Refuge.

DEFINITIONS

Sec. 2. For purposes of this Act—

(1) the term "refuge" means the Bogue Chitto National Wildlife Refuge;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "selection area" means those lands and waters near the juncture of the Pearl River and its tributary, the Bogue Chitto, in Saint Tammany and Washington Parishes, Louisiana, and Pearl River County, Mississippi, depicted on the map entitled 'Bogue Chitto National Wildlife Refuge, Selection Area," dated and on file at the United States Fish and Wildlife Service.

ESTABLISHMENT OF REFUGE

Sec. 3. (a) (1) Within one year after the date of the enactment of this Act the Secretary shall—

(A) designate approximately forty thousand acres of land and water within the selection area as land which the Secretary considers appropriate for the refuge; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service.

(2) The Secretary may make such minor revisions in the boundaries designated under paragraph 1(B) of this subsection as may be appropriate to carry out the purpose of this Act or to facilitate the acquisition of property with the refuge.

(b) The Secretary is authorized to acquire (by donation, purchase with donated or appropriated funds, or exchange) lands, waters, or interests therein, within the boundaries designated under subsection (a) (1) (B).

(c) The Secretary shall establish the Bogue Chitto National Wildlife Refuge, by publication of a notice to that effect in the Federal Register, whenever sufficient property has been acquired under this section to constitute an area that can be effectively managed as a refuge.

ADMINISTRATION

SEC. 4. The Secretary shall administer all lands, waters, and interests therein, acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-668ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated beginning October 1, 1980—

(a) $13,000,000 for the acquisition of lands and interests therein, to remain available until September 30, 1985.

(b) $1,000,000 for construction of the refuge headquarters and boat launching facilities and the accomplishment of boundary surveys, to remain available until September 30, 1985.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Mr. JOHNSTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. JOHNSTON

Senate bill 2115, which I introduced last December, will establish a 40,000 acre National Wildlife Refuge in the lower Pearl River Basin. Composed primarily of bottomland hardwoods, this area is one of the most valuable wildlife habitat types in the Nation and is a type which is rapidly disappearing throughout the Mississippi River Valley. Only three million acres remain today of the nearly twenty-five million acres of bottomland hardwoods once found in the Valley with nearly 300,000 acres being lost annually.

The Bogue Chitto area also supports a rich variety of plants and animals, including about 150 species of breeding and wintering birds, 47 species of mammals, 131 different reptiles and amphibians, and over 140 species of fish. A number of Federal and State listed endangered and threatened species are found in this Basin including nesting and wintering bald eagles, Bachman's warblers, arctic peregrine falcons, the ringed sawback turtle, the rare Eastern cougar, wild turkey, black bear and the American alligator. Acquisition of key parts and Federal protection of all of this area will place in public trust a unique natural system which is a significant and important part of our Nation's wildlife heritage.

I recently visited part of this proposed refuge and was impressed not only by the area's wildlife values but also by the natural flod protection, water purification and recreation benefits which will accrue from Federal management. I am pleased that the Administration and the Environment and Public Works Committee have supported this proposal and I urge the Senate to act favorably on it. Indeed, it would be a loss not only to my state but to the Nation if we lost the opportunity to preserve this diverse, unspoiled area for the enjoyment and education of future generations.

● Mr. SIMPSON. Mr. President, I would like to comment on the wildlife refuge bill passed by the Senate yesterday. First, I should like to state that I understand and concur with the rationale behind our national refuge system. I also understand that the Bogue Chitto Refuge which the Senate is considering may have any number of worthwhile benefits for wildlife.

I am concerned, however, with the budget implications of this new program. This authorizing legislation will add $14 million to an already strained Federal budget. Mr. President, there are a number of worthy projects just like this one, which are deserving of our consideration. The problem is that even though they may be quite worthwhile, as more and more of these new projects are considered and approved the ability of Congress to mandate a fiscally responsible budget becomes almost impossible to achieve.

The Nation is now watching Congress with jaundiced eyes to see if it really will meet its responsibility of creating a sound fiscal policy. One of the surest methods of achieving this goal is to create new spending programs only in critical circumstances. I would urge my colleagues to recall, as the session winds down, the real economic crisis before the Nation and our need to make the very hard decisions on higher levels of Federal spending.

We are all working hard on the budget. We cannot keep cranking out new and novel programs that do not have a full national priority.●

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 733, H.R. 6169.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 6169) to establish the Bogue Chitto National Wildlife Refuge.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the text of S. 2115, as amended, be inserted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the bill, as amended, is passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 720 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCORPORATING LAWS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 736.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3807) to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

UP AMENDMENT NO. 1095

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. KENNEDY, I send three technical amendments to the desk, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, they will be considered en bloc.

The amendments will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. KENNEDY, proposes technical amendments, unprinted, numbered 1095:

On page 1, line 8, strike out "an initial" and substitute "a".

On page 2, line 1, strike out "initial decision becomes an action of the Commission" and substitute "decision becomes effective".

On page 4, lines 20 and 21, strike out "those sections. Those sections" and substitute "that section. That section".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Mr. KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

I have offered 3 amendments to H.R. 3807. These amendments correct minor drafting errors in the bill as it passed the House of Representatives. They are being offered as floor amendments to save the expense of printing a report on H.R. 3807 in the Senate which would be identical to the report prepared by the Committee on the Judiciary of the House of Representatives with the exception of an explanation of these amendments. In a moment, I will explain the amendments, but first, I should note that the amendments were prepared by the Law Revision Counsel of the House of Representatives who is responsible by law for preparing bills that enact the general and permanent law of the United States into positive law titles of the United States Code. Each provision of a codification act prepared by the Law Revision Counsel is explained in a revision note that is published in the United States Code together with that provision. The following explanation of the amendments I have offered today will be published in the United States Code with the revision note for the affected section and will stand as the permanent explanation of the amendments.

EXPLANATION OF SENATE AMENDMENTS

Section 1(1) of the bill amends section 10324(c) of title 49, United States Code. The amendment mistakenly used the adjective "initial" in reference to an administrative decision. Secondly, the words "an action of the Commission" were inadvertently substituted for the word "effective". Finally, the words "those sections" were inadvertently substituted for the words "that section". These amendments correct the errors in the House passed bill and ensure that the codification conforms to the underlying source laws.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

Without objection the bill, as amended, is passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SYMPHONY ORCHESTRA

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PELL, the chairman of the Committee on Rules and Administration, I ask unanimous consent that that committee be discharged from further consideration of House Concurrent Resolution 330 and that it be laid before the Senate for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 330) authorizing concerts by the National Symphony on the Capitol grounds.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The concurrent resolution (H. Con. Res. 330) was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

H. CON. RES. 330

Whereas the National Symphony Orchestra has expressed a desire to perform free concerts on the United States Capitol Grounds for the entertainment of the citizenry of our Nation; and

Whereas these performances would be similar to those presently given by the service bands under authority of 40 U.S.C. 1391: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the National Park Service shall be permitted to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1980, such concerts to be free to the public and arranged not to interfere with the needs of Congress, under conditions to be provided by the Architect of the Capitol.

ORDER FOR THE RECOGNITION OF SENATOR BUMPERS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. BUMPERS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS AT CONCLUSION OF BUSINESS TOMORROW UNTIL 9 A.M., THURSDAY, MAY 15, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 9 a.m. on Thursday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATIONS TO SENATOR TSONGAS

Mr. BAKER. Mr. President, I congratulate the distinguished occupant of the Chair for his recent appointment and election to the Committee on Foreign Relations.

The PRESIDING OFFICER. The Chair thanks the Senator from Tennessee.

RECESS TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow morning.

The motion was agreed to and, at 6:02 p.m., the Senate recessed until tomorrow, Wednesday, May 14, 1980, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 13, 1980:

IN THE NAVY

The following-named chief warrant officers, W-3 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-4 pursuant to title 10, United States Code, section 5787c and 5791, subject to qualification therefor as provided by law:

Adcock, Daniel W.
Aldridge, Charles T. J.
Allensworth, Timothy
Alvarez, Don J.
Andersen, Richard E.
Arndt, Richard B.
Arquette, Daniel J.
Atwood, Jack D.
Baker, Troy G.
Bales, James L.
Barclay, Bruce M.
Barger, David L.
Barger, Edward B., Jr.
Barnett, Donald R.
Barnett, Eben E., II
Bauder, John T.
Beane, William L., Jr.
Benish, Roger W.
Bennett, Paul W.
Bernicken, James F.
Biegler, Loren W.
Bowman, Bruce E.
Boyle, Robert J.
Bradberry, Billy E.
Brandt, Donald E., Jr.
Brice, Gerald T.
Brick, Thomas J.,
Brinkley, George W.
Brock, Michael D.
Bromaghim, Ward M.
Bullard, Bobby J.
Burke, Larry D.
Caramello, Joseph J.
Carawon, Bruce C.
Carlton, Melvin D.
Carter, Harry F.
Cary, John D.
Casper, J. Kip
Castle, William R.
Clayburn, Michael W.
Clifft, John D.
Cobb, David L.
Coday, Harold G.
Coleman, Arthur D.
Colman, Hubert E.
Conahan, Francis C.
Contreras, Gregorio A.
Cope, James O.
Cordray, David R.
Couch, William S.
Crabtree, Richard E.
Cranford, James W.
Curtin, Timothy P.
Dasher, Joseph G.
Daugherty, Michael A.
Davidson, James E.
Davis, Billy G.
Davis, Gerald W.
Davis, Owen F.
Davis, Robert E.
Davis, Terry T.
Deberg, William F.
Delaney, John T., IV
Demarmels, Frank S.
Deseve, Darryl D.
Dickerson, Larry G.
Donado, Paul
Donohue, Thomas
Doornbos, Robert L.
Doran, James W.
Dorsha, Richard B.
Drajna, Fred A.
Dunn, James P., Jr.
Dunsmore, Marcus L.
Duran, Luis M.
Edwards, John W.
Elswick, Larry A.
Evans, Thomas L.
Farr, Craig L.
Fenton, William C., Jr.
Feuillerat, Robert A.
Fitzsimmons, William M.
Florida, Frank E.
Floyd, Walter, Jr.
Fone, Raymond B.
Fortson, Frank S., III
Foster, Robert C.
Frazer, Neil S.
Free, James R., Jr.
Freeman, James B.
Fulgham, Donald R.
Gaddy, John D.
Garrison, John W.
Gascho, Gerald G.
Gelardi, Lydia C.
Gilbert, Melvin L.
Gillespie, Robert
Gimenez, Bienvenido B.
Golden, Richard V.
Gordon, James G.
Granlund, Richard
Green, Robert L.
Greene, Ronald M.
Gregoire, Normand L.
Griffin, John R.
Guidry, Dell J., Jr.
Gunter, Danny O.
Hall, Randal R.
Hallman, Lyston L.
Haluza, Jerome J.
Hamilton, Wesley E.
Hanson, James H.
Hardgrave, Billy D.
Hayes, Edward D.
Haynie, Robert E.
Hays, John W.
Heck, Carl H.
Hejduk, Harold J.
Heller, Richard B.
Herward, James D.
Hessler, Harold R.
Hightshoe, Ronnie L.
Hinnefeld, Garrett J.
Hogue, Charles W.
Holik, Manfred J.
Holyfield, Milton L., Jr.
Hoover, Daniel L.
Howell, Carleton T., Jr.
Huckaby, Bobby J.
Hunt, John A.
Hurdle, Daniel C., Jr.
Iles, Douglas M.
Isaacson, Leroy D.
Isbell, Carlton R.
Ivey, James A.
Jaeger, Herald R.
Jaeh, Roland H.
James, Edwin M., III
Jans, James E.
Jensen, Albert H.
Johnson, Gary C.
Johnston, Sydney L.
Jones, William J.
Judd, Michael R.
Kaufman, David L.
Kearney, Thomas E.
Kell, George E., Jr.
Kelly, Herbert C., Jr.
Kelly, James L., Jr.
Kemp, Alfred D., Jr.
Kieffer, John R.
King, James R.
King, Kenneth J.
Kirst, Alfred O.
Kitchens, Jessie K.
Kitts, Joseph C.
Koch, Danny D.
Kunkel, David S.
Langford, Thomas I.
Lanman, George W., Jr.
Lapoint, John T.
Layne, Claude R.
Leasure, Rodger M.
Lester, Deloss M.
Lewis, Christopher H.
Licciardi, Dominick, Jr.
Lindsey, Keith A.
Litchford, Larry J.
Longest, James A.
Lupton, Gary A.
Lutz, Jack W.
Mahaffey, Joseph W.
Mangel, Michael E.
Manuel, Donald R.
Marx, Keath L.
McCoy, William R.
McKinney, Lawrence A.
McKinzie, Larry E.
McNeal, Garrel R.
McPherson, Richard G.
Meaker, Michael J.
Merkling, Kurt C.
Miller, George P.
Miller, Kenneth W.
Mills, Dennon W.
Mills, Lowell C.
Mitchell, Fred A., Jr.
Mixon, James F.
Moody, Bryan T., Jr.
Moore, Herman C., Jr.
Moore, William C.
Morgan, John W.
Morris, Charles C.
Morrow, Benedict
Morton, George R.
Moyer, John W.
Mundy, Merlin Edward, Jr.
Murphy, Raymond E.
Naylor, James G.
Nielsen, Robert D.
Noha, Joseph J., Jr.
North, Albert L.
Nutting, Dwight P.
Odell, Joseph M.
Olson, Warren H.
OMoore, Francis E.
Onken, Charles R.
Overton, Robert W., Jr.
Parks, Kowell L.
Patton, Gary D.
Pearson, Norman E.
Perriman, Ronald O.
Pesses, Thomas M.
Peters, Frank C.
Piepenhagen, Hans C.
Pierce, Donald A.
Pierce, James A.
Poe, Richard R.
Poston, Charles B.
Pratt, Walter J.
Price, Floyd W.
Pugh, Ray E.
Quijada, Richard H.
Randall, Charles R.
Rasberry, John H.
Redman, Henry C.
Reed, Ralph G.
Reid, Robert E., Jr.
Ritchey, Leonard E.
Rivera, Edmond R.
Rivera, James P.
Roberts, Richard H.
Roberts, Ulric M.
Robuck, Tyrone A.
Rose, Thomas A.

Russell, William M.
Ryan, James F.
Ryan, Robert J.
Sage, William R.
Sayre, Roscoe R.
Scalia, August
Schulmeister, Arnold R. J.
Schumacher, Wayne
Schwartz, Gerald M.
Scott, George L.
Scott, Gordos F., Jr.
Scott, Michael F.
Shick, Harold D.
Shirer, Glenn S., Jr.
Shull, Kenneth G.
Sinclair, Charles E.
Sitton, William E.
Sizemore, Jack
Skalski, Francis W.
Smith, Robert L.
Snyder, Robert G.
Sparks, Gerald V.
Sperlich, James L.
Spiller, Ralph H., Jr.
Stang, David H.
Starnes, John H.
Steib, John F., Jr.
Stewart, Robert E.
Stimpson, Gerald N.
St. John, Charles W.
Stoddard, Leon B.
Stolarz, Robert M.
Stuart, Daniel W.
Stuedemann, John A.
Suhr, Thomas W.
Swartz, Melvin C., Jr.
Talley, James A., Jr.
Tanner, Marvin M.
Theobald, Robert L.
Thompson, Carl W.
Thornberry, Donald E.
Thornton, Fred D., Jr.
Thorson, Robert C.
Tilley, Ronald C.
Tomlinson, Von P.
Tonder, Paul A.
Tuton, Philip E.
Vandermeer, Raymond R.
Vann, Jarvis W.
Verhasselt, Ray J.
Viar, Lawrence E.
Wakefield, Gregory A.
Walsh, Richard B.
Waltemyer, Clyde L., Jr.
Weeks, James D.
Weidetz, Alvin L., Jr.
Weisinger, Jack P.
Welch, Brian W.
White, Merion D.
White, William J.
Whitted, George W.
Wickersham, Francis M.
Wilder, John A.
Williams, Nathaniel, Jr.
Willits, Larry L.
Wise, Terry P.
Woods, Joseph
Woolum, Gairey L., Sr.
Wrightson, David J.
Wykowski, Henry S., Jr.
Wynne, Claude E., Jr.
Yates, William U.
Young, John H.
Young, Leroy

The following names chief warrant officers, W-2 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-3 pursuant to title 10, United States Code, section 5787c and 5791, subject to qualifications therefor as provided by law:

Abernathy, Everett M.
Ackerman, Richard A.
Acoba, James D.
Acosta, Alfredo Z.
Adcock, Jerry L.
Agrecy, George M.
Alcorn, William P.
Alegado, Augustus Y.
Alexander, Russell L.
Altenburg, Carl H., Jr.
Altherr, Kenneth J.
Andersen, Andrew E., Jr.
Arrington, Robert L.
Augsburger, John A.
Aymond, Kenneth C.
Babb, Gary W.
Bachman, Donald W., Jr.
Bailey, Anthony R.
Baillargeon, Armand L.
Baily, Buford
Baker, Ronald L.
Baker, Thomas E., Jr.
Barton, Jack A.
Bateman, Paul D.
Battaglia, Anthony P.
Bear, Donald G.
Beaton, Charles L.
Beckett, Charles W.
Beckmann, Edward L.
Beem, Sammy R.
Beniash, David M.
Benjamin, Herman M.
Benton, James O.
Berger, Edward J.
Bingen, John T.
Blache, James F.
Blossom, Robert D., Jr.
Bochnovich, John, Jr.
Bogart, Kenneth D.
Bogstad, James R.
Bohannon, Jessie D.
Bohannon, Talmadge W.
Boike, Stephen H.
Bonar, Larry J.
Bondi, Philip A.
Bonner, Michael J.
Boothby, James G.
Borkowski, Edward F.
Borns, John W.
Borsch, Donald F.
Botteron, Richard E.
Bouck, Worcester II
Bowser, James W.
Brakhage, Charles H.
Brassard, Francis A., Jr.
Bright, John L.
Brinkheide, John R.
Britt, Carl G., Jr.
Brock, James W., Jr.
Bryant, Frederick H., Jr.
Buck, Billy R.
Bulick, James C.
Burgess, Jimmie S., Jr.
Burgess, Stephen R.
Burkey, Monte B.
Burks, William H.
Buschmann, Joel J.
Cahill, Joseph P.
Cain, Gary L.
Camnetar, Frank A.
Cannon, John R.
Cannon, Richard W.
Cantrell, Bennie F.
Carpenter, Claude H.
Carr, Juanita J.
Cart, Okey S., Jr.
Caster, Gary R.
Castillo, Rodolfo R.
Cedola, Richard D.
Chadbourne, Harry T.
Chenault, Max D.
Childers, Apama K.
Chilton, Harry R.
Clayton, Larry A.
Clouse, Robert W., Jr.
Collier, Joseph L.
Cornelius, Eddie J.
Coryell, Dale O.
Cowart, Henry L.
Cracknell, Terrence E.
Cramer, Dale H.
Crisp, Paul R.
Cruz, Jesus T.
Cui, Adolfo B.
Cullins, Harold L.
Cureton, William T.
Curley, Jeremiah M.
Damstrom, Gayle H.
Dansereau, Joseph J.
Davidson, Gary P.
Davis, Herbert H.
Davis, Martin T.
Dean, Ronald C.
Decker, Ronald M.
Demain, Joseph N.
Derington, Vondail D.
Devries, Leroy
Devries, Vernon C.
Dixon, Richard L.
Dixon, Robert A.
Doiron, John A.
Domingue, Wilfred L.
Donnelly, Paul G.
Dowler, Gary O.
Dunkle, Patrick K.
Earls, Harold C.
Echols, Evan L.
Edmondson, Jerre L.
Edwards, Alvin
Ellis, Robert A.
Eltringham, Norman P.
Epling, William S.
Evans, Frank
Feazelle, Rufus M.
Feeser, Donald C.
Fenger, Peter W.
Fischer, David R.
Fischer, Richard H.
Fitzgerald, Charles J.
Fletcher, Emory
Fontenot, Manford J.
Ford, Jerry M.
Ford, Thomas R., Jr.
Fortenberry, Jerry L.
Fortuna, Leonard J.
Freeburg, Ivar E., Jr.
Freed, Robert M.
Freeman, Guy D., Jr.
Friel, Paul R.
Fudge, Tommie W.
Fugate, Daniel E.
Gaither, Johnny D.
Galvan, Roberto
Gandy, Arthur D.
Garner, Harvey W.
Garner, Samuel R.
Gengler, Kenneth A.
George, Clarke L.
George, Talley V. III
Gibbs, David M.
Giovanelli, John A.
Gipe, Cleo P.
Gough, Jeffrey L.
Gray, William J.
Gurley, Darrel L.
Gust, John A.
Hagler, Jerry W.
Hair, Thomas J.
Hall, John H.
Hanners, Elmer D.
Hansen, Clayton E.
Harder, Kenneth E.
Hardin, Larry G.
Harnden, Jonathan L.
Harris, Charles R.
Hart, Gary F.
Hartman, Wayne D.
Hawkins, Thomas C.
Hawkins, Tommie L.
Hazuda, Alexander W., Jr.
Heassler, Ernest J.
Hebert, William J.
Helton, Milford R.
Henderson, Robert M.
Hendrickson, Eugene W.
Hense, Harold E.
Herd, Andrew M., Jr.
Herringdine, Howard R., Jr.
Hibbetts, Charles M.
Hill, Donald W.
Hillhouse, David J.
Hilton, Donald J.
Hinds, Robert D.
Hinkle, Wilbur G.
Hogan, James L.
Hollar, Ned R.
Hollis, Donald D.
Hood, Joe B.
Hopkins, Ronald D.
Horton, Edward C., Jr.
Hoskinson, Donald C.
Hosterman, Larry D.
Hudson, Roger L.
Hufford, Robert C.
Hunst, Eugene F.
Huskey, John R.
Huskey, Ralph E.
Huuki, Arnold E.
Hyde, Hiram B.
Ilagan, Cesar O.
Ingram, George T., II
Jahnke, Donald A.
Jarrins, Lawrence A.
Lackey, Edward J.
Jaus, Frederic S.
Jewell, James A.
Johnson, Jennings A.
Johnson, Jesse L., Jr.
Johnson, William D.
Jones, Phillip E.
Jordan, Larry P.
Kane, Paul E.
Kauffman, Robert H.
Kazinski, Robert D.
Keasler, David H.
Kennedy, Gaylord A.
Keys, Harry E.
Kilpatrick, Joe F.
Kincaid, Elthu F.
King, James S.
King, Wesley G.
Kirchner, Tommy L.
Kizer, Paul C.
Knight, Daniel W., Jr.
Knight, John
Knight, John W.
Koca, Richard L.
Kopp, Donald L.
Krause, Walter H., Jr.
Kreider, Creighton D.
Laird, Willard S., Jr.
Lake, Jack B., Jr.
Lambert, Larry E.
Larson, George E., Jr.
Leshinski, Stephen C.
Lewis, Thomas L.
Litty, Harold R.
Lockhart, James R.
Locquiao, Jesus B.
Loomis, Donna M.
Lopez, Richard
Loporto, Gerald E.
Lumpkin, Robert L.
Lutzow, David C.
Lynchard, Robert R.
Lyon, Percy F.
Magaraci, Francisco P.
Majszak, Maurice G.
Mandapat, Rolando B.
Marion, Wade H., Jr.
Marmon, Michael S.
Marstall, Bernard L.
Martin, Lawrence W.
Martin, Robert L.
Martinez, Patrick M.
Massey, James C., Jr.
McCall Michael W.
McChesney, Adrian M., Jr.
McClaskey, Robert J.
McCracken, Dennis D.
McGinn, John R.
McGuire, John E.
McHorney, Benjamin M.
McKinnell, Arthur F.
McLain, Roland O., Jr.
McMullen, Richard L.
McQuay, Edgar, Jr.
Mendoza, Jesus
Metz, Terry L.
Meyers, John R.
Miller, Douglas E.
Miller, George W.
Mixon, Dewey W., Jr.
Mize, Thomas H.
Molder, Jack E.
Molle, Salvatore A.
Moore, Donald E., Jr.
Moore, Mark N.
Moore, Robert A.
Moore, Troy C.
Morris, David Q.
Morris, James W.
Morrissey, John J., Jr.
Morse, Stephen F., Jr.
Mott, John S.
Mucheck, Frank D.
Murphy, Billy
Neal, Clifford B.
Norris, Edmund G.
Nucup, Ernesto M.
Numa, Larry J.
Obey, Robert H.
Ogg, Paul R.
Oliver, Robert M.
Olson, David A.
Ominski, Joseph J.
Osaughnes, Larry R.
Outram, Cloyce W.
Overfield, Norman M.
Pace, James R.
Painter, Dale E.
Paris, Charles M.
Parish, James W.
Pashby, Clifford S.
Patrick, Wayne J.
Paxton, Anthony W., Jr.
Payne, Carlton L.
Pearce, John M.
Peck, John M.
Peebles, John T.
Pemberton, John A.
Penczek, Paul S.
Pester, Curtis K., Jr.
Peters, Clyde V.
Peterson, Ronald G.
Pickett, Gary L.
Pierantozzi, Richard
Pike, Albert L.
Piner, Steven E.
Pinto, Daniel A.
Porter, Dennis M.
Portwood, Jimmy E.
Powell, David O.
Powell, Thomas G.
Prince, Burton L.
Pye, John T.
Quesada, Norison A.
Raesemann, Robert C.
Ramirez, Robert Q.
Ramsey, Floyd D.
Rangel, Raynold
Reeb, James N.
Reid, Jerry D.
Reighn, Jonas C.
Reiss, Harry V.
Renckert, Frederick E.
Reuck, Irwin W.
Rhatigan, Richard J.
Rial, Robert D.
Rice, Sidney I.
Richmond, Leland E.
Rizzuto, Leonard
Roach, Charles J.
Robb, Arthur F.
Rock, William A., Jr.
Rohr, Richard L.
Roth, Jasper N.
Rowley, Alan B.
Runager, Richard F.
Rupert, Thomas F.
Rustenbach, Robert J.
Sanchez , Pete, Jr.
Sandidge, James M.
Sapien, Joe
Sarrault, Clifford D.
Schaad, Dimon K.
Schaefer, Charles F.
Schaner, Frederick L.
Schinn, Dale R.
Schlink, Robert J.
Schneider, Jacob P.
Schulz, Gary I.
Schwartz, David B.
Scott, Wayman C.
Seagers, Jimmie R.
Seater, Thomas E.
Sedergren, Daniel R.
Segovia, Gustavo, Jr.
Sells, Carl E.
Shanklin, John L.
Sharum, Henry P., Jr.
Sheets, Joseph H.
Sherman, Benn M.
Sherman, James H.
Shockley, David W.
Silvernail, Paul J.
Skinner, William L.
Slagle, Alain A.
Slatton, Jimmy L.
Smalling, Will A., III
Smith, Benjamin H.
Smith, George R.
Smith, Gordon D.
Smith, James L.
Smith, Paul H.
Smith, Richard T.
Smith, Stanley V.
Smith, William S.
Snow, Charles S.
Soldner, Stephen D.
Sorrell, Gerald G.
Sowers, William R.
Sparks, Larry O.
Spear, David G.
Speir, Roger L.
Spicher, Lawrence E.
Springer, Jon M.
Stapp, Samuel H.
Stephens, Jimmie D.
Stevenson, Robert G., Jr.
Stewart, Bowman E.
Stewart, James A.
Stewart, Raymond L.
Stone, Paul W.
Stonge, Albert A.
Storey, Robert H.
Stormes, Lester E.
Strong, Andrew D.
Sturm, Robert R.
Sumner, Frederick S. Jr.
Switzer, Ronald E.
Taylor, James G.
Teague, James E.
Teemley, Dennis D.
Thibadeau, John F.
Thomas, Clarence A., Jr.
Thompson, Dean M.
Thompson, Fredrick C.
Topping, Ivy C., Jr.
Trolinger, John S., Jr.

Tucker, Gary D.
Tyrer, Terry G.
Vahey, William F.
Vandevoort, Terry L.
Vandewark, Wade L. Jr.
Vanselow, Wallace W.
Varnell, Teddy L. R.
Varner, Donald C.
Vaughn, Donald R.
Vaughn, Robert L.
Vaughn, William L.
Venables, James J., Jr.
Vernon, Lawrence A.
Villa, Manuel V.
Waldron, Patrick J.
Waldrup, Leland W.
Walker, Boyd A.
Walkley, Gary F.
Walter, Coy J.
Warden, Allan J.
Watson, Eddie L.
Webb, Brian K.
Wells, Allen L.
Wells, Raymond W.
Wendling, Phillip G.
Wernli, Theodore
White, Charles M.
White, Gerald W.
White, Lyle M.
White Thomas R.
Whited, Ronald M.
Williams, Gary W.
Williams, James L.
Williams, Tyrone C.
Willis, Warren F.
Wills, Jack D.
Wilson, Lincoln Jr.
Winston, Herbert C.
Woodbury, Edward A.
Woods, Williams A.
Woolweaver, Edward T.
Wright, Wayne A.
Yankovich, Edward P. Jr.
Yelken, Robert L.
Zink, John W.
Zurschmit, Franklin E.

HOUSE OF REPRESENTATIVES—*Tuesday, May 13, 1980*

The House met at 12 o'clock noon.

Rev. Henry Dahlberg, Jr., D.D., First Presbyterian Church, Lakeland, Fla., offered the following prayer:

Almighty and Eternal God, we thank Thee for Thy blessing on this great and favored land.

In a time of man's gross inhumanity to man, we, as a proud and compassionate nation of free people, reaffirm our commitment to the God we trust.

We know that no easy tasks lie ahead—a wise man has said it is the business of the future to be dangerous—but in the spirit of our forefathers we face whatever comes with courage and determination under Thy divine providence.

Help us also, O Lord, in these troubled times to meet with equal resolution the problems of the spirit. Deliver us from the poverty of indifference and apathy, the inflation of self-interest, the false economics of materialism, and the freedom which demands much but shirks responsibility.

Bless now the honorable men and women of this House; grant them Thy guidance and wisdom.

In Christ's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on May 5, 1980, the President approved and signed a bill of the House of the following title:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 307. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The message also announced that the Senate insists upon its amendment to House Concurrent Resolution 307 entitled "a concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980." Requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. MAGNUSON, Mr. CHILES, Mr. JOHNSTON, Mr. HART, Mr. EXON, Mr. BELLMON, Mr. DOMENICI, Mr. ARMSTRONG, and Mrs. KASSEBAUM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2156. An act to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor Improvement Project, and for other purposes.

The message also announced that Mr. CHURCH and Mr. GLENN be conferees, on the part of the Senate, on the bill (S. 662) entitled "An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund," vice Mr. MCGOVERN and Mr. PELL, excused.

DR. HENRY DAHLBERG, JR.

(Mr. IRELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. IRELAND. Mr. Speaker, it is my pleasure today to introduce to you Dr. Henry Dahlberg, Jr., pastor of the First Presbyterian Church of Lakeland, Fla.

I have heard Dr. Dahlberg preach many times and I fully understand why he is often sought out as a guest speaker. He also is a student of American history whose sense of community responsibility reaches out beyond his own congregation.

Dr. Dahlberg has served Florida churches for nearly 30 years. Before coming to Lakeland, he was pastor of Miami's First Presbyterian Church and was president of the Greater Miami Council of Churches.

He has held offices in the Florida Synod and Southeast Presbytery of the United Presbyterian Church; served as trustee for two Presbyterian colleges, and is a frequent baccalaureate speaker.

A native of Youngstown, Ohio, Dr. Dahlberg attended Pittsburgh Theological Seminary and holds both master's and doctorate of divinity degrees.

One who seeks to minister to people must also seek to teach them, because how else can the spiritual truths which are the bedrock of faith be transmitted?

A gifted preacher is by definition a gifted teacher and teaching drew Dr. Dahlberg before the ministry called him. He was an assistant high school principal in Ohio and an English and history professor at the Ecole International in Switzerland.

To ask the blessing over the deliberations of the U.S. House of Representatives is by extension to invoke the highest concerns for all Americans because this political body is in every way the people's house.

We are fortunate to have had Dr. Dahlberg with us today.

NEW GUIDELINES NEEDED FOR IMMIGRATION AND NATURALIZATION SERVICE

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, what this country needs, now, is a sound, sensible, understandable, and enforceable immigration policy.

In recent months the starving and pathetic boat people of Vietnam have swarmed to these shores. In recent weeks we have begun to experience a new flood of boat people as the newest waves of people fleeing the empty promises of Marxism wade ashore from boats that have fled Cuba.

The great and generous hearts of freedom loving Americans are now beginning to ask: How long can this continue? How many more?

While the Vietnamese, the Cubans, and the Haitians are getting the headlines, there is a constant stream of illegal, undocumented men, women, and children, pouring across the border to the South. The Immigration and Naturalization Service seems powerless to do anything to stem the tide.

What is our policy? How many people can be accommodated and over what period of time?

I call on this administration to work with the Congress and develop a policy that will provide new and enforceable guidelines for the Immigration and Naturalization Service.

We in the United States are humanitarians. We are also a nation of laws. Our laws must be respected and enforced.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

If changes should be made, then let the Congress do it in the proper way.

We must have a national policy and that policy must be spelled out in the law and enforced by the proper authorities.

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH, AND TECHNOLOGY OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT ON MAY 14 AND 15, 1980, DURING 5-MINUTE RULE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology may be permitted to sit on Wednesday and Thursday of this week, May 14 and 15, 1980, despite the fact that the House may be in session under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR ALL COMMITTEES TO HAVE UNTIL 12 NOON, FRIDAY, MAY 16, 1980, TO FILE REPORTS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all committees may have until 12 o'clock noon on Friday, May 16, 1980, to file reports, and that reports filed by that time be considered to have been filed within the time permitted by section 402(a) of the Congressional Budget Act, with respect to fiscal 1981 authorizations.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

☐ 1210

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell us how many bills may fall into this category? Are there a great number? I know in the past the Rules Committee has on each bill waived the filing deadline as the rule was granted.

Mr. WRIGHT. If the gentleman would yield, I am not sure that I have an outside number. I honestly do not know how many would be affected by this. I do know that there are bills in the Committee on Interstate and Foreign Commerce which are going to have to be hurriedly prepared and put together if we do not give them this extra 12 hours. Their staff has been burdened with a lot of activity with two conference committees, among other things, and it is largely at their request that we have sought this unanimous consent.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROPOSAL TO RESCIND $9.0 THOUSAND IN BUDGET AUTHORITY PREVIOUSLY PROVIDED BY CONGRESS AND TWO NEW DEFERRALS OF BUDGET AUTHORITY TOTALING $19.8 MILLION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-311)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, May 13, 1980.)

PERMISSION FOR CONFERENCE REPORT ON S. 1309 TO BE ELIGIBLE FOR CONSIDERATION ON MAY 15, 1980, NOTWITHSTANDING ANY RULE OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the Committee on Agriculture files the conference report on the Senate bill, S. 1309, it be eligible for consideration by the House on Thursday, May 15, 1980, notwithstanding any rule of the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, does the gentleman also include in his request the waiver of any and all points of order that might be made against the conference report?

Mr. FOLEY. Yes; if the gentleman will yield, my last statement was regardless of any rule of the House to the contrary, in effect waiving any points of order against consideration of the conference report at that time, respecting the 3-day rule, not with respect to any other point of order.

Mr. BAUMAN. That was my question. The gentleman seeks to waive only the 3-day rule?

Mr. FOLEY. Yes.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed on Monday, May 12, 1980, in the order in which that motion was entertained.

Votes will be taken in the following order:

House Concurrent Resolution 318 and H.R. 6616.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

DISAPPROVAL OF REGULATIONS FOR EDUCATION APPEAL BOARD

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution (H. Con. Res. 318).

The Clerk read the title of the concurrent resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 318).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

OCEAN DUMPING AUTHORIZATION, FISCAL YEAR 1981

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6616, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 6616, as amended.

The question was taken.

Mr. McKINNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 24, not voting 36, as follows:

[Roll No. 229]

YEAS—372

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clinger
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick

Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lehman
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—24

Albosta
Barnard
Clay
Collins, Tex.
Conyers
Cotter
Crane, Daniel
Crane, Philip
Dodd
Evans, Ind.
Ford, Mich.
Jacobs
Leath, Tex.
McKinney
Moffett
Obey
Paul
Ratchford
Roberts
Rudd
Stokes
Stump
Symms
Volkmer

NOT VOTING—36

Anderson, Ill.
Andrews, N.C.
Anthony
Biaggi
Burton, Phillip
Campbell
Cavanaugh
Cleveland
Coelho
Diggs
Dixon
Dougherty
Drinan
Ertel
Giaimo
Holland
Hollenbeck
Howard
Jenrette
Jones, Okla.
Lee
Leland
Levitas
McDonald
Pickle
Pursell
Quayle
Rodino
Rose
Skelton
Steed
Watkins
Weaver
Wilson, C. H.
Wyatt
Wydler

☐ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Howard and Mr. Charles H. Wilson of California for, with Mr. Giaimo against.

Mr. Biaggi and Mr. Rodino for, with Mr. McDonald against.

Until further notice:

Mr. Rose with Mr. Anderson of Illinois.
Mr. Pickle with Mr. Lee.
Mr. Weaver with Mr. Wyatt.
Mr. Jenrette with Mr. Dougherty.
Mr. Jones of Oklahoma with Mr. Cleveland.
Mr. Coelho with Mr. Andrews of North Carolina.
Mr. Phillip Burton with Mr. Campbell.
Mr. Anthony with Mr. Holland.
Mr. Drinan with Mr. Quayle.
Mr. Ertel with Mr. Pursell.
Mr. Steed with Mr. Wydler.
Mr. Levitas with Mr. Hollenbeck.
Mr. Skelton with Mr. Dixon.
Mr. Watkins with Mr. Cavanaugh.
Mr. Diggs with Mr. Leland.

Mr. BARNARD and Mr. SYMMS changed their votes from "yea" to "nay."

Mr. DELLUMS changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON HOUSE CONCURRENT RESOLUTION 307, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain what we are doing?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I am glad to yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, this is a routine request simply disagreeing with the Senate amendments to the budget resolution and agreeing to a conference with the other body so the differences can be reconciled.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Further reserving the right to object, I yield to my colleague from Maryland.

Mr. BAUMAN. Mr. Speaker, I have been informed that the other body in dealing with the budget resolution changed the date by which reconciliation will be required to August the 28th rather than the later date in September the Budget Act requires. Since this is not consistent with our action here in the House, and I was told the purpose was to allow an extra month for campaigning for Members of the other body who are up for reelection, I am just wondering what the House position might be on this matter when we go to conference. I certainly want to accommodate our colleagues who feel that they are in jeopardy in the other body but, on the other hand, it would be nice to know if that is the case.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. WRIGHT. The gentleman from Maryland's compassion is well known in that regard. While I cannot speak for my other conferees, if I were to be a conferee, nor for those who would be if I were not, I think I could point out also that there are a number of other things in the Senate resolution that are inconsistent with the action of the House. I would presume it would be the position of the Members of the House in the conference to uphold, insofar as they could, the position of the House, well knowing we have to yield occasionally in order to get some agreement.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the gentleman can assure us that this proposal is only to go to conference and to name conferees, and there is nothing else included in the proposal? It was difficult to hear anything being read by the reading clerk.

Mr. WRIGHT. The gentleman is entitled to that assurance. Precisely I would give him that assurance. All that is included in my request is simply that we take from the Speaker's table the concurrent resolution, which is our budget resolution, and that we disagree to the amendment of the Senate, and that we agree to a conference with the Senate on the disagreeing votes. That is the request I make. It has no other caveats nor provisions whatsoever.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? The Chair hears none and, without objection, appoints the following conferees: Messrs. GIAIMO, WRIGHT, ASHLEY, SIMON, MINETA, JONES of Oklahoma, BRODHEAD, WIRTH, PANETTA, GEPHARDT, NELSON, LATTA, and CONABLE, Mrs. HOLT, Mr. REGULA, and Mr. RUDD.

There was no objection.

OCEAN DUMPING AUTHORIZATION FOR FISCAL YEAR 1981

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1148) to reauthorize title I of the Marine Protection, Research, and Sanctuaries Act, and for other purposes, a similar bill to H.R. 6616, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 111 of the Marine Protection, Research, and Sanctuaries Act is amended by striking "and" following "1977," and inserting "not to exceed $1,232,000 for each of fiscal year 1980, fiscal year 1981, and fiscal year 1982," immediately after "1978,".

SEC. 2. Title II of the Marine Protection, Research, and Sanctuaries Act is amended by adding at the end thereof the following new section:

"SEC. 205. The Administrator of the Environmental Protection Agency is authorized to conduct a study to assist the city of New York in evaluating the technological options available for the removal of heavy metals and other toxic organic materials from the sewage sludge of the city of New York. The study shall also examine options available to reduce the amount of such pollutants entering the sewage system. The study is to be completed by July 1, 1980.".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill, S. 1148 and insert in lieu thereof the provisions of sections 1, 7, 8, and 9 of H.R. 6616, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

OCEAN DUMPING AUTHORIZATION FOR FISCAL YEAR 1981

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1123) to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for title II of such Act for fiscal year 1980, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 as amended (33 U.S.C. 1444), is further amended by (1) deleting the word "and" after the date "1977"; (2) deleting the period after the date "1978" and inserting in lieu thereof a comma; and (3) adding at the end thereof the following: "and not to exceed $9,500,000 for the fiscal year 1980.".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill, S. 1123, an insert in lieu thereof the provisions of sections 2 and 3 of H.R. 6616, as passed by the House.

The motion was agree to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

□ 1240

OCEAN DUMPING AUTHORIZATION FOR FISCAL YEAR 1981

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1140) to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1980 and 1981, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended—

(1) by striking out "and" immediately after "fiscal year 1977,", and

(2) by adding immediately after "fiscal year 1978" the following: ", not to exceed $3,000,000 for fiscal year 1980, and not to exceed $4,000,000 for fiscal year 1981".

SEC. 2. Section 302(a) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1432(a)) is amended by inserting immediately after the term "ecological," the word "scientific.".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill, S. 1140, and insert in lieu thereof the provisions of sections 4, 5, and 6 of H.R. 6616, as passed by the House.

The motion was agreed to.

The Senate bill was offered to be read a third time, was read the third time and passed.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

A similar House bill, H.R. 6616, was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS IN ENGROSSMENT OF HOUSE AMENDMENTS TO S. 1148, S. 1123, AND S. 1140

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the engrossment of the House amendments to the Senate bills S. 1148, S. 1123, and S. 1140.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit this afternoon during debate under the 5-minute rule for purposes of markup.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain to us why this is necessary?

Mr. DINGELL. If the gentleman will yield, it is because we have a backlog of legislation in the committee and we want to consider the standby fuel efficiency legislation which came out with only one dissenting vote from the Subcommittee on Energy and Power, with the support of the minority.

Mr. ROUSSELOT. Reserving the right to object, is the gentleman marking up only one bill?

Mr. DINGELL. That is the only bill on which I make the unanimous-consent request.

Mr. ROUSSELOT. So the gentleman is only asking for one bill?

Mr. DINGELL. I ask unanimous consent on only one piece of legislation.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TODAY FOR MARKUP OF H.R. 7320

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit this afternoon to mark up the bill, H.R. 7320.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. STOCKMAN. Mr. Speaker, reserving the right to object, I would say to the gentleman from New Jersey that ordinarily I would not object, but the fact is that the bill before us was written about 2 o'clock in the morning last night. Many of the members of the committee are concerned about this important piece of legislation. We have not had a chance to study it properly, and so, therefore, I will object.

The SPEAKER pro tempore. Objection is heard.

(Messrs. BROWN of Ohio, WALKER, BADHAM, THOMAS, TAUKE, PRITCHARD, SENSENBRENNER, SHUMWAY, SOLOMON, and MICHEL also objected.)

The SPEAKER pro tempore. A sufficient number have risen. The Clerk will note the number of 10 objectors.

Objection is heard.

SUPPLEMENTAL APPROPRIATIONS FOR FOOD STAMPS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 663 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 663

Resolved, That upon the adoption of this resolution it shall be in order to consider, clause 2(l)(6) of rule XI and section 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, in the House.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) will be recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself so much time as I may consume.

Mr. Speaker, I ask unanimous consent to insert a statement in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I see no reason for going into a great deal of detail. The reason I want to put a statement in the RECORD is that I want to cite the fact that this is a precedent. It is the first time that other than technically we have waived a certain provision of the Budget Act. The reason for it is that we passed the first budget resolution through the House. It is now in conference. Food stamps are a real emergency, and if this appropriation bill that is made in order by this rule is not passed, there will be a great many people who will actually go hungry. We need to pass it as a matter of high emergency. Therefore, I do not think Members will be particularly interested in the technicalities nor the significance of the precedent. They will be able to read it in the RECORD, and I, therefore, reserve the remainder of my time.

Mr. Speaker, House Resolution 663, provides for the consideration, in the House, of House Joint Resolution 545, making urgent supplemental appropriations for the food stamp program for fiscal year 1980. I do not propose to spend much time on this rule, since my colleagues are all aware of the serious situation that faces the food stamp program.

House Resolution 663 provides for consideration in the House which means the joint resolution will be considered under the 1-hour rule and no amendments will be allowed unless the manager of the resolution, in this instance Chairman WHITTEN, yields for that purpose.

Mr. Speaker, to insure that this legislation may be considered promptly, a waiver of clause 2(l)(6) of rule XI—the 3-day layover rule—is provided in the resolution.

Mr. Speaker, the only exceptional provision of the rule is a waiver of section 311(a) of the Congressional Budget Act of 1974. Section 311(a) bars consideration of legislation which provides additional new budget authority or new spending authority in excess of the appropriate levels set forth in the most recently agreed to concurrent resolution on the budget for that fiscal year. Although final action has not been taken on the budget resolution, the House passed measure contains adequate authority for funding for this necessary program. The resolution adopted by the Senate yesterday contains authority for an additional $2.4 billion for the program for fiscal year 1980.

Let me point out to my colleagues that this is the first time a waiver of section 311(a) of the Budget Act has been provided in a rule, other than as a technicality, for any bill which would breach the spending limit established by a budget resolution. The Congress adopted this provision of the Budget Act to insure fiscal discipline so that a spending ceiling once set would not be breached. But, the Congress also provided a safety valve for the budget process. The Committee on Rules is granted both specific authority to recommend to the House waivers of certain provisions of the Budget Act by the act itself, and is granted general authority in the act and under the Rules of the House of Representatives to recommend waivers of any other requirement of the act.

Mr. Speaker, that authority was never intended to allow the Rules Committee to recommend waivers on a routine basis, especially regarding section 311. However, the compelling nature of this crisis confronts us with an important decision. Unless this vital supplemental appropriation is signed into law by May 15, the Secretary of Agriculture will be forced to order States to suspend all food stamp benefits, effective June 1, to millions of poor and near poor Americans who cannot afford an adequate diet.

In view of this serious situation, the Committee on Rules after careful deliberation voted to recommend a waiver of section 311 of the Budget Act. This precedent setting situation should not be construed as the beginning of blanket waivers of this provision. The committee will continue to proceed cautiously and prudently in its consideration of waivers of this type. Since action on House Concurrent Resolution 307 has not been completed and in light of the impending crisis, this waiver is justified.

Mr. Speaker, the public perception of congressional action is as important as what is actually taking place here today. If we do not complete action by May 15, some 21 million needy people will be notified of benefit reductions. Termination of the food stamp benefits through lack of action by the Congress would be devastating to millions of poor and elderly people throughout this country.

House Joint Resolution 545 provides an additional $2.56 billion in budget authority for the remainder of fiscal year 1980 for the program and permits up to 5 percent of this amount to be placed in reserve to be apportioned for use only in such amounts and at such times as may become necessary to carry out program operations.

Mr. Speaker, nearly one-fourth of our people are suffering from poor nutrition because of the unavailability of decent food. The food stamp program is an integral part of our Federal efforts to alleviate hunger that plagues the low income families and the elderly of our great Nation.

Mr. Speaker, I know of no particular controversy over this rule. It is essential that we move forward to the consideration of this appropriation so that the crisis that threatens to deprive millions of needy recipients of food stamp benefits can be averted. I urge my colleagues to adopt House Resolution 663.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, while the distinguished chairman of the Committee on Rules, the gentleman from Missouri (Mr. BOLLING) may be correct that Members will not be as interested in the technicalities, I think it is worth commenting that the rule before us is precedent setting. As others have, I would like to pose the question as to which one of the Members of the House today wants people to go hungry, because that is the way in which this debate unfortunately has been framed. If you are concerned about the enormous cost of the food stamp program, if you are concerned about the legislative procedure involved, if you are concerned about saving billions of dollars of the taxpayer's money, if you are concerned about waste and fraud, if you are concerned about changing the program so that those most in need get increased benefits and those who do deserve anything do not get anything, then you are told you are for people going hungry. That is the way this debate has been framed from the beginning. Frankly, I am sick and tired of it. None of us desire to withhold assistance to those who truly need it.

I thing something needs to be said at this point about the way procedure is being used in this Congress to distort not only the meaning of the food stamp program, but to prevent any real reform amendments from being considered. The rule we have before us waives just about everything but the Constitution of the United States—and you could probably find some constitutional law expert to argue that it does that, too.

This rule, the gentleman from Missouri (Mr. BOLLING) is quite correct, is precedent shattering. It is the first time we have ever waived the Budget Act to remove the requirement that there be a concurrent resolution on the budget containing a spending ceiling allowing the consideration of legislation. The rule we have before us makes in order an appropriation, in the amount of $2,556,174,000. That appropriation bill will act as the budget resolution, the authorizing legislation, and the appropriation all rolled into one.

The budget resolution, we all know, contained this amount of money, but it has not been passed into law and is now in conference. It was sent to conference a few moments ago. We could have considered a third budget resolution for 1980, but the leadership decided no, even though they knew last March that this money would be needed. They would not bring a third budget resolution for fiscal year 1980 to the floor; they decided to attach it to the fiscal year 1981 resolution and bull it through, as they did, without a chance to separately attack the problems it encompassed. We could have considered last February the authorizing legislation for the food stamp program for the 1980 and 1981 fiscal years but the leadership did not bring it to the floor.

The rule on the authorization was requested many weeks ago. The authorization bill was reported in February, but, no, the leadership on the other side did not want the bill on the floor. So finally today, with a May 15 deadline facing us, with Secretary Bergland telling us that we will allow millions of people to go hungry, we are forced to vote on a resolution that will waive all of these matters that I have just mentioned.

None of this was necessary. Last year there was an amendment adopted by this Congress, offered by the Senator from Indiana (Mr. LUGAR) that gave the Secretary of Agriculture discretionary authority to allocate any food stamp funds as he saw fit if there was ever a shortfall or it appeared that the money was running out. The intent of that amendment was to attempt to get the Secretary to take care of the poorest of the poor first, rather than reducing all of the benefits to all recipients across the board by a certain percent. But the Secretary of Agriculture refused and failed to do this. Instead Secretary Bergland has, presumably with President Carter's approval, maintained full funding and full benefits for all recipients without any concern about the amount of money in the program, and the result is a deficit of at least $2.5 billion. So we are here today being asked to bail out their mismanagement.

Already we have seen in the conference report that will be filed on the authorization bill that the amendments adopted by the House to tighten up the food stamp law have been thrown out. The Jeffords amendment of the other day has been dropped from the conference report we will consider later this week. So I suggest to you that I really question how concerned the authors and the proponents of the food stamp program are about the really poor who need assistance from this program, how concerned they are about cleaning up the waste and fraud, how concerned they are about true reform. They and others who have precipitated this parliamentary predicament have allowed lobbyists all over this country, using Government funds in some instances, to deluge this Congress with mail, much of it coming in mimeographed and printed form and postcards saying, "You must vote now for another $2.5 billion or $3 billion because people are going hungry."

This is a manufactured crisis, manufactured by the Secretary of Agriculture and by the President of the United States.

It is an affront to the poor who really need assistance. It is an affront to the Congress that ought to be legislating responsibly, and, most of all, it is an affront to the taxpayers who are having to foot this enormous bill.

□ 1250

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 additional minute.

So, Mr. Speaker, I will oppose this rule, not because I am for people going hungry but because we need welfare reform and food stamp reform, we need to legislate in a reasonable manner, not under the gun. We need to be able to make decisions in an intelligent and informed manner, not to vote for rules such as this. This is an horrendous precedent. It throws out the Budget Act, the authority of the legislating committee and vests it all in the Committee on Appropriations and it does it in a manner that does not help the poor and hurts the taxpayers.

If that is the way you want to legislate, fine. I do not. I will not be a party to it and I suspect that when the elections are held in November many people who have perpetrated this kind of fraud on the Congress will not be back here to vote for future rules that pervert representative Government.

Mr. Speaker, I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my comment will be very brief. I stand by my statement. If we fail to pass this in time there are people who will go hungry. The events that were described by my opposite number on the Rules Committee may be so. The facts are that the House faces a condition, not a theory, nor a technical problem, and the way to face this condition, so that people who are without politics, poor people who depend on this program for sustenance in many cases will not be frightened or will not be actually presented with the possibility of not getting food upon which they rely. That is the reason this rule is here. That is the reason I called an emergency meeting to consider this rule. That is the reason everybody who can keep their eye on reality needs to vote for this rule.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 310, nays 95, not voting 27, as follows:

[Roll No. 230]

YEAS—310

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks

Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Solarz
St Germain
Stack
Staggers
Stark
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—95

Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bethune
Broomfield
Brown, Ohio
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Ind.
Forsythe
Gingrich
Goodling
Grassley
Hammerschmidt
Hansen
Hinson
Holt
Hopkins
Ichord
Jacobs
Jeffries
Kelly
Kramer
Latta
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
McEwen
Madigan
Marlenee
Marriott
Mathis
Michel
Moorhead, Calif.
Myers, Ind.
Pashayan
Paul
Porter
Quayle
Rhodes
Ritter
Robinson
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Shumway
Shuster
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Vander Jagt
Walker
Williams, Ohio
Wilson, Bob
Winn
Wylie
Young, Alaska

NOT VOTING—27

Anderson, Ill.
Andrews, N.C.
Anthony
Biaggi
Campbell
Cavanaugh
Cleveland
Coelho
Diggs
Dodd
Drinan
Ertel
Giaimo
Holland
Horton
Howard
Kindness
Lee
Leland
Levitas
Pursell
Rose
Spellman
Steed
Weaver
Wilson, C. H.
Wydler

☐ 1300

The Clerk announced the following pairs:

Mr. Howard with Mr. Anderson of Illinois.
Mr. Weaver with Mr. Cleveland.
Mr. Levitas with Mr. Campbell.
Mr. Giaimo with Mr. Wydler.
Mr. Dodd with Mr. Pursell.
Mr. Biaggi with Mr. Kindness.
Mr. Charles H. Wilson of California with Mr. Lee.
Ms. Spellman with Mr. Andrews of North Carolina.
Mr. Anthony with Mr. Cavanaugh.
Mr. Coelho with Mr. Drinan.
Mr. Ertel with Mr. Holland.
Mr. Steed with Mr. Rose.
Mr. Leland with Mr. Diggs.

Mr. FISH changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the rule just granted, I call up the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, for consideration in the House.

The Clerk read the joint resolution, as follows:

H.J. RES. 545

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1980, namely:

DEPARTMENT OF AGRICULTURE

FOOD STAMP PROGRAM

For an additional amount for the "Food Stamp Program", $2,556,174,000: *Provided*, That funds provided herein shall remain available until September 30, 1980, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That such funds shall be available only as authorized by law.

☐ 1310

The SPEAKER pro tempore (Mr. RAHALL). The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution (H.J. Res. 545), and that I may include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, let me say to my colleagues, as was pointed out by the Chairman of the Committee on Rules, the distinguished gentleman from Missouri (Mr. BOLLING), that this rule does constitute a new precedent. I would like first for the record to call attention of my colleagues to certain facts with which we have labored in the Committee on Appropriations this year. Then I will come back to the food stamp measure before us today.

I jokingly said that when my predecessor, the Honorable George Mahon, retired, he left a whole lot of title and mighty little money. That is pretty much the situation we have presently, primarily because of the situation which was created by the implementation of the Budget Control Act. May I say for the record, too, that I was the senior cochairman of the Study Committee which helped to recommend the Budget Control Act. I served on that committee because, though the Committee on Appropriations for 36 of the last 37 years has been below the budget, the Congress had bypassed the annual review and budgeting process by increasing backdoor spending.

Along with the gentleman from Oregon (Mr. ULLMAN), we recommended that the House pass the Congressional Budget Control Act. I supported that act. But in the process of stopping backdoor spending through contract authority, we have found that over the years since the act has been in existence, the legislative committees, with the approval of a majority of the Congress, have substituted entitlements and indexed acceleration for the contract authority. So, as I pointed out, while the Committee on Appropriations has held the annual appropriation bills below the budget in 36 out of the last 37 years, we find that we have had to increase our national debt to over $800 billion principally because of this increased spending provided through entitlements.

The Members may recall my suggestion that the budget resolutions should first provide for a target. That is what a large part of this recent debate has been about. This is done on the theory that we cannot come to the Congress and set a binding and exact figure when we first start out, so we set up a target and then later we set up a final limitation. That target is supposed to be based on functional categories, not on line items, but we have been debating the resolutions as though they included or excluded specific line items.

The point of all this is that the budget ceilings fixed by this Congress in November of last year have already been greatly exceeded. This is not because of anyone's fault here, so far as my judgment goes, but we had to pay much more for interest on the Federal debt than was expected and much more for fuel for the Defense Department.

So since last fall we have had increased uncontrollable spending placed on top of a fixed budget ceiling, but nobody has recorded that fact. So I guess what I am praying for is sympathy here for some of the problems the Committee on Appropriations has faced this year, and may I say to all of the Members that they have done a marvelous job in dealing with these problems.

But this is what we face at the present time, primarily because of the increased interest charges paid on the public debt and the high cost of fuel for the Defense Department:

We presently have requests from the executive branch for deferrals of certain budget authority for fiscal year 1980. We also have requests from the executive branch for rescissions of certain budget authority for fiscal year 1980. We received from the Executive Branch requests for additional supplemental funding for many programs for fiscal year 1980. At the same time, we were asked to cut back and balance the budget for fiscal year 1981. This is further complicated by the fact that the budget resolution revising the ceilings for fiscal year 1980 does not appear to be adequate to accommodate all the necessary fiscal year 1980 programs even though the Appropriations Committee is recommending reduction is of about $1 billion below the President's budget.

Today I must agree that, as has been pointed out, we are facing an emergency situation. We have had no relief yet from those budget ceilings which have been exceeded by over $10 billion for months and months. The food stamp program is an important program, though we point out in the report the findings of the Inspector General which indicate there is a whole lot of cleaning up which needs to be done in that program. We first included the food stamp program with the other items in the general supplemental bill, and may I tell the Members that in my opinion we have items in there that are equally as important and are as much of an emergency nature as the food stamp program. We have in that bill the child nutrition programs, the Small Business Administration disaster loans, black lung disability payments, and we have rescissions of about a billion dollars which help to offset some of this increased spending.

When it was insisted that we separate the food stamp program from the general supplemental, I went along with it. However, I want the Members to understand that the remainder of the supplemental appropriation bill is just as essential to the operation of the Government as this one that is before us today. I mention that so that the Members may realize what the current situation is. If the Congress does not act—with the support of the leadership or at the direction of the leadership—and bring up the remainder of the supplemental before we get busy on other authorizations, commitments, entitlements, and indexed accelerations, we are going to cripple the whole Government. The items that are left in the supplemental and which face a request for a rule are still pending.

Mr. Speaker, unless we get some relief under the budget ceilings, and get a rule and if we continue to pass these other pending bills, we are going to find it necessary to cut down on the regular operations of the Government. Many of the items in the general supplemental are just as sincerely needed and are just as much of an emergency nature as the item that is now before us.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just wanted to ask the gentleman from Mississippi one question.

As the gentleman knows, I opposed the rule for many of the reasons he just stated. Before the Committee on Rules the other day, we were told that this $2.5 billion for the food stamp program for fiscal year 1980, for the remainder of the year, is not the last payment, but that another $400 million will be needed before the year is out. If that is true, we are going to go through this all over again.

Is that true, I ask the gentleman?

Mr. WHITTEN. Mr. Speaker, I do not always like to quote the newspapers as being the last word, but from the list of unemployment payments that will be due and with the greatly increased numbers of people who will be eligible, the gentleman's figures could well be right.

We acted as of the date the bill was before us, and with every week showing more unemployment, that figure may be correct.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield for just one last point, I think before we are through with this program, perhaps all the taxpayers will be eligible for food stamps, at the rate we are going.

Mr. WHITTEN. That could well be true, too, but I will not pass judgment on that any more than I did on the other point.

But I will say this: that I have worked hard, as have my colleagues, to balance the budget and to bring this into line. But as I told the leadership and others at the highest level, we can save money, and we should save money. We should slow down on expenditures, but I want to say to my colleagues and to the country that we cannot hope to save enough money to offset a $800 billion national debt.

□ 1320

You have to have production, and to have production you have to have interest rates at an acceptable level. We are going to have to get interest rates down.

May I say further that in order to have the production to live with the debt that we already owe, to keep people from going on unemployment compensation, which they are entitled to under the law, we are going to have to see to it that, once a company does expand, it is permitted to operate and is not stopped by some regulation. So I have pending now a bill that will authorize the President of the United States to cut out any regulation if to do so is essential to maintain the general productivity of this country. And I say, from the depth of my heart, that we have to hold expenditures down, but the real answer is going to be in keeping up production and not stifling production by limitations and other restrictions.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I commend the gentleman for his effort in trying to fast-track some of the programs in the general supplemental that are very essential and in pointing out that these other programs are also terribly important and should be brought to the floor. One of them being, as the gentleman said, the SBA disaster loan program They have been out of money for at least 10 days. There are some people who have suffered from severe disasters and who are desperately in need of money. As the gentleman knows, the timing of the loan is about as important as the amount of the loan. If you have just had a disaster and are trying to clean up the damage you cannot wait 30 days. It is terribly important, I think, to get this program fast-tracked, in the same way the food stamp program has been handled.

Mr. WHITTEN. Mr. Speaker, as the gentleman has indicated, we have had tremendous natural disasters. We have had floods, we have had cyclones, we have had hurricanes and we have had mud slides in California. As everyone is aware that the longer you wait to repair the damage the greater the loss becomes.

We have a real problem in agriculture because of floods and other problems. Additional programs have been jeopardized because money was not available in time to make a crop, and if money is not forth coming before the middle of the crop year, you may just as well not have it: it is wasted.

Now, I want to say on behalf of the committee that it was pointed out here that this is a precedent-setting rule waiving the budget ceiling. I estimate that three times this year we have had to rob Peter to pay Paul because there was inaction on raising the budget ceiling to meet an existing situation which everybody was aware. We have called the committee together and borrowed money from one place and transferred it over to another, even though we knew that later we were going to have to put it back from whence it came. Further, we have not been able to fund certain programs in a timely manner because of the amounts required and lack of flexibility in the budget ceilings.

I want to say for the record that, regarding the supplemental request now pending before the Rules Committee, there is not anywhere from which you can transfer those amounts of funds. I would respectfully hope that none of these other pending measures currently before the House are brought up in advance of this necessary appropriations bill, where they may eat up the remaining part of the budget ceiling. To do so would jeopardize the regular operations of the Government, including these disaster programs which must have funding.

Mr. Speaker, now to the business of the day. The Agriculture Department has reported to Congress that the current fiscal year 1980 appropriation of $6.19 billion will be exhausted by the end of May. Thus, unless the Congress approves additional funds by May 15, the Secretary of Agriculture will be legally obligated to issue an order on that date requiring all States to suspend all food stamp benefits, effective June 1.

Mr. Speaker, I would like to cite the following facts as pointed out in the committee report:

> Food stamps, which started as a supplement to help needy families obtain nutritious diets, has, by law, been expanded until it has become a supplement to income, calling for adjustment to offset the inflationary spiral, thus actually adding to inflation. It is noted that about 1 in 10 persons are receiving food stamps.
>
> In dealing with this problem, the committee has been faced with the lack of legislative authorization and the question of the overall ceiling on expenditures under the Congressional Budget Resolution. That ceiling had been greatly exceeded by the uncontrollable increase in interest payments to finance the national debt and the cost of

fuel for the military and, therefore, required a revision.

The committee has had to make its recommendations in the face of testimony during the hearings by the Inspector General that the program was greatly hampered in meeting its objective of helping needy people—and the total cost to the Government greatly increased—by recipient fraud, caseworker fraud, inadequate verification, a failure to establish and collect claims resulting from coupon overissuances to recipients, and many other factors which are cited in detail on pages 613 through 624 of part 1 of the 1981 hearings on Agriculture, Rural Development and Related Agencies.

The program must be saved for those eligible under the law, but it is noted that the greater the fraud, waste, and abuse, then the greater the operating costs and the greater the criticism by the public. It is evident that the operations in many areas must be corrected if the program is to be saved.

This lax handling and outright fraud seriously endangers the entire program, thus the committee recommends $2.556.174.000, a reduction of $235.000.000 below the budget request to bring about essential improvement in handling the program. Should additional funds be required for eligible persons because of unemployment or other economic reasons, any submission of a request by the President would be promptly considered by the committee. In the meantime, the committee has directed that these practices be corrected under authority set out in pages 588 to 591 of part I of the 1981 hearings.

Testimony before the committee also revealed that 7.5 percent of all recipients receive more stamps than they are entitled to and 3.7 percent are not eligible at all. USDA further estimates that $576 million a year goes to ineligible persons or is overissued. Therefore, the current annual appropriation bill provides that up to 5 percent of the funds appropriated may be placed in reserve by OMB and released only at such time and in such amounts as may become necessary to carry out program operations. This provision is continued in order to provide the Department with an additional tool to achieve program savings. In order to save the program and continue necessary benefits to the needy; waste, fraud, abuse, mismanagement, and poor enforcement must be stopped.

Since the food stamp program is administered through State government agencies, that is the level where prosecution to deter abuses would seem to have the potential of being the most effective. Many U.S. attorneys, for one reason or another give food stamp cases a low priority relative to their other Federal responsibilities. For example, in calendar year 1979, there were 124.633 claims against food stamp recipients for a total dollar value of $30 million. In total, however, there were only 1,661 successful criminal prosecutions by either the Federal or State governments during the past year for recipient fraud, theft, embezzlement, and retail violations. When these facts are compared with the nearly 1 million persons reported to be annually abusing the program at a cost of over $576 million, it is evident that current enforcement efforts are barely scratching the surface of the problem.

Only 32 States have specific statutes for the prosecution of food stamp abuses, and two States do not even have general statutes to prosecute food stamp cases. If States fail to take corrective action on food stamp program deficiencies, the regulations provide that administrative funds may be canceled. So far, State administrative funds have been canceled in only 1 State and only 13 formal warnings to 11 States have been issued.

As pointed out, under existing law, the Secretary has considerable authority to correct and punish abuses. Where there has been negligence or fraud on the part of the State agency administering the program, the Secretary may require the State to pay into the U.S. Treasury a sum equal to the loss resulting from such negligence or fraud. Where a State fails to properly administer the program, their Federal administrative funds may be withheld by the Secretary. The law also sets forth fines and imprisonment terms for violations by retailers, wholesalers, individual recipients, and State officers and employees. The Secretary is directed to vigorously employ all the tools at his disposal to correct fraud and abuses and to strictly enforce the law.

In those cases where the Department is unable to bring about substantial program improvements; where excessive error rates occur; or where there is other evidence of continued mismanagement, waste, fraud, abuse, or poor enforcement consideration should be given to turning over program administration to some Federal agency, if so recommended by the Inspector General, and providing that those States so relieved continue to pay 50 percent of administrative costs.

Mr. Speaker, that is the situation before us. I would like to repeat again that the other items in the supplemental are just as important and urgent.

Mr. Speaker, I yield 10 minutes for debate only to my colleague, the gentleman from Massachusetts (Mr. CONTE).

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I want to take this opportunity to congratulate my chairman, JAMIE WHITTEN, for his hard work and the time that he has put into this effort. He deserves a lot of credit. We have been dealing with appropriation matters, because of the budget resolution, with one emergency right after the other. We have had several transfers up here and, unfortunately, maybe this would have been a transfer had it not been such a huge sum of money.

The gentleman from Mississippi and I have been trotting up to the Rules Committee constantly. I think he and I are the biggest customers that the Rules Committee has had in several decades, and I want to take this opportunity to commend the gentleman from Mississippi.

Mr. Speaker, it is critical that this body act today on House Joint Resolution 545, an urgent supplemental appropriation of $2,556 million for the food stamp program.

Neither Congress, nor the American people are in a position to tolerate a delay in consideration of this serious matter. Unless the Congress takes action on this supplemental appropriation by the 15th of this month—just 2 days from now—the Secretary of Agriculture has no recourse but to order States to stop all food stamp payments on June 1.

This is serious business. Our colleague, Crairman FOLEY, pointed out last week during discussion of S. 1309, that Secretary Bergland has already written to the Governor of each State notifying him or her of the problem and warning them to develop contingency plans to provide emergency nutrition assistance to low-income families.

If the program is disrupted on June 1—even if it is revived later on—it will cause considerable hardship and social chaos for millions of needy Americans; 21.7 million Americans depend upon food stamp benefits to provide them with assistance in purchasing a minimal daily diet.

If we fail to pass House Joint Resolution 545 we will be harming people who are presently unable to help themselves. More than three out of every five food stamp recipients are elderly, disabled, or children under the age of 18. It is estimated that perhaps as many as 15 percent of all food stamp recipients are over 60 years of age. That amounts to 3.2 million elderly individuals who will not know where their next meal will come from if we do not pass this measure today.

We are not talking about people who are making thousands of dollars a month, or $15,000 a year. Ninety percent of these people have incomes below their respective poverty level; while 60 percent have no cash assets at all.

The $2½ billion we are seeking here is expected to provide food stamp benefits to more than 21 million Americans for the next 3 months.

However, I believe it is important that we be forewarned. Even at the $2½ billion level, the program is likely to fall $400 million short come September. Unfortunately, we will have to cross that bridge when we come to it. There is not room in the budget ceiling now to appropriate any more than the $2½ billion requested. We should, however, remind ourselves that we will very likely be faced with this issue again in 3 months.

In good conscience we cannot allow these vital benefits to be cut off. That is why the Appropriations Committee has acted quickly to bring this separate resolution before the House today.

I urge your support and quick passage of House Joint Resolution 545.

FOOD STAMP PROGRAM

ESTIMATES	
1972	$2, 001, 184, 000
1973	2, 341, 146, 000
1974	2, 200, 000, 000
1974 Supp	500, 000, 000
1975	3, 990, 000, 000
1975 Supp	884, 814, 000
1976	3, 453, 000, 000
7/1/76–9/30/76	1, 039, 117, 000
1976 Supp	3, 137, 095, 000
7/1/76–9/30/76 Supp	0
1977	[3]4, 751, 200, 000
1977 Supp	720, 000, 000
1978	5, 627, 000, 000
1979	5, 779, 200, 000
1979 Supp	1, 038, 786, 000
1980	6, 926, 520, 000
1980 Supp	2, 791, 174, 000
1981	9, 903, 276, 000
APPROPRIATIONS	
1972	$2, 289, 114, 419
1973	2, 500, 000, 000
1974	2, 500, 000, 000
1974 Supp	500, 000, 000
1975	3, 989, 785, 000
1975 Supp	884, 815, 000
1976	[1]3, 453, 000, 000
7/1/76–9/30/76	1, 039, 117, 000
1976 Supp	[2]1, 750, 000, 000
7/1/76–9/30/76 Supp	200, 000, 000
1977	4, 794, 400, 000
1977 Supp	720, 000, 000
1978	5, 627, 000, 000
1979	5, 779, 200, 000
1979 Supp	900, 000, 000
1980	6, 188, 600, 000

[1] For the period July 1, 1975 through January 31, 1976 only.

[2] For the period February 1, 1976 through June 30, 1976 only.

[3] The 1977 Budget proposes the operating expense actively included in this account be transferred to "Food Program Administration."

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to congratulate both the gentleman in the well and the chairman of the committee for responding so quickly to what is clearly a national emergency.

I think the gentleman from Massachusetts is correct in pointing out that because of the national recession and because of the economic forecast we have, that we are going to have to come back and not only deal with this issue, food stamps, but probably unemployment compensation and all of the other countercyclical programs that we utilize during a recession.

It is obviously important that we keep our eye on the question of what we do about the overall health and state of this economy because that will drive up these costs further in the next 4 or 5 months during the end of this fiscal year. I want to commend both the chairman and the ranking minority member for their leadership in bringing this issue to the floor and having it dealt with in a prompt time frame.

Mr. CONTE. Mr. Speaker, I want to thank the gentleman from Washington for his kind remarks and say that he is right on target.

I did not want to go into any lengthy speech here, but we will have more than the food stamps. We will have the unemployment compensation. With all of the economic forecasts that are out there, we are in for a very serious recession. There is not enough money in the supplemental or in the 1980 budget to take care of the unemployment benefits that will be needed. It is just unfortunate that we do have that budget ceiling and that we cannot put this money in here today, because come September or October we are going to be facing elections, and can the Members imagine coming in here and trying to increase that budget ceiling to take care of the food stamp issue and the unemployment compensation issue at that time? All hell is going to break loose.

Mr. DICKS. It is unfortunate that we did not adequately take care of that ceiling in the context of the budget activities that we went through over the last week. It seems to me that it is a very unfortunate situation that we find ourselves in, and we are going to have to come back and there is going to have to be, in my judgment, a fourth budget resolution in order to take care of these very important social programs.

☐ 1330

Mr. CONTE. Definitely the atmosphere today is a lot more tranquil, a lot more peaceful than it will be in September.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

With regards to the budget resolution, particularly with regards to the supplemental for aid, we are now in the budget conference. One of the issues currently being discussed as part of that budget conference is the need to add additional amounts to the supplemental so we will not bump against that ceiling again for purposes of 1980.

Mr. CONTE. It really would be doing a service if the other body—it has to be the other body—would do it, because it is out of here now, and it has to be the other body to do it. If the other body would do it, then if it could only be done in that budget resolution, it would be doing a good service.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

Does either the House or the other body have room between the ceilings in the bills that passed the House and the other body, to make an upward adjustment in fiscal year 1980?

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. PANETTA. Yes, there is some room for that adjustment.

Mr. CONTE. Thank you.

I want to thank the chairman again.

Mr. WHITTEN. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan (Mr. TRAXLER) for purposes of debate only.

Mr. TRAXLER. Mr. Speaker, I rise in support of House Joint Resolution 545, a resolution to provide an additional $2.5 billion in appropriations for the remainder of fiscal year 1980 for the food stamp program.

It is no secret that our economy is in a distressed condition, and it is our obligation to do all that we can to help those Americans who will need additional assistance to weather this latest economic downturn.

Mr. Speaker, according to the Department of Agriculture, unemployment was projected to be at a level of 6.5 percent in the third quarter of fiscal year 1980, and at a level of 6.8 percent in the fourth quarter. We are now in the third quarter of fiscal 1980, and the unemployment figure for April was already at 7 percent. It is important for our colleagues to recognize that according to the Congressional Budget Office, every 1 percent change in unemployment will add 1.2 million people to the food stamp roles.

In the State of Michigan, unemployment is already at 12 percent, nearly twice the national level, and within a few weeks it is expected that 1 out of every 10 persons living in Michigan will be on food stamps.

USDA now candidly admits that the unemployment figures they used in preparing this supplemental request are totally obsolete because of higher than expected unemployment. These obsolete figures were the basis of the supplemental appropriation request that we are now considering.

I point out these facts so that I can emphasize one very dramatic issue: As has been said the money in this bill will not be enough to fund food stamps for the remainder of fiscal 1980.

We received a letter from the Secretary of Agriculture nearly 2 weeks ago that requested a level of $102 million above the amount we provide in this resolution. Even that amount that the Secretary has requested will probably be insufficient because of rapidly rising unemployment. According to figures prepared by the Congressional Budget Office, we may need as much as $300 million more for food stamps than we are providing today.

The basic question, then, is why are we not providing more money in this resolution? The answer is our budget process. While we are all striving for a balanced budget in fiscal 1981, we find that the amended 1980 budget resolution does not have sufficient room for us to provide the necessary amount of funds for the 1980 food stamp program. And even more significantly, the Senate has passed an amended 1980 budget resolution which has an amount $5 billion below the level we established here in the House.

The key fact is that unless we have an unlikely turnaround in our economy in the next 2 to 3 months, we will run out of food stamp money by September.

Many of you, I am sure, recognize the significance of what I am saying. Some of our colleagues, however, believe that we should be making cuts in the food stamp program to eliminate waste and fraud. Many of these efforts were made in conjunction with the 1977 Food Stamp Act, and more will be done under the provisions of S. 1309, which we just passed last week.

The distinguished chairman of the Appropriations Committee, my good friend and colleague Mr. WHITTEN, and Mr. ANDREWS of North Dakota have championed efforts to hold down waste and fraud in the food stamp program by setting aside 5 percent of the appropriated amount each year to be held in reserve by the Office of Management and Budget until such time that the agency can demonstrate that it has done all that it can to reduce these financial problems with the food stamp program. I have supported my chairman, and I will continue to do so in the future.

But I do firmly believe that to stand here now and say that we expect the Department of Agriculture to make sufficient modifications in the operation of the food stamp program to eliminate existing waste and fraud in the amount of $235 million over the next few months is purely unrealistic. No matter how hard USDA officials work on this problem, and I firmly believe that they will, it will not be possible to achieve this level of program savings in so short a period of time.

Furthermore, if we accept the Congressional Budget Office unemployment projections, which are higher than those used by USDA, then it is a certainty that even if these savings could be made we would still need more money.

It is certainly my hope, and I believe the Appropriation Committee's intention, that while we are fighting to come up with the extra dollars that the food stamp program will so desperately need that the Department will not reduce food stamp benefit levels below the traditional amount. People need to receive the same level of food stamp benefits that they have been receiving. Reducing these benefits in order to stretch the money out until the beginning of fiscal 1981 in October will only reduce the nutritional effectiveness of the food stamp program, and will certainly make many of the needy recipients, especially the infirmed and the elderly who depend on this program, wonder whether or not the Congress is serious about providing justified assistance.

I urge all of my colleagues to vote in support of the resolution before us today, and urge you to be prepared to take further action on another supplemental appropriation bill later this summer.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to my colleague, the gentleman from New York (Mr. McHugh).

Mr. McHUGH. Mr. Speaker, first of all, I would like to thank the chairman for yielding, and add my compliments to him and to the ranking minority member for the speed with which they have moved on this critical legislation. I think all of the Members of the House are anxious to avoid the chaos, confusion, and frustration which would ensue if this program were to close down on June 1st.

As others have mentioned, even with the passage of this bill we will not have sufficient funds to carry us through the fiscal year. Congressional Budget Office has indicated that we will need an additional $2.9 billion to carry the food stamp program through fiscal year 1980. This supplemental appropriation would provide $2.56 billion.

☐ 1340

It is highly likely, therefore, that the Members of this body will, in August or perhaps early September, be confronting this difficult problem again.

We must ask why we find ourselves in this position. Our committee report refers at length to fraud, waste, and inefficiency. In a program this large there certainly is some waste, fraud, and inefficiency; and it is our job to see that it is minimized, if not eliminated.

However, I think it is also important to stress (and this our committee report does not do) that we are here primarily because of changing economic conditions. The fact is that food prices were grossly underestimated when the spending cap on food stamps was imposed. The estimate was that food prices would increase by 3 to 4 percent each year. Those estimates, as everyone now knows, were grossly inaccurate. Between 1977 and 1979 food prices increased by 22 percent, and in 1980, it is estimated that food prices will go up 8 to 10 percent. That is one of the fundamental reasons we are now confronting the need for this supplemental appropriation.

The gentleman from Michigan (Mr. Traxler) and others have mentioned unemployment estimates. When the spending cap was imposed for this fiscal year, unemployment for the year was estimated to be 6 percent. Unemployment is now at 7 percent, and unfortunately it is likely to increase. That is another reason for this supplemental appropriation.

Finally, of course, the purchase requirement for food stamps has been eliminated, and this has encouraged many of the poorer people in our country to participate in this program for the first time. The resulting increase in participation is another major reason we are here today.

In closing, Mr. Speaker, I would like to stress the importance of passing this supplemental appropriation promptly. The people who are dependent upon food stamps, the people who would be hurt most, are not the rich. That is one of the myths associated with food stamps: That the people who participate are not the very needy. The fact is that more than half of the households participating in this program have a total income of under $3,600 a year, and 85 percent of the households participating have gross incomes of under $6,000 a year.

Therefore, the myth that is perpetuated constantly, and sometimes on this floor, that people who are dependent on food stamps are well off is simply not true.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Michigan.

Mr. TRAXLER. I want to commend the gentleman for his knowledge and information and his statement in this area. He served on the agriculture authorizing committee and was active in the 1977 food stamp reform movement. He has done well in this area and we are grateful for his assistance.

Mr. McHUGH. I thank the gentleman for his comments and I urge the Members of the House to pass this critical supplemental appropriation and, unfortunately, to anticipate further consideration of this issue in August or September.

Mr. WHITTEN. Mr. Speaker, I yield myself 1 minute.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the distinguished gentleman from New Jersey.

Mr. RODINO. Mr. Speaker, I was proud to be a Member of this House last Thursday when we approved the Food Stamp Act amendment. We acted quickly to fulfill our responsibility to the disadvantaged and needy members of our society. The same type of action is needed today, and I urge that we move expeditiously to approve the food stamp supplemental appropriation.

My colleagues should be familiar with the urgency of this issue. Put simply, unless the Congress approves supplemental funds for the food stamp program by May 15, millions of Americans will face malnutrition, hunger, and possibly starvation. If we fail to act now, the Secretary of Agriculture will be forced to suspend all food stamp benefits, effective June 1. In my home State of New Jersey alone, this means that 193,000 households—roughly 583,000 individuals—will be without the benefit of food stamps until October. This will devastate families in Newark, East Orange, and other New Jersey cities and towns. Multiply this effect nationwide for the 21.4 million Americans who receive food stamps and you have a catastrophic human cost—a tragedy that will be borne by the poor, the disadvantaged, the elderly, and the deprived members of society who are already struggling to survive.

These needy Americans did not cause the problem of our budget ceiling which failed to estimate adequate funds for the food stamp program. It was the Congress and the executive branch which miscalculated the impact of inflation and unemployment on the nutritional needs of American families. The responsibility for resolving this potential shortfall lies with us—and we must act quickly.

Despite the many criticisms and myths about the inefficiencies of the food stamp program, the truth is that this program legitimately helps more needy Americans than perhaps any other Federal program. The elderly, the young, the disabled, the unemployed, and others who receive food stamps have average incomes significantly less than half the poverty level. Eighty-five percent of the households receiving food stamps have gross incomes below $6,000 a year, and over half have gross incomes under $3,000. Over 20 percent of all food stamp households are headed by persons over 60 years of age.

We cannot abandon these least fortunate members of society who need this program more than ever. I urge my colleagues once again to take the right course and give swift approval to this urgent food stamp supplemental appropriation.

Mr. WHITTEN. Mr. Speaker, I take the remaining part of this time to express my thanks to the staff of the Appropriations Committee. I mentioned earlier what we had been faced with this year. But, among other things, we were faced with bringing together the findings of 13 different subcommittees in something like 48 hours. It is inconceivable anyone could do the work they did.

Also I wish to thank our colleague from Massachusetts (Mr. Conte) with whom I have worked very, very closely through the years. He has done a yeoman-like job and it has been a pleasure to work with him on the important matters we have had to consider under the stress of urgency. It is comforting to know you have somebody working right along with you.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, the mere fact that we are compelled to come here today with a massive, urgent supplemental to save the food stamp program from collapse is a graphic indication of the deceit and gamesmanship engaged in by both the Congress and the administration regarding this program.

Back in 1977, when we decided to eliminate the purchase requirement, thereby opening the floodgates, claims were made by the administration and others that such action would not increase the net cost of the program. We can see today how straightforward those claims were.

Many of us warned at the time that eliminating the purchase requirement would add billions to the cost of the program. We warned that the food stamp program was becoming another uncontrollable entitlement program.

Congress then decided to place a cap on the program to supposedly prevent that from happening. This was done so that some Members could have it both ways. They could vote to eliminate the purchase requirement and at the same time vote against allowing the costs to become uncontrollable.

We now see how phony that cap was. The first time we bump up against it, we vote to lift it.

The law contains a mechanism that allows us to live within the cap and still prevent anyone from being cut from the food stamp rolls. Let me read it to you:

> In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. Notwithstanding any other provision of this Act, if, in any fiscal year, the Secretary finds that the requirements of participating States will exceed the limitation set herein, the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with provisions of this subsection.

Have the President and the Secretary obeyed the law in this regard? No.

This is from a President who prides himself on his honesty. Back in 1977 he said he would veto any food stamp bill which significantly exceeded his $5.6 billion 1980 cost estimate. Now we see the President's Secretary of Agriculture specifically contravening the provisions designed to hold the costs in line, and the President himself engaging in political demagoguery by blaming Congress for not rapidly appropriating increased funds. So much for political honesty.

Back in 1977, I suggested that if we lift the purchase requirement, we ought to at least "be honest with the taxpayers about what it is going to cost them."

We have not been honest since then, and we are still not being honest. The $2.5 billion in this bill will not fully fund the program through the end of the year. We will need another $400 million to do so. Is that money going to be appropriated? If so, when? What are we going to do about the 1980 budget ceiling?

This bill combined with the upcoming regular supplemental will bring us within $300 million of the House-passed ceiling. The Senate ceiling is even lower. We hear very little being said about that problem.

If the administration would comply with the law and adjust upcoming benefits to reflect the total appropriated in this bill, we could live within this amount. But we see no signs of this happening.

I recognize that at this late date, we have little choice but to pass a supplemental. But the way this Congress and this administration have dealt with this program has been a sham, and I think we ought to reflect a little bit about our actions.

Let me add, before concluding, that had a previous commitment not prevented me from being here last week when the food stamp authorization bill was being considered, I would have offered an amendment requiring the States to reduce their error rates in this program to 4 percent by 1984. This is the same error rate standard we applied last year to the AFDC and medicaid programs in an effort to reduce the massive losses in those programs.

We all know about the amount of waste, fraud, and abuse in the food stamp program. Examples come in daily in this regard. Just the other day, one of the local papers reported the embezzlement of $150,000 in food stamp money in the District of Columbia.

The latest quality control statistics show a national error rate of 13.4 percent in this program. The General Accounting Office reports annual losses of 12 percent. Applying these percentages to the estimated 1981 expenditure for food stamps of $10.7 billion indicates a total loss due to waste, fraud and abuse of $1.3 billion. I repeat, $1.3 billion.

We simply cannot allow these kinds of losses to continue.

I realize that the authorization bill has some error rate standards in it, but just as in the case of the original HEW standards for AFDC and medicaid, they are so weak as to be almost meaningless.

For instance, there is no specific nationwide error rate for the States to meet, but instead a floating target called a weighted average mean. Based on the latest statistics we have, that mean is presently at a very high 13 percent, with only 16 States exceeding it. When over two-thirds of the States are in compliance with a standard in a program that is losing over $1.3 billion a year, you know it is not a standard designed to make much of a reduction in waste, fraud, and abuse.

By requiring that all States reduce their error rates to 4 percent in 4 years, we would have insured that solid progress would have to be made if the States wish to avoid incurring a penalty. At the same time, we would be giving them a specific target to shoot for, and we would be giving them sufficient time to achieve the target.

These error rate standards are doubly important in the food stamp program, because, unlike the AFDC and medicaid programs, there are no State funds going into the benefit payments. The States, in other words, do not have much of a financial inducement to tighen up their administration of the program if we do not have these standards and penalties in place.

If the 4 percent error rate standard were in effect today, waste in the program would have to reduced by $900 million a year. If we had done a better job of tightening up this program, we would not be facing a supplemental of the size we have before us today. We have got to do better than we have in this regard, and I will be looking for an opportunity at some future point to write these error rate standards into law.

□ 1350

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to my friend, the gentleman from Indiana.

Mr. MYERS of Indiana. I thank my colleague for yielding, as well as for what the gentleman is citing. It is unfortunate that we do have our backs to the wall as far as time is concerned because at the time the President's budget was introduced last year, everyone was fully aware that there would not be sufficient funds in the appropriation or in the budget to take care of the food stamp requirements. But there is one other provision in the 1977 act which the gentleman cited on which I think if we had carried out the intention of Congress we would not have ourselves in this condition today. That was the so-called workfare. If the gentleman will remember, we provided for certain pilot projects throughout the country. Instead of getting food stamps free, if the recipient was unable to pay and he was able to work, he would have to work off the cost of those food stamps. We have had just a very few of those pilots start. In the instances where they have started, the experience has found that the food stamps recipients have been cut almost in half. When people who did not have money found out they had to work for food stamps, they found they did not need them as badly.

Work is an ethic we still have to have injected back into this society. If we had carried out that work program provided for in the 1977 act, we would not be in the predicament we are in today.

Mr. MICHEL. The gentleman makes a very valid point.

● Mr. STOKES. Mr. Speaker, I rise in support of House Joint Resolution 545. It is critical that this supplemental appropriation of $2.6 billion be approved promptly by the House in order to head off a disaster that would affect the health and well-being of millions of low-income Americans. Currently 21.7 million Americans are dependent upon food stamp benefits to meet their daily food needs. These Americans are the poorest of the poor. The average income of a food stamp recipient is less than $4,000 a year. One can only subsist on this level of annual income. Moreover, at a time when our economy is being ravaged by the twin evils of inflation and unemployment, the poor and disadvantaged are hit the hardest. For these people, the dollars which are provided in this resolution mean the difference between life and starvation.

Sixty percent of food stamp participants are children under age 18, are disabled, or are elderly persons. These dollars allow a retired person to eat one meal a day as compared with no meal at all if food stamps were not available. These dollars allow mothers to put food on the table for their children. These dollars mean the difference between a poor child who can perform in school and a child who cannot learn because he or she is hungry. Thus, in human terms, the consequences of not adopting this resolution will be real suffering and unnecessary hardship for millions of truly needy Americans.

Ours is a compassionate society. We must not abandon—even temporarily—our least fortunate citizens who rely upon food stamp benefits. Our highest priority must be to prevent the human devastation that will occur if this supplemental appropriation is not adopted. Accordingly, I urge your support of House Joint Resolution 545 so that the food stamp program may be continued without disruption.●

● Mr. MINISH. Mr. Speaker, I rise at this time in support of House Joint Resolution 545, making urgent appropriations for the food stamp program. As everyone is aware, unless Congress acts by May 15—this Thursday—the States will be forced to shut down their food stamp programs.

We must act today to avert this potential tragedy. Twenty-one million Americans depend on food stamps to provide their most basic nutritional needs. Many of these are the elderly and children who rely on our help.

The cap placed on the food stamps in 1977 has been reached because of unforeseen economic difficulties. Last week, the House took responsible action in passing S. 1309, food stamp authorizing legislation. Approval of the resolution now before us is necessary to insure uninterrupted benefits for those in need.

The House Agriculture Committee's report on S. 1309 states that the impact of suspending the food stamp program would strike most harshly at those individuals who are least protected from the high cost of food. Food stamp households are the poorest in our society. Over half have gross incomes under $3,600 per year and 85 percent earn less than $6,000.

I urge my colleagues not to turn their backs on these very needy people.●

● Mr. BOLAND. Mr. Speaker, I rise in strong support of House Joint Resolution 545.

I believe that we all understand the reasons why it is necessary to consider additional appropriations for the fiscal year 1980 food stamp program. The program quite simply does not have funds sufficient to allow benefits to continue past June 1. Without the approval of an additional $2.5 billion by May 15, the 21 million Americans who presently receive food stamps will be without those benefits. The hardships that will result will be very real and very serious for many of the least fortunate members of our society. To many millions of the elderly, the poor, and the very young, food stamps represent the difference between having a modest amount to eat and going hungry. They look to food stamps for their sustenance, it would be unconscionable not to provide the funds necessary to keep the program in operation.

Last week, Mr. Speaker, the House had an opportunity to make changes in the way in which the food stamp program operates. The votes taken during the consideration of S. 1309, the Food Stamp Act amendments, gave each of us the chance to indicate our preferences for improving the administration of the program. It is time to move on. We have decided how the program is to function, we must now insure that it has the means to function. Failure to act today invites the most serious of consequences. I therefore urge that House Joint Resolution 545 be approved.●

● Mrs. HOLT. Mr. Speaker, last week the House failed to address the serious and very costly problems with the food stamp program when it passed the authorization bill for 1981 and the remainder of 1980. The amendments that were adopted nibbled at the edges of a program that needs a drastic overhauling.

I voted against the authorization bill because I cannot endorse the loose structure of this program and the inept management that characterizes it, at great cost to the taxpayers.

But the program has run out of money again, and today we are confronted with the decision to appropriate enough money to keep it going until the October 1 start of the new fiscal year.

If we pass this bill—and I am sure we will—spending for the food stamp program will reach an estimated $8.7 billion for fiscal 1980, an increase of 28 percent from the 1979 level. In the past 5 years, Federal spending for food stamps will have increased by 135 percent.

In considering the 1980 supplemental appropriations bill before us today (H.J. Res. 545), I call the House's attention to the report by the Appropriations Committee which says that 7.5 percent of all recipients receive more stamps than they are entitled to and 3.7 percent are not eligible at all.

The committee cites testimony by the Inspector General that costs have greatly increased because of "recipient fraud, caseworker fraud, inadequate verification a failure to establish and collect claims resulting from coupon overissuance to recipients, and many other factors."

I would remind the House that the food stamp program is administered by State agencies, and they are obviously not doing it very well, for whatever reasons. Perhaps this is because the States have no financial liability for the soaring costs.

During the debate on the authorization bill, I supported the Walker amendment, which would have converted this program into a system of block grants to the States which would be responsible for funding any costs that exceeded the annual limits. Under the Walker plan, the States would set the eligibility rules, determine the benefit levels, and accept some fiscal responsibility. This was an amnedment that gave hope for major improvement, and I was sorry to see it defeated.

However, Mr. Speaker, if we fail today to approve this $2.6 billion supplemental appropriation, many critically needy people will go hungry in the months ahead. This decision is necessary because Congress has failed to enact major and responsible reforms in prior years.●

● Mr. BINGHAM. Mr. Speaker, on behalf of the elderly, the disabled, and the poor in my district who depend on food stamps to survive, I rise to urge my colleagues to approve House Joint Resolution 545 providing urgent supplemental appropriations for the food stamp program so that it will not be terminated at the end of this month. We cannot allow the most vulnerable in our society to pay the price of starving for a month because of our inability in 1977 (when we placed caps on food stamps spending) to predict future increases in food costs, unemployment and poverty.

This crisis is a real one, as is the May 15 deadline for completing congressional action on raising the fiscal year 1980 food stamp spending cap and appropriating the extra funds. States need at least 2 weeks notice to make any changes in the food stamp program; and the Secretary of Agriculture has stated that if Congress does not complete action on this matter, he is legally obligated to issue an order on May 15 requiring all States to suspend all food stamps benefits, effective June 1.

To those who may think I am being excessively dramatic in stating that people will starve if we do not continue the food stamp program, I would like to quote from two food stamp case histories sent me by the New York State Department of Social Service:

> Ella C., 52, from Hudson, New York, heads a household of seven, living on public assistance, Veteran's assistance and food stamps. Her household receives $209 in food stamps per month. When asked how she would cope with suspension of her food stamps, she said, "We would starve; we just couldn't make it. Food stamps buy a lot that my money wouldn't be able to. I'm very scared. This is not supposed to happen in a country where they are supposed to care about their citizens."
>
> Jack E., 51, is disabled and lives alone. He receives $271.41 in SSI benefits and $10 in food stamps every month. The food stamp money helps provide what he says is his only nutritional meal of the day—breakfast, consisting of two eggs, toast and coffee. The rest of the day he makes do with orange juice and oreo cookies. Mr. E said: "Suspending the food stamp program, even for one month, would sentence recipients to starvation diets. Some people might resort to shoplifting food in order to survive."

It is hard to believe that in this Nation of ours, there are citizens living this close to the edge of survival. How can we even entertain the idea of ending food aid to these truly disadvantaged Americans?

To those of my colleagues who want to vote down this extra money for food stamps to punish State administrators and recipients who they feel are defrauding and abusing the program, I urge patience and understanding. It takes time and the tools to deal effectively with fraud and abuse as many State administrators have complained to us recently. Our approval last week of S. 1309, the Food Stamp Amendments of 1980, with numerous provisions to tighten eligibility and administration of the program, will provide the tools, and enactment of House Joint Resolution 545 will provide the necessary time.

I would also like to point out that

studies have shown that food stamps save the Government money in the long run by improving the health of the poor. Doctors who conducted a study sponsored by the Field Foundation in 1977 concluded that the food stamp dollar "is the most valuable health dollar spent by the Federal Government."

To those of my colleagues who are concerned about the effect of Government spending on the private sector, I would like to refer to a statement issued by Department of Agriculture economists who estimate that each food stamp dollar has an economic multiplier effect of 3.64. Thus, the food stamp program generates in excess of $24 billion a year in new business and economic activity in the private sector. An estimated 150,000 jobs, primarily in inner cities and low-income rural areas, are directly dependent on the program. Given our current economic troubles, can we afford this loss? I think not.

There are areas of my congressional district in the Bronx which are devastated by high unemployment and poverty. Forty to sixty percent of the people in some of these areas depend on food stamps. On behalf of them, I urge speedy approval of House Joint Resolution 545.●

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, at the end of the joint resolution, strike *"Provided further,* That such funds shall be available only as authorized by law."

The committee amendment was agreed to.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the joint resolution and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 354, nays 56, not voting 22, as follows:

[Roll No. 231]

YEAS—354

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—56

Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Carney
Cheney
Collins, Tex.
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Edwards, Okla.
English
Evans, Ind.
Goldwater
Grisham
Hagedorn
Hansen
Ichord
Johnson, Colo.
Kelly
Kramer
Lagomarsino
Lewis
Loeffler
Lungren
McDonald
McEwen
Marlenee
Michel
Moorhead, Calif.
Myers, Ind.
Paul
Quayle
Rhodes
Roth
Rousselot
Rudd
Satterfield
Sensenbrenner
Shumway
Shuster
Stenholm
Stockman
Stump
Symms
Thomas
Wilson, Bob

NOT VOTING—22

Anderson, Ill.
Anthony
Biaggi
Cavanaugh
Cleveland
Coelho
Diggs
Dodd
Drinan
Eckhardt
Ertel
Giaimo
Howard
Leland
Levitas
Pursell
Rose
Santini
Steed
Weaver
Wilson, Tex.
Wydler

□ 1400

The Clerk announced the following pairs:

Mr. Biaggi with Mr. Levitas.

Mr. Giaimo with Mr. Steed.

Mr. Howard with Mr. Wydler.

Mr. Dodd with Mr. Pursell.

Mr. Santini with Mr. Anderson of Illinois.

Mr. Rose with Mr. Cavanaugh.

Mr. Drinan with Mr. Cleveland.

Mr. Diggs with Mr. Coelho.

Mr. Ertel with Mr. Anthony.

Mr. Weaver with Mr. Leland.

Mr. Eckhardt with Mr. Charles Wilson of Texas.

Mr. BAFALIS changed his vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 1309) entitled "An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes," and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. HUDDLESTON, Mr. LEAHY, Mr. MELCHER, Mr. HELMS, Mr. DOLE, and Mr. HAYAKAWA to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the amendments of the House to the bill (S. 2253) entitled "An act to provide for an extension of directed service on the

Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees," and requests and agrees to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Cannon, Mr. Long, Mr. Stevenson, Mr. Packwood, and Mrs. Kassebaum to be the conferees on the part of the Senate.

☐ 1410

CONFERENCE REPORT ON H.R. 3236, SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes:

Conference Report (H. Rept. No. 96-944)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Social Security Disability Amendments of 1980".

TABLE OF CONTENTS

Sec. 1. Short title.

TITLE I—PROVISIONS RELATING TO DISABILITY BENEFITS UNDER OASDI PROGRAM

Sec. 101. Limitation on total family benefits in disability cases.
Sec. 102. Reduction in dropout years for younger disabled workers.
Sec. 103. Provisions relating to medicare waiting period for recipients of disability benefits.
Sec. 104. Continuation of medicare eligibility.

TITLE II—PROVISIONS RELATING TO DISABILITY BENEFITS UNDER THE SSI PROGRAM

Sec. 201. Benefits for individuals who perform substantial gainful activity despite severe medical impairment.
Sec. 202. Earned income in sheltered workshops.
Sec. 203. Termination of attribution of parents' income and resources when child attains age 18.

TITLE III—PROVISIONS AFFECTING DISABILITY RECIPIENTS UNDER OASDI AND SSI PROGRAMS; ADMINISTRATIVE PROVISIONS

Sec. 301. Continued payment of benefits to individuals under vocational rehabilitation plans.
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Sec. 310. Payment of certain travel expenses.
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TITLE IV—PROVISIONS RELATING TO AFDC AND CHILD SUPPORT PROGRAMS

Sec. 401. Work requirement under the AFDC program.
Sec. 402. Use of Internal Revenue Service to collect child support for non-AFDC families.
Sec. 403. Safeguards restricting disclosure of certain information under AFDC and social service programs.
Sec. 404. Federal matching for child support duties performed by certain court personnel.
Sec. 405. Child support management information system.
Sec. 406. AFDC management information system.
Sec. 407. Child support reporting and matching procedures.
Sec. 408. Access to wage information for purposes of carrying out State plans for child support.

TITLE V—OTHER PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

Sec. 501. Relationship between social security and SSI benefits.
Sec. 502. Extension of National Commission on Social Security.
Sec. 503. Time for making of social security contributions with respect to covered State and local employees.
Sec. 504. Eligibility of aliens for SSI benefits.
Sec. 505. Authority for demonstration projects.
Sec. 506. Additional funds for demonstration project relating to the terminally ill.
Sec. 507. Voluntary certification of medicare supplemental health insurance policies.

TITLE I—PROVISIONS RELATING TO DISABILITY BENEFITS UNDER OASDI PROGRAM

LIMITATION ON TOTAL FAMILY BENEFITS IN DISABILITY CASES

Sec. 101. (a) Section 203(a) of the Social Security Act is amended—

(1) by striking out "except as provided by paragraph (3)" in paragraph (1) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "except as provided by paragraphs (3) and (6)";

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) Notwithstanding any of the preceding provisions of this subsection other than paragraphs (3)(A), (3)(C), and (5) (but subject to section 215(i)(2)(A)(ii)), the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for any month on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits," whether or not such total benefits are otherwise subject to reduction under this subsection but after any reduction under this subsection which would otherwise be applicable, shall be, reduced or further reduced (before the application of section 224) to the smaller of—

"(A) 85 percent of such individual's average indexed monthly earnings (or 100 percent of his primary insurance amount, if larger), or

"(B) 150 percent of such individual's primary insurance amount.".

(b)(1) Section 203(a)(2)(D) of such Act is amended by striking out "paragraph (7)" and inserting in lieu thereof "paragraph (8)".

(2) Section 203(a)(8) of such Act, as redesignated by subsection (a)(2) of this section, is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(3) Section 215(i)(2)(A)(ii)(III) of such Act is amended by striking out "section 203 (a) (6 and (7)" and inserting in lieu thereof "section 203(a)(7) and (8)".

(4) Section 215(i)(2)(D) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, such revision of maximum family benefits shall be subject to paragraph (6) of section 203(a) (as added by section 101(a)(3) of the Social Security Disability Amendments of 1980).".

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual who first becomes eligible for benefits (determined under sections 215(a)(3)(B) and 215(a)(2)(A) of the Social Security Act, as applied for this purpose) after 1978, and who first becomes entitled to disability insurance benefits after June 30, 1980.

REDUCTION IN NUMBER OF DROPOUT YEARS FOR YOUNGER DISABLED WORKERS

Sec. 102. (a) Section 215(b)(2)(A) of the Social Security Act is amended to read as follows:

"(2)(A) The number of an individual's benefit computation years equals the number of elapsed years reduced—

"(i) in the case of an individual who is entitled to old-age insurance benefits (except as provided in the second sentence of this subparagraph), or who has died, by 5 years, and

"(ii) in the case of an individual who is entitled to disability insurance benefits, by the number of years equal to one-fifth of such individual's elapsed years (disregarding any resulting fractional part of a year), but not by more than 5 years.

Clause (ii), once applicable with respect to any individual, shall continue to apply for purposes of determining such individual's primary insurance amount for purposes of any subsequent eligibility for disability or old-age insurance benefits unless prior to the month in which such eligibility begins there occurs a period of at least 12 consecutive months for which he was not entitled to a disability or an old-age insurance benefit. If an individual described in clause (ii) is living with a child (of such individual or his or her spouse) under the age of 3 in any calendar year which is included in such individual's computation base years, but which is not disregarded pursuant to clause (ii) or to subparagraph (B) (in determining such individual's benefit computation years) by reason of the reduction in the number of such individual's elapsed years under clause (ii), the number by which such elapsed years are reduced under this subparagraph pursuant to clause (ii) shall be increased by one (up to a combined total not exceeding 3) for each such calendar year; execept that (I) no calendar year shall be disregarded by reason of this sentence (in determining such individual's benefit computation years) unless the individual was living with such child substantially throughout the period in which the child was alive and under the age of 3 in such year and the individual had no earnings as described in section 203(f)(5) in such year, (II) the particular calendar years to be disregarded under this sentence (in determining such benefit computation years) shall be those years (not otherwise disregarded under clause (ii) which, before the application of section 215(f), meet the conditions of subclause (I), and (III) this sentence shall apply only to the extent that its application would not result in a lower primary insurance amount. The number of an individual's benefit computation years as determined under this subparagraph shall in no case be less than 2.".

(b) Section 223(a)(2) of such Act is amended by inserting "and section 215(b)(2)(A)(ii)" after "section 202(q)" in the first sentence.

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual who first becomes entitled to disability insurance benefits on or after July 1, 1980; except that the third sentence of section 215(b)(2)(A) of the Social Security Act (as added by such amendments) shall apply only with respect to monthly benefits payable for months beginning on or after July 1, 1981.

PROVISIONS RELATING TO MEDICARE WAITING PERIOD FOR RECIPIENTS OF DISABILITY BENEFITS

SEC. 103. (a)(1)(A) Section 226(b)(2) of the Social Security Act is amended by striking out "consecutive" in clauses (A) and (B).

(B) Section 226(b) of such Act is further amended by striking out "consecutive" in the matter following paragraph (2).

(2) Section 1811 of such Act is amended by striking out "consecutive".

(3) Section 1837(g)(1) of such Act is amended by striking out "consecutive".

(4) Section 7(d)(2)(ii) of the Railroad Retirement Act of 1974 is amended by striking out "consecutive" each place it appears.

(b) Section 226 of the Social Security Act is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) For purposes of subsection (b) (and for purposes of section 1837(g)(1) of this Act and section 7(d)(2)(ii) of the Railroad Retirement Act of 1974), the 24 months for which an individual has to have been entitled to specified monthly benefits on the basis of disability in order to become entitled to hospital insurance benefits on such basis effective with any particular month (or to be deemed to have enrolled in the supplementary medical insurance program, on the basis of such entitlement, by reason of section 1837(f)), where such individual had been entitled to specified monthly benefits of the same type during a previous period which terminated—

"(1) more than 60 months before the month in which his current disability began in any case where such monthly benefits were of the type specified in clause (A)(i) or (B) of subsection (b)(2), or

"(2) more than 84 months before the month in which his current disability began in any case where such monthly benefits were of the type specified in clause (A)(ii) or (A)(iii) of such subsection,

shall not include any month which occurred during such previous period.".

(c) The amendments made by this section shall apply with respect to hospital insurance or supplementary medical insurance benefits for services provided on or after the first day of the sixth month which begins after the date of the enactment of this Act.

CONTINUATION OF MEDICARE ELIGIBILITY

SEC. 104. (a) Section 226(b) of the Social Security Act is amended—

(1) by striking out "ending with the month" in the matter following paragraph (2) and inserting in lieu thereof "ending (subject to the last sentence of this subsection) with the month", and

(2) by adding at the end thereof the following new sentence: "For purposes of this subsection, an individual who has had a period of trial work which ended as provided in section 222(c)(4)(A), and whose entitlement to benefits or status as a qualified railroad retirement beneficiary as described in paragraph (2) has subsequently terminated, shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the phyiscal or mental impairment, on which such entitlement or status was based, continues, and throughout all of which such individual would have been entitled to monthly insurance benefits under title II or as a qualified railroad retirement beneficiary had such individual been unable to engage in substantial gainful activity, but not in excess of 24 such months.".

(b) The amendments made by subsection (a) shall become effective on the first day of the sixth month which begins after the date of the enactment of this Act, and shall apply with respect to any individual whose disability has not been determined to have ceased prior to such first day.

TITLE II—PROVISIONS RELATING TO DISABILITY BENEFITS UNDER THE SSI PROGRAM

BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

SEC. 201. (a) Part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"BENEFITS FOR INDIVIDUALS WHO PERFORM SUBSTANTIAL GAINFUL ACTIVITY DESPITE SEVERE MEDICAL IMPAIRMENT

"SEC. 1619. (a) Any individual who is an eligible individual (or eligible spouse) by reason of being under a disability and was eligible to receive benefits under section 1611(b) or under this section for the month preceding the month for which eligibility for benefits under this section is now being determined, and who would otherwise be denied benefits by reason of section 1611(e)(4) or ceases to be an eligible individual (or eligible spouse) because his earnings have demonstrated a capacity to engage in substantial gainful activity, shall nevertheless qualify for a monthly benefit equal to an amount determined under section 1611(b)(1) (or, in the case of an individual who has an eligible spouse, under section 1611(b)(2)), and for purposes of titles XIX and XX of this Act shall be considered a disabled individual receiving supplemental security income benefits under this title, for so long as the Secretary determines that—

"(1) such individual continues to have the disabling physical or mental impairment on the basis of which such individual was found to be under a disability, and continues to meet all non-disability-related requirements for eligibility for benefits under this title; and

"(2) the income of such individual, other than income excluded pursuant to section 1612(b), is not equal to or in excess of the amount which would cause him to be ineligible for payments under section 1611(b) (if he were otherwise eligible for such payments).

"(b) For purposes of titles XIX and XX, any individual under age 65 who, for the month preceding the first month in the period to which this subsection applies, received—

"(i) a payment of supplemental security income benefits under section 1611(b) on the basis of blindness or disability,

"(ii) a supplementary payment under section 1616 of this Act or under section 212 of Public Law 93-66 on such basis,

"(iii) a payment of monthly benefits under subsection (a), or

"(iv) a supplementary payment under section 1616(c)(3),

shall be considered to be a blind or disabled individual receiving supplementary security income benefits for so long as the Secretary determines under regulations that—

"(1) such individual continues to be blind or continues to have the disabling physical or mental impairment on the basis of which he was found to be under a disability and, except for his earnings, continues to meet all non-disability-related requirements for eligibility for benefits under this title;

"(2) the income of such individual would not, except for his earnings, be equal to or in excess of the amount which would cause him to be ineligible for payments under section 1611(b) (if he were otherwise eligible for such payments);

"(3) the termination of eligibility for benefits under title XIX or XX would seriously inhibit his ability to continue his employment; and

"(4) such individual's earnings are not sufficient to allow him to provide for himself a reasonable equivalent of the benefits under this title and titles XIX and XX which would be available to him in the absence of such earnings.".

(b)(1) Section 1616(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Any State (or political subdivision) making supplementary payments described in subsection (a) shall have the option of making such payments to individuals who receive benefits under this title under the provisions of section 1619, or who would be eligible to receive such benefits but for their income.".

(2) Section 212(a) of Public Law 93-66 is amended by adding at the end thereof the following new paragraph:

"(4) Any State having an agreement with the Secretary under paragraph (1) may, at its option, include individuals receiving benefits under section 1619 of the Social Security Act, or who would be eligible to receive such benefits but for their income, under the agreement as though they are aged, blind, or disabled individuals as specified in paragraph (2)(A).".

(c) Part A of title XVI of the Social Security Act is amended by adding at the end thereof (after the new section added by subsection (a) of this section) the following new section:

"MEDICAL AND SOCIAL SERVICES FOR CERTAIN HANDICAPPED PERSONS

"SEC. 1620. (a) There are authorized to be appropriated such sums as may be necessary to establish and carry out a 3-year Federal-State pilot program to provide medical and social services for certain handicapped individuals in accordance with this section.

"(b)(1) The total sum of $18,000,000 shall be allotted to the States for such program by the Secretary, during the period beginning September 1, 1981, and ending September 30, 1984, as follows:

"(A) The total sum of $6,000,000 shall be allotted to the States for the fiscal year ending September 30, 1982 (which for purposes of this section shall include the month of September 1981).

"(B) The total sum of $6,000,000, plus any amount remaining available (after the application of paragraph (4)) from the allotment made under subparagraph (A), shall be allotted to the States for the fiscal year ending September 30, 1983.

"(C) The total sum of $6,000,000, plus any amount remaining available (after the application of paragraph (4)) from the allotments made under subparagraphs (A) and (B), shall be allotted to the States for the fiscal year ending September 30, 1984.

"(2) The allotment to each State from the total sum allotted under paragraph (1) for any fiscal year shall bear the same ratio to such total sum as the number of individuals in such State who are over age 17 and under age 65 and are receiving supplemental security income benefits as disabled individuals in such year (as determined by the Secretary on the basis of the most recent data available) bears to the total number of such individuals in all the States. For purposes of the preceding sentence, the term 'supplemental security income benefits' includes payments made pursuant to an agreement under section 1616(a) of this Act or under section 212(b) of Public Law 93–66.

"(3) At the beginning of each fiscal year in which the pilot program under this section is in effect, each State that does not intend to use the allotment to which it is entitled for such year (or any allotment which was made to it for a prior fiscal year), or that does not intend to use the full amount of any such allotment, shall certify to the Secretary the amount of such allotment which it does not intend to use, and the State's allotment for the fiscal year (or years) involved shall thereupon be reduced by the amount so certified.

"(4) The portion of the total amount available for allotment for any particular fiscal year under paragraph (1) which is not allotted to States for that year by reason of paragraph (3) (plus the amount of any reductions made at the beginning of such year in the allotments of States for prior fiscal years under paragraph (3)) shall be reallocated in such manner as the Secretary may determine to be appropriate to States which need, and will use, additional assistance in providing services to severely handicapped individuals in that particular year under their approved plans. Any amount reallocated to a State under this paragraph for use in a particular fiscal year shall be treated for purposes of this section as increasing such State's allotment for that year by an equivalent amount.

"(c) In order to participate in the pilot program and be eligible to receive payments for any period under subsection (d), a State (during such period) must have a plan, approved by the Secretary as meeting the requirements of this section, which provides medical and social services for severely handicapped individuals whose earnings are above the level which ordinarily demonstrates an ability to engage in substantial gainful activity and who are not receiving benefits under section 1611 or 1619 or assistance under a State plan approved under section 1902, and which—

"(1) declares the intent of the State to participate in the pilot program;

"(2) designates an appropriate State agency to administer or supervise the administration of the program in the State;

"(3) describes the criteria to be applied by the State in determining the eligibility of any individual for assistance under the plan and in any event requires a determination by the State agency to the effect that (A) such individual's ability to continue his employment would be significantly inhibited without such assistance and (B) such individual's earnings are not sufficient to allow him to provide for himself a reasonable equivalent of the cash and other benefits that would be available to him under this title and titles XIX and XX in the absence of those earnings;

"(4) describes the process by which the eligibility of individuals for such assistance is to be determined (and such process may not involve the performance of functions by any State agency or entity which is engaged in making determinations of disability for purposes of disability insurance or supplemental security income benefits except when the use of a different agency or entity to perform those functions would not be feasible);

"(5) describes the medical and social services to be provided under the plan;

"(6) describes the manner in which the medical and social services involved are to be provided and, if they are not to be provided through the State's medical assistance and social services programs under titles XIX and XX (with the Federal payments being made under subsection (d) of this section rather than under those titles), specifies the particular mechanisms and procedures to be used in providing such services; and

"(7) contains such other provisions as the Secretary may find to be necessary or appropriate to meet the requirements of this section or otherwise carry out its purpose.

The plan under this section may be developed and submitted as a separate State plan, or may be submitted in the form of an amendment to the State's plan under section 2003(d)(1).

"(d)(1) From its allotment under subsection (b) for any fiscal year (and any amounts remaining available from allotments made to it for prior fiscal years), the Secretary shall from time to time pay to each State which has a plan approved under subsection (c) an amount equal to 75 per centum of the total sum expended under such plan (including the cost of administration of such plan) in providing medical and social services to severely handicapped individuals who are eligible for such services under the plan.

"(2) The method of computing and making payments under this section shall be as follows:

"(A) The Secretary shall, prior to each period for which a payment is to be made to a State, estimate the amount to be paid to the State for such period under the provisions of this section.

"(B) From the allotment available therefor, the Secretary shall pay the amount so estimated, reduced or increased, as the case may be, by any sum (not previously adjusted under this subsection) by which he finds that his estimate of the amount to be paid the State for any prior period under this section was greater or less than the amount which should have been paid to the State for such period under this section.

"(e) Within nine months after the date of the enactment of this section, the Secretary shall prescribe and publish such regulations as may be necessary or appropriate to carry out the pilot program and otherwise implement this section.

"(f) Each State participating in the pilot program under this section shall from time to time report to the Secretary on the operation and results of such program in that State, with particular emphasis upon the work incentive effects of the program. On or before October 1, 1983, the Secretary shall submit to the Congress a report on the program, incorporating the information contained in the State reports along with his findings and recommendations.".

(d) The amendments made by subsections (a) and (b) shall become effective on January 1, 1981, but shall remain in effect only for a period of three years after such effective date.

(e) The Secretary shall provide for separate accounts with respect to the benefits payable by reason of the amendments made by subsections (a) and (b) so as to provide for evaluation of the effects of such amendments on the programs established by titles II, XVI, XIX, and XX of the Social Security Act.

EARNED INCOME IN SHELTERED WORKSHOPS

SEC. 202. (a) Section 1612(a)(1) of the Social Security Act is amended—

(1) by striking out "and" after the semicolon at the end of subpargraph (A); and

(2) by adding after subparagraph (B) the following new subparagraph;

"(C) remuneration received for services performed in a sheltered workshop or work activities center; and".

(b) The amendments made by subsection (a) shall apply only with respect to remuneration received in months after September 1980.

TERMINATION OF ATTRIBUTION OF PARENT'S INCOME AND RESOURCES WHEN CHILD ATTAINS AGE 18

SEC. 203. (a) Section 1614(f)(2) of the Social Security Act is amended by striking out "under age 21" and inserting in lieu thereof "under age 18".

(b) The amendment made by subsection (a) shall become effective on October 1, 1980; except that the amendment made by such subsection shall not apply, in the case of any child who, in September 1980, was 18 or over and received a supplemental security income benefit for such month, during any period for which such benefit would be greater without the application of such amendment.

TITLE III—PROVISIONS AFFECTING DISABILITY RECIPIENTS UNDER OASDI AND SSI PROGRAMS; ADMINISTRATIVE PROVISIONS

CONTINUED PAYMENT OF BENEFITS TO INDIVIDUALS UNDER VOCATIONAL REHABILITATION PLANS

SEC. 301. (a)(1) Section 225 of the Social Security Act is amended by inserting "(a)" after "SEC. 225.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of this title, payment to an individual of benefits based on disability (as described in the first sentence of subsection (a)) shall not be terminated or suspended because the physical or mental impairment, on which the individual's entitlement to such benefits is based, has or may have ceased if—

"(1) such individual is participating in an approved vocational rehabilitation program under a State plan approved under title I of the Rehabilitation Act of 1973, and

"(2) the Commissioner of Social Security determines that the completion of such program, or its continuation for a specified period of time, will increase the likelihood that such individual may (following his participation in such program) be permanently removed from the disability benefit rolls.".

(2) Section 225(a) of such Act (as designated under subsection (a) of this section) is amended by striking out "this section" each place it appears and inserting in lieu thereof "this subsection".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this title, payment of the benefit of any individual who is an aged, blind, or disabled individual solely by reason of disability (as determined under section 1614 (a)(3)) shall not be terminated or suspended because the physical or mental impairment, on which the individual's eligibility for such benefit is based, has or may have ceased, if—

"(A) such individual is participating in an approved vocational rehabilitation program under a State plan approved under title I of the Rehabilitation Act of 1973, and

"(B) the Commissioner of Social Security determines that the completion of such program, or its continuation for a specified period of time, will increase the likelihood that such individual may (following his participation in such program) be permanently removed from the disability benefit roles."

(c) The amendment made by this section shall become effective on the first day of the sixth month which begins after the date of the enactment of this Act, and shall apply with respect to individuals whose disability has not been determined to have ceased prior to such first day.

EXTRAORDINARY WORK EXPENSES DUE TO SEVERE DISABILITY

SEC. 302. (a)(1) Section 223(d)(4) of the Social Security Act is amended by inserting after the third sentence the following new sentence: "In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to such individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary (as determined by the Secretary in regulations) for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions; except that the amounts to be excluded shall be subject to such reasonable limits as the Secretary may prescribe.".

(2) Section 1614(a)(3)(D) of such Act is amended by inserting after the first sentence the following new sentence: "In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to such individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary (as determined by the Secretary in regulations) for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions; except that the amounts to be excluded shall be subject to such reasonable limits as the Secretary may prescribe.".

(b) Section 1612(b)(4)(B) of such Act is amended by striking out "plus one-half of the remainder thereof, and (ii)" and inserting in lieu thereof the following: "(ii) such additional amounts of earned income of such individual (for purposes of determining the amount of his or her benefits under this title and of determining his or her eligibility for such benefits for consecutive months of eligibility after the initial month of such eligibility), if such individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, as may be necessary to pay the costs (to such individual) of attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary (as determined by the Secretary in regulations) for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions, except that the amounts to be excluded shall be subject to such reasonable limits as the Secretary may prescribe, (iii) one-half of the amount of earned income not excluded after the application of the preceding provisions of this subparagraph, and (iv)".

(c) The amendments made by this section shall apply with respect to expenses incurred on or after the first day of the sixth month which begins after the date of the enactment of this Act.

REENTITLEMENT TO DISABILITY BENEFITS

SEC. 303. (a)(1) Section 222(c)(1) of the Social Security Act is amended by striking out "section 223 or 202(d)" and inserting in lieu thereof "section 223, 202(d), 202(e), or 202(f)".

(2) Section 222(c)(3) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof ", or, in the case of an individual entitled to widow's or widower's insurance benefits under section 202(e) or (f) who became entitled to such benefits prior to attaining age 60, with the month in which such individual becomes so entitled.".

(b)(1)(A) Section 223(a)(1) of such Act is amended by striking out "or the third month following the month in which his disability ceases" at the end of the first sentence and inserting in lieu thereof "or, subject to subsection (e), the termination month. For purposes of the preceding sentence, the termination month for any individual shall be the third month following the month in which his disability ceases; except that, in the case of an individual who has a period of trial work which ends as determined by application of section 222(c)(4)(A), the termination month shall be the earlier of (I) the third month following the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment, or (II) the third month following the earliest month in which such individual engages or is determined able to engage in substantial gainful activity, but in no event earlier than the first month occurring after the 15 months following such period of trial work in which he engages or is determined able to engage in substantial gainful activity.".

(B) Section 202(d)(1)(G) of such Act is amended—

(i) by redesignating clauses (i) and (ii) as clauses (III) and (IV), respectively, and

(ii) by striking out "the third month following the month in which he ceases to be under such disability" and inserting in lieu thereof ", or, subject to section 223(e), the termination month (and for purposes of this subparagraph, the termination month for any individual shall be the third month following the month in which his disability ceases; except that, in the case of an individual who has a period of trial work which ends as determined by application of section 222(c)(4)(A), the termination month shall be the earlier of (I) the third month following the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment, or (II) the third month following the earliest month in which such individual engages or is determined able to engage in substantial gainful activity, but in no event eariler than the first month occurring after the 15 months following such period of trial work in which he engages or is determined able to engage in substantial gainful activity.".

(C) Section 202(e)(1) of such Act is amended by striking out "the third month following the month in which her disability ceases (unless she attains age 65 on or before the last day of such third month)." at the end thereof and inserting in lieu thereof ", subject to section 223(e), the termination month (unless she attains age 65 on or before the last day of such termination month). For purposes of the preceding sentence, the termination month for any individual shall be the third month following the month in which her disability ceases; except that, in the case of an individual who has a period of trial work which ends as determined by application of section 222(c)(4)(A), the termination month shall be the earlier of (I) the third month following the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment, or (II) the third month following the earliest month in which such individual engages or is determined able to engage in substantial gainful activity, but in no event earlier than the first month occurring after the 15 months following such period of trial work in which he engages or is determined able to engage in substantial gainful activity.".

(D) Section 202(f)(1) of such Act is amended by striking out "the third month following the month in which his disability ceases (unless he attains age 65 on or before the last day of such third month)." at the end thereof and inserting in lieu thereof ", subject to section 223(e), the termination month (unless he attains age 65 on or before the last day of such termination month). For purposes of the preceding sentence, the termination month for any individual shall be the third month following the month in which his disability ceases; except that, in the case of an individual who has a period of trial work which ends as determined by application of section 222(c)(4)(A), the termination month shall be the earlier of (I) the third month following the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment, or (II) the third month following the earliest month in which such individual engages or is determined able to engage in substantial gainful activity, but in no event earlier than the first month occurring after the 15 months following such period of trial work in which he engages or is determined able to engage in substantial gainful activity.".

(2)(A) Section 223 of such Act is amended by adding at the end thereof the following new subsection:

"(e) No benefit shall be payable under subsection (d)(1)(B)(ii), (e)(1)(B)(ii), or (f)(1)(B)(ii) of section 202 or under subsection (a)(1) of this section to an individual for any month, after the third month, in which he engages in substantial gainful activity during the 15-month period following the end of his trial work period determined by application of section 222(c)(4)(A).".

(B) Section 216(i)(2)(D) of such Act is amended by striking out "(ii)" and all that follows and inserting in lieu thereof "(ii) the month preceding (I) the termination month (as defined in section 223(a)(1)), or, if earlier (II) the first month for which no benefit is payable by reason of section 223(e), where no benefit is payable for any of the succeeding months during the 15-month period referred to in such section."

(c)(1)(A) Section 1614(a)(3) of such Act is amended by adding at the end thereof the following new subparagraph:

"(F) For purposes of this title, an individual whose trial work period has ended by application of paragraph (4)(D)(i) shall, subject to section 1611(e)(4), nonetheless be considered (except for purposes of section 1631(a)(5)) to be disabled through the end of the month preceding the termination month. For purposes of the preceding sentence, the termination month for any individual shall be the earlier of (i) the earliest month after the end of such period of trial work with respect to which such individual is determined to no longer be suffering from a disabling physical or mental impairment, or (ii) the first month, after the period of 15 consecutive months following the end of such period of trial work, in which such individual engages in or is determined to be able to engage in substantial gainful activity.".

(B) Section 1614(a)(3)(D) of such Act is amended by striking out "paragraph (4)" and inserting in lieu thereof "subparagraph (F) or paragraph (4)".

(2) Section 1611(e) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) No benefit shall be payable under this title, except as provided in section 1619 (or section 1616(c)(3)), with respect to an eligible individual or his eligible spouse who is an aged, blind, or disabled individual solely by application of section 1614(a)(3)(F) for any month, after the third month, in which he engages in substantial gainful activity during the fifteen-month period following the end of his trial work period determined by application of section 1614(a)(4)(D)(i).".

(d) The amendments made by this section shall become effective on the first day of the sixth month which begins after the date of the enactment of this Act, and shall apply with respect to any individual whose disability has not been determined to have ceased prior to such first day.

DISABILITY DETERMINATIONS; FEDERAL REVIEW OF STATE AGENCY DETERMINATIONS

SEC. 304. (a) Section 221(a) of the Social Security Act is amended to read as follows:

"(a)(1) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216(i) or 223(d)) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency, notwithstanding any other provision of law, in any State that notifies the Secretary in writing that it wishes to make such disability determinations commencing with such month as the Secretary and the State agree upon, but only if (A) the Secretary has not found, under subsection (b)(1), that the State agency has substantially failed to make disability determinations in accordance with the applicable provisions of this section or rules issued thereunder, and (B) the State has not notified the Secretary, under subsection (b)(2), that it does not wish to make such determinations. If the Secretary once makes the finding described in clause (A) of the preceding sentence, or the State gives the notice referred to in clause (B) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may again make disability determinations under this paragraph.

"(2) The disability determinations described in paragraph (1) made by a State agency shall be made in accordance with the pertinent provisions of this title and the standards and criteria contained in regulations or other written guidelines of the Secretary pertaining to matters such as disability determinations, the class or classes of individuals with respect to which a State may make disability determinations (if it does not wish to do so with respect to all individuals in the State), and the conditions under which it may choose not to make all such determinations. In addition, the Secretary shall promulgate regulations specifying, in such detail as he deems appropriate, performance standards and administrative requirements and procedures to be followed in performing the disability determination function in order to assure effective and uniform administration of the disability insurance program throughout the United States. The regulations may, for example, specify matters such as—

"(A) the administrative structure and the relationship between various units of the State agency responsible for disability determinations,

"(B) the physical location of and relationship among agency staff units, and other individuals or organizations performing tasks for the State agency, and standards for the availability to applicants and beneficiaries of facilities for making disability determinations,

"(C) State agency performance criteria including the rate of accuracy of decisions, the time periods within which determinations must be made, the procedures for and the scope of review by the Secretary, and, as he finds appropriate, by the State, of its performance in individual cases and in classes of cases, and rules governing access of appropriate Federal officials to State offices and to State records relating to its administration of the disability determination function,

"(D) fiscal control procedures that the State agency may be required to adopt, and

"(E) the submission of reports and other data, in such form and at such time as the Secretary may require, concerning the State agency's activities relating to the disability determination.

Nothing in this section shall be construed to authorize the Secretary to take any action except pursuant to law or to regulations promulgated pursuant to law.".

(b) Section 221(b) of such Act is amended to read as follows:

"(b)(1) If the Secretary finds, after notice and opportunity for a hearing, that a State agency is substantially failing to make disability determinations in a manner consistent with his regulations and other written guidelines, the Secretary shall, not earlier than 180 days following his finding, and after he has complied with the requirements of paragraph (3), make the disability determinations referred to in subsection (a)(1).

"(2) If a State, having notified the Secretary of its intent to make disability determinations under subsection (a)(1), no longer wishes to make such determinations, it shall notify the Secretary in writing of that fact, and, if an agency of the State is making disability determinations at the time such notice is given, it shall continue to do so for not less than 180 days, or (if later) until the Secretary has complied with the requirements of paragraph (3). Thereafter, the Secretary shall make the disability determinations referred to in subsection (a)(1).

"(3)(A) The Secretary shall develop and initiate all appropriate procedures to implement a plan with respect to any partial or complete assumption by the Secretary of the disability determination function from a State agency, as provided in this section, under which employees of the affected State agency who are capable of performing duties in the disability determination process for the Secretary shall, notwithstanding any other provision of law, have a preference over any other individual in filling an appropriate employment position with the Secretary (subject to any system established by the Secretary for determining hiring priority among such employees of the State agency) unless any such employee is the administrator, the deputy administrator, or assistant administrator (or his equivalent) of the State agency, in which case the Secretary may accord such priority to such employee.

"(B) The Secretary shall not make such assumption of the disability determination function until such time as the Secretary of Labor determines that, with respect to employees of such State agency who will be displaced from their employment on account of such assumption by the Secretary and who will not be hired by the Secretary to perform duties in the disability determination process, the State has made fair and equitable arrangements to protect the interests of employees so displaced. Such protective arrangements shall include only those provisions which are provided under all applicable Federal, State and local statutes including, but not limited to, (i) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements; (ii) the continuation of collective-bargaining rights; (iii) the assignment of affected employees to other jobs or to retraining programs; (iv) the protection of individual employees against a worsening of their positions with respect to their employment; (v) the protection of health benefits and other fringe benefits; and (vi) the provision of severance pay, as may be necessary.".

(c) Section 221(c) of such Act is amended to read as follows:

"(c)(1) The Secretary may on his own motion or as required under paragraphs (2) and (3) review a determination, made by a State agency under this section, that an individual is or is not under a disability (as defined in section 216(i) or 223(d)) and, as a result of such review, may modify such agency's determination and determine that such individual either is or is not under a disability (as so defined) or that such individual's disability began on a day earlier or later than that determined by such agency, or that such disability ceased on a day earlier or later than that determined by such agency. A review by the Secretary on his own motion of a State agency determination under this paragraph may be made before or after any action is taken to implement such determination.

"(2) The Secretary (in accordance with paragraph (3)) shall review determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216(i) or 223(d)). Any review by the Secretary of a State agency determination under this paragraph shall be made before any action is taken to implement such determination.

"(3) In carrying out the provisions of paragraph (2) with respect to the review of determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216(i) or 223(d)), the Secretary shall review—

"(A) at least 15 percent of all such determinations made by State agencies in the fiscal year 1981,

"(B) at least 35 percent of all such determinations made by State agencies in the fiscal year 1982, and

"(C) at least 65 percent of all such determinations made by State agencies in any fiscal year after the fiscal year 1982.".

(d) Section 221(d) of such Act is amended by striking out "(a)" and inserting in lieu thereof "(a), (b)".

(e) The first sentence of section 221(e) of such Act is amended—

(1) by striking out "which has an agreement with the Secretary" and inserting in lieu thereof "which is making disability determinations under subsection (a)(1)",

(2) by striking out "as may be mutually agreed upon" and inserting in lieu thereof "as determined by the Secretary", and

(3) by striking out "carrying out the agreement under this section" and inserting in lieu thereof "making disability determinations under subsection (a)(1)".

(f) Section 221(g) of such Act is amended—

(1) by striking out "has no agreement under subsection (b)" and inserting in lieu thereof "does not undertake to perform disability determinations under subsection (a)(1), or which has been found by the Secretary to have substantially failed to make disability determinations in a manner consistent with his regulations and guidelines", and

(2) by striking out "not included in an agreement under subsection (b)" and inserting in lieu thereof "for whom no State undertakes to make disability determinations".

(g) The Secretary of Health and Human Services shall implement a program of reviewing, on his own motion, decisions rendered by administrative law judges as a result of hearings under section 221(d) of the Social Security Act, and shall report to the Congress by January 1, 1982, on his progress.

(h) The amendments made by subsections (a), (b), (d), (e), and (f) shall be effective beginning with the twelfth month following the month in which this Act is enacted. Any State that, on the effective date of the amendments made by this section, has in effect an agreement with the Secretary of Health and Human Services under section 221(a) of the Social Security Act (as in effect prior to such amendments) will be deemed to have given to the Secretary the notice specified in section 221(a)(1) of such Act as amended by this section, in lieu of continuing such agreement in effect after the effective date of such amendments. Thereafter, a State may notify the Secretary in writing that it no longer wishes to make disability determinations, effective not less than 180 days after the notification is given.

(i) The Secretary of Health and Human Services shall submit to the Congress by July 1, 1980, a detailed plan on how he expects to assume the functions and operations of a State disability determination unit when this becomes necessary under the amendments made by this section, and how he intends to meet the requirements of section 221(b)(3) of the Social Security Act. Such plan should assume the uninterrupted operation of the disability determination function and the utilization of the best qualified personnel to carry out such function. If any amendment of Federal law or regulation is required to carry out such plan, recommendations for such amendment should be included in the report.

INFORMATION TO ACCOMPANY SECRETARY'S DECISIONS

SEC. 305. (a) Section 205(b) of the Social Security Act is amended by inserting after the first sentence the following new sentence: "Any such decision by the Secretary which involves a determination of disability and which is in whole or in part unfavorable to such individual shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, and stating the Secretary's determination and the reason or reasons upon which it is based.".

(b) Section 1631(c)(1) of such Act is amended by inserting after the first sentence thereof the following new sentence: "Any such decision by the Secretary which involves a determination of disability and which is in whole or in part unfavorable to such individual shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence and stating the Secretary's determination and the reason or reasons upon which it is based.".

(c) The amendments made by this section shall apply with respect to decisions made on or after the first day of the 13th month following the month in which this Act is enacted.

LIMITATION ON PROSPECTIVE EFFECT OF APPLICATION

SEC. 306. (a) Section 202(j)(2) of the Social Security Act is amended to read as follows:

"(2) An application for any monthly benefits under this section filed before the first month in which the applicant satisfies the requirements for such benefits shall be deemed a valid application (and shall be deemed to have been filed in such first month) only if the applicant satisfies the requirements for such benefits before the Secretary makes a final decision on the application and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).".

(b) Section 216(i)(2)(G) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed on such first day)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(c) Section 223(b) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed in such first month)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made, or if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(d) The amendments made by this section shall apply to applications filed after the month in which this Act is enacted.

LIMITATION ON COURT REMANDS

SEC. 307. The sixth sentence of section 205(g) of the Social Security Act is amended by striking out all that precedes "and the Secretary shall" and inserting in lieu thereof the following: "The court may, on motion of the Secreary made for good cause shown before he files his answer, remand the case to the Secretary for further action by the Secretary, and it may at any time order additional evidence to be taken before the Secretary, but only upon a showing that there is new evidence which is material and that there is good cause for the failure to incorporate such evidence into the record in a prior proceeding;".

TIME LIMITATIONS FOR DECISIONS ON BENEFIT CLAIMS

SEC. 308. The Secretary of Health and Human Services shall submit to the Congress, no later than July 1, 1980, a report recommending the establishment of appropriate time limitations governing decisions on claims for benefits under title II of the Social Security Act. Such report shall specifically recommend—

(1) the maximum period of time (after applications for a payment under such title is filed) within which the initial decision of the Secreary as to the rights of the applicant should be made;

(2) the maximum period of time (after application for reconsideration of any decision described in paragraph (1) is filed) within which a decision of the Secretary on such reconsideration should be made;

(3) the maximum period of time (after a request for a hearing with respect to any decision described in paragraph (1) is filed) within which a decision of the Secretary upon such hearing (whether affirming, modifying, or reversing such decision) should be made; and

(4) the maximum period of time (after a request for review by the Appeals Council with respect to any decision described in paragraph (1) is made) within which the decision of the Secretary upon such review (whether affirming, modifying, or reversing such decision) should be made.

In determining the time limitations to be recommended, the Secretary shall take into account both the need for expeditious processing of claims for benefits and the need to assure that all such claims will be thoroughly considered and accurately determined.

PAYMENT FOR EXISTING MEDICAL EVIDENCE

SEC. 309. (a) Section 223(d)(5) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Any non-Federal hospital, clinic, laboratory, or other provider of medical services, or physician not in the employ of the Federal Government, which supplies medical evidence required and requested by the Secretary under this paragraph shall be entitled to payment from the Secretary for the reasonable cost of producing such evidence.".

(b) The amendment made by subsection (a) shall apply with respect to evidence requested on or after the first day of the sixth month which begins after the date of the enactment of this Act.

PAYMENT OF CERTAIN TRAVEL EXPENSES

SEC. 310. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j) There are authorized to be made available for expenditure, out of the Federal Old-Age and Survivors Insurance Trust Fund, or the Federal Disability Insurance Trust Fund (as determined appropriate by the Secretary), such amounts as are required to pay travel expenses, either on an actual cost or commuted basis, to individuals for travel incident to medical examinations requested by the Secretary in connection with disability determinations under this title, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 210(i)) to attend reconsideration interviews and proceedings before administrative law judges with respect to any determination under this title. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Secretary) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health condition, as specified in such regulations.".

(b) Section 1631 of such Act is amended by adding at the end thereof the following new subsection:

"PAYMENT OF CERTAIN TRAVEL EXPENSES

"(h) The Secretary shall pay travel expenses, either on an actual cost or commuted basis, to individuals for travel incident to medical examinations requested by the Secretary in connection with disability determinations under this title, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 1614(e)) to attend reconsideration interviews and proceedings before administrative law judges with respect to any determination under this title. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Secretary) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health conditions, as specified in such regulations.".

(c) Section 1817 of such Act is amended by adding at the end thereof the following new subsection:

"(i) There are authorized to be made available for expenditure out of the Trust Fund such amounts as are required to pay travel expenses, either on an actual cost or commuted basis, to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 210(i)) to attend reconsideration interviews and proceedings before administrative law judges with respect to any determination under this title. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Secretary) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health condition, as specified in such regulations.".

PERIODIC REVIEW OF DISABILITY DETERMINATIONS

SEC. 311. (a) Section 221 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(i) In any case where an individual is or has been determined to be under a disability, the case shall be reviewed by the applicable State agency or the Secretary (as may be appropriate), for purposes of continuing eligibility, at least once every 3 years; except that where a finding has been made that such disability is permanent, such reviews shall be made at such times as the Secretary determines to be appropriate. Reviews of cases under the preceding sentence shall be in addition to, and shall not be considered as a substitute for, any other reviews which are required or provided for under or in the administration of this title.".

(b) The amendment made by subsection (a) shall become effective on January 1, 1982.

REPORT BY SECRETARY

SEC. 312. The Secretary of Health and Human Services shall submit to the Congress not later than January 1, 1985, a full and complete report as to the effects produced by reason of the preceding provisions of this Act and the amendments made thereby.

TITLE IV—PROVISIONS RELATING TO AFDC AND CHILD SUPPORT PROGRAMS

WORK REQUIREMENT UNDER THE AFDC PROGRAM

SEC. 401. (a) Section 402(a)(19)(A) of the Social Security Act is amended—

(1) by striking out all that follows "(A)" and precedes clause (i), and inserting in lieu thereof the following: "that every individual, as a condition of eligibility for aid under this part, shall register for manpower services, training, employment, and other employment-related activities (including employment search, not to exceed eight weeks in total in each year) with the Secretary of Labor as provided by regulations issued by him, unless such individual is—";

(2) by striking out "or" at the end of clause (v);

(3) by striking out "under section 433(g)" in clause (vi);

(4) by adding "or" after the semicolon at the end of clause (vi); and

(5) by inserting after clause (vi) the following new clause:

"(vii) a person who is working not less than 30 hours per week;".

(b) Section 402(a)(19)(B) of such Act is amended by inserting "to families with dependent children" immediately after "that aid".

(c) Section 402(a)(19)(D) of such Act is amended by striking out ", and income derived from a special work project under the program established by section 432(b)(3)".

(d) Section 402(a)(19)(F) of such Act is amended—

(1) by striking out, "and for so long as any child, relative, or individual (certified to the Secretary of Labor pursuant to subparagraph (G))" in the matter preceding clause (i), and inserting in lieu thereof "(and for such period as is prescribed under joint regulations of the Secretary and the Secretary of Labor) any child, relative or individual"; and

(2) by inserting "and" after semicolon at the end of clause (iv), and striking out all that follows.

(e) Section 402(a)(19)(G) of such Act is amended—

(1) by inserting "(which will, to the maximum extent feasible, be located in the same facility as that utilized for the administration of programs established pursuant to section 432(b) (1), (2), or (3))" immediately after "administrative unit" in clause (i);

(2) by striking out "subparagraph (A)," in clause (ii), and inserting in lieu thereof "subparagraph (A) of this paragraph (I)";

(3) by striking out "part C" where it first appears in clause (ii) and inserting in lieu thereof "section 432(b) (1) (2), or (3)"; and

(4) by striking out "employment or training under part C," in clause (ii) and inserting in lieu thereof "employment or training under section 432(b) (1), (2), or (3), (II) such social and supportive services as are necessary to enable such individuals as determined appropriate by the Secretary of Labor actively to engage in other employment-related (including but not limited to employment search) activities, as well as timely payment for necessary employment search expenses, and (III) for a period deemed appropriate by the Secretary of Labor after such an individual accepts employment, such social and supportive services as are reasonable and necessary to enable him to retain such employment,".

(f) Section 402(a)(19) of such Act is further amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" after the semicolon at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) that an individual participating in employment search activities shall not be referred to employment opportunities which do not meet the criteria for appropriate work and training to which an individual may otherwise be assigned under section 432(b) (1), (2), or (3);".

(g) Section 403(c) of such Act is amended by striking out "part C" and inserting in lieu thereof "section 432(b) (1), (2), or (3)".

(h) Section 403(d)(1) of such Act is amended by adding at the end thereof the following new sentence: "In determining the amount of the expenditures made under a State plan for any quarter with respect to social and supportive services pursuant to section 402(a)(19)(G), there shall be included the fair and reasonable value of goods and services furnished in kind from the State or any political subdivision thereof.".

(i) The amendments made by this section (other than those made by subsections (c) and (d)) shall take effect on September 30, 1980, and the joint regulations referred to in section 402(a)(19)(F) of the Social Security Act (as amended by this section) shall be promulgated on or before such date, and take effect on such date.

USE OF INTERNAL REVENUE SERVICE TO COLLECT CHILD SUPPORT FOR NON-AFDC FAMILIES

SEC. 402. (a) The first sentence of section 452(b) of the Social Security Act is amended by inserting "(or undertaken to be collected by such State pursuant to section 454(6))" immediately after "assigned to such State".

(b) The amendment made by subsection (a) shall take effect July 1, 1980.

SAFEGUARDS RESTRICTING DISCLOSURE OF CERTAIN INFORMATION UNDER AFDC AND SOCIAL SERVICE PROGRAMS

SEC. 403. (a) Section 402(a)(9) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (B); and

(2) by striking out "; and the safeguards" and all that follows and inserting in lieu thereof the following: ", and (D) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental entity which is authorized by law to conduct such audit or activity; and the safeguards so provided shall prohibit disclosure, to any committee or legislative body (other than an entity referred to in clause (D) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient;".

(b) Section 2003(d)(1)(B) of such Act is amended—

(1) by striking out "provides that" and inserting in lieu thereof "provides safeguards which restrict";

(2) by striking out "will be restricted";

(3) by inserting "(A)" after "connected with"; and

(4) by inserting before the semicolon at the end thereof the following ", and (B) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental entity which is authorized by law to conduct such audit or activity; and the safeguards so provided shall prohibit disclosure, to any committee or legislative body (other than an entity referred to in clause (B) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient;".

(c) The amendments made by this section shall take effect on September 1, 1980.

FEDERAL MATCHING FOR CHILD SUPPORT DUTIES PERFORMED BY CERTAIN COURT PERSONNEL

SEC. 404. (a) Section 455 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c)(1) Subject to paragraph (2), there shall be included, in determining amounts expended by a State during any quarter for the operation of the plan approved under section 454, so much of the expenditures of courts of such State and its political subdivisions (excluding expenditures for or in connection with judges and other individuals making judicial determinations, but not excluding expenditures for or in connection with their administrative and support personnel) as are attributable to the performance of services which are directly related to, and clearly identifiable with, the operation of such plan.

"(2) The aggregate amount of the expenditures which are included pursuant to paragraph (1) for the quarters in any calendar year shall be reduced (but not below zero) by the total amount of expenditures described in paragraph (1) which were made by the State for the 12-month period beginning January 1, 1978.

"(3) The State agency may, if the law (or procedures established thereunder) of the State so provides, pay so much of the amount it receives under subsection (a) for any quarter as is payable by reason of the provisions of this subsection directly to the courts of the State (for political subdivisions thereof) furnishing the services on account of which the payment is payable.".

(b) The amendment made by subsection (a) shall apply with respect to expenditures made by States on or after July 1, 1980.

CHILD SUPPORT MANAGEMENT INFORMATION SYSTEM

SEC. 405. (a) Section 455(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and"; and

(3) by adding after and below paragraph (2) the following new paragraph:

"(3) equal to 90 percent (rather than the percent specified in clause (1) or (2)) of so much of the sums expended during such quarter as are attributable to the planning, design, development, installation or enhancement of an automatic data processing and information retrieval system which the Secretary finds meets the requirements specified in section 454(16);".

(b) Section 454 of such Act is amended—

(1) by striking out "and" at the end of paragraph (14),

(2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and", and

(3) by adding after paragraph (15) the following new paragraph:

"(16) provide, at the option of the State, for the establishment, in accordance with an (initial and annually updated) advance automatic data processing planning document approved under section 452(d), of an automatic data processing and information retrieval system designed eeffctively and efficiently to assist management in the administration of the State plan, in the State and localities thereof, so as (A) to control, account for, and monitor (i) all the factors in the child support enforcement collection and paternity determination process under such plan (including, but not limited to, (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses and mailing addresses (including postal ZIP codes) of any individual with respect to whom child support obligations are sought to be established or enforced and with respect to any person to whom such support obligations are owing) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether such individual is paying or is obligated to pay child support in more than one jurisdiction. (II) checking of records of such individuals on a periodic basis with Federal, intra- and inter-State, and local agencies, (III) maintaining the data necessary to meet the Federal reporting requirements on a timely basis, and (IV) delinquency and enforcement activities), (ii) the collection and distribution of support payments (both intra- and inter-State), the determination, collection and distribution, of incentive payments both inter- and intra-State, and the maintenance of accounts receivable on all amounts owed, collected and distributed, and (iii) the costs of all services rendered, either directly or by interfacing with State financial management and expenditure information, (B) to provide interface with records of the State's aid to families with dependent children program in order to determine if a collection of a support payment causes a change affecting eligibility for or the amount of aid under such program, (C) to provide for security against unauthorized access to, or use of, the data in such system, and (D) to provide management information on all cases under the State plan from initial referral or application through collection and enforcement.".

(c) Section 452 of such Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary shall not approve the initial and annually updated advance automatic data processing planning document, referred to in section 454(16), unless he finds that such document, when implemented, will generally carry out the objectives of the management system referred to in such subsection, and such document—

"(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system.

"(B) contains a description of the proposed management system referred to in section 455(a)(3), including a description of information flows, input data, and output reports and uses,

"(C) sets forth the security and interface requirements to be employed in such management system,

"(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements.

"(E) contains an implementation plan and backup procedures to handle possible failures,

"(F) contains a summary of proposed improvement of such management system in terms of qualitative and quantitative benefits, and

"(G) provides such other information as the Secretary determines under regulation is necessary.

"(2)(A) the Secretary shall through the separate organizational unit established pursuant to subsection (a), on a continuing basis, review, assess, and inspect the planning, design, and operation of, management information systems referred to in section 455(a)(3), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under paragraph (1) and the conditions specified under section 454(16).

"(B) If the Secretary finds with respect to any statewide management information system referred to in section 455(a)(3) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automatic data processing planning document theretofore approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.".

(d) Section 452 of the Social Security Act is further amended by adding after subsection (d) (as added by subsection (c) of this section) the following new subsection:

"(e) The Secretary shall provide such technical assistance to States as he determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 455(a)(3).".

(e) The amendments made by this section shall take effect on July 1, 1981, and shall be effective only with respect to expenditures, referred to in section 455(a)(3) of the Social Security Act (as amended by this Act), made on or after such date.

AFDC MANAGEMENT INFORMATION SYSTEM

SEC. 406. (a) Section 403(a)(3) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (A):

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) 90 per centum of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as (i) meet the conditions of section 402(a)(30), and (ii) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX, and State programs with respect to which there is Federal financial participation under title XX, and".

(b)(1) Section 402(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (28).

(B) by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; and"; and

(C) by adding after paragraph (29) the following new paragraph:

"(30) at the option of the State, provide for the establishment and operation, in accordance with an (initial and annually updated) advance automatic data processing planning document approved under subsection (d), of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan for aid to families with dependent children approved under this part, so as (A) to control and account for (i) all the factors in the total eligibility determination process under such plan for aid (including but not limited to (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP codes), of all applicants and recipients of such aid and the relative with whom any child who is such an applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determne whether an individual is or has been receiving benefits from more than one jurisdiction, (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this Act), (ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid, (B) to notify the appropriate officials of child support, food stamp, social service, and medical assistance programs approved under title XIX whenever the case becomes ineligible or the amount of aid or services is changed, and (C) to provide for security against unauthorized access to, or use of, the data in such system.".

(2) Section 402 of such Act is further amended by adding at the end thereof the following new subsection:

"**(d)**(1) The Secretary shall not approve the initial and annually updated advance automatic data processing planning document, referred to in subsection (a)(30), unless he finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such subsection, and such document—

"(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

"(B) contains a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses,

"(C) sets forth the security and interface requirements to be employed in such statewide management system,

"(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

"(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

"(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

"(B) contains a summary of proposed improvement of such statewide management system in terms of qualitative and quantitative benefits.

"(2)(A) The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 403(a)(3)(B), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under subsection (a)(30) of this section.

"(B) If the Secretary finds with respect to any statewide management information system referred to in section 403(a)(3)(B) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automatic data processing planning document theretofore approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertaking so prescribed.".

(c) Part A of title IV of such Act is amended by adding at the end thereof the following new section:

"TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS

"SEC. 413. The Secretary shall provide such technical assistance to States as he determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 403(a)(3)(B) of this Act.".

(d) The amendments made by this section shall be effective with respect to expenditures made during calendar quarters beginning on or after July 1, 1981.

CHILD SUPPORT REPORTING AND MATCHING PROCEDURES

SEC. 407. (a) Section 455(b)(2) of the Social Security Act is amended by striking out "The Secretary" and inserting in lieu thereof "Subject to subsection (d), the Secretary".

(b) Section 455 of such Act is further amended by adding after subsection (c) (as added by section 404 of this Act) the following new subsection:

"(d) Notwithstanding any other provision of law, no amount shall be paid to any State under this section for any quarter, prior to the close of such quarter, unless for the period consisting of all prior quarters for which payment is authorized to be made to such State under subsection (a), there shall have been submitted by the State to the Secretary, with respect to each quarter in such period (other than the last two quarters in such period), a full and complete report (in such form and manner and containing such information as the Secretary shall prescribe or require) as to the amount of child support collected and disbursed and all expenditures with respect to which payment is authorized under subsection (a).".

(c) Section 403(b)(2) of such Act is amended—

(1) by striking out "and" at the end of clause (A); and

(2) by adding immediately before the semicolon at the end of clause (B) the following: ", and (C) reduced by such amount as is necessary to provide the 'appropriate reimbursement of the Federal Government' that the State is required to make under section 457 out of that portion of child support collections retained by it pursuant to such section".

(d) The amendments made by this section shall be effective in the case of calendar quarters commencing on or after January 1, 1981.

ACCESS TO WAGE INFORMATION FOR PURPOSES OF CARRYING OUT STATE PLANS FOR CHILD SUPPORT

SEC. 408. (a)(1) Subsection (l) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(7) DISCLOSURE OF CERTAIN RETURN INFORMATION BY SOCIAL SECURITY ADMINISTRATION TO STATE AND LOCAL CHILD SUPPORT ENFORCEMENT AGENCIES.—

"(A) IN GENERAL.—Upon written request, the Commissioner of Social Security shall disclose directly to officers and employees of a State or local child support enforcement agency return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection.

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations. For purposes of the preceding sentence, the term 'child support obligations' only includes obligations which are being enforced pursuant to a plan described in section 454 of the Social Security Act which has been approved by the Secretary of Health and Human Services under part D of title IV of such Act.

"(C) STATE OR LOCAL CHILD SUPPORT ENFORCEMENT AGENCY.—For purposes of this paragraph, the term 'State or local child support enforcement agency' means any agency of a State or political subdivision thereof operating pursuant to a plan described in subparagraph (B)."

(2)(A) Subparagraph (A) of section 6103(p)(3) of such Code (relating to records of inspection and disclosure) is amended by striking out "(l)(1) or (4)(B) or (5)" and inserting in lieu thereof "(l)(1), (4)(B), (5), or (7)".

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out "(D)(3) or (6)" in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof "(l)(3), (6), or (7)".

(C) Clause (i) of section 6103(p)(4)(F) of such Code is amended by striking out "(l)(6)" and inserting in lieu thereof "(l)(6) or (7)".

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended by striking out "subsection (d), (l)(6), or (m)(4)(B)" and inserting in lieu thereof "subsection (d), (l) (6) or (7), or (m)(4)(B)".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, directly to officers or employees of any State or local child support enforcement agency any wage information contained in the records of such State agency, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of establishing and collecting child support obligations from, and locating, individuals owing such obligations. For purposes of the preceding sentence, the term 'child support obligations' only includes obligations which are being enforced pursuant to a plan described in section 454 of this Act which has been approved by the Secretary of Health and Human Services under part D of title IV of this Act.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

"(3) For purposes of this subsection, the term 'State or local child support enforcement agency' means any agency of a State or political subdivision thereof operating pursuant to a plan described in the last sentence of paragraph (1)."

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), or (d)".

(3) The amendments made by this subsection shall take effect on July 1, 1980.

TITLE V—OTHER PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

RELATIONSHIP BETWEEN SOCIAL SECURITY AND SSI BENEFITS

SEC. 501. (a) Part A of title XI of the Social Security Act is amended by inserting immediately after section 1126 the following new section:

"ADJUSTMENT OF RETROACTIVE BENEFITS UNDER TITLE II ON ACCOUNT OF SUPPLEMENTAL SECURITY INCOME BENEFITS

"SEC. 1127. Notwithstanding any other provision of this Act, in any case where an individual—

"(1) makes application for benefits under title II and is subsequently determined to be entitled to those benefits, and

"(2) was an individual with respect to whom supplemental security income benefits were paid under title XVI (including State supplementary payments which were made under an agreement pursuant to section 1616(a) or an administration agreement under section 212 of Public Law 93-66) for one or more months during the period beginning with the first month for which a benefit described in paragraph (1) is payable and ending with the month before the first month in which such benefit is paid pursuant to the application referred to in paragraph (1).

the benefits (described in paragraph (1)) which are otherwise retroactively payable to such individual for months in the period described in paragraph (2) shall be reduced by an amount equal to so much of such supplemental security income benefits (including State supplemental payments) described in paragraph (2) for such month or months as would not have been paid with respect to such individual or his eligible spouse if the individual had received the benefits under title II at the times they were regularly due during such period rather than retroactively; and from the amount of such reduction the Secretary shall reimburse the State on behalf of which such supplementary payments were made for the amount (if any) by which such State's expenditures on account of such supplementary payments for the period involved exceeded the expenditures which the State would have made (for such period) if the individual had received the benefits under title II at the times they were regularly due during such period rather than retroactively. An amount equal to the portion of such reduction remaining after reimbursement of the State under the preceding sentence shall be covered into the general fund of the Treasury.".

(b) Section 204 of such Act is amended by adding at the end thereof the following new subsection:

"(e) For payments which are adjusted by reason of payment of benefits under the supplemental security income program established by title XVI, see section 1127.".

(c) Section 1631(b) of such Act is amended—

(1) by inserting "(1)" immediately after "(b)", and

(2) by adding at the end thereof the following new paragraph:

"(2) For payments for which adjustments are made by reason of a retroactive payment of benefits under title II, see section 1127.".

(d) The amendments made by this section shall be applicable in the case of payments of monthly insurance benefits under title II of the Social Security Act entitlement for which is determined on or after the first day of the thirteenth month which begins after the date of the enactment of this Act.

EXTENSION OF NATIONAL COMMISSION ON SOCIAL SECURITY

SEC. 502. (a) Section 361(a)(2)(F) of the Social Security Amendments of 1977 is amended by striking out "a term of two years" and inserting in lieu thereof "a term which shall end on April 1, 1981".

(b) Section 361(c)(2) of the Social Security Amendments of 1977 is amended by striking out all that follows the semicolon and inserting in lieu thereof "and the Commission shall cease to exist on April 1, 1981.".

TIME FOR MAKING OF SOCIAL SECURITY CONTRIBUTIONS WITH RESPECT TO COVERED STATE AND LOCAL EMPLOYEES

SEC. 503. (a) Subparagraph (A) of section 218(e)(1) of the Social Security Act is amended to read as follows:

"(A) that the State will pay to the Secretary of the Treasury, within the thirty-day period immediately following the last day of each calendar month, amounts equivalent to the sum of the taxes which would be imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 if the services for which wages were paid in such month to employees covered by the agreement constituted employment as defined in section 3121 of such Code; and".

(b) The amendment made by subsection (a) shall be effective with respect to the payment of taxes (referred to in section 218(e)(1)(A) of the Social Security Act, as amended by subsection (a)) on account of wages paid on or after July 1, 1980.

(c) The provisions of section 7 of Public Law 94-202 shall not be applicable to any regulation which becomes effective on or after July 1, 1980, and which is designed to carry out the purposes of subsection (a) of this section.

ELIGIBILITY OF ALIENS FOR SSI BENEFITS

SEC. 504. (a) Section 1614(f) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) For purposes of determining eligibility for and the amount of benefits for any individual who is an alien, such individual's income and resources shall be deemed to include the income and resources of his sponsor and such sponsor's spouse (if such alien has a sponsor) as provided in section 1621. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.".

(b) Part A of title XVI of such Act is amended by adding at the end thereof (after the new section added by section 201(c) of this Act) the following new section:

"ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIENS

"SEC. 1621. (a) For purposes of determining eligibility for and the amount of benefits under this title for an individual who is an alien, the income and resources of any person who (as a sponsor of such individual's entry into the United States) executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse, shall be deemed to be the income and resources of such individual (in accordance with subsections (b) and (c)) for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

"(b)(1) The amount of income of a sponsor (and his spouse) which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(A) The total yearly rate of earned and unearned income (as determined under section 1612(a)) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined for such year.

"(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to (i) the maximum amount of the Federal benefit under this title for such year which would be payable to an eligible individual who has no other income and who does not have an eligible spouse (as determined under section 1611(b)(1)), plus (ii) one-half of the amount determined under clause (i) multiplied by the number of individuals who are dependents of such sponsor (or such sponsor's spouse if such spouse is living with the sponsor), other than such alien and such alien's spouse.

"(C) The amount of income which shall be deemed to be unearned income of such alien shall be at a yearly rate equal to the amount determined under subparagraph (B). The period for determination of such amount shall be the same as the period for determination of benefits under section 1611(c).

"(2) The amount of resources of a sponsor (and his spouse) which shall be deemed to be the resources of an alien for any year shall be determined as follows:

"(A) The total amount of the resources (as determined under section 1613) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined.

"(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to (i) $1,500 in the case of a sponsor who has no spouse with whom he is living, or (ii) $2,250 in the case of a sponsor who has a spouse with whom he is living.

"(C) The resources of such sponsor (and spouse) as determined under subparagraphs (A) and (B) shall be deemed to be resources of such alien in addition to any resources of such alien.

"(c) In determining the amount of income of an alien during the period of three years after such alien's entry into the United States, the reduction in dollar amounts otherwise required under section 1612(a)(2)(A)(i) shall not be applicable if such alien is living in the household of a person who is a sponsor (or such sponsor's spouse) of such alien, and is receiving support and maintenance in kind from such sponsor (or spouse), nor shall support or maintenance furnished in cash or kind to an alien by such alien's sponsor (to the extent that it reflects income or resources which were taken into account in determining the amount of income and resources to be deemed to the alien under subsection (a) or (b)) be considered to be income of such alien under section 1612(a)(2)(A).

"(d)(1) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this title, be required to provide to the Secretary such information and documentation with respect to his sponsor as may be necessary in order for the Secretary to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide to the Secretary such information and documentation as the Secretary may request and which such alien or his sponsor provided in support of such alien's immigration application.

"(2) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(e) Any sponsor of an alien, and such alien, shall be jointly and severably liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid to the Secretary or recovered in accordance with section 1631(b) shall be withheld from any subsequent payment to which such alien or such sponsor is entitled under any provision of this Act.

"(f)(1) The provisions of this section shall not apply with respect to any individual who is an 'aged, blind, or disabled individual' for purposes of this title by reason of blindness (as determined under section 1614(a)(2)) or disability (as determined under section 1614(a)(3)), from and after the onset of the impairment, if such blindness or disability commenced after the date of such individual's admission into the United States for permanent residence.

"(2) The provisions of this section shall not apply with respect to any alien who is—

"(A) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act;

"(B) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c)(1) of such Act;

"(C) paroled into the United States as a refugee under section 212(d)(5) of such Act; or

"(D) granted political asylum by the Attorney General.".

(c) The amendments made by this section shall be effective with respect to individuals applying for supplemental security income benefits under title XVI of the Social Security Act for the first time after September 30, 1980.

AUTHORITY FOR DEMONSTRATION PROJECTS

SEC. 505. (a)(1) The Secretary of Health and Human Services shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of (A) various alternative methods of treating the work activity of disabled beneficiaries under the old-age, survivors, and disability insurance program, including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of disabled beneficiaries and (B) altering other limitations and conditions applicable to such disabled beneficiaries (including, but not limited to, lengthening the trial work period, altering the 24-month waiting period for medicare benefits, altering the manner in which such program is administered, earlier referral of beneficiaries for rehabilitation, and greater use of employers and others to develop, perform, and otherwise stimulate new forms of rehabilitation), to the end that savings will accrue to the Trust Funds, or to otherwise promote the objectives or facilitate the administration of title II of the Social Security Act.

(2) The experiments and demonstration projects developed under paragraph (1) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program without committing such program to the adoption of any particular system either locally or nationally.

(3) In the case of any experiment or demonstration project under paragraph (1), the Secretary may waive compliance with the benefit requirements of titles II and XVIII of the Social Security Act insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least ninety days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Secretary to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Secretary to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in paragraph (1).

(4) The Secretary shall submit to the Congress no later than January 1, 1983, a report on the experiments and demonstration projects with respect to work incentives carried out under this subsection together with any related data and materials which he may consider appropriate.

(5) Section 201 of the Social Security Act is amended by adding at the end thereof (after the new subsection added by section 310(a) of this Act) the following new subsection:

"(k) Expenditures made for experiments and demonstration projects under section 505(a) of the Social Security Disability Amendments of 1980 shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.".

(b) Section 1110 of the Social Security Act is amended—

(1) by inserting "(1)" after "SEC. 1110. (a)";

(2) by striking out "for (1)" and "(2)" and inserting in lieu thereof "for (A)" and "(B)", respectively;

(3) by redesignating subsections (b) and (c) as paragraphs (2) and (3), respectively;

(4) by striking out "under subsection (a)" each place it appears and inserting in lieu thereof "under paragraph (1)";

(5) by striking out "purposes of this section" and inserting in lieu thereof "purposes of this subsection"; and

(6) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary is authorized to waive any of the requirements, conditions, or limitations of title XVI (or to waive them only for specified purposes, or to impose additional requirements, conditions, or limitations) to such extent and for such period as he finds necessary to carry out one or more experimental, pilot, or demonstration projects which, in his judgment, are likely to assist in promoting the objectives or facilitate the administration of such title. Any costs for benefits under or administration of any such project (including planning for the project and the review and evaluation of the project and its results), in excess of those that would have been incurred without regard to the project, shall be met by the Secretary from amounts available to him for this purpose from appropriations made to carry out such title. The costs of any such project which is carried out in coordination with one or more related projects under other titles of this Act shall be allocated among the appropriations available for such projects and any Trust Funds involved, in a manner determined by the Secretary, taking into consideration the programs (or types of benefit) to which the project (or part of a project) is most closely related or which the project (or part of a project) is intended to benefit. If, in order to carry out a project under this subsection, the Secretary requests a State to make supplementary payments (or makes them himself pursuant to an agreement under section 1616), or to provide medical assistance under its plan approved under title XIX, to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not make such payments or provide such medical assistance, the Secretary shall reimburse such State for the non-Federal share of such payments or assistance from amounts appropriated to carry out title XVI.

"(2) With respect to the participation of recipients of supplemental security income benefits in experimental, pilot, or demonstration projects under this subsection—

"(A) the Secretary is not authorized to carry out any project that would result in a substantial reduction in any individual's total income and resources as a result of his or her participation in the project;

"(B) the Secretary may not require any individual to participate in a project; and he shall assure (i) that the voluntary participation of individuals in any project is obtained through informed written consent which satisfies the requirements for informed consent established by the Secretary for use in any experimental, pilot, or demonstration project in which human subjects are at risk, and (ii) that any individual's voluntary agreement to participate in any project may be revoked by such individual at any time;

"(C) the Secretary shall, to the extent feasible and appropriate, include recipients who are under age 18 as well as adult recipients; and

"(D) the Secretary shall include in the projects carried out under this section such experimental, pilot, or demonstration projects as may be necessary to ascertain the feasibility of treating alcoholics and drug addicts to prevent the onset of irreversible medical conditions which may result in permanent disability, including programs in residential care treatment centers.".

(c) The Secretary shall submit to the Congress a final report with respect to all experiments and demonstration projects carried out under this section no later than five years after the date of the enactment of this Act.

ADDITIONAL FUNDS FOR DEMONSTRATION PROJECT RELATING TO THE TERMINALLY ILL

SEC. 506. (a) The Secretary of Health and Human Services is authorized to provide for the participation, by the Social Security Administration, in a demonstration project relating to the terminally ill which is currently being conducted within the Department of Health and Human Services. The purpose of such participation shall be to study the impact on the terminally ill of provisions of the disability programs administered by the Social Security Administration and to determine how best to provide services needed by persons who are terminally ill through programs over which the Social Security Administration has administrative responsibility.

(b) For the purpose of carrying out this section there are authorized to be appropriated such sums (not in excess of $2,000,000 for any fiscal year) as may be necessary.

VOLUNTARY CERTIFICATION OF MEDICARE SUPPLEMENTAL HEALTH INSURANCE POLICIES

SEC. 507. (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"VOLUNTARY CERTIFICATION OF MEDICARE SUPPLEMENTAL HEALTH INSURANCE POLICIES

"SEC. 1882. (a) The Secretary shall establish a procedure whereby medicare supplemental policies (as defined in subsection (g)(1) may be certified by the Secretary as meeting minimum standards and requirements set forth in subsection (c). Such procedure shall provide an opportunity for any insurer to submit any such policy, and such additional data as the Secretary finds necessary, to the Secretary for his examination and for his certification thereof as meeting the standards and requirements set forth in subsection (c). Such certification shall remain in effect if the insurer files a notarized statement with the Secretary no later than June 30 of each year stating that the policy continues to meet such standards and requirements and if the insurer submits such additional data as the Secretary finds necessary to independently verify the accuracy of such notarized statement. Where the Secretary determines such a policy meets (or continues to meet) such standards and requirements, he shall authorize the insurer to have printed on such policy (but only in accordance with such requirements and conditions as the Secretary may prescribe) an emblem which the Secretary shall cause to be designed for use as an indication that a policy has received the Secretary's certification. The Secretary shall provide each State commissioner or superintendent of insurance with a list of all the policies which have received his certification.

"(b)(1) Any medicare supplemental policy issued in any State which the Supplemental Health Insurance Panel (established under paragraph (2)) determines has established under State law a regulatory program that—

"(A) provides for the application of standards with respect to such policies equal to or more stringent than the NAIC Model Standards (as defined in subsection (g)(2)(A));

"(B) includes a requirement equal to or more stringent than the requirement described in subsection (c)(2); and

"(C) provides for application of the standards and requirements described in subparagraphs (A) and (B) to all medicare supplemental policies (as defined in subsection (g)(1)) issued in such State,

shall be deemed (for so long as the Panel finds that such State regulatory program continues to meet the standards and requirements of this paragraph) to meet the standards and requirements set forth in subsection (c).

"(2)(A) There is hereby established a panel (hereinafter in this section referred to as the 'Panel') to be known as the Supplemental Health Insurance Panel. The Panel shall consist of the Secretary, who shall serve as the Chairman, and four State commissioners or superintendents of insurance, who shall be appointed by the President and serve at his pleasure. Such members shall first be appointed not later than December 31, 1980.

"(B) A majority of the members of the

Panel shall constitute a quorum, but a lesser number may conduct hearings.

"(C) The Secretary shall provide such technical, secretarial, clerical, and other assistance as the Panel may require.

"(D) There are authorized to be appropriated such sums as may be necessary to carry out this paragraph.

"(E) Members of the Panel shall be allowed, while away from their homes or regular places of business in the performance of services for the Panel, travel expenses (including per diem in lieu of subsistence) in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(c) The Secretary shall certify under this section any medicare supplemental policy, or continue certification of such a policy, only if he finds that such policy—

"(1) meets or exceeds (either in a single policy or, in the case of nonprofit hospital and medical service associations, in one or more policies issued in conjunction with one another) the NAIC Model Standards; and

"(2) can be expected (as estimated for the entire period for which rates are computed to provide coverage, on the basis of incurred claims experience and earned premiums for such period and in accordance with accepted actuarial principles and practices) to return to policyholders in the form of aggregate benefits provided under the policy, at least 75 percent of the aggregate amount of premiums collected in the case of group policies and at least 60 percent of the aggregate amount of premiums collected in the case of individual policies.

For purposes of paragraph (2), policies issued as a result of solicitations of individuals through the mails or by mass media advertising (including both print and broadcast advertising) shall be deemed to be individual policies.

"(d)(1) Whoever knowingly or willfully makes or causes to be made or induces or seeks to induce the making of any false statement or representation of a material fact with respect to the compliance of any policy with the standards and requirements set forth in subsection (c) or in regulations promulgated pursuant to such subsection, or with respect to the use of the emblem designed by the Secretary under subsection (a), shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than 5 years, or both.

"(2) Whoever falsely assumes or pretends to be acting, or misrepresents in any way that he is acting, under the authority of or in association with, the program of health insurance established by this title, or any Federal agency, for the purpose of selling or attempting to sell insurance, or in such pretended character demands, or obtains money, paper, documents, or anything of value, shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than 5 years, or both.

"(3)(A) Whoever knowingly sells a health insurance policy to an individual entitled to benefits under part A or enrolled under part B of this title, with knowledge that such policy substantially duplicates health benefits to which such individual is otherwise entitled, other than benefits to which he is entitled under a requirement of State or Federal law (other than this title), shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than 5 years, or both.

"(B) For purposes of this paragraph, benefits which are payable to or on behalf of an individual without regard to other health benefit coverage of such individual, shall not be considered as duplicative.

"(C) Subparagraph (A) shall not apply with respect to the selling of a group policy or plan of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations (or combination thereof), for employees or former employees (or combination thereof) or for members or former members (or combination thereof) of the labor organizations.

"(4)(A) Whoever knowingly, directly or through his agent, mails or causes to be mailed any matter for a prohibited purpose (as determined under subparagraph (B)) shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than 5 years, or both.

"(B) For purposes of subparagraph (A), a prohibited purpose means the advertising, solicitation, or offer for sale of a medicare supplemental policy, or the delivery of such a policy, in or into any State in which such policy has not been approved by the State commissioner or superintendent of insurance. For purposes of this paragraph, a medicare supplemental policy shall be deemed to be approved by the commissioner or superintendent of insurance of a State if—

"(i) the policy has been certified by the Secretary pursuant to subsection (c) or was issued in a State with an approved regulatory program (as defined in subsection (g)(2)(B));

"(ii) the policy has been approved by the commissioners or superintendents of insurance in States in which more than 30 percent of such policies are sold; or

"(iii) the State has in effect a law which the commissioner or superintendent of insurance of the State has determined gives him the authority to review, and to approve, or effectively bar from sale in the State, such policy;

except that such a policy shall not be deemed to be approved by a State commissioner or superintendent of insurance if the State notifies the Secretary that such policy has been submitted for approval to the State and has been specifically disapproved by such State after providing appropriate notice and opportunity for hearing pursuant to the procedures (if any) of the State.

"(C) Subparagraph (A) shall not apply in the case of a person who mails or causes to be mailed a medicare supplemental policy into a State if such person has ascertained that the party insured under such policy to whom (or on whose behalf) such policy is mailed is located in such State on a temporary basis.

"(D) Subparagraph (A) shall not apply in the case of a person who mails or causes to be mailed a duplicate copy of a medicare supplemental policy previously issued to the party to whom (or on whose behalf) such duplicate copy is mailed, if such policy expires not more than 12 months after the date on which the duplicate copy is mailed.

"(e) The Secretary shall provide to all individuals entitled to benefits under this title (and, to the extent feasible, to individuals about to become so entitled) such information as will permit such individuals to evaluate the value of medicare supplemental policies to them and the relationship of any such policies to benefits provided under this title.

"(f)(1)(A) The Secretary shall, in consultation with Federal and State regulatory agencies, the National Association of Insurance Commissioners, private insurers, and organizations representing consumers and the aged, conduct a comprehensive study and evaluation of the comparative effectiveness of various State approaches to the regulation of medicare supplemental policies in (i) limiting marketing and agent abuse, (ii) assuring the dissemination of such information to individuals entitled to benefits under this title (and to other consumers) as is necessary to permit informed choice, (iii) promoting policies which provide reasonable economic benefits for such individuals, (iv) reducing the purchase of unnecessary duplicative coverage, (v) improving price competition, and (vi) establishing effective approved State regulatory programs described in subsection (b).

"(B) Such study shall also address the need for standards or certification of health insurance policies, other than medicare supplemental policies, sold to individuals eligible for benefits under this title.

"(C) The Secretary shall, no later than January 1, 1982, submit a report to the Congress on the results of such study and evaluation, accompanied by such recommendations as the Secretary finds warranted by such results with respect to the need for legislative or administrative changes to accomplish the objectives set forth in subparagraphs (A) and (B), including the need for a mandatory Federal regulatory program to assure the marketing of appropriate types of medicare supplemental policies, and such other means as he finds may be appropriate to enhance effective State regulation of such policies.

"(2) The Secretary shall submit to the Congress no later than July 1, 1982, and periodically as may be appropriate thereafter (but not less often than once every 2 years), a report evaluating the effectiveness of the certification procedure and the criminal penalties established under this section, and shall include in such reports an analysis of—

"(A) the impact of such procedure and penalties on the types, market share, value and cost to individuals entitled to benefits under this title of medicare supplemental policies which have been certified by the Secretary;

"(B) the need for any change in the certification procedure to improve its administration or effectiveness; and

"(C) whether the certification program and criminal penalties should be continued.

"(g)(1) For purposes of this section, a medicare supplemental policy is a health insurance policy or other health benefit plan offered by a private entity to individuals who are entitled to have payment made under this title, which provides reimbursement for expenses incurred for services and items for which payment may be made under this title but which are not reimbursable by reason of the applicability of deductibles, coinsurance amounts, or other limitations imposed pursuant to this title; but does not include any such policy or plan of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations (or combination thereof), for employees or former employees (or combination thereof) or for members or former members (or combination thereof) of the labor organizations. For purposes of this section, the term 'policy' includes a certificate issued under such policy.

"(2) For purposes of this section:

"(A) The term 'NAIC Model Standards' means the 'NAIC Model Regulation to Implement the Individual Accident and Sickness Insurance Minimum Standards Act', adopted by the National Association of Insurance Commissioners on June 6, 1979, as it applies to medicare supplement policies.

"(B) The term 'State with an approved regulatory program' means a State for which the Panel has made a determination under subsection (b)(1).

"(C) The State in which a policy is issued means—

"(i) in the case of an individual policy, the State in which the policyholder resides; and

"(ii) in the case of a group policy, the State in which the holder of the master policy resides.

"(h) The Secretary shall prescribe such regulations as may be necessary for the effective, efficient, and equitable administration of the certification procedure established under this section. The Secretary shall first issue final regulations to implement the certification procedure established under subsection (a) not later than March 1, 1981.

"(i)(1) No medicare supplemental policy shall be certified and no such policy may be issued bearing the emblem authorized by the Secretary under subsection (a) until July 1, 1982. On and after such date policies certified by the Secretary may bear such emblem, including policies which were issued prior to such date and were subsequently certified, and insurers may notify holders of such certified policies issued prior to such date using such emblem in the notification.

"(2)(A) The Secretary shall not implement the certification program established under subsection (a) with respect to policies issued in a State unless the Panel makes a finding that such State cannot be expected to have established, by July 1, 1982, an approved State regulatory program meeting the standards and requirements of subsection (b)(1). If the Panel makes such a finding, the Secretary shall implement such program under subsection (a) with respect to medical supplemental policies issued in such State, until such time as the Panel determines that such State has a program that meets the standards and requirements of subsection (b)(1).

"(B) Any finding by the Panel under subparagraph (A) shall be transmitted in writing, not later than January 1, 1982, to the Committee on Finance of the Senate and to the Committee on Interstate and Foreign Commerce and the Committee on Ways and Means of the House of Representatives and shall not become effective until 60 days after the date of its transmittal to the Committees of the Congress under this subparagraph. In counting such days, days on which either House is not in session because of an adjournment sine die or an adjournment of more than three days to a day certain are excluded in the computation.

"(j) Nothing in this section shall be construed so as to affect the right of any State to regulate medicare supplemental policies which, under the provisions of this section, are considered to be issued in another State.".

(b) The amendment made by this section shall become effective on the date of the enactment of this Act, except that the provisions of paragraph (4) of section 1882(d) of the Social Security Act (as added by this section) shall become effective on July 1, 1982.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

Al Ullman,
James C. Corman,
J. J. Pickle,
Andrew Jacobs, Jr.,
William R. Cotter,
Charles B. Rangel,
Barber B. Conable, Jr.,
Bill Archer,
Robert Duncan,
Managers on the Part of the House.

Russell B. Long,
Herman E. Talmadge,
Abe Ribicoff,
Gaylord Nelson,
Max Baucus,
Bob Dole,
John C. Danforth,
David Durenberger,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—PROVISIONS RELATING TO DISABILITY INSURANCE

Limit on family disability insurance benefits

(Sec. 101)

Present law.—The social security disability insurance program (DI) determines the amount of benefits payable based on an individual's previous earnings. The formula for determining disability benefits is the same as for retirement benefits. The benefit level is arrived at by applying a formula to the average indexed monthly earnings the individual had over the course of a period of years which approximates the number of years in which he could reasonably have been expected to be in the work force. For a retired worker, this period is equal to the number of years between the ages of 21 and 62. For a disabled worker, the number of years of earnings to be averaged ends with the year before he became disabled. In either case, the resulting averaging period is reduced by 5.

The basic benefit amount may be increased if the worker has a spouse or dependent children. Benefits for the spouse are payable if the spouse is over age 62 or if the spouse is caring for minor or disabled children. Benefits for children are payable if they are under age 18 or are disabled (as a result of a disability which existed in childhood) or if they are full-time students over age 18 but under age 22. The combined benefit for the worker and all dependents is limited by a family maximum provision to no more than 150 to 188 percent of the worker's benefit alone.

House bill.—The House bill limited total DI family benefits to the smaller of 80 percent of the worker's average indexed monthly earnings (AIME) or 150 percent of the worker's primary insurance amount (PIA). Under the provision, no family benefit would be reduced below 100 percent of the worker's primary benefit. The limitation was effective with respect to individuals becoming entitled to benefits on or after January 1, 1980.

Senate bill.—The Senate bill limited total DI family benefits to the smaller of 85 percent of the worker's AIME or 160 percent of the worker's PIA. As under the House bill, no family benefit would be reduced below 100 percent of the worker's primary benefit. The bill provided for the same effective date as the House bill except the limitation would be effective only with respect to individuals who *first* became entitled to benefits on or after January 1, 1980.

Conference agreement.—The conferees agreed to limit DI family benefits to the smaller of 85 percent of the worker's average indexed monthly earnings (AIME), as in the Senate bill, or 150 percent of the worker's primary insurance amount (PIA), as in the House bill. The limitation is effective only with respect to individuals who *first* become entitled to benefits on or after July 1, 1980.

Reduction in dropout years

(Sec. 102)

Present law.—Disabled workers are allowed to exclude up to 5 years of low earnings in averaging their earnings. However, at least 2 years of earnings must be used in the benefit computation.

House bill.—The House provision excluded years of low earnings in the computation of disability benefits according to the following schedule:

Worker's age:	*Number of dropout years*
Under 27	0
27 through 31	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

The provision also allowed workers to drop out additional low earning years if in those years the worker provided principal care of a child under age 6. In no case would the number of dropout years exceed 5.

Senate bill.—The Senate bill excluded years of low earnings in the computation of disability benefits according to the following schedule:

Worker's age:	*Number of dropout years*
Under 32	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

There was no provision for allowing additional dropout years for child care.

Conference agreement.—The conferees agreed to exclude years of low earnings in the computation of disability benefits according to the following schedule (as in the House bill):

Worker's age:	*Number of dropout years*
Under 27	0
27 through 31	1
32 through 36	2
37 through 41	3
42 through 46	4
47 and over	5

The provision also would allow a disabled worker to drop out additional years from the computation period if in those years there was a child (of such individual or his or her spouse) under age 3 living in the same household substantially throughout each such year and the disabled worker did not engage in any employment in each such year. Dropout years for periods of childcare would be provided only to the extent that the combined number of childcare dropout years and dropout years provided under the regular schedule do not exceed 3.

The new schedule of dropout years applies to disabled workers who *first* become entitled to benefits after June 1980. The provision continues to apply to a worker until his death unless before age 62 he ceases to be entitled to disability benefits for 12 continuous months.

The provision allowing childcare dropout years would be effective for monthly benefits payable for months after June 30, 1981.

The provision in present law which requires that at least 2 years of earnings be used in the benefit computation is retained.

Elimination of second medicare waiting period

(Sec. 103)

Present law.—Beneficiaries of disability insurance (DI) must wait 24 consecutive months after becoming entitled to benefits to become eligible for medicare. If a beneficiary loses his eligibility and then becomes disabled again, another 24-consecutive-month waiting period is required before medicare coverage is resumed.

House bill.—The House provision eliminated the requirement that a person who becomes disabled a second time must undergo another 24-consecutive-month waiting period after becoming reentitled to benefits before medicare coverage is available to him. The amendment applied to workers becoming disabled again within 60 months, and to disabled widows or widowers and adults disabled since childhood becoming disabled again within 84 months.

Senate bill.—Same as House bill.

Conference agreement.—The conferees accepted the provisions of the House and Senate bills and agreed that the provision would be effective 6 months after enactment.

Extension of medicare for an additional 36 months

(Sec. 104)

Present law.—Medicare coverage ends when disability insurance benefits cease.

House bill.—The House provision extended medicare coverage for an additional 36 months after cash benefits cease for a worker who is engaging in substantial gainful activity but has not medically recovered. (The first 12 months of the 36-month period was part of the new 24-month trial work period. See section 303.)

Senate bill.—Same as House bill.

Conference agreement.—The conferees accepted the provisions of the House and Senate bills and agreed to apply the new provision to disability beneficiaries whose disabilities have not been determined to have ceased prior to the 6th month after enactment.

Funding for vocational rehabilitation services for disabled individuals

Present law.—Reimbursement from social security trust funds is now provided to State vocational rehabilitation agencies for the cost of vocational rehabilitation services furnished to disability insurance beneficiaries. The purpose of the payment is to accrue savings to the trust funds as a result of rehabilitating the maximum number of beneficiaries into productive activity. The total amount of the funds that may be made available for such reimbursement may not, in any year, exceed 1½ percent of the social security disability benefits paid in the previous year.

House bill.—Effective for fiscal 1982, the House bill eliminated trust fund financing for rehabilitation services but provided trust fund reimbursement for the Federal share (80%) to the General Fund of the U.S. Treasury and to the States for twice the State share (20%×2) of rehabilitation services which result in the performance by a rehabilitated individual of substantial gainful activity (SGA) for a continuous period of 12 months or which result in employment for 12 consecutive months in a sheltered workshop. It directed the Secretary of HHS to study alternative methods of providing and financing the costs of rehabilitation services to disabled beneficiaries in order to realize maximum savings to the trust funds and to submit a report with recommendations to the President and the Congress by January 1, 1980.

Senate bill.—The Senate bill made no change from present law.

Conference agreement.—The conferees agreed not to change the provisions of present law.

The conferees anticipate that the new method of allocating trust fund money to the States for rehabilitation of social security clients which was recently adopted administratively will continue and be intensified in the future. This method generally allocates the trust fund money based on the relative number of social security beneficiaries each State rehabilitates with earnings at the substantial gainful activity (SGA) level, provided that no State loses more than ⅓ of its previous year's funding. Currently, rehabilitation is considered to have been achieved when the client has been employed for two months. The managers expect that the measure of success, i.e., rehabilitation at the SGA level, will be modified as soon as administratively feasible so that the allocation formula will be based on the State's relative share of the total number of social security clients employed as a result of rehabilitation for no less than 6 months (although not necessarily consecutive) with earnings at the SGA level throughout the period. Furthermore, the managers expect that steps will be taken to develop procedures which will eventually result in the allocation being based on the State's relative share of total benefit terminations brought about by vocational rehabilitation services. The conferees instruct the Social Security Administration and the Rehabilitation Services Administration (recently transferred to the Department of Education) to continue to explore the possibility of developing more timely and effective methods of measuring performance in trust fund rehabilitations. The results of these efforts should be promptly communicated to the Ways and Means and Finance Committees.

TITLE II—PROVISIONS RELATING TO DISABILITY BENEFITS UNDER THE SSI PROGRAM

Benefits for individuals who engage in employment activity

(Sec. 201)

Present law.—Under present law, an individual may quality for SSI disability payments only if and for so long as he "is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months." The Secretary of Health and Human Services is required to prescribe the criteria for determining when services performed or earnings derived from employment demonstrate an individual's ability to engage in substantial gainful activity (SGA). At the present time, the level of earnings established by the Secretary for determining whether an individual is engaging in SGA is $300 a month. An individual who in fact has earnings above this level (1) cannot become eligible for SSI disability and (2), if already eligible, will (after a 9-month trial work period) cease to be eligible.

Senate bill.—The Senate bill included an amendment which, on a demonstration basis, provided that a disabled recipient who loses his eligibility for regular SSI benefits because of performance of SGA would become eligible for a special benefit status, which would entitle him to cash benefits equivalent to those he would be entitled to receive under the regular SSI program. Persons who receive these special benefits would be eligible for medicaid and social services on the same basis as regular SSI recipients. States would have the option of supplementing the special Federal benefits. When the individual's earnings exceed the amount which would cause the Federal SSI payment to be reduced to zero, the special benefit status would be terminated and the individual would not thereafter be eligible for any Federal SSI benefits or Federal cash benefits under the special benefits status unless he could reestablish his eligibility for SSI, which would include meeting the SGA limitation.

When a disabled SSI recipient's earnings rise to the point that he no longer qualifies for Federal SSI benefits, State supplementary payments or the special benefit status, he would nevertheless continue to retain eligibility for medicaid and social services as though he were an SSI recipient if the Secretary found (1) that termination of eligibility for these benefits would seriously inhibit the individual's ability to continue his employment, and (2) the individual's earnings were not sufficient to allow him to provide for himself a reasonable equivalent of the cash and other benefits that would be available to him in the absence of earnings. The provision allowing continuation of eligibility for medicaid and social services for persons whose earnings make them ineligible for cash benefits would also apply to SSI recipients who are blind.

The Senate provisions would be effective for 3 years. During which the Department would be required to provide for a separate accounting of funds expended under this provision.

Conference agreement.—The conference agreement follows the Senate bill effective January 1, 1981 with the addition of a pilot program under which States could provide medical and social services to certain persons with severe impairments whose earnings exceed the substantial gainful activity limits and who are not receiving SSI, special benefits, or medicaid.

Under this pilot program, for the purpose of assisting States in providing medical or social services to certain severely handicapped persons, $18 million in Federal funds would be available to States on an entitlement basis for a 3-year period beginning September 1, 1981. $6 million would be available to States through the end of fiscal 1982. An additional $6 million would be available for each of the two following fiscal years. Funds that are not used during each of the first two years could be carried forward by the State.

Funds would be allocated among the States in proportion to the number of disabled SSI recipients aged 18 to 65. Prior to the start of each fiscal year, each State that does not intend to use its allocation would so certify to the Secretary of Health and Human Services. If a State certifies that it will not use all or some portion of its funds for any fiscal year or years, its allocation (or the unused portion thereof) for the period covered by the certification will be reallocated by the Secretary of HHS among States participating in the program that can make use of additional funds.

From the allocated funds, the Secretary of HHS would pay each State 75 percent of the costs of operating an approved plan for providing medical and social services to severely handicapped individuals who have earnings in excess of the substantial gainful activity limits and are not receiving SSI, special benefits or medicaid, if the State determines:

(1) that the absence of these benefits would significantly inhibit the individual's ability to continue his employment; and

(2) that the individual's earnings are not sufficient to allow him to provide for himself a reasonable equivalent of the cash and other benefits (SSI, medicaid and title XX) that would be available to him in the absence of those earnings.

(It is not intended that States would require an individual to obtain a determination as to the level of or potential eligibility for benefits which might be payable under the SSI, medicaid, and title XX programs in the absence of his earnings. Rather it is intended that each participating State would use generally available information concerning the benefits provided in that State under these programs to establish reasonable income limits to carry out this criterion.)

The State plan would have to include (1) a statement of intent to participate in the program; (2) a designation of the agency to administer the program; (3) a description of the eligibility criteria which the State will apply and the procedures for determining eligibility (which may not involve use of the Disability Determination Service which makes disability determinations for the DI and SSI programs unless it is not feasible to use any other agency for the pilot program); and (4) a description of the services which the State intends to provide under the program. The State may submit a separate State plan or it may incorporate this plan as an amendment to its State administrative plan submitted to HHS under title XX. Under the pilot program, States could provide medical and social services through their medicaid and social services programs (not limited by eligibility criteria and scope of services under titles XIX and XX) but would receive Federal matching for those services under this provision rather than under title XIX or title XX. States could also provide services through some other mechanism if they found it appropriate.

States would be required to provide a report to HHS addressing the operation and results, emphasizing the work incentive effects, of the pilot program. On the basis of State reports, HHS would be required to report to the Congress. The report would be due not later than October 1, 1983; and should include, but not necessarily be limited to, relevant demographic information, earnings, employment information, and primary impairments of the individuals who received services under the pilot program, and the types of services they received. HHS would be required to publish final regulations to implement this program no later than nine months after the date of enactment.

Employment in sheltered workshops

(Sec. 202)

Present law.—Under present law, income from activity in a sheltered workshop that is part of an active rehabilitation program are not considered earned income for purposes of determining SSI payments, and therefore do not qualify for the earned income disregards ($65 a month plus ½ of additional earnings).

Senate bill.—The Senate bill provided that remuneration received in sheltered workshops and work activities centers would be considered earned income and therefore qualify for the earned income disregards.

Conference agreement.—The conference agreement follows the Senate bill and the provision would be effective October 1980.

Deeming of parents' income to disabled or blind children

(Sec. 203)

Present law.—Present law requires that the parents' income and resources be deemed to a blind or disabled child who lives in the household with them and who is under age 18 in determining the child's eligibility for SSI, or under 21 in the case of an individual who is in school or a training program.

Senate bill.—Under the Senate bill, the deeming of parents' income and resources would be limited to disabled or blind children under age 18, whether or not the person is in school or training. Children receiving SSI who, on the effective date of the provision, are age 18 to 21 would be protected against loss of benefits due to this change.

Conference agreement.—The conference agreement follows the Senate bill and the provision would be effective October 1980.

TITLE III.—PROVISIONS AFFECTING DISABILITY RECIPIENTS UNDER OASDI AND SSI PROGRAMS; ADMINISTRATIVE PROVISIONS

Termination of benefits for persons in vocational rehabilitation programs

(Sec. 301)

Present law.—Under present law an individual is not entitled to DI and SSI benefits after he has medically recovered, regardless of whether he has completed the program of vocational rehabilitation in which he has been enrolled

House bill.—The House bill provided that DI benefits will continue after medical recovery for persons in approved vocational rehabilitation plans or programs, if the Commissioner of Social Security determines that continuing in those plans or programs will increase the probability of beneficiaries going off the rolls permanently.

Senate bill.—The Seante bill included the same provision for SSI and DI beneficiaries except that the Secretary, rather than the Commissioner, would make the determination as to whether benefits should be continued.

Conference agreement.—The conference agreement accepts the Senate extension of the provision to SSI beneficiaries, but adopts the House provision that the Commissioner will make the determination that benefits should be continued.

The conference committee wishes to make clear that it expects that, in most cases, medical cessation of disability will result in the termination of benefits, as now occurs in all cases. The conferees are concerned that under present vocational rehabilitation procedures many individuals have been permitted to enter approved programs even when there is a reasonable expectation of medical recovery before the termination of the program. (This is demonstrated by the fact that an increasing number of individuals have been terminated from the benefit rolls while participating in a State approved vocational rehabilitation program who were at the time of enrollment in the program diaried for reexamination on the basis of the time-limited nature of their medical impairment.) It is not the intent of this provision to continue benefits in these cases. It is the intent of the provision to consider only those exceptional cases where the disabled beneficiary is not expected at the beginning of the program to recover medically before the end of the program, but he or she does recover and is no longer considered disabled within the meaning of the Social Security Act, although some residual functional limitation still remains.

The provision is effective 6 months after enactment.

Treatment of extraordinary work expenses

(Sec. 302)

Present law.—Regulations issued under present law provide that, in determining whether an individual is performing substantial gainful activity (SGA), extraordinary expenses incurred by the individual in connection with his employment, and because of his impairment, are to be deducted to the extent that such expenses exceed what his expenses would be if he were not impaired. Regulations specify that expenses for medication or equipment which the individual requires to enable him to carry out his normal daily functions may not be considered work related, and may not be deducted even if they are also essential to the individual's employment.

House bill.—For purposes of DI, the House bill provided for a deduction from earnings of costs to the individual of extraordinary impairment-related work expenses, attendant care costs, and the cost of medical devices, equipment, and drugs and services (necessary to control an impairment) for purposes of determining whether an individual is engaging in substantial gainful activity, regardless of whether these items are also needed to enable him to carry out his normal daily functions.

Senate bill.—The Senate bill included the same provision, but also provided that the deduction would apply even where the individual does not pay the cost of the impairment-related work expenses (i.e. where the cost is paid by a third party). The bill added language giving the Secretary the authority to specify in regulations the type of care, services, and items that may be deducted, and provided that the amounts to be deducted shall be subject to such reasonable limits as the Secretary may prescribe. It also made the provision applicable to SSI.

Conference agreement.—The conferees, adopted the Senate provision, but agreed that, for both programs, the disregard will be applied only where the individual paid the cost of the impairment related expense. In addition, impairment related work expenses would be disregarded in determining the monthly SSI payment of a disabled SSI recipient. It is the intent of the conferees that the regulations developed by the Secretary to carry out these provisions shall apply in a uniform manner to the determination of the amounts which may be deducted in both the DI and SSI programs. The provision is effective six months after enactment.

Extension of the trial work period—reentitlement to benefits

(Sec. 303)

Present law.—Under the DI and SSI programs, when an individual completes a 9-month trial work period, and then in a subsequent month performs work constituting substantial gainful activity (SGA), his benefits are terminated. He obtains benefits for the first month in which he performs SGA (after the trial work period has ended) and for the 2 months immediately following. Under the DI program, widows and widowers are not entitled to a trial work period.

House bill.—The House bill, in effect, extended the trial work period under the DI program to 24 months. In the last 12 months of the 24-month period an individual who was performing substantial gainful activity immediately following the 9-month trial work period would not receive cash benefits while engaging in substantial work activity, but would automatically be reinstated to active benefit status if earnings fall below the SGA level.

The bill also provided that the same trial work period would be applicable to disabled widows and widowers (who are not permitted a trial work period at all under existing law).

Senate bill.—The Senate bill was the same as the House bill with technical language changes, and also made the provision generally applicable to the SSI program.

Conference agreement.—The conference accepted the provisions of the Senate bill, and agreed that the provision would be effective with respect to individuals whose disabilities have not been found to have terminated before the sixth month after enactment.

Administration by State agencies

(Sec. 304 (a) (b) (e) (f) and (h))

Present law.—Present law provides for disability determinations to be performed by State agencies under an agreement negotiated by the State and the Secretary of HHS. Unlike the grant-in-aid programs, the relationship is contractual and State laws and practices are controlling with regard to many administrative aspects. State agencies make the determinations based on guidelines provided by the Department and the costs of making the determinations are paid from the disability trust fund in the case of DI claimants, or from general revenues in the case of SSI claimants, by way of advancements of funds or reimbursements to the contracting State agency. Present agreements allow both the State and the Secretary to terminate the agreement. The States generally may terminate with 12 months' notice and the Secretary may terminate if he finds the State has not complied substantially with any provision of the agreement.

House bill.—The House bill required that disability determinations be made by State agencies according to regulations or other written guidelines of the Secretary. It also required the Secretary to issue regulations specifying, in such detail as he deemed appropriate, performance standards and administrative requirements and procedures to be followed in performing the disability determination function "in order to assure effective and uniform administration of the disability insurance program throughout the United States." Certain operational areas were cited as "examples" of what the regulations may specify.

The bill also provided that if the Secretary found that a State agency is substantially failing to make disability determinations consistent with his regulations, the Secretary shall, not earlier than 180 days following his findings, terminate State administration and make the determinations himself. In cases of termination by the State, the State would be required to continue to make disability determinations for not less than 180 days after notifying the Secretary of its intent to terminate. Thereafter, the Secretary would be required to make the determinations.

Senate bill.—The Senate bill was the same as the House bill, except that it:

(1) Deleted as an example of the kinds of matters which the Secretary's regulations may cover: "any other rules designed to facilitate or control or assure the equity and uniformity of the State's disability decision."

(2) Added language specifying that "Nothing this section shall be construed to authorize the Secretary to take any action except pursuant to law or to regulations promulgated pursuant to law."

Conference agreement.—The conference agreement follows the Senate bill. The conference committee deleted the catch-all phrase of "any other rules designed to facilitate, or control, or assure the equity and uniformity of the State's disability determinations" as providing vague and unnecessary authority. The conference agreement provides that these changes will be effective beginning with the 12th month following the month in which the bill is enacted. Any State that has an agreement on the effective date of the amendment will be deemed to have given affirmative notice of wishing to make disability determinations under the regulations. Thereafter, it may give notice of termination which shall be effective no earlier than 180 days after the notice is given.

Protection of State employees

(Sec. 304 (b) and (i))

Present law.—Under provisions of the Federal Personnel Manual, when the Federal Government takes over a function being carried out by a State, the Federal agency at its discretion may retain the State employees in their positions.

House bill.—The House bill required the Secretary to submit to the Committee on Ways and Means and the Committee on Finance by January 1, 1980, a detailed plan on how he expected to assume the functions of a State disability determination unit when this became necessary. The bill further provided that the plan should assume the uninterrupted operation of the disability determination function and the utilization of the best qualified personnel to carry out that function. If any amendment of Federal law or regulation was required to carry out such plan, a recommendation for such amendment was to be included in the plan for action, or for submittal by such committees, with appropriate recommendations to the committees having jurisdiction over the Federal civil service and retirement laws.

Senate bill.—The Senate bill was the same as the House bill except that it delayed the report by the Secretary to July 1, 1980, and required a report to Congress rather than to the Committees on Ways and Means and Finance. Also it added a requirement that if the Secretary assumes the disability determination function he must assure preference to State agency employees who are capable of performing duties in the disability determination process over any other individual in filling new Federal positions.

In addition, the Secretary would be prohibited from assuming the State functions until the Secretary of Labor determined that, with respect to any displaced State employees who were not hired by the Secretary, the State had made "fair and equitable arrangements to protect the interests of employees so displaced." The protective arrangements would have to include only those provisions provided under all applicable Federal, State, and local statutes, including the preservation of rights and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements, the continuation of collective-bargaining rights, the assignment of affected employees to other jobs or to retraining programs, the protection of individuals against a worsening of their positions with respect to employment, the protection of health benefits and other fringe benefits, and the provision of severance pay.

Conference agreement.—The conference agreement follows the Senate bill except that the Secretary would be required to provide a hiring preference to the administrator, deputy administrator, or assistant administrator (or comparable position) in the event that the Secretary found it necessary to assume the functions of a State agency. Although he would not be required to provide a preference to persons in those positions, he could do so if he determines that such action is appropriate. The effective date is the same as for the provision for administration of State agencies.

Federal review of State agency decisions Reversal of decisions

(Sec. 304(c))

Present law.—Under current administrative procedures of the Social Security Administration, approximately 5 percent of initial disability claims adjudicated by the State disability determination units are reviewed by Federal examiners. This review occurs after the benefit has been awarded i.e., it is a postadjudicative review. This is on a sample basis and varies from 2 percent in the larger States to 25 percent in the smaller States.

The Secretary has authority to reverse favorable decisions with respect to DI beneficiaries. He may reverse both favorable and unfavorable decisions in SSI.

House bill.—The House bill required Federal preadjudicative review of DI allowances according to the following schedule:

Decisions made in fiscal year:	*Minimum percent reviewed*
1980	15
1981	35
1982 and thereafter	65

Senate bill.—The Federal review of State agency decisions was to include both allowances and denials, according to the following schedule:

Decisions made in fiscal year:	*Minimum percent reviewed*
1981	15
1982	35
Thereafter	65

The Secretary would be given the authority to reverse decisions that are unfavorable to DI claimants.

Conference agreement.—The conference agreement follows the Senate schedule but provides (as in the House bill) for review only of allowances and continuances. The agreement follows the Senate bill as to granting authority to the Secretary to reverse denials.

The conference committee notes that the percentage requirements for preadjudicative review are nationwide requirements and that the Social Security Administration will determine whether they should be higher or lower on an individual State basis. The conferees also instruct the Secretary to report to the Ways and Means and Finance Committees by January 1982 concerning the potential effects on processing time and on the cost effectiveness of the requirement of the 65 percent review for fiscal year 1983, and thereafter. This provision is effective upon enactment.

Own-motion review of ALJ decisions

(Sec. 304(g))

Present law.—After his claim has been denied by the State agency initially and on reconsideration, an applicant has the opportunity for a hearing before an administrative law judge (ALJ). In the past there had also been fairly extensive review of ALJ allowances and denials through own-motion review by the Appeals Council as authorized by the Administrative Procedure Act and the regulations of the Secretary. This own-motion review has almost been eliminated in recent years.

Senate bill.—The Secretary of Health and Human Services would be required to implement a program of reviewing, on his motion, decisions rendered by administrative law judges as a result of hearings under section 221(d) of the Social Security Act (the disability determination provisions). He would be required to report to Congress by January 1, 1982, on the progress of this program. In his report, he must indicate the percentage of such decisions being reviewed and describe the criteria for selecting decisions to be reviewed and the extent to which such criteria take into account the reversal rates for individual administrative law judges by the Secretary (through the Appeals Council or otherwise), and the reversal rate of State agency determinations by individual administrative law judges.

Conference agreement.—The conference agreement follows the Senate bill with a modification which strikes the language specifying what is to be included in the required report. The conferees believe the report should indicate the percentage of ALJ decisions being reviewed and describe the criteria for selecting decisions to be reviewed. The conferees are concerned that there is is no formal ongoing review of social security hearing decisions. The variance in reversal rates among ALJ's and the high overal ALJ reversals of determinations made at the prehearing level indicate that there is a need for such review. The conferees recognize that, at the hearing level, the claimant appears for the first time before a decisionmaker and additional evidence is generally submitted. The conferees also recognize that there have been significant changes in State agency denial rates and that in certain areas the ALJ's and State agencies have been operating with different policy guidelines. The report should identify the effects of these factors as well as any differences in standards applied by ALJ's.

Information to accompany Secretary's Decision

(Sec. 305)

Present law.—There is no statutory provision setting a specific amount of information to explain the decision made on a claim for benefits.

House bill.—The House bill required that any decision by the Secretary with respect to all OASDI claimants shall provide notice to the claimant which includes:

A citation and discussion of the pertinent law and regulations,

A list and summary of the evidence of record, and

The Secretary's determination and the reason(s) upon which it is based.

Senate bill.—The Senate bill required that notices of disability denial to DI and SSI claimants shall contain a statement of the case, in understandable language, and include:

A discussion of the evidence, and

The Secretary's determination and the reason(s) upon which it is based.

Conference agreement.—The conference agreement follows the Senate bill.

The conference committee wishes to make clear that the Secretary's statement of the case be brief, informal, and not technical. The conferees do not contemplate that the statement would resemble the more formal "statement of the case" approach used by the Veterans Administration (VA) in its appeals proceedings. In addition, the conference committee wishes to make clear that where a written personalized explanation has been provided explaining why the individual will no longer be entitled to disability benefits (e.g. cessations of disability, adverse reopenings of determinations, etc.) it will not be necessary to provide this information again in the actual termination notice.

The provision is effective for decisions made on or after the first day of the 13th month following the month of enactment.

Limitation on court remand

(Sec. 307)

Present law.—Prior to filing an answer in a court case, the Secretary may, on his own motion, remand a case back to an ALJ. Similarly, the court itself, on its own motion or on motion of the claiment, has discretionary authority "for good cause" to remand the case back to the ALJ.

House bill.—The House bill limited the absolute authority of the Secretary of HHS to remand court cases. It required that such remands would be discretionary with the court upon a showing by the Secretary of good cause. A second provision relates to remands by the court. The bill provided that a remand would be authorized only on a showing that there is new evidence which is material, and that there was a good cause for failure to incorporate it into the record in a prior proceeding.

Senate bill.—Same as House.

Conference agreement.—The conference agreement includes this provision of the Senate and House bills effective upon enactment. The conferees have been informed that there are sometimes procedural difficulties which prevent the Secretary from providing the court with a transcript of administrative proceedings. Such a situation is an example of what could be considered "good cause" for remand. Where, for example, the tape recording of the claimant's oral hearing is lost or inaudible, or cannot otherwise be transcribed, or where the claimant's files cannot be located or are incomplete, good cause would exist to remand the claim to the Secretary for appropriate action to produce a record which the courts may review under 205(g) of the act. It is the hope of the conferees that remands on the basis of these breakdowns in the administrative process should be kept to a minimum so that persons appealing their decision are not unduly burdened by the resulting delay.

Time limits for decisions on benefit claims

(Sec. 308)

Present law.—There is no limit on the time that may be taken by the Social Security Administration to adjudicate cases at any stage of adjudication. Several Federal district courts have imposed such limits at the hearing level and numerous bills have been instroduced to set such limits at various levels of adjudications.

House bill.—The House bill required the Secretary to submit a report to Congress recommending appropriate time limits for the various levels of adjudication of title II cases. In recommending the limits, the Secretary was to give adequate consideration to both speed and quality of adjudication.

Senate bill.—Same as House bill.

Conference agreement.—The conferees accepted the provision of the House and Senate bills but with the Senate due date of July 1, 1980.

Payment for existing medical evidence

(Sec. 309)

Present law.—Authority does not now exist to pay physicians and other potential sources of medical evidence for medical information already in existence when a claimant files an application for disability insurance benefits. Such authority does exist in the SSI program.

House bill.—The House bill would provide that any non-Federal hospital, clinic, laboratory, or other provider of medical services, or physician not in the employment of the Federal Government, which supplies medical evidence required by the Secretary for making determinations of disability, shall be entitled to payment from the Secretary for the reasonable cost of providing such evidence.

Senate bill.—The Senate bill included the same provision except that payment for evidence would be made to the provider only when such evidence is "requested" and required by the Secretary.

Conference agreement.—The conference agreement follows the Senate bill and is effective six months after enactment.

Payment for certain travel expenses

(Sec. 310)

Present law.—Explicit authority does not exist under the Social Security Act to make payments from the trust funds to indivduals to cover travel expenses incident to medical examinations requested by the Secretary in connection with disability determinations, and to applicants, their representatives, and any reasonably necessary witnesses for travel expenses incurred to attend reconsideration interviews and proceedings before administrative law judges. Such authority now is being provided annually under appropriation acts.

House bill.—The House bill provided permanent authority for payment of travel expenses incident to medical examinations and the travel expenses of individuals (and their representatives in the case of reconsideration and ALJ hearings) resulting from participation in various phases of the DI adjudication process.

Senate bill.—The Senate bill included the same provision and extended it to include SSI and medicare and all determinations under title II. However, a limitation on air travel costs included in the House bill was omitted in the title II authority.

Conference agreement.—The conference agreement follows the Senate bill with a modification to include the limitation on air travel costs.

The conference committee wishes to make it clear that this provision does not authorize reimbursement of a claimant's travel expenses in going to and from Social Security offices to file requests for reconsideration or to discuss the reconsideration decision. It is the intent of this provision to provide reimbursement only in the cases of those claimants who are entitled, as part of the reconsideration process, to engage in a face-to-face interview with a State agency decisionmaker if this procedure is implemented by the Social Security Administration.

Periodic review of disability determinations

(Sec. 311)

Present law.—Administrative procedures now provide that a disability beneficiary's continued eligibility for benefits be reexamined only under a limited number of circumstances (i.e., where there is a reasonable expectation that the beneficiary will show medical improvement).

House bill.—The House bill provided that there will be a review of the status of disabled beneficiaries whose disability has not been determined to be permanent at least once every three years. This review would be in addition to, and not be considered as a substitute for, any other reviews which are required.

Senate bill.—The Senate bill included the same provision except that even cases where the initial prognosis shows the probability that the condition will be permanent would be subject to review made at such times as the Secretary determines to be appropriate.

Conference agreement.—The conference agreement follows the Senate bill and is effective January 1982.

Report by Secretary

(Sec. 312)

Senate bill.—The Senate bill required the Secretary to make a full and complete report to the Congress on the effects of the provisions included in the first three titles of the bill.

Conference agreement.—The conferees agreed to the Senate amendment, with the understanding that the report will address such questions as the work incentive effects of relevant provisions, administrative problems involved in the implementation and operation of the provisions, and cost and caseload impact with respect to both the DI and SSI programs. The report is due by January 1985.

Scope of Federal court review—findings of fact

Present law.—The U.S. District Court shall have power to enter upon the pleadings and transcript of the record, a judgment affirming, modifying, or reversing the decision of the Secretary, with or without remanding the case for a hearing. The findings of the Secretary as to any fact if supported by substantial evidence, shall be conclusive.

Senate bill.—The Senate bill modified the scope of Federal court review so that the Secretary's determinations with respect to facts in Title II and Title XVI would be conclusive, unless found to be arbitrary and capricious. The substantial evidence requirement would be deleted.

Conference agreement.—The conference agreement deletes the provisions of the Senate bill because of the uncertainty as to the ramifications of the rule proposed and the concern that the administrative process is not operating with the degree of credibility which would justify elimination of the "substantial evidence rule". The provision mandating pre-effectuation review of State agency allowances and Appeals Council own motion review of ALJ decisions eventually should enhance the validity of the process and lead to the need for less reliance on judicial review. The conference committee believes that the National Commission on Social Security should examine the disability adjudication and appeals process generally and deal specifically with such elements as the Administration proposals for judicial review in addition to alternative approaches such as a Disability Court. The problem of the great number of disability court cases, unevenness of courts in applying the substantial evidence rule and varying interpretations of crucial elements of the program in different judicial circuits, is worthy of further study.

The conference committee would like to reiterate what both committees stated in their reports on P.L. 94-202 that the courts should interpret the substantial evidence rule with strict adherence to its principles since the practice of some courts in making *de novo* factual determinations could result in very serious problems for the Federal judiciary and the social security programs.

TITLE IV—PROVISIONS RELATING TO AFDC AND CHILD SUPPORT PROGRAMS

AFDC work requirement

(Sec. 401)

Present law.—Recipients of Aid to Families with Dependent Children who are not specifically exempt are required to register for manpower services, training, and employment as a condition of AFDC eligibility. Those who are exempt from the registration requirement are children under age 16, persons caring for a child under age 6, persons who are ill or needed as the caretaker for someone in the home who is ill, or persons who are remote from a work incentive program (WIN) project.

Assistance may be terminated "for so long as" an individual (who has been certified by the welfare agency as ready for employment or training) refuses without good cause to participate in employment or training under WIN. Under court interpretation WIN sanctions may be applied only "for so long as" there is refusal, thus allowing a recipient to move on and off AFDC without being subject to any specific period during which his benefits may be terminated.

Federal matching for WIN programs is 90 percent. The State matching share of 10 percent may be either in cash or in kind with respect to manpower activities. State matching for supportive services must be in cash.

Senate bill.—The Senate bill added "other employment related activities" to the types of activities for which AFDC recipients are required to register. These are described in the committee report as including employment search. The bill also specifically required that necessary social and supportive services be provided during any employment search activities under the WIN program. These services would be authorized to be provided to registrants prior to certification.

The bill authorized the Secretaries of Labor and HEW (now HHS) to establish, by regulation, the period of time during which an individual would not be eligible for assistance in the case of refusal without good cause to participate in a WIN program. In addition, the present law provision for a 60-day counseling period for persons who refuse to participate was eliminated.

The bill also: required that State supportive service units be colocated with manpower units to the maximum extent feasible; allowed State matching for supportive services to be in cash or in kind; clarified that income from WIN public service employment is not fully excluded in determining benefits (there would be no disregard of the first $30 a month plus one-third of additional earnings); added to the individuals who are exempt from registration for WIWN, individuals who are working at least 30 hours a week.

Conference agreement.—The conferees agreed to the Senate provision, with amendments. The conference agreement provides that the criteria for appropriate work and training to which an individual may be assigned under section 432(b) (1), (2), and (3) shall apply in the case of work to which an individual may be referred as part of employment search programs conducted under the work incentive program. In other words, job referral under the new employment search provision would be limited to jobs that meet the current WIN regulations relating to appropriate employment. (Present regulations provide limits as to reasonable travel time, provision for necessary supportive services, requirements for wages, health and safety, and others.)

In addition, the conferees agreed to limit an individual's job search period to 8 weeks in one year, and added a requirement that there be timely reimbursement of any employment search expenses paid for by the individual.

Under the conference agreement, the provisions relating to termination of assistance and treatment of PSE earnings are effective upon enactment. Other provisions are effective September 30, 1980.

Use of IRS to collect child support for non-AFDC families

(Sec. 402)

Present law.—Present law authorizes States to use the Federal income tax mechanism for collecting support payments for families receiving AFDC, if the States have made diligent and reasonable efforts to collect the payments without success and the amount sought is based on noncompliance with a court order for support. States have access to IRS collection procedures only after certification of the amount of child support obligation by the Secretary of Health and Human Services. The State must agree to reimburse the U.S. for any costs involved in making the collection.

Senate bill.—The Senate bill authorized use of IRS collection mechanisms in the case of families not receiving AFDC, subject to the same certification and other requirements that are now applicable in the case of families receiving AFDC.

Conference agreement.—The conferees agreed to the Senate provision with an effective date of July 1, 1980.

Safeguards restricting disclosure of certain information under AFDC and social services

(Sec. 403)

Present law.—Current law restricts the use or disclosure of information to purposes directly connected with: AFDC, SSI, Medicaid, or the Title XX social services program; any investigation, prosecution, or criminal or civil proceeding related to the administration of these programs; or the administration of any other federally assisted program providing assistance or services based on need. Present law also prohibits the disclosure to any committee or legislative body of information which identifies by name or address any applicant for, or recipient of, such assistance or services.

Senate bill.—The Senate bill modified titles IV and XX to allow the disclosure of information regarding individuals assisted under the State's plan (1) for purposes of any authorized audit conducted in connection with the administration of the program including an audit performed by a legislative audit body, and (2) to the Committee on Finance and Committee on Ways and Means.

Conference agreement.—The conference agreement includes the provisions of the Senate bill, except that disclosure of information containing names and addresses of individual recipients to the Committees on Finance and Ways and Means would not be authorized. The conferees note that this limitation pertains only to names and addresses. As under existing law, the two committees would otherwise have full access to data and findings concerning the operations of these programs and would be able to request and receive the results of program audits. The conferees note that there is a similar provision relating to disclosure of information in H.R. 3434, which is now pending before the Congress. The conferees understand that the provisions in both bills will have the same result of allowing disclosure for purposes of any authorized audit by a legislative audit entity. The provision is effective on September 1, 1980.

Federal matching for child support activities performed by court personnel

(Sec. 404)

Present law.—Present law requires that State child support plans provide for entering into cooperative arrangements with appropriate courts and law enforcement officials to assist the child support agency in administering the program. Federal regulations allow States to claim Federal matching for the compensation of district attorneys, attorneys general, and similar public attorneys and prosecutors and their staff. However, States may not receive Federal matching for expenditures (including compensation) for, or in connection with, judges or other court officials making judicial decisions, and other supportive and administrative personnel.

Senate bill.—The Senate bill authorized Federal matching funds for expenditures of courts (including, but not limited to compensation for judges or other persons making judicial determinations and other support and administrative personnel of courts who perform Title IV–D functions), but only for those functions specifically identifiable as IV–D functions. Matching would be provided only for expenditures in excess of levels of spending in the State for these activities in calendar 1978.

Conference agreement.—The conferees agreed to the Senate provision, with an amendment deleting the authorization for compensation of judges or other officials making judicial decisions, but allowing the authorization for expenditures for their administrative or support personnel, such as the baliff, stenographer, and court reporter. The provision is effective for expenditures after July 1, 1980.

Child support management information system

(Sec. 405)

Present law.—Federal matching for child support administrative costs, including the cost of establishing and using management information systems, is provided at a rate of 75 percent.

Senate bill.—The Senate bill increased Federal matching to 90 percent for the costs of developing and implementing child support management information systems, retaining the present 75 percent matching rate for the costs of operating such systems. The bill required the Secretary to provide technical assistance to the States and provided that a State system must meet certain specified requirements in order to receive Federal matching. The Senate bill further required continuing review by the Secretary of HHS of State systems.

Under the bill States choosing to establish and operate systems must include as part of such systems (1) the ability to control and monitor all the factors of the support collection and paternity determination process, (2) interface with the AFDC program, (3) security against access to data, and (4) the ability to provide management information on all cases from application through collection and referral.

Conference agreement.—The conferees agreed to the Senate amendment, with an effective date of July 1, 1981.

AFDC management information system

(Sec. 406)

Present law.—States receive 50 percent Federal matching for costs of administering their AFDC programs; there is no special funding for computer systems.

Senate bill.—The Senate bill provided 90 percent Federal matching to States for the cost of developing and implementing computerized AFDC management information systems and 75 percent for the cost of their operation. The Secretary of Health and Human Services would be required to approve State systems as a condition of Federal matching (both initially and on a continuing basis). In order to qualify for this increased match, a State system would have to include certain specified characteristics, including (1) ability to provide data on AFDC eligibility factors, (2) capacity for verification of factors with other agencies, (3) capability for notifying child support, food stamp, social services, and medicaid programs of changes in AFDC eligibility and benefit amount, (4) compatibility with systems in other jurisdictions, and (5) security against unauthorized access to or use of data in the system. The Department would be required to provide technical assistance to the States on a continuing basis.

Conference agreement.—The conferees agreed to the Senate provision to increase to 90 percent the matching for the cost of developing and implementing computerized systems. The 90 percent matching includes the purchase or rental of computer equipment and software. However, the matching rate for operating such systems would remain at 50 percent. The provision is effective July 1, 1981.

Child support reporting and matching procedures

(Sec. 407)

Present law.—Present law requires that the Office of Child Support Enforcement (1) maintain adequate records (for both AFDC and non-AFDC families) of all amounts collected and disbursed, and of the costs of collection and disbursement, and (2) publish periodic reports on the operation of the program in the various States and localities and at national and regional levels and the major problems encountered in implementing the program. The law also provides that the States will maintain for both AFDC and non-AFDC families a full record of collections, disbursements, and expenditures and of all other activities related to its child support programs. An adequate State reporting system is required.

Senate bill.—The Senate bill would prohibit advance payment of the Federal share of State administrative expenses for a calendar quarter unless the State has submitted a complete report of the amount of child support collected and disbursed for the calendar quarter which ended 6 months earlier. It would also require the Department of Health and Human Services to reduce the amount of the payments to the State by the Federal share of child support collections made but not reported by the State.

Conference agreement.—The conferees agreed to the Senate bill, with an effective date of January 1, 1981.

Access to wage information for child support program

(Sec. 408)

Present law.—Present law requires the Secretary of HHS to make available to States and political subdivisions wage information contained in the records of the Social Security Administration which is necessary to determine eligibility for AFDC. The law requires the Secretary to establish safeguards to insure that information is used only for authorized purposes. There is no similar provision for purposes of child support.

In addition, present law requires agencies that administer State unemployment compensation to make available to States and political subdivisions wage information contained in their records which is necessary to determine eligibility for AFDC, and requires the Secretary to establish safeguards to insure that information is used only for authorized purposes. There is no similar provisions for purposes of child support.

Under the Internal Revenue Code, tax return information may be disclosed by IRS (1) to the Social Security Administration for purposes of administering the Social Security Act, and (2) to Federal, State and local child support agencies for establishing and enforcing child support obligations under the child support program. Agencies receiving this information must comply with specified safeguards. SSA may not transfer information it receives from IRS to State and local agencies. Information must be obtained by the agencies directly from IRS.

Senate bill.—The Senate bill provided the same requirement for disclosure of wage information (other than tax return information) for purposes of the child support program as exists in present law for purposes of AFDC. It also provided the same requirement for provision of wage information by State unemployment compensation agencies for purposes of the child support program as exists in present law for purposes of AFDC.

The Senate bill required SSA to disclose tax return information obtained from IRS with respect to earnings from self-employment and wages (1) to officers and employees of HHS, and (2) to officers and employees of an appropriate State or local agency, body, or commission. Information could be disclosed for purposes of establishing, determining, and enforcing child support obligations under the child support program.

Agencies or commissions authorized to receive tax return information could disclose such information to any person to the extent necessary in connection with the processing and use of information necessary for the purpose of establishing, determining, or enforcing child support obligations.

Conference agreement.—Under the conference agreement, certain tax return information must be disclosed by the Social Security Administration to State and local child support enforcement agencies, as follows:

The conferees agreed to amend the Internal Revenue Code to provide that, upon written request, the Commissioner of Social Security shall directly disclose return information with respect to net earnings from self-employment, wages, and payments of retirement income to officers and employees of a State or local child support enforcement agency. Disclosure will be allowable only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating individuals owing child support obligations.

Any agency receiving information must comply with conditions specified in current law for safeguarding information. Under these safeguards, information may be used on a computer in uncoded form if the computer is used only by the child support enforcement agency. If this information is used on computer systems shared with agencies which are not child support agencies, it must be introduced into the system and coded so that it is available only to officers and employees of the child support enforcement agency. Generally, disclosure to individuals other than officers and employees of the child support enforcement agency would not be authorized; however, the information may be disclosed to the taxpayer to whom the information pertains. This provision is effective on enactment.

In addition, the conferees agree to amend title III of the Social Security Act, Grants to States for Unemployment Compensation Administration, to require the State agency administering the unemployment compensation program to disclose directly, upon request and on a reimbursable basis, to officers or employees of any State or local child support enforcement agency any wage information contained in the records of the State agency. The agency is also required to establish safeguards necessary (as determined by the Secretary of Labor in regulations) to insure that information is used only for purposes of establishing, and collecting child support obligations from, and locating, individuals owing such obligations. If the Secretary of Labor finds that the State agency has failed to comply with requirements of this provision, he must notify the agency that further payments of administrative costs will not be made to the State until he is satisfied that there is no longer any such failure. The provision is effective July 1, 1980.

TITLE V—OTHER PROVISIONS RELATING TO THE SOCIAL SECURITY ACT

Relationship between social security and SSI benefits

(Sec. 501)

Present law.—Under existing law, an individual eligible under both the OASDI and SSI programs, whose determination of eligibility for OASDI is delayed, can in some cases receive full payment under both programs for the same months. Because SSI benefits are determined on a quarterly basis, retroactive OASDI benefits are counted as income for purposes of reducing SSI benefits only for the quarter in which retroactive benefits are received.

Senate bill.—The Senate bill would require the Secretary to offset, against retroactive benefits under OASDI, amounts of SSI benefits paid for the same period. The amount of the offset would equal the amount of SSI that would not have been paid had OASDI benefits been paid on time. From the amount of social security benefits offset under the provision, States would be reimbursed for any amounts of State supplementary payments that would not have been paid; the remainder would be credited to general revenues.

Conference agreement.—The conference agreement follows the Senate bill effective with the 13th month after the month of enactment. The conferees do not intend that this adjustment of benefit amounts will have the effect of removing any individual on a retroactive basis from his status as an eligible individual under the SSI program.

Extension of the term of the National Commission on Social Security

(Sec. 502)

Present law.—The terms of the members of the National Commission on Social Security are to last 2 years, and the Commission itself will expire on January 11, 1981.

Senate bill.—The Senate bill extended for 3 months the expiration date of the National Commission on Social Security and the terms of its members. Under the Senate provision, the Commission's work and the terms of its members would end on April 1, 1981, and its final report will be due on January 11, 1981.

Conference agreement.—The conference agreement follows the Senate bill. The conferees request that the National Commission also examine and report on the serious administrative problems currently facing the Social Security Administration which include growing program responsibility without adequate staffing and the effect of the three reorganizations within the last five years.

Depositing of social security contributions with respect to State and local covered employment

(Sec. 503)

Present law.—Since 1951 coverage of State and local government employment has been provided through voluntary agreements between the Federal government and the individual States. The Social Security Act provides that the regulations of the Secretary shall be designed to make the deposit requirements imposed on the States the same, as far as practicable, as those imposed on private employers. Present regulations, in effect since 1959, require each State to deposit contributions with the Federal Reserve Bank and file wage reports of covered employees within 1 month and 15 days after the close of each calendar quarter.

Public Law 94–202 was enacted in 1976 to assure adequate consideration of any change in the deposit requirements. Public Law 94–202 requires that at least 18 months must elapse between the publication of regulations changing the deposit schedule and the effective date of the change.

On November 20, 1978, the Department published final regulations to become effective July 1, 1980, which will require more frequent deposits by the States. The new regulations will require the States to make deposits within 15 days after the end of each of the first 2 months of the calendar quarter and within 1 month and 15 days after the end of the final month of the quarter.

Senate bill.—The Senate bill required that, in lieu of the schedule of deposits called for in the regulation, effective July 1, 1980 the States would make deposits within 30 days after the end of each month. The provisions of P.L. 94–202 would not be applicable to changes in regulations that are designed to carry out this statutory change.

Conference agreement.—The conference agreement follows the Senate bill.

Aliens receiving SSI

(Sec. 504)

Present law.—In order for an alien to be eligible for supplemental security income payments under present law and regulations, he must be lawfully admitted for permanent residence or otherwise permanently residing in the United States "under color of law." An alien seeking admission to the United States must establish that he is not likely to become a public charge. If a visa applicant does not have sufficient resources of his own, a U.S. consular officer may require assurance from a resident of the United States that the alien will be supported by a "sponsor" in the United States. Legal aliens are eligible for SSI payments 30 days after their arrival in the United States.

Senate bill.—The Senate bill required an alien to reside in the United States for 3 years before he would be eligible for SSI. The provision would not apply to refugees, or to aliens who are suffering from blindness or disability on the basis of conditions which arose after the time they were admitted to the United States. The provision would also not apply in cases in which the support agreement is unenforceable under the Immigration and Nationality Act, or in cases in which the sponsor fails to provide support and the alien demonstrates to the satisfaction of the Attorney General that he did not participate in fraud or misrepresentation on the part of the sponsor that he believed that the sponsor had adequate resources to support him, and that he could not have reasonably foreseen the refusal or inability of the sponsor to comply with the support agreement.

The Senate bill would amend the Immigration and Nationality Act to make the sponsor's affidavit of support a legally enforceable contract. The sponsor must agree that for 3 years after admission of the alien he will provide such financial support (or equivalent in-kind support) as is necessary to maintain the alien's income at an amount equal to the amount the alien would receive if he were eligible for SSI (including any State supplementary payment). The agreement could be enforced with respect to an alien against his sponsor in a civil action brought by the Attorney General or by the alien in a U.S. District Court. It could also be enforced by any State or political subdivision which is making payments to the alien under any program based on need. In the latter case, the action could be brought in a U.S. District Court if the amount in controversy were $10,000 or more, or in the State courts without regard to the amount in controversy. The agreement could be excused and unenforceable under certain specified circumstances, including death or bankruptcy of the sponsor. Also, the Senate bill provided that a sponsor who intentionally reduces his income or assets in order to be excused from his agreement would be responsible for the repayment of any public assistance provided the alien during the time the agreement was excused.

Conference agreement.—The conferees agreed that for purposes of eligibility for Supplemental Security Income (SSI) benefits, legally admitted aliens who apply for SSI benefits after September 30, 1980 will be deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States, unless the alien becomes blind or disabled after entry. Under the agreement the eligibility of such aliens for SSI will be contingent upon their obtaining the cooperation of their sponsors in providing the necessary information to Social Security to carry out this provision. The provision would not apply to any alien who is (1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act; (2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c)(1) of such Act; (3) paroled into the United States as a refugee under section 212(d)(5) of such Act; or (4) granted political asylum by the Attorney General.

During the 3 years after entry into the United States, an alien may be eligible for SSI benefits only if his sponsor agrees to and does provide such information as the Secretary of Health and Human Services may require to carry out this provision. The alien and sponsor shall be jointly and severably liable to repay any SSI benefits which are incorrectly paid because of the sponsor's providing of misinformation or because of his failure to report, and any such incorrect payments which are not repaid would be withheld from any subsequent payments for which the alien or sponsor are otherwise eligible under the Social Securtly Act.

In deeming a sponsor's income to an alien under this provision, the alien's SSI benefit would be reduced by the amount of any income deemed to him. Income deemed to the alien would be considered unearned income and would thus result in a dollar-for-dollar reduction in benefits (subject to the $20 a month unearned income exclusion). The amount to be deemed would be equal to the gross income of the sponsor and his spouse reduced by an amount equal to a full SSI benefit for the sponsor and an amount equal to one-half of a full SSI benefit for each other person for whom the sponsor is legally responsible. (Income of a child, e.g., AFDC or SSI payments, which is specifically provided to or on behalf of a child in the household of the sponsor would not be included.) Except for the deeming provision, the alien's SSI benefit would be computed in the same manner as under existing law except that in-kind support and maintenance received by an alien living in the household of the sponsor (or sponsor's spouse) shall not result in the application of the one-third reduction. Income in the form of support or maintenance in cash or kind by the sponsor (or sponsor's spouse) would not be counted as income or resources to the extent such income or resources is taken into account in determining the amount of income and resources to be deemed from the sponsor to the alien.

On the same basis, the assets of the sponsor and his spouse would be determined as under SSI. Any resources in excess of this amount allowable under SSI ($1,500 if the sponsor is single, $2,250 for a couple), would be considered to be resources of the alien in addition to whatever resources the alien has in his own right.

Under the conference agreement, an alien applying for SSI would be required to make available to the Social Security Administration any documentation concerning his income or resources or those of his sponsor (if he has one) which he provided in support of his immigration application. The Secretary of Health, and Human Services would also be authorized to obtain copies of any such documentation from other agencies (i.e., State Department or Immigration and Naturalization Service). The Secretary of HHS would also be required to enter into cooperative arrangements with the State Department and the Justice Department to assure that persons sponsoring the immigration of aliens are informed at the time of sponsorship that, if the alien applies for public assistance, the sponsorship affidavit will be made available to the public assistance agency and the sponsor may be required to provide further information concerning his income and assets in connection with the alien's application for assistance.

Work incentive and other demonstration projects under the disability insurance and supplemental security income programs

(Sec. 505)

Present law.—The Secretary of Health and Human Services has no authority to waive requirements under titles II, XVI, and XVIII of the Social Security Act to conduct experimental or demonstration projects.

House bill.—The House bill authorized waiver of benefit requirements of the DI and medicare programs to allow demonstration projects by the Social Security Administration to test ways in which to stimulate a return to work by disability beneficiaries, and required periodic reports and a final report on the findings by January 1, 1983.

Senate bill.—The Senate bill contained a similar provision but required an interim report by January 1, 1983 and final one by 5 years after the date of enactment. The provision further authorized experiments and demonstration projects to the programs to promote the objectives or improve the administration of the SSI program. The provision provided for allocation of costs of all such demonstration projects to the programs to which the project was most closely related. In the case of the SSI program, the Secretary was authorized to reimburse the State for the non-Federal share of payments or costs for which the State would not otherwise be liable.

The Senate provision also authorized waivers in the case of other disability insurance demonstration projects which SSA wished to undertake, such as study of the effects of lengthening the trial work period, altering the 24-month waiting period for medicare benefits, altering the way the disability program is administered, earlier referral of beneficiaries for rehabilitation, and greater use of private contractors, employers and others to develop, perform or otherwise stimulate new forms of rehabilitation.

The Senate bill further authorized waiver of certain nonmedical requirements of the human experimentation statute, P.L. 93–348 (such as conditions of payment of benefits or copayments, deductibles or other limitations), but requires that the Secretary in reviewing any application for any experimental, pilot or demonstration project pursuant to the Social Security Act would take into consideration the human experimentation law and regulations in making his decision on whether to approve the application.

Conference agreement.—The conferees agreed to the provisions of the House and Senate bills with the exception of the Senate provision authorizing waiver of certain nonmedical requirements of the human experimentation statute. This latter provision was deleted.

With respect to SSI experiments, the Secretary would not be authorized to carry out any project that would result in a substantial reduction in any individual's total income and resources as a result of his participation in the project. The Secretary could not require an individual to participate in a project and would have to assure that the voluntary participation of individuals in any project is obtained through an informed written consent agreement which satisfies requirements established by the Secretary. The Secretary would also have to assure that any individual could revoke at any time his voluntary agreement to participate. The Secretary, to the extent feasible, would be required to include recipients under age 18. The Secretary would also be required to include projects necessary to ascertain the feasibility of treating alcoholics and drug addicts to prevent the onset of irreversible medical conditions which may result in permanent disability.

The new provisions would be applicable to both applicants and beneficiaries, and would be effective upon enactment.

Provisions relating to the terminally ill

(Sec. 506)

Present law.—Under the OASDI program the waiting period is the earliest period of 5 consecutive months in which an individual is under a disability. An individual is determined disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or is expected to last for not less than 12 months. If an individual becomes disabled and applies for benefits in the same month, the waiting period will be satisfied 5 months after the month of application. With all other conditions of eligibility having been met, benefits will be due for the sixth month after the month in which the disabling condition begins, and will be paid on the third day of the seventh month.

The waiting period cannot begin until the individual is insured for benefits (i.e., the individual has satisfied the quarters of coverage requirements). If the disabling condition begins before an individual is insured for benefits, the waiting period can begin only with the first month in which the individual has insured status.

If a worker is applying for benefits after having been entitled to DI benefits previously (or had a previous period of disability) within 5 years prior to the current application, the waiting period requirement does not have to be met again.

Senate bill.—The Senate bill eliminated the waiting period for persons with a terminal illness, i.e., a medically determinable physical impairment which is expected to result in the death of such individual within the next 12 months and which has been confirmed by two physicians in accordance with the appropriate regulations.

The provision was to be effective for applications filed in or after the month of enactment, or for disability decisions not yet rendered by the Social Security Administration or the courts prior to the month of enactment.

Benefits would be payable beginning October 1980.

Conference agreement.—The conferees did not agree to the Senate provision eliminating the waiting period for persons with a terminal illness, but in lieu thereof agreed to a provision authorizing up to $2 million a year to be used by SSA for the purpose of participating in a demonstration project relating to the terminally ill which is currently being conducted by the Department of Health and Human Services. The purpose of participation is to study the impact on the terminally ill of provisions of the disability programs administered by the Social Security Administration. It is expected that this demonstration authority and the resulting reports which will be made on demonstration projects will provide the information necessary to enable the Congress to amend the Social Security Act so as to provide the kinds of services most appropriate for individuals who are suffering from terminal illnesses.

Voluntary certification of medicare supplemental health insurance

(Sec. 507)

Present law.—No provision in present law.

Senate bill.—Under the Senate bill, the Secretary would be required to establish, effective January 1, 1982, a voluntary certification program for medicare supplemental policies in States that fail to establish equivalent or more stringent programs. To be certified, a policy would have to: meet minimum standards with respect to benefits, simplicity of policy language, informational material for policyholders, preexisting conditions and cancellation clauses; and be expected to pay benefits to subscribers (as estimated, for a period not to exceed one year, on the basis of actual claims experience and premiums for such policy) equal to 75 percent of premiums in the case of group policies and 60 percent in the case of individual policies. The Secretary would be required to submit a report on or before July 1, 1981, to the Committees on Finance, Ways and Means, and Interstate and Foreign Commerce which identifies those States that the Secretary finds cannot be expected to have established a qualified State regulatory program by January 1, 1982. The Federal voluntary certification program would be put into effect on January 1, 1982, in States that are so identified unless legislation to the contrary is enacted.

Upon conviction, a fine of up to $25,000 and imprisonment for up to 5 years could be assessed for: (a) furnishing false information to obtain the Secretary's certification; (b) posing as a Federal agent to sell medicare supplemental policies; (c) knowingly selling duplicative policies; and (d) selling supplemental policies by mail in States which have not approved, or are deemed not to have approved, their sale.

The Secretary, in consultation with regulatory agencies, insurers and consumers, would be required to study and submit a report to the Congress by July 1, 1981, concerning the effectiveness of various State approaches to regulation of medicare supplemental policies, and the need for standards for health insurance policies sold to the elderly which are not subject to voluntary certification. On January 1, 1982, and at least every 2 years thereafter, the Secretary would be required to report on the effectiveness of the voluntary certification program and the criminal penalties established by the bill.

Conference agreement.—The conference agreement follows the Senate bill with the following modifications. The voluntary certification program would be effective July 1, 1982. To be certified under this program, a medicare supplemental policy (including any certificate issued thereunder) would have to: (a) meet or exceed the standards with respect to medicare supplemental policies set forth in the "NAIC Model Regulation to Implement the Individual Accident and Sickness Minimum Standards Act," as amended and adopted by the National Association of Insurance Commissioners on June 6, 1979 (including the standards relating to minimum benefit provisions, preexisting condition limitations, full disclosure, and requiring a no loss cancellation clause); and (b) be expected to pay benefits to subscribers (as estimated for the entire period for which rates are computed to provide coverage, on the basis of incurred claims experience and earned premiums for such period) equal to 75 percent of premiums in the case of group policies and 60 percent in the case of individual policies. (For purposes of determining whether the loss ratio requirement has been met under the voluntary certification program, policies issued as a result of solicitations of individuals through the mails or by mass media advertising would be deemed to be individual policies.) The Secretary would be empowered to authorize the use of an emblem by an insurer, in accordance with conditions to be specified by the Secretary, to indicate that a policy has been certified as meeting the standards and requirements of the voluntary certification program. It is expected that one such condition will be a requirement that the insurer agree to notify policyholders of the loss of certification in the event the Secretary determines that the policy no longer satisfies the standards and requirements of the voluntary certification program. It is also expected that the Secretary act in a manner consistent with the will of the State to prevent unfair competition in the use of the emblem.

The voluntary certification program would not be applicable to any policy issued in any State which is determined to have implemented under State law a regulatory program that provides for the application of standards with respect to all medicare supplemental policies (as defined in the Senate bill) that are equal to or more stringent than the standards relating to medicare supplemental policies contained in the NAIC Model Regulation as amended and adopted on June 6, 1979; and the loss ratio requirements for individual or group policies applied under the voluntary certification program. Such determinations as to whether a State's regulatory program meets these standards and requirements would be made by a Supplementary Health Insurance Panel, appointed by the President, and consisting of four Insurance Commissioners (or Superintendents) and the Secretary. On or before January 1, 1982, the Panel would prepare a report (for inclusion in the report to be submitted by the Secretary on January 1, 1982) to the appropriate Committees of the House and the Senate identifying those States that the Panel finds cannot be expected to have implemented a qualified regulatory program by July 1, 1982. The Federal voluntary certification program would be put into effect on July 1, 1982, in those States so identified by the Panel. Where a State which the Panel had expected to have implemented a qualified regulatory program by July 1, 1982, has not actually done so, the voluntary certification program would be applicable to such State until the panel determines and reports to the Secretary that the State has implemented an approved program. It is expected that the Panel will act promptly and that all determinations of the Panel would be promptly submitted to the Secretary for implementation.

Although the Panel's sole responsibility is to evaluate State regulatory programs against the test that the State program is at least equal to the NAIC standards and the prescribed loss ratio requirement, the bill includes language referring to "more stringent" standards. However, this language was not included for use as a benchmark by the Panel, but rather only to avoid the implication of any intent to encourage States to limit their regulatory programs to the minimal level. On the contrary, the conferees' intent is to assure that States are encouraged to implement such regulatory programs as they determine are appropriate to their needs and that if a State regulatory program is at least equal to the standards and requirements provided for in the bill it would be approved by the Panel.

The delivery of a medicare supplemental policy by mail into a State which has not approved the sale of such a policy in the State would be subject to Federal criminal penalties unless such policy: (a) has been certified by the Secretary or approved by the State in which the policy is issued as meeting the standards and requirements of the voluntary certification program or the State's approved regulatory program, as the case may be, or has otherwise been deemed approved in accordance with provisions of the bill; and (b) the State into which the policy has been delivered has not specifically disapproved the policy for sale in the State.

The conferees have defined the place of issuance of a policy to be the State in which the policyholder resides in the case of an individual policy, and the State in which the holder of the master policy resides in the case of a group policy. The intent of the conferees is to allow an insurer to know which State its policy is considered to be issued in, and consequently to knew whether it is issued in a State having an approved program. Nothing in this provision is intended to affect the rights of any State to regulate, in accordance with State law, policies which, under this definition, are considered to be issued in another State.

The Senate bill excludes group health policies of one or more employers or labor organizations from the definition of "medicare supplemental policy," and from the prohibition of knowingly selling a duplicative health insurance policy to a medicare-eligible individual, since such policies are not designed as supplemental policies and are sold to all age categories within the group's membership. The conferees recognize that many professional, trade and occupational associations also offer group health plans to their respective memberships. The intent is that such associations should not be treated differently than employers or labor organizations if the association: (a) is composed of individuals all of whom are actively engaged in the same profession, trade or occupation; (b) has been maintained in good faith for purposes other than the obtaining of insurance; and (c) has been in existence for at least two years prior to the date of its initial offering of such policy or plan to its members.

The Secretary's report on the results of the required study of State approaches to the regulation of supplementary policies would be submitted on January 1, 1982; and the first of the periodic reports on the effectiveness of the voluntary certification program and the criminal penalties would be due July 1, 1982.

Inclusion in wages of FICA taxes paid by the employer

Present law.—Sec. 209(f) of the Social Security Act and Sec. 3121(a)(6) of the Internal Revenue Code provide that payment by the employer of the employee F.I.C.A. tax liability is excluded from the definition of wages for social security payroll tax and benefit purposes. Although such a payment by the employer constitutes additional compensation includable for income tax purposes, existing law specifically exempts such an amount of additional compensation from social security taxes. The net effect is that, for a given level of total compensation (wages plus employer payment of the employee share of social security tax), somewhat lower social security taxes would be payable by the employer if he pays the employee F.I.C.A. tax instead of withholding it from the employee's wages.

Senate bill.—The Senate bill required that, with respect to remuneration paid after 1980, any amounts of employee F.I.C.A. taxes paid by an employer will be considered to constitute wages for both social security tax and benefit purposes but that this change will not apply in the case of payments made on behalf of employees of (1) small businesses (as used in the administration of section 7(a) of the Small Business Act), (2) of State and local governments, (3) of nonprofit organizations, and (4) of persons employed as domestics.

Conference agreement.—The conferees have agreed to delete this provision of the Senate bill. While the Senate amendment would narrow the scope of the present law exclusion from wages, the conferees are concerned that its enactment would lend countenance to expanded utilization of the remaining exclusion. The conferees believe that this is an important issue in its own right, deserving further study and consideration by the Congress. The result of the conferees' decision is that present law remains in force.

Al Ullman,
James C. Corman,
J. J. Pickle,
Andrew Jacobs, Jr.,
William R. Cotter,
Charles B. Rangel,
Barber B. Conable, Jr.,
Bill Archer,
Robert Duncan,
Managers on the Part of the House.
Russell B. Long,
Herman E. Talmadge,
Abe Ribicoff,
Gaylord Nelson,
Max Baucus,
Bob Dole,
John C. Danforth,
David Durenberger,
Managers on the Part of the Senate.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1981

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 661 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 661

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against section 202 of the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas (Mr. Frost) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 661 provides for the consideration of H.R. 6974, the Department of Defense authorization for fiscal year 1981.

Given the importance of Department of Defense authorization levels to our Nation's future military preparedness and defense capabilities, the Committee on Rules has provided for an open rule which allows the offering of any germane amendment when the bill is read for amendment under the 5-minute rule. And, because the dollar amounts in this authorization are a matter of great national and congressional debate, the rule provides for 3 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

The rule also waives all points of order against section 202 of the bill for failure to comply with clause 5, rule XXI, which prohibits appropriations in a legislative bill. Section 202 specifically directs the use of funds from previous Department of Defense appropriations for a study of a logistic surface effect ship and is thus technically, at least, an appropriation in a legislative bill, and therefore requires the waiver.

In addition, the rule provides that when the bill is read for amendment, it shall be read by titles rather than by sections and that each title shall be considered as having been read. The rule also provides for one motion to recommit.

Mr. Speaker, H.R. 6974 authorizes $53.1 billion for weapons procurement, research and development, and civil defense for the Department of Defense in fiscal year 1981. This authorization, however, affects only an approximate one-third of the total budget authority requested for the Defense Department in fiscal year 1981. Of the $53.1 billion authorized in H.R. 6974, these amounts are to be allotted as follows: Weapons procurement, $36.261 billion; research and development, $16.704 billion; and civil defense, $167 million. The bill also authorizes personnel levels for the active duty Armed Forces, reserves, civilian employees of the Defense Department, and military student training levels, but does not authorize funding for those personnel: That funding will come to the floor as separate legislation.

I might point out to my colleagues that the Committee on Armed Services has recommended that Department of Defense operation and maintenance funding, beginning in fiscal year 1982, be subject to annual authorization. The committee believes that annual authorization provides a more effective means of overseeing operation and maintenance functions which have an important bearing on immediate military capacity. The Committee on Armed Services is to be commended for adopting the view that near-term readiness requirements should receive equal priority consideration with funding for improvements in future capability.

Mr. Speaker, given the importance of our Nation's defense posture in these troubled times, I would urge my colleagues to adopt this rule so that we may proceed to a full and open debate of these issues.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I, too, am very much concerned about the low state of affairs of American defense. Throughout the past decade U.S. foreign policy has undergone one substantial change after another. These changes combined decreasing national emphasis on our defense security system give rise to wide-ranging and complex questions not only among Americans and among our free world allies but among governments whose political philosophies are hostile to peace and freedom.

Was the normalization of relations with the Peoples Republic of China a betrayal of freedom and democracy or the logical action of a nation concerned with maintaining an advantage for the free world in the balance of power in the community of nations?

Did our support of the British settlement of the Zimbabwe-Rhodesia issue strengthen totalitarianism with the establishment of yet another Marxist state or was it simply an affirmation of the American philosophy of the right of all people to freely determine their own form of government?

Was the Panama Canal treaty the action of a just and reasonable government or an act of appeasement?

Have we negotiated ourselves into a position of strategic inferiority in SALT II?

Are we foolishly alienating our Israeli friends by supporting Palestinian autonomy?

Should or could we have employed more forceful measures than we tried to counter the Soviet thrust in Angola, Ethiopia, and Afghanistan?

Did we act too slowly to rescue the 53 American hostages in Iran? Should we have acted at all?

The list of such questions is practically endless and the answers, of course, are judgment calls. But, what this recurrent, almost chronic, list of problems really means is that the real world power relationships have changed and that global perceptions of the U.S. power are no longer clear, consistent, and unmistakable either to our allies or to our foes and potential foes.

For our allies and for many Americans the central question has become whether our national defense is sufficient to meet and be victorious in the impending confrontation with the Soviet Union. National defense is a principal element in foreign policy. Clearly, then, if we cannot effectively defend ourselves we have but two options. Either we narrow what we consider to be our national interest in the international community or eventually we suffer a defeat in trying to protect those interests.

Since the slow process of neglect of our defense began early in the last decade, we have watched our military power drift into a state of uncertain readiness. The Armed Services Committee is to be commended for bluntly citing and frankly discussing a number of the decisions that have brought our national security system to the state of unacceptable weakness at which it now stands.

Strategically, we are enterng a very dicey period. Our strategic posture in the nuclear age has traditionally, and wisely, rested upon a balanced mix of intercontinental ballistic missiles, manned bombers and sea-launched ballistic missiles.

The balance sheet on ICBM's reflects a growing deficit. Our first line force of Minuteman II ICBM's will become vulnerable to a Soviet first-strike at some point around 1985. The Soviets are improving their MIRV and guidance technology to a level which will allow relatively few SS-18 blockbuster ICBM's to overwhelm our Minuteman force. As our relative strength declines the incentive for Soviet first-strike increases. Our long-time edge in manned delivery systems has dwindled to zero. Improved Soviet air defenses and the simple process of obsolescence has rendered the once mighty B-52 bomber a relic of an earlier age. We need a new manned bomber.

Although we presently enjoy a lead in sea-launched ballistic missiles the Soviet technology is improving. With the technological improvements has come a clear Russian intention to match and surpass our submarine missile strength.

While our own deployed strategic forces have deteriorated relative to Soviet forces, our conventional capabilities have suffered even more. There is not a single category of conventional weaponry in which the Soviet's do not possess both numerical superiority and mere qualitative parity if not superiority.

The number and quality of our military personnel have also suffered a relative decline. The All-Volunteer Force concept has resulted in lower personnel retention rates, especially among well-trained, mid-level officers, and noncommissioned officers, and a general decline in the quality of recruits. The Reserve Forces are undermanned and in a poor state of readiness.

If we had tried to mobilize in the aftermath of the Soviet invasion of Afghanistan, Pentagon planners reckoned that it would have taken 180 days to muster replacements for our losses projected for the first 30 days of hostilities. If hostilities had ensued in that situation, our options considering our current state of readiness would have been limited to initiating a nuclear exchange or accepting defeat.

Today as the competition for tax revenues intensifies we as Americans are asked to choose between domestic programs or national defense. For me the question is not whether we can afford to buy a national defense capability strong enough to deter shooting war assaults on the security of our national interests but whether we can afford not to invest the money needed to provide us with that kind of capability. If we cannot successfully defend our freedom, peace and the security of our other national interests in the global struggle with nations who make themselves our adversaries all our social and domestic programs will have little meaning. They will be swept away by the need for meeting the ever escalating foreign crises that arise from the weaknesses of our defense establishment.

The decade of the 1970's was a decade of defense neglect and military uncertainty. It is time we focused on the realities of the 1980's.

Not only do we face the threat of superpower confrontations but we face an intensified competition for resources in a global structure characterized by highly nationalistic very volatile and increasingly shaky nations whose erratic or uncontrolled actions could push us ever closer to nuclear war if their perceptions of American power to defend its interests are not clearly and accurately on the side of our determination and ability to be the victor in the challenges thrown at us.

The cost of an effective defense is high. But it is not as expensive as a general war. The surest way of preventing that war is to be prepared to fight it victoriously. We must undertake to choose wisely among our defense options for the 1980's. We must address the need for modernization of our strategic forces. We must debate the need to restore our citizen army by developing a system of universal national service. We must modernize our conventional ground and naval forces to provide us with viable options to nuclear response. And we must invest in maintenance and operation of our forces in such a way that they achieve and maintain a high enough state of readiness to add substantially the deterrent aspect of our national security system.

In sum, we need to restructure our defense establishment in a way that will account for the many types and levels of threats that exist in the world. If we do that, international response to our foreign policies will reflect the understanding that the United States is militarily capable of, and if necessary willing to, defend our national interests. The level of international uncertainty as to our intentions and abilities will be diminished. Our future peace, social progress and economic prosperity rest on our ability to achieve this level of national security.

A strong American defense means a safer world in which all nations will be more secure in pursuing their own peaceful and legitimate goals and in which the potential cost of Soviet aggression and military adventurism to extend their hegemony will be raised to unacceptable levels. A strong American defense will give us options other than appeasement or provocation. It will serve as a credible deterrent to aggression and an effective instrument for the pursuit and protection of our vital interests. In this dangerous age of uncertainty we owe this to our friends, our foes, but most of all to ourselves if world peace is to be maintained.

We do not need to abandon our economic and social goals in order to achieve the strong national defense we must have in order to enjoy a future in which those goals are met and others set. But, abandoning even on a piecemeal basis our efforts to provide ourselves with the kind of national defense system our future needs will certainly sharply reduce prospects of achievement of our economic or social goals.

There are two newspaper stories, one from the Washington Post and one from the Washington Star, today's editions, which lend support to the arguments being made here today for strengthening our national security system. I would like to make them a part of the Record on this debate:

[From the Washington Post, May 13, 1980]

Former U.S. Aides, Citing Soviets, Urge $260 Billion Arms Increase

(By Michael Getler)

Claiming that the Carter administration "is still unwilling to recognize the consequences for the United States of the Soviet push for military superiority," a panel of former top national security officials is recommending a $260 billion increase in defense spending over the next six years.

These ex-officials argue that U.S. military strength in comparison to the Soviet Union's is inadequate to support traditional U.S. interests abroad, let alone the new Carter pledge to defend the Persian Gulf.

"In our judgment," former undersecretary of state Eugene V. Rostow told reporters, "the situation is unstable and accelerating . . . and cannot wait until after the election" to be addressed by the public and Congress.

Though the increase proposed would provide funding about one-quarter higher than the proposed trillion-dollar five-year defense plan put forward by the White House, former deputy secretary of Defense, Paul H. Nitze says the $260 billion extra is "the absolute minimum required to make President Carter's warnings to the Soviet Union credible."

Rostow and Nitze both spoke on behalf of The Committee on the Present Danger, a nonpartisan group that worries about what it views as unfavorable trends in the U.S.-Soviet balance of power and has had some influence in the past on debates in this country over arms treaties with Moscow.

The panel's major recommendations include:

Adding five active U.S. Army divisions to the present 16 so the United States would have rapidly deployable forces without taking away strength from forces already commited to Europe, Japan and South Korea.

Adding 127 ships to the Navy, creating 650-ship fleet so the United States can have a Navy able to operate in three oceans plus a permanent presence in the trouble Caribbean Sea. They argue the present Indian Ocean crisis has put a dangerous and intolerable strain on the current fleet.

Adding nine new wings—about 180 planes—of Navy and Air Force fighter-bombers, more than 200 new transports for use abroad and doubling the long-range airlift capability.

To man the new divisions and ships, the military would be increased by 302,000 persons, still well below pre-Vietnam 1964 level but enough, they acknowledge, eventually to require reinstating the draft. The proposals also include "an immediate and substantial" pay raise to help keep people in service and to remove disparity with civilian pay.

To bolster the nuclear balance, they call for two additional Trident missile-firing submarines, 100 B1 bombers, 300 newer versions of the existing Minuteman long-range missile and a plan to build more underground silos so that the Minuteman can be made more secure against a Soviet attack by a version of the shell game.

[From the Washington Star, May 13, 1980]

CIA Estimates Give Soviets Edge in Arms Race in 1980's

American intelligence services have concluded that in the next few years the Soviet Union could achieve an edge over the United States in every major aspect of strategic nuclear power. This includes overall numbers of missile warheads, Carter administration aides said yesterday.

The aides said that the projection was one of the principal findings of a national intelligence estimate completed by the Central Intelligence Agency and other government intelligence bureaus. The estimate has been presented to President Carter.

According to officials familiar with the document, the Soviet Union, in the absence of the new nuclear arms treaty, could possess a missile arsenal in 1985 capable of delivering as many as 16,000 nuclear warheads against the United States. Officials estimate that the United States, in the same year, is likely to have a missile force equipped with about 8,000 warheads.

Some military experts contend that both Washington and Moscow possess so many nuclear warheads that comparisons of total numbers do not make much difference. However, American officials have traditionally pointed to Washington's lead in warheads to argue that Moscow has not surpassed the United States in strategic power.

Moreover, some academic specialists believe that growth in the numbers of Soviet nuclear warheads in the coming decade could neutralize the administration's plans for building a new mobile missile, the MX.

Proponents of arms control in the White House and the State Department said the estimate demonstrated the importance of approving the strategic arms pact, which would place limits on numbers of Soviet warheads. The treaty, signed June 18, 1979, was before the Senate when the Soviet Union intervened militarily in Afghanistan. The administration then asked that consideration of the pact be postponed as part of its effort to induce Moscow to withdraw its forces.

At the Pentagon, officials said the report strengthened their case for deploying the Air Force's new MX mobile missile, which would give American forces an additional 2,000 warheads in the late 1980s.

The balance in strategic forces has been gradually shifting against the United States since the late 1960s, when Moscow initiated programs to deploy new land- and sea-based ballistic missiles. During the 1970s, the Soviet Union was able to establish an edge in such measures of strategic power as overall numbers of missiles and long-range bombers.

But the United States, with a larger part of its missile forces equipped with multiple warheads, possessed an advantage over the Soviet Union in the 1970s in the number of nuclear weapons that could be delivered by the two sides' forces. Accordingly, in the annual Defense Department report in January, Secretary of Defense Harold Brown said that Washington possessed a total force of about 8,000 warheads on its land- and sea-based missiles, compared with 6,000 for Moscow.

Officials said that over the next five years the American total was unlikely to change significantly. In 1985, they said, the land-based missile force would be equipped with about 2,100 warheads while sea-based rockets would carry about 5,700 warheads.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, this measure is a giant step forward for the Department of Defense. The bill itself, after the rule is adopted—and I hope it will be—provides some $6 billion more than the President of the United States requested, but still the Defense Department is far behind in the funds needed to carry out the military operations of this Nation.

I would like to see the funds increased, but to walk a mile, we must first take a single step, and this is a good beginning. I want to point out to the Members this afternoon what I heard on a recent trip to the Pacific and the Indian Ocean. The members of parliament and the high government officials in the countries we visited think that America has lost her will to lead. In briefings in Hawaii from the commanders in chief of all of the armed services, we were told that we lack ammunition, we lack men, we lack ships, we lack many things necessary to carry out military operations.

So, this is a good beginning. Let us adopt the rule unanimously and get down to the business of passing this authorization bill.

Mr. FROST. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1420

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. Price).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6974, with Mr. Rostenkowski in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois (Mr. Price) will be recognized for 1½ hours, and the gentleman from California (Mr. Bob Wilson) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, by direction of the Committee on Armed Services, I bring to the floor today H.R. 6974, the Department of Defense Authorization Act for fiscal year 1981. This bill authorizes procurement of major weapon systems; all research, development, test, and evaluation for the Department of Defense; active and reserve personnel strengths of the military services; civilian manpower levels for the Department of Defense; and the Nation's civil defense program.

The bill we bring before you is truly massive and complex. It is composed of literally thousands of projects representing several million man-hours of effort and some $53.1 billion in new authorization for procurement, R.D.T. & E. and civil defense.

The committee's recommended authorization of $53.1 billion is $6.2 billion above the President's amended budget request of $46.9 billion. The original budget request, which was introduced on February 12, 1980, was subsequently revised by a budget amendment submitted on April 14, 1980. This revision was necessitated by higher than anticipated fuel costs and other inflation and by anticipated additional costs for operations in the Indian Ocean.

By major categories, the committee's recommendation is $5.9 billion above the President's weapon systems procurement request; $226 million above the President's research, development, test, and evaluation request and $47 million above the President's civil defense program request.

Obviously, a bill of this magnitude requires a tremendous amount of effort and time to prepare and review. I would be remiss if I did not thank each of our committee members for their effort. In particular, I want to extend a special thank you to our subcommittee chairmen and ranking members for their valuable contribution to this most important piece of legislation. The bill we bring to you today won the overwhelming support of the committee—it was passed by a vote of 32 to 2—and was agreed to only after extensive hearings, some 100 in all.

Mr. Chairman, I will not attempt to explain all of the committee's actions on this bill. I will leave much of that detail to our subcommittee chairmen and ranking minority members. I would, however, like to take a few minutes to highlight for the Members some of the major recommendations made by the committee.

The committee's recommendation to add more than $6 billion to the administration's request is unprecedented during my tenure on the Armed Services Committee. This recommendation was arrived at only after the committee gave careful consideration to actual requirements of actual forces in terms of actual threats. The committee has judged the individual systems on their merits and has recommended additions where systems are needed by our Active or Reserve Forces. In some cases, the committee's recommended additions will allow for more timely introduction of systems designed to close a critical gap in capability. In some cases, the committee's recommended additions will allow procurement of required systems at a higher rate to meet required force levels. In addition, the increases will allow equipment to be procured at more efficient rates, resulting in long term savings rather than the near-term, false economy which results from arbitrary reductions in procurement levels. We believe the additions are justified and the committee report fully explains our recommendations.

Under the general provisions, title VIII of the bill, the committee has included language that provides that beginning in fiscal year 1982 appropriations for the operation and maintenance of the Armed Forces shall be subject to the requirement for prior authorization in the same manner as is now provided in section 138, title 10, United States Code, for major procurement, research, and development and other categories of the defense program.

The committee believes that annual authorization is a most effective means of oversight of the process of development and procurement of weapons systems and should be expanded to include appropriations for eventual employment and maintenance of such systems and to other operation and maintenance functions which have such an important bearing on immediate military capability.

This action is an indication of the committee's growing concern that the yearly reductions that have been imposed on the operation and maintenance accounts in the later phases of the budget cycle are having a serious adverse impact on military readiness. In recent years, there has been an alarming tendency to finance needed weapons program increases by offsetting reductions to the operations and maintenance accounts. The committee does not believe that weapon systems—no matter how urgently needed—should be procured at the expense of near-term readiness.

The committee believes that near-term readiness requirements should receive equal priority consideration with funding for improvements in future capability. Our defense posture today suffers from a lack of funds for essential operations, it must not be allowed to degrade further.

Now, I would like to briefly review some of the major changes made by the committee to the budget requested by the administration.

In aircraft procurement, for the Army, the committee added $29.9 million for 20 C–12 utility aircraft and $54.2 million for 17 AH–1S attack helicopters. To enhance near-term readiness in air defense, the committee added $253.6 million including $41 million for 32 Chaparral fire units; $24 million for improved Hawk modifications; $45 million for 9 defense acquisition radars; $41.3 million for 200 Vulcan modification kits; and $102.3 million for 12 division air defense guns (DIVADS).

Among the changes in the tracked combat vehicle procurement request, the committee added $78 million for long lead funding for an additional 307 XM–1 tanks in fiscal year 1982 and added $50 million to restore the M60 modification program to the rate approved by Congress last year.

In aircraft procurement for the Navy, the committee added $198.7 million for 12 A–6E all-weather attack aircraft; added $78.7 million for three additional EA–6B electronic warfare aircraft; added $151.5 million for 6 additional F–14 fighter aircraft, to bring the total buy for fiscal year 1981 to 30 aircraft; added $461.4 million for 24 additional F/A–18 fighter/attack aircraft, to bring the total buy for fiscal year 1981 to 72 aircraft; added $90 million for advanced procurement for long-lead items for the initial production of the AV–8B aircraft for the Marine Corps; added $48 million for long-lead items to support procurement of additional SH–2F LAMPS MK I antisubmarine warfare helicopters in fiscal year 1982; added $71.2 million for 4 additional P–3C patrol aircraft, to bring the total fiscal year 1981 buy to 12 aircraft; added $109.6 million for 6 C–9B airlift aircraft; and added $33.6 million for 45 T–34C trainer aircraft and 7 TH–57 trainer helicopters for the Navy's undergraduate helicopter pilot training program. In addition, the committee recommends the additional $48.5 million for additional aircraft spares and repair parts.

In aircraft procurement for the Air Force, the committee added $200 million for the procurement of long-lead items to support the future procurement of a strategic weapons launcher aircraft; added $156.5 million for 12 A–7K attack aircraft, added $30 million to convert 30 A–10 attack aircraft to a two-seat version for night and all-weather attack missions; added $59.7 million to the F–16 fighter aircraft program request to preserve the option of producing this aircraft at the rate of 180 aircraft per year in fiscal year 1982; added $99.1 million for 2 additional KC–10A advanced tanker cargo aircraft, increasing the total buy for fiscal year 1981 to 8 aircraft; added $93.6 million for 8 C–130H tactical airlift aircraft; added $60 million to the KC–135 modification program to begin a re-engining program in fiscal year 1981; and added $312.6 million for additional aircraft spares and repair parts. The committee also recommends an additional $58.5 million for ALQ–131 electronic countermeasure pods and an additional $25 million for tactical electronic reconnaissance equipment.

In missile procurement for the Navy, the committee added $203.6 million to procure 86 additional BGM–109 Tomahawk cruise missiles, to bring the total buy for fiscal year 1981 to 106 missiles; added $40.7 million to procure 150 additional AIM–54A Phoenix missiles, to bring the total buy in fiscal year 1981 to 210 missiles; added $85.2 million for 80 AGM–88A high-speed antiradiation missiles (HARM); and added $40 million to procure 240 RIM–66E standard missiles for fleet defense, increasing the buy for fiscal year 1981 to 500 missiles. In addition, the committee recommends the addition of $106.0 million for additional missile spares and repair parts in order to improve fleet readiness.

In missile procurement for the Air Force, the committee added $100 million to procure 280 Rapier short-range air defense missiles.

For naval vessels, the committee added $2,207.9 million to the administration amended request of $6,179.2 million. This increase provided authorization for two additional nuclear powered attack submarines, two additional Perry-class frigates, and the reactivation of the battleship *New Jersey* and the carrier *Oriskany*. The committee also approved the authorization of long-lead items for a third Aegis-class cruiser, a second LSD-41 amphibious ship, and a new mine countermeasure ship.

In the research, development, test, and evaluation account, the committee made numerous changes to the thousands of R.D.T. & E. projects it considered. These changes resulted in a recommended net addition of $226 million to the R.D.T. & E. program requested by the administration.

Among major committee actions in the R.D.T. & E. accounts were: The addition of $400 million for the research and development required for the strategic weapons launcher to fill an urgent need for a new cruise missile carrier; the addition of $243 million to continue the full-scale engineering development of the Marine Corps AV-8B Harrier vertical and short take-off and landing (V/STOL) aircraft, an aircraft essential to the Marine Corps' mission; the addition of $100 million to the Navy's program to provide for a DDG-X ship start in 1983 rather than 1985, to shore up an eroding position in major surface combatants relative to the Soviet Union; the addition of $23 million to the Marine Corps request for the mobile protective weapon system and the associated 75-millimeter gun as ammunition, to accelerate this program for an early operational capability; deletion of the entire Air Force request of $80.7 million for initiation of the C-X transport aircraft program, a program that was not adequately justified nor sequenced with current sealift deficiencies; termination of the Army's 120-millimeter XM-1 tank gun program because of significant cost growth in the R.D.T. & E. program, the association $2 billion total program cost and other technical and management issues.

In the personnel accounts, the committee recommended an increase for the active force in the Navy of 3,856 above the Department's request. The difference results from three separate actions: An increase of 700 to permit the Navy to recall reservists to active duty to offset serious personnel shortages; and additional 2,650 personnel to man the battleship *New Jersey* and place a precommissioning crew on the carrier *Oriskany*, ships the committee has recommended be reactivated; and an additional 506 personnel to provide active duty support to 4 antisubmarine and 2 light attack helicopter squadrons the committee has recommended be retained in the Naval Reserve in fiscal year 1981.

In civilian personnel, the committee added 200 in order to provide additional maintenance support for the Navy. The committee also recommended that employees of industrially funded activities of the Department of Defense be excluded from the overall civilian ceiling. Because there are planned to be 262,400 civilians employed in industrially funded activities for fiscal year 1980, the strength recommended by the committee for civilian personnel in fiscal year 1981 is 727,800.

The ceiling recommended by the committee, plus the programed number of industrially funded civilians and the minor addition of 200 personnel, is the same as the overall ceiling requested by the President.

For the civil defense program, the committee authorized $167 million, an increase of $47 million over the President's request of $120 million.

Under title VIII; general provisions, in addition to recommending language that would subject annual appropriations for operations and maintenance to the requirement for prior authorization, the committee proposes language to modify and make permanent last year's restrictions on contracting out. We also included a provision that would repeal the requirement for reduction in the number of senior grade civilian employees of the DOD, and a provision revising the dollar thresholds associated with independent research and development contract awards.

Mr. Chairman, this is a good bill—a necessary bill if we are to prevent our defense forces from falling into a position of inferiority compared to the Soviets. I urge the Members to give it quick and overwhelming approval to show the Nation and the world our resolve to keep our country strong.

Mr. Chairman, in closing I wish to note, with sadness, that this will be the last time that our distinguished ranking minority member, Mr. WILSON, will join me in presenting this annual authorization bill. At the appropriate times, I am sure we will be able to speak more fully of his service. Let me just express now my deep gratitude to him for all these years he has worked with me—always in a nonpartisan manner—on military legislation. He has always put the security of his country above all other considerations. He has always been fair. He has always been hard working. For 28 years he has served his country with distinction. We will miss him.

I am also saddened that Mr. ICHORD, our Research and Development Subcommittee chairman, and Mr. NEDZI, our Military Construction Subcommittee chairman, are also retiring at the end of this session. Mr. ICHORD took over a subcommittee that I had chaired for many years—since it was established in 1963. I have never had to be concerned about my old subcommittee—it was in good hands. DICK ICHORD has become one of the most knowledgeable subcommittee chairmen in the Congress. I am sorry to see him go.

LUCIEN NEDZI has served our committee and this House with distinction in many difficult assignments. His judicious nature made him an ideal chairman for the Construction Subcommittee where one often has tremendous pressure from competing political forces.

I thank all of these gentlemen for their service—I wish we could keep them here.

□ 1430

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I was touched by the remarks of our chairman. I have enjoyed my 28 years on the Armed Services Committee and particularly in working with him as a true southern gentleman from southern Illinois. He has been a real leader in the field of nuclear energy, in the field of armed services, and it has been one of the great privileges to work with him as ranking minority member during his chairmanship.

Mr. Chairman, as the chairman said, this is probably the last authorization bill for which I will be privileged to represent the Armed Services Committee on this floor.

If I had to pick one bill for which I would try to persuade you to support, H.R. 6974 is that bill. And if I could have one last wish for our national defense, it would be that every dime authorized in H.R. 6974 be appropriated and obligated—and that the nonauthorized operation and maintenance portions of the defense budget be enhanced the way our committee has sought to enhance the investment portions of this bill.

For if we pass and fund this bill—and if you sustain the commitment it represents—you will be beginning a process to make sure that a decade hence there will be no question that our country is at least as strong as any in the world and no doubt in anyone's mind—including the Russians—that no other country could gain superiority over us. You will be beginning a process the opposite of what you, we—all of us, Congress, and the American people—have let happen over the last decade. That process has been the slow and steady decline of American military power—in terms of modernization, in terms of numbers, in terms of readiness, in terms of trained and trainable personnel—to the point where we have to admit that there is a very real question as to whether another power is stronger than we are.

We know the Soviets are stronger than we are in some areas of military power.

We know they have more and bigger missiles.

We know they have more atomic submarines.

We know they have more tanks, more artillery pieces, more radars, more weapons stockpiles.

We know that they produce military equipment in greater numbers than we do, that they spend a far greater portion of their gross national product on military power than we do.

We know that many of their latest weapons are more modern than many of our latest weapons.

We know that many of our experts, hawks as well as doves, question our ability to successfully mount sustained operations in distant parts of the world, such as the Middle East, even without direct opposition from the Soviets.

There are questions—questions we would not have dreamed of asking when I entered this Congress 28 years ago, questions which arise from a period of decline we would not have dreamed of allowing back in the 1950's when I came here.

People speak these days of "parity"—

of "essential equivalence"—of "minimum assured destruction."

The language I would like to see us get back to is absolutely assured deterrence. And the way you get that is by starting the 10-year program for which this bill can be the beginning: a program to rebuild our Navy, modernize our strategic forces, modernize our conventional equipment and get that equipment—the planes, the tanks, the missiles and all that goes with them—to the levels required to deter the forces of any potential adversary.

To get there you have to begin by passing this bill. But make no mistake about it. You have to pass it with the idea that you are going to stay with the program for the long haul. To pass such a program one time and then revert back to the inadequate programs of the last 10 years is like exercising once a week. It is more dangerous for your heart than no exercise at all—and it may give you a false sense of security.

So I hope this bill will be a true beginning—and nothing would make me personally more happy than to see it pass.

Mr. Chairman, traditionally in opening this debate the chairman and I enumerate the major dollar authorizations and systems in the bill, with special emphasis on committee changes. I will not do that today. The committee report is available, it is detailed and clear—one of the best reports we have issued——and it has been available to all Members for a week.

Rather, I would like to make some special observations about this bill and how it relates to long-term needs and long-existing problems.

The chairman has pointed out that the committee added $6.2 billion to the bill and that this is the largest such addition we have ever recommended. We have done this in a time of severe cutbacks and we do not do it lightly. As a member of a party that has had a long, if unsuccessful, love affair with the balanced budget, I wish we could say the proposed defense budget is adequate. We can not do that.

But even more, I wish we could say that that budget is cost effective. It simply is not.

The defense proposal for fiscal year 1981 is a penny-wise and pound-foolish document.

The reason the committee had to increase the level of authorizations in this bill so much is very simple. Let me run through it:

Our strategic costs have been remarkably stable—about 8 to 10 precent of the budget—for the last 15 years. Why? Because we didn't introduce new systems and most of our costs were operation and maintenance. Now, long deferred modernizations of the strategic traid are taking place. Because of the long delay all three legs are being upgraded—the MX as a replacement for the Minuteman; the Trident is in production to replace the Poseidon; cruise missiles are being developed as a partial replacement for our once magnificent bomber capability. Because we are playing catch-up ball, there are large initial expenses for all these programs in the same year—over $1 billion each for Trident and MX.

What the administration has done—and this is no secret—it is quite clear in the testimony of defense witnesses—is to make the services eat some of the cost of these strategic systems by cuts in the procurement rates for conventional systems, particularly systems like aircraft where, because the systems are expensive, a cut in numbers looks like a substantial savings in dollars.

The Navy, for example, is paying for the Trident by being allowed to buy fewer aircraft than planned just a year ago. Believe it or not, for the second year in a row the budget calls for fewer new aircraft than the Navy lost to attrition last year. Last year the Navy lost 93 aircraft in accidents and 128 were retired because of age—221 aircraft. The budget as submitted called for only 104 new aircraft for the Navy. The Navy needs to procure between 250 and 300 aircraft per year just to maintain force levels.

But this process does not save money—it costs money. The budget savings are all paper savings in this year's budget. In real terms of ultimate costs, the stretchout of procurement means paying more for the same numbers.

There is a section of the report beginning on page 17 that I recommend particularly for your reading. It is titled: "Procurement Rates—Mortgaging Tomorrow for False Economy Today."

It shows that the real effect of the reduction in procurement rates proposed by the administration is billions—yes, literally billions in additional, long-term cost.

Slower production rates mean higher unit costs. With the P-3C Navy patrol aircraft, for example, the procurement of only 8 this year, instead of the 12 called for in the program Congress approved last year, increases the unit cost by $4 million per aircraft, according to Navy testimony. In the case of the A-10, reducing the buy from the 106 planes planned last year to the 60 in the budget submitted this year results in a 12-percent increase in cost per aircraft because of inefficient procurement rates.

The overwhelming portion of increases in dollar authorizations proposed by the committee are simply to make up for this inefficient procurement procedures and to put the level of procurement back to what was contemplated in the program approved by the Congress last year. You all know that when we approve procurement of systems, in addition to the buy for the specific year for which authorization is enacted, the legislation includes funds for advance procurement for what will be bought in follow-on years. We approve buying a certain number of systems and advance procurement for future buys based on a program of acquiring so many units over a period of years—often 5 years, or 7 years, or even longer. What our bill does, in most cases where we have added to the request, is go back to the program levels contemplated last year.

One important thing should be remembered, however: That in no case have we done this purely for procurement economies. In those cases where we have increased buys there is a clear need for additional systems in the force and evidence of problems in readiness, or problems in being prepared to face a potential threat, because of an inadequate number of planes, missiles, and other military systems.

And in virtually all cases where we have increased the procurement rates it is to buy earlier, at more efficient rates, numbers of systems that the Defense Department had planned to buy in the future.

There are remarkably few cases in this bill where the committee differs fundamentally with the Defense Department on the need for a system. And in a case where that happens, such as the AV-8B aircraft, the case for the system is, in my judgment, overwhelming. In fact, the case was invariably made by the military service commanders themselves. The Marine Corps, for example, makes very clear that the AV-8B is its No. 1 procurement priority.

Finally, I would observe that above all, I think the additions to the shipbuilding programs in this bill are a modest beginning to rebuilding our Navy and we would be failing in our duties if we provided any less. Again, there is no dispute that the number of surface combatants in our Navy is inadequate and that to get to the number we need and to replace our aging ships when necessary, we have to build more ships per year than we have been doing for quite some time. All of the studies commissioned by the Defense Department show this. I know of no serious analysis that questions that such is true. Yet year after year the Defense Department sends us a shipbuilding program which is simply inadequate in terms of the number of ships. No matter how capable a ship is, it can only be in one place at one time.

This bill adds only four new ships. It calls for reactivation of two ships to provide additional short-term firepower—a need that is a direct result of our inadequate shipbuilding programs in the past.

I urge the Members to support these shipbuilding increases in this bill and in the appropriations process.

To say that as a country we could not afford these increases is nonsense. The $6.2 billion that we have added to the bill is an infinitesimal percentage of our gross national product. Even with double this increase, we still would be spending less than 6 percent of our GNP for defense. From 1952, when I came here, until 1962, a period when we did not dream of facing the challenges that we are facing today, we spent an average of 11 percent of the GNP per year for defense. If we had to, we could spend a great deal more for defense today.

And ladies and gentlemen, we have to.

□ 1440

Mr. PRICE. Mr. Chairman, I yield 7 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in strong support of this bill to authorize appropriations of $53.1 billion for major procurement and research and development programs for the Department of

Defense. This bill is $6.2 billion higher than the President's budget request of $46.9 billion. This additional authorization is necessary if we are to continue the modernization and improvement of our strategic, as well as conventional forces, in this uncertain world. Recent events continue to remind us that it is military preparedness, strength and determination that deters war, not weakness and diffidence. Unless the country moves into runaway inflation, this $6.2 billion increase above the President's budget request will insure there is some real growth in defense procurement programs this year. It is impossible to estimate accurately how much real growth there will actually be since inflation over the next 18 months is so unpredictable.

The bottom line of this bill is that the committee essentially approved the President's budget request but found it lacking across the board in necessary procurement programs. When this year's procurement programs were compared to what the Defense Department had said it would request last year for fiscal year 1981, the differences were extraordinary.

Let me give some specifics:

Last year the Army stated it would request 145 Blackhawk helicopters in fiscal year 1981, it requested 80.

Last year the Air Force stated it would request 60 F-15 fighters, it requested 30.

Last year the stated request for A-10 attack aircraft was 144, it is now 60.

Last year the Navy stated it would request 180 Phoenix air-to-air missiles, which I must add, are in very short supply in the fleet, this year they asked for only 60.

The list goes on and on throughout all the procurement programs. The reason the Defense Department cut its fiscal year 1981 procurement request from what it had stated it would request for fiscal year 1981 last year is because of the dollar ceiling imposed by the Office of Management and Budget. The result of stretching out procurement programs is always the same—higher unit cost, and slower deliveries of critical weapon systems to the forces.

This bill attempts to redress this deficiency in procurement programs by increasing the President's budget some $6.2 billion; $1.3 billion of this increase is for the procurement of Navy tactical aircraft. It is no secret that for the past 2 years the Navy has lost through attrition more aircraft than it has purchased. This $1.3 billion increase will buy 107 additional attack, fighter, electronic warfare, and trainer aircraft over and above the 104 originally requested by the Navy.

The committee increased the procurement of Air Force aircraft and spare parts by $1.1 billion. It is most important to note that $312 million of this increase is for engine spares and other spare parts which have been sorely underfunded for the past few years. Spares are critical to operational readiness. The aircraft must be ready to fly and without these spares, they will not be.

The committee increased the requested amount for Army, Navy, and Air Force tactical missiles by $0.7 billion in an effort to fill out the inventories for our land-based aircraft in Europe and the Pacific and our carrier based aircraft.

The single largest increase in this bill over the President's request is in Navy shipbuilding. This Nation's margin of superiority has become increasingly thin in recent years as a result of persisting adverse trends in the naval balance between the United States and the U.S.S.R. Ongoing fleet modernization and the delivery of ships now authorized or building will maintain that margin through about 1985 at which point there is a very real danger that it may be lost. New construction of ships must be continued at a rate of at least 18 to 19 ships per year.

It is readily apparent in light of events of the past year that the United States must sustain an increased level of military presence and, in all likelihood, maritime forces in the Indian Ocean/Persian Gulf region for an indefinite period. It cannot be done much longer without substantial reduction in deployments elsewhere. Near term force improvements must be made. This bill addresses both of these concerns.

Clear action must be taken now to improve U.S. naval force structure vis-a-vis that of the Soviet Union particularly in light of the long-term commitment of naval forces to the defense of vital interests in the Indian Ocean and Persian Gulf. This bill addresses both of these issues with the $2.2 billion increase to the President's request for naval vessels.

The President requested $6.1 billion for 16 new ships this year. Only nine of these vessels are warships. Last year the President requested 10 new warships for $6.2 billion. It is difficult to understand how we can have a real growth in our naval forces with fewer ships and fewer dollars requested each year. For fiscal year 1981 the committee provided $8.4 billion for 20 new ships and the reactivation of two major surface combatants. This is an increase over the President's request of $2.2 billion. Let me explain this increase.

In fiscal year 1980 the committee increased the number of warships requested by one; a nuclear-powered attack submarine. This year the committee recommends the authorization of four additional warships; two additional attack submarines and two additional guided missile frigates for a total of $1.4 billion.

The rationale for the increases is straight forward—our current force levels in attack submarines and frigates are well below what the minimum force requirements are.

The minimum number of attack submarines we need is 90; we now have 75. To maintain a force level of 90 submarines we must build at least 3 to 4 per year. This bill provides for three submarines in fiscal year 1981.

The minimum number of guided missile frigates is about 100; we now have 72. The addition of two frigates this year will save some $50 million in procurement costs and allow our frigate force level to be reached at an earlier date. This bill provides for six frigates in fiscal year 1981.

The committee also provided a total of $232 million to fund critical long lead items for a third Aegis class cruiser, a second LSD-41 amphibious ship, a mine countermeasure ship and six landing craft air cushion vehicles. These long lead items are essential if we are to deliver ships to the fleet on schedule and on cost in later years. In the case of the mine countermeasure ship, there is now no production line for a nonmagnetic engine in the United States. The long lead funds for this ship will initiate that production line.

The committee recommends, as requested, $3.5 billion for the ninth Trident submarine, two Aegis class cruisers, five Tagos ocean surveillance ships, the first LSD-41 amphibious ship, a new salvage ship and the first of a new class of transport ship for maritime prepositioning of equipment in support of the rapid deployment force.

The Trident program continues as our only sea-based strategic modernization effort. The first Trident, the *Ohio*, will join the fleet next summer. The current program calls for a fleet of 14 Tridents. I might add, that the *Ohio* alone, with its 24 Trident I missiles and related warheads, will be able to cover more enemy targets than our entire 10-boat Polaris fleet. The introduction of Trident will allow these 10 Polaris submarines to be transferred to other submarine missions such as cruise missile carriers or additional attack submarines.

The Trident program is a national strategic program but does not improve our conventional warfighting capability, however, still must be funded within the Navy's overall budget.

The authorization of the third and fourth Aegis-class cruisers will continue the buildup to a rate of four per year by 1983. These cruisers will replace our nonnuclear cruiser fleet (20 ships) which will be retired during the late eighties and early nineties.

A total of 24 Aegis cruisers is an absolute minimum as these ships provide the fleet with an air-defense "umbrella" that is essential to the protection of our offensively oriented carrier battle groups.

This is the first year the LSD-41-class amphibious ship has been authorized. With the near retirement of our eight LSD-28-class amphibious ships, we must get on with the program to insure we maintain the amphibious boat and vehicle lift so necessary to our marine forces.

The five Tagos ocean surveillance ships, if they were available now, would be of dramatic value in tracking the Soviet submarines now in the Indian Ocean. These ships are essential to the surveillance of enemy submarines in areas where our fixed surveillance system does not operate.

The new transport ship for the rapid deployment force is the first of eight ships which we designed from the keel up to carry equipment, ammunition, aviation gas, water, and the like in support of three marine amphibious brigades which are to be dedicated to the rapid deployment force. These ships will have roll-on/roll-off capability to insure fast loading and unloading. The ships will have dehumidification equipment in good working order for long periods of time at sea.

Finally, the committee approved $0.5 billion for the reactivation of two major surface combatants, the battleship U.S.S. *New Jersey* and the aircraft carrier U.S.S. *Oriskany*.

Naval forces have a long gestation period, and new construction ships authorized in fiscal year 1981, though they are urgently required, simply cannot be delivered in time to be of help in the near term. Action must be taken to provide early improvement in our force structure. Initiatives must be pursued now that will provide relief soon. Toward that end it is the committee's recommendation to reactivate these two surface combatants. It must be emphasized that this is not a substitute for forces in the 5-year defense plan which are essential to meet fleet needs into the next century. Rather, they are additive, force builders to relieve the pressure on a fleet that is structured grievously thin.

Recommissioning these ships would result in a dramatic increase in force posture—faster and cheaper than new construction. Such action initiated now would improve U.S. force structure vis-a-vis the Soviet Union. The U.S.S.R. is currently building aircraft carriers and battle cruisers and will continue to do so over the next decade. The relatively modest investment that the reactivations would require buys a substantial increase in fleet capability within 2 to 3 years. A modernized battleship would serve well for at least 15 years. With appropriate aircraft, *Oriskany* would serve well for at least 5 years.

These reactivations represent a dramatic demonstration that the United States is serious about improving its presence in Third World contingencies such as we are facing now. The signal to the Soviets would be clear.

There are two essential considerations, however, if this proposal is to ultimately work: Adequate compensation for people, and increases in industrial capacity to handle the refit and modernization of the ships.

The people problem is manageable, given adequate pay. In any event, it will be 18 to 24 months before full crews would be required. Increased industrial capacity is the key. The physical capacity to do the work is available but relief is required from civilian personnel ceilings in the shipyards—to accommodate the increased workload without major perturbations in the current ship overhaul and modernization program.

Reactivation of *Oriskany* will provide a deployable asset which could be used as a strike carrier for Third World contingencies. It would be suitable for crises of the kind now faced in the Persian Gulf. Using a mix of Active and Reserve Navy and Marine aircraft and aircraft now in stowage, this ship would be effective alone in a moderate threat environment or as a complement to a full-capability carrier in areas of greater threat. It offers a means of stretching scarce carrier resources.

The *New Jersey* will provide the fleet with an imposing platform with impressive offensive punch and unsurpassed survivability. She will be capable of operating independently or as part of a carrier battle group. The reintroduction of major caliber guns will restore an unparalleled shore bombardment capability. Armed with Harpoon and, ultimately, Tomahawk cruise missiles, the *New Jersey* offers a major strike capability, independent of the aircraft carrier. So-armed, this ship is clearly the equal of any battle cruiser the Soviets can deploy in the next decade.

It is for these reasons, conditioned by the pay and civilian personnel ceilings issue, that the committee approved $0.5 billion and urges the reactivation of these ships.

In summary, the fiscal year 1981 Defense authorization bill provides a level of funding necessary to continue the critical procurement and research and development programs needed to modernize and strengthen our existing forces. This bill represents the committee's best judgment as to what programs should be funded and what level of fiscal resources should be directed to these programs. I urge my colleagues to support this important bill.

□ 1450

I would conclude by saying that we will all greatly miss the gentleman from California (Mr. BOB WILSON) who has been a stalwart for national defense in the years he has been here. It is a personal sadness to me to have him leave the committee and leave his leadership here in the Congress as a whole. We wish him well and congratulate him on the wonderful service he has given.

Mr. BOB WILSON of California. Mr. Chairman, I yield 14 minutes to the gentleman from South Carolina (Mr. SPENCE), the ranking member of the Subcommittee on Seapower and Strategic and Critical Materials.

Mr. SPENCE. Mr. Chairman, I rise in support of H.R. 6974, the fiscal year 1981 authorization bill for the Department of Defense. I sincerely believe that this country has reached a crossroad in history. One direction leads toward self-confidence and some certainty that, come what may, we will be militarily, economically, and politically prepared to influence our destiny. The other direction heads toward procrastination and uncertainty; doubts about our ability or credibility to protect American interests wherever the test may come. I believe that the great majority of the American people want no part of the latter course. It is a loser, and I believe they are sick and tired of losing.

I am reminded of a story that is particularly appropriate for the moment. The irony is all too clear.

At the time of the Cuban missile crisis in 1962, the Russian negotiator curtly acquiesced to U.S. demands. He asked the U.S. negotiator what it was that the United States wanted to do. He was told to get the Russian strategic missiles out of Cuba. The Russian envoy agreed to comply, but pointed a finger at the American and said, "Never again will we be caught in this position."

About a year later, Admiral Gorshkov, the commander of Russian naval forces, "ordered his men to sea." This event marked a break in the traditional role of the Russian Navy as a coastal defense force. In the 18 years since the Cuban missile incident, the U.S.S.R. has built a large and formidable blue ocean fleet that can project its power in waters remote from the Soviet Union. The leadership in the Kremlin is apparently determined to never again have to negotiate from a position of weakness at sea.

The Russian Navy today is larger than the U.S. Navy.

Right here I want to make clear that it is of little consolation to me to have critics of an enhanced naval shipbuilding program proclaim that our technology is superior to the Russians and, therefore, somehow we should not be too concerned about the fact the Russians have about twice as many major surface combatants and three times as many submarines as we do. Let me give you a concrete example of how the Russians are technologically ahead of us. The Russians have a titanium-hulled submarine known as the *Alpha* class. It can dive deeper and go faster than anything in the U.S. submarine inventory. Our technicians tell us that the United States does not have the technology to build titanium-hulled submarines. No, I do not take any consolation in the kind of rationale that proclaims that our technology is superior to the Soviets, and I hope that neither will you.

The U.S.S.R. continues to build warships at a pace that far exceeds our own. Why? The Russians are building 8 to 12 attack submarines per year. The most recent U.S. shipbuilding plan has only one. The Russians are building four new classes of cruisers. The United States is building only one new class. The Russians are building a 30,000-ton, nuclear-powered, battle cruiser. U.S. nuclear-powered cruisers, of which there are only nine, are less than half that size. What is even more incredulous is that not one nuclear-powered naval combatant is in the administration's 5-year shipbuilding plan for the surface fleet. Why?

We are a maritime nation, and we had better recognize that fact. I hope that there is no one in this body who does not appreciate the significance of this. I hope that there is no one in this body who does not recongize the consequences of having our sea lines of supply interdicted. We simply cannot take the chance of this ever happening. We must be willing to pay the premium on the policy that insures us freedom of the seas.

I think that somebody has to sound an alarm for the American people to hear, and I am willing to sound it. There are extraordinary events taking place in the world today which we can only ignore at our own peril. Take a look around and I think you will see that things do not bode well for U.S. interests.

The Russians have occupied Afghanistan. They have succeeded in achieving another step toward the goal of capturing warm-water ports facing the Indian Ocean. Throughout the 19th century, Great Britain, France, and Russia vied for a predominant place in the countries of Islamic Asia. There is a long history of Russian attempts to move into Afghanistan, Iran, and other neighboring countries. They have been relentless in pursuit of their best interests. We do not seem to care about our best interests anymore.

The Russians have established naval bases in strategic locations worldwide. They are in Cam Ranh Bay in the Pacific not far from the Straits of Malacca through which run the main trade routes past Singapore, between the Indian and Pacific Oceans. They are in Aden and Isle of Socotra along headwaters of the Suez Canal. They are in the Caribbean, at Cienfuegos in Cuba, not far from the Panama Canal. They are in the western and eastern shores of Africa, not far from vital shipping lanes from the Indian Ocean, around the Cape of Good Hope to the United States and Europe.

Recently I learned that the Russians are financing, and the Cubans are building, a 15,000-foot runway on the island of Grenada in the Caribbean. Why? Grenada has a Communist government. The island lies in the southern chain of islands pointing toward the oilfields of Venezuela.

Do the Russians have a grand scheme for world domination? I certainly do not know. But whatever it is that they are doing seems to be aimed at disrupting American influence in areas of the world vital to our economy. Their actions have been consistent with classic Russian Marxist doctrine.

Some writers have suggested a similarity between events taking place today and those which took place in 1914 and 1939 at the start of two World Wars. Whether real or imagined, the Russians are acting very similar to the manner in which the Kaiser and Hitler acted. Fear of invasion or economic survival may be the driving forces in Russian behavior. Middle East oil at Russia's doorstep is certainly as tempting a prize to Russians facing petroleum shortages in the 1980's as it is a key to economic survival for Western Europe and Japan. The Russian occupation of Afghanistan, ostensibly to quell an uprising of Islamic elements considered a threat to the security of Soviet borders, may have some believers in Western circles, but regardless of the circumstances, the fact remains that the Russians are in Afghanistan, most likely there to stay, and they will have greatly enhanced their strategic position in Asia. The seed of potential conflict have been sown.

The West had better be ready for the challenge of Russian expansionism. From what I can determine, we are not responding to the situation as we should. We are still sending confusing signals to our friends and allies. They perceive us as lacking a clear sense of direction and the will to protect our interests abroad, even to the extent of military conflict. Frankly, I do not blame them, for the information systems available today makes it possible for them to examine us for what we do, rather than what we say. What we do to make meaningful increases in military procurement and preparedness will be seen as a signal of U.S. determination to break out of the lethargy that engulfed us in the post-Vietnam period.

Let me briefly tell you how I view the state of the U.S. Navy today, since as a member of the Seapower Subcommittee I know a little bit about that subject. This is also what our friends and allies likely see.

You have been told that there is real growth in the defense budget. The figures vary from about 6 percent to less than 3 percent. Perhaps you have read the Wall Street Journal editorial of April 16, 1980 entitled "The 3% Fraud." If you have not, I recommend it, since it sets the record straight. Now hear this: The Navy's real growth, total obligational authority (TOA) for fiscal year 1981 over fiscal year 1980, is only 1.3 percent in constant dollars. The real growth for outlays for the Navy in fiscal year 1981 over fiscal year 1980 is 0.1 percent (one-tenth of 1 percent) in constant dollars. But here is the most startling statistic. The real program growth in the shipbuilding program as submitted for fiscal year 1981 over fiscal year 1980 is minus 14.9 percent in constant dollars. In terms of constant dollars, the Navy shipbuilding program, presented by the administration, is $1.1 billion less in fiscal year 1981 than in fiscal year 1980.

The President says he wants a strong Navy. His actions are not consistent with his words. There are significant shortages in the Navy shipbuilding which can only be corrected by a progressive and uniform increase in the numbers of warships procured each year for the next 20 years. We should be building between 18 and 24 ships a year of various types.

U.S. naval forces are at a low ebb, their smallest since pre-WWII. I came across an interesting statistic the other day. In 1943 the Navy procured some 1,700 ships. This year, the entire Navy shipbuilding program consists of only 16 ships. I seriously doubt that today we have the surge capability to duplicate such an effort.

U.S. naval force level trends now show:

First. Not enough aircraft carriers to maintain credible carrier force structures in vital areas of the world. The Commander in Chief Pacific, says he needs two more carrier battle groups. We are stretched thin in the area where we hold superiority over any adversary; our aircraft carrier forces. They are the backbone of the fleet;

Second. Not enough attack submarines being built per year to maintain a minimum requirement of 90 submarines;

Third. Not enough cruisers and destroyers. Our cruiser/destroyer levels will take a sharp trend downward in the mid-1980's unless we begin a vigorous building program;

Fourth. Not enough amphibious forces. Our amphibious forces will suffer from block obsolescence in the mid-1980's unless we begin a steady replacement program, not one for one, but in kind;

Fifth. Not enough logistics ships. Our auxiliary forces, oilers, ammunition ships, and supply ships are in short supply and aging. Replenishment numbers are insufficient;

Sixth. Not enough mine warfare ships. Our mine warfare ships are decrepit. We have only about six in the active fleet, and they are all about 30 years old;

Seventh. Not enough Reserve Forces. Our Naval Reserve Fleet is about to disappear. The 20 or so Reserve destroyers average over 34 years of age; and

Eighth. Not enough ships in the pipeline to replace losses.

The short-term ship gains in the next few years are deceptive. The real problem lies ahead.

The Seapower Subcommittee added $2.2 billion to the budget request for shipbuilding to make up for the nearly 15 percent cut in shipbuilding imposed by the administration. This increase raises the total number of ships for the Navy in the fiscal year 1981 program from 16 to 22. This action is consistent with the real requirements of the Navy. We must resolve to go forward with this shipbuilding program.

I want to say a few words here about readiness and procurement since I expect that some of the debate may focus on these two areas as distinct and separate from one another. I think that it is important that a balance be struck between the two. We need to keep what we have got ready to fight, but we also have to make sure that there is a steady and economic flow of new procurement in the pipeline. We cannot solve our long-range procurement needs—particularly in shipbuilding which takes so much time—fixing what we have got to the detriment of new shipbuilding programs. We must find a way to do both.

Integral to this shipbuilding and maintenance situation is the viability of the industrial base that supports such activity. The trends show that we are losing shipyard worker skills and production capability for vital shipboard components. The primary reason is simply that there is not enough work. Neither the shipbuilders nor the suppliers find it profitable to build ships for the Navy. The converse is also true. The Navy may be paying too much for ships because there are too few builders willing to risk the investment.

The bright hope for the future is that there ought to be an upward surge in Navy shipbuilding simply because the Navy needs so many new ships to build up fleet inventories. Overall, this ought to have a positive effect for the Nation's economy as well as the military posture of the Navy.

In the same vein, I hope that we can develop a national policy that clearly leads us to rational defense expenditures. We spend too little now. I get distraught when I hear people say that we are now spending more for defense than ever before in the history of this country. The implication, of course, is that we have more than adequately addressed the needs of defense. This kind of dialog perpetuates a myth and a false sense of security to the American people. The material cost of everything in our lives is now greater than ever before in history. The real cost of defense has to be recognized for what it has to be. It has to be an expense that buys, mans, and maintains the kind of military equipment this country needs to survive as a free nation in the 20th and 21st centuries. The Congress has that responsibility.

Secretary of Defense Harold Brown ended his fiscal year 1981 Department of Defense posture statement as follows:

> Critical turning points in the histories of nations are difficult to recognize at the time. Usually, they become clear only in retrospect. Nonetheless, the United States may well be at such a turning point today. We face a decision that we have been deferring for too long; we can defer it no longer. We must decide now whether we intend to remain the strongest nation in the world. The alternative is to let ourselves slip into inferiority, into a position of weakness in a harsh world where principles unsupported by power are victimized, and to become a nation with more of a past than a future. I reject that alternative, and I know that the Congress does as well.

His statement makes sense. His budget proposals do not. Let the Congress help him achieve what he says this country must achieve, a more realistic defense budget responsive to the times.

□ 1500

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding. I want to associate myself with the remarks of the gentleman in the well and say that although I am somewhat disillusioned over the inability of the administration to understand the urgency associated with improving our state of military preparedness, this committee certainly remains steadfast in our desire to improve this preparedness.

Mr. Chairman, I extend my personal thanks and appreciation to the chairmen and the ranking members for their fine work in preparing this bill.

As you know, these are trying times. We have a situation where U.S. men and women are being held hostage in Iran; we have heard testimony recounting the events that led to an abortive attempt to free these hostages; we see the U.S.S.R.'s invasion of Afghanistan and the clear desire to spread their influence throughout the oil-rich Middle East area; and we see the increasing costs and diminishing supply of critical petroleum and petroleum products needed to maintain our military preparedness. These conditions, coupled with the mood of this administration to balance the budget at any cost—witness the President's recent and successful attempt to kill the amendment offered by the gentleman from Texas (Mr. GRAMM) and myself—and the less than credible All-Volunteer Force, create a sizable challenge for the committee. This bill attempts to address that challenge.

I would particularly like to commend the Military Personnel Subcommittee chairman, Mr. WHITE, for his energetic efforts to solve some of the personnel problems in the military despite the many obstacles.

Mr. Chairman, although I am somewhat disillusioned over the inability of this administration to understand the urgency associated with improving our state of military preparedness, I remain steadfast in my desire to improve preparedness by focusing on the heart of the military system—its people.

The committee, in reporting H.R. 6974, has tried to attack the personnel problems of the military by addressing the shortfalls in the areas of recruitment and retention in the context of the All-Volunteer Force concept.

RECRUITMENT

The All-Volunteer Force experiment to date has achieved very mixed results. The failure of any of the four services to achieve their recruitment goals for the fiscal year ending last September presents convincing evidence that we must do more. Recruitment for fiscal year 1979 was 7 percent short of the Department's recruitment objectives, and the Congressional Budget Office has estimated that if current policies continue—noncompetitive pay and diminishing benefits—recruitment may fall short by as much as 15 percent by 1985.

The recruiting situation in fiscal year 1979 could have been worse had it not been for the large increases in the number of women being recruited.

The recruiting problem is particularly acute in the Army and the Marine Corps with present shortfalls of 16,400 and 1,200 enlistees, respectively.

Although it appears that the Active Forces shortfalls for this year will not be as great as those experienced last year, there are significant problems in attracting and recruiting the caliber of individuals the military needs to operate and maintain its sophisticated weapons. All of the military services are experiencing problems in attracting high school graduates.

The Department has indicated that in 1979, 48 percent of the Army's enlistees fall into the lower mental categories which requires the Army to provide remedial reading and special training for these individuals. It is important to note that the Department of Defense has recently indicated that perhaps these tests do not accurately measure the enlistee's mental abilities, nor do they measure the enlistee's potential for success in the military. Therefore, despite the Department's own findings, some Department of Defense officials steadfastly maintain that the All-Volunteer Force is working well. It is not clear this is the case.

Due to the ambiguity with regard to the validity of the current mental category tests, the committee has encouraged the Department of Defense to take immediate action to conduct a comprehensive assessment of this problem and present the Department's recommendations to the committee by June 30, 1980. In the interim the committee has asked to be informed of the methods the Department plans to use in making the assessment.

It is obvious that the recruiting force needs new tools to attract the appropriate enlistees. In the past, continual increases in the recruiting and advertising budget have not resulted in the military being able to attract enough of the appropriate enlistees. There is a definite need to provide additional incentives which would make the military more attractive to high school graduates. In this regard, the committee will propose a discretionary educational incentive program, which will focus on the recruitment of high school graduates, while not acting as a disincentive for retention.

There are additional problems associated with recruitment. One very significant problem is that recruiters are not able to have access to the high school and police records of prospective enlistees. The committee has urged the Department of Defense to promptly take action, including the submission of proposed legislation which, if enacted, would enable recruiters to have access to high school and police records for the purpose of enlisting personnel for the military.

RETENTION

While our recruiting shortfalls are particularly acute in the Army and Marine Corps, our retention shortfalls have reached the critical point in the Navy and Air Force. The Navy has 20,000 fewer experienced petty officers—pay grades E-4 through E-9—than it requires. This represents a loss of 3,000 petty officers since last year. In general, the retention rate for second-term enlistees in the Navy (enlistees with 6 to 10 years of service) is alarming. The Navy has indicated that in order for it to maintain the appropriate state of readiness, it must retain 60 percent of second-termers. The current retention rate is only 45 percent, and that is 2 percent less than last year's retention rate.

The committee recognizes that there is no quick fix to the retention problem, and that it requires a long-term solution with the support of the Department of Defense, the administration, and the Congress. The Navy has initiated a test to investigate the feasibility of improving the conditions of service for its enlistees in the areas of maintenance, frequency of inspections, excess in-port duty, and other tasks which tend to have a negative impact upon retention. We all anxiously await the Navy report of the findings and conclusions resulting from the test.

The Air Force is experiencing some significant problems in retaining career enlisted personnel and pilots. In fiscal year 1980, only 26 percent of the pilots completed their 11th years as compared with 51 percent in fiscal year 1976. The Air Force is short 1,302 pilots and 39 navigators; and if this trend continues, the Air Force estimates that the shortage will increase to 3,400 pilots and 900 navigators by fiscal year 1982.

RESERVES

The Reserve program is an integral part of the national security establishment. The Active Forces, in many cases, could not be deployed to accomplish their mission without Reserve augmentation. Therefore, we must also address our Reserve force recruitment and retention problems, and take whatever steps are necessary to insure that our Reserve program remains healthy as a part of the total force concept.

The committee has proposed that the Reserve incentive program, which includes enlistment and reenlistment bonuses and educational assistance, be extended until September 30, 1985. Unless this program is extended the Reserve incentives will terminate on September 30 of this year.

Our peacetime manning requirement is short by 130,000 personnel. The wartime manning requirement shortage is even greater—170,000 personnel. I feel that these incentives are also necessary to improve the overall quality of our Reserve Force. As an example, in fiscal year 1979, 74 percent of all enlistees in the Army Reserve were in the lower mental categories. As a partial remedy for this problem, the committee will also propose an increase in the amount of educational assistance available to the Reserves.

The committee remains concerned about the participation in the Reserve program, and it has directed that a report on attrition in the Reserve be prepared and submitted to the committee before the fiscal year 1981 defense program is submitted.

I urge you to join with me and the Armed Services Committee in our efforts to improve the status of our military personnel and strengthen our personnel readiness.

This is a good bill and I urge you to vote for it.

Mr. PRICE. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I rise in support of H.R. 6974 and specifically to address myself to title II. The Department of Defense requested $16.478 billion for the fiscal year 1981 research and development program. The committee, after an extensive review of the request, recommends authorization of $16.704 billion—an increase of $226.1 million or 1.4 percent.

Mr. Chairman, during my 19 years in the Congress, I have spent a great deal of my time on defense matters. But even before I came to the Congress, I recognized the importance of R. & D. to our defense capability and indeed the impact R. & D. has had on our whole way of life. Military medical research in the 18th century gave us our first mass vaccination program for smallpox in 1777. This was later followed by work that helped protect us from typhoid, hookworm, and yellow fever.

The military R. & D. program produced the technology that in turn produced the C–5A military transport, the father of today's Boeing 747, Douglas DC–10 and Lockheed L–1011 commercial aircraft. As a consequence, we can leave this building at 4 o'clock, drive over to Dulles Airport and conduct business in Europe tomorrow morning.

The pocket calculator which came from the commercial world of electronics is still another amazing output of our investment in technology. We can do all sorts of complex computations—we can take the square root of an 8-digit number or multiply 2 4-digit numbers on a pocket calculator in less time than it takes to get the calculator out of your coat pocket.

Unquestionably, technology has played a major role in shaping the America that we have today. Like most things in life, however, technology can be used for both good and evil purposes. While its output can be used to defend freedom, it can also be used to kill people. While technology stimulates new careers, it also generates boring mundane assembly line jobs.

There is no question that technology has shaped everything in our lives from the way we travel to the way we fight a war.

The technology that we perform today decides what weapon systems we will buy from now until the year 2000, and in some cases even later. There is little doubt that, without technology, the war fighting-war winning capability of this country would atrophy. But technology or its end products are not sufficient to give us a war fighting-war winning capability. Along with technology and weaponry, we need two major ingredients, will and commitment. I will say more about this in a few minutes. First, however, I want to summarize the more important actions that the Armed Services Committee has taken on the fiscal year 1981 defense R. & D. program.

The committee recommended $226.1 million more than the administration requested for defense R. & D. This add-on does not mean that the commitee acceped the administration's request and added a few more R. & D. programs because in reality, we made over 130 program adjustments reflecting deletions, reductions and add-ons to projects and programs. It is our judgment that the R. & D. program recommended in title II is more responsive to our near- and long-term military requirements than the R. & D. program requested by the Defense Department.

We added $400 mililon for the R. & D. required for the strategic weapons launcher or SWL. The SWL is a fixed-wing variant of the B–1 manned penetrating bomber. The SWL, however, is not, and I emphasize not, a manned penetrating bomber. It is a cruise missile carrier that will replace the B–52G's.

We did not add this $400 million to stimulate a confrontation with the administration or reverse the president's decision to terminate the B–1. We did not recommend the SWL because of the situation in Iran or Afghanistan. We recommend it because the B–52G's will be 40 years old in 1990, and we are not willing to send our pilots and crews to war in a 40-year-old aircraft.

When the B–1 was terminated in 1977, we were told that there were less costly alternatives that were available to do the job. Regrettably, I must say we were sold a bill of goods because the B–52G cruise missile integration program is just about as expensive as the procurement of 244 B–1 aircraft. What is even more unfortunate about the situation is that it is costing us as much to get less capability than the B–1 would have provided. But that is water over the dam; and while I still strongly support and favor the B–1, I do not think it is prudent to take up the fight for it this year. I am ready, however, to take on the issue of investing hundreds of millions of dollars—unwisely I might add—in making modifications to the B–52G's to keep them flying out to the year 2000. How many of you would like to fly from Washington to Los Angeles in a DC–3 let alone send your children or anyone for that matter to war in a 40- or 50-year-old aircraft?

We believe that in view of all the other alternatives, the fixed-wing nonpenetrating SWL is the best answer to satisfying the cruise missile aircraft requirement.

The committee recommends the addition of $243 million to continue full-scale development of the AV–8B VSTOL aircraft for the Marine Corps. This is the only aircraft that will enable the Marines to operate in the forward area. The fact that the A–18 does not fully satisfy the Marine Corp requirement, led to the judgment that the AV–8B is essential to the Marine Corps mission and that the program should move forward.

The U.S. Navy today is seriously deficient, both quantitatively and qualitatively, in major surface combatant ships. Fortunately, we are moving forward with the CG–47 Aegis cruiser; but unfortunately the Soviets have four new classes of warships under development at this time. The intelligence people postulate that the Soviets will buy more of each new class of these ships than the United States will buy in the entire CG–47 program. Unquestionably, the Navy's major surface combatant profile relative to that of the Soviet Union is poor and will worsen by 1990 unless we take the appropriate action now to build and deploy capable fighting ships. Accordingly, the committee added $100 million to accelerate the development of the DDG–X ship—a platform that is intended as a highly capable fighting ship with major emphasis on its antiair warfare capability.

The committee opposed the C–X transport aircraft program that was proposed by the Department of Defense primarily because this aircraft does absolutely nothing to correct our present strategic mobility deficiencies. Further the C–X is only a partial solution—and not very good at that—to our future requirements. I strongly support my distinguished committee chairman in his assessment that we need more airlift. I would lend my complete support to the procurement of readily available aircraft that will correct the deficiencies that we have today. I have supported, and will continue to support, buying more C–130's and more civil reserve air fleet capability. I could even support buying more C–5A's or C–5A derivatives. After all, we have invested over $6 billion in this program; and we should get the most out of this investment.

I have yet to be convinced that the C–X is either desirable or necessary.

The committee also recommends against the Army's 120 millimeter tank gun program. This program was started in the interest of NATO rationalization, standardization, and interoperability. We are advised, however, that our NATO allies have not even committed to the U.S.-developed ammunition for the gun.

The 120 millimeter tank gun will require about $2 billion and when we consider the problems, both technical and management, that are being encountered, as well as the Army's affordability problem, then the committee had to recommend against the program. Mr. Chairman, this summarizes some of the more significant committee recommendations and I do urge the support of the Members for title II of this defense authorization bill.

I want to make it clear, however, in what will be one of my last trips to the well to speak out on behalf of defense that this country needs a great deal more than $16 billion in title II or $160 billion or so in an appropriations bill to preserve the national security of our great country.

In my 19-year association with defense, I have watched our Nation go from a position of nuclear monopoly to rough strategic equivalence. While we have been arguing the case for the MX the Soviets have developed four new strategic missile systems and have four more on the drawing board.

I have listened to defense witnesses, including General Rogers, our supreme allied commander in chief, Europe, advise that our Army now lacks the resources that are necessary to maintain a war-winning capability in NATO.

I have watched our total military capability—a capability that 20 years ago was respected and admired by all countries be seriously questioned by many of these countries today.

This past January, I led a delegation to the Pacific theater to review our preparedness in the Indian and Pacific ocean. We conferred with officials in Australia and Singapore to gain their perspective on the current world situation and on the U.S. military posture.

In Australia, we were advised by their professional military that in their view, the United States has and I quote, "given up a military advantage that it held for many years."

In Singapore, President Lee described the U.S. appearance as "a ship in a storm without a tiller." He stated that the cards for the future are on the table and indeed the future of the entire world will be determined by how the United States plays them.

He did not doubt for one moment the tenacity of the Soviet purpose in their relentless pursuit for power. He did doubt, however, the will and commitment of the United States to look after not only the interest of its allies but after our own interests as well.

Will and commitment—these are the two words that have been brought up to every delegation of the Armed Services Committee that has visited the Middle East, Europe, Africa and other parts of the world during the past 4 or 5 years. We seem to have lost our sense of commitment to insure our best interests and the will to fight for our best interests when challenged. Our allies and the people of the Third World countries have a burning desire for the United States to show its resolve and deter Soviet aggression, but they are afraid to take a stand because they wonder whether or not we will be there if and when they need us.

I want to caution, Mr. Chairman, that defense authorization and appropriation bills have little meaning without will and commitment. If it is our policy to continue to let the Soviets get away with aggression—if it is our policy to allow people to take over our embassies, hold U.S. citizens hostage and kill our ambassadors—if it is our policy to only scream outrage in response to actions that are intended to humiliate us, then we might as well all go home now and forget about a $53 billion defense authorization bill.

I gave my full support to the Holt-Gramm amendment to increase defense spending for the coming fiscal year. I am indeed sorry that it failed and I would vote for it again today. Even if it had passed, however, it still would not have been enough to insure our national security because defense dollars must be backed by U.S. resolve.

I believe that we should begin by rejecting any amendments to this defense bill that will cause the further decline of our military capability.

Our Nation's security depends on dollars, U.S. resolve, and a clear perception on the part of our friends and enemies that we are committed to insure the future of the free world.

Thank you.

□ 1510

Mr. BOB WILSON. Mr. Chairman. I yield 10 minutes to the distinguished gentleman from Alabama (Mr. DICKINSON), the ranking member on the Subcommittee on Research and Development.

Mr. DICKINSON. Mr. Chairman, I would like to join with the distinguished chairman of our full committee in his kind remarks for our retiring Members. All such remarks are very well deserved. I, and I am sure others, will have a great deal more to say about that later.

Mr. Chairman, I rise in support of H.R. 6974, the bill we are considering here today. In years past, I have normally used my time during general debate to comment primarily on matters related to research and development since I serve as the ranking minority member of the Research and Development Subcommittee. I do not plan to do that this year because I do not believe that research and development is currently our area of greatest concern or need.

That is not to downplay the importance of maintaining an aggressive research and development program. There should be no question that the many modern weapon systems that we have in being today are a direct result of the research and development efforts which were carried out in previous years. We must continue to invest heavily in our technology efforts.

Under DICK ICHORD's able leadership, the Research and Development Subcommittee once again thoroughly reviewed the R.D.T. & E. program proposed by the Pentagon and, where the proposal was found to be lacking, the subcommittee was quick to recommend changes, both upward and downward.

I will not attempt to summarize our recommendations at this point. The committee's report has been available to the members for some time now and the detailed rationale for the various programmatic adjustments is included in the report. I want to assure you that the research and development budget was thoroughly scrubbed and I ask for your support of our recommendations.

I want to shift gears now and move away from the narrow subject of research and development to the broader subject of our overall defense preparedness. As a lead in, I would like to quote from Secretary of Defense Harold Brown's posture statement before our committee on February 2, 1978. I want to stress the date here. It is not 1980, but 1978, so what I am about to quote was said over 2 years ago. In the interest of time, I am only going to note several key points but let me assure you that I am not doing a "60 Minutes" job on Dr. Brown. I think his meaning was clear and is accurately reflected by what I am going to point out.

On the matter of overall military preparedness, Dr. Brown told our committee on February 2, 1978:

> The main objective of our collective security system must be the maintenance of an overall military balance with the Soviet Union no less favorable than the one that now exists.

On the matter of strategic capability, Dr. Brown told our committee on February 28, 1978:

> In my judgment, a rough strategic nuclear equilibrium exists between the two super powers at the present time. Neither country enjoys a military advantage . . .

Dr. Brown then went on to say:

> Mutual strategic deterrence and essential equivalence are in effect. The administration is determined to continue the current state of affairs . . . we will maintain it by whatever means and resources are necessary. No one should have any doubts whatsoever on that score.

As part of our posture hearings on the fiscal year 1981 budget request, Chairman PRICE requested that several of our military commanders come before the committee to testify on their command's ability to carry out its mission. I would like to quote what three of these commanders had to say in that regard.

On January 25, 1980, almost 2 years after Secretary Brown's statement that I have just alluded to, Gen. Richard Ellis, Commander in Chief of the Strategic Air Command, had this to say about the nuclear balance that currently exists between the United States and the Soviet Union.

> The Department of Defense report to the Congress supporting the 1979 budget stated

> that rough strategic equivalence existed at that time between the U.S. and U.S.S.R. (that is, January, 1978). Our calculations agree that such equivalence did exist in the mid-1977 and early 1978 time frame. If that period is accepted as the departure point for subsequent year assessments, then I can only state that, by today's measurements, an adverse strategic imbalance has developed and will continue for several years to come. This imbalance exists not only when our forces are in a day-to-day alert posture (the worst case), but also when fully generated (the best case).

On February 5, 1980, Adm. Robert Long, Commander in Chief, Pacific, in responding to a question from my good friend, DICK ICHORD, regarding his ability to carry out his mission in the Pacific had this to say:

> At present I do not have sufficient forces in the Pacific command to carry out all of the requirements that have been levied upon me.
>
> My estimate for additional naval and air forces is I need somewhere between 25 and 30 percent more to carry out my mission. Specifically, in naval forces I need a minimum of two additional carrier battle groups with associated surface combatants, nuclear submarines and support ships.

On March 3, 1980, Gen. Bernard Rogers, Commander in Chief of U.S. European Command, had this to say about U.S. military preparedness in the European theater:

> Objective analysis of the growth of Soviet military power confirms its balanced distribution across all major categories of military capability: Land, sea and air; nuclear and conventional; immediate combat power and sustaining logistical support. As a result of this unabated growth of military power, the Soviets have surpassed the West—or soon will—in all three types of forces required by our NATO strategy, conventional, theater nuclear, and central strategic forces.

☐ 1520

Let me add a statement by Assistant Secretary of the Army, Percy A. Pierre, of Army R. & D., before our committee last year:

> The past 15 years has seen an erosion of the qualitative advantage in ground forces equipment and weaponry to the point where the U.S. Army is now inferior in virtually every major category of items with which wars can reasonably be expected to be won.

Let me disagree, if I might, to say that our NATO subcommittee visited General Rogers last August. He told us it was a crime—that was his word—what we in this country are doing in terms of conventional warfare and defensive readiness, because as he sits in his chair and looks at his counterpart in the Warsaw Pact and sees their build-up and the growing disparity, in his words, there will inevitably be a time when the Soviets will feel that they have the advantage over us, and when they feel that they are in a position to take advantage of us, they are going to start a shoving match. He said:

> I do not know whether it will come in NATO, the Mideast, the Caribbean, but when they think that the advantage is theirs, they are going to start shoving us, and we are not going to be able to do anything about it.

I reminded him of that when he testified before our subcommittee a few weeks ago, and asked if he recalled that. He smiled and said:

> Congressman, I remember very well. The sad thing is that when I talked to you in the committee last August, I wasn't thinking in terms of any immediate time. I was thinking in terms of 1982, 1983, or 1984. I didn't realize the very same year they would start the shoving contest in Afghanistan, and we still don't have the capability of responding.

Mr. Chairman, I feel very concerned over our military posture. If this administration says that we have a 5.4 real growth in our defense posture, I can only go on to say that this is based on an estimated 8.5-percent inflation rate. If we are having 18-percent inflation, then we are not having any real growth. We are having a negative growth.

So, I think the actions recommended by the committee here are good. I think they are prudent, and I certainly would call on the Members of the House to support them.

If our national security policy truly is the maintenance of a military balance with the Soviet Union, as Secretary Brown so testified in 1978, then I must conclude we are failing in this effort. I believe our operational commanders would join me in this assessment. I wish more Members of the House would attend our hearings on military readiness because I honestly believe many of you are still laboring under the delusion that we still have a military capability second to no one. I think you would be shocked by what you would hear from our military leaders. It is not a pleasant feeling to have a Bernie Rogers look you square in the eye and tell you that in his judgment the Soviet Union has now surpassed the West in conventional warfare capability, chemical warfare capability, theater nuclear warfare capability, and strategic nuclear warfare capability. General Rogers did say we still have an advantage in short-range theater nuclear warfare capability but he says that advantage is quickly eroding.

I would now like to comment on another issue. This month, the aircraft carrier *Nimitz* will come back to Norfolk, its home port. They will have been at sea on station for 144 days. The airmen on that aircraft carrier who sustain both the helicopters that went into Iran as well as other aircraft would not have seen a port of call, would not have seen their families, would not have had a beer, for 144 days. They work a minimum of 10 hours a day operating and repairing airplanes costing upward of $23 million. If we compare what their rate of pay is per hour, they are getting less than the fellow behind the cash register at McDonald's hamburger. It is a shame.

I believe it is the responsibility of the Armed Services Committee, in its capacity as an oversight committee and an authorizing committee, to recommend to the House what it believes is needed by the military in the way of technology, hardware, and manpower to carry out its mission of providing for the Nation's defense. We have done that in this bill and our recommendation carries along with it a price tag that is some $6.2 billion above the President's request. Perhaps it will ultimately be the collective judgment of this body that the country is unable to afford this additional $6.2 billion. If so, so be it. However, I am not willing to have it on my conscience that we did not provide the House with an honest assessment of what is needed by our men and women in uniform. I believe the committee's recommendations are sound and I ask for your support of the bill.

Mr. PRICE. Mr. Chairman, I yield 7 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, titles III through VI of H.R. 6495 deal respectively with Active Duty, Reserve, and civilian personnel strengths in the Department of Defense, as well as the military training student loads, for fiscal year 1981.

The committee is recommending no major adjustments in the strengths requested by the President.

Title III, contains the committee recommendations for the Active Forces.

	President's request	Committee recommendation	Difference
Army	775, 800	775, 800	0
Navy	533, 600	537, 456	+3, 856
Marine Corps	185, 200	185, 200	0
Air Force	546, 500	564, 500	0
Total	2, 059, 100	2, 062, 956	+3, 856

Overall, the strength recommended for the Active Force for fiscal year 1981 is approximately 7,000 above that authorized for fiscal year 1980. The increases occur principally in the Navy and the Air Force which will be adding ships and aircraft to the inventory during fiscal year 1981. Although the Army strength is 900 below that authorized for fiscal year 1980, the Army began fiscal year 1980 with a shortfall in recruiting of approximately 16,000.

The only change recommended by the committee is for the Navy. The increase of 3,856 is a result of three separate actions.

An addition of 700 to permit the voluntary recall to active duty of reservists to offset serious personnel shortages;

Two thousand six hundred and fifty additional personnel to man the battleship *New Jersey* and place a precommissioning crew on the carrier *Oriskany*; and

An addition of 506 personnel to provide active duty support to four antisubmarine and two light attack reserve helicopter squadrons the committee recommends retaining in fiscal year 1981.

Title IV authorizes average strengths for the selected Reserve of each Reserve component. The committee recommendations are the same as the President's request:

Army National Guard	371, 300
Army Reserve	204, 500
Naval Reserve	87, 400
Marine Corps Reserve	33, 700
Air National Guard	94, 300
Air Force Reserve	58, 800
Coast Guard Reserve	11, 700

Overall, the strengths requested for fiscal year 1981 for the Reserve components are approximately 25,000 above those authorized for fiscal year 1980. The bulk of the increase is in the Army

National Guard and Army Reserve where recruiting prospects forecast an increase for fiscal year 1981. Even with these increases, Mr. Chairman, the Army National Guard and Army Reserve will be approximately 130,000 below the strength required in peacetime. One of the main reasons for optimism in recruiting prospects is the success of the recruiting incentives initiated by the Congress. The authority for the incentives expires September 30 of this year. The committee is recommending a provision in the bill to extend the incentives until September 30, 1985.

Title IV also contains, for the second year, a separate authorization for reservists on full-time active duty in support of the Reserve components. The personnel authorized in this category are included in the overall totals outlined above for personnel in each Reserve component. The committee recommendations are the same as the Department's requests:

Army National Guard	10,159
Army Reserve	5,400
Naval Reserve	208
Marine Corps Reserve	67
Air National Guard	3,207
Air Force Reserve	698

For full-time personnel, the strengths recommended are approximately 6,000 above those authorized for fiscal year 1980. Four thousand of this increase is a result of the proposed conversion of civilian technician spaces to military status. Therefore, there is no real increase in actual numbers of support personnel. The actual increase of approximately 2,000 occurs principally in the Army National Guard and Army Reserve to provide necessary maintenance support and assistance in developing effective training activities.

Title V establishes the end strength for civilian personnel in the Department of Defense. The strength recommended by the subcommittee—727,800—is a ceiling for Department of Defense personnel as a whole. For the first time, the committee has recommended excluding from the ceiling the civilian employees of industrially funded activities of the Department of Defense. Industrially funded activities are organizations such as ammunition plants and maintenance depots structured in concept like a private business. They are organized in a manner to permit flexibility according to workload requirements. Ceiling constraints reduce the flexibility of these activities.

Including the 262,400 civilian employees of industrially funded activities, the committee recommendation exceeds the President's request by only 200. The additional 200 civilian personnel are to relieve the burden of routine maintenance activities for Navy crews returning from extended deployments, particularly the Indian Ocean.

Mr. Chairman, the committee has received testimony that civilian personnel ceilings are difficult to administer. Thus, the committee has recommended that the Secretary's authority to exceed the ceiling when he considers it in the national interest be increased from 1¼ percent to 2 percent. Also, because of reports that the ceiling for fiscal year 1980, even with the flexibility of 1¼ percent, may constrain the Department, the committee has recommended that the Fiscal Year 1980 Authorization Act, Public Law 96–107, be amended to increase that authority to 2 percent.

In part to increase flexibility and in part to relieve unwarranted pressure for contracting out, the committee has also provided authority to exceed the ceiling by 9,000 spaces in fiscal year 1981 if proposals to convert to private contract do not prove feasible. The administration had subtracted 9,000 spaces from the request in anticipation that proposals to contract out these functions would prove feasible. Mr. Chairman, the committee considered the Department of Defense's approach caused unwarranted pressure for contracting out by, in effect, prejudging the outcome. The recommended provision is intended to alleviate the pressure.

Title VI establishes the military training student loads for fiscal year 1981. The loads recommended by the committee are identical to those requested by the Department:

Army	72,018
Navy	64,545
Marine Corps	21,393
Air Force	46,238
Army National Guard	14,016
Army Reserve	9,348
Naval Reserve	953
Marine Corps Reserve	3,144
Air National Guard	1,930
Air Force Reserve	1,139

GENERAL PROVISIONS

Mr. Chairman, I would like to address two of the bill's general provisions. The first is to make permanent section 806 of last year's authorization bill relating to contracting out. This provision, which prohibits contracting out to avoid civilian personnel ceilings and requires timely reporting of proposals and final decisions to contract out, would expire at the end of September unless extended. The committee considered it appropriate to make this provision permanent.

The committee has recommended that the legislative provision requiring reductions in GS–13 to GS–18 personnel in the Department of Defense be deleted. The original provision was contained in Public Law 95–79, the fiscal year 1978 authorization bill. The provision required a phased reduction over 3 years in the number of civilian personnel in the Department of Defense in grades GS–13 to GS–18. The final year of the reduction was to be in fiscal year 1980, but the Congress delayed implementation for 1 year. The committee received evidence that the final reductions are affecting the Department's ability to retain qualified professional personnel and is impacting adversely on the ability of the Department to supervise many projects.

CONDITION OF THE ALL-VOLUNTEER FORCE

Mr. Chairman, I would like to take a few moments to acquaint the Members with the condition of the All-Volunteer Force. I think this is necessary because the All-Volunteer Military has serious problems which are not being corrected.

In recruiting, for the first time in the history of the All-Volunteer Force, all four of the services missed their recruiting goals for the fiscal year that ended last September. For fiscal year 1980 to date, the Army has been able to recruit only 37 percent of its male enlistees as high school graduates. This is the lowest high school content by far that any service has experienced. The Navy has met its recruiting goal in only 6 of the last 43 months. In the last few months the Navy has been doing better in numerical terms, but they have also altered their quality standards.

A further disturbing matter is that the results of the mental tests given enlistees are now in serious question. Apparently they have been inadequately evaluated and while the impact is not yet clear, one estimate is that the Army may have taken in as high as 45 percent of its enlistees last year from the lowest mental category eligible for enlistment.

The problems in retention we have heard about. The Navy is short about 20,000 midlevel enlisted personnel. The Air Force is short 1,300 pilots currently and this may grow to as high as 3,400 in a year. Retention of career enlisted personnel is a problem in all of the services.

In spite of the severity of these problems, some Department of Defense officials seem more interested in justifying their past policies than in admitting the existence of problems and searching for solutions. I am afraid that unless the Congress and the administration are willing to take the needed steps and commit the needed resources in the area of defense manpower, peacetime conscription may be inevitable.

In an attempt to begin to resolve, in part at least, the recruiting problem, I will be offering an amendment on behalf of the committee which will provide authority for the Secretaries of the services to offer an educational plan to selected enlistees to assist recruiting. The committee is anxious to get this authority in the law to permit a test of the effectiveness of such a program. I am convinced that educational assistance is the key to making military service attractive.

The Chief of Staff of the Army and a number of military organizations have supported this approach of educational assistance.

The reason for the unusual procedure of offering this program as an amendment to the authorization bill is the necessity of providing something to assist recruiting and retention and, principally, to permit a test of such an educational assistance program as soon as possible. Something needs to be done quickly.

I am convinced that providing educational assistance is the key to making service in the military attractive. The program outlined in this amendment is not an entitlement for educational assistance for everyone because the cost of such a program would be prohibitive, nor could such a program be passed at this time. This educational assistance program would be within the discretion of the Secretary of the service concerned to use to attract enlistees into hard-to-fill critical skills.

An individual offered this plan would have to complete stated periods of service before he would become eligible for the assistance. The assistance provided would be up to $1,200 a year to cover tuition and fees and other related expenses, plus up to $300 a month for subsistence. The subsistence would only be paid for 9 months of any academic year and an individual could earn no more than 4 years' eligibility for assistance under this program.

To insure that such a program is not a disincentive to reenlistment, the legislation provides an option to someone who has earned eligibility for educational assistance and is considering whether to reenlist. If the individual decides to reenlist, he has a choice of receiving a lump sum cash payment at the time of his reenlishment of 60 percent of the total amount of assistance to which he is eligible, or to retain his eligibility for this educational assistance for his own use or transfer it to a spouse or dependent for their use.

The committee has also included a provision to current law on the Reserve educational assistance program. That program, which was initiated by the Congress, has not worked well apparently because the amounts offered are too low. For that reason, the committee also recommends increasing the maximum entitlement from $500 per year to $1,000.

Mr. Chairman, I hope the House will adopt my amendment so that a 1-year test program can be conducted at an early date. The current recruiting situation warrants expeditious action.

□ 1530

Mr. Chairman, in the time I have left, I want to tell the Members how very helpful the gentlewoman from Maryland (Mrs. Holt), the ranking minority member of the subcommittee, has been throughout the course of this bill. Her services have been extremely valuable.

I also want to mention the fact that we are going to miss the good services of the gentleman from California (Mr. Bob Wilson), because not only through our own efforts in Military Personnel but throughout the entire Committee on Armed Services, we have relied on him. I have relied on him throughout the years, and his patriotism is without question, his industry is without question, and his initiative and practicality have been very helpful to us.

Mr. Chairman, I have served under the gentleman from Michigan (Mr. Nedzi), who is a subcommittee chairman, and his services on the Committee on Armed Services and as chairman of the subcommittee have been very valuable. We are also, of course, losing an extremely valuable Member there, too.

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia (Mr. Robert W. Daniel, Jr.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, our strategic deterrence depends on maintaining adequate survivability of our strategic forces. Survivable strategic forces are central to our strategic equivalence with the Soviet Union, to our military posture and, indeed, to our foreign policy.

Therefore, the sustained Soviet buildup in strategic forces and its impact on the survivability of our own forces is a matter of grave concern. In particular, the threats—both near and far term—to our Triad of strategic forces have been growing. Soviet ICBM's, with many thousands of warheads and improved guidance accuracy, will provide a capability in the early 1980's to destroy the great bulk of our Minuteman force with an expenditure of approximately one-third of their ICBM force.

There is also the potential of a large percentage of our bombers being destroyed with an ICBM barrage attack; that is, even though they get off the ground, they may not escape the area that is barraged. Our air-breathing force must also deal with the growing Soviet air defense threat posed by look down-shoot down interceptors and advanced surface-to-air missiles currently under development.

It is estimated that, through the 1980's, our submarine launched ballistic missiles (SLBM's) will remain sufficiently survivable. But we cannot be sure what antisubmarine warfare capabilities the Soviets may develop in the 1980's, and thus render our SLBM's vulnerable to an effective attack against them.

For these reasons, it is imperative that we restore the survivability of ICBM's, maintain our SLBM survivability, and enhance our bomber survivability. The longer range of the Trident (C-4) missile will make submarines even less vulnerable by expanding the ocean area which would have to be searched to find them. Our cruise missiles, as they achieve an initial operational capability in 1982, will offset improvements in Soviet air defenses.

The most difficult issue to resolve has been the survivability of the land-based leg of the Triad. A solution that will satisfy our military needs and have a cost not out of line with past investments in strategic systems is of paramount importance. In fact, the proposed MX missile system will cost less than our currently deployed Minuteman force.

The problem of ICBM vulnerability has, indeed, been difficult. The Presidential decisions on MX recognize the particularly valuable characteristics of ICBM's: Reliable command and control, flexibility, responsiveness, independence from strategic or tactical warning for prelaunch survival, low operating costs and personnel requirements. But the fundamental consideration is a recognition that we do not want to be dependent on any one system.

Recognition of that fact calls on us to build up the strength of the leg of the Triad that is temporarily weak, so that should—at some later time—other parts of our strategic forces become more vulnerable, we will not then be totally vulnerable.

Over the last 10 years, about 30 alternative ICBM basing modes have been investigated in detail. The MX missile system with a multiple horizontal protective structure (MPS) emerged as the most reasonable solution to the ICBM survivability problem, and the President has recently stated his full commitment to this basing mode.

Over the past few months, some have alledged that without the constraints on the Soviets provided by SALT II, the MX/MPS system cannot provide survivability and thus makes no sense. This is simply not the case. The baseline MX configuration of 200 missiles and 4,600 shelters has been sized against the intelligence community's projection of the likely Soviet strategic force posture within the bounds of SALT II. Nevertheless, from the outset it was recognized that providing sufficient resiliency in the system to allow and maintain its survivability against a wide range of increased Soviet threats was of paramount importance. Moreover, in addressing this possibility, one must remember that such Soviet threat expansions would result in major adjustments in the aggregate U.S. strategic force posture in order to preserve deterrence and strategic parity.

A series of credible response options have been developed, both to maintain the effectiveness of MX/MPS system should larger Soviet threats materialize and, equally important, to allow us to make clear our readiness to employ these options. Thus, the Soviets would know in advance that they would be denied any advantage by enlarging their force. This should help dissuade the Soviets from undertaking such costly threat expansions in the first place. The options would involve building additional shelters, deploying more missiles, some combination of these two, and, in case of very large Soviet threat expansions in what would be a clearly uncontrolled arms competition, the possibility of deploying a specially designed, low-altitude ballistic missile defense system that provide excellent defensive leverage when combined with an MPS system.

The implementation of any of these options would obviously result in additional costs above the $33.8 billion (in fiscal year 1980 dollars) required to field the baseline horizontal MPS system. However, the Soviet threat expansions postulated in these cases would be even more costly to them. In any event, should the Soviets elect to greatly expand their ICBM forces we will have to take measures to respond that would necessarily entail additional expense. The MX system offers well conceived, flexible reponse options which would help contain these additional costs.

The threat to our Minuteman ICBM's and thus to the Nation's security is real. The strengths of the Triad should not be abandoned in the face of the Soviet threat. Regaining the survivability of our ICBM force is of the highest priority and meeting this requirement results in a complex basing arrangement. We must continue to assign the highest priority to the fielding of the MX in a survivable horizontal MPS basing configuration at the fastest reasonable pace if we are to maintain essential equivalence with the Soviet Union and to maintain confidence in our deterrent as a whole.

□ 1540

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. Nichols).

Mr. NICHOLS. Mr. Chairman, I rise in strong support of H.R. 6974.

Mr. DICKS. Mr. Chairman, will the gentleman yield for the purposes of having a colloquy and answering a question regarding the Nunn-Warner amendment?

Mr. NICHOLS. I yield to my colleague, the gentleman from Washington (Mr. Dicks).

Mr. DICKS. Mr. Chairman, first of all I want to state that I also support this bill, H.R. 6974.

I want to compliment the chairman on his leadership on this issue. His subcommittee has held hearings on this matter, and I know that no one is more concerned about this question than the gentleman from Alabama (Mr. Nichols).

I recognize that due to restrictions included in the Budget Act concerning the establishment of new entitlements, we will not be able to address the provisions of the Nunn-Warner amendment on military compensation on this authorization. I know you are well aware of the serious difficulties we face in the retention of skilled career personnel in the Armed Forces. Career reenlistment rates have declined 14 percent since 1973. The Army is short 46,000 noncommissioned officers, the Navy nearly 20,000 petty officers. Last month we were forced to hold the oiler U.S.S. *Canisteo* in port until we could search the Nation for enough skilled personnel to man her. The rate at which U.S. Atlantic Fleet warships have been rated unsafe for extended sea operations because of critical shortages of trained personnel has more than tripled in the last 4 months.

The overwhelming evidence from field surveys indicates that provision of adequate compensation for these individuals is central to meeting the problem. We are witnessing increasing numbers of soldiers and sailors extending their service for 1 year while they wait and see if the Congress will act.

The Subcommittee on Military Compensation held hearings on these provisions, before which I was privileged to provide testimony. The Senate added the amendment to H.R. 5168, which had previously been adopted by the House.

Is it your intention to proceed expeditiously on this matter? I am concerned that we be able to enact the improvements provided by Nunn-Warner so that they can be effective at the start of the coming fiscal year at the latest.

Mr. NICHOLS. I believe I can speak on behalf of the Committee of Armed Services in stating that we strongly share your concern regarding the deteriorating trends in the retention of military personnel. I believe it is the single most important personnel issue that needs to be addressed today. Regardless of the source of procurement of military personnel, compensation is the principal tool that we have for addressing shortfalls in retention.

It would be my intent to take up the Nunn-Warner amendments to H.R. 5168 as soon as possible following adoption of the concurrent budget resolution by both Houses.

It is critically important to act as rapidly as possible in order to reverse trends that we are currently experiencing in career retention. In addition, I would hope that the Committee on Appropriations will provide sufficient supplemental funds to cover at least the entitlements portion of the Nunn-Warner amendments during fiscal year 1980. This will require some $50 million assuming an effective date of July 1.

The Nunn-Warner amendments are only a first step but I believe an important first step, in solving our major problem.

Mr. DICKS. I appreciate the statement of support from the chairman of the subcommittee and am happy to know of his intention to proceed quickly on this matter. Every day we are forced to delay simply complicates the already major problems for the services. I would like to offer any assistance I might provide to your efforts to complete action on Nunn-Warner as soon as possible.

Mr. NICHOLS. I thank the gentleman.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to my colleague, the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, first, I commend the gentleman for this work in this field, and I commend the gentleman from Washington (Mr. Dicks) for his persistence in raising the issue and his pursuant of answers to this major problem in our military.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Nichols) has expired.

Mr. BOB WILSON. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. Nichols).

Mr. EDWARDS of Alabama. If the gentleman will yield further, I wonder if the gentleman is also going to expand his efforts in this regard into the subject of proficiency pay.

One of the biggest problems we have today is in trained mechanics, for example. We send them to school, they learn to be good mechanics, they can work on the F–14, the F–15, the helicopters, or whatever their specialty, and then when reenlistment time comes, off they go to private industry at 50 percent more, 100 percent more, a lot better working conditions, and all of the rest.

Is the gentleman looking at that aspect as well?

Mr. NICHOLS. Mr. Chairman, let me respond to my colleague by saying that I am in complete concurrence with him. This is one of the major problems that we face today, particularly with our noncommissioned officers, whom I look at as the Phi Beta Kappas in commonsense in today's military.

I would say to the gentleman, that the gentleman from Texas (Mr. White), chairman of the Subcommittee on Military Personnel, and our own committee, are very much interested in that aspect of the particular matter that the gentleman brings to our attention. It would be my intention to devote a good bit of time to that in the weeks ahead.

Mr. EDWARDS of Alabama. I thank the gentleman.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from California.

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, as a former member of the gentleman's subcommittee, I have no doubt about his sincerity of bringing the Nunn-Warner amendment to the floor. I note the gentleman's concern, in addition, for the pay of the people who are health providers, health professionals, in our military. I know that is also on the gentleman's agenda for the near future.

Mr. NICHOLS. Mr. Chairman, let me respond to the gentleman by saying that this physicians' pay bill was vetoed by the President over our objections. I am hopeful that we are going to be able to consider the physican pay bill under the suspension calendar, provided the Budget Committee arrives at some decision next Monday.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Nichols) has again expired.

Mr. PRICE. Mr. Chairman, I yield 1 minute to the gentleman from Alabama (Mr. Nichols).

Mr. NICHOLS. Mr. Chairman, I believe I have responded to the gentleman. We do hope to get this on the suspension calendar. If we can get it up on the suspension calendar and go to conference with the Senate, there is a good possibility that the bill could become law and the additional needed increments in physicians' pay could become effective as early as July 1. That is my intention.

Mr. FAZIO. I thank the chairman.

Mr. Chairman, I would like to simply add that I think many Members of the House are convinced of the need to deal with the problems of our enlisted personnel. When you read of 250,000 families eligible for food stamps and the fact that we have had a 17-percent net reduction in income since 1973 in the All-Volunteer Force, people of all points of view, I think, join the gentleman in his efforts to bring Nunn-Warner before us and pass it overwhelmingly.

I might say to the administration, as one strong supporter of many of their views on these matters, I hope they will not ask for significant amendments from the House, I hope they will support Nunn-Warner as it was reported out of the Senate.

Mr. BOB WILSON. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia (Mr. Whitehurst), the distinguished ranking minority member on the Subcommittee on Military Installations and Facilities.

Mr. WHITEHURST. Mr. Chairman, I have listened with a great deal of interest to the colloquy that has just been going on because what I have to say bears on it. If my colleagues will indulge me for a few minutes, I would like to reach back to a rather obscure incident over 80 years ago, the occasion of the visit of the cruiser *Chicago* to the United Kingdom. The captain of that ship was perhaps the foremost naval person of his day. He did not make his reputation as a sailor; he made it as a writer. His name is Alfred Thayer Mahan. Mahan hated sea duty, but he had to do it, like all Navy men, and so he was responsible for this vessel. He was in command back in 1894. On the occasion of this good will visit, the officers of that ship were honored at a banquet in London. Mahan had been lionized by the British people, and for good reason: On the basis of his monumental work, "The Influence of Sea Power in History."

That night there was an august audience. Mahan spoke. A distinguished Englishman spoke.

□ 1550

When all was said and done, the British remembered that they had neglected to call on the American admiral who commanded the squadron. Everybody had heard of Mahan, but nobody had heard of this man, a crusty old seadog named Henry Erben.

Erben got up and in the few short remarks he made, brought a truth to that gathering that had been absent. He said that there had been a lot of high-spoken words at that banquet, a lot of interesting ideas had been shared, but he was bothered about something, because he said nobody had said a word on behalf of Jack, the man behind the gun.

I am here to tell this body this afternoon that we in this Chamber and a lot of our colleagues who are not here, not only better start saying something on behalf of Jack, but had better start doing something.

We had an episode in my district several weeks ago that was published in the Washington Post. Some of the Members may have read about it. A fleet oiler could not go to sea because it did not have enough boilermen. Out of some 20 required, they had only 2.

The Chief of Naval Operations told me about 2 months ago he was afraid this was going to happen, but he thought this was about a year away. It has happened already.

Last Saturday, when I had office appointments in Virginia Beach, a chief petty officer with 22 years' service came to see me. He did not want a favor from me for himself. He was getting out, but he just wanted some time with his Congressman to tell me what is wrong with the Navy. It is a sad litany that I have heard many, many times before.

We have got a bill that is going to be coming up as a result of the efforts of the gentleman from Alabama (Mr. NICHOLS), his colleagues on that subcommittee and from the very important appropriations subcommittee, to rectify some long-standing ills, but what in this bill today is also important, not only for Jack, to make sure that he is taken care of, but to put the weapons in his hands as well.

With as much energy and conviction I can bring to bear, I regard what we do this year in this budget and in the follow-on legislation will make or break our military services in the decade that is ahead.

I hope that we will succeed in passing not only what we have worked on in our committee, and the Appropriations Committee will follow and will grant us the funds, but we will certainly carry through the legislation that has been alluded to earlier. It is 5 minutes to 12.

Mr. PRICE. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I rise to join my colleagues in support of H.R. 6974 and to urge favorable action on this bill by the House.

Most of the debate here today is going to be confined to procurement items, research and development programs and personnel matters—all critical issues which deserve our attention. However, there is another area of the budget which, over the years, has commanded too little of our attention—operations and maintenance. It is the life blood of our military forces. Without adequate O. & M. funding, the hardware in this bill will not be satisfactorily maintained—it could not be. The sophisticated technological capability in our weapons systems will become a liability—awesome in appearance but inoperable in the field—and our manpower will not receive the proper training to perform its mission.

O. & M. is where you start shucking close to the cob in the defense budget. It is the funding for unglamorous, day-to-day activities—base operations, maintenance and training—that spell the difference between readiness and unpreparedness.

Mr. Chairman, before the debate on H.R. 6974 is finished, we are all going to be inundated with facts and figures to fit every argument on every side of every issue we have to decide. I think we sometimes get so bogged down in the process that we run the risk of losing sight of what the process is all about. And for that reason, I do not intend to get into the arithmetic of the problems our military faces in Operations and Maintenance. Instead, I want to focus on the problem itself and what this body can do to correct it.

One way to describe the problem is to let you hear it from our field commanders who live with it. Gen. John Pauley, laid it out very clearly when he stated:

> The most serious problem which I face as the Commander in Chief of the U.S. Air Forces in Europe is inadequate O. & M. funding . . . it is particularly disastrous to be faced with this shortfall at this particular time because it has forced curtailment or cancellation of numerous readiness programs which we had initiated in recent years in an effort to improve the combat capability of our forces.

Gen. Frederick Kroesen, the Army Commander in Europe was just as blunt:

> When a shortage of O. & M. funding develops for whatever reason, a reduction of training activity is normally a commander's only recourse . . . Readiness degradation is not reflected in any report but there is no question that war tomorrow morning will probably cost some lives that might have been saved by adequate expenditures before the war started.

A better illustration is the experience of enlisted personnel still in training. These men and women who will soon be manning the equipment we authorize today are at one base I recently visited having to drive their own cars to the training area—because of insufficient fuel. At this same base, a soldier stopped at Sears to buy a wrench to work on his tank. I have heard of bring-your-own bottle parties; the next one may be first bring-your-own-equipment war since 1776.

Little by little, dollar by dollar, we have cut O. & M. funding past the fat, through the muscle and down to the bone. Sometimes DOD has done the cutting to fund needed weapons systems, sometimes OMB has done it in response to overall budget constraints, and sometimes the butchery takes place in Congress because the service could not quantify the specific readiness impact of a reduction in O. & M. funding.

Regardless of who does the cutting, the cumulative effect of this pattern of understanding is a serious adverse impact on military readiness.

To address, and to begin the process of redressing this alarming trend, the committee has included in section 802 of the bill, language to provide that beginning in fiscal year 1982 appropriations for the operation and maintenance of the armed services and separate agencies of the Defense Department will be subject to the requirement for prior authorization in the same manner now provided in Section 138, title 10 of the United States Code for major procurement and R. & D.

The annual authorization process has proven to be a most effective means of congressional oversight and the committee believes it should be expanded to cover operations and maintenance as well as the investment portion of the defense budget. Then we can insure that near-term readiness requirements receive equal priority consideration with funding for improvements in future capability.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

I would like to associate myself with the gentleman's remarks. As he stated, there is no constituency for O. & M. funding, for training, for the less sexy items in the military budget and rather than all these bright, new, shiny pieces of equipment.

I would like to commend the gentleman for his efforts to create a constituency and his being a conscience on our committee that we cannot invest in the future and at the same time ignore the readiness needs of the present.

The gentleman authored the amendment of which he spoke, and I commend him for it, and I would like to inform our colleagues that the gentleman in the well is performing a service for which there is no constituency. There are no campaign funds pouring into his coffers.

□ 1600

There will be no black limousines drawing up to the steps of the Capitol here patting the gentleman on the back. But he is performing a true service.

Mr. DAN DANIEL. I thank the gentleman. It is gratifying to know that the Rules Committee also I think, thought favorably of our proposal.

Mr. CARR. Mr. Chairman, tomorrow an amendment will be offered to replace the strategic weapons launcher with the FB-111 B/C. I suggest that this aircraft makes a great deal more sense than either the strategic weapons launcher or the B–1. The following insertion will explain why.

How To Get More Bang for Less Bucks and Get it Sooner

THE PROFESSIONALS' SOLUTION

The FY'81 Defense Authorization Bill as reported contains a committee added amendment of $600 million for the SWL (Strategic Weapons Launcher) research and production. SWL is a subsonic-only, fixed wing, simplified B–1 modified to carry cruise missiles. It has no penetration capability, but could act as a "foot in the door" for a revival of the B–1 penetrating bomber, with which it has many components in common. Not the least of which is a production line.

The SWL amendment is opposed by the Department of Defense, the Air Force, and the Strategic Air Command for three reasons.

1. It is no solution to our near-term problems, since it will not be available for initial operation until 1986. Thus, it will have no impact during the period in which Soviet strategic strength will be at its peak relative to U.S. strategic strength.

2. It is prohibitively expensive, at about $12.6 billion 1981 dollars for 100 aircraft (U.S. Air Force estimate).

3. There is no need for it at this time. In the words of the Commander in Chief of SAC, Gen. Richard Ellis, "We have an effective SWL for the eighties in the B–52." We should not let rhetoric about the age of the B–52 obscure the fact that they will remain perfectly flyable and functional through the 1980s; although their ability to penetrate Soviet defenses will decrease in the late 1980s, they will remain sufficient for the less demanding role of standoff cruise missile carrier.

The FB–111B/C amendment does not change the total dollar authorization of the bill. It replaces the $600 million SWL line item with $540 million for a modified, stretched FB–111, called the FB–111B/C, plus $60 million for exploration of an advanced cruise missile carrier. Unlike the SWL, the FB–111B/C is strongly advocated by the Strategic Air Command: the professionals most familiar with the nation's strategic requirements. (Note: All of the figures in the fact sheet have been prepared by the U.S. Air Force.)

1. The FB–111B/C can be available in late 1983: 2½ years before the SWL and 1½ years before a restarted B–1. (Source: U.S. Air Force)

2. The FB–111B/C is far cheaper than the other proposals 2.5 times cheaper than a restarted B–1, and more than 2 times cheaper than the SWL. This assumes equal-capability forces of 154 FB–111B/C against 100 SWL or 100 B–1. (Source: U.S. Air Force)

3. The FB–111B/C is more versatile. It can operate from shorter and thinner airstrips than either the B–1 or SWL, and its use in a limited conflict would be less conspicuous and provocative than would a heavy bomber. In addition, it is cheap enough to place at risk in a less than all-out war. At the same time, the FB–111B/C will have substantially greater range and payload than any general-purpose aircraft in the world. It will retain this capability indefinitely, and will be available for tactical missions long after it is retired from the Strategic Air Command in about 1990.

Here is the case in a nutshell: The FB–111B/C gives us more capability, sooner, at substantially lower cost, than any other option.

QUESTIONS AND ANSWERS ABOUT THE FB–111B/C

1. Why build a penetrating bomber at all? Aren't they obsolete in light of the cruise missile? No low-altitude high-speed aircraft such as the B–1 or the FB–111B/C can be confident of penetrating Soviet defenses after 1990. At that point, the only way to get through will be with ballistic missiles, cruise missiles, and possibly an entirely different new bomber concept. As an interim measure giving us seven years for $6 billion, the FB–111B/C makes sense where the B–1, giving us five years for $14.4 billion, does not. In addition, the amendment spends $60 million to continue the advanced cruise missile carrier program.

2. Is the FB–111B/C the same as the FB–111H "son of B–1" the Congress rejected several years ago? No, the FB–111B/C is about half the price of the FB–111H. It can be bought entirely by stretching existing aircraft, whereas the FB–111H program called for re-opening the production line and turning out new aircraft.

3. How would these aircraft be affected by SALT II? In practice, the FB–111B/C has no SALT impact, in that its deployment would not force us to retire any other weapon. In contrast, deployment of the SWL would force the retirement of B–52 cruise missile carriers on a one-for-one basis; thus, it would force us to discard a perfectly good airplane before the end of its useful life. (Alternatively, we could retire Minuteman III ICBMs to make room for the SWL.) Like the FB–111B/C, the B–1 would have no SALT impact, unless it carried long-range cruise missiles.

4. How does the FB–111B/C compare to Soviet weapons? It is more capable than the Soviet Backfire in every respect—range, payload, sophistication—on a plane-for-plane basis. On a total force basis, the FB–111B/C force would be equivalent to half the Soviet heavy ICBM force. (Source: U.S. Air Force)

5. Is the SWL the best cruise missile carrier? While some high Defense Department officials have said it is, the actual Air Force study concluded it is not. While this information is classified, it is on the floor for your perusal. Briefly, a medium commercial transport such as the L–1011 or DC–10 was found to be better than the SWL for the following reasons: Fully hardened and with souped-up engines, a medium transport costs about the same per unit as the SWL, but it carries 50% more missiles (48 vs. 30). If enlarged future-generation cruise missiles are used, the difference in capacity becomes 100% (28 cruise missiles on a medium transport vs. 14 on a SWL). The SWL has the advantage of quicker acceleration; it can escape to ten miles away from base 16 seconds quicker than the transport, which would be useful against a surprise attack from offshore submarines. But the medium transport can do even better (60 seconds) by starting with its crew in the aircraft. (Source: U.S. Air Force) Keeping the crew in the aircraft for prolonged periods during a crisis is feasible in a wide-body transport with its bunks, card table, etc., but infeasible with the SWL's fighter-plane crew stations.

This amendment preserves all options for an advanced cruise missile carrier. Further study is needed to determine whether this aircraft should be a SWL, a medium commercial transport, or possibly a variant of the CX military transport if one is built.

6. Can the FB–111B/C carry strategic cruise missiles? For practical purposes, no. Nevertheless, it will give us additional cruise missile capability by allowing earlier conversion of the B–52H penetrator fleet to the standoff cruise missile carrier role.

7. What is the range of the FB–111B/C? 6,000 nautical miles on a typical refueled low-altitude penetration mission carrying 10 nuclear weapons. The range of the FB–111B/C with 10 weapons is about the same (5% greater if unrefueled, 15% less if refueled) as a B–1 carrying 16 weapons. (Source: U.S. Air Force)

8. How does the penetration capability of the FB–111B/C compare to that of the B–1? The FB–111B/C is better. The two aircraft have the same speed and low altitude capability. The FB–111B/C has the advantage of a radar image seven times smaller, while the B–1 has the advantage of more modern and capable electronic countermeasures. Recent Air Force studies have found that, between the two, the FB–111B/C's smallness is the more effective capability. In addition, the FB–111B/C has space and weight capability for installation of electronic countermeasures similar to those of the B–1; however, this would be expensive and probably not worth doing for an aircraft which, with or without modern countermeasures, is only a interim solution.

WHAT IS THE FB–111B/C?

Stretch FB–111A/F–111D: Double internal fuel; double weapons payload.

Incorporate B–1 engines: Increased thrust; fuel efficient.

Minor avionics update.

Provides: Growth potential; increased range; and increased payload.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I rise in support of H.R. 6974 and to speak on behalf of section 802, requiring annual authorization of operations and maintenance.

The need for a more active and consistent committee review of operations and maintenance accounts was forcefully brought home to me last year while visiting our forces in Europe as a member of the NATO Subcommittee. Briefing the subcommittee at Ramstein Air Force Base, Germany, Gen. John W. Pauly, Commander in Chief of the U.S. Forces in Europe, gave a graphic and sobering account of the adverse readiness impact deficiencies in operations and maintenance funding were having on his command.

But what was particularly disturbing was that readiness related activities were suffering disproportionately. This points up a pernicious aspect of operations and maintenance accounts—namely that the vast majority of them are uncontrollable.

Thus, General Pauly found himself in the paradoxical position of having to sacrifice training and other actions designed to enhance the military effectiveness of his forces to pay the light bill and meet his civilian payroll.

That General Pauly's predicament was not an isolated instance was quickly confirmed by Admiral Small, the commander of the 6th Fleet, in Naples the following day. As alarming as these reports were, subsequent subcommittee hearings disclosed that the O. & M. picture was far more dismal for CONUS-based forces who are regularly called upon to lower their readiness to offset the deficiencies experienced by their forward deployed counterparts.

I would like to be able to report that the serious O. & M. shortfalls I have described and their adverse readiness implications were short-term aberrations that are being remedied. However, an examination of the fiscal year 1981 budget request reveals that this is just not the case.

For example, the F–16 aircraft Congress has provided General Pauly are only programed to be flown 8 hours a month—just over a third of the estimated minimum needed for their pilots to maintain mission ready status. His F–15 pilots are marginally better off in that they will be able to meet half their flying hour requirements. And General Pauly's new A-10's based in England will be unable to practice deploying to forward operating locations on the continent because the activation of those sites has been delayed due to the lack of O. & M. funding. Lastly, the operational capabilities of all these aircraft will be impaired on account of the limited immediate availability of ordnance because O. & M. funding has not been available for the tactical distribution of existing stocks. Although these examples relate solely to the Air Force, similar problems arising from inadequate O. & M. funding plague the other services as well.

It should not be inferred from these examples, however, that the fielding of new weapon systems is not urgently required. Given the continuing, ominous quantitative and qualitative buildup of Soviet and Warsaw Pact military capabilities in an increasingly troubled world, U.S. force modernization is imperative. What I am saying is that the anticipated enhancement of our military capabilities through the procurement of new systems, such as those we are discussing today, will not be fully realized unless accompanied by sufficient O. & M. funding to provide the necessary training, maintenance, and facilities to insure their effective employment and upkeep.

All participants in past Defense budget cycles bear some degree of responsibility for this unfortunate situation. But this is not the time to dwell on the past or attempt to apportion blame. It is a time for positive action and section 802 provides at least a partial remedy. By requiring the annual authorization of Defense O. & M. accounts, it will allow the authorization process to more responsibly address not only the need to develop and procure new weapons systems but their effective employment as well. More importantly section 802 will establish a new and powerful constituency for readiness in Congress.

Mr. DAN DANIEL. I thank the gentleman for his contribution.

Mr. BOB WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I rise in support of H.R. 6974, the defense authorization bill. With the Soviets spending 60 percent more than we do on defense I do not feel we are doing nearly enough to maintain our defense strength, but I am convinced this authorization bill is the best we can hope for this year.

I am especially pleased with the civil defense authorization. The original proposal provided $120 million for our 1981 program. It was sold as a "reasonable start on the D' program." It would have provided a crisis relocation program for only those individuals living in areas most likely to be targeted in a nuclear war—such areas as SAC bases and missile sites.

In our subcommittee hearings on civil defense we learned from FEMA officials that such a plan would eventually protect 5 to 10 percent of Americans. We were also told that at this rate of spending it would take 20 years to complete a civil defense program for all Americans. But, in 20 years—the year 2000—we would have to begin all over again because of the huge demographical changes in the interim period. In other words, at the rate the administration recommends, we will never have a civil defense program.

Because it makes good sense to spend a little more and provide a plan that would help protect all Americans, I introduced an amendment to add $47 million. This amendment provides the first year's cost of the D' civil defense program, a 7-year, comprehensive program.

The D' program was not developed by me, rather it emerged over an extended period of time after protracted study by civil defense experts who have earned respect and a national reputation for their work in this area. It is a product of serious, well-intentioned people who share a concern about our present, have learned from lessons of the past and are determined to prepare us to live in peace in the future. It is the program recommendation of the civil defense workshops which were held in Rosslyn, Va., in the fall of 1977 by the systems planning corporation for the Defense Civil Preparedness Agency.

The Congress of the United States will spend approximately $161 billion for our offensive capability. Without the $167 million for civil defense we are doing almost nothing to protect American citizens.

For 3 successive years the House Armed Services Subcommittee on Military Installations and Facilities and the Full Armed Services Committee have adopted my amendment to provide the first year's cost of our D' 7-year comprehensive civil defense system.

Unfortunately each of these 3 years the House Appropriations Committee has sharply cut back on the amount. I am hopeful this year the Appropriations Committee will appreciate the need and appropriate funds.

One of the most pressing and unmet needs facing our Nation is for an adequate civil defense program—one which is responsive to existing threats and prepares us for future challenges.

To respond to this need, my amendment would provide a comprehensive civil defense program. Its cost of approximately $1.9 billion represents but a fraction of our estimated total defense expenditures for the period covered—the increase in funding over our present program which averages $100 million per year amounts to approximately $1.2 billion or one-tenth of 1 percent of our Department of Defense annual budget.

The program I am advancing is one that will give us, for the first time in this nuclear era, the protection we must be assured of as we face our ideological adversaries who lack our commitment for the pursuit of peace. Simply put, my goal is to help to balance the strategic scales but, if there should be war, to guarantee the survival of our Nation. We have no such guarantee today. It is time we did.

The 7-year plan would concentrate the use of the funds requested for: crisis evacuation, research and development, emergency operating centers, training and education, and management and coordination.

In each one of these critical areas our present civil defense program fails the test of adequacy.

We are in trouble. The Soviets have an excellent civil defense system. We do not. Neither nation had an adequate program in the midsixties. But for more than a decade the Soviets have been spending over $1 billion a year on civil defense. We have averaged less than $100 million. They have a three-track program: individual protection, community shelters, and population evacuation. We have only one, community shelters, and it is in disarray in spite of the dedicated and dogged efforts of many professional and amateur civil defense leaders.

Why is this a problem? Because it destroys the strategic balance. The best hope for peace, we are told, is the maintenance of the strategic balance. There are varying estimates of the effect of an all-out nuclear war. If the Soviets have time to put their civil defense program into operation—3 or 4 days prior to the holocaust—the results would be far more destructive to the United States, which does not have a plan (over 100 million dead) than the Soviet Union (5-20 million killed). Should we adopt the D plan of the interagency study on civil defense, developed under the aegis of the National Security Council. They estimate we can save up to 85 percent of our population. Should the Soviets target population, they estimate up to two-thirds of our population will be preserved.

Most experts agree we enjoy "rough equivalence" with the Soviets in weaponry. (From my perspective it appears to be rougher each year.) But if Soviet weapons have a far greater destructive effect on us than our weapons on them, it is as though they had far more weapons. This makes a mockery of the strategic balance. It does not exist.

Once the balance of terror is gone the Soviets have an awesome edge in any confrontation, whether it be at the bargaining table, an act of adventurism in Europe, Africa, the Mideast or in an all-out nuclear war.

It has been said that "eternal vigilance is the price of liberty." Events in Iran and the invasion of Afghanistan have shown that to be true. If Russia is able to grab up one or two more countries, we may be forced into war—with a strong possibility that the conflict could develop into a nuclear confrontation. Why not provide at least minimal protection for our civilians. Why not teach them to survive?

Why have we not done something about civil defense? Chiefly because far too many Americans are the victims of three misconceptions—the first being the "overkill" fallacy, wherein the casualties per kiloton in Hiroshima and Nagasaki are multiplied by the number of kilotons in the world's arsenal. This implies that by some means we can collect the entire target populations in the same density as existed in Hiroshima and Nagasaki, and keep them unwarned and vulnerable. A statement of identical validity is that the world's inventory of small arms ammunition, or for that matter kitchen knives, can also kill the human population several times over.

Another widely held misconception is that much of the world's population would be destroyed by fallout from a large scale nuclear war. On the beach reflects how this thinking originated. The National Academy of Sciences estimates that the long-term effect of this fallout would only amount to a 2-percent increase in the cancer rate over a 15-year period. This increase could be countered by not rebuilding many of the cigarette plants that would be destroyed in such a holocaust.

Finally, victims of the doomsday scenario also feel, mistakenly, that survivors of a large scale nuclear war would have to live underground for weeks at a time. Not so, our scientists tell us. An individual can protect himself from the most dangerous type of radiation because it travels like light, in a straight line. A handkerchief, folded over six or eight times, can serve as an effective gas mask to provide protection from the less dangerous type of radiation.

That is the bad news. The good news is it is not too late to do something of our own. Some of our defense leaders suggest the way to compensate for Soviet superiority—they no longer claim it does not exist—is to "retarget" our weapons. "Retargeting" would supposedly rebalance the equation. It makes more sense to me to achieve the balance through civil defense—the potential saving of American lives rather than the potential destruction of Soviet citizens.

We must begin today to rebalance the strategic equation. How do you deter an attack unless you can convince an enemy that you will win the war that he is starting? I find it doubtful that anyone aware of the strategic imbalance believes we would fire any nuclear weapon if it meant the destruction of our society. Without a civil defense system that is precisely what it means.

The proposal should provide that balance and help to insure peace. I am pleased my amendment is part of our 1981 defense authorization bill.

I urge my colleagues to support H.R. 6974.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, let me associate myself with the gentleman's remarks and, quite frankly, commend him on the outstanding job he has done in the field of civil defense. Were it not for the gentleman from New York (Mr. MITCHELL) and his lone voice taking an early lead in this, I think we would be even years further behind than we are now. I support what the gentleman and the committee and subcommittee have done in the field of civil defense. I think pushing ahead is important.

I happen to represent one of those Districts that the gentleman mentioned and, as he knows, is one of the potential prime targets should the unthinkable occur. The Fourth District of Missouri in such an event would be literally under the nuclear gun. That is why I commend the gentleman and support what he has done and hope we can sustain this all the way through to final passage.

Mr. MITCHELL of New York. I thank the gentleman for his contribution and will say I am looking forward to working with him in the months ahead in providing a civil defense program for our Nation.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to take this opportunity to compliment the members of the Armed Services Committee for the fine work they have done in developing the recommendations included in this bill.

There is no question that we face a significant challenge in meeting our national defense requirements. The committee has identified a number of areas where additional effort is needed to meet that challenge. I would like to comment on three of their recommendations which I especially support. They are the addition of two *Perry* class frigates, the continued procurement of MK-48 torpedoes, and the actions taken by the committee relative to civilian personnel ceilings in the department.

Our fleet has shrunk dramatically over the past decade, from 1,055 ships to the present level of 540. At the same time the Soviets have aggressively developed a very capable blue water navy, increasing the threat to our forces.

With recent developments, we are asking our Navy to cover three oceans in force, rather than two. We are already seeing the impact on morale and readiness from the extended deployment which is required in the Indian Ocean. At the same time we have dangerously reduced our presence in the Western Pacific and the Mediterranean. We simply need more ships if we are to meet our commitments.

The *Perry* class frigate provides a unique opportunity to rectify this problem, in my judgment. Admiral Hayward has called this class the "least cost, combat capable, open ocean escort, required for the protection of military and essential economic shipping." Indian Ocean requirements will increase the need for protection of the sea lanes. In addition, the Congressional Budget Office has suggested that these ships could be upgraded to increase their anti-air warfare capabilities and work in conjunction with Aegis equipped ships.

I strongly agree that Aegis is among our highest Navy priorities. But the realities of scarce resources dictate that we will not get them into the fleet as quickly and in the numbers we would like. Any assistance that lower cost ships can provide in this mission, which has increased dramatically with the proliferation of Soviet anti-ship cruise missiles, will be most welcome.

The addition of two of the *Perry* class frigates, above the reduced budget request of four, is an essential step in meeting our number requirements, and I hope it will be supported by this body.

The committee has also recommended $125 million for the purchase of 144 MK-48 torpedoes. These heavy torpedoes provide our only effective weapon against advanced Soviet submarines, including the new *Alfa* class. Yet we are significantly short of the level the Navy believes would be required in a war. We have only slightly more than one load for each of our $400 million attack submarines. Without continued procurement the only manufacturer of heavy torpedoes will be forced to close the line and we will lose the opportunity to correct this inventory deficiency.

Finally, I want to compliment the committee for its good business sense in recommending that industrially funded activities be exempted from personnel ceilings. I have long been a proponent of total elimination of the ceilings. But their application to IFA's is perhaps the worst aspect of the inefficiencies they produce. Secretary Claytor said it well in his testimony before the Defense Appropriations Subcommittee, "When you start putting civilian end strength limitations on an industrial establishment, what you really end up doing is driving work out into private contract even though it is more expensive."

Shipyards and air rework facilities are forced to resort to use of temporaries or increased overtime to meet their assigned tasks. The result is inefficiency and waste. This is the conclusion of the General Accounting Office in its report, "Civilian Personnel Ceilings, a Barrier to Effective Manpower Management."

Elimination of industrial activities is an important first step in the effort to allow managers to work within funding constraints without additional restrictions on their operational flexibility.

Two other ceiling initiatives undertaken by the committee will add to the benefits realized from the industrial exemption. The first of these is the increase in the authority for the Secretary to exceed ceilings from 1¼ to 2 percent. The second is the addition of 9,000 spaces where reductions have been programed in anticipation of contracting functions to the private sector. I have no objection to contracting when it is in the economic interests of the Government. But present practices of reducing ceilings before functions are studied for possible contracting results in a fait accompli, no matter what the cost survey shows. Elimination of this practice through these additional authorized billets will also save the taxpayers money.

Mr. MONTGOMERY. Mr. Chairman, I also rise in support of this bill. I would like to say we are certainly going to miss the gentleman from California (Mr. BOB WILSON), a tremendous man and a tremendous help to this committee as are other members of the committee who are retiring.

I take this brief time to talk about the reserve components of our military, the National Guard and the Reserve, which is really a part of our total national defense.

I am not sure all of my colleagues and the people of the Nation understand how important the reserve components are as far as the total force is concerned. Actually about half of the combat units and most of the support units are handled by the National Guard and the Reserve. In fact, if we do not have a strong National Guard and Reserve, we do not really have strong regular forces. They cannot function without the National Guard and the Reserve.

I will give my colleagues some examples. The National Guard provides 33 percent of the Army combat divisions—I am not talking about calling up a division and sending it over after the emergency, I am talking about on-the-line, 33 percent of the Army combat divisions are in the National Guard and the Reserve. They also provide 72 percent of the separate brigades, infantry brigades in the National Guard; 63 percent of the infantry battalions, the persons who take the high ground, are in the National Guard.

The Army Reserve provides 44 percent of the Army medical units, 30 percent of its combat engineer battalions.

The Naval Reserve provides 88 percent of the Navy's ocean minesweeping capability, 68 percent of the naval construction battalions, the Seabees.

The Air Guard and Air Reserve provide 63 percent of the Air Force's strategic interceptors, 61 percent of its tactical airlift capability, 48 percent of its strategic airlift crews, and 81 percent of its medical service squadrons.

□ 1610

As I said earlier, you cannot function without strong Reserve Forces. The Reserves are even more important today because of the problems that the Regular Forces are having in their recruiting.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I want to commend the gentleman from Mississippi (Mr. MONTGOMERY) for focusing attention on the critical Reserve problem. The gentleman from Mississippi has been a leading spokesman in calling attention to the need to beef up our Reserve components. A recent GAO report, entitled "Critical Manpower Problems Restrict the Use of National Guard and Reserve Forces" (July 1979) states that "U.S. Reserve Forces have manpower problems that would seriously limit their ability to perform if needed quickly in wartime." If the gentleman would yield further for a question, is it not a fact that if we had a substantial enough Reserve at the time we considered the issue of premobilization registration, there would not have even been the need to consider that issue?

Mr. MONTGOMERY. The gentleman is right, but it also pertains to the Regular Forces. We are having more problems now in the Regular Forces than we are having in the National Guard and Reserves. In fact, some of the Air National Guard units are much better than some of the Air Force units on duty doing the same missions.

Mr. GILMAN. Would the gentleman yield further for a question? Is it not a fact that we find it difficult to attract people to the Reserves because we are not providing sufficient benefits, sufficient incentives, sufficient funding, to make the Reserves attractive enough and that we are not providing the proper equipment and training that they need to keep them active and in a state of readiness.

Mr. MONTGOMERY. We are actually getting much better equipment in the National Guard and Reserve than we have ever had before, but this Congress and this House of Representatives have started giving new equipment, such as aircraft, to the National Guard. We now have incentive programs for the National Guard and Reserves that were started by the Committee on Armed Services and funded by the House Committee on Appropriations which are attracting young men and women into the Guard and Reserve. But we had to start it from this well and from this House. The Department of Defense did not come forward with incentives for the National Guard and Reserve. Now we are doing better recruiting than the Regulars are because we have this incentive.

Mr. GILMAN. I commend the gentleman for his concern about this important issue and I hope that our colleagues in the House will join the gentleman in giving attention to this urgently needed manpower, our Reserve Force, a very essential force. We should be doing a great deal more than we have been doing in seeing to it that we have an adequate, ready reserve, bearing in mind that the primary role of our Reservists is to help defend our Nation during any major conflict.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PRICE. I yield 1 additional minute to the gentleman from Mississippi.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding. I wish to associate myself with the gentleman's remarks regarding the Reserves of our country and regarding the National Guard. They are so important. I think that we have for so long paid so little attention to them.

I have found out a fact today that I might share with the Members. The country of Sweden has a population of 8 million people. They on any given day can field by means of their Reserves 800,000 military men. What potential we have, should we pay the proper time and effort and expenditures toward our Reserve and National Guard that our country could afford. I just pass this on to you because there is such great potential strength of our country in our Reserve and in our National Guard.

Mr. MONTGOMERY. I appreciate the gentleman's comments. We are doing better for the Guard and Reserve. We have a long way to go, but it is better.

Let me close by saying in my opinion the manpower shortages of men and of quality are our No. 1 problem in the regular military. If additional incentives do not work for the Army, then we are going to have an Army that cannot shoot, that cannot fight, and that cannot even move.

Mr. Chairman, let us hope for the best, but let us be prepared to take strong steps to improve our manpower situation if things do not improve in the Regular military.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Virginia (Mr. TRIBLE).

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, the New York News carried a two-column story on April 22, 1980, headlined "Navy Takes Liberty at Sea." The UPI reported that the 22d of April marked the 100th day at sea in the Indian Ocean for the nuclear-powered aircraft carrier U.S.S. *Nimitz*.

There are approximately 20,000 men aboard Navy ships now in the Indian Ocean. The pace is tough for all of them. It is unlikely that the pace of naval operations will diminish very much anytime soon. One of the primary reasons for this is that the Navy does not have enough of the kind of ships needed for the kind of operations it must be prepared to undertake in the oceans of the world.

The Navy is short of ships. The House Armed Services Committee has alerted the Congress to that fact repeatedly. This year we are doing it again. There is however, a difference in our methodology. Instead of examining the shortages in terms of 5-year plans that have a tendency to promise "get-well" budgets in the outyears, we adopted a procedure for examining the needs of the fleet in terms of force levels. In other words, we looked at a class of ships, for example, destroyers, to see how the total inventory fleshed out over a period of 20 years. From this perspective, it is relatively easier to calculate the numbers of a particular type of ship required to hold the inventory at an agreed-upon level.

This simple mathematical exercise revealed some very startling trends. In almost all cases, it was evident that the shipbuilding plan submitted by the administration was badly lacking in the numbers and kinds of ships the Navy needs to maintain even the current inventory of about 470 ships much less make any meaningful headway toward moving the force levels closer to about the 550 to 600 level the Navy needs to fulfill its worldwide commitments. In other words, the shipbuilding plan submitted by the administration would do very little, in the long term, to provide relief for the pace of naval operations.

Let me give you a few examples of what the force level trends revealed.

Cruiser/destroyer force levels drop by nearly 50 percent in 20 years. In order to hold the line, the Navy needs to build four of this class of ship each year. This year's budget has only two.

Submarine force levels start a sharp downward trend in the mid-1980's. The Navy needs to build at least three to four submarines per year to hold minimum force level requirements. This year's Presidential budget has only one.

The Navy's amphibious fleet has a serious block-obsolescence problem coming up in the mid-1980's. To resolve it, the Navy should be building at least three amphibious ships per year. This year the budget has only one.

The list goes on:

There is an aircraft carrier shortage, hence the overextended tours at sea for our carrier fleet.

The Navy has only six active mine countermeasure ships.

The Navy is short of several categories of logistic support ships.

The action taken by the House Armed Services Committee adds six more ships to the budget request for fiscal year 1981. The quantity increases from 16 to 22 ships. The level of procurement—if sustained for a number of years—is about what is required to make meaningful advances toward relief of naval vessel shortages. We plugged the holes that needed filling.

The committee recommends procurement of three submarines instead of one, this recommendation is compatible with submarine force level requirements.

The committee recommends long lead for a third Aegis cruiser instead of just two; also in line with force level requirements.

The committee recommends long lead for a second LSD-41 amphibious ship instead of just one: again in line with force level requirements.

The committee recommends procurement of six FFG-7 guided missile frigates instead of four. This action primarily enhances economic building rates.

The committee recommends long lead funds to start a new class of mine countermeasure ships and a new class of high speed landing craft for the naval amphibious forces.

Among the most important recommendations made this year is the reintroduction of two major combatants into the fleet; the aircraft carrier U.S.S. *Oriskany* and the battleship U.S.S. *New Jersey*.

Both of these vessels will add substantially to the Navy's combat power. Most particularly these vessels will provide a near term modicum of relief for the Navy's shortage of major combatants. These vessels will be ready for combat operations in about 2 to 3 years. This timeframe compares with about 6 to 7 years for new vessels of similar capabilities to be put to sea.

The rationale for the committee's thoughtfully processed recommendations are contained in the committee's report to the House. I hope the Members will take the time to read the report carefully. I believe that the committee has provided a responsible, affordable, balanced naval shipbuilding plan for fiscal year 1981; one which sets the standards for achievement of the Navy's force level requirements, and by a combination of new and reactivated ships, we have approached the problem in the most cost-effective way.

Mr. TRIBLE. Mr. Chairman, I rise in support of H.R. 6974, the Department of Defense Authorization Act for fiscal year 1981.

The need for an increased defense effort can no longer be denied; the decline in U.S. military capability is reaching alarming proportions. We must begin today to compensate for a decade-long neglect of America's defense readiness.

In 1970, spending for military programs totaled 39.2 percent of the Federal budget and consumed 8 percent of our GNP. By 1980 defense outlays shrank to 23.1 percent of the Federal budget and less than 5 percent of our GNP.

This period was characterized by serious deficiencies in investment for equipment. The majority of our defense needs today stem from programs postponed or underfunded in the last 10 years. This inaction has resulted in a vast backlog of military procurement. Much of our present dilemma can be attributed to the block obsolescence of many of our weapons systems.

While our procurement policies languished, the Soviet Union embarked on a relentless build-up of its strategic and conventional forces. There is no longer any doubt that the Soviets are increasing their military strength at a rate much faster than the United States with no abatement in sight.

CIA analysts now estimate that during the 1970's Soviet military outlays exceeded comparable U.S. outlays by almost 30 percent and that the U.S.S.R. now spends $35 to $50 billion more per year on defense than the United States. As opposed to the 4.9 percent of GNP which the United States spends on defense, the Soviets commit between 11 and 16 percent of their GNP.

The Soviet Union now enjoys a massive edge in conventional weaponry. Soviet forces contain 50,000 tanks; U.S. forces 11,000. They have built 55,000 combat vehicles; the United States has 23,000. Their combat aircraft total 5,220; ours 4,000. Their current annual production rates indicate that they will continue to outstrip us in the production of new and more sophisticated weapons. To take some of the more disturbing examples: We build 650 tanks annually; the Soviets 2,000. Our yearly output of combat aircraft numbers 275; theirs is 500. We produce 200 helicopters per year; the Soviets 500.

In addition, they have long since passed the point of strategic parity with the United States and are well on their way to outright superiority. The asymmetry in the capacity of the two sides to destroy each other's military targets has grown with every passing year.

In all, the continuing expansion of Soviet military forces, combined with their history of aggression, demands a response from our Nation. We can no longer tolerate a decline in American power and presence in the world without jeopardizing our vital interests and our security.

The legislation before us today will begin to redress this perilous imbalance. It provides for prudent levels of spending, consistent with demands for fiscal restraint and increased security requirements.

The Armed Services Committee has recommended an increase of $6.2 billion above the amount requested by the President. It seeks to meet the requirements of our forces realistically in terms of the threats we face.

Indeed, the committee has made a concerted effort to establish procurement rates that not only satisfy force requirements but also reflect economies of scale. It has rejected the false economy of effecting savings by postponing procurement. These delays inevitably cost U.S. taxpayers more as higher unit costs and inflation are felt in weapons procurement.

To that end, the committee has increased procurement levels for fighter, attack, and airlift aircraft, cruise missile procurement and tank development and acquisition. If we act today we can save millions of dollars by exploiting the efficiencies inherent in higher rates of production.

Sensible procurement practices are also necessary to insure the maintenance of our defense industrial base. It provides incentives for defense contractors to maintain the engineering and production capacity required to supply the necessary components for our weapons systems.

In addition, the committee has undertaken to limit the strategic "window of opportunity" available to the Soviets. This budget provides funding for development of a strategic weapons launcher. The need for a new cruise missile launch platform is urgent. As the committee states in its report it is "unwilling to send our pilots and crew to war in 40-year-old aircraft." This represents a necessary step in upgrading a neglected leg in our strategic triad. The strategic weapons launcher will, by the end of this decade, add a formidable component to our ability to deter nuclear war.

The committee has also wisely increased the funding for our Navy. America must have a Navy second to none. As an island nation with far-flung global commitments, we must have the naval forces capable of projecting American power and presence around the world.

America must have a Navy with global reach, offensive striking power and above all the ability to win in battle. We must be able, today and in the future, to counter an increased Soviet threat and fulfill the requirements of our national strategy in an increasingly unstable world.

To warn potential enemies, to support friends, to neutralize deployments by other naval powers, to exert influence in ambiguous world situations to demonstrate resolve—all these are tasks that seapower is uniquely able to perform. For these missions seapower is clearly preferable to utilizing either land or air forces

Seapower is flexible, it is visible and it is pervasive. Although the number of U.S. overseas military bases has declined, this retraction has not been accompanied by a corresponding contraction in the scope of our vital overseas interests.

This reduction has served, rather, to increase the need for alternative means of protecting our vital interests. The result of this combination of decreasing bases and sustained interests result in growing dependence on our Navy. To fulfill this deterrent and protective mission our naval forces must have the capabilty to maintain a continuing presence in widespread areas of the globe or to bring this presence to bear rapidly.

Today our Navy cannot meet these requirements. As Admiral Hayward has repeatedly warned, we are attempting to maintain a three-ocean presence with a one-and-one-half-ocean fleet.

As a consequence, we are forced to draw down our assets in the Mediterranean and the Pacific to provide ships for duty in the Persian Gulf. Tours of duty for our sailors are over-extended. Sea lanes of the world crucial to the economic well-being of the United States and our allies go unprotected.

In order to attain and maintain a 550-ship Navy—the minimal force level too meet our requirements—the United States must build 18 to 25 ships a year and must spend approximately $8 billion per year in constant fiscal year 1981 dollars over the next 5 years.

It is to this need that the committee responded. The committee has recommended a shipbuilding procurement program which will enable us to meet our international commitments. The recommendation includes both more ships and more capable ships. Rather than relying on out-year promises, the program contemplates an orderly acquisition of the vessels necessary to project American power and presence.

In all, the committee recommendation includes $8.38 billion for the construction of 20 new vessels, reactivation of two vessels from our inactive fleet, and long lead funding for five new vessels. This represents an increase of $2.2 billion over the President's request.

The committee recommendation will provide a significant short term increase in naval capability through the reactivation of the battleship *New Jersey* and the carrier *Oriskany*. The stretch of forces in our Navy has virtually reached the breaking point. Through the reactivation of these ships, we can buttress our Navy markedly within 2 to 3 years.

The *Oriskany* would provide relief for our forces while increasing our wartime offensive power. She could function as an attack carrier in high threat scenarios with newer carriers or operate independently where the air threat is less severe.

The reactivation of the *New Jersey* would be an immediate signal to the world our intention to meet the increased Soviet threat. These 58,000-ton vessels would create an imposing presence in the world. Their 16-inch rifles which can propel a 2,500-pound projectile approximately 25 miles can provide important firepower for support of an amphibious forced entry, for force withdrawal, or for gunfire destruction of designated targets.

Moreover, the *Iowa* class battleships would be the most well-protected, survivable ships afloat. Updated with Tomahawk and Harpoon cruise missiles, close-in weapons systems, and modern electronics and communications systems, these would be potent platforms for projecting American power and presence.

Other additions made by the committee include the authorization of three 688-attack submarines. To attain the minimum force level of 90 submarines, a number essential in order for the Navy to perform its mission, we must build at least three submarines each year. We face the block obsolescence of the 637-class attack submarines in the early 1990's. The procurement of three submarines will adequately support our shipbuilding base and offers the additional advantage of avoiding the cost-escalating impact of inflation.

Rather than pursue the self-defeating path of developing a slower and less capable attack submarine, the committee recommends funding for an advanced design 688. This will improve the propulsion system to achieve maximum possible speed from the *Los Angeles* class.

The committee recommends the acquisition of six FF6-7 graded missile frigates. This increase of two over the administrations request will maintain the industrial base for construction of these ships and provide sufficient numbers for use by Naval Reserve Forces.

To insure a robust building program in areas of greatest need, the Committee has authorized long-lead funding for critically important ships. In addition to the two CG-47 Aegis cruisers recommended by the administration, long-lead funding for a third Aegis ship has been added. This will improve delivery dates by 9 to 12 months and save over three-quarters of a billion dollars.

Funds for components for an LSD-41 amphibious ship and a MCM mine counter measure and landing craft were authorized by the committee. This will permit procurement of the necessary components to allow for a vigorous construction rate.

The committee's recommendations address the areas of greatest need, begin the critically important process of attaining and maintaining a 550-ship Navy, and emphasize both capability and fleet support. I urge its adoption.

In summary, the legislation recommended by the Committee on Armed Services entails a sober evaluation of the growing threats we face around the world, and a fiscally responsible response to those threats. It lays the basis for economically sound procurement policies consistent with national requirements. It seeks to meet our most urgent needs in a systematic and timely fashion. It provides the foundation for the maintenance of our security.

□ 1620

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, title VII of H.R. 6974 would authorize $167 million for civil defense for fiscal year 1981. Originally, authorization of funds for civil defense was requested as a separate legislative proposal, which was introduced as H.R. 6676. The committee included civil defense authorization in H.R. 6974, however, because of the role of civil defense in strategic planning.

In section 701, the committee has increased the authorization for civil defense from the $120 million requested by the administration to $167 million. A majority of the committee felt the authorization level requested was inadequate and for an additional $47 million in fiscal year 1981 and comparable increases over the next 5 to 7 years an improved civil defense program for the United States can be achieved.

Section 702 would authorize the Federal Emergency Management Agency (FEMA) to acquire fee title to approximately 60 acres of land, now being leased or held under easement. Current FEMA leases the property at $66,000 annually. A civil defense radio system antenna facility and water wells for the hardened regional emergency operating center at Olney, Md., are located on the property. The committee has approved the allocation of $571,000 in its fiscal year 1981 civil defense budget for acquisition of the property. Pursuant to section 201(h) of the Civil Defense Act of 1950, section 702 would provide the required specific congressional authorization of land acquired in fee title.

Section 703 would authorize a pilot program to evaluate blast resistance design and construction. The research is designed to test building techniques for enhancing blast shelter protection. In addition to $400,000 being earmarked for the research, FEMA is required to file a report with the Congress no later than April 1, 1981, on the program.

Mr. Chairman, this concludes my brief explanation of the action taken by the committee on the civil defense program for fiscal year 1981.

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I would like to begin by engaging our committee chairman in a colloquy.

Mr. Chairman, during consideration of the fiscal year 1980 appropriations bill, the House Appropriations Committee directed the Air Force to extend to senior enlisted members its policy of allowing senior officers on active duty (colonel/captain and above) to place their name on a waiting list up to 30 days in advance for space available travel on military airlift command aircraft. The Senate Appropriations Committee disagreed with the House Appropriations Committee action and directed in its report that the 30-day write-in privilege be terminated and that space available travel be offered to all military personnel on an equal basis regardless of grade. The conference agreed with the Senate Appropriations Committee language.

I strongly disagree with the Senate Appropriations Committee action and agree with the House Appropriations Committee language extending the privilege to the senior enlisted grade, E-9. The high level of responsibility and the demands of the jobs of both senior officers and senior enlisted personnel afford them less time and opportunity to take leave. Restoration of this benefit will be one small reward for their extended dedication and will provide recognition of the high performance that enabled them to achieve success in their military service.

Mr. Chairman, I would ask that the House conferees seek to insert language in the conference report supporting the House Appropriations Committee language.

Mr. PRICE. I feel certain in my own mind that the conferees will seek to incorporate language supporting the position of the House Committee on Appropriations. I believe that will be maintained as a House position.

Mr. HILLIS. Mr. Chairman, I realize that we all have the tendency to overstate the importance of some issues. However, I truly believe that the debate over the defense budget this year is one of the most important debates in which we will participate this year.

It will serve us well to keep in mind throughout the consideration of this bill the comments of the Joint Chiefs of Staff in the military posture statement released earlier this year:

> Unmatched by Western efforts of similar magnitude, the continuing Soviet emphasis on military forces is gradually shifting the military balance against the United States and its allies in each of the major dimensions of capability: strategic or theater nuclear, and conventional. This sobering development tends to undermine the mutual confidence that supports the vitality and prosperity of the Free World and increases the prospect of overt political and military challenge to U.S. and allied security.

I recognize that this bill as reported from the Armed Services Committee authorizes almost $6 billion more than was requested by the President. In a year when serious attempts are being made to balance the budget, and many domestic or social programs are being cut, many people are objecting to increasing defense spending. I say to those critics that an adequate defense capable of supporting our foreign policy pronouncements is more important to the general well-being of our constituents than any other single program.

The United States is an island nation insomuch as we depend on imports to keep our economy going. We have vital interests worldwide. Every day it seems that new possibilities of future conflicts merge. To a large degree our current international problems are the result of neglecting our military over the last two decades, and more specifically the last 5 to 10 years.

Even with the increases in defense spending recommended by the President for fiscal year 1981, the United States has almost halved its investment in defense both as a percentage of the GNP and as a percentage of the Federal budget over the past 20 years. This defense budget may be the only function in the fiscal year 1981 budget to be increased, but when inflation is taken into account, the defense budget has been cut $38.6 billion from that proposed by President Ford in his January 1977 5-year defense plan. During those 5 years, the Soviets have outspent the United States by a total of $40 billion on research and development. They are only now beginning to realize the benefits of that research. Again during the same 5-year period, the Soviets spent a whopping $104 billion more than the U.S. for hardware and military construction.

Our strategic nuclear superiority can prevent a relatively small number of contingencies. However, even this superiority is being questioned. Gen. Richard Ellis, the Commander of the Strategic Air Command stated before the committee, that "by today's measurements, an adverse strategic imbalance has developed, and will for several years to come." To combat the Soviets strategic strength, the U.S. must develop the MX missile with a mobile basing mode during the 1980's.

The importance of the MX is that it provides the unique contributions of quickness, flexible responses—independent of launch on warning strategy—and a high alert rate.

Without SALT II ratification, the Congress must now consider the adequacy of all of our strategic programs, including MX, versus the possibility of a very large expansion in Soviet nuclear capability. The MX system will enable the United States to respond to large increases in the Russian threat by increasing our number of missiles and/or shelters. Such a U.S. response would be substantially less expensive than the expense to the Soviets. Due to its survivability, estimated at 50 percent after attack, the MX will have a tremendous counterforce capability. The system will act as a disincentive to the Soviets to further expand their ICBM force.

Of course, the MX is only one of many important programs contained in the committee's recommendations. Time constraints prohibit a full discussion of very many of these programs. However, there are two committee initiatives in which I have a particular interest and would like to take just a few minutes to discuss.

First, the committee is recommending that the reengining of the KC-135 begin in fiscal year 1981 as opposed to the administration's request to initiate first article production program only in fiscal year 1981. While the Air Force is in support of ultimately reengining up to 300 KC-135A's, budget constraints reduced the scope of the work to this initial article production aircraft.

Gen. Kelly Burke, Vice Chief of Staff of the Air Force for Research, Development and Acquisition, testified before the R. & D. Subcommittee that the single aircraft program did not make much sense by itself and that in his personal opinion he thought it would be a very wise investment to provide for the reengining of at least 100 aircraft.

The additional $60 million contained in the committee's bill will be used to procure the hard production tooling and long-lead items necessary to go forward with fullscale KC-135 reengining program. This money will allow for the delivery of 100 reengined KC-135's by the end of 1985 as opposed to the funding request by the administration which would allow for the delivery of only one plane prior to 1985. The importance of reengining the KC-135 is widely accepted and I have every hope that the Congress, through the authorization and appropriation process, will support the accelerated program.

Second, the President's budget contained no authorization recommendation for additional C-130 airlift aircraft. The committee recognized that the Air Force Reserve and Air National Guard provide 64 percent of the Air Force's tactical airlift capability. Many of the current C-130A's are old and obsolete and are nearing the end of their lifespans. The committee understands the need to support the President's emphasis on rapid deployment and added $93.6 million for the procurement of eight C-130H aircraft—four for the Guard and four for the Reserve. Severe limitations in payload, range, speed, and maintainability of the older C-130A's make it vital that the additional, newer aircraft be purchased during the coming fiscal year.

In conclusion, I would urge my colleagues to carefully consider the importance of this measure. It is expensive, particularly in light of our efforts to balance the budget. However, the price of not having an adequate defense program may be more expensive in terms of defending Western interest and freedoms throughout the world than the cost of modernizing our military today.

☐ 1630

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rarely speak during general debate, but I just wanted to mention several things as we carry on this discussion, because I think this is a very, very important and critical thing to discuss. I was very pleased that the gentleman from Virginia and the gentleman from Michigan (Mr. CARR) both mentioned this, and I want to underline it also because we present some language in the report and I think it is just absolutely vital that we indicate to our colleagues and make sure everyone focuses on it; that is, that the extra money that is in this budget that is over the budget, to make sure that that money does not end up coming out of operations and maintenance. We are $6.2 billion over the budget at this point—maybe more, maybe less, depending on where the budget comes out. That is basically for hardware add-ons. Everybody likes hardware. We are all technology junkies of a sort, but doggone it, we do not want the Appropriations Committee going over and deciding that they will buy the hardware and cut back the Operations and Maintenance account.

That has always been a strong temptation, to do that, and I hope we stop it. We put it in this year. We hope they will look at this very, very difficult area and make sure our readiness becomes the foremost concern rather than buying more hardware. It seems absolutely critical.

The first thing we should do is keep our training and maintenance. I do not understand why we should run out and buy even more. If we have planes, we should fly them and not wax them. Yet, if we do not have gasoline to put in them, we obviously cannot fly them. This is not glamorous. There is no lobby that will contribute to a Member's campaign and push O. & M. Yet, it is very critical.

Mr. Chairman, I also want to say a few things about the manpower area. I think one of the things that has happened to us and has become absolutely a crisis is that we are running a school for the rest of the country. We are training people, and then many of them get their degrees and their diplomas, and they get out of the service. So, we can buy all these airplanes, but if we do not have any pilots around they are not going to be used; if we do not have mechanics; if we do not have computer specialists.

We are not going to be able to get people unless we pay them a living wage. What we are doing in a lot of incidents is turning around and contracting out to get the people, but they are not in units or in the command structure, and there are all sorts of problems. I know that there are benefit packages that have been turned out. I think we should go much further than that. I think it should be salaries. We should sit down and seriously study and look at how they relate to the GS scale and the civil service, and compare them. We have done that in the Foreign Service, and it is long overdue in the military service. I think pay is the most critical problem. Benefits are important, but I think they would much rather have pay and pay comparability.

So, I really hope that we move into this area. It is long overdue, and we will take a look at this, but we need to get that comparability study to stop contracting out, and we need to go forward.

I think one of the things that is happening worries me a lot. We start to decrease the morale of our troops by, one, not paying them; and two, by saying that we do not think we can fight this year because we must have umpty-umpth more submarines, umpty-umpth more this, umpty-umpth more that. But, that is true. But, doggone it, let us talk about that. If we went into every war with that attitude, we would never have gotten into any war at all.

□ 1640

If General Washington would have decided that, we would have had no Navy. If he had decided we had no equipment or no money to pay troops or anything else, we would never had gone into the Revolution.

I think any number of things have come out that way. I think we have to be a little careful as we carry out this debate and realize that we have not always had more than everyone else, and yet we have gone in with that little extra spark that made the difference and made us come through when it counted. I think paying the troops is one thing that makes us come through when it really counts.

There are lots and lots of points that we can make if we will only pay our troops and focus our attention on that. We should begin giving them the adequate dollars to train so that they can truly feel they are ready and they can truly feel they are up to snuff. It seems to me those should be the first two priorities we have, and then we can move on to add more.

But until we can keep up with what we have got, it does not make a lot of sense to buy more things to store.

Mr. Chairman, let us hope that the Operations and Maintenance stays in the bill. I commend the other Members who talked about that. We had good discussions in the full committee about it, and I just think this is the year we must focus on that totally because we just cannot stand any more penny-wise and pound-foolish budgetary considerations.

Mr. BOB WILSON. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, before I begin my formal remarks today, I would like to take this opportunity to add to those eulogies that have already been paid to the distinguished ranking Member of the minority party, the gentleman from California (Mr. BOB WILSON).

A man should have a right to determine the flows and rhythms of his own life. Despite my own imploring of the distinguished gentleman from San Diego, Calif., to make it a round even 30 years instead of 28 years, that certainly is his decision to make. In the role that he can play as a Paul Revere in 1981 and 1982, in 1991 and 1992, and even 2001, traveling back and forth across this Nation of ours, as though he has not traveled on airplanes enough, making sure our country fulfills its obligations through the Congress under the Preamble to provide for the common defense, I know he will be as valuable as a former Member as he has been for almost three decades as a Member, particularly in the distinguished way he served on the Committee on Armed Services.

I would suggest to all the Members of this House, not just to the 172 Members who have signed my letter to the President of the United States imploring him to rethink his decision of June 30, 1977 to kill the B–1, and I would ask all the Members who are about to retire at the end of this year and all those who may be retiring, even though they do not know it yet, to think about being invited to a SAC Air Force base sometime in the middle 1980's, the late 1980's, or the 1990's as a former Member of this distinguished Congress.

Do they want to attend an Air Force dinner or a dine-in and do they want to look out the window of some airmen's club or officers' club and see sitting on the ramp aging B–52's with advanced metal fatigue? Do they want to have young pilots, navigators, enlisted crewmen, and rear gunners tell them, as they told me already on flights that I have had on B–52's in my 4 years as a Congressman, that they feel like Japanese kamikaze pilots?

Do they want to have the wives of these men tell them what the wives have mentioned to me? The wives of these young SAC crewmen have said to me, "We do not ever expect to see our husbands come home if they are asked to defend their country in a hot war situation." The wives feel as though they are widows instantly in that event.

If, God forbid, we should get into some sort of a war will we need to use these B–52's again? When I flew the FB–111 in my first year, that was in New England. They were stationed up in the northeast corner of the country because it is too short-legged to reach the Soviet Union otherwise, and even then it has to be refueled. With the FB–111, the crewmen and their wives said that they have a fighting chance. The wives said, "Our husbands just might be able to recover outside of the Soviet Union or make it to the woods of Siberia where they could survive for a while."

All of them were ex-B–52 crewmen, and they said, "We are glad we are out of that because now we can sympathize, and we can reaffirm what the B–52 crewmen have said." They said that flying on that aircraft is like being assigned to a suicide mission on a kamikaze aircraft.

Before any Members of this House cast their votes tomorrow on this defense authorization bill or during the amendment process, I would like them to please burn into their memories two stark statements issued by respected, knowledgeable, and sincere gentlemen in the aftermath of that 1977 cancellation of this supersonic B–1 aircraft. This is the aircraft I like to call the "Peacemaker," which was the name of the B–36 which never dropped a weapon in anger at anybody and which kept the peace during the period in our history when our defenses and our defense policy was clearly defined as massive retaliation against any foe who hurts us or one of our allies.

Writing in the 1977–78 edition of what is perhaps the most prestigious professional journal dedicated to military aircraft, "Janes All the World's Aircraft," published in Great Britain, the remarkable editor-in-chief, John Taylor, said:

> If our planet is subject one day to the unimaginable horrors of a Third World War, 1977 might be recorded as the year in which the seeds of defeat for the Western powers were sown.

On June 30, 1977, on the occasion of his decision to cancel the B–1 bomber, the President of the United States himself, fully aware of the gravity of his own decision to kill the most advanced aircraft ever built, told the American people this:

> If at the end of a few years, the relations with the Soviet Union should deteriorate drastically, which I don't anticipate, then it may be necessary for me to change my mind.

To my hard-working friends on the Committee on Armed Forces, to my fellow Members of the House, I submit that the time has already long since passed when we should do something concrete to help the President change his mind.

Next to this beautiful B–1 on exhibit here, there is a scale model of the Soviet bomber which I had made just this week so I could put it alongside the B–1. This is the "Soviet B–1." They are making an average of about 3½ of these per month. They are assigning men to the Pacific forces beyond Siberia, in our Pacific Ocean, in the rim of it. They are assigned to a maritime role.

Imagine this aircraft coming in, this supersonic aircraft, on a deck with SRAM missiles on their own developed cruise missiles, going after one of our own monstrous aircraft carriers like the *Nimitz* that sits in the Indian Ocean.

Imagine the B–1 in a maritime role, which the retired commander of the Strategic Air Command, Russel Dougherty wrote so brilliantly about. When the President established the conditions for the restoration of the B–1 bomber as a vital component of our national defense, our relations with the Soviet Union were different than they are now, or at least some of us thought they were different. They have deteriorated, and to use the President's description, they have deteriorated drastically.

Last night, in reading over the committee's report concerning this year's defense authorization, I was struck with the sense of urgency that permeates the committee's recommendations on both sides of the aisle. I was also struck by the committee's observation that the initiative in matters of national defense could not be left to the executive branch alone but should also be passed on to our Congress. I agree with that assessment.

That is why I believe that we now have

the historical opportunity to take direct and decisive action, action that will send the leaders in the Soviet Union a clear and unambiguous message that there will no longer be any palliation, no longer any politics as usual, no longer any delay, and that the people of the United States, through their elected representatives, will re-initiate the production and deployment of the very best, the finest strategic aircraft ever designed, the B-1 Strategic Air Command Bomber, the Peacemaker II.

Since the President decided to cancel this B-1, the Soviet Union has installed advanced, offensive fighter bombers and a Russian combat brigade in Cuba.

☐ 1650

And may I footnote here what those planes are in Cuba? Ask for your intelligence briefings. They are not MIG-23 interceptors. They are MIG-27 fighter bombers in Cuba capable of carrying thermonuclear weapons into a great arc across the Southern United States. And I ask you: If President John F. Kennedy, our last so-called heroic President, with style and grace could face down the Soviets eyeball to eyeball in the October 3d week of 1962 over ancient, by today's standards, IRBM's, intermediate-range ballistic missiles, where is that sense of urgency over advanced MIG-27's, sitting there with tarpaulins over their noses in Cuba, thinking that they fool our KH-11 satellites?

Since the President decided to cancel the B-1, we have seen increased activity in Africa, thousands of Cuban proxy troops killing young black men and women on that continent.

Cuba has increased its subversive penetration of the very Saudi Arabian peninsula. The U.S.S.R. has increased its subversive penetration of vital oil-rich Persian Gulf regions.

Ask for an intelligence briefing on how many hundreds of Soviet agents, KGB agents, are running rampant all over our once allied nation of Iran and finally capping off its aggressive behavior with a full-scale, massive invasion of Afghanistan, while we hear dialog in this well that we have not heard since World War I, of possible mustard gas, of confirmed reports, according to Dan Rather of CBS, of nerve gas being used on humble tribespeople who are defending their homeland.

They have yet added another subject nation to their vast empire, and the latest issues of Time, Newsweek, and U.S. News & World Report say that the Soviet planners are arguing that they double their forces in Afghanistan to help in the military fighting and subjugate the nation.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

Mr. BOB WILSON. Mr. Chairman, I yield the gentleman the remaining 4 minutes of our time.

Mr. DORNAN. I thank the gentleman.

Mr. Chairman, all of this time, as the committee's own extremely well written report illustrates, Soviet bravado has been accompanied by a growth in military power unparalleled in modern history, even including Adolph Hitler's rearmament of Germany in the late 1930's.

As the gentleman from Virginia (Mr. TRIBLE) has pointed out, and excellent Members on both sides of the aisle, Hitler started the Second World War with 53 submarines, 53 U-boats, and these tiny, burgeoning wolf packs. Now the Soviet Union has seven times that number, at least, umpty-umpth, umpty-umpth, the numbers of Soviet submarines, correct, as the gentlewoman from Colorado attempted to point out.

There is no doubt that the Soviets appreciate the special, unique qualities of a manned penetrating bomber. For the first time in Soviet military history, they have embarked on an ambitious development and deployment of a formidable bomber force. They are not only building their B-1, the Backfire, the Tupelov 26, they are building two advanced models that they will push, as they always do, unless they are a total abject failure, right through research and development and into production. There is no longer any doubt of the strategic potential of this Tupelov 26, the Backfire. Military experts now concede to me, to any of us, that the Backfire could hit virtually any target in the continental United States and may present an even greater danger to allied shipping lanes than the slower Soviet submarines.

I flew an F-106 interceptor mission at Langley Air Force Base a few months ago, and the pilots told me in a closed-room briefing that if Backfires were coming perpendicular to our coast at three different levels, they would not know what to do first, that we are virtually unable to counter this type of a threat.

The brilliant and articulate Chappie James, within 30 days of his tragic death, told me, "Congressman, that House of Representatives and Senate has left our Nation defenseless to a Soviet Backfire bomber threat." That is why he wanted F-15's in our aerospace defense command instead, a beautiful airplane like the B-52 was at one time. The F-106 was coming on to active duty when I was leaving active military service 23 years ago. That is not what you call obsolescence. That is obsolete.

By early 1978, after the cancellation of the B-1, on that day here when the Speaker of our House spoke so eloquently, on George Washington's Birthday, and pointed to that very model of the B-1, and it broke his rhythm, he looked at it, and the gentleman from Massachusetts (Mr. O'NEILL) said:

> I know it is beautiful, but we cannot have everything we want.

Now those words come back to haunt him on some of his social problems. But where are our priorities? Sometimes it is not a question of what we want, it is a question of what we absolutely need to secure the survival of Western civilization. After that cancellation, 100 of these sleek, 270,000-pound supersonic, low-altitude, penetrating bombers, capable of reaching a speed of mach 2.5, would now be delivered if we had not canceled it. The Soviets have no doubt of the utility of their advanced, high-performance strategic bombers which they are producing at an accelerated rate, as I said a few minutes ago, of more than 30 a year, building a force of as many as 400 before their B-2's or B-3's start to come off the line.

Mr. Chairman, it is my firm belief that the security of the people of the United States is not something that can be shortchanged. This supersonic, flexible B-1 is the very best near-term option in existence, what the geniuses in the think tanks call a quick fix before we dump into the bathtub curve of 1981 to late 1986, when we are left naked to a Soviet first strike.

There can be no second possible alternative.

I will submit the rest of my remarks for the RECORD. I ask the Members to please read them, and I will be back during the amendment process to continue these points with these two graphic examples of what they are building and what we are not building.

Mr. PRICE. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, during the last several weeks this House has been "hellbent" on balancing the budget. In the process, we have seriously wounded the hopes, priorities, and programs of many millions of poor, elderly, and minority people.

Now we are being asked to approve over $160 billion in total obligational authority to support the military in fiscal year 1981. This is about $20 billion above the fiscal year 1980 budget authority. The increase is not justified by either the facts or history.

Insistence on higher military expenditures has increased with the recent Soviet actions in Afghanistan. But, it is important to remember that the proposed Pentagon budget for fiscal year 1981 was developed before Afghanistan and amended by the President before action was taken by the committee. There are promises of supplements. The committee has already added $6.2 billion to the amended figure.

What is the military challenge of the Soviet Union that prompts this stupendous sum? Even given Afghanistan, there is nothing in the last 34 years of Soviet history that supports any interpretation that they are inclined to an all-out nuclear war or to any adventure that could cause U.S. nuclear retaliation. In fact, no one, including those who point with alarm to Soviet increases, really gives much credence to the possibility of a Soviet attack against the United States, our allies, or areas of U.S. strategic interests, including the Middle East oilfields.

The alarmists raise instead the increase in numbers of Soviet arms and the notion of "perceptions" and possible political consequences.

Many point with anxiety to the military balances—the so-called bean counts. I believe that when analyzing military balances, we must go beyond simplistic tables. As Secretary Brown has said, such comparisons can be "extraordinarily misleading." Our strength and capacity should be measured as to the needs and foreign policy objectives of America. Given an understanding of the importance of balancing our needs and our forces, we can understand a certain fatuousness in balancing Soviet and American forces. The needs are different.

Nevertheless, the increases in the military budget are based in part on the faulty premise that we are dangerously challenged by superior Soviet military strength. Many see trends in Soviet military spending and capability that demonstrate Soviet superiority. But, this premise can be seriously challenged.

This bill, at the dollar level authorized by the committee, is not in the best interest of the American people. It will not shelter us from the ravages of inflation or contribute to a rational budget. Neither will it contribute to international accord or stability.

The authorization level shows a lack of discernment, rationale and restraint by the committee. It is reflective of the "wants" of the military brass rather than constituting a reasoned policy. The committee has a responsibility to the House and the American people to be more than a rubber stamp. It has not met that responsibility by proposing this bill.

It is time that we coolly reflect on our interest, our capacities, the threat, and the costs of our military programs.

The programs articulated by Secretary Brown and the caricature drawn by the committee cannot and should not be supported. These programs are far too expensive not only this year, but particularly for the future, where their projected increases would raise the defense budget to well over one quarter of a trillion dollars a year by the end of the 1980's.

Such an expenditure would mean that even more major social concerns would be set aside because money would not be available to fund them. The Nation's priorities would be misshaped and our commitment to social justice and a decent and secure standard of living unfulfilled.

Each year we are confronted by panic stories of "the Russians are coming." Despite the cries, the overall balance between the United States and U.S.S.R. remains stable. The Soviets have increased their annual defense expenditures over the last decade and a half. But, the Soviets were clearly behind when the increase started and clearly they have not surpassed us. Russia and America both possess military power capable of destroying each other many times over. Both have more military capacity than they can utilize. Our foreign policy problems, the foreign threats to our economy and the challenges to international peace have not come about because of U.S. military weakness, rather they are continuing evidence that the world's major problems are not solvable by U.S. arms. Indeed, we have painfully learned or certainly should have learned from Vietnam and previous paramilitary efforts that our weapons have definite limitations.

We need to maintain a strong military but its strength should be measured as to the real needs of America.

President Carter has said:

> It is a new world that calls for a new American foreign policy.

This is most certainly so. Our intent should be to shape a foreign policy and supporting military posture that recognizes our limitations and our true interests.

We should reject this bill.

□ 1700

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I ask for this time to ask a question of the distinguished chairman of the Armed Services Committee. I am concerned that an attempt may be made to repeal or suspend the Vinson-Trammell Act as part of this year's defense authorization bill. As you know, the Vinson-Trammell Act places limitations upon the profits which corporations can make on defense contracts. I think it is very important for our country to have a check on the profits we allow defense contractors.

Several Members have introduced various pieces of legislation dealing with Vinson-Trammell. Two committees—Armed Services and Banking—share jurisdiction over the subject. Neither committee has held hearings or markups on any of the various proposals. Because Vinson-Trammell is so important to our national security, I hope that there will be no attempt to short circuit the legislative process by dealing with it in the defense authorization bill. I would also hope that the House conferees would oppose any Vinson-Trammell legislation in conference. It would be a mistake on the part of the Congress if we did not give Vinson-Trammell the full legislative consideration it deserves. In view of the amount of money we spend on military procurement, full examination of limits on excessive profits is crucial. I hope the chairman shares my concern.

Mr. PRICE. The chairman does share the gentleman's concern to the extent that he has already introduced legislation on his own on this very subject. The investigative committee, the Armed Services Committee, is going to make a thorough study.

I am sure, knowing of his interest in it, they will probably be in contact with the gentleman.

Mr. MINISH. I thank the chairman.

When the history of the seventies is written, there is not any doubt in my mind that historians will record the scuttling of the Renegotiation Act as a sad day for the U.S. taxpayer. The defeat of the Renegotiation Act resulted in $150 billion in contracts being swept under the rug forever. Let us make sure this does not happen to the Vinson-Trammell Act.

I thank the chairman for the time and yield back the balance of my time.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I rise in strong support of the bill that is before us. I think that we all know from listening to the debate today that we have in front of us the nucleus of a strong national defense with this measure. I support it. I suoport tne attempts to increase the funding for personnel. I support the operation and maintenance endeavors.

I hope that we can make headway in the various materials and research and development parts of the bill.

In particular, Mr. Chairman, I wish to address myself to section 7, the civil defense part of the bill. I think that the figure that the committee and subcommittee have recommended, $167 million, is one that is adequate, if we are to begin a civil defense program.

Civil defense should be part of the strategic defensive planning in our Nation. What good does it do a warrior to go into battle if he has a sword in one hand and no shield on the other? You must have both. The shield of today is civil defense.

To help enhance our civil defense, Mr. Chairman, I am offering an amendment which would create a finding that the present civil defense is inadequate, that a new civil defense program must be enacted to enhance the survivability of the American people. It would have various elements such as population relocation plans, in-place protection planning, shelter surveys, planning for shelter management, taking care of those people who are in the Three Mile Island areas, as we have seen last year, improving warning systems, improved network of emergency centers, self-help information and survivor's skills and research and development.

Mr. Chairman, civil defense is so important. What good does it do for us to have great offensive capability if we do not have the ability to defend the population and those who live near the strategic nuclear areas, retaliatory areas? Civil defense is not confined to nuclear defense. Civil defense has a dual purpose.

We have seen through many who have spoken on this floor on this subject that civil defense also has a domestic purpose.

Last night—I would like to share this with this body—I was in Sedalia, Mo. Sedalia was hit again last night for the second time in 3 years with a horrendous tornado.

I am pleased to say, though, Mr. Chairman, that as a result of a warning system that actually worked, every person who lived in a trailer home where the trailer park was completely obliterated, 75 of them, every person reached the shelter because of the warning system.

I am pleased to say that the Kelsey Hays Manufacturing Plant, which was made into a skeleton steel framework after the tornado hit, no one died because there was adequate warning, and everyone in the plant was able to get to the storm room.

Were the warning systems that were established by civil defense not in place, we would have numerous fatalities in Sedalia, Mo, today.

Civil defense is something that we must continue to support, and not just for domestic, but for also the unthinkable should it come to pass. It is very important. I support what the committee has done.

I urge this body to adopt my amendment when it comes time to discuss the civil defense part of the bill.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to my friend from Georgia.

Mr. BRINKLEY. I thank the gentleman for yielding.

I rise to compliment the gentleman for his leadership role in this area.

As the gentleman knows, I have also been a long-time supporter of civil defense, which I think not only provides a wartime shield, but a peacetime spillover, and especially in a dual role where one can deal with the tornadoes and the hurricanes and the civil disasters which certainly loom on the horizon.

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I support the gentleman and appreciate his leadership role.

Mr. SKELTON. I thank the gentleman.

Mr. PRICE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I think the record ought to be corrected in connection with some of the remarks made by the gentleman from California (Mr. DORNAN) with respect to the B–1 bomber. President Carter's decision not to proceed with the B–1 bomber, which the Congress ultimately upheld, has saved the taxpayers billions of dollars in money that would otherwise have to be appropriated for other military programs and has enabled the military to take that money and use it in places where it will do much more good.

The air-launched cruise missile, combined with the B–52 bomber, is a far less expensive, far more efficacious system than having a manned bomber that would try to fly over the Soviet Union and drop a bomb a relatively short distance from the target. The air-launched cruise missile made the B–1 obsolete before it ever got off the test rack.

That is not to say that some follow-on to the B–1 should not eventually be considered. But the Air Force itself, even during the B–1 debate, conceded that the B–52 was good through the 1990's time frame. By retaining the B–52, we simply have made those funds available for other much more urgently needed military programs.

I would also like to point out that the same kind of decision is now going to confront us with respect to the basing mode for the MX missile. I am not prepared to say that we do not need the MX missile. But the MX MPS basing mode would be enormously expensive and has not been carefully thought through. They have changed the idea practically every month as far as the concept and the layout are concerned. Before committing ourselves strategically and financially to one basing mode, we need to seriously explore the shallow underwater missile and possibly other basing alternatives.

Mr. PRICE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, I could not let it go by without noting the previous speaker's comments with regard to the B–1 bomber. The B–1 would have cost us for 244 models roughly $24 billion if we had gone ahead with it. The current modification of the B–1's plus a cruise missile, plus AMP hardening, plus all of the modifications, comes out to $18.5 billion. Then if we would have gone into the wide-bodied jets or the wide-bodied exchange program, we would have come out between $25 and $30 billion. So very clearly I would point out to the gentleman the only thing we have saved as far as cancellation of the B–1 is concerned is an opportunity to build a penetrating airframe later on.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman.

Mr. MYERS of Indiana. Mr. Chairman, the argument of the gentleman from Ohio (Mr. SEIBERLING) reminds me of a country farmer out home bragging about how much money he had saved by the fact that he did not fertilize. All of his neighbors raised about 150 bushels to the acre, and that neighbor raised only about 75 bushels and was bragging about how much he had saved by not fertilizing.

Mr. LLOYD. The gentleman is correct.

Mr. PRICE. Mr. Chairman, I have long been a proponent of efforts to redress the very serious vulnerability of our land-based intercontinental ballistic missile (ICBM) force. We must have a survivable, land-based ICBM system if we are to maintain essential equivalence with the Soviet Union in strategic forces and to maintain a high confidence in stable deterrence.

The threat to our ICBM's and our deterrent as a whole is serious and real. I remain convinced that with or without SALT II, the MX missile deployed in a horizontal multiple protective shelter basing mode provides the best cost effective solution to the ICBM survivability problem.

Accordingly, because of my continuing concern over this crucial strategic issue, I directed a letter to the President on April 24, 1980, stating some of my views on the need for a survivable MX system. Mr. Chairman, I include my April 24, 1980, letter along with the President's response at this point in the RECORD:

APRIL 24, 1980.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, I have for many years been very concerned about the survivability and, therefore, effectiveness of our ICBM force. I think you will agree with me that the ICBM force has played a dominant role in determining the military capability of our strategic forces. The survivability of our ICBM force is rapidly decreasing, and there is general agreement that during the early 1980's our ICBM's will become vulnerable to a Soviet attack that expends less than one-third of their ICBM force. The Soviets are on the verge of achieving what they and perhaps others will consider to be a state of strategic superiority, useful politically, even if they have no present or future intention of initiating a strategic nuclear attack. A U.S. decision to abandon the Triad concept of strategic nuclear forces could be perceived by the Soviets as demonstrating U.S. willingness to accept a position of inferiority.

Maintaining stability implies not only aggregate equivalence in basic measures of military strength, but also a valid perception that no significant relative advantage can be gained by a first strike against our forces.

Therefore, the central issue that must be considered is what to do about our ICBM force to restore the declining credibility of that leg of our deterrent.

It is my opinion that the deployment of the MX missile in a Multiple Protective Structure (MPS) basing system continues to be the most desirable response to the Soviet challenge to our confidence in the survivability of our ICBM force. Our committee has continued to support the development of the MX in the belief that the timely deployment of an MPS would preserve the Triad concept of well-hedged forces, negate the destabilizing impact of Soviet ICBM's, and allow modernization of our ICBM's.

An MPS, I believe, can add to crisis stability. The system's survivability and durability would make preemption a doubtful tactic. By responding effectively to the new Soviet programs, we tend to discourage the Soviet drive for strategic superiority.

Questions are now being raised in some quarters about the effectiveness of the MX in a non-SALT II situation and concerns are also being expressed about the environmental impact of the system.

It has been my feeling that, with or without SALT II, the MX missile deployed in an MPS mode has inherent resiliency that offers a means of responding successfully to large increases in the threat. Increasing the number of shelters, missiles or both could offset large excursions in the threat. If it cost us no more to respond to increased threats than it would for the Soviets to deploy them, it could dissuade the Soviets from making the very substantial expenditures to field such threats.

A program to deploy an MPS ICBM system can add, in a timely manner, to the survivability, endurance, and capabilities needed to maintain the credibility of the ICBM element of the Triad and thus to the Triad as a whole.

I realize that there are, inevitably, environmental problems that accompany a deployment of this magnitude; however, there must be a balance between the needs of national security and environmental issues. I would want to be assured that your Administration will take the lead in educating the citizens in the local deployment areas as to the compelling need for such a system, as well as assisting these areas in minimizing the possible adverse environmental and economic impact resulting from a deployment of the MX system.

Because of the paramount importance to our national security, I have scheduled a committee hearing on the status of the MX program for May 1. I would welcome a response from you to the points I have raised in this letter, with the thought that it could be made a part of that hearing record.

I look forward to your response on this crucial subject.

Sincerely,

MELVIN PRICE,
Chairman.

THE WHITE HOUSE,
Washington, May 1, 1980.

Hon. MELVIN PRICE,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN PRICE: I appreciate your letter in support of the MX—MPS missile system. I think all the points you make are excellent, though I would add two more.

First, MX is needed not just to preserve our own national security, but also to preserve the security of our friends and allies. We depend upon them to help maintain an adequate balance of conventional forces, and they must depend upon us to maintain an adequate balance of nuclear forces.

Second, while the MX system we are pursuing remains the best choice even without SALT, I believe the SALT process will continue. Thus, you should not lose sight of the positive impacts that MX will have for that process. It will demonstrate to the Soviets that their pursuit of strategic superiority is fruitless; it will set a good precedent with respect to verifiability for mobile ICBMS and it would allow reductions in the numbers of launchers without reducing survivability.

As you know, last week I sent several of my most senior officials to Utah to explain the need for MX and to discuss ways to fulfill my recent pledge to minimize the adverse environmental and economic impact of MX deployments in that general area. These efforts will continue.

MX does involve sacrifices, but defending our freedom always has. Deterrence works for all of us or for none of us. As an appreciation of these basic facts increases, and as we identify and put into motion specific plans for dealing with potential adverse impacts, I expect growing support from the likely deployment areas.

Again, I appreciate your letter. I hope you will make it—as well as this response—part of the record of your upcoming hearings on the MX program.

Sincerely,

JIMMY CARTER.

Mr. PRICE. Mr. Chairman, I have no further requests for time, and yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill will be considered under the 5-minute rule by titles, and each title shall be considered as having been read.

The Clerk will designate section 1.

Section 1 reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Authorization Act, 1981".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $1,077,600,000; for the Navy and the Marine Corps, $6,262,900,000 of which $33,600,000 shall be available only for procurement of aircraft for the Navy Undergraduate Helicopter Pilot Training Program; for the Air Force, $9,272,364,000.

MISSILES

For missiles: for the Army, $1,588,700,000; for the Navy, $2,343,800,000; for the Marine Corps, $131,243,000; for the Air Force, $3,129,984,000.

NAVAL VESSELS

For naval vessels: for the Navy, $8.326,300,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $2,365,600,000; for the Marine Corps, $51,425,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $403,600,000.

OTHER WEAPONS

For other weapons: for the Army, $417,100,000; for the Navy, $193,400,000; for the Marine Corps, $51,690,000.

AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

SEC. 102. There is authorized to be appropriated for fiscal year 1981 the sum of $377,679,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of the acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. (a) During fiscal year 1981, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defence on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;
(B) quality assurance;
(C) codification;
(D) inspection;
(E) contract administration;
(F) acceptance testing;
(G) certification services; and
(H) planning, programing, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E-3A Cooperative Programme for fiscal year 1981, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SEIBERLING) having assumed the chair, Mr. MURTHA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6974) to authorize appropriations for fiscal year 1931 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FIDEL'S FAILURE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, as the saga of the Cuban refugees unfolds, revelations of political instability in Cuba are also forthcoming.

Ernesto Betancourt, who was Fidel Castro's Washington representative during the Cuban revolution, explains that Fidel has failed. I commend to my colleagues Mr. Betancourt's article entitled "Behind the Cuban Tragedy," which is published in the Washington Post on this date and which reads as follows:

[From the Washington Post, May 13, 1980]

BEHIND THE TRAGEDY

(By Ernesto Betancourt)

For weeks now we have been exposed to the tragic spectacle of thousands of Cubans desperately trying to flee the island. The human aspect of this tragedy has been aggravated by Carter's hesitation as well as by Castro's frantic maneuvering and viciousness.

Little can be added to the human side of the story. Faces and events speak more eloquently than words. But there is a meaning behind these events that could confront the United States with an opportunity that transcends the boundaries of Cuba and the refugee issue.

Underneath the bragging and the orchestrated mass demonstrations, Castro is running scared. The Soviets may move to free themselves from the discredit he is heaping upon the socialist model among Third World leaders. They may be concerned with a Caribbean Afghanistan. Furthermore, these events show that Castro has lost touch with Cuban public opinion.

The action that unleashed this situation was Castro's decision to allow visits by exiled Cubans. Instead of treating them contemptuously as "worms," Castro's press called those who had fled the island "members of the community in exile." His main concern was to earn desperately needed foreign exchange. Overconfident, as all beneficiaries of absolute power are, Castro could hardly expect that move to bring so many headaches upon his regime.

The 100,000 Cubans who visited the island in 1979 had an eye-opening impact on those who had stayed behind. The contrast in life styles awakened memories among the old, who could remember. It also opened new vistas to the young, who supposedly were thoroughly indoctrinated by the regime. The impact was not limited to the appeal of abundant food, clothing and electronic gadgets, but went to the deeper issue of freedom. There is a stronger appeal in being able to speak, to travel and to live and work where you want. And, most important, people want to be free of fear.

To say this does not belittle the importance of material conditions. These mass visits coincided with a disastrous situation in the Cuban economy: the collapse of the tobacco crop forced the closing of cigar and cigarette factories, idling 27,000 workers. The sugar crop this year is also a failure. Consumer goods shortages are appalling. The so-called Soviet assistance does not seem to alleviate these hardships.

In the presence of an increasingly educated population, it is easy to understand the judgment of those who want to leave. Cuba under Castro is unable to offer the good life or the pursuit of happiness. Charisma is no longer enough to keep the population's support for the regime.

In a speech last December, Castro made a pessimistic review of the economic situation.

Earlier, his brother, Raul, minister of defense, had blamed the revolutionary leadership—meaning Fidel—for the economic mess. Castro took over direct supervision of the Ministries of Defense, Interior, Culture and Health—a strange approach to improve the management of the economy. More likely he was trying to prevent a Soviet move to replace him or to regain control of the police and military from pro-Soviet elements.

In January 1980, Celia Sanchez, Castro's Sierra Maestra secretary and lifelong companion, died. This provoked speculation in diplomatic circles in Havana that she was killed in a shootout between Fidel and Raul. Since Raul is known to be the Soviets' preferred Castro, it is not too farfetched to infer that Soviet pressure is a cause of tension among the core leadership in Havana.

Pressure from what? We can only speculate. The Soviet Union cannot be too happy with Castro's failure to use his position as chairman of the non-aligned movement to ease its embarrassment over Afghanistan. In fact, Castro couldn't even attend President Tito's funeral. At a time when the Soviets see opportunities in the Caribbean, Central America, Africa and the Middle East to capitalize on a favorable military balance of forces, Castro's clumsy handling of the Peruvian Embassy incident has introduced an unnecessary and most damaging distraction. What has happened undermines the rationalizations used by the Soviet Union to justify its expansionism in the Third World.

Rather than Cuba's being seen as a model for the wave of the future, questions are being raised in Mozambique, Jamaica, Guyana, Costa Rica, Peru and other quarters about the workability of the Cuban experiment. No wonder Castro wants all the refugees to come to the United States instead of going to Latin America. There they could help destroy the myth of his success in building a new, happier society.

The use of goon squads at the U.S. Embassy against those wishing to leave and the announcement on May 1 of the creation of a militia seem to reflect Castro's distrust of the Cuban armed forces. It is not that they may be unwilling to act against the people; that point has not yet been reached (although it may come, as it did in Hungary in 1956). Probably Castro needs a force less influenced by the Soviets to protect himself from a fate similar to that of Hafizullah Amin in Afghanistan.

In the event of disintegration of the Castro regime, what should our position be? We must be prepared to face the eventuality of a Soviet move to replace Castro in order to keep Cuba within the communist camp. Even if severe repression is required, the Soviet military leaders are unlikely to accept quietly the loss of such a crucial strategic position. Following usual Soviet practice, Castro's adventurism could be blamed for the regime's failure.

Under such circumstances, could the Soviets rely on the Cuban armed forces in Cuba, Ethiopia and Angola? That is doubtful. Once events are unleashed, the hatred of the Cubans for the Soviets will make the regime highly unstable. As in Hungary, Czechoslovakia and Afghanistan, Soviet forces may have to be used. That is the moment for which we had better start preparing contingency plans and, one hopes, under a more determined leadership than we have shown recently.

Granted, this is a very hypothetical interpretation of the meaning of the Cuban exodus. But we should not ignore it. Guilt over Vietnam, Chile and Watergate has made many lose sight of the strong appeal of a free society. It is that kind of atttiude that leads people to think that communism is irreversible, but not even Brezhnev believes that. If he did, the Brezhnev doctrine would not have been necessary.

THE DEPARTMENT OF EDUCATION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I want to take a few moments to comment upon the creation of the Department of Education on Sunday, May 4, 1980.

As my colleagues know, the statute authorizing the creation of this new Cabinet-level Department—the 13th to sit at the President's Cabinet table—required its establishment within 180 days of the naming of the Secretary.

It is a tribute to the extraordinary women selected to head the Department of Education, the Hon. Shirley Mount Hufstedler, that the new Department came into existence 1 month ahead of the deadline set by Congress for its establishment.

The launching of the Department of Education was marked by hundreds of events throughout the country, several of them in Washington, D.C.

The activities were as diverse as education itself, a mixture of celebrations, intellectual discussions, historical exhibits, and the spotlighting of particularly innovative programs.

Mr. Speaker, some of my colleagues may wonder why such celebration accompanies the creation of the Department of Education, given the widely shared public impression that our schools are in serious trouble.

Mr. Speaker, despite the public pessimism that frequently marks discussion of our schools, our educational system can point to accomplishments far superior to those of any other advanced industrial society.

EDUCATIONAL ACCOMPLISHMENTS

And the celebration accompanying the establishment of the Department of Education offered an opportunity to pause to consider the monumental achievements of education in American society.

Consider, if you will, the following facts:

Over 6 million elementary schoolchildren are provided special services under title I of the Elementary and Secondary Education Act;

The Education of All Handicapped Children Act, Public Law 94–142, is helping provide a free appropriate public education for nearly 3.85 million handicapped youngsters, and

Over 2.6 million low-income postsecondary students are receiving basic educational opportunity grants to help them continue their education.

Very clearly, Mr. Speaker, very few societies can match our commitment to equity in education, a commitment designed to insure that students reach their maximum potential without regard to race, creed, sex, religion, or national origin.

Let me here stress that the commitment to equity has not been made at the expense of excellence and quality in our educational system.

POSITIVE NEWS ABOUT OUR SCHOOLS

For the information available indicates strongly that Americans can continue to place their confidence in our schools.

The evidence is of three kinds. First, although accomplishment in the middle and later school years is declining, student achievement in the early grades is improving.

Second, our schools are educating a vastly different population today than they were a generation ago.

Finally, any reasonable comparison of our schools with those abroad demonstrates how singular are the achievements of the American school system.

Let me say a word about each of these topics.

IMPROVEMENT IN EARLY YEARS

A fundamental and important distincpoint in one direction: Student achievein the basic skills is that all of the data point in one direction: Student achievement is falling behind earlier levels only if we examine grade 5 or 6 and above. From grades 1 through 4, scores on achievement tests are rising over time.

For example:

According to the National Assessment of Educational Progress, 9-year old—third and fourth grade students—improved in both reading and writing between 1970 and 1974;

The comprehensive test of basic skills provides evidence of improved student achievement in reading and mathematics for second, third, and fourth grade students between 1968 and 1973;

The statewide Iowa testing program demonstrates similar gains in the early years;

NIE's study of compensatory programs—the most comprehensive study of title I of the Elementary and Secondary Education Act completed to date—demonstrated the effectiveness of concentrated instruction for low-achieving children in grades 1 and 3. I am confident that we would have found similar results in grades 2 and 4.

The task of the new Department of Education, Mr. Speaker, is to help our schools expand the improvement we can document in the early years to the middle and later school years.

POPULATION CHANGES

The second point I want to make is that our schools are educating a far different kind of student today than they were a generation ago.

In 1947, for example, only 54 percent of the 17-year-old population graduated from high school. Today, the proportion is 75 percent. The direction of this shift has been steady throughout this century—only 6 percent of our youth completed high school in 1900.

These figures illustrate an important problem in comparing high school students of today with their predecessors: All students are not, to this society's credit, alike and they should not be compared as if they were.

A more meaningful comparison would be one which removed from the current high school population the poor, the minorities, the handicapped, and the bilingual, and compared those remaining with their counterparts of 10 or 20 years ago.

In fact, the only long-term data we

have bearing on this issue are the results of the scholastic aptitude test. And these results bear out this assertion: according to the final report of the advisory panel on the scholastic aptitude test score decline, chaired by former Secretary of Labor Willard Wirtz, between two-thirds and three-fourths of the SAT score decline between 1963 and 1970 can be attributed to the fact that the "notable extension and expansion of educational opportunity in the United States" drastically changed the composition of the students taking the SAT's.

This expansion of educational opportunity was a major part of the focus of the keynote address delivered by Harold Howe II to the 1978 National Conference on Achievement Testing and the Basic Skills. Mr. Howe, the distinguished former U.S. Commissioner of Education who now chairs the National Institute of Education's National Council on Education Research, told the conference:

> If one were able to select at random half a million 18 year olds from 1938 and another half a million in 1978—high school graduates and non-graduates—and give them almost any achievement test, the 1978 group would perform significantly better. The general levels of knowledge, literacy and skill of today's youth are higher than they were 40 years ago. On the other side of the coin, if those selected at random in 1938 and 1978 were all high school graduates, the comparison would be reversed, and the students of 1938 would score higher. The high school graduates of 1938 were a select group compared to those of 40 years later. . . .

COMPARISONS WITH OTHER SYSTEMS

Mr. Speaker, the last piece of good news I want to emphasize comes from an International Education Assessment conducted in the late sixties and early seventies.

In a 1979 paper prepared by Ralph W. Tyler, director emeritus of the Center for Advanced Study in the Behavioral Sciences, "American Education in the Perspective of Education in Other Nations," we find the following:

> Only the 14-year-olds of New Zealand and Finland outperform American 14-year-olds in reading—England, Sweden, Japan, Australia, Hungary, Scotland, and Italy did less well;
>
> Yet at the time of the assessment the United States was retaining nearly 80 percent of the age group through the final year of secondary school—only Japan which retained 70 percent of the age group came close to this figure, most of the other countries retained about one-third of the proportion retained here.

Very clearly, our educational system permits most of our youth to attain levels of literacy that other nations provide for only a select few.

Mr. Speaker, it is accomplishments such as these that the activities surrounding the creation of the Department of Education are designed to bring the attention of the American public.

Hopefully, Mr. Speaker, accomplishments like these will inspire the Department of Education to do its part in serving the needs of millions of American students from preschool through postgraduate and beyond.

Mr. Speaker, at this point in the RECORD I insert the Executive order creating the Department of Education.

[Executive Order 12212 of May 2, 1980]

THE DEPARTMENT OF EDUCATION

By the authority vested in me as President by the Constitution and the statutes of the United States of America, including the Department of Education Organization Act (P.L. 96-88; 93 Stat. 668), it is hereby ordered as follows:

1-101. Sunday, May 4, 1980, shall, for the purposes of Section 601 of the Department of Education Organization Act (20 U.S.C. 3401 note), be the date on which the provisions of that Act shall take effect.

1-102. The Director of the Office of Management and Budget shall take all actions necessary or appropriate to effectuate the transfers provided for in the Department of Education Organization Act, including the transfer of funds, records, property, personnel and positions.

1-103. As required by Section 601 of the Department of Education Organization Act, this Order shall be published in the Federal Register.

JIMMY CARTER.

THE WHITE HOUSE, *May 2, 1980.*

ROBERT DURWARD BAILEY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, on last Sunday, May 11, Robert Durward Bailey, a constituent and friend of mine from Paducah, Ky., died at Western Baptist Hospital in his hometown.

A native of McCracken County, Mr. Bailey was a retired vice president and port captain for the former Hougland Barge Line Co. at Paducah. He was associated with Paducah's transportation industry for 40 years. He was a Mason, a Baptist, highly respected by those who knew him, and loved by his family, which includes six granddaughters of whom he was very proud.

Surviving also are his wife, Mrs. Linda Rose Bailey; two daughters, Mrs. Walter (Rainey) Apperson, Murray, Ky., and Mrs. Bob (Carol) Bowland, Paducah; and two sisters, Mrs. Clarence Ruark and Miss Lorene Bailey, both of Paducah.

The funeral and burial are this afternoon in Paducah.

JUSTICE AND FREEDOM FOR DR. SEMYON GLUZMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, it is with dismay that I again must rise to speak out on behalf of Dr. Semyon Gluzman, a 33-year-old psychiatrist who has been unjustly imprisoned in the Soviet Union for 8 years. I make these remarks as part of the "Shatter the Silence, Vigil 1980," organized in conjunction with the Union of Councils for Soviet Jews, a daily event on the floor of this House which seeks to gain freedom for Soviet Jews.

Since 1972, Dr. Semyon Gluzman has been unjustifiably imprisoned in the Soviet Union due to his refusal to cooperate with the KGB in their efforts to suppress and control political and human rights activists. Dr. Gluzman, following a personal code of ethics and the tenets of his profession of psychiatry, courageously withstood tremendous pressure from Soviet officials to certify these activists as mentally insane. His courage in withstanding this pressure eventually caused him to be sentenced to a 7-year prison term followed by 3 years of internal exile. Dr. Gluzman is presently in the midst of this exile in Siberia despite his rapidly deteriorating health.

Semyon Gluzman's story is one of constant bravery and conviction. After his imprisonment in 1972, Dr. Gluzman and human rights activist Vladimir Bukovsky wrote a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and smuggled the manual to the outside world. Dr. Gluzman continuously agitated for freedom while in prison, going on self-imposed hunger strikes in protest against cruel treatment of his fellow prisoners. As a result, he has been harshly treated by prison guards and has been kept in solitary confinement in a punishment cell. Gluzman has expressed hopes of settling in Israel at the end of his sentence; however, many fear he will not survive the duration of his term.

Semyon Gluzman has earned international acclaim and respect for his amazing dedication to the principles of his profession. Just this past week, Dr. Gluzman was awarded the highest honor from the American Psychiatric Association, the title of Distinguished Fellowship. He is the only Soviet psychiatrist known to have denounced publicly the political abuse of psychiatry in his country. For the past number of years there have been demonstrations in May, on the anniversary of his arrest, at Soviet Embassies in several countries. A special U.S. group, the Committee To Free Dr. Semyon Gluzman, formed in cooperation with the International League for the Repatriation of Russian Jews, is working for his release, as well as with other human rights organizations. In addition, I am currently sponsoring House Joint Resolution 265 along with 66 of my colleagues which calls upon the Soviet Union to release Semyon Gluzman immediately.

Semyon Gluzman has not been afraid to speak out for his true and worthy cause, and neither must we. He is urgently in need of other voices to help convince the Soviet Government that his treatment is unjustified and unconscionable. I hope that a strong show of concern by Members of Congress from all parts of our Nation will make it evident that Dr. Gluzman's freedom is of the utmost importance to great numbers of people, and perhaps there will be no need for me to be making this speech on May 13, 1981.●

AGENT ORANGE AND BUDGET RECONCILIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, there have been serious charges made in recent weeks criticizing the authorizing congressional Veterans' Affairs Committees and the Veterans' Administration for footdragging and insensitivity in our efforts to get to the bottom of the controversy over the herbicide agent orange and the Vietnam veteran. These claims charge a reluctance on our part to approve legislation currently before the Congress granting a presumption for service-connected disability due to agent orange exposure purely because of the enormous costs involved.

Because of the seriousness of these allegations, and also in light of the first concurrent budget resolution passed by the House with reconciliation instructions last week, I would like to make the following observations to put this false charge in proper perspective.

First, as I have stated before, as chairman of the House Committee on Veterans' Affairs, I too am concerned about agent orange. I am concerned about its implication as a serious issue, and I am determined to have our committee play a constructive role in the resolution of this controversy. Compensation for those Vietnam veterans affected, if warranted, will be judged by the House and Senate Veterans Affairs' Committees and the Congress. But we can only make that determination when we have all the facts. At present there is no widely supported, verified evidence submitted by the experts in the scientific community to support the claim that exposure to agent orange and its contaminant dioxin can or will cause long-term adverse health effects in human beings. This is not to say that such evidence may or may not be forthcoming. It only indicates that we do not have such corroborating evidence at the present time.

I am certainly not a scientist, nor are most Members of Congress trained in the highly technical fields of toxic chemical analysis or epidemiological study. Therefore, we must rely on the scientific community to evaluate and present all the evidence for our review in order to transfer their findings and our judgment into law. Such a move is currently underway through the VA's epidemiological study on Vietnam veterans mandated by the House and Senate Veterans' Affairs Committees and Congress last year in Public Law 96–151 and by the direction and coordination of the White House through at least 15 other major studies currently being conducted by Federal agencies and in the private sector. Our committee intends to follow these studies and to investigate every valid and substantiated finding.

Second, I believe that the support our committee has received over the years from this body has confirmed our role and expressed faith in our jurisdiction to determine what is best and fair for the American veteran. However, I am disturbed that the recent vote on May 7 adopting reconciliation instructions for the first concurrent budget resolution for fiscal year 1981 has set a precedent which has seriously eroded the authority of my committee to make those decisions and could very easily affect the jurisdictional responsibility of every committee of the House. While this is my major concern, I am also disturbed by certain inconsistencies in the budget reconciliation vote itself which have a direct bearing on the agent orange issue in particular.

Mr. Speaker, over one-half, 41 of the 78 Members of the House who have cosponsored just one of the bills currently before the Congress calling for a presumption for service-connected disability compensation for veterans claiming adverse health effects due to agent orange exposure also voted in favor of imposing reconciliation instructions on the House Committee on Veterans' Affairs at this stage of the budget process. The bill they support, the Vietnam-Era Veterans Agent Orange Act (H.R. 6377) would provide an immediate presumption for service-connected disability to any or all of the 2.8 million veterans who served in Vietnam or its theater of operations and who may have been exposed to the defoliant and who also may suffer from certain undetermined health problems at any point in their lives. The bill would also provide compensation and medical treatment to any child suffering birth defects as a result of the parents presumed exposure and ill health.

I believe that a serious contradiction exists between the objectives of those who have supported this legislation and spoken quite vocally on its merits within this Chamber in recent weeks and their voting record in supporting the budget reconciliation instruction. By this action, and with their concurrence, the House Committee on Veterans' Affairs, by mandate of the House, must now slash $400 million from ongoing veterans' entitlements. These cuts, I might add, will follow at least 3 years of budget strain for the VA and could be applied to a fiscal year 1981 budget already trimmed to the bone by the administration.

In addition, we are directed in haste to submit our recommended budget reductions to the Budget Committee within 30 days. This is not going to be easy, and it is not going to be achieved without considerable pain. Within the next few days, our committee will be forced to make decisions which could significantly reduce benefit levels for fiscal year 1981 in some or all of our major entitlement jurisdictions. The affected areas could include: GI bill education, training, and education loan programs for Vietnam-era veterans; VA health care and medical benefits and health care entitlements already severely underfunded; VA pension benefits for needy non-service-connected disabled veterans; compensation payments for service-connected disabled veterans and survivors; even burial benefits.

Mr. Speaker, I find it ironic that over 40 Members of this House, who so strongly advocate that the U.S. Government pay out over a billion dollars each year to provide health care and compensation to those Vietnam veterans and members of their families presumed to have suffered agent orange related disabilities would also vote to enforce reduction of those entitlements, those benefits levels, and those medical services already available to those very same veterans.

I would strongly suggest that, if in the future, my colleagues continue to look to the Veterans' Administration and criticize that agency, unjustly, I might add, for a lack of response in meeting the health care needs of the Vietnam veteran, I trust they will pause and remember their ill-advised vote for budget reconciliation this spring. Apart from the general, across-the-board reduction of veterans entitlements in the areas stated above, such budget cuts could very easily affect the VA's ongoing effort to test, screen, and treat Vietnam veterans concerned about agent orange even at present levels as mandated by the Congress through ongoing epidemiological inquiry. The results could also affect medical treatment and eligibility criteria for thousands of other veterans as well.

Mr. Speaker, all of the experts currently involved in ongoing agent orange inquiry who have testified before our committee on two separate occasions have agreed that determining the long-term adverse health effects of agent orange exposure will take detailed long-term analysis. But, I might add, this process will also take a long-term commitment by every Member of Congress to support and maintain the integrity of the Veterans' Affairs system of benefits, entitlements, and services provided for those veterans. No veteran can benefit now or in the future if we erode or degrade that system.

If the allegations and implications charged against agent orange exposure are proven to the satisfaction of the scientific community and the congressional Veterans Affairs' Committees, then it will be our duty, and I stress, our privilege, to provide that compensation. Make no mistake about that. Our record is clear. If it takes a billion dollars a year then we must be willing to authorize that billion in addition to the billions already spent every year to provide just compensation for well over 2 million men and women injured or disabled in service to this country and over 300,000 widows and children of veterans who have died of service-connected causes. We should not be forced to bargain or play favorites with veterans benefits. But we will not be pressured by emotional statements in the well of this House or elsewhere, no matter how well intentioned, from taking our eyes off the goal of obtaining substantive information and generating scientific evidence to resolve the agent orange question once and for all.

I believe the 127 Members of the House, including, in all fairness, 34 additional cosponsors of the Vietnam-Era Veterans Agent Orange Act, who also voted with us in favor of the Udall amendment to postpone budget reconciliation, took a clear stand in the best interest of the Vietnam veteran and every veteran. I deeply regret that we lost that vote on Mo Udall's amendment, but I heartily commend the gentleman from Arizona for proposing it.

Mr. Speaker, if I might be permitted the license to preach a little from the standpoint of a retiring Congressman: There are many of us in the House of Representatives, both young and old, who will be forced to realize this year and in years to come that, as budgets tighten, fiscal responsibility dictates that we can no longer have our cake and eat it too. But those of us who would espouse great causes and great concerns must also realize that at some point down the line you have to pay the piper and put your money where your mouth is. After serving 18 years in the Congress, I for one, have learned that you can not have it both ways.●

ENERGY ARTICLE NO. 5: REDISCOVERING ALCOHOL FUELS FOR FARM ENGINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, alcohol fuels derived from renewable resources represent this country's most immediately available liquid fuel alternative. The growing popularity of Gasohol—a blend of 10 percent ethyl alcohol and 90 percent unleaded gasoline—is clear demonstration that the public is ready to accept the alternatives necessary to kick the foreign oil habit. Recently, I introduced legislation to allow farmers a refundable credit against income tax for amounts paid or incurred in converting farm equipment for alcohol fuel use. The growing support for H.R. 6906, Alcohol Farm Fuel Use Tax Act of 1980, leaves no doubt that the Members of this House are determined to take the legislative action necessary to provide energy security for the agricultural sector.

Alcohol fuel for farm purposes is not a recent matter, and I would like to share with my colleagues excerpts from a U.S. Department of Agriculture Farmers' Bulletin issued in 1907. The focus of this early report was on "the use of different kinds of power and appliances for irrigation and drainage." Interestingly, while we talk today about bringing marginal lands into production for energy fuels, this 1907 document called for the same approach. Quoting from the report:

> The pumping of water for irrigation and drainage has already assumed great importance, as approximately 600,000 acres of land are irrigated with pumped water. A large part of the unreclaimed arid land can get water in no other way, and as a rule it is so located that fuel of any kind is difficult to get. Alcohol offers in such cases a hope of cheaper fuel, which may mean the reclamation of large areas, since the land irrigated can produce the fuel to maintain its water supply.

Other sections of this Farmers' Bulletin prove to be equally timely, especially the "how to" information on adapting engines for alcohol fuel use. This Farmers' Bulletin of 1907 proves, once again, that the past is prologue.

Excerpts from the U.S. Department of Agriculture documents follows:

THE USE OF ALCOHOL AND GASOLINE IN FARM ENGINES

(By Charles Edward Lucke, M.S., Ph. D.)

SOURCES OF POWER

There are two great sources of power and an infinitely varied series of mechanical devices and machines for the generation of power. Water power always has been used and probably always will be used so long as the rain falls, but it is insufficient for our present needs or geographically unavailable. The greatest source of power is fuel. Fuels may be divided into two series—those that now exist in the form of natural deposits and those which are being produced continuously. All of the coals, hard and soft, with the lignites and peats, the crude oils and natural gas, exist in the form of deposits; and, while it is true that the decay of vegetable matter may be to-day forming more deposits of the same nature, it is equally true that we are using the present supply faster than the rate of production. The newest fuel for power purposes is alcohol. This is made from the yearly crops of plants. There is in existence no natural deposit of alcohol, but in a sense it may be said to be possible to produce inexhaustible supplies.

It is only within recent time that engineers have known how to build engines that would produce power from alcohol; and still more recent is the further discovery by engineers that this power can be produced at a cost which may permit its general introduction.

By far the largest part of the power now being used comes from steam produced by the use of coal. This is chiefly due to the fact that as a rule whenever it can be used it is cheaper than possible substitutes, although it is partly due to the fact that steam power is better adapted to some classes of work and is older and better known than power generated by the gas engine in its varied forms. In point of present use, water power stands next to steam in importance. This is largely due to the fact that water power is among the earliest in point of development, but more largely to the fact that it has become possible to transform water power into electrical power, which can be transmitted long distances, and so overcome geographical isolation of the sources.

Next in quantity produced stands power generated by the gas engine. This class of engines includes all machines in which the fuel mixed with air is burned or exploded within the working chambers, whether the fuel be gas produced from coal, natural gas, vapors of any of the mineral oils, vegetable or animal oils, or alcohol. The subordinate position occupied by this source of power is due partly to the fact that engineers have only recently discovered, and are to-day discovering, how best to build these machines and adapt them to the work they are to do. Wind and wave power stand at the foot of the list and always will, so far as quantity of power developed is concerned. This is because of the irregularity of the sources of supply and their comparatively feeble nature.

It is likely that the alcohol engine will find as favorable a geographical location as the natural-gas engine and the oil engine have near the source of supply and far from the source of competing supply. But should it appear that the alcohol engine can do more or better work than its oil or gasoline competitors, its field will be wider. In any case the position which the alcohol engine may take to-day is no criterion as to its future, because it will operate on a source of energy or fuel supply which, as pointed out, is inexhaustible, whereas the supply of both crude oil and its distillates may ultimately become exhausted.

The determination, then, of the position of the alcohol engine to-day involves a forecast of the future, and should it be shown to be able to compete now it must inevitably reach a stronger and more important industrial position as time goes on. This is the fact that has led governments to take up the question, and among them the United States is the latest.

FIRST USE OF ALCOHOL ENGINES

About the year 1876 there was placed on the American market the first successful internal-combustion engine using petroleum distillate. This engine was invented by George Brayton. Following the attempt of Brayton to use petroleum distillate came a series of inventions improving this class of engine, lasting for about twenty years, when the modern forms of kerosene, gasoline, and crude-oil engines may be said to have been developed. During this time the subject of alcohol as fuel in engines seems to have been either not thought of at all or not given any attention. The first serious attempt to examine into the possibility of alcohol as a fuel in competition with petroleum and its distillates seems to have been made in the year 1894 in Leipzig, Germany, by Professor Hartman for the Deutschen Landwirtschafts-Gesellschaft. The engine used was built by Grobb, of Leipzig, to operate on kerosene, and used 425 grams of kerosene per hour per brake horsepower, which is equivalent to 0.935 pound, or 1.1 pints, approximately. This indicates for the kerosene a thermal efficiency of 13.6 percent. When operating on alcohol the engine used about twice as much, or 839 grams, which with this kind of alcohol was equivalent to a thermal efficiency of 12.2 per cent, or a little less than with kerosene. This experiment would seem to indicate that, compared with kerosens, alcohol, as a fuel, offered very little chance for successful competition. In spite of this, however, very vigorous efforts were made to develop an alcohol engine that would be better than this one, and thus was inaugurated a remarkable series of experiments, congresses, and exhibitions with the one end in view—of stimulating the production of the best possible alcohol motor.

The first stimulus was given by the German alcohol distillers, who sought to enlarge their market. They succeeded in interesting the German Government in the question by enlarging on the national significance of having available a source of fuel for power, inexhaustible in quantity, to be produced within the national domain from the yearly crops. Under the double stimulus of government assistance and the desire of the distillers to increase their output, inventors and manufacturers were induced to spend their time and money with a resulting decided improvement in the motor. An engine built by Korting Brothers, of Hanover, fitted with a vaporizer invented by Petreano, tested at the Polytechnic School at Charlottenburg by Professor Slaby showed a consumption of 550 grams of 862 per cent alcohol by weight, which is equivalent to 1.21 pounds, or 1.4 pints or a thermal efficiency of 17.5 per cent. This result showed an advance of nearly 50 per cent in thermal efficiency over the Grobb engine tested a year or so earlier by Professor Hartmann. Following this improvement there resulted a continual development of the alcohol motor, interest in which was kept up by exhibitions in which prizes were offered and by scientific societies. The most important of these are given below.

Exhibition at Halle-on-Saal, Germany, June 13–18, 1901.

Exhibition (national) at Paris, France, November 16–24, 1901.

Exhibition at Berlin, Germany, February 8–16, 1902.

Exhibition (international) at Paris, France, May 24–June 1, 1902.

Exhibition at Madrid, Spain, late in the year 1902.

Congress at Montpellier, October 11–21, 1902.

Congress at Paris, France, March 11–17, 1902.

Exhibition (international) at Vienna, Austria, April 2–June 12, 1904.

Exhibition at Rome, Italy, February 6–16, 1904.

Besides the above named, there were many others of lesser importance, all contributing to the rapid development of this class of machine.

The results of this development may be summed up by saying that the thermal efficiency of the motor was raised to something over 30 per cent, which is quite a remarkable showing in comparison with the original figure of 12.2 per cent in 1894. It must be clearly understood, however, in interpreting these figures that they are the best possible attainable at the time reported. They indicate, so far as the fuel costs are concerned, that with a motor specially constructed for alcohol the fuel prices per gallon might be twice as much for alcohol as for petroleum distillate and still give power for less money, assuming that attendance, repairs, lubrication, etc., cost no more in the case of the alcohol engine.

PRACTICAL EXPERIENCE WITH ALCOHOL ENGINES IN GERMANY

There is one report available on the comparative value in unskilled hands doing commercial work of alcohol engines compared with the machines they have displaced, both with respect to fuel consumption and cost and the care and expense necessary for maintenance. Professor Strecker, of Leipzig, sent a circular letter to 120 farmers in Germany who were using alcohol engines, which had displaced steam engines for farm purposes. There were 120 of these engines, of three different makes and ranging in size from 6 to 25 horsepower.

These engines were working more or less throughout the year, the maximum number of hours being 2,500 per year, the minimum 324, and the average 996. The first question addressed to the farmers concerned the amount of work these engines were capable of doing compared with the engines they displaced at the same rated horsepower; 46 percent thought them equal, 47 percent thought them superior, and only 4 percent considered them inferior, but qualified this by stating that the steam engine must be fired with greater regularity. The next question concerned the expense for fuel. The average amount of coal used in a steam engine was 4.28 kilograms per metric horsepower hour, equivalent to 9.55 pounds per brake horsepower hour, with an addition of 100 pounds per day for starting. The price of coal averaged 20.7 marks, which is equivalent to $4.47 per ton. The fuel used in the alcohol engine was not all the same. Nineteen percent used German denatured alcohol, 81 percent used a mixture containing 20 percent benzole, and the consumption varied from 1.1 liters per German horsepower hour (2.35 pints per brake horsepower hour) maximum to 0.43 liter per German horsepower hour (0.92 pint per brake horsepower hour) minimum, the average being 0.57 liter per German horsepower hour (1.22 pints per brake horsepower hour).

Denatured alcohol cost at that time in Germany 17 marks per hectoliter (15.2 cents per gallon) and benzole costs 21.5 marks per hectoliter, equivalent to 19.4 cents per gallon. The 20 per cent benzole mixture therefore costs 17.9 marks per hectoliter (16.11 cents per gallon). Gasoline was almost invariably used for starting, and 85 liters (22.4 gallons) seems to be the average amount necessary per year, costing 36 marks per hectoliter (32.4 cents per gallon), with a total cost for starting of about 30 marks ($7.25) per year.

The fuel consumption averaged 4.28 kilometers of coal per horsepower-hour (9.41 pounds) and 0.57 liter (1.2 pints per horsepower-hour) for alcohol. This is rather higher than reported in the various tests on these engines, but these figures represent the average of 74 engines, considering only those of 10 horsepower, and assuming that the large sizes balance the smaller sizes.

With these figures a steam engine with an average of 10 horsepower operating 1,000 hours per year will cost $240 per year for fuel. The alcohol engine, operating the same number of hours at the price given, would cost $253 per year for fuel. This makes it appear that the cost of operation of the alcohol engine is greater than the steam engine in spite of superiority of the alcohol engine compared with steam.

It is next pointed out that the transportation of alcohol in tanks and barrels is cheaper than that of coal (loose), and the convenience in handling and the elimination of a man constantly attending the fire, such as was found necessary with steam engines, really gives the alcohol engine a small advantage on operating cost.

It was also shown that the cost of lubricants is no greater for the alcohol engine than for the steam engine, while the cost of repairs seems to be less. Of the 120 farmers, 9 percent found the alcohol engine to cost more to maintain, 34 percent found no difference, and 57 percent found the maintenance less for the alcohol engine.

Another interesting thing brought out by the inquiry was that the alcohol engine was capable of operating in all kinds of weather, in some cases with the temperature at 18° F. below freezing, only a little more time being required to start up. It was found also that there was absolutely no difficulty in instructing the ordinary person in the proper methods of handling and operating these engines.

The number of engines in use in Europe seems to be quite large, although definite information on this is difficult to obtain at the present time. One estimate, on fairly good authority, places the figure between 5,000 and 6,000 in Germany. The number that will probably be used in this country is difficult to estimate, but the large number of builders now engaged in turning out gas and gasoline engines—one firm alone being equipped to turn out 425 per day—seems to indicate that, if the cost of alcohol fuel compared with gasoline and coal be not too great a handicap, there is a probability of an exceedingly large industrial development in this field, though not immediately.

Besides the cost of alcohol per horsepower-hour compared with gasoline, there is another element that must be favorable before the introduction of the alcohol engine can become very wide, and that is the interest of the builders. From correspondence with the builders of gasoline and kerosene engines in this country, it appears that practically all of them are indifferent to the introduction of alcohol machines. They are quite willing that their regular engines be sold for and used with alcohol, but they are not inclined to give any guaranties on performance. Individually they are decidedly adverse in nearly every case to undertaking the development of a special alcohol engine, because this means extra expense in drawings, patterns, jigs, tools, etc., and it is certain that they will do very little so long as the public will continue to buy gasoline and kerosene engines and not insist upon having a specially designed alcohol machine.

CONCLUSIONS

The following conclusions regarding the use of alcohol as fuel for engines as compared with gasoline are based on the preliminary results of the Department's experiments, upon results of the European experiments and investigations which have been presented in the foregoing pages, and upon the general knowledge of the authors:

(1) Any engine on the American market to-day, operating with gasoline or kerosene, can operate with alcohol fuel without any structural change whatever with proper manipulation.

(2) Alcohol contains approximately 0.6 of the heating value of gasoline, by weight, and in the Department's experiments a small engine required 1.8 times as much alcohol as gasoline per horsepower hour. This corresponds very closely with the relative heating value of the fuels, indicating practically the same thermal efficiency with the two when vaporization is complete.

(3) In some cases carburetors designed for gasoline do not vaporize all the alcohol supplied, and in such cases the excess of alcohol consumed is greater than indicated above.

(4) The absolute excess of alcohol over gasoline or kerosene will be reduced by such changes as will increase the thermal efficiency of the engine.

(5) The thermal efficiency of these engines can be improved when they are to be operated by alcohol, first by altering the construction of the carburetor to accomplish complete vaporization, and second, by increasing the compression very materially.

(6) An engine designed for gasoline or kerosene can, without any material alterations to adapt it to alcohol, give slightly more power (about 10 per cent) than when operated with gasoline or kerosene, but this increase is at the expense of greater consumption of fuel. By alterations designed to adapt the engine to new fuel this excess of power may be increased to about 20 percent.

(7) Because of the increased output without corresponding increase in size, alcohol engines should sell for less per horsepower than gasoline or kerosene engines of the same class.

(8) The different designs of gasoline or kerosene engines are not equally well adapted to the burning of alcohol, though all may burn it with a fair degree of success.

(9) Storage of alcohol and its use in engines is much less dangerous than that of gasoline, as well as being decidedly more pleasant.

(10) The exhaust from an alcohol engine is less likely to be offensive than the exhaust from a gasoline or kerosene engine, although there will be some odor, due to lubricating oil and imperfect combustion, if the engine is not skillfully operated.

(11) It requires no more skill to operate an alcohol engine than one intended for gasoline or kerosene.

(12) There is no reason to suppose that the cost of repairs and lubrication will be any greater for an alcohol engine than for one built for gasoline or kerosene.

(13) There seems to be no tendency for the interior of an alcohol engine to become sooty, as is the case with gasoline and kerosene.

(14) With proper manipulation, there seems to be no undue corrosion of the interior due to the use of alcohol.

(15) The fact that the exhaust from the alcohol engine is not as hot as that from gasoline and kerosene engines seems to indicate that there will be less danger from fire, less offense in a room traversed by the exhaust pipe, and less possibility of burning the lubricating oil. This latter point is also borne out by the fact that the exhaust shows less smokiness.

(16) In localities where there is a supply of cheap raw material for the manufacture of denatured alcohol, and which are at the same time remote from the source of supply of gasoline, alcohol may immediately compete with gasoline as a fuel for engines.

(17) If, as time goes on, kerosene and its distillates become scarcer and dearer by reason of exhaustion of natural deposits, the alcohol engine will become a stronger and stronger competitor, with a possibility that in time it may entirely supplant the kerosene and gasoline engines.

(18) By reason of its greater safety and its adaptability to the work, alcohol should immediately supplant gasoline for use in boats.

(19) By reason of cleanliness in handling the fuel, increased safety in fuel storage, and less offensiveness in the exhaust, alcohol engines will, in part, displace gasoline engines for automobile work, but only when cost of fuel for operation is a subordinate consideration. In this field it is impossible to conveniently increase the compression because of starting difficulties, so that the efficiency can not be improved as conveniently as in other types of engines.

(20) In most localities it is unlikely that alcohol power will be cheaper or as cheap as gasoline power for some time to come.●

OPPOSITION GROWS TO THE MX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, I think many of my colleagues would be interested to know that opposition to the MX missile system and/or the race track or "drag strip" being system proposed for the new missile spreads across the political spectrum. The many dear colleague letters we have all received opposing the MX, or the basing mode for it, have been from both Democrats and Republicans, liberals and conservatives. But even these do not reflect the full range of opposing view points. The Council for a Livable World has assembled quotations from more than a dozen sources which may not have come to the attention of my colleagues, and I am including them at this point in my remarks:

OPPOSITION GROWS TO THE MX

(N. B. Many of the comments quoted below refer to the MX "racetrack" basing mode. A recent change of the basing from circles to straight lines did not change the basic concept of hiding one missile among 23 shelters spaced out over a roadway. Thus the basis for objections to the "racetrack" has not changed in any substantial way.)

Republican Presidential Candidate Ronald Reagan opposes the MX basing mode:

"It's not the M-X I oppose, it's the missile's racetrack deployment system. It was designed to fit SALT II, because we wanted to make it verifiable by the Soviets. Now that doesn't make sense. We need one of two things: either an offensive weapon that would give us a second-strike capability, so if the Soviets made that first strike we'd still have something to retaliate with, and damage them to the point where they'd never want to make the first strike; or some form of defensive weapon, like the lasers we are experimenting with. Then even if they had superiority in missiles, we could knock them down."

Ronald Reagan interview, Business Week, March 31, 1980.

Columnist James J. Kilpatrick opposes the MX weapon system:

"Interest suddenly has revived on Capitol Hill in the MX weapon system—and high time. Unless critics of this preposterous venture are wholly mistaken, the MX is the Pentagon's Edsel, a $69 billion lemon with no future trade-in value . . . Surely our planners, with all of outer space to work in, can contrive something better than 4,600 little Maginot pillboxes, out in the Western sands."

Column in the Washington Star, May 6, 1980.

Sen. Ted Stevens opposes the MX basing mode:

"I am a strong supporter of the MX missile and intend to do what I can to see that it is deployed promptly. I do, however, have very serious doubts about the basing mode proposed by the President. The system is expensive, cumbersome, of questionable capability and presents serious environmental, social and legal implications which will undoubtedly lead to delay and additional expense. Frankly, it appears to be the worst of the available options and may very well be designed to fail."

Sen. Stevens on the Senate floor, CONGRESSIONAL RECORD, Nov. 9, 1979.

Committee on the Present Danger calls for slowing MX development:

The Committee on the Present Danger on May 9, 1980 released a report calling for the spending of $260 billion more in the military budget over the next six years. At the same time, according to a New York Times account of the report, the Committee "says that the Administration's program for building the MX mobile missile should be slowed in favor of deploying a new version of the Minutemen rocket in a mobile basing system."

Description of report in New York Times, May 11, 1980.

William F. Buckley Jr. opposes the MX:

"We should advise the Russians that unless they bury their 308 SS-18s—those jobbies that knock out whole states at a time, and make our Minutemen worthless—we will take measures. Not the Disneyland $30 billion sunroofed air-conditioned 1,000 square-mile Arthur Murray studio where we teach our missiles dancing in a hurry so as to fool the SS-18s. But a straightforward anti-missile defense system, for which we have the technology and could, at $10 billion, protect the land-based leg of our famous triad."

Column in the Washington Star, September 26, 1979.

Sen. Ernest Hollings opposes the MX basing mode:

"Supporting the MX missile and supporting the racetrack basing mode are two entirely different things. MX is the right missile, but the racetrack basing is nonsensical extravagance. It is a budget-buster of the first order, and in terms of cost-effectiveness fails miserably to make the grade. I have looked at the matter of costs, and I can say that, without doubt, an MX system with the racetrack basing mode is going to cost the American taxpayer somewhere between $30 billion and $90 billion. If there were no other way to do it, and given the need to do whatever we must to insure the safety of our people, we would be justified in going ahead. But there are other, less costly options."

Sen. Hollings on the Senate floor, CONGRESSIONAL RECORD, Nov. 9, 1979. When Sen. Hollings successfully presented to the Senate Budget Committee his proposal for increasing the FY 1981 military budget by over $5 billion in April 1980, he at the same time assumed a reduction of $500 million of the $600 million estimated that had been proposed to be spent on the MX basing mode.

Retired Rear Admiral Henry E. Eccles calls for abandoning the MX:

"The nature and degree to which the MX system would influence Soviet action is purely conjectural. The present situation with both "strategic" and "theatre" weapons is complex and dangerous enough, without spending enormous resources on a project which will further complicate the situation without any assurances of accomplishing its supposed objective."

"Therefore, we should abandon the MX missile system program, continue to depend on the present general system of nuclear weaponry to provide deterrence against nuclear attack, make every effort to reduce nuclear weaponry, and accept an acknowledged risk in so doing."

Eccles statement placed in the CONGRESSIONAL RECORD, April 2, 1980, by Sen. Claiborne Pell.

Public Land Council—The National Cattlemen's Association opposes MX:

"Whereas, The Livestock industry is dependent on public lands in the western states; and

"Whereas, Many of the public lands states in the west have provided more than their share of lands for defense purposes;

"Therefore, be it resolved, That the Public Lands Council is opposed to the taking of more lands from the western states for the mobile deployment of an MX missile system and/or any additional military installations."

1979 Public Lands Council resolution.

Sen. Henry Jackson questions the MX basing mode:

"In arguing for proceeding with the MX missile, I have no intention of supporting the racetrack basing mode that has been discussed—more, one sometime thinks, in the press than among the scientists and engineers who will have to make it work. I have profound reservations about the racetrack basing mode. It strikes me as cumbersome, risky, and expensive. It is a concept developed less by American engineers than by Soviet negotiators, and that troubles me deeply."

Sen. Jackson on the Senate floor, CONGRESSIONAL RECORD, Nov. 9, 1979.

Former Defense Intelligence Agency Director Gen. Daniel Graham opposes the MX:

"I am convinced that if the Senate were to ask any group of military professionals freed from the constraints of the MAD doctrine how best to use $35 to $60 billion to respond to the threat to our deterrent posed by the Soviets, they would never respond with the current proposals for the MX. Such proposals—linear or racetrack, vertical or horizontal, scattered or concentrated in Utah-Nevada—would be discarded. Even the most ardent enthusiasts for offensive forces over defense would discard the current plans because the U.S. deterrent would not be significantly enhanced until the late 1980's—perhaps even later. With the period of maximum danger arising even now, the 10-year lag in response is unacceptable."

Lt. Gen. Graham's testimony May 7, 1980 before the Defense and Military Construction.

Subcommittee of the Senate Appropriations Committee.

Adm. Thomas Moorer opposes the MX and favors sea-based alternative:

"I do not think it is wise for the United States to continue to focus more and more missiles in the very center of our populated area so that the populated area would be in jeopardy . . . I think what has been said by General Graham and Dr. Van Cleve in particular is very important and should be fully considered before we launch forth on this ever changing launching concept which is going to affect the environment and require inordinate amounts of cement and is going to affect the water problem in the areas of Utah and Nevada."

Adm. Moorer's testimmony May 7, 1980 before the Defense and Military Construction.

Subcommittees of the Senate Appropriations Committee.●

HELEN KOLLIKER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, Mr. William A. Kolliker of El Paso—a constituent of mine—is one of the most widely known and respected artists from our part of the country, and indeed, his works hang in all parts of the country. Recently Mr. Kolliker's beloved wife Helen died, and since we all knew her to be one of his greatest inspirations, I want to take this opportunity to let him know that we all share his sorrow. His eulogy to Helen indicates that her memory will continue to inspire his fine works:

> Her ideals, morals, and philosophy of life were readily accepted by her girls. Living with this religious person was a joy. This was a period of great happiness in her life and she was reverently referred to by the girls as St. Helen. Later, there were three weddings to arrange, and in the following years she had the satisfaction of knowing that her girls were happily married. Soon she had six grandchildren to love. Her life was fulfilled.

So, we believe, has been Bill Kolliker's.●

INTRODUCTION OF LEGISLATION ON CLAIMS AGAINST CZECHOSLOVAKIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, today I have introduced legislation to break an impasse of over 30 years to provide for payment of U.S. citizens who have claims against the Government of Czechoslovakia.

This situation has been crying out for a solution for years, but the failure to obtain an agreement which is acceptable to Congress has held up payments of awards to U.S. citizens whose claims against the Government of Czechoslovakia were adjudicated long ago.

The dilemma of the Czech claims situation has been brought to my attention by my constituents repeatedly over the years, but in general there seemed to be nothing I could do but wait for a new agreement to be negotiated; or wait for the time to be ripe for a new round of negotiations; or wait until the human rights situation improved in Czechoslovakia. In the meantime my constituents have not been paid what they are entitled. Many of the small claimants have passed away, while the others are in their seventies and eighties. Many of these people are suffering from the familiar plight of senior citizens on a fixed income: Being squeezed by inflation on an inadequate income. The many small claimants deserve payment of their awards without further delay.

More than 30 years ago Czechoslovakia nationalized and expropriated properties of U.S. citizens, and has enjoyed the economic benefits of that property since that time. At the same time, the United States has in its possession gold which belongs to Czechoslovakia. Eighteen tons of gold was determined to belong to Czechoslovakia after World War II by the Tripartite Commission, which consists of Great Britain, France, and the United States. This gold was taken by the Nazis from the Czechs and rightfully belongs to them. About half of this 18 tons of gold is physically located in the United States, while the other half is in Great Britian. When the return of this gold was originally blocked by President Truman, it was worth about $11.5 million. Depending on the price of gold today, that 18 tons is worth somewhere in the vicinity of $400 million. The balance owed by Czechslovakia on the U.S. awards is $105 million, including interest to 1962.

I am not suggesting that we seize this gold, as it is the property of Czechoslovakia. What this legislation mandates is the sale of the gold to establish a liquid fund. The Secretary of the Treasury would invest this money. From the interest on this fund, and the interest only, U.S. claimants would be paid in full, with some interest. I estimate that it should take about 5 years to repay the claimants. After U.S. claimants are paid all principal will be returned to Czechoslovakia. Therefore all the Czechs will lose would be about 5 years of interest on this fund, but would have fulfilled their obligation to satisfy the U.S. claims.

The amount of the fund, and the time period it will take to repay the claimants depends on whether or not we will be able to secure the cooperation of the British and French, the other members of the Tripartite Commission. My bill provides for an effort by the State Department to raise this issue with the British and the French, but does not depend upon their cooperation. If they do not agree that the other half of the gold should be liquidated, then the United States can go ahead with this plan using the half of the gold which is physically in our control. The only result will be that it will take a little longer to repay the claimants.

Should the State Department succeed in negotiating an acceptable agreement with Czechoslovakia, my legislation could be superseded, up to 60 days after it has been passed by the Congress.

I feel that this proposal could solve this long outstanding problem between the United States and Czechoslovakia, clearing the way for improved relations in the future.

Most importantly, aging American citizens, deserving and in need of their funds would be repaid.

Congressmen FISHER, CONABLE, OTTINGER, and DOWNEY have joined me in introducing this legislation today. I urge my colleagues to join us in cosponsoring this bill.●

DRUG ABUSE AND THE 20TH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, as a member of the congressional delegation attending the 20th Mexico-United States Interparliamentary Conference that was held in our Nation's Capitol on May 5–7, 1980, a delegation that was cochaired by the distinguished Representative from Texas (Mr. DE LA GARZA) and the distinguished Senator from Arizona Senator DECONCINI, I presented a paper on the joint efforts of our two nations to interdict narcotics trafficking and to eradicate the illicit production of drugs at its source.

Largely through the intensified Mexican drug interdiction and eradication programs, which have become a model for other nations to emulate, the volume of heroin and marihuana entering the United States from Mexico during the last 3 years has been reduced to approximately 45 percent for heroin and to less than 26 percent for marihuana.

Unfortunately, a common practice still persists in some quarters in categorizing the drug problem into illegal drug "producing" nations and illicit drug "consuming" nations, pointing an accusatory finger at so-called consuming nations, as though the drug problem would go away it that nation could control the "demand" for illicit drugs. As I stated in my paper before our bilateral conference last week:

> That is not an accurate analysis of international narcotics trafficking and drug abuse. Such a simple distinction distorts the complex problems of preventing and controlling drug abuse . . . problems that are global, that adversely affect the citizens of every nation, and that require the concerted efforts of the entire international community to combat. International narcotics traffickers respect no boundaries and do not conduct their nefarious business transactions based upon the compartmentalized distinction of classifying nations as "opium producing" or as "opium consuming", and the affliction of drug addiction does not respect such distinctions.

Drug trafficking is a never ending battle and the international narcotics traffickers constantly shift their trafficking patterns in an effort to elude detection by drug law enforcement authorities. In this regard, Mexico is fast becoming a transshipment state for cocaine originating from clandestine staging areas in Colombia, Peru, Ecuador, and Bolivia, thereby requiring our nations to intensify joint efforts to prevent this trafficking pattern from becoming a major artery for the international drug merchants.

From the Far East to the Middle East, from Europe and Latin America to Africa and North America, nations throughout the world are reporting record seizures of heroin, cocaine, marihuana, hashish, and other dangerous drugs, and they are reporting an alarming increase in drug deaths and drug dependency. Drug abuse in this Nation has reached epidemic proportions among all sectors of our population. There are indications that the drug problem in Mexico is more acute than originally estimated by that nation's health officials. In my paper before our interparliamentary conference, I mentioned that there are an estimated 50,000 drug addicts in Mexico.

However, I recently learned that just in the metropolitan area of Guadalajara, Mexico, a population estimated at 2.5 million inhabitants, that "at least 75,000 young people are drug addicts," of which "7,500 to 11,500 young Guadalajarans are gravely addicted" to drugs—reported from Mexico City, El Sol De Mexico, February 19, 1980, page 4–F.

Mr. Speaker, if the "war" on narcotics trafficking and drug abuse is going to be won, then nations throughout the world must recognize that it is in their interest to pool their resources, personnel, equipment, and funds to develop comprehensive, coordinated regional and global strategies to interdict narcotics trafficking, to eradicate the illicit production of drugs at its source, to educate citizens throughout the world regarding the dangers of drug abuse and to treat and rehabilitate those individuals who are dependent upon or addicted to drugs.

In this regard, I urged at our bilateral conference that our two nations implement our joint antinarcotics commission—a commission that I and the distinguished chairman of the House Select Committee on Narcotics Abuse and Control (Mr. WOLFF) have been urging for several years and that has been endorsed by Presidents Echeverria, Lopez-Portillo, Ford, and Carter, but which has yet to hold its first meeting despite assurances by our Mexican colleagues that a consultative mechanism would be operationalized.

We have now been informed that our Mexican colleagues are prepared to implement the narcotics consultative mechanism and have appointed their representatives for that purpose.

I also urged that the Government of Mexico exercise its immense prestige throughout the Latin America community to encourage other nations in the Western Hemisphere to contribute to the United Nations Fund for Drug Abuse Control (UNFDAC), an entity within the U.N. system that is entirely dependent upon voluntary contributions from the international community to carry out its global mission of preventing and controlling drug abuse. Last year, only four nations from the Latin America communities contributed a meager $20,000 or five-tenths of 1 percent of the U.N. fund's $4.6 million budget.

During the course of our interparliamentary meetings, we had the opportunity of meeting with the narcotics law enforcement officials in the San Francisco area, including the San Francisco police chief Cornelius Murphy; deputy chief George Eimil; narcotics unit chief officer, Lt. Willis Casey; Capt. Charles Scauler; Lt. D. Philpott and DEA regional representative, Mr. Addario.

The local police officials reminded us that San Francisco has the unenviable position of being the No. 1 city in the United States for the abuse of heroin, that one-half of all the homicides and 60 percent of all the crime occuring in the San Francisco Bay Area are drug related, and that one-third of the 3,000 law enforcement arrests in that great city are heroin related. Approximately 2,000 of that city's population are drug addicts.

As a result of intensified Mexican drug interdiction and eradication programs, the volume of heroin and marihuana entering the United States from Mexico during the last 3 years has been reduced to approximately 45 percent for heroin and to less than 26 percent for marihuana. Nevertheless, over 80 percent of the heroin entering the San Francisco Bay Area comes from Mexico and the remainder from Southeast Asia's Golden Triangle of Burma, Thailand and Laos.

Our meeting with the west coast narcotics officials revealed that there is a lack of strategic narcotics enforcement planning among Federal, State and local officials—an absence of a comprehensive, coordinated regional drug strategy—a problem not uncommon throughout our Nation.

Our conversations with law enforcement officials from San Francisco also revealed that, as in other parts of the country, our drug law enforcement agencies are handicapped by the reduction in funds to purchase narcotics from drug traffickers—evidence that is critical to the successful prosecution of drug merchants.

Mr. Speaker, this Nation is facing a drug epidemic—a drug crisis comparable to our energy crisis and the deplorable state of our economy. Earlier this month, on May 2, 1980, our Narcotics Select Committee held hearings in New York City on the impact of the estimated 1,600 tons of opium originating from Iran, Afghanistan and Pakistan and the 40 million dollar cut in NIDA's treatment program. Testimony from the drug treatment community confirmed that the elimination of NIDA's funds from the State formula grant programs would be catastrophic and that all States would be forced to reduce their drug treatment programs, at a time when our Nation is confronted with a new tidal wave of narcotics. These reductions in treatment funds will result in a marked increase in street crime, in drug-related emergencies and deaths and other severe social costs.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I want to thank the gentleman for yielding. I associate myself with the gentleman's remarks. I would like to say I think the points the gentleman made are certainly well taken, particularly with regard to the going ahead, I would say full speed in the consultative mechanism with the country of Mexico.

It seems to me with Mexico's new leadership position in the Third World if not in the world of more developed countries, due to its great resources in oil and natural gas, that it stands in a unique position to gain the attention of other countries in the area, Central America, South America, and the Caribbean, to get together and do something about this problem.

Mexico has been very cooperative and as a matter of fact, the problems we have encountered in our relationship with Mexico have come from this side of the border, from this body and from our court system. I, therefore, think while it is important for us to continue to ask the Mexicans to cooperate, I think it is every bit as important for us to look through our own house, to make sure it is in order and if we can, we should do something about some of the problems that have hurt the Mexicans in their attempts to help us.

For example, with regard to some of the court decisions on the exchange of prisoners and some of the court decisions in this country that make it easier for drug traffickers to escape prosecution and punishment. I think those are things that we should be looking at. Certainly I gathered from our conversation with the San Francisco law enforcement officials, while they were not particularly complaining about a lack of attention to the drug problem on the part of the Federal Government, that it certainly is there. That is not to say that the people in the DEA are not working hard and efficiently. I think they are, but I think they need a lot of help, help they are not getting at the present time.

Mr. Speaker, I think, that in addition to that, that our State Department people and our White House people should be spending more of their time and attention in talking to some of the other countries in this hemisphere particularly about the need and the desirability of doing more in the fight against drugs.

Mr. Speaker, I again want to commend the gentleman for his leadership role and I would like to say I will continue to support his efforts.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his kind remarks and also for his support in this very important and crucial problem. The gentleman has spent a great deal of time in our interparliamentary conferences discussing the problem with our Mexican colleagues and that is the kind of attention that is needed to help bring about better cooperation between our two nations. I thank the gentleman from California.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I will be pleased to yield to the gentleman from Arizona who also has been very active in our interparliamentary conferences with our Mexican colleagues and did take the time to meet with our narcotics enforcement officials on the west coast and to explore their problems while we were in the San Francisco area.

Mr. RUDD. Mr. Speaker, I thank the gentleman for yielding and I also express my appreciation to him personally for taking this special order to bring to the attention to the people of this country the dire prospects that are in store for us and for the people of our Nation if we do not take some immediate and drastic steps to curb the drug importation and the use of drugs in this country illegally.

Mr. Speaker, last week and over the weekend I participated in the Mexico-United States Interparliamentary Conference here in Washington and in San Francisco.

My concern over our Nation's difficulties with Mexican drug trafficking has been further heightened by information provided by law enforcement officials in the San Francisco area which indicates that much of the imported drugs coming into the United States through the San Francisco area originated in Mexico.

I had the opportunity to discuss this situation with two distinguished law enforcement officers, San Francisco Police Chief Cornelius P. Murphy and Daniel J. Addario of the San Francisco office of the Drug Enforcement Administration. The disturbing pattern of drug-related problems in the bay area became increasingly more evident based on statistics which they cited.

For instance, approximately 80 percent of all heroin in the bay area comes from Mexico. The ripple effect across the entire United States is ominous since San Francisco serves as a key entry point for drugs into the United States, particularly the Western States.

Drug-related crime has become pervasive in the San Francisco area. Approximately 60 percent of all crimes committed are drug related, in both juvenile and adult categories. Indeed, 50 percent of all crimes in the San Francisco area are now committed by juveniles.

Law enforcement officials in the area have been unable to reduce drug-related crimes and are fighting a close battle just to contain drug-related activities at present levels.

One organization which has contributed to the drug problems not only in the United States, but also abroad, is the Hell's Angels, formerly a motorcycle gang which now deals in sophisticated drug smuggling.

Mr. Speaker, the deplorable situation in San Francisco further illustrates the need for increased national attention to drug trafficking and the need to ininclude this subject as a priority in consultations with the Mexican Government.

Within the Congress, we need to insure adequate funding for drug enforcement activities, provide swift and vigorous prosecution, and require strenuous penalties.

Congress must focus on this problem. Drug trafficking is an escalating crisis which ultimately threatens every American family.

I have participated for the past 4 years in the interparliamentary conferences between the Republic of Mexico and our own Congress. Delegates from each body, each of the bodies have been present during that period and I have noted with great pleasure that the gentleman from New York has worked diligently and long to establish a good relationship with the people in Mexico who are responsible for criminal violations, the law enforcement organizations, but aside from that with law enforcement organizations throughout the world to try to stem the tide of imports of drugs into our own Nation which is destroying our youth and destroying the morals within the young people of our Nation.

The meetings that we had recently, I think 2 years ago in Mexico, the Mexican authorities had demonstrated beyond any question their desire to cooperate and to help in the stemming of this illegal type of drugs.

We met, if you will recall, the gentleman from New York will recall, we met in the office of the Attorney General of the Republic of Mexico who showed us films and showed us some of the activities that the Mexican Army in collaboration with law enforcement officials in Mexico had carried out in an effort to destroy marihuana, which is one of the great quantity export drugs from Mexico, mainly to the United States.

During our meetings with the very able chief of police of the city of San Francisco, Mr. Cornelius Murphy, and, of course, with the special agent in charge of the drug enforcement agency in the San Francisco area, some facts came to our attention that to me spoke very loudly to us and to this body and through us I hope to the Nation, that we must make some great efforts to control what is happening in the drug enforcement area in our whole country.

I think one of the most startling statistics that came to our attention as a result of that was that 80 percent of all heroin which is imported into the San Francisco area came from Mexico. Also it was noted that the San Francisco area is a key entry point for drugs of all sorts. It also should be noted, I think, that the so-called Hells Angels, an organization which previously has been thought of as just an unlettered and rude motorcycle gang is really not that at all. It has extended chapters throughout the world and is a sophisticated criminal organization, underworld organization if you will, who murder, cheat, kill and steal to forward their own ends. They no longer are the motorcycle gang that we remember. They are people with vast sums of money at their disposal who are able to travel far and very swiftly in all sorts and modes of transportation and engage in the illicit activities in which they engage.

Marihuana without any question is one of the really critical drugs which is bringing our Nation to its knees. Frequently the courts and college professors and people who presumably know what they are talking about defend marihuana as not being any worse than alcohol or not being bad at all and not being hurtful to the people of our country or to the youth of our Nation. Nothing could be further from the truth because marihuana is usually a so-called starting drug which leads to harder drugs such as cocaine and of course heroin. Marihuana has been proven to be destructive to the individual physically, mentally and of course opens the way to the use of harder drugs which have destroyed our Nation and other cause for crimes.

□ 1740

One of the really startling statistics that should be brought to the attention of everyone is the fact that this area that we are talking about, the San Francisco area, I think is probably as good an example as any area in the United States. Law enforcement is only able to keep up with the problem. They are not able to stem the tide because there is rapid growth.

But above all that, about 60 percent of our crimes committed are drug-related, and that applies as well with regard to the youth of our Nation as to the adult population. In other words, about half of all crimes committed in this area are youth crimes, and about 30 percent of all youth and 30 percent of all adult crimes are drug-related. I think this is a tremendously interesting statistic, an eye-opening statistic which proves beyond any question that we must find ways and means to reeducate the people of our country, if you will, to help in their education, to prove that to them so that they will become responsive in this area of the disaster the drug traffic has become in our country, and help if we can to stem it, because the drug traffickers must, in order to prey on the habits that have been acquired by the victims of this traffic, must continue to enlarge it in order to make the other vast sums of money on which they pay no taxes. A whole new world has been opened in the economic field whereby many transactions never come to light of the business community, of the private sector, and certainly not of the public sector of the various governments involved.

The money transactions are carried out sub rosa. Sometimes they are simple trades in property—airplanes, houses, homes, that sort of thing. Or, they have payments for whatever the transaction might be, whether it is drugs or some semilegitimate transaction.

Mr. Speaker, I do thank the gentleman for yielding. I would like to take this opportunity to compliment him for the effort he has made in this field, and for his further diligence and hard work on this path that he has pursued to try to help our Nation recover from the blows that it has received repeatedly from drug traffickers throughout the world.

Of course, the importance of Latin America to our Nation as a source of drugs must be quite apparent at this point, but we must not forget what is happening in the Middle East and in Southeast Asia. These are also grave sources for drug traffic which causes the problem which is of such paramount importance to our Nation today.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Arizona for his kind support and statement, and also for his long, continuing fight in the effort to find a way to control illicit narcotic trafficking in our Nation, and for his continuing efforts along with our Mexican colleagues to try to find a better way to cooperate across the border.

I might note, Mr. Speaker, that while we were in the San Francisco Bay area we also met with some representatives of the medical community, who brought to our attention a publication by the California Society for the Treatment of Alcoholism and other Drug Dependencies entitled, "Persian Heroin in the San Francisco Bay Area, 1977–1980: The New Wave?"

In that publication they note that—

> "Persian Brown," "Persian," "Rufus," or "Dava" are San Francisco street names for heroin reaching this country from Iran. This form of heroin first came to the attention of our Detoxification Project in 1977. In that year, clients of middle class background residing in the Sunset and Richmond districts of San Francisco, and in Marin County, came to us claiming an addiction to Rufus. This was described as a "cleaner' and more potent heroin than that generally available

> on the illicit drug market. The origin of this new type of heroin was stated to be Iran. Thus the names "Persian" and "Persian Brown" came also to be used in the marketing and abuse of the substance.
>
> The Persian Brown abusers in 1977 were generally white, middle class, young, and relatively few in comparison with our heroin-abusing population as a whole. Qualitative analysis of Rufus in August 1977 revealed it to contain a high concentration of heroin plus several other opiate alkaloids. Compared to qualitative examinations of other street heroin samples in that year, Rufus was much more potent and less adulterated, although a residue of other opiate alkaloids were present.
>
> By late 1978, clients of Iranian descent began to appear in significant numbers at the Detoxification Project for therapy. Their name for Persian Brown was Dava, a Persian word for "medicine." An interesting sociological note was that many of these Iranian clients originally viewed heroin as medicine or therapy, rather than as a substance of abuse or dependence.

For example, they say that—

> During the week of April 7, 1980, we conducted an analysis of the clients of the Detoxification Project. The total population of 395 active clients yielded 93 (24%) who were designated as primarily Persian users.

They say that that figure was probably an underestimate.

But, what I would like to focus our attention on is this summary of their report entitled, "The Ayatollah's Revenge." I quote:

> Despite the Carter Administration's efforts to discontinue trade with Iran, it is unlikely that the trade in Persian will be stopped; the distribution routes for heroin have traditionally not been impeded by mere embargo. In fact, the continuous flow of Persian may well be viewed as yet another form of the "Ayatollah's Revenge." Drug traffickers are taking advantage of political chaos in Iran to turn opium cultivation into a booming export industry.
>
> The early months of 1980 have seen a marked increase in Persian abuse among the clients seen for opioid dependence at the Detoxification Project. Along with the new type of heroin, there have evolved new units of packaging and pricing for it on the illicit drug market; a new terminology for it among the user subculture; new primary routes of administration; new ways of preparing it for the traditional parenteral route of administration; new addictive usage-patterns accompanied by severe withdrawal symptoms; and, most ominously, a new type of addict reminiscent of those clients seen at our Project briefly around 1970. All of these developments are clear indications that Persian abuse may indeed be a prelude to a new peak in heroin abuse in the San Francisco Bay Area during the 1980's.

Mr. Speaker, I might add that there are enough cases indicative of our concern by our law enforcement officers throughout the Nation about this new tidal wave of narcotics approaching our shores.

Mr. Speaker, I ask unanimous consent to insert at this point the statement of my text of remarks before the 20th Mexico-United States Interparliamentary Conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, in the interest of sharing with my colleagues the magnitude of the drug problem, I am inserting at this point in the RECORD the complete text of my statement before the 20th Mexico-United States Interparliamentary Conference and urge my colleagues to continue to support the efforts of our two nations to combat this dreaded enemy of all mankind. Mr. Speaker, the complete text follows:

STATEMENT OF HON. BENJAMIN GILMAN BEFORE THE 20TH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

Mr. Speaker, distinguished legislators from Mexico and the United States, I welcome this opportunity to once again participate in these annual bilateral conferences and to join our colleagues from Mexico in the deliberations of the 20th Mexico-United States Interparliamentary Conference, and to discuss with this committee the critical issue of preventing and controlling narcotics trafficking and drug abuse.

As a member of the U.S. House of Representatives Select Committee on Narcotics Abuse and Control, chaired by the distinguished gentleman from New York (Mr. Wolff), that has held extensive hearings both in the United States and abroad on the problems of drug abuse, I wish our committee could report that the drug problem has diminished since we met last year in Mexico City. Unfortunately, that is not the situation. The drug problem has not dissipated. To the contrary, it has reached epidemic proportions. Regardless of whether we are discussing heroin, marihuana, cocaine, Phencyclidine (commonly known as PCP or "angel dust"), amphetamines, barbiturates, stimulants, depressants or various forms of polydrug abuse, virtually every nation in the world has become a target for the illicit manufacture and consumption of drugs. Almost every nation in the world has become a victim to drug trafficking and drug dependency. No nation is immune to the insidious operations of the international narcotics traffickers who reap unknown billions of untaxed dollars from their deadly business transactions, causing untold misery for so many throughout the world.

It has become a common practice to categorize the drug problem into illegal drug "producing" nations and illicit drug "consuming" nations, pointing an accusatory finger at so-called "consuming nations", as though the drug problem would go away if that nation could control the "demand" for illicit drugs. That is not an accurate analysis of international narcotics trafficking and drug abuse. Such a simple distinction distorts the complex problems of preventing and controlling drug abuse . . . problems that are global, that adversely affect the citizens of every nation, and that require the concerted efforts of the entire international community to combat. International narcotics traffickers respect no boundaries and do not conduct their nefarious business transactions based upon the compartmentalized distinction of classifying nations as "opium producing" or as "opium consuming", and the affliction of drug addiction does not respect such distinctions.

Narcotics trafficking is a multibillion dollar business, conducted by well-organized international criminal syndicates, by independent entrepreneurs and by so-called "respectable citizens" whose sophisticated operations reach into every corner of the world undermining our political, economic, and social institutions and the moral values of our societies. Drug trafficking, just in the United States alone, amounts to an estimated $45 billion in annual sales. The trafficking in marihuana and cocaine between the United States and Colombia is approximately an $8 billion business (four times that nation's largest legitimate export commodity, coffee), fueling the inflationary fires of Colombia's economy and corrupting its political and social institutions, as well as our own.

During 1979, our Federal, State, and local law enforcement agencies seized 49 pounds of opium, 512 pounds of heroin, more than 4.3 million pounds of marihuana, 53,715 pounds of hashish, 3,684 pounds of cocaine, and nearly 29 million dosage units of dangerous drugs (hallucinogens, depressants, stimulants, methadone).

Last year, our Coast Guard, working with other drug law enforcement agencies, seized 97 drug trafficking vessels carrying more than 2.4 million pounds of marihuana and, in record-breaking seizures, confiscated 251 pounds of Thai sticks, 43,550 pounds of hashish and nearly 3 million dosage units of Quaaludes, all of which amounted to an estimated street value of $1.6 billion.

An estimated 1,600 tons of illicit opium is expected to be harvested this year from the Golden Crescent of Iran, Afghanistan, and Pakistan. The political instability in Iran and Afghanistan, the difficulty of the central government in Pakistan to control the mountain tribesmen in its opium producing Northwest Frontier, together with the opium from Southeast Asia's Golden Triangle of Burma, Laos, and Thailand and the multibillion dollar trafficking of heroin, marihuana, and cocaine from Latin America have created a tidal wave of deadly drugs inundating virtually every region of the world, causing human misery for all mankind.

From the Far East to the Middle East, from Europe and Latin America to Africa and North America, law enforcement authorities throughout the world are reporting record seizures of heroin, cocaine, marihuana, hashish, and other dangerous drugs.

The tidal wave of deadly drugs, including the abuse of prescribed pills, has resulted in alarming reports of increasing drug deaths and drug dependency. There are an estimated 600,000–1,000,000 drug addicts in Iran; 400,000–600,000 in Thailand; 50,000 in Mexico; 10,000 in Indonesia; 450,000 in the United States; 300,000–600,000 in India, of whom 66,000 are registered opium users; 50,000–100,000 stimulant abusers in Japan; 20,000 registered addicts in Burma; 200,000 drug abusers in the Philippines; 50,000 hard-core addicts in Malaysia; and approximately 250,000 drug abusers in Europe.

Brazil's public health officials assert that "the number of drug addicts in Brasilia constitute a public calamity." Some Brazilian authorities claim that drugs have practically taken over the interior of Sao Paulo. [Reported from Brasilia, Correio Braziliense, 19 Dec. 1978. p. 14.]

An editorial appearing last March from Quito, Ecuador's El Comercio, entitled "Drugs and Traffickers", states:

"The reports about Ecuador's status as a major base for the processing and distribution of drugs have become increasingly alarming. The drug traffic in the country has ceased to be an almost sporadic activity, and has become a constant, large-scale criminal activity, mobilizing millions of dollars and associated with vast networks of international scope. Hence, it is not a minor nor easily surmountable problem, but rather a struggle of major proportions, which is upsetting the society and causing serious damage."

Interdicting narcotics trafficking and eradicating the illicit production of drugs at its source is a frustrating and dangerous task. However, one encouraging area of the world where the international community has seen some success is the work by Mexican drug law enforcement agents in interdicting narcotics trafficking and in combating the cultivation of opium and marihuana. Unfortunately, this effort has not received the recognition that it deserves, largely, I suspect, because of the increased volume of narcotics entering the international markets that have originated from the Middle East, Southeast Asia, and South America. For example, the Mexican Federal Judicial Police, in cooperation with the army, recently reported arrests of 217 drug traffickers scattered in various towns across your nation, seizing 1.5 kilograms of heroin, 2.5 kilograms of cocaine, 2 kilograms of opium gum and 5 tons of marihuana worth more than an estimated $6.1 million. That police operation also destroyed 1,176 poppy plantations, including 7.5 million opium poppy plants about to be processed, and 180 marihuana plantations.

Last February, the office of Mexico's Federal Attorney General arrested 8 drug traffickers who were members of an international narcotics ring operating in several communities along our joint 2,000 mile border and who operated a clandestine laboratory manufacturing psychotropic pills. In that raid, the law enforcement agents also seized 18 million toxic pills whose black market value is estimated to exceed 430 million pesos (or more than 19 million dollars).

I also understand that last year Mexican law enforcement authorities eradicated the equivalent of nearly 1,900 pounds of heroin and seized more than 134,660 pounds of marihuana, 351 pounds of cocaine, 62 pounds of heroin, and 990,000 dosage units of depressant pills.

There have also been some encouraging joint developments between our two nations at the grass roots level to prevent drug abuse among our citizens. For example, the Mexican Youth Integration Center and the Texas Department of Community Affairs recently signed a plan to implement an agreement between the two organizations relating to the exchange of information and the pooling of efforts to prevent the use of inhalants among children residing in communities along our joint border.

Despite reports that Mexico is fast becoming a transshipment state for cocaine originating from clandestine staging areas in Colombia, Peru, Ecuador, and Bolivia, your Federal Judicial Police have made significant inroads in interdicting this dangerous drug and in arresting cocaine traffickers. One interesting development in the evershifting trafficking patterns by the international criminal syndicates is the seizure last January by Mexican customs officers of 1 ton of chemicals used to manufacture amphetamines that had been shipped from Germany aboard a Lufthansa flight to Mexico City.

Cooperation between our two nations in interdicting narcotics trafficking and in eradicating the illicit production of drugs at its source has resulted in substantial dividends. Four years ago approximately 80 percent of the heroin being sold on the streets of the United States originated from Mexico. Today that figure has been reduced to less than 45 percent. In 1977, approximately 40 percent of the marihuana entering the United States originated from Mexico; today that figure has been reduced to no more than 26 percent. Clearly, Mexico's law enforcement and drug eradication programs should serve as a model for other nations to emulate.

But the "war" on drug abuse and drug trafficking is far from over. Much work in intensifying the cooperation between our two nations remains.

Since January of 1976, Congressman Wolff and I have been urging the implementation of a joint anti-narcotics commission . . . a commission that was approved by Presidents Echeverria, Lopez-Portillo, Ford and Carter, and is part of the United States-Mexico Consultative Mechanism.

The Consultative Mechanism has been operationalized. Some of the subgroups of that mechanisms have met. Yet, despite our requests the Anti-narcotics Subgroup has yet to hold its first meeting, let alone perform its vitally important tasks in a "dynamic, cohesive, flexible and effective" manner that was declared in the Lopez-Portillo-Carter joint communique of February 1979.

In discussing the status of the consultative mechanism with our colleagues from Mexico and with members of the Lopez-Portillo Administration, we have been assured of their cooperation and yet somewhere along the way the Anti-narcotics Consultative Mechanism has been sidetracked, a concern that we voiced at last year's bilateral parliamentarian conference. If we are going to win the "war" on drug abuse, then we should certainly act with greater dispatch in establishing a joint anti-narcotics commission.

Three years ago, our bilateral conference adopted the Hermosillo Declaration on Narcotics Trafficking at the International level. However, we must do more than pass well-intentioned declarations and resolutions. We must cut through the bureaucratic red tape of our respective nations to effectively implement the letter and spirit of the Hermosillo Declaration. Let us operationalize the Anti-narcotics Consultative Mechanism. Let us accelerate our joint efforts in interdicting narcotics trafficking, eradicating the illicit production of drugs at its source, educating our citizens regarding the dangers of drug abuse, and treating and rehabilitating those individuals dependent upon or addicted to drugs. Mexico is becoming a transshipment state for cocaine trafficking, requiring both our nations to intensify joint efforts in preventing this traffic pattern from becoming a major artery for the international drug merchants.

Given the political instability in the Middle East, the difficult task of the central governments of the Golden Triangle to control the illicit production of opium and the vast heroin, cocaine, and marihuana traffic originating from Latin America, it is obvious that there is an urgent need to formulate and monitor a comprehensive, coordinated regional drug abuse prevention and control strategy . . . a strategy of interdiction, eradication, education, and rehabilitation.

I respectfully urge the Government of Mexico, as a leader in the Latin American community to support the United Nations Fund for Drug Abuse Control (UNFDAC) by encouraging other nations in the Western Hemisphere to contribute to the U.N. Fund. Last year, only 4 Latin American nations (Argentina, Brazil, Chile, and Venezuela) contributed a meager $20,000 to UNFDAC. This $20,000 . . . a paltry contribution . . . represented less than 5 tenths of 1 percent of the Fund's $4.6 million budget for 1979. As of March of this year, within the Latin American community, only Mexico and Chile have contributed or pledged a grand total of $4,000 to the U.N. Fund. Surely, more of our Latin American neighbors can do better than this in urging a "global war" against drug abuse . . . a plague affecting all of our citizens.

The "war" on drug abuse and the international narcotic traffickers is a never-ending task . . . it is a herculean problem. Through the joint, cooperative efforts of our two nations, we are making progress on the battlefield by raising the consciousness of the public regarding the dangers of drug abuse and by forcing the international drug peddlers to shift the patterns of their drug trafficking operations. When all nations of the world recognize that it is in their interest to pool their personnel, resources, funds, and technical skills in a cooperative endeavor, then the "war" on narcotics trafficking and drug abuse will be "won" and the world will be a better place for all mankind.

Mr. Chairman, I thank you for providing this opportunity for sharing with this distinguished committee my thoughts concerning this vitally important issue.

Mr. Speaker, I urge my colleagues to support the efforts of our two nations to combat this dreaded enemy of all mankind.

● Mr. ROUSSELOT. Mr. Speaker, let me thank the gentleman from New York (Mr. GILMAN) for taking this special order. Drug abuse continues to be one of the most serious social problems confronting our Nation today. The lives of hundreds of thousands of people, many of them in their teens, have been ruined by their dependence on drugs. And this total does not include the indirect victims—the families and friends of the drug user. Drug-related street crimes are a blight on communities—large and small—across America. And, on a larger scale, the profits from illicit drug traffic help to support the power and influence of organized crime—ranging from the Mafia to outlaw motorcycle gangs.

The Federal Government must conduct an active program to combat drug abuse in our country. We must vigorously enforce our laws against those individuals who traffic in drugs so that the attraction of large profits is outweighed by the risks of detection and likelihood of conviction. The Federal Government must deter, or prevent entirely, the illegal importation of drugs into the United States. It is estimated that over 1,600 tons of opium, produced from the Golden Crescent of the Middle East—Iran, Afghanistan, Pakistan—have been imported into the United States this year. This type of activity has to be brought to a halt.

No government can completely protect its citizens from all harm. Drugs cannot be forced out of existence. But we must work to reduce the harm caused by drug abuse. We must combine our resources—private organizations, local and State government, Federal Government, and individual—to protect our society from the dangers of drug abuse and to help those who suffer.●

GENERAL LEAVE

Mrs. SNOWE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order today by the gentleman from New York (Mr. GILMAN).

The SPEAKER pro tempore. Is there

objection to the request of the gentlewoman from Maine?

There was no objection.

☐ 1750

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2313, FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1980

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–952) on the resolution (H. Res. 664) waiving certain points of order against the conference report on the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2255, LIMITING BANK HOLDING COMPANIES INSURANCE ACTIVITIES

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. 96–953) on the resolution (H. Res. 665) providing for consideration of the bill (H.R. 2255) to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3904, MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. 96–954) on the resolution (H. Res. 666) providing for consideration of the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans, which was referred to the House Calendar and ordered to be printed.

ANOTHER UNRESOLVED FOREIGN AID ISSUE

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BROWN of California. Mr. Speaker, the continued delay by some parts of the Congress in approving appropriations for the Institute for Scientific and Technological Cooperation, which was authorized last year, is another example of why the United States has a poor image in the world today. It is easy to see why people in other countries do not trust the word of the United States when the President announces support for a new initiative, the Congress agrees and approves an authorization bill for that program, but then turns around and fails to appropriate any funds for it.

The new Institute for Scientific and Technological Cooperation, which is one of the few innovations in the U.S. approach to foreign assistance in recent years, and a central part of our presentation at last summer's United Nation's Conference on Science and Technology for Development is in exactly this situation. As a supporter of this legislation, initially as an advocate of an even more independent and stronger program than eventually authorized, I have been disappointed at the failure of the Congress to follow through with its own commitment. I am sure the majority of my colleagues, who have voted approval for this program several times, would agree that this year we should make good on our commitment.

For those who would like to reflect further on this subject, or simply refresh their memory, I highly commend a recent article, written by two Harvard-based researchers, published in the May issue of the Bulletin of Atomic Scientists, which describes where we are today.

This article follows:

[From the Bulletin, May 1980]

UNITED STATES DEBATES A NEW AGENCY

(By William Colglazier and Paul Doty)

(NOTE.—William Colglazier, a physicist, is associate director of the Program in Science, Technology and Humanism of the Aspen Institute, and a research fellow at the Center for Science and International Affairs at Harvard University.

(Paul Doty is director of the Aspen Institute Program and the Center for Science International Affairs, and Mallinckrodt Professor of Biochemistry at Harvard University.)

In March of 1978 in Venezuela, President Carter proposed creation of a new U.S. agency to focus specifically on the role of science and technology in development. Emphasizing cooperation between the U.S. and the Third World, the agency would foster research, strengthen indigenous capabilities and facilitate scientific and technological collaboration.

This initiative was enthusiastically endorsed by scientists in the United States and abroad. A planning group was established by the White House, and in early 1979 a legislative proposal was submitted to the Congress.

Although authorized in August of 1979, the new Institute for Scientific and Technological Cooperation (ISTC) has been denied funding because of strenuous opposition by forces in the Senate. In this article, we shall outline the purpose, history, points of contention, and our own recommendations in the hope that the Institute will eventually open its doors and live up to its promise.

Science and technology may be the single most important factor in the economic development process. For example, an analysis of the United States' economy from 1869 to 1908 attributes 71 percent of its growth (on a per capita basis) to improvements in the quality and efficiency of inputs, which were made possible in large part by science and technology.[1] Technological self-reliance begins with autonomous decision-making capabilities and matures into competence in assessment, research, design, engineering, management, production, construction, marketing, and so forth, thereby generating the ability to adapt and innovate.

Does U.S. Aid Redress Technological Poverty? Striving to meet the basic human needs—food, water, clothing, shelter, health care, sanitation, and education—of the poorest people in the poorest countries, the group whose situation has improved the least over the last 25 years, is a noble and humanitarian goal. This approach, mandated by Congress in 1973 for programs of the Agency for International Development (AID), was not intended to be welfare oriented. The main object of the basic human needs strategy is to increase the income, employment and output of the poor on a sustainable basis, that is economic growth with equity. A judicious use of science and technology, including research and development, is recognized as a necessary component.

Sometimes at question, however, is on what time scale and how directly and verifiably must it be shown that the poor are beneficiaries and whether an overly rigid emphasis on basic human needs may be at the expense of balanced development. According to a Brookings Institution report,[2] since the 1973 legislation, "there has been [in the Agency for International Development] a decline in the attention given to building up central research and planning institutions" and "there has been the effect of narrowing the form of AID's expenditure for training." What has also occurred is a continuing loss of scientists and technologists from the agency.

There is also the important question of who determines development priorities. The United States has attempted at times to influence recipient government planning and implementation choices, partly as a result of Congress and AID trying to see that funds are used efficiently and equitably. This U.S. involvement, which has continued with the basic human needs strategy, contrasts with the flexibility and "hands-off" attitude of other donor countries such as Australia, Japan, and New Zealand. Some developing countries have gone so far as to accuse this strategy of being interventionistic and paternalistic, of perpetuating dependency, and of limiting recipient countries to no more than an intermediate level of technology. The conflict is not really over helping the poor, but rather over the desire of develop-

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ing countries to determine their own priorities.

Another frustration with American bilateral aid exists among the middle income countries, those with a per capita GNP roughly between $600 and $2,000. This group will expand in the future and even now represents approximately 13 percent of world population, including countries such as Mexico and Brazil. Many of these countries would like to collaborate with the United States but adequate financial support to pay the U.S. share is lacking.[3]

What then needs greater emphasis than is now given in the AID approach? The first is a concentrated effort to help developing countries acquire an indigenous capacity and competence for adapting and devising technologies to meet their own needs and local conditions. The second is a mechanism by means of which the United States could cooperate with middle-income developing countries, those not eligible for concessional aid, in investigative projects which are largely of mutual benefit and of global concern. The third is a unifying device for focusing and mobilizing world science and technology, especially the expertise resident in U.S. universities and businesses, to solve problems of development. The fourth is a greater realization that foreign assistance must enter a new era of cooperation and partnership where all parties are treated as equals.

Some ways in which U.S. development assistance could correct these deficiencies are illustrated by Canada's solution. The Canadian International Development Agency (CIDA) concentrates on the least developed countries, gives priority to basic human needs projects, and administers significant transfers of technology and technical knowledge. But in addition to CIDA, Canada has the International Development Research Center (IDRC), whose purpose is "to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means of applying and adapting scientific, technical and other knowledge to the economic and social advancement of those regions."[4] The IDRC heavy emphasizes research done in the developing countries under the direction of nationals from that region. The flexibility and independence of IDRC is indicated by the fact that 10 of the 21 directors are non-Canadians and six of those are from developing countries.

Background of the Carter Initiative. The concern of scientists for a new mode of development cooperation dates back to the mid-1960s when a panel of the President's Scientific Advisory Committee, and then later a committee of the National Academy of Sciences, argued for a more intensive and independent role for science and technology in development. More recently, a reexamination of U.S. aid was motivated by a 1977 assessment of development assistance strategies carried out by the Brookings Institution. The Brookings report recommended a new U.S. foundation to be concerned with research, development and training and which would be independent of AID or its successor agency. Justification for the foundation was based on the lack of technical people in AID, the lack of U.S. resources devoted to research on development problems and the insufficient "American institutional bases, in and out of government, to help research institutions in developing nations." Focusing on the creation of new knowledge relevant to development, the proposed foundation would have an independence and quality similar to that of the National Science Foundation.

The initiation and preparatory work for Carter's new Institute came from Frank Press and his advisers at the Office of Science and Technology Policy. Citing a "consensus that scientific and technological advances, when employed within an appropriate policy and management framework, can be important factors in determining the rate and direction of economic and social development (including the satisfaction of basic human needs)," the Press planning document states that what is required is "an improved capacity by individual developing countries and regions to adapt and devise technologies responsive to local problems and circumstances."[5]

The functions of the proposed Institute for Scientific and Technological Cooperation would include:

Supporting training and research on key development and global problems in both the U.S. and abroad, including regional institutions such as the Agricultural Research Centers[6] and

Providing mechanisms for collaborative projects and relationships in science and technology between American and foreign institutions, including participation by middle-tier developing countries.

The Institute would operate via regional offices and would include as advisers people from the developing countries who would be consulted extensively in the planning and operations.

Suggestions from the 1978 Aspen Conference. Because the proposed Institute was seen as so essential, the Aspen Institute for Humanistic Studies and the newly formed Council on Science and Technology for Development[7] sponsored a conference in August 1978. Participants included the Institute planners, Congressional staff, members of the U.S. scientific and technical community and scientists from developing nations.[8]

In building techno-scientific infrastructure, the Aspen participants emphasized creating a spirit of cooperation as equal partners between the Institute and the developing countries and respecting the priorities of the country while engaging in extensive consultations via an iterative process. A cooperative approach should not be incompatible with the rational desire by Congress that U.S. funds be used efficiently and not be siphoned off by some dominant group in the developing country (or in the United States). Also, experts from developing countries should be integrated as much as possible into Institute management and activities, as advisors from top to bottom, as staff members, and as members of any policy boards, project selection panels, and peer review committees.

With some allowance for coordination and oversight, the participants felt that the Institute should be as independent as possible from U.S. foreign policy and from detailed program involvement by the Congress. The best single guarantee of a reasonable degree of independence would be a strong Board of Directors, with policy authority and with representation from the scientific and technical community, and a professionally eminent director. This would be in addition to the essential requirement of a separate identity, operating procedures and personnel for the Institute. The participants did not feel that AID has the capability to carry out the new mandate.

A strong argument for the new Institute, in addition to the fact that research and development and promoting self-reliance are largely ignored when buried in a capital-assistance and "basic human needs" oriented agency, lies in the opportunity to attract professionally competent scientists and engineers.

Since the purpose of the Institute is to focus science and technology on all development needs, it should be prepared to cooperate and collaborate in many areas, for example, food and nutrition, agricultural research and development, marine resources, energy and natural resources, industrialization, policy planning and management, basic science, environmental research and development, education and training, standards and quality control, information processing, communications, cottage industries, and health.

Regarding "appropriate technology," the search should always be for the best technology to suit each purpose and circumstance, which is determined predominantly by economic efficiency (in terms of local factor costs) but also influenced by societal values. Caution is needed in applying non-economic criteria to technological choice, so as not to produce counterproductive results in the long run.

Universities and other non-profit educational and research institutions in the United States have a significant part to play in the Institute's work, provided that they do not dominate the Institute or the cooperating country. Research should be conducted by citizens of both the United States and the developing countries.

The higher education of foreign nationals in the United States is an important bridge to developing countries and justifies a more coherent policy to provide greater financial support from the United States (which funds only 5 percent of these students). Also, the education of women must receive sustained emphasis.

Significant transfers of proprietary technology and knowledge will continue to take place through many channels, including transnational profit making enterprises. The Institute can be an information clearing house as well as encourage mechanisms for U.S. companies to help in building self-reliant capabilities in the developing world. Such mechanisms, which might be arranged, encouraged, or financed by the Institute, could include: training provided by U.S. companies (beyond their own personnel) as part of the technology transfer agreements and "sister company" relationships between U.S. companies and companies in developing countries.[9]

The Institute should also cooperate in the study of the social impacts of technology, especially going beyond the first order effects. Cultural patterns must be taken into account and plans must be made to alleviate societal stress arising from technological change.

Administration Blueprint for the Institute for Scientific and Technological Cooperation. The Carter Administration established a Planning Office for the Institute headed by Ralph Smuckler, Dean of International Studies at Michigan State University. An Advisory Committee chaired by David Bell of the Ford Foundation was also established. The Planning Office was asked to clarify the objectives, operations and budget within one year.

By March 1979, the Administration pre-

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sented its draft bill to Congress for the authorization of the Institute.[10] The recommended funding was $66 million in transfers from AID and $25 million in new money for 1980 and $40 million in 1981.

The Administration proposed that the Director of the Institute be appointed by the President and report to the head of the International Development Cooperation Agency. There would be no policy board, but the Director would receive policy and program advice from a Council of 25 members selected by the President. One-third of the Council membership could be foreign nationals. Also created would be 20 institute fellowships, awarded annually for a two-year period, of which half would go to non-U.S. citizens. By bringing in outside professionals with new ideas, the fellowship program could be a particularly useful device for maintaining excellence in a government agency.

The purposes and functions for the Institute that are given in the Administration's bill provide a forceful charter and mandate—quite consistent with the initial design in the planning documents and the recommendations from the Aspen conference.

Congressional Handiwork. An alternative bill for the Institute for Scientific and Technical Cooperation was introduced by Senator Adlai Stevenson of Illinois and Representative George Brown of California. By creating a board with policy authority, this bill would have made the Institute even more independent and flexible. Also, "science" was included in the name, which the Administration finally accepted. The inclusion of "science" in the title is appropriate since science underlies technology and since cooperation in scientific research and training would be part of the mission.

THIRD WORLD AID FROM INDUSTRIALIZED COUNTRIES

Country	1976 aid (millions of U.S. dollars)	Proposed 5 percent for Third World R. & D.[1]
WESTERN		
Australia	385	19.25
Belgium	336	16.80
Canada	885	44.25
France	2,152	107.60
Federal Republic of Germany	1,309	65.45
Japan	1,093	54.65
Netherlands	718	35.90
Sweden	607	30.35
United Kingdom	827	41.35
United States	4,304	215.20
Others	896	44.80
Total	13,512	675.60
SOCIALIST		
Bulgaria	8	.40
Czechoslovakia	1,064	53.20
German Democratic Republic	105	5.25
Hungary	20	1.00
Poland	52	2.60
Romania	261	13.05
Soviet Union	1,208	60.40
Total	2,718	135.90

[1] Most of the financial assistance the Third World receives is as tied aid. One popular suggestion at UNCSTD to raise more money specifically for research and development was to set aside 5 percent of these aid funds for research and channel these funds through institutions such as the proposed Institute for Scientific and Technological Cooperation.

Source: Transfer of Resources in Real Terms to Developing Countries, United Nations Conference on Trade and Development document AC/AC 191/7, Apr. 13, 1978.

The House authorized an Advisory Council rather than adopting the policy board in the Stevenson bill, but required the Director to seek Council advice on all policies and programs and on changes or new initiatives before their implementation. The Council would also be responsible for an annual report setting forth its recommendations and advice. The House approved that up to one-third of the members of the Council should be foreign nationals, a significant step for the United States, and up to five should be officials of the U.S. government.

In several ways, the Administration's proposal for the Institute followed the AID mandate to meet basic human needs. The House authorization tilted the Institute even further toward a basic human needs focus by qualifying its support of research as follows: "with emphasis on research relating to technologies which are labor intensive or which do not generate additional unemployment or under-employment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor."

The Senate initially rejected the Institute in its version of the Development Assistance Act, but the House prevailed in conference and the Institute was authorized in August of 1979. However, the authorization and a strongly committed President were not sufficient to guarantee creation of the Institute.

Senator Dennis DeConcini of Arizona persuaded the Senate Appropriations Committee to strike out funds for the Institute, and on the Senate floor he offered an amendment to prohibit the use of any money for planning in fiscal year 1980. The amendment passed—76 to 22. Thus the Planning Office for the Institute was forced to close pending resolutions of the Appropriation Bill between the House and Senate.

Senator DeConcini and some Appropriations Committee staffers appear to have waged a personal vendetta against the Institute. They argue, in part, that: the Institute for Scientific and Technical Cooperation is redundant and a boondoggle since AID can do the job; the proliferation of the bureaucracy must be stopped; and the Institute would provide a handout for U.S. universities. Calling for investigations, DeConcini has even accused ISTC planners within the government of collaborating illegally with greedy academics to lobby Congress. Daniel Greenberg says that it "has the ring of a Rip Van Winkle excitedly telling the cops that there's gambling in Atlantic City."

In early 1980, the House-Senate Appropriations Conference Committee reached the following agreement for the current fiscal year: $12 million of new money will be given to the Agency for International Development for programs similar to those in the Institute for Scientific and Technological Cooperation authorization, but none of the funds may be used to set up a separate Institute or its planning office. There is no director's position and the staff of the new AID subunit is severely restricted.

Recommendations. We are strongly convinced of the need for the Institute for Scientific and Technological Cooperation independent of the Agency for International Development. The bold, fresh endeavor represented by the Carter proposal is emasculated if the compromise reached by the House-Senate Appropriations Committees becomes permanent. The crippling restrictions have already resulted in Nyle Brady declining the directorship. Even with the good intentions of the Administration, continuing AID control of these programs is totally inconsistent with what the Institute was supposed to achieve. The only hope for resurrecting a separate Institute is for the Administration to wage a vigorous battle for funding in fiscal year 1981 consistent with the Congressional authorization. By recommending $95 million for the Institute, the President's budget demonstrates a resolve to fight. Success will not be easy because of opposition by the Senate Appropriations Committee, new demands for budget cutting, and the shrinking Congressional consistency for foreign aid. If the Institute initiative fails, its supporters must continue to push the U.S. government for a more intensive and independent role for science and technology aiding development.

If the Institute is eventually funded consistent with the authorization bill and the Administration's planning, we offer two suggestions as ways to enhance its effectiveness. First, we feel that there is still too much emphasis on meeting the basic human needs of the poor. A major rationale for the Institute and means of distinguishing it from AID becomes blurred. Also lost is the opportunity to mitigate in a small way the paternalistic flavor of American bilateral aid. While the work of the Institute will also help the poorest, its programs should not be specifically directed to this sector. The purpose of the Institute is to focus science and technology on all development needs.

The final recommendation, which is more nebulous, concerns the reluctance of the planners to confront directly how the Institute is to aid countries in industrial development. The word industrialization is hardly ever mentioned in the draft planning documents, although there is the one problem focus area euphemistically called "non-agricultural employment." This small unit does have some useful elements for generating self-reliant capabilities in industrial technology, such as facilitating programs of management training, cooperative ventures between small to medium-size businesses in the United States and developing countries, and use of retired U.S. businessmen to help countries improve domestic industries. Since industrialization is an important aspect of the contribution of science and technology to development, finding acceptable avenues of cooperation deserves greater prominence.

Of course, the planners' timidity in the industrial area reflects the present wariness among the American public and Congress about creating possible competition for American jobs. Yet, the developing countries want help in the industrialization of those sectors where they might have a comparative advantage in international markets. Quoting Senator Stevenson, "Our economic future is jeopardized less by transferring well understood technology, than by failing to support research and development and by permitting our innovative capabilities to weaken. By working cooperatively with developing countries to help develop their indigenous scientific and technological capabilities, we build new and improved markets and obtain valuable data and information necessary to our own continued economic growth and development."[11]

FOOTNOTES

[1] S. Kuznets, *Modern Economic Growth* (New Haven: Yale University Press, 1966).

p. 84. See also the speech by Bradford Morse, Administrator of the United Nations Development Program at Jordan's Science and Technology Policy Conference, Feb. 18–22, 1978.

[2] "An Assessment of Development Assistance Strategies (Interim Report)", Brookings Institution, Oct. 1977. See also W. Cotter "How AID Fails to Aid Africa," *Foreign Policy* No. 34, Spring 1979, pp. 107–119.

[3] The National Science Foundation does support some science and technology cooperation projects and exchanges under bilateral agreements with middle income countries. Also, the Science and Technology Program of the Organization of American States has successfully been supporting cooperative research projects among its member countries, who are largely in the middle income group.

[4] Act of the Canadian Parliament on May 13, 1970, setting up the IDRC.

[5] "Foundation for International Technological Cooperation, Plans and Concepts," Office of Science and Technology Policy, June 14, 1978. Staff work within OSTP on the Institute was guided by Eugene Skolnikoff of the Massachusetts Institute of Technology.

[6] The 11 International Agricultural Research Centers have largely been successful in applying modern scientific research to the needs of developing countries, in particular on the possibilities of increased agricultural productivity in the tropics and sub-tropics. Another example of science being applied in areas important to developing countries is the International Center for Insect Physiology and Ecology (Kenya).

[7] The Council on Science and Technology for Development, whose Chairman is Frederick Seitz and Executive Director is Charles Dennison, has published an independent assessment of ISTC, which is available from its offices at 2010 Massachusetts Ave., N.W., Suite 600, Washington, D.C. 20036.

[8] This section relies heavily on the comments given at the Conference, but the 30 participants should not be held responsible for this brief summary or the recommendations at the end.

[9] Among the recommendations for the Institute from the U.S. private sector which are contained in the Report of the Aspen Workshop on "Public/Private Collaboration and Third World Food Systems" (available from Mary Wolff, Aspen Institute, 1229 University Avenue, 2nd Floor, Boulder, CO 80302).

[10] "Status Report", Foundation for International Technological Corporation (FITC) Planning Office, Jan. 17, 1979; "Revision of the FITC Document of Oct. 13, 1978", FITC Planning Office, Dec. 4, 1978; and "FITC Congressional Presentation", Feb. 23, 1979.

[11] Draft bill and statement from the Honorable Adlai Stevenson, United States Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Levitas (at the request of Mr. Wright), for today and May 14, on account of official business.

Mr. Giaimo (at the request of Mr. Wright), for today and May 14, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Snowe) to revise and extend their remarks and include extraneous material:)

Mr. Green, for 5 minutes today.

Mr. Gilman, for 60 minutes, today.

(The following Member (at the request of Mr. Gilman) to revise and extend his remarks and include extraneous material:)

Mr. Kemp, for 60 minutes, today.

(The following Members (at the request of Mr. Bailey) to revise and extend their remarks and include extraneous material:)

Mr. Roberts, for 5 minutes, today.

Mr. Alexander, for 30 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. White, for 5 minutes, today.

Mr. Wolff, for 15 minutes, today.

Mr. Murtha, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent permission to revise and extend remarks was granted to:

Mr. Brown of California, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,277.25.

(The following Members (at the request of Mrs. Snowe) and to include extraneous matter:)

Mr. Whitehurst.

Mr. Symms in two instances.

Mr. Daniel B. Crane.

Mr. Collins of Texas in three instances.

Mr. Derwinski in two instances.

Mr. Brown of Ohio.

Mr. Dougherty.

Mrs. Holt.

Mrs. Smith of Nebraska.

Mr. Edwards of Oklahoma.

Mr. Hollenbeck.

Mr. Evans of Delaware.

Mr. Dornan.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. Bailey) and to include extraneous matter:)

Mr. Stokes in two instances.

Mr. Rodino in two instances.

Mr. Gaydos.

Mr. Hightower.

Mr. Wolff in two instances.

Mr. Dodd.

Mr. Frost in two instances.

Mr. Kazen.

Mr. Harris.

Mr. Applegate.

Mr. Florio.

Mr. Studds.

Mr. Bonior of Michigan.

Mr. Hamilton.

Mr. Nowak.

Mrs. Schroeder.

Mr. McHugh.

Mr. Simon in two instances.

Mr. Stewart.

Mr. Fauntroy.

Mr. Obey.

Mr. Solarz.

Mr. Brodhead.

Mr. Bolling.

Mr. McGuire.

Mr. Seiberling in 10 instances.

Mr. Minish.

Mr. Rahall.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 668. An act to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the U.S. Court of Claims any claim such band could have filed with the Indian Claims Commission under the act of August 13, 1946 (60 Stat. 1049).

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 10. An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

ADJOURNMENT

Mr. DERRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 51 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 14, 1980, at 3 p.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1979 and the first quarter of calendar year 1980 in connection with foreign travel pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. James Jeffords	1/11	1/12	Japan						7.17		7.17
	1/12	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		150.00		110.74		10.11		270.85
	1/16	1/19	People's Republic of China.		[3] 209.89		69.70		15.55		295.14
	1/19	1/21	Philippines		[4] 128.59		237.30				315.89
	1/21	1/22	Taiwan		75.00						75.00
	1/23	1/27	India		375.00						375.00
Military transportation (individual legs of trip).							6,695.93				6,695.93
Hon. Alvin Baldus	1/12	1/17	Mexico City		375.00		339.00				714.00
Al Zepp	1/12	1/17	Mexico City		375.00		339.00				714.00
Roter Albee	1/12	1/17	Mexico City		375.00		339.00				714.00
Hon. Tom Foley	1/23	1/26	Berlin		176.00		825.00		629.85		1,63 .85
Hon. James Johnson	3/11	3/14	Lisbon		375.00		903.00		238.96		1,516.96
Committee totals					2,839.48		9,933.22		901.64		13,698.34

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] $225 minus $15.11 refund.

[4] $150 minus $21.41 refund.

THOMAS S. FOLEY, Chairman.

Apr. 28, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Panama, Guantanamo Bay and Roosevelt Roads:											
Dickinson, Congressman Wm. L	1/7	1/12	Panama		375.00						375.00
Transportation provided by the Department of the Navy.							1,464.15				1,464.15
Other expenses (meals, lodging, etc.) provided by the Department of the Navy.									179.72		179.72
Tsompanas, Paul L	1/7	1/12	Panama		375.00						375.00
Transportation provided by the Department of the Navy.							1,464.15				1,464.15
Other purposes (meals, lodging, etc.) provided by the Department of the Navy.									179.72		179.72
Gilleece, Mary Ann	1/7	1/12	Panama		375.00						375.00
Transportation provided by the Department of the Navy.							1,464.15				1,464.15
Other expenses (meals, lodging, etc.) provided by the Department of the Navy.									179.72		179.72
Attendance at 4th Annual Seminar of the Center for Oceans Law and Policy:											
Ford, John J	1/8	1/12	Grand Cayman BWI		467.40		469.75				937.15
Wehrkundf meeting:											
Beard, Congressman Robin L	2/8	2/10	Germany	425.58	246.00						246.00
Carr, Congressman Robert	2/8	2/10	Germany	425.58	246.00						246.00
Stratton, Congressman Samuel S.	2/8	2/10	Germany	17.58	10.28						10.28
Wilson, Congressman Bob	2/8	2/10	Germany	217.98	126.00						126.00
Schatzman, Frederick A	2/8	2/10	Germany	425.58	246.00						246.00
Note: Transportation provided at the invitation of the Secretary of the Army.											
Local Transportation for the entire group.							251.43				251.43
Research and development subcommittee investigation of U.S. defense preparedness in Pacific theater and Indian Ocean:											
Ichord, Congressman Richard H.	1/6	1/7	New Zealand	150.81	150.00		5,440.26				5,590.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Montgomery, Congressman G. V.	1/6	1/7	New Zealand	143.81	143.00		4,113.07				4,256.07
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Spence, Congressman Floyd D.	1/6	1/7	New Zealand	150.81	150.00		5,440.26				5,590.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Stump, Congressman Robert L	1/6	1/7	New Zealand	150.81	150.00		5,041.26				5,191.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Wilson, Congressman Bob	1/6	1/7	New Zealand	150.81	150.00		5,041.26				5,191.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Battista, Anthony R	1/6	1/7	New Zealand	150.81	150.00		5,440.26				5,590.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Cooper, Thomas F	1/6	1/7	New Zealand	150.81	150.00		5,440.26				5,590.26
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Marshall, Ralph	1/6	1/7	New Zealand	150.81	150.00		4,840.38				4,990.38
	1/7	1/11	Australia	288	320.00						320.00
	1/11	1/13	Singapore	401.94	188.00						188.00
Local transportation for the entire group in Australia.							3,360.00				3,360.00
Other expenses in Australia									80.00		80.00
Appropriations Committee trip, Subcommittee on Foreign Operations:											
Emery, Congressman David F.	2/2	2/4	England	100	230.00		30.92		168.04		428.96
	2/4	2/6	Saudi Arabia	1,021.44	304.00					1,021.44	304.00
	2/6	2/7	Pakistan	1,054.80	152.00				72.58	1,054.80	224.58
	2/7	2/8	India	1,188	150.00						150.00
Transportation provided by the Department of the Air Force.							6,575.38				6,575.38
Committee total					8,559.68		55,876.94		859.78		65,296.40

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 30, 1980.

MELVIN PRICE, Chairman.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Richard A. Gephardt	1/23/79	11/23/79	England		115.00		367.88				482.88
Local transportation	11/23/79	11/26/79	Saudi Arabia		380.00						380.00
Special transportation arrangements made by Treasury Department.	11/26/79	11/27/79	United Arab Emirates		None						
	11/27/79	11/28/79	Kuwait		154.00						154.00
Note:											
Per diem received											649.00
Per diem allowed											535.00
Returned to Treasury											114.00
Committee total					649.00		367.88				1,016.88

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 29, 1980.

ROBERT N. GIAIMO, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Robert N. Giaimo	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
Hon. Norman Y. Mineta	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
Hon. Delbert L. Latta	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
Mace I. Broide	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
John F. Cove	2/13	2/18	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
James B. Hedlund	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157,500	225.00						225.00
Department of Army was designated action agency for travel arrangements.											
Total					2,310.00						2,310.00
Hon. Paul Simon	1/9	1/11	Morocco		(3)						
	1/11	1/14	Algeria		(3)	299	80.43			299	80.43
	1/14	1/16	Tunisia	60,245	154.00						154.00
	1/16	1/18	Libya		(3)						
	1/18	1/18	Greece	134,400	34.81						34.81
	1/18	1/21	Iraq	41,888	142.47						142.47
Airline tickets purchased in Deutsch marks.							1,703.00				1,703.00
Peter Storm	1/9	1/11	Morocco		(3)						
	1/11	1/14	Algeria		(3)	299	80.43			299	80.43
	1/14	1/16	Tunisia	60,245	154.00						154.00
	1/16	1/18	Libya		(3)						
	1/18	1/18	Greece	423,900	109.81						109.81
	1/18	1/21	Iraq	60,638	206.25						206.25
Airline tickets purchased in Deutsch marks.							1,703.00				1,703.00
Total					801.34		3,566.86				4,368.20

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Stephen Solarz	1/2	1/6	Egypt	200,500	286.43						286.43
	1/6	1/7	Sudan		67.00						67.00
Military air transportation	1/7	1/9	Saudi Arabia	126,250	375.00						375.50
Military air transportation	1/9	1/10	North Yemen	10,095	22.81						22.18
	1/11	1/12	Oman	73,870	216.00						216.00
	1/12	1/13	United Arab Emirates	49,440	132.00						132.00
	1/13	1/14	Jordan		None						
	1/14	1/20	Isarel		450.00						450.00
Military air transportation	1/20	1/20	Egypt		None						
	1/20	1/21	Sudan		92.00						92.00
	1/21	1/22	Italy	60,375	75.00						75.00
Commercial air travel							2,070.00				
Total					1,716.11		2,070.00				3,786.11
Wendell Belew	1/2	1/6	Egypt	20,050	286.43						286.43
	1/6	1/7	Sudan		67.00						67.00
Military air transportation	1/7	1/9	Saudi Arabia	126,250	375.50						375.00
Military air transportation	1/9	1/10	North Yemen	10,095	22.18						22.18
	1/11	1/12	Oman		216.00						216.00
	1/12	1/13	United Arab Emirates	49,440	132.00						132.00
	1/13	1/14	Jordan		None						
	1/14	1/20	Israel		450.00						450.00
Military air transportation	1/20	1/20	Egypt		None						
	1/20	1/21	Sudan		92.00						92.00
	1/21	1/22	Italy	60,375	75.00						75.00
Commercial air travel							2,070.00				2,070.00
Total					1,716.11		2,070.00				3,786.11
Bruce Meridith	1/3	1/6	England	15,402	345.00		896.00				1,241.00
	1/6	1/7	Scotland	3,795	85.00						85.00
	1/7	1/12	France	240,000	600.00		69.10				669.10
	1/12	1/16	Germany	61,047	357.00		112.80				469.80
Scott Lilly	2/3	2/4	United Kingdom		230.00						230.00
	2/4	2/6	Saudi Arabia		[4] 51.00						51.00
	2/6	2/7	Pakistan		152.00						152.00
	2/7	2/8	India		150.00						150.00
Transportation furnished by military aircraft. Cost shown is comparable to first-class commercial rate.							4,778.00				4,778.00
Total					1,970.00		5,855.90				7,825.90

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Guest of Chief of Mission.

[4] Full per diem not claimed.

Apr. 29, 1980.

ROBERT N. GIAIMO, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Agris, N	1/13	1/16	Venezuela		245.33		219.12				464.45
	1/16	1/19	Brazil		239.99		62.36		4.81		307.16
	1/19	1/20	Costa Rica		42.83		47.67		57.80		148.30
			Barbados				42.85				42.85
Military transportation							959.52				959.52
Barnes, M. D	1/25	1/26	England		115.00						115.00
	1/26	1/29	Egypt		225.50						225.00
	1/29	2/1	Israel		300.00						300.00
	2/1	2/2	Saudi Arabia								
	2/2	2/3	England		115.00						115.00
Commercial transportation							$1,153.00				1,153.00
Belknap	2/29	3/5	Austria		470.00						470.00
Commercial transportation							$1,456.00				1,456.00
Berdes, G	1/9	1/18	Spain		687.00				821.65		1,508.65
	1/18	1/20	Portugal		150.00		38.15		125.16		313.31
Total					2,590.15		3,978.67		1,009.42		7,578.24
Military transportation							2,881.83				2,881.83
Bonker, D	1/15	1/17	Germany		180.00						180.00
	1/17	1/20	Netherlands		166.00						166.00
	1/20	1/22	France		200.00						200.00
Commercial transportation							2,101.00				2,101.00
	3/2	3/5	Switzerland		189.20		300.32				489.52
Commercial transportation							2,053.00				2,053.00
Fatemi, F	1/15	1/17	Germany		180.00						180.00
	1/17	1/20	Netherlands		166.00						166.00
	1/20	1/22	France		200.00						200.00
Commercial transportation							2,101.00				2,101.00
	2/29	3/5	Switzerland		510.00						510.00
Commercial transportation							2,000.00				2,000.00
Total					1,791.20		11,437.15				13,228.35

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Con.

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Fite, W.	1/2	1/3	Belgium		214.00						214.00
	1/3	1/5	Norway		186.00						186.00
	1/5	1/7	Enpland		230.00						230.00
	1/7	1/9	Netherlands		166.00		39.46				205.46
	1/9	1/11	Germany		270.00						270.00
	1/12	1/15	Italy		225.00		16.75				241.75
	1/15	1/16	Austria		94.00		16.09				110.09
	1/16	1/19	France		300.00						300.00
Commercial transportation							1,096.00				1,096.00
Fox, E.	1/13	1/16	Venezuela		291.38		219.12				510.50
	1/16	1/19	Brazil		276.00		62.36		4.81		343.17
	1/19	1/20	Costa Rica		71.37		47.67		57.80		176.84
			Barbados				42.85				42.85
Mlitary transportation							959.52				959.52
Total					2,323.75		2,499.82		62.61		4,886.18
Freidman, G.	1/13	1/16	Venezuela		274.62		219.12				493.74
	1/16	1/19	Brazil		275.72		62.36		4.81		342.89
	1/19	1/20	Costa Rica		62.50		47.67		57.80		167.97
			Barbados				42.85				42.85
Military transportation							959.52				959.52
Galey, M. E.	2/24	3/6	Austria		1,034.00		124.00				1,158.00
	3/6	3/8	Switzerland		157.15						157.15
Commercial transportation							845.00				845.00
Gilman, B. A.	1/14	1/16	Thailand		147.55		110.74		10.11		268.40
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		136.58		237.30				373.88
	1/21	1/23	Taiwan		136.10						136.10
Commercial transportation							1,225.00				1,225.00
Military transportation							7,621.97				7,621.97
Total					2,449.22		11,565.23		88.27		14,102.72
Grunberg, C.	1/13	1/15	Austria		241.50						241.50
	1/15	1/19	Switzerland		344.71						344.71
	1/19	1/22	France		400.00						400.00
Commercial transportation							826.00				826.00
Guyer, T.	1/13	1/16	Venezuela		297.00		219.12				516.12
	1/16	1/19	Brazil		276.00		62.36		4.81		343.17
	1/19	1/20	Costa Rica		75.00		47.67		57.80		180.47
			Barbados				42.85				42.85
Military transportation							959.52				959.52
Holstine, J.	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		223.00		69.70		15.55		308.25
Total					2,591.21		2,520.87		95.44		5,207.52
	1/19	1/21	Philippines		145.97		237.30				383.27
	1/21	1/23	Taiwan		150.00						150.00
Military transportation							8,714.21				8,714.21
Huber, Robert	1/2	1/3	Belgium		174.00						174.00
	1/3	1/5	Norway		186.00						186.00
	1/5	1/7	England		230.00						230.00
	1/7	1/9	Netherlands		166.00		39.46				205.46
	1/9	1/12	Germany		270.00						270.00
	1/12	1/15	Italy		225.00		16.75				241.75
	1/15	1/16	Austria		94.00		16.09				110.09
	1/16	1/19	France		300.00						300.00
Commercial transportation							1,096.00				1,096.00
Total					1,940.97		10,119.81				12,060.78
Lisenby, S.	1/3	1/6	England		175.43		115.55				290.98
	1/7	1/10	Zaire (per diem received in S.A.).				317.68				317.68
	1/11	1/16	South Africa		600.00						600.00
	1/16	1/19	Rhodesia (per diem received in S.A.).								
	1/19	1/21	England		384.00						384.00
Commercial transportation							3,261.00				3,261.00
Mann, J. L.	1/5	1/7	Portugal		54.00		75.00				129.00
Commercial transportation							585.00				585.00
Moser, M. H.	1/13	1/16	Venezuela		293.64		219.12				512.76
	1/16	1/19	Brazil		249.00		62.36		4.81		316.17
	1/19	1/20	Costa Rica		75.00		47.67		57.80		180.47
			Barbados				42.85				42.85
Military transportation							959.52				959.52
Committee total					1,831.07		5,685.75		62.61		7,579.34
Nelson, C.	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		150.00		237.30				387.30
	1/21	1/23	Taiwan (ROC)		150.00						150.00
Military transportation							8,714.21				8,714.21
Palmer, E.	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		387.03
	1/19	1/21	Philippines		150.00		237.30				150.00
	1/21	1/23	Taiwan (ROC)		150.00						
Total					2,518.00		9,915.51		65.66		12,499.17

See footnote at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Con.

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency
Military transportation							8,714.21				8,714.21
Pritchard, J	2/3	2/4	England		230.00		30.92		168.04		428.96
	2/5	2/5	Saudi Arabia		171.44		51.02				222.46
	2/6	2/7	Pakistan		162.48						162.48
	2/7	2/8	India		150.00						150.00
Military transportation							6,575.38				6,575.38
Przystup, J	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		225.00		79.55				304.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		150.00		237.30				387.30
	1/21	1/23	Taiwan (ROC)		150.00						150.00
Military transportation							8,714.21				8,714.21
Total					1,972.92		24,686.39		200.87		26,860.18
Salvia, J. M	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		266.25		8.36		7.17		281.78
	1/11	1/14	Indonesia		192.32		79.55				271.87
	1/14	1/16	Thailand		75.00		86.74		10.11		171.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		142.68		237.30				379.98
	1/21	1/23	Taiwan (ROC)		148.00						148.00
Military transportation							8,714.21				8,714.21
Schollaert, J. T	2/11	2/19	Austria		631.20						631.20
Commercial transportation							1,592.00				1,592.00
Soriano, R	1/2	1/3	Belgium		175.85						175.85
	1/3	1/5	Norway		167.69						167.69
	1/5	1/7	England		230.00						230.00
	1/7	1/9	Netherlands		166.00		39.46				205.46
Total					2,583.99		10,922.32		32.83		13,539.14
	1/9	1/12	West Germany		188.13						188.13
	1/12	1/15	Italy		225.00		16.75				241.75
	1/15	1/16	Austria		94.00		16.09				110.09
	1/16	1/19	France		300.00						300.00
Commercial transportation							1,096.00				1,096.00
Spalatin, I	1/2	1/3	Belgium		214.00						214.00
	1/3	1/5	Norway		186.00						186.00
	1/5	1/7	England		230.00						230.00
	1/7	1/9	Netherlands		166.00		39.46				205.46
	1/9	1/11	West Germany		270.00						270.00
	1/12	1/15	Italy		225.00		16.75				241.75
	1/15	1/16	Austria		94.00		16.09				110.09
	1/16	1/19	France		300.00						300.00
Commercial transportation							1,096.00				1,096.00
Total					2,492.13		2,297.14				4,789.27
Sulc, L. B	1/12	1/15	Austria		250.40						250.40
	1/15	1/19	Switzerland		408.00						408.00
	1/19	1/22	France		400.00						400.00
Commercial transportation							829.00				829.00
Van Egmond, A	1/13	1/15	Austria		94.00						94.00
	1/15	1/19	Switzerland		332.10		25.89				357.99
	1/19	1/22	France		400.00						400.00
Commercial transportation							829.00				829.00
Wolff, L. L	1/6	1/8	Korea		164.00		95.00				259.00
	1/8	1/11	Japan		270.00		8.36		7.17		285.53
	1/11	1/14	Indonesia		185.00		79.55				264.55
	1/14	1/16	Thailand		75.00		110.74		10.11		195.85
	1/16	1/19	China (PRC)		225.00		69.70		15.55		310.25
	1/19	1/21	Philippines		150.00		237.30				387.30
Total					2,953.50		2,284.54		32.83		5,270.87
	1/21	1/23	Taiwan		150.00						150.00
Military transportation							8,714.21				8,714.21
Yatron, G	1/13	1/16	Venezuela		287.40		219.12				506.52
	1/16	1/19	Brazil		276.00		62.36		4.81		343.17
	1/19	1/20	Costa Rica		75.00		47.67		57.80		180.47
			Barbados				42.85				42.85
Military transportation							959.52				959.52
Total					788.40		10,045.73		62.61		10,896.74
Grand total for first quarter											138,498.59

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 30, 1980.

CLEMENT J. ZABLOCKI, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[3]	Foreign currency	U.S. dollar equivalent or U.S. currency[3]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Paul N. McCloskey	2/3	2/4	England	100	230.00					100	230.00
Transportation provided by U.S. military aircraft.)	2/5	2/5	Saudi Arabia	171.44	51.00					171.44	51.00
	2/6	2/8	Pakistan	1,608.55	162.48					1,608.55	162.48
	2/7	2/8	India	1,188.00	150.00					1,188	150.00
Hon. Jack Brooks	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Hon. Henry Waxman	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Hon. Robert Walker	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Hon. Peter Kostmayer	2/10	2/11	Egypt	150	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,310.50	179.68					1,310.50	179.68
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
(U.S. dollars reimbursed upon return to United States $142.80).											142.80
Richard C. Barnes	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Elmer W. Henderson	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Guadalupe R. Flores	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Cynthia W. Meadow	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Thomas F. Houston	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
James L. McInerney	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Alvin E. Mills	2/10	2/11	Egypt	105	150.00		[3] 3,121.87				3,271.87
	2/12	2/14	Kenya	1,642.80	225.00					1,642.80	225.00
	2/15	2/17	Ivory Coast	74,905	369.00					74,905	369.00
Eugene F. Peters	2/10	2/11	Egypt	105	150.00		[3] 3,121.87		[7] 87.52		3,359.39
							[4] 768.11				768.11
	2/12	2/14	Kenya	1,642.80	225.00		[5] 237.67		[8] 193.32		655.99
							[6] 275.88	1,600	215.37		491.52
	2/15	2/17	Ivory Coast	74,905	369.00				328.57		697.57
Committee totals					9,333.36		38,744.10		824.78		48,902.24

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

[3] U.S. military aircraft.

[4] Local transportation costs for delegation.

[5] Transportation vehicle hire for delegation.

[6] Fuel for UN plane.

[7] Reciprocal luncheons.

[8] Airport departure tax for delegation.

Apr. 3, 1980.

JACK BROOKS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. James D. Santini	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.38	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								
Sharon CocKay ne, staff	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.28	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								
Wilbert Dare, staff	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.38	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								
Courtland Lee, staff	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.38	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								
William Shafer, staff	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.28	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								

Footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980—Continued

	Date			Per diem		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
W. Perry Pendley, staff	1/4	1/6	England	256.13	575.00		3,267.00	66.25	148.73	322.28	3,990.73
	1/7	1/11	Zaire	775.68	384.00	524	259.41	110	54.46	1,409.68	697.87
	1/11	1/16	South Africa	495.38	[1] 600.00					495.38	600.00
	1/16	1/19	Rhodesia			280.40	339.63			280.40	339.63
	1/19	1/19	South Africa								
	1/20	1/21	England								
Robert L. Terrell	1/3	1/6	England	154.02	345.00	[2] 400	896.00			554.02	1241.00
	1/6	1/7	Scotland	37.95	85.00					37.95	85.00
	1/7	1/12	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/12	1/16	Germany	610.47	357.00		(112.80)			610.47	357.00
Value of unused railroad ticket.							−31.20				
Ticket returned to State Department for reimbursement.							81.60				81.60
H. Elliot Chakeoff	1/3	1/6	England	154.02	345.00		896.00			154.02	1241.00
	1/6	1/7	Scotland	37.95	85.00					37.95	85.00
	1/7	1/12	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/12	1/16	Germany	610.47	357.00		112.80			610.47	469.80
Gary G. Ellsworth	1/3	1/66	England	154.02	345.00					154.02	345.00
	1/6	1/7	Scotland	37.95	85.00					37.95	85.00
	1/7	1/12	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/12	1/16	Germany	610.47	357.00		(112.80)			610.47	357.00
Value of unused railroad ticket							−31.20				
Ticket returned to State Department for reimbursement.							81.60				81.60
Committee total					13,515.00		25,471.54		1,219.14		40,205.68

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[1] Per diem for South Africa and Rhodesia.

[2] The additional 400 British pounds was issued to Mr. Terrell to pay for transportation of all members of the Codel Corcoran party for charter air service from Aberdeen, Scotland to Dounreay Scotland and return to Aberdeen.

Apr. 29, 1980.

MORRIS K. UDALL, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Henry J. Hyde	1/6	1/8	Korea	79,376	164.00		95.00			79,376	259.00
	1/8	1/11	Japan	62,370	270.00		8.36		7.17	62,370	285.53
	1/11	1/14	Indonesia	140,625	225.00		79.55			140,625	304.55
	1/14	1/16	Thailand	1,531.50	75.00		110.74		10.11	1,531.50	195.85
	1/16	1/19	China	334.46	225.00		69.70		15.55	334.46	310.25
	1/19	1/21	Philippines	1,113.25	150.00		237.30			1,113.25	387.30
Military transportation							6,695.93				6,695.93
Commercial transportation							1,448.13				1,448.13
Hon. George E. Danielson	1/6	1/8	Korea	79,376	164.00		95.00			79,376	259.00
	1/10	1/11	Japan	21,240	90.00		8.36		7.17	21,240	105.53
	1/11	1/14	Indonesia	140,625	225.00		79.55			140,625	304.55
	1/14	1/16	Thailand	1,531.50	75.00		110.74		10.11	1,531.50	195.85
	1/16	1/19	China	334.46	225.00		69.70		15.55	334.46	310.25
	1/19	1/21	Philippines	1,113.25	150.00		237.30			1,113.25	387.30
	1/21	1/23	Taiwan	5,397	150.00					5,397	150.00
Military transportation							8,714.21				8,714.21
Commercial transportation							1,624.00				1,624.00
Committee total					2,188.00		19,683.57		65.66		21,937.23

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 23, 1980.

PETER W. RODINO, Jr., Chairman.

REPORT OF EXPENDITURES FOR OFFICAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Barrett, Mary Pat	2/14	2/17	Panama		206.25		523.00				729.25
Bauman, Hon. Robert	2/14	2/16	Panama		243.75		[3] 687.67				931.42
	2/16	2/17	Nicaragua		[4] 85.00						85.00
	2/17	2/18	Panama								
Bonior, Hon. David	2/12	2/13	Panama		325.00		547.00				872.00
	2/13	2/13	Nicaragua		[5] 55.00						55.00
	2/13	2/15	Panama								
	2/18	2/19	Panama								
Kyros, Peter N	1/14	1/18	Switzerland		510.00		757.00		[6] 43.34		1,310.34
Luna, Luis	2/14	2/16	Panama		[7] 162.45		[8] 860.67				1,023.12
	2/16	2/17	Nicaragua		[9] 105.05						105.05
	2/17	2/18	Panama								
Modglin Terrence W	1/28	2/1	Panama		318.75		569.56				888.31
Smith, Michael	2/14	2/17	Panama		206.25		523.00				729.25
Committee totals					2,217.50		4,467.90		43.34		6,728.74

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Traveler Bauman paid airfare Managua, Nicaragua to Panama City, Panama ($140.97), then received reimbursement from State Department.

[4] Traveler Bauman received $150 per diem for Nicaragua, however, returned $85 to American Ambassador to Nicaragua.

[5] Traveler Bonior received $75 per diem, however, returned $20 to State Department, via letter to Secretary Vance dated Apr. 8, 1980.

[6] Traveler Kyros had $43.34 in taxi reimbursements issued by State Department.

[7] Traveler Luna's air ticket incomplete. Traveler purchased ticket from Managua, Nicaragua to Panama City, Panama ($140.97) and from Panama City to Miami, Fla. ($173), and received reimbursement from State Department.

[8] Traveler Luna received $243.75 per diem. Under letter of Feb. 22, 1980 returned $81.30 in per diem to State Department via letter to Secretary Vance.

[9] Traveler Luna received $150 per diem in Nicaragua. Returned $44.95 to American Ambassador to Nicaragua.

Apr. 22, 1980.

JOHN M. MURPHY, Chairman.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Richard Bolling	10/8/79	10/15/79	England	311.86	690.00	338.10	748.00			649.96	1,438.00
Albert A. Sayers	10/8/79	10/15/79	England	311.86	690.00					311.86	690.00
Hon. Christopher J. Dodd	10/12/79	10/15/79	England			184.79	409.00			184.79	409.00
Committee total					2,038.00		12,710.26				14,748.26

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 30, 1980.

RICHARD BOLLING, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S currency
Hon. James H. Quillen	1/6	1/7	New Zealand	150.81	150.00					150.81	150.00
	1/7	1/11	Australia	288	320.00					288	320.00
	1/11	1/13	Singapore	401.94	188.00		[3] 5,440.26			401.95	5,628.26
John J. Dooling	1/12	1/19	England				2,030.00				2,030.00
Kathryn L. Erickson	1/12	1/19	England				2,030.00				2,030.00
Albert A. Sayers	2/13	2/25	England				2,053.00				2,053.00
Committee total					2,038.00		12,710.26				14,748.26

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] RT/military air.

Apr. 30, 1980.

RICHARD BOLLING, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ottinger		1/13	United States (military air, roundtrip).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	287.00		219,12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Goldwater		1/13	United States (military air, roundtrip).				[3] 959.52				959.52
	1/13	1/16	Venezuela	BS1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/18	Brazil (commercial air)	CR8,038.96	184.00		1,079.69		4.81	8,038.96	1,268.50
	1/18		United States								
Fish		1/13	United States (military air, roundtrip)				[3] 959.52				959.52
	1/13	1/16	Venezuela	BS1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil (commercial air)	CR12,058.45	276.00		1,013.68		4.81	12,058.45	1,294.49
	1/19		United States								
Spensley		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Eaton		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.57		57.80	640.50	180.47
	1/20		United States								
Crawford		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Turner		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Steinway		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Helmantoler		1/13	United States (military air).				959.52				959.52
	1/13	1/16	Venezuela	1,271.15	297.00		219.12			1,271.15	516.12
	1/16	1/19	Brazil	12,058.45	276.00		62.36		4.81	12,058.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
	1/20		United States								
Maxwell		1/3	United States (Commercial air, roundtrip)				2,209.00				2,209.00
	1/4	1/7	England	256.13	575.00	397.50	892.40			653.63	1,467.40
	1/7	1/10	Zaire	775.68	384.00	629.00	317.68			1,404.68	701.68
	1/10	1/17	South Africa	495-38	600.00					495-38	600.00
	1/17	1/19	Rhodesia								
	1/19	1/23	South Africa	185-77	225.00					185-77	225.00
	1/24		United States								
Committee total					7,374.00		16,890.42		447.89		24,712.31

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] When DOD figured cost per person for use of military aircraft, they charged all participants for roundtrip even though Mr. Goldwater and Mr. Fish returned early by commercial airline.

Apr. 30, 1980.

DON FUQUA, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR., 31 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. G. V. Montgomery	1/13	1/14	Philippines	556.50	75.00		1,043.40				1,118.40
Committee total											1,118.40

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 31, 1980.

RAY ROBERTS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Hon. L. A. (Skip) Bafalis	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. Joseph L. Fisher	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. Bill Frenzel	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. Frank Guarini	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. James G. Martin	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. Marty Russo	2/13	2/15	Israel		160.00						160.00
	2/15	2/18	Egypt	157.60	225.00						225.00
Transportation by Department of Defense.											
Hon. Richard T. Schulze	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Hon. Charles A. Vanik	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
	2/26	2/29	France	1,221	300.00		921.00				1,221.00
Thelma J. Askey	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Harold T. Lamar	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
John M. Martin, Jr	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
John K. Meagher	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
David B. Rohr	1/10	1/11	Switzerland	160.60	102.00				46.88		148.88
	1/11	1/12	Romania	950.40	80.00						80.00
	1/12	1/14	Hungary		180.00				63.00		243.00
	1/14	1/15	Bulgaria	63.60	75.00						75.00
	1/15	1/16	Spain	5,082	77.00						77.00
Transportation by Department of Defense.							4,597.13				4,597.13
Frank R. Samolis	3/13	3/15	England	104.24	234.00						234.00
	3/15	3/29	Belgium	22,133	749.00						749.00
	3/20	3/23	Switzerland	180.55	102.00						102.00
	3/23	3/25		106.12	234.00						234.00
							878.00				878.00
Committee total					8,172.00		56,964.56		1,318.56		66,455.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; is U.S. currency is used, enter amount expended.

Apr. 25, 1980.

AL ULLMAN, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Diane E. La Voy, staff			South America		75.00						75.00
Total					75.00						75.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 30, 1980.

EDWARD P. BOLAND.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DEMOCRATIC STEERING AND POLICY COMMITTEE, STEPHEN ARIEL WEISS, EXECUTIVE DIRECTOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 2 AND JAN. 21, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Stephen Ariel Weiss	1/2	1/6	Egypt	200.500	286.43						
	1/6	1/7	Sudan		67.00						
	1/7	1/9	Saudi Arabia	1,262.50	375.50	(3)					
	1/9	1/10	North Yemen	100.95	22.18	(3)					
	1/11	1/12	Oman	73.870	216.00						
	1/12	1/13	United Arab Emirates	495.40	132.00						
	1/13	1/14	Jordan								
	1/14	1/20	Israel		450.00						
	1/20	1/20	Egypt			(3)					
	1/20	1/21	Sudan		92.00						
Committee total					1,344.36		2,070.00				

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air.

Apr. 21, 1980.

STEPHEN ARIEL WEISS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, KEITH JEWELL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 10 AND FEB. 17, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Keith Jewell	2/10	2/11	Egypt	105	150.00						
	2/12	2/14	Kenya	1,642.80	225.00						
	2/15	2/17	Ivory Coast	74,905	369.00						
Committee total					744.00						

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 10, 1980.

KEITH JEWELL.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO SPAIN AND PORTUGAL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 8 AND JAN. 20 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John Brademas	1/9	1/18	Spain	45,327	$687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Benjamin S. Rosenthal	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Tom Railsback	1/9	1/18	Spain	45,327	687.00			54,229.02	821.15	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Herbert E. Harris II	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Harold C. Hollenbeck	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
Military air transportation (round trip).							2,881.83				2,881.83

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO SPAIN AND PORTUGAL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 8 AND JAN. 20, 1980—Continued

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
James P. Mooney	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Alice Jackson-Downing	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Judith N. Briggs	1/9	1/18	Spain	45,327	687.00			54,229.02	821.65	99,556.02	1,508.65
	1/18	1/20	Portugal	7,350	150.00	1,869.25	38.15	6,132.70	125.16	15,351.25	313.31
Military air transportation (round trip).							2,881.83				2,881.83
Dolores M. Martin	1/9	1/18	Spain (paid by Library of Congress).					54,229.02	821.65	54,229.02	821.65
	1/18	1/18	Portugal (paid by Library of Congress).			1,869.25	38.15	6,132.70	125.16	8,001.95	163.31
Military air transportation (round trip).							2,881.83				2,881.83
Committee totals					6,546.00		26,241.67		8,396.13		41,183.80

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used. enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Feb. 19. 1980.

JOHN BRADEMAS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MAJORITY LEADER'S TRIP TO AFRICA, SAUDI ARABIA AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 6 AND JAN. 17, 1980

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Jim Wright	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. James Howard	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. John Wydler	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa				(3)	255.02	310.15	2,227.72	661.52
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. Robert Roe	1/6	1/7	Ivory Coast	49,445	236.00	6,763	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. Tim Lee Carter	1/6	1/7	Ivory Coast	49,445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia					18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00			179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. James Scheuer	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047 87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. J. P. Hammerschmidt	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. Marvin Leath	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. Dan Marriott	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.49		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Wilson Morris	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						

See footnote at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MAJORITY LEADER'S TRIP TO AFRICA, SAUDI ARABIA AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 6 AND JAN. 17, 1980—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Rob Ketcham	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Jack Dugan	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.92	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Dennis Taylor	1/6	1/7	Ivory Coast	49.445	236.00	6,768	33.84	15,226	76.13	71,349	345.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		241.44
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
Dennis Taylor	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,047.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.55	318.00						
Barbara Sadoff	1/6	1/8	Ivory Coast	7,417	359.00	6,758	33.84	15,226	76.13	93,794	468.97
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,042.87	608.00		(3)	179.85	53.52	2,227.12	661.52
	1/15	1/17	Ireland	147.56	318.00						
Peggy Greer	1/6	1/8	Ivory Coast	7,417	359.00	6,768	33.84	15,226	76.13	93,794	468.97
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,042.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Mary Ann Green	1/6	1/8	Ivory Coast	7,417	359.00	6,768	33.84	15,226	76.13	93,794	468.97
	1/8	1/11	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/11	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,042.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. Wyche Fowler	1/6	1/7	Ivory Coast	49.445	236.00		33.84		76.13		
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		
	1/8	1/10	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/10	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,042.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. William Gray	1/6	1/7	Ivory Coast	7,417	359.00	6,768	33.84	15,226	76.13	93,794	468.97
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		
	1/8	1/10	South Africa	185.77	225.00		(3)	255.02	310.15	450.79	535.15
	1/10	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/15	Saudi Arabia	2,042.87	608.00		(3)	179.85	53.52	2,227.72	661.52
	1/15	1/17	Ireland	147.56	318.00						
Hon. John LaFalce	1/6	1/7	Ivory Coast	7,417	359.00		33.84		76.13		
	1/7	1/8	Nigeria	83.15	144.00		64.95		32.48		
	1/8	1/10	South Africa	123.85	150.00		(3)	255.02	310.15	450.59	535.15
	1/10	1/11	Rhodesia				(3)	18.19	26.59	18.19	26.59
	1/11	1/14	Saudi Arabia	1,532.15	456.00		(3)	179.85	53.52	2,227.72	661.52

Military transportation—41.5 flying hours times $2,137 per hour equals $96,378.70 divided by 37 equals $2,604.83 per passenger.

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] All included under "Other."

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER AUTHORIZED TRIP TO ATTEND NORTH ATLANTIC ASSEMBLY STANDING COMMITTEE MEETING, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 19 AND MAR. 23, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[3]
Charles Rose	3/30	3/20	England	22.59	49.50		1,032.00				1,081.70
	3/20	3/23	Portugal	11,250	225.00	74,560	1,571.00				1,796.00
Peter Abbruzzese	3/20	3/20	England	22.59	49.70		1,032.00				1,081.70
	3/20	3/23	Portugal	12,250	225.00	74,560					1,796.00
Committee total					549.40		5,206.00				5,755.40

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 9, 1980.

CHARLES ROSE, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER AUTHORIZED VISIT TO ATTEND MEETING OF NORTH ATLANTIC ASSEMBLY SUBCOMMITTEE ON FREE FLOW OF INFORMATION AND PEOPLE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 10 AND MAR. 13, 1980

Country	Name of currency	Date			Per diem		Transportation	
		Arrival	Departure	Total days	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency
Italy	Lire	3/10	3/13	3	187,500	225		911
Total						225		911

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[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 14, 1980.

PETER G. ABBRUZZESE.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4360. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1980 for operating subsidies for public housing projects, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

4361. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 418—Allocation of Direct and Indirect Costs," pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

4362. A letter from the Chairperson, U.S. National Commission on the International Year of the Child, 1979, transmitting the Commission's report to the President; to the Committee on Education and Labor.

4363. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

4364. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a proposed new records system for the Federal Aviation Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4365. A letter from the Director of Administration, Department of Energy, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4366. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes; to the Committee on Interior and Insular Affairs.

4367. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease in Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4368. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period July 1 through December 31, 1979, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

4369. A letter from the Comptroller General of the United States, transmiting a report on the usefulness of the Defense Department's selected acquisition reports (PSAD–80–37, May 9, 1980); jointly, to the Committees on Government Operations, and Armed Services.

4370. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Export-Import Bank of the United States for fiscal year 1979, pursuant to section 106 of the Government Corporation Control Act (ID–80–43, May 13, 1980) (H. Doc. No. 96–312); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs and ordered to be printed.

4371. A letter from the Comptroller General of the United States, transmitting transmitting a report on the performance of health maintenance organizations (PAD–80–17, May 6, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

4372. A letter from the Comptroller General of the United States, transmitting a report on the status of implementation of the Civil Service Reform Act of 1978 (FPCD–80–38, May 13, 1980); jointly, to the Committees on Government Operations and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6721. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; with amendment (Rept. No. 96–887, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee on Armed Services. H.R. 7152. A bill to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes (Rept. No. 96–926, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SPELLMAN: Committee on Post Office and Civil Service. H.R. 5837. A bill to authorize payment from the civil service retirement and disability fund for the expenses of retirement appeals (Rept. No. 96–941). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7103. A bill to amend the Hazardous Materials Transportation Act and the Independent Safety Board Act of 1974 to authorize additional appropriations, and for other purposes (Rept. 96–942, pt. 1). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7204. A bill to amend the Health Professions Educational Assistance Act of 1976 to provide for appropriate graduate medical education and training for alien graduates of foreign medical schools, and for other purposes; with amendment (Rept. No. 96–943, pt. 1). Ordered to be printed.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 3236 (Rept. No. 96–944). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 6619. A bill to amend the Economic Opportunity Act of 1964 to establish a comprehensive energy conservation services program designed to enable low-income individuals and families, and severely handicaped individuals, to participate in energy assistance programs; with amendment (Rept. No. 96–945, pt. 1). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 6704. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to extend the authorization of appropriations for such act, and for other purposes; with amendment (Rept. No. 96–946). Referred to the Committee of the Whole House of the State of the Union.

Mr. PRICE: Committee on Armed Services. H.R. 7265. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1981, and for other purposes (Rept. No. 96–947). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on Automobile Fuel Economy: EPA's Performance (Rept. No. 96–948). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 7113. A bill to authorize appropriations to the Director of the National Bureau of Standards for fiscal year 1981, and for other purposes (Rept. No. 96–949. Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Commitee on Public Works and Transportation. H.R. 6864. A bill to authorize appropriations for the administration of the Deepwater Port Act of 1974; with amendment (Rept. No. 96–950, pt. 1). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 664. Resolution waiving certain points of order against the conference report on H.R. 2313. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes. (Rept. No. 96–952). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 665. Resolution providing for the consideration of H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries (Rept. No. 96–953). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 666. Resolution providing for the consideration of H.R. 3904. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans (Rept. No. 96–954). Referred to the House Calendar.

Mr. FUQUA: Committee on Science and Technology. H.R. 7098. A bill to authorize appropriations for atmospheric and climate activities of the National Oceanic and Atmospheric Administration for the fiscal year 1981, and for other purposes; with amendments (Rept. No. 96–955). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 5338. A bill to amend the Federal Water Pollution Control Act to provide for the payment of claims resulting from the oilspill at Ixtoc I, Bay of Campeche, Mexico, and for other purposes; with amendment (Rept. No. 96–956). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. FUQUA: Committee on Science and Transportation. H.R. 7114. A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and the fire prevention and control program, and for other purposes. Without amendment, and referred to the Committee on Interior and Insular Affairs for a period ending not later than May 21, 1980, for consideration of such provisions of the bill as fall within its jurisdiction under clause 1(k), rule XI. (Rept. No. 96–951, pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON (for himself, Mr. Lagomarsino, Mr. Clausen, Mr. Won Pat, and Mr. Evans of the Virgin Islands):

H.R. 7330. A bill to authorize appropriations for certain insular areas of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT:

H.R. 7331. A bill to amend the Arms Export Control Act (formerly Foreign Military Sales Act) to authorize the President to prescribe regulations for protecting arms information from the risk of indiscriminate export; to the Committee on Foreign Affairs.

By Mr. BRODHEAD:

H.R. 7332. A bill to amend the Internal Revenue Code of 1954 to allow a refundable income tax credit for the purchase of new automobiles manufactured by certain companies which have substantially increased their average fuel economy; to the Committee on Ways and Means.

By Mr. HEFTEL (for himself and Mr. Glickman):

H.R. 7333. A bill to amend title 10, United States Code, to require that the U.S. share of petroleum produced from certain naval petroleum reserves be sold only in exchange for crude oil to be deposited in the strategic petroleum reserve; to the Committee on Armed Services.

By Mr. MADIGAN:

H.R. 7334. A bill to amend the Controlled Substances Act to authorize the use of heroin for terminally ill cancer patients; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO:

H.R. 7335. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. SWIFT (for himself, Mr. Staggers, Mr. Dingell, Mr. Corcoran, Mr. Brown of Ohio, Mr. Gore, Mr. Matsui, and Ms. Mikulski):

H.R. 7336. A bill to amend the Energy Policy and Conservation Act to provide for adequate supplies of helium for future energy efficiency and conservation purposes, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. WHITTEN:

H.R. 7337. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WOLFF (for himself, Mr. Fisher, Mr. Conable, Mr. Downey, and Mr. Ottinger):

H.R. 7338. A bill to provide for the payment, out of the proceeds of gold belonging to the Government of Czechoslovakia, of certified awards of nationals of the United States against the Government of Czechoslovakia and to provide for the release of such proceeds to Czechoslovakia after all such awards are paid; to the Committee on Foreign Affairs.

By Mr. JOHNSON of California (for himself, Mr. Harsha, Mr. Roberts, Mr. Clausen, Mr. Udall, Mr. Bevill, Mr. Myers of Indiana, Mr. Kazen, and Mr. Lujan):

H.J. Res. 547. Joint resolution designating the week of October 20–25, 1980, as "National Water Resources Week"; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.J. Res. 548. Joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products; to the Committee on Ways and Means.

By Mr. WOLPE (for himself and Mr. Conte):

H. Con. Res. 335. Concurrent resolution expressing the sense of the Congress that anti-inflation guidelines under the Council on Wage and Price Stability Act should be made applicable to producers of oil and natural gas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JONES of Oklahoma:

H. Res. 667. Resolution expressing the sense of the House of Representatives that the oil conservation import fee should be terminated unless Congress enacts certain personal and corporate income tax reductions for 1981; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

459. By the SPEAKER: Memorial of the Legislature of the State of Alaska, relative to ratification of the Strategic Arms Limitation Treaty; to the Committee on Foreign Affairs.

460. Also, memorial of the Legislature of the State of Arizona, relative to deferring inclusion of parts of the Verde River, San Francisco River, and Upper Salt River in the Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

461. Also, memorial of the Legislature of the State of Minnesota, relative to a service pension for veterans of World War I; to the Committee on Veterans' Affairs.

462. Also, memorial of the Legislature of the State of Arizona, relative to control of wild burros; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Livingston.

H.R. 997: Mr. Gore and Mr. Dixon.

H.R. 1309: Mr. Solomon.

H.R. 2817: Mr. Edwards of California, Mr. Pease, Mrs. Spellman, Mr. Downey, Mr. Seiberling, Mr. Ottinger, Mr. Long of Maryland, Mr. John L. Burton, Mr. Oberstar, Mr. Evans of the Virgin Islands, Mr. Sabo, Mr. Fascell, Mr. Fazio, Ms. Mikulski, Mr. Stokes, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Wolpe, Ms. Ferraro, Mr. Stark, Mr. Frost, Mr. Gray, Mr. Brown of California, and Mr. Howard.

H.R. 3345: Mr. Peyser.

H.R. 4182: Mr. Fithian.

H.R. 5225: Mr. Loeffler, Mr. Bafalis, and Mr. Hinson.

H.R. 5610: Mr. Dornan and Mr. Horton.

H.R. 6429: Mr. Hutto, Mr. Barnard, Mr. Jenrette, Mr. Young of Alaska, Mr. Winn, Mr. Latta, Mr. Pritchard, Mr. Runnels, Mrs. Heckler, Mr. Lott, Mr. Patterson, Mr. Corcoran, Mrs. Byron, Mr. Howard, Mr. Whitten, Mr. Cleveland, Mr. Jones of Oklahoma, Mr. Young of Florida, Mr. Stenholm, Mr. Mineta, Mr. Flippo, Mr. Hefner, Mr. Hall of Ohio, Mr. Miller of Ohio, Mr. Pursell, Mr. Walker, Mr. Archer, Mr. Rousselot, Mr. Marlenee, Mr. Hansen, Mr. Luken, Mr. Rose, Mr. Mathis, Mr. Hubbard, Mr. Nowak, Mr. Dougherty, Mr. Wolpe, Mr. Nichols, and Mr. Regula.

H.R. 6734: Mr. Madigan, Mr. Yatron, Mr. Buchanan, Mr. Gilman, Mr. Dornan, Mr. Barnard, Mr. Butler, Mr. Mottl, and Mr. Howard.

H.R. 6968: Mr. Stenholm.

H.R. 7121: Mr. Wolpe.

H.R. 7127: Mr. Breaux, Mr. Jeffries, Mr. Hubbard, Mr. Benjamin, Mr. Symms, Mr. Nolan, Mr. Forsythe, Mr. Shelby, Mr. Hightower, Mr. Steed, Mr. Carter, Mr. Edwards of Oklahoma, Mr. Kramer, Mrs. Bouquard, Mr. McCormack, Mr. Daniel B. Crane, Mr. Young of Alaska, Mr. Shumway, Mr. Williams of Montana, Mr. Rhodes, Mr. English, Mr. Santini, Mr. Whittaker, Mr. Lott, Mr. Montgomery, Mr. Charles Wilson of Texas, Mr. Hinson, Mrs. Holt, Mr. Marlenee, Mr. Lagomarsino, Mr. Clinger, Mr. Lungren, Mr. Miller of Ohio, Mr. Duncan of Tennessee, Mr. de la Garza, Mr. Marriott, Mr. Frost, Mr. Perkins, Mr. Applegate, and Mrs. Boggs.

H.R. 7170: Mr. Findley.

H.R. 7299: Ms. Mikulski.

H.J. Res. 174: Mr. Corrada, Mr. Preyer, and Mr. Hyde.

H.J. Res. 488: Mr. Preyer.

H.J. Res. 507: Mr. Benjamin, Mr. Leach of Iowa, Mr. Rangel, Mr. Roe, Mr. Edgar, and Mr. Mitchell of New York.

H. Con. Res. 57: Mr. Heftel, Mr. Clausen, Mr. Pepper, Mr. Lloyd, Mr. Dicks, Mr. Long of Maryland, Mr. Dickinson, Mr. Bailey, Mr. Butler, Mr. Albosta, Mr. Solomon, and Mr. Charles H. Wilson of California.

H. Con. Res. 323: Mr. Yatron and Mr. Buchanan.

H. Con. Res. 329: Ms. Oakar and Mrs. Fenwick.

H. Con. Res. 331: Mr. McClory, Mr. Tauke, Mr. Harkin, Mr. Weiss, Mr. Hawkins, Mr. John L. Burton, Mr. Moffett, Mr. Nolan, Mr. Miller of California, and Mr. Stark.

PETITIONS, ETC.

Under clause 1 of rule XXII.

349. The SPEAKER presented a petition of the Maryland State Court, Catholic Daughters of America, Baltimore, Md., relative to appropriations for abortion, which was referred to the Committee on Appropriations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6974

By Mr. GLICKMAN:

—On page 6, line 8, the numeral, "$3,158,449,000", is stricken and $3.157,849.000" is inserted in lieu thereof, and, on page 6, line 20, the numeral, "$7,105,654,000", is stricken and $7,102,254,000" is inserted in lieu thereof.

By Mr. LLOYD:

—On page 6, line 20, decrease the amount shown for the authorization of aircraft for the Air Force, as that amount may have been modified, by $20,000,000.

—On page 2, line 19, decrease the amount shown for the authorization of aircraft for the Air Force, as that amount may have been modified, or may be modified, by $30,000,000.

By Mr. MARRIOTT:

—Page 20, after line 8, add the following new section:

CONDITIONAL PROHIBITION ON LAND USE FOR MX DEPLOYMENT

SEC. 805. No land may be acquired by, and no public lands made available to, the Secretary of Defense for the research, development, or deployment of any part of the MX missile system until the Secretary of Defense has provided the Congress with—

(1) a complete written plan which sets forth the specific social, economic and environmental impacts of the MX/MPS system on the public lands, their resources, and the people in the proposed Utah-Nevada deployment site and on any other possible sites for such system and which details the methods of addressing those impacts so as to minimize their negative effects;

(2) a thorough study of the feasibility of basing parts of the MX/MPS system in more than two States;

(3) a detailed study of all alternative basing modes for the MX missile system (including, but not limited to, modification of the existing Minuteman and Titan systems, deployment of the MX system at sea or on aircraft, defended deployment of the MX, or backfilling the MPS system initially to reduce substantially the size of the deployment areas) with the objective of establishing which alternative would best serve national defense needs through the 1990s and have the smallest adverse impacts on the people and the public lands of the West if the proposed SALT II Treaty is ratified or if such treaty is not ratified;

(4) an analysis of the security requirements of the proposed system (including any circumstances which would dictate the use of area, rather than point, security measures), including how such security requirements would affect the amount of public lands to be partially or completely closed to any or all public uses;

(5) a detailed response to the February 29, 1980, General Accounting Office study (PSAD-80-29) of the cost-effectiveness and appropriateness of the MX-MPS system; and

(6) full and specific substantiation of the survivability of the proposed public-lands-based MX/MPS system, and an analysis of the short-term and long-term threats to the legs of the national defense strategic triad and the relationship of such threats to the overall national defense strategy of the United States and in particular to the proposed public-lands-based MX/MPS system.

By Mr. WEISS:

—Page 2, strike all in line 19 and insert in lieu thereof: "$8,938,043,000."

—Page 3, strike all in line 6, and insert in lieu thereof: '$3,062,284,000."

—Page 20, after line 8, add the following new section:

REDUCTION IN DEFENSE EXPENDITURES OVERSEAS

SEC. 805. (a) In keeping with the goal to achieve a balanced Federal budget in fiscal year 1981, the Secretary of Defense shall attempt to reduce the level of expenditures of the Department of Defense by no less than $500,000,000 during such fiscal year for the cost of assisting in maintaining the security of the North Atlantic Treaty Organization, Japan, and the Republic of Korea by seeking to redistribute the cost of maintaining such security.

(b) The Secretary of Defense shall submit a report to the Congress not later than the end of the 90-day period beginning on the date of enactment of this Act on the steps taken to comply with this section during such period.

By Mr. WHITE:

—Page 20, after line 8, add the following new title:

TITLE IX—ARMED FORCES EDUCATIONAL ASSISTANCE PROGRAM

EDUCATIONAL ASSISTANCE PROGRAM FOR PERSONS ENLISTING OR REENLISTING IN THE ARMED FORCES FOR SERVICE ON ACTIVE DUTY

SEC. 901. (a) Subtitle A of title 10, United States Code, is amended by inserting after chapter 106 the following new chapter:

"CHAPTER 107—EDUCATIONAL ASSISTANCE FOR PERSONS ENLISTING FOR ACTIVE DUTY

"Sec.
"2141. Educational assistance program: establishment.
"2142. Educational assistance program: eligibility.
"2143. Educational assistance: amount.
"2144. Subsistence allowance.
"2145. Adjustments of amount of educational assistance and of subsistence allowance.
"2146. Right of member upon subsequent reenlistment to lump-sum payment in lieu of educational assistance.
"2147. Right of member after reenlisting to transfer entitlement to spouse or dependent children.
"2148. Duration of entitlement.
"2149. Applications for educational assistance.
"2150. Reports to Congress.

"§ 2141. Educational assistance program: establishment

"(a) To encourage enlistments and reenlistments for service on active duty in the Armed Forces, the Secretary of each military department may establish a program in accordance with this chapter to provide educational assistance to persons enlisting or reenlisting in an armed force under this jurisdiction. The costs of any such program shall be borne by the Department of Defense, and a person participating in any such program may not be required to make any contribution to the program.

"(b) The Secretary of Defense shall prescribe regulations for the administration of this chapter. Such regulations shall take account of the differences among the several armed forces.

"(c) In this chapter, 'enlistment' means original enlistment or reenlistment.

"§ 2142. Educational assistance program: eligibility

"(a)(1) A program of educational assistance established under this chapter shall provide that any person enlisting or reenlisting in an armed force under the jurisdiction of the Secretary of the military department concerned who meets the eligibility requirements established by the Secretary in accordance with subsection (b) shall, subject to paragraph (3), become entitled to educational assistance under section 2143 of this title at the time of such enlistment.

"(2) The period of educational assistance to which such a person becomes entitled is one standard academic year (or the equivalent) for each year of the enlistment of such person, up to a maximum of four years. However, if the person is discharged or otherwise released from active duty after completing two years of the term of such enlistment but before completing the full term of such enlistment (or before completing four years of such term, in the case of an enlistment of more than four years), then the period of educational assistance to which the person is entitled is one standard academic year (or the equivalent) for each year of active service of such person during such term. For the purposes of the preceding sentence, a portion of a year of active service shall be rounded to the nearest month and shall be prorated to a standard academic year.

"(3)(A) A member who is discharged or otherwise released from active duty before completing two years of active service or under other than honorable conditions is not entitled to educational assistance under this chapter.

"(B) Entitlement to educational assistance under this chapter may not be used until a member has completed two years of active service.

"(b) In establishing requirements for eligibility for an educational assistance program under this chapter, the Secretary concerned shall limit eligibility to persons who—

"(1) enlist or reenlist for service on active duty as a member of the Army, Navy, Air Force, or Marine Corps after September 30, 1980, and before October 1, 1981;

"(2) are graduates from a secondary school; and

"(3) meet such other requirements as the Secretary may consider appropriate for the purposes of this chapter and the needs of the armed forces.

"§ 2143. Educational assistance: amount

"(a) Subject to subsection (b), an educational assistance program established under section 2141 of this title shall provide for payment by the Secretary concerned of educational expenses incurred for instruction at an accredited institution by a person entitled to such assistance under this chapter. Expenses for which payment may be made under this section include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or laboratory instruction. Payments under this section shall be limited to those educational expenses normally incurred by students at the institution involved.

"(b)(1) The Secretary concerned shall establish the amount of educational assistance for a standard academic year (or the equivalent) to which a person becomes entitled under this chapter at the time of an enlistment described in section 2142 of this title. Depending on the needs of the service, different amounts may be established for different categories of persons or enlistments. The amount of educational assistance to which any person is entitled shall be adjusted in accordance with section 2145 of this title.

"(2) The amount of educational assistance which may be provided to any person for a standard academic year (or the equivalent) may not exceed $1,200, adjusted in accordance with section 2145 of this title.

"(c) In this section, 'accredited institution' means a civilian college or university or a trade, technical, or vocational school in the United States (including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands) that provides education at the postsecondary level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Secretary of Education.

"§ 2144. Subsistence allowance

"(a) Subject to subsection (b), a person entitled to educational assistance under this chapter is entitled to receive a monthly subsistence allowance during any period for which educational assistance is provided such person. The amount of a subsistence allowance under this section is $300 per month, adjusted in accordance with section 2145 of this title, in the case of a person pursuing a course of instruction on a full-time basis and is one-half of such amount (as so adjusted) in the case of a person pursuing a course of instruction on less than a full-time basis.

"(b) The number of months for which a subsistence allowance may be provided to any person under this section is computed on the basis of nine months for each standard academic year of educational assistance to which such person is entitled.

"(c) For purposes of subsection (a), a person shall be considered to be pursuing a course of instruction on a full-time basis if the person is enrolled in twelve or more semester hours of instruction (or the equivalent, as determined by the Secretary concerned).

"§ 2145. Adjustments of amount of educational assistance and of subsistence allowance

"(a) Once each year, the Secretary of Defense shall adjust the amount of educational assistance which may be provided to any person in any standard academic year under section 2143 of this title, and the amount of the subsistence allowance authorized under section 2144 of this title for pursuit of a course of instruction on a full-time basis, in a manner consistent with the change over the preceding twelve-month period in the average actual cost of attendance at public institutions of higher education.

"(b) In this section, 'actual cost of attendance' means the actual cost of attendance as determined by the Secretary of Education pursuant to section 411(a) (2) (B) (iv) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a) (2) (B) (iv)).

"§ 2146. Right of member upon subsequent reenlistment to lump-sum payment in lieu of educational assistance

"(a) A member who is entitled to educational assistance under this chapter and who reenlists at the end of the enlistment which established such entitlement may, at the time of such reenlistment, elect to receive a lump-sum payment computed under subsection (b) in lieu of receiving such educational assistance. An election to receive such a lump-sum payment is irrevocable.

"(b) The amount of a lump-sum payment under subsection (a) is 60 percent of the sum of—

"(1) the product of (A) the rate for educational assistance under section 2143(b) of this title applicable to such member which is in effect at the time of such reenlistment, and (B) the number of standard academic years of entitlement of such member to such assistance; and

"(2) the product of (A) the rate for the subsistence allowance authorized under section 2144 of this title for pursuit of a course of instruction on a full-time basis at the time of such reenlistment, and (B) the number of months of entitlement of such member to such allowance.

"§ 2147. Right of member after reenlisting to transfer entitlement to spouse or dependent children

"(a)(1) A person who is entitled to educational assistance under section 2142 of this title and who reenlisted in an armed force at any time after the end of the enlistment which established such entitlement may at any time after such reenlistment elect to transfer all or any part of such entitlement to the spouse or dependent child of such person. Any transfer under the preceding sentence may be revoked at any time by the person making the transfer.

"(2) If a person described in paragraph (1) dies before making an election authorized by such paragraph but has never made an election not to transfer such entitlement, any unused entitlement of such person shall be automatically transferred to such person's surviving spouse or (if there is no eligible surviving spouse) to such person's dependent children. A surviving spouse to whom entitlement to educational assistance is transferred under this paragraph may elect to transfer such entitlement to the dependent children of the person whose service established such entitlement.

"(3) Any transfer of entitlement under this subsection shall be made in accordance with regulations prescribed by the Secretary of the military department concerned.

"(b) A spouse or surviving spouse or a dependent child to whom entitlement is transferred under subsection (a) is entitled to educational assistance under this chapter in the same manner and at the same rate as the person from whom the entitlement was transferred.

"(c) The total amount of educational assistance available to a person entitled to educational assistance under section 2142 of this title and to the person's spouse, surviving spouse, and dependent children is the amount of educational assistance to which the person is entitled. If more than one person is being provided educational assistance for the same period by virtue of the entitlement of the same person, the subsistence allowance authorized by section 2144 of this title shall be divided in such manner as the person may specify or (if the person fails to specify) as the Secretary concerned may prescribe.

"(d) In this section:

"(1) 'Dependent child' has the meaning given the term 'dependent' in section 1072 (2) (E) of this title.

"(2) 'Surviving spouse' means a widow or widower who is not remarried.

"§ 2148. Duration of entitlement

"The entitlement of any person to educational assistance under this chapter expires at the end of the ten-year period beginning on the date of the retirement or discharge or other separation from active duty of the person upon whose service such entitlement is based. In the case of a member entitled to educational assistance under this chapter who dies while on active duty and whose entitlement is transferred to a spouse or dependent child, such entitlement expires at the end of the ten-year period beginning on the date of such member's death.

"§ 2149. Applications for educational assistance

"To receive educational assistance benefits under this chapter, a person entitled to such assistance under section 2142 or 2147 of this title shall submit an application for such assistance to the Secretary concerned in such form and manner as the Secretary concerned may prescribe.

"§ 2150. Reports to Congress

"The Secretary of Defense shall submit a report to the Congress every three months concerning the operation of the program established by this chapter.".

(b) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 106 the following new item:

"107. Educational assistance for persons enlisting for active duty_ 2141".

(c) The first report under section 2150 of title 10, United States Code, as added by subsection (a), shall be submitted before January 1, 1981.

INCREASE IN AMOUNT AUTHORIZED FOR EDUCATIONAL ASSISTANCE PROGRAM FOR ENLISTED MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE

SEC. 902. (a) Section 2131(c) of title 10, United States Code, relating to educational assistance for enlisted members of the Selected Reserve of the Ready Reserve, is amended by striking out "$500" and "$2,000" and inserting in lieu thereof "$1,000" and "$4,000", respectively.

(b) The amendments made by subsection (a) shall take effect on October 1, 1980.

By Mr. WOLFF:

—Page 20, after line 8, add the following new section:

PROVISION OF ADDITIONAL FUEL AND LUBRICANTS TO CIVIL AIR PATROL AND REIMBURSEMENT FOR CERTAIN MAINTENANCE EXPENSES

SEC. 805. Section 9441(b) of title 10, United States Code, relating to support of the Civil Air Patrol by the Air Force, is amended—

(1) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof the following: ", including unit capability testing missions and training missions;";

(2) by striking out "and" at the end of paragraph (6);

(3) by striking out the period at the end of paragraph (7) and inserting "; and" in lieu thereof; and

(4) by adding at the end thereof the following new paragraph:

"(8) authorize the payment of aircraft maintenance expenses relating to operational missions, unit capability testing missions, and training missions.".

LIABILITY OF CIVIL AIR PATROL

SEC. 806. Section 9441(c) of title 10, United States Code, is amended by striking out the period and inserting in lieu thereof the following: ", and for purposes of determining the civil liability of the Civil Air Patrol with respect to such missions, the Civil Air Patrol shall be deemed an instrumentality of the United States.".

EXTENSIONS OF REMARKS

EQUAL ACCESS TO JUSTICE FOR SMALL BUSINESSES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. SYMMS. Mr. Speaker, I wish to insert in the CONGRESSIONAL RECORD the testimony of the Washington Legal Foundation before the House Committee on Small Business discussing the equal access to justice for small businesses legislation.

As a cosponsor of H.R. 6429, I am very supportive of the statements of Washington Legal Foundation with regard to the need for this legislation. Small businesses are suffering under the weight of excessive Government regulations. Many times small businesses are incorrectly found in violation of some agency regulation and are fined by the agency for this alleged violation. Even though the business knows that it is in the right, it may decide not to fight the fine, because the litigation costs would be higher than the fine.

However, under the equal access to justice legislation, the businessman who was able to prove that he was unjustly fined would be able to recover costs and attorney's fees from the Federal agency which levied the fine. This might preclude some of the harassment of small business by certain regulatory agencies and make these agencies more accountable for their actions. It would also save our small businesses considerable sums of money which should be channeled into producing more goods and services for the consumer rather than toward paying an unwarranted fine to the Government or litigation fees to challenge the fine.

I urge my colleagues to read this testimony and to support this responsible legislation:

TESTIMONY OF DANIEL J. POPEO, GENERAL COUNSEL, WASHINGTON LEGAL FOUNDATION

THE AWARD OF ATTORNEY'S FEES TO INDIVIDUALS OR SMALL BUSINESSES IN ACTIONS BROUGHT BY OR AGAINST THE UNITED STATES

On behalf of the Washington Legal Foundation, let me express my appreciation to the distinguished members of the House Small Business Committee for this invitation to testify on H.R. 6429 and H.R. 5103 which would provide equal access to the courts for small businesses in proceedings against Federal agencies.

The Washington Legal Foundation is a nonprofit corporation organized to engage in litigation and the administrative process in matters affecting the public interest. The Washington Legal Foundation currently has more than 75,000 members and contributors throughout the country. My comments reflect exclusively the interests of our members and the public as a whole, not any organizational interest of the Washington Legal Foundation. We are not lobbying for or against the passage of this legislation, but only offering our views on its public interest aspects.

The Washington Legal Foundation is currently involved in litigation across the United States regarding excessive government regulation, compensation of crime victims, major constitutional issues and other vital public interest legal matters.

The legislation addresses the serious problems caused by the disparity in legal resources between large government agencies and small businessmen who are prosecuted for allegedly violating federal regulations. In many cases, the victims of excessive government regulation and unfair legal challenges by federal bureaucrats cannot afford to defend themselves in administrative or judicial proceedings brought by federal agencies or Department of Justice litigators. The White House Conference on Small Business recognized the seriousness of this issue by including a proposal similar to that embodied in H.R. 6429 among the fifteen issues considered most important for addressing the problems of small business. A businessman is tied to his profit and loss statement; he cannot afford to litigate a case unless the benefits outweigh the costs. Federal government lawyers are under no such restriction. In one example which came to our attention recently, the Federal Election Commission wasted $35,000 of our tax dollars to litigate a $135.00 campaign act violation by a citizens tax reform group. Not only did the FEC lose, but the court characterized the FEC suit as "perverse."

In another case, Joseph Pinga, a small businessman in Rhode Island was charged by the Occupational Safety and Health Administration with twelve federal health and safety violations in his bakery. Mr. Pinga refused to settle and successfully challenged the OSHA determination in federal court. Yet he cannot be completely happy with the outcome, because he spent $1500 on legal fees to avoid paying a $90 fine.

Rather than exercise their constitutional due process rights, and incur enormous legal expenses, a business owner generally accepts the assertion of the federal investigator, and pays a fine or corrects the alleged violation. Federal lawyers are aware of their advantage and have grown arrogant in bringing cases against individuals and businesses too weak to litigate aggressively or effectively. By focusing on less powerful adversaries, agencies can build their "batting averages" to justify higher appropriations from Congress or promotions from superiors. Suits brought against small firms enable agencies to establish a precedent against weak opposition which can later be used against major corporations. A General Motors or a Dow Chemical will usually spare no expense in defending against an unreasonable allegation by a federal agency. Small businesses cannot afford the necessary legal fees and so they are more likely to be the target of a suit and more likely to settle even when not at fault.

In yet another case, William H. Hall, owner of the Country Kettle Restaurant in Tulsa, Oklahoma was charged by the Department of Labor with a violation of the federal minimum wage law. The Labor Department claimed that he owed $54,000 in back pay, but offered to settle for $14,000. Mr. Hall refused to settle and after three years of litigation, a court upheld his position. However, his legal expenses were $30,000, more than twice than he would have had to pay if he had given in to the Labor Department. Small businessmen, unlike government lawyers cannot afford such pyrrhic victories, and so are forced to settle, even when they could prove themselves right.

Litigation costs, however, are only a part of the burden imposed on a small business which attempts to challenge a federal agency's enforcement actions. Administrative or judicial proceedings will often require the absence of key employees from normal duties for extended periods of time. Normal business decisions may be delayed due to the uncertainty and delay arising out of an enforcement proceeding. Finally, businessmen are often reluctant to risk angering powerful federal agencies by bringing court challenges. The Internal Revenue Service and the Department of Labor are considered by some to be especially vindictive towards businessmen seeking to assert their rights.

In addition to assuring that justice is done in individual cases, a statute allowing successful litigants to recover costs and attorney's fees from federal agencies would have a broader impact on the regulatory process. Such a provision would make federal agencies more accountable by threatening them with direct economic penalties for engaging in vexatious litigation and unreasonable administrative action. Agencies that find themselves having to reimburse substantial attorney's fees would be on notice that their enforcement priorities were misguided, that certain of their regulations needed to be clarified or revised, or that certain personnel need to be changed. Congress and the American public, as well as bureaucrats, would know when enforcement actions were becoming overzealous. This sort of check on administrative performance would be a valuable supplement to the oversight powers of Congress. Currently, the only quantitative measure of agency enforcement activity is the number of cases prosecuted and "won". No consideration is given to the fairness and social utility of agency actions. The deterrent effect of this rule is of real value and should be carefully weighed by the committee in its deliberations.

The Federal government, through aid to public defender services and programs such as the Legal Services Corporation, spends millions of dollars each year to provide defense attorneys for the indigent. Often these government attorneys defend their indigent clients against other government attorneys attempting to enforce criminal and civil statutes. It has become apparent, however, that the poor are not alone in needing assistance when confronting the Federal government. Small firms may have the resources to defend against unfair administrative and judicial enforcement proceedings brought by federal agencies, but often cannot do so if they wish to remain profitable. Small, independent, family-owned businesses need some form of legal assist ance if they are to have any hope of vindicating themselves before federal agencies. The right to recover costs and attorney's fees would assure small businesses of their day in court to contest unreasonable federal regulations. As will be seen, Congress has established such a right in numerous other statutes when to do so was in the public interest.

It has long been the established rule in American courts that the prevailing litigant is not entitled to recover his legal fees from the loser. This is true in federal administrative proceedings as well as in federal courts. *Turner* v. *Federal Communications Commission*, 514 F.2d 1354 (D.C. Cir. 1975). In the leading Supreme Court decision in this area, *Alyeska Pipeline Service Co.* v. *The Wilderness Society*, 421 U.S. 240 (1975), the court upheld this so-called "American Rule" regarding the award of legal fees with but a few, limited exceptions.

The court recognized that contrary to the general rule, attorney's fees may be awarded where expressly authorized by statute. In recent years, Congress has enacted numerous statutes expressly providing for the recovery of attorneys' fees. Among them are the Civil Rights Act of 1964 (42 U.S.C. 2000a-3(b)), the Freedom of Information Act (5 U.S.C. 3442(a)) and the Civil Rights Attorney's Fees Awards Act of 1976 (42 U.S.C. 1988). Courts have generally felt, and the Washington Legal Foundation agrees, that exceptions to the *Alyeska* rule should only be enacted by Congress in response to a specific need for assistance.

Unfortunately, none of these statutes has provided much guidance to courts in determining when fees should be awarded or in calculating the amount of any award. Courts must decide three basic questions in confronting the issue of attorney's fees: (1) whether a party has prevailed in the litigation; (2) whether an award of fees is an appropriate exercise of the court's discretion; and (3) the amount of the award. Any bill reported out of this committee should clearly address each of these issues. The Fifth Circuit Court of Appeals in *Johnson* v. *Georgia Highway Express Inc.*, 488 F.2d 714 (5th Cir. 1974) has established a list of twelve guidelines to be considered by lower federal courts in determining the adequacy of any awards. Among them are such factors as the time and labor required of the attorney, the difficulty of the legal and factual issues involved and the skill and performance of the attorney.

Although within the discretion of the court, the award of attorney's fees has become standard under some statutes, including Title II of the 1964 Civil Rights Act. *Newman* v. *Piggie Park Enterprises*, 390 U.S. 400 (1968). Rather than rely on uncertain judicial precedent, however, this legislation or the accompanying committee report should clearly express the view of the committee on this issue. I will now address the specific provisions of the two bills being considered today by the committee.

The Small Business Equal Access to Justice Act, H.R. 6429, provides for the award of costs and legal fees against the Federal government in two distinct situations. Section 202 of the Act (providing for the addition of section 504, "Costs and Fees of Parties" to Title 5 of the United States Code) directs federal agencies to award costs and fees to a successful small business or private litigants in adjudicatory proceedings under 5 U.S.C. 554. When the language requiring an award is mandatory, the agency may refuse if it "finds that the position of the agency as a party in the proceedings was substantially justified or that special circumstances make an award unjust." A party dissatisfied with the agency determination may appeal the issue to the court having underlying jurisdiction to review the merits of the decision, but the court may act only if it finds the agency's action was an abuse of discretion. We believe that this section should be rewritten to restrict the authority of the agency to deny an award of fees in an adjudication to which it is a party.

It is unrealistic to believe than an agency will ever find that a proceeding which it instituted was not substantially justified. This is especially true given the provision in subsection (d) which provides that any award of fees and expenses shall be paid by the agency out of the sums generally appropriated for its budget. We support this proposal since it will provide a real incentive for agencies to moderate unreasonable enforcement actions. Nevertheless, we believe that the bill should not grant the agency any discretion in awarding fees if those fees will come directly out of its general operating budget.

It is our position that the agency should be required to award costs and fees in every adjudication where its position is not upheld, regardless of whether it believes its positions was substantially justified. If it wishes, the agency may then appeal the award in the federal courts on grounds of substantial justification or that some special circumstances make the award unjust. The private party to an adjudication must not be required to institute further litgation to recover fees to which he is entitled under this statute. As an alternative, if this section of the bill is not modified, we suggest that the private party be awarded court costs and fees if he successfully appeals the agency denial of attorneys' fees in the initial adjudication. In addition, courts should not be required to defer to agency determinations regarding the award of fees to a party in an adjudication. This decision should be made de novo by the court.

The Washington Legal Foundation is seriously concerned with language in section 203 of the bill which provides that fees may be awarded to the prevailing party in any action brought by or against any federal agency. We fear that the biggest beneficiary of any provision allowing successful plaintiffs to recover costs when suing the Federal government would be public interest law firms, whether liberal or conservative. We question whether it is a good idea for the taxpayer to support the litigation activities, even if successful, of public interest and special interest groups. Certainly, the Washington Legal Foundation does not seek any taxpayer dollars to support its activities. We are, and will continue to be, entirely financed by private contributions. from thousands of small supporters.

Therefore, we suggest that the committee consider striking the words "or against" from section 203 and the bill be confined to the award of attorneys' fees in cases, where the federal agency has initiated the action. One exception to this provision could be in cases where a taxpayer brings suit against the Internal Revenue Service in the district court for a refund for taxes already paid. In such cases, the plaintiff-taxpayer is actually in the position of a defendant protecting himself against an unreasonable agency action. Another exception should be provided in cases where an individual or small business was appealing an unfavorable agency adjudication initiated by the agency. In most cases, the small business is normally the plaintiff, but is defending a position from agency initiated action.

Alternatively, the Committee might consider revising the definition of "party" provided in subsection (d)(2)(B) to exclude non-profit associations or organizations from coverage under the bill. Another solution would be to insert a provision providing that only parties with a direct, personal stake in the litigation would have "standing" to seek attorneys' fees. In any case, we urge the Committee to give this matter careful consideration. This bill must not be converted into a lawyer's relief act for the benefit of public interest lawyers.

The structure of section 203 (amending section 2412 of title 28) is more complex than section 202 in terms of the circumstances in which costs may be awarded and the definitions of "costs" and "fees". We believe that the language of the bill could be tightened by providing in subsection (a) that the court shall award costs whenever an individual or small business prevails in a case. This would be a limited award since "costs" is defined in 28 U.S.C. 1920 to include only such expenses as printing fees, clerks' fees and witness expenses. Subsections (b) and (c) should be combined to provide that attorneys' fees and other expenses (as defined in subsection (d)(2) of the bill) "shall" be awarded unless the court finds that the position of the agency was substantially justified and that an award would be unnecessary and unjust. This provision would require that the agency not only establish its position as justified but also prove that no special circumstances exist (such as lack of hardship to a small businessman) which would make an award unjust. The court should also be able to deny an award of fees when the conduct of the defendant unreasonably and unduly protracted the final resolution of the matter in controversy.

A serious problem exists in the definition of "prevailing party" as used in both sections 202 and 203 of the bill. Either the bill should be amended or the committee report should reflect that this term includes a party who prevails on some issues in a case but not on others. Naturally, if a party partially prevails, the court should have discretion to reduce the award accordingly. The bill should also be amended to provide that defendants may recover costs against the government where the agency drops its suit or where the case is settled as well as in cases of final judicial determination. This is consistent with *Goldstein* v. *Levi*, 415 F. Supp. 303 (D.D.C. 1976) where the court held that attorneys' fees may be awarded in an FOI suit even where the government settled the suit a few weeks after the complaint was filed.

Some provisions should also be made for the interim award of attorneys' fees and costs in cases where a private litigant shows substantial signs of being able to win on the merits, but is unable to continue prosecuting his case due to enormous legal expenses. A federal agency should not be allowed to defeat the purpose of this bill by waging a war of attrition in the courts and forcing a small businessman to abandon his position in the face of the superior resources available to the federal government. Any such award should be in the discretion of the court which would be best able to judge the hardship imposed by the government's delaying tactics and the probability of success on the merits. Courts have awarded interim attorneys' fees on numerous occasions; for one example, see *James* v. *Stockham Valves & Fittings Co.*, 559 F.2d 310 (5th Cir. 1977) cert. denied, 434 U.S. 1034 (1978).

The Washington Legal Foundation also supports Title II of H.R. 5103, which would provide for expedited review of small civil penalties before United States magistrates. We favor this proposal since it would ease the burden on small businesses who seek an expedited appeal of fines less than $2500 imposed by federal agencies. We express no opinion on the revision of class damage procedures in Title I of the bill except to note that class action proceedings are often unfair to small businessmen and we hope the committee will give serious thought to a revision of the law.

Our only serious objection to H.R. 5103 involves proposed subsection (f)(5) of 28 U.S.C. 636 which provides that any decision by a magistrate on an expedited appeal of the fines will be final and nonreviewable. We do not believe that a small businessman should be required to surrender his right to appeal an agency decision in order to take advantage of this legislation. In addition, we believe that the language in subsection (f)(4)(B)(ii) should be clarified to provide that a magistrate may not, under any circumstances, increase the civil penalty imposed by the agency. As currently drafted, the magistrate could interpret the term "modify" as giving him the authority to increase the penalty.

In closing, I would again like to thank the Chairman and the distinguished members of this Committee for their cordial invitation to present the views of the Washington Legal Foundation on this subject.

Respectfully submitted.

DANIEL J. POPEO,
Washington Legal Foundation.●

IN RECOGNITION OF LEO GILBERG'S CONTRIBUTIONS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. OTTINGER. Mr. Speaker, on May 16 the members of the Jewish Community Center of Harrison, N.Y., will pay tribute to their recently retired president, Leo Gilberg. On this occasion I would like to join in commending Leo Gilberg for his tireless efforts on behalf of the Jewish Community Center and the entire Harrison community.

Leo Gilberg, a lawyer with a very busy practice, always found time to involve himself with the concerns of the synagogue. His dedication to the Jewish Community Center and to the enrichment of Jewish life are readily apparent from his many years of devoted service. He has served as ritual chairman, secretary, vice president, chairman of the board of trustees, as well as president of the Jewish Community Center. In addition to these positions of leadership, he and his wife Joan have headed Harrison's Israel bond drive for several years.

Leo Gilberg's leadership has been truly inspiring. He has instilled his appreciation for study, worship, and good deeds in his synagogue, and his influence will be felt for years to come. I am pleased to honor Leo Gilberg for his many accomplishments and for his contributions to his synagogue and community.●

OLDER AMERICANS MONTH THEME "GET INTO THE ACT" PROMISES STRIDES FOR ELDERLY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. HOLLENBECK. Mr. Speaker, with the observance of Older Americans Month this May, we are moving into a decade which holds immense challenges for the elderly in this country, and for the policymakers who must address the needs of this group. We have made tremendous strides in the past few years, but we are currently at a crossroads. Expansion of governmental programs to serve the elderly is no longer guaranteed. Federal budget constraints are forcing us to reassess many of our existing aging programs and proceed very slowly in new areas.

The unfortunate fact is that, although the financial resources of the Federal Government are becoming more limited, the hardships faced by many of the elderly are multiplying. In spite of the advances that have been made, life for a vast number of older Americans is still distressingly bleak.

The Federal Government's official poverty index, which has been widely criticized for inadequately representing the actual plight of the elderly, indicates that 3.3 million older persons, or 14 percent of the total elderly population, are below the poverty line. The person who originally developed that index has recently revised it to reflect today's conditions, and has concluded that 8.7 million, or 36 percent, of the elderly are living in poverty.

These figures provide a sad commentary on growing old in America. If over a third of our entire elderly population is living in poverty, it is painfully obvious that we need to redouble our efforts in this area.

These economic conditions influence literally all other aspects of an older person's life. Without adequate income, elderly citizens cannot afford comfortable housing. They cannot afford to pay heating bills. They cannot afford to eat properly, and they cannot afford proper health care.

As a member of the Subcommittee on Health and Long-Term Care of the Select Committee on Aging, one of my greatest concerns has been that of inadequate health care for the elderly.

To highlight the problem:

Eight-one percent of all persons over age 65 have chronic health conditions, and more than 45 percent experience activity limitations due to such conditions. Many senior citizens look to medicare to pay for all or most of their medical expenses, but they find some very wide gaps in medicare coverage. Medicare pays for only about 45 percent of the average senior citizen's health bills, and it does not pay for such items as eyeglasses, dental care, hearing aids, or outpatient prescription drugs, even through these items often represent a high portion of health expenditures.

It is easy to say we should cut billions of dollars out of the budget, but with these facts in mind, we should realize that real people are being affected by such cuts.

It is particularly galling to me to see some of my congressional colleagues talk about balancing the budget by reducing cost-of-living increases for social security recipients. We are facing a difficult budget climate, to be sure, but to require heavy sacrifices of elderly people already living on fixed incomes is unconscionable. Certainly we should be able to hold the line on spending without taking away from those people who most need and deserve our help.

I would like to make one final point which has been highlighted by our financial difficulties. It is essential that we look beyond the Federal Government to serve the needs of the elderly. There are a multitude of non-Federal groups and individuals who provide tremendous assistance to the Nation's older population, and there are many other resources just waiting to be tapped.

The theme for this year's Older Americans Month is "Get Into the Act," which refers to community involvement and community-based action on behalf of the elderly. Certainly a local community is in the best position to identify its own needs, and it is time we started to make use of that local wisdom.

Our Nation's elderly population represents one of the finest and most versatile groups of people in the world. They have worked their entire lives to make this country a better place for all of us, and they want to continue to do so.

If we all "Get Into the Act," I am confident that the future holds a great deal of promise, not only for the elderly themselves, but for all of us.●

JULIUS LIPSHAW AND SAUL HOBERMAN HONORED

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. BRODHEAD. Mr. Speaker, I would like to take this opportunity to express my heartiest best wishes to Comdr. Al Nemoff and the men and women of Jewish War Veterans' Post 230. Post 230 has been renamed to honor two outstanding members of the post—Julius Lipshaw and Saul M. Hoberman. The new charter will be presented by National JWV Comdr. Harris B. Stone in ceremonies on Sunday, May 18.

Julius Lipshaw and Saul Hoberman were living legends at post 230. They never tired of giving of themselves, their time and talent to worthy causes, and their assistance has made the difference in program after program. It is fitting that they should be honored by the Jewish War Veterans.

It is clear from their lives that service to country does not end with service in the Armed Forces. The members of post 230 exemplify this tradition, and I wish them continued success in all their future endeavors.●

TRIBUTE TO LYN McINTOSH

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. MATHIS. Mr. Speaker, Air Force Capt. Lyn Davis McIntosh was a heroic American. He gave the ultimate sacrifice for his country. The entire Nation is proud of Captain McIntosh and ever indebted to his courage.

Captain McIntosh's death in the Iranian desert in a valiant attempt to free the American hostages held by Iran will not be forgotten. His name and efforts will be indelibly marked in the annals of American history.

We in Congress and people across the United States—in big cities and small towns—express our sorrow to his family. In Captain McIntosh's hometown of Valdosta, Ga., the outpouring has been great.

I call your attention to an article which appeared in the Washington Post. It chronicles the life and times of Captain McIntosh and the impact his life had, and continues to have, on others.

The article follows:

SONGS FOR A NATIVE SON

LYN DAVIS MCINTOSH'S HOMETOWN MOURNS HIS DEATH IN IRAN

(By Myra MacPherson)

VALDOSTA, GA.—In the picture he looks like a modern-day Tyrone Power, standing by his plane in jaunty pose, dark eyed, smiling. The perfect image of a dashing Air Force flying ace.

But Capt. Lyn Davis McIntosh was a hometown boy; a son of the South who, until he joined the Air Force, never strayed far from his home in this peaceful Georgia town lush with Spanish moss near the Okefenokee Swamps.

Townspeople who knew McIntosh all his life—and repeatedly speak of him as an "all-American boy," a "good Christian boy"—are stunned now beyond belief. Their murmurings echo like a Greek chorus to the news.

McIntosh's life ended in the Iranian desert halfway around the world.

"We're proud of him and what he did * * *"

Ended in the flaming inferno of a bizarre accident during the secret attempt to rescue the hostages.

"I can remember when Lyn was baptized * * *"

Ended—and McIntosh now belongs to history.

"Lyn McIntosh. You know, the boy who sold shoes down at Christie Patterson's store? * * *"

Lyn Davis McIntosh. Age 33. A footnote now in this dangerous time of international strife.

"After what they did to Lyn's body, I think we should just go and blast 'em off the face of the earth, they're that inhuman * * *"

Many here are still struggling to comprehend the magnitude and meaning of McIntosh's death.

The flags are flying at half-staff now. At the high school. In front of McDonald's golden arches. And this week a wreath for McIntosh was placed at the foot of the memorial statue for Valdosta's confederate sons who died in the Civil War.

Valdosta's commemorative rites are reminiscent of those played out so often in rural American towns a decade ago when local boys went to Vietnam and never returned. Scenes common in the South.

Decade after decade, the South has given up its young to war. McIntosh followed a time-honored tradition. For the poor, military life was a way up and out; for the middle class and the elite, the military academy meant a citadel of respect and honor. Even when Vietnam tarnished the military in many other eyes, being a top officer did not lose its luster in the South. To die for God and Country was, and is, honorable.

Of the eight men who died in the wreckage in that remote Iranian desert, six were from the South. From Pine Bluff, Ark., Roanoke, Va., Bonifay, Fla., Corryton, Tenn., Dublin, Ga. and Valdosta. The ground leader of the mission, tough, rawboned Col. Charlie A. Beckwith, who led special commando forces in Vietnam, grew up in Georgia. And President Carter, their Commander-in-Chief, who would herald the aborted mission as heroic, rose out of the red clay of Plains, Ga., by heading for Annapolis and the Navy.

So perhaps it is not surprising that the disturbing talk of war is heard once again, these soft spring days.

A 13-year-old boy says, "Everybody at school talks about, if we're going to war, how they'd like to be a general. But mostly we just talk football." A waitress looks at the pictures in the newspaper of the eight men killed. "Lookit them fine young men. It's a terrible mess. One of the girls who works here, her son's on a ship in that there gulf right now. She's scared to death. We're gonna have war before you know it, hon." A former fraternity brother of McIntosh's says, "If it happens, you'll find a lot of us would feel it's our duty to go this time."

There is strong support for Carter, a conviction that the mission was a noble attempt, no matter the appalling mishaps, and should have been tried sooner.

"It's just a shame," says one retired general, "that some of our boys had to die."

A deacon at McIntosh's Baptist church speaks for many in town: "It's quite refreshing to see a person of Lyn's caliber willing to do things for his country. He grew up in that age when some of those boys were deserting and going to Canada. He was growing up all through that time—but, thank God, that attitude never touched him."

On Sunday, they sit in church and listen to Rev. Douglas Reddick, in three-piece pastel blue, offer his condolences and prayers for a quick return of their son's body. It is two days after Herbert and Christine McIntosh were visited by the chaplain of nearby Moody Air Force Base. Even in their grief, they cling to a tradition they know well: attending services at Northside Baptist Church.

Mrs. McIntosh is kind-faced, matronly, her gray hair neatly sprayed, her peach summer dress crisp. Her husband, more than 6-foot tall, has dark hair, gentle brown eyes and a smile that is much like his son's. After the service, the Reverend comes over and puts his arms around Mrs. McIntosh. Tears roll down his cheeks. He had known Lyn McIntosh since the boy was 8 years old.

Lyn's father, called Mac by everyone, seems to want to talk about his son. His eyes brighten. "We've got pictures of Lyn, many of them. We used to take pictures of him coming out of church carrying his Bible." Now an auditor at Sears, McIntosh once knew the lure of flying. He met his wife—who grew up in one of those blink-your-eyes-and-you've-missed-it hamlets of 200 near Valdosta—when he was stationed at Moody Air Force Base. He was a B-29 crew member in World War II. Lyn was born in 1946, a year after the war ended.

"Lyn used to love to go with me to the air base." The sorrow stares from his eyes as he says softly, "He was a wonderful boy."

McIntosh extends an invitation to visit the next morning. But that night the television news is full of the grizzly horror of it all. One of Iran's Revolutionary rulers displays for the news media of the world the charred remains of the eight Americans. The act inflames and hardens the growing hawkish mood in Valdosta as it does everywhere; an act that President Carter calls a "ghoulish action of terrorists, a powerful exhibition of inhumanity that has aroused the disgust and contempt of the rest of the world."

At one point, a revolutionary guard is ordered by Ayatollah Khalkhali to pick up one serviceman's dog tags and read the name aloud. The name is Lyn Davis McIntosh.

The next morning, Lyn's younger brother, Daryl, politely leads a reporter into his parents' immaculate living room with its Bible opened on one table, in the spotless, ranch-style brick home. They understandably have changed their minds. They, like the other families of the eight dead, now are fearful that their son's body will never be returned.

"Now is not the time to talk of Lyn," Daryl says, "It is just too soon." But he wants to say one thing.

"We're very proud of him. If he volunteered to do something, he believed in it. So we don't have any remorse concerning that."

The seeds of heroism were there in McIntosh's boyhood qualities—a sense of duty, dedication and concern for others that would lead him to volunteer for a mission to save the hostages. And yet, nothing in McIntosh's ordinary, small-town life was spectacular. Lyn McIntosh could have been invented by Norman Rockwell.

The bare facts are quickly told. Graduated from Valdosta High in 1964, majored in math and minored in English at his hometown college, Valdosta State, graduated in 1968, married Ann Dixon, the girl he dated in high school, taught junior high math until he joined the Air Force in 1971.

McIntosh graduated from high school in an innocent time. Vietnam antiwar revolt was down the road. So was the drug scene. So was school integration. His yearbook shows an all-white class of 174.

Crew cuts were plentiful. So were bouffant skirts and hairdos to match.

McIntosh's extracurricular activities were many and varied. He seemed to be a boy who tried out everything—football one year, tennis the next, drama club another year. He belonged to Key Club, a civic and business-minded organization, and was sports editor of his yearbook. One constant was Hi-Y, a religious organization he belonged to throughout high school and was vice president of in his senior year.

Ann, the girl he later married, was two years behind him. "That little girl set her cap for Lyn," recalls the English teacher, Mabel Wolinsky. "Both her parents died when she was in high school. She was orphaned, and I think all she had in the world was the love she had for Lyn."

McIntosh's widow lives in Ft. Walton Beach, Fla., near Ft. Hurlburt, where her husband was based. Along with the families of the others killed in Iran, she is in seclusion, trying to shield her three sons, Scott, 10, and twins Mark and Stewart, 5, from many of the details that unfold in the aftermath of the ill-fated mission.

McIntosh, in large part, was shaped by his hometown of Valdosta, a town of 35,000 about 250 miles south of Atlanta and 90 miles from Tallahassee. It is prosperous, solidly middle-class with thriving turpentine, lumber and paper industries. Valdosta had its Confederate losses, but it was not demolished; Sherman bypassed it on his march to the sea.

Integration came relatively peacefully to Valdosta High, now an ultramodern school with about 50-50 black and white enrollment.

Today, one common bond is sports. Valdosta bursts with pride over its 15 statewide football championships and three national championships; trophies for all sports jam the highschool showcase. "Even the kids who went to the 'white flight' schools in junior high come back for senior high because that's where all the fun is," said one graduate.

Bumper stickers in the high school parking lot proclaim Valdosta's nickmane "Winnersville, USA."

Valdosta's young men went to Vietnam—blacks more than whites, as was the pattern all over the country. "The whites finagled, by going to college and all, and you heard talk of the war as immoral, but you had no demonstrations around here," said one teacher.

"Might not everyone been in favor of the war," says former high school football coach Wright Bazemore, "but we didn't have any burning of flags or giving your speeches. We just don't have that sort of thing here. The students all come from good backgrounds, good upstanding families." Like many others, he hastens to add, "We're not backwoodsy."

Moody Air Force base is but 15 miles away, and youngsters grow up seeing Blue Angels and Thunderbird air shows, with planes flying in such precision formation that they look held together by wires. Many of the retired military settle in Valdosta.

It is Democratic, conservative, patriotic and definitely southern. The radios are filled with gospel preachings and the mournful sighs of country music's lost loves. Children are trained practically at birth in the ritualistic politeness of "yes ma'am" or "yes sir."

Above all, Valdosta is filled with the church spires of a town in the heart of the bible belt. There are 96 churches in and around Valdosta, 34 of them Baptist. Billboards urge drivers to "ASK GOD." The town is governed by blue laws on Sunday, and a survey found that the majority of its residents favored it that way.

Lyn Davis McIntosh felt at home here.

The towns people remember first his smile.

"He had all the charm in the world," says Mabel Wolinski, who was also adviser of the yearbook when McIntosh was sports editor. "He could melt anyone with his smile. With these yearbook people you have to nag and push, but I cannot ever remember Lyn getting upset with me."

Over and over, his former teachers, classmates, fraternity brothers and employers echo the same sentiments.

John Sessions, a former fraternity brother: "Lyn was just a real level-headed fellow. He enjoyed a good time, a good laugh, but he was real dependable. He was the kind of friend, you could call him up at 2:30 in the morning, and he'd be there and never ask why you needed him. That picture of Lyn smiling, that was not just for a photograph, that was the way he was."

Sue Beth Tilman, a student at McIntosh's during the brief time he taught junior high math before joining the Air Force: "He was a good teacher, always got along with the children. Nobody misbehaved that much, they just respected him."

Margaret Mettiga, classmate in high school and college, "He was religious, but he wasn't one of those who refused to go to parties. He wasn't a goody goody. He would take a drink, he was definitely one of the crowd."

Rev. Reddick: "He was outstanding. I baptized him when he was 15 or 16. He had all the benefits of good Christian love and training from Mac and Chris. I'm sure he never doubted their love. If Mac could have gone in Lyn's place, he would have." Reddick chuckles. "Lyn sold shoes when he was in college and he was an ideal ladies' shoe salesman. He always had a smile and interest in people. My wife bought out the store when Lyn was waiting on her."

Christie Patterson, shoe-store owner: "Selling shoes is nerve-wracking. People lead you up to thinking they're going to buy and then walk right out. Lyn could handle a customer as good as anyone."

McIntosh left Valdosta for the Air Force nine years ago, but visited often. "When he came back, he'd tell me how much he enjoyed flying," says Patterson, "But I had no idea he was in anything so special. He was not a big talker about himself. He just made those intimate decisions and didn't brag on them."

Some Valdostans were surprised that McIntosh went into the Air Force—"I would have thought he would go into the corporate world," said one former high-school classmate. "I thought he'd be managing the shoe store," said Mabel Wolinsky.

But Patterson feels that McIntosh "wanted to make something of himself. He was a fine boy with ambition. Maybe he wanted to go up the military ladder."

If his career choice puzzled some, most were not surprised that he volunteered for a dangerous mission.

"He would have been sought out for this because of his intelligence, dependability, self-discipline," says Ann Baldwin, who taught Lyn McIntosh math when he was 13 and then worked with him when he taught.

"Lyn taught for only a short while," she says, "I don't think he had any intention of making it his career. He was kind of filling in until he went into the service."

When McIntosh joined the Air Force, he pursued his career with typical diligence and became more than an ordinary pilot. He joined the crack Eighth Special Operations Squadron. Its legacy of getting the tough jobs goes back three decades, when its air commando reputation was fostered by Wingate's Raiders of World War II. Their motto is "Any Time, Any Place." The squadron took part in the raid at Sontay Prison in North Vietnam in 1971. The lightning-like strike itself was a success, but the 90 POW's had been moved out before the rescue attempt.

The men of this special squadron are especially tight-lipped about their activities, and McIntosh was no exception. Friends and family know that at one time he went into intelligence work but know none of the details. He missed flying so much that he eventually left intelligence to return to the skies as aircraft commander.

His aircraft was a super-equipped huge cargo-carrying C-130 modified for special commando activities—nicknamed the Combat Talon or Blackbird. It was fitted out with the Fulton Recovery System, a rapid method of recovering a downed aircrew member from either land or water, using a helium-filled balloon and a 450-foot nylon lift line. Special radar and equipment allow the Combat Talon to fly extremely low over hostile air space and thus not be detected by enemy radar.

Last week McIntosh told no one, gave no hints, not even to his wife, where he was going when they set off for their mission to try to pluck the hostages from Tehran.

It looked for a while like the rescue operation was going to be a stunning success. McIntosh and five other pilots flew the six C-130 transports without a hitch from the United States to an airfield in southern Egypt. The planes were crammed with electronic equipment to jam Iranian communications, with fuel, with chemicals.

Sometime Thursday afternoon, McIntosh and the others roared off from their Egyptian airfields, refueling in midair. Then McIntosh flew down the Red Sea and along the Arabian Sea coast to avoid flying over Saudi Arabia.

Meanwhile, the nuclear aircraft-carrier Nimitz moved into the Gulf of Oman. McIntosh took off in twilight's dusk from a resting place on the western side of the Persian Gulf. About the same time, eight massive helicopters carrying the 90 man raiding party, dressed in camouflage, lifted off Nimitz's deck.

The helicopters and C-130's entered Iranian airspace shortly after dark. Then, the misfortunes that ultimately doomed the mission began. First one, then two, then three helicopters developed mechanical trouble. The loss was devastating. With three helicopters out, they would have to abort the mission.

McIntosh's plane was at the first staging base in the Dasht-ekavir salt desert when the word came to abort the mission. In one of the most bizarre incidents, a bus loaded with Iranian tourists came chugging through the remote desert. They were detained—witnesses to the fiery end of the mission.

The five operating helicopters were being refueled for the long trip home. One, however, had drained a C-130 of fuel and then had to lift up across a road to top off its tanks from another fuel plane.

As the helicopter pilot lifted off and banked away in the darkness from the first C-130, his rotor sliced through the fuselage of McIntosh's C-130.

Both aircraft immediately burst into flames. the explosion lit the desert sky and touched off ammunition, burning so fiercely that no one could get to the men trapped inside.

At dawn, the shocked survivors of the ill-fated mission lifted off. Below, on the desert floor, the wrecked aircraft continued to burn, funeral pyres for the eight left behind.

In Lyn McIntosh's high-school yearbook of 1964, there is this passage:

"All life is a quest—let us now begin our quest for truth, bold even in our fear, asking only that when there is no longer world enough or time, eternity's mirror will reflect us not unscathed. . . ."●

DEFENSE AUTHORIZATION AMENDMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. SIMON. Mr. Speaker, Representative DAN MARRIOTT and I will be offering an amendment to the defense authorization bill during House debate. Our amendment will cut $500 million from the research and development budget of the Air Force for the MX mobile basing mode. The amendment will authorize $66 million for research, by the Department of Defense, into alternative basing modes for the MX missiles and prohibits the use of Federal land for basing mode purposes until the Department of Defense has reported back to Congress on the findings of their study.

I insert the text of the amendment to be printed in full.

AMENDMENTS TO H.R. 6974, AS REPORTED, OFFERED BY MR. SIMON AND MR. MARRIOTT

Page 6, line 20, strike out "$7,105,654,000" and insert in lieu thereof "$6,605,654,000".

Page 6, line 20, insert "(1)" after "of which".

Page 6, line 22, insert ", (2) $66,000,000 is authorized only to carry out a study of alternative basing modes for the MX missile system".

Page 20, after 8, add the following new section:

REPORT TO THE CONGRESS ON ALTERNATIVE BASING MODES MX MISSILE SYSTEM

SEC. 805. No land may be acquired by, and no public lands made available to, the Secretary of Defense for the research, development, or deployment of any part of the MX missile system until the Secretary of Defense has submitted to the Congress a report on alternative basing modes for the MX missile system (including but not limited to split basing modes, modification of the existing Minuteman and Titan systems, deployment of the MX system at sea or on aircraft, defended MX deployment, or backfilling the MPS system initially to reduce substantially the size of the deployment areas.●

MEMORIAL DAY 1980

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. EDWARDS of Oklahoma. Mr. Speaker, Memorial Day is always a time to pause, remember, and pay tribute to the sacrifice that millions of men and women have made in the service of their country.

We are not at war on this Memorial Day, but we are in mourning for the eight brave men who died during the aborted attempt to rescue the Americans who are hostages in Iran.

Those eight men died for their country and for their countrymen in the same way tens of thousands have died before them. They were in a strange country, facing great dangers and uncertain chances of survival. They were brave, loyal, and well trained for their mission. And they were all volunteers.

"Volunteer" typified the willingness and spirit of many who have made the ultimate sacrifice. We saw that spirit at Concord, at Guadalcanal, Korea, in Vietnam, and now in Iran.

The flowers that we place on the graves of our fallen warriors will be simple tributes to the lives they lived. The time we spend thinking about why they died may help avoid future wars.

The men and women who serve in the military today do so in a world that is quite different from that of their fathers or grandfathers. Many of our old allies are now our bitter enemies. And some of our worst foes are now our friends.

Today there are many doubts about the old treaties we signed to help prevent war. Even the instruments of waging war have changed. The marching armies that used to cross borders have been replaced with jets that violate airspace and space satellites that constantly monitor troop movements, ship maneuvers, and the construction of new airfields.

But the one thing that has not changed is the importance of the individual. Although armies are massive organized groups, they are all still made up of individuals. Despite technological advances that mean bigger bombs and increased target range, the common denominator in any army, navy, or air force is still the soldier, sailor, marine, or pilot who flies the planes, mans the ships, or carries the rifle.

And although the weapons may be sophisticated, the reasons why we need them and our military are old-fashioned—to guard against aggression, to respond to threat, to make our future secure, to provide a safer world for our children.

Mr. Speaker, this is who we honor and what we cherish on this Memorial Day 1980—not only the soldiers who have died for their country, but also those who now serve it.●

GUSTAV HENINGBURG

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. RODINO. Mr. Speaker, since 1968, the Newark metropolitan area has benefited from the dedicated service of Gustav Heningburg, the president and chief executive officer of the Greater Newark Urban Coalition.

Gus Heningburg brought knowledge, experience, and ability to his work. Having completed his studies at the Hampton Institute as a distinguished graduate in the Reserve Officer Training Corps, he won an Army commission. He served 3 years as an antiaircraft and guided missile expert, and another 3 years as an assistant operations officer in Army counterintelligence.

He subsequently worked with the United Negro College Fund, establishing prealumni clubs, which encouraged students to financially support their alma maters prior to graduation.

As president and chief executive officer of the Greater Newark Urban Coalition, Gus Heningburg waged a compassionate struggle for human rights. His leadership in the fields of civil rights and affirmative action greatly improved the lives of his fellow citizens.

Moreover, Mr. Heningburg has time and again proven his capacity for extraordinary public service. The people of New Jersey distinctly recall two such occasions. In one instance, he successfully served as a mediator in a particularly heated Newark teachers strike. In the other, he strove mightily to justly conclude a prison disturbance at New Jersey's Rahway State Prison. These, and countless untold examples, reflect an enviable record of excellence in the public service.

The guidance Gus Heningburg provided as helmsman of the Greater Newark Urban Coalition will be sorely missed. Newark has lost a concerned and effective public servant. We wish him well in his new career as a consultant in urban and minority affairs, and hope we may still benefit from his wise and considered counsel in the years to come.●

UNITED STATES-MEXICAN PARLIAMENTARY UNION MEETING

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. WOLFF. Mr. Speaker, on May 6, I was indeed proud to participate in the 20th United States-Mexican Parliamentary Union meeting. This annual conference allows legislators from both our countries to come together and discuss mutually pertinent issues and has evolved into a significant addition to United States-Mexican relations. Mexico has been most cooperative with the United States in controlling their domestic drug production and illicit traffickers. This has resulted in a notable reduction in the amount of narcotics consumed in this country that originate in Mexico and I believe it would certainly be gratifying if other narcotics-producing nations would emulate Mexico's actions in this sphere.

The text of my address to the United States-Mexican Parliamentary Union follows:

SPEECH OF CHAIRMAN LESTER L. WOLFF BEFORE THE UNITED STATES-MEXICAN PARLIAMENTARY UNION

I am truly pleased to have this opportunity to address this 20th U.S.-Mexican Inter-Parliamentary Union meeting. This joint activity between our nations has become a principal component in U.S.-Mexican understanding of which we can all be proud. The bilateral efforts that we have undertaken have developed into an integral part of U.S.-Mexican cooperation, and I wish to commend the Government of Mexico for its exemplary work in controlling narcotics production and trafficking. We in the United States are profoundly grateful for your activity in this area, and I often wish other narcotics nations would act as tenaciously as Mexico has in controlling this problem.

Mexico's successes have been keenly felt in this country. According to the United States Drug Enforcement Administration, imports of Mexican heroin have fallen from 3.1 tons in 1977 to between 1.7-2.0 tons in 1978. This reflects a decrease of total production from 35 to 45 percent. Mexico's share of the U.S. heroin market has dropped from a high of 87 percent in 1975, to 45 percent in 1978. And this figure continues to decrease—largely through Mexico's efforts. Mexico has also been highly successful in stemming the flow of marihuana entering into this country. Mexican marihuana constituted 37 percent of supply present in the U.S. in 1977. In just one year, this percentage was reduced to 24 percent of the total.

It is clear that the primary cause for the reduction of both these drugs has been through the herbicide eradication program as implemented by the Mexican Government. This program utilizes Paraquat, the most efficient and environmentally safe herbicide presently on the market. Although this belief has been substantiated by a United Nations' Narcotics Laboratory study, it has met with substantial controversy in this country. Last year, in accordance with an interpretation of legislation enacted in the U.S. Congress, the Department of Health, Education, and Welfare determined that marihuana laced with Paraquat is health-hazardous to those who use this illegal substance. This determination triggered a provision in the law which could force a reduction in U.S. assistance to this program. I believed this would have a severe adverse impact on the international drug situation and, accordingly, as Chairman of the Select Committee on Narcotics, held hearings to review the methodology utilized in making this determination. In the coming weeks, the Select Committee will be issuing a comprehensive report on "The Use of Paraquat to Eradicate Illicit Marihuana Crops and the Health Implications of Paraquat-Contaminated Marihuana on the U.S. Market." This report reaffirms the Committee's strong support for the Mexican eradication campaign, and it raises serious questions concerning the analytical procedures used by HEW in arriving at this determination. We are hopeful that this report will bring about a reconsideration of the entire issue.

I also congratulate Mexico on taking the initiative in conducting extensive enforcement campaigns. According to some Mexican press reports, due to Operation Condor, there has been a 90 percent reduction in the presence of drugs in Mexico, and many international drug rings have been smashed as a result of actions taken by Mexican Federal Police under this program.

Although we have met with some success in controlling the drug trade between our two nations, our successes should not produce complacency. In 1978, 80 percent of the drugs entering the United States transited our borders overland. In view of this, there is a need for continued vigilance along our frontier. The United States established the El Paso Intelligence Center (EPIC) in 1975 in order to enhance and coordinate our intelligence activities along the border. I believe that EPIC has proven to be a successful mechanism in ameliorating our efforts to control trafficking, and it is vitally important for the Federal Police and EPIC to continue their excellent cooperation.

In order to maintain our intensified bilateral focus on drug trafficking, I and my colleagues on the Select Committee have long supported the concept of an inter-parliamentary narcotics consultative mechanism. I believe such an entity could complement the efforts of the subgroup of the U.S.-Mexican consultative mechanism established between our nations at the Executive level. Nevertheless, each time concrete plans are formulated to establish regular, inter-parliamentary meetings on narcotics, another impediment seems to arise. It is time that substantive progress was made in this area, and I am hopeful that this can be one of our topics of discussion and that this concept can come to fruition in the very near future.

I was very pleased when the United States and Mexico signed the Extradition Treaty last year. This treaty provides for the extradition of fugitives who have been charged with or convicted of a number of crimes including narcotics trafficking. This is yet another example of the positive cooperation that has evolved between our two nations in this field.

I am anxious to explore means by which we can assist you in combatting the indigenous demand problems you face. While it may not be as extensive as our drug problem, I believe cooperation at this level could also prove mutually beneficial.

I have had the opportunity of discussing many of these issues with you and other members of your government a number of times over the years, both here and in Mexico City. Your continued cooperation is vital to our efforts to control this situation. Unfortunately, as you know, the drug problem does not appear to be an ephemeral phenomenon. Nevertheless, we must not only never forfeit our faith. In fact, it is incumbent upon us to increase our commitment.

It is indeed an honor to be here today—and I hope that we can engage in a dialogue on these issues at this meeting.

Thank you.●

SOVIET EDUCATION INITIATIVE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. OBEY. Mr. Speaker, I insert in the RECORD the following article from this morning's Washington Post in hopes that it may draw the attention of some of our colleagues, particularly in the other body, whose preoccupation with megaton counting and construction of racetracks for missiles has greatly obscured the fact that our security rests on the effective functioning of many aspects of our society, including some that are now being cut to the quick in the name of national defense.

The article follows:

THE INTELLECT GAP

(By Daniel S. Greenberg)

Americans who monitor Soviet education are reporting extraordinary accomplishments there from a decade-long drive to provide all high school students with extensive, super-enriched training in mathematics and science. It's so successful, they're saying, that the American high school system has been rendered primitive by comparison.

Though there can be a lot of slack in the linkage between national power and scientific literacy, interest is compelled by the Soviet commitment to make virtually all its young people go through mathematical and scientific training of a duration and intensity that relatively few Americans experience. For example, while calculus has almost disappeared from the American high school curriculum—only about 100,000 students a year take it—all Soviet high school students get two years of calculus, and about 97 percent of Soviet youngsters now finish high school.

According to one of the leading American observers of Soviet education, Izaak Wirszup, professor of mathematics at the University of Chicago, the new Soviet science education represents a break with the old lock-step, imagination-dulling methods that have been widely blamed for Soviet science's relatively poor standing in world-class research. "These changes," Wirszup says in an unpublished report to the National Science Foundation, "are tantamount to an educational mobilization of the entire population." Of particular importance, he notes, is that the reformed scientific training is characterized "by an unexpected turn toward the individual and the development of his ability to do independent, creative work."

If that's so, and if it eventually takes hold in the actual conduct of scientific research, then the Soviet scientific community may be on its way to shaking off a well-earned reputation as a sluggish giant. The Soviets are aware of the relatively low productivity of their scientific enterprise and, as Wirszup points out, have given a high priority to expansion and reform of a school system that has been identified as a major bottleneck in the modernization of the Soviet economy.

The Soviets, he states, gave a great deal of authority for curriculum reform to their leading mathematicians and educational researchers. The result, he continues, "is a program for mathematics instruction that is modern in content, innovative in approach, well integrated and highly sophisticated. It gives strong emphasis to theoretical foundations and logical rigor as well as to applications. . . . Moreover, the extraordinary Soviet research in psychology and methods of learning and teaching mathematics has been applied to the new curriculum, which now surpasses in quality, scope and range of implementation that of any other country."

Wirszup, who is an internationally recognized authority on Soviet computer technology and mathematics education in the Eastern bloc, added in his report that the Soviet effort amounts to "a concerted drive to produce mass education of unmatched quality."

For those many Americans who take a peculiar pride in acknowledging scientific ignorance, the differences that Wirszup tabulated in standard Soviet and American high school programs are likely to be quite startling. He reports, for example, that a Soviet high school student is required to complete five years of physics, four years of chemistry, one year of astronomy, five and one-half years of biology, and so on down a list that would empty America's high schools via the dropout route. Wirszup concludes: "The disparity between the level of training in science and mathematics of an average Soviet skilled worker or military recruit and that of a non-college-bound American high school graduate, an average worker in one of our major industries, or an average member of our all-volunteer army is so great that comparisons are meaningless."

Finally, he observes that while the remaking of the Soviet education system has hit some snags and stirred up pedagogical controversies, the Soviets feel they're on the right track and continue to invest vast resources in what they themselves describe as an "educational revolution." As for the students, they are lured on, Wirszup states, by the realization that "educational achievement . . . is practically the only safe avenue to a more comfortable standard of living under Soviet conditions."

Wirszup's findings, along with continuing reports of slumping standards and student achievements in American high school science and math programs, contributed to a White House request in February for the Department of Education and the National Science Foundation to collaborate on a report, due next month, on science and engineering education in the United States.

Of the many shortages now confronting the United States, it may be that the intellect shortage is the most dangerous.●

THE UNITED BLACK FUND CELEBRATES 10 YEARS OF PROGRESS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. FAUNTROY. Mr. Speaker, the United Black Fund (UBF) celebrates 10 years of progress at its eighth annual victory luncheon, on May 14 at the Sheraton Park Hotel. The United Black Fund will honor its founders and those who have contributed to its success and development.

The list of this year's honorees includes: Calvin W. Rolark, Vanders Baccus, Walter Cox, David Eaton, Petey Green, W. Henry Greene, Margaret Hudley, Kent T. Cushenberry, Clarence Martin, Madam B. Miller, Ed Murphy, Fred Matthews, Peter Ridley, Oral Suer, and Frank Wells.

Presiding, will be Dr. Calvin W. Rolark, president and founder of the United Black Fund.

Ms. J. C. Hayward, will be mistress of ceremonies and Rev. Henry C. Gregory and Rev. Robert L. Pruitt, will participate in the services.

More than 1,500 guests, including representatives from 50 United Black Fund member agencies, will join in the 11 a.m. to 2 p.m luncheon festivities in the Sheraton ballroom.

This year's luncheon theme is "Ten Years of Progress"—marking the growth of UBF through its 10 successful campaign drives and 10 years of service to the Washington Metropolitan Area.

The United Black Fund has become the largest black fundraiser in the Nation, the first with full payroll deduction privileges within the Federal campaign, and is the only one to have a partnership relationship with the United Way.

Today, the United Black Fund assists 50 participating member agencies and grants emergency funds to numerous qualified, nonprofit organizations that render community oriented services within the Metropolitan Washington area.

Throughout the last 10 years, several hundred thousand people have been helped by the United Black Fund. I encourage all Members of Congress to join UBF at its victory luncheon.●

THIS NUCLEAR DECISION IS CONTAGIOUS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. WOLFF. Mr. Speaker, I wish to submit for the RECORD a copy of yesterday's New York Times editorial on the pending sale of enriched uranium to the Government of India.

As you know, I announced my opposition to the sale last Thursday. Since then, editorials in both today's New York Times and last Friday's Wall Street Journal have raised questions concerning the sale and are, I believe, indicative of a growing public concern with the issue of nonproliferation in general and this decision in particular.

The article follows:

THIS NUCLEAR DECISION IS CONTAGIOUS

President Carter is preparing to send another nuclear fuel shipment to India despite its refusal to open civilian nuclear facilities to international inspection. He hopes the shipment will remove a diplomatic irritant at a time when the United States wants Indian support to counter the Soviet thrust into Afghanistan. But something even more important than the political future of South Asia is at stake: proliferation of The Bomb.

India is the most flagrant violator of international agreements against secretly diverting nuclear materials for military purposes. To reward this conduct with another fuel shipment would undermine Mr. Carter's already faltering effort to curb nuclear proliferation.

Granted, the Administration is in a no-win situation. In 1963, the United States helped India build its first nuclear reactor, at Tarapur, and agreed to supply fuel for 30 years, under strict safeguards. So far as is known, the reactors and the fuel have never been used for military purposes. But in 1974, India shocked the world by exploding a nuclear device made with plutonium from a Canadian-built research reactor that used American heavy water.

The Indians blithely described the explosion as "peaceful" and therefore permissible under bilateral agreements. Canada promptly cut off nuclear aid to India, but the United States kept supplying fuel for Tarapur while trying to persuade India to stop testing and to accept international safeguards. Mrs. Gandhi gave the latest snub to those efforts in January when she refused to rule out further "peaceful" explosions.

The Administration now faces a dilemma. The Indians insist that, under the 1963 agreement, the United States is obligated to continue supplying fuel so long as the reactors at Tarapur are safeguarded; other nuclear activities are beside the point. If the shipments are now cut off, the Indians say, India would be free to confiscate the spent fuel—and extract plutonium that could be used to make bombs. That would be a momentous setback—the first time any reactor and its fuel had been removed from international safeguards. Worse, the friction might drive the Indians closer to the Soviet Union and jeopardize American efforts to stabilize South Asia. With so much to lose, the Administration reasons, why not ship another few dozen tons of fuel on top of the 250 tons previously sent?

The trouble with that line of reasoning is that shipping the fuel may have even worse consequences. The timing is terrible—coming just as the United States, in accord with a 1978 law, is trying to persuade its nuclear customers to open civilian nuclear facilities to inspection. If the United States yields to India, the one nation that has actually exploded a nuclear device made from civilian materials, how can it induce other nations to accept safeguards? The lesson will be clear: hold out long enough and the Americans will abandon their stated nonproliferation goals.

Before the Tarapur shipment is approved by any of the responsible parties—the Nuclear Regulatory Commission, the President or Congress—a better case needs to be presented. Would refusal to ship the fuel really drive the Indians much further away? Is there no way to retrieve the spent fuel from Tarapur to prevent extraction of plutonium? Has the United States really used every bit of diplomatic leverage to bring the Indians to accept full safeguards?

The President's nonproliferation policy is meeting stiff resistance from nuclear exporters and potential nuclear powers elsewhere. Opposition has led the United States to grant exceptions on a case-by-case basis. At some point, the erosion must be stopped—or the policy acknowledged a failure. Unless diplomats can find a way to exempt India without infecting the whole nonproliferation effort, this next shipment for Tarapur is the place for America to make a stand.●

ALCOHOL FUELS: THE VIRGINIA EXPERIENCE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. WHITEHURST. Mr. Speaker, I am very proud of the fact that the Commonwealth of Virginia has taken a number of positive steps in the promotion of industrial alcohol. The summary which follows was sent to me by Hon. Maurice B. Rowe, Secretary of Commerce and Resources of the Commonwealth of Virginia, and as Secretary Rowe pointed out in his accompanying letter to me, this is indeed an excellent example of teamwork when there is a real need.

I am delighted to share this information with my colleagues at this point in the RECORD, and I am confident that other States will find encouragement and guidance in the outline of the steps taken by Virginia. It is heartening to find that the spirit of enterprise is still very much alive, and I want to commend my native State for moving forward in this way.

Thank you, Mr. Speaker.

The summary follows:

ALCOHOL FUELS: THE VIRGINIA EXPERIENCE

Escalating petroleum prices in recent years have rekindled memories of alcohol-burning Model T Fords in Virginia and have created a growing interest in the use of industrial alcohol as a means of reducing our dependence in foreign oil. On the farm and on the highway, more and more people have begun using alcohol in mixture with gasoline with a few experimenting with an alcohol-diesel mixture.

Just last summer the Virginia Department of Highways and Transportation started a pilot project in which gasohol is being used in state cars. In a far-reaching action, Governor John N. Dalton on September 4, 1979, authorized the transfer of the responsibilities for the manufacture, sale, and transportation of alcohol fuels from the Office of the Attorney General to the Virginia Department of Agriculture and Consumer Services (VDACS). VDACS was also made responsible for the coordination of state efforts related to industrial alcohol.

The 1980 Virginia General Assembly, acting on the advice of the Governor's Cabinet, legally assigned the Department the responsibility for fuel alcohol production and control by enacting an emergency bill which was signed into law on March 31, 1980. This action had been recommended concurrently by the Joint Legislative Agricultural Opportunities Commission chaired by State Senator Howard P. Anderson of Halifax, and by the House Subcommittee to study the potential use of alcohol, chaired by Delegate James A. Davis of Ferrum.

Prior to its designation as the lead agency, VDACS had already begun working with other state and federal agencies involved in energy conservation and development and the regulation of alcohol production and marketing. A Department task force had been formed to begin investigating the feasibility of making and using alcohol in motor vehicles in the Old Dominion. At the request of the State Office of Emergency and Energy Services, the Department had embarked on a comprehensive study of the production of alcohol in Virginia which was published in December 1979 under the title, "A Report on Ethanol and Agriculture in Virginia."

In its new role as lead agency for fuel alcohol, VDACS has accelerated its efforts to facilitate the development of practical approaches to utilize this energy alternative and to gain a better understanding of the possible impact alcohol production might have on the state's food supply system. A Department task force headed by a coordinator has been established and subcommittees on regulation, transportation, marketing, and production have been organized. The Alcohol Task Force has provided advice and assistance to the many individuals and firms interested in alcohol's potential as a fuel. By May 1, 1980, this group has handled inquiries from 372 persons and has met with 228 individuals who attended seminars held throughout the state this spring. Over 150 people have been addressed by task force members in other meetings held on ethanol.

A very high level of interest in and commitment to industrial alcohol in Virginia has been demonstrated by the number of persons applying for permits and developing plans for production facilities.

Currently, plans for ten large to medium size commercial operations are under development. In addition, eight farm stills and five farm cooperative operations are in the developmental stages. Fourteen applications for permits to produce industrial alcohol in Virginia are pending.

The growing consumer interest in the use of alcohol as a fuel has prompted a favorable response from motor fuel retailers in the state. Currently, twenty-five permits have been issued by VDACS to companies selling gasohol.

It should be pointed out that the new law on industrial alcohol passed by the General Assembly simplifies the state permitting and bonding procedures and encourages the production of ethanol on the farm as well as in large commercial plants. When the federal permitting and bonding requirements of the Bureau of Alcohol, Tobacco and Firearms are fulfilled by an applicant, the state requirements are also satisfied. In addition, a farmer is now allowed to obtain a state permit from VDACS at no additional charge and without paying for an additional bond.

In Virginia state funds are needed for promotion of a fuel alcohol industry. Federal funds, offered by federal agencies have not generated alcohol production yet, but it is anticipated that federal funds will, at some time, stimulate installation of production facilities in Virginia. Grants, direct loans and guaranteed loans will become available. It is hoped that some federal funds will be released to the states for management and allocation. Particularly appropriate would be the deposit of federal money with state treasuries for use in securing bank loans for alcohol production. Guaranteed loans can best be processed by the states, where credit information is more immediately available and reliable.

In determining the potential benefits and effects of industrial alcohol production in the Commonwealth, VDACS officials have attended workshops and seminars on the subject, have visited operating facilities of different types and sizes, and have met with researchers and energy consultants from universities and federal agencies around the country to evaluate current technology. Commissioner Carbaugh in March headed up a study group that visited Brazil, a nation that has had considerable experience with industrial alcohol.

During this continuing evaluation process, the Department is developing a body of information needed in furthering the state plan for promoting the production and use of industrial alcohol as a fuel. So far, here are some of the observations that have been made:

(1) Fermentation of alcohol appears to be the most practical technology if petroleum derivatives are to be avoided;

(2) Grain is the most practical feedstock, although Virginia's animal population already burdens her grain production;

(3) A sincere desire by farmers for relief from their fuel costs has stimulated a high interest in farm production of a liquid fuel to replace gasoline;

(4) The technology in the bioconversion of municipal solid waste, forest waste, and farm waste to ethanol is now ready for field trials.

In looking at the future of industrial alcohol as an energy source the Department has identified the need for a state policy that will ensure the orderly development of an industry for producing fuel alcohol from farm products in the near future. In the long run, it should be expanded to provide for an industry that will also produce alcohol from the cellulose material found in municipal solid waste and in agricultural and forest waste.

Considering the economic uncertainty of experimenting with various approaches to alcohol production, it is important that state and federal governments work together in providing incentives or subsidies to those individuals and firms having worthy proposals. The development of fuel alternatives certainly should have a top priority if we are to retain our world position.

In addition to providing funds for loans or grants for developing innovative production facilities, state and federal governments must continue to evaluate the need and importance of tax incentives and public subsidies that will ensure price stability of alcohol fuels and price competitiveness with petroleum-base products. In view of the disruptive effects that foreign oil dependence has had on our nation's economy and body politic, support for efforts to reduce this dependence must receive our serious attention. Although industrial alcohol will not completely replace petroleum products, it has the potential for decreasing our imports and conserving our precious domestic reserves for generations to come.●

IN CELEBRATION OF TEMPLE BETH EL'S 30TH ANNIVERSARY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. OTTINGER. Mr. Speaker, on May 16, Temple Beth El of Chappaqua, N.Y., will celebrate its 30th anniversary as a congregation with a completely new service written by their renowned rabbi, Chaim Stern.

On this joyous occasion I would like to share with you a few of the many contributions Temple Beth El has made to quality of life in this Westchester County community. Founded by a group of 25 individuals shortly after the creation of the State of Israel, the temple has grown to a congregation of over 400 member families. During that time, Beth El has been a model for the Jewish community in Westchester through its educational, social, and religious endeavors. Educational opportunities include Hebrew classes and religious education for both children and adults.

Temple Beth El is also strongly committed to social involvement in Westchester County. Under the sponsorship of the temple's social action committee, a Soviet family was able to resettle in the community. This humanitarian venture was such an outstanding success that plans are currently being made to help another family find freedom and opportunity in the United States.

I must also mention the enriching religious environment created by Rabbi Chaim Stern who has written countless services for his congregation. He has brought a unique personal and contemporary perspective to the traditional themes of the prayer book.

Rabbi Stern has created a special service for this occasion using his own poetry and music contributed by Cantor Jeff Klepper, David Stern, Michael Stern, and jazz musician Arnie Lawrence in order to bring life to his interpretation of this week's Torah portion, which depicts wanderings toward the Land of Promise.

I am pleased to pay tribute to this remarkable congregation and I would like to commend Temple Beth El for its extraordinary contributions.●

CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORT: CHAMPAIGN AND LOGAN COUNTIES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. BROWN of Ohio. Mr. Speaker, I have received the report of the Congressional Youth Advisory Council Committee comprised of students from Champaign and Logan Counties and would like to share this information on Federal crop insurance with my colleagues in the House.

Following is the report of the committee from Champaign and Logan Counties:

CHAMPAIGN-LOGAN COUNTIES CYAC COMMITTEE

FEDERAL CROP INSURANCE LEGISLATION

1. The present all risk program:

All risk crop insurance is available through the USDA with the administrative costs subsidized by the taxpayers at 35% of the cost.

2. The proposed legislation:

S. 1125—Provides for *additional* subsidy of the participants premium of 20% to 40% at a 75% level of production.

H.R. 41119—Similar to S. 1125 except that the additional subsidy is 30% at a 65% level of production. Provides for a program subsidy above 30% for small farms but neglects to define small farms or limit the subsidy.

3. We think this legislation will result in the nationalization of the crop insurance industry by putting the crop hail agents and companies out of business because:

A. FCIC will competing with private industry by selling their product for about half price.

B. FCIC's goal is to cover 55% of all farmers in the U.S. in five years.

C. Increased levels of subsidy coverage and value per acre elections will decrease the need for crop hail insurance.

4. In addition to the previous points, this is *bad legislation* for the following reasons:

A. It wipes out all previous bad debts, this is *bad legislation* for the past mismanagement of FCIC.

B. It increases the capitalization from the present $200 million to $500 million, giving FCIC an even greater opportunity for mismanagement.

C. It removes the limitations on expansion.

D. It removes the $12 million limitation on administrative expense and authorizes unlimited appropriations.

5. If FCIC competition forces the nationalization of the Crop Hail Industry, the following segments will be affected:

A. 450,000 policyholders will lose a valuable coverage and choice.

B. 30,000 crop hail agents will lose an important part of their income. Agents earned $70 million in 1978 writing crop hail.

C. 4,500 crop hail company employees lose their reason for employment.

D. 140 companies will be affected. (In Canada, 36 crop hail companies have dwindled down to 10, due to Federal Crop type of competition.)

E. U.S. farmers presently carry $10.2 billion of private crop hail coverage, compared to $2 billion of the subsidized FCIC.

F. The potential annual tax loss is approximately:

	Millions
(1) Agents Federal income tax	$20
(2) Corporate Federal tax	10
(3) Employee income tax Federal and State	5
(4) State premium tax	7
Total taxes lost	42
Potential cost of proposed program	1,253
Total effect on Treasury	1,295

6. The free Disaster Program only cost $436 million per year average, which the legislation is intended to replace.

REASONS IN FAVOR

Mr. Carl Clayton and Mr. Ivan McAdow who testified before the committee are in favor of Federal Crop Insurance.

Mr. Clayton is the district director for Southern Ohio of the Federal Crop Insurance Corporation; Mr. McAdow is a farmer. Both are originally from the Sidney area. Mr. Clayton passed out information entitled, "What's Missing?" Both felt that in good years and bad, Federal Crop Insurance pays off. In their view, the advantages are:

(1) It helps manage risks. Some present-day management tools available to farmers are disease resistant seeds, tillage practices that reduce the risks or soil damage, and chemicals to combat crop insects. Federal Crop Insurance guarantees that if you lose your crop, you won't lose the money you have invested. Federal Crop Insurance is financial security for the farmer.

(2) Federal Crop Insurance is "Investment Protection." Farming needs investments of money to be successful. Federal Crop Insurance will return the invested capital. The thousands of dollars spent on things such as seed, fuel, and fertilizer when a farmer has an unsuccessful year are not as costly if the farmer had no insurance. Farmers can make maximum use of their full capital resources every year with an all-risk policy to protect the farmer against the minority of years a farmer might have a loss.

(3) It assures family security. If a farmer encounters a bad year, his family will survive with an all-risk policy.

(4) It permits expansion. Expansion requires borrowing money. To borrow money, you need a source of income for repayment in bad years, as well as good years. Federal Crop Insurance permits expansion financially safe and profitable.

(5) It expands management capabilities. A low-risk business has three advantages. A farmer can safely invest money with Federal Crop Insurance. With low risk, a farmer may carry out long-term plans that involve fewer "ifs." A business with less risks can borrow more money.

(6) It increases borrowing and repayment powers. Federal Crop Insurance assures the lender that you will be able to repay your loans on a timely basis, even if you lose your crops.

(7) Federal Crop Insurance backstops forward contracting and hedging. A farmer can contract his crops ahead of time. If a farmer has a bad year, Federal Crop Insurance will provide that extra little "boost" of financial support.

Although Mr. Clayton and Mr. McAdow agreed for the most part on Federal Crop Insurance, in summary here are their opinions:

They believe that Federal Crop Insurance is beneficial to the farmer just as is car insurance to everyone else. Federal Crop Insurance is security for the farmer which can help him financially and help accumulate one's capital and returns.

A CONCURRENT RESOLUTION TO SOLVE THE PROBLEM OF FEDERALLY FUNDED CROP INSURANCE

IA. Be it enacted, the present company known as the FCIC, be phased out over a two-year period.

IB. That all present participants of the Federal Crop Insurance program be turned over to the private companies.

IIA. Be it established that a new tax shelter be effected into laws, and that 20 percent of the total premium paid for insuring clean percentages of crop be creditable on taxes owed.

IIB. That all capital sources be deferred into two major areas.

1. To work against the federal debt.

2. To go toward federally funded college scholarship programs.

Part IIB of the Resolution was amended by voice vote to strike out the sub-parts 1 and 2 after deleting the words "two major areas" in the first line and substituting the words "the general fund of the Federal government."

Following the action to amend the resolution, it was approved as amended by voice vote.●

SELDON KRUGER INSTALLED AS HEAD OF STATE UNIVERSITY OF NEW YORK AGRICULTURAL AND TECHNICAL COLLEGE AT DELHI, N.Y.

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. McHUGH. Mr. Speaker, on April 26 a distinguished educator, Seldon M. Kruger, was installed as president of the State University of New York's Agricultural and Technical College at Delhi, N.Y.

In the address he gave at his investiture ceremony, President Kruger spoke movingly of his experiences over 22 years at this college which is so important to New York State. He also made a number of wise observations about the future of higher education in our changing society.

I am pleased to share his message with my colleagues by including it in the RECORD:

ADDRESS OF SELDON M. KRUGER

Dr. Wharton, Vice Chairman Rasmussen and members of the College Council, my colleagues, students, alumni, and friends of the College.

My heartfelt thanks for the kind and generous words that have been spoken. Be assured that I am mindful, on this one-year anniversary date of my appointment as president of this college, of the honor, trust, and responsibility that is mine. For me, this moment is both a beginning and an end that leads to yet another beginning.

Twenty-two years ago I came to this small college, then an institute, as an assistant professor of social science, in a department of one. Holding department meetings was a relatively simple task—I held them as I walked up the hill each morning to Ladd Hall. At that time, a college staff of 22 served a body of 300. And, while teaching loads were heavy, there was an excitement and an intensity that energized our lives—we taught, recruited, developed new programs, and dreamed about and planned new buildings. We knew each other well and we greeted each student by name. They were exciting days because we were exploring new thresholds in learning, introducing new programs, and following Bill Kunsela's edict to "build an empire."

Bill brought to this campus an adventurous spirit; but more importantly, he communicated his own personal commitment and sense of mission to each and every staff member and student. His belief in technical education and this college, his affection for young people, and sense of public service, set the pace and tone. While we lacked the physical plant we now have, we were never short of esprit de corps. The strong sense of community we now have, and the feeling of responsibility for each other are found, at least for me, in those challenging years.

To follow Bill Kunsela, Bill Kennaugh and their close associates—Klare Sommers and Clarke Hoffman—is a wonderful privilege. They represent the best of a beginning in my career at Delhi and they clearly have set the direction for the future. The tradition and pattern of excellence that they established must be preserved and it is a charge I set for myself. This is much more than a milestone in my life, but it does mark the end of an era and the beginning of a new one—a new beginning reaffirming the past, which at the same time seeks to fulfill the promise of the 21st century.

Today is significant not because Delhi has installed a president. What is important is seeing this installation and the events which occurred on this campus this week, as symbolic of the on-going diversity and richness of the human potential of this college community . . . students, faculty, and staff . . . and the vitality of technical and general education. What is important in the last analysis is people, not buildings, because people give life, meaning and purpose to our existence.

This occasion is a personal one—indeed it is intended to be a "family affair," bringing to our campus Chancellor and Mrs. Wharton, Council members, present and former faculty and staff and their families, former presidents of the College, present students, alumni, the presidents of our sister agricultural and technical colleges, and importantly, our friends and neighbors in the Delaware County community.

It is a good time to view the present, examine the past, and look to the future.

Since the second World War, a hallmark of our national life has been product consumption. Radio, television, newspapers, relying on this modern age of affluence, have encouraged us to buy and enjoy; and we have responded enthusiastically. And, so we have consumed more and more, becoming a consuming society. Consumption, after all, we were told, meant a higher standard of living, a better and happier life. Now we are chagrined, disturbed and perplexed because we find that more of everything has not made us happier, stronger, or more content as a nation; and in this process of aimless consumption we have polluted our air, eroded our soil, contaminated our water, and weakened the fabric of our values as a people. With each passing decade we have devoured, in ever-increasing amounts, more and more of our natural treasures which cannot be replaced or renewed. Our growing and insatiable appetite has intensified inflation; confronting us now with the need to provide heat, electricity, food and clothing for growing numbers of our own citizens who believed, with the rest of us, that the "well would never run dry." Our national appetite has made us dependent on others for resources while placing increasing hardship on middle-class America and the poor. Although we are now seeking alternate energy sources, the fact is that our standard of living will change until a coherent national public energy policy emerges and is accepted.

The United States suffers more than other nations because we, in comparison with the rest of the world, are inordinate consumers of the world's non-renewable resources. For example, World Bank figures show that the average yearly energy consumption measured in coal equivalents in less developed countries is 52 kilograms per capita; in industrial countries it is 5116 kilograms per capita; and in the United States 11,000 kilograms per capita. Those statistics tell the story and reveal the dimensions of the problem.

How did we allow ourselves, as a people, to be placed in so perilous a position? One answer to the question must surely be that we did not have a national understanding of technology. We saw technology as a resource in and of itself, forgetting that technology is man-made, sophisticated as it may be. At the same time, we deluded ourselves into believing that bigger was better, so we produced more goods and services, using technology, but failing to counterbalance its long-term human and environmental impact. We forgot that man's intelligence provided the technological base for machines, computers, synthetic fibers and plastics, without really understanding that technology is neutral—that any technology or its results can be used, like nuclear energy, by man, for good or evil. And, those engaged in the development of technological processes must have, themselves, a sense of human purpose so they do not deplete, but rather enrich, the lives of people and the environment they live in.

Put another way, major technological developments from television and computers, to nuclear energy, are the result of man's work . . . technology is a humanity not created by nature or leprechauns. Technologies are created by human beings and are the extensions of man to be used by humanity. Thus, they pose human options, create human opportunities, and require human answers.

Technologies give us choices. In the past, as a people, we left those choices to others who did not see the cultural link and necessity of nature and technology. They, and we, failed to understand that only people, not technology, could manage the environment for continued human use, and embarked us on a road of creating an imbalance in our "ecosystem," because the interrelationship between people and things was not clearly seen or, worse still, ignored. The use of technologies must be understood and finely tuned to human cultures and value systems.

Our national fortune is linked to those of this "whole earth" and the struggle for dwindling resources may ultimately lead to conflict. Increasing world population and exhaustible energy supplies are simply not compatible. A decline in population and energy demands must occur. Energy supplies, in all forms, are limited; the world's population (4.5 billion) is increasing at 1.9% annually. All this forecasts an unpleasant future unless we become a "conserving society."

Is the future hopeless? I think not. What we do and how we act will be crucial. The answer, or at least part of it, can be found in this college's history. As the 20th century unfolded, there was widespread concern here in rural Delaware County that there would not be enough "food or fiber" for this country's population. Of grave concern, also, was the outmigration of young people from the family farm to urban areas, which if allowed to continue would erode agricultural productivity. In those days, technical and vocational education had little support, so there was no agricultural educational opportunity beyond the elementary school.

It was in response to this need that Elizabeth and Amelia MacDonald, Charles Harkness and Jerome Farrell responded and, together with others, sought to convince the legislature to establish a state school of agriculture and domestic science here in Delhi. Twice the legislature responded affirmatively, only to be thwarted by gubernatorial veto. Finally, on May 24, 1913, the third time, newly-elected Governor Sulzer agreed with the legislature and the college at Delhi was born.

We are told that when the news was read to a "large audience gathered at the Delhi opera house," there was applause and rejoicing. At last, there would be a modest beginning to train farmers who would be able to understand and operate farms in an era of breathtaking new technology. Also, they saw the new State School as providing an educational update to the agricultural community on a continuing basis—a public service we now call "lifelong learning."

The founders saw the relationship between people and technology and the necessity to extend whatever knowledge was to exist "on this hill" to the community. There had to be a balance between technology and nature; for if technology was not understood and harnessed, human deprivation would surely follow.

When the "ag school" opened it doors in 1915, its teaching staff consisted of two instructors and the director—to provide instruction for the nine students in the entering class. In 1921 eighteen young women were admitted to a fledgling domestic science program offering instruction in rural sociology, principles of teaching, school management, homemaking, and elementary agriculture. With time, new programs, like building construction, were added so that what had become the State School of Agriculture, was renamed, in 1941, the New York State Agricultural and Technical Institute. In 1948 the institute became a unit of the new State University of New York and in 1964 became the State University Agricultural and Technical College at Delhi.

Today, Delhi is a comprehensive degree-granting college offering technical, vocational, and transfer programs. Its student body numbers more than 2,500 full-time students and 400 part-time students with a faculty and staff of 363. This transformation is reflected in the diversity of more than 40 degree and certificate programs in agriculture, management, engineering, vocational studies, liberal arts, and individual studies. The college's commitment today extends to men and women, young and old, who seek job mobility and personal growth. It draws its strength and commitment to excellence from its faculty, staff, and student body, and is part of that unique network of 64 colleges and universities forming the State University of New York, the largest and greatest university system in the world.

For centuries, a debate has raged as to what the ingredients of a technical education should be. Aristotle argued that education should develop the human intellect, build character, and teach practical competence. Alfred North Whitehead affirmatively answered the question, "Can a practical and liberal education be integrated?", pointing out that it is fallacious to see technical and liberal education as separable. Whitehead said, "There can be no adequate technical education which is not liberal, and no liberal education which is not technical; that is no education which does not impart both technique and intellectual vision. In simpler terms," he continued, "education should turn out the pupil with something he knows well and something he can do well. The intimate union of practive and theory aids both."

The academic programs of this college are strong because we know that excellence demands an understanding by the student of technical theory, and the ability to apply skill. We also know that technical training alone leads to a dead end and obsolescence. Today's technician must have the ability to think critically, analyze, reason, and independently pursue knowledge. Those characteristics of the human mind should enhance the potential of each student as a person and worker. While it is true that for the most part Delhi prepares students for the world of work, our interest and goal is to go beyond technical competence. We see each student as a human being with potential that is extended by appreciation and understanding of music, art, literature, the social sciences, mathematics, and science. The outcome we strive for is a graduate who is competent in his or her major field of endeavor, who approaches life and work in a human way and who understands the impact of what he or she does. The Delhi graduate, we hope, evolves into a person who is sensitive to the human condition, and plays, in a thoughtful and responsible way, a positive and contributing role as a member of society. If all we accomplished at Delhi is the preparation of students with only technical competence, we would be failing them and the demands of 21st century living.

For this reason, we believe the humanities, social science, mathematics and science—the core of any general education or liberal arts curriculum—are as vital to the education of a technician as is the substance of technology. It is on the grounds of social and technical relevance that we, for example, believe a basic understanding and competence in, at least, one of the computer languages is essential for future Delhi graduates; as is the necessity of introducing students to cultures based on different value systems. Our need is for a closer campus union between technology and general education.

Each generation has faced what appeared to be insurmountable problems that were solved—and change followed. The crisis in Iran, the energy shortage, economic recession coupled with inflation, the need to harmonize technology with human need, are among those issues we must now resolve. One way or another, each will be resolved. What troubles us, is, how each will be worked out. This uncertainty of outcome, at least in part, explains individual anxiety, frustration and alienation, causing us all to seek a clearer sense of our own identity; so as people we may hope and find a brighter future than the one we now see before us.

But, so it has been with each generation of Americans. They sought new paths so they could direct the "realities" they faced. They sought to act with, not react to, the changing times that faced them, although not always wisely.

Hope, when coupled with individual action, not hope alone, is the ingredient of living. Life devoid of personal attainment is not living. We best not fool ourselves that there is life without purpose; life without creative achievement; life without love; life without joy and sadness; or life without the appreciation of beauty. Life, in short, is more than breathing; it is the experience of living.

In its 67 years, this College has passed through periods of great change—two world wars, the "great depression," recessions, the Korean and Vietnam wars, and entry into the nuclear age. In all of it, nothing was certain, yet each new decade brought departures from the past. Some of what occurred was good, other things not so good. But, the fact is, each generation was able to respond and produce change when it acted with hope and conviction, grounded in an understanding of humanity.

This college enters the homestretch of this century, facing the new realities I spoke of, along with fewer young people of college-going age, probably more older people who will want post-secondary education, and fewer resources with which to serve them.

For myself, I have both a sense of hope and determination to carry forward the historic mission of this College—aiming always for "overall excellence." Surely in the years ahead, the comfortable configurations of the past will be altered; but I do not, and you should not, fear new modes of instruction, the probability of a new mix of students, or intensifying our existing effort to enlarge our institutional service to agriculture, industry, commerce and the community. Our mission is not diminished in change, but enlarged; because we can and will, contribute the combination of technical and human competence essential to a better life and the revitalization of the economy of this State and Nation. We shall do this as a college community of people because we have not lost the will and desire to give a wholeness to the human experience.

We do not enjoy the realities of hard times, or difficult problems; but neither will we kneel before adversity.

I pledge to you—Chancellor Wharton, members of the College Council, students, alumni, and friends of this college gathered here today, the determination of myself and my colleagues not to be intimidated by impending change. Rather, this president and this staff will respond as they always have responded, with renewed hope, strength and firm determination, to meet the challenges of change, viewing them as we do—as opportunities.

To the faculty and staff of this college, I pledge not only to revere the past, but to work for the new; and to pursue with you the truth in the common interest of our college community.

To our 13,000 alumni, I pledge to preserve the college traditions that have served you and your children; and I will call upon you for support as we seek new ways of achieving our mission in the months ahead.

To this entire assembly and to our neighbors and friends who support this college, I say join us and take pride in our students; they are the reason we are here. Respect them as you respect yourselves; they are our future. All of us have faith in them, even as those who teach them do, for they promise to be better than you and I.●

CONGRESS CAN CUT HOSPITAL COSTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. COLLINS of Texas. Mr. Speaker, we are still hearing about how Government health planning could save Americans millions of dollars. Yet every time the Federal bureacracy has interfered in the hospital industry the only result has been increased health care costs. The costs of compliance with current legislation are a large drain on a hospital's budget.

One example of this inflationary overregulation has been witnessed by St. Luke's Episcopal Hospital, in Houston, Tex. St. Luke's includes a children's hospital and a heart institute. St. Luke's gave me their report on the annual costs of complying with Federal laws, rules, and regulations. From January 31, 1979, through January 31, 1980, the chunk of their budget spent to comply with Federal laws was over $113,000. This represents an annual cost of $29,508 to comply with section 504 Rehabilitation Act, $57,914 to comply with the affirmative action plan and $25,800 to comply with the equal employment opportunity requirements. For each of these programs, $12,500 was spent on clerical assistance for maintaining the plan alone. Another $10,000 was earmarked just for supervision, maintenance, and audit of each program. Besides the grand total of $113,000, there are also legal costs of handling audits, employee benefits, depreciation of furniture and equipment, architectural charges, and cost of compliance with uniform guidelines on employee selection procedure.

Congress can effectively cut medical care expenses by reducing paperwork of overregulation. Our country has more government than it wants, more regulations than we need, and more taxes than we can afford to pay.●

INSTITUTE FOR POLICY STUDIES' INFLUENCE ON U.S. FOREIGN POLICY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. McDONALD. Mr. Speaker, our concerns with the activities and influence of the Institute for Policy Studies (IPS) date back many years. IPS is a consortium of Marxists pressing for revolutionary change in American domestic and foreign policies through a variety of tactics. However, the single cohesive cord that binds together IPS's multitude of projects and activities is the influencing of U.S. policies along lines favorable to the interests of the Soviet Union, its satellites, client states, and controlled terrorist national liberation movements.

Those individuals who have quit the Soviet KGB, government and Communist Party posts to seek freedom in the West have emphasized that the Soviets place the greatest importance not on mere classical espionage, the collection of military, industrial, and political information; but on the recruitment and placement of what is termed "agents of influence," individuals under their control who can influence the public via the press, the academic community, Congress and the executive branch.

The U.S. intelligence agencies exposed one such Soviet influence and espionage apparatus in the 1950's. That was the Institute for Pacific Relations (IPR) and the related publication, "Amerasia." The IPR provided a meeting ground for left-leaning U.S. Government officials, journalists, academics, and businessmen with Soviet intelligence officers using diplomatic cover, Soviet secret agents and ideologically committed members of the U.S. Communist Party. Following exhaustive hearings and investigations by the former Senate Internal Security Subcommittee, the Institute of Pacific Relations dissolved. But IPR has a successor operating in Washington called the Institute for Policy Studies.

After more than 15 years of building its power and influence in Washington, on Capitol Hill and in the major newspapers, IPS feels so secure that it has even conceded that its purpose is to continue the work of the old IPR.

IPS has had considerable success in developing contacts with younger leftists on Capitol Hill and in the past administrations, and in keeping in contact as they moved up the ladder. As Brian Crozier, director of the London-based Institute for the Study of Conflict, has pointed out, IPS has become the perfect intellectual front for Soviet activities that would be resisted if they were to originate openly from the KGB.

This situation has been outlined in an excellently perceptive article by Dr. Rael Jean Isaac, a political sociologist who has previously produced monographs examining the critical IPS role as a support group for the Soviet-supported terrorists of the Palestine Liberation Organization. Dr. Isaac's article appeared in the February edition of the newsletter of the National Committee on American Foreign Policy. It is of interest to note that the chairman of this committee is Hans J. Morgenthau, a former IPS trustee who provided favorable comments for a 1974 anticorporate polemic, "Global Reach," by IPS cofounder Richard Barnet.

Let us hope that Dr. Isaac continues her research and writings on the Institute for Policy Studies. In the interim, the efforts of IPS to gather Capitol Hill staffers into classes at IPS's Washington School should make her present article of immediate concern to my colleagues:

The article follows:

NEW-LEFT INPUT INTO U.S. FOREIGN POLICY

(By Rael Jean Isaac)

Stewart Alsop noted twelve years ago that "To endure the pain of power, a nation needs a conviction of its own righteousness." Since he wrote those words, a guilt culture has developed in which the past exercise of American power is blamed for most of the world's ills and the exercise of American power in the present has all but ceased to be an option. Considerable "credit" for the atrophy of our national will belongs to a little known organization in Washington, D.C., the Institute for Policy Studies (IPS). The subject of a 1971 article in Esquire, two articles in Barron's in 1976, and a 1978 article in the New York Post, the institute has received remarkably little attention in the major media. (By far the best coverage of IPS has been in the "Information Digest," a newsletter put out since 1968 by John Rees.) Yet the institute represents an unprecedented success story: the achievement of the new left, after its supposed demise, in shaping United States foreign policy.

THE ORIGIN OF IPS

The origin of IPS has been described by its founders, Marcus G. Raskin and Richard J. Barnet, who still head the institute. On April 14, 1961, Barnet and Raskin attended a White House/State Department disarmament conference, Raskin on the staff of the National Security Council as an aide to McGeorge Bundy and Barnet as deputy director for political research of the U.S. Arms Control and Disarmament Agency. Barnet noticed Raskin's alienation, contempt, and hostility toward the "whole military-industrial establishment sitting here at one table." As Barnet told an interviewer, "Marc and I both grimaced at the same moment—and knew we didn't belong here."

The Institute for Policy Studies was formed two years later, in 1963, with funding from liberal foundations, including the Ford Foundation, the Milbank Foundation, the Commonwealth Fund, the Palisades Foundation, the Stern Family Fund, and a number "of generous individuals." As the institute's programs became harder to define as "liberal," by even the most liberal stretch of that abused term, there was a falling off among the initial funders, and IPS became increasingly dependent on the "radical" foundations. IPS received over two million dollars from the DJB Foundation, whose founder, Daniel J. Bernstein, said "the chief enemy of mankind" is "the injustice of governments and of the United States Government in particular." The single most important source of funds has been the Samuel Rubin Foundation. In 1974 alone it gave $1,200,000 to IPS's Transnational Institute, and since then, the Rubin Foundation has given roughly $500,000 a year, or half the IPS budget. Samuel Rubin's son-in-law, Peter Weiss, is chairman of the board of trustees of IPS. IPS fellows are supposed to raise funds to help support their "projects," and an important source of such funds has been the relatively small Louis Rabinowitz Foundation. Its president, Victor Rabinowitz, is a former president of the radical National Lawyers Guild.

IPS ANALYSIS OF AMERICAN SOCIETY

The ideas of the Institute for Policy Studies have been set forth in the voluminous writings of its founders and fellows. Perhaps the best single source is Marcus Raskin's Being and Doing, published by Random House in 1971. The conceptions in this book are so jejune that they are painful to summarize, for, given the impact that the institute has had, they constitute a devastating indictment, testifying to the intellectual poverty of a political leadership that could be influenced by them.

According to Raskin, the United States is a Colonized Society. There are "four overlapping Colonies," each of which "hollows out man and objectifies him for the purpose of running the Colony." There is the Violence Colony, whose rulers, specialists in the techniques of violence, use "the rest of society as their hostage." According to Raskin, "the American imperium is now viewed as the world's primary enemy by the poor and the young." The university is "the fundamental shield and terrorizing instrument of the state." In the "Plantation Colony" people "work at meaningless and unreal jobs to obtain things that they are led to want" but that do not "satisfy human needs." The third colony is the "Channeling Colony," which "breaks" people into "accepting authority structures. Its inmates learn to become bored, user-used and hollowed out." Finally there is the "Dream Colony," which "provides a surrogate of action and passion for the colonized, replacing their own actions and passions, which could stem from human feeling."

Decolonization, it should surprise no one to learn, is the answer. The Violence Colony will be eliminated through persuading "political forces in a coalition to bring about a situation wherein the national security state is *dismantled*." (Italics are Raskin's.) The Plantation Colony will be replaced by workers operating their own industries established by the taxing powers of government. (Presumably those, like Raskin, who know what human needs really are will determine what is produced by them.) We will be freed from the Channeling Colony when records are destroyed, grades and tests are abolished, and "free inquiry" is substituted. The Dream Colony will dissolve as television becomes a way "to build continuous new relationships between people in an associative, democratic way." In sum, the "Colonized Society" will be replaced by the "Reconstructed Society," a new-left nirvana of autonomous freely producing cooperatives in an anarchist-syndicalist federation. In Raskin's utopia there will be no hierarchy, no coercion, only the fulfillment of the human needs of the perfect human being. (Present human imperfection is wholly attributable to the colonizing agents.)

IPS' INFLUENCE ON LAWMAKERS

Difficult as it may be to believe, these fantasies have provided the "philosophic basis" for the institute's highly successful activities. And incredible though it may seem, legislators, legislative aides, and members of the Washington bureaucracy at every level have actually sought to follow the prescriptions of IPS and literally dismantle the national-security state.

From its beginning IPS has directed its primary attention to policymakers. Barnet, Raskin, and others who joined the institute have maintained extensive contacts with legislators and their staffs and with the executive bureaucracy. The initial major project of IPS, starting in the fall of 1963, was a "seminar on national security and disarmament" to which White House and State Department officials, congressmen, and their leading staff members were invited. The first openly-stated purpose of the seminar was to analyze the structure and operations of the U.S. defense system, including congressional, Defense department, and defense industry interactions, and to determine precisely how and by whom policies were formulated and decisions implemented. The second goal, according to the prospectus, was to ascertain "the loci and levers of change in the present system," that is, the points at which pressure could be applied to weaken the defense system. This seminar revealed what would become the typical modus operandi of IPS and a major source of its strength. It was what Raskin called a project, that is, not merely a series of lectures, but something from which IPS staff people could learn in moving forward their goal of dismantling the U.S. security system, or, as IPS saw it, "the Violence Colony." Information came to IPS not only from the seminar's "students," both the government aides and the officials who participated, but from those to whom the participants referred them and with whom they set up contacts.

Seminars designed specifically for congressmen followed. In 1965 there was an eleven-month series on "The New Era of American Policy and Statecraft." The seminars were seminal in the formation of Members of Congress for Peace Through Law (MCPL), an organization that has a professional, paid staff. Originally this group concentrated on coordinating congressional votes against appropriations for the Vietnamese war and against aid to the South Vietnamese government. It has developed into a substantial body of 188 congressmen who serve as an antidefense lobby. Members of the MCPL have been in the forefront of the effort to hobble the intelligence agencies. (Thanks to their efforts, no less than eight committees of Congress, the armed services, foreign relations, appropriations, and intelligence committees of both houses, must be informed of every major CIA operation. (Given the probability of leaks, there can be no such operations.))

The MCPL also serves as a "human-rights" lobby. The human-rights problems examined are primarily those of countries allied with or not unfriendly to the United States (Israel, Argentina, Chile, Indonesia, Taiwan, South Korea). IPS has brought special pressure in its campaigns on Capitol Hill against Chile and South Korea, the first because a "progressive" regime (that of Allende) was toppled by a "reactionary" regime, and the second because it represents the most explicit remaining United States commitment outside Europe. From the standpoint of IPS, the MCPL concentrates on the most crucial areas. United States ability to maintain itself as a great power (i.e., as a "Violence Colony") rests on its defense forces, intelligence capabilities, and allies. It is all three that the IPS-inspired congressional bloc undermines.

Although IPS projects in the almost two decades of the institute's existence are far too numerous to describe here, two can be singled out to illustrate the amalgam of "research" and "action" that is the IPS hallmark. IPS's "Government Accountability Project" encourages "whistleblowers" in government, especially in the defense bureaucracy, to telephone government secrets to IPS. Government employees are not informed that it is an IPS project. A typical IPS handout for the project has a red, white, and blue cover with an American flag. Government employees are made to believe that they engage in a patriotic act, not that they contribute toward bringing down what IPS likes to call the "national-security state." Another IPS project studies "rank and file unrest as it developed in all the services, from the early years of Vietnam to the present." The project's leader David Cortright had himself been a leader of the so-called "GI Movement" against the Vietnam War. Returning from an IPS-sponsored trip to an anti-NATO Congress in Holland, Cortright called for considering an effort to "achieve a mass soldier organization within the American armed forces" that could have the effect of "crippling military effectiveness."

INPUTS INTO POLICY

Perhaps the most dramatic instance of IPS influence on Capitol Hill is the "Alternative Budget." In 1975 John Conyers (D.-Mich.) one of the most stalwart of IPS supporters on the Hill, in the name of forty-seven members of Congress, invited IPS to prepare a study of the (Ford) budget. In the following year fifty-five members of Congress asked IPS to repeat the effort. The Alternative Budget, now called the Basic Needs Budget, has become an IPS institution. The members of IPS's National Priorities Project are now active in developing a strategy for the Transfer Amendment, which has wide support among the MCPL, that would mandate the spending of billions of dollars, to be cut from the defense budget, for programs that "meet human needs."

Ironically, IPS has become mentor to Congress on the American democratic process that it despises. "The Program of Political Transition" in 1978 directed an ongoing IPS seminar on the Democratic party, "its composition, direction, and the role of progressives within it," for congressmen and their staff.●

WESTERN STATES LEGISLATIVE TASK FORCE CALLS FOR DIRECT STATE MANAGEMENT OF PUBLIC LANDS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. SYMMS. Mr. Speaker, I would like to call my colleagues' attention to an important resolution adopted by the Western States Legislative Task Force, calling for the transfer of federally owned public lands to the States.

The Western States Legislative Forestry Task Force is a very conscientious group of State legislators from Idaho, California, Alaska, Oregon, Washington, Montana, and Wyoming. The group has been active in promoting discussion of problems that are important to the West as well as the rest of the country. Their resolution typifies the feelings of many citizens of these States, calling for management of public lands that is more responsive to the needs of the people who live there.

The onerous burden of absentee landlordship has created the Sagebrush Rebellion. People frustrated with the unresponsive management of a Federal bureaucracy have asked for local control. The movement is broad-based with roots deep in the history of our West. I commend this resolution to my colleagues. The resolution reads as follows:

A RESOLUTION RELATIVE TO SUPPORT OF S. 1680—A BILL TO DIVEST THE FEDERAL GOVERNMENT OF THE PUBLIC DOMAIN AND TO VEST TITLE THEREIN WITH THE RESPECTIVE STATES

Whereas, equality of constitutional right and power is the condition of all the States of the Union, old and new; and

Whereas, every new State admitted into the Union is entitled to exercise all of the powers of government which belong to the original States of the Union; and

Whereas, the citizens of each State are entitled to all of the privileges and immunities of citizens in the several States; and

Whereas, the power of Congress to admit new States into the Union under Article IV, Section 3 of the Constitution of the United States was not designed to impair the equal power, dignity and authority of the States; and

Whereas, as a condition of admission into the Union, Congress has, on occasion, imposed burdens upon new States that are not shared by the States equally; and

Whereas, the original thirteen States, and States formed from territories thereof, owned all public lands within their borders; and

Whereas, title in the Federal Government to public lands within the borders of the thirteen States, and States formed from the territories thereof, rest only on deeds of cession voluntarily consented to by the legislature of these States; and

Whereas, as a condition of admission into the Union, Congress retained in the Federal Government, ownership over substantial amounts of territory located within the borders of States west of the one-hundreth meridian, this occurring despite the Treaty of Guadalupe Hidalgo which specified that the lands which eventually became all or part of seven western States of the Union were to be formed into "free, sovereign and independent" States; and

Whereas, the very high percentage of federal land ownership in the western States and the very nature of the Federal Government with its agencies which manage the federal lands, deny these western States and their citizens the right to determine their own destiny and therefore deny them the same rights and privileges given to every other citizen of the United States not residing in any public lands states; and

Whereas, there is precedent for large transfers of federally owned public lands designed to place new States on par with the original thirteen States of the Union; and

Whereas, the States of the Union and their citizens can more efficiently, more effectively, more appropriately and more responsively manage direct control and supervise the orderly use of lands within their States; Now therefore, be it

Resolved By the Western States Legislative Forestry Task Force that the bill S. 1680 by Senator Orrin Hatch of Utah, heretofore introduced in the Senate of the United States, which provides for the cession and conveyance to the States of federally owned, unreserved, unappropriated lands and the establishment of policy, methods, procedures, schedules and criteria for such transfers is hereby endorsed and passage into law of S. 1680 is hereby urged; and be it further

Resolved That the Executive Director of this Task Force forward copies of this Resolution to each member of the Congressional delegations of the Task Force member States, the Speaker of the United States House of Representatives, President pro tempore of the United States Senate, the Secretary of the Interior, the Secretary of Agriculture, and the President of the United States.

I, Richard A. Robyn, Executive Director of the Western States Legislative Forestry Task Force, do hereby certify that this is a true and correct copy of a Resolution adopted by the Western States Legislative Forestry Task Force on March 30, 1980

RICHARD A. ROBYN,
Executive Director.●

THE FARM INCOME CRISIS

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mrs. SMITH of Nebraska. Mr. Speaker, on April 29 I testified before the House Agriculture Committee on the seriousness of the deepening income crisis facing many farmers and ranchers, particularly those in depressed grain and livestock areas.

In my testimony I told the committee: "Today's situation is as serious as anything we have seen since the 1930's. We must take the steps that will bring us out of it before too much more damage is done."

The seriousness to which I refer is confirmed by two of the chambers of commerce in the Third District of Nebraska. The Columbus Area Chamber of Commerce, Columbus, Nebr., has adopted a strong statement on agri-related economics. The Grand Island Area Chamber of Commerce, Grand Island, Nebr., in a similar action, adopted a resolution to express concern over the current state of the agricultural economy.

Under leave to extend my remarks, I submit for the RECORD both the statement and the resolution. They demand the attention of all my colleagues.

The information follows:

GRAND ISLAND AREA
CHAMBER OF COMMERCE,
Grand Island, Nebr., April 23, 1980.

Mrs. VIRGINIA SMITH,
Member of Congress,
Washington, D.C.

DEAR MRS. SMITH: Enclosed is a resolution adopted by our Chamber of Commerce Board of Directors Tuesday, April 22.

This resolution was brought to our Chamber Board by the Chamber's Agricultural Council Steering Committee which is composed of agri-business people and farmers.

Our Chamber is vitally concerned with the current state of the agricultural economy and urge you more than ever to address the issues pointed out in the resolution.

Sincerely yours,

J. M. HIGGINS,
President.

Enclosure.

RESOLUTION FROM GRAND ISLAND AREA CHAMBER OF COMMERCE

Whereas agriculture is the primary economic source of income in Grand Island and the State of Nebraska; and

Whereas the Agricultural Council of the Grand Island Area Chamber of Commerce represents both the farming and agri-business interests of the community; and

Whereas the present inflation rate has increased the cost of production for all of our farmers and livestock producers; and

Whereas marketing of agricultural products has been adversely affected by export embargoes, meat imports and various other regulations and programs of our Federal Government;

We do therefore, recommend and endorse programs affecting agriculture such as balancing the Federal budget by limiting Federal spending, to control further erosion of our economic base from inflation, temporary low interest loans to agricultural producers, further limitation of meat imports and other products that compete with American agricultural products, set aside programs to encourage reduced production of agricultural products, and a program to expand exports of agricultural products competitively on world markets.

COLUMBUS AREA
CHAMBER OF COMMERCE,
Columbus, Nebr., April 22, 1980.

Mrs. VIRGINIA SMITH,
Member of Congress,
Washington, D.C.

DEAR MRS. SMITH: The general state of agriculture and related economics is becoming a matter of increasing and grave concern. This is true both for those directly in the business as well as to those of us in a position to feel the secondary effects of a troubled farm economy.

Consequently, the Columbus Area Chamber of Commerce Board of Directors has discussed and unanimously adopted the enclosed Statement on Agri-Related Economics. We hope it expresses the feeling of all types of businessmen in this part of the state. We are concerned about erratic marketing, the singling out of agriculture as a foreign policy tool, suppressed pricing, energy problems and dramatically high interest rates for farm operations, since the problems of agriculture transfer to other business quite quickly.

We believe it is important that you know our position and that you will be able to use this statement during your deliberations on the urgent problems of American agriculture.

Sincerely,

DAN H. RILEY,
President.

Enclosure.

STATEMENT ON AGRI-RELATED ECONOMICS

The Columbus Area Chamber of Commerce Board of Directors, upon recommendation of both its Agriculture Committee and Governmental-Legislative Affairs Committee, is adopting this statement and directing its appropriate distribution.

The Chamber, in support of our area farmers and ranchers, urges you to recognize the very real disaster which is developing in agriculture. Financial losses are already very large and little hope exists for the next crop year. The problems that plague our ranchers and farmers are rapidly spreading to the whole economy including agri-suppliers, equipment manufacturers/dealers and even the home building industry.

We are not asking for new expensive programs, handouts, economic support or special consideration. We do ask that the free market of supply and demand be allowed to function.

Please use your official influence to see to it that overseas trade in agricultural products is promoted instead of embargoing those goods. A strong export trade is obviously needed to aid our nation's entire economy.

Credit is a much needed tool of all business, especially agriculture. Programs designed to limit excessive consumer spending are having a devastating effect on agri-business. We ask you to examine government spending rather than cripple the productive with an unreasonable credit policy.

Adding more taxes to energy not only creates additional inflation, but creates higher real costs to a struggling agri-business. We ask that Washington realistically work toward solving energy problems and not tax us into deeper problems.

The Crop and Livestock Reports of the United States Department of Agriculture have had a negative effect on the markets for several years. Should the USDA be more concerned with consumer whims instead of promoting farm products, perhaps it is time to reevaluate the need for that agency.

The Columbus Area Chamber of Commerce and related agri-businessmen ask your full support for this Statement and help in correcting the problems affecting our Number One business—Agriculture.●

MX AND THE AMERICAN ECONOMY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. SIMON. Mr. Speaker, in January, David Gold, Director of Military Research at the Council on Economic Priorities, presented testimony before the House Subcommittee on Public Lands. His testimony includes the results of a study, done by the Council on Economic Priorities, analyzing the employment and inflationary impact construction of the MX missile and its mobile basing mode will have on our society. I urge my colleagues to read this testimony, which I am inserting into the RECORD:

MX AND THE AMERICAN ECONOMY

The decision whether or not to produce and deploy the MX system should be based upon the legitimate defense needs of the United States. Economic impacts, however, must be evaluated. There is no objective, be it military or civilian, that cannot be achieved in an alternative fashion if the cost to society should prove to be too great. Military utility cannot be totally isolated from economic costs. The public and the Congress are entitled to know the true budgetary cost of any new weapon system, as well as the impact upon the economy of any new expenditure.

In addition, major military projects are often proposed to the public and the Congress with their job-creating and other benefits emphasized and their potential costs de-emphasized. Again, the public and the Congress are entitled to a thorough and accurate assessment of the costs and benefits, including judgment of how the proposed project compares with relevant alternatives.

When President Carter announced his decision, last June, to proceed with the engineering development of the MX, there were widespread press reports of the economic benefits that would accrue to the nation and to key states and regions. The source of these optimistic estimates was the Air Force's Environmental Impact Statement for Full Scale Engineering Development (FSED) of the MX. According to the Air Force, FSED expenditures of approximately $1 billion per year for five years will generate 130,000 new jobs nationally, and up to 46,000 jobs in California. These estimates are for FSED on the missile alone, not including the basing mode.

AIR FORCE ESTIMATES

The Air Force derived its estimates from statistical analysis performed as part of its environmental impact analysis. The Council on Economic Priorities, as part of our current research, is evaluating the Air Force's work on the economic impact of the MX, and bringing alternative perspectives to bear on the same issue. Our evaluation is still in progress, but preliminary work, drawn largely from Air Force discussions and from our initial evaluation indicate that the Air Force has overstated the gains from the project and understated or even ignored substantial costs. The Air Force's conclusions, and, since those conclusions have formed the basis of the most widely disseminated press accounts, the perceptions of the general public, are far too optimistic as to the economic impact of the MX expenditures.

The Air Force used two methods to arrive at estimates on national economic impact. One was a national input-output model, modified to include Keynesian demand effects. In order to use this model, a number of assumptions had to be made which, according to the Air Force, "result in estimates that are at the upper end of the range of all results that might be expected. There are, in fact, conditions under which these results would obtain, but the probability of these conditions prevailing throughout the period of FSED is small." Despite this small probability, the Air Force released the model's estimate that 130,000 jobs would be created by the billion dollar per year FSED expenditures.

A second set of estimates was derived from the quarterly econometric model developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. This model allows for the specification of alternative sets of conditions and derives separate results for each set. The Air Force derived employment results for three different estimated unemployment levels for the five years of FSED expenditures. Each result is given as a range, because data limitations force analysts to recognize that the upper bound of the range is likely to be too high, and the lower bound too low, but there is no way for the analysis to yield a good estimate of the best point in between.

NEW JOBS

If the national unemployment rate is assumed to be 8 percent over the period, the Air Force model predicts that FSED expenditures would add between 88,000 and 126,000 jobs to the economy, for the period as a whole. If the national unemployment rate were to be 4 percent, the model predicts that there would be between 15,000 and 22,000 new jobs. The wide range of results implies that the effects of FSED expenditures depend heavily on the state of the economy, a conclusion that is hardly surprising. However, it is a conclusion that should have precluded the Air Force from releasing an estimate of job creation that is outside the upper bound of the highest range of their own estimates.

It appears, then, that Air Force projections of employment gains resulting from FSED expenditures are too high. At present, there are no good estimates of what the employment gains would be. There can be no doubt that a project as big as the MX will generate substantial numbers of jobs and, in certain key regions, would be a substantial force for expanding income and employment. Measuring this impact is important, but it is not the end of the story. An effect such as job creation cannot be analyzed in isolation. Every expenditure has an opportunity cost. Every billion dollars that is spent on the MX is a billion dollars not spent on education, or housing, or consumer goods, or business investment in plant, equipment, and research. The employment generated by the MX system should be compared with the employment that could be generated if the same money were to be spent in some alternative fashion.

With regard to military spending as a whole, this issue has been addressed by a number of researchers over the last few years. We would like to mention a few of these studies, drawing upon Michael Edelstein's "The Economic Impact of Military Spending" (Council on Economic Priorities, New York, 1977).

Roger Bezdek, then an economist with the U.S. Department of Commerce, published a study in 1975 that traced the effects over five years of three different levels of military spending. One was a normal increase in the defense budget assuming a high employment economy, the second was a 30 percent increase along with a tax rise of equal amount, and the third was a 30 percent cut in military spending and an accompanying tax reduction. Employment and net output was 2.1 percent higher with the defense budget cut than with normal growth; employment and net output were 1.3 percent lower with the highest military budget than with normal growth. The highest level of defense spending resulted in the lowest level of employment and output.

Chase Econometrics, under a contract from the Rockwell International Corporation, performed an econometric analysis of the economic impact of spending on the B-1 bomber program. Using a large and sophisticated model of the economy, Chase compared the effects of the B-1 expenditures with a tax cut and a public housing program of equal dollar amounts. Both the tax cut and the housing program produced more jobs than the B-1 program. Over five years the tax cut yielded 30,000 more jobs and the housing program 70,000 more jobs than the B-1.

Marion Anderson, now of the Employment Research Associates in Lansing, Michigan, has also studied the employment effects of military spending. Anderson, building on a model created by Professor Bruce Russett of Yale University and working with data for the 1970-74 period, has estimated that every billion dollars spent in the military sector resulted in a net loss of 14,000 jobs compared with spending the billion dollars in the private sector, and a net loss of 30,000 jobs compared with spending the money in the state and local government sector.

In a study of the Philadelphia area, Professor Norman Glockman of the University of Pennsylvania, using an econometric model similar to the ones used by Bezdek, and Chase Econometrics, estimated that a cut in regional military spending of $100 million, accompanied by an increase in revenue sharing funds of $100 million, would result in an increase of regional employment by more than 10,000 jobs, and a rise in output of some $70 million. If the cut in military spending were not accompanied by compensating payments, employment would fall by more than 13,000.

LESS JOBS CREATED

The results of these studies all point in the same direction. A rise in military spending generates new jobs but significantly more jobs would be created if the money were spent elsewhere, by either the government or the private sector. A fall in military spending by itself would result in a loss of jobs but if the cut in military spending were offset by an increase in government spending in other areas, or an increase in revenue sharing, or by a tax reduction that allowed business and consumers to increase their expenditures, then the net effect would be an increase in the number of jobs.

In our current research at the Council, we are addressing the question of alternative economic impacts by comparing the job creating potential of the MX expenditures with a range of alternatives. Again, our work is still at an early stage but we can provide one set of comparisons for illustrative purposes. Table I lists estimates of job creation per billion dollars of expenditures on the MX missile and five alternatives. The estimates were obtained from the jobs impact coefficients derived from the Bureau of Labor Statistics' input-output model of the economy, which estimates the jobs created among direct employers (essentially prime contractors for a government spending item) and indirect employers (subcontractors and others who sell to the prime contractors).

TABLE I.—EMPLOYMENT IMPACT OF ALTERNATIVE USES OF $1 BILLION OF NEW FISCAL DEMAND

[Numbers of jobs per $1 billion in 1972 dollars]

Alternatives	Direct plus indirect employment	Direct employment	Indirect employment
MX missile	53,248	25,055	28,193
Solid waste treatment	65,859	32,173	33,686
Railroad reconstruction	54,220	20,260	33,960
Day care	120,496	103,608	16,888
Solar energy/energy conservation	65,079		
Solar energy	57,235		
Mass transit	79,300	32,500	46,800

The B.L.S. model lists employment coefficients for industry classifications, so the figure for MX is derived from the coefficient for the guided missiles industry, solid waste treatment from New Public Utilities Construction, inter-city railroad equipment from Railroad Equipment, and day care from Non Profit Organizations. One of the estimates for solar energy is derived from a study which spreads the expenditure among a number of industries that contribute to solar energy equipment, while the other is from a recently published Council study, Stephen Buchsbaum et al., "Jobs and Energy: The Employment and Economic Impacts of Nuclear Power, Conservation and Other Energy Options" (Council on Economic Priorities, New York, 1979). The estimate for mass transit equipment is also derived from a separate study. The five alternatives were selected to reflect current public policy options and, with the exception of day care, options that contain substantial capital expenditures. Every one of the five alternatives generates more employment than the MX.

Not only will the MX program generate fewer jobs than has been advertised, it will also cost more. The most widely quoted figure for system costs at present is $33 billion, yet not many people are aware that this figure has already been adjusted to remove the effects of inflation. It is not a figure which represents the actual number of tax dollars required to finance the system. CEP has learned that the Congressional Budget Office is now projecting system costs, in current dollars, to be $63 billion for the life of the project, including operations and maintenance after the system is fully deployed. The CBO is now revising its inflation projections for the 1980's upward, which will again raise the estimate of dollar outlays. If the $33 billion estimate is accepted, Congress and the public are likely to be surprised when the budget outlays rise far above that figure.

STRAIN KEY MARKETS

MX expenditures will generate upward pressure on costs as they strain key labor and materials markets. For example, the aerospace labor market, especially on the West Coast, is already strained and further expenditure increases are likely to result in large wage increases. Key materials, like cement, will not be available in sufficient quantities and prices are expected to rise rapidly. It would take very large investments in new plant and equipment to bring cement production capacity to levels needed if the Air Force is to obtain cement at prices comparable to those prevailing today. The industry has indicated that they are unwilling to undertake such investment because demand will fall rapidly once basing mode construction is completed, leaving the industry with substantial excess capacity. The Air Force will be faced with having to pay much higher prices for cement, or subsidizing industry investment. Either alternative will raise system costs, and the first alternative will add to national inflation.

The system is also likely to encounter cost overruns over and above those caused by inflation. Unforeseen problems and inefficient contractors have plagued large military procurement projects in the past and a number of current MX contractors have generated large cost overruns on earlier projects. Also, additions to the system, such as an ABM capability, which the Air Force has been discussing, would seriously inflate total system costs.

The MX is likely to cost far more than current Air Force projections state. The MX will require larger appropriations, crowd out larger amounts of federal spending, and generate larger federal budget deficits than current projections allow for. This means that the MX expenditures are likely to have inflationary impacts nationally.

INFLATIONARY PRESSURE

Up to now, the Air Force has been excessively sanguine about the effects of inflation on MX system costs, and has essentially ignored the possibility that MX expenditures will be a cause of higher inflation. Yet their own analysis indicates that inflation is likely to result. The econometric tests referred to above compared the job generating capabilities of MX expenditures at different levels of national unemployment. In the test performed when national unemployment was assumed to be low, the Air Force concluded that "positive net effects would persist for only a short time; the high level of employment and capacity utilization in the economy result in the positive impacts of MX FSED being transformed into price level changes." In other words, if national unemployment is low, MX expenditures will tend to generate substantial inflationary pressures.

The Air Force has so far ignored their own conclusion. In response to a question submitted by Nebraskans for Peace commenting on the draft Environmental Impact Statement (EIS), the Air Force stated that "The national inflationary impact of the MX system is beyond the scope of this EIS. Such impacts are considered in the overall Federal funding allocation process, and thus are more properly within the purview of the Office of Management and Budget and the Congress." As far as we could determine, the Air Force did not seek the advice or input of other Federal agencies that are concerned with economic impacts, for example, in the Department of Commerce where the economic models are developed.

It appears that the Air Force has been willing to conduct analysis, and widely publicize the results, of economic impacts that they see as supportive of the MX system, but they are unwilling to analyze impacts that might cast doubt on the system's economic efficiency.●

SMALL BUSINESS PERSON OF THE YEAR

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. KAZEN. Mr. Speaker, as my colleagues know, the President has proclaimed May 11-17 as National Small Business Week. As part of the observance, the Small Business Administration has brought to Washington a Small Business Person of the Year from each State to recognize the significant contribution to our economy and our Nation's strength by thousands of small businesses. We have many of these important firms in Texas, so I am especially proud that a constituent of mine, C. P. "Clete" Ernster of Cuero, Tex., was chosen to represent our home State. I certainly can testify that his selection was a fine example of small business in action. He has generously said that the recognition should go to the employees of his company, the Gulf Coast Wood Products Co.

Clete Ernster founded his firm and began making modular wood units for construction 24 years ago. He started with three employees and in his first year, his gross sales were $30,000. Today the company employs 187 men and women, and annual sales last year were $7,373,000.

In the Texas competition to select the State award winner, he was the nominee of the Cuero Chamber of Commerce and Agriculture. As its name implies, the organization combines the interests of the Dewitt County seat and the surrounding area. The name of Clete Ernster's home city—Cuero—is taken from the Spanish word "hide," but the city's commercial interests are much broader.

One reason is that men like Clete and other beneficiaries of the Small Business Administration recognize our smaller cities as the keystone of our Nation's economic strength. I want Clete, his employees, and his community to know that we share their pride in his achievements.●

MRS. DEPUTY PRESIDENT?

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, James Earl Carter was elected President of the United States in November 1976. I know of no State in which Mrs. Carter's name appeared on the ballot, nor do I know of anyone who voted for her for any public office.

Despite this, we seem to have an unelected Deputy President in the First Lady.

Please do not misinterpret me; I bear no ill will toward this fine lady. She is a warm and personable human being.

However, in a time of ever-increasing inflation, it behooves all of us, especially the President of the United States, to do what we can to fight our common enemy. But he has failed to fight inflation, not only in the Nation, but under his own roof.

Not many people know that Mrs. Carter's personal staff is bigger than the staff of the Vice President of the United States (not counting his staff as President of the Senate). She employs, at the taxpayers' expense:

> A staff director, an assistant to the staff director, a personal assistant, a personal secretary, an administrative assistant, a press secretary, a deputy press secretary, an assistant press secretary, a press assistant, a director of projects, an assistant to the director of projects, a research director, a director of scheduling, a director of advance, an advance person, a scheduling and advance assistant, an assistant to the directors of scheduling and advance, a social secretary, an assistant social secretary, and an assistant to the social secretary.

Mr. Speaker, as far as I am able to determine, Mrs. Carter's staff costs the taxpayers between $600,000 and $1,000,000 per year in salaries alone.

A fair question would be, "How does this compare with previous First Ladies?" Well, Mrs. Eisenhower had one full-time staff member. She was paid $11,355 per year. Mrs. Kennedy had just one person on her staff. Mrs. Johnson and Mrs. Nixon each had but two people on their staff. Mrs. Ford started out with three people, found she did not need that many, and cut it to two staff members.

According to syndicated columnist John Lofton, Mrs. Carter's staff director, who, by a strange coincidence, is the wife of President Carter's campaign chairman, makes $56,000 per year. That is as much as the President's National Security Adviser, Mr. Brzezinski, makes. When she was asked why she is paid that much and what she is supposed to be doing to earn it, she told an interviewer she did not know.

The First Lady's press secretary is paid by the taxpayers to the tune of $47,000 per year. Her personal assistant and her social secretary each make $45,175 per year.

How much are the taxpayers shelling out to the rest of her bloated staff? I wish I could tell the American people, but I cannot, since her deputy press secretary refuses to disclose this information. When Mr. Lofton asked her, she told him it is none of his business. When he asked her why the public has no right to know the salaries of individuals on the public payroll, she hung up on him.

It is ironic that information which compromises undercover agents working for the security of our country is freely available, and instructions for building an H-bomb can be obtained by buying a magazine, but the salaries of public servants paid by taxpayers is top secret.

The Mattoon (Ill.) Journal Gazette has editorialized against this wasteful expenditure of our tax money, and I offer its November 20, 1979, appraisal to my colleagues.

The editorial follows:

$650,000 For First Lady

We can understand that the President's wife needs help in running the White House, in addition to the domestic staff. She is responsible for managing state affairs involving heads of other nations and leaders in the United States.

United Press has revealed, however, that Mrs. Carter's staff has now grown to 21 persons, almost as large as Vice-President Mondale's 26, and larger than the staffs of many other top White House people.

The annual cost of her staff is $650,000, even though her name did not appear on the ballot which elected her husband. It takes 2,600 taxpayers, paying $250 each to meet the costs of Mrs. Carter's staff.

Kit Dobelle, her chief of staff, earns $56,000 per year. This is the same amount that is paid to Zbigniew Brzezinski, the President's national security adviser. And it is the same as is paid to Hamilton Jordan, the President's chief of staff. We suppose that women's lib would allow nothing else.

Mrs. Carter's press secretary is paid $47,000 per year and $45,175 is paid to her personal assistant and to her social secretary.

In 1976 candidate Carter was promising an administration of austerity and reductions in the White House personnel. However, he increased his own staff. Mrs. Carter has a staff of 21, Betty Ford had 12.

In addition she has the use of Air Force planes in her flights about the country which deal with governmental matters, but also afford her an opportunity to enhance her husband's image and help prepare for the elections next year.

Mrs. Carter is acknowledged to be a consummate politician. Indeed in many polls she is more popular than her husband. By contrast, Mamie Eisenhower, who was buried recently, said that she turned the lamb chops and Ike fought the wars.

The size and expense of Mrs. Carter's personal staff causes us to feel uneasy about the sincerity of the administration in power. In a time of inflation, when the President is telling us to conserve, it does not leave a good impression on the suffering taxpayer.

The next presidential election is now less than a year away. For all practical purposes it is in full swing. The President has shown this by the largesse which he has sent to important states and cities.

Candidate Carter promised a balanced budget by 1981. He promised it through economy. It is now a vision that can be attained only by vastly increased taxes.●

THOMAS EDGELL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives a most heroic act of a constituent of mine, Mr. Thomas Edgell of East Liverpool, Ohio.

On December 27, 1978, Police Patrolman Edgell responded to a fire alarm in the city of East Liverpool. In the house that was on fire was a family, including 4-year-old Richard Gooding. Upon arriving inside the structure to the upper level to make sure all occupants were safe, it was then he learned about Richard whose room was engulfed in flames. Picking him up, Patrolman Edgell then carried Richard safely from the burning room and outside the house.

While one might say that as a policeman, Mr. Edgell is expected to take chances in order to save the lives of others, this may or may not be true, but the fact remains that Patrolman Edgell did put his life on the line for another and for this he is to be thanked. The Carnegie Hero Fund Commission of Pittsburgh, Pa., has awarded the 32-year-old Edgell a bronze medal for his deeds.

Mr. Speaker, it is encouraging and comforting to know that we have this type of personnel in uniform to protect the public. On behalf of my colleagues, I congratulate Thomas Edgell on a job well done.●

STATUS OF THE REFUGEE PROBLEM IN SOMALIA

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. MAGUIRE. Mr. Speaker, Somalia has the largest group of refugees in the world. Its 1.3 million refugees—674,000 in camps and another 500,000 to 700,000 located in villages outside camps—represent 25 percent of all the refugees in the world. Despite the magnitude of this problem, Somalia is receiving limited attention from the international community. Comparisons to the Cambodian relief effort illustrate the neglect of Somalia. While there are 26 voluntary agencies—volags—in Cambodia and Thailand, there are only 6 volags active in Somalia. The proposed U.S. budget for fiscal 1981 calls for $323 million for Indochinese refugees, yet only $54 million is budgeted for African refugees.

Somalia's refugee problem is getting bigger, not smaller. The number of refugees coming into the camps peaked at 3,800 per day during the last 2 weeks in February. Currently that rate is approximately 1,000 new refugees per day. It is difficult to estimate the rate at which refugees will continue to enter Somalia as this depends on the conditions in neighboring regions. However, if refugees enter the camps at an average of 1,500 per day during 1980, then by the end of the year the total camp population will exceed 1 million persons and the average camp population for the year will amount to 750,000 persons.

An extraordinary feature of the camp population is the almost total lack of men among the refugees. Approximately 61 percent of the refugees are children, 15 years old and younger, and approximately 30 percent are women. Only 9 percent are men, most of whom are elderly, injured, or sick. This unusual age and sex distribution creates relatively high requirements for international aid, because self-help programs are extremely difficult to design for this type of camp population.

Of Somalia's many needs, the food deficit is the most pressing. Even during normal times domestic food production is insufficient for national needs. This problem has been exacerbated by two developments. First, a serious drought during the autumn of 1979 resulted in a poor harvest in early 1980. Second, accepting a refugee population of around one-quarter of its population has put enormous strains on already low national food stocks.

Somalia has made admirable efforts to provide for the refugees. Even though Somalia is one of the world's poorest countries—per capita income of less than $125—the Somali Government has committed 1,500 of its own personnel and $14 million of its own funds to refugee relief. With Somalia's annual budget deficit running at more than $200 million, the huge influx of refugees has put in jeopardy Somalia's long-term development plans.

Somalia needs 159,000 metric tons of food aid during 1980 for an average camp population of 750,000. Thus far, 106,000 metric tons of food aid has been delivered, is being transported, or has been pledged. U.S. aid accounts for 72,000 metric tons of this amount. There is, however, still a shortfall of 53,000 metric tons. A potential crisis looms in early July when the food aid en route will run out.

The United States will provide an additional 34,000 metric tons of food aid for Somalia through the food-for-peace program (Public Law 480, title II) if the supplemental request before Congress is passed. Although this additional U.S. aid will go a long way toward meeting Somalia's shortfall, this food will not reach Somalia as soon as it is needed. It takes a minimum of 90 days from the time money is appropriated to the time food arrives in Somalia. Once the food reaches Somalia, it takes 1 to 3 weeks to distribute the food to refugee camps. Supposing the Public Law 480 supplemental funds are appropriated at the end of May, food would not reach Somalia until the end of August. This food would not be distributed until sometime in late September. Because current aid to Somalia will run out in July, there is potential for famine during the months of July, August, and September.

The marginal health situation of Somalia has deteriorated with the massive influx of refugees. Malnutrition and dehydration is common among new arrivals. Approximately 15 percent of the children in camps suffer from severe malnutrition. Overcrowding and the absence of environmental sanitation provide a breeding ground for epidemics. Elementary pit latrines are not even used for excreta disposal.

Water for the refugees is both unsafe and in short supply. Most refugees consume water directly from water sources which are used by livestock. Relief agencies have warned refugees about water-borne diseases, but shortages of wood have prevented refugees from boiling their water.

Medical and health services, where available, are insufficient. The Somali population has only one doctor per 12,000 persons. Hospital space is grossly inadequate. Simple diagnostic tools are only available in the capital. As a result Somali doctors can only treat symptoms.

Almost all refugees live in brush shelters thatched with grass. These shelters are neither waterproof nor windproof. Furthermore, there is a serious shortage of forage for building these huts. Tents are needed to temporarily shelter new refugees, while tarpaulin and plastic sheets are needed to weatherize existing shelters.

The vast number of refugees in Somalia, the impending food crisis, and the precarious health situation in refugee camps present a series of difficult challenges to the international community. Somalia's refugees are living on the brink of starvation in overcrowded, unsanitary camps. If we are to avert disaster later this summer, quick passage of Public Law 480 supplemental appropriations is imperative.●

HONORING FREEHOLDER BEATTY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. RODINO. Mr. Speaker, I want to call to the attention of my colleagues an outstanding citizen and public servant who serves in my congressional district—Ms. Pearl Beatty. Ms. Beatty is an Essex County Freeholder and has served as past president of the Essex County Board of Chosen Freeholders. Her job requires leadership, dedication, and compassion for the needs of the citizens of Essex County and Freeholder Beatty has epitomized these virtues in carrying out her duties.

In fact, Ms. Beatty has a long record of involvement and outstanding contributions to the community. She served on the executive board of the NAACP from 1960 to 1962. She organized the North Jersey unit of the Poor Peoples March on Washington in 1963; and she has served as a leader with TEAM—an antipoverty program in Newark. Since 1971, she has continued her efforts as chairperson of the Newark Housing Authority to better the living conditions of Newark residents. Along with her Freeholder duties, Pearl Beatty also serves as executive secretary for the Insurance Fund Commission of the city of Newark.

Last week in my home city of Newark, the Marie L. Villani Civic Association honored Ms. Beatty for her "tireless work to better the Newark community." Newark City Councilwoman Marie Villani called Freeholder Beatty "a tough fighter and a gallant lady." Councilwoman Villani, Freeholder Beatty, and I work together on issues of concern to the people of Newark and I feel privileged to have two such spirited and conscientious public officials in my district.

Mr. Speaker, the Marie L. Villani Association Award is a fitting tribute to Pearl Beatty because she is a public official who is concerned about individuals. She listens to peoples' problems and then acts to correct them. We need more public officials like her.

I am proud to join with the citizens of Newark to pay her tribute and urge her to continue her work.●

A SALUTE TO THE WALKING ANGEL—MRS. SYLVIA PARKER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. STOKES. Mr. Speaker, thank you for giving me this opportunity to salute a lady who has been called the walking angel—Mrs. Sylvia Parker. Indeed, she has been like a walking angel as she has helped the helpless, fed the hungry, and assisted the poor and the downtrodden through her long association with various community agencies.

Mrs. Parker will be retiring from her current post as executive director of the Multi-CAAP four-county antipoverty agency in West Virginia on May 31, 1980. At this point, I think that is it appropriate to take time out to recant her achievements and contributions to society.

This extraordinary woman has been a friend to both the politically astute and the politically powerless. Last month, I had the pleasure of seeing her when I attended the funeral of our late colleague, Hon. John Slack.

She was a dear friend of John Slack. He was instrumental in helping her become a member of his church. She also has a long-time association with my family and was instrumental in my brother Carl's political career.

Her concern for the political scene has never been comparable to her genuine commitment to the poor and the downtrodden. From her first job as a caseworker with the Mahoning County Relief Administration to her current job with Multi-CAAP, she has possessed an affinity and sincere determination to making life more meaningful for the disadvantaged. She has transmitted her inner strength and zest for quality life to all of her clients.

This has not always been easy for Sylvia Parker. Throughout her career, this strong and determined black woman has been confronted with discrimination and seemingly insurmountable obstacles. However, she has not allowed these encounters to blur or deter her from her primary goal in life—to help the less fortunate.

She has worked in three States during her extensive career in the social services. Speaking quite candidly, I am confident that she has left a bit of her heart and mark in all three.

She is an innovator, a mover, a woman of great compassion and an achiever. She has been the primary catalyst for hope and quality existence for many human beings during her 40-year career. I, for one, would like to commend her for the great job she has done.

Usually at this point, it is customary to stop and wish the retiree happiness in their retirement. I am going to refrain from that. I know that Sylvia Parker will never truly retire from helping the people she loves so tremendously. Accordingly, I would rather wish her well as she enters her next phase of service to the community.

At this time, Mr. Speaker, I enter in the RECORD an article which appeared in the Daily Mail Staff on Sylvia Parker:

WALKING ANGEL NOW RETIRING FROM AGENCY

(By Nanya Gadd)

The Great Depression was waning but not over. She was black, female and college-educated, and her eagerness to help the poor knew no bounds.

They called her "the walking angel."

Now, 40 years later, Sylvia Davis Parker's career is almost over. Her plans for some of the leisure time that stretches ahead are reminiscent of her first job as a relief worker in the steel mill community of Youngstown, Ohio.

"One of the first things I'm going to do is go up these hollows and find these really hungry people to come down to our nutrition centers," she said. "You know there are people who are passing up a nutritious meal to get that gas bill paid, that light bill, that medical bill."

Mrs. Parker is retiring as the executive director of Multi-CAAP, a four-county antipoverty agency that administers the spending of nearly $4 million in government money each year. She has been with the agency since its inception in present form during the Lyndon B. Johnson administration.

Her Multi-CAAP position was only the last of a long string of social work jobs that began in the late 1930s, after she had graduated from Wilberforce University in Ohio with a bachelor's degree in social administration.

The daughter of a steelworker and the youngest of three children, Mrs. Parker grew up in Youngstown. One brother was the first black to graduate from the prestigious Hiram College, but all three Davis children attended college.

Shy and backward, the other brother was held back so that he could attend school with Sylvia, who was his opposite, vivacious and outgoing.

They were sent off to college together, Sylvia to Barber Scotia Junior College in Concord, N.C., and her brother to Johnson C. Smith University about 20 miles away in Charlotte.

Boys were allowed to visit at the all-girl Barber Scotia only one night a week. Too shy to ask for a ride, Sylvia's brother hiked over to see her that first Friday night.

"Everybody wanted to meet the girl whose brother would walk 22 miles to see her," she said. "Of course, he got a ride home."

Sylvia had a scholarship but also was required to work. "My first job was scrubbing steps," she said. "My second was making salads for the faculty. I enjoyed that."

After receiving an associate degree from Barber Scotia, she, too, attended Johnson C. Smith for a year and then transferred to Wilberforce to finish up the requirements for a bachelor's degree.

Her first job as a caseworker with the Mahoning County Relief Administration was obtained through a friend who also happened to be Ohio's first black city prosecutor. "He told me to go apply for the job because the county commissioners had promised to hire a black. And they did."

Three years later, she accepted a job with a tuberculosis-fighting agency in Columbia, S.C. It was a hard lesson in Southern racial attitudes.

The director of the agency's black program, Sylvia authored a weekly radio program for a local station. She never broadcast the script herself because the radio announcer refused to introduce her as "Miss Davis." Colored girls were referred to by their first names, he told her.

She finally left the South Carolina job because of a similar incident. Her name alone was listed without the courtesy "Miss" in the anti-tuberculosis agency's annual report.

"I wanted an excuse to leave anyway," she said. "And you know, it did some good. The next year, they put 'Mrs.' in front of a black nurse's name."

After moving back to Ohio, Sylvia held a variety of social work-related jobs. She was the first black administrator at a girl's reformatory and was once a top candidate for superintendent of the women's penitentiary.

During a stint with the Welfare Federation of Cleveland—a forerunner to the anti-poverty agencies—she became involved in politics. When a close friend ran for city council, she enlisted Carl Stokes, who was later to become mayor of Cleveland, to work in the campaign.

"I got Carl to be his campaign manager. That's what gave him a taste for politics," she said.

Sylvia moved to West Virginia after marrying Richard Parker of Charleston. After staying home for two years, she went to work as a probation officer for the Kanawha County Court.

Her involvement with Multi-CAAP began in 1965, and she has been director for the last 10 years.

Multi-CAAP has been tainted with controversy in recent years because of infighting among the members of its board of directors. Mrs. Parker was reluctant to discuss such problems publicly. She said:

"When you're working with the public, nothing ever goes smoothly."●

COST ESTIMATE OF NEW HOMEOWNER'S ENERGY TAX CREDIT

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. HARRIS. Mr. Speaker, recently I introduced H.R. 6813, a bill that would extend the residential energy tax credit to owners of new homes. Currently, this credit is available only to people who installed energy-saving devices in homes that were substantially completed before April 20, 1977. Because I believe that owners of new homes should also be encouraged to conserve energy, I introduced this legislation which simply eliminates the cutoff date. At this time my bill has 43 cosponsors.

Because my bill is retroactive, the credit would be available to anyone who installed an energy-saving device in any home built since April 20, 1977. The Congressional Research Service has just determined that, had my bill been enacted by January 1, 1980, the initial revenue loss to the Federal Government would have been $38 million. In subsequent years, the annual loss would obviously be much lower.

Mr. Speaker, I believe that extending the residential energy tax credit to new homeowners is a small price to pay to encourage energy conservation. Throughout the Nation there are thousands of young, conservation-minded homeowners who understand the importance of protecting our dwindling energy supplies. Thus, many of them have installed storm windows, heat pumps, extra weatherstripping, and so forth in their new homes where such items were not standard equipment. However, unlike the owners of older homes, the owner of a new home cannot take the energy tax credit. Why should not the owner of a new home be rewarded for being energy efficient, as well as the owner of an older home?

It is an unfortunate fact that many new homes are still measurably deficient in energy conservation features. I believe that we should encourage the taxpayer to take positive steps to improve home energy efficiency and passage of my bill would do just that—at a very small price.●

U.S. POLICY IN THE MIDDLE EAST

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. DOUGHERTY. Mr. Speaker, during this time of upheaval and crisis in the Middle East, there is a need for clear public statements outlining Israel's value as a strategic ally of the United States. I would like to present for the consideration of my colleagues the following testimony, which was submitted to the Committee of Resolutions of the Republican National Committee by Dina L. Spector, president of the Philadelphia Zionist Federation:

U.S. POLICY IN THE MIDDLE EAST

My name is Dina Spector and I am President of the Philadelphia Zionist Federation. I am pleased to be here today to have this opportunity to speak to the Republican Party National Platform Committee. On behalf of the Philadelphia Zionist Federation, which includes some 12 organizations with over 20,000 members, I wish to express my appreciation to you for coming to Philadelphia to provide the forum for this presentation.

There are legitimate and crucial American foreign policy concerns in all parts of the world, and I do not wish to minimize them. However, today I wish to focus on one vital area of concern, the Middle East, whose importance has been increasing and is sure to continue as a major area of American national interest. The Middle East is an area of active Soviet involvement, a major source of American energy and a location of extreme strategic value in relation to Southern Europe, Africa and Western Asia.

Because of the major changes that have taken place in that region, it is essential that the United States clearly evaluate who are our allies, what conflicts in the Middle East really mean, and what we can do to strengthen our position.

Before I discuss the unique and mutually beneficial relationship of the U.S. and Israel, I wish to examine one of the most often heard misconceptions about the Arab-Israeli conflict—that if the U.S. ceased to support Israel, Arab oil would be amply available at reasonable prices.

1. The Iranian crisis has clearly shown that oil that originates in less developed states is at the mercy of the political stability of that state. The events in Saudi Arabia in November, 1979—the takeover of the Mecca Mosque—demonstrate that fact.

2. Algeria continues to sell oil and natural gas to the U.S. despite our active support of Morocco which is in conflict with Algeria over the former Spanish Sahara.

3. Saudi Arabian oil is cheaper than oil from Mexico, Venezuela or Nigeria, none of whom care about the Arab-Israeli dispute and all of whom sell oil to Israel.

4. One last example—just after the 1973 war, Iraq increased its oil exports to the West, including the United States, because it needed the money to pay for the troops it had on the Syrian front facing Israel.

Israel presents the United States with a unique ally in the Middle East, an ally whose relationship is not based on temporary economic arrangements or short term needs but on basic shared values: a commitment to democracy and individual liberty rare in the Middle East. There is no other truly democratic state in the area. If we look at our other allies in that region from 10 years ago—Iran, Ethiopia, Saudi Arabia—we can see the fragility of their relationship to the U.S.

Since its establishment Israel, because of its values and orientation, has stood against Soviet expansion in the Middle East. We are all aware that Israel has provided the U.S. with much valuable intelligence. It provided explicit or tacit military support to Western oriented leadership in Jordan in 1970 and in Lebanon more recently. Israel is able to provide the United States with dependable bases and other facilities.

These points, as well as the moral and historical factors, prove that the support of Israel is clearly in the interests of the United States. As the Middle East becomes more unstable and tense, the mutually supportive relationship between the two countries, obviously important to Israel, increases in importance to the U.S.

Currently there is a growing enchantment in much of the world, including in the U.S., with the Palestine Liberation Organization. The philosophy and actions of the PLO are dramatically opposed to the interests of the United States in the Middle East.

1. The PLO is heavily dependent on the Soviet Union for training, arms, guidance, and general support. Any gain for the PLO is a gain for the USSR.

2. The PLO's complete commitment to terrorism not only in the Middle East but throughout the world, can be seen as positive only by those who wish to see a less free, less democratic and less secure world. Obviously these are not America's goals.

3. The basis of the PLO is a document calling for the total destruction of Israel. While the PLO cannot bring this destruction about alone, the document clearly establishes how the PLO views America's best ally in the Middle East.

The key question that emerges for American policy is how can it act to insure the survival and growth of Israel while maintaining Israel's ability to defend itself.

The United States must help Israel to keep the level of its military equipment substantially above that of its neighbors, who receive the most sophisticated Soviet and, regrettably, Western arms.

It is difficult for us living in an area which was last attacked by a foreign invader in 1812 to comprehend Israel's vulnerability. In light of that vulnerability to foreign attack, the willingness of the Israeli government to return the Sinai to Egypt must be understood. The Sinai is a vital buffer zone for Israel as well as a military area far from civilian concentration.

The Israelis are giving up in less than three years bases and airfields that took over a decade to build. Israel must reorient and rebuild their defenses while the threat continues from the East and the Peace Treaty with Egypt remains untested. Under these circumstances it is crucial for the American government to understand and appreciate Israel's security concerns. Israelis themselves understand the threats to their country and the reality of their situation. The continuing need to take long term precautions demanded by the threat from the East must not be minimized by the American government. The possibility of having Israel's highly sophisticated high technology industry work with the U.S. in the manufacture of modern aircraft should be considered favorably.

The U.S. is now planning to sell Egypt large quantities of modern weapons. While we fully understand the need for a country that has rejected Soviet aid to receive some American arms, we wonder to what extent the United States is planning to arm a country with no neighbors who seriously threaten her. The Egyptian people need economic and development aid, and we hope the U.S. does all it can in this area. American activity in the Middle East should be tied to furthering the Israel-Egyptian Peace Treaty, which marks its first anniversary this month, and we find it difficult to understand how the arms sale furthers efforts for peace.

We have another area of concern in relation to current American Middle East policy. While the President and the American people can be justly proud of the achievement of the Peace Treaty, it appears that the U.S. now is working to undercut the very framework and goal it helped to create a year ago.

The autonomy negotiations are a meaningful framework for developing an acceptable solution to the Palestinian problem. To be successful, the negotiations must have the full backing of not just Israel and Egypt but of the United States. The U.S. must work to gain support for this process in both the Western and Arab worlds.

The autonomy talks, which deal with the West Bank, are the appropriate forum for American criticism of Israeli actions in this locality. The public blanket condemnations which periodically emanate from the United Nations are far from meaningful additions to the peace process. They are doubly disappointing when our government takes part in them as it did on March 1st. The compulsive sense of urgency that the administration seems to have about the autonomy negotiations is unrealistic and detrimental to the peace process. I'd like to point out that it took the U.S. and Great Britain two years after the resounding British defeat at Yorktown to sign a peace treaty in 1783, when there were no concerns over unclear boundaries, mixed sovereignty or the U.N. Steady unpushed progress is the best way to solve this complex issue.

Israel's economy has been badly shaken by the vast sacrifice it made in the Sinai, the major costs of military redeployment, and its voluntary withdrawal from a major oil source. The PZF feels the U.S. must renew the past economic aid agreements with Israel in light of these new realities and renegotiate them, as well as evaluate future aid requests accordingly. This really will be an investment in our own security.

Jerusalem has been the capital of Israel since 1949. Today it is a unified city with free and open access to members of all faiths, and there is no question that it will ever be divided again. Jerusalem is the eternal capital of Israel and the Jewish people. Therefore, it is totally inappropriate for the U.S. to maintain the fiction of a capital elsewhere. It is ironic that Israel is being symbolically punished for the rejection of the 1947 U.N. Partition Resolution by the Arab States. The United States must recognize the unification of Jerusalem by combining its two consulates there and then moving our embassy to Jerusalem. The Jerusalem that exists today is closer to the idealized concept of that city as a universal symbol than it has been for the past two thousand years.

The U.S. must continue to play a major role in the Middle East. If we wish to remain a world power we cannot abandon such an important area of the world. There is much to concern the United States in that region and this will not change in the foreseeable future. For our policy to be successful, it must be based on a true understanding of who are our real friends and allies in the Middle East. The role we once thought Iran could play, as our central ally in that area, can only be played by one country—Israel. If the United States builds its Middle East policy on this principle, that policy will have a firm foundation.●

IN RECOGNITION OF MSGR. THOMAS CANNON

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in congratulating Msgr. Thomas Cannon, pastor of Our Lady of Grace Church, Somerdale, who will celebrate the 25th anniversary of his ordination in the priesthood this Saturday, May 17.

Monsignor Cannon was born in Dumont, N.J. On May 19, 1955, he was ordained a priest in the diocese of Camden. He was the founding pastor of St. Maria Goretti parish in Runnemede. He has also served as pastor of the Church of the Assumption in Atco.

Monsignor Cannon is probably best known for his labors on behalf of the young people of the diocese of Camden. He served as director of the Catholic Youth Organization (CYO) from 1961 to 1974. As CYO director, he was instrumental in establishing the CYO Center in Blackwood. The CYO Center serves as testimony to Monsignor Cannon's concern for the physical, intellectual, and spiritual well-being of the youth of the Camden diocese. As burser to the Catholic high schools in the diocese of Camden, he has contributed to the continuation of quality secondary Catholic education.

On this occasion, my congratulations and best wishes are extended to Monsignor Cannon.●

THE CASE OF YOSIF MENDELEVICH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 8, 1980

● Mr. GILMAN. Mr. Speaker, I welcome this opportunity to join with my distinguished colleague, the gentleman from Maryland, Mr. BARNES, in expressing our deep concern for three prisoners of conscience still languish-ing in Soviet prison camps, and suffering from tuberculosis, bronchitis, and other serious illnesses.

One of those three, Yosif Mendelevich, has been my adopted prisoner of conscience for the past year. Having become familiar with Yosif's background and his present circumstances, it appalls me to think that the Soviet Union continues to systematically subject its citizens to such inhumane treatment and humiliating experiences.

Yosif Mendelevich was born in Riga in 1947 to a family which adhered to Jewish tradition. From his early youth, Yosif religiously observed the laws and customs of Judaism; teaching himself Hebrew and reading whatever material he could find on Jewish history and Jewish culture. In the Soviet Union, such a mode of life not only complicated his position in society, but exposed him to the very real threat of criminal prosecution.

After completing high school, Mendelevich applied to study medicine, but when his application was rejected, he began to study engineering at the Riga Polytechnical Institute.

Meanwhile, between 1967 and 1970, the Mendelevich family applied three times to the authorities for permission to leave the Soviet Union for Israel. Each of these applications was rejected, as usual, without any official explanation. Yosif decided to discontinue his studies in the third year, fearing that his holding an engineering degree would reduce even more his chances of ever receiving permission to leave the Soviet Union. Yosif became acquainted with other Jews in Riga and Leningrad who, like himself, were interested in their Jewish heritage and wished to emigrate to Israel. He participated in the unofficial—samizdat—publication of the Jewish newspaper "Iton" and wrote a few articles, principally on religious questions. These were later cited as evidence that Yosif had published "anti-Soviet propaganda."

After the Mendelevich family's fourth application for permission to emigrate was rejected, Yosef lost all hope of ever leaving Russia legally. He decided to join others whose right to emigrate had been similarly violated in a plan aimed at taking over an empty plane in order to cross the Soviet border and ultimately reach Israel. The participants in these preparations were not armed and their intended action was carefully planned to avoid inflicting harm on anyone. Their purpose was as much to shatter the officially sponsored myth that Jews were not interested in emigrating from the Soviet Union as to fulfill their own aspirations to emigrate.

Yosef was arrested on June 15, 1970 at the Smolny airport near Leningrad. In a trial in Leningrad on December 25, 1979, he was sentenced to 15 years of confinement in a strict regime labor camp. As a result of the pressure of public opinion, his sentence was reduced to 12 years.

No prisoner in a Soviet labor camp can be envied, but life in such circumstances is especially intolerable for a devout observant Jew like Yosef who refused to eat nonkosher food and courageously persisted in the strict observances of his orthodox religious beliefs despite the resultant harassment and persecution. In fact, in the spring of 1977 he was accused under the corrective labor code of "maliciously violating the regime of confinement". The main evidence was his refusal to work on the Sabbath and his insistence on wearing his yarmulke. He was punished by being transferred to the notorious Vladimir Prison and thereafter to the equally notorious Shistapol Prison in central Russia where he is today.

I am especially concerned with Yosef's health at this point. I have been informed by his doctor that he lost 44 pounds and his situation continues to deteriorate steadily. I am inserting into the RECORD at this point, a copy of a letter from Dr. Menachem Gordin, Yosef's personal physician, who describes the critical condition of his patient last summer.

JULY 11, 1979.

Re Joseph Mendelevitch, prisoner for the cause of Zion.

I should like to draw your attention to the following important facts bearing on the urgency for affecting the release of the above.

As the personal physician of Joseph Mendelevitch, whom I have known for 15 years, I am deeply concerned about his state of health—to the point of fearing for his life. This opinion is based on the following facts:

(1) Joseph is suffering from severe hypertension and rheumatic heart disease since the age of 14. Joseph was in ambulatory treatment in the USSR prior to his imprisonment. His state of health did not improve under this medical care. It is to be noted that, because of grave physical condition, he was disqualified for any kind of military service by the authorities.

(2) Joseph is religious and observant Jew who would eat only kosher food. He therefore is left with insufficient nourishment, living for many years on bread and water only. I should like to point out that his valiant and proud insistence on living by his Jewish values in spite of the harsh conditions of prison life results in discriminatory harassment on part of the Shistapol Prison authorities.

(3) These facts have been confirmed by first-hand witnesses, his fellow prisoners who were released and arrived here about two months ago. The testimony of Mr. Butman will serve as a typical example. Joseph's cellmate, now released, Mr. Butman was witness to the fact that Joseph had only 300 grams of Matzah and water during the entire Passover week.

Supported by the above facts, I herewith state unequivocally in my professional capacity as a physician that his health is in grave jeopardy. His prospects for survival are limited to a short time unless the strongest efforts are made for his earliest possible urgent release in order to save his life, for otherwise it may be too late.

Thanking you for your kind attention, I am,

Sincerely yours,

MENACHEM GORDIN, M.D.,
Professor of Medicine, Hadassah Medical Center, Jerusalem, Israel.

Mr. Speaker, the summary of human rights legislation enacted during the past few years is indicative of considerable congressional involvement in human rights matters, and deserves its continuous support. The Mendelevich case is by no stretch of the imagination unique. In fact, my former prisoner of conscience, Dr. Mark Nashpitz, presents an equally sad situation. After having been arrested in 1974 and sentenced to 5 years internal exile—he spent those years in various camps, and was released in the summer of 1979. He returned to Moscow and found himself without a residence permit. Therefore, he could not find a job and was subsequently picked up and exiled again only a few weeks ago. I was in Moscow several months ago, and had the opportunity to meet this courageous young man. He told me of his dilemma and I presented it to the Soviet authorities who promptly told me that we should not meddle in their internal affairs. In the interim, I have received a letter from Mark which clearly explains what it is like to live the life of a refusenik. I would like to insert a translation of that letter into the RECORD, in full, at this point.

DEAR MR. GILMAN: I don't know whether you will get this letter, since I have little faith in the Soviet postal system. I am enclosing a statement addressed to the world community at large with my letter. My English is not sufficiently good for me to express in it my sense of outrage at what I have experienced.

After reading my statement you will see that my present situation is not good. I don't know where I and my wife will be living next, since we are not allowed to stay on in Moscow. Soviet authorities are not to be trusted; I have become convinced of that once again. When I find something in another town not far from Moscow, I will let you know of my address.

Please help us. My wife is expecting, and soon we will have a child, but we are not "between Heaven and Earth."

Best wishes for Passover. Perhaps a new prophet, another Moses, will arise and lead us out of the Soviet Union.

Respectfully,

MARK NASHPITS.

Attachment.

STATEMENT BY MARK NASHPITS

MARCH 14, 1980.

A variety of vices still exists in this world: deceit and dishonor, immorality and cynicism. If someone manifests these characteristics, they are repudiated by society. But how does one combat these vices when they are manifested by a government as a whole? How does an individual fight against the State's lawlessness?

I have been facing this for the last nine years. Let the world's community at large be my judge.

In 1956, my father while on a trip to Denmark decided not to return. He was charged with being a traitor to the Motherland, tried in absentia by the Moscow City Court, and sentenced to twenty-five years of imprisonment.

In 1971 my mother and I decided to apply for emigration to Israel and permanent residence there. The reasons which prompted us were several: the lack of spiritual satisfactions and a feeling of inferiority, since as Jews we constantly ran into affronts and humiliations to our people. On 1 Feb 1971 we applied to the Office of Visas and Registration (OVIR), and on 5 April were informed orally that our request was denied. When we asked what the reason was for the denial, we were told: "You know perfectly well why." From that time our wanderings from one Soviet government agency to another began. We asked for one thing only: a reasonable explanation. Though this action on our part did not contradict the Decree of 12 April 1968 of the Presidium of the Supreme Soviet of the USSR on "Procedures for reviewing proposals, requests, and complaints by citizens," we were met each time with silence. Finally in November 1971 I was called in to the OVIR where a KGB offical told me to forget about leaving once and for all, since my father was a traitor to the Motherland. In response to all my arguments that I was only eight years old at the time, that fifteen years had elapsed since then, that we knew nothing of my father, there was only one response: No. At that time Vyshinskiy's theory, according to which children were responsible for their parents' actions, was in effect in the USSR. However, after Stalin's personality cult fell into disfavor, this theory was sharply criticized at the 20th Meeting of the Communist Party of the Soviet Union and was pronounced to be invalid and fallacious. But it was apparent that in our case this pronouncement was only theoretical, and that in practice it was still being applied. In effect we became hostages.

The year 1972 brought the era of detente. The arrival of Richard Nixon, President of the United States, was approaching. But what did this have to do with me? A group of Jewish refuseniks wanted to ask the President for help in obtaining permission to emigrate to Israel. We also wanted to meet the President and tell him about our situation. But the Soviet authorities did not want this, and called us in for military service for the duration of the President's visit. I refused to go into training as I knew that being in the army automatically qualified me as being in possession of military secrets. As a result I was found guilty under article 198-1 of the USSR Criminal Code (refusal to undergo military training) and I, a physician-stomatologist, was sent for "correction" to work in a factory as a tin-smith.

After serving my sentence, I again started trying to get permission to leave for Israel. In agreement with the USSR Constitution on the rights of citizens to free speech and the freedom to congregate, I went on protest demonstrations with a placard; for this I was repeatedly arrested and subjected to punishment.

In the summer of 1974, I was called in for a conversation with KGB officials who declared that if I would not stop demonstrating, I would be imprisoned, but if I would behave well, i.e. would not demonstrate, then I would soon be allowed to leave. I asked for some guaranty that I would be allowed to leave if I "behaved well." The guaranty consisted in allowing my mother to leave. We accepted this compromise and my mother left on 1 Aug 1974.

I stopped going on demonstrations and started waiting. But how naive I was to believe in the KGB's honesty! In December 1974 an official from that organization came to my apartment and said: "Some changes have occurred and your departure is being postponed indefinitely. If you wish to speed matters up, provide us with information on Jews who are planning on leaving, mainly on refuseniks; this meant that I should become an informer. My response to this perfidy was an open letter to the press in which I outlined in detail my situation, and on 24 February I went to demonstrate with a placard in front of the Lenin Library. The demonstration lasted two minutes, when I was arrested and sentenced to 5 years of internal exile.

Exile is hard to describe, it must be experienced, but better never to experience it! Winter is 8 months long, the cold goes down to minus 55°C, and there are no communal facilities whatsoever. In these dark hours, there was one happy event—I met a young woman whom I came to love and who later became my wife. But it displeased someone that I should no longer be alone. The police began summoning in my wife, threatening her, and trying in every way possible to blacken me in her eyes. She bore all this bravely and with fortitude, declaring that she did not believe anything they said; for this she was discharged from her job. We were not allowed to register at the marriage bureau, beacuse the head of the police demanded the following from me: "If you want to get registered, address a request to me." Usually permission is obtained from the parents, and not the chief of police. I refused to be thus humiliated. People with whom we associated were often called into the police and warned that if they did not stop associating with us they would have difficulties. Some succumbed to these threats, others did not. Thus we lived for five years.

Six months before my release I found out that the house in which I was born and which belonged to our family was torn down. Prior to my arrest, I had organized there a Jewish circle, where all those who wanted to discuss their problems in emigrating from the USSR could meet and where talks were given on Jewish culture, customs, etc. When I found out that our house was torn down, I realized that it would be very difficult for us to find a place to live. My fears were confirmed.

Finally, 29 June 1979 arrived, the long-awaited day of my release. I was given a certificate stating that I was authorized to live in Moscow, and that upon our arrival in Moscow I should report to the All-Union Office of Visas and Registration (OVIR), which my wife and I did. Suddenly I came to believe that after nine years of waiting, two years of trial, and five years of internal exile, we would be allowed to go to my mother in Israel. But this was not the first time I was disappointed: on 11 March 1980 we were called into the office of Konstantin Ivanovich Zotov, Chief of the All-Union Office of Visas and Registration. The following conversation took place:

ZOTOV. Unfortunately we have to disappoint you; you are being denied permission to leave.

I. What is the reason for the refusal?

ZOTOV. We reviewed your case. In it you ask for permission to join your father (???) and mother. For State reasons we cannot allow you to rejoin a traitor to the Motherland.

I. You did not read my application correctly; I know nothing about my father and did not ask to join him.

ZOTOV. Indeed, you did not ask it, but we know that you want to join him.

I. Why does my mother have the right to live in Israel, and I cannot join her?

ZOTOV. Before her departure your mother divorced your father, so there was no reason for us to refuse her, but you are going to your father.

(I just did not know how to defend myself against such lies.)

I. But this is not true! How am I going to continue living further? My wife is expecting a child. We weren't given anything in place of our house which was torn down, we have no place to live!

ZOTOV. According to the law you can submit an application for an exit visa in six months. [But] you cannot live in Moscow and you will not be registered [to live in Moscow].

I. What can change in my situation in six months? Why can't I live in Moscow? I have a certificate authorizing me to live in Moscow.

ZOTOV. The main thing in your situation is a change in the general situation (apparently referring to the strained relations between the West and the East because of the events in Afghanistan). And those who gave you that certificate will be severely punished.

I. Why must I be held hostage for my father? How much more must I suffer?

ZOTOV. I have nothing more to say to you. This ended our conversation.

After all the suffering and torment, after so many years of waiting, of exile, of persecution, this was the reply I received. The stamp of a hostage is on me. The latest refusal confirmed my fears, which were as follows: recently, many Soviet citizens who had gone abroad, decided not to return. The authorities must now demonstrate to all those who would like to do the same that if they do this they may never be able to see their loved ones again. I was one of the latest to be made an example of. They showed me that nothing is ever forgotten (25 years had elapsed), that neither long years of waiting for permission to leave (9 years), nor protests (demonstrations), nor being tried for the truth (5 years of internal exile)—nothing will change the status of a hostage.

At the beginning of my account I addressed myself to the world's community at large, asking it to be the judge between me and the State in which I must live, but I also ask all men of good will to help me to get out of a country in which I am being humiliated and taunted.

Mr. Speaker, I urge my colleagues to continue in their effort to show their support for all these brave people by continuing to write to both the Soviet authorities and other international agencies. Our voice must be heard for them.●

HEALTH EFFECTS OF AGENT ORANGE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. BONIOR. Mr. Speaker, in 1974, the National Academy of Sciences recommended that a study be undertaken to examine the health effects on the South Vietnamese Army personnel who were responsible for handling agent orange in Vietnam. However, this recommendation fell upon deaf ears. In 1979, it was the General Accounting Office (GAO) who recommended that a study be conducted to examine the health effects of agent orange on the Air Force ranch hand personnel. However, the Air Force felt it unwise and unnecessary at that time. In June 1979, during Vietnam Veterans Week, the President was confronted by some Vietnam veterans asking for a study of veterans to determine the health effects of agent orange. At that time, the proposal for a study finally went into motion. However, numerous delays, for many reasons which have yet to be explained, continually set back this important study. And now, we have the National Academy of Sciences rejecting the proposal set forth by the Air Force to study exposed veterans for the reasons that it would be inappropriate for the Air Force to examine their own personnel and that the Air Force study would not attain the desired results of determining agent orange exposure.

Mr. Speaker, it is apparent that neither the Veterans' Administration or the Air Force has the capability or the desire to get to the bottom of the agent orange dilemma. While this NAS report has confirmed my long held suspicions, I once again reiterate my position that independent and nonbiased Government agency be charged with the responsibility of solving this problem.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. GAYDOS. Mr. Speaker, during 1979, 266 miners died as a result of on-the-job injuries, according to Labor Department statistics. Coal mine injuries killed 144 miners during 1979, while metal and nonmetal mines claimed the lives of 122 miners. With regard to nonfatal on-the-job injuries, there were 18,134 injuries which resulted in lost workdays at coal mines, while metal and nonmetal mines accounted for 13,044 lost workday injuries.

While coal mining is one of the most hazardous occupations in this Nation, an interesting characteristic of these statistics is that the injuries and fatalities occurring in coal mining operations are only marginally higher than those occurring in other mining operations. Although most people are generally aware of the extremely dangerous nature of coal mining operations, they might be surprised to learn that nearly as many fatalities occur in other mining operations, many of which are surface mining operations.

Of the 122 fatalities which occurred in the metal and nonmetal mining industry, 64 or approximately 50 percent of these occurred in sand and gravel, and stone mining operations. So far in 1980, roughly 50 percent or 14 of the 31 fatalities which have occurred in the metal and nonmetal mining industry have occurred in sand and gravel, and stone mining operations.

I now submit for the RECORD information on some fatal accidents which recently occurred in our Nation's mines.

On January 4, 1980, a 25-year-old employee of a stone quarry in Boswell, Pa., was crushed to death when he fell into the stone crusher while it was in operation. Preliminary investigation by the Mine Safety and Health Administration—MSHA—has indicated that the victim was knocked into the stone crusher by a load of material being dumped into the mechanism. The victim had 1½ years experience on the job.

On February 13, 1980, a 20-year-old employee of a surface clay mine in Streetman, Tex., was crushed to death when a loader he was operating overturned, pinning the victim beneath it. Preliminary investigation by MSHA has indicated that the rollover protection had been removed from this piece of equipment to permit the use of this machine in a small tunnel. The victim had only 1 month experience on the job.

On April 7, 1980, a 25-year-old employee of a surface sand and gravel mine in Duchesne, Utah, was crushed to death when the bed of a truck under which he was positioned fell on him. Preliminary investigation by MSHA has indicated that the victim had only 11 months experience on the job.

On April 8, 1980, a 26-year-old employee of a stone quarry in Milford, N.H., was killed when a crane he was attempting to move fell over and crushed him while he was attempting to jump clear. Preliminary investigation by MSHA has indicated that the victim was not employed as a crane operator and had only 11 months experience on the job.

On April 25, 1980, a 21-year-old employee of a stone quarry in San Angelo, Tex., was crushed to death when a frontend loader he was operating overturned and pinned the victim beneath it. The preliminary accident investigation by MSHA has indicated that the victim had only 8 months experience on the job.

In all of the accidents listed above the victims had a small amount of experience on the job. This points to the need for the provision of effective safety training by the employer to inexperienced employees. But in last year's fiscal 1980 Labor-HEW appropriations bill, an amendment was added which exempted shell dredging, sand, gravel, surface stone, surface clay, colloidal phosphate, and surface limestone mines from employee training requirements under the Federal Mine Safety and Health Act of 1977.

At the time this amendment was offered, I argued in opposition because I have always been an advocate of occupational health and safety training as a means of preventing fatal or disabling injuries. I believe that the use of legislative riders on appropriations bills obviously usurps the function of the appropriate legislative committee and this can be destructive to the proper functioning of both the appropriations committee as well as the respective legislative committees. In light of the grisly statistics which I have discussed, I believe that renewed emphasis must be placed on mine safety in this country and the particular attention be given to alerting new, inexperienced miners to the hazards present in their workplace.●

MEXICAN BORDER PROBLEMS

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. HIGHTOWER. Mr. Speaker, while the Nation reads and hears daily of the new exodus from Cuba, many are less aware of the severe problem we face on our Mexican border.

I would like to insert in the RECORD an article that appeared in the Dallas Morning News of May 4, 1980, which details this tragedy:

ALIEN TIDE SWAMPS U.S. BORDER PATROL

(By Howard Swindle and George Kuempel)

LAREDO, TEXAS—The shadows had turned to darkness, and the silent invasion across the winding Rio Grande already was under way.

A squelch, then a message, on the 2-way radio pierced the silence as the two border patrolmen sat in their 4-wheel-drive Ramcharger amid the thick chinoza that almost shielded sight of the river 15 feet to their left.

A voice crackling over the radio told them a smuggler, a "coyote," had backed a huge semitrailer into a hiding place along the murky river and was loading 100 illegal Mexican aliens aboard.

Dennis Cogburn, a 10-year veteran in a losing battle against the tide of illegal aliens streaming across the river, was more than a little disgusted.

"That's the same place where they loaded 150 wetbacks earlier today," Cogburn told partner Willie Castleberry.

But, anticlimactically, there was no rush to arrest the smuggler and his load of human cargo.

The two border patrolmen, like their 60 or so colleagues who work out of the Laredo headquarters, didn't have enough gasoline.

"Three miles outside the city limits, and we haven't got enough gas to go out and get them," Cogburn said bitterly. "If you load 500 in an open truck and drive just on the outside of the city limits, we'd have to wave at you."

The message had come down from Washington only a few days earlier—stop the 500,000 or more Mexicans who slip illegally into the United States every year, but don't use any gasoline. There's been a budget cut.

Gasoline was rationed to three gallons per vehicle per shift, trying to stay within the new 9,000-gallon quota—a 74 percent cutback in the regular monthly allotment.

Even before, when the U.S. Border Patrol had gasoline, deputy chief Delbert Guy estimated an illegal alien's chances of slipping undetected into the country at 60 percent.

Without gasoline—and having to rely on the old-time foot patrols—Castleberry surmised border patrolmen would "be lucky if we catch one in 50."

And those odds became even more staggering last week when another message arrived from Washington: Send 20 percent of your patrolmen to Florida to help process the Cubans pouring into Miami.

"It's all a game, I guess," said one of the border patrolmen, lighting a cigarette, "but the people who run this country obviously don't give a damn if wets (illegal aliens) are running all over the place."

Meanwhile, the huge semi, its load of humanity jammed inside the trailer, made its way from the Rio Grande border, heading unmolested toward the Houstons, Dallases, Chicagos or Detroits where millions of other aliens had been taken before in their quest for jobs.

Javier, Jesus and Maria had been in the United States less than five minutes when they met the border patrol. The meeting, about 10 yards from the river they had just crossed illegally, was the disappointing climax to an ill-fated trip that began a week earlier.

Unlike many illegals before them, the three arrived in the United States with a small amount of money, but they left penniless.

Border patrolmen Glen Simpson and Rudy Lopez, on foot patrol because of gasoline cutbacks, came upon Javier, Jesus and Maria as they sat bewildered on a cow path. Seconds earlier, they had been robbed of every cent they had—about $15—by a band of pistol-toting "river rats," Mexican-Americans who live on the U.S. side of the Rio Grande, preying on illegals.

The sound of Simpson and Lopez rattling through the heavy reeds along the river's edge apparently had scared the gunmen away.

Maria, Jesus' 18-year-old wife, was lucky. "Normally, they rape the alien women when they find them," Simpson said. "When they're robbed or raped, who do they complain to? They know they're here illegally, and they don't want to say anything.

"You find all things on this river at night."

Starving and unable to find work in their native San Luis Potosi, a city in the desolate bowels of Mexico's interior, Jesus, Maria and Javier had set out a week earlier to look for jobs in the United States.

They were "walkers," too poor to pay a smuggler for transporation into the interior of the United States. Javier apparently had made his way into the United States before. He wore a T-shirt with "Oklahoma Christian College" written on it and a baseball cap bearing the name of a San Antonio construction campany.

They had hoped the $15 in cash and the shopping bag with two loaves of bread and a gallon of water would be enough to get them to San Antonio.

Border patrolman Rolando Cruz sat on his haunches, gazing longingly at the long, green boat partially hidden in the heavy brush on the Mexican side of the Rio Grande.

Soon it would be dark, and the boyish, 29-year-old Cruz knew the boat would be making many crossings before morning, ferrying its load of human cargo and landing it on the American side of the border.

"God I wish we had our naval officer here," he said to no one in particular.

The disbelieving reporter sitting in the brush with him doubted the border patrol had its own naval officers.

"Sure," Cruz replied, holding up a spent rifle cartridge he picked up on the shore. "You wouldn't believe all of the boats he's sunk."

"You mean-while they're parked on the Mexican side?"

Cruz's boyish face broke into a broad grin as he looked back toward the boat.

The veteran border patrolman stiffened suddenly and crouched deeper into the thick underbrush, watching as seven shadowy figures slipped quietly from the cane thicket on the small Rio Grande island and waded silently toward the U.S. shore.

Quickly, the figures—two men, two young women and three children—crossed the murky knee-deep water and scurried up the bank, breathing relief at finally reaching the United States.

Unaware that border patrolman Victor Villarreal was concealed in the brush less than five feet away, they gathered in a circle, catching their breaths as they put on their shoes and socks.

Villarreal eased forward and gently tapped one of the men on the shoulder, placing a finger to his lips, cautioning him to be silent to keep from alerting any other members of the group who might still be waiting to wade the river.

It had taken almost every cent the seven Mexicans could muster to pay the boatman to ferry them across the deep portion of the slow-moving river. They made no attempt to run, accepting their fate silently.

But the three children—two girls, 11 and 13, and the boy, 10—couldn't conceal their disappointment. Perhaps it was because of the chill of the air, but the youngest girl's shoulders quivered slightly.

The children lowered their faces, staring mutely at the leather-bound Bibles they held tightly in their laps.

Except for the clothes on their backs, the Bibles were all they had brought on their aborted trip to the United States.

Seconds later, there was the crunching of more footsteps through the bamboo. Villarreal's partner, Cruz, stepped forward. A startled 13-year-old boy pulled out a pocket knife.

"Throw it in the river," said the border patrolman, pulling his revolver from its holster. The boy said later he didn't realize Cruz was a border patrolman.

He was scared, he said, because his brother had been robbed four nights earlier by river bandits.

Oscar Salas-Rivera was trying to explain in broken English why he had left his pregnant wife in Guadalajara to bring his three children and two young nieces across the river, he hoped, to jobs in the United States.

Pulling a wet wallet with a $10 bill and three $1 bills from his pocket, Salas-Rivera said it had taken nearly all his family's money to get to Nuevo Laredo by bus. Then there was 200 pesos—about $10—for the boatman to get them across the deep water to the small island in the river.

He was a truck driver, he said, and couldn't support his family. He dreamed of a job in San Antonio, though he didn't know where the city was or how to get there. He wanted to work for enough money to send for his wife after she gave birth to their fourth child.

"Life is very hard in Mexico," he said minutes after his arrest. "We want to try to make a better way for ourselves."

Did he know what would happen to him and his family after being arrested? "No." Was he afraid? "A little."

Then he pleaded. "Can you please help us?"

Border patrol pilot J. A. Calk pointed the tiny single-engine plane into the wind. Experience had taught him the Mexicans who had crossed the river into the United States illegally would have less chance of hearing him coming that way.

The flight 200 feet above the Rio Grande flushed no aliens, but that didn't bother Calk. Because of gasoline shortages, there probably would have been no ground crew to pick them up anyway.

And there was no need for them to run because the dense cover of vegetation along the river bank shielded them from view. But there was no question they had been there. And in huge numbers.

Clothing, discarded wet after the river crossing, litters the landscape. And the plastic bags used to protect their meager belongings from the water are everywhere.

Then there are the inner tubes, the tires, beach toys—anything to aid those afloat who don't have the money to pay one of the many boatmen on the Mexican side to ferry them across.

The labyrinth of well-used trails along and eastward from the river is further evidence of the heavy foot traffic into the United States.

Calk turned the plane toward Cotulla, 70 miles to the north, to assist border patrol agents there in a routine search of freight trains that pass that city en route to San Antonio, Dallas and other Texas cities.

While the ground units searched the train car by car, Calk watched from the air for any illegal aliens who might try to flee the train into the brush near the tracks. On that day, the agents removed seven Mexicans from a box car and from a tanker used to haul liquids.

The trains, originating in Mexico and in Laredo, are prime sources of transportation for Mexicans seeking their way into the interior and are routinely checked by the border patrol in Cotulla and in other nearby towns.

It was well after midnight in the parking lot behind the Laredo border patrol headquarters, and the patrolmen off the 4 p.m.-to-midnight shift had gathered around the big beer cooler perched on the tailgate of a pickup.

Nearby were three green-and-white border patrol vehicles, their hoods slightly ajar, inoperable because budget cutbacks don't provide for the parts to repair them.

It was a meeting of bastard stepchildren, men who met on common ground to bemoan the problems of enforcing an unpopular law against insurmountable odds, problems they believe wouldn't exist if they had any support at all.

"Basically, this is an open border," said veteran patrolman H. G. Pool, a shift supervisor who was popping the top on a beer. "There is no enforcement of immigration laws. It's just a joke. It's just unreal.

"The volume is unreal. It's unbelievable even to those of us who have been here for years. The damn administrators have let this get out of hand. It looks like a war zone during the day."

Cogburn, sitting on the cab of the pickup, reluctantly agreed with another patrolman's view: "Yeah, it's like we really are bastard stepchildren."

Every beer brought another example of events that create frustration. G. L. Aker, a shift supervisor, said his patrolmen were unable to answer five reports earlier that day that could have led to the arrests of as many as 500 illegal Mexican aliens.

"We just couldn't get to them because of the gas shortage," Pool said. "This happens every day. If it's not in the city limits, we can't go and pick them up."

Another was complaining openly about losing 20 percent of Laredo's manpower to the temporary assignment in Florida where the border patrolmen are processing Cubans.

"If they think they've got a problem with Cubans, they ought to come down here for awhile," he said. "Besides, why is it all right for Cubans to come in and not the Mexicans? These people down here are starving."

The talk shifted to morale; there was cynical laughter.

Someone had heard that David Crosland, acting director of the U.S. Immigration and Naturalization Service in Washington, had told reporters of the high morale in the border patrol.

"We have no morale," Pool said. "But even as hard as it is now, these guys still go out and try to do their jobs. The only people who care about the problem are the border patrolmen."

The location was different, but the mood in nearby Cotulla was the same as in the border patrol parking lot in Laredo. William B. Worley, agent in charge of the border patrol there, remembers a call last Thursday from the sheriff's department 68 miles away in Jourdanton.

"They said they had picked up 18 aliens and also the suspected smuggler," Worley said. "I had to tell them to let them go because we didn't have the gasoline to go pick them up."

Border patrolmen who work in Cotulla—a dusty county seat on a major alien smuggling route—are limited to making checks at the local bus station and to stopping northbound freight trains.

"We're just completely and totally out of business," Worley said. "We're not a deterrent (to aliens) to begin with. We're only a hindrance to them."

The story's the same in San Antonio, where an INS anti-smuggling team is based. "Our cars are parked, and we don't have any money to operate them," said one agent, who said his supervisor collected all the car keys. "We're all sitting on our . . . here. There is nothing to do."

By the time the 4 p.m.-to-midnight shift had ended in Laredo, border patrolmen had arrested only 30 Mexicans, nearly all of them a short distance from the river they had just swum.

An average night, Pool said, would have netted at least 150.

"I imagine 500 or 600 got away," the patrol supervisor said. By the time word about gasoline and manpower shortages spreads on the smuggling grapevine, there'll be even more attempts, he predicted.

"They know we're restricted."

11:45 p.m., International Bridge, Laredo:

Thirty Mexicans, arrested earlier for illegally entering the United States, are escorted by border patrolmen to the gate of the bridge that spans the Rio Grande.

It was not the first arrest for some of the 30. They had been led back to the bridge before; they knew the procedure.

But they knew there also was a tomorrow. Tomorrow, maybe the next night, they would try again.

Until they finally make it.●

DRAFT REGISTRATION—AN EMPTY GESTURE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. DODD. Mr. Speaker, when the House of Representatives considered the President's proposal to reinstate draft registration, I voted against the measure.

During my consideration of the issue, I kept asking myself one fundamental question: "Will reinstituting registration for the draft improve our military preparedness?" Had I been able to give an affirmative answer to that question, I would have voted in favor of registration. However, after long and careful study of the President's proposal and of the various studies of registration's potential effectiveness, I came to the inescapable conclusion that draft registration would simply not enhance our military preparedness in any significant way.

As recently as last January, the Selective Service System prepared a report which concluded that draft registration would only save 7 days in the event of military mobilization. Another study, prepared by the Congressional Budget Office, estimated that registration would save just 13 days. Regardless of which figure you accept, the fact is that the Defense Department's own figures make it clear that even postmobilization registration would provide more draftees than the Army training system could possibly absorb in time.

The conclusion of the Selective Service's own study dated January 16, 1980, is unambiguous. It said: "The postmobilization option is by far the most cost effective, and least intrusive, and is the option chosen by the Selective Service."

The basic fact is that mandatory registration would not improve our military preparedness. All registration would do is provide a list of names of 18- and 19-year-olds—a list which would be 50 percent inaccurate within 2 years due to the high mobility of people this age. It is significant to note that millions of men were successfully registered in a single day at the beginning of World Wars I and II. And they were registered without today's computer capability or instant communications. I do not see any reason why we would not be able to do just as well today if mobilization were ever required.

I believe that there is a real danger that requiring draft registration will divert our attention from the real manpower problems our Armed Forces confront, and thus actually reduce our military preparedness. All four of our military services are facing significant problems in retaining the skilled men and women needed to handle today's increasingly sophisticated military equipment. The Air Force has estimated that it will be short 2,400 pilots this year, 3,500 next year, and 4,100 the year after unless pay and benefits are substantially increased. The problem is the same in the Navy which needs to retain 58 percent of its pilots this year, but estimates it will only be able to hold onto 28 percent of them. The problem of retaining highly skilled pilots is repeated in many other high skill areas in the military. Requiring 18- and 19-year-olds to register at their post offices will do nothing to solve the retention problem.

If we are truly serious about enhancing our military preparedness we should take immediate steps to strengthen the Reserve system, solve the retention problem, and attract able recruits rather than go through the futile gesture of producing a list of 18- and 19-year-olds.

Draft registration is a symbol without value. It will not increase our ability to respond to emergencies. It will not fool our adversaries into believing we have taken real steps to enhance our capabilities. It can hardly inspire confidence in our allies. It is simply a futile gesture.

I might add that the issue of draft registration is not a partisan political or ideological issue. Men with such differing viewpoints as former President Ford, Senator KENNEDY, and former Governor Reagan have all voiced their opposition to registration.

If we are to begin to overcome our military manpower problems we should address the real issues and not be sidetracked by a meaningless gesture.●

UNITED RUBBER WORKER EDITORIAL DETAILS ECONOMIC BENEFITS OF OSHA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. SEIBERLING. Mr. Speaker, the April 1980 issue of "United Rubber Worker," the official publication of the United Rubber, Cork, Linoleum & Plastic Workers of America, AFL-CIO-CLC, contains an excellent editorial summarizing the importance of maintaining strong Occupational Safety and Health Administration regulations.

The editorial points out that the direct cost of workplace injuries was nearly $21 billion in 1978 and that 10 times more workdays are lost each year because of injuries than because of strikes. It also points out that there has been a $6.4 billion benefit from OSHA so far, quite apart from the human benefits of a safer and more healthy workplace.

We often hear arguments made that environmental laws such as OSHA impose too great a cost on industry. Such arguments frequently ignore the human values that such laws protect. But as the editorial points out, they also ignore the fact that such laws are often a net plus from the standpoint of the Nation's economy. For example, studies of the cost of the Clean Air Act regulations have indicated that while they cost industry $16.6 billion in 1978, the reduction in health care costs alone from having less polluted air amounted to an estimated $21.4 billion.

The full text of the "United Rubber Worker" editorial follows these remarks:

THE PARABLE OF THE COWS . . .

Could you put a price on your health or life in dollars or cents?

When economists or management talk about the costs and benefits of safety and health regulation, are they really making feeble excuses for not footing the bill for safe workplaces? Should workers have to think of their health in terms of money?

Dr. Eula Bingham, Assistant Secretary of Labor, doesn't think so.

Bingham spoke at a recent conference in Washington on the cost and benefits of regulation, and said that, in general, management has used cost benefit analysis (CBA) as a tool to fight safety regulations and OSHA.

"There is a little story," Bingham said, "that illustrates the differences in the social and economic systems of various nations that also illustrates cost-benefit analysis."

"In a socialist state," Bingham said, "you have two cows and give one to a neighbor. In a communist state you have two cows, the government takes them both and gives you the milk. In a fascist state you have two cows, the government takes them both and shoots you. In a bureaucracy you have two cows, the government takes one, shoots one, and pours the milk down the drain. And in a capitalist state you have two cows, you sell one, and then buy a bull."

"But I think we've been buying entirely too much bull. Unfortunately, in our capitalistic system today there is entirely too much bull being thrown around concerning the impact of regulation on society," she said.

Bingham said that since OSHA's inception it has been criticized by businesses on the grounds that it was too big, too expensive, and that the end results did not justify the cost.

"In the beginning the business community and other OSHA critics claimed that they would never be able to understand the massive number of OSHA standards. One senator stood up on the floor of the Senate with a 17-foot high stack of documents which supposedly were the OSHA regulations and dramatically asked if the businessmen of the nation would ever be expected to comply with such requirements.

"But this turned out to be a phony issue as the employers of this country came to know what standards applied to their workplaces," Bingham said. "Then OSHA eliminated almost 1,000 provisions of its standards, and we no longer hear this."

Bingham said the second criticism levied at OSHA was that it would turn into a "Gestapo-like" policing organization that would harass businessmen at every opportunity. "But the Hydraheaded monster OSHA did not arise; the agency has never had more than 1,600 inspectors. Only 2 percent of the establishments of the nation are inspected each year," Bingham said.

Bingham said that when these two attacks against OSHA were discredited, employers turned to the economics of regulation. "And once again, rhetoric has outrun the reality. Some business spokesmen as well as some economists who should know better are very adept at conjuring up large figures that are the purported costs of government regulation. But they are not so eager to show the other side of the story," she said.

What then, in Bingham's opinion, is the other side of the story: She cited these examples—estimates—that said:

If the health of all workers employed in the private sector were improved so as to increase their productivity by only one day per year, the annual savings to their employers would be several *billion* dollars. (Nicholas Ashford, Assistant Director, Center for Policy Alternatives, Massachusetts Institute for Technology)

The direct cost of workplace injuries was nearly 21 billion dollars in 1978. Ten times more work days are lost each year because of injuries than because of strikes. (National Safety Council)

There has been a $6.4 billion benefit from OSHA so far. (Mark Green, Director, Congress Watch, and Norman Waitzman, Corporate Accountability Research Group)

"Our experience with the vinyl chloride standard makes me very skeptical of the kind of instant analysis that produces astronomical cost figures which shrink miraculously when industry begins to have experience with the standard. I cannot ignore the vast disparity between industry fears and actual reality," Bingham said.

Bingham said that while the industry predicted all polyvinyl chloride production plants would close and that production would end, what really happened was that after an initial decrease of 10 to 15% while control technology was being developed and installed, production not only returned to previous levels, but actually increased. Bingham said in 1974 industry spokesmen claimed the cost of the standard could go as high as $90 billion, while the actual cost of compliance was from $127-182 million.

Bingham said that the irony of cost-benefit analysis is that sometimes, economics is not a driving force at all. She cited hospitals where a study indicated that female operating-room workers and the wives of male anesthesiologists suffered increased rates of spontaneous abortions and birth defects. Scavenger devices that pick up waste gases on anesthetic machines cost only about $100. But, Bingham said, in 1976, three years after the study, more than 50% of all hospitals had not installed them. In 1974, she added, only about 20% had them.

Why isn't CBA useful in safety and health? Bingham said that safety and health regulations can't be based on traditional CBA because the risk assessment techniques crucial to such analysis are too crude and unreliable. She said that efficiency criterion alone is not appropriate for safety and health regulation because the issue of equity is ignored. "Less protective regulations may benefit industry in terms of higher profits, but workers bear the cost through increased illness," she added. "We could reduce costs today and create nightmares tomorrow. Take the St. James River. A small chemical company near Richmond, Va., irresponsibly poisoned not only its own employes with the pesticide Kepone, but also ruined the entire fishing industry. Legal judgements against the company were more than $12 million; the cost of cleaning up the St. James River is at least $8 billion. What is not known is that an initial investment of about $200,000 for control technology could have prevented the disaster entirely," Bingham said.

So what is to be done? "You must take the victims of environmental neglect to the very people who can bring about change in our society—the Congress, the media, the federal government. You must show the nation's policy makers that sick and injured workers are more than a mere number on an economist's graph. They must be shown that they are dealing with living, breathing human beings who are precious to friends and family, and that it is both impossible and morally reprehensible to try and place numerical values on the number of Thanksgiving dinners that a father can spend with his children," Bingham said.●

HOPE REENKINDLED FOR PRAYER IN SCHOOLS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mrs. HOLT. Mr. Speaker, I recently came across a letter written by Mr. William J. Murray, son of Mrs. Madalyn Murray O'Hair, which appeared in the May 10 issue of the Baltimore Sun. Mr. Murray apologized and asked for forgiveness for the role he played in the Supreme Court decision denying voluntary prayer in our public schools. I commend Mr. Murray for his courage in acknowledging a grave injustice. I would like to share his moving message with my colleagues and pray it will inspire those who have not signed my discharge petition No. 6 to do so soon. Mr. Murray's letter follows:

GOD IN THE SCHOOLS

EDITOR: This story began with a letter of defiance to the editor of this paper in the fall of 1960. It is my sincere hope that the story ends with this letter of both apology and forgiveness.

First, I would like to apologize to the people of the City of Baltimore for whatever part I played in the removal of Bible reading and praying from the public schools of that city. I now realize the value of this great tradition and the importance it has played in the past in keeping America a moral and lawful country. I can now see the damage this removal has caused to our nation in the form of loss of faith and moral decline.

Being raised as an atheist in the home of Madalyn O'Hair, I was not aware of the value of faith or even the existence of God. As I now look back over 33 years of a life wasted without faith in God, I pray only that I can, with His help, right some of the wrong and evil I have caused through my lack of faith.

Our nation, our people, now face a trying time in this world of chaos. It is only with a return to our traditional values and our faith in God that we will be able to survive as a people. If it were within my personal power to help to return this nation to its rightful place by placing God back in the classroom, I would do so.

I would also like to publicly forgive those who assaulted me and destroyed my property during those years that the case of Murray vs. Curlett moved through the courts. I do this even as I know that a loving God has already forgiven them.●

SHIPPERS' EXPORT BILL

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. PASHAYAN. Mr. Speaker, yesterday the House passed H.R. 6842, a bill which seeks to maintain the confidentiality of shippers' export declarations.

As a member of the subcommittee which reported this bill, I have been involved with this legislation since last fall when Congress amended the Export Administration Act, the law which terminates the confidentiality of shippers' export declarations on June 30, 1980.

Shippers' export declarations are used primarily by the Bureau of the Census to compile data on the Nation's export trade and are also used for compliance and administrative purposes under the Export Administration Act. They contain sensitive business and competitive information which, if released to foreign competitors, could result in the further decline of American exports. Consequently, shippers' export declarations have been treated confidentially and have not been released to the public.

If H.R. 6842 were not enacted into law, other consequences would prevail as well. In particular, the Bureau of the Census would no longer stand as the one entity of the Federal Government that maintains its records in a strictly confidential manner. The implications for inaccurate accounting would be vast.

Essentially, then, section 1 of the bill extends the confidentiality of the declarations forever. In turn section 2 amends the Shipping Act (46 U.S.C. 193) to require the U.S. Custom Service, which administers the shipping statute, to standardize its procedures for collecting and publishing export data from the nonsensitive export data of outward foreign manifests. Although this information is similar, it is not identical to the data contained on the declarations.

I believe H.R. 6842 to be a reasonable and farsighted compromise, and I look forward to its expedient final passage in both Houses of Congress.●

MX: THE PENTAGON'S EDSEL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. BINGHAM. Mr. Speaker, noted conservative columnist James J. Kilpatrick has termed the MX program "the Pentagon's Edsel." He is only one of an increasing number of people who oppose the program on fiscal, environmental, and—most important—military grounds.

The DOD authorization bill will be considered this week, with PAUL SIMON and others offering amendments to reduce funds for the MX. I, like many of my colleagues in "Members of Congress for Peace Through Law," will support these efforts. I encourage my colleagues to read Mr. Kilpatrick's thoughtful article:

[From the Washington Star, May 6, 1980]

THE "PENTAGON'S EDSEL"

(By James J. Kilpatrick)

Interest suddenly has revived on Capitol Hill in the MX weapon system—and high time. Unless critics of this preposterous venture are wholly mistaken, the MX is the Pentagon's Edsel, a $69-billion lemon with no future trade-in value.

In case you came late to this controversy, the MX is an intercontinental ballistic missile bearing a fantastic nuclear warhead. The missile itself is 71 feet long; it weighs 190,000 pounds. The proposal immediately before the House is to build a "verifiable horizontal multiple-protective structure complex" somewhere out West.

It would be quite a complex. The proposal calls for 200 MX missiles. A cluster of 23 hardened horizontal shelters, 7,000 feet apart, would be built for each of the missiles. Each missile would be encased in a canister and mounted on a transporter-erector-launcher vehicle. The vehicle would move around a closed-loop road system, ducking in and out of the 23 individual shelters.

The general idea is that the Soviets would never know which shelter actually housed a missile at any given time. For an enemy to hit all 4,600 shelters on a first strike exceeds the wildest bounds of probability. The MX system, it is said, would assure us a land-based, second-strike capability.

Very well. Accepting every claim that is made for the MX, it still is possible to challenge the wisdom of going ahead with this venture. At some point questions of cost must be addressed in ways the Pentagon has yet to address them.

Through the end of the 1979 fiscal year, $603 million had been invested in the MX weapon system. At least as much will be expended in the current year. When the system first was proposed in 1978, it was estimated that the whole works ultimately would cost $33.2 billion. That estimate has been abandoned. The General Accounting Office in February came up with a fresh estimate of almost $60 billion. Question: Can we afford it?

The dollars may be the least of the costs. The Pentagon proposes to build the complex on federally owned land. Last week Antonia Handler Chayes, undersecretary of the Air Force, told House and Senate committees that no site has been finally selected; sites in Texas and New Mexico are still being considered, but the originally proposed site in Utah and Nevada continues to be favored. How much land are we talking about? This is the GAO's understated description:

"If sited in the preferred areas of Nevada and Utah, the MX weapon system will be deployed over a rectangular area encompassing about 45,000 square nautical miles of land, an area about the size of Georgia."

Water is a scarce commodity in the Western desert. The GAO report noted that most present and future supplies of surface water already are allocated. The Air Force would have to depend upon underground water. How much water? The proposal demands 90 billion gallons of water between 1979 and 1999. In one year alone the venture calls for 37 billion gallons.

Electrical power also is limited. At its peak, the system demands the power resources required for a city of 180,000. Cement shortages are everywhere severe. The MX construction program calls for 2.7 million tons of cement, twice the amount required to build the Hoover Dam.

Last week Utah's Sen. Jake Garn appeared before a House committee to inject some fresh considerations. His state already is feeling the social and environmental impact of the Intermountain Power Project, the largest coal-burning power project in the nation.

Utah is braced for development of its enormous deposits of tar sands as the country searches for alternatives to oil. Garn wonders and worries about the added impact of MX. The system might well wreak greater devastation at home than it ever would wreak upon an enemy.

The ultimate question, of course, is—would it work? Would this incredible shell game of vehicles, shelters, roads, loops, launchers and clusters actually be impenetrable by an enemy? Almost 50 years ago, that was the issue raised by critics of the Maginot Line. It was said that no enemy could ever breach it. When the crunch came, the Nazi *Blitzkreig* crumbled the pillbox defenses in 48 hours. The art of warfare never stands still. Methods of detection are certain to improve. What then?

I do not mean to denigrate the necessity for nuclear defenses. These must be effectively maintained. But I do mean to raise doubts about the MX. Surely our planners, with all of outer space to work in, can contrive something better than 4,600 little Maginot pillboxes, out in the Western sands.●

MARKLEY ON THE FUTURE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. COLLINS of Texas. Mr. Speaker, one thing that helps in this country is for great business leaders to speak up and give sound leadership advice. Recently, Herbert E. Markley made an excellent address at Hillsdale College in Michigan. Herbert E. Markley is the chairman of the executive committee of the Timken Co., and also chairman of the N.A.M. I read a copy of his complete speech in Imprimis which is the Hillsdale College report.

He summed up the seven points where we need to concentrate to solve the problems of inflation, recession, and energy. He said we need specific actions. Here are his seven points:

1. Balance the Federal budget for fiscal year 1981.
2. Eliminate all direct Government controls of wages and prices.
3. Eliminate controls on the prices of petroleum products, and dismantle the whole apparatus of Government allocations.
4. Reappraise all Government regulations that increase the costs of production.
5. Reform the Federal tax system so as to encourage a higher rate of capital formation.
6. Increase the focus by business, labor, and Government, on measures for raising our productivity.
7. Renew the attention to research and development, as the means of opening new opportunities for economic growth.

Mr. Speaker, now let me quote directly some of the excellent sections in this report by Herbert E. Markley:

> Our economic climate resembles a crisis atmosphere. Political figures intent on their own re-election are impelled to do "something," useful or no, so long as it will make a dramatic splash on the 6 o'clock news. But

our problems are not brand-new. On the contrary, we are sick because our government has for years been applying the wrong remedies. The government appears to have learned nothing from years of applying the wrong solutions. As Will Rogers once put it, "Washington, D.C., is the only place on earth where sound travels faster than light!"

So the nation races merrily down the road to national bankruptcy, spending far more than our income and running the printing press to make up the difference, hurling huge amounts of money at intractable social problems, taxing heavily the productive elements of our society and turning it over as "transfer payments" to the non-producers, pursuing policies that encourage current consumption and discourage investment for the future. And then some people actually wonder out loud how we go so sick!

Government. Since 1964, we have had the most activist government in our history. Through new initiatives, new regulations, and most of all greatly increased spending, government plays an ever-larger role in our lives—budgeting, taxing, spending, managing, regulating, controlling many aspects of our lives.

To what purpose? With all this government attention focused on the nation's economy, matters have steadily worsened. Over a recent six-year time span, while the cost of living in America rose 40 persent, the total tax bill jumped 65 percent. Inflation, now running at an annual rate of nearly 13 percent, pushes wage-earners into higher tax brackets, while their real purchasing power is steadily eroded. A recent U.S. Chamber of Commerce bulletin pointed out that in 1975 there were about 71 million people in the work force, and some 80 million people drawing government checks of one kind or another.

Do you now doubt why we are ill? Surely, there are strong grounds for the view that all this frenzied government activity, flailing about, hurling ever-larger sums of money at problems, issuing regulations at the speed of light, has made our problems worse. If one needs further proof, two commodities basic to our economy, fundamental to life as we know it, are bread and petroleum products: bread is relatively free of government controls, it is available in abundance, you don't have to queue up to buy it. Petroleum products, on the other hand, have been subjected to all sorts of controls, allocations, and authorized price levels. The result? Gasoline supplies are tight, you do queue up in some parts of the country, and some days try to find an open service station with any gasoline to sell! The moral suggests itself, but note one additional point: in the socialist "utopias" of the world, notably those in Eastern Europe, where the government controls practically everything, people queue up for bread, for gasoline, for practically everything. As Bill Simon, formerly Secretary of the Treasury and a distinguished predecessor at this podium, has put it, "Personal liberty without economic liberty is an absolute contradiction—the one cannot exist without the other."

So the essential first step, if we are to start to get well, is to stop doing the things that made us ill in the first place—reckless government spending, deficit financing, declining productivity, unfavorable balance-of-trade, tax policies that discourage investment. Those are the narcotics to which our society has become addicted. If you wish to help a friend who is an alcoholic, the first thing you must do for him is to tell him, plainly and forcibly: the cure for alcoholism is to stop drinking!●

A SALUTE TO GUSSIE JONES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. STOKES. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues in the U.S. House of Representatives the achievements of an individual who is committed to helping people excel professionally and spiritually—Mrs. Gussie Jones of Cleveland, Ohio. Mrs. Jones has been a guiding light for many individuals in the Cleveland metropolitan area through the years. I feel that I have been blessed to know and work with this extraordinary lady.

I do not think that there is anyone who has known her that can honestly say she was not an inspiration to them. She is a lady of distinction and admiration in Cleveland.

Involvement and commitment are the words which best personify Mrs. Jones. She is active politically and currently serves as the chairman of the speakers bureau for my 21st Congressional District Caucus. Additionally, she has been an energetic and outstanding employee of the telephone company in Cleveland for many years. Not only has she grown professionally during her career at the telephone company, but she also has helped others climb the ladder of success. Finally, she is a devout Christian and dedicated churchworker. She radiates this sense of charity and Christianity through all of her associations.

Recently Mrs. Jones was named "Exhorter" for the African Methodist Episcopal Zion Church. This is a position of honor and tremendous responsibility in the church. She is the first woman in modern day history to obtain this title. This achievement is another addition to her exhaustive list of firsts.

But, this is characteristic of Gussie Jones. She is a lady of firsts. Through her dedication to people, she could easily be deemed the first lady in the hearts of many Clevelanders.

Accordingly, at this time, Mr. Speaker, I enter an article in the RECORD about my friend, Gussie Jones, which appeared in the Ohio Pioneer:

PEOPLE

Through the years as a community leader, church worker and public speaker, Pioneer Gussie Jones of Cleveland has won many awards. But none compares with her most recent honor of being named an "Exhorter" for the African Methodist Episcopal (A.M.E.) Zion Church.

This honor gives Gussie the right to "exhort" others to accept Jesus Christ as their personal Savior. Also, it qualifies Gussie to speak as a representative of the Methodist Church.

Prior to receiving this high church title, Gussie delivered a speech to her church's congregation. On Gussie's special day, there was a standing room only crowd as her family, friends and well-wishers turned out to watch her become the first woman in modern history to become an "Exhorter."

As Gussie delivered her speech, the large crowd was silent, caught up in the magic of the moment. There was no doubt in anyone's mind that Gussie had more than satisfied the stringent requirements necessary for her to become a representative of the Methodist Church. Her speech showed her knowledge of the Scriptures and her rare ability to relate biblical truths to present day situations.

The moment of Gussie's "Exhortation" meant that her hard work, perseverance, Christian faith and dedication to her fellow man had prepared her for this formidable task.

Among the many proclamations she received, was one from her good friend and admirer, Congressman Louis Stokes. It stated, in part:

"Gussie Jones has been at the helm of responsible positions both in her church work and profession. She has always been a credit to our city, our people and her church.

"In addition, we pay tribute to our honoree as a lovely mother of five children, four grandchildren and a noble wife, who is a role model of greatness in both. She serves with distinction as chairman of the speakers bureau of the 21st Congressional District Caucus, as well as with many viable civic groups."

Gussie began her 29 year career with Ohio Bell as an employee in the cafeteria. Today, she's an assistant manager in the General Services department. She has won numerous speaking awards, both as a member of the Ohio Bell Speakers' Bureau and the Spellbinder speaking club.●

THE LEAGUERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. RODINO. Mr. Speaker, on Saturday evening in my home city of Newark the Leaguers—a community-based group dedicated to helping young people—will hold a cotillion dance for over 90 high school youngsters and their families from Newark and East Orange. The purpose of the dance at the Robert Treat Hotel in Newark will be to announce college scholarships to many of the youngsters. It will be a family affair in which various colleges, private organizations, and individuals will donate scholarship prizes to youngsters in need.

This is just one of the numerous ways in which the Leaguers help to expand the cultural and educational opportunities open to young people in New Jersey's 10th Congressional District. I consider it an invaluable institution to our community—led by a tireless champion of equal opportunity in Dr. Mary Burch.

Since Dr. Burch founded the Leaguers in 1946 over 25,000 youngsters have been helped and more are becoming involved in the Leaguers every year.

Mr. Speaker, I want to salute Dr. Mary Burch, my long-time friend and coworker in the battle to improve opportunities for youth. I also would like to encourage the Leaguers to continue their outstanding work and wish them an enjoyable evening on Saturday.●

AMERICA'S WATER RESOURCES

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. JOHNSON of California. Mr. Speaker, the protection of America's water resources is a fundamental duty of the Congress of the United States. The very existence of our society, now and for all future generations, depends on how well we safeguard those resources, how well we defend them against misuse and neglect.

We are in the midst of an energy crisis today that is sorely testing the mettle of this great Nation, but I am convinced, Mr. Speaker, that the looming crisis of water resources poses an even greater threat to all our people.

Our homes, our farms and factories, our continued social and economic progress, are dependent on a constant, abundant supply of clean water, and it is up to us in the Congress to provide the direction and the leadership that alone can assure the continued availability of these resources when and where they are needed.

Mr. Speaker, the Members of this body have demonstrated time and time again that they support the conservation and wise use of our waters; that they recognize the paramount importance of a sound water policy in meeting our national needs and fulfilling of our national goals.

It is most fitting therefore, that we rededicate ourselves to those policies today and affirm our support for them by supporting a resolution which I am introducing today proclaiming the week of October 20-25, 1980, to be "National Water Resources Week."●

UP, UP, UP

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. BOLLING. Mr. Speaker, the following editorial appeared in the Los Angeles Times of Monday, April 28, 1980. I commend it to my colleagues.

The editorial follows:

UP, UP, UP

The cost of living is going up in America like a loose ballon. Recession and unemployment, the economic ropes of last resort, will pull down inflation eventually—and temporarily—but it will remain painfully high for a long time, perhaps years.

Because there is no quick cure for the predicament now shared by most industrial countries, common sense suggests that business and government and labor would be using that time to find a slow cure.

No such luck. They are crawling all over one another, trying to lay hands on this or that lever of power as though the economy were some ramshackle machine that runs on high-octane doctrine.

From Democrats, you get a choice of wage-price controls and trade barriers or riding out the storm and being a better person. Ronald Reagan would put out the fire with gasoline—a 30 percent tax cut. Business moves in for a quick killing in the federal-regulation market, laying all the blame on government, disclaiming any responsibility for the mess. The answers seldom have anything in common with the real questions.

There are exceptions, one being the Joint Economic Committee of Congress, whose recent annual report contains some thoughtful ways out of inflation and recession that have largely been ignored in the election-year search for easy answers.

The committee does not dwell on the past, but there is no mystery about the causes of inflation. Rising energy costs are part of it, as is the good life. The price of a Chevrolet has more than doubled in two decades, not because it gets you there twice as fast but because it is safer, cleaner, fancier and air-conditioned, and because its workers get better health care and bigger pensions.

In some cases, as in housing, demand simply outran supply and drove prices sky-high. The government did its share, running in the red for 19 of the last 20 years until it was borrowing nearly one of the every four dollars available in credit markets.

And, in all this, business either forgot how to compete or lost interest at the very time that growing industries in other countries made it possible for Americans to shop in a world market, no longer dominated by their own companies.

The United States is still the world's top exporter, but just barely. And in exports per capita, it is at the bottom of the list of 15 countries, including Sweden, Italy and Taiwan.

Finally, America let its industrial base wear down during most of the 1960s and all of the 1970s to the point where productivity not only stopped growing but actually fell, and where higher levels of production could be achieved only at higher costs.

The Joint Economic Committee warns that there is no quick way to solve the country's problems and that, indeed, any attempt to take shortcuts will only make matters worse.

What the committee recommends is putting monetary policy and the budget and tax policy on the path of slow, steady growth and leaving it there rather than changing direction with every new report on unemployment and prices.

The rate of growth of the money supply should be slowed down, but gradually. The budget should be balanced. Federal regulations should be trimmed to fit the problems more precisely, but not abandoned. Taxes should be cut enough to help consumers meet rising costs but not enough to touch off a spending spree. Business taxes should be cut to free up money to rebuild plants and buy more modern equipment, but not willy-nilly.

A recession, the committee says, may take some pressure off prices, but will not break inflation. Unemployment would have to remain at near-depression levels between now and 1985 to shave a mere 2 percent from an inflation rate now running at 18 percent a year.

Unless something is done in that time to make American industry more efficient, the inflation rate would start back up the minute the demand for goods began to rise again.

The committee does not have all the answers. It says, for example, that business tax relief should be selective so that new capital would go to companies with the highest potential for increased efficiency.

Extra cash rolling into Detroit three years ago, for example, probably would have been spent producing double-decked land-cruisers, which is not what the country needs.

But the committee does not describe the mechanism that might be used for picking and choosing among companies. That is the part of the slow cure that government and business and labor should be searching for.

And that cannot happen as long as they keep fighting each other for control of the machinery, and keep trying to persuade Americans that they have some quick cure.●

NATIONAL SENIOR CENTER WEEK

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. EVANS of Delaware. Mr. Speaker, this is an extremely important week in Delaware and across the Nation. This week we honor our Nation's senior centers. Centers across Delaware will be holding open houses and other appropriate events to share with the public the vital contributions these centers make to our State.

Senior centers offer a variety of worthwhile activities, vital services and enjoyable social contacts for senior citizens. Many enjoy the hobby and craft activities offered at the centers. Not only do these serve as interesting hobbies, but some senior center groups sell their products to the public and earn some extra money as well. Other activities of the centers include photography lessons, speakers, and trips to various attractions around their regions. All of these events provide a chance for senior citizens to enjoy an active and pleasant time with their peers.

The centers also provide low cost hot meals for senior citizens. Recent studies indicate that poor nutrition is a problem for a considerable number of our Nation's elderly. Spiraling inflation increases the portion of an older American's income which must be spent on heating and rent, thus cutting into their budgets for food. I believe this highlights the importance of the role the centers take in preparing nutritious meals for the elderly.

Mr. Speaker, this is indeed an important week in Delaware. It is a time when we can strengthen our ties with older members of our families, our neighborhoods and our communities. It is a time when we should remember the benefits of tapping the knowledge and experience older people have—a significant resource for Delaware, and the whole Nation. In short, this week we in Delaware will recognize that senior centers are not just a good idea—they are a valuable way of life.●

ALEXANDER KARAGEORGEVITCH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. DERWINSKI. Mr. Speaker, many Members may be interested to know that the Crown Prince of Yugoslavia, Alexander Karageorgevitch, is now a resident of the Chicago area where he is an executive with an international insurance brokerage firm.

The future of Yugoslavia, specifically the ability to keep free from the Soviet Union, will be a major diplomatic challenge in the years to come. Therefore, I wish to insert an article, by Mr. Karageorgevitch, which appeared in the Chicago Tribune May 12. He maintains an objective, nonpartisan view of developments in Yugoslavia, and I believe that his comments, following the death of President Tito, are certainly worth pondering:

YUGOSLAVIAN PRINCE SUGGESTS A MONARCHY

(By Alexander Karageorgevitch)

The death of a head of state always creates a perilous situation. In a communist country this is especially the case, since the process of succession in such a political system is always undefined and murky. Today, Yugoslavia finds itself at a crossroads and the route it takes is of far more than local significance.

Since President Tito's disappearance from the political scene unfortunately coincides with a clear manifestation of the Soviet Union's resolve to venture beyond the boundaries of its empire as defined at Yalta and Potsdam, the nature of the resolution of Yugoslavia's predicament is tremendously important both for continued peace in Europe and for the relationship, already strained, between the United States and the Soviet Union.

Tito long survived successfully in the middle of the East-West seesaw, promising to the East his faith in Marxist-Leninist principles, to the West his independence from the Soviet bloc, and to the developing world his belief in nonalignment.

Much of the success of his regime's foreign policy came from the great powers' willingness to leave some issues undefined in their complex postwar relationship and from the fact that, although a lesser figure in the political vortex of World War II and its immediate aftermath, he outlived all the primary statesmen of that period.

While his East-West balancing act and his antics in the forum of the Third World nations kept him, until recently, in the globe's news-media limelight, his internal political and economic policies left much to be desired. In the long run, Yugoslavia's economic deterioration may yet remain the most damaging part of his legacy.

Whatever posterity may say about the Titoist period of Yugoslavia's history, from 1945 to 1980, this era is now ended, and the choices that the Yugoslav peoples—six republics and two autonomous regions—make at this point will determine the country's destiny for decades.

It is thus of paramount importance that these choices reflect the free will of the people untainted by the "unanimity" of an election controlled by a single party.

Politically and economically, Yugoslavia's gradual evolution toward a broad-based and democratic form of government is probably the most natural course for the country's development. Such an evolution clearly requires the concord of all the Yugoslav peoples, since this is definitely in the best interest of all the numerous nationalities or regions.

It also calls for mature understanding on the part of those now in power that Yugoslavia's political future requires far wider participation than has been available through the League of Communists' control over all aspects of the nation's political, economic, social, and cultural life.

This broadening of participation in decision-making should not exclude the constructive thinking of any sphere of the political spectrum. It is equally important that during this transitional process the country as a whole remain free of any external meddling whatever in its own affairs. Finally, for Yugoslavia, which has existed as a multinational entity only since the end of World War I, the democratic system of government alone may not provide a sufficiently strong bond of unity, and this is where the unifying role of a constitutional monarchy may prove to be a fundamental political benefit for all the Yugoslav people.

From the time that my great grandfather, Peter I, who was King of the Serbs, Croats, and Slovenes from 1903 to 1921, translated John Stuart Mill's essay "On Liberty" into Serbo-Croatian, until the present, my dynasty's respect for the parliamentary system of government and its effort for the maintenance of the country's unity and concord have been proved time and again, even amid the harshest political ordeals.

My grandfather, Alexander I—he was King of Yugoslavia from 1921 to 1934—gave his life (he was assassinated in Marseilles) in the service of the unity of Yugoslavia.

My father, Peter II, who was King of Yugoslavia from 1934 to 1945 (and who died in 1970 in Denver, Colo.) was determined that Yugoslavia should again be a parliamentary democracy. His inability to continue in that direction was more the fault of the great powers' arrangements than of any lack of personal will or initiative.

Both now and in the future, I will be equally ready to accept the free will of the Yugoslav peoples concerning both the destiny of the country and the role of the Karageorgevitch dynasty in it. Even if that decision eventually does not favor a return to constitutional monarchy, I am certain that I and my descendants will continue to play an active and constructive role in the political and public life of the country whose history has so reflected the selfless state-building efforts of my family.●

THE ADMINISTRATION'S DOUBLETALK ON DEFENSE SPENDING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. KEMP. Mr. Speaker, in May 1977, the Carter administration formally recognized that the magnitude of the Soviet threat could not be met within the scope of the 5-year defense program it had submitted to the Congress only 4 months earlier. Speaking in concert with our NATO allies, the administration agreed that it would seek to mitigate the yawning chasm between Soviet and American military power by increasing defense expenditure by 3 percent per year. No rigorous defense of this level of investment was offered, between either a higher or lower figure, but the Congress was assured that a suitable growth in critical defense programs could be purchased within the 3-percent growth target that would have a meaningful impact on the U.S. defense capability.

The first budget the administration submitted to the Congress that had a major reshaping reflecting the 3-percent growth commitment was the fiscal year 1980 budget. Many congressional observers, including myself, were surprised when the fiscal year 1980 budget met the real growth target only in budget outlays, the amount reflecting Government defense disbursements during the fiscal year. Since such disbursements reflect prior years expenditure commitments, this statistic was not a particularly encouraging sign that the administration would follow up on its rhetoric with genuine defense programs.

During the formulation process for the fiscal year 1981 budget, two important events took place which have had a major impact on the development of the budget. The first is that the administration's real growth objectives could only be met if its inflation estimate was in accordance with experience. We now know that inflation was very seriously—some would argue, deliberately—underestimated in the budget process. As a result, actual fiscal year 1980 real growth has fallen far short of original expectations. It should be noted that the growth in oil prices was also unanticipated, further depressing the real growth in defense expenditures. The emergence of high double-digit inflation levels and growing fuel costs sharply curtailed any real growth in the fiscal year 1980 budget.

These effects on the fiscal year 1980 budget were recognized by the Congress, and in particular, by the Senate. Several Senators indicated that they would find it difficult to support the ratification of the SALT II Treaty unless the administration significantly revised upward, its 5-year defense program expenditure targets. For months, the administration persisted in its belief that the defense program expressed in the 5-year defense plan submitted with the fiscal year 1980 budget was adequate. The Congress persisted as well. When it became clear that the administration could not possibly succeed in SALT II ratification in the Senate without strengthening the U.S. defense posture, it relented. In December 1979, Secretary of Defense Harold Brown presented the major details of the proposed fiscal year 1981 budget which would provide for 5.6 percent real growth in obligational authority—budget authority—

and in excess of a 3-percent growth in outlays. In contrast to its presentation of the fiscal year 1980 budget, it argued for the superiority of obligational authority over outlays as a measure of the administration's determination to improve the U.S. defense posture.

There remain the difficult problem of dealing with the ravages of inflation and higher fuel prices in the budget already in the process of execution, the fiscal year 1980 defense program. In its presentation of the fiscal year 1981 budget to the Congress, the administration stated that it would send up a supplemental budget request of $3.2 billion to meet the unanticipated fuel costs for fiscal year 1980, and eventually would submit a supplemental appropriation request for $4.5 billion for fiscal year 1981 to meet higher-than-budgeted fuel costs.

To finance the fiscal year 1980 supplemental budget request required a difficult choice. Either new funds would have to be raised, or the growth of selected nondefense programs would have to be curtailed if a balanced Federal budget were to be attained.

As we have seen too often in the past 3 years, when faced with a difficult and fundamental policy choice, the administration adopts a posture of rhetorical bravado in support of its defense growth objective, while seeking to undermine the same policy "under the table." Nowhere has this duplicitous policy been better illustrated than it has in the budget debate which took place in the House of Representatives last week.

The administration reneged on its commitment to fully fund the entire fiscal year 1980 fuel cost increase in its submission of the fiscal year 1980 supplemental. Instead, it proposed cutting nearly $1 billion in defense programs to facilitate the financing of the fuel price increase. Indeed, in a memorandum unearthed by the press, fiscal year 1980 programs were specifically reduced so that the administration could support its rhetorical posture of achieving real growth in its fiscal year 1981 budget submission. This bit of duplicity was made necessary because the administration had also proposed an amendment to its fiscal year 1981 budget submission that would cut back defense programs still being considered by the Congress to finance the unbudgeted fuel price increases for the forthcoming fiscal year.

The coup de grace of this sordid episode occurred in the administration's behind-the-scenes effort on the fiscal year 1981 budget resolution. A substitute budget resolution proposed by Representatives GRAMM and HOLT would have restored to the fiscal year 1981 budget, full funding for the programs—including actual fuel costs—the administration said it supported when it submitted its fiscal year 1981 budget. Not only did the administration oppose the Gramm-Holt substitute, but in a letter to the Speaker of the House, it supported a substitute offered by Representative OBEY which would have cut defense expenditure $4 billion below the sum the President had recommended.

This is a shameful behavior from a President who said he would "never lie." By adopting a rhetorical posture of supporting an increase in defense expenditure for public consumption on the one hand, while seeking to reduce defense expenditure below the level the administration is supporting in public may be of some assistance in winning the vote of those uninformed about the details of the defense budget, but America's adversaries will not be confused.

The administration's behavior speaks much more loudly than its words. Failure to support the initiation of defense programs which will redress the growing military imbalance between the United States and the Soviet Union, reveals an unwillingness of the American leadership to face squarely the gravity of the international situation. Continuation of such a situation could embolden the Soviet leadership to the point where Afghanistan will be but a prelude to an increasingly violent series of confrontations with the Soviet Union that can only lead to war. The administration's de facto program of disarmament by stealth is the most dangerous form of brinkmanship for it invites our adversaries to miscalculate the nature of the resolve of the American people to support a defense posture that will assure a military potential to sustain our vital interests.

The administration emphasizes its contempt for public attitudes as well. It is clear from every scrap of evidence available that Americans have become concerned about our defense posture, and expect their elected representatives to respond to that concern. The administration recognizes the public's concern as evidenced by its rhetoric, but is so dominated by advisers with an antidefense disposition that it cannot formulate and execute a policy consistent with its rhetoric. It is my hope that our decaying defense posture can be reversed before we reach the abyss.●

MAYORAL PROCLAMATION—PAUL HALL BOYS CLUB AWARDS DAY

HON. BENNETT M. STEWART

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. STEWART. Mr. Speaker, recently, Hon. Jane M. Byrne, mayor of the city of Chicago, issued a proclamation that May 10, 1980, be proclaimed Paul Hall Boys Club Awards Day.

Sixteen years ago a young man of 14 years of age on the South Side of Chicago, part of which is in the district which I represent, appeared before the Chicago Housing Authority to request baseball equipment for the team he was organizing. That young man was Paul Hall, who is now 30 years of age. After many tribulations, he has put together an organization of more than 650 youth who spend their leisure hours in an afterschool remedial reading or math program, rehearsals of their award winning marching Warriors Drum and Bugle Corps, playing ball or praying in the chapel of the building he was finally able to secure. Mr. Hall is by day a social worker, but his evenings and weekends, and some of his personal salary, are devoted to these youngsters who would otherwise be in the streets, engaged in unproductive activities.

I had the honor of accompanying the Warriors Drum and Bugle Corps to Washington, D.C., where they marched in the National Council of Jaycees Independence Day Parade of 1977 and later that same day presented a short concert on the steps of the U.S. Capitol. I was so impressed with Paul Hall's dedication and the response of the youth to that dedication that in 1978 I worked with him to get support from Federal and private sources.

Mr. Speaker, I feel Mr. Hall's service to the community has been meritorious, and I would like to insert at this point in the RECORD Mayor Byrne's proclamation:

PROCLAMATION

Whereas, the annual awards banquet of the Paul Hall Boys Club will be held in the ballroom of the Conrad Hilton Hotel on May 10; and

Whereas, this event will mark the twentieth anniversary of the awards banquet, at which the Boys Club awards of the Alberta Hall Humanitarian and Memorial awards are given in recognition of outstanding achievement; and

Whereas, recipients of honors for 1980 will be Walter Payton and Vince Evans of the Chicago Bears, Barbara Proctor, advertising executive, Max Robinson, newscaster, Judge Russell DeBow and Ernest Lee, president of the Sunbeam Corporation: Now, therefore,

I, Jane M. Byrne, Mayor of the City of Chicago, do hereby proclaim May 10, 1980, to be Paul Hall Boys Club Awards Day in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 15th day of April, 1980.

JANE M. BYRNE,
Mayor.●

REOPENING THE DEBATE ON REVITALIZING OUR INNER CITIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. KEMP. Mr. Speaker, on May 1, I introduced the Urban Jobs and Enterprise Zone Act, a bill to greenline our inner cities by providing major tax incentives for individuals and small businesses. At the time I called on my colleagues to reopen the debate on revitalizing the inner cities.

In an editorial in yesterday's Washington Post, William Raspberry gave strong support to this new approach. "What America needs," he said, "are more people gainfully employed, more people producing goods and services." What America's inner-city poor need is economic growth—both in the Nation as a whole and in their own communities.

I would be the first to admit that there are no simple solutions to urban decay. What I've tried to do, though, is reopen the debate by introducing a totally new concept—the jobs and enterprise zone. Within these zones Congress would provide major tax incentives for individuals and small businesses. In essence, the bill would greenline the inner city.

As William Raspberry points out, this idea has been discussed in England during the last couple of years. Dr. Stuart Butler, an English expert now working at the Heritage Foundation, has been especially important in bringing this concept to the attention of Americans. He was of great help to me when I was thinking through my own enterprise zone bill. The Urban Jobs and Enterprise Zone Act itself, however, differs from the British proposals because it is tailored to conditions in the United States. It does not, for instance, undertake major regulatory reforms, as this is largely the prerogative of State and local governments. Instead, the bill provides significant tax incentives, and leaves changes in, say, rent control or zoning to the local governments. Indeed, I believe one of the bill's virtues is that it leaves considerable scope for local government—and community—initiative. Jobs and enterprise zones can, and should, be part of a Federal-State-local partnership.

I commend William Raspberry's article to the attention of all my colleagues, and urge you to join me in this new debate about how we can revitalize our inner cities.

The article follows:

URBAN ENTERPRISE

If you believe, with the Carter administration, that inflation can be cured by creating a recession that curtails production and throws people out of work, what follows won't make much sense to you:

But if you believe that what America needs is more people gainfully employed, more people producing goods and services, then you might be interested in the Urban Jobs and Enterprise Zone Act introduced (May 1) by Rep. Jack Kemp (R-N.Y.).

"Enterprise zones" are not Kemp's brainchild. Rather, the idea comes from two Englishmen: Prof. Peter Hall and Chancellor of the Exchequer Geoffrey Howe.

But as Arthur Laffer (he of the "Laffer Curve") might tell you, Kemp isn't averse to borrowing a good idea.

The point of the present idea is to halt the spread of urban decay by turning the most depressed areas of the cities into "enterprise zones"—economic free-fire areas—in which nearly all zoning and other governmental controls would be abolished. Property and business taxes would be substantially abated.

The changes would make the blighted areas attractive to businesses and that, in turn, would foster an economic reversal, making the areas viable once again.

New businesses (mostly small and marginal) would take root, and unemployment would go down—and in precisely the areas most in need of it.

Stuart Butler, a Britisher now a permanent resident here, has written about the British version of enterprise zones in the winter issue of the Lincoln Review.

He begins by recalling the reasons for urban decline: the shift from heavy city-based industries to high-technology factories in the suburbs and the improved transportation and communications systems that make suburban locations more attractive.

One result: "In the South Bronx, for example, 66 percent of the inhabitants were black or Hispanic by 1970, and 40 percent were below 18. One-third of the population is now dependent on welfare, and although the South Bronx has lost 20 percent of its residents, it has lost fewer than 3 percent of its welfare cases."

The effect on the city's overall tax base is, of course, devastating.

Converting the South Bronxes of America into enterprise zones would make them attractive to small entrepreneurs, whom Butler describes as "a different breed" from executives of major corporations. "They are generally people with a saleable skill or idea but little capital, who are quite willing to devote long hours in poor working conditions to build up their businesses."

And the good effects spread. "The man with the skill utilizes the labor of his family or neighbors to establish and conduct his enterprise. Normally, these people will have very little knowledge of business skills when they begin, and mistakes are made. But the whole process serves as an apprenticeship; and as the business grows, it draws in more and more local help. These employees may commence with low-paid, unskilled work, but they can acquire skills and responsibilities as the company develops."

So why haven't small businesses already moved into New York's South Bronx or Washington's Anacostia or the blighted areas of other cities?

The reasons, says Butler, are those repeatedly cited by businessmen: regulation, inflation, taxes and government paper work.

The enterprise zone concept would eliminate most of these inhibitors. Zoning laws, beyond the most elemental safety and pollution requirements, would be suspended, as would the regulations of the Occupational Safety and Health Administration, rent controls, most business and property taxes, minimum wage standards and other "obstacles to the operation of market forces." (The Kemp bill would leave the minimum-wage laws unchanged but reduce the employers' Social Security liability.)

Because the special concessions would be abandoned after businesses reached a certain level of turnover and profitability, there would be small chance that already established businesses would relocate to the enterprise zones. Most of the businesses attracted by the legislation would be new businesses, backers of the idea predict.

For the idea to work, it would, of course, be necessary for local jurisdictions to take the appropriate measures, including the designation of the enterprise zones.

Butler calls the concept "a bold departure from the traditional and unsuccessful 'solutions' normally offered to inner-city problems."

"Unlike most of these," he says, "it would not set up a new welfare and urban planning bureaucracy, and it would not be the beginning of yet another ever-expanding flow of federal dollars. Instead, it would allow the innovative genius of the small entrepreneur to be turned to the issue, resulting in private money being risked and real, productive jobs being created.

"It would provide a genuine opportunity for inner-city minorities and other residents to turn the central metropolitan areas once more into growth centers of the economy."

It certainly seems a more positive cure than a deliberately generated recession.●

CONGRESSMAN STUDDS' FINANCIAL STATEMENT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. STUDDS. Mr. Speaker, I insert in the RECORD a copy of my 1979 financial statement:

CONGRESSMAN GERRY E. STUDDS' 1979 FINANCIAL STATEMENT

PART I—INCOME 1979 (SUMMARY)

Salary	$58,027.02
Dividends—See part II for detailed explanation	1,135.66
Interest—See part III for detailed explanation	672.44
Total income	59,835.12

PART II—DIVIDEND INCOME 1979

Number of shares and security:		
40	Burlington Industries	$56.00
174	Exxon	676.00
80	Gulf Oil	120.00
67	W. R. Grace	131.66
100	Middle South Utilities	152.00
	Total	1,135.66

PART III—INTEREST INCOME 1979

Bonds and security:		
$3,100	Loew's Theater 6⅞ debenture	$213.13
$1,666	U.S. Treasury 7⅝, Feb. 15, 2007	127.09
$3,333	U.S. Treasury 8¼, May 15, 1988	275.00
Savings:		
	First National Bank of Cape Cod	17.96
	Cape Cod Five Cents Savings Bank	6.63
	First National Bank of Boston	32.63
	Total	672.44

PART IV—ASSETS

1. Beatrice Studds irrevocable trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother

as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust.

COLIN A. STUDDS III, TRUSTEE, BEATRICE STUDDS IRREVOCABLE TRUST, UNDER AGREEMENT DATED AUGUST 1, 1973

	Market value as of May 5, 1980
Number of shares and security:	
3,333 U.S. Treasury 8⅜% note, due Aug. 15, 2000	$2,800
($2,666 Seaboard World Airlines cvt 5's due Apr. 1, 1986, sold Feb. 13, 1980)	1,985
Common stocks:	
67 West Point Pepperell	2,132
92 Liggett & Myers	4,784
33 Xerox	1,767
100 Square D	2,000
60 Gulf Oil	2,340
67 W. R. Grace	2,333
100 Middle South Utilities	1,300
50 Du Pont	1,850
33 General Motors	1,433
33 IBM	1,833
50 International Paper	1,650
80 RCA	1,760
100 Washington Energy	1,550
(33 West Point Pepperell sold Nov. 9, 1979)	978
(67 Chessie System sold Oct. 26, 1979)	1,654
(30 Freeport Minerals sold Nov. 9, 1979)	1,088
(60 Freeport Minerals sold Jan. 7, 1980)	3,614
(33 Square D sold Oct. 26, 1979)	726
(20 Gulf Oil sold Nov. 9, 1979)	644

2. I own the following:

	Market value as of May 5, 1980
Number of shares and security:	
Bonds	
$3,100 Loew's Theater 6⅞ debenture	$2,108
$1,666 U.S. Treasury 7⅝, Feb. 15, 2007	1,300
$3,333 U.S. Treasury 8¼, May 15, 1988	3,000
Common stocks:	
40 Burlington Industries	680
174 Exxon	10,746
Our family home in Cohasset, Mass., with an estimated market value of approximately $100,000, is owned jointly by my brother, my sister, and me. My interest in the house, therefore, is roughly	33,333
Savings accounts:	
(a) NOW account, First National Bank of Cape Cod	c. 350
(b) Savings account, Cape Cod Five Cents Savings Bank	c. 125
(c) NOW account, First National Bank of Boston	c. 100
One-bedroom cooperative apartment, Washington, D.C., estimated market value	100,000
Two-room condominium apartment, Provincetown, Mass., estimated market value	72,000
1975 Chrysler Newport Sedan	
1974 Saab	

PART V—LIABILITIES 1979

1. Mortgage, one bedroom cooperative apartment, Wash., D.C., approximately	$18,900
2. Secured loan, Rockland Trust Co., Rockland, Mass., approximately	49,300
3. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank, approximately	47,300
4. Home Improvement Loan, Cafritz Co., Wash., D.C., approximately	2,300
5. Loan—Sergeant-at-Arms Bank, House of Representatives, approximately	900

PART VI—1979 TAXES PAID

1. Federal income tax	$12,645.54
2. Massachusetts income tax	2,641.72
3. Local property taxes	2,130.08
4. Automobile excise taxes	36.30
Total taxes	17,453.64

●

A BILL TO ENCOURAGE SMALL BUSINESS CAPITAL FORMATION: USED MACHINERY INVESTMENT CREDIT ADJUSTMENT ACT

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. NOWAK. Mr. Speaker, this is an update of the status of H.R. 6171, the Used Machinery Investment Credit Adjustment Act of 1979. This bill would raise the amount of used equipment eligible for the investment tax credit from the present $100,000 to $200,000. S. 2152 is the companion bill introduced by Senator GAYLORD NELSON, chairman of the Senate Select Committee on Small Business and senior member of the Finance Committee.

CONGRESSIONAL AND BUSINESS SUPPORT FOR MODIFICATION OF THE INVESTMENT TAX CREDIT LIMIT ON USED EQUIPMENT

Reform of the current limit on the amount of used equipment eligible for the investment tax credit has gained broadbased support from the Congress and the business community. The following business groups are on record for such reform: National Small Business Association, Machinery Dealers National Association, National Tooling & Machining Association, Small Business Legislative Council, National Federation of Independent Business, and the American Bus Association.

H.R. 6171 is a very cost effective bill and thus, has gained much support in Congress. Currently there are 45 cosponsors. (See below for list of cosponsors.) The Congressional Research Service has indicated that the revenue loss for this proposal would be approximately $100 million in 1980. If the loss is expected to grow at a nominal rate of 10 percent per annum, the revenue loss over a 5-year period would be:

Year and revenue loss in millions of dollars: 1980, 100; 1981, 110; 1982, 121; 1983, 133; and 1984, 146.

BACKGROUND

Internal cash generation is critical to the success of any small enterprise. Small businesses tend to have a high ratio of debt/equity and are dependent to a great degree on bank financing. They also require more frequent refinancing than larger firms. Capital formation can be accomplished in two ways: through depreciation reform and modification of the investment tax credit.

First, with respect to depreciation reform for capital intensive small businesses, I introduced H.R. 6617, the Small Business Capital Incentive Act of 1980. Buildings and structural components would be depreciated under this bill in 15 years, subject to a $3 million per year limit. Section 38 property—generally vehicles and equipment—would be depreciated in 4 years subject to a $1 million per year limit. H.R. 6617 currently has 45 cosponsors.

The second way to facilitate capital formation is to revise the investment tax credit. The investment tax credit offers capital intensive small firms an important benefit in that it immediately helps cash flow. It is direct, simple and provides more cash flow than do present methods of accelerated depreciation. The credit could be modified to help small business by making it refundable up to a dollar amount and by raising the amount of used machinery eligible for the investment tax credit.

Small capital intensive firms utilize the investment tax credit when they expand productive capacity. However, small businesses generally rely on used machinery. These firms often cannot economically justify the large investment required to purchase new machinery.

In addition, when a small business person needs to increase productive capacity immediately due to changed market conditions, he cannot wait out delivery schedules which can be as long as 2 years for new machinery.

On the other hand, a large business can afford to hire capital acquisition specialists to time their purchases to meet changing market needs. Small firms in most cases do not require up-to-date, high-output equipment if the firm serves a small highly profitable market segment. This profitable market niche may require a unique low-volume product, as opposed to a low margin, high volume product.

Thus, a small concern using older equipment can successfully compete with a larger company which is using new machinery. Once established in a small but growing market, the small competitor may eventually trade up to newer machinery and can expand into the low margin, high volume market. Thus, investment in used machinery contributes to productivity, competition, and overall growth of the economy.[1]

Many studies have shown the important contribution small businesses make to the overall growth in the economy. Proportionately, they create more jobs, are more productive, and more innovative than their larger counterparts.[2] For many of these small, capital intensive firms, used machinery is a way of life, yet present tax law discriminates between used and new machinery. Although there is no limit on the amount of new machinery which qualifies for the investment tax credit, used machinery investment can only qualify up to $100,000.

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[1] The Association of Independent Corrugator Converters (makers of heavy paper containers) recently polled their members as to the extent of used equipment purchases between 1977 and 1979. Of those firms purchasing less than $200,000 of equipment a year, more than 60 percent (average yearly percentage for the three year period) of their purchases were used equipment. In contrast, of those firms with equipment purchases of more than $1 million, less than 35 percent (average percentage) of their purchases were used machinery.

[2] See hearings before the Subcommittee on Antitrust. Consumers and Employment and Senate Select Committee on Small Business, *Small Business and Innovation*, August 9-10, 1978. Also see David Birch. *The Job Generation Process.* MIT Program on Neighborhood Regional Change, Cambridge, Massachusetts, 1979.

For example, if a company purchases a used machine for $150,000, one-third of the purchase does not qualify for the investment tax credit. In contrast, if the company bought new machinery for the same price, it could claim an investment tax credit based on the full purchase price. Inflation has made this limit unrealistic.

Since 1975, the last time this limit was raised, the relative cost of a typical used machine has increased by over 50 percent. In addition, the actual cost of machinery in general has escalated dramatically over the past 10 years. The cost of starting a small, capital intensive company such as a 10-man tool and die shop, has become prohibitive. A survey of machinery dealers throughout the country indicates that it would cost between $350,000 to $450,000 to open a 10-man machine shop which would generate in the neighborhood of $1 million in sales. If new machinery were used, the investment would be in the neighborhood of $600,000 to $1 million.

For these important and compelling reasons, I urge my colleagues to support legislation to raise the amount of used equipment on which the investment tax credit can be taken, from the present $100,000 to $200,000. This modest proposal is the first step in assuring that small capital intensive companies receive adequate incentive for investment. The net result will be a stronger, more productive small business sector and a healthy national economy.

The bill as introduced follows:

H.R. 6171

A bill to encourage small business capital formation by amending the Internal Revenue Code of 1954 to increase to $200,000 the cost of used property which is eligible for the investment tax credit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Title.

That this Act may be cited as the "Used Machinery Investment Credit Adjustment Act of 1979".

SEC. 2. AMOUNT OF USED PROPERTY ELIGIBLE FOR INVESTMENT TAX CREDIT INCREASED TO $200,000.

(a) IN GENERAL.—Paragraph (2) of section 48(c) of the Internal Revenue Code of 1954 (relating to dollar limitation on used section 38 property) is amended by striking out "$100,000" each place it appears and inserting in lieu thereof "$200,000."

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 48(c)(2) of such Code (relating to application of dollar limitation to married individuals) is amended by striking out "$50,000" and inserting in lieu thereof "$100,000."

SEC. 3. EFFECTIVE DATE.

The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

Cosponsors to date: H.R. 6171.

Mr. KOGOVSEK, Mr. MOTTL, Mr. WHITEHURST, Mr. MOLLOHAN, Mr. MATHIS, Mr. PRITCHARD, Mr. STANTON, Mr. MARKEY, Mr. HUGHES, Mr. PEPPER.

Mr. FORSYTHE, Mr. SEBELIUS, Mr. MURPHY of Illinois, Mr. MINETA, Mr. FISH, Mr. MITCHELL of Maryland, Mr. LEACH, Mr. STANGELAND, Mr. LUKEN, Mr. DAVIS of Michigan.

Mr. ROE, Mr. CARTER, Mr. HEFTEL, Mr. DOWNEY, Mr. RINALDO, Mr. BALDUS, Mr. BUCHANAN, Mr. NEAL, Mr. STEED, Mr. LEE, Mr. FAZIO, Mr. MADIGAN.

Mr. CORCORAN, Mr. GRAY, Mr. WALGREN, Mr. ANTHONY, Mr. TAUKE, Mr. ROBERT W. DANIEL, JR., Mr. EVANS of Georgia, Mr. DRINAN, Mr. MURPHY, Mr. DAVIS of South Carolina, Mr. BOWEN, Mr. WATKINS, Mr. HOWARD.●

TWELFTH ANNUAL CONFERENCE OF THE CENTRAL PARENTS COUNCIL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. RODINO. Mr. Speaker, This Thursday and Friday in my home city of Newark the Central Parents Council for title I of education funds will hold its 12th annual citywide conference.

In the 15 years since the title I program has been in existence, the Newark Central Parents Council has played an integral part in helping the program to effectively meet the educational needs of disadvantaged children. The council has worked tirelessly to promote better educational methods and improve individual student achievement.

Mr. Speaker, this year's conference theme salutes the "Year of the Family," and more than 3,000 persons are expected to attend the many workshops and lectures designed and conducted by educators and parents from Newark and around the country.

The chairperson of the Central Parents Council and the woman who is largely responsible for its success is Elayne D. Brodie. She has played an indispensable role in putting together this conference.

Those who will participate in the program also include Dr. Fred Burke, commissioner of education for the State of New Jersey; Mayor Kenneth A. Gibson of Newark, Mayor Thomas Cooke of East Orange; Joseph Moore, director of title I for the State of New Jersey; Mr. Jim Shelton, parent coordinator for the State of New Jersey; Dr. Nolan Estes, professor of education at the University of Texas who helped to write the original title I legislation; members of the Newark Board of Education; members of the Newark Municipal Council; Dr. Richard L. Fairly, Director of Compensatory Education for the U.S. Government; Dr. Thomas K. Minter, Assistant Secretary for Elementary and Secondary Education in the U.S. Government; Mrs. Irene Smith, president of the New Jersey NAACP; Mrs. Hanna Ferguson, parent coordinator for title I in St. Thomas, U.S.V.I.; Mr. Lawrence Benjamin, director of title I Federal programs in St. Thomas, U.S.V.I.; Dr. Arthur E. Thomas, vice president for academic affairs at Central State University in Ohio; Ms. Larrie Stalks, Essex County registrar; Rev. J. C. Crawford and Rev. Ben Johnson; Carl Sharif, president of the Newark Board of Education; and Alonzo Kittrels, superintendent of the Newark School District.

Mr. Speaker, I will be pleased and honored to be the keynote speaker at this conference which includes so many qualified educators and involved public officials. I am looking forward to a very successful conference.●

CONGRATULATIONS TO THE REDONDO BEACH SALVATION ARMY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. DORNAN. Mr. Speaker, in this, the centennial year in the United States for the Salvation Army, it is my great pleasure to join with South Bay citizens in honoring the Redondo Beach, Calif., Salvation Army headquarters for 56 years of outstanding service to the communities of Torrance, Hermosa Beach, Manhattan Beach, and Redondo Beach.

Salvation Army assistance in the South Bay actually extends to the early part of this century when it provided a tent camping program on the sand in Redondo Beach for mothers, young children, and youth. By 1924, the Salvation Army had moved into a building located on Pacific Avenue above the Redondo Pier.

Construction on the present Salvation Army facility was underway by 1925. In the years since, it has seen many users. During World War II, the buildings were converted by the U.S. Army into a barracks. In 1958, the units were remodeled into 21, 4-room apartments for a senior citizens' residence.

In 1973, the Salvation Army extended its service by participating in the Meals on Wheels program in the South Bay. I know the future holds still more avenues for this excellent, charitable organization to provide aid to beach city residents and that the Salvation Army will be there to comfort those who are in need.

Mr. Speaker, let us pause today to remember the years of humanitarian efforts by the Salvation Army. May it continue for another 100 years.●

COAL—BRIDGE TO THE FUTURE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1980

● Mr. RAHALL. Mr. Speaker, yesterday in capitals throughout the world, the results of a study conducted by the Massachusetts Institute of Technology, entitled "Coal—Bridge to the Future," were released.

This report concluded that coal can, and will, supply one-half to two-thirds of the world energy supply between now and the year 2000. Further, the study reports that the United States will play a crucial role, with this Nation's coal exports tripling over the next 20 years and payments for coal exports increasing twentyfold.

Mr. Speaker, as I have stated on many occasions in the past, coal can and will play a dominant role in our energy future, if we give it the chance. Yet, I regret to say that I am not as optimistic as the authors of the MIT study.

The coal industry still faces a regulatory maze which is hindering its growth and development. While nations such as Taiwan and Korea are projected to be major importers of coal, we in the United States are still baffled by the Government's insistence that coal be restrained from becoming a major source of energy.

The New York Times today addresses this issue in its lead editorial. I quote:

> Coal has a dirty reputation * * * but it now seems clear that all of us had better take another look. Coal may be good for the world and especially good for America.

It is expected that in a matter of days, American consumers will begin to feel the pinch of rising gasoline prices. Prices increased by President Carter's 10-cent surcharge.

This surcharge is supposed to reduce the consumption of gasoline, but in truth, it only proves to the American people that their Government is unwilling to deal with the energy crisis in a firm and decisive manner.

We in this body have an opportunity to show this Nation that we can move on an issue with resolve. Presently before the Energy and Power Subcommittee is H.R. 6930, the oil backout legislation, a measure that will reduce the use of oil and increase coal usage.

Nations throughout the world, scientists, engineers, and independent consultants have told us time and time again that coal holds the key to our energy future, but we have not listened.

How much more will the American people have to pay for gas? How many Americans will have to substitute heat for food this winter? How many miners will have to be put out of work before we act?

H.R. 6930 is not the complete answer to these questions, but it is a start. If we do not act now, we may never have a chance to break the oil cartel's grip on our economy, on our people, and on our freedom.

Mr. Speaker, I urge my colleagues to review the Times editorial and to give it some hard thought:

COAL AS KING; AMERICANS AS SAUDIS

> Coal has a dirty reputation, and rightly so. Mining it kills thousands, scars landscapes and ruins waterways with acid drainage. Burning it pollutes the air, killing thousands more. No wonder that coal gave way to oil as the world's premier fuel—and no wonder that environmentalists have been wary of turning back to coal, no matter how plentiful. But now it seems clear that they, and all of us, had better take another look. Coal may be good for the world and especially good for America.
>
> An internationally sponsored world Coal Study, issued yesterday after 18 months of work, offers a surprisingly upbeat prognosis for expanded coal use in the next two decades. The study contends that oil now costs so much that it is possible to spend heavily to clean up coal and still come out far ahead. And it predicts that coal can compete successfully against oil in export markets. The United States could become a "Saudi Arabia of coal exporters."
>
> This is a rosy vision. But if it is even remotely accurate, the old image of coal is clearly wrong. Coal can fill the world's energy gap for at least two decades without threatening major environmental damage.
>
> The central message of the report—compiled by Prof. Carroll Wilson of M.I.T. and experts from 16 countries that produce and use most of the world's coal—is that coal use must be tripled, and steam coal exports increased at least tenfold, if the world is to solve its immediate energy problems. What are the alternatives? Conservation alone cannot contribute enough. Nuclear power is meeting increasing resistance. Solar and other renewable energy sources cannot be developed and widely marketed until about the year 2000. So in the meantime, most of the added energy needed for moderate economic growth must come from coal.
>
> That can be accomplished, the report contends, without sacrificing health, safety and environmental protection. The reason: oil is now so expensive that it is economic to clean up coal. The cost of mining, transporting and burning coal in this country, even after applying the strictest environmental standards, is roughly $60 a ton; the equivalent amount of crude oil would cost about $165. That gives coal an enormous price advantage that could be used to meet even stricter environmental standards, if deemed necessary. And the price gap is getting bigger, not smaller.
>
> Coal's greatest environmental threat is thought to be the "greenhouse effect"—the possibility that carbon dioxide produced by burning coal and other fossil fuels might cause catastrophic changes in global climates. On this danger, the Coal Study temporizes. It notes, rightly, that there are many uncertainties as to whether such changes will occur; even if they do, coal may not make much difference. If the effects do prove serious, the report says, coal combustion can be cut back. That seems a reasonable approach—*if* the world is really prepared to take the necessary control steps at the time.
>
> The export potential for coal is often overlooked, even by the American coal industry itself. The United States has by far the biggest export potential, followed by Australia and South Africa. By the year 2000, coal could become America's largest single source of foreign exchange—not to mention a benefit of incalculable value: greatly lessening United States dependence on imported oil.
>
> The World Coal Study is more upbeat than many previous reports on the potential for coal. But its projections are not outlandish. The goals can be reached through a 5 percent annual growth in coal production, a level that has been met in recent years. The study calls for a prompt start on building the transportation and equipment needed for a large expansion in coal use. It also seeks Government action to speed licensing, stabilize environmental standards and encourage investment. What a small price to pay, in both industry and government, for shattering the oil cartel's domination of world energy.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 14, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We praise You, O Lord, for all good and faithful people who seek to reach out to others in deeds of mercy and love. We give thanks when some need assurance or confidence, others are ready to lend encouragement, when some falter or fail, others offer forgiveness, when some walk through difficult paths, others are present to support and light the way. For acts of peace and trust done for us and among us, we are grateful. O Lord, encourage all your people to realize their ministry by being reconcilers one to another in all avenues of service. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MOORE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MOORE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 16, answered "present" 2, not voting 41, as follows:

[Roll No. 232]

YEAS—373

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—16

Conable
Forsythe
Gingrich
Goodling
Harkin
Heckler
Jacobs
Jones, Okla.
Lloyd
Lowry
Miller, Calif.
Mottl
Quayle
Schroeder
Walker
Wilson, Bob

ANSWERED "PRESENT"—2

Neal
Ottinger

NOT VOTING—41

Anderson, Ill.
Applegate
Beard, Tenn.
Biaggi
Bolling
Brown, Calif.
Chisholm
Clay
Cleveland
Davis, S.C.
Deckard
Dellums
Diggs
Dingell
Dodd
Duncan, Oreg.
Eckhardt
Ford, Mich.
Ford, Tenn.
Giaimo
Gramm
Hanley
Howard
McCloskey
Mathis
Mavroules
Mineta
Mitchell, Md.
Moffett
O'Brien
Pepper
Rangel
Rose
Runnels
Stark
Steed
Stockman
Stokes
Symms
Weaver
Wolpe

☐ 1510

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 330. Concurrent resolution authorizing concerts by the National Symphony on Capitol Grounds.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

☐ 1520

APPOINTMENT OF CONFEREES ON S. 2253, ROCK ISLAND RAILROAD TRANSITION ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2253) "An act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees," with a Senate amendment to the House amendment thereto, disagree to the Senate amendment to the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from West Virginia?

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, this unanimous consent is only to go to conference; is that correct?

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. STAGGERS. That is correct.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none and, without objection, appoints the following conferees: Messrs. STAGGERS, VAN DEERLIN, FLORIO, SANTINI, Ms. MIKULSKI, Messrs. MURPHY of New York, MATSUI, BROYHILL, MADIGAN, and LEE.

There was no objection.

RETIREMENT OF MARIO E. CAMPIOLI

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, Mr. Mario E. Campioli has announced his retirement, effective May 16, 1980, from the position of Assistant Architect of the Capitol, a position he has held since May 1, 1959.

During his 21 years on the Hill, Mario has served as the chief adviser to the Architect of the Capitol on all matters pertaining to architectural design, changes and improvements in the U.S. Capitol and other buildings in the Capitol complex. Among his more notable accomplishments have been his work on the restoration of the Old Senate and Supreme Court Chambers, partial restoration of the Old House Chamber (now known as Statuary Hall), and restoration of the Capitol rotunda; as the Architect's representative, he was also in charge of the extension of the east front of the Capitol, construction of the Rayburn Building, and the James Madison Memorial Building. During the latter part of 1970 and early 1971, he served as Acting Architect of the Capitol.

I have known Mario all these years as a pleasant and responsive technician who is a recognized authority in classical architecture and his expert advice has been sought frequently by the committees and commissions of the Congress having jurisdiction over the buildings and grounds on Capitol Hill. He has always been a loyal professional who put the best interests of the Congress ahead of all else.

Mario was particularly well equipped for his present job, having served as the director of architecture for Colonial Williamsburg from 1949 to 1957; following that he served as project director for the consulting architectural-engineering firm engaged by the Architect of the Capitol for the extension of the east front of the Capitol project.

In 1974, Mario was honored by the American Institute of Architects when he was elected a fellow of the institute.

Congratulations to you, Mr. Campioli, for a job exceptionally well done, and to you and your wife, Margaret, I extend my very best wishes for many happy, productive, and satisfying years.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman for yielding, and associate myself with his remarks.

Mr. Speaker, I rise to express my congratulations to Mario E. Campioli on his many outstanding years of service as Assistant Architect of the Capitol and Director of Architecture, who is retiring this week.

Mario Campioli joined the Capitol Architect's Office in 1959, and for more than 20 years has compiled a splendid record of achievement in directing the ongoing architectural projects in the Capitol Building itself and in the other buildings under the jurisdiction of the Congress. He received an award from the Washington chapter of the American Institute of Architects for his beautiful work on the restoration of the original Senate and Supreme Court Chambers.

Even before he joined the staff of the Capitol Architect, Mario had completed a brilliant career as the director of architecture in Colonial Williamsburg, Va., from 1949 to 1957, and that town is now considered the most outstanding example in this country of restoration of Early American architecture.

He also was an associate in the architectural firm of Dwight James Baum, who received the Gold Medal Award in Architecture from President Hoover in 1932. His career includes work on Washington's American Red Cross Building, architect for plans to restore Tazewell Hall relocated from Williamsburg to Newport News, Va., detailing of the National Gallery of Art, as well as many other projects too numerous to mention.

Mr. Campioli has received awards for his magnificent work from the American Registered Architects, the Sons of Columbus of America, the District of Columbia Council of Engineering and Architectural Societies, and he was a Samual F. B. Morse medalist in watercolor in 1932.

Born in Parma, Italy, in 1910, and an emigrant to America in 1911, Mario E. Campioli has made truly significant and historical contributions to American architecture and to the greatness of our Nation, and again, I congratulate him on his distinguished service, and I extend to him my warmest best wishes for a healthy and happy retirement.

JUDGE'S RULING ON OIL IMPORT FEE GOOD NEWS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, for those Members of Congress who have received hundreds of constituent letters pleading that the administration not add to this country's economic despair, I recommend today's lead article in the Washington Post. The headline reads "Federal Judge Bars Fee on Oil Imports; Carter Sets Appeal."

For the more than 100 Members who have cosponsored legislation to prohibit the President from implementing this revenue-raising fee which would adversely affect the American motorist, this decision is most welcomed.

For those Members whose constituents rely upon home heating oil to heat their homes in winter as well as Members whose constituents produce domestic crude oil and resent higher taxes on their product, the news is optimistic.

Mr. Speaker, this is merely round one of the fight. The administration intends to appeal this decision by the Federal district court in the near future. The more than 100 Members who agree that this tax should be prohibited from implementation by the executive branch must realize the importance of standing together for round two.

JUDGE DOES WORK OF THE CONGRESS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, it should be a source of embarrassment to this House that a lone Federal judge in Washington had to be called upon to put a stop to the mad taxer.

It took a Federal judge to prevent the implementation of the new Carter gas tax, just a day before it was to be imposed at the gas pump.

This House has had plenty of opportunity to stop the tax, but it did not. Given the response from my district, in just 1 day, there is no doubt in my mind whatsoever that the consuming public desperately wanted the Congress to act. Instead, the Congress chose once again to penalize the public.

Why do we penalize them? Is it to conserve? The American public reduced gas consumption last year by 10 percent. Our own Federal bureaucracy, reduced its gas consumption during the same period by only 1.8 percent. The Department of Energy reduced consumption by only 4 percent.

This tax was not a conservation tool, it was a budget-balancing tool, and it is high time we balanced our budgets without higher taxes.

☐ 1530

THE PRESIDENT'S OIL IMPORT FEE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, yesterday my office received over 500 telephone calls from Arizonans protesting the President's oil import fee, which will raise gasoline prices an additional 10 cents a gallon.

Within the last couple days, a Federal judge has ruled the President's action illegal.

Why has Congress sat on its hands as the President abuses his Executive powers to levy such a tax, which will impose further unwarranted economic hardship on our people?

The failure of Congress to take action could be interpreted by the public as passive support for the President's import fee.

I oppose this fee, and tomorrow will sign a discharge petition to bring to the floor the Latta bill, H.R. 6829, repealing the President's authority to impose this additional burden on American motorists.

I urge all my colleagues to join in this effort to take action against the President's oil import fee.

THE 24-HOUR BUDGET

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the 24-hour virus has been replaced in Washington with the 24-hour budget. As we have heard, on Monday the Senate proclaimed a balanced budget by counting the $10 billion in revenue from the oil import fee, and, as we have heard, on Tuesday the court struck down the fee as unconstitutional. That means the Senate's budget is unbalanced.

On the House side our budget included the fee as a means to give a tax cut, so either the tax cut is out the window or the balanced budget is out the window. The Democrats' budget is in shambles. But there is an alternative. The alternative is the Republican budget, and we call upon our friends on the other side to join us in supporting a budget which provides for a balanced budget, with a $32 billion tax cut, that includes elimination of the oil import fee.

The Republican budget achieves both a tax cut, and it is balanced by restraining spending increases to $50 billion in increases, not the $66 billion that the Democrats have imposed upon the American people. Now is the time to join the Republicans on their alternative.

OUR OUT-OF-BALANCE BUDGET

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, Monday, the other body passed its version of the first concurrent budget resolution for fiscal year 1981. Following the precedent set by the House last week, the Senate too is calling its budget "balanced." I do not agree. Our long-awaited "balanced budget" was out of balance before it ever got off the floor of the House.

Why? Because not only is our Democrat-controlled Congress unable to keep a lid on Federal spending, but it is also unable to estimate accurately how much its programs are going to cost the American taxpayer. The illusionary quality of the Democrats' balanced budget was demonstrated just last week when the Congress voted to increase the fiscal year 1980 food stamp budget by almost 50 percent—an action that I did not support. That is the second time in 2 years that the Democrat Congress has underestimated the cost of the food stamp program. And there is no indication that its record will improve.

While the budget balance is phony, the tax increase is not—if anything the $96 billion tax revenue increase projected for fiscal year 1981 is on the low side. The only place the fiscal year 1981 budget is balanced is squarely on the backs of the American taxpayers.

THE PRESIDENTIAL CANDIDATES' DEFENSE ADVISERS

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, the falcons of prey in the Fourth Estate up there behind me are looking forward to the Presidential general election, but they are crying out for one good defense talking point, something that will "happen," if President Reagan is sworn in that will "not happen," if President Jimmy Carter is miraculously returned to power—well I have a great clear-cut defense issue for them.

Take note: The B–1 bomber will be ordered into production on the afternoon of January 20 if Reagan is elected to the Presidency. Why? Because Reagan is brilliant enough to surround himself with the very best defense advisers in the free world.

In this week's issue of Aviation Week there is a listing of defense advisory teams of Governor Reagan, President Carter, and of the Senator from Massachusetts, EDWARD KENNEDY.

Here is the superb star-studded Reagan team:

> Gen. David Burchinal, former Commander, U.S. Air Force in Europe, and a successor, Gen. John W. Vogt; Adm. Thomas Moorer, former Chairman of the Joint Chiefs of Staff; Lt. Gen. Edward Rowny, the JCS officer on the SALT talks; Gen. Lewis Walt, former Commandant of the Marine Corps; Lt. Gen. Daniel Graham, ex-head of the Defense Intelligence Agency; Gen. Russell E. Dougherty, former Chief of the Strategic Air Command, and Lt. Gen. John Davis, ex-head of the National Security Agency.

Now that is impressive. Over 200 years of collective service to our country.

The list continues—

President Carter's defense advisory team is basically—

> Harold Brown, Secretary of Defense, and Gen. David C. Jones, Chairman of the Joint Chiefs.

And, of course, General Jones has always wanted a B–1 fleet.

Aviation Week continues—

> On the other hand, Senator Edward Kennedy's campaign staff said he essentially is his own defense adviser but "he has talked with Admiral (Elmo) Zumwalt and others," adding: "Kennedy voted against the B–1 but so did the President."

A list of defense advisers is worth a million words.

A CONSTITUENT'S CONCERN: CURTAILING OF MEDICAID AND LETTING DOWN BARRIERS FOR THOUSANDS OF CUBANS

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I really sincerely believe that the people whom I represent in the Second Congressional District of Alabama and in my State are as compassionate and feel as much sorrow and emotion for the displaced people of Cuba as any people in this country. I believe this, but we have a very real and growing concern now with the waves of Cuban refugees entering our country.

We remember the great influx of Vietnamese refugees which were brought into Eglin Air Force Base, Fla., which is just 20 miles from my district, when the Communists took over Southeast Asia. Now we see the Cubans coming in. I just received a telephone call from a constituent who, from his own admission, said he did not get too much schooling, but he said, "Congressman, tell me this." He said, "They have announced in my State of Alabama that we are having to discontinue or severely curtail medicaid, that the old folks are going to be cut off of medicine, home visits by nurses, and all that goes with it." He said that he has friends and relatives in nursing homes which may be closed for lack of State funds, putting those folks in the street or forcing the families to make other arrangements.

How is it in this country that we do not have the money to take care of the old folks, the aged, the indigent, and the ill, but we can let down the barriers and take in thousands upon thousands upon thousands of Cubans? Where are we going to put them. And how can we afford that if we cannot afford to take care of our own?

ELECTION AS MEMBER OF COMMITTEE ON RULES

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 668) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 668

Resolved, That Gene Taylor, of Missouri, be and he is hereby elected a member of the Committee on Rules.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FIVE HUNDRED SANDINISTS FIGHTING WITH CUBANS IN ANGOLA

(Mr. **ASHBROOK** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **ASHBROOK**. Mr. Speaker, on occasion I have been accused, as other Members have, of exercising tactics which result in the delay of some legislation. To that I plead guilty because on occasion legislation should be delayed.

I cannot think of any better point than the effort of this administration to channel 75 million of American taxpayers' dollars into Nicaragua. That fraud has been delayed repeatedly. If you will just read the most recent official Government USIA report, it is very interesting. It says:

> During the second half of April, the Sandinists of Nicaragua sent 500 enlisted men to Angola at the request of Cuban President Fidel Castro, the European bureau of the National Front for the Liberation of Angola, FNLA, announced on Wednesday.

This is an official U.S. document, by the way. Just think of that—500 Nicaraguan Sandinists in Angola at the same time our State Department is trying to pressure you, the Members of this body, to channel $75 million to that country.

Delay—what a wonder thing delay has been. The more we delay it, the less likely that the Communists will ever get that $75 million, because with the passage of every week, just like Cuba and Castro before them, the Sandinists show their true colors—red.

CONFERENCE REPORT ON S. 1309—FOOD STAMP ACT AMENDMENTS OF 1980

Mr. **FOLEY** submitted the following conference report and statement on the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

Conference Report (H. Rept. No. 96-957)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recomment to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Food Stamp Act Amendments of 1980".

TITLE I—REDUCTION IN FOOD STAMP ERROR AND FRAUD AND REVISION OF DEDUCTIONS

MEALS IN SHELTERS FOR BATTERED WOMEN AND CHILDREN

Sec. 101. (a) Section 3 of the Food Stamp Act of 1977 is amended by—

(1) striking out in clause (1) of subsection (g) "and (7)" and inserting in lieu thereof "(7), and (8)";

(2) striking out in subsection (g) "and (7)" and inserting in lieu thereof "(7)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (8) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters";

(4) inserting in the last sentence of subsection (i) after "section 1616(e) of the Social Security Act," the following: "temporary residents of public or private nonprofit shelters for battered women and children,"; and

(5) striking out in clause (2) of subsection (k) "and (7)" and inserting in lieu thereof "(7), and (8)". (b) Section 10 of the Food Stamp Act of 1977 is amended as follows:

(1) inserting after "purchased" a comma;

(2) striking out the comma immediately after "residents"; and

(3) inserting after "programs" the following: ", public and private nonprofit shelters that prepare and serve meals for battered women and children".

EXCLUDING ENERGY ASSISTANCE PAYMENTS FROM INCOME

Sec. 102. Section 5(d) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" before "(10)"; and

(2) inserting before the period at the end thereof the following: ", and (11) any payments or allowances made under any Federal, State, or local laws for the purpose of providing energy assistance".

CONSUMER PRICE INDEX

Sec. 103. Section 5(e) of the Food Stamp Act of 1977 is amended by inserting "for all urban consumers" after "Consumer Price Index" each time those words appear.

DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS

Sec. 102. Section 5(d) of the Food Stamp 5(e) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" before "(10)"; and

(2) inserting before the period at the end thereof the following: ", and (11) any payments or allowances made under any Federal, State, or local laws for the purpose of the maximum allowable level of which shall be $90 per month, per household, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment, and";

(2) in the fourth sentence, striking out everything after "March 31" down to the period at the end of the sentence; and

(3) in clause (B), striking out "that for the excess shelter expense deduction contained in clause (2) of the preceding sentence" and inserting in lieu thereof the following: "described in clause (1) of the preceding sentence".

EXPANDED MEDICAL DEDUCTIONS FOR THE ELDERLY

Sec. 105. Effective October 1, 1981, section 5(e)(A) of the Food Stamp Act of 1977 is amended by—

(1) inserting "or their spouses" before "exclusive of special diets,"; and

(2) striking out "$35" and inserting in lieu thereof "$25".

MEDICAL DEDUCTION FOR THE BLIND AND DISABLED IN CERTAIN AREAS

Sec. 106. Effective October 1, 1981, section 5(e) of the Food Stamp Act of 1977 is amended by:

(1) in the fourth and last sentences, inserting "and blindness" after each time "disability" appears; and

(2) in the fourth and last sentences, striking out "title II" each time that it appears and inserting in lieu thereof: "titles I, II, X, XIV, and XVI".

RETROSPECTIVE ACCOUNTING

Sec. 107. Section 5(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) Household income for those households that by contract for other than an hourly or piecework basis, or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by the State agency for the purpose of determining household eligibility by being averaged over a twelve-month period. For those households that receive nonexcluded income of the type specified in subsection (d)(3) of this section, such income shall be calculated by being averaged over the period for which it is provided. State agencies shall elect and use one of the following two methods in calculating income for all other households:

"(1) taking into account the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income that has been received by the household during the thirty days preceding the filing of its application for food stamps so that the State agency may reasonably ascertain the income that is and will be actually available to the household for the certification period; or

"(2) using income received in a previous month as the basis, in accordance with standards prescribed by the Secretary, except for the month of application and subsequent months specified by the Secretary for newly applying households (other than households reapplying within thirty days after the end of a prior certification period). In addition, the Secretary shall make modifications or exceptions to this method of income calculation with respect to households experiencing sudden and significant losses of income (including households experiencing losses of income of $50 per month or more) or the addition of a new member, households in immediate need in accordance with the provisions of section 11(e)(9) of this Act, migrant farmworker households, and other classes of households if the Secretary determines that this method of income calculation would be impracticable to administer or would cause serious hardship for such households. In promulgating regulations governing the method of income calculation described in this subsection, the Secretary shall consult with the Secretary of Health and Human Services so that, wherever feasible, and consistent with the purposes of the applicable Acts, households receiving income under title IV–A of the Social Security Act shall have income calculated on a consolidated and comparable basis.".

VEHICLE USE BY HANDICAPPED HOUSEHOLD MEMBERS

SEC. 108. The second sentence of section 5(g) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "other than one used to produce earned income" the following: "or that is necessary for transportation of a physically disabled household member"; and

(2) striking out "or to transport disabled household members".

STATE OPTION ON ADMINISTRATIVE FRAUD HEARINGS

SEC. 109. Section 6(b) of the Food Stamp Act of 1977 is amended by inserting after the first sentence thereof a new sentence as follows: "Each State agency shall proceed against such alleged fraudulent activity either by way of administrative fraud hearings in accordance with clause (1) of this subsection or by referring such matters to appropriate legal authorities for civil or criminal action in accordance with clause (2) of this subsection, or both.".

PERIODIC REPORTING

SEC. 110. Section 6(c) of the Food Stamp Act of 1977 is amended by striking out everything after the first sentence and inserting in lieu thereof the following:

"(1) State agencies that elect to use a system of retrospective accounting in accordance with section 5(f)(2) of this Act shall require certain categories of households to file periodic reports of household circumstances in accordance with standards prescribed by the Secretary. Other State agencies, which have received the approval of the Secretary, may also require such categories of households to file periodic reports. Each household that is not required to file such periodic reports on a monthly basis shall be required to report or cause to be reported to the State agency, on a form designed or approved by the Secretary, changes in income or household circumstances which the Secretary deems necessary in order to assure accurate eligibility and benefit determinations.

"(2) Any household required to file a periodic report under paragraph (1) of this subsection shall, (A) if it is eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures that permit the filing of the required information in the event all adult members of the household are mentally or physically handicapped or lacking in reading or writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on forms approved by the Secretary, and (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights under section 11(e)(10) of this Act.

"(3) Reports required to be filed under paragraph (1) of this subsection shall be considered complete if, in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels. All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. The reporting requirements contained in paragraph (1) of this subsection shall be the sole such requirements for reporting changes in circumstances for participating households. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Secretary of Health and Human Services, and, wherever feasible, households that receive assistance under title IV-A of the Social Security Act and that are required to file comparable reports under that Act shall be provided the opportunity to file reports at the same time for purposes of both Acts.".

CONFORMING AMENDMENTS FOR RETROSPECTIVE ACCOUNTING AND PERIODIC INCOME REPORTING

SEC. 111. Section 3(c) of the Food Stamp Act of 1977 is amended to read as follows:

"(c) 'Certification period' means the period for which households shall be eligible to receive authorization cards. For those households that are required to submit periodic reports under section 6(c)(1) of this Act, the certification period shall be at least six months but no longer than twelve months. For households that are not required to submit periodic reports, the certification period shall be determined as follows:

"(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

"(2) In the case of all other households, the period shall be not less than three months: *Provided*, That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or primarily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary.".

SEC. 112. Section 5(d)(2) of the Food Stamp Act of 1977 is amended by inserting after the second comma the following: "subject to modification by the Secretary in light of section 5(f)(2) of this Act,".

SEC. 113. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by inserting immediately after "subsection" the following: ": *Provided*, That the timeliness standards for submitting the notice of expiration and filing an application for recertification may be modified by the Secretary in light of sections 5(f)(2) and 6(c) of this Act if administratively necessary".

PARTICIPATION BY STRIKERS

SEC. 114. Section 6(d) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new paragraph (4) as follows:

"(4) Notwithstanding any other provision of law, a household shall not participate in the food stamp program at any time that any member of such household, not exempt from the work registration requirements of paragraph (1) of this subsection, is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: *Provided*, That a household shall not lose its eligibility to participate in the food stamp program as a result of one of its members going on strike if the household was eligible for food stamps immediately prior to such strike: *Provided further*, That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout: *Provided further*, That such ineligibility shall not apply if the household meets the income qualifications, assets requirements, and work registration requirements, as mandated in subsection (i) of this section.".

INCOME AND RESOURCES OF INELIGIBLE ALIEN

SEC. 115. Section 6(f) of the Food Stamp Act of 1977 is amended by adding at the end thereof, a new sentence as follows: "The income (less a pro rata share) and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member.".

MATCHING OF INCOME INFORMATION AND OTHER VERIFICATION

SEC. 116. Section 11(e)(3) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "section 5(d) of this Act" the following: "(in part through the use of the information, if any, obtained under subsection (h) and (i) of section 16 of this Act)"; and

(2) inserting after "sections 5 and 6 of this Act," the following: "although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and any factors of eligibility involving households that fall within the State agency's error-prone household profiles as developed by the State agency from the quality control program conducted under section 16 of this Act and as approved by the Secretary".

PHOTO IDENTIFICATION

SEC. 117. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by striking out "and" at the end of paragraph (15), and adding at the end thereof a new paragraph (17) as follows:

"(17) that the State agency shall require each household certified as eligible to participate by methods other than the out-of-office methods specified in the last sentence of paragraph (2) of this subsection in those project areas or parts of project areas in which the Secretary, in consultation with the Department's Inspector General, finds that it would be useful to protect the program's integrity, to present a photographic identification card when using its authorization card in order to receive its coupons.".

REPORTING ILLEGAL ALIENS

SEC. 118. Section 11(e) of the Food Stamp Act of 1977, as amended by section 117 of this Act, is amended by adding at the end thereof a new paragraph (18) as follows:

"(18) notwithstanding paragraph (8) of this subsection, for the immediate reporting to the Immigration and Naturalization Service by the State Agency of a determination by responsible for the certification or recertification of households that any member of a household is ineligible to receive food stamps because that member is present in the United States in violation of the Immigration and Nationality Act;"

COMPUTERIZATION

SEC. 119. Section 11(e) of the Food Stamp Act of 1977, as amended by section 118 of this Act, is amended by inserting "and" at the end of paragraph (18) and adding at the end thereof a new paragraph (19) as follows:

"(19) at the option of the State agency, for the establishment and operation of an automatic data processing and information retrieval system that meets such conditions as the Secretary may prescribe and that is designed to provide efficient and effective administration of the food stamp program.".

STATE COMPLIANCE WITH LAW

SEC. 120. Section 11(g) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "determines" the following: ", upon information received by the Secretary, investigation initiated by the Secretary, or investigation that the Secretary shall initiate upon receiving sufficient information evidencing a pattern of lack of compliance by a State agency of a type specified in this subsection,";

(2) inserting "without good cause" before "to comply";

(3) striking out "or" before "the State plan of operation";

(4) inserting after "section," the following: "or the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) of this Act"; and

(5) inserting before the period at the end of the second sentence the following: ", and, whether or not the Secretary refers such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under sections 16(a) and 16(c) of this Act as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14 of this Act.".

SEC. 121. Section 16(b) of the Food Stamp Act of 1977 is amended by striking out the last sentence thereof.

SOCIAL SECURITY OFFICE APPLICATION

SEC. 122. Section 11(i)(2) of the Food Stamp Act of 1977 is amended by striking out "simplified affidavit" and inserting in lieu thereof "simple application".

SPECIAL FINANCIAL AUDIT REVIEW OF HIGH PARTICIPATION STATES

SEC. 123. Section 11 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (l) as follows:

(l) Whenever the ratio of a State's average food stamp participation in any quarter of a fiscal year to the State's total population in that quarter (estimated on the basis of the latest available population estimates as provided by the Department of Commerce, Bureau of the Census, Series P–25, Current Population Reports (or its successor series)) exceeds 60 per centum, the Office of the Inspector General of the Department of Agriculture shall immediately schedule a financial audit review of a sample of project areas within that State, and shall, upon completion of the audit, provide a report to Congress of its findings and recommendations within 180 days. Any financial audit review subsequent to the first such review, required under the preceding sentence, shall be conducted at the option of the Office of the Inspector General.".

FORFEITURE OF PROPERTY INVOLVED IN ILLEGAL FOOD STAMP TRANSACTIONS

SEC. 124. Section 15 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (g) as follows:

"(g) The Secretary may subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value that are furnished or intended to be furnished by any person in exchange for coupons or authorization cards in any manner not authorized by this Act or the regulations issued under this Act. Any forfeiture and disposal of property forfeited under this subsection shall be conducted in accordance with procedures contained in regulations issued by the Secretary.".

STATE INCENTIVES FOR REDUCING ERROR

SEC. 125. Section 16(c) of the Food Stamp Act of 1977 is amended by—

(1) striking out "Effective October 1, 1978, the" and inserting in lieu thereof "The";

(2) inserting "(1) effective October 1, 1978," after "such share to";

(3) inserting "(A)" after "State agency whose";

(4) inserting "semiannual" before "cumulative";

(5) striking out "section is less" and inserting in lieu thereof "section are less";

(6) inserting before the period at the end thereof the following: "and (B) whose rate of invalid decisions in denying eligibility as calculated in the quality control program conducted under subsection (d)(1) of this section is less than a nationwide percentage that the Secretary determines to be reasonable;

"(2) effective October 1, 1980, 65 per centum of all such administrative costs in the case of a State agency meeting the standards contained in paragraph (1) of this subsection;

"(3) effective October 1, 1980, 60 per centum of all such administrative costs in the case of a State agency whose cumulative allotment error rate as determined under paragraph (1)(A) of this subsection is greater than five per centum but less than eight per centum or the national standard payment error rate for the base period, whichever is lower, and which also meets the standard contained in paragraph (1)(B) of this subsection; and

"(4) effective October 1, 1980, 55 per centum of all such administrative costs in the case of a State agency whose annual rate of error reduction is equal to or exceeds 25 per centum. No State agency shall receive more than one of the increased federally funded shares of administrative costs set forth in paragraphs (1) through (4) of this subsection".

STATE LIABILITY FOR ERRORS

SEC. 126. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (g) as follows:

"(g)(1) The Secretary shall institute an error liability program under which each State agency shall, other than for good cause as determined by the Secretary, pay to the Secretary or have withheld by the Secretary as described in paragraph (4) of this subsection, the amount by which the dollar value equivalent of the State agency's payment error rate, as determined by the Secretary, for each six-month period, exceeds the dollar value equivalent of either—

"(A) the State agency payment error rate for the base period less a national annual rate of error reduction, as determined by the Secretary, taking into account program circumstances and rates of error reduction in comparable Federal or federally assisted programs, or

"(B) the national standard payment error rate for the base period, whichever is higher.

"(2) As used in this subsection, (A) 'base period' means, for fiscal year 1981, the six months beginning October 1, 1979, and ending March 31, 1980 and, for each fiscal year thereafter, the six months beginning October 1 and ending March 30 of the prior fiscal year; (B) 'payment error rate' means the percentage of all food stamp allotments which are issued in a given period by a State agency to households that fail to meet the eligibility requirements of sections 5 and 6 of this Act, are overissued to eligible households, and are underissued to eligible households; (C) 'national standard payment error rate' means the weighted mean payment error rate for all State agencies; and (D) 'dollar value equivalent' means the value of allotments determined by multiplying a given error rate by the dollar value of all the allotments issued by a State agency during the particular period in question.

"(3) The Secretary shall conduct a study to determine whether it is feasible to include in the calculation of each State agency's payment error rate, and in the calculation of the national standard payment error rate, invalid decisions by each State agency denying eligibility to households that are in fact eligible. If the Secretary determines that such a change in the method of calculation is feasible, the Secretary shall implement changes in the method of calculating payment error rates for the purposes described in this section.

"(4) If the Secretary makes a claim against a State for payment under paragraph (1) of this subsection, that State may seek administrative and judicial review of such claim under the procedures set forth in section 14 of this Act. If such claim is ultimately determined to be valid or is not contested by the State, it shall be collected by the Secretary and may be collected through State payment, through withholding amounts otherwise payable to the State agency under subsection (a) of this section, or through other mechanisms authorized by the Federal Claims Collection Act of 1966.".

DISCLOSURE PROVISIONS

SEC. 127. (a)(1) Subsection (l) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(7) DISCLOSURE OF CERTAIN RETURN INFORMATION BY SOCIAL SECURITY ADMINISTRATION TO DEPARTMENT OF AGRICULTURE AND TO STATE FOOD STAMP AGENCIES.—

"(A) IN GENERAL.—The Commissioner of Social Security may disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection—

"(i) upon request, to officers and employees of the Department of Agriculture, and

"(ii) upon written request, to officers and employees of a State food stamp agency.

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, determining an individual's eligibility for benefits, or the amounts of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(C) STATE FOOD STAMP AGENCY.—For purposes of this paragraph, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2)(A) Subparagraph (A) of section 6103(p)(3) of such Code (relating to records of inspection and disclosure) is amended by striking out "(l) (1) or (4)(B) or (5)" and inserting in lieu thereof "(l) (1), (4)(B), (5), or (7)".

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out "(l) (3) or (6)" in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof "(1) (3), (6), or (7)".

(C) Clause (i) of section 6103(p)(4)(F) of such Code is amended by striking out "(1) (6)" and inserting in lieu thereof "(1) (6) or (7)".

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended—

(i) by striking out "or any educational institution" and inserting in lieu thereof "any educational institution, or any State food stamp agency (as defined in section 6103(1) (7) (C))", and

(ii) by striking out "subsection (d), (1) (6), or (m) (4) (B)" and inserting in lieu thereof "subsection (d), (1)(6) or (7), or (m)(4) (B)".

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency—

"(i) wage information,

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual,

"(iii) the current (or most recent) home address of such individual, and

"(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

"(3) For purposes of this subsection, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 which administers the food stamp program established under such Act."

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out "subsection (b) or (c)" and inserting in lieu thereof "subsection (b), (c), or (d)".

(3) The amendments made by this subsection shall take effect on January 1, 1983.

PAYMENT OF CERTAIN LEGAL FEES

SEC. 128. Section 16 of the Food Stamp Act of 1977, as amended by section 126 of this Act, is amended by adding at the end thereof a new subsection (h) as follows:

"(h) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of officers and employees of the Department of Agriculture may be paid in judicial or administrative proceedings to which such officers and employees have been made parties and that arise directly out of their performance of duties under this Act; and".

COST SHARING FOR COMPUTERIZATION

SEC. 129. Section 16 of the Food Stamp Act of 1977, as amended by section 128 of this Act, is amended by adding at the end thereof a new subsection (i) as follows:

"(i) Effective October 1, 1980, the Secretary is authorized to pay to each State agency an amount equal to—

"75 per centum of the costs incurred by the State agency in the planning, design, development, or installation of automatic data processing and information retrieval systems that the Secretary determines (1) will assist in meeting the requirements of this Act, (2) meet such conditions as the Secretary prescribes, (3) are likely to provide more efficient and effective administration of the food stamp program, and (4) will be compatible with other such systems used in the administration of State plans under the Aid to Families with Dependent Children Program under title IV of the Social Security Act: *Provided*, That there shall be no such payments to the extent that a State agency is reimbursed for such costs under any other Federal program or uses such systems for purposes not connected with the food stamp program: *Provided further*, That any costs matched under this subsection shall be excluded in determining the State agency's administrative costs under any other subsection of this section.".

CONTINUATION OF CASH-OUT PILOT PROJECTS

SEC. 130. Section 17(b)(1) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: "Any pilot or experimental project implemented under this paragraph involving the payment of the value of allotments in the form of cash to eligible households shall be continued until October 1, 1981, if the State so requests.".

WORKFARE JOB-SEARCH TIME PERIOD

SEC. 131. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by adding after the phrase "thirty days" in the second sentence the following: "(ten days in at least one pilot project area designated by the Secretary)".

WORKFARE PILOT PROJECT REVISIONS

SEC. 132. (a) Section 17(b)(2) of the Food Stamp Act of 1977 is amended by striking out everything after "Act," in the last sentence and inserting in lieu thereof the following: "shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation.".

(b) The provisions of section 17(b)(2) of the Food Stamp Act of 1977 for the sharing of administrative costs, as added by subsection (a) of this section, shall be effective on the date of enactment of this Act.

STUDY OF CPI

SEC. 133. Section 17 of the Food Stamp Act of 1977, is amended by adding at the end thereof a new subsection (e) as follows:

"(e) The Director of the Congressional Budget Office, in consulation with the Secretary, the Secretary of Commerce, and the Secretary of Labor, shall review the Consumer Price Index and the various alternative consumer price or cost-of-living indices, such as the Personal Consumption Expenditure (PCE) Deflator, to examine the limitations of each statistical alternative and the factors causing the various indices to differ with each other and to reflect inconsistencies with their own prior year indices in measuring the cost-of-living or the rate of inflation. The study shall seek to determine whether the Consumer Price Index is the most accurate indexation base for the food stamp program, or whether an alternative or combination of alternatives may be the more accurate indexation base to reflect consumer prices or changes in the costs of living. The Director of the Congressional Budget Office shall report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, of the Senate, together with such recommendations as the Director deems appropriate, by February 1, 1981.".

USE OF FEDERAL FUNDS TO INTERFERE WITH PROGRAM IMPLEMENTATION

SEC. 134. Section 18(a) of the Food Stamp Act of 1977 is amended by—

(1) inserting "(1)" immediately after the subsection designation; and

(2) adding at the end thereof a new paragraph (2) as follows:

"(2) No funds authorized to be appropriated under this Act or any other Act of Congress shall be used by any person, firm, corporation, group, or organization at any time, directly or indirectly, to interfere with or impede the implementation of any provision of this Act or any rule, regulation, or project thereunder, except that this limitation shall not apply to the provision of legal and related assistance in connection with any proceeding or action before any State or Federal agency or court. The President shall ensure that this paragraph is complied with by such order or other means as the President deems appropriate.".

ANNUAL ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 135. Section 3(o) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" before "(4)";

(2) inserting "through January 1, 1980," after "(4)"; and

(3) inserting before the period at the end thereof the following: ", (5) on January 1, 1981, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30, and (6) on January 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data; and, as of every January 1 thereafter, for the nine months ending the preceding September 30 and the subsequent three month ending December 31 as projected by the Secretary in light of the best available data."

ADJUSTMENTS OF DEDUCTIONS

SEC. 136. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) striking out the comma after "1978" in the second sentence and inserting "through January 1, 1980," immediately thereafter;

(2) inserting before the period at the end of the second sentence the following: ", and, on January 1, 1981, shall be adjusted to the nearest $5 to reflect such changes for the twelve months ending the preceding September 30; and, on January 1, 1982, shall be adjusted to the nearest $5 to reflect such

changes for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data; and, as of every January 1 thereafter, for the nine months ending the preceding September 30 and the subsequent three months ending December 31 projected by the Secretary in light of the best available data";

(3) striking out "(commencing July 1, 1978)" in clause (2) of the fourth sentence and inserting in lieu thereof "on July 1, 1978, and July 1, 1979" in lieu thereof; and

(4) inserting before the period at the end of the fourth sentence the following: ", on January 1, 1981, adjusted to the nearest $5 increment to reflect such changes for the eighteen-month period ending the preceding September 30, and, on January 1, 1982, adjusted to the nearest $5 to reflect such changes for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data, and, on every January 1 thereafter, adjusted annually to the nearest $5 increment to reflect such changes for the nine months ending the preceding September 30 and the subsequent three months ending December 31 projected by the Secretary in light of the best available data".

ADJUSTMENT OF POVERTY GUIDELINES

SEC. 137. Section 5(c) of the Food Stamp Act of 1977 is amended by striking out everything after "forty-eight contiguous States" and inserting a period in lieu thereof.

REDUCTION IN ASSETS LIMITATIONS

SEC. 138. Section 5(g) of the Food Stamp Act of 1977 is amended by striking out "$1,750" and inserting in lieu thereof "$1,500".

RESTRICTION ON STUDENT PARTICIPATION

SEC. 139. Section 6(e) of the Food Stamp Act of 1977 is amended by striking out everything after "(1)" and inserting in lieu thereof the following: "is physically and mentally fit and is between the ages of eighteen and sixty, (2) is enrolled at least half time in an institution of higher education, and (3)(A) is not employed a minimum of twenty hours per week or does not participate in a federally financed work study program during the regular school year or (B) is not the head of a household (or spouse of such head) containing one or more other persons who are dependents of that individual because he or she supplies more than half of their support, or (C) is not so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act, as amended (42 U.S.C. 602).".

SEC. 140. Section 6(d) of the Food Stamp Act of 1977 is amended by striking out everything after "person" in the parenthesis in clause (D) of paragraph (2) and inserting in lieu thereof the following: "enrolled in an institution of higher education shall be ineligible to participate in the food stamp program unless he or she meets the requirements of subsection (e) of this section)".

TITLE II—FOOD STAMP FUNDING

APPROPRIATIONS CEILING

SEC. 201. The first sentence of section 18(a) of the Food Stamp Act of 1977 is amended by—

(1) striking out "$6,188,600,000" and inserting "$9,491,000,000" in lieu thereof; and

(2) striking out "$6,235,900,000" and inserting "$9,739,276,000" in lieu thereof.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amendment of the House, amend the title to read as follows: "An Act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal year 1980 and 1981 food stamp programs; and for other purposes.".

And the House agree to the same.

THOMAS S. FOLEY,
E DE LA GARZA,
ED JONES,
FREDERICK W. RICHMOND,
LEON E. PANETTA,
RICHARD NOLAN,
DAN GLICKMAN,
DANIEL K. AKAKA,
TOM HARKIN,
WILLIAM C. WAMPLER,
PAUL FINDLEY,
MARGARET M. HECKLER,
JAMES M. JEFFORDS,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
PATRICK J. LEAHY,
JOHN MELCHER,
ROBERT DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the Senate bill and the House amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below:

[Note: *Items Not in Conference:* Sections 1, 3, 4, 5, 6, 9, 10, 11, and 12 (b) and (c) of S. 1309 as it passed the Senate on July 25, 1979, were adopted in all essential particulars in the conference report accompanying H.R. 4057, House Report No. 96-394, 96th Congress, 1st Session, which eventually became Public Law 96-58. Sections 2 and 12(a) were similarly adopted in modified form and are, to that extent, no longer in conference.]

(1) *Meals in shelters for battered women and children*

The *House* amendment permits women and the children accompanying them who are temporarily residing in public or private nonprofit shelters for battered women and children to use their food stamps to purchase meals prepared and served by those shelters. It also permits these persons to be considered for eligibility as individual (parent/child) units, rather than considered as part of a single household consisting of all shelter residents. In so doing, the *House* amendment—

(a) includes within the definition of "household" women with their children temporarily residing in public or private nonprofit shelters for battered women and children;

(b) provides that temporary residents of public or private nonprofit shelters for battered women and children will be considered individual (parent/child) households;

(c) includes within the definition of "food" meals prepared and served by shelters to women and children temporarily residing in public or private nonprofit shelters for battered women and children;

(d) includes public or private nonprofit shelters that prepare and serve meals for battered women and children within the definition of "retail food store"; and

(e) provides that public and private nonprofit shelters that prepare and serve meals for battered women and children may not redeem food stamps directly through banks.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions.

(2) *Excluding energy assistance payments from income*

The *House* amendment retroactive to November 1, 1979, excludes from household income for purposes of the food stamp program any payments or allowances made under any Federal, State, or local laws for the purpose of providing energy assistance. [Note: Under the Food Stamp Act of 1977 if such payments or allowances are made directly to the energy provider, rather than to the household, they are already excluded as income under provisions excluding "vendor payments" generally. Under provisions of the Home Energy Assistance Act, energy assistance payments are excluded from consideration as income or assets in welfare programs and the food stamp program.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision, but eliminates the requirement that the effective date of the amendment shall be November 1, 1979, with the understanding that implementation would occur as promptly as possible prior to the onset of the 1980-81 heating season with respect to State or local laws for the purpose of providing energy assistance.

(3) *Consumer Price Index*

The *House* amendment ties all Consumer Price Index references in the Act to the post-January 1978 index for All Urban Consumers, rather than the older index for Urban Wage and Clerical Workers.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(4) *Dependent care deductions for working adults*

The *House* amendment, effective October 1, 1981, makes the existing deduction for dependent care expenses related to employment, or employment-related training or education, a separate and distinct deduction with a monthly maximum of $160 per household (not indexed for inflation). Under existing law, the dependent care expense deduction may not exceed an annually indexed monthly maximum (currently $90) either by itself or when combined with any excess shelter cost deduction claimed.

The *Senate* bill contains no comparable provision.

The *Conference* substitute, effective October 1, 1981, makes the existing deduction for dependent care expenses related to employment, or employment-related training or education, a separate and distinct deduction with a monthly maximum of $90 per household (not indexed for inflation). The conferees intend that the deduction will be implemented together with all other changes in deductions on January 1 of the fiscal year in which it takes effect.

(5) *Expanded medical deductions for the elderly, blind, and disabled*

(A) The *House* amendment, effective October 1, 1981, expands the existing excess medical expense deduction for persons who are blind, disabled, or over 60 by broadening the deduction to cover the medical expenses of spouses regardless of age or physical condition.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(B) The *House* amendment also, effective October 1, 1981, expands the existing excess medical expense deduction for the elderly, blind, and disabled by removing the threshold above which expenses are deductible (currently $35 a month).

The *Senate* bill provides that the $35 a month threshold for the excess medical expense deduction will be indexed semiannually beginning July 1, 1979, according to Consumer Price Index changes for items other than food.

The *Conference* substitute adopts the *House* provision, but sets the threshold above which such expenses are deductible at $25 a month. The conferees intend that the deduction will be implemented together with all other changes in deductions on January 1 of the fiscal year in which it takes effect.

(6) *Medical deductions for the blind and disabled in certain areas*

The *House* amendment, effective October 1, 1981, extends the availability of the excess medical expense deductions to blind or disabled persons (and their spouses) in Puerto Rico, Guam, and the Virgin Islands, when they receive cash welfare payments through programs equivalent to the Supplemental Security Income (SSI) program. [Note: Existing law allows the elderly, and blind or disabled persons receiving Social Security payments, to claim the excess medical expense deduction in these areas.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision. The conferees intend that the deduction will be implemented together with all other changes in deductions on January 1 of the fiscal year in which it takes effect.

(7) *Retrospective accounting*

(A) The *House* amendment permits States the option to determine program eligibility and benefits by using income received in a previous month, following standards prescribed by the Secretary. In the month of application and subsequent months (as determined by the Secretary), this retrospective accounting system would not apply, except when a household reapplies within 30 days after the end of a prior certification period. Modifications or exceptions would be required in the retrospective accounting system for (i) all households experiencing losses of income of $50 per month or more, or other sudden and significant losses of income; (ii) all households with new members; (iii) all households in immediate need requiring expedited services; (iv) migrant farmworker households; and (v) other classes of households for whom the Secretary determines the system would be impracticable to administer or for whom retrospective accounting would cause serious hardship. [Note: The *House* report states that the retrospective accounting option may be exercised in some or all project areas and for certain classes of households (defined by the Secretary).]

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions.

(B) The *House* amendment requires the Secretary to consult with the Secretary of Health, Education, and Welfare in promulgating regulations governing income calculations for the food stamp program so that whenever feasible and consistent with the applicable Acts, households receiving income from the aid to families with dependent children (AFDC) program will have their income calculated on a consolidated and comparable basis.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(8) *Vehicle use by handicapped household members*

The *House* amendment exempts from valuation as a household resource, for purpose of the assets requirements, any vehicle used to transport a disabled household member, regardless of the purpose of such transportation.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision with a limitation that the disabled person be physically disabled so that such person requires a vehicle in order to be transported.

(9) *State option on administrative fraud hearings*

The *House* amendment permits each State to decide to proceed against alleged fraud in the program either by way of administrative fraud hearings or by way of reference to appropriate legal authorities for civil or criminal action, or both. [Note: The *House* report states that the *House* amendment does not require a State to create an administrative fraud hearing system unless the Secretary finds that it is not promptly, actively, and seriously handling fraud cases civilly or criminally.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(10) *Periodic reporting*

(A) The *House* amendment provides that States electing to use a retrospective accounting system shall require certain categories of households (determined by the Secretary) to file periodic (normally monthly) reports of household circumstances following standards prescribed by the Secretary. Other States could require periodic reporting by the same categories of households, with the Secretary's approval. Households that are not required to file periodic reports on a monthly basis would be required to report, on a form designed and approved by the Secretary, changes in income or household circumstances that the Secretary deems necessary to assure accurate eligibility and benefit determinations.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(B) The *House* amendment provides that households required to file a periodic report, if eligible to participate and if having filed a timely and complete report, shall receive their allotment, based on the reported information for a given month, within 30 days of the end of that month, unless the Secretary determines that a longer period of time is necessary.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(C) The *House* amendment requires that there be special procedures available for households required to file a periodic report if all adult household members are mentally or physically handicapped or lacking in reading or writing skills rendering them unable to fill out the required forms.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(D) The *House* amendment provides that households required to file a periodic report shall have a reasonable period of time after the close of the month in which to file their reports, be afforded prompt notice of failure to timely or completely file any report, be given an opportunity to cure that failure, and a reasonable opportunity to exercise their appeal rights under the Act.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(E) The *House* amendment provides that any periodic or other reports filed by households shall be considered complete if, under standards prescribed by the Secretary, they contain sufficient information to enable determination of eligibility and benefit levels.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(F) The *House* amendment requires the Secretary to consult with the Secretary of Health, Education, and Welfare in implementing the periodic reporting requirements and, whenever feasible, households that receive income under the aid for families with dependent children (AFDC) program and that are required to file comparable reports under that program would be provided the opportunity to file reports at the same time for the purposes of both programs.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(G) The *House* amendment provides that households required to submit periodic reports are to be given certification (of eligibility) periods of at least 6 months, but no longer than 12 months.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(H) The *House* amendment makes changes in other provisions of the Food Stamp Act to conform them to any retrospective accounting-periodic reporting system by (i) allowing the Secretary to modify the "irregular income" exclusion; and (ii) allowing the Secretary to modify timeliness standards for notice of expiration and applying for recertification.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(11) *Expansion of work registration requirement*

The *House* amendment reduces the age of a dependent child who exempts his or her parent or caretaker from the work registration requirement from under age 12 to under age 6.

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* provision.

(12) *Participation by strikers*

The *House* amendment specifically provides that no household that contains a person on strike in a labor-management dispute shall be eligible to participate in the food stamp program, unless (A) the household was eligible to participate prior to the strike, or (B) the household otherwise meets the income qualifications, assets requirements, and work registration requirements contained in the Act. This ineligibility shall not apply to households not containing a member on strike, if any member refuses employment at a plant or site because of a strike or lockout. [Note: Existing law provides that no household containing a person involved in a labor-management dispute may participate in the food stamp program unless the household meets the income guidelines, assets requirements, and work registration requirements of the Act. The *House* report states that the *House* amendment does not change existing law.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(*13*) *Income and resources of ineligible aliens*

The *House* amendment would treat households from which ineligible aliens are excluded in the same manner as households from which fraudulent persons or nonwork *registered students have been excluded by attributing* the income (less a pro rata share) and the resources of the ineligible aliens to the remaining household members in determining that household's eligibility and benefits.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(*14*) *Matching of income information and other verification*

(A) The *House* amendment expands State agencies' authority for verification by permitting States to verify, prior to certification and whether questionable or not, any household's size as well as any factor of eligibility related to households that fall within State "error-prone household profiles", profiles that are developed in State quality control systems and approved by the Secretary for statewide use.

The *Senate* bill prohibits the Secretary from precluding the State agencies from implementing verification procedures in addition to those issued by the Secretary under the Act. The *Senate* bill requires that any supplemental State verification standards be (A) in the State's plan of operation, and (B) reasonably related to the Secretary's national standards. The *Senate* bill also prohibits supplemental State verification standards from (A) resulting in violation of the Secretary's standards for timely provision of benefits; (B) subjecting households to home visits conducted in an unreasonable manner or during unreasonable hours; (C) being used for those persons whose State or Federal cash welfare eligibility has already been verified, or is being verified; (D) resulting in a denial or reduction of benefits because a household cannot verify matters outside of its control; and (E) resulting in households having to make unreasonable additional trips to the welfare office.

(B) The *House* amendment would permit information obtained from other agencies (under new authority provided in the *House* amendment) to be used in verification of eligibility.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions.

(*15*) *Photo identification*

The *House* amendment provides that States must require all eligible households, with the exception of those certified by home visits or other out-of-office methods, in project areas or parts thereof where the Secretary (after consultation with the Inspector General) finds that it would be useful to protect the program's integrity, to present photo identification cards together with their authorization cards as a condition to receiving their allotments.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(*16*) *Reporting illegal aliens*

The *House* amendment requires certification personnel to immediately report to the Immigration and Naturalization Service any determination that a household member is ineligible to receive food stamps because he or she is present in the United States in violation of the Immigration and Nationality Act. [Note: The *House* report states that this determination would be made solely on the basis of the application form or interview.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(*17*) *Outreach by States*

The *House* amendment deletes (A) the requirement that the State plan of operations provide that the State agency shall conduct outreach by informing households about the availability, eligibility requirements, and benefits of the program and (B) the limitation on conducting outreach activities of a noninformational nature in areas where that is being done by a community action program. [Note: This provision would not affect existing law requiring Federal cost-sharing for outreach activities approved by the Secretary.]

The *Senate* bill contains no comparable provision.

The *Conference* substitute deletes the *House* provision.

(*18*) *Computerization and cost sharing for computerization*

The *House* amendment increases to 75 percent (from 50 percent) the Federal share of costs incurred by State agencies, after October 1, 1980, in planning, designing, developing, installing, and leasing computerized systems for handling food stamp program data. The *House* amendment further requires States opting to establish and operate an automatic data processing and information retrieval system to meet conditions prescribed by the Secretary, and have systems designed to provide efficient and effective administration of the program and be compatible with systems used in the AFDC program. The *House* amendment allows no duplication between food stamp computerization cost sharing and other Federal cost sharing for computerization, nor any special (75 percent) sharing of costs for systems used for nonfood stamp purposes or for operating or modifying, rather than installing or upgrading, systems.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision, but deletes the word "leasing" to make it clear that only the start-up portion of leasing is eligible for increased cost sharing.

(*19*) *State compliance with law*

The *House* amendment consolidates and simplifies provisions of existing law dealing with sanctions against States for failure to administer properly the food stamp program, including noncompliance with the Act, regulations pursuant thereto, a State's own plan of operations, or the Secretary's standards for the efficient and effective administration of the Act.

The *House* amendment requires the Secretary, if he receives information of such failure to comply or determines that such failure exists after an investigation voluntarily initiated by him or mandatorily initiated by him upon receipt of sufficient information evidencing a pattern of lack of compliance, to proceed to inform a State of such failure and allow the State reasonable time to correct such failure. [Note: The *House* report states that the *House* amendment allows the State to administratively show good cause for failure to comply.] The *House* amendment further permits the Secretary, if the State fails to undertake timely and appropriate corrective action, to refer the matter to the Attorney General for injunctive relief and, whether or not such referral is made, to proceed to withhold such administrative cost-sharing funds from the State as he determines to be appropriate.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions with amendments to (A) require that the Secretary find that a State has failed without good cause to comply with the Act, regulations, its own plan of operations, or the Secretary's standards for the efficient and effective administration of the Act before proceeding to inform the State of such failure and (B) entitle any State from which the Secretary determines to withhold funds authorized under sections 16 (a) and (c) of the Act to subject the claim to administrative and judicial review in accordance with section 14 of the Act.

(*20*) *Social security office application*

The *House* amendment allows households in which all members are supplemental security income recipients to apply to participate in the food stamp program by filling out a simple application form, either the national food stamp application form or a simple State application form of comparable length and complexity, rather than the simplified affidavit required by existing law.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(*21*) *Special financial audit review of high participation States*

The *House* amendment requires the Inspector General to immediately schedule a financial audit review of a sample of project areas in any State in which, in any quarter of a fiscal year, the average food stamp participation exceeds 60 percent of the total State population, and report his findings and recommendations to the Congress within two fiscal-year quarters thereafter.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision with an amendment to limit the mandatory auditing of any one State by the Department's Office of Inspector General to one audit with any remaining audits to be at the option of the Office of Inspector General.

(*22*) *Forfeiture of property involved in illegal food stamp transactions*

The *House* amendment permits the Secretary to require forfeiture of and dispose of any form of valuable property illegally furnished or attempted to be furnished in exchange for food stamp coupons or authorization cards.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(23) *State incentives for reducing error*

The *House* amendment provides financial incentives, effective in fiscal year 1981, to encourage States to lower error rates by offering a State one of three possible increases in the Federal share of State administrative costs—(a) from 60 to 65 percent if the State's cumulative allotment error rate (eligibility errors, overissuance, and underissuance) is 5 percent or less and if the State's negative case action error rate (invalid denials of eligibility) is less than the nationwide percentage determined reasonable by the Secretary; (b) from 50 to 60 percent if the State's cumulative error rate is between 5 and 8 percent or between 5 percent and the national standard payment error rate, if such national rate is less than 8 percent, and if the State's negative case action error rate is less than the nationwide percentage determined reasonable by the Secretary; or (c) from 50 to 55 percent if the State's annual rate of reduction in its cumulative allotment error rate equals or exceeds 25 percent from one semiannual quality control survey period to the comparable period in the following year. No State may receive more than one of these increased shares of federally funded program administrative costs.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(24) *State liability for errors*

The *House* amendment establishes an error rate sanction system, effective in fiscal year 1981, under which the Secretary would establish payment error rate standards that each State would have to satisfy in every 6-month quality control period or have its Federal share of State administrative costs reduced or, if no matching funds were due the State, be subject to a Federal claim for recovery. The *House* amendment requires each State either to lower its payment error rate (the percentage of all food stamp allotments issued to ineligible households, overissued, or underissued) in each 6-month period from the rate in the first 6 months of the prior fiscal year by a national annual rate of error reduction (determined as a program improvement target by the Secretary) or else, if the State's error rate were equal to or less than the national standard payment error rate for all States (the weighted mean payment error rate for all States), to continue to stay at or below the national standard rate.

The *House* amendment would determine the amount of the reduction in a State's Federal share of its administrative costs (or the amount owed if no administrative share is due) by the difference between the dollar value equivalent of the State's actual payment error rate for the period and the dollar value equivalent of what that State's payment error rate should have been in order to satisfy the statutory standards. The *House* amendment permits imposition of reductions or claims to be avoided by showing of good cause for failure to meet the standards and would subject a claim for payment by the Secretary under this section to administrative and judicial review.

The *House* amendment requires the Secretary to conduct a study to determine whether it would be feasible to include invalid decisions denying eligibility in the calculation of each State's payment error rate and the national standards.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provisions with the understanding that the showing of good cause for failure to meet the standards that a State may make shall include sudden and unanticipated workload increases or confusion attributable to significant changes in Federal regulations.

(25) *Disclosure provisions*

The *House* amendment requires the disclosure of certain income tax information in the files of the Social Security Administration and certain wage and unemployment insurance (UI) information in the records of State UI agencies to the Department and State food stamp agencies only for the purpose of, and to the extent necessary for, determining a person's eligibility for food stamps. The *House* amendment requires that tax return information be disclosed in accordance with the procedures, conditions and safeguards specified in section 6103 of the Internal Revenue Code. The *House* amendment, effective January 1, 1983, further provides that as a condition of receipt of its Federal UI administrative grant, each State UI agency would have to make available, under procedures and safeguards to be established by the Secretary of Labor, information in its records pertaining to an individual's wages, home address, UI eligibility, and offers of employment.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions.

(26) *Payment of certain legal fees*

The *House* amendment permits the use of program funds to pay for the employment of counsel, court costs, bail, and other incidental defense expenses on behalf of the Department's officers and employees involved as parties in judicial or administrative proceedings arising directly out of the performance of ther duties under the food stamp program.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(27) *Continuation of cash-out pilot projects*

The *House* amendment requires continuation of pilot projects involving the payment of the value of allotments in cash to eligible households all of whose members are either 65 years of age or older or who participate in the supplemental security income program for an additional 6 months beyond their scheduled termination date (March 31, 1981) until October 1, 1981, should legislation be enacted before March 31, 1981, that universally cashes out food stamps for certain SSI beneficiaries effective October 1, 1981.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the House provision with clarifying language to indicate that each State would have the option to continue its pilot project until October 1, 1981. *and* with an amendment striking the requirement that cash-out legislation be enacted.

(28) *Workfare pilot project revisions*

(A) The *House* amendment (A) extends workfare pilot projects for a full year to September 30, 1981, when a final report would become due, with interim reports due on October 1, 1980, and March 30, 1981, and (B) provides 50 percent Federal cost sharing for all administrative costs incurred by agencies or organizations in the course of operating the projects.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(B) The *House* amendment reduces from 30 to 10 days, in at least one pilot project area designated by the Secretary, the time period that must elapse before a person subject to work registration requirement does not receive an offer of private employment and thus becomes required to accept a workfare employment offer.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(29) *Study of CPI*

The *House* amendment requires the Congressional Budget Office (in consultation with the Secretaries of Agriculture, Commerce, and Labor) to review the Consumer Price Index and alternative consumer price or cost-of-living indices to examine the limitations of each and seek to determine whether the Consumer Price Index is the most accurate indexation base for the food stamp program or whether an alternative or combination of alternatives may be the more accurate indexation base for reflecting consumer prices or changes in the cost of living. The Congressional Budget Office is required to submit a report together with its recommendations to the House and Senate agriculture committees by February 1, 1981.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(30) *Use of Federal funds to interfere with program implementation*

The *House* amendment would deny funds authorized to be appropriated under this or any other act for use by any person, firm, corporation, group, or organization that directly or indirectly interfered with or impeded the implementation of any provision of the food stamp law or its regulations, or any project thereunder, except by way of legal assistance in connection with any State or Federal agency or court proceeding or action.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(31) *Annual adjustment of thrifty food plan*

The *House* amendment deletes, after January 1, 1980, the requirement that the cost of the thrifty food plan be adjusted every July 1, but requires that it be adjusted every January 1 to the nearest dollar increment to reflect changes in the cost of the plan for the 12 months ending the preceding September 30.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision with an amendment to require that the thrifty food plan be adjusted as of January 1, 1982, to the nearest dollar increment to reflect changes in the cost of the plan not only for the 12 months ending the preceding September 30 but also, for the subsequent 3 months ending December 31 as projected by the Secretary in light of the best available data, and as of every January 1 thereafter, to the nearest dollar increment to reflect changes in the cost of the plan for the 9 months ending the preceding September 30 as well as the subsequent 3 months ending December 31 as projected by the Secretary in light of the best available data.

(32) *Adjustment of deductions*

The *House* amendment deletes, after January 1, 1980, the requirement that the standard deduction be adjusted every July 1, but requires that it be adjusted every January 1 to the nearest $5 to reflect changes in the Consumer Price Index for all urban consumers for items other than food for the 12 months ending the preceding September 30.

The *House* amendment further deletes, after January 1, 1980, the requirement that the excess shelter expense deduction be adjusted annually as of July 1 and, instead, requires that it be adjusted every January 1 to the nearest $5 increment to reflect changes in the shelter, fuel, and utilizes components of housing costs in the Consumer Price Index for all urban consumers (with the January 1, 1981, adjustment reflecting such changes for the 18 months ending the preceding September 30 and every January 1 adjustment thereafter reflecting such changes for the 12 months ending the preceding September 30).

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provision with amendments to require that (A) the standard deduction be adjusted as of January 1, 1982, to reflect changes in the Consumer Price Index for all urban consumers for items other than food not only for the 12 months ending September 30, but also for the subsequent 3 months ending December 31 as projected by the Secretary in light of the best available data, and, as of every January 1 thereafter, to reflect changes in the Consumer Price Index for all urban consumers for items other than food for the 9 months ending the preceding September 30 as well as the subsequent 3 months ending December 31 as projected by the Secretary in light of the best available data and (B) the excess shelter expense deduction be adjusted as of January 1, 1982 to reflect changes in the shelter, fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers not only for the 12 months ending the preceding September 30 but also for the subsequent 3 months ending December 31 as projected by the Secretary in the light of the best available data, and, as of every January 1 thereafter, to reflect changes in the shelter, fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers for the 9 months ending the preceding September 30 as well as the subsequent 3 months ending December 31 as projected by the Secretary in light of the best available data.

(33) *Adjustment of poverty guidelines*

The *House* amendment deletes the requirement that the income poverty guidelines be adjusted every year to reflect the Consumer Price Index as of March of such year, over and above the regular Office of Management and Budget annual inflation adjustment.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(34) *Reduction in assets limitation*

The *House* amendment reduces the ceiling on assets for an eligible household other than a household consisting of two or more persons, one of whom is age 60 or over, from $1,750 to $1,500.

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* provision. The conferees note that the Department's regulations defining self-employment income (7 C.F.R. § 273.11(a) (4) (ii)) provide for allowing as a cost of producing self-employment income depreciation "for equipment, machinery, or other capital investments necessary to the self-employment enterprise" *and* intend that the Secretary no longer permit depreciation to be subtracted in determining net self-employment income.

(35) *Restriction on student participation*

The *House* amendment replaces existing provisions disqualifying some students from participation in the program with new provisions excluding any person who is physically and mentally fit between the ages of 18 and 60 who is enrolled at least half-time in an institution of higher education unless such person is (A) employed at least 20 hours a week, (B) participating in a federally-financed work study program, (C) the head of a household (or spouse of such head) containing one or more other dependent persons, or (D) enrolled in a work incentive program under AFDC. The *House* amendment also deletes (A) the provisions making ineligible persons claimed or properly claimable as a dependent child for Federal income tax purposes and (B) the requirement that such a person be registered for work during any period of 30 days or more when school is in vacation or recess.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute adopts the *House* provisions.

(36) *Repayment for certain excess food stamp benefits received*

The *House* amendment provides that any individual participating in the food stamp program who is 19 years of age or older during an entire taxable year shall be liable to the United States if such individual received adjusted gross income, plus unemployment compensation, during the taxable year in excess of 175 percent of the income poverty guideline applicable to the household. The amount of liability would be equal to the lesser of (A) the value of the coupons allocated to such individual for the taxable year (either an equal share of all the coupons received by the household of which such individual is a member, including coupons received by individuals under 19 years of age, or a lesser share to prevent extreme inequity if the Secretary so determines) or (B) one-half of the amount by which the individual's income exceeds the individual's exempt amount. The *House* amendment exempts from this repayment requirement any individual who participates in the program during the entire taxable year as well as any individual whose household's income consists solely of supplemental security income benefits. The *House* amendment further requires each State to inform eligible households of the conditions of the repayment provision, to furnish each nonexempt 19 year old or older participant in the program a statement of the amount of coupons allocated to each individual in the prior calendar year by February 1 of the next year, and to certify the names of the covered individuals and the applicable amounts of coupons allocated to them to the Secretary of the Treasury before March 1 of the following calendar year. The *House* amendment also permits the Secretary to transfer funds appropriated for the food stamp program to the Secretary of the Treasury sufficient to enable the Secretary of the Treasury to carry out the repayment provisions. The *House* amendment also provides for the transfer of 15 percent of the repayments collected, but not to exceed $15,000,000, to States to be divided among the States based on each State's share of the overall liability for repayment.

The *House* amendment requires States receiving these funds to give them to the State agency conducting that State's food stamp program. The *House* amendment requires the Secretary and the Secretary of the Treasury jointly to issue regulations establishing procedures for determining and collecting repayment liabilities, which shall provide that the Secretary of the Treasury collect the liability in coordination with his responsibility under other Federal laws to the extent feasible and may provide that such liability shall be offset by any overpayment by the individual of a Federal tax and treated as a refund thereof. The *House* amendment also provides that no provision of the amendment shall be construed to change or affect the Internal Revenue Code or the application of any provision of such Code. The *House* amendment would essentially take effect on January 1, 1981, with the first repayments due in 1982.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute deletes the *House* provisions. The conferees respectfully request the House Committee on Ways and Means and the Senate Committee on Finance to conduct prior to May 1, 1981, appropriate hearings on the concept and administrability of repayment for certain excess benefits received so that the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry can have the benefit of their deliberations before they have to reauthorize the food stamp program.

(37) *Retroactive reimbursement*

The *House* amendment requires the Secretary to sell coupons, upon request, to any State which the State will be able to distribute to eligible households during June 1980. The *House* amendment further provides that the coupons are to be sold to the States at their face value plus a proportionate share of administrative costs incurred by the Secretary, with receipts from the sales used to redeem purchased coupons and administer the program in purchasing States. The *House* amendment also provides that the Secretary shall reimburse the States for their purchases and their statutory share of June 1980 administrative costs with funds made available after the date of enactment of this Act for fiscal year 1980, with the Secretary's authority under the amendment to lapse if funds for June 1980 are appropriated before June 1.

The *Senate* bill contains no comparable provisions.

The *Conference* substitute deletes the *House* provision.

(38) *Authorization for appropriations ceiling for 1980 and 1981*

The *Senate* bill removes the specific dollar authorization for appropriations ceilings for fiscal years 1980 and 1981.

The *House* amendment replaces the existing fiscal year 1980 ceiling of $6,188,600,000 with a new ceiling of $9,191,000,000 and the existing fiscal year 1981 cap of $6,235,900,000 with a new cap of $9,739,276,000.

The *Conference* substitute adopts the *House* provision with an amendment to increase the fiscal year 1980 ceiling to $9,491,000,000. The conferees intend that the Secretary not act under section 18(b) of the Food Stamp Act to reduce allotments in fiscal year 1981 until such time as the House and the Senate have had an opportunity to consider legislation reauthorizing the food stamp program.

THOMAS S. FOLEY,
E DE LA GARZA,
ED JONES,
FREDERICK W. RICHMOND,
LEON E. PANETTA,
RICHARD NOLAN,
DAN GLICKMAN,
DANIEL K. AKAKA,
TOM HARKIN,
WILLIAM C. WAMPLER,
PAUL FINDLEY,
MARGARET M. HECKLER,
JAMES M. JEFFORDS,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
PATRICK J. LEAHY,
JOHN MELCHER,
ROBERT DOLE,
Managers on the Part of the Senate.

DEFENSE AUTHORIZATION FOR FISCAL YEAR 1981

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6974, with Mr. ROSTENKOWSKI in the chair.

□ 1540

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 13, 1980, title I was open for amendment at any point.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 13, strike out "$9,272,364,000" and insert in lieu thereof "$1,085,700,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows.

Committee amendment: Page 2, line 15, strike out "$6,262,900,000" and insert in lieu thereof "$6,311,900,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 18, strike out "$9,272,364,000" and insert in lieu thereof "$9,365,143,000".

AMENDMENT OFFERED BY MR. LLOYD TO THE COMMITTEE AMENDMENT

Mr. LLOYD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LLOYD to the committee amendment: On page 2, line 19, decrease the amount shown for the authorization of aircraft for the Air Force, as that amount may have been modified, or may be modified, by $30,000,000.

Mr. LLOYD. Mr. Chairman, this is not an effort to reduce our capability in the defense weapons systems, but to reduce the cost. We are talking about an airplane which, as I am sure everyone is aware, I opposed very strenuously 5 years ago. I do not think it is a good system today. I did not think it was then. However, that is not the issue at hand. The issue at hand is that we now want to take this same airplane which we built 5 years ago that was originally supposed to have cost under $2.5 million a copy, which currently is going past about $7 million a copy, and what we want to do is to make that aircraft even more expensive by way of putting two seats in it.

Now, Mr. Chairman, the reason for putting two seats in this airplane, we are told, is so that we adequately train. However, the airframe which will be used in a combat situation will be a single-seat version. If we could do this reasonably and cheaply, it is not a bad deal. We have done it with the F–15, we have done it with other airplanes. We have put two seats in it. In the T–38, we have the F–5, we have the F–5 which had two seats in it. We have done this all along the line.

Mr. Chairman, what we are really doing is that we are really buying a more expensive airframe.

What we are really doing with this, Mr. Chairman, is: We want $20 million for research and development and we then want $30 million for conversion of the 30 aircraft which we already have. In addition, if we continue we will have to have another $65 million for research and development and then we are going to have to pay another $10 million for advanced buy aircraft. If you added that up, you have just come up to $125 million. That is to get into a program of 30 aircraft.

If you can see further down the line—and this looks like it is a grand idea—we then, in fiscal year 1982, we would look at another $35 million for research and development, another $105 million in flyaway costs for 46 aircraft. We would then have another advanced buy cost of $5 million. We would take off or subtract the $10 million we put into the advanced buy in 1981 and then add in the support areas, which is, the aircraft, its maintenance, the manuals, the equipment to maintain the airframe. That would cost $50 million. We then have to go into the retrofit of the aircraft, and that would be $80 million. That is a total of $265 million.

If that is not enough, Mr. Chairman, let us go to the 1983 fiscal year. We have $5 million in research and development. We have $120 million in flyaway costs. Forty-six aircraft. We have advanced buy costs of $5 million. We have additional moneys to go into support areas of $30 million and we add that up and we now have $155 million.

Let us go to fiscal year 1984, Mr. Chairman. We have $5 million in research and development. We have $135 million for 46 aircraft. We have $135 million for support units. That is the things to start the aircraft, to maintain them, the tools, et cetera. By the way, those things are absolutely necessary. All this for a total of $165 million. Therefore, Mr. Chairman, by the time we get to 1985 we will have spent, $710 million additional. That is unconscionable. I would rather take the money, as much as I dislike the A–10, I would rather take the money and buy additional single seat A–10's. Better yet, I would rather take the money and give it to the armed services in the areas of operation and maintenance.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LLOYD was allowed to proceed for 2 additional minutes.)

Mr. LLOYD. I would rather take that money, Mr. Chairman, and put it in O. & M. funds so that the airmen and the people who maintain the aircraft and the pilots will have the gas and oil to get airborne.

Let me tell you what the problem is as far as aviation is concerned today: We do not have enough flight time for these pilots. We do not have enough aircraft for them to fly. We are not even retaining our pilots at the present moment. And here we are proposing to put in two-seat aircraft when one would suffice and at a terrible cost.

Let me tell you something else while I am talking and I will get off of it; you have heard enough from me today on this issue.

In an exercise called Red Flag out in Las Vegas not too long ago, we could not even fly the single seat A–10 with a full load of ordnance. We had to restrict it to two Mavericks. We are restricting it now and we are going to put on another cockpit? That is insane.

Let me tell you something else. They say, "Well, we need this because we are going to have better navigational situations."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LLOYD was allowed to proceed for 1 additional minute.)

Mr. LLOYD. We are acquiring a thing called Lantirn—lower altitude navigation and tracking device. That, on the single seat A–10 will do everything that we had hoped to do or were talking about conceivably gaining with a two-seated aircraft and it does it with a lot less weight. Let me tell you something else: Lantirn is on the way, it is available to us and will not cost us any more money to put it on the single seat A–10.

□ 1550

I ask that the Members join with me in this amendment to save money in an area that is desperately needed, because later on in these proceedings the Members are clearly going to see why we are going to have to have more money for other important weapons systems.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I very reluctantly rise to speak in favor of the amendment, but I feel that the Members of the House just ought to be aware of what we are doing here. I have no problem with the concept of a trainer—if it is in fact a trainer—being made out of a single-seater by being able to put in another seat so that a pilot instructor can sit behind and assist.

But, unfortunately, I think that the facts and the figures that have been put forth here by the gentleman from California, so far as I can ascertain and so far as we heard in subcommittee on R. & D., are true. This is not a one-shot thing, a $50 million expenditure. We are talking about an expenditure, by the time we finish the program, of several hundred million dollars. This is at a time when we need the money desperately for other things; when we have cut back in our flying time; when we have cut back in our sailing time; when we have cut back in our operation and maintenance.

One point ought to be recognized by the group as a whole, and that is that the Air Force did not ask for this money. If it were left up to the Air Force, if they had a hundred million dollars or $700 million to spend on defense, they have a crying need in many other areas, not in adding another seat to this underpowered aircraft. By putting in another seat it adds 1,200 pounds to the weight of the aircraft, so I think we are being particularly shortsighted.

I very reluctantly support the amendment because I very much admire the author of the amendment in full committee who added this money, but if we have got more mony to spend for defense, this is not the area in which to do it. The Air Force does not want it; I do not want it, because I think it will be better spent elsewhere. It does not add one dime to the capability of the defense of this country. I think we will be very shortsighted indeed if we do not support this amendment. If we have the money to spend, we ought to spend it someplace else.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Would the gentleman from California join me in a colloquy on the A-10?

I am confused here. We are all trying to save money, especially those of us who are particularly strong on defense matters. I would indeed like to save it in areas of defense.

I know the gentleman's long-standing arguments against the A-10. Certainly, some of the finest combat pilots in the world, at least those who have been tried in real combat, the Israelis, have also rejected it as a battle weapons system. I flew the front and the back seat of the A-10.

In flying in this two-seated A-10, as the distinguished gentleman from California has done, has the gentleman considered what we are going to have to do, particularly in the Fulda Gap area against the Soviets? Does the gentleman not believe, as a pilot of much tactical experience, that this may be a two-man mission, whether it is the stretched TAC-7, which I know the gentleman has flown, or an upgraded tactical F-111? Would not an A-10, with two seats in a nocturnal hard-weather situation, a combination of night and the worse adverse weather conditions, best serve our mission? Are not these adverse conditions the very circumstances under which the Soviets would launch a tank strike? Is that not what they now are testing for? Would it not be better to have a two-man operation in the same plane, rather than one pilot with a wing man who might be separated from him in adverse weather conditions?

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to my colleague.

Mr. LLOYD. I thank the gentleman for yielding. The gentleman brings up a very good point, but when we have to trade off ordnance—that is, the whole thing is a weapons system for the weapons we are trying to deliver—take them off to add a seat—we are debilitating the capability of the aircraft, as the gentleman well knows.

I know that he does indeed know this, that the only way you are going to get it is to leave off fuel and shorten your range, or leave off ordnance, or leave off a seat. As I have already indicated, we have some other devices coming down the line which will definitely make all these aircraft more weather capable. LANTIRN is that, but we do not need another seat, another pair of eyes if it is an all-weather situation.

I would remind the gentleman that the A-10 was never designed as an all-weather weapons delivery system. Clearly, I think, 5 years ago when I fought very hard against it they said, "Oh, no, this will never be it. We don't need an inertial navigation system that they are now trying to give them. No, we don't need it, except a presentation, which we are now trying to do. We don't need these things." That is what they told me.

It operates in three-quarters of a mile in turn-around radius, and as my colleague from Alabama indicated, we are adding 1,200 pounds of weight. I do not know what that means in shortening of the radius, but that severely limits the capability of any airframe in this category.

The aircraft is already under-powered because of weight. They have already hung too much on it. We are not stopping building of A-10's. People who get them still will get them, and we do not need two seats to train in an airframe of this caliber. It does not have that kind of sophistication in it.

There is nothing in it, the state of the art, and frankly, the gentleman from California or I could go out right now with that straight wing—it is an honest, straightforward airplane—and fly it without a bit of trouble, and probably be trained in it in a very short time without the need of another seat.

Mr. DORNAN. I appreciate the gentleman's explanation. Let me ask another question. This is the first aircraft to go directly to reservists, to the Air National Guard pilots throughout our States, since F-86's were delivered to the Guard in the early fifties. That ended quickly as soon as the Korean War started. Does the gentleman not think that there is some value in a two-seat aircraft—at least one—assigned per Guard unit, at least one, that has A-10's, for instrument training of pilots, because these are not full-time, active-duty pilots?

Mr. LLOYD. Oh, absolutely. Not at the cost we are paying for this when we have a T-38 that is half the cost of this air frame and is more than adequate as a trainer apparently since the Air Force already uses it as an advanced trainer in a pilot training program down at Williams and other airfields, so we have it already. Why redesign this at a cost of three-quarters of a billion dollars?

Mr. DORNAN. The gentleman's arguments along both tactical lines, as well as frugality, are excellent, and I will make up my mind in the next few minutes.

Mrs. BYRON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the House Armed Services Committee has voted overwhelmingly to provide the two-seat version of A-10 aircraft to be used in combat-ready trainers; not as an all-weather aircraft, as Mr. LLOYD has claimed. The two-seat combat-ready version will actually save the government $25 million per year in training costs and 8.5 million gallons of fuel per year by eliminating the need for a chase airplane on most training flights. As it is now, with all A-10 single seats, two planes fly on each mission. With an instructor pilot in the back seat, quality of training will be improved and the lives of new pilots safeguarded. The National Guard Association and the Reserve Officers Association have testified before Congress as to the need for the two-seat aircraft. The active Air Force have stated a need for the two-seat aircraft. TAC at Langley has stated this. The aircraft will be equipped with wiring, brackets, and cooling in such a way as to be capable of accepting night adverse weather avionics in the future if Congress decides to do so at that time. By making a small investment now, the Government can collect enormous dividends in the years to come in training costs and fuel.

It is for these reasons that the House Armed Services Committee voted overwhelmingly to support this project. The figures of $715 million that Mr. LLOYD has quoted would be required to make all of the 198 A-10's from the fiscal year 1981 authorization equipped with all the night adverse weather avionics or a two-seater with everything on it, or purchasing all Corniche Rolls Royces when we only need Fords and Chevies.

There are now 345 A-10's in the Air Force inventory. They have come in under project costs, ahead of schedule, and perform exactly as they were intended to do, and they do not break down.

☐ 1600

This R. & D. authorization for procurement is an authorization for the 30 two-seater A-10's that are in the committee bill.

Mr. Chairman, I urge the defeat of this amendment.

Mrs. HOLT. Mr. Chairman, will the gentlewoman yield?

Mrs. BYRON. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, the gentlewoman has certainly articulated convincingly the need for the two-seater A-10's, and I rise in opposition to the amendment and urge its defeat.

Mr. FAZIO. Mr. Chairman, will the gentlewoman yield?

Mrs. BYRON. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I thank the gentlewoman for yielding. I appreciate the gentlewoman's comments, and I rise in opposition to the amendment as well.

Last year I had an opportunity to spend a weekend at the Davis-Monthan Air Force Base in Arizona where the A–10 pilots are being trained. I must say, first of all, that the pilots there have a tremendous opportunity to train in the airplane, but two things that they felt were lacking and that they wanted to see were the ability to have the training period shortened by having the two-seater available and the ability to fly under all-weather conditions.

The European theater, with the tremendous advantage the Soviets have in tank capability over ours will require the A–10 to be put in constant use. It may be the strongest weapon we have, and we have to anticipate that that may not occur in the sunshine of bright daylight.

I think we have to at least provide for the possibility of conversion of these planes to meet that particular problem that we can anticipate in the European theater.

Mr. Chairman, I do want to strongly support the gentlewoman's efforts to defeat this amendment, and I congratulate her for her effort.

Mr. LLOYD. Mr. Chairman, will the gentlewoman yield?

Mrs. BYRON. I yield to the gentleman from California.

Mr. LLOYD. Mr. Chairman, I thank the gentlewoman for yielding.

The gentlewoman has indicated to me that she is going forward to some sort of a weight capability that was not originally planned.

Will the gentlewoman explain to me now what the tactical advantages would be in going to that? How can we justify that, remembering that the moneys we are now talking about total $710 million, and that if we go the rest of the way on this, it will not make this aircraft an all-weather capability aircraft? How does the gentlewoman support that?

Mrs. BYRON. Mr. Chairman, it is my understanding the figure the gentleman is using is for the procurement of all 198 future A–10's to be equipped with all of the avionics and the top-of-the-line production with everything equipped. That is not what the committee bill states. The committee bill states that we should have the capability of 30 two-seater A–10's.

Mr. LLOYD. Mr. Chairman, if the gentlewoman will yield further, can the gentlewoman assure me that she is going to ask for just 30 additional aircraft and we are not going to configure these aircraft with any more two-seaters once we get the production line running?

Mrs. BYRON. That is all that is in the current bill this year.

Mr. LLOYD. Mr. Chairman, I did not ask that.

Will the gentlewoman assure me that we are not going to have any more two-seaters than these additional 30 aircraft?

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. Byron) has expired.

(On request of Mr. Lloyd, and by unanimous consent, Mrs. Byron was allowed to proceed for 2 additional minutes.)

Mrs. BYRON. Mr. Chairman, I cannot assure the gentleman of anything. Times change and situations change, as well the gentleman knows.

Mr. LLOYD. Mr. Chairman, if the gentlewoman will yield further, the point I am making in this is that in no way are we changing the capability by doing this, by changing the capability of the A–10 that already exists. The gentlewoman is trying to tell me that the training requirement means we have to have a two-seater aircraft.

As a person who has spent a good deal of his life in the areas of military aviation, I really do not believe that is an overwhelming and overpowering need to train A–10 pilots with the two-seater.

When they have to carry even the ordnance that will be required by the single-seater, we should not debilitate or reduce it by adding poundage. With the aircraft we get, we have to pay for it in some way. If we have more of this and more of that, we have to pay for it. We have to pay for it in weight, we have to pay for it in poundage, in fuel, or in ordnance. That is the only way to look at it.

Mr. Chairman, with this requirement, we debilitate the capability of the A–10, and then it will not work as well as it would before.

Mrs. BYRON. Mr. Chairman, we are currently debating authorization for the purchase of 30 two-seater A–10's. The main criteria for the purchase of this would be the quality of training, to improve the level of the pilots' training.

Mr. LLOYD. Mr. Chairman, if the gentlewoman will yield further, I do not happen to agree with that. I do not think that is necessary.

Mr. SYMMS. Mr. Chairman, will the gentlewoman yield?

Mrs. BYRON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentlewoman for yielding.

I just want to ask this question: If we took the money we are talking about to build the new A–10's that we are talking about, the trainer model, is it true that we are talking about almost $1 billion or three-quarters of a billion dollars?

Mrs. BYRON. We are talking about $30 million a year in training costs that are to be saved. We are talking about an authorization of $50 million for procurement and R. & D. for the 3 two-seater aircraft.

Mr. SYMMS. How much money does the A–10 cost, the current model that we have in production?

Mrs. BYRON. The current model that is in production?

Mr. SYMMS. Is the figure perhaps $6 million?

Mrs. BYRON. I believe so.

Mr. LLOYD. Mr. Chairman, if the gentlewoman will yield, let us make that $6.7 million.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. Byron) has again expired.

(On request of Mr. Symms, and by unanimous consent, Mrs. Byron was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, will the gentlewoman yield further?

Mrs. BYRON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, may I just ask the gentlewoman one more question?

Is there any reason why we could not justify an additional number of the current model of these A–10's so that we have more aircraft and so that we can get more bang for the buck?

Mrs. BYRON. Mr. Chairman, we currently have 30 single-seaters, and there are 30 two-seater A–10's in the bill that is before us today.

Mr. DOUGHERTY. Mr. Chairman, will the gentlewoman yield?

Mrs. BYRON. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Chairman, I would like to be identified with the comments of the gentlewoman from Maryland (Mrs. Byron), and I rise in opposition to the amendment.

The point the gentlewoman from Maryland is making is that in the training mode for training pilots for the A–10, we get more for our dollar by having a two-seater which provides for an experienced pilot being in the same plane as the pilot learning how to fly. It eliminates the need for two aircraft, and it eliminates the need for the excess waste of gasoline that that equipment would require.

Mr. Chairman, I think the gentlewoman's point is well taken, and I urge my colleagues to vote no on the amendment.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is really an old chestnut. My good friend, the gentleman from California (Mr. Lloyd), says that he is opposed to the A–10 with two seats. Well, he was opposed to it with one seat, too. I can understand his position.

This particular aircraft was developed largely as a result of protests from the Congress and from the Committee on Armed Services. In fact, our former colleague, Otis Pike, had a great deal to do with it at the time of the Vietnam war, because he recognized on his trips to Vietnam that although we had all kinds of fancy jets over there, we did not have any effective plane that could provide close air support for our ground troops. The A–10 was the product of the action of the Air Force in developing that kind of an aircraft. It came out after the Vietnam war was over, unfortunately.

But as the gentleman from California (Mr. Fazio) has pointed out, this is an aircraft that is ideally designed to provide close air support for our forces in Europe, also particularly against tanks.

The problem with the A–10 from the point of view of the jet jockets, from the point of view of those who want to go to mach 2 or mach 3, is that it looks like a slow, cumbersome aircraft. It has armor on it. It moves comparatively slowly. But that is precisely the job it is designed to do. It is a tank-killer. You cannot kill tanks at mach 1 or mach 2.

My good friend, the gentleman from California (Mr. LLOYD), who has flown fast jets, just cannot seem to adapt himself to the idea that any plane that is not a hot jet still has a place in our arsenal. The fact of the matter is that the two-seater model involved in his amendment is not only for the purpose of training. It is also, as my friend, the gentleman from California (Mr. FAZIO), indicated, designed to be used in the low-lying weather that traditionally hangs over the European battlefield, when the A–10 is trying to follow the tank on the ground, and zero in on that tank and at the same time maneuver the aircraft at relatively low levels. It is a lot easier to do that complex job with two people than with one person. That is primarily the reason for adding the additional seat. It makes good sense, because without a two-seater, the effectiveness of the A–10 in supplying low-level support to our ground troops and knocking out enemy tanks would be consistently reduced.

Mr. Chairman, perhaps I might make one other point. I happen to have been in very early on the development of this aircraft. It happens to be one of the very few aircraft that is built in the great Northeast. It is one of the few aircraft that is built in New York State.

☐ 1610

We in New York, I think, have been a little upset because although we once had a flourishing aircraft industry in our State, so many contracts for military aircraft are now going to California or Texas or elsewhere. And as our great Senator in the other body has often complained, we in New York are not really getting our share.

Now, admittedly, a substantial portion of this aircraft, which was originally built in New York, is being built in Maryland; but we in New York are still in on it at the creation. So, I would hope my colleagues would not take away from us this relatively small portion of the defense budget which we have achieved, particularly when it involves a weapons system that our military leaders in Europe desperately want, to give them something to deal with a preponderance of 4-to-1 in Soviet tanks which those ground commanders face.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. LLOYD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is telling me that I am overwhelmed with speed. I am not overwhelmed with speed. I do not really care how fast or slow a weapons system goes. What I care about is its ability to deliver the weapons system at the right place at the right time and also do it effectively.

Mr. STRATTON. The gentleman, I know, has exactly the same objection to this plan that we found when the A–7 pilots came before our committee some 6 or 7 years ago. But the gentleman, in all of his critical remarks about the A–10 never once addressed himself to the specific wartime task of the A–10, which is to shoot down tanks. That fact puts the whole matter in a much different light. Its not easy for one pilot to navigate and look out for enemy tanks.

Mr. MAVROULES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment for three reasons. And keep in mind the tremendous respect I have for my colleague, the gentleman from California (Mr. LLOYD), not only as a colleague, but also as an expert on aircraft.

Mr. RUDD. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVROULES. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Chairman, I simply would like to ask our colleague, the gentleman from New York (Mr. STRATTON), or the gentleman from California (Mr. LLOYD), one question, and that is this:

There is no question but that we have to have a plane that will address itself to this mission for our military, for our Air Force. But is there any operational aircraft today that will do the same job or provide the same mission?

Mr. LLOYD. Yes, if I may answer that, if the gentleman will yield.

Mr. STRATTON. I do not know if the gentleman wants to yield to me.

Mr. MAVROULES. Mr. Chairman, I will yield to both. I will first of all yield to the gentleman from California (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, the answer to the gentleman's question is that the A–7 will address itself to similar tactics. Also the F–15, F–16, has an air-to-ground capability. As a matter of fact, all of our aircraft have that potential. But as has already been pointed out, they do not have the comparing capacity, nor do they have the loitering capacity, which is based on fuel. Fuel gives you that extended range, and now we are cutting the fuel capability down. That is why I am in opposition.

Mr. MAVROULES. Excuse me. If I may reclaim my time, after you are through speaking, I would appreciate giving some time back to me.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from New York.

Mr. STRATTON. I do not want to intrude on the gentleman's time, but the answer is that there is no other plane. That is precisely the reason this thing was developed, precisely the reason that Mr. Pike, who was also a pilot, was instrumental in developing this plane, because no other plane was available. Our friend says that if you are going to put on another seat, it is going to cost 1,200 pounds. This plane is carrying armor plate, so it is carrying a lot of weight. But that is precisely because, in a sense, it is a flying tank.

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding, and I will get time for the gentleman.

Mr. MAVROULES. I thank the gentleman.

Mr. Chairman, I wish to voice my opposition for three reasons.

First. The advantage of the two-seat variant is that, for training purposes, it reduces cost and promotes safety.

Specifically, it would eliminate the need for a chase plane, realize an estimated savings in energy use of 8.5 million gallons of fuel, and cut operating costs by about $26 million.

It takes no cost-benefit analyst to see that there will be a significant return on this $30 million investment.

And, by the way, it is not uncommon for fighter aircraft to have two variants: A single seater and a two seater. We need only look at the F–100, F–101, F–102, F–104, F–105, F–106, F–15, and the F–16 to see the success and long-standing use of two variants.

My second reason. The two-seat A–10 will also be able to accept night adverse weather avionics, which is critical in the European theater where this aircraft must meet head on the armored superiority of the Soviet Union.

To give a plane a mission—in this case, armor interdiction—and then to deny it any opportunity of succeeding is a ludicrous practice, and we should avoid it today.

My third and final reason. Procurement of the two-seat variant of the A–10 was approved by a 2-to-1 margin by the House Armed Services Committee, the very panel with oversight on this panel, and the only panel to hear extensive testimony both for and against the two seater.

Mr. Chairman, for these reasons I oppose the amendment and I urge its defeat.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from California.

Mr. LLOYD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman alludes to fuel savings. That is an assumption on the part of some people that you will have fuel savings. But it is not a real savings, because when you put weight on an airplane, you have to pay for it. You have only so much horsepower in that engine. When you add weight you pay for it in additional fuel, exactly the same thing you do with your automobile when you put a lot of weight in the back end of your car. It takes more gas to get there.

Secondly, people continue to allude to an all-weather capability. The airplane does not have that. Now, if you want to go for an all-weather capability, I think we should consider it. But at the present moment I think that we are really going down the wrong track.

Last but not least, that there is something significant about where an airplane is or is not built, in my opinion, is not a valid argument. I really do not much care about it, so long as the people who have to do the fighting——

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MAVROULES) has expired.

(On request of Mr. RUDD and by unanimous consent, Mr. MAVROULES was allowed to proceed for 3 additional minutes.)

Mr. LLOYD. If the gentleman will yield further, I will soon give the gentleman back his time because I know the gentleman wants to respond, and I do thank the gentleman for being so kind.

The point that I am trying to make is that the most important thing that we can do is to get the weapons systems into the hands of the operators now and get the operators with the O. & M. funds to operate. This is going to cost a whale of a lot of money. Let us use the money elsewhere.

Mr. MAVROULES. The only reply I will make to my colleague, the gentleman from California: Whether this is an assumption on fuel savings, let me remind the gentleman that Government itself is an assumption, so is the budget resolution we passed last week. While I have heard some remarks relative to this not being asked for by the military, if we were to be candid and honest with ourselves, if we were to eliminate from the defense budget, from the Armed Services Committee, we could probably eliminate billions of dollars which were not asked for by the military. I want to make that as part of the record, because I think that is important.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from New York.

Mr. AMBRO. I thank the gentleman very much for yielding. I, too, do not care where the plane is made, even 70 percent of it is made in my district. That, of course, is not a consideration. I think, though, we are mixing fish with fowl here. The cost-savings projections with respect to gasoline do not derive from either a lighter or a greater weight on the plane, but derive primarily from the training enterprise which assures that two seats in a training plane will permit a novice pilot and a trained pilot to go up in that plane without having a novice pilot go up in a single-seater with another A–10 plane behind it utilizing a full complement of gasoline. That is where those figures come from, not from increased weight.

When we are talking about this amendment or this bill which contains 30 planes as one which will provide trainers, if one looks down the line we are not talking about three-quarters of a billion dollars, we are talking about safeguarding this Nation.

Mr. MAVROULES. I thank the gentleman for his comments.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his comments and I rise in opposition to the amendment. It is clear that this is not so much a question of cost savings but determining a better way, a more effective way to train pilots.

My good friend, the gentleman from California, is an expert on military matters. He has never been a friend of the A–10. The A–10 is, quite simply, the only tank dedicated to killing tanks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LLOYD) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LLOYD. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. LLOYD. Mr. Chairman, may I make a point of order that a quorum is not present?

The CHAIRMAN. The Chair will advise the gentleman that a recorded vote has already been refused. A quorum call would not necessarily serve the gentleman's purpose.

Mr. LLOYD. I thank the Chairman.

So the amendment to the committee amendment was rejected.

☐ 1620

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA TO THE COMMITTEE AMENDMENT

Mr. EDWARDS of Alabama. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Alabama to the committee amendment: On page 2, line 19, strike out "$9,365,143,000" and insert in lieu thereof "$9,165,143,000".

Mr. EDWARDS of Alabama. Mr. Chairman, I want to commend the committee first for what I believe to be an excellent bill. The committee, in my view, added procurement items, long leadtime items, that I thought made a lot of sense in such areas as the AV–8B and the SSN–688, the Aegis cruiser and the frigates and in other areas in this bill. I think they have done a good job. I am concerned about the area of the strategic weapons launcher, the strategic weapons launcher, otherwise known as SWL.

Mr. Chairman, the strategic weapons launcher is in fact a B–1 of sorts. It is subsonic, not supersonic. It is fixed-wing. It is designed or would be designed to carry the cruise missile, and it is a plane that has not been budgeted, has not been requested, and in fact the testimony from such people as General Ellis of SAC is that it is not needed at this time.

It is so unneeded that I am told that even the gentleman from California (Mr. DORNAN) is going to offer an amendment to substitute the B–1 as a penetrating bomber in place of the cruise missile carrier.

This amendment goes to the question of $200 million in the procurement items. So as to not confuse the issue, I did not ask for amendments to be offered en bloc, otherwise I would have also included an amendment on page 6 that has $400 million having to do with research and development. Depending on how this comes out, we will look at page 6 later.

I should like to make the point that this project, should it be funded and carried to completion, calls for some $12,600,000,000 of unbudgeted items in a defense budget over a period of years where we desperately need to put our money into other things.

I am greatly concerned about the O. & M. problems that we have in our military. I am greatly concerned about the parts problem that we have in our military. I am greatly concerned about the fact that the committee put in some $6 billion worth of new procurement, but only funded some $300 million of spare parts to support that procurement.

I am greatly concerned about the fact that the committee put in millions and millions and millions of dollars in new procurement for aircraft, but put in very little money for air-to-air missiles which we so desperately need.

I would argue to you that rather than going off on an unbudgeted $12 billion program that has not had any real support, that we ought to be putting this kind of money into those areas that are so necessary to keep our military working in good fashion, so that our mission-capable rate is up to par, so that we have a problem and we have to go into action, we have got planes and tanks and trucks and helicopters and all the rest that are full up, ready to go. We simply cannot do it if we continue to put money into projects such as this, that are not budgeted, that are not requested, and for which there is no immediate need as far as the defense of this country is concerned.

I know that there will be those who say, here comes the old B–1, and if I am not for the B–1, I am not a good American, and therefore I am going to have to stand up and be for the B–1.

This is not the B–1 penetrating bomber. It is a cruise missile carrier that we do not need at this time. There may be an issue later today where the Members will have full opportunity to vote on the question of the penetrating bomber. If that comes up, so be it. Take your position, but do not look on this as the question of whether one is for or against the B–1. This is an unneeded cruise missile carrier.

I would urge this body as strongly as I can to vote for this amendment to stop this before it gets started.

I will say to my friends on the authorizing committee that I very seldom come to this floor and take exception to what you do.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Alabama. Mr. Chairman, the appropriations process normally can try to resolve some of these issues, but because this thing is coming on as the "B–1," I think the day is now when we ought to face it head on and not buy something that we do not need and can ill afford in the name of a project that many support, but is not involved here.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

The gentleman has correctly pointed out to the House that he is removing $200 million in long lead-time items for the SWL, and I presume that he will offer later on if this amendment carries, an amendment deleting the $400 million that the committee put in for R. & D. Is that correct?

Mr. EDWARDS of Alabama. The gentleman is correct.

Mr. ICHORD. Now, I observe that the gentleman's amendment will contain no money for——

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Edwards) has expired.

(At the request of Mr. Ichord and by unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. ICHORD. It will contain no money for a follow-on cruise missile carrier. Now, as the gentleman well knows, his amendment does not touch that. We are going to use the B–52 as a missile carrier. What are we going to use for a follow-on cruise missile carrier if we do not use the SWL?

Mr. EDWARDS of Alabama. General Ellis has said—and I do not think he is any dove. I think he is a darn good defense specialist in the Air Force. He is head of SAC. He said that we will use the B–52–G until about the mid-eighties and then we will use the B–52–H into the nineties and that there is plenty of time down the road to worry about where we are going with the cruise missile carrier. Nobody says that the cruise missile carrier has got to be something like the B–1. It can be an L–1011 which would carry more cruise missiles than the so-called B–1 will carry.

Mr. ICHORD. I observe the gentleman from Michigan (Mr. Carr), and the gentleman from Texas, our distinguished majority leader (Mr. Wright), waiting in the wings.

Does the gentleman from Alabama support the FB–111 as the follow-on for the cruise missile carrier? Are we to read that into this amendment? The gentleman does not put anything else in. Is this tied in with the FB–111 amendment?

Mr. EDWARDS of Alabama. I cannot say what the gentleman from Texas and the gentleman from Michigan are waiting in the wings to do.

I can say that what I am doing here today has absolutely no relationship to the FB–111. That to me is something that would come under the discussion of a penetrating bomber, and that is not the point that I am trying to make here today. We are talking here about a cruise missile carrier, not a penetrating bomber. The question is whether we need a cruise missile carrier of the B–1 style now or whether it is something that we can do later when we have a better knowledge of what it is we want.

□ 1630

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman.

Mr. DICKINSON. Mr. Chairman, I think the gentleman is well aware of the fact that the President, in announcing cancellation of the B–1 bomber, said we were going to begin to rely very heavily on cruise missiles. Now, if we killed the strategic weapon launcher, as the gentleman proposes to do, what would the gentleman propose we use as a cruise missile carrier?

Mr. EDWARDS of Alabama. I propose we not do anything this year. I propose that we let the Pentagon come over here with all of their studies and make a recommendation to us.

Mr. DICKINSON. The gentleman has heard the recommendation from the Pentagon and they want to spend $7 billion just to upgrade the B–52's. The gentleman has heard that, has he not?

Mr. EDWARDS of Alabama. I have heard a lot of things coming out of the Pentagon, but I would like to find some policy out of the administration.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(At the request of Mr. Addabbo and by unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 1 additional minute.)

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to my respected chairman.

Mr. ADDABBO. I thank the gentleman and take this time just to point out to the gentleman from Missouri, as he well knows and as other members of the Armed Services Committee know, we have money and the Pentagon does have money to study what type of plane they want as the follow-on cruise missile. They have money in their budget to make that study and to come back to the Congress and tell us what will be that follow-on after the B–52 for a cruise missile carrier.

Mr. EDWARDS of Alabama. Well, of course they do. I think this is not the time or the bill to start spending $12 billion. I would hope the committee would vote for the amendment and let us do this in a better fashion.

Mr. ICHORD. Mr. Chairman, I move to strike the last word, and rise in opposition to the amendment.

Mr. ICHORD. Mr. Chairman, I would first state to the distinguished gentleman from New York, my good friend, Mr. Addabbo, that it is true we have the study money. The study in fact has already been made, and the committee has been informed that the best follow-on for the B–52 as a cruise missile carrier is the SWL. That is the reason I would state to my good friend and distinguished colleague, the gentleman from Alabama (Mr. Edwards) why we added the SWL.

Now, I asked the distinguished gentleman from Alabama what he was going to do for a cruise missile carrier. I would state to the gentleman from Alabama that I think his amendment is faulty. This amendment is a good example of why we should not be writting legislation and building weapons systems to defend this country in the 1990's and the year 2000 time frame on the floor of the House. Let me point out that the committee cut out all of that B–52–G follow-on money for the conversion of B–52's other than 170 CMC's which is the reason why I asked the gentleman from Alabama what he was going to use as a follow-on carrier in addition to the 170 B–52–G's that we are going to use as the cruise missile carrier until the SWL comes along.

Let me state to my colleagues on the committee that I think this country made a tremendous mistake when it cancelled the B–1 bomber. But this is not a B–1 bomber issue. I am not going to stand here in the well and cry over spilt milk. That is in the past. The mistake has been made. By no stretch of the imagination, I would state to the gentleman from Alabama, are we trying to revive the B–1 bomber. The B–1 manned penetrating bomber procurement program was terminated by the President in June of 1977 and this House, I think unfortunately, acquiesced in that decision.

I would point out that in the R. & D. Subcommittee there was a vote in the subcommittee on this issue and the amendment of the gentleman from Alabama was turned down by a vote of more than 2 to 1, by a vote of 8 to 3. These are distinguished Members like the gentleman from California (Mr. Lloyd), the gentleman from Alabama (Mr. Dickinson), and the gentleman from Virginia (Mr. Whitehurst), who have been on the R. & D. Subcommittee for years and have spent years and years studying the problem of the B–1 bomber and the problem of the cruise missile carrier. They turned down, I say again, the gentleman from Alabama's amendment by a vote of 8 to 3.

The reasons are simple. The B–52 represents 35-year-old technology. These aircraft are going to be 40 years old by the year 1990. The Department of Defense, as I pointed out before, has examined several options in search of a cruise missile carrier and aircraft to replace the B–52 during the 1990's.

The gentleman is correct, the Air Force examined the Boeing 747, the Lockheed L–1011, the McDonnell Douglas DC–10 alternative, and the C5A, the advanced medium strategic transport commonly known as AMST, and also the B–1 configuration to carry cruise missiles. The committee is going along with the finding that a B–1 variant is the best cruise missile carrier as a follow-on for the B–52's when they wear out definitely in 1990.

We just do not want to send our young

men to war in an aircraft that is going to be 40 years old in the year 1990. That is the primary basis for the committee action.

The second basis is the investment to date in the B–1.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. That investment to date in the B–1 research and development program is approximately $4 billion. We did not want that to go down the drain.

The SWL concept, the strategic weapons launcher concept is going to capitalize on this large investment. The B–1 has successfully completed practically all of its research and development. We are taking advantage of all of that technology to get this follow-on cruise missile carrier.

As I stated before, as the clincher, the Air Force testimony before the committee confirms the B–1, as an SWL, is probably more readily available than anything else we have looked at. We could have come up and recommended to this body a so-called SAL. That would be a swing-wing version of the B–1. But that would come in at a cost of $11.9 billion.

After a great deal of study your R. & D. Subcommittee has come in with this so-called SWL, a fixed-wing variant of the B–1 at a cost of $8.8 billion, which will give us a first aircraft in January of 1984, an IOC of 15 aircraft in April of 1985, and 100 aircraft in February of 1987.

I ask my colleagues to support the R. & D. Subcommittee, which defeated this amendment by a vote of 8 to 3 after much study.

☐ 1640

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hesitate to take issue with a very dear friend of mine from Alabama on this particular amendment, but all of us cannot be right all of the time. He has been right many times; he has been wrong a few times in the past. I am not getting into personal issues, but he was opposed to the B–1 when the rescission request came through. He is still opposed to the B–1 or even a variant of the B–1 which would be a new, effective strategic cruise missile carrier. We do not have a cruise missile carrier except the B–52, and I agree with the gentleman from Missouri that the B–52 is not a viable cruise missile carrier for the 1980's, the 1990's, or the year 2000.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding. The gentleman knows that I have not been opposed to the B–1. I spoke in that very well in support of the B–1 on many occasions. I did object to spending three-quarters of a billion dollars for two B–1's after the plane had been killed by the President with the support of Congress. But I have never opposed the B–1.

Mr. BOB WILSON. I stand corrected.

I am not going to be in Congress after this year, and in a way I regret my decision to leave. I am very much concerned about the future of our country and the perilous world we are facing.

I wonder how many have seen the graph that shows the so-called strategic bathtub, which shows the situation that we would be in from 1977 through 1986. There is a Defense Department graph that is shaped something like an old-fashioned bathtub. It starts up here in 1977, which was the year that the B–1 was canceled, and then it goes deep like this, and then over a 10-year period it comes back to here. This graph starts in 1977—a period of so-called essential equivalence between the United States and Russia in our capability to survive a first strike and to mount a retaliation strike. It shows us, with the B–1 gone, in a deep tub, and we are right down here in the year 1980 where the drain is. God help us if somebody decides to pull the plug. If that B–1 had not been canceled, we would have had a strategic sink instead of a bathtub, and it would have been an entirely different situation.

Believe me, we are in a perilous situation. I have just come back from the Persian Gulf area, and in my opinion we are close to war, Mr. Chairman, I can tell you that. We have to be prepared, and I pray to God we will be prepared.

Last week I happened to get a book from a former Member of the House, former President Nixon, which is called "The Real War." I just happened to pick it up and turned to the middle of the book, and spotted an article there about Dr. Edward Teller. He quotes Dr. Teller. He said, "I asked Dr. Teller, what will the United States be like in the year 2000? And Dr. Teller thought for some time, and he said, "In my opinion, there is about a 50 percent chance that there will be no United States in the year 2000." Mr. Nixon asked him, "Do you mean politically, or do you mean physically?" He pondered again, and said, "I think either or both."

I was interested in that because Dr. Teller was coming to my office the next day. He came and I mentioned it to him. He said, "I recall Mr. Nixon's asking me that about a year ago," and he said, "I have had a chance to consider that question further." He said, "I would change it now." He said, "I would change it to the year 1990."

Here was the father of the hydrogen bomb, a man who really knows the geopolitical pressures at work in this world. He said we are behind the Russians not only quantitatively but qualitatively, and this is one chance with the strategic weapons launchers to move ahead of the Russians in one field in which we must be superior.

I just hope that we do not adopt the gentleman's amendment.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I have great respect for the gentleman from Alabama (Mr. EDWARDS). No one spends more time grieving over the shortcomings of our defense structure on the Appropriations Committee than this distinguished citizen of Alabama. I remember how he agonized over having to take the lead in killing B–1's No. 5 and 6 out of sheer frustration because of the mixed signals that the House was getting from the Defense Department over these airplanes.

May I recall for some of the freshmen and some of the senior Members in this Chamber the embarrassing scene at the White House which took place a few months ago when one of our finest new Members, and latest addition to the distinguished defense committee, the Committee on Armed Services, the gentleman from Kentucky (Mr. HOPKINS) asked our President what he had against the B–1. The President was stuck for an answer, and that is a fair characterization, because he said nothing. He turned to his Chairman of the Joint Chiefs of Staff, a man with a brilliant Air Force career, a man who has commanded both a fighter wing of F–4 Phantoms and who was a strategic commander of the B–52, Davey Jones. Jones got up—and I just checked this in the cloak room with the new distinguished Member from Illinois—and he said, "Mr. President, you put me in an awkward position, sir. As you will recall, I am a strong proponent and was a strong proponent of the B–1."

I have had the pages bring a model of the Soviet version of B–1, the Tupelov 26 known by our NATO code name as the "Backfire," which is now in full production. Over three per month are now being pumped out, as I said yesterday, not only into the Soviet SAC forces but also into the Russians' maritime services; and they have already been assigned to Siberia by Pacific Coast units.

What is the result of the B–1 cancellation? Many of us, three times in the last month, have gotten the picture of what I call the "Afghan sweater," the Southwestern Camouflage Scheme No. 4. This is the aircraft which is the finest piece of technological machinery ever to go into the air, with the possible exception of our SR–71 Blackbird.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I will gladly yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. The gentleman from California, as he has stated, has been a strong proponent of the B–1, but I think this House is going to support its Committee on Armed Services which has studied this question for a long time. Let me emphasize again the B–1 is not the issue here. I will state that if this amendment were to carry, I will immediately in title II offer an amendment to restore the money for the B–52–G's. This is the issue we now face. It is not between the B–1 and the FB–111, which I think the gentleman from Michigan is waiting on. It is between the SWL and the old B–52–G's.

Mr. DORNAN. With all due respect to my colleage, I reclaim my time. I am glad the gentleman clarified that point.

However, as the gentleman from Alabama correctly said, what in essence we are really discussing here, whether we call it a SAL, strategic air launch cruise missile launcher, or a B–1 restart, or the SWL, not the "SWILL"—strategic weapons launchers—we are still basically talking about how we are going to extend B–52's and give our young men this suicidal kamikaze mission that every B–52 pilot I have spoken to, at four different bases, feels is their role. Or are we going to upgrade our equipment? Are we going to kill the air-breathing leg—which is Secretary Brown's expression to cover himself, after he had his shorts ripped off by a decision he was not even alerted to because it appears to have been made in early June on a tennis court in a tennis game between Jody Powell and the Commander in Chief? Are we going to kill the air-breathing leg of the Triad and go to a Biad?

I would like to help the Members on the majority side of the House—and I mean this sincerely—with a column in this week's paper by Evans and Novak. It is about some polling taken by President Carter's top pollster, the young Patrick Caddell, in Warren, Mich. Here are just two paragraphs from this column:

> A political revolt by blue-collar Democrats against President Carter is blazing through this stronghold of the United Auto Workers, signaling a possible November upset of awesome proportions by presumptive Republican nominee Ronald Reagan.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Symms, and by unanimous consent, Mr. Dornan was allowed to proceed for 5 additional minutes.)

Mr. DORNAN [reading]:

> by Caddell and aided by Alice Ryder
>
> Armed with a questionnaire prepared and two other trained interviewers, our house-to-house talks uncovered 33 Democrats, eight Republicans and 23 independents.
>
> Their presidential choices are startling: Reagan, 23; Carter, 21; Rep. John Anderson, 8; don't know, 7; and "will not vote," 5.
>
> Even more startling are the perceptions these presumably average voters have of Carter and Reagan. Which would be stronger on defense: Reagan, 6 to 1; on handling the economy: Reagan, 2 to 1; on "leadership": Reagan, 2 to 1; on tax policy (which our interviews show is developing into a hot sleeper issue): Reagan, 3 to 1.

□1650

Now the important part.

> In all the interviewing we have done over the past generation, talk of war has never been so dominant nor has avowed willingness to spend more for defense. The voters we talked to favored increased defense spending by 4 to 1. By a margin of better than 2 to 1, these voters actually favored more and better arms "even if it meant raising their taxes."
>
> That response can only be explained by concern over the Soviet invasion of Afghanistan, the headlines last fall over the Soviet combat brigade in Cuba, and the vulnerability of Middle East oil supplies and other signs that the United States is slipping behind the Soviets.

As the chairman has agonizingly pointed out, over the last few years and as has, Mr. Wilson, the distinguished ranking minority Member pointed out again for the umpteenth time in his career, with forceful articulation today, we are slipping behind.

A final line in this Novak and Evans column:

> If these precincts of Macomb Count‸reflect blue-collar moods throughout Michigan, a political change of far-reaching implication could be at hand.

Mr. Chairman, when this B–1 was killed with this very model on the House floor in 1978 on George Washington's birthday. I quoted George Washington.

General Washington said:

> The only way to prevent war is to prepare for peace.

Today I have an equally fine quote by the youngest President ever elected into office, John F. Kennedy, a holder of the Navy Cross, and acknowledged hero who offered his life on the line to save the life of a fellow member of a PT boat crew who was burned and drowning in the water.

President Kennedy said:

> Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed.

Mr. Chairman, and the distinguished gentleman from Alabama, I have an answer to one of your questions. It is my firm belief that the security of the United States is not something that can be shortchanged. The supersonic flexible B–1 is the very best near-term option to take us out of that dangerous bathtub curve, as Mr. Wilson pointed out, and I believe there can be no second-term alternative. However, I am willing to listen to reason about the political hang-up of Hamilton Jordan and Jody Powell and the man they advise. If we have to rename it, "swell," "swill," "sal," or whatever you want to get it through, so that we not lose 6 months before we swear in our next President. I may cave on my amendment here in a few minutes. However, let me quote Richard Ellis, the Commander of the Strategic Air Command, today, who backs up the former Commander Russell Dougherty. He said just weeks ago before your House Committee on Armed Services, "The B–1 is the best strategic penetrator in the world today."

Of course it is the best in the world. It is the creme de la creme and the cutting edge of American technology. No matter what we put in the computer, General Dougherty and General Ellis told me, for the next 4 years, no matter what we feed into the computer, Cyber 76's, Gray 1's, pick your best main frame computer, it will spit out the B–1 for the next 4 years.

So however we try to freeze its wings, or let the gear hang out in the airstream, take away its retractable gear capacity, no matter whatever you do to castrate it, cripple it, destroy its aerodynamic supersonic capability, call it whatever you want, if you want the chassis on the assembly line so that in January we have not lost 6 months, and we can turn it from a station wagon into a Dino Ferrari capable of keeping the peace—and I do not care what the gentleman from Michigan does—I will go for whatever your committee wants to do to keep this airplane on track.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Bob Wilson and by unanimous consent, Mr. Dornan was allowed to proceed for 3 additional minutes.)

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I gladly yield to 28 years of expertise and experience.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman for his statement. No one feels as emotionally bound to the B–1 as does the gentleman in the well. It is an important part of our weapons system. The gentleman has studied the problem probably better than anyone in the House. There is no real B–1 amendment or section of the bill here which one could amend and I am encouraged that the gentleman is willing to forego the amendment that I know the gentleman proposes to put in.

Actually, the amendment of the gentleman from Alabama would have a completely deleterious effect on trying to keep the strategic weapons launcher going. I am very hopeful the gentleman will support it. I am encouraged when the gentleman says he will not introduce an amendment to try to substitute the B–1.

Mr. DORNAN. If I can reclaim some of the 3 minutes the gentleman so graciously secured for me, I do not want the gentleman to build up his hopes too high because I am certainly not going to deny myself some more time to discuss this on the House floor. I am not being insincere. I am open-minded, as we discussed last night, but I agree, given the gentleman from Alabama's frustration over mixed signals, over going in different directions, and I understand the frustration of the distinguished team of those who would rather spend this money for needed social causes. I do not say this in a carping or insincere fashion, but we have in the preamble to our Constitution, as I said yesterday, the line, "provide for the common defense," before the line "to promote the general welfare."

I feel for the poor black family or Appalachian white family, or brand new Cuban family, who left all their goods behind in the Caribbean, or some poor Mexican family straining like Horatio Algers to cross the Rio Grande to come up hear and earn a good Yankee dollar. But all of them are going to be slaves, if we find ourselves so weak that the Soviet Union is able to use poison gas, as they have in the areas of Afghanistan. Consider the fact that the Soviets get warnings for their ambassadors. For example, the disgrace in the Colombian Embassy. The East German Ambassador got out, the Czech got out, the Hungarian Ambassador bugged out and the Russian bugged out long before our Ambassador Asencio and the 13 others were degraded by losing 2 months stolen out of their lives. Why? Because people do not push the Soviets around, because the Soviets bite. The Soviets are building a "B–1." They are putting into R. & D. a "B–2" and a "B–3" and here we are talking about castrating this, the finest airplane in the world, acknowledged to be a little bit more than just esthetically beautiful, even by the Speaker of this House.

I have sent up to the distinguished chairman a list of 172 Members of both parties who are for a restart of the B-1 itself. Look over that list. Find out if your name is on that list. It was a respectful letter to President Carter using his own words on the evening of June 30 if conditions drastically expired, he would rethink it. I submit the list for the Record:

Signatories of "B-1 Letter" to President Carter

Robert K. Dornan, John J. Rhodes, William M. Thomas, John H. Rousselot, Charles Pashayan, Jr., Benjamin A. Gilman, Bill Nichols, Robert E. Badham, G. V. Montgomery, Daniel Lungren, James G. Martin, Don Clausen, Charles F. Dougherty, Donald J. Mitchell, Bob Stump, Floyd Spence, G. William Whitehurst, Bob Wilson, Paul S. Trible, Marjorie S. Holt, Robin L. Beard, Trent Lott, Jon Hinson.

Tennyson Guyer, Robert E. Bauman, Jim Lloyd, Newt Gingrich, Thomas J. Tauke, C. W. Bill Young, Carroll A. Campbell, Bill Alexander, Don Ritter, Gerald B. H. Solomon, Bob McEwen, Samuel L. Devine, John Ashbrook, Thomas A. Luken, Dan Daniel, Eldon Rudd, Mickey Edwards, Richard T. Schulze, Jerry Lewis, Thomas B. Evans.

Tom Hagedorn, Larry McDonald, Jack F. Kemp, Carlos J. Moorhead, Norman D. Shumway, Robert J. Lagomarsino, George Hansen, Richard Kelly, William E. Dannemeyer, Robert S. Walker, Wayne Grisham, L. A. (Skip) Bafalis, Wes Watkins, Eugene Atkinson, David E. Satterfield, John W. Wydler, Doug Barnard, Jr., James M. Collins, Elwood (Bud) Hillis, James H. Quillen, Lyle Williams, Carroll Hubbard, Jr.

George M. O'Brien, E. Thomas Coleman, Chalmers P. Wylie, Manuel Lujan, Jr., Larry Winn, Jr., Delbert L. Latta, Gene Taylor, J. Kenneth Robinson, Keith G. Sebelius, Ron Marlenee, John P. Murtha, Larry J. Hopkins, David R. Bowen, L. H. Fountain, Tim Lee Carter, Clarence E. Miller, Robert H. Michel, Mark Andrews, Ronald M. Mottl, Samuel S. Stratton, John Paul Hammerschmidt.

John T. Myers, Robert McClory, Norman F. Lent, Charles Wilson, M. Caldwell Butler, Edward R. Madigan, John N. Erlenborn, John Buchanan, James A. Courter, Jim Jeffries, Thomas N. Kindness, Douglas Applegate, Jerry M. Patterson, Arlan Stangeland, Tom Loeffler, Ed Bethune, Gary A. Lee, Don Young, Douglas K. Bereuter, Robert H. Mollohan, Bill Chappell, James C. Cleveland.

F. James Sensenbrenner, Edward J. Derwinski, Steven D. Symms, Bob Livingston, Richard Bruce Cheney, Harold T. Johnson, Henry J. Hyde, Henry Gonzalez, Mario Biaggi, Hamilton Fish, Jr., H. Joel Deckard, Daniel B. Crane, John J. Duncan, Guy Vander Jagt, James C. Cleveland, William H. Harsha, W. Henson Moore, John B. Breaux, William Wampler, Ken Kramer, Philip M. Crane.

Bill Archer, William Carney, Glenn M. Anderson, Willis D. Gradison, Beverly B. Byron, Charles H. Wilson, Dave Stockman, Clair W. Burgener, Barber B. Conable, Jr., Robert W. Daniel, Jr., Sam B. Hall, Jr., Bud Shuster, Clarence J. Brown, Toby Roth, Robert W. Davis, Robert Whittaker, William F. Clinger, Bill Royer, Tom Corcoran, Don Fuqua, Harold S. Sawyer, Matthew J. Rinaldo, Barry M. Goldwater, Jr.

David C. Treen, William F. Goodling, Harley O. Staggers, Paul Findley, Kent Hance, Gene Snyder, Jim Abdnor, Joe Wyatt, Jr., Jerry Huckaby, Tom Steed, Jim Jones, Dan Marriott, Tom Railsback, Won Pat, Virginia Smith, Billy Evans, Charles W. Stenholm, Charles E. Bennett, Kika de la Garza.

Mr. CARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to get into this debate. But through the mouths of others, my real preferences have been noted to the entire Congress. I think, however, in an interim sense, the gentleman's amendment has merit.

The reason I took the floor, actually, Mr. Chairman, is that I heard the name of Gen. Richard Ellis a number of times during the debate. I think if General Ellis sitting as he is, hopefully, today, out at SAC Headquarters in the Strategic Air Command, were listening to this debate he would have high regard for those of you who use his name, but I think he would cringe just a little bit because I think he would find that his positions on things are being somewhat selectively stated.

Mr. Chairman, I might remind the Congress that Gen. Richard Ellis and his distinguished predecessor, Gen. Russell Dougherty, are the strategic experts. They are on the front line everyday. They are the strategic experts of our entire military.

I would also remind people that reflecting on that expertise, Gen. Richard Ellis and retired Gen. Russell Dougherty are among the most staunch supporters of the strategic arms limitation treaty II My friends who like to cite Russell Dougherty and Richard Ellis for some purposes seem to leave that one out and reserve for themselves the right to disagree with these honorable men on that point.

Mr. Chairman, I think that the Congress should know that the record befor our Subcommittee on Procurement also reflected two of the preferences of Gen. Richard Ellis.

☐ 1700

First and foremost, the testimony of General Ellis and the Strategic Air Command was that, with whatever limitations, the B-52G/H is a viable weapons system into the 1990's, and that they do not require or request a new follow-on CMCA—a cruise missile carrier aircraft—today. They obviously support the efforts of the DOD and the committees of the Congress to research what might be the follow-on aircraft, but Gen. Richard Ellis told me personally on the phone and in his office and by letter he is unwilling to limit the follow-on cruise missile technology to what he considers as old technology represented by the B-1 for the follow-on, which will have to come down the line in the 1990's when, indeed, the B-52's will have to be put to rest.

Gen. Richard Ellis also has one other plan, and if the gentleman who came up with this bathtub graph—the gentleman from California (Mr. Bob Wilson) told us all about; however, Gen. Richard Ellis has a remedy for that bathtub, and that remedy is not the SWL—the swill-swell—B-1 derivatives, whatever you want to call it. His answer is to convert and modify 155 F-111's and FB-111's into essentially a new aircraft, the F-111B/C. Now, that may or may not be an amendment on the floor, and that is not my purpose for being here. My purpose is to tell the Members that the people who know, the professionals at SAC, both present and immediate past——

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. Carr was allowed to proceed for 3 additional minutes.)

Mr. CARR. Yes, they do believe it is a bathtub; no, they do not want a swill-swell follow-on CMCA. Yes, they do want an FB-111B/C. So, fundamentally, they think their job is made a lot easier if we pass and ratify SALT II. So, whether you agree or disagree with those positions, I think we should fairly state what the position of these distinguished generals in fact truly is, and not leave that out

I have one question for the gentleman from California (Mr. Dornan). I understand these models, which have a lot of sex appeal here, are to scale. They are not to scale one to another, however, are they?

Mr. DORNAN. Yes, they are. The person who made the Backfire model for me told me last Tuesday, coincidentally when I brought the project to him, that he had manufactured the B-1 model 4 years ago. I insisted that they be to scale. The gentleman will see that the Backfire is smaller than our B-1.

The weight of the Backfire is 270,000 pounds. Using that as a rough comparison. you can appreciate the feasibility of the Soviet model in relation to the B-1. The gentleman will also notice the refueling probe on the model of the Backfire.

Mr. CARR. I have noticed all the gentleman's models, they are very fascinating. Perhaps we should have had a model of the FB-111B/C.

The real point here is whether the amendment of the gentleman from Alabama has merit, and I would say that in the context of this discussion, that it does; that the positions of General Ellis and General Dougherty ought to be laid in perspective.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I appreciate the gentleman yielding. I feel very strongly that the distinguished gentleman in the well has done this unintentionally, but I sincerely submit that he has unintentionally misrepresented the position of General Ellis. He has inferred that General Ellis feels that the FB-111 is superior to the B-1, and I distinctly recall—and perhaps the gentleman from Michigan was not in the committee at the time—that in response to a question put by the gentleman from Pennsylvania (Mr. Bailey), General Ellis answered that he was absolutely in favor of the B-1, but he comes from the world of reality and you have to take what you can get.

Is that not true, distinguished gentlemen?

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. Ichord and by unanimous consent, Mr. Carr was allowed to proceed for 2 additional minutes.)

Mr. CARR. I think we are close on the truth here. I recall General Ellis saying that if cost and time and his mission and a variety of other factors in the real world were not there, and that money and time and all of these things could be done; yes, he would prefer a B–1. I will admit that, but we are dealing in the real world, and I think the gentleman from Missouri would concede to me that in the real world context General Ellis favors the FB–111B/C, and that it has some advantages over the B–1 in that it has more versatility and can use airfields that the B–1 cannot operate from. It has lower radar cross section and a whole host of advantages.

Mr. ICHORD. With all due respect to the gentleman in the well, he is not recommending that the FB–111 be used as a cruise missile carrier, and he is mixing apples and oranges. He is talking about the manned, penetrating FB–111 versus the B–1. This is not the issue. We are talking about a follow-on cruise missile carrier.

Mr. CARR. That is right, and I do not confuse apples and oranges except that we are buying those out of the same pot of money, and if we need a penetrator and do not need a cruise missile carrier, they have a relationship one to another in total strategic balance—the bathtub which the gentleman from California had, and I agree and I support. So, I think we have had a good dialog here. I merely wanted to lay into some perspective the very forceful testimony of General Ellis on behalf of yet another alternative which, up until the time I took the floor, had not been mentioned except by reference of the gentleman from Missouri.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. EDWARDS of Alabama and by unanimous consent, Mr. CARR was allowed to proceed for 3 additional minutes.)

Mr. EDWARDS of Alabama. Mr Chairman, will the gentleman yield?

Mr. CARR. I am happy to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I have just a couple of comments if the gentleman will permit, because there has been so much comment about General Ellis, for whom I think Members on both sides of the aisle have great respect. He said, and I quote:

> We will have our first B–52G squadron equipped with the ALCM in late 1982. We currently plan to use the ALCM-equipped B–52Gs in a "shoot and penetrate" role until late 1985, at which time they will transition into an all standoff ALCM carrier role. With appropriate improvements, the B–52H will continue as a penetrating bomber until the mid-1980s and then, because of rapidly declining penetration capability, we believe it, too, should be converted to the standoff role. While certain tests and studies remain to be completed, SAC is confident the B–52 force employed in the ALCM carrier role will meet threats likely to emerge later this decade. This also would permit a delay of the decision on a new cruise missile carrier aircraft until the 1990s.

General Ellis made that statement before my Subcommittee on Appropriations of Defense on March 5 of this year. The issue is not, I suggest, against the B–1 versus the FB–111 or any combination thereof. The issue is whether we are going to spend $12.6 billion on a cruise missile carrier that we do not need at this time, or whether we are going to spend that kind of money over a period of years on the real, honest-to-goodness needs of defense in this country.

□ 1710

That is retaining good people in the services with decent pay, that is providing spare parts so what we have will run, and that is doing all the things necessary to train the proper people through O. & M. so that we can have the equipment kept up to date.

Mr. CARR. Mr. Chairman, if I may reclaim my time, I have a letter here dated March 28, 1980 from General Ellis to myself. It is a revealing letter. I will make copies of it and distribute it around for those Members who are interested, and I will include it for the RECORD.

General Ellis says there in one paragraph:

> In short, we have an effective SWL for the eighties in the B–52.

Mr. Chairman, I include the entire letter for the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Offutt Air Force Base, Nebr.,
March 28, 1980.

Hon. ROBERT CARR,
House of Representatives,
Washington, D.C.

DEAR MR. CARR: I appreciate the time and attention you have personally given to the review of the strategic nuclear balance. The increased attention this vital subject is receiving in Congress is most encouraging and timely.

You have asked for my professional judgment as to which program would best meet the needs of the Strategic Air Command—the B–1 derivative cruise missile carrier aircraft (SWL) or the FB–111B/C. As you know, my congressional testimony has emphasized that, compared to our 1977 capability, a strategic imbalance now exists and will continue to exist for some years. You will also recall that current national guidance establishes 1977 strategic capabilities as the level to be maintained.

Simply stated, we need a weapons system that positively impacts the near-term imbalance. It has been determined that modernization programs in the other two legs of the TRIAD are being completed near maximum rate and cannot be further accelerated. Our recommendation focuses on a new or modified manned penetrating bomber to provide that fix. I know of no other solution to our strategic deficiency, nor has anyone suggested a better one. If the B–1 SWL is to be designed as a stand-off cruise missile carrier and would not have the capability to penetrate, then it would not correct the near-term imbalance.

Two alternative programs, 155 FB–111B/Cs or 100 B–1s, ultimately achieve an equal capability. However, the FB–111B/C becomes available sooner—and our country needs the earliest possible relief. A second criterion is cost and, while there are many ways to measure this factor, a B–1 buy costs about 2.5 times that of an equivalent force of FB–111B/Cs ($12.5B to $5.5B in 1980 dollars). In view of other heavy concurrent defense needs, total cost must be an important consideration, although front-end investment cost is high in both programs.

Another important consideration is the fact that when a new strategic penetrating system comes into the inventory in the nineties, the FB–111B/C can become the night/all-weather aircraft for force projection, contingency and tactical nuclear forces. The added contribution that aircraft could offer would be as significant in the 1990s as it would be today.

Conversely, opting for the B–1 at this time could preclude procuring a more advanced aircraft available by 1990. What makes this a legitimate concern is that B–1 technology is representative of the late 1960s, or maybe 1970, and that aircraft could become obsolete in the nineties as a strategic penetrator.

With respect to the cruise missile carrier role, by converting B–52G/H models to standoff cruise missile carriers, we can defer deployment of the proposed cruise missile carrier aircraft until the B–52s no longer show utility in that mission—sometime beyond the 1980s. By making the changes SAC has recommended, U.S. strategic capability will be significantly enhanced and the "bow wave" of expenditures in the mid- to late 1980s will considerably be reduced through a more even distribution of funds. In short, we have an effective SWL for the eighties in the B–52. Our requirement is for a strategic penetrator for the eighties—not a new SWL.

As I have stated to the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Chief of Staff of the Air Force, and to three congressional committees, my professional recommendation is to fix the near-term strategic nuclear "bathtub" with a force of 155 modified FB–111B/C aircraft. However, when the President cancelled the B–1 program, he indicated that, if a deteriorating relationship with the Soviet Union occurred, it could cause him to reevaluate the need for a penetrating bomber. If he and the Congress believe a year's delay and cost differences are acceptable risks, then the B–1 remains a most acceptable alternative.

Sincerely,

R. H. ELLIS,
General, USAF,
Commander in Chief.

Mr. WRIGHT. Mr. Chairman, I am fully aware that the present debate involves primarily the consideration of whether to delete the moneys which the committee has committed to the beginning of a strategic weapons carrier on the model of the B–1. The funds are earmarked for a fixed-wing B–1, a subsonic B–1, designed to carry the cruise missile but not to penetrate enemy territory. A fleet of such planes presumably could be constructed for some $12.6 billion for 100 aircraft.

What I want to address first, however, is the discussion here concerning the position of Gen. Richard Ellis, Commanding General of our Strategic Air Command. In order to clear up any controversy, I shall read a direct quote from General Ellis. General Ellis came to see me earlier this year during the time when he was testifying before the House Armed Services Committee. General Ellis told me at that time that what he felt was needed, and desperately and urgently needed, was a stretched version of the FB–111.

He did not say he thought the FB–111 was a better airplane than the B–1. Presumably, the B–1 is a better airplane. It should be; it is a much more costly airplane; it is a newer airplane; and it is a more advanced and more sophisticated application of technology. But General Ellis told me that he believes the FB–111 is what we very much need in the present difficult and potentially dangerous situation to help fill the so-called bathtub effect, the present dip in our strategic posture, to which reference has been made.

GENERAL ELLIS SUPPORTS FB–111

In order that there be no misunderstanding whatever as to the position of General Ellis, I am taking the liberty at this time of reading his exact words given in testimony before the Armed Services Committee. General Ellis said—and following is a direct quote—

> Immediate steps are required to bring an improved or new manned strategic penetrator on-line as soon as possible . . .
>
> There are currently two options available: the stretched FB–111 . . . and the B–1. The most timely of these is the modification of 155 FB–111A and F–111D aircraft with new engines, enlarged weapons capacity and greatly increased range. This option returns almost immediate dividends . . .

General Ellis continued:

> Because of the serious deficiencies we face in the early and mid-1980's, availability must be SAC's primary consideration in recommending a near-term solution; cost, of course, runs a close second. Based on a slightly earlier operational date and a favorable cost factor of approximately 2.5 to 1 for an equally capable force, SAC believes the better alternative is the FB–111B/C. The Air Force also recommends the stretched –111 as the best near-term fix.

That is the end of the quotation. That is where General Ellis stands. That is his statement. Unfortunately, his story has not been heard by the President of the United States.

Two or three weeks ago I had the privilege of visiting with the President about this very subject. I told the President that I was disappointed, after having ultimately supported his position with respect to the B–1 in 1977, in the expectation that a less expensive, more cost-effective, and more versatile weapons system would be recommended, that none has been.

I told the President that I thought it would be useful for him, the President, to hear personally from Gen. Richard Ellis, who has the primary responsibility for those young men who would have to bear the brunt of war. It is General Ellis who has the primary responsibility for planning the Nation's strategic defenses and his would be the principal responsibility for carrying them out. I am advised that, as of today, no such conversation between President Carter and the SAC commander has taken place.

The President visited instead with the Secretary of Defense, Dr. Harold Brown. Dr. Brown is a very scholarly gentleman, an academician, not a soldier, but known and regarded as a fine public servant. He, the Secretary of Defense, is committed, however, as I understand it, to the proposition that we do not need a penetrating manned bomber anymore.

WE NEED A MANNED BOMBER

I cannot embrace that concept. I think we do need a penetrating manned bomber. That is why originally I supported the B–1. I thought it made sense then, it makes sense now that we need a penetrating manned bomber, and it is going to make sense in the future.

You cannot call back a missile in the event signals are confused. Once committed, it is committed irrevocably. You can call back a manned bomber.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 4 additional minutes.)

Mr. WRIGHT. Mr. Chairman, the judgmental factor inherent only in the human mind is available throughout the mission in the manned bomber; it is not available in a missile once committed. We need a manned bomber. On that I definitely disagree with the present Secretary of Defense, and I urged the President honestly to consider the need for a manned bomber in the context of the recommendations made by General Ellis.

As to whether we also need now a new aircraft to permit a better deployment of cruise missile capability, I really am not certain. I honestly do not know whether we need to spend $126 million a plane to provide that capability. Do we know what that compares with? The price of each plane would be just about how much it cost us to build the Rayburn Building, $126 million. Can we imagine a fleet of flying Rayburn Buildings?

Quite frankly, I am not trying to cast aspersions by any manner of means on the B–1. I simply call attention to its cost. The latest estimate is that a fleet of these subsonic, fixed-wing B–1's would cost $12.6 billion for 100, and that 10 of the originally scheduled supersonic B–1 bombers would cost 14.4 billion, or $14.4 million each.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Not at this moment. I will yield a little later. I have a thought I want to develop, if the gentleman will bear with me.

THE B–52 IS OBSOLESCENT

Mr. Chairman, we need to move forward with the development of some modern manned penetrating bomber. The B–52 is so old it is obsolescent. The technology is 30 years old. In 1990, it will be 40 years old. Most of those planes are older than the boys flying them.

As a former Air Force person, I know it is necessary for a pilot to believe in the aircraft he is flying. The B–52 has been a fine aircraft for its time. I do not wish to say anything here that would destroy anybody's confidence in the aircraft. But I do want to suggest that I would not want to be a commander in the mid-1980's, and certainly not in the 1990's, who had the responsibility of sending brave young American men into combat in the B–52.

By modern standards, the B–52 is slow. It is subsonic. It has a big radar profile. It is easy to hit. It is not capable of low-level penetration missions. We need something that is.

If there is a less expensive alternative than the B–1, one that will give us the same amount of capability quicker and cheaper—at a favorable cost factor of 2.5 to 1 for an equally capable force, as General Ellis suggested—then we seriously ought to consider it.

FLEXIBILITY NEEDED

I think that the B–1 may also be too inflexible for some of the missions that we need to have in mind. I am not talking about the mission of the cruise missile, nor am I talking about the nuclear mission. If money and time were no object the B–1 would be ideal for the intercontinental nuclear mission, and presumably the fixed-wing B–1 would be an ideal arrangement for the cruise missile deployment. But there are other missions that require more flexibility.

The Middle East mission, for example. The situation we face in the Middle East today really calls for a strike aircraft capable of penetration from bases to which we have access. Just as a matter of interest, the FB–111 is the only aircraft in our inventory with sufficient range to reach Teheran, for example, from any base to which we would have access in the Middle East.

When the B–52 was flown over the Middle East recently as a sort of a flag, do you know where it flew from? Guam. It flew from Guam just about halfway around the world because there were not any nearby bases, including that on Diego Garcia, which it could use. The same would apply to a B–1.

The B–52 requires 300 feet in a width of runway—and that is as wide as a football field is long—in order to operate safely. There are not any runways like that anywhere in Europe or the Middle East except in Turkey and in Spain. Those may or may not be available to us if and when we should need them.

On the other hand, the FB–111 stretched version, capable with one aerial refueling of penetrating almost any depth of Russia that could be penetrated with one refueling by a B–1, could operate out of any NATO base in Europe or from several bases available to us in the Middle East.

☐ 1720

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

COSTS COMPARED

Mr. WRIGHT. Mr. Chairman, it seems to me that a practical interim solution would be seriously to consider the FB–111's which could be brought off the production lines 2 years earlier than B–1 bombers could. It would take a fleet of 155 FB–111's to carry the same bomb and missile load as 100 B–1 bombers. But we surely could produce 155 supersonic stretched FB–111's for about $5.5 billion in all. The 100 penetrating B–1 supersonic bombers would probably cost $14.4 billion. If it were the subsonic B–1 that is considered in this bill, 100 would cost $12.6 billion.

So that is my plea. I think the Nation needs the penetrating manned bomber and it needs it now. I do not really think we have it. I am sure we will not have it for long if we are counting mainly on the B–52.

I do not think the cruise missile is going to be a substitute for the penetrating manned bomber. It may be a supplement to it, but it is not going to be a substitute for it.

I do not know how long a grace period we may enjoy in which we can presume that the Russians will be incapable of reaching out far enough with either their missiles or their interceptor aircraft to knock down those planes that would be expected to carry those cruise missiles and lob them in from outside that country's defense perimeters.

Mr. Chairman, I yield to the gentleman from California (Mr. DORNAN) because I told him earlier that I would.

Mr. DORNAN. I thank the distinguished gentleman for yielding.

Mr. Chairman, I just got off the phone with SAC headquarters, talking to the Commander, four-star Gen. Richard Ellis. I have his letter before me here which was given to the gentleman from Michigan (Mr. CARR). I appreciate some of the confusion here. And if I quote him during the rest of this debate or if it extends over into tomorrow, I am going to be as close to verbatim as I can be, given my own human memory.

The problem here is that if this House, particularly on the gentleman's side of the aisle, had followed your wisdom, Mr. majority leader, and your initial long series of votes sustaining the world's best penetrating bomber, we would not be on the edge of this precipitous descent into this ugly bathtub curve where you quite correctly said that we may not have much more time to make these decisions.

In General Ellis' letter to the gentleman from Michigan (Mr. CARR), he talks about something that will positively impact upon the near-term imbalance. And I also discussed his views on SALT. We spoke about 12 minutes.

Mr. WRIGHT. If the gentleman would permit me, it was in that context that he recommended the stretched version of the FB–111, was it not?

Mr. DORNAN. Yes. He also talked about that fix, that we need this quick fix, like some sort of drug addict, because we are beginning to shake about the imbalance of world power now.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. WRIGHT. Only after I say that I really do not believe that General Ellis meant to characterize us as drug addicts shaking in need of a fix.

Mr. DORNAN. No. That was my characterization.

Mr. WRIGHT. I think he meant something else.

Mr. DORNAN. Will the gentleman yield so that I may complete the sentence?

Mr. WRIGHT. Yes, I yield until the gentleman completes his sentence, and then I intended to yield to the gentleman from Missouri.

Mr. DORNAN. With yourself notably excepted, because you have been a strong proponent of defense, your district leads the Nation in defense dollars. My opponent keeps reminding me of that, hoping you will come out and campaign for him. And you have a great company there in General Dynamics. I did try to get a model of either the Edsel or the TFX or the stretched, massaged, mutilated F–111 or what is left of it. When I flew it last year in England we lost 11 in a 3-month period with engine problems. Those are being corrected and the pilots are proud, if they had the fuel to fly it properly. The problem is this: With yourself excepted, the team over here of disarmament experts who created this damnable, dangerous fix that we need and this imbalance are now the ones who fall back to a fix of stretching a TFX, with all of its problems throughout its history, instead of moving forward on this when the opportunity was there 3 years ago, or at least the strategic weapons launcher, to get the chassis on the production line.

Mr. WRIGHT. I appreciate the generous things the gentleman has said about me personally. I simply must respond, however, to one of the comments that the gentleman made in which he refers to the TFX and all of its so-called problems. That cannot be left on the record uncorrected. I must respond to that by pointing out that contrary to the bad press which admittedly it received early in its career, the F–111 aircraft holds the all-time world record for number of hours flown without any accidents. It has won the SAC-wide bombing competitions for each of the last 4 years and holds a record for the fewest number of accidents, the fewest number of fatalities for hours flown. I think that is a verifiable fact, and I simply would like to repeat it here for the balance that it provides for the record.

Now I yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank the distinguished gentleman for yielding.

Mr. Chairman, the distinguished gentleman in the well, the majority floor leader of the House, is, in my opinion, the most eloquent speaker in this body, and I want to pay tribute to another attribute that he also has. He speaks with clarity. For the first time in this whole debate I think I understand the amendment of the distinguished gentleman from Alabama. I believe you have put it in the proper perspective. You are not talking about a follow-on for the B–52 as a cruise missile carrier, you are talking about a manned penetrator; is that correct?

Mr. WRIGHT. That is what I am talking about. Do not attribute that thought to the gentleman from Alabama. I must not presume to attribute any of my thoughts to him in any sense whatsoever.

Mr. ICHORD. I would state to the gentleman from Texas, then, if we are not talking about the B–52 follow-on carrier, that what we should do is to make it available for the gentleman from Texas and the gentleman from California to fight out which is the superior manned penetrator.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has again expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Whether it is the B–1 or the FB–111 as a manned penetrator.

Now, the gentleman from Michigan has obviously changed his position, and the gentleman from Texas, I know, did support the B–1, at least originally, and maybe we should make it available, make it in parliamentary order for the gentleman from California and the gentleman from Texas to fight out this fight between the B–1 and the FB–111.

Mr. WRIGHT. Is that a question?

Mr. ICHORD. Yes.

Mr. WRIGHT. I think it is in order, if we wanted to do that. I am simply addressing myself to what I perceive to be a genuine need of this country.

Mr. ICHORD. Why do we have to eliminate the money for a follow-on cruise missile carrier? I go back to the question before the House.

CRUISE A SUPPLEMENT, NOT A SUBSTITUTE

Mr. WRIGHT. I am not addressing myself directly to that subject. If the gentleman would permit me, I am attempting to speak simply in a generic sense for the needs of the country and its strategic defense. I do not know, quite frankly, how urgently we need a replacement for the B–52 in its mission as a cruise missile launcher. What I am basically trying to say is that I regard the cruise missile as a useful supplement to the manned penetrating bomber, but I do not believe that we dare consider it as a total substitute for a capable supersonic penetrating manned bomber with the capacity to reach the targets that might have to be reached and return safely.

That is basically what I took the floor to say.

Mr. ICHORD. I agree with the gentleman from Texas that there are two distinct issues. That was the issue we fought out and lost on the B–1. I agreed with the gentleman from Texas that we needed a manned penetrator. Apparently the gentleman from Michigan has now changed his position, that we need at least some type of manned penetrator.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman and all others for their comments and for their indulgence, and I yield back the balance of my time if any remains.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am constrained to say today, "Poor General Ellis." "Poor General Ellis" I say for at least a couple of reasons. First of all, General Ellis, who is the Commander of our Strategic Air Command, who sits out there 45 feet underground, knowing that his office will be the first hit if there ever is an attack by an enemy who would use strategic weapons against the United States, and also I feel sorry for General Ellis because it is his job every day to be with the targeting committee that decides who is going to go if the flag goes up, where they are going to go, and how they are going to get there to respond to a strategic attack on the United States. And General Ellis, God bless him for taking such an assignment, is sending, as has been said here within the past few minutes, young people to fly old airplanes, older than themselves in many cases, that have virtually no penetrating capability, as was demonstrated in Vietnam, to hardened targets that are covered by radar and strategic surface-to-air missiles.

□ 1730

I feel sorry for General Ellis to have to go along with a responsibility like that. I also feel sorry for General Ellis because he is the gentleman who has been quoted and quoted and quoted here today.

I, too, rise to quote General Ellis today, and this is a direct quote from the testimony given before the House Armed Services Committee, of which I feel proud and privileged to be a member. I quote General Ellis. Most of the other stuff on this page has already been quoted from time to time, but General Ellis said this, and I quote:

> SAC believes the procurement of a new manned penetrating bomber should rank at the top of our national priorities.

Now what we are talking about today is an amendment by the gentleman from Alabama, a member of the Appropriations Committee, a fine gentleman and for strong defense, and he has his point.

I, and the Committee on Armed Services disagree, but he has his point. His point is this. Should we be spending the money to develop a follow-on strategic weapons launcher or develop, if you will, not a follow-on but a strategic weapons launcher. He says no at this time, because we have the B-52 that has some capability up into the 1990's.

The gentleman from Michigan pointed out that we should stick with the B-52 because it has capability into the mid-nineties.

He presided over the killing of the B-1 because he said by the time that was produced in the early eighties, it would be vulnerable.

Now how the B-52 can have penetrating capability and the B-1 would be vulnerable, I do not understand such logic.

But the question is, do we need the continuing technology of B-1 or SWL? Do we need retention of FB-111? Yes. Do we need the B-52 upgraded? Yes. The answer is simply, my colleagues, we need them all. We need the technology. We need the continuing development. We need the B-1. We need the B-52, and we need the F-111.

The crunch comes, of course, because we have to sift out the dollars that will be spent on which program. We of the committee felt, and I think after a great deal of thought and study and soul searching, that money should be spent to continue the technology and the team and the research and development of the B-1 airframe, call it what you will, SWL, to continue the technology, and that is proper.

General Ellis again did say, and he said it succinctly, that if we had all of the money, we would obviously go with the B-1, but we do not have that luxury. But unfortunately, General Ellis also assumes a cost factor relative to F-11 that is fake when it comes to stretching the FB-111, because we do not know about the landing gear——

The CHAIRMAN. The time of the gentleman from California (Mr. BADHAM) has expired.

(By unanimous consent, Mr. BADHAM was allowed to proceed for 3 additional minutes.)

Mr. BADHAM. Assuming that cost factor is false, because we do not know what it is going to take to beef up the landing gear; to strengthen and lengthen the body; and put a defensive and offensive electronic countermeasure suite in it. So he is assuming something that the Pentagon wizards tell him without verification.

As far as time is concerned, we can put a B-1 in any form, SWL, or B-1 as opposed to the FB-111, with a delay of only 6 months. One thing additional, I would say that if we economically and feasibly, take 155 F-111's out of commission and convert them to something else (FB-111 BC), then I would suggest this, that the F-111 has no business being in our inventory today.

If we have so many airplanes that we can just pluck 155 of our most advanced fighter bomber aircraft out of the inventory and make something else out of them, then we should not have had them there in the first place. I do not think any Air Force general, including General Ellis, would go along with that.

So it is either taking an aircraft that is in business out of business to make something out of it that it is not. Or we can go with a new and continuing technology that is available today and can be on line, operational and useful within 6 months of the time that the FB-111, could be altered.

Mr. ADDABBO. I rise in support of the amendment.

Mr. Chairman, it is with a little reluctance that I join this battle, because as one of those who fought the B-1, which was a correct battle. I think the move to stop the B-1 when we did was a proper move for our national defense and proper spending of our defense dollars. When we stopped the B-1, it was because we knew that when the B-1 would enter into the service sometime in the late eighties and possibly nineties, it could never penetrate the Russian defenses.

At the time we stopped the B-1, we said it would cost at least $120 million a copy. It was said, no, it would only cost $100 million a copy.

Today, we see a smaller version, a lesser competent version of a so-called SWL, which is going to cost $126 million, with less capability than the original B-1. Why was the B-1 stopped? Because it could not penetrate the Russian defenses. We moved into the world of the cruise missile. The cruise missile is a standoff weapon.

You do not need a penetrating bomber to deliver the cruise missile. You need a standoff weapon, and what weapon is that? The existing B-52, which can and will be a viable standoff weapon into the nineties. During that time, we said we would look at what the next generation cruise missile carrier should be. We have money to look into that question. There is no need to commit ourselves to a $126 million copy plane today, not when we face such great budget deficits, not when we need those dollars to buy F-14's, F-18's, to put them on the line at a more cost-effective buy.

This is what the question of the gentleman from Alabama is raising before us today, whether we should spend $12 billion on a paper plane committing ourselves to this program when we have a viable cruise missile carrier standoff weapon for the next 10 years or more. The battle of the B-1 and the FB-111, can be joined later when the gentleman from California will offer his amendment, to call it what it is, to bring back the B-1, and then we can start the battle of the question of the penetrating bomber. That is not the question before the House now. The present amendment is a question of whether we should commit ourselves to spend $126 million for a copy, $12 billion program for a plane which we do not know whether this is the best carrier for the 1990's.

We have money to study the question in the budget as to whether we should have a penetrating bomber, what should be that penetrating bomber capability in the 1990's. We have almost $300 million to continue the study of the question of a penetrating bomber. Should it be a B-1? Should it be a FB-111? What should it be? What should be the capability? We have continued to fund that R. & D.

That is where it should be, in R. & D., to finally determine what should be our penetrating bomber for the 1990's and not commit ourselves today to this $126 million standoff weapon. All you need for a cruise missile is a standoff weapon—not a penetrating bomber, but that is not the real question before us now.

□ 1740

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding. The gentleman said earlier the reason we did not go ahead with the construction of the B-1 was we were told that it could not penetrate the Soviet defenses. I think the gentleman ought to point out that that was somebody's opinion, one man's opinion. I do not think it was an operating aircraft at all.

It was only a few months ago that the experts in the Pentagon told us we could not possibly penetrate into Iran, we had no chance whatsoever of rescuing our hostages. The fact of the matter is that what the gentleman is talking about as a substitute we still do not actually have in our operation. The cruise missile is still a gleam in somebody's eye. It is not an operating aircraft at all.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. EDWARDS of Alabama and by unanimous consent, Mr. ADDABBO was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I want to commend the gentleman for trying to get back to the issue of my amendment.

I have enjoyed immensely the great debate on the question of FB–111 versus B–1. That is not the issue. The penetrating bomber is not the issue.

The issue is very simply whether we are going to have a cruise missile carrier that is going to cost $12.6 billion for 100 planes; whether we need that now, or whether we should wait until we know exactly what we do need down the road.

I would urge and hope we can wind this debate up. I urge my colleagues to vote to save $12.6 billion so that we can use that money in areas where we desperately need to spend more money for the defense of this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. EDWARDS) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Alabama. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 297, not voting 16, as follows:

[Roll No. 233]

AYES—119

Addabbo
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bonior
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Davis, Mich.
Dellums
Derrick
Dingell
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Fazio
Ferraro
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Garcia
Gephardt
Goodling
Gray
Green
Harkin
Harris
Hawkins
Holtzman
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Leland
Long, Md.
Lowry
Lundine
McHugh
McKinney
Maguire
Markey
Matsui
Mattox
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Paul
Pease
Petri
Pritchard
Pursell
Rahall
Rangel
Reuss
Richmond
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
St Germain
Stark
Stewart
Stokes
Studds
Swift
Thompson
Traxler
Ullman
Vanik
Vento
Weiss
Wolff
Yates

NOES—297

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Boggs
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Foley
Fountain
Fowler
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Oakar
Panetta
Pashayan
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Van Deerlin
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—16

Anderson, Ill.
Chisholm
Cleveland
Diggs
Giaimo
Howard
Mazzoli
Mica
O'Brien
Rodino
Roe
Rose
Steed
Vander Jagt
Weaver
Wolpe

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mrs. Chisholm for, with Mr. Rodino against.
Mr. Wolpe for, with Mr. Howard against.
Mr. Diggs for, with Mr. O'Brien against.

Messrs. LUJAN, DANIEL B. CRANE, PHILIP M. CRANE, COLLINS of Texas, McDADE. RITTER, and Mrs. FENWICK changed their votes from "aye" to "no."

Messrs. MOFFETT, LUNDINE, DAVIS of Michigan, WAXMAN, and HARKIN changed their votes from "no" to "aye."

Mr. WAXMAN changed his vote from "aye" to "no."

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1800

AMENDMENT OFFERED BY MR. DORNAN TO THE COMMITTEE AMENDMENT

Mr. DORNAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment offered by Mr. DORNAN to the committee amendment: In lieu of the matter proposed to be inserted by the committee amendment, insert "$9,665,264,000".

Mr. DORNAN. Mr. Chairman, in the procurement authorization in title I for military aircraft for the Air Force, there is a total of $200 million for the subsonic cruise missile carrier, the SWL. My amendment will increase this procurement authorization by $300 million, providing a total of $500 million for the initial procurement for the B–1 penetrating bomber, the Peacemaker, the most advanced aircraft in the world. It is the purpose of my amendment to expedite the procurement process by allocating $500 million for the B–1, reallocating the original $200 million for SWL procurement into the B–1 category.

Mr. Chairman, my wife tape recorded for me all of the hearings in the other body during the SALT deliberations last year in both their Armed Services Committee and their Foreign Relations Committee.

During those hearings, a distinguished gentleman of the Navy, Adm. Elmo Zumwalt, testified. This distinguished naval officer, at one time Chief of Naval Operations, commander of all naval operations, said that the worst mistake our President had made during his, at that time 3 years, tenure in office was the cancellation of the B–1 bomber. This is from a naval officer, a man of the sea. His exact words, because the adverbs were somewhat awkward but very clear, were damning. He said this was absolutely—unbelievable—the worst decision President Carter had made in the area of our national defense.

Now, President Carter at his news conference of June 30, 1977, after killing the B–1, said the following:

> Our triad concept of retaining three basic delivery systems will be continued with submarine launched ballistic missiles, intercontinental ballistic missiles and a bomber fleet including cruise missiles as one of its armaments. We will continue thereby to have an effective and flexible strategic force whose capability is fully sufficient for national defense.

Now, it is interesting that the articulate majority leader used the price of the Rayburn Building as the cost, now given the administration's induced inflation, as the cost of a bomber. A fully supersonic penetrating bomber. He said, imagine a fleet of Rayburn Buildings sailing around the skies.

Well, Mr. Chairman, one Trident submarine costs $1.2 billion. Imagine the cost of one Trident submarine divided by the cost of the Rayburn Building. It makes a more colorful statement but it means nothing. For example: Imagine 10 Rayburn Buildings all amalgamated in one dark mass prowling along under the waters of the ocean. How about that?

The cost of this B–1 weapons system is the fault of inflation—induced generally by this Congress and the administration—since the cancellation of the B–1 3 short years ago.

Listen to these figures—and this is why I wanted the distinguished gentleman from New York (Mr. Addabbo) to yield to me:

If the President had not canceled the B–1, stopping the original program for the production of 244 of these majestic airplanes, we would have had on the line, this very month, aircraft No. 8. This month, next year, we would be picking up 2 a month. The following June after that, 4 a month; until by mid-1986, we would have all 244 on the line stationed at our SAC bases.

Now, consider what we have spent since this cancellation date:

At that point in June 1977 we had $18.8 billion to go to complete the B–1 program. Now we are spending $9 billion to modify our B–52G's.

We will spend $5 billion on cruise missiles.

We will spend $4 to $6 billion on updating the avionics of the H model of the B–52. There is the saved $18 billion gone—right there.

In addition to that there was $30 million in this bill for the wide body that has been cancelled out. That was going to be an $11 billion program. And then, there is $7 billion to keep reworking the FB–111.

By the way, to clear up a point that the majority leader made: You take a trip and get a briefing down at TAC headquarters from our excellent commander down there, Gen. Bill Creech. And as you walk into his office, the proudest trophy our TAC commander has is the trophy the Tactical Air Command took away from SAC, the bombing trophy over the last 2 years with a fighter version of the F–111 and not the FB–111 that was given to SAC because of the embarrassment Bob McNamara caused when he cancelled the B–58 Hustler, a true strategic supersonic weapon, leaving SAC as a subsonic command. So, another quick fix, years ago, was to give them a tactical bomber designed to replace the B–57 Canberra and the B–66, not to replace our Navy's first-line fleet of defense interceptors or to become a standard "Edsel-type" fighter for all of the fighter wings in the U.S. Air Force and the Navy.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I will be happy to yield to the gentleman from Texas.

Mr. WRIGHT. As I read the gentleman's amendment, it simply would add $300 million for the Air Force for fiscal year 1981. Is that the purpose of the gentleman's amendment?

Mr. DORNAN. And a companion amendment later on will subtract $100 million for R. & D. to add to this cost for procurement of the B–1.

Mr. WRIGHT. Apparently the purpose of the gentleman's amendment is to begin procurement of the B–1 bombers, penetrating bombers of the B–1 type?

Mr. DORNAN. Yes. sir.

Mr. WRIGHT. I thank the gentleman.

□ 1810

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. Mr. Chairman, I ask unanimous consent for 2 additional minutes to engage in a colloquy.

The CHAIRMAN. The gentleman's time has not yet expired.

Mr. DORNAN. Well, I am looking to the future, just as my amendment into the future of the Strategic Air Command.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DORNAN. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, it would appear now that we are going to have the B–1 model cruise missile carrier because my amendment lost a moment ago. Do I understand correctly that the gentleman is now proposing, in addition to that, the B–1 penetrating bomber?

Mr. DORNAN. No, sir. My amendment would subsume, would absorb the existing $200 million, with an addition of $300 million for quick-fix procurement program. I would hope that the President of the United States would accept this defense bill, and not veto it at his own peril in an election year. If the President sees the precinct readouts I gave the gentleman from the district immediately adjoining Mr. Carr's district, I would hope that he would accept what many of us have always wanted, something striking and forceful, a B–1—the best penetrator in the world.

Mr. EDWARDS of Alabama. All of that is written into that amendment?

Mr. DORNAN. Yes, sir, it is that simple in significance.

Mr. EDWARDS of Alabama. I would just like to say that I am not quite sure at all I understand what the gentleman, therefore, does with his amendment. I would hope that he would take some more time to explain it to us.

Mr. DORNAN. I shall. I was setting the prolog.

I am glad to yield to another distinguished gentleman, the only other Member of this House who took the time, as I did, to personally fly the B–1 for 5 hours so that he would learn in his gut and bone marrow exactly—what—exactly we were giving up.

Mr. LLOYD. I thank the gentleman for yielding. However, I have a little problem. Do I understand the gentleman from California is submitting an amendment to go forward with a full-fledged B–1? Is that what he is saying?

Mr. DORNAN. I realize there was noise in the Chamber when my very brief but succinct and clear amendment was read. What it does, on lines 18 and 19, is add a total of $500 million to the procurement figure to begin production of the B–1, and later on, my second amendment, on page 6, lines 19 through 22, would take $100 million out of the current R. & D. program because it will not be needed. As the gentleman knows, having flown the B–1, most phases of its R. & D., testing period have been successfully completed.

Mr. LLOYD. Most of that is done. What does the gentleman then propose to do with the SWL we just voted in?

Mr. DORNAN. That money would be subsumed under the B–1 program. That money will be transferred to this new B–1 program.

Mr. LLOYD. The moneys we just voted in go into a B–1?

Mr. DORNAN. Yes. The excellent SWL, the chassis, continues. It will be there to do what it started out to do originally, to become the B–1 Peacemaker."

Mr. LLOYD. How does the gentleman propose to get it signed down at the White House? Has he had some indication that the President has had a change of heart on this, and that he will now go forward with that, or are we really going into a function of futility?

Mr. DORNAN. An excellent point. It is a grave problem that we are all now suffering with, because I think the collective wisdom of this House, even in that 297 to 199 vote we just completed, is open to the President's advisors, the distinguished Jody Powell and Hamilton Jordan. That is a political problem I do not know how to overcome. If the gentleman will let me reclaim my time, here is the infamous letter, a very well-written letter, by General Ellis.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Lloyd and by unanimous consent, Mr. Dornan was allowed to proceed for 3 additional minutes.)

Mr. DORNAN. Here is the letter from General Ellis, beautifully written, to Mr. Carr. Let me read the last paragraph.

Mr. LLOYD. If the gentleman will yield further, I have read the letter. I understand that. But my question was, and I really would like him to address it, is, I took the beating here along with some other people here in trying to push the B–1 through. It was a very bitter failure; we lost. I also was here when the President vetoed the authorization bill. I am clearly under the impression that the White House will veto this.

Does the gentleman have indication that the President will go forward with this? The vote we just had was on another subject. I would remind the gentleman that is not the B–1 we voted on.

Mr. DORNAN. Let me delay my response for 1 second.

What we are down to is a critical political decision. Does the gentleman believe, as a defense expert, for that is exactly what he is, particularly in the field of aviation, does he believe that this is a political bomb? Does he think that this aircraft, simply because it is named with the letter "B" and the Arabic numeral "1", will be stuck like a chicken bone in the President's political throat? Does he believe that no matter how much supporting evidence is presented to the President it will be impossible for him to swallow, even if he is going down in flames in an election year? Does the gentleman believe that Jimmy Carter will never accept a B–1? Does the gentleman believe it is impossible, no matter how overwhelming the congressional report?

Mr. LLOYD. If the gentleman will yield further, I do not know what the President will do, and I honestly do not know what his motivations are. I only know this: First, I do agree with the gentleman that if I could have my choice here, right now, I would vote for it if I thought we had a modicum chance of success of having a B–1.

There is no doubt in the gentleman's mind on that, but it is my considered opinion at this point that if we have not reviewed it, we ought to do it before we go forward and louse up some other programs. I would love to have the B–1.

Mr. DORNAN. The gentleman has more insight in that area than I do. If he will allow me, I will quote two paragraphs in General Ellis' letter, the closing paragraph:

> However, when the President cancelled the B–1 program, he indicated that, if a deteriorating relationship with the Soviet Union occurred . . .

And, brother we do know it done occurred.

Mr. LLOYD. I could not agree more.

Mr. DORNAN [reading]:

> It could cause him to re-evaluate the need for a penetrating bomber. If he and the Congress believes a year's delay——

By the way I checked General Ellis' testimony before your committee recently and he revised that 1-year delay down to 6 months, I continue his letter—

> a year's delay and cost differences are acceptable risks.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. BOB WILSON and by unanimous consent, Mr. DORNAN was allowed to proceed for 2 additional minutes.)

Mr. DORNAN [reading]:

> Delay and cost differences are acceptable risks, then the B–1 remains a most acceptable alternative.

Before we came up with the BC, or "Before Christ," version of the F–111, it was called the H—Preparation H—let me continue. General Ellis, suffering with the political problems here, says, "our country needs the earliest possible relief." He needs the earliest possible relief because of the impossible strategic situation that the anti-B-1 people have created.

I understand exactly what General Ellis was saying to me today and in this letter to Mr. CARR. He wants a penetrating bomber, but here he calls it a "B–2" and says that it is important because when a new strategic bomber comes into the inventory in the 1990's, that is going to be the "B–2", to counter the Soviet Backfire "B–2". He says then that the FB–111, the "Before Christ" models, can become the night "all weather" aircraft for force projection.

Before the House Armed Services Committee, Gen. Richard Ellis said: "The B–1 is the best strategic penetrator in the world today." Of course, the B–1 is the world's best penetrator. The capability of supersonic penetrating bombers, armed with short-range attack missiles and gravity bombs, coming in low to attack enemy targets with a speed and accuracy now unmatched by any blueprint in any research and development lab anywhere in the world presents Soviet air defense planners with insuperable difficulties. And there is powerful fact in addition. The B–1 "Peacemaker" is also the world's very best cruise missile carrier. Armed with cruise missiles, and short range attack missiles and gravity weapons, it presents a threat to an enemy that can only be described as "awesome." After discharging its complement of cruise missiles, the original B–1 can penetrate drop down on the deck, at tree-top level, and head directly toward its target, deep within enemy territory, and strike with deadly accuracy. Capable of supersonic dash at high altitudes, the radar signature of the B–1 is approximately 10 percent of the massive and yet it carries twice the payload of the older, slower, subsonic SAC force.

Mr. Chairman, only a resolute strengthening of the "air-breathing leg" of the strategic Triad, preserving the most flexible options that modern technology can provide, will assure the security of the United States and the safety of the world into the next century. Are we determined to keep this fragile peace or are we not? To use "standoff" cruise missiles has some merit. And I support cruise missile development. Who does not? But the cruise missile option is not a substitute for the B–1. It never was until Jody Powell made that odious suggestion. There is a world of difference between a cruise missile and a manned penetrating bomber. A computer directed drone aircraft is the prisoner of its own predetermined guidance system. In a combat environment, in which a weapon system must cope with an infinite variety of contingencies, there is nothing mort versatile than "the human mind", the collective mind of highly skilled, well trained and experienced SAC crew. Whereas a cruise missile, once launched, is the brute prisoner of its own computer programing. A manned, supersonic sophisticated aircraft can pursue its targets by following a variety of routes. No level of sophistication built into the first, second, or third generation of cruise missiles will ever match the flexibility inherent in manned aircraft.

There is yet another reason for going ahead with the B–1. It is, after all, as one writer has recently described it, "Slow to take offense." It can be launched in a period of crisis by a President who wants to take every possible advantage of time and circumstance to demonstrate this Nation's resolve. Once "resolve" project B–1 is airborne, unlike a missile, it can be recalled. This magnificent defense system can serve in a variety of roles short of a general war. But without this aircraft, the options of a future President will be much more limited.

Mr. Chairman, my amendment is a first step. It provides a total of $500 million for the procurement of U.S. Air Force B–1 aircraft. If this amendment, and a companion amendment, are adopted, we will cut the research and development program for strategic aircraft by $100 million and increase the total allocation for strategic aircraft by no more than $200 million. From that point onward, we must do whatever is necessary to accelerate the production and deployment of these "peacemakers." Let this Congress take the initative and demonstrate to the people of the United States, as well as our adversaries in this undeniably dangerous world, that we are prepared to take decisive action to protect our security and the peace of this world well into the next century.

Gen. Douglas MacArthur wrote many years ago, before the outbreak of World War II:

> The history of failure in war can be summed up in two words: Too Late. Too Late in comprehending the deadly purpose of a potential enemy; Too Late in realizing the mortal danger; Too Late in preparedness; Too Late in uniting all possible forces for resistance; Too Late in standing with one's friends.

There is nothing to be gained by wasting more time; 3 years lost is painful enough.

I ask the adoption of my amendment of resurrection.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I think the gentleman has made some very good points about the need for moving ahead on programs of this type. I would ask the gentleman to consider withdrawing his amendment because I believe it will do great violence to the program we just passed overwhelmingly, and I would hope that the gentleman, who probably knows about aircraft and more about the B–1 than anyone in this House, could see the political wisdom of not trying to get this amendment passed and then also trying to get it past the White House, because I am reasonably sure that the President would veto.

□ 1820

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

Mr. DORNAN. Mr. Chairman, I appreciate the gentleman's compliments. If there is any Member of this House who is an expert on national defense, it is the gentleman from San Diego. One does not have to be a pilot to be an expert on what this country needs to defend itself. As the excellent minority staff members and the excellent majority staff members show our committee members regularly—if there is any Member who has more experience with a stick in his hand than I do, it is the distinguished gentleman from California (Mr. LLOYD).

The gentleman has asked me about the political ramifications, and I cannot honestly answer that devastating question.

Out of deference to this fine committee of such expertise that it has no equal on either side of the Hill, out of deference to the tireless work the excellent staff members have put into this bill, and out of respect for the dedication of all my colleagues on this committee, and due to the fact that we have just had a magnificent vote of 297 to 119 to keep the B–1 chassis on line, I will unhappily but respectfully defer to the gentleman's three decades of experience and his thoughtful request. I, too, fear a shortsighted White House veto. I will now withdraw my amendment and the amendment that I would have offered on page 6 of the bill.

I do this with complete and total confidence that both my amendments would have passed, and passed by a solid majority.

Mr. Chairman, I ask unanimous consent that I may withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

● Mr. ASHBROOK. Mr. Chairman, I rise in support of this necessary and timely amendment. I can think of few times in the history of America when there was a greater need for the Congress to move decisively in meeting an outside threat. The steady decline of American defense capabilities has recently become a virtual caving in of this Nation's ability to mount an effective show of force in critical parts of the world. This decline of American power has been shadowed by an increased boldness on the part of the Soviet Union. No matter what the rhetoric of detente used to say, that nation is and will always be, America's major opponent as long as the doctrine of Marxism drives its propagandists and its armies to destabilize the West. Since America has decided to ignore these facts and allowed itself to become weak we have faced the consequences of that weakness.

The tragedy of Iran, the loss of Southeast Asia, the loss of most of southern Africa, the tenuous hold we have on the sealanes, and the erosion of Central America are all signs of an America that has become unable to cope with the vast range of challenges the Soviets and their client states pose. Part of this inability is a failure of resolve and commitment on the part of our national leaders. Another part, however, is the loss of our Nation's ability to exercise any resolve.

It is a sad but true fact that the United States has suffered a grievous and critical decline in its defensive capabilities in recent years. Various poor decisions led to this sorry state of affairs. One of the most notable of these poor decisions was the cancellation of the B–1 bomber. What is so special about the B–1 bomber? This is a question many of my colleagues have asked on other occasions on the floor of this House. The B–1, more than any other one weapons system, provides a defensive deterrent to meet the wide range of circumstances that exist in the world today.

Since America is not by nature a warlike nation it is deterrent that most people in this country really want. The United States does not want conquest, it wants a world free of aggression. A stable world where free interaction among nations, and an unimpeded flow of commerce can take place. To create such a world the cost of destabilization must be too high for any other nation to risk. A credible deterrent, therefore, is the best insurance of peace. Wars have only come when one power perceives another as weak, and there is an orientation to achieve a national goal through violent means. The ability to meet such a challenge comes from having the means, and the flexibility, to undertake a proper counteraction.

Unfortunately, the policies advocated by many in the name of peace have curtailed many of our deterrents that assured that peace. The B–1 bomber is a weapon of war, but not necessarily of total war. A bomber, by its very conception, is only as lethal as its payload. Therefore, a bomber can be used conventionally or as a weapon in the final conflagration. The human element of piloting such a craft provides an element of final decision and final reflection that missiles cannot. A bomber can be recalled once it has become airborne, a missile must be destroyed, maybe with loss of life.

Another nation, like the U.S.S.R., realizes the destructive force of a nuclear missile, and will not force an issue that may result in that force being unleashed. However, there are opportunities for adventurism that may fall short of the threshold of holocaust. If these lower level efforts to destabilize the West combine to end the viability of the West then they too must be viewed at the strategic level. Since each thrust, by itself, does not represent a strategic level threat, the missile deterrent is not used. America's possession of a deterrent therefore becomes irrelevant, unless its is flexible enough to be used in the circumstances that are presented.

The Soviets know about such turns of events. Once they reached parity with America in strategic nuclear weapons they began to build conventional forces or dual purpose forces. These forces now have proven their ability to move in the invasion of Afghanistan. They pose major threats to Western Europe and to most points on the globe. What does America have to counter such a force? Numerically the U.S.S.R. has outdistanced the United States across the board. In quality they have approached near parity in most categories. Why, then, have the Soviets not struck a death blow to the West? The slow process of chipping away can provide that end result without startling the West into action. In the meantime, the West proceeds to dismantle its defenses, lulled into thinking that all is well because the roof has not fallen in yet.

The United States still represents the one major force capable of mustering enough strength to meet the Soviet challenge. The caution on the part of the Kremlin in its moves around the globe bears this out. However, as each year passes, this ability becomes a little less likely. Part of the reason is the United States is not bringing out new generations of weapons that can operate in an environment of advanced technology. Each generation of weapons brings with them strengths and vulnerabilities that must be addressed. If competing nations do not stay within those generations, the specter of tragedy, such as the cavalry of Poland charging Nazi tanks in 1939, becomes the reality of a nation unprepared for modern war.

In a number of weapons systems the United States is moving toward just such a tragic gap in development. One of these areas is airpower. The electronic marvels within the cockpits of our planes and in the warheads of our air-to-air missiles have provided a major edge for America in keeping a deterrent. Unfortunately, as the designs of the planes such equipment is installed in become obsolete or outdated, the ability of new technology to compensate for old basic equipment declines.

The major bomber in the American bomber deterrent is the B–52. This plane was the evolutionary step above the B–29 Superfortresses that bombed Japan in the Second World War. The first prototypes of the B–52 rolled out of the Boeing plant on November 29, 1951. That was almost 29 years ago. The bomber became the mainstay of American airpower between 1957 and 1962, when the last plane was built. This means that the airframes of our frontline bombers are between 18 to 23 years old. Placing these planes into modern combat situations is comparable to using planes designed in 1914 to fight the Zeroes and the Messerschmitts in World War II. Considering the rapid evolution of technology this gap may be even wider.

The B–1 represents the most viable replacement for the aged B–52. It has the flexibility to become a major element of America's strategic deterrent while at the same time be available for use in a conventional situation. Its design and handling qualities make it a weapon of extreme survivability in a modern war setting. The B–1 can meet the challenge posed by advanced Soviet interceptor aircraft and 10th generation antiaircraft missiles. It is a plane that provides a sharp contrast to the lumbering B–52.

Is it no wonder that the Soviets felt bolder when the decision not to build the B–1 was made by the Carter administration? Is it not also interesting that the alternative to the B–1, the fixed-wing cruise missile carrier, has not created the stir in the Kremlin that the B-1 did? Why would this be so? One reason is that the fixed-wing cruise missile carrier has no flexibility. It is only a nuclear weapon. This places the United States in the inflexible bind it is already making for itself. As long as the only deterrent is total war, the Soviets know that they will be free to operate on adventures that fall below that level of risk with little if any worry that the United States will do anything except boycott their Olympics and pass United Nations resolutions. Only through flexibility will the United States be able to meet the U.S.S.R. in a nonnuclear situation and win. The cruise missile carrier (SWL) offers less opportunity along these lines.

The effectiveness of the SWL as a cruise missile launcher is also questionable. The argument for the SWL is based on the fact that the plane can move to within 200 or so miles of the Soviet border and launch its payload of cruise missiles into Soviet airspace. Once these missiles are launched their numbers and the various electronic countermeasure gear they carry should allow sufficient numbers to arrive on target to create a credible deterrent.

However, is it a certainty that the SWL will, itself, be able to survive to the point where the cruise missiles are launched? A look at the U.S.S.R.'s air defenses brings the survivability into question. The Soviets have emphasized air defense since World War II. It constitutes the second largest section of the Soviet military. Over 2,650 manned interceptor planes and 12,000 surface-to-air missiles (SAM's), are arrayed against any invasion of Soviet airspace. In recent years the advanced warning radar grid has been able to move beyond Soviet borders to expand the early warning perimeter.

The most recent example is the Soviet movement of radars into Afghanistan. It is also possible during times of crisis for SAM's and interceptors to also be moved forward. There is even the possibility that the vast surface navy of the U.S.S.R. and land bases in client states like Cuba, Vietnam, and Angola could be used as advance air defense areas. Under these circumstances could a plane like the fixed-wing SWL fly close enough to the Soviet border to effectively launch the cruise missiles? Probably not. Only the B-1's maneuverability could bring cruise missiles close enough for effective launching.

In both conventional and strategic settings the B-1 is the only plane now available that can fulfill both roles. It is the kind of flexibility America needs to face the variety of circumstances which may be presented in the future. The SWL can serve in both functions, but its fixed-wing design and lower capabilities does not give America the performance edge it needs in the face of superior Soviet numbers and an increasingly better Soviet strategic position.

The Soviet success in spreading bases throughout the world and using its navy to straddle all the major sealanes creates a distinct disadvantage for America. In order to concentrate airpower either carriers or land-based planes must be rounded up. As we have seen with the Iranian crisis such a concentrating of power takes time and is not fully successful. The ability of a long range bomber to take off from the United States or from some airfield in Europe or Japan in order to strike into a crisis area is a necessity in the modern geopolitical environment. The B-52 provided this type of interdiction in the Vietnam war, but proved vulnerable to SAM's and to relatively old model Migs. Only a B-1 could succeed in providing such long range support or show of force, without major loss of aircraft to hostile air defenses.

I have no illusions about the role of the B-1. The long procurement leadtimes mean the B-1 may not be produced in sufficient numbers until 4 or 5 years from now. However, the B-1 will provide a new generation of aircraft that would have the capability of providing a sound deterrent through the 1980's.

This Nation cannot depend upon a bomber designed and built in the early 1950's to last us until the 21st century. Unless we act today that may be the fate of America. Any lesser aircraft, such as the SWL, provides only a false sense of security that could turn into tragedy at a critical moment. The B-1, on the other hand, is a vital step in the direction of a credible deterrent that is long overdue.●

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 2, strike out "$1,588,700,000" and insert in lieu thereof "$1,601,800,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, strike out "$2,343,800,000" and insert in lieu thereof "$2,363,100,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 4, strike out "$131,243,000" and insert in lieu thereof "$132,343,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 5, strike out "$3,129,984,000" and insert in lieu thereof "$3,151,884,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. PRICE. Mr. Chairman, I know of no other amendments to the committee amendments to title I, and, therefore, I ask unanimous consent that the remaining committee amendments to title I be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Committee amendments: Page 3, line 8, strike out "$8,326,300,000" and insert in lieu thereof "$8,387,100,000".

Page 3, line 12, strike out "$2,365,600,000" and insert in lieu thereof "$2,368,600,000".

Page 3, line 13, strike out "$51,425,000" and insert in lieu thereof "$52,125,000".

Page 3, line 16, strike out "$403,600,000" and insert in lieu thereof "$405,400,000".

Page 3, line 18, strike out "$417,100,000" and insert in lieu thereof "$406,700,000".

Page 3, line 19, strike out "$193,400,000" and insert in lieu thereof "$195,500,000".

Page 3, line 20, strike out "$51,690,000" and insert in lieu thereof "$52,490,000".

Page 4, line 5, strike out "$377,679,000" and insert in lieu thereof "$382,000,000".

Mr. PRICE (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments to title I be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the committee amendments considered en bloc.

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will designate title II.

Title II reads as follows:

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $3,110,066,000.

For the Navy (including the Marine Corps), $5,055,775,000, of which (1) $243,000,000 is authorized only for the full-scale engineering development of the Marine Corps Harrier AV-8B aircraft, (2) $150,700,000 is authorized only for the design and development of the DDG-X vessel, and (3) $44,926,000 is authorized only for the research, development, test, and evaluation of the Mobile Protective Weapons System equipped with a 75-millimeter gun system.

For the Air Force, $7,144,800,000, of which $400,000,000 is authorized only for the research, development, test, and evaluation of the Strategic Weapons Launcher.

For the Defense Agencies, of which $42,100,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1981 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law.

STUDY OF FAST LOGISTIC SURFACE EFFECT SHIP

SEC. 202. Of the funds appropriated to the Department of Defense for fiscal year 1980 which have not previously been obligated or expended, not more than $6,000,000 is available for study of a logistic surface effect ship weighing between 5,000 and 7,000 tons and capable of a speed of not less than 70 knots.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

> Committee amendment: Page 6, line 8, strike out "$3,110,066,000" and insert in lieu thereof "$3,158,449,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 6, line 10, strike out "$5,055,775,000" and insert in lieu thereof "$5,111,554,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

> Committee amendment: Page 6, line 19, strike out "$7,144,800,000" and insert in lieu thereof "$7,105,654,000".

AMENDMENT OFFERED BY MR. DELLUMS TO THE COMMITTEE AMENDMENT

Mr. DELLUMS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment offered by Mr. DELLUMS to the committee amendment: In lieu of the matter proposed to be inserted by the committee amendment, insert "$5,554,654,000".

Mr. DELLUMS. Mr. Chairman, the practical effect of the amendment before the body at this moment is to strike those funds necessary to continue the development of the MX missile.

Prior to going into the arguments that I will propose on the floor this afternoon, I would simply like to put this discussion or attempt to put this discussion in debate in a broader context than it has been considered in the last several weeks. For the past several weeks this Congress has been hell-bent to balance the budget. This House has decided that it shall embark upon a balanced budget.

What is both implicit and explicit in the commitment to a balanced budget is a rational set of priorities that now must in very specific terms be discussed program by program, system by system. So the same integrity, the same foresight, and the same analytical and evaluative exercise that goes to our concern with respect to every other program must now go to the military budget as well.

Therefore, it is within that context that I offer this amendment to evaluate specifically now the military budget, not in general terms of what our priorities are, because we have done that in the budget. Right or wrong, we have established those priorities.

Within those priorities now, we must determine, system by system, whether they are efficient, effective, necessary, et cetera.

I want the Members to look at the MX missile, and I would make several arguments. I will argue that not one single Member of this body can say with certainty how much this system will cost. Not one Member can say, and parenthetically I would challenge any Member of this body to give us a finite figure on how much this MX missile system will cost, this system that has been described by people as the largest public works program in the history of America.

The second argument that I will make is that no Member here can say with certainty whether we will even have the necessary resources, when needed, to even build this system. No Member here can make that statement with certainty.

I will also suggest that not one Member of this body can say what the system will be like in terms of size or basing mode.

So I am arguing that not one Member here knows how much this thing is going to cost, and no one knows what it is going to look like, or what its size will be. No one even knows whether we will have enough resources to build it.

Over the past several weeks we have talked about responsibility in this Chamber. We suggested that we should be responsible in the exercise of the function of spending the people's money.

□ 1830

I would suggest in the body of my argument that it is the height of irresponsibility, Mr. Chairman, to go down the road to build a system that you do not even know how much it will cost, what its size will be, what it will look like, what the ramifications will be. The height of irresponsibility. And I would suggest, further, that sooner or later, Mr. Chairman, sooner or later this system will be stopped. And I do not make that statement simply as an advocate of cutting the MX missile. I also make it as an observer in this body who is trying to suggest to the Members that this system is going to die of its own weight.

The question all of us must ask ourselves in this period of austerity is: Can we afford to go down this road and spend $10 billion, $20 billion, $30 billion, $50 billion, $60 billion, and then suddenly have to stop? Will we get our money back? What about the incredible human misery that will be the reality if we decide on the basis of priority to spend money to build this system?

Now, I have made several assertions. Let me try to argue them.

As I said earlier, my argument will strike all moneys, $1.551 billion for the further development of the MX missile system.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. Mr. Chairman, James J. Kilpatrick, well known to many of the Members here, recently characterized the MX as the Pentagon Edsel. It is an Edsel. But it will be a $50 billion or perhaps even a $100 billion Edsel. No one can say how much it will cost because no one knows how many Soviet warheads may be targeted against it. And, therefore, no one can say how big the system will eventually be. The Air Force's $33 billion estimate for the current limited MX missile system allows for no inflation. Even the General Accounting Office estimate of at least $56 billion does not include the cost for warhead development, acquisition, and maintenance, nor does it project any cost overruns. And, my colleagues, we are familiar with and have great experience with cost overruns.

The GAO noted, and I quote:

> The high cost of MX—almost $60 billion—raises a serious issue of affordability. Approved programs included in DOD's long-range plans already exceed expected procurement funding levels by about 100 percent. Other high priority programs may have to be either terminated or significantly delayed unless there is a substantial increase in the defense budget to cover MX costs.

But even this limited $60 billion-plus budget is not realistic, $60 billion is not realistic. Both the GAO and the Congressional Budget Office found that without the limitations of the Strategic Arms Limitation Treaty No. 2, the Soviets can overwhelm the presently projected MX missile system.

I might add, parenthetically, that once we stepped outside of a commitment to SALT treaty ratification, those bright people in the Pentagon should have said, "Well, there is an idea that no longer is effective," because the whole concept of the mobile missile system, the whole concept of the MX missile system, is predicated upon the notion of this country and the Soviet Union staying within the confines of an arms control environment. No SALT treaty, the MX missile system is an idea that goes poof, like smoke.

The 200-missile, 4,600 shelter-sized system assumes SALT II warhead limitations. Without SALT II restraints in force, the Soviets can increase the number of warheads and/or missiles.

Remember, many of you who argued the great power of the SS-18 warhead as having extraordinary capability. I find many of you now silent, when clearly the SS-18, with the capacity for expanded warheads, can move against this system. They can conceivably put 30 warheads on that system. Outside of a SALT treaty, you have no idea of what this system will look like and no idea what the cost will be.

The Air Force option in this instance would be the following: You either build additional shelters, increased costs, deploy more MX missiles, increased costs, and add both shelters and missiles, double increased costs. Build an antiballistic missile system, an ABM system, to defend MX. One, extreme cost; and two, violation of the only real treaty that we have with the Soviets.

We would then be looking, based on these alternatives, at a $100 to $150 billion program right in the eye, with no assurances that that even would be enough. But that is not all.

The GAO has recently issued a report that found many uncertainties regarding this system. This report found that there are serious questions regarding obtaining 20,000 to 40,000 acres necessary for this system. GAO states, and I quote, specifically:

> The Air Force is assuming that some Federal land administered by BLM of the Department of the Interior (referred to as public land) will be required for MX deployment. In fact, the Air Force's preferred siting area is almost entirely public land in adjacent areas of Nevada and Utah. Under normal circumstances public land for such projects as the MX is acquired through a formal process (known as withdrawal) in accordance with Federal statutes. With-

> drawal of public land for a project the size of MX has a large potential for major program delay because the process is complex, time consuming, and politically sensitive. The ability of the Air Force to withdraw the land necessary for MX deployment within prescribed time frames is being further jeopardized because decisions have not yet been taken which, in our opinion, are key to the timely process of withdrawing public land.

The CHAIRMAN. The time of the gentleman from California (Mr. Dellums) has again expired.

(By unanimous consent, Mr. Dellums was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. GAO further found, and I quote:

> The need for a large number of protective structures and adequate spacing between the structures dictates that the MX system will be deployed over a large area. The exact size of the deployment area is uncertain because the location of that area has not yet been determined; the amount of unsuitable terrain containing features such as mountains, archaeological sites, mineral deposits, and wilderness areas will vary by location; and the spacing between shelters has not been definitized. If sited in the preferred areas of Nevada and Utah, however, the MX weapon system will be deployed over a rectangular area encompassing about 45,000 square nautical miles of land, an area about the size of Georgia.

The GAO also found that there are serious questions whether sufficient electricity, water and building materials, concrete, can be made available at the appropriate time to build the system. Specifically, GAO said, and I quote:

> The MX weapon system will require large amounts of electricity, water, and building materials for construction and operations. As the MX weapon system progresses into full-scale engineering development, the program office has yet to demonstrate that sufficient resources can be made available at the appropriate time. Water, in particular, is a scarce commodity in the deployment areas being considered for the MX system.
>
> The usage of large amounts of resources for construction and operations could have a significant adverse impact on local and state economies. To date, no socio-economic analyses have been done, but some are underway. In our opinion, such analyses are necessary to identify any adverse impacts and to develop mitigating measures.

The GAO further underscores what we all know. To this date there is still no agreement on the MX basing mode, the basing mode changes from month to month. We do not know what we are buying. On May 1, the Air Force announced to the House Armed Services Committee that the loading dock basing mode has replaced the racetrack. Loading dock is the 30th basing mode design considered by the Air Force.

Personally, as you recall, I was hoping that we could put a hybrid together. We could have the holes and the railroad and put them together, tie up the entire Nation in holes, connect them with this railroad, and then turn it over to civilian use and the entire United States would be connected by mass transit and we would do a lot to solve the energy problems of this country. But nevertheless, we must remember that this Edsel is not just another missile. The MX is first and foremost a silent killer.

☐ 1840

It will pose a significant threat to the Soviet land-based ICBM force. The U.S. Arms Control and Disarmament Agency finds that "deployment of the MX and improvements of the Minuteman force carry with them certain inherent risks in terms of crisis stability."

It would give the United States a first strike capability that would force the Soviets to move to a "launch on warning" firing plan. That is, the Soviets would feel compelled to launch their missiles on a mere warning that the United States is attempting a first strike. This is so because the MX missile has the potential to destroy the bulk of the Soviet land-based missile force.

The CHAIRMAN. The time of the gentleman from California (Mr. Dellums) has expired.

(By unanimous consent, Mr. Dellums was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, as the Soviets are more dependent upon their land-based missiles than the United States, they would obviously feel the need to take action to avert a U.S. first strike. Thus, the MX missile greatly increases the possibility of an accidental war occurring because of a mistake made during a crisis. Given, Mr. Chairman, this litany of lunacy, why do we need the MX? We already have over 9,200 strategic nuclear bombs, compared to 6,000 for the Soviets. The U.S. ability to respond to nuclear attack is absolutely certain. No matter what accuracy the Soviet missiles attain, they could never simultaneously destroy all 1,000 of our present Minuteman missiles. In a real world attack, some missiles would stray off course, some would be duds, and some would be destroyed by mistimed explosions of others. Many missile silos would survive.

Moreover, the argument for MX assumes that the Soviets might launch a first strike against our land-based ICBM's, even though such action would bring certain devastation from U.S. air and sea nuclear forces. As the President said, in conclusion, in his state of the Union address:

> Just one of our relatively invulnerable Poseidon submarines carries enough warheads to destroy every large- and medium-sized city in the Soviet Union.

We have 31 Poseidon submarines.

As this year's Defense Department annual report states,

> Now and for the future, neither the United States nor the Soviet Union could launch a first strike that would prevent the other side from retaliating with devastating force.

Mr. Chairman, no attacker could conceivably destroy the U.S. deterrent.

I ask my colleagues to use judgment and to use wisdom and to challenge this system and join me in voting to stop the MX.

No one here can tell how much it will cost, what it will look like, what its size will be, or its impact upon the people.

To embark upon a decision that could eventually cost us $100-plus billion in my estimation is not taking our jobs as being responsible citizens and responsible legislators into proper focus.

Mr. ICHORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will be very brief, because I think we will reach the issues which the House will desire to reach, and specifically on the question of the MX and the MX basing system when the amendment of the gentleman from Illinois (Mr. Simon) is offered to the House. I will not argue at length against the amendment of the gentleman from California.

May I point out to the members of the committee that the gentleman from California, and I am sure he will not be offended when I say this, is undoubtedly one of the most persistent Members in this body. He has offered how many times, I would ask the gentleman from California, amendments to delete the MX system on the floor of this House? At least three, has he not?

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

I have offered an amendment to strike the MX missile each time that it has been in the report. We do this on an annual basis.

Mr. Chairman, I think it is my responsibility to challenge where I think it is appropriate. I think to make a challenge with respect to repetition is rather absurd, because our entire job here is repetitious I would say to my distinguished colleague.

Mr. ICHORD. My point is this, if I may reclaim my time, the gentleman from California has offered his reasons not only on the floor of the House, but in the subcommittee each and every time, too, and in the full committee, each and every time, and then again on the floor of the House.

I will ask the gentleman from California, what was the vote on the amendment each time he offered it? It was overwhelmingly turned down; was it not?

My point is this, I say to the gentleman from California, the issue is not on the MX system as the Members see it. The issue really is on the basing of the MX. We will reach that issue when the gentleman from Illinois offers his amendment. The situation is still the same. I am sure the gentleman from California will agree. The House has turned down this amendment time and time again, and the gentleman has offered no new arguments. We do need a follow-on system for the Minuteman, the land-based leg of the Triad. Our ICBM's will be vulnerable in the very near future, if they are not vulnerable already, and for that reason I would ask, Mr. Chairman, that the committee again, for about the third or fourth time in this House, defeat the amendment of the gentleman from California.

Mr. MARRIOTT. Mr. Chairman, I move to strike the last word.

I would just like to applaud the gentleman on his statements and enter into a colloquy, if I may.

I am one who has some reservations about the basing mode. I think we need another look at the system and to see where we are going. But in terms of cutting out the missile, that seems to me to be totally ridiculous.

If anybody has paid much attention to the Soviet SS-18's, 19's, or 17's, and all the rest, we simply do need to improve on the Minuteman and the Titan.

I would hope, even though some people may have questions about the basing mode which will come up later, that we do not let this amendment fool us. This is not attacking the basing mode. It is only attacking the missile itself. We should vote against it.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Missouri.

Mr. ICHORD. I agree with the gentleman. We will reach the issues, as the gentleman states, in just a few minutes.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not want to give the gentleman from Missouri a rude shock, but he will be surprised to find perhaps that I am in accord with the position that he just stated, and I am reluctantly going to oppose the amendment of the gentleman from California, even though I have voted for such an amendment in past years. I think that an explanation is in order.

But before I elaborate, I would say that I think that we are in the debt of the gentleman from California for stating very succinctly and clearly the many problems that are going to arise if we go ahead with the proposal that is presently contemplated by the Department of Defense. I am going to elaborate on that at length when we get to the Simon-Marriott amendment, which I do support.

The reason for my change in view is that the Public Lands Subcommittee, which I happen to chair, a subcommittee of the Committee on Interior and Insular Affairs, held 2 days of open public hearings on this very question this spring and had another day of classified briefings by the Defense Department on this subject. This enabled me to explore this issue in considerable depth.

First, let me say that if we assume that by 1985 or sometime in this decade, the Soviets with their new generation of accurate missiles, would be able to completely wipe out all of our land-based missiles—and as the gentleman from California has quite correctly stated, that is almost an impossible occurrence though they could certainly wipe out a substantial number of them, if the Defense Department's information is correct—nevertheless, three-fourths of all of the thousands of warheads that we can deliver by way of submarine-launched missiles and by way of cruise missiles launched from B-52 airplanes will still be there, still be an adequate and a really horrifying deterrent force, enough to give pause to any nation that is likely to be considering a nuclear assault on our ICBM's.

☐ 1850

Nevertheless, I happen to think that the basic question is: Should there be no response to the growing threat against our land-based leg of the triad? I believe the answer to that question is that there should be a response. We should not unilaterally take the risk, even if it is more of a psychological than an actual risk, that it would be seen that one of the legs, and probably the most massive leg, of the triad is vulnerable. So I do think we need to answer that question.

The issue, in my opinion, is whether the so-called shell game, or racetrack, or now drag strip, the answer? What they call it next month, or what configuration it takes is not the main issue. The main issue is should we be creating systems of 4,600 shelters and 200 MX missiles, which without SALT, may be double that. So if we go for this proposed basing system, we could well be talking about 9,000 to 10,000 shelters and 400 MX missiles with their warheads, and a cost of on the order of $100 billion.

Should we go that route with all of its vulnerabilities, with all of its unresolved questions, with all of its provocativeness? Or should we look into some other basing possibilities as, indeed, we mandated the executive branch to do by the Stevens amendment in this year's appropriation bill.

I am sorry to say that after many weeks of working on this, and days of hearings, I have found that the Defense Department has not seriously complied with the Stevens amendment, has not seriously explored the shallow underwater missile or SUM, as one of the alternatives, for example.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. True, they recently issued a report on the SUM, but that report, as I will expound in connection with the next amendment, is seriously deficient and is quite superficial.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I am glad to yield.

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman for yielding. I, too, have a recall very much as the gentleman.

I also congratulate the gentleman from California for raising the questions he has raised. But I, too, feel that the cautious and best approach is to keep the three legs of the defense that he has described. I do not agree with the basing system. We will have a chance on that in the Simon-Marriott amendment, and I would support the same position the gentleman has stated.

Mr. SEIBERLING. I thank the gentleman.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate my colleague yielding. I am to some extent startled. I can understand my colleague's opposition to the basing mode. I think we agree on the absurdity of that.

But I would ask why does the gentleman think we need such a highly accurate, silo-killing, first-strike missile capability? Second, what are the alternatives the gentleman talks about? Can we have a standoff submarine capability? Can we put Trident II's on our Trident submarines? Can we have a bomber force with cruise missile capability? What are the alternatives? And, again, the first question: Why do we need such a powerfully accurate Mark-12A warhead that has silo-killing, first-strike capability?

Mr. SEIBERLING. I am not sure we need one. But the logic of it is that if the Soviets have one, and we are going to engage in these grim, computerized games, which is what the whole nuclear strategic counterforce strategy boils down to, then the argument is that if they can attack our defense installations, including our missile sites, with a superaccurate warhead, and if all we have is a city-busting warhead and not an equally accurate warhead, they might be led to feel they can get an advantage by making a first strike.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. I am not saying I buy that argument. As a matter of fact, the Defense Department has always taken the position that they only target military targets and not civilian populations. But I am saying that an argument has been made, and it needs to be further explored, as to the alternatives. Certainly the small submarine with MX or some equivalent missile is an alternative that has not been adequately explored. In my opinion it will probably prove to be cheaper, less provocative, more effective, and far less vulnerable than the MX in the land-based mode.

Trident II is another matter. I would oppose Trident II because, in my opinion, it would be provocative and also very expensive.

Mr. DELLUMS. Will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman.

Mr. DELLUMS. The gentleman suggests Trident II is provocative by virtue of the fact, I would assume, he is stating that it is a counterforce weapon, as the gentleman probably would argue for the cruise missile, and the Minuteman I, a counterforce weapon. If that is the case, then why are we going to a higher generation of accuracy/kill capability? If the argument against the Trident II and those systems is consistent, one would argue against the MX on the same grounds.

Mr. SEIBERLING. In my opinion, the MX in the land-based mode would be highly provocative because in the end, in the last analysis, if we go through all of the ins and outs of it, we are going to end up adopting a launch-on-warning policy. Trident II would be provocative because, unlike SUM, it could be deployed close to Soviet coastlines and thereby reduce the missile flight time to the point where the Soviets would probably adopt a launch-on-warning policy.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. Seiberling was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, let me finally just say this whole strategic weapons race is a moral disgrace, not only because of the threat it poses to the human race but because of the terrible cost and waste of scarce resources, as the gentleman from California has correctly pointed out. It seems to me that, from a moral standpoint, one can only support further development of this grim panoply of monstrous weapons if, at the same time, he concedes that the only course is to proceed as best we can to negotiate a complete elimination of them.

Unfortunately, we are not in that situation at the moment, for many reasons of which everybody is aware. But that must be our goal, because to say that this will continue indefinitely, and that this deterrent versus counterforce posture is to be with us for the foreseeable future, is to abandon all morality and hope for the future.

Mr. DOWNEY. Mr. Chairman, I move to strike the last word, and rise in support of the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

I would just like to respond briefly to my colleague from Missouri (Mr. Ichord).

First of all, because the gentleman from California offers this amendment does in no way make it a personal matter. To consider spending anywhere from $50 billion to $100 billion has ramifications for millions of human beings for years into the future. It has nothing to do with how many times this gentleman has offered an amendment. When we are talking about $100 billion it goes far beyond personality. The gentleman does not come here with his personal ego on the line.

The gentleman from California is raising a significant question that this program may very well cost the American people well over $100 billion. To that extent there is nothing personal here. We must assume our responsibilities. If we cannot answer the question of how much it will cost, what it is going to look like or how big it is going to be, I would simply suggest that is not appropriate.

Just one last comment to my colleague from New York. I recall that history records that at one time there was only one person in this body who voted against the Gulf of Tonkin resolution. That person was later vindicated. Therefore, being alone does not necessarily mean that one is wrong. It just happens to mean one is in an unpopular position at a given moment, and I am sure there are many colleagues, including my colleague from Missouri, who have come to the well of the House and offered an amendment that did not succeed but, because they felt they were right, they persevered.

The gentleman from California is simply attempting to do the very same thing.

Mr. DOWNEY. I think really we have missed the boat with the MX missile. Frankly, I think we should have put it on ConRail. That way no one would know where it is.

□ 1900

We need to examine carefully the whole substance of this debate. We have known for approximately 15 years or more, ever since we started building the Minuteman in silos, that it would be vulnerable, and in order to deal with that vulnerability, we have attempted to harden the missile silos. We have done that reasonably effectively.

The basic argument for the MX, which is clear to all of us, is that by the middle 1980's—possibly sooner, possibly later—the Soviet SS-18 with its accuracy improvements and its warheads will be able to target its warheads for every Minuteman silo, and with a high degree of competence, 85 to 90 percent, be able to destroy our Minutemen. Does that necessarily mean that we have to build a racetrack or new missile? For those of you who say we need to hide our land-based missiles, that is one possible way of protecting them, and that issue will be dealt with later. For those of you who say, "Well, frankly, I am not sure how we want to base it, but I do know I want a more accurate missile that would put Soviet missiles in jeopardy," I have nothing other than utter amazement because that will solve no problem. A highly accurate MX missile will only place Soviet missiles in jeopardy, will only escalate the arms race, will only put their fingers on a hair trigger, and make absolutely no sense.

Making the southwestern part of the United States a sponge—a sponge because that is what it will be to soak up Soviet warheads—also does not make any sense. I know there are a lot of you here who do not like the SALT agreement. In fact, it is essential not only that we do SALT II now but that we get on with the business of SALT III. We need to work out an agreement where we would have prohibited zones in the ocean, where missile submarines of either side could not be kept, or safe zones where our missile submarines would not have to worry about other Soviet ASW ships looking for our submarines. If we were unable to do this—and, frankly, we might not be able to do this—at that time we might have to reexplore the question of preserving the third leg of our triad, the land-based system.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Downey was allowed to proceed for 3 additional minutes.)

Mr. DOWNEY. But it seems to me that while we have the opportunity to at least negotiate as opposed to building another generation of weapons, we should seize the opportunity. If we do not—if we do not—what we will have is we will build this sponge system in Utah, in Nevada, in other parts of this country. The Soviets will be forced to do the same, and they will add another generation of highly accurate missiles, and gone forever will be a key opportunity to slow down the arms race.

I know we are all worried and concerned about the Soviets, and they have been provocative, but what we are talking about is a perceptions question, because there is not a Soviet planner in his right mind who is going to attack the 1,000 Minuteman or any fixed-based missile system, because by that time you will have the Trident I; you will be able to destroy military targets with the cruise missile; you will be able to destroy all the high value industrial targets in the Soviet Union, and you will have all the deterrence you need. So it then simply comes down to the question—and if you talk to defense planners, they will tell you this—we have got to do this MX because there are perceptions problems. The Soviets might want to exploit our alleged vulnerability. Would you say we never had anything to worry about during the late 1940's when the Soviets were marching through Europe? When we had a complete nuclear monopoly, they were not deterred by our superiority. Today, of course they are not superior. But the whole point of the matter is—and it seems to me we are missing the boat—we are going to build a system based solely on military perceptions, because no Soviet planner is going to start a war by attacking the silos when he knows the bombers and the Tridents are there to retaliate, even if he catches some of the bombers on the airstrip and even if he manages to destroy some of the ships in port. So we are dealing with a $50 billion perceptions question, and it seems to me that we just cannot allow that to happen. We have a year or two to continue explorations with the Soviets in terms of meaningful arms control, which is just another facet of national security and strategic deterrence. If we let that go out the window, we have done ourselves a terrible injustice. We will have expanded our arsenal and made our people less secure, and I do not think that is the decision the House wants to make.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. The gentleman is one of the clearest thinkers on defense matters, as well as others, and I think he has made a very cogent statement. I am not suggesting we should go ahead and commit ourselves to the MX as a deployed weapons systems, as distinct from a commitment to research and development of the missile and possible basing options.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Seiberling and by unanimous consent, Mr. Downey was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. If the gentleman will yield further, I am not suggesting that we should commit ourselves to an MX as a deployed weapons system, and certainly we should not commit ourselves to this Rube Goldberg monstrosity that has been cooked up, variously called the racetrack, the drag strip, and the shell game. But we can conduct arms limitation negotiations simultaneously with proceeding with R. & D. In case the negotiations fall through, we would then not be in the position where we have nothing to resist the kind of blandishments that I am afraid we might, in the absence of the MX option, tempt Soviet planners into making. One of the ways we can better insure future negotiations along the lines of SALT is to have the Soviets know that we are not giving up the option of having an adequate counter to their new generation of missiles, in the event the negotiations fall through.

Mr. DOWNEY. I would only respond to the gentleman by simply saying that if we continue with the R. & D. efforts for a more highly accurate missile, it is going to have to be placed in a nonvulnerable basing system. So we come back to the very simple question of which one. The gentleman is concerned, as we all are, that the basing systems that have been heretofore offered to us are not only not going to work, but I do not think they will have the public support to see them off the ground. But even if we find a basing system, what the gentleman is still talking about is a missile system that has a first strike capability, something I know the gentleman has been an ardent opponent of.

Mr. SEIBERLING. If the gentleman will yield further, the difference, though, is if you put it in a mode where you are not likely to be tempted to use the first strike capability, if you put it in a submarine, if the submarine is not vulnerable, if it is only a few hundred miles from our shore instead of being close to the shores of the Soviet Union, it is not provocative for the very reason that it is not vulnerable.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had sufficient debate on this bill all day, and we have been here for 45 minutes on this particular amendment. I think the Members are entitled to a vote, and I am going to urge that we end the debate and prepare for a vote on the amendment.

As I listened, I was getting the impression that if we wanted to be the strongest nation in the world, we should discard all the armaments we have and get rid of our stockpiles that are there for natonal emergencies. I just do not think it works that way. I think we stand a better chance to promote peace in the world if we have the strength to enforce peace.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly?

Mr. PRICE. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding. I appreciate the statement made by my distinguished chairman, but I am simply stating that this is not the weapons system to do that. It is expensive; it is dangerous; it is impractical. That is all we are suggesting. And I am saying, let go of a turkey because we are talking about billions of dollars. We are not talking about the defense of America. This weapons system does not get you there.

Mr. PRICE. That is a matter for technical judgment. If it is proven an unsatisfactory weapons system, I hope that they will catch the flaw before they do have a full installation, but that is the responsibility of the people who will install the system, and we have checks and balances that should be able to catch that type of a situation.

Mr. Chairman, I would appreciate a vote on this amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

□ 1910

Mr. LAGOMARSINO. I thank the gentleman for yielding.

The discussion that has been going on brings to mind an episode that occurred last August when I was in the Kremlin with a number of congressional colleagues. We were meeting with the presidium of the Supreme Soviet. I related to them a number of things that had been done by our administration: cancellation of the B-1 bomber, veto of the nuclear carrier and so on and I asked, "How are you gentleman going to reciprocate?"

Do you know what the answer was? The answer, "We do not believe in unilateral disarmament."

I think the gentleman is correct. I think we must be strong if we are going to be able to deal and to negotiate.

Mr. PRICE. Mr. Chairman, I have been in this business a long time. I remember as far back as the first nuclear submarine. They had their opposition. There is no new system that comes along that does not have some opposition.

Mr. BURLISON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I do not share the rosy outlook of my friends from New York and California with respect to a friendly relationship with the Soviet Union. There can be little doubt in our minds that, while our strategic nuclear weapons may not be an all-purpose deterrent, they do comprise the foundation on which this Nation's security rests.

A strategic nuclear attack could threaten the existence of the United States. For that reason, our strategic forces must be fully adequate at all times to clearly deter such an attack. At the same time, nuclear forces also contribute, through concern about escalation, to deterrence of nonnuclear attacks.

The Soviets are attempting to undermine this nuclear deterrence by deploying a threat to our ICBM's. That threat is only now beginning to become a reality. But within a couple of years or so, we can expect the Soviets to achieve the necessary combination of ICBM reliability, numbers, warhead yields, and accuracy to jeopardize most of our Minuteman and Titan silos. This increased vulnerability does not necessarily mean a Soviet surprise attack. But it does mean that a significant portion of the strategic triad would be eroded, and that the Soviets would be encouraged to undermine the air breathing and submarine-launched missile portions as well. We must not allow this to happen. The MX missile will insure that it does not.

There are those that would argue that a favorable consideration of SALT II would negate the requirement for MX. There are two very big "ifs" involved in that argument. First, "if" we ever get favorable consideration of SALT II, and right now we are heading in the opposite direction; and second, "if" we are willing to trust that the Russians will not violate the agreements, once achieved. Personally, I am not ready to accept either condition.

The President must be given as much flexibility as possible in making his crisis decisions. It is one thing to have an operational capability to launch nuclear weapons, either with warning or under attack. It is a completely different matter to be forced to launch them in order to avoid losing them to an attacker. This latter situation, with its vulnerability to accidents and false alarms and with more accent on hasty action rather than deliberation and control, is unacceptable to the United States. We must have a force capable of riding out an attack. The MX system along with the rest of the Triad will provide the national command authority with the flexibility to do these things.

In deference to the many environmental and cost objections raised by the Congress and the public, the Department of Defense has made numerous "technical refinements" to the proposed program. Included in these changes are: First, a shift to a horizontal rather than vertical basing system; and second, a shift to a linear road system rather than the race track deployment. These and other related changes will cut more than $2 billion in fiscal year 1980 dollars from the MX price tag of $33 billion. Considering an annual budget in this country of over $600 billion, this seems a small price to pay when spread over the next 10 to 12 years. I urge my colleagues to defeat this amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BURLISON. I yield to the gentleman.

Mr. DELLUMS. I thank my colleague for yielding.

First, Mr. Chairman, I would like to say to my colleague, to clarify the RECORD, what I stated with respect to SALT ratification was to not ratify the SALT treaty II negates the whole MX missile system.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. BURLISON was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Will the gentleman yield further?

Mr. BURLISON. I yield to the gentleman.

Mr. DELLUMS. Stepping outside the confines of an arms control environment allows the Soviets at least theoretically to expand the number of warheads on their missiles, particularly the SS–18.

Mr. Chairman, I am simply saying that if not having a SALT treaty negates the entire purpose of the MX missile system, then are we not developing a system that is vulnerable and the question is why are we developing a MX system to ostensibly replace a vulnerable ICBM system with a vulnerable MS missile system to an expanded ICBM force of the Soviet Union? It is just a rational argument.

Mr. BURLISON. Mr. Chairman, I appreciate the gentleman's contribution. I disagree with the gentleman's reasoning that a failure to reach a SALT II agreement negates the advisability of the MX system. I do not follow that reasoning.

The CHAIRMAN. The time of the gentleman has expired.

● Mr. EDWARDS of California, Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered by my colleague from California.

I would also like to thank Mr. DELLUMS for providing me with an opportunity to demonstrate my unequivocal opposition to the MX missile. It seems to me that if we were reasonable people we would have dispatched with this debate years ago when it first came up rather than continuing to waste time and money debating the merits of this basing mode. My hope, and it appears to be well founded, is that with each year of debate more of us will come to recognize the folly of this Brogdignagian scheme developed by the Pentagon. I saw today that James Kilpatrick referred to the MX as the Pentagon's Edsel. However, I think Mr. Kilpatrick was much too kind. At least the Edsel was a harmless failure. In my mind this scheme conjures up images of Ford and GM collaborating to produce a hybrid Corvair-Pinto rolling down the road on Firestone tires.

I am well acquainted with the arguments regarding the vulnerability of our land-based component of the nuclear Triad defending our country. In fact, I have heard the arguments so many times that I have to remind myself that it only comprises 20 percent of our total nuclear capacity. Even accepting the argument that our ICBM's would be completely vulnerable to a Soviet first strike, this would still leave us with a substantial capacity to inflict damage on our enemy. With our ICBM's destroyed we still might have 80 percent of our nuclear forces operable.

I know that this system is designed to protect the security of our Nation and our people, but I have a hard time equating the annexation of a chunk of land the size of Georgia, the spending of $60 billion, the use of several billion gallons of water, and the disruption of the lifestyle of several million Americans as something which enhances our security. The system we are discussing is ecologically unsound, economically inefficient, and downright ridiculous. If we are interested in the security of our Nation, let us quickly divert this $1.6 million from the MX missile scheme to something which will be less detrimental domestically and more effective as a weapons system. Everyone knows that a shell game is only a con scheme, but why should we con the American people. Let us take this opportunity to realistically improve our country's defenses and vote for the Dellums amendment.●

The question is on the amendment offered by the gentleman from California (Mr. DELLUMS) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 82, noes 319, not voting 31, as follows:

[Roll No. 234]

AYES—82

Addabbo
AuCoin
Baldus
Bedell
Beilenson
Bingham
Bonior
Brodhead
Burton, John
Burton, Phillip
Carr
Clay
Collins, Ill.
Conyers
Corman
Dellums
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Erdahl
Ford, Tenn.
Garcia
Gray
Green
Hawkins
Hollenbeck
Holtzman
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Leach, Iowa
Lehman
Leland
Lundine
McKinney
Maguire
Markey
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Nolan
Nowak
Oberstar
Ottinger
Paul
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Roybal
Runnels
Russo
Sabo
Shannon
Simon
St Germain
Stark
Stokes
Studds
Thompson
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Williams, Mont.
Wirth
Yates
Young, Mo.

NOES—319

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Dougherty
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Oakar
Obey
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rostenkowski
Roth
Rousselot
Royer
Rudd
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Yatron
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—31

Anderson, Ill.
Anthony
Archer
Boland
Brown, Calif.
Chisholm
Cleveland
Coelho
Davis, S.C.
Diggs
Edwards, Calif.
Findley
Giaimo
Hanley
Holland
Howard
Mathis
Mica
Moorhead, Pa.
O'Brien
Pepper
Rodino
Roe
Rose
Satterfield
Steed
Vander Jagt
Weaver
Wolpe
Wydler
Young, Alaska

☐ 1930

The Clerk announced the following pairs:

On this vote:

Mrs. Chisholm for, with Mr. Howard against.

Mr. Diggs for, with Mr. Rodino against.

Mr. Wolpe for, with Mr. Hanley against.

Mr. Edwards of California for, with Mr. Pepper against.

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. BAILEY. Mr. Chairman, for more than 20 years our Army has been operating with tanks, armored personnel carriers, and other tracked combat vehicles designed for the battlefields of the 1950's and 1960's. Those old systems like the M60 and M113 served us well and they still have mileage left in them. They have been modified and improved over the years to try to keep pace with the threat. But there is a limit to how far you can go with product improving a weapons system originally designed for a battlefield environment which no longer exists. A tank with a modern fire control system and 1940's armor technology is still an outmoded system.

The lesson of history is unmistaktable: Armies that fail to modernize their equipment and their doctrine periodically to keep pace with technology are armies that lose on the battlefield.

A decade ago, our Army began preparing for the day when new systems would be required for the battlefields of the 1980's and 1990's. It has been a long, painful process but today a new Army is beginning to roll off production lines around the country—a new family of weapons systems that represent a quantum leap instead of an incremental step forward in capability, survivability, and firepower.

Fiscal year 1981 is a watershed year in Army procurement. It marks the first year of full-scale production for two revolutionary vehicles which will change the nature of the battlefield—the XM-1 tank and the XM-2 infantry-fighting vehicle. This year we are procuring 569 XM-1's and 400 IFV's.

We are all familiar with the history of the XM-1 and the problems it experienced in development. The Armed Services Committee has monitored its progress very carefully to insure that it not be rushed into production prematurely. But the Secretary of Defense—and hard test results—now attest to the fact that the problems have been solved. Accordingly, the committee recommends approval of the fiscal year 1981 request and additional long lead funding to achieve a production rate of 90 XM-1's per month by June 1983. This schedule would give us a fleet of 7,000 modern tanks in the force by 1987—a minimum acceptable number, considering that the Soviets are producing upwards of 3,000 tanks per year.

The XM-1's battlefield companion, the IFV, is the first true combat vehicle the Army has ever had. Its predecessor, the M113, is really a "battlefield taxi" which the infantry rides to the battle area; they must dismount to fight. Incredible as it may be, the U.S. Army is the last major Army in the world to field a fighting vehicle for its infantry forces. The Russian BMP has been in the field since 1967.

Mr. Chairman, as the Army begins fielding the XM-1, the IFV, and other modern weapons systems in meaningful numbers, we are going to hear a lot about their cost. And they are costly. Our Army lost a decade of modernization on the battlefields of Vietnam and it now faces bloc obsolescence. The old systems are wearing out and they are going to be expensive to replace.

It is going to require substantial real growth in the Army procurement accounts over the next several years to finance this "bow wave" of deferred purchases. However, it is exactly the same kind of real growth each of us faces in our own personal accounting when we are forced to buy a new car because giving the old one a tuneup and a paint job would not extend its useful life.

Expensive as it is going to be, I submit to you that the Army modernization program is still a bargain in the context of its contribution to defense. The cost of tanks, IFV's and other tracked combat vehicles—the heart of the Army's combined arms team—represents about 4 percent of this bill. And despite all we are hearing about the Army bow wave, Army programs constitute less than 17 percent of the total authorization, quite a bargain when you stop to consider that, in the final analysis, wars are won by armies on the ground.●

● Mr. MATTOX. Mr. Chairman, the bill before us authorizes appropriations for research, development and procurement for the Department of Defense. It also authorizes appropriations for the civil defense activities of the Federal Emergency Management Agency.

As reported, this bill authorizes appropriations of $6.3 billion above the amounts assumed in the House-passed first budget resolution.

This is not a spending bill. It does not provide budget authority or results in outlays. Furthermore, funds appropriated pursuant to this authorization are historically lower than authorized amounts.

The first budget resolution for fiscal year 1981, as passed by the House, provides that appropriations which exceed the allocation in the budget resolution not be enrolled until after the second budget resolution is adopted. The Budget Committee will carefully track the appropriations bills which will fund the programs authorized by this bill to insure the overall national defense function totals adopted by the Congress in the first budget resolution for fiscal year 1981 are maintained.●

Mr. PRICE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6169. An act to establish the Bogue Chitto National Wildlife Refuge.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) entitled "An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.".

APPOINTMENT OF CONFEREES ON S. 2009 CENTRAL IDAHO WILDERNESS ACT OF 1980

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2009) to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes, with a House amendment thereto, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. CLAUSEN. Mr. Speaker, reserving the right to object, I do so for purposes of engaging in a brief colloquy with the chairman of the committee because, as the chairman knows, there has been some concern over the fact that the boundaries, as they go to conference, have not been relevant to the mapping that came out of the committee, and so there have been some reservations.

So I want to make certain that before we go to conference, we would have the assurances from the gentleman that there would be no scheduled conference unless the majority cleared with the minority on the time that the conference would be held that the House would participate in.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. CLAUSEN. I am happy to yield to the chairman of the committee.

Mr. UDALL. Mr. Speaker, there is a serious dispute among some members of the committee about precisely what the committee did when it adopted an amendment in committee that was offered by the gentleman from Nevada (Mr. SANTINI). It is my position that this was superseded by what the House did and will also be superseded by what the conference does.

There is a serious and somewhat emotional dispute between some of the Members about precisely what the committee intended with reference to a map at the time this legislation was considered by the full Committee on Interior and Insular Affairs.

I propose to get that matter settled and to provide an adequate forum so that it will be resolved at a proper time before we actually go to conference. I have given assurances of that to the Members on the minority side.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker. I thank the gentleman very much for yielding.

Mr. Speaker, what the distinguished committee chairman is saying is that if the dispute over the acreage and the lines on the map relating to the Santini amendment is not settled to the satisfaction of the minority, the chairman will not call a conference during that week prior to June 7?

Mr. UDALL. Mr. Speaker, let me qualify that. The timing is correct, and I will not propose to convene the conference until this matter is resolved.

I cannot guarantee that we will simply cave in to any demand made on the part of the minority, but at worst, if we do run into difficulties, there will be a meeting of the full committee to resolve this matter before we proceed to conference.

Mr. SYMMS. So we can fully air this matter?

Mr. UDALL. A motion can be made to settle what was done and what was not done and debated and voted on so that this matter can be clarified and settled and put to rest before we go to conference.

Mr. SYMMS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I include for the RECORD a letter, dated May 6, 1980, directed to the chairman of the committee, as follows:

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., May 6, 1980.

Hon. MORRIS K. UDALL,
Chairman, Interior and Insular Affairs Committee, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The recent action by the Public Lands Subcommittee staff of significantly altering the boundaries of the so-called "Santini Amendment" to S. 2009, the Central Idaho Wilderness Bill, is an affront to us, to the Interior and Insular Affairs Committee and to the entire House of Representatives. We most strongly object to this action and demand that the boundaries be redrawn in accordance with the clear intent of the sponsor of the amendment as well as those who voted for its adoption.

Allow us to bring to your attention the lengthy legislative history accompanying this amendment in order to demonstrate the clarity of its result:

The "Santini Amendment" to exclude the "cobalt trend" from wilderness did so by decreasing total wilderness acreage from 2,285,000 to 2,235,000 for a remainder of 50,000 and by changing the boundaries to reflect the deletion of an area entitled "Underground Mining Area—Clear Creek," dated November 1979. Attached to the "Santini Amendment" was a map of the area of concern outlined in heavy black lines with the label W4504 and including not only W4504 but an area west of W4504, outside the original primitive area boundary. Subcommittee staff, with the use of a planimeter had determined that the entire area comprised approximately 50,00 acres. The label W4504 was that applied by the Forest Service to the West Panther Creek Area which, according to the Forest Service, consisted of 50,000 acres.

Interior Committee debate regarding the "Santini Amendment" centered about 50,000 acres:

Mr. SEIBERLING. "No, the Santini amendment would simply drop out 50,000 acres from the Wilderness proposal." . . .

Mr. SANTINI. "(W)e are looking at 50,000 acres, or less than 2 percent of the whole area." . . .

Mr. SYMMS. "There's 50,000 acres up there."

The Committee report speaks of 50,000 acres in describing the action taken by the Committee and refers to the area by the name used by the Forest Service to describe W4504, to wit:

"West Panther Creek Area."; "This was the largest boundary change made by the Committee and resulted in the deletion of the approximately 50,000 acre Clear Creek Underground Mining Area (the so-called West Panther Creek Area) from wilderness."

Supplemental views signed by 23 members of the Committee also use the Forest Service terminology as well as the 50,000 figure:

"The Committee excluded by a vote of 23-15 the 50,000 acre West Panther Creek Addition (RARE II W 4-504) from the proposed River of No Return Wilderness because of its highly favorable geological potential for discovery of significant cobalt deposits."

Separate views signed by Chairman Udall and Seiberling along with eleven other Members refer to the deletion of "the 50,000 acre Clear Creek/Garden Creek area." At another point the views refer to "the entire 50,000 acre area." At three additional and separate points, the views refer to "50,000 acre area." In addition, when discussing "the entire 50,000 acre unit," the views refer to the WARS rating assigned by the Forest Service to the area. The Forest Service rating was to the entire W4504, not some smaller unit within W4504.

Most importantly, the Separate Views conclude:

"The wilderness boundary approved by the Committee would jeopardize these values and exclude a number of lakes at the head of Clear Creek, which are part of the Bighorn Crag's lake complex. Three of these lakes, Big Clear Lake, Crater Lake, and Gooseneck Lake, provide excellent Golden Trout fishing."

These lakes, however, are neither in the northeastern portion of W4504 nor in the southern part of W4504. The lakes are in the non-W4504 area of the "Santini amendment" map, the most westerly portion of the entire area.

As is clear from the above recapitulation, the debate, the Report, the Views all refer repeatedly to the figure 50,000 acres. Only once is reference made to the "Underground Mining Area—Clear Creek," that in the Committee report. However, that reference called the area by its Forest Service W4504 name ("West Panther Creek") and referred to it as including 50,000 acres. The "Santini amendment" struck all reference to the "Underground Mining Area—Clear Creek" from S. 2009. Thus the only guidance provided is the figure 50,000 acres. As well, the map submitted with the Santini amendment clearly included not only W4504 but an area west of W4504 outside the original primitive area boundary.

It is obvious that the clear intent of the "Santini Amendment" from the 50,000 change as well as the constant reference to that figure in debate and views was to exclude the entire indicated area, not just the 30,000 plus acres contained in northeastern W4504. The fact that this was our intent and was so interpreted by the Committee is clear from the fact that Chairmen Udall and Seiberling and eleven other Members in separate views indicate their belief that the Committee vote established the boundary as that shown in the map accompanying the "Santini Amendment."

We urge you not to allow this outrageous violation of a Committee vote by staff to continue. Staff must be instructed to redraw the boundary and to so advise the U.S. Forest Service, the U.S. Senate and all Members of the Interior Committee.

Sincerely,

Don Clausen, Douglas Bereuter, Robt. J. Lagomarsino, Keith G. Sebelius, Ron Marlenee, Steven Symms, Don Young, Dan Marriott, Charles Pashayan, Bob Whittaker, Manuel Lujan, Jim Johnson, Jim Santini, Harold Runnels, Dick Cheney, Dawson Mathis, Nick Rahall, Mickey Edwards, Austin J. Murphy, Ray Kogovsek, Lamar Gudger, Jerry Huckaby.

□ 1940

Mr. CLAUSEN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, I would like to ask the chairman of the committee whether or not the letter that the chairman of the Subcommittee on Mines and Mining authored and which 22 members of the full committee signed will be honored, and that is that we will acknowledge that the 50,000 acres that the full committee was talking about, as opposed to the map that the subcommittee staff subsequently submitted, will be honored, we asked the chairman to notify the forestry people down at the White House and we asked them to notify the people on the Senate side, if that request will be honored before we agree to the unanimous-consent request?

Mr. UDALL. If the gentleman will yield, let me say to the gentleman that everyone knows that it is pretty easy to circulate around among your colleagues and get signatures. There are 22 signatures on this letter asking for certain action to be taken. I know of no provisions of the rules of parliamentary law that permits me as the chairman receiving a letter from 22 Members to go back and to change the official record of what the committee did or did not do.

What I propose to do is to either negotiate this out before we go to conference between all of those involved, or to call a meeting of the committee and to have a motion made along the lines of the letter and to have it resolved one way or the other.

But I do not think I can do this unilaterally simply because members of the committee sent me an ex parte letter coming to certain conclusions.

Mr. JOHNSON of Colorado. If the gentleman from California will yield further, as long as the chairman of the committee will give us the assurance that he will call a meeting of the full committee in the event that we cannot reconcile this, then I will not object, because I respect the integrity of the chairman of the full committee and everything that he has agreed to do.

Mr. UDALL. I thank the gentleman, and I give him those assurances. I am going to try first to have it settled among those directly involved, the gentleman from Idaho, the gentleman from Nevada, the gentleman from Ohio who chairs the subcommittee. If not, we have to go through a conference or a full committee meeting to get it resolved officially. And that will be done before we go to conference.

Mr. CLAUSEN. Mr. Speaker, further reserving the right to object, I understand from the chairman that no House participation in the conference, where the majority and minority of the Interior Committee is involved, would be agreed to unless it was mutually agreed to by the chairman and the ranking minority member of the Interior Committee.

Mr. UDALL. This is correct. I cannot

give any Member a veto on what we do. The committee has to decide that. But the committee will decide it if we can negotiate it out. I have assured the gentleman that no conference committee will be convened until at least the week of June 3. If we cannot get in the week of June 3, we will get in the next week. But before that time, I propose to have this matter resolved.

Mr. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman resolve this before tomorrow and maybe come and get a unanimous-consent request tomorrow?

Mr. UDALL. No. I will tell the gentleman, if he will yield, that there will have to be some negotiations, there may be some harsh words, there may be a vote in committee. But it will be resolved. I have to leave for a family funeral tomorrow. I wanted to get the conferees appointed, to get an agreement as to when we might go to conference and to lay the framework for resolving this. That is all I am trying to do tonight.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, could that all take place next week, or is there a crisis of some kind?

Mr. UDALL. This is one of the important bills before our committee. We have worked long and hard on it. I do not like to see another week go by.

Mr. ROUSSELOT. Next Tuesday is not a whole week. I am just wondering since I have been approached individually by several members of the gentleman's fine committee who signed that letter, they were very concerned. I appreciate the assurances the gentleman gave to the gentleman from Colorado, the gentleman from California and the gentleman from Idaho, and that those people who signed the letter to the gentleman would be reassured that that would be taken into consideration. But I really do not understand what the big push is. If you really have this conflict that does exist within the committee, what is the big rush to get there tonight?

Mr. UDALL. If the gentleman will yield to me, we have gone to a great deal of difficulty. The proposal that I have suggested here tonight is agreeable to the gentleman from Idaho, who is directly and personally involved in this legislation, the ranking minority member, the gentleman from California (Mr. CLAUSEN), the gentleman from Colorado (Mr. JOHNSON), who is an important member of our committee, and others. I would hope that the gentleman would not object. It is partly a matter of personal convenience to me, but more than that, to get a framework for resolving this disputed and emotional matter and to know when we are going to do things and what we are going to do, and I cannot set that in motion until conferees are appointed.

Mr. ROUSSELOT. And there is great damage done if you do not name the conferees until next Tuesday?

Mr. UDALL. We had hoped to dispose of this.

Mr. ROUSSELOT. The gentleman is going to be gone within the next 2 days.

Mr. UDALL. I will be back on Monday. We could do it Monday or Tuesday. But it is all settled, and I hate to get the cast of characters all back together again and go through this next week.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, does not the gentleman have to do that anyway because of the letter?

Mr. UDALL. No. That is a separate problem that I am going to begin on as soon as we get this unanimous consent.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona? The Chair hears none and, without objection, appoints the following conferees: Messrs. UDALL, PHILLIP BURTON, SEIBERLING, SANTINI, WEAVER, KOSTMAYER, VENTO, CLAUSEN, JOHNSON of Colorado, SYMMS, and YOUNG of Alaska.

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be allowed to sit during the 5-minute rule tomorrow, to get out some bills that we need to get out.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, the gentleman assures us he will not meet beyond 12 o'clock?

Mr. STAGGERS. If the gentleman will yield, I would like to explain to the gentleman that we have one bill that I think we can get out before noontime, which is very important; but there are some other minor bills that I would like to get out if it is possible. I would like to have full permission, if possible, to sit for whatever time we need to sit.

Mr. ROUSSELOT. Further reserving the right to object, on the basis of discussions we have had, and because we do come in early tomorrow, could the gentleman make it until 1 o'clock?

Mr. STAGGERS. Let us try to make it 2 o'clock, if the gentleman would, because we do have some bills. If we do not get them out, we do not get them under the deadline, that is all; and there are some that I am sure that the gentleman is interested in and nearly every Member is interested in.

Mr. ROUSSELOT. Further reserving the right to object, my understanding is that the gentleman has stated to me that there are only one or two bills?

Mr. STAGGERS. No, no. There is one important bill that we need to get out.

Mr. ROUSSELOT. Which is?

Mr. STAGGERS. The railroad bill, which has to do with the carters, and so forth, in the West and the East, and we need to get it out. The deregulation bill. But then we have four or five bills, and I would have to be truthful with the gentleman that we would like to get them out.

Mr. ROUSSELOT. Further reserving the right to object, I know the gentleman has consulted with the ranking minority member of the committee, the gentleman from Illinois (Mr. MADIGAN), on the railroad bill.

Mr. STAGGERS. That is true.

Mr. ROUSSELOT. But what about the other bills? Has the gentleman given notice to the member?

Mr. STAGGERS. No, I have not. I would have to be very honest with the gentleman. I was coming from the doctor, and I thought I would stop in to see if I could get permission.

Mr. ROUSSELOT. Could we just have it for the one bill then?

Mr. STAGGERS. The rest of them would go down the drain, then. I could name some of them. They are all important bills, but they are minor bills to a certain degree.

Mr. ROUSSELOT. There is no other time next week?

Mr. STAGGERS. No. The time runs out. We will not abuse the time. I can assure the gentleman that. We will try to get them through as soon as we can.

Mr. ROUSSELOT. Maybe the gentleman could get those out before 12 o'clock. Why do we not reconstruct the request to include the railroad bill and hopefully get the minor bills out of the way earlier in the day?

Mr. STAGGERS. Would the gentleman let me have until 2 o'clock?

Mr. ROUSSELOT. Two o'clock.

Mr. STAGGERS. I thank the gentleman very kindly.

Mr. ROUSSELOT. The gentleman will just take up the railroad bill primarily?

Mr. STAGGERS. That is primary. And we will get out what we can get out.

Mr. ROUSSELOT. The unanimous consent request applies only to 2 o'clock.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 14, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 10:55 a.m. on Wednesday, May 14, 1980, and said to contain the fiscal year 1979 annual report of the Corporation for Public Broadcasting.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY.
Deputy Clerk.

ANNUAL REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following communication from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

(For message, see proceedings of the Senate of today, May 14, 1980.)

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives.

WASHINGTON, D.C.,
May 14, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you that I have received a subpoena issued by a United States District Court, commanding my attendance at a judicial proceeding scheduled for May 20, 1980. The subpoena requires that I testify and produce certain records maintained by my office.

The subpoena is available in my office for inspection by Members of the House.

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

☐ 1950

GENERAL LEAVE

Mr. DORNAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the strategic manned penetrating system during general debate today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 1981

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, as chairman of the Defense Subcommittee of the Appropriations Committee, I feel a need to make some general comments regarding the bill as reported by the Armed Services Committee.

I believe there is excessive funding and premature funding in many of the programs as set forth in this legislation. I also feel that funding of an MX at $1.5 billion and the resurrection of the B-1—a cost-ineffective, vulnerable weapon of the late 1980's—is a waste of needed defense dollars—especially when cost-effective weapon systems procurements are reduced.

Mr. Speaker, I would ask my colleagues to carefully listen to and judge the amendments to be offered. I am hopeful the House will carefully review these and other wasteful programs.

Mr. Speaker, there is a new subject addressed in this legislation which I feel I must more fully address and that is the question of the authorization of operation and maintenance.

AUTHORIZING OPERATION AND MAINTENANCE

On pages 22 and 23 of the House Armed Services Committee report on the Department of Defense Authorization Act for fiscal year 1981, the Armed Services Committee discusses the rationale for having annual authorization for operation and maintenance.

Frankly, I see no reason, except for its cost and details, to oppose the annual authorization of operation and maintenance funds. It will probably make the Appropriations Defense Subcommittee work much easier and provide us with a new army of analysts who will continue to raise new issues and subject the request to more detailed scrutiny. However, this requirement for annual authorization will undoubtedly increase the Department's staff requirements in that they will have to be responsive to four committees for annual budget submissions for O. & M. and all reprograming actions will have to flow through all four committees.

In addition, it would be necessary to increase the authorized levels in a separate bill before requesting additional funds for supplementals and amendments. Undoubtedly, authorization of operation and maintenance will greatly reduce the Department's flexibility in its use and prolong the time required to obtain supplementals or amended funding requests.

I do take exception to the explanation for authorizing O. & M. in the examples used in the paragraph in the middle of page 23.

The House Armed Services Committee report states that the Air Force has requested only 8 flying hours per month for F-16 aircraft deployed in Europe. The fact is that the Air Force has requested a total of 20 hours per month for its average primary F-16 aircraft inventory. The request has been held to a total of 240 flying hours per F-16 for the year or 20 hours per month, not because of funding problems but because of projected F-100 engine problems. The request for F-16 flying hours is carefully footnoted in at least two places in the Air Force justification book indicating that the F-100 engine problems will preclude the Air Force from flying the program it would like to fly. Normally, we would fund about 30 hours per month for aircraft like the F-15, F-16, F-4, and so forth.

The report states that the Army has insufficient funding in the first and second destination transportation accounts which preclude it from shipping ammunition already produced to Europe. This is not the problem at all. The plan in the fiscal year 1980 budget would have delivered another 98,000 short tons of ammunition to Europe. However, long before the budget was executed, it was necessary for the Army to reduce this estimate, not because of a shortage of transportation funds but because there was no place to store the ammunition in Europe. In order to make room for a reduced program of 75,000 short tons, it was necessary for the Appropriations Committee to add $2.7 million above the budget to lease additional materials handling equipment and hire temporary labor to redistribute ammunition within the current storage sites in order to gain better utilization and at least keep some of the ammunition flowing. To call this a transportation funding problem does not give the full facts. Let me give you the travel and transportation figures for fiscal year 1980.

The original fiscal year 1980 Department of Defense budget submission included $5.7 billion for travel and transportation. In the continuing resolution on the fiscal year 1980 budget request, at the urging of the Senate, the Congress included a provision which reduced travel and transportation costs to the entire Federal Government by $500 million. At that time it was estimated that DOD shares was approximately $350 million.

Because of budget amendments and for object class 21—travel of persons and object class 22—transportation of things. The current limitation as of this moment is $7.1 billion, an increase of $1.4 billion over the original budget submission. This increase takes place at a time when the Congress had a limitation and control over the use of funds for travel and transportation.

The final example cited in the report is the Navy's need to support the Indian Ocean operations by reducing the number of ship overhauls. The supplemental bill which will be on the House floor on Thursday, contains $249.8 million to support Indian Ocean operations. The Navy did slip three overhauls from September 1980 to October-November 1980 against the wishes of the Appropriations Committee. This does represent a 2- to 3-month delay. However, the long-term outlook for the ship overhaul program is much better than it has been in recent years. During the past 4 years, the backlog has been reduced by two-thirds and the Navy is on a schedule to entirely eliminate the backlog by the end of fiscal year 1982.

Finally, I would like to add a word about another misconception presented in the report. The report states:

> In recent years, there has been an alarming tendency to finance needed weapons programs increases by offsetting reductions in the operation and maintenance accounts.

In terms of real dollars, the fiscal year 1981 budget submission is very close to the fiscal year 1964 budget, the last year before the Vietnam war. In 1964, operation and maintenance expenses of the Department of Defense were 30 percent less than procurement costs. All indications for fiscal year 1981 are that O. & M. outlays will be at least 25 percent greater than procurement. This dramatic shift has taken place despite DOD's having 200,000 fewer civilian employees, 200 fewer ships and 1,000 fewer aircraft, all of which are paid or maintained and operated with O. & M. funds. In addition, we have 700,000 fewer military personnel who are indirectly supported by O. & M. funds. Even DOD admits that there has been real growth; that is, above inflation in O. & M. of $11.7 billion between 1964 and 1981.

I hope that this helps to put the current situation in perspective.

INDIVIDUAL HOUSING ACCOUNT ACT OF 1980

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, for many months economists have been debating the issue of whether our Nation is yet in a recession and how deep that recession will be. Perhaps there is room for debate about whether some sectors of the economy are experiencing a recession, but so far as the housing industry is concerned, there can be no doubt that a shortage of mortgage credit and record high mortgage interest rates are bringing homebuilding to a screeching halt.

The housing depression which we are now experiencing will put many homebuilding firms out of business and cause severe hardship for the families of carpenters, bricklayers, plumbers, and other construction tradesmen who will be out of work. It will affect all businesses related to housing—appliance manufacturers, household good makers, and so forth.

A precipitous drop in housing starts, like the one we are experiencing at the present time, not only causes severe dislocations in the building industry, but also has a long range inflationary impact on our whole society. Because there will be fewer homes available to meet the increasing demand of the post-war baby boom generation which is now in the process of family formation, house prices will rise sharply as those families bid for the limited number of homes which are produced.

The tragic effect of our boom and bust housing cycle and resultant underproduction is that it is pushing homeownership beyond the means of all but a few of our young families. Those of us who already own our own homes rarely stop to think that if we wanted to buy the house we live in today, we could not afford it. Rising house prices and rising interest rates have pushed homeownership beyond the means of all but a few of the families who do not already own their homes.

As more and more young families realize that home ownership is beyond their means, our society will begin to feel a negative effect. The way in which most families gain a stake in our society is by buying their own homes. So long as the average American family sees the dream of home ownership as a realistic possibility, they will feel like they have a stake in our society and a goal to work for. If the average family is deprived of that dream, then our society will pay the price in a loss of motivation for our workers and a loss of the stability which home ownership gives, and has always given, for the majority of our people.

Although interest rates are at historic highs at the present time, studies have shown that the principal constraint for home ownership is not the interest rate but the downpayment requirement. Because house prices have risen so dramatically, downpayment requirements have become an increasingly difficult hurdle for the first-time home buyers to get over, because they lack equity accumulation from a previously owned residence.

The bill which I am introducing today would assist young families in accumulating the downpayment needed to purchase their first homes. The concept for this bill was brought to my attention by a unique report issued by the Housing Task Force of the Greater Boston Real Estate Board. This task force, addressed the problems of housing availability and affordability of the Boston area.

This housing task force report concluded there was a need for a strong public-private sector response to the growing housing crisis facing Boston and many other communities in the country. The task force concluded, "For better or worse, Government is a 'Big Partner' for those of us in the real estate industry. The trick is to make it a sound working partnership." The housing task force report which contained numerous recommendations for actions at the State and Federal level, urged the creation of tax exempt savings accounts to help young families accumulate the downpayment needed to purchase their first home.

The bill which I am introducing today would assist individuals and married couples who wish to purchase their "starter" home by allowing them a deduction of up to $2,500 per year for an individual and up to $5,000 per year for a married couple for funds placed in an individual housing account. Much in the same manner as an individual retirement account, the account itself would not be taxed. However, any amounts paid out of an individual housing account and not used for their intended purpose, would be taxed and in addition, would be subject to a 10-percent penalty.

Individual housing accounts would be required to be maintained at institutions which are in the business of providing mortgage financing for the purchase of single family homes. In this way the bill will not only assist persons in entering the home purchase market, but will also provide an immediate spur to housing by channelling savings into those institutions that provide mortgage money.

Funds in an individual housing account must be distributed within 10 years of the establishment of an account in connection with the purchase of an individual's or married couple's principal residence. However, since the amounts in the account were acquired tax free by the taxpayer, the bill provides that on the sale of said principal residence, the owner must recognize the original down payment as a capital gain. This will result in partial recapture of the lost tax revenues, should the property be sold.

The Individual Housing Account Act of 1980 will help provide the large number of moderate income Americans in their twenties and thirties with a means to enter the housing market. As such it represents a well-considered method of alleviating the expected housing shortage of the 1980's and giving young Americans an opportunity to realize the dream of house ownership.

ROLLCALL OF HEROES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, it is once again my sad but proud duty to help honor those fallen police officers of this Nation who have given their lives in the past year in the performance of increasingly difficult duties. My friend and mentor in this effort to memorialize these officers, Virgil Penn, past national chaplain-east of the Fraternal Order of Police, has once again prepared a moving written tribute to his fellow officers, and a prayer which symbolizes the concern for police officers everywhere. Solemnly, and with the utmost sympathy to the brave families and friends of these courageous officers, I present the Rollcall of Heroes:

1979—ROLLCALL OF HEROES—1980

During the past year One Hundred and Five Law Enforcement Officers gave their lives in the continuing battle against crime in America. Although deeply touched by these sacrifices, we realize we have little control over the destiny of our fellow officers. We also are aware that we have sworn to do our utmost in suppressing crime in the United States, no matter what the consequences are. We are trained in Police Academies, Seminars and In-Service Training classes how to combat the many serious situations that arise. However, when faced with the actual confrontations with criminals, we find the incidents often change during the commission of these crimes. Some of our most important attributes are experience, courage and determination to protect the citizens of America.

The Law Enforcement Officers stand in the front lines of the never-ending war to hold crime to a minimum. These brave men are truly soldiers of peace and are as vulnerable to death as any soldier on any battlefield throughout the World. We, therefore, feel that all the honor and reverence we can summon should be conferred upon our Brother Officers who have lost their lives while preserving the American way of life.

We deeply appreciate the honor and effort of the United States Congress in recognizing the sacrifices these men have made by honoring them this day. Our many thanks to Congressman Barry M. Goldwater, Jr. for his continuing interest in behalf of all Law Enforcement Officers in this great land of ours. May the Almighty Commissioner of all men bestow His favour upon each and every one of you and Bless your every endeavor.

VIRGIL D. PENN, Jr.

DATE, DEPARTMENT-AGENCY, STATE, DECEASED OFFICERS

APRIL

3: Columbus, Georgia; Off. James Neal Bowers.

11: San Diego, California; Off. Michael T. Anaya, shot March 21, 1979.

17: Juneau, Alaska; two officers, names not released.

MAY

2: Bessemer, Alabama; Lt. Clifford T. Hill.

5: Cincinnati, Ohio; Off. Melvin Henze.

10: New York City, New York; Off. Robert Soldo.

10: Navajo P.D. Leupp, Arizona; Off. Loren Whitehead.

11: Jacksonville, North Carolina; Off. Terry Lee Lanier.

13: Lufkin, Texas; Capt. Don Howard Willmon.

15: Pike County, Kentucky; Deputy Earl Smith.

16: Union Point, Georgia; Off. Thomas Rowry, Jr.

22: Marion County, Kansas; Deputy John T. Morgan.

24: U.S. Customs, Washington State; Inspector Jerry Ward.

29: Los Angeles County, California; Deputy Jack Williams.

30: St. Louis, Missouri; Sgt. William Campbell.

31: Rutherford County, North Carolina; Capt. Roy Huskey, Sgt. Owen Messersmith, Ptl. Robert "Pete" Peterson; members of North Carolina Highway Patrol.

JUNE

1: Moorestown, New Jersey; Sgt. Frank Fullerton.

2: Walnut Grove, Mississippi; Town Marshall J. T. Trest.

4: Cleveland, Ohio; Off. John Hubbell.

8: State Police, Maryland; Tpr. William P. Mills, Jr.

8: Gulf Port, Mississippi; Off. Buford De Deaux.

8: Highway Patrol, South Carolina; Tpr. (name not released).

10: Albany, Georgia; Off. Randy Eugene Brown.

13: State Police, Pennsylvania; Tpr. Albert Izzo.

25: Reno, Nevada; Off. James Hoff.

30: Jacksonville, Texas; Off. Rosco Lee.

JULY

1: Harris County, Texas; Res. Deputy Joe M. Westbrook.

3: Lorain County, Ohio; Deputy Kenneth Tomaszewski.

10: St. Tammany Parish, Louisiana; Sgt. John W. Bonnell.

11: Broward County, Florida; Deputy Joseph Conte.

11: Philadelphia, Pennsylvania; Officer Artis Lee Norris.

19: Highway Patrol, South Carolina; Sergeant Robert A. Mobley.

25: Deming, New Mexico; Off. Royce L. Bennett.

30: Harris County, Texas; Deputy Albert Ochoa Garza.

AUGUST

4: Essex County, New Jersey; Ptl. Joseph A. Poochio (Park Police).

9: (F.B.I. El Centro, California; Special Agent Charles W. Elmore and Special Agent G. Robert Porter.

9: F.B.I. Cleveland, Ohio; Special Agent Johnnie L. Oliver.

14: Mobile, Alabama; Off. Henry J. Booth.

14: Brunswick, Maryland; Chief George J. Morris.

16: Houston, Texas; City Marshall Charles H. Baker.

16: Puerto Rico, Puerto Rico; Off. Secundino Maldonado.

17: New York City, New York; Off. Thomas Schimenti.

17: U.S. Fish & Wild Life, New Mexico; Agent Gary Lambert and Agent Rob Evans.

19: Baltimore, Maryland; Off. William D. Albers.

27: Monticello, Georgia; Off. Robert L. Gotel.

SEPTEMBER

5: Mayfield Village, Ohio; Off. David R. Wiley.

9: New York City, New York; Off. Edwin Fogel.

11: Airport P.D., Oklahoma; Garland Garrison (Oklahoma City).

13: State Police, Alabama; Tpr. David E. Temple.

14: Mississippi State, Mississippi; Agent Harold L. Caldwell (Bur. of Narcotics).

15: New York City, New York; Det. Melvin Hopkins.

26: Los Angeles, California; Off. David B. Kubly.

30: Los Angeles County, California; Ptl. Harold L. Edgington (Harbor Police).

OCTOBER

1: Essex County, New Jersey; Det. John Tamburro (Sheriff's Office).

8: Lincoln County, New Mexico; Deputy Thomas E. Bedford (Carrizozo).

16: Maysville, Kentucky; Ptl. Daniel L. Hay.

25: Puerto Rico, Puerto Rico; Off. Rafael Vasquez-Santiago (Santurce).

25: Sacramento, California; Dep. Sher. Christopher W. Boone.

29: Presque Isle County, Michigan; Sheriff Duane Badder.

NOVEMBER

6: Indianapolis, Indiana; Off. Gerald F. Griffin.

7: State Police, West Virginia; Tpr. Philip Kesner (Off Duty).

7: State Police, Kentucky; Tpr. Edward R. Harris.

13: Richmond, Virginia; Ptl. Michael P. Connors.

18: State Police, New Mexico; Tpr. Dacid L. Coker.

29: Birmingham, Alabama; Sgt. Albert Eugene Ballard.

30: Tucson Pub. Saf. Dept., Arizona; Off. (Narcotics Squad) John C. Walker.

DECEMBER

1: Lake County, Oregon; Deputy David Ralph Sanchez.

2: Mequon, Wisconsin; Chief Thomas Leroy Buntrock.

3: Collier County, Florida; Deputy Arthur Allen Amos.

5: Puerto Rico, San Juan, Puerto Rico; Off. Maximo Ortiz Castillo.

8: Trenton, New Jersey; Tpr. George Ambrosia (State Police).

12: Portland, Oregon; Off. David Wayne Crowther (Died 12/27/79).

13: Whittier, California; Det. Michael Lee Lane.

14: Hillside, New Jersey; Ptl. Anthony Lordi, Jr.

21: Philadelphia, Pennsylvania; Off. Wilfred Doyle.

22: Hato Rey, Puerto Rico; Off. Victor L. Lopez Rivera.

26: Barrigada, Guam (Territory); Off. Kuulei Helen Lizama and Off. Rudy C. Iglesiaf. Dept. Public Safety.

1980 JANUARY

3: Apollo, Pennsylvania; Ptlmn. Leonard C. Miller.

9: Henry County, Indiana; Det. Sgt. Ronald Lee Lampe.

14: Denver, Colorado; Spec. Agent Perry Watkins (U.S. Secret Service).

15: Oak Hill, Ohio; Ptlmn. David Alcox.

16: Philadelphia, Pennsylvania, Ptlmn. William Washington.

17: Live Oak, Texas; Ptlmn. Alfredo Flores Araiza.

19: Hendersonville, Tennessee; Sgt. Richard L. Bandy.

28: New York City, New York; Off. Cecil Sledge.

FEBRUARY

2: Prince George's Co., Maryland; Off. Antonio Martinez Kelsey.

2: Raleigh, North Carolina; Off. Delmar Devon Adams.

11: Metropolitan P.D., Washington, D.C.; Off. Arthur P. Snyder.

12: New York City, New York; Off. Robert Bilodeau.

16: Atlanta, Georgia; Ptlmn. Alfred N. Johnson.

24: N.Y. Tran. Auth., New York (City); Off. Seraphine Calabrese.

29: N.Y. City, Trans. Auth., New York (City); Off. Irving Smith.

MARCH

9: St. Clair Co., Alabama; Deputy Arlyn Gae Lockley.

15: Broward Co., Florida; Deputy Worth Edwards.

APRIL

3: Decatur, Texas; Off. James L. Bennett.

3: Jefferson Co., Kentucky; Off. Christopher M. Dunn.

5: Whigham, Georgia: Chief Milwood L. Stokes.

5: San Juan, Puerto Rico; Ptlmn. Jorge L. Molena Pacheco.

8: Chickasaw, Alabama; Off. John Ward Dotson.

9: Pella, Iowa; Ptlmn. John E. Van Haaften.

12: Colorado Springs, Colorado; Off. Augustus Joseph Perreira, Jr.

16: Hoquiam, Washington; Off. Donald M. Burke.

17: Penn State Police, Pennsylvania; Trooper David D. Monahan.

17: State Police, New Mexico; Off. Richard Gomez.

23: Philadelphia, Pennsylvania; Off. Robert Smith.

1980—NATIONAL POLICE PRAYER—1980

The strife is o'er
The battle done
The victory of life is won

But in our hearts remain the sorrow and loneliness for the above named heroes who have gone on to the glory of Thy Kingdom. Almighty and Merciful Father we ask that they sleep in eternal peace with Thee.

And Good Lord we ask Thy Blessings upon all Law Enforcement Officers throughout the land.

Protect them Oh God in their daily patrols and deliver them from all dangers which they face each day of their lives. Watch over them as they perform the dangerous tasks assigned to them. Imbue them with mercy and justice while keeping order in this chaotic world. Bless them with wisdom to determine the force needed to complete their myriad duties. Give them the wisdom and strength to know and to do Thy will, and in doing so, preserve the peace and tranquility of America. Deliver them from all temptation which is thrown in their way and when the day is o'er bring them safely home to their loved ones. This we ask in the name of Thy Son Jesus who sacrificed His all that the entire world would be protected and saved by His Grace.

LEGISLATION FOR CONGRESS TO FORGO PAY ADJUSTMENT FOR FISCAL YEAR 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

● Mr. GRASSLEY. Mr. Speaker, I am introducing a measure today calling for Congress to forgo our pay adjustment for fiscal year 1981. Under the Federal Pay Comparability Act of 1975, annual pay adjustments procedures are established for Members of Congress, the president pro tem of the Senate, the Speaker, the majority and minority leaders of the House and Senate, congressional employees in the executive schedule, and certain members of the judiciary. My bill would remove Members of Congress from consideration for a pay increase. The Advisory Committee on Federal Pay would still be empowered to recommend pay adjustments on the basis of comparable wages in the private sector for executive level V employees and the judiciary. We, as Congressmen, must not be lulled into thinking the economy is healthy enough to reward ourselves in this fashion. The facts show that we cannot.

Our budget balancing is a charade. The primary reason our budget is balanced on paper is because individuals are being pushed into higher tax brackets by cost of living increases. However, as workers earn more money, they pay a higher percentage of that increase to the Government. They are, in essence, losing money.

Who has caused this demon inflation? In large part, the Federal Government is responsible for inflation by deficit spending, throwing money into dead-end goods not useful to consumers and expanding the money supply to finance the deficit. Who controls the Federal Government's pursestrings? We do. Congress must take the blame squarely for inflation. It is lunacy to give ourselves a "cost-of-living" increase for increases in the cost of living we have caused.

Furthermore, I do not believe we should automatically receive a pay raise in view of our dubious performance. Each Member should "go on the record" on this important issue and stand by this critical vote.

Congress must exercise moral leadership on this issue. Federal employees will probably not get a cost-of-living increase equivalent to the inflation rate. Employees in depressed industries are being laid off for the sake of our national economic recovery.

Americans must endure high interest rates and postpone any major purchases as a contribution to the fight against inflation. Farmers and small businessmen must delay any capital improvement projects to further our efforts toward a more stable economy. In the face of all this national sacrifice, is not foregoing our pay raise the least we can ask of ourselves?

Mr. Speaker, I ask you and all of the other distinguished Members of this body to join with me in exercising a little self-restraint and demand the deletion of our comparability pay increase.●

FREEDOM OF SPEECH AND "DEATH OF A PRINCESS"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 20 minutes.

Mr. PAUL. Mr. Speaker, can freedom of speech be protected when Government subsidizes, regulates, controls, and issues licenses for radio and TV stations? This question has certainly been brought to the forefront this past week with the controversy over the TV production, "Death of a Princess," and today's announcement that the Saudis will "punish" us with a $2-per-barrel price increase and I hope that is all they do.

As to deciding whose rights shall gain priority—the station management, the State Department, the taxpayer who wants to see the movie, or the taxpayer who does not—one has an impossible task since the entire fiasco was created by initially violating the Constitution with regard to freedom of speech and property rights of all American citizens.

Confiscating tax dollars from unsuspecting and unwilling productive citizens to support the Public Broadcasting System and the Corporation for Public Broadcasting is the act that set the stage for the controversy. Although this may be the first controversy to attract the attention of the average person, to some degree this issue exists with every broadcast produced or partially produced at taxpayers' expense. How can this be fair to everyone when there is no issue that everyone agrees on? Why should anyone be forced to subsidize the broadcast of anything, at any time, if he or she does not agree with it? The only answer that can be conceivably given is that in a free society, no one should be. The whole issue demonstrates so well the fallacy of collective rights versus the true concept of individual rights.

Even though this point is usually ignored, since most programs are not controversial, this is no justification for it as a policy. If anything, it's this period of seduction that allows the concept of public control and subsidy of the media to gain acceptance. When a major confrontation finally occurs, as with the "Death of a Princess," the real issue is ignored, and the relative rights of interested parties are eagerly championed.

We then hear great oratory over first amendment rights, "to see any program desired." Therefore, all public TV stations must be forced to show the film, removing the "right" of the station manager to use his judgment. This was the argument of the Federal District Court judge in Houston when she ordered channel 8 to show "Death of a Princess" against the station's better judgment.

If the taxpayer who helps subsidize the making of the film and the station that is to show it get their "rights" protected, what about the rights of the taxpayer who disagrees? Whose rights are to be superior? Since rights cannot be arbitrary or relative, no equitable solution can be found. If we do not look at the basic problem—the violation of all taxpayers' rights in financing public TV—animosity, anger, and frustration will result, for there is no way to satisfy all concerned.

The State Department has a stake in this as well. If the film had been presented on private TV, and financed with private funds, it could say nothing. However, when taxpayers' dollars are being used to precipitate a diplomatic crisis, it seems that their concerns, interests, and recommendations should carry some weight.

Control over commercial TV and radio has the same implication. Relicensing and equal-time provisions have an effect on what the media can and cannot do. This problem, although minor, at present, can get more serious quickly, since the vehicle for control is already in place. It is amazing what can be done in the name of a national emergency. If your bank account can be frozen, the minds of those who manage TV and radio can be "frozen" as well, under emergency circumstances.

Since we live in a most imperfect world, one rapidly losing any understanding or regard for personal liberty, the only proper "solution" for now would have been for the courts to neither compel nor prohibit the PBS from broadcasting any program. Public pressure under these circumstances should be the most powerful and useful tool to monitor, to some degree, the programs shown on public TV at taxpayers' expense.

"Death of a Princess" is only the beginning, for soon, as public television deteriorates and inappropriate and even immoral shows are broadcast, the issue will be raised and not solved, so long as the basic cause is not examined.

This is not unlike the issue of deeply religious, pro-life Americans being forced, by the gun of the IRS, to finance the destruction of innocent life through Government-paid abortions. Here the demand of one individual for the destruction of life is claimed as a right, which takes precedence over the rights of productive citizens to keep the fruits of their labors and not become participants in an act they consider abhorent. This bizarre twisting of the concept of rights, if not understood and rectified, could destroy our free Nation. This conflict of rights is pervasive throughout our society and is involved in most of our legislative activities here in Congress.

In a free society, where civil liberties must be protected, how can one maintain order and yet never violate the civil rights of any student or taxpayer in a compulsory public school system centrally managed by the Federal Government? There is no way the so-called "right" of a Marxist to speak out in a tax-supported institution can be reconciled with the rights of those who have to pay. This same problem obviously exists with public broadcasting as well. Rules of decorum and decency, when imposed, will violate somebody's wishes, and if they are in school by force, their civil rights will of necessity be violated.

Whenever anybody benefits from the use of Government force, this benefit must be achieved at the expense of someone else. All welfare legislation—corporate or social—is based on this premise, and, tragically, the little people of America, those still willing to work without Government assistance, pay all the bills both literally and with the sacrifice of freedom. This must end, if we expect to preserve our American constitutional system of government.

I would like to insert at this point excerpts from an excellent essay on ownership of the airwaves by Ayn Rand.

THE PROPERTY STATUS OF AIRWAVES

(By Ayn Rand)

Any material element or resource which, in order to become of use or value to men, requires the application of human knowledge and effort, should be private property—by the right of those who apply the knowledge and effort.

This is particularly true of broadcasting frequencies or waves, because they are produced by human action and do not exist without it. What exists in nature is only the potential and the space through which those waves must travel.

Just as two trains cannot travel on the same section of track at the same time, so two broadcasts cannot use the same frequency at the same time in the same area without "jamming" each other. There is no difference in principle between the ownership of land and the ownership of airways. The only issue is the task of defining the application of property rights to this particular sphere. It is on this task that the American government has failed dismally, with incalculably disastrous consequences.

There is no essential difference between a broadcast and a concert: the former merely transmits sounds over a longer distance and requires more complex technical equipment. No one would venture to claim that a pianist may own his fingers and his piano, but the space inside the concert hall—through which the sound waves he produces travel—is "public property" and, therefore, he has no right to give a concert without a license from the government. Yet this is the absurdity foisted on our broadcasting industry.

The chief argument in support of the notion that broadcasting frequencis should be "public property" has been stated succinctly by Justice Frankfurter: "[Radio] facilities are limited; they are not available to all who may wish to use them; the radio spectrum simply is not large enough to accommodate everybody. There is a fixed natural limitation upon the number of stations that can operate without interfering with one another."

The fallacy of this argument is obvious. The number of broadcasting frequencies *is* limited; so is the number of concert halls; so is the amount of oil or wheat or diamonds; so is the acreage of land on the surface of the globe. There is no material element or value that exists in *unlimited* quantity. And if a "wish" to use a certain "facility" is the criterion of the right to use it, then the universe is simply not large enough to accommodate all those who harbor wishes for the unearned.

It is the proper task of the government to protect individual rights and, as part of it, to formulate the laws by which these rights are to be implemented and adjudicated. It is the government's responsibility to define the application of individual rights to a given sphere of activity—to *define* (*i.e.,* to identify), *not* to create, invent, donate, or expropriate. The question of defining the application of property rights has arisen frequently, in the wake of major scientific discoveries or inventions, such as the question of oil rights, vertical space rights, etc. In most cases, the American government was guided by the proper principle: it sought to protect all the individual rights involved, *not* to abrogate them.

A notable example of the proper method of establishing private ownership from scratch, in a previously ownerless area, is the *Homestead Act of 1862*, by which the government opened the western frontier for settlement and turned "public land" over to private owners. The government offered a 160-acre farm to any adult citizen who would settle on it and cultivate it for five years, after which it would become his property. Although that land was originally regarded, in law, as "public property," the method of its allocation, *in fact*, followed the proper principle (*in fact*, but not in explicit ideological intention). The citizens did not have to *pay* the government as if it were an owner; ownership began with *them*, and they earned it by the method which is the source and root of the concept of "property": by working on unused material resources, by turning a wilderness into a civilized settlement. Thus, the government, in this case, was acting not as the owner but as the *custodian* of ownerless resources who defines objectively impartial rules by which potential owners may acquire them.

This should have been the principle and pattern of the allocation of broadcasting frequencies.

As soon as it became apparent that radio broadcasting had opened a new realm of material resources which, in the absence of legal definitions, would become a wilderness of clashing individual claims, the government should have promulgated the equivalent of a Homestead Act of the airways—an act defining private property rights in the new realm, establishing the rule that the user of a radio frequency would own it after he had operated a station for a certain number of years, and allocating all frequencies by the rule of priority, i.e., "first come, first served."

Bear in mind that the development of commercial radio took many years of struggle and experimentation, and that the gold-rush of the "wishers" did not start until the pioneers—who had taken the risks of venturing into the unknown—had built it into a bright promise of great commercial value. By what right, code, or standard was anyone entitled to that value except the men who had created it?

If the government had adhered to the principle of private property rights, and the pioneers' ownership had been legally established, then a latecomer who wished to acquire a radio station would have had to buy it from one of the original owners (as is the case with every other type of property). The fact that the number of available frequencies was limited would have served, not to entrench the original owners, but to threaten their hold, if they did not make the best economic use of their property (which is what free competition does to every other type of property). With a limited supply and a growing demand, competition would have driven the market value of a radio (and later, TV) station so high that only the most competent men could have afforded to buy it or to keep it; a man, unable to make a profit, could not have long afforded to waste so valuable a property. Who, on a free market, determines the economic success or failure of an enterprise? The public (the public as a sum of individual producers, viewers, and listeners, each making his own decisions—not as a single, helpless, disembodied collective with a few bureaucrats posturing as the spokesmen of its will on earth).

Contrary to the "argument from scarcity," if you want to make a "limited" resource available to the whole people, make it private property and throw it on a free, open market.

The "argument from scarcity," incidentally, is outdated, even in its literal meaning: with the discovery of ultra-high frequencies, there are more broadcasting channels available today than prospective applicants willing to pioneer in their development. As usual, the "wishers" seek, not to create, but to take over the rewards and advantages created by others. . . .

Collectivists frequently cite the early years of radio as an example of the failure of free enterprise. In those years, when broadcasters had no property rights in radio, no legal protection or recourse, the airways were a chaotic no man's land where anyone could use any frequency he pleased and jam anyone else. Some profesional broadcasters tried to divide their frequencies by private agreements, which they could not enforce on others; nor could they fight the interference of stray, maliciously mischievous amateurs. This state of affairs was used, then and now, to urge and justify government control of radio.

This is an instance of capitalism taking the blame for the evils of its enemies.

The chaos of the airways was an example, not of free enterprise, but of anarchy. It was caused, not by private property rights, but by their absence. It demonstrated why capitalism is incompatible with anarchism, why men do need a government and what is a government's proper function. What was needed was legality, not controls.

What was imposed was worse than controls: outright nationalization. By a gradual, uncontested process—by ideological default—it was taken for granted that the airways belong to "the people" and are "public property."

Radio communication is not to be considered as merely a business carried on for private gain, for private advertisement, or for entertainment of the curious. It is a public concern impressed with the public trust and to be considered primarily from the standpoint of public interest in the same extent and upon the basis of the same general principles as our other public utilities.

This was said by Herbert Hoover, then Secretary of Commerce, in 1924.

It was Hoover who fought for government control of radio and, as Secretary of Commerce, made repeated attempts to extend government power beyond the limits set by the legislation of the time, attempts to attach detailed conditions to radio licenses, which he had no legal authority to do and which were repeatedly negated by the courts. It was Hoover's influence that was largely responsible for that tombstone of the radio (and the then unborn television) industry known as the Act of 1927, which established the Federal Radio Commission with all of its autocratic, discretionary, undefined, and undefinable powers. (That Act—with minor revisions and amendments, including the Act of 1934 that changed the Federal Radio Commission into the Federal Communications Commission—is still, in all essential respects, the basic legal document ruling the broadcasting industry today.)

The Act of 1927 did not confine the government to the role of a traffic policeman of the air who protects the rights of broadcasters from technical interference (which is all that was needed and all that a government should properly do). It established service to the "public interest, convenience, or necessity" as the criterion by which the Federal Radio Commission was to judge applicants for broadcasting licenses and accept or reject them. Since there is no such thing as the "public interest" (other than the sum of the individual interests of individual citizens), since that collectivist catchphrase has never been and can never be defined, it amounted to a blank check on power over the broadcasting industry, granted to whatever bureaucrats happened to be appointed to the Commission.

It was the so-called "conservatives"—including some of the pioneers, some of the broadcasting industry's executives who, today, are complaining and protesting—who ran to the government for regulations and controls, who cheered the notion of "public property" and service to the "public interest."

Many businessmen, of the mixed-economy persuasion, resent the actual nature of capitalism; they believe that it is safer to hold a position, not by right, but by favor; they dread the competition of a free market and they feel that a bureaucrat's friendship is much easier to win. Pull, not merit, is their form of "social security." They believe that they will always succeed at courting, pressuring, or bribing a bureaucrat, who is "a good fellow" they can "get along with" and who will protect them from that merciless stronger: the abler competitor.

Consider the special privileges to be found in the status of a certified servant of the "public interest" and a licensed user of "public property." Not only does it place a man outside the reach of economic competition, but it also spares him the responsibility and *the costs* entailed in private property. It grants him *gratuitously* the use of a broadcasting frequency for which he would have had to pay an enormous price on a free market and would not have been able to keep for long, if he sent forth through the air the kind of unconscionable trash he is sending forth today.

Such are the vested interests made possible by the doctrine of the "public interest"—and such are the beneficiaries of any form, version, or degree of the doctrine of "public property."

Now observe the practical demonstration of the fact that without property rights, no other rights are possible. If censorship and the suppression of free speech ever get established in this country, they will have originated in radio and television.

The Act of 1927 granted to a government Commission total power over the professional fate of broadcasters, with the "public interest" as the criterion of judgment—and, simultaneously, forbade the Commission to censor radio programs. From the start, and progressively louder through the years, many voices have been pointing out that this is a contradiction impossible to practice. If a commissioner has to judge which applicant for a broadcasting license will best serve the "public interest," how can he judge it without judging the content, nature, and value of the programs the applicants have offered or will offer?

The result was what it had to be (illustrating once more the power of basic principles): by gradual, unobtrusive, progressively accelerating steps, the Commission enlarged its control over the content of radio and television programs. No, the Commission did not censor specific programs: it merely took cognizance of program content at license-renewal time. What was established was worse than open censorship (which could be knocked out in a court of law): it was the unprovable, intangible, insidious *censorship-by-displeasure*—the usual, and only, result of any non-objective legislation.

Nor can the freedom of one medium of communication be destroyed without affecting all the others. When censorship of radio and television becomes fully accepted, as a *fait accompli*, it will not be long before all the other media—books, magazines, newspapers, lectures—follow suit, unobtrusively, unofficially, and by the same method: overtly, in the name of the "public interest"; covertly, for fear of government reprisals. (This process is taking place already.)

So much for the relationship of "human" rights to property rights.

Since "public property" is a collectivist fiction, since the public as a whole can neither use nor dispose of its "property," that "property" will always be taken over by some political "elite" by a small clique which will then rule the public.

There is only one solution to this problem, and it has to start at the base; nothing less will do. The airway should be turned over to private ownership. The only way to do it now is to sell radio and television frequencies to the highest bidders (by an objectively defind, open, impartial process)—and thus put an end to the gruesome fiction of "public property."

Such a reform cannot be accomplished overnight; it will take a long struggle; but that is the ultimate goal which the advocates of capitalism should bear in mind. That is the only way to correct the disastrous, atavistic error made by capitalism's alleged defenders.

I say "atavistic," becaue it took many centuries before primitive, nomadic tribes of savages reached the concept of private property—specifically, *land* property, which marked the beginning of civilization. It is a tragic irony that in the presence of a new realm opened by a gigantic achievement of science, our political and intellectual leaders reverted to the mentality of primitive nomads and, unable to conceive of property rights, declared the new realm to be a tribal hunting ground.

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TOWARD MORE EFFECTIVE REGULATION OF HEALTH AND SAFETY: RISK COMPARISON COMES TO THE FOREFRONT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 5 minutes.

● **Mr. RITTER.** Mr. Speaker, much as everybody wishes to avoid them, we all face risks to our health and safety in daily life. We can, and do, try to reduce these risks. But reducing them costs money and resources. Even the act of reducing one risk may introduce a different one, perhaps worse than the first. We may limit the use of coal, for example, but what are the risks of its alternatives—OPEC oil, nuclear powerplants, synthetic fuels, and so forth? If we ban saccharin, what are the risks of its alternatives—an increased use of sugar, for example. Congress and regulatory agencies, with the best of intentions, have sometimes caused more harm than good in trying to reduce risks.

Our Nation's money and resources are limited, especially in these inflationary times. So we must make intelligent comparisons between the alternative risks before trying to set priorities for choosing among them. We must also compare the risks to human life and health of different levels of regulatory standards, such as allowable percentages of a particular pollutant. Such levels can range from sulfur in coal to asbestos in hair dryers. These risks must then be compared with everyday risks we all take and all understand, such as driving, smoking, drinking, and so forth. Using such comparison of alternative risks, Government can stop regulating blindly and move toward more balanced, sensible regulation of risks in the 1980's.

To help the U.S. Government do that, I have introduced H.R. 4939 to provide a mechanism for U.S. regulatory agencies to compare risks between alternatives in areas like technology and human health. The step forward this bill would provide is especially important now, in view of the groundswell of attention being given to comparison of risks, both in Congress and among scientists. I wish to bring some of these recent developments to the attention of my colleagues during the hearings this week on my comparative risk legislation.

Several recent actions in Congress have been stimulated by concerns over risks of nuclear energy. This is particularly of interest at a time when increased reliance on OPEC oil adds a special urgency to the debate over energy risks. One bill involving comparisons of risks is the Emergency Evacuation Act of 1980, introduced by the gentleman from New York (Mr. WYDLER). In making our preparations for citizen evacuation in the event of any disaster, it is important for planners not only to draw upon the considerable experience of evacuations from previous non-nuclear accidents, but also to consider how probable each potential source of disaster is. For example, the risks of a major dam breaking, the danger from a major chemical facility, the danger from a large oil depot and the potential risk of a nuclear plant all must be considered.

Another bill is H.R. 7078, the Nuclear Safety Research and Development Act of 1980, introduced by the gentleman from Washington (Mr. MCCORMACK). This is broader. It compares the risks of potential day-to-day harm to the public from the operation of nuclear and other types of powerplants.

These same principles of comparing risks are also at the heart of H.R. 6745, the Radiation Control Act of 1979, also introduced by Mr. WYDLER. While focusing on the radiation risks from nuclear energy, it requires a comparison and understanding of risks from different sources of radiation, such as radiation from chest X-ray, dental X-ray, living in Denver, radon gas in stoves, and so forth.

Still another example of how Congress is beginning to make use of the tool of comparison of risks is the amendment by BARRY GOLDWATER, JR., of California, to the Department of Energy Authorization bill, H.R. 6627, as passed by the Subcommittee on Energy Research and Production of the Committee on Science and Technology. This amendment requires a comparison of the risk from nuclear wastes with the risk of uranium ore simply lying in the ground before mining. Repositories to dispose of these wastes are to be designed with a comparison of these risks in mind. This appears to be a sensible outlook in trying to put the administration's long-foundering waste management program on track.

All the above mentioned bills involve the comparison of risks in some way and have borrowed from my ideas on this matter. However, H.R. 4939 goes one important step further. It is, to my knowledge, the first attempt in Congress to use comparison of risks in a broad, comprehensive way as a means to make Federal regulation work better. In that sense, this week's hearings are a landmark in the development of this concept.

In addition, the House Judiciary Committee has just added to the report on its major regulatory reform bill important comparison-of-risk language.

Mr. Speaker, comparison of risks is clearly an idea whose legislative time has come. Today and tomorrow, the House Subcommittee on Science, Research, and Technology is holding hearings on H.R. 4939. These hearings are exploring how risk comparison can become a valuable instrument of U.S. regulatory policy. They involve testimony from distinguished witnesses from universities, regulatory agencies, industry, labor, and Congress. I hope my colleagues will find these hearings useful as a key part of the public discussion of the use of risk comparison.

We are honored to have scheduled as witnesses distinguished, knowledgeable and articulate persons, each of whom is extremely well qualified to give insight into ways in which comparison of risks can be used to improve Government regulation that affects our lives. The list of scheduled witnesses is shown below.

At a time of high inflation, Government must be frugal with the way it spends our tax dollars. Comparison of risks is a way for regulatory agencies to do a better job of protecting the public—by targeting their limited resources on the most serious threats to health and safety instead of regulating "blindly." Comparison of risks brings Government regulation into the 1980's.

The list of witnesses scheduled to appear at the comparison-of-risks hearings is as follows:

WITNESSES SCHEDULED TO TESTIFY AT "COMPARISON OF RISKS" BILL HEARINGS

MAY 14, 1980 WITNESSES

Dr. James Vaupel, Institute of Policy Sciences and Public Affairs, Duke University.

Dr. Walter Albers, Head of Societal Analysis Department, General Motors Research Laboratory.

Dr. Howard Raiffa, Graduate School of Business Administration, Harvard University.

Dr. William McCarville, Director, Environmental Affairs, Monsanto Industrial Chemicals.

Mr. David Doniger, National Resource Defense Council.

Dr. Nicholas Ashford, M.I.T. Center for Policy Alternatives.

Mr. James P. Carty, VP and Manager, Government Regulation and Competition, National Association of Manufacturers.

Mr. Jack Sheehan, United Steelworkers of America.

MAY 15, 1980 WITNESSES

Dr. Denis Prager, Acting Associate Director, Office of Science and Technology Policy.

Dr. Richard Wilson, Energy and Environmental Policy, Harvard University.

Mr. David Burnham, Aspen Institute.

Dr. Joseph Rodericks, Deputy Associate Commissioner for Health, U.S. Food and Drug Administration.

Dr. Bailus Walker, Director of Health Standards Programs, U.S. Department of Labor.

Dr. Peter Preuss, Deputy Associate Executive Director, Consumer Product Safety Commission.

Thomas Grumbly, Associate Administrator, Food Safety and Quality Service, U.S. Department of Agriculture.

Richard Dowd, Director, Science Advisory Board, U.S. Environmental Protection Agency.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ERTEL) is recognized for 5 minutes.

● Mr. ERTEL. Mr. Speaker, due to the President's decision to locate a number of Cuban refugees at Fort Indiantown Gap in my district, I was absent yesterday participating in briefings of local public officials arranged at my request. I missed rollcall votes on H.R. 6616, the ocean dumping authorization for fiscal year 1981, and H.R. 663 and House Joint Resolution 545, supplemental appropriations for food stamps.

I would like to indicate at this time that, had I been present I would have supported all three bills.●

NEAL SMITH INTRODUCES BILL ON FOOD LABELING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 15 minutes.

● Mr. SMITH of Iowa. Mr. Speaker, the need for reducing sodium consumption is, or should be, of vital concern to the 20 to 25 million Americans who suffer from high blood pressure, often a contributing factor to heart attacks, strokes and other cardiovascular diseases. Almost all of us know of a relative or a friend whose doctor has recommended a sodium restricted diet because of high blood pressure.

Although the relationship between diet and hypertension is complex, the Council on Scientific Affairs of the American Medical Association reports that there is evidence that moderate sodium restriction holds the possibility for many people of aiding drugs in the lowering of a patient's blood pressure. For some it can possibly make the difference in the person not having to take blood pressure pills at all. Thus, the AMA recommends to its members that moderate sodium restriction should be considered as a possible element in the treatment of all hypertensive patients.

In a report to the Food and Drug Administration, the Federation of American Societies of Experimental Biology, studying the role of salt in the human diet, concluded that from 1 to 3 out of every 10 Americans was genetically disposed to hypertension and that hypertension incidence is associated with high intakes of salt.

Furthermore, while the restriction of salt intake may not entirely prevent high blood pressure, it certainly will not hurt for it is generally agreed that sodium consumption in the United States is higher than needed for human nutrition. The Senate Select Committee on Nutrition and Human Needs recommended that Americans eat at most, 5 grams (1 teaspoon) of salt daily instead of the 6 to 18 grams typically consumed daily by the average American.

Since table salt is the most common source of sodium intake—the chemical formula for salt is sodium chloride—most people think all they have to do to reduce their salt intake is to put away their salt shakers and cut back on salting food during cooking. If this were all one had to do, cutting down on sodium would be relatively easy. But unfortunately, this action affects only the direct input of sodium in the American diet. It is the hidden sodium intake in our diet that comes from commercially prepared foods which complicates the problem for the millions of people affected.

Dr. James Hunt, of the University of Tennessee Medical School, recently found that a group of patients who were on a salt restricted diet unknowingly were consuming at least 4,600 milligrams of sodium daily. This is over twice the frequently prescribed therapy of limiting sodium intake to 1,000 to 2,000 milligrams daily. This sodium was inadvertently consumed in canned soups, ketchup, and commercially prepared foods and condiments, pickles, canned goods, cereals, bread, cheeses, pastries, and processed meats that are among the commercially prepared foods which contain large amounts of sodium. Sodium also is added to commercially prepared foods in the form of preservatives such as sodium benzoate, and in the form of flavoring agents such as monosodium glutamate, and in leavening agents such as sodium bicarbonate.

One cannot rely on taste alone as a guide to a food's sodium content since many of these commercially prepared foods do not taste "salty." For this reason, the American Medical Association stated in testimony submitted in 1978, to the Food and Drug Administration, that many patients on restricted sodium intake have difficulty in making food purchases in the absence of label information concerning the sodium content of foods.

Last summer the American Medical Association went further and their house of delegates adopted a resolution requesting Federal legislation requiring food manufacturers to print on container label the amount of sodium in milligrams per average serving so the American public may be informed as to the amount of sodium in their diets.

The following week, the Des Moines, Iowa, Register, in an editorial wrote:

> Unaccustomed as they are to appealing for a government regulation, members of the American Medical Association have done that in an effort to curb the excessive use of salt by Americans. A resolution adopted by the AMA House of Delegates requests legislation that would require food processors to print on container labels the amount of added sodium chloride (salt) in each average serving. The request is worthy of quick action by Congress. As an AMA nutrition report points out, the average person controls only a little more than a quarter of the salt used in cooking or at the table; the rest has been added by food processors. Much of the recent furor over "junk foods" has centered on sweets and products with little nutritional value. Equally important is the high proportion of sodium chloride added to canned and pre-packaged foods. Salt is a contributing factor in high blood pressure, a condition affecting 23 million Americans. Most of them probably have been advised by their doctors to drastically reduce their use of salt, and some are on special low-sodium diets. Those people are entitled to know how much salt has been added to the food products they buy. Most labels on processed foods list the contents. The AMA wants the list to show the quantity or proportion of sodium chloride. That is a reasonable request. Listing the salt content conceivably could encourage processors to reduce the amount of salt they added to their products.

Patients who are on a sodium restricted diet frequently require additional potassium than what is contained in a normal diet. In contrast, therapeutic treatment of patients suffering from kidney ailments frequently involves restricting their daily potassium intake. For all these people, knowledge of the potassium content of foods is a distinct help in monitoring the potassium level in their diet.

In March of 1980, the American Medical Association's Council on Scientific Affairs recommended in its report EE (I–79) that foods for human consumption be labeled to show the amount of sodium and potassium in miligrams per average serving, stating:

> The Council believes such labeling is important for dietary and health reasons.

I am today, therefore, introducing legislation which would amend the Federal Food, Drug and Cosmetic Act, to achieve this objective. Some food manufacturers already list the sodium content on the labels of their products. So it should not cause serious compliance problems. For those cases where there may be problems for individual food manufacturers to list the sodium and potassium content on food labels, this legislation also offers an alternative of displaying a notice nearby the food display in the grocery store informing consumers of the sodium and potassium content per average serving.

This legislation also would authorize and direct the Secretary of Health and Human Services where practical, to approve for labeling purposes, the use by industry of average sodium and potassium contents for a food as based on an officially approved source, rather than requiring the determination by chemical analysis of every batch of the product produced.

The legislation should be of distinct benefit to that sizeable portion of our population who are working with their doctor in a vital effort to deal with blood pressure and kidney health problems.●

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The March 1980 list includes:

MONTHLY LIST OF GAO REPORTS

NATIONAL DEFENSE

Nuclear Fuel Reprocessing and the Problems of Safeguarding Against the Spread of Nuclear Weapons. Acc. No. 111839, EMD–80–38, March 18.

Circumstances Surrounding the Government's Approval of Nuclear-Related Exports to Iran. Acc. No. 111869, EMD–80–44, March 17.

The MX Weapon System—A Program with Cost and Schedule Uncertainties. Acc. No. 111718, PSAD–80–29, February 29.

Models, Data and War: A Critique of the Foundation for Defense Analyses. Acc. No. 111782, PAD–80–21, March 12.

Military Overseas Housing Allowances Should Be More Realistic. Acc. No. 111696, FPCD–80–33, March 5.

Coordination of Federal Arms Control Research Program to Be Improved. Acc. No. 111826, ID–80–6, March 17.

Review of the Planned Consolidation of Defense Contract Administration Services Regions in Atlanta. Acc. No. 111870, LCD–80–46, March 20.

A Decision by the Secretary of Defense is Needed on the AV–8B Aircraft Program. Acc. No. 111548, PSAD–80–23, February 8.

ENERGY

Letter reports

The National Security Council should coordinate the nuclear threat definition policies of the Departments of Defense and Energy and provide guidance on safeguarding nuclear weapons in this country. EMD–80–48, February 19.

Information on the Battlefield Exploitation and Target Acquisition System. Acc. No. 111689, LCD–80–38, March 3.

ENERGY

The Federal Government Should More Actively Promote Energy Conservation by Heavy Trucks. Acc. No. 111788, EMD–80–40, March 13.

U.S. Energy Assistance to Developing Countries: Clarification and Coordination Needed. Acc. No. 111922, ID–80–7, March 28.

NATURAL RESOURCES AND ENVIRONMENT

Delays and Unresolved Issues Plague New Pesticide Protection Programs. Acc. No. 111866, CED–80–32, February 15.

What Have HUD and EPA Done to Deal with High Radiation Levels in Two Montana Cities? Acc. No. 111694, CED–80–63, February 8.

Impact of Making the Onshore Oil and Gas Leasing System More Competitive. Acc. No. 111848, EMD–80–60, March 14.

Letter reports

The Water Resources Service charged water rates for three contracts that were too low to guarantee fast Federal cost recovery. Acc. No. 111886, CED–80–69, March 25.

No evidence was found that Allegheny County misrepresented park site conditions in applying for funds from the Department of the Interior. Acc. No. 111867, CED–80–85, March 18.

AGRICULTURE

Department of Agriculture: Actions Needed to Enhance Paperwork Management and Reduce Burden. Acc. No. 111906, GGD–80–14, March 10.

Letter reports

The Farmers Home Administration's Economic Emergency Loan Program could be more effective. Acc. No. 111923, CED–80–84, March 28.

COMMERCE AND HOUSING CREDIT

Illegal Aliens: Estimating Their Impact on the United States. Acc. No. 11827, PAD–80–22, March 14.

Letter reports

Summary of passport control and retrieval system in five Federal agencies. Acc. No. 111892, ID–80–17, February 26.

The Department of Housing and Urban Development has not been sufficiently aggressive in collecting millions of dollars in premiums that mortgage institutions owed. Acc. No. 111840, FGMSD–80–27, March 19.

TRANSPORTATION

How to Improve the Federal Aviation Administration's Ability to Deal with Safety Hazards. Acc. No. 111699, CED–80–66, February 29.

Letter reports

The Urban Mass Transportation Administration needs controls over no-prejudice authorizations. Acc. No. 111798, PSAD–80–36, March 14.

SOCIAL SERVICES

Better Reevaluations of Handicapped Persons in Sheltered Workshops Could Increase Their Opportunities for Competitive Employment. Acc. No. 111766, HRD–80–34, March 11.

Navajo Community College Funding Problems. Acc. No. 111904, CED 80–79, March 21.

Letter reports

Opportunities are available for ACTION to increase its Older American Volunteer programs. Acc. No. 111754, HRD–80–58, March 7.

HEALTH

Increased Use of Expanded Function Dental Auxiliaries Would Benefit Consumers, Dentists, and Taxpayers. Acc. No. 111765, HRD–80–51, March 7.

Letter reports

The Indian Health Service and the Alaska Native Health Organizations should continue to demonstrate their support of the provisions of the Indian Self-Determination Act. Acc. No. 111784, HRD–86–60, March 11.

The American Health Planning Association savings estimate for the health planning programs is unreliable. Acc. No. 111787, HRD–80–49, March 13.

The acquisition and screening of certain plant extracts should be developed because of their usefulness in cancer chemotherapy. Acc. No. 111919, HRD–80–53, February 28.

INCOME SECURITY

Legislation Authorizing States to Reduce Workers' Compensation Benefits Should Be Revoked. Acc. No. 111821, HRD–80–31, March 6.

Letter reports

Limited available data on the multiemployer pension plan insurance program makes it impossible to estimate reliably the costs and premium requirements of proposed program revisions. Acc. No. 111700, HRD–80–65, February 29.

ADMINISTRATION OF JUSTICE

FBI Audit Conclusions on the Criminal Informant Program Should Have Been Qualified. Acc. No. 111868, GGD–80–37, March 13.

Drug Enforcement Administration's CENTAC Program—An Effective Approach to Investigating Major Traffickers That Needs to Be Expanded. Acc. No. 111914, GGD–80–52, March 27.

GENERAL GOVERNMENT

Program to Follow Up Federal Paperwork Commission Recommendations is in Trouble. Acc. No. 111799, GGD–80–36, March 14.

Controls Over Consulting Service Contracts at Federal Agencies Need Tightening. Acc. No. 111853, PSAD–80–35, March 20.

The Federal Reserve Should Assure Compliance with the 1970 Bank Holding Company Act Amendments. Acc. No. 111781, GGD–80–21, March 12.

Experiences of Past Territories Can Assist Puerto Rico Status Deliberations. Acc. No. 111739, GGD–80–26, March 7.

Problems with New Responsibilities of Self-Government in the Northern Mariana Islands. Acc. No. 111753, ID–80–20, March 7.

Stronger Management of EPA's Information Resources Is Critical to Meeting Program Needs. Acc. No. 111752, CED–80–18, March 10.

Closer Controls and Better Data Could Improve Antitrust Enforcement. Acc. No. 111680, GGD–80–16, February 29.

States Are Funding Juvenile Justice Projects that Conform to Legislative Objectives. Acc. No. 111755, GGD–80–40, March 7.

Budget Formulation: Many Approaches Work but Some Improvements Are Needed. Acc. No. 111920, PAD–80–31, February 29.

Congress Should Consider Exploring Opportunities to Expand and Improve Application of User Charges by Federal Agencies, Acc. No. 111925, PAD–80–25, March 28.

Inadequate Contract Administration on Housing Renovation Project at Malmstron Air Force Base. Acc. No. 111783, PSAD–80–32, March 11.

Farmers Home Administration's ADP Development Project-Current Status and Unresolved Problems. Acc. No. 111697, CED–80–67, February 19.

GSA Needs to Improve Its Cleaning and Guard Contracting Activities. Acc. No. 111780, LCD–80–21, March 12.

Letter reports

Taxpayers do not claim all the withholding allowances to which they are entitled. Acc. No. 111891, PAD–80–41, February 27.

Impoundment of funds for several agencies. Acc. No. 111690, OGC–80–7, February 29.

Further improvements are needed to strengthen internal auditing in the Federal Deposit Insurance Corporation. Acc. No. 111692, GGD–80–46, March 4.

Progress has been made in the development of an equal employment opportunity management information system. Acc. No. 111695, FPCD–80–39, March 4.

Revenues projected by the Panama Canal Commission for fiscal year 1981 appear to be reasonable. Acc. No. 111740, ID–80–19, March 6.

The Detroit District Corps of Engineers should require that public announcements for architect-engineer services contain information used for judging the evaluation and selection process. Acc. No. 111741, LCD–80–39, March 7.

The financial statements of the Gorgas Memorial Institute of Tropical and Preventive Medicine present fairly its assets and liabilities. Acc. No. 111890, ID–80–28, March 7.

Alleged financial irregularies at the Upper East Tennessee Human Development Agency, Kingsport, Tennessee. Acc. No. 111847, HRD–80–69, March 10.

Impoundment of funds for HEW and the Departments of the Treasury and Agriculture. Acc. No. 111863, OGC–80–8, March 20.

No irregularies were found involving claim payment to the Export-Import Bank of the United States. Acc. No. 111937, ID–80–35, March 28.

The Federal Emergency Management

Agency's planned relocation from Olney, Md. to Philadelphia, Pa. has advantages and disadvantages. Acc. No. 111924, LCD-80-47, March 28.

GENERAL PURPOSE FISCAL ASSISTANCE

Compliance with Requirements to Hold Public Hearings on Use of Revenue Sharing Funds. Acc. No. 111884, GGD-80-41, March 25.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I was necessarily absent from the House of Representatives yesterday to attend an international tribunal in Amsterdam on behalf of Soviet dissident Anatoly Shcharansky.

Had I been present, I would have voted as follows: "yea" on rollcall No. 229, on final passage of H.R. 6616, Marine Protection, Research and Sanctuaries Act authorization for fiscal year 1981; "yea" on rollcall No. 230, on passage of House Resolution 663, the rule providing for the consideration of House Joint Resolution 545; and "yea" on rollcall No. 231, on passage of House Joint Resolution 545, making urgent appropriations for the food stamp program for fiscal year 1980.●

VETERANS BEWARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, a recent article included in the publication Medicine & Health stated:

> A long-simmering plan for putting the brakes on federal hospital construction has been given a fresh boost by Council on Wage and Price Stability Chairman Alfred Kahn and is due for White House announcement soon.

The plan was worked out according to the article "after extensive nitpicking negotiations between the White House, Defense Department, and HEW." No reference was made as to whether the Administrator of Veterans' Affairs was included in the negotiations or not. Apparently the "agreement" requires that before new Federal hospital beds can be built a survey must be made of the area to see if an unused facility of adequate size is available for leasing. If not, the construction plan must be submitted to the local health planning agency for review and comment.

I would concur with the conclusion of the writer of the article that the plan is seen as a first step in a direction planning officials have been trying to move the Defense Department and Veterans' Administration for years. Although Federal construction projects, including VA, are coordinated with local and State planning agencies, Federal facilities are not subject to health systems agency final approval. This is not necessary since all Federal projects are subject to extensive reviews by the Office of Management and Budget, the standing Committees on Veterans' Affairs of the House and Senate, and the Committees on the Budget.

The article points out that the announcement comes at a time when the Navy is trying to move on a big hospital in San Diego, Calif., over objections of planners. A similar situation exists at Minneapolis, Minn., where the Veterans' Administration has plans to construct a new, much-needed replacement hospital there over the objections of the local planning agency. Similar situations exist at Baltimore, Md. and other places.

Mr. Speaker, local health-planning agencies are upset because for many years the local communities have been receiving millions of Federal dollars to construct private medical facilities and to purchase equipment for those facilities. Now, apparently some of the planning agencies feel veterans should be treated in those facilities than in VA hospitals. The committee has long felt that this is not feasible for many reasons and we will never allow a local health systems agency to have veto power over where VA facilities are to be built, determine the size of such facility, or have anything to do with eligibility requirements for admission to VA facilities.

Mr. Speaker, I continue to be amazed at the lack of sensitivity for veterans on the part of some leading administration spokesmen. We spend much time and effort either educating them on the law pertaining to veterans, or rebutting efforts to limit or terminate the level of benefits and services for our Nation's veterans.

There follows a series of articles between the Veterans' Administration, Mr. Kahn and myself regarding this issue. I can assure all veterans that the House Committee will not sit idly by and let this happen, and I would urge all veterans to become more active in their local communities and local health planning agencies in the future.

Finally, Mr. Speaker, I would urge the President to reject this latest recommendation by Mr. Kahn, if it is now in fact before him. Otherwise, our Nation's veterans will suffer the fate all Americans have suffered as the result of Mr. Kahn's advice to the President during the past few years on how to fight inflation.

The material follows:

MAY 6, 1980.

Hon. MAX CLELAND,
Administrator of Veterans Affairs,
Veterans Administration,
Washington, D.C.

DEAR MR. ADMINISTRATOR: You will recall my letter of October 10 concerning a memorandum sent by Mr. Alfred E. Kahn to several Department heads, including yourself, in reference to reducing Federal support for Federal hospitals in regions where "there is already excess capacity".

I certainly realize that the construction budget proposed by you for fiscal year 1981 does not reflect this view, and I am aware of your personal opinion concerning this matter. Nonetheless, I am also informed that Mr. Kahn continues to insist on this course of action and, in fact, has asked for additional information from the Veterans Administration concerning a possible policy change by the President.

I would appreciate your sharing with the Committee any response you may have made to Mr. Kahn in further reference to this matter.

Sincerely,

RAY ROBERTS,
Chairman.

MAY 6, 1980.

Mr. ALFRED E. KAHN,
Chairman,
Council on Wage and Price Stability,
Washington, D.C.

DEAR MR. KAHN: In a letter dated November 30, 1979 (copy enclosed) you indicated that you had asked several Executive Branch agencies, including the Veterans Administration, for their views about curtailing Federal support for construction of hospitals in regions where "there is already excess capacity". You will recall in my letter of October 10 I had expressed my concern should such policy be implemented.

It is my understanding there has been additional communication between you and the Administrator of Veterans Affairs in further reference to this matter, and I would appreciate your advising me whether you continue to insist that veterans needing care and treatment may have to rely on such treatment in private facilities in the future. Such policy disturbs me and I hope you will provide me with your views on this matter at the earliest possible time.

Sincerely,

RAY ROBERTS,
Chairman.

COUNCIL ON WAGE AND PRICE STABILITY,
Washington, D.C., November 30, 1979.

Hon. RAY ROBERTS,
Chairman
Committee on Veterans Affairs,
Washington, D.C.

DEAR CHAIRMAN ROBERTS: Thank you for your letter of October 10, about Federal support for construction of hospitals in regions where there is already excess capacity.

I have been giving serious consideration to this problem for some time. Continuing Federal support for hospitals in areas of excess capacity has obvious inflationary consequences in a sector of the economy that has been plagued by disproportionately rapidly rising costs for the last decade.

Recently, I asked several Executive Branch agencies for their views about the wisdom of our moving to curtail Federal support in those circumstances. I am paying particular attention to the problems that might arise if Federal support for new hospitals were curtailed in some areas, including the one you asked about—the Veterans' Administration's program.

I will answer your questions when I have made up my own mind about this entire issue, but I didn't want your inquiry to go unacknowledged any longer.

Sincerely,

ALFRED E. KAHN,
Chairman.

VETERANS ADMINISTRATION,
November 7, 1979.

Hon. RAY ROBERTS,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your letter asking for our views with respect to a proposal to restrict Federal assistance for hospital construction in overbedded areas as a means of controlling the inflation of health care costs.

As you are aware, the VA is a national system of hospitals organized into medical districts, with from five to ten hospitals per district to form a consortium of facilities for comprehensive care of veterans. All of these medical districts are larger than Health Service Areas organized under Public Law 93-641, and often involve a Primary Service Area of more than one State, Medical centers within these districts shares services to provide comprehensive care in an efficient and cost effective manner to meet the VA legislated missions. Also, many services, such as blind rehabilitation, spinal cord injury, open heart surgery, cardiac catheterization, bone marrow transplant, end stage renal disease, and other specialized services are planned and controlled on a nation-wide basis based on VA system-wide needs. Studies completed by the VA continue to demonstrate that the VA system provides care at a lower cost per equivalent episode of medical inpatient care than the private sector.

The VA construction program has not provided any additional beds to the total operating beds of the system over the past 10 years, and projects currently being planned do not provide additional beds to the system. Since 1968, the VA operating beds have been reduced by 20 percent and the inpatients treated have been increased by 50 percent. For example, only one new metropolitan site of a new VA hospital has been selected by the President for the past decade. New beds at the Camden, New Jersey location will be more than offset by bed losses due to fire and safety and patient privacy considerations at other VA hospitals in the same metropolitan area.

Planning for construction in the VA is based on the needs of the veteran population in areas larger than Health Service Areas. These construction plans undergo an extensive review process involving internal VA review and justification, compliance with the Office of Management and Budget Circular A-95 process requiring State and local planning review and comment, Office of Management and Budget budgetary review, and review and approval by four congressional committees prior to appropriation.

We believe that this process includes significantly more oversight than does the Health, Education, and Welfare planning process. Subjecting the VA planning process to State and local approval under the auspices of Health, Education, and Welfare is inconsistent with the clear legal mandate of the VA to provide care to veterans. The Health, Education, and Welfare planning process was not designed for a national health system such as the VA hospital system. Such a relationship would be unworkable and would be counter to the intent of Congress.

The inflation of health care costs is of concern to us all. We agree that steps should be taken to discourage "overbedding"; however, we do not believe the VA has contributed to this problem. Overbedding is a complex issue that requires an indepth analysis. Many of the excess community beds, such as obstetrics, gynecology, pediatrics, and nursery would not be suitable for veterans care. Due to the uniqueness of the VA system, both in terms of mission and national management considerations, we do not believe that the current initiative to limit construction of hospital beds in the private sector is applicable to the VA.

Sincerely,

MAX CLELAND,
Administrator.

—

OCTOBER 10, 1979.

Hon. MAX CLELAND,
Administrator of Veterans Affairs,
Washington, D.C.

DEAR MR. ADMINISTRATOR: On August 16, 1979, Mr. Alfred E. Kahn sent a memorandum to several Department heads, as well as the Administrator of the Small Business Administration, the Administrator of Veteran's Affairs and the Federal Cochairman of the Appalachian Regional Commission, concerning a proposed policy memorandum to President Carter on Federal assistance to hospital construction in overbedded areas. Mr. Kahn had asked for a response from all individuals by the close of business Friday, August 24. The substance of the draft memo was to urge the President to issue a directive to all affected Federal agencies to give no support for construction of hospitals in regions where capacity is already excessive as a means of controlling the inflation of health care costs.

I would appreciate your sharing with the Committee your views concerning this matter as you are of course aware of our deep concern in the health program for our Nation's veterans.

Sincerely,

RAY ROBERTS,
Chairman.

—

OCTOBER 10, 1979.

Mr. ALFRED E. KAHN,
Council on Wage and Price Stability,
Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that you have recently asked for comments on the issue of Federal assistance to hospital construction in overbedded areas. I am informed that as a matter of policy you would urge the President to issue a directive to all affected Federal agencies to give no further support for the construction of hospitals in regions where capacity is already excessive.

As Chairman of the Committee on Veterans' Affairs, first I would appreciate your letting the Committee know whether in your view such a policy would affect the Veterans Administration health facilities construction program. Secondly, if it is the intent to place veterans in private hospitals on a cost reimbursable basis, under what authority would such placement be authorized?

Sincerely,

RAY ROBERTS,
Chairman.●

TITO—THE LAST OF THE GREAT LEADERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 15 minutes.

Mr. DANIELSON. Mr. Speaker, last week on Sunday, May 4, 1980, President Tito of Yugoslavia, the last of the great leaders of World War II, died. With him there passed the last of that generation of giants which provided leadership through the period between the two great world wars, the agony of World War II, the cold war, and reconstruction.

Josip Broz Tito was a charter member of that small group which led the world through those difficult times. Among them, were our own President Franklin D. Roosevelt, the great Winston Churchill, Chiang Kai-shek and Mao Tse-tung of China, Charles de Gaulle of France, and Josef Stalin of the Soviet Union. Of all of these, Tito lived the longest having reached the age of 87 years and still being the leader of his Government until the day he died. He would have been 88 years of age on May 25, 1980.

Many of us remember how the then Government of Yugoslavia collapsed when Adolf Hitler bombed Belgrade to rubble and sent his army into Yugoslavia that first Sunday in April of 1941. Within 3 days the royal Government of Yugoslavia had fled, leaving the country without leadership and subject to conquest by Hitler's Wehrmacht and Mussolini's fascist army. At that time, Tito pulled together such forces as he could, set up a provisional organization, and vowed to defend Yugoslavia to the end.

Victory for Yugoslavia at that time seemed to the rest of the world to be nothing but the wildest imagination. After all, Hitler had already conquered all of Central Europe, forced France to surrender, and pushed the British armies into the sea. Yet Tito pulled his forces back into the mountains of Yugoslavia and commenced a well planned and well coordinated guerrilla warfare which gradually drew the support of more and more of the people of Yugoslavia. With his forces he denied victory to the German and Italian armies and provided a large and active southeastern front which played a material part in the ultimate defeat of the Axis.

One of Hitler's greatest mistakes was his attack on Yugoslavia in April of 1941. He assumed that Yugoslavia would collapse and that his forces would be in full charge within a matter of less than a month. That plan of Hitler's failed completely. Hitler was never able to extricate his forces from Yugoslavia, and they remained committed and tied down there until they were soundly defeated and driven from Yugoslavia by Tito's army in the spring of 1945. Because of Hitler's need to divert huge quantities of supplies and large numbers of troops to Yugoslavia in the spring of 1941 he was denied the use of those forces and those supplies when he attacked the Soviet Union in June of 1941.

We all remember that Hitler's armies were within sight of Moscow, and had surrounded Leningrad, in the late fall of 1941, but were never able to proceed further. That marked the high-water mark of Hitler's invasion of the Soviet Union. Meanwhile, Hitler was compelled to commit his forces in Yugoslavia in his vain effort to bring that country into submission. It has been estimated that Tito's guerrilla forces in Yugoslavia kept approximately 500,000 German troops tied down throughout the war. These, in addition to the fascist armies of Mussolini, which were even less successful than those of Hitler.

Tito's military success during World War II is all the more remarkable when we bear in mind that Yugoslavia received no outside aid whatsoever until late in the war and at no time had the assistance of military personnel from other nations fighting the Axis. It is reported that in June of 1942, speaking to a formation of new troops and commenting on the lack of military supplies, Tito stated:

> With stout hearts and deep awareness, we have captured rifle by rifle, thus arming ourselves.

And a few weeks later while speaking to others of his troops he stated:

> As for armament, so far we have taken it from the enemy. He did not give it to us voluntarily; we had to capture it from him. Everything you have, every rifle, every revolver, every bullet, has been paid for in blood. We now have enough weapons to capture new ones. Our fighting man must never be at a loss because he has little ammunition . . . for that means it must be taken from the enemy. As long as there is an enemy, we shall have arms and everything we need. That is our source.

Today, 35 years after World War II, Yugoslavia is a strong and modern nation. That fact is itself a tribute to the genius of President Tito as the political leader of his government during the post-war period. The Balkans have always been an area of extreme internal strife, so much so in fact that the English word "balkanize," which means to break up into smaller and often hostile units, is derived from the name of the area. During the last 500 or 600 years, the Balkans have been the scene of almost continuous strife, and government after government has failed to endure. Under President Tito's leadership Yugoslavia has become an integrated whole with a strong industrial economy supported by extensive agricultural.

Yet Yugoslavia is an exceptionally complex area. Modern Yugoslavia is a federal government consisting of six separate republics and two autonomous provinces. To further complicate these eight political subdivisions, Yugoslavia has three major religions, Roman Catholic, Orthodox Catholics, and Moslem, plus a small segment of Christian Protestants. Yugoslavia utilizes two alphabets, the Latin and the Cyrillic, both of which are official, and Yugoslavia has three equally official languages; namely, Serbo-Croatian, Slovenian, and Macedonian. There is no question that the leadership of President Tito has been the glue which has held these varied ethnic, political, religious, and cultural groups together. Only the future can tell us whether the political organization which he created, together with the sense of common purpose which he has sought to instill, is a strong enough cement to hold them together in the future.

I was fortunate to be selected to be a member of the official U.S. delegation to the funeral services for President Tito which were held in Belgrade last Thursday, May 8, 1980. The service was most impressive. There were enormous crowds of people at the principal service, held in front of the National Assembly Building in the morning. The crowds which gathered there and along the 3-mile route to the gravesite numbered not in the tens of thousands but in the hundreds of thousands. Despite the size of the crowd, the silence of respect which immediately followed the end of the official ceremony was so complete that many of our delegation noted that we could hear a bird chirping.

The world has passed through a time of many grave crises during the years of President Tito's life. Let us hope that we may never have to relive those experiences again. But if we do, may we again have the good fortune to be led by such giants as Roosevelt, Churchill, Chiang, de Gaulle, and President Josip Broz Tito.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of the U.S. Export-Import Bank's proposal to provide a credit of $5.5 million to make possible the sale of $6.9 million in U.S. goods and services for the Jose Cabrera Nuclear Power Station in Zorita, Spain.

The Westinghouse Electric Corp. would be enabled by this credit to sell four nuclear fuel reloads for the Zorita powerplant to Union Electrica of Madrid, Spain's fifth largest electric company. Westinghouse will provide completed fuel assemblies, performance calculations, data for computer programing, and onsite technical assistance.

In 1964, the Eximbank provided a direct credit of $24.5 million for this same project.

This financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Bank notify the Congress of proposed financing of exports involving nuclear technology or services. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

I am submitting for the RECORD copies of correspondence from the Eximbank giving the terms and details of the proposed transaction. I would welcome any comments or questions my colleagues might have on this financial proposal.

The material follows:

Export-Import Bank of the
United States,
Washington, D.C., April 29, 1980.

Hon. Stephen L. Neal,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

Dear Mr. Chairman: In accordance with Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

John L. Moore, Jr.

Export-Import Bank
of the United States,
Washington, D.C., April 29, 1980.

Hon. Thomas P. O'Neill, Jr.,
The Speaker of the House of Representatives, Washington, D.C.

Dear Mr. Speaker: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain:

A. DESCRIPTION OF TRANSACTION

1. Background and purpose

In August, 1964 Eximbank authorized a direct credit of $24.5 million to assist Union Electrica, S.A. in financing the purchase of U.S. goods and services for the Jose Cabrera nuclear power station located in Zorita, Spain. Union Electrica has now requested and Eximbank is prepared to provide an additional direct credit in connection with the operation of this power station of $5,520,000.

This additional Eximbank direct credit will finance four nuclear fuel reloads for the Zorita power station. Union Electrica selected Westinghouse Electric Corporation to fabricate the fuel reloads after considering the bid of a French supplier supported by Direction de Relations Economiques Exterieures, France's export credit agency. After receiving confirmation that DREE intended to finance four reloads, Eximbank supported a direct credit on terms comparable to the French offer.

2. Identity of the borrower

Union Electrica, headquartered in Madrid, was established in 1912 and is Spain's fifth largest electric utility company. Union Electrica is primarily privately owned, although 11.5 percent of its outstanding shares are owned by Instituto Nacional de Industria, which is in turn wholly owned by the Spanish government.

3. Nature and use of goods and services

The principal goods and services to be exported from the United States are completed fuel assemblies, performance calculations, and data for computer programming of fuel performance. On-site technical assistance will also be provided.

4. Safety and safeguard aspects

Exports of the fuel reloads will be made within the framework of two agreements: (1) the bilateral "Agreement on Atomic Energy: Cooperation for Civil Uses" between the United States and Spain of August 16, 1957, as amended; and (2) the trilateral agreement "Atomic Energy: Application of Safeguards by the IAEA to the United States-Spain Cooperation Agreement" among the United States, Spain and the International Atomic Energy Agency of December 9, 1966, as amended. Eximbank will require as a condition precedent to disbursement under this credit confirmation from the Department of State that exports to Spain for this transaction will be consistent with Section 128 of the Atomic Energy Act of 1954, as amended.

The nuclear equipment and services will be provided by Westinghouse Electric Corporation, Pittsburgh, Pennsylvania. Export licenses must be obtained from the Nuclear Regulatory Commission with respect to individual sales of the fuel reloads.

5. Executive branch approval

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $5,520,000 will facilitate the export of $6,900,000 of U.S. goods and services. The availability of Eximbank financing appears to have been a factor in winning this sale for the U.S. supplier.

The fuel fabrication will be primarily performed at Westinghouse's South Carolina facility and will provide approximately one hundred thirty-four man/months of direct employment.

2. The financing plan

The total cost of the United States goods and services to be purchased by Union Electrica is $6,900,000 which will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$1, 380, 000	20
Eximbank	5, 520, 000	80
Total	6, 900, 000	100

(a) Eximbank Charges: Disbursements under the Eximbank credit will bear interest at the rate of 7⅞% per annum, payable semiannually. This rate is comparable to that offered by the French supplier with official French government-supported financing. A commitment fee of 0.5% per annum also will be charged on the undisbursed portion of this Eximbank credit.

(b) Repayment Terms: The financing for the fuel reloads will be repaid in 4 schedules each of 6 semiannual installments, as follows:

Reload No., Delivery Date, and First Repayment Date:

1: 12-80/1-81, January 15, 1982.
2: 12-81/1-82, January 15, 1983.
3: 12-82/1-83, January 15, 1984.
4: 12-83/1-84, January 15, 1985.

Attached is certain additional information on Eximbank activity in and economic data on Spain.

Sincerely,

John L. Moore, Jr.

EXIMBANK EXPOSURE IN SPAIN (AS OF FEB. 29, 1980)

	Outstanding	Undisbursed
Direct loans	$928, 461, 906. 28	$212, 285, 727. 02
CFF loans	913, 246. 26	440, 303. 00
Financial guarantees	190, 501, 744. 36	155, 629, 689. 69
Bank guarantees and other	1, 794, 367. 44	1, 017, 196. 08
Insurance:		
Medium term	587, 807. 22	4, 630, 721. 45
Short term	42, 757, 732. 49	0
Total exposure	1, 165, 016, 804. 05	374, 003, 637. 24

DEFAULTS AND RESCHEDULINGS

In the past ten years there have been no defaults or reschedulings of Export-Import Bank direct credits for U.S. export sales in Spain.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Kogovsek) is recognized for 5 minutes.

● Mr. KOGOVSEK. Mr. Speaker, from May 7 through May 9, 1980, I was in Yugoslavia as part of the official U.S. delegation attending the funeral services of our friend, President Tito. On the days I was absent, I missed rollcall Nos. 218, 219, and 220, all regarding the first budget resolution of 1981. The Congressional Record of May 7, 1980, officially records my paired votes on these important issues. However, I would like the Record to show that, had I been able to be present for the votes, I would have voted "nay" on rollcall No. 218, "yea" on rollcall No. 219, and "yea" on rollcall No. 220.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. Cavanaugh) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, I was unable to be present on Tuesday, May 13, as I was in Nebraska for the primary election. This required me to miss three rollcall votes. Had I been here I would have voted aye on each of the rollcall votes:

Rollcall No. 229, H.R. 6616, amendment to the Marine Protection, Research and Sanctions Act of 1972;

Rollcall No. 230, House Resolution 663, the rule under which the joint resolution on food stamps was considered; and

Rollcall No. 231, House Joint Resolution 545, the food stamp appropriations resolution.●

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashley) is recognized for 5 minutes.

● Mr. ASHLEY. Mr. Speaker, the House Budget Committee today is notifying the Speaker of the House of the current levels of congressional action on the budget compared to the spending ceilings and revenue floor established by the second budget resolution for fiscal year 1980. Under the Budget Act a point of order lies against any measure that would cause the spending ceilings or the revenue floor established by a concurrent resolution on the budget to be breached.

This report is to advise you of the revised levels of new budget authority, outlays, and revenues compared to the second budget resolution for 1980. The revised levels are based on the latest 1980 economic forecast for fiscal year 1980 agreed to by the Budget Committees.

The Budget Committee is aware that these revised spending levels continue to prevent consideration of important spending legislation in process and urgent supplementals requested by the President. However, a revision of the spending ceilings and the revenue floor is in conference along with the first budget resolution for fiscal year 1981. Because the revisions in this report reflect action as of May 1, it does not include the reestimates in the Giaimo amendment of the fiscal year 1980 part of the budget resolution currently in Conference. The committee is hopeful that these actions can be completed within the next week.

A copy of my letter to the Speaker and of the committee's report are attached:

Committee on the Budget,
Washington, D.C., May 14, 1980.

Hon. Thomas P. O'Neill, Jr.,
Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under S. Con. Res. 53, the Second Budget Resolution for Fiscal Year 1980. This report reflects the resolution of November 28, 1979 and estimates of budget authority, outlays, and revenues based on all completed action on spending and revenue measures as of the close of legislative business May 1, 1980.

Sincerely yours,

Thomas Ludlow Ashley,
Acting Chairman.

Report to the Speaker of the U.S. House of Representatives from the Committee on the Budget on the Status of the Fiscal Year 1980 Congressional Budget Adopted in Senate Concurrent Resolution 53

(Reflecting completed action as of May 1, 1980)

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	638, 000	547, 600	517, 800
Current level	648, 880	560, 786	528, 890
Amount over resolution	10, 880	13, 186	11, 090
Amount under resolution			

BUDGET AUTHORITY

Any measure providing budget or entitlement authority for fiscal year 1980, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 53 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays for fiscal year 1980, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 53 to be exceeded.

REVENUES

Any measure that would result in a revenue loss of more than $11,090 million for fiscal year 1980, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 53.

Congressional Budget Office,
Washington, D.C., May 2, 1980.

Hon. Robert N. Giaimo,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the budget. This report for fiscal year 1980 is tabulated as of close of business May 1, 1980. Since my last report the Congress has cleared for the President's signature H.J. Res. 541 providing for the transfer of funds to the Federal Trade Commission. This bill reduces budget authority and outlays.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	640, 103	552, 459	528, 890
2. Entitlement authority and other mandatory items requiring further appropriation action	8, 719	8, 275	
3. Continuing resolution authority	65	57	
4. Conference agreements ratified by both Houses	−8	−6	
Current level	648, 880	560, 786	528, 890
Second Concurrent Resolution	638, 000	547, 600	517, 800
Current level is:			
Over resolution by	10, 880	13, 186	11, 090
Under resolution by			

Sincerely,

ALICE M. RIVLIN,
Director.

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1980 AS OF CLOSE OF BUSINESS MAY 1, 1980

[In millions of dollars]

	Budget authority	Outlays
I. Enacted		
Permanent appropriations and trust funds	342,000	294,528
Previously enacted	375,788	335,714
Offsetting receipts	−77,733	−77,733
Enacted this session:		
Aviation and Noise Abatement Act (Public Law 96–193)	57	
Interest forgiveness on loan repayments from Guam (Public Law 96–205)	2	2
Transfer of funds to the Federal Trade Commission from the International Communications Agency (Public Law 96–219)	−12	−10
Increase participation in farmer held reserve program (Public Law 96–234)		−42
Total, enacted	640,103	552,459
II. Entitlement Authority and Other Mandatory Items Requiring Further Appropriation Action		
Function 050:		
Military retired pay	466	464
Civilian and military pay raise	2,830	2,788
Function 150:		
Pay raise limitation: Export-Import Bank		(1)
Payment to Foreign Service retirement trust fund:		
Foreign assistance appropriation	1	1
Offsetting receipt	−1	−1
State, Justice, Commerce appropriation	4	4
Offsetting receipt	−4	−4
Function 270: Energy tax credit payments	1	1
Function 350: Pay raise limitations:		
Federal Crop Insurance Corporation		1
Farm Credit Administration		1
Function 370: Pay raise limitation:		
Federal Home Loan Bank Board		1
Federal Savings and Loan Insurance Corporation		1
Function 400:		
Payments to air carriers	20	18
Retired pay, Coast Guard	4	4
Pay raise limitation: St. Lawrence Seaway		(1)
Maritime subsidies		44
Highway trust fund, pay raise limitation		6
Function 500:		
Student loan insurance fund	649	300
Human development, social services	236	236
Unemployment trust fund, state administration		9
Function 550:		
Grants to States for medicaid	2,255	2,255
Federal hospital insurance trust fund, pay raise limitation		5
Function 600:		
Child nutrition	337	110
Department of Labor:		
Advances to unemployment trust fund (Black lung) (601)	455	419
Offsetting receipts	−419	−419
Advances to unemployment trust fund (FUBA) (603)	38	38
Black lung disability trust fund	494	458
Assistance payments program	80	80
Milwaukee R.R. supplementary unemployment benefits (Public Law 96–101)	2	2
Unemployment trust fund, State administration and services		95
Pay raise limitations:		
Social security trust fund (OASI)		108
Civil service retirement trust fund		2
Unemployment trust fund		2
Function 800:		
Payment to civil service trust fund	377	377
Offsetting receipts	−377	−377
Function 850: Federal payment for D.C. retirement benefits (Public Law 96–122)	52	52
Function 920: Allowance for civilian agency pay raise	1,218	1,195
Total, entitlement authority	8,719	8,275
III. Continuing Resolution Authority		
Continuing resolution:[2] Federal Trade Commission:		
Enacted through May 31, 1980	53	38
Estimate for balance of fiscal year	12	19
Total, continuing resolution authority	65	57
IV. Conference agreements ratified by both Houses		
Transfer of funds to the Federal Trade Commission from State Department (contributions to international organizations) (H.J. Res. 541)	−8	−6
Total current level as of May 1, 1980	648,880	560,786
Second Budget Resolution	638,000	547,600
Amount remaining:		
Over ceiling	10,880	13,186
Under ceiling		

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[1] Less than $500,000.

[2] Foreign assistance appropriations and the appropriations for certain ongoing Labor-HEW programs under Public Law 96–123, the continuing appropriations authority are funded for the full fiscal year and therefore, are included in the enacted category of this report. Federal Trade Commission is funded through May 31, 1980, under Public Law 96–123, Public Law 96–219, and H.J. Res. 541.

Note: Detail may not add due to rounding. ●

STUART EIZENSTAT SPEAKS ON ECONOMIC DEVELOPMENT

(Mr. EDGAR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDGAR. Mr. Speaker, Monday, May 12, the Northeast-Midwest Congressional Coalition had the honor of hearing Domestic Policy Adviser, Stuart Eizenstat, speak before local officials of the region. The topic was economic development. Mr. Eizenstat's remarks were largely drawn from a speech he gave at the University of North Carolina at Chapel Hill. I would like to submit this speech for the RECORD and commend it to the attention of my colleagues.

A NON-ECONOMIST'S LOOK AT ECONOMIC POLICY FOR THE 1980'S

(Speech by Stuart E. Eizenstat)

Profound changes occurred during the 1970's in our economy, requiring fundamental, structural policy responses for the 1980's.

Beginning in 1969–1970, and aggravated by the double impact OPEC price increases and other outside forces had in the mid 1970's on both economic growth on the one hand and inflation on the other, a new word entered the economic lexicon—stagflation. This condition, one virtually unknown in past American history, combined high rates of inflation with low growth, and thus rising unemployment. In 1974, the unemployment rate was 5.6 percent and the inflation rate as measured by the consumer price index 12.2 percent. In 1975, unemployment rose to 8.5 percent and inflation stood at 7 percent. Never before had the nation experienced such high rates of inflation and unemployment at the same time. In the past high inflation had been associated with periods of boom and with excessive demand—high growth and low unemployment. Here the inflation was to a large degree externally imposed, and became embedded in wages and prices and in our psyches—our attitude toward savings, credit, and the future. Most of the acceleration of inflation since 1975 is attributable to significant energy, food, and most recently, home purchase price increases.

Traditional Keynesian economics was ill-equipped to deal with this dual problem, nor with the impact of energy and other supply dislocations.

Inflation worsened during the 1970's due to a variety of factors not prevalent during most of the 1960's, when inflation remained low for most of that decade.

First, inflation accelerated during the Vietnam War as the Nation attempted initially to finance the War without raising additional revenues to do so.

Second, there has been a gradual but inexorable decline in the rate of productivity growth—output per manhour. The increase in productivity helps permit wage increases without an inflationary impact. The 1970's saw a precipitous decline in the rate of increasing productivity growth. Between 1948 and 1955 total productivity averaged 2.5 percent increase per year (3.2 percent for manufacturing). From 1955 to 1965 it averaged 2.4 percent (2.8 percent for manufacturing). Between 1965 and 1973 productivity increases dropped to 1.6 percent annually (2.4 percent for manufacturing). From 1973 to 1978 they averaged only .8 percent (1.5 percent for manufacturing). In 1979 productivity actually fell, for all business—the only year except 1974 within recent memory with a decline. This has had a disastrous impact on inflation. Although workers have shown restraint and the increase in compensation per hour has been relatively stable over the past few years, wage increases are not being offset by rising productivity. The declining rate of productivity growth has translated into higher unit labor costs rather than offsetting wage increases.

The productivity problem itself is a result of multiple factors, many not fully understood by economists—a large influx of younger workers in the labor market who require greater training than more experienced workers and whose output is reduced during their training phase; an uncertain and costly regulatory system; an industrial plant structure that is antiquated in certain key sectors and badly in need of modernization; the adverse impact on plant efficiency of rising real oil prices; sociological changes in the traditional American work ethic, with a greater emphasis on leisure time; the increasing shift of our economy toward a service economy.

This productivity slide has been accompanied by extremely low savings rates—now around 3 percent, the lowest in decades. In contrast, savings rates in Germany and Japan were 13 percent and 20 percent respectively, in 1979.

Third, the decade of the 1970's saw extraordinary pressure on the dollar, not heretofore experienced. The reserve currency of the world remained strong and unchallenged from post-World War II days until the 1970's, when two devaluations occurred. On a trade-weighted basis the dollar declined by 17 percent from January, 1977 to November, 1978, adding to inflation. This decline occurred largely because of a prolonged balance of payments deficit due to our foreign oil bill, declining competitiveness of American exports abroad and concern about persistent inflationary pressures in our domestic economy. Only a major dollar rescue effort by the President, which included a dramatic rise in interest rates to slow domestic inflationary forces and attract foreign capital, stemmed the tide. Since November, 1978, the dollar's value on a trade-weighted basis has increased by 10 percent, as of April 18, 1970.

American economic policy cannot be made without regard to its international implications.

The post-World War II economic recovery in Germany and Japan was so successful that they outsold us in world markets and increasingly penetrated our own. Our exports lagged badly at the very time oil imports increased.

Fourth, the massive oil price increases from OPEC were major contributors to American inflation in the mid to late 1970's. The 8.8 percent and 12.2 percent increases in the CPI in 1973 and 1974 came in significant part from the enormous jump in world oil prices.

The 100 percent-plus increase in OPEC prices from December 1978 to February 1980 was a principal cause of the increase in the rate of inflation in 1979.

The American people cannot attempt to make themselves fully whole against such outwardly induced price increases. If they attempt to do so, inflation would never be solved. Labor has exhibited enormous restraint in this area.

Fifth, a series of socially important government actions over the last twenty years have had an impact, although each served a necessary function in our democracy—regulatory activities, administrative decisions and an increasing shift toward payroll taxes, which are directly reflected in higher prices. While the importance of many of these actions outweighs their inflationary impact, these improvements do come at a cost. Regulations now cost between $50 and $150 billion per year.

During the 1970's, we saw an enormous burst of new regulatory legislation whose economic impacts were not fully recognized until years later—the Clean Air Act, the Clean Water Act, the Toxic Substances Act, the Occupational Safety and Health Act. All should be preserved. All of these are critically important to the improvement of the quality of life and the protection of our environment. Btu cumulatively they had costs along with their benefits.

We compound our overall inflation problem by exaggerating the increase in the cost of living, in the way in which the consumer price index is calculated. For example, the index gives too great a weight to the cost of rises in mortgage interest rates by in effect assuming homeowners refinance their homes at the current rate of interest every month.

The consumer price index is adequate as a fixed weight index of prices. It is not as adequate as a measure of the cost of living. Most items in the CPI are consumer goods, but a house is a capital good, which is worth more to the owner over time.

Higher rates of inflation through the 1970's has created an inflationary psychology which permeates our society. Expectations about inflation produce inflationary behavior by consumers and industry. These forces accelerated sharply in early 1980, necessitating the stronger measures proposed by the President.

The other part of the stagflation equation—unemployment—has likewise proven a difficult economic problem during the last decade. The unemployment rate averaged about 1.4 percent higher in the 1970's than in the 1960's for a variety of reasons, including a huge growth in the labor force and significant changes in its composition, and slower economic growth (real output growth slowed from an annual average of 4.0 percent to 2.9 percent).

President Carter's employment and training programs have been highly successful, helping, together with a rebounding economy from 1977 to 1979, to reduce unemployment significantly and creating over 9 million new jobs.

The unemployment rate masks the true gravity of the unemployment problem among minorities in general and minority teenagers specifically—where unemployment rates average over 35 percent.

There have been major changes in the structure of the labor force in the last decade. The surge of the young people born during the post-World War II baby boom into the job market meant a less experienced workforce requiring more training, and a greater need to create jobs at a record rate to accommodate them.

Youth unemployment—particularly among minorities—represents one of the most fundamental and explosive problems of our time. Despite major increases in jobs for minority teenagers by President Carter's youth initiatives, the unemployment rate hovers around 35 percent, due to the continued surge of minority teenagers into the labor force. When the unemployment rate for white male teenagers decreased from 14.7 percent to 13.9 percent between 1964 and 1979, for minority teenagers it increased from 24.3 percent to 31.5 percent during the same time period. In 1979, 64.8 percent of white youth were working, while only 43.3 percent of black youths were able to find employment.

Between 1977 and 1979, we saw an increase in labor force participation rates by minority teenagers for the first time in two decades—due in large part to President Carter's new jobs programs. While this was a welcomed development, the influx into the labor force of young people who had been too discouraged to seek work prevented unemployment rates among minority teenagers from falling despite the number of new jobs created.

While the total number of teenagers will diminish throughout the 1980's and there will be fewer white teenagers in the labor market in the 1980's—indeed there already has been an absolute decline here over last year—there will be substantial increases in the number of black and Hispanic teenagers seeking work.

Our post-industrial economy demands higher basic educational skills than in the past. In 1950, 34 percent of entry level jobs were open to someone without a high school diploma, but by 1970 the number had dropped to 8 percent. Yet at a time when educational skills are increasingly necessary for even entry level employment, dropout rates are at staggering levels in my areas—45 percent in New York City, and some employers report that upwards of 60 percent of young applicants fail entry level job tests. An H.E.W. test of 17-year-old minority youngsters showed over 40 percent unable to perform up to literacy standards required for most jobs.

The 1970's saw a startling jump in women in the labor force. We were part of an era of transition—from one to two earner families. During World War II, when women were first required in the labor force in large numbers, 36 percent of working age women had a job or actively sought one. That number was only 40 percent at the beginning of the 1970's; it rose to 48 percent in 1978 and to 51 percent last year. Economists expect women's labor force participation to continue its dramatic rise during the 1980's. Both the impact of inflation, which forced many women to seek jobs, and career decisions caused by the profound effects of the women's liberation movement, led to this increase. Parents with responsibility for the care of children required flexi-time and part-time jobs and increased day care in order to fulfill their needs or desires to work.

High inflation and high unemployment were the twin economic curses of the 1970's. Dealing with each separately and both together remains the challenge of the 1980's.

ECONOMIC SOLUTIONS

Although I am not an economist, I believe economic policy in the 1980's must be based on the new economic realities we have seen in the 1970's—a rapidly rising oil import bill, more limited Federal fiscal resources, pressure on the dollar, declining rates of productivity, insufficient capital investment and savings—but should remain true to the historic mission of the Democratic Party to the working man and woman and to the poor and disadvantaged.

This requires neither the rigidities inherent in a Constitutional amendment to balance the budget, which would put economic and budget planning in a straightjacket, nor an explosion of yet undeveloped and unproposed new programs cumulatively placing new commitments on the Federal budget, not yet envisioned by current proposals, without reductions elsewhere. Our current agenda of new social proposals is digestable and their passage should remain a priority. We must not turn our back on those most in need.

During his time in office, President Carter has begun to put in place many of the economic policies essential to meet our new economic realities. Careful budgeting (using zero based concepts) and program evaluation, together with a growing economy, have reduced the budget deficit from $66 billion in FY 1976, when the President ran for office, to half that figure in FY 1980 and will hopefully lead to budget balance in FY 1981. The President's pro-growth policies and major increases in the government's employment and training programs have reduced unemployment. The CETA program and the Job Corps have been doubled and the private sector initiative (Title VII, CETA) and targeted tax credit have helped focus our jobs programs on the most disadvantaged. A major restructuring of youth training and employment programs has been proposed, with major emphasis on basic skills development.

Regulatory reform initiatives by the President have begun to dismantle competition-barring economic regulation in industries like the airline and banking industries, have abolished thousands of unnecessary regulations and have instituted cost analysis for those which are necessary. The President is placing a new emphasis on exports, with an effort to eliminate unnecessary impediments to exports and to encourage American business to look beyond our own huge domestic market.

Farm policy has been based on non-inflationary target price concepts where farmers are paid the difference between market price and target prices for income support, and new farmer-held reserves protect both farmers and consumers from exaggerated swings in prices.

An historic Accord with organized labor and the Pay Advisory Committee and Price Advisory Committee it has produced, have institutionalized a voluntary incomes policy to help moderate wage and price increases.

The explosion of the underlying inflation rate in January and February, the deterioration of the bond market, the rapid rise in interest rates, and the buildup of inflationary psychology led the President to announce a series of additional stiff measures on March 14 to curb rapidly escalating inflation which has reached a dangerous level—a further reduction in Federal spending, credit controls, and additional energy conservation measures. These measures, which help puncture inflationary psychology, will put downward pressure on interest rates and will reduce our dependence on foreign oil.

A sensible economic policy for the 1980's must build on the program recently announced by the President and should include the following elements. It must be a policy which attacks inflation without consigning our people to a decade of no-growth policy, with permanently high levels of unemployment and massive business failures. It must recognize there is no single panacea.

First, restrained budgets and cautious fiscal policy will continue to be a necessity, since world oil prices will continue to inflict pressure and pain on our economy during much of the 1980's. The Federal Government cannot over-stimulate an economy which already faces its share of inflationary pressures from world oil prices and declining rates of productivity. The share of Federal spending as a percentage of the GNP should stay in the range of the low 20's. But this should not be enforced by rigid mandates.

The experience of Germany, Austria and Japan which have high budget deficits but relatively low rates of inflation, makes it clear that flexibility in fiscal policy is important. The Presidency is already restricted by too many constraints to sound economic-policymaking without inventing new ones. Nor should growth be permanently stunted as a way of dealing with inflation.

The President's FY 1981 budget could produce the first balanced budget in twelve years—and only the second in twenty years. Prudent budgets need not exclude domestic social progress in the 1980's. Even with a stringent budget policy the President has been able to initiate a new urban policy, a major youth employment program, and significant new education commitments. But it does mean that prudence is essential and that programs should be carefully phased-in—particularly during a decade when defense expenditures will be increasing rapidly to meet national security commitments.

It means that zero-based budgeting must be continued and sunset legislation must become a reality, so that programs can be evaluated and improved or terminated where malfunctioning.

Through a series of steps over the last 10 years we have locked-in some 75 percent of the budget, with so-called "uncontrollable" spending, through entitlements, full indexing of certain programs, and prior years' defense commitments. We must avoid new indexing of Federal programs not now indexed and leave as much room as possible for continued discretion in the Federal budget. We must seriously review the accuracy of the method by which we index current programs to avoid under or over-compensation.

Control must likewise be developed over the growing number of "off-budget" items, such as loan guarantees—which total $142 billion for FY 1981. While these do not add to the deficit they have an impact on the availability and cost of capital. For the first time this year, President Carter has established a budget for these programs, and has asked Congress to pass a credit budget. But just as we seek more accountability from off-budget items, we should recognize the peculiar manner in which we treat many on-budget items. Loans, even if collateralized, are treated as expenditures in the year they are made, housing programs are counted at their full-life's obligation, and assets owned by the government are not reflected. If the federal budget was divided into capital and operating accounts, like the budgets of many state governments, there would be a substantial surplus. The President has directed OMB to review the entire method of federal budgeting.

Just as there has been a great growth in off-budget items, so too there has been an increased emphasis on funding programs through tax credits. While these credits are often useful and efficient. they permit less budgetary control than direct expenditures which generally must go through the appropriations process. Tax expenditures will be over $200 billion in FY 1981. and they have gone up from 5.5 percent of the GNP to 7.5 percent in the past seven years. Tax credits and other deductions and exemptions from taxation must be subject to scrutiny just as we review direct expenditure programs.

The Congressional Budget reform process has served as a useful construct for sound budget-making. The progress made during the 1970's by Senator Edmund Muskie and Congressmen Brock Adams and Bob Giaimo in making the process work must continue to receive support—both from the Congress and the Executive Branch.

But budget policy for the 1980's must likewise help insure steady growth. The Administration does not seek the long-term deflation of growth. This would not only impose large social cost but would reduce business expansion and the economic growth necessary to a viable economy. Low levels of unemployment must continue to be the long-term goal of the nation. Ambitious goals are embodied in the Balanced Growth and Full Employment Act of 1977. Economic growth is a necessity for society to keep pace with inflation.

Second, we must build on the efforts already begun by the President to make regulations less burdensome and costly to the economy. We need not gainsay the progress brought by environmental, health and safety regulations (which have improved the quality of our lives and the safety of our workplaces) to recognize that these regulations should be as cost-effective as possible. We have been bequeathed a beautiful planet which developed over tens of millions of years. We must not despoil it in a few short decades.

The answer in the 1980's to our economic problems is not to turn the clock back on the progress made to clean our air and water and provide safer workplaces for our workers but to make regulations more sensitive and sensible, cost-effective and efficient in achieving their results, and to build more accountability into the regulatory process.

President Carter has made enormous progress in this area and has provided a solid foundation for continued progress in the 1980's. By Executive Order he has directed that all major new regulations must have an analysis accompanying them before they become final which assesses costs and other burdens, and has required that existing regulations should undergo a sunset review. OSHA has already discarded over 900 needless and burdensome regulations. The Regulatory Analysis Review Group under the President's economic adviser, Charles Schultze, reviews the analyses of the agencies' most important regulations and, with the President's blessing, works with them to reduce their inflationary impact before they are implemented.

This has resulted in savings of hundreds of millions of dollars of annual costs for regulations such as those involving DOT's equal access requirements, EPA's new source performance standards and OSHA's cotton dust standards.

The President established the Regulatory Council composed of the regulators from the Executive Branch agencies and on a voluntary basis, many of the independent regulatory agencies, to develop consistent regulatory approaches, and has asked them to develop a twice-yearly Regulatory Calendar.

This Calendar contains all major proposed regulations for the succeeding twelve month period, with a cost analysis of each, broken down by industrial sector. It provides the private sector the opportunity to plan in advance and to petition the government if the proposed regulations are unduly burdensome or unnecessary. It permits the government to avoid overlapping regulation and alerts us to the potential of overburdening a given sector of the economy.

These reforms are now being pursued by Executive authority. This year, it is imperative that Congress make these reforms permanent and extend them to the independent regulatory agencies not subject to Presidential control. Passage of bills initiated by Senators Culver, Laxalt, and Ribicoff, and Congressman Danielson, which incorporate most of the President's proposal, would accomplish this result. It would be a major anti-inflation achievement by the Congress. Under this legislation cost analyses would be required and regulators would have to choose the least costly and least inflationary way of regulating or explain why a more costly route was taken.

During the 1980's we should increasingly move, wherever possible, to performance standards with greater discretion on the part of industry in the manner of compliance. The EPA's bubble policy is an excellent example of rational, sensible and inflation-saving regulation, in which a company need not achieve a given level of performance from each smokestack, if it complies overall with required standards. By setting a performance standard, while permitting an industry latitude in the way in which the standards are met, innovation is encouraged and cost-effective regulations can become a reality.

So too we must move during this decade to develop better ways of accounting for and measuring the costs and benefits of regulation so that their total impact can be measured. Just as there are limits to public resources so too there are limits to the private resources capable of handling new regulations. We must develop sensible ways of allocating these costs on the private sector just as our Federal budgets allocate resources in the public sector.

But we must guard against efforts to emasculate basic environmental and worker protections in the guise of regulatory reform. Efforts to emasculate the Occupational Safety and Health Administration through legislation now pending are ill-founded and will be strongly opposed by the Administration. OSHA under the leadership of Ray Marshall and Eula Bingham has eliminated nit-picking regulations, has streamlined its procedures, and is concentrating on major health issues—all by administrative action. Legislation is not appropriate.

Just as we make improvements in the process by which regulations are developed, we must phase-out economic regulation where it impedes competition.

President Carter counts the deregulation of airlines and banking as among his most significant domestic accomplishments. He has urged the Congress to also deregulate the rail, trucking and communications industries. Legislation in each of these areas are moving through the Congress, with particular speed in the Senate on rail and trucking under the leadership of Senator Cannon.

This substantive economic deregulation will be a critical part of the President's economic policy for the 1980's, increasing competition in the economy and leading to an improved anti-inflationary climate. The President's airline deregulation bill has saved passengers over $2 billion while significantly improving industry productivity. There can be no justification in a country which prides itself on its free market system in having an industry as major as the trucking industry in which entry of new firms is limited by artificial restraints, full price competition is barred by legalized price-fixing. and a maze of restrictions limit the commodities trucking firms can carry and the places they can stop for goods. These barriers to true competition in the trucking industry and in other industries must be dismantled so that the competitive forces can be released, which will lead to more price competition and more productivity. The bill of Senators Cannon and Packwood, recently passed by the Senate, is a major step foward in this area as is the Senate-passed rail deregulation bill. We cannot afford an economy in the 1980's which shields industries from the discipline of the competitive marketplace by artificial regulatory restraints. In addition, the President's appointees to the ICC, FCC and FTC have already taken significant deregulation actions in areas ranging from trucking to pay TV to advertising by doctors.

As Charlie Schultze has pointed out, history may record the President's most significant domestic accomplishment as the fundamental restructuring of many sectors of American industry in a more competitive environment.

The President has also launched a campaign to cut paperwork imposed on business and the public. Already the total has been reduced 15 percent, in spite of new statutory requirements. Further progress will be made if Congress passes the President's paperwork reduction bill, and with the new paperwork budget the President has instituted, under which agencies must fit within paperwork limits established by the Office of Management and Budget.

Third, it is important to a smooth-functioning economy in the 1980's that voluntary incomes policies be pursued. For the next few years large energy price increases can be expected. We must keep these increases from leading to general increases in the wage and price structure. It will be self-defeating to attempt to catch up with outwardly-imposed energy prices for this will only insure that they become embedded in our basic wage-price structure. There has not been an explosive catch-up effort by wages to match these huge energy increases. The President's voluntary guidelines have helped restrain wages and prices in the areas they cover.

An example for such a voluntary wage-price program is the historic Accord with organized labor, in which they have become full partners in the fight against inflation, together with representatives of business and the public, on the Pay Advisory Committee. This Committee together with the Price Advisory Committee, with their wide business, labor and public participation signals a recognition that voluntary standards of wage and price behavior are necessary to restrain inflation.

Serious additional study is merited to the idea of supplementing this type of voluntary wage-price program in the 1980's by using the tax system to encourage moderate wage and price behavior. The Administration proposed this innovative concept in 1979 through its Real Wage Insurance proposal, under which workers could receive protection through the tax system for moderate wage behavior, if inflation exceeds a given level. Tax-based income programs of one variety or another may prove to be an important way to avoid large externally-imposed price shocks from becoming embedded in our economy—if they prove to be administratable. While more work is necessary on these ideas, pioneered by the late Arthur Okun, they deserve serious study.

Study should also be given to the propriety and feasibility of using the government's discretionary grants as levers to encourage anti-inflationary behavior.

Fourth, the economic policy of the 1980's must place greater emphasis on the supply side of our economy—both capital and human—than has been the case in the past, with emphasis on improving capital and human investment, and stimulating greater productivity and savings. We must improve the productivity of both capital—through incentives for innovation, investment and savings—and of labor—by employment and training programs funded by the federal government, particularly for youth and minorities; a more skilled labor force is a more productive one. It is these dual efforts which may help achieve both stable prices and lower levels of unemployment.

The 1980's should serve as a transition from economic policies which focused largely on controlling demand to ones which place more—though not exclusive—emphasis on the supply side of our economy, in order to more efficiently produce our products and develop and use the resources from which they are made. Supply-side policies and demand-related policies should be considered together.

The newly enacted financial institutions reform bill contains a major savings incentive urged by the President—the phase-out of ceilings on interest paid to small savers with savings deposits at savings and loan associations or thrift institutions. Moreover, the windfall profits tax signed by the President contained a tax incentive signed by its sponsor, Senator Bentsen, to induce savings. Reduced federal spending will also stimulate greater savings.

The President believes that expenditure reductions necessary to balance the budget (if the economy grows sufficiently) are necessary before productivity stimulating tax reductions are appropriate. Across the board tax reductions would lead to higher deficits, would not lessen inflation rates, and in the wrong circumstances might be misinterpreted as a slackening in the fight against inflation.

But during the 1980's there will be occasions when tax reductions are necessary to offset the impact inflation has in pushing incomes into higher tax brackets.

These tax cuts should serve multiple objectives—not simply to reduce tax burdens and maintain economic growth, as important as these are, but also to help fight inflation. Such future reductions could offset payroll taxes or stimulate greater capital investment by accelerated depreciation, which in turn would increase our productivity. Yet an element of caution is important. The decline in the rate of productivity growth in the United States predated the decline of business capital investment—which have largely occurred since 1974. Assisting capital investment, as important as this is, must not be viewed as a magic solution to declining rates of productivity growth.

Productivity and savings-oriented tax reductions will be possible once Congress makes the spending reductions necessary to balance the FY 1981 budget under current economic circumstances.

It is only through improved productivity that we can increase real wages without adverse consequences to inflation.

Federal support for basic research had nose-dived over many years. President Carter adopted a policy of real growth in research and development every year. This should likewise contribute to improved productivity if maintained over a long enough period.

Productivity should also be stimulated by more emphasis on industrial innovation—building on the initial program proposed last year by the President—and on research and development.

Improved industrial innovation is an important element here, in developing and commercializing new products and processes. The President's program in this area provides a framework for action in the 1980's to enhance the nation's tradition of industrial innovation. This program enhances the transfer of technological information; provides for broadened cooperation with universities and industry in the advancement of generic technologies; will strengthen the patent system and help restore the incentive to patent and develop inventions; will clarify anti-trust laws in the cooperative research area; will establish corporations for industrial development to provide equity funding for small businesses which develop and market promising high-risk innovations; opens federal procurement to the purchase of innovative products; and develops a federal forecasting system to provide labor and management with advance warning of industrial changes to permit timely adjustment. Yet this program is only a first step. Much more emphasis must be placed on innovation in the years ahead, including a review of the tax code to see what, if any, changes might further stimulate industrial innovation and productivity.

But increasing productivity will also require major investments in human capital. We cannot be satisfied with high rates of unemployment.

During the 1970's an exceedingly large number of teenagers entered the labor force. During the 1980's, the number of teenagers will drop and our work force will become more experienced and more productive. However, minority youth problems may become even more aggravated if further action is not taken, because their number will substantially increase. It is critically important that youth employment be directly tackled—particularly among our minorities.

President Carter has taken special efforts to deal with the problem of youth unemployment, particularly among blacks and Hispanics. From a base of $2.5 billion he has increased funding on youth employment to $4 billion annually. The President has forwarded to the Congress recently the most ambitious youth employment proposal in our nation's history, to add an additional $2 billion for youth employment, training, work experience and basic skills. For the first time, the education system, the employment system and the private sector will be knit together to eradicate the cancer of youth unemployment. This measure will increase the supply of trained young people entering the labor force and will add to the productivity of our labor force.

Secretary Marshall has increasingly emphasized training in our adult employment programs, likewise contributing to a more mature, productive workforce. In the 1980's, we must continue to emphasize work experience and training experiences, with long-term payoffs. We should explore ways of helping train mature workers layed-off from slow-growth or declining industries for jobs in high growth areas. These will be less costly in the long-run than the cost of unemployment compensation and trade adjustment assistance. And we must continue to strengthen the jobs programs President Carter has developed.

Fifth, more emphasis on micro-economics and sectoral policies are required. Particular industries have been affected in very different ways by the new realities of the 1970's and will have different needs in the 1980's. Even the most enlightened macro-economic policies may need to be supplemented by policies which focus on particular sectors of our economy.

There are instances in which particular companies in an industry—a Chrysler Corporation—requires particular help from the government because of extraordinary conditions. But these should be the exceptions.

President Carter has recognized that we must strengthen the basic industries in our country—modernize them, increase their productivity and their competitiveness in world markets. We cannot let them deteriorate one by one. His special program for the steel industry is a reflection of such a sectoral policy. The program has helped increase the profitability and capability utilization of the industry.

The President's hospital cost containment program to control inflation in the hospital sector is another example of sound economic policy for a particular industry. Its passage by Congress remains a priority. Micro-economic policies should also attempt to identify sectors of the economy where growth can be anticipated in the decade ahead and where our products can be particularly competitive in world markets, and provide a hospitable environment for the development of such sectors.

Labor-management councils, such as those being promoted by Secretary Marshall, can help identify needs in various industries and lend to cooperative efforts to satisfy those needs.

Sixth, just as we focus on particular industries to a greater extent in the 1980's, we must also focus special attention on economically troubled areas of our country—the upper Midwest and Northeast. The excellent work of the Northeast-Upper Midwest Congressional Coalition has highlighted the problem.

As population and industry increasingly move from the industrial heartland to the Sunbelt we are in very real danger of having a nation divided into healthy and sick regions. We must focus on the problems that are created for our entire Nation when whole regions do not share in our economic prosperity, or when large parts of our labor force do not have a real opportunity to make it into the mainstream of our economy. If we do not pay attention to these targeted and specific problem areas, we will never achieve full employment and price stability, the principal goals of our National economic policy.

We should be concerned about the problems of specific regions, as well as individual industries or certain groups in our labor force.

We must target our programs to depressed areas. At the current time, many of the metropolitan areas in the growing regions of our Nation are experiencing unemployment rates of three to five percent, while Detroit is at 12 percent, Newark is at 10 percent and Cleveland is above 10 percent. National economic stimulus at this time might create inflation in the healthy areas of our Nation while doing little to solve the problems of Detroit, Newark or Cleveland. But programs targeted specifically to these areas can increase production and create new jobs in those areas having idle resources, without fanning the fires of inflation.

In addition, as we enter a new era in which energy and other raw materials are not as readily available at cheap prices as in the past, we should preserve the enormous investments already made in this country. We have invested billions of dollars in both the public infrastructure of declining regions—roads, sewers, transportation facilities—and in the private plant and equipment of some of our troubled industries—autos, steel and rubber. We cannot afford to walk away from these investments and allow them to lie idle and the jobs to go overseas.

Finally, we must be concerned about the high social cost of having significant poverty and high unemployment concentrated in a few geographic areas. We as a Nation simply cannot afford the social, economic and political disaffection, and despair and the deep frustration that result.

The Carter Administration has made great strides to encourage private investment and jobs to locate in the urban and rural areas that are lagging behind the national economy.

We have proposed and Congress has enacted the Urban Development Action Grant Program—known as UDAG. This program is funded at $675 million annually and is designed to bring new private sector investments and jobs into economically troubled cities and counties. With each dollar of UDAG money, we have been able to leverage more than five dollars of private investment in the needy areas.

$4.2 billion of private investment stimulated by less than $800 million of UDAG grants. More than 200,000 new jobs have been created by the program alone.

We have proposed and Congress is about to complete action on a substantial expansion of the economic development programs in the Department of Commerce. Here, we have doubled the amount of grants available to economically troubled rural and urban areas and increased by more than five-fold the amount of loan guarantees available for new businesses in these areas.

Finally, we have proposed and Congress has enacted an extension of the 10 percent investment tax credit to rehabilitation of plant and equipment, as well as new construction. This tax incentive encourages businesses to rehabilitate and expand their current facilities. It already has stimulated more than $2 billion of industrial rehabilitation.

All of these programs have been developed by the Carter Administration and all are designed to bring private sector jobs and investments into the cities, towns and counties that do not share fully in our Nation's economic prosperity and to encourage investment in our Nation's depressed areas. Moreover, Federal procurement is being focused in these labor-surplus areas—although more needs to be done here.

As we enter the decade of the 1980's, we will have to shape our economic policy tools more carefully. We cannot simply rely on the blunt tools of the past—universal tax cuts and broad spending programs. Instead, we must rely increasingly on targeted measures designed to address the specific regional industrial and labor force problems that we will face in the upcoming decade.

Seventh, we must build on the President's policies which recognize that the world economy will be even more inter-dependent in the 1980's. The 1970's dramatically demonstrated that our economy is not isolated from the events around the world. Pressures on our dollar, which remains the world's reserve currency, impact on the flexibility of domestic monetary policy. The President's successful dollar rescue effort in 1978 had domestic impacts which he felt had to be taken in order to secure stability in exchange markets abroad.

Our current accounts position strengthened over the last two years. In 1977 our deficit was $14 billion. In 1979 it was in rough balance.

With the large oil bills we will face in the early 1980's increased exports will be an essential means of paying for U.S. imports as well as for maintaining a strong domestic economy with increased job opportunities. The 1980's must build on the efforts begun by President Carter to expand our exports—through the reinvigorated Export Council, the major reorganization and strengthening of our federal trade functions under the Department of Commerce and the U.S. Trade Representative, and the removal of many disincentives to exports. For example, the Justice Department is now developing guidelines under the President's export program which will remove much of the uncertainty surrounding the anti-bribery legislation.

The Administration has recently supported efforts by Senators Stevenson and Danforth which offer an exciting, innovative prospect for increased exports, through encouragement of associations of businesses to pool their resources for export purposes or to create export trading companies.

Obviously there are exceptional circumstances like the necessary response to the Soviet invasion of Afghanistan, when trade as usual cannot and should not continue.

But exports must be encouraged. We are competitive in world markets in many areas. For years American business has been looking inward at our huge domestic markets, while our friends, with smaller home markets, have been forced to export to survive economically. We now have as great an urgency as do they.

One additional factor in expanding exports is to markedly increase this nation's woefully inadequate foreign language facility. Our high school and college students have a worse foreign language capability now than a decade ago, though the world has become more interdependent. We can hardly increase exports to Japan, for example, when so few Americans can speak the language or have studied the culture. The recommendations of the President's Commission on Foreign Language and International Studies form an action agenda for the 1980's which should be pursued to correct those problems.

The Multilateral Trade Agreements negotiated under the President's leadership by Ambassador Robert Strauss provide a secure framework for expanded trade, reduced tariff and non-tariff barriers to American exporters, and creation of a conducive atmosphere for increased trade. Free trade fosters competition and helps fight inflation. It helps make our own industries competitive and increasingly productive.

There is a cloud on the horizon—the increased trend toward protectionism. The General Agreement on Tariffs and Trade sees protectionism growing throughout the world, with 20 percent of all world trade restricted by protectionist measures—an increase of some 5 percent in the past few years. Protectionism at home breeds it abroad—and soon everyone loses.

President Carter remains deeply devoted to free trade and to the avoidance of protectionism. We cannot expect to expand our exports to other markets if we shut our market to others.

But he also recognizes that free trade must assure fair trade—and he has acted where necessary to end unfair trade practices by our foreign competitors. Foreign dumping or improper subsidization have no legitimate role in world trade. The new trade act provides an efficient mechanism for the adjudication of dumping actions. When they are filed, as in the steel area, they will be objectively and effectively processed. We cannot and will not sit idly by and permit these unfair practices to wreck our domestic industries. We have fashioned innovative remedies for the shoe and color television industries and for the textile and steel industries, when such action was necessary.

The recent decision by Nissan and Honda of Japan (and the earlier one by Volkswagen) to make some of their cars and trucks in this country hopefully reflects a growing sensitivity that trade must be a two-way street. More such investments by Japanese automakers would be welcomed and would help offset pressures for restrictive actions. Large trade imbalances in certain sectors invite problems and increase protectionist sentiment which is in no country's interest.

We must also move in the 1980's to look at the international monetary system in light of new realities created by the strength of other national currencies and the pressures which have been created for the dollar.

The dollar is the central currency for the world economy, serving as the principal medium for international trade and finance and the major currency held in official reserves by foreign countries. This large international role of the dollar today is the product of an evolutionary process, arising from the predominance of the U.S. economy, the operation of the international monetary arrangements established following the World War II, and the unparalleled strength and openness of the U.S. financial markets. The key position of the dollar in the financial system places special responsibilities on the United States to maintain the fundamental economic conditions required for a strong. stable currency.

In recent years, a greater balance has emerged among the major countries in terms of economic size and ability to assume responsibility for the health and stability of the world economy. Consequently, while the dollar remains the principal currency in use internationally, other national currencies have developed a capacity for an increased international role, and have begun to be used more widely in international transactions and reserves. While a greater balance of responsibilities is desirable, an international monetary system based on a number of national reserve currencies would provide wide scope for destabilizing capital flows and shifts among these currencies. Moreover, the process of diversification of reserves, if left to itself, could lead to heavy exchange market pressures that would be damaging to the dollar and to the general stability of the interntional financial system.

A major challenge for the 1980's will be to devise arrangements for an orderly evolution of the international monetary system toward less reliance on national currencies for international transactions and reserves. A promising approach currently under consideration is the possible establishment of an international monetary reserve account in the International Monetary Fund. In brief, such an Account would accept dollar deposits by foreign central banks and issue, in exchange, claims denominated in Special Drawing Rights (SDRs), an international reserve asset created by the IMF which is valued on the basis of a "basket" of 16 currencies.

An appropriately designed Substitution Account could make an important and useful contribution to the stability of the international monetary system. It could provide an attractive, non-disruptive, off-market mechanism for countries to diversify reserve portfolios without having to hold a number of national currencies, as well as a means of easing exchange market pressures in times of exchange market strain. The Account would enhance the role of the SDR in the international monetary system and thus represent an important step away from increasing reliance on national currencies and toward an internationally created and managed asset as the principal reserve instrument for the system. There are many difficult issues which must be resolved before such an Account could be established, particularly an equitable sharing of any costs involved in operating the Account. The United States believes that the effort to develop an acceptable arrangement is worthwhile, and is playing a constructive and leading role in the discussions.

I believe with these policies pursued and implemented we will leave the decade of the 1980's with an economy stronger and more vital than ever.

EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I was unable to be present for the recorded votes taken on Wednesday, May 7, 1980, and Thursday, May 8, 1980, because I was in Yugoslavia as a member of the delegation representing the House of Representatives and the United States at the funeral of President Tito. I would like to announce how I would have voted on those 12 recorded votes.

MAY 7, 1980

On rollcall No. 217 when the House agreed to resolve itself into the Committee of the Whole for the consideration of House Concurrent Resolution 307, setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, I would have voted "yea."

On rollcall No. 218 when the House rejected an amendment to House Concurrent Resolution 307 that sought to strike the reconciliation language in the resolution that instructs eight House and eight Senate authorizing committees to report legislation to save $9.1 billion in outlays in fiscal year 1981, I would have voted "no."

On rollcall No. 219 when the House agreed to sections 1 through 5 and section 7 of House Concurrent Resolution 307, I would have voted "yea."

On rollcall No. 220 when the House agreed to section 6 of House Concurrent Resolution 307—1980 revised budget—I would have voted "yea."

MAY 8, 1980

On rollcall No. 221 when the House approved the Journal of Wednesday, May 7, 1980, I would have voted "yea."

On rollcall No. 222 when the House rejected an amendment to S. 1309, to increase the fiscal year 1979 authorization for appropriations for the food stamp program, that sought to reinstate the purchase requirement for food stamps, I would have voted "no."

On rollcall No. 223 when the House rejected an amendment to S. 1309 that sought to reduce the food stamp benefits of those households which include children receiving federally subsidized school lunches, I would have voted "no."

On rollcall No. 224 when the House rejected an amendment to S. 1309 that sought to limit eligibility for the food stamp program to households with gross incomes below the poverty line, I would have voted "no."

On rollcall No. 225 when the House rejected an amendment to S. 1309 that sought to reinstate the purchase requirement except for households which contain a member who is over 60 years of age or is blind or disabled, I would have voted "no."

On rollcall No. 226 when the House agreed to an amendment to S. 1309 that provides for repayment of certain excess food stamp benefits, I would have voted "no."

On rollcall No. 227 when the House rejected an amendment to S. 1309 that sought to convert the food stamp program into a block grant program effective in fiscal year 1982, I would have voted "no."

On rollcall No. 228 when the House passed S. 1309, to increase the fiscal year 1979 authorization for appropriations for the food stamp program, I would have voted "aye."

A SALUTE TO PATRICIA A. RUSSELL, ESQ.

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. STOKES. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. House of Representatives an extraordinary individual and speaker—Ms. Patricia A. Russell, Esq.

On Sunday, April 27, 1980, I had the pleasure of hearing Ms. Russell speak at the 24th Annual Breakfast Program for the National Association of Negro Business and Professional Women's Clubs in Cleveland, Ohio. She delivered a fiery and very inspirational message entitled "If Not You—Who? If Not Now—When?"

I must pause here to say, Mr. Speaker, that I have heard many excellent speeches during my tenure here in the U.S. House of Representatives and during my public career. However, it is rare to come across such an articulate, sincere, magnetic, and charismatic speaker as Ms. Russell. Each sentence she uttered took on the flavor of a drum cadence getting the troops ready to overcome any challenger or obstacle.

Her speech on that occasion served as an inspiration to everyone in the audience. Later as I reflected on the speech, I came across the Negro National Anthem which was printed in the program and realized that her presence that day was symbolic of the first few lines of the song:

> Lift every voice and sing
> Till earth and heaven ring
> Ring with the harmonies of liberty.
> Let our rejoicing rise
> High as the listening skies
> Let it resound loud as the rolling sea.

Mr. Speaker, this prolific black woman is currently the Chief of the Complaints Branch, Complaints and Compliance Division, Broadcast Division, at the Federal Communications Commission. She is a graduate of Kentucky State University and has received a J.D. degree from the Howard University School of Law. In addition to her employment with the FCC, she is a national officer with the Alpha Kappa Alpha Sorority, Inc., a member of the Indiana State Bar, the American Bar, the Federal Bar, and the National Conference of Black Lawyers.

Ms. Russell is a vivacious and energetic speaker, lawyer, and human being. I am sure that if W. E. B. DuBois were alive today, he would say that she was the kind of person he was referring to when he talked about the "talented tenth."

Therefore, at this time, I would like to enter Ms. Russell's speech in the RECORD so that my colleagues in the House of Representatives can join me in saluting her:

IF NOT YOU—WHO? IF NOT NOW—WHEN?

(Remarks by Patricia A. Russell)

Who are we?

We are the issue of an ancestry that authored a legacy; through their deeds and declarations they insisted that the Nation pause and ponder—what manner of people are these?

We point to our history rich and pure—Dr. Booker T. Washington, Rosa Parks, Fannie Lou Hammer, Justice Thurgood Marshall. Dr. Charles Drew, Dr. George Washington Carver, and Dr. Martin Luther King, Jr. We are the products of suffering and sacrifice. We are those, who like silver, must be captioned as sterling. We are wise and watchful as we weigh the past against the present. We see old concerns packaged and treated as if brand new. We hear proposals that offer, but only partially fulfill.

Thus, we are cautious for we are sensitive to broken promises. We are candid for our lessons have taught us forthrightness. We are strong for we have learned the tools of survival through our existence. We are ethnic black.

We are talented, creative and imaginative. Our capabilities are diverse. Our credentials are multifarious. Our qualifications are excellent. We are determined to attain the victor's cup. We are motivated by—the heartbeat of our struggle. We are those from the North, South, East and West. We are heterogeneous. We are the dedicated and determined. We are the thinkers and the doers. Who are we? We are today's choice and today's challenge. Know us . . . for our story shall be continued.

To Dr Theresa Cook, distinguished president of the Cleveland Club of the National Association of Negro Business and Professional Women; to the dedicated and determined program chairlady, Mrs. Clara Woodson, and to the members of her committee, to your voice of reason in Washington, Congressman Louis Stokes, noteworthy honorees, members of the dais, members of the Cleveland club, ladies and gentleman:

It is for me a very special honor and privilege to be invited to share this auspicious occasion with you.

You see, I am glad to be in Cleveland this morning not just because I am from the Midwest and it is always good to see friends who are more like family;

I am glad to be in Cleveland this morning not just because it houses some of the most notable institutions of higher education in this country;

I am glad to be in Cleveland not just because it stands as a main contributor in both the public and private sector to those in American mainstream;

I'm glad to be in Cleveland this morning because here you have a clear day, and at home in Washington, D.C., it was cold with torrential rains!

Ladies and gentleman: today we come at a time of inflation and recession, outrageous food prices, inadequate educational systems, hardcore unemployment, a recall on credit cards, no new credit, and creditors who let us know we should have known better; shockingly dangerous pollution of our air and water, prime interest rate swinging between 19 percent and 21 percent; antiquated transportation systems, a de minimus number of new starts in housing; insufficient and ineffective public facilities; deterioration of the family as a unit of society and a lack of equal opportunity for all Americans. For even the most casual observer readily surmises that we live in an era of more hate than love, more poverty than health, more despair than hope, more neglect than attention and more problems than solutions.

The solutions, it appears are often caught in the quagmire of discussions, proposals, studies on the study, or yet another attempt to create, develop and implement a plan B for the plan A that failed.

Whether on issues that are foreign or domestic, economic, educational, political or social, structural, systemic or institutional . . . there is a prevailing need for us to come now and reason together. Although general approaches have in the past been encouraged, we are reminded that stop gap measures rise and fall with various administrations both in the public and the private sector. Thus, the need for defined, detailed, concentrated approaches becomes increasingly clear. The recitation of problems, concerns, deficiencies, and/or shortcomings merely highlights the fact that we begin yet another decade with old aches and ailments, we have too quickly accepted half-suited temporary measures that hold pacification not promise.

Our most academically credentialed have found a strange comfort in invitations to the so-called high places—the executive suites with mahogany tables and highbacked chairs and fluorescent lights—the halls of decision-making—where the deliberations will surely impact upon the lives of men and woman. Yet, there is an unacceptable absence of meaningful programs, strategy and/or funding. Regrettably, action without accolades; sensitivity without sympathy; a rationale without rhetoric has not been evidenced. Our posture has been to go not get; to literally dress up and not figuratively dress-down interim, filler programs that in any other forum or for another people would be rejected; we converse but fail to create; we willingly review the agenda and fail to scrutinize the subagenda.

I ask you—if not you—who?

We are those uniquely suited for the task. For we have a heritage that sets the stage for the heavy contest between hope and fear. We have an experience factor that accompanies us and let's us understand the mission of rising against the odds. We have historically gone into life's most adverse situations and been the victor . . . we are the long distance runners finding energy in other excuses.

Historically, we were those with little more than a nickel and a nail in our pockets struck out against the odds. And we rose again and yet again as stalwarts in the storm, giants in our chosen fields of endeavor.

Poet Margaret Walker of the Harlem renaissance period told the story of struggle in "For My People."

"For the gone years, and the now years, and the maybe years, washing, ironing, cooking, cleaning, sewing, mending—when we were planting, ploughing, digging, pruning, dragging along. Never gaining, never reaping, never knowing and never understanding. For the cramped bewildered years we went to school to learn to know the reasons why, and the answers to and the people who, and the places where and the days when, in memory of the bitter hours when we discovered we were black, and poor, and small and different, and nobody wondered and nobody understood."

Artists painted our story—Ernie Barnes captured on canvas a lady standing at the bus stop with shopping bags surrounding her feet, having worked too many hours, for too little pay—he captioned her pose—"Rock of Ages."

Song writers have told our story through the lyrics of song—

"Freedom—freedom" before I'll be a slave,
I'll be buried in my grave, and go home to my
Lord and be free.

"We shall overcome"
"Lift every voice and sing"

While in New York I viewed again that proud woman standing in the harbor holding the great torch with her right hand, and clutching the Declaration of Independence with her left: wearing on her head a crown of high spikes, and around her feet a broken shackle symbolizing the overthrow of tyranny—and I listened as she cried out with silent lips—"give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send those, the homeless, tempest-tost to me, I left my lamp beside the golden door!"

And we came, although involuntarily, we came, and became academicians, scholars, educators, engineers, environmentalists, scientists, sociologists, businessmen and women, orators, artists, teachers, preachers, creators, innovators, implementators, men and women of courage, men and women of substance—who keep coming—who keep coming.

We came and we became those who knew and understood the true meaning of the words.

My country tis of thee
Sweet land of liberty
Of thee I sing;
Land where my fathers died
Land of the pilgrim's pride
From every mountain side
Let freedom ring. . . .

We listened and we heard one of our sons, Dr. Martin Luther King, Jr. tell 225,000 people about a dream of freedom that he had—he asked that freedom ring from the snow capped mountains of Colorado; from the curvaceous mountains of California; from Lookout Mountain of Tennessee; let freedom ring from every hill and molehill of Mississippi; let freedom ring until white men and black men, Jews and gentiles, Protestants and Catholics join together and say—free at last, free at last, thank God Almighty I'm free at last!

We listened to John F. Kennedy "Ask not what your country can do for you—but ask what you can do for your country."

I believe Langston Hughes' appropriate response: "I, too, sing America. I am the darker brother. They send me to eat in the kitchen when company comes, but I laugh, and eat well, and grow strong. Tomorrow, I'll be at the table when company comes; nobody'll dare say to me, 'eat in the kitchen,' then. Besides, they'll see how beautiful I am—and be ashamed—for I too, am America."

Robert Kennedy responds—"Some see things that are and ask why? I see things that never were—and ask why not?"

If not you—who? If not now—when?

Today we stand perched on the edge of history—an assembly peculiarly suited to write brilliant pages in the volumes of recorded time. Why not decide to take out a long-term commitment to causes that are just. Why not decide categorically and unequivocally that as for us—it will not be our own feet that cause us to stumble.

Accordingly, there is a requirement to release the neutral gear—ideologically, philosophically, and attitudinally, it has become too easy to write a check in the place of giving time, energy and effort; it is easier to refer rather than to assist; easier to lecture by example rather than to set an example.

Those who most need our assistance are the homeless and the helpless, society's castout, the poor, the dispossessed, the seniors and the youth. Significantly, all assistance does not come in the form of a basket at Christmas, a clothe-a-child marathon, a holiday dinner for the seniors, or a one-time trip with youth to the theater. Service requires active participation—and activity comes from your presence and your payment. Service involves consistent "people" measures that help people develop a life, not just a living. Accordingly, the focus necessarily becomes the practical and immediate as well as planning and policy that will bring structure, purpose and meaning to programs affecting us during life's one step from the cradle to the grave.

Thus, I ask you: If not you—who? Who better suited to serve in the capacity of going to the halls of deliberation and sitting at the table of negotiation—than those within our ranks?

I ask you: If not now—when? At a time when others have tried and failed. Now is the hour when we must categorically and unequivocally set our agenda.

It is not enough to point to the 1,000 black students in Ivy League schools and decide that we have reached our goals—may I suggest to you, that the motivational level of the '60's has largely dissipated at our institutions of higher education, and admissions policies are being reviewed and revamped in view of the court cases—De Funis, Bakke and Fullilove under the imminent cry of reverse discrimination; it is unacceptable to look at the handful of $20,000 jobs which minorities fill in government and big business and decide that there is no more to be done on the employment scene.

Further, I would urge you to share with me a special concern for the seniors and the young . . . for although at opposite ends of life's spectrum, they are our greatest resource. The seniors house the wisdom taught by the tell-tale lessons of the experiences of yesteryear.

Their voices tell us—We are captive and cautious; we step slowly, but wisely; we are patient and perceptive; we are gray haired and grateful; we house volumes of knowledge, marked common sense; we tell only a message of truth; we are your heritage and your history.

Deep in their memory bank they house chapters of testimony as to the iron will of refusin' to lose. Notice their pride, they have championed the task of "makin' do." They are those who have been able to take little and do much in a society that offers too little for too many.

And our youth's request is equally requiring—Today as parents ponder the plight of their young, they seek noonday solutions to midnight occurrences and find respite in "sending the kids away" for the summer, camp or overseas—seeking for them a benefit from the exposure. But have no plan or program for "taking the pulse" of their heartbeat as they struggle to find their niche in the American mainstream. Too often parents come offering . . . "too much, too little, to late." It's time to give them Gucci, Vuton, Givenchy, Blass, Ungara, slick cars, imported luggage, tight legged jeans, European suits, narrow ties, Ms. Vogue, and Mr. Esquire, but what does it mean to have them all dressed up with no place to go.

Have we too often stressed the need to be somebody rather than to have as other notables of the past—something within? Whatever selected field of endeavor; whatever level of academic achievement; whatever collection and display of accolades and awards at the height of our "somebodiness" we need to have something within.

That something that sometimes makes us stand alone, yet, that something that reassures us that sometimes the one who files the minority report becomes the majority. Recognizably, our elementary students are very capable of reciting all of the lyrics of the "Top 10" hits, but have no grip or grasp of historical facts that relate to the cutting edge of the black experience.

Yes, too many of our young people have been allowed by school systems and/or principals and/or teachers and/or parents to enjoy the luxury of using sophisticated calculator devices in mathematics classes. They have failed to realize that the calculator may get them a grade "c" but it won't "see" them through.

Perhaps we owe our children an apology—you see I'm sorry that we have too often taught mathematics, but failed to teach manners;

I'm sorry that we have stressed excellence—but failed to teach our children about the ladder of fairness, justice and equality. Yes, I apologize that we too often have rushed to get the house on the hill, but in our haste, we left the home behind; I'm sorry that in teaching them the basics, we failed to teach them a basic philosophy that would sustain them through it all.

A philosophy that—no matter how long the journey, steep the hill, dark the tunnel, cold the chill, fierce the enemy, few the friends—a basic philosophy that will sustain them through it all.

For example, one writer states in part in his poem "Anyway"—

"People are unreasonable, illogical and
self-centered. Love them anyway.
The good you do today will be forgotten
tomorrow. Do good anyway.
People favor underdogs but follow top dogs.
Fight for some underdogs anyway.
People really need help but may attack you if you help them. Help them anyway.
Give the world the best you have and you'll get kicked in the teeth. Give the world the best you've got anyway.

The key you see is preparation, not procrastination. The key is substance, not substitutes. It's an education that's needed—not an explanation. We must tell them:

Education is like a Ford, it gives you a better idea;

Education is like Cola Cola, it's the real thing;

Education is like a slow poke sucker it lasts a long, long time.

Remember the late Billie Holiday said it best—"Rich relations may give a crust of bread and such—you can help yourself . . . but don't take too much . . . Momma may have . . . and Poppa may have . . . but God bless the child who's got his own. . . ."

Although highly educated, perhaps we need a new alphabet, not just the 3R's for life but an alphabet for living—

A. Attitude, it will determine your altitude, how high you will fly in this life.

B. Brain power, the best demonstration of blackness.

C. Courage to be strong in a time when we have neither the motivation nor inclination to be inspired.

D. Dedication to causes that are just.

E. Effort that you must make everyday to be a superstar. Just to be considered average.

F. Freedom, that is not free.

G. The Genius in each one of you.

H. Our heritage, rich and pure.

I. Intuition—to look beyond the obvious.

J. Justice, and the fact that you must strive to make it color blind.

K. Know how to create and implement the master plan for our future.

L. Life, you only go around one time.

M. Meditation, take time to get in touch with yourself.

N. Now . . . this is the hour.

O. Opportunity, to make a difference.

P. Promise that you hold for generations yet unborn.

Q. Questions you must ask in search for the truth.

R. Roots, as a twig is bent, so shall it grow.

S. Survival, it truly will be the survival of the fittest.

T. Truth that must be told.

U. Unity, that we must achieve.

V. Vision, never lose sight of the top of the mountain.

W. Willpower to rise to the top of the crop.

X. X-ray—hold people and things up to the light.

Y. You and your contribution.

Z. The Zodiac and your place in the sun.

I am reminded of a story in which a little boy decided to pose a very perplexing problem to the town's wise man—the little boy said to the wise man: "there is a bird in my hand, if you are so wise, tell me whether the bird is dead or alive."

The little boy knew that if the wise man told him that the bird was alive he would squeeze his hands together and the bird would die; and if he said he was dead he would release his hands and the bird would fly away—alive!

The wise man responded to the little boy, "the answer my son, is in your hands."

If I could deliver one message to our youth it would be that, the answer is in your hands as to whether you will or won't; can or can't: should or shouldn't.

The answer is in your hands as to whether you will be somebody on the outside lacking that something within that no one can affect from without; the answer is in your hands as to whether your chapter in life's history book will be one that contributes to the volume of those who came early and stayed late for the task that was worthwhile.

The answer is in your hands as to whether you will decide that as for you you will not be among those who major in the minor! The answer is in your hands as to whether you face the reality that in life the elevator to success is *not* running, and you will have to take the stairs!

I ask you: If not you—who? If not now—when?

Yes, it's easy to get weary in the struggle—easy to get comfortable and to avoid getting involved—daring to be different; daring to make a difference! But, we come this evening as at least two people. For we are those who are standing on the shoulders of some grandmother or grandfather, mother, father, sister, brother, aunt or uncle. Many, if not most of us, are first generation professionals. We are the exception, therefore, we have an exceptional responsibility to reach back and lend a helping hand to another, another, and yet another.

Langston Hughes gave our ancestors' testimony—"Mother to Son".

Well son, let me tell you
Life for me ain't been no crystal stair—

It's had tacks in it, and splinters
And boards torn up—and sometimes son,
Dare's been places on de' flor' whar dar ain't
Been no carpet, it's been bare.

But all 'de tim' I'sa been a climbin' on—
And reachin' landin's and turnin' corners—
And sometimes son, I'sa been goin' in de' dark,
Whar dar ain't been no light.

So don't you set down—on de steps
Caus' you find's it's kinda hard—
I'sa goin' on honey—
I'sa still a'climbin'—
And, life for me ain't been no crystal stair.

If a contract were formed between you and the rest of mankind, the party to the first part would have to be a party to the second part and the party to the second part would have to be a party to the first part. The first part would read:

From this day on I will dare to be different,
And dare to make a difference;
I will dream but not be a dreamer;
I will lift, not limit, encourage not oppose;
I will sacrifice to serve.

And the second part written by mankind would read: As we wait for a resolution of our questions . . . as we wait . . . yearning for a better day . . . we, in the spirit of mankind, submit our entire and indivisable, express and unconditional belief that based upon who you are and those from whence you have come . . . that you can and will be a bridge over troubled waters.

As a lawyer, my concern is always centered on two issues, the facts and the evidence. The facts represent those things which have taken place, not what might have or might not have taken place. Evidence represents any and all facts, documents, exhibits, expert or lay opinion which would be admissable and relevant to reach a determination.

I simply want to see the record. What does the record reflect? What are the facts? Show me that you did not major in the minor. Show me the record that each of us, all of us benefited because you passed this way.

In life's book, every day is a page, every action or inaction a paragraph, every ponder, a question mark, every pause—a hyphen, every achievement an exclamation point, every completed task a declarative sentence.

Let the record show that you tried to help somebody to be somebody with something within. Let it show that you chose to make a choice and meet the challenge.

Know that as for me, it shall forever be my goal to join with those—both the towering and the tiny—whose contribution has been worthy of being captioned on the pages of history; to join with those who are distinguished and distinct. Those who demonstrated humility without subservience; those who are flexible and fair; patient without procrastination; perceptive without pettiness; those who are educated and energetic academicians with an intellectual as well as a humanistic understanding; those who are straightforward for the purpose of constructive improvement and those who are interested in the achievement and attainment of human attributes . . .

Some would seek to omit or make secondary our great beginning; some would be desirous of throwing away the clock, and act as if time has re-written every line; but as for me; I will step up on our heritage, motivated by the reality that even now, on this day, this very second, we are standing on the periphery of what ought to be. Standing at the front door of what can be; standing as a cadre of those competent, capable and prepared who can make it be:

If not you—who? If not now—when?

Know that as for me—in the words of the spiritual—

I don't feel no ways tired
I've come to far from where I started from
Nobody told me that the road would be easy
And I just don't believe he brought me this far
To leave me.

Remember—
You have only just a minute
Only 60 seconds in it
Forced upon you, can't refuse it
Didn't seek it, didn't choose it
But it's up to you to use it
You must suffer if you lose it
Give account if you abuse it
Just a tiny little minute
But eternity is in it.

I have come to ask you as did Winston Churchill when the British troops had grown weary and worn from fighting—the Nazis were at their door—and they had neither the energy nor the will to fight anymore—they wanted to give up and Churchill reminded them that they were the ones trained, skilled, competent, and prepared to fight . . . to win—he asked, as I now ask you—

If not you—who? If not now—when?●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rodino (at the request of Mr. Wright), for today, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Tauke) to revise and extend their remarks and include extraneous material:)

Mr. Goldwater, for 5 minutes, today.
Mr. Grassley, for 5 minutes, today.
Mr. Paul, for 20 minutes, today.
Mr. Ritter, for 5 minutes, today.

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Ertel, for 5 minutes, today.
Mr. Smith of Iowa, for 15 minutes, today.
Mr. Brooks, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Roberts, for 5 minutes, today.
Mr. Danielson, for 15 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Kogovsek, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Ashley, for 5 minutes, today.
Mr. Murtha, for 15 minutes, today.
Mr. Smith of Iowa, for 60 minutes, on May 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Edgar, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,358.

Mr. Stokes, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,080.75.

Mr. Ashbrook, to revise and extend, immediately following remarks of Mr. Dornan on B-1 bomber, today.

(The following Members (at the request of Mr. Tauke) and to include extraneous matter:)

Mr. Lent.
Mr. McKinney.
Mr. Ritter in two instances.
Mr. Collins of Texas in three instances.
Mr. Horton.
Mr. Sensenbrenner.
Mr. Bethune.
Mr. Wylie.
Mr. Goodling.
Mr. Philip M. Crane.
Mr. Daniel B. Crane.
Mr. Paul.
Mr. Pursell.
Mr. Ashbrook in three instances.
Mr. Brown of Ohio.
Mr. Kemp in three instances.
Mr. Hyde.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous matter.)

Mr. Fazio.
Mr. Coelho.
Mr. McDonald in five instances.
Mr. Jacobs.
Mr. Rahall.
Mr. Smith of Iowa.
Mr. Udall.
Mr. Santini.
Mr. Hamilton.
Mr. Stack.
Mr. Ford of Michigan in two instances.
Mr. Conyers.
Mr. Yates.
Mr. Rangel.
Mr. Applegate.
Mr. Ottinger.
Mr. Shelby in two instances.
Mr. Skelton.
Mr. Maguire.
Mr. Murphy of New York.
Mr. Fuqua.
Mr. Gray.
Mr. Moakley.
Mr. Luken.
Mr. Drinan.
Mr. Pease.
Mr. LaFalce.
Mr. Hubbard.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 5 minutes p.m.), the House adjourned until tomorrow, Thursday, May 15 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4373. A letter from the Executive Director and Secretary, Chrysler Corporation Loan Guarantee Board, transmitting the Board's report in support of its determinations to issue a commitment to guarantee up to $1.5 billion of loans to Chrysler Corp., pursuant to sections 4 and 14(b) of Public Law 96–185; to the Committee on Banking, Finance and Urban Affairs.

4374. A letter from the Director of ACTION, transmitting a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973; to the Committee on Education and Labor.

4375. A letter from the Assistant Secretary of State for Congressional Relations transmitting notice of the State Department's intention to issue a license for the export of certain defense equipment and services sold commercially to Japan (Transmittal No. MC–22–80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4376. A letter from the Secretary of Commerce, transmiting the semiannual report of the Inspector General of the Department of Commerce, covering the period October 1, 1979, through March 31, 1979, pursuant to setcion 5(b) of Public Law 95–452; to the Committee on Government Operations.

4377. A letter from the Information Officer, Postal Rate Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 d); to the Committee on Government Operations.

4378. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations to govern the application of the Federal Election Campaign Act of 1971, as amended, to contributions to and expenditures by delegates and delegate committees at all levels of the delegate selection process, pursuant to section 311(d) of the act; to the Committee on House Administration.

4379. A letter from the Secretary of Health and Human Services, transmitting a report on the analysis of deficiencies in the foreign medical education of U.S. foreign medical student transferees, pursuant to section 782 (c) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4380. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on commercial and industrial storage of distillate and gasoline, pursuant to section 241 of Public Law 96–102: to the Committee on Interstate and Foreign Commerce.

4381. A letter from the Secretary, Federal Trade Commission, transmitting the eighth report of the Commission on the impact on competition and on small business of the development and implementation of voluntary agreements and plans of actions to carry out provisions of the international energy program, pursuant to section 252(i) of the Energy Policy and Conservation Act of 1975, as amended; to the Committee on Interstate and Foreign Commerce.

4382. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to simplify certain annuity computations under that act; to the Committee on Interstate and Foreign Commerce.

4383. A letter from the Comptroller General of the United States, transmitting a report on the status of efforts to control fraud, abuse, and mismanagement in domestic food assistance programs (CED-80-33, May 6, 1980); jointly, to the Committees on Government Operations, Agriculture, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6864. A bill to authorize appropriations for the administration of the Deepwater Port Act of 1974; with amendment (Rept. No. 96-950, part 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee of Conference. Conference Report on S. 1309 (Rept. No. 96-957). And ordered to be printed.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 7102. A bill to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; with amendment (Rept. No. 96-958). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 7099. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes (Rept. No. 96-959). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 7051. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1981 and 1982, and for other purposes; with amendment (Rept. No. 96-960). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6830. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1981 through 1983; with amendment (Rept. No. 96-961). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6863. A bill to amend the Disaster Relief Act of 1974 to provide for authorization of appropriations thereunder through fiscal year 1983; with amendment (Rept. No. 96-962). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6417. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, for highway safety, for mass transportation in urban and in rural areas, and for other purposes; with amendment (Rept. No. 96-963). Referred to the Committee of the Whole House on the State of the Union.

Mr. BINGHAM: Committee on Foreign Affairs. H.R. 7219. A bill to authorize appropriations for the fiscal year 1981 to meet the obligations of the United States under the International Natural Rubber Agreement (Rept. No. 96-964). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEARD of Rhode Island: Committee on Education and Labor. H.R. 5888. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; with amendment (Rept. No. 96-965). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. VENTO):

H.R. 7339. A bill to amend the Truth in Lending Act to prohibit application of any change in an open end credit plan to any credit extended prior to the effective date of the change, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO (for himself, Mrs. SPELLMAN, Mr. VENTO, Mr. FAUNTROY, Mr. EVANS of Delaware, Mr. WYLIE, and Mr. MITCHELL of Maryland):

H.R. 7340. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNARD (for himself and Mr. GRAMM):

H.R. 7341. A bill to expedite the conversion by certain existing electric powerplants from the use of oil to coal or another alternate fuel, and to conserve oil and natural gas used by other powerplants, and to assist the ratepayers of the electric utilities involved in reducing the costs of conversion and insuring that petroleum and natural gas costs are reasonable; to the Committee on Interstate and Foreign Commerce.

By Mr. BETHUNE:

H.R. 7342. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs, and for other purposes; to the Committee on Rules.

By Mr. CLAUSEN:

H.R. 7343. A bill to assist small business concerns by increasing Federal expenditures for research and development which go to such concerns; by providing tax incentives including accelerated depreciation, investment tax credit for used equipment, deferral of capital gains from investment in such concerns and a corporate income tax rate reduction; by awarding attorneys' fees where such concerns are successful in a suit with the Federal Government, and by providing for Federal regulatory flexibility with respect to such concerns, and for other purposes; jointly, to the Committees on Small Business, the Judiciary, Ways and Means, and Government Operations.

H.R. 7344. A bill entitled "Small Business Equal Access to Justice Act"; jointly, to the Committees on Small Business and the Judiciary.

By Mrs. FENWICK:

H.R. 7345. A bill to confer U.S. citizenship posthumously upon Ihor Daschko; to the Committee on the Judiciary.

By Mr. GRASSLEY:

H.R. 7346. A bill to prevent the next following annual adjustment in the rate of pay for Members of the Congress; to the Committee on Post Office and Civil Service.

By Mr. GREEN:

H.R. 7347. A bill to protect certain rights of privacy of individuals; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. HALL of Texas:

H.R. 7348. A bill to amend the Internal Revenue Code of 1954 to provide that oil from any royalty interest shall be exempt from the windfall profit tax; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 7349. A bill the former Presidential Enough Is Enough and Taxpayers Relief Act of 1980; to the Committee on Government Operations.

H.R. 7350. A bill to repeal Public Law 96-190, the Dispute Resolution Act; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. JEFFORDS:

H.R. 7351. A bill to provide for dismissal of any officer or employee of the Federal Bureau of Investigation who impersonates an officer or employee of the Bureau of the Census; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 7352. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the committee on Armed Services.

By Mr. MOAKLEY:

H.R. 7353. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for amounts paid into an individual housing account, and for other purposes; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 7354. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies; to the Committee on Ways and Means.

By Mr. ROBERTS (by request):

H.R. 7355. A bill to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

By Mr. SMITH of Iowa:

H.R. 7356. A bill to amend sections 403 and 405 of the Federal Food, Drug, and Cosmetic Act to require that foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLOMON:

H.R. 7357. A bill to revise the State trigger provisions of the Federal-State extended unemployment compensation program; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 7358. A bill to amend title VI of the Powerplant and Industrial Fuel Use Act of 1978 to provide financial and technical assistance to States, local governments, and regional agencies to promote the establishment of consolidated programs to mitigate certain adverse social and economic impacts caused by major energy developments, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, and Public Works and Transportation.

By Mr. UDALL (by request):

H.R. 7359. A bill to amend title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to establish the Snake River Birds of Prey National Conservation Area, Idaho; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. CHARLES WILSON of Texas:

H.R. 7360. A bill to designate certain National Forest System lands in the State of Texas as components of the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

H.R. 7361. A bill to amend title 18, United States Code, to prohibit certain practices in administering and using polygraph examinations for purposes of hiring, demoting, promoting, disciplining, and dismissing employees; to the Committee on the Judiciary.

H.R. 7362. A bill to provide that revenues derived from the crude oil windfall profit tax and the oil import fee shall be used to reduce the national debt; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.J. Res. 549. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. HALL of Ohio:

H.J. Res. 550. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1980, as "National Management Week"; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. Johnson of California, Mr. McCloskey, and Mr. Harsha):

H.J. Res. 551. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 5, 1980, as "National Port Week", and for other purposes; jointly, to the Committees on Post Office and Civil Service and Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.J. Res. 552. Joint resolution designating the "square dance" as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. ASHBROOK:

H. Con. Res. 336. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Division general administrative regulations authorized under the General Education Provisions Act and the statutes that authorize the programs covered by such regulations; to the Committee on Education and Labor.

By Mr. GOODLING:

H. Con. Res. 337. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the adult education State-administered program authorized under section 304 and 306 of the Adult Education Act, as amended; to the Committee on Education and Labor.

By Mr. RANGEL:

H. Con. Res. 338. Concurrent resolution recognizing the congressional obligation to insure an adequate standard of living for the elderly; jointly, to the Committees on Education and Labor and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

463. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to establishment of a records system that would permit persons suddenly relocated as the result of a nuclear accident to draw upon their funds in their local banks through banks in the relocation area; to the Committee on Banking, Finance and Urban Affairs.

464. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the broadcasting of information in the event of a nuclear accident; to the Committee on Interstate and Foreign Commerce.

465. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the broadcast of emergency information through the National Weather Service radio communication system; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BEDELL introduced a bill (H.R. 7363) for the relief of Ok Ran Kim, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Philip M. Crane.

H.R. 1002: Mr. Campbell.

H.R. 1918: Mr. Campbell, Mr. Guyer, and Mr. Badham.

H.R. 4178: Mr. Ottinger.

H.R. 4200: Mr. Symms.

H.R. 5062: Mr. Mineta.

H.R. 5099: Mr. Goodling.

H.R. 5610: Mr. Burgener, Mrs. Fenwick, Mr. Findley, Mr. Gilman, Mr. Kramer, Mr. Lent, Mr. Lujan, Mr. Montgomery, Mr. Shumway, and Mr. Snyder.

H.R. 6154: Mr. Lowry, Mr. Moakley, Mr. Bonker, Mr. Whitehurst, Mr. Mineta, Mr. Mazzoli, Mr. Ford of Michigan, Mr. Vento, Mr. Phillip Burton, Mr. Goldwater, Mr. Markey, Mr. Blanchard, Mr. Spence, Mr. Jeffords, Mr. Murphy of Pennsylvania, and Mr. Kogovsek.

H.R. 6164: Mr. Addabbo, Mr. Barnes, Mr. Blanchard, Mr. Corrada, Mr. Dougherty, Mr. Downey, Mr. Evans of the Virgin Islands, Mr. Gray, Mr. Hall of Ohio, Mr. Hughes, Mr. Kildee, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Murphy of Illinois, Mr. Rahall, Mr. Roe, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Spence, Mr. Stokes, Mr. Whitehurst, Mr. Winn, and Mr. Zeferetti.

H.R. 6345: Mr. Simon.

H.R. 6377: Mr. Dellums, Mrs. Schroeder, Mr. Garcia, Mr. Murphy of Illinois, Mr. Shannon, Mr. Gore, Mr. Simon, and Mr. Anderson of Illinois.

H.R. 6417: Mr. Royer and Mr. Perkins.

H.R. 6429: Mr. Grassley, Mr. Coelho, Mr. Foley, Mr. Kostmayer, Mr. Buchanan, Mr. de la Garza, and Mr. Clausen.

H.R. 6611: Mr. Leach of Iowa and Mr. Green.

H.R. 6705: Mr. Wyatt.

H.R. 6794: Mr. Bauman, Mr. Courter, Mr. Hutto, Mr. Martin, and Mr. Vander Jagt.

H.R. 6918: Mr. Fuqua, Mr. Bennett, Mr. Coelho, Mr. Rhodes, Mr. Lagomarsino, Mr. Lujan, Mr. Johnson of California, Mr. Gibbons, Mr. Loeffler, Mr. Derwinski, Mr. Santini, Mr. Lowry, Mr. Steed, Mr. Roe, Mr. Carter, Mr. Pashayan, Mr. Fazio, Mr. Murphy of Pennsylvania, Mr. Wirth, Mr. Symms, Mr. McKay, Mr. Sebelius, Mr. Cheney, and Mr. Clausen.

H.R. 6953: Mr. Roe.

H.R. 6954: Mr. Robert W. Daniel, Jr., Mr. Whitten, and Mr. English.

H.R. 6968: Mr. Wyatt.

H.R. 7017: Mr. Jeffords, Mr. Wirth, and Mr. Mineta.

H.R. 7039: Mr. Wyatt.

H. R. 7142: Mr. Bowen, Mr. Madigan, Mr. Burlison, Mr. Bevill, Mr. Stangeland, and Mr. Montgomery.

H.J. Res. 531: Mr. Archer, Mr. Downey, Mr. Guarini, Mr. Lederer, Mr. Stark, Mr. Rousselot, Mr. Gradison, Mr. Duncan of Tennessee, Mr. Martin, Mr. Luken, Mr. Kemp, Mr. Maguire, Mr. Drinan, Mr. Lagomarsino, Mr. Moakley, Mr. Solomon, Mr. Broyhill, Mr. Conyers, Mr. Boland, Mr. Synar, Mrs. Snowe, Mr. Ottinger, Mr. Rahall, Mr. Oberstar, Mr. Murphy of Pennsylvania, Mr. St Germain, Mr. Ratchford, Mr. Carter, Mr. Forsythe, Mr. Madigan, Mr. Loeffler, Mr. Bowen, Mr. Shelby, Mr. Rosenthal, Mr. Ertel, Mr. Miller of Ohio, Mr. Whitehurst, Mr. Weiss, Mr. Whittaker, Mr. Hinson, Mr. Leach of Louisiana, Mr. Wolpe, Mr. Lloyd, Mr. Goodling, Mr. Studds, Mr. Dickinson, Mr. Young of Alaska, Mr. Lungren, Mr. Harris, Mr. Tauke, Mr. Moorhead of California, Mr. Lundine, Mr. Traxler, Mr. Kramer, Mr. Mattox, Mr. Roth, Mr. Conte, Mr. Dan Daniel, Mr. Clinger, Mrs. Smith of Nebraska, Mr. Vander Jagt, Mr. Kindness, Mr. McDade, Mr. Courter, Mr. Lent, Mr. Quayle, Mr. Edwards of Oklahoma, Mrs. Fenwick, Mr. Evans of Delaware, Mr. Young of Florida, Mr. Winn, Mr. Benjamin, Mr. Frost, Mr. Wydler, Mr. Horton, Mr. Paul, Mr. McHugh, Mr. Chappell, Ms. Mikulski, Mr. Sawyer, Mr. Livingston, Mr. Miller of California, Mr. Burgener, Mr. Hughes, Mr. Early, Mr. Young of Missouri, Mr. Rinaldo, Mr. Robert W. Daniel, Jr., Mr. Lott, Mrs. Chisholm, Mr. Stack, Mr. Vento, Mr. Markey, Mr. Kelly, Mr. Hopkins, Mr. Bingham, Mr. Badham, Mr. Yatron, Mr. Bauman, Mr. Marriott, Mr. Mottl, Mr. Dodd, Mr. Jeffords, Mr. Hollenbeck, Mr. Spence, Mr. Corcoran, Mr. Derrick, Mr. Patterson, Mr. Royer, Mr. Stokes, Mr. Glickman, Mr. Ireland, Mr. Albosta, Mr. Wampler, Mr. Beard of Rhode Island, Mr. Ford of Tennessee, Mr. Whitten, Mr. Buchanan, Mr. Kogovsek, Mr. Ambro, Mr. English, Mr. Bonior of Michigan, and Mr. Stump.

H.J. Res. 536: Mr. Bowen, Mr. Erdahl, Mr. Frenzel, Mr. Gibbons, Mr. Hinson, Mr. Lehman, Mr. Lott, Mr. Oberstar, Mr. Stack, Mr. Stark, Mr. Whitten, Mr. Vento, Mr. Murtha, Mr. Chappell, and Mr. C. W. Young of Florida.

H. Con. Res. 57: Mr. Snyder, Mr. English, Mr. Brinkley, Mr. Ichord, Mr. Hefner, Mr. Dornan, Mr. Mottl, Mr. Robert W. Daniel, Jr., Mr. Pritchard, Mr. Daniel B. Crane, Mr. Downey, Mr. Bethune, Mr. Hopkins, Mr. Jones of Tennessee, Mr. Boner of Tennessee, Mr. Hubbard, Mr. Panetta, Mr. Ginn, Mr. Stump, Mr. Barnard, Mr. Quayle, Mr. Livingston, Mr. Duncan of Tennessee, Mr. Jones of Oklahoma, and Mr. Burgener.

H. Con. Res. 308: Mr. Bauman, Mr. Brown of Ohio, Mr. Ford of Michigan, Mr. Gray, Mr. Gudger, Mr. Hutto, Mr. Kelly, Mr. Leach of Iowa, Mr. Murphy of Illinois, Mr. Ottinger, Mr. Simon, Mr. Wolpe, and Mr. Wyatt.

H. Con. Res. 331: Mr. Mitchell of New York, Mr. Grassley, Mr. Dornan, Mr. McCloskey, Mr. Forsythe, and Mr. Snyder.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

350. By the SPEAKER: Petition of Cicerone Ionitoiu, Paris, France, relative to human rights in Romania; to the Committee on Foreign Affairs.

351. Also, petition of the Colorado State Council on Criminal Justice, Denver, relative to the Law Enforcement Assistance Administration; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6974

By Mr. CARR:

—Page 6, strike out lines 19 through 22 and insert in lieu thereof the following:

For the Air Force, $6,880,654,000, of which none shall be available for the strategic weapons launcher and $85,000,000 is authorized only for the research, development, test, and evaluation of the FB111 B/C aircraft.

Page 7, after line 14, insert the following new section:

EVALUATION OF POTENTIAL CRUISE MISSILE CARRIER AIRCRAFT

SEC. 203. (a) The Secretary of the Air Force shall carry out a competitive evaluation of the strategic weapons launcher and of the fast hard medium transport currently in production (or which is expected to be in production at the time of the commencement of procurement of an advanced cruise missile carrier aircraft) which is selected by the Secretary as being the most suitable for the purpose of this section, to determine which aircraft is preferable to use as an advanced cruise missile carrier aircraft.

(b) Of the amounts authorized to be appropriated for the Air Force by section 201, $60,000,000 shall be available only for the purpose of carrying out the evaluation required by subsection (a).

By Mr. SOLOMON:

—On page 20 after line 8 insert the following:

TO REQUIRE THAT A UNIT OF THE JUNIOR OFFICERS' TRAINING CORPS CONTAIN ONE HUNDRED STUDENTS TO BE ESTABLISHED AND FIFTY STUDENTS FOR THE UNIT TO BE MAINTAINED

SEC. 805. Section 2031 of title 10, United States Code, is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) No unit may be estabilshed at an institution unless the unit contains at least 100 physically fit students who are at least fourteen years of age and are citizens or nationals of the United States on the date on which the unit is established.

"(2) No unit may be maintained at an institution unless the unit contains at least 50 physically fit students who are at least fourteen years of age and are citizens or nationals of the United States".

(3) by striking out paragraph (1) in subsection (c) (as redesignated by paragraph (1) of this section); and

(4) by redesignating paragraphs (2), (3), and (4) of subsection (c) (as redesignated by paragraph (1) of this section) as paragraphs (1), (2), and (3), respectively.

SENATE—*Wednesday, May 14, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, who has blessed us with the gift of another day, help us to use it in a manner Thou canst bless and hallow with Thy presence. May we be strong to do things worth doing and strong in turning away from the unworthy, the base, and the trivial. Make us generous in praise of others and restrained in our criticism. In troubled times create triumphant souls and in difficult days grant us dividends in character and grace. Support by Thy sustaining presence the President and Congress in the ways of Thy kingdom. Gather the people of this Nation under the shelter of Thy love that we may do justly, love mercy, and walk humbly with our God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 14, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE NEW SOVIET THREAT

Mr. ROBERT C. BYRD. Mr. President, the Soviet intervention in Afghanistan is a reminder of both the old and the new in Soviet foreign policy. On the one hand, it is an example of the pursuit of very traditional Russian foreign policy objectives, the expansion of the Russian empire into contiguous areas. On the other hand, the Soviet action reminds us of new aspects of Soviet foreign policy. These new features are in many ways more troubling for the future than the more traditional aspects of Soviet foreign policy.

For the first time in history, the Soviet Union has acquired the military capabilities to project its power to any part of the globe. The Soviets have acquired a "blue water" navy and an airlift capacity that effectively extend their military reach.

The Soviets have not hesitated to use these new capabilities. They have provided the logistical support for major military operations on the Horn of Africa, in central and southern Africa—areas far from the Russian heartland and far from areas of traditional concern to the Soviet Union. Until the intervention in Afghanistan, the Soviets had preferred to rely on Cuban and other surrogate military forces. They may not be so circumspect in the future.

These new facts—Soviet military capabilities and their demonstrated willingness to use them far from Russia's borders—have transformed the international political situation. In the past, the Soviet threat was limited by its military capabilities to areas adjacent to the Soviet Union. The United States alone had the ability to project its power to any part of the globe. The Soviets have acquired the same kind of capabilities just at a time when the U.S. military capabilities—and our willingness to use them—have been called into question.

The Soviet threat today should not be confused with that of the immediate postwar years. Then, the Soviet Union used the power of the Red army to consolidate its control over nations in Eastern Europe. The United States and our allies could and did meet that threat by concentrating our energies and resources on Western Europe and in the Mediterranean. Now, the Soviet threat is global, it is not exclusively military, and the responses of the United States and other nations must be more varied and complex.

This analysis is not alarmist. The Russians are not 10 feet tall. The Soviet Union is bordered on the west by the rich, well-armed nations of Western Europe and on the east by an alert and determined People's Republic of China. Furthermore, the nations of the Third World are more determined than ever to maintain their independence and to resist manipulation by outside powers. The valiant resistance of the people of Afghanistan is evidence of this determination. The conditions in the world are not propitious for the unbridled exercise of the Soviet Union's newly acquired military muscle.

The Soviet challenge we and our friends in the world face today is a new one. But I am convinced that we can meet this challenge if we perceive the situation clearly and we begin to respond now.

We need a response that is not spasmodic, lurching from crisis to crisis. We need a response that is part of a cooperative international effort. We need a well-thought-out, sustainable program that will leave us at the end of the 1980's with a more stable international order than we have now.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair. I have no requirement for our time under the standing order, and I am prepared to yield it back if there is no request for time or if the majority leader has no need for the time.

Would the majority leader like me to yield the time I have remaining?

Mr. ROBERT C. BYRD. I thank the minority leader. Mr. BUMPERS does have an order on my side, and he may need a little time.

Mr. BAKER. Mr. President, I yield my time under the standing order to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader. It may be that I may yield some of my time to Mr. BUMPERS.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, on the time that I have under my control, I ask for the following actions: That the Senate proceed immediately to the consideration of Calendar Orders Nos. 735 and 740.

Mr. BAKER. Mr. President, reserving the right to object—and I will not—the reservation is to gain the opportunity to advise the majority leader that those two items are cleared on our calendar, and we have no objection to their consideration and passage.

RENAMING BUILDINGS OF THE LIBRARY OF CONGRESS

The bill (S. 2517) to rename certain buildings of the Library of Congress, was

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building in the block bounded by East Capitol Street, Second Street Southeast, Independence Avenue Southeast, and First Street Southeast, in the District of Columbia (commonly known as the Library of Congress Building or the Library of Congress Main Building), shall hereafter be known and designated as the "Library of Congress Thomas Jefferson Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Library of Congress Thomas Jefferson Building.

SEC. 2. The building in the block bounded by East Capitol Street, Second Street Southeast, Third Street Southeast, and Pennsylvania Avenue Southeast, in the District of Columbia (commonly known as the Library of Congress Thomas Jefferson Building or the Library of Congress Annex Building), shall hereafter be known and designated as the "Library of Congress John Adams Building". Any reference in any law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the Library of Congress John Adams Building.

SEC. 3. The Act entitled "An Act to name the building known as the Library of Congress Annex to be the Library of Congress Thomas Jefferson Building", approved April 13, 1976 (90 Stat. 329), is hereby repealed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MISSOURI JUDICIAL DISTRICT REALINEMENT

The bill (S. 2432) to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the Northern Division of the Eastern Judicial District of Missouri, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105(a) of title 28, United States Code, is amended—

(1) in paragraph (1), by striking out "Audrain," and by striking out "Montgomery,"; and

(2) in paragraph (2), by inserting "Audrain," immediately after "Adair," and by inserting "Montgomery," immediately after "Monroe,".

SEC. 2. The amendments made by this Act shall apply to any action commenced in the United States District Court for the Eastern District of Missouri on or after the date of enactment of this Act, and shall not affect any action pending in such court on such date of enactment.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Does the distinguished Senator from Arkansas need more time than the 15 minutes allotted to him? If he does, I will yield him more time.

Mr. BUMPERS. Mr. President, I do not need the 15 minutes. I will finish in less than 10.

Mr. ROBERT C. BYRD. Will the Senator indulge me for just a moment and then I will yield the floor.

TIME-LIMITATION AGREEMENT—HOUSE JOINT RESOLUTION 545

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with the understanding that the measure could be taken up today if cleared with Messrs. HOLLINGS and BELLMON, but no later than tomorrow in any case, the following time agreement be observe in connection with Calendar Order No. 750, the food stamp urgent supplemental, House Joint Resolution 545: That there be 2 hours equally divided on the bill to be controlled by Mr. EAGLETON and Mr. YOUNG; that there be 1 hour equally divided on any amendment; that there be 1 hour equally divided on an amendment by Mr. BELLMON to instruct the Secretary of Agriculture not to request any more supplementals for the food stamp program; provided further that there be 30 minutes on any amendment in the second degree; that there be 20 minutes on any debatable motion or appeal or point of order, if such is submitted to the Senate; and that the agreement in all respects be in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, I say to the distinguished majority leader that I have no objection to taking time out from that permitted on the pending measure for the purpose of passing and considering such amendments as persons may care to make concerning the food stamp issue. But if the time allocation, as indicated by the leader, were to be taken in full by those wishing to be heard on the subject, it will almost totally preclude any debate at all on the Bayh measure. I do believe that many of us contemplated that there would be adequate time for a full debate on this subject.

Therefore, if placed in this manner, I would have to object. But I would be very receptive to trying to work out a lesser period of time so there still would be adequate time to debate the bottlers' bill.

I am not opposed to bringing up the food stamp bill on an interim basis. But the number of hours that I mathematically calculated would be involved would seem to totally limit debate on the bottlers' bill. Since we go into session tomorrow morning, immediately thereafter have the quorum call and then the cloture motion, it would just about effectively preempt all the time available during the day for this subject.

Mr. ROBERT C. BYRD. Mr. President, I think I can assure the distinguished Senator that in no event would the measure be called up before 4 o'clock today.

Mr. METZENBAUM. In no event would this matter be called up before 4 o'clock today?

Mr. ROBERT C. BYRD. I think I could assure the Senator of that.

Mr. METZENBAUM. If it is not called up before 4 o'clock today, and that is a definite assurance, then I have no objection at all. That would allow us plenty of time to debate the bottlers' bill. On that basis, I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—SECTION 904 WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the section 904 waiver is offered, which is the motion to waive the Budget Act in connection with the supplemental appropriations bill, there be 1 hour equally divided between Messrs. HOLLINGS and BELLMON.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 1309, FOOD STAMPS CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the food stamps conference report, S. 1309, is called up, there be the following time agreement on that conference report: 90 minutes, to be equally divided between Mr. TALMADGE and Mr. HELMS; that there be 1 hour on a motion by Mr. HELMS to recommit, the hour to be under the control exclusively of Mr. HELMS; and that there be 20 minutes on any other debatable motion, appeal, or point of order if such discussion is entertained by the Chair.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to object, but is the Senator from Ohio correct in assuming that the understanding that this matter will not come before 4 o'clock today is equally applicable to this issue?

Mr. ROBERT C. BYRD. Mr. President, the Senator is assured of that, with this condition: It will not be called up before 4 o'clock, except that with the approval of the Senator from Ohio, the Senator from Indiana, and the manager of the bill on the other side, we might take it up at 3:30.

Mr. METZENBAUM. Mr. President, that is entirely possible. I do not think I have that much, but there may be others who wish to be heard and it may make it impossible for me to get at it on tomorrow. So I have no desire to prolong the debate, but I want to be certain that those of us who do wish to be heard have an adequate time to do so.

If that be the case, I will tell the leader that I have nothing further and I have no objection to going forward on the food stamps conference report, as well as the budget matter.

Mr. ROBERT C. BYRD. It is the understanding that these measures could be called up at 4 o'clock, but the understanding is that they will not be called up before 4 o'clock unless Senators METZENBAUM, BAYH, and THURMOND have nothing further to say on the bottling bill, in which case we would be released from our assurance with respect to no action before 4 o'clock.

Mr. METZENBAUM. Mr. President, I always want to cooperate with the leader. Under those circumstances, I have no objection.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

RECOGNITION OF MR. BUMPERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank Mr. BUMPERS for his patience.

S. 2695—CONVERTING OUR NATION'S UTILITIES FROM OIL AND NATURAL GAS TO COAL

Mr. BUMPERS. Mr. President, this country has embarked on an aggressive program to convert our Nation's utilities from oil and natural gas to coal. This program is a necessary and critical step in our urgent effort to free this Nation from its dangerous dependence on foreign oil. Everybody knows that we have the raw resources we need to accomplish this goal: The coal reserves in this Nation have a greater energy value than all the oil reserves of the entire Middle East.

I have already introduced a coal slurry pipeline bill to insure that our transportation systems will be adequate to haul the vastly increased amounts of coal that this Nation must produce to meet its future energy demands. But now I find we are faced with a very serious new barrier to increased coal production: excessive severance taxes imposed on coal by States which hold the richest coal deposits in the entire Nation. Montana and Wyoming hold nearly half of America's coal reserves, hundreds of billions of tons of economically recoverable coal which is ideally suited for utility use because it is low in sulfur. But these States have now adopted a coal policy of their own aimed at keeping much of their coal in the ground and at reaping windfall profits on the coal they do produce. Through coal severance taxes at exorbitant rates—30 percent in Montana and 17 percent in Wyoming—these two States are imposing their coal policy on the rest of the Nation, at an unacceptable and unreasonable cost.

The consumers of most of this coal are utilities serving 20 other States from the Deep South to the Far Northeast. And these utilities have to pass the full cost of coal severance taxes to their ratepaying customers—millions of captive consumers who have absolutely no control over these exploitative tax levies.

Most utilities have agreed to assume the substantial costs of converting to coal during a severely inflationary period. It is simply unfair that some States be permitted to add to these costs and to inflation merely to reap unreasonably large revenues for themselves.

The billions of dollars which will be paid to Montana and Wyoming by citizens of other States are far in excess of any justifiable need. I have no quarrel with the concept of severance taxes: They are a legitimate means of defraying the costs of services which States bear to support coal production. But the 30-percent and 17-percent rates of coal severance taxes in Montana and Wyoming are demonstrably many times greater than any coal-related costs these States bear now or will bear in the foreseeable future. In fact, both of these States earn so much in severance taxes that they are able to place portions of the revenues in untouchable trust funds to earn interest for the future. Congress simply cannot sanction a taxing practice which forces out-of-State consumers, already hard-hit by inflation, to pick up a huge tab today to provide for undefinable future needs in Montana and Wyoming.

The bill I am introducing today will only apply to coal mined on Federal or Indian lands. In 1979, 32,450,000 tons of coal were mined in Montana of which 12,900,000 tons were Federal; 71,825,000 tons were mined in Wyoming of which 30,100,000 tons were mined on Federal lands.

If we assume coal to sell for $10 per ton which is approximately correct, then Wyoming with a 17-percent severance tax (of which 6.5 is a county tax) would have received $21,930,000 and Montana with a 30-percent tax would have received $97,350,000. When one considers that this is in addition to the 50 percent royalty these States receive on Federal coal, the price seems very handsome indeed.

As for those royalty payments, assuming a 12½-percent royalty to the United States (the minimum permitted by law) 50 percent of which goes to the States, Montana would have received $7,512,500 and Wyoming would have received $18,812,500.

In sum, this practice is unfair, inflationary, burdensome to interstate commerce, obstructive to national energy goals—and entirely without need or justification.

Yet if some controls are not imposed, oppressive taxation of coal will certainly continue in Montana and Wyoming, and will spread to other coal-producing States who are tempted by their example. Accordingly, I am, with Senators DURENBERGER, JACKSON, RIEGLE, NELSON, LEVIN, PROXMIRE, and METZENBAUM introducing a bill which will limit to 12.5 percent the taxes which a State may impose on coal shipped in interstate commerce. This ceiling is generous to Montana and Wyoming, but it will restrain further exploitation of American coal and American consumers.

Mr. President, I ask unanimous consent that a list of severance tax rates by various States be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE SEVERANCE TAXES ON OIL, GAS, AND COAL AS OF JULY 1979

State	Oil	Gas	Coal
Alabama	6 percent[1]	6 percent[1]	33.5¢/ton.
Alaska	12.3 percent[1]	10 percent	
Arizona	2.5 percent[1]	2.5 percent[1]	
Arkansas	4–5 percent[2]	0.3¢/Mcf (0.2 percent).	2¢/ton.
California	1.1¢/bbl. (0.1 percent).	0.11¢/Mcf (0.06 percent).	
Colorado	2–5 percent[2]	2–5 percent[2]	60¢/ton.
Florida	5–8 percent[2]	5 percent	
Georgia	0.25¢/bbl. (0.025 percent).	0.025¢/Mcf (0.013 percent).	
Idaho	0.25¢/bbl. (0.025 percent).	0.05¢/Mcf (0.025 percent).	2 percent.
Indiana	1 percent	1 percent	
Kansas	0.5¢/bbl. (0.04 percent).	0.086¢/Mcf (0.043 percent).	
Kentucky	1.5 percent[1]		4.6 percent.
Louisiana	3.25–12.5 percent[2]	7¢/Mcf (3.5 percent).	10¢/ton.
Michigan	4–6.6 percent	5 percent	
Mississippi	6.01 percent	6.01 percent	
Montana	2.3–2.85 percent[2]	2.65 percent	30 percent.
Nebraska	2.05 percent	2.05 percent	
Nevada	0.25¢/bbl. (0.025 percent).	0.05¢/Mcf (.025 percent).	5 percent.[1]
New Mexico	51.5¢/bbl.[1] (5.1 percent), +2.75 percent.	5.7¢/Mcf[1] (2.8 percent), +2.75 percent.	0.75 percent +20.6¢–43.5¢/ton.
North Carolina	0.25¢/bbl (0.025 percent).	0.025¢/Mcf (0.13 percent).	
North Dakota	5 percent	5 percent	85¢/ton.
Ohio	3¢/bbl (0.3 percent)	1¢/Mcf (0.5 percent).	19–44¢/ton.
Oklahoma	7.1 percent	7.1 percent	5¢/ton.
South Dakota	4.5 percent	4.5 percent	4.5 percent.
Tennessee	1.5 percent	1.5 percent	20¢/ton.
Texas	4.6 percent[1]	7.5 percent	
Utah	2.1 percent	2.1 percent	1 percent.
West Virginia	4.3 percent	2.9 percent	3.5 percent.
Wyoming	4 percent	4 percent	17 percent.

[1] Represents maximum possible rate where tax computation formula is complex.

[2] Represents range of rates in sliding scale based on volume of production.

Note: The following price figures have been used to convert per-volume tax rates to percentage figures. Oil: $10 (conservatively estimated average of current prices for lower-tier and upper-tier domestic oil). Gas: $2/Mcf (National Gas Policy Act "indicator" price for intrastate gas reduced to reflect current market prices). Coal: No conversion figures have been provided due to the wide variation in coal prices throughout the country.

Source: Commerce Clearinghouse, State Tax Guide, §§45–200.

Mr. BUMPERS. Mr. President, I sincerely hope that my colleagues will look at this severance tax list in the RECORD tomorrow and see the difference between the States severence taxes. My State has a 2-cents-a-ton severance tax on coal. That is unbelievably low, but you will find that no State even remotely approximates the States of Montana and Wyoming when it comes to severance taxes on coal.

Mr. President, exculpatory words are never fully acceptable by those adversely affected by proposed legislation. Nevertheless, I want to state that this legislation is intended to be neither punitive nor provincial, but to prevent a precedent, which is left intact, would be terribly detrimental to this Nation's interests. I have the highest regard for my colleagues from Montana and Wyoming, both personally and professionally, and I have a deep and abiding respect for the people of these two States. But their interests must be the Nation's and the Nation's theirs.

I call upon all of my colleagues to support this legislation. It will prevent regional interest from creating burdens which consumers and national policy can ill afford to bear.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that, in order to alleviate the national energy emergency, reduce national dependence on petroleum imports, encourage the highest and best use of domestic petroleum and natural gas, and enhance interstate commerce by promoting increased reliance on our national reserves of coal for the generation of electricity and power, it is necessary to remove excessive burdens on production of coal used in powerplants and major fuel-burning installations.

SEC. 2. The Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. No. 8301 et seq.) is amended by adding immediately following section 807 the following new section:

"SEC. 808. COAL FOR POWERPLANT AND INDUSTRIAL CONVERSION.

"(a) Notwithstanding any other provision of State or Federal law, with respect to any coal mined or produced on Indian lands or lands owned by the Federal government which is destined for shipment in interstate commerce for use in any powerplant or major fuel-burning installation, the sum of all severance taxes or fees, in respect of any fiscal year, levied upon or collected from any taxpayer, by a State or any political subdivision thereof on such coal or on any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of such coal shall not exceed a total of 12½ per centum of the value of such coal produced during such fiscal year at the time it has been extracted and prepared for transportation free on board the production site, exclusive of all State and local taxes and fees.

"(b) For purposes of subsection (a), 'severance taxes or fees' include any tax or fee, by whatever named called, levied or collected upon coal or upon any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of coal except for income, sales, property or other similar taxes or fees or general application which are not disproportionately imposed thereon."

● Mr. DURENBERGER. Mr. President, over the past decade the United States has become a virtual hostage to our dependence on imported oil. We all recognize that energy independence is a most important national goal that will require concerted effort and considerable cooperation from all Americans.

The people look to the Federal Government for the outlines of a consistent and sensible national energy policy. Congress has taken significant steps in the last 2 years to put such a policy in place. But in its detail this policy requires the voluntary conservation efforts of all citizens, a commitment to increased exploration and production from the energy producers, and a sense of urgency and national purpose in governments at all levels to get the job done.

Mr. President, today I rise to cosponsor a bill offered by Senator BUMPERS that illustrates the difficulty of arranging the details in a broad national energy policy. Most Americans realize that in the midterm, coal and nuclear energy have an important role to play in achieving energy independence. Congress passed legislation to encourage greater use of coal as early as 1974. Coal was a central part of the new energy policy announced by the Carter administration in 1977. Congress passed the Powerplant and Industrial Fuel Use Act in 1978 to mandate coal use in new facilities. In 1979, the Senate authorized a synthetic fuels corporation to support the production of synthetic fuels from coal. And we are now considering new legislation from massive coal conversions at existing utility sites. Mr. President, it is clear that the commitment to coal as a midterm energy resource is a fundamental and important part of our national energy policy.

Despite the national commitment to coal utilization, several obstacles have impeded rapid conversion to this energy resource. To the extent that coal conversion is delayed by capital formation problems in the utility industry, the Federal Government may speed conversions through financial assistance. And we are considering this question now. The role of Federal regulation has been closely examined as a part of the debate on the Energy Mobilization Board. And the impact of transportation charges was recently debated as part of general reform in regulation of the railroad industry.

Mr. President, there is another impediment to coal utilization that deserves the attention of this Congress. That is the question of State and local taxes on coal production. It is fair to say that in some cases State severance taxes have become a real economic burden on the production and utilization of coal. The bill that Senator BUMPERS and I offer today, will bring this issue to the attention of the Congress. This legislation would place a limitation on State and local production taxes. It applies only to coal produced on Federal or Indian lands. The limitation is 12.5 percent.

Mr. President, as a Senator from Minnesota I represent consumers who are forced to pay utility bills that include the costs of unreasonable coal severance taxes imposed by other States. I also represent a State that is familiar with the mineral production tax issue. Two-thirds of the Nation's iron ore is taken from taconite mines in northeastern Minnesota. Minnesota's iron range is the foundation for America's steel industry. We have a production tax on taconite ore. It amounts to slightly more than 4 percent of the value of the ore extracted. At this level it provides fair compensation to the State and local communities for the impact of the mining industry. Minnesotans do not object to production taxes that are reasonably designed to offset the burden that an extraction industry can impose.

But, Mr. President, I could not come to the floor of the Senate and defend a taconite tax of 17 percent or 30 percent. If we had such a tax, and I cannot imagine Minnesotans contemplating such tax, I am sure that we would be called to answer questions of national purpose, for the steel industry which is dependent on the mineral wealth of Minnesota is an important national industry.

Because we are familiar with the mineral tax issue, because Minnesota contributes an important raw material resource to the national economy, and because it does so without seeking a windfall for the State treasury, it is appropriate for a Minnesota Senator to raise the severance tax issue in the Congress by cosponsoring this legislation.

As my colleagues know I have an interest in this issue broader than the coal severance tax of one or two States. My interest goes to the general question of fiscal disparities between the States as a result of mineral wealth. It was a question raised by the Danforth amendment to the windfall profits tax. It is seen as well in legislation to provide energy impact assistance. I am sure that it will be raised many more times as we work together to achieve energy independence.

Mr. President, I hope that debate and hearings on this bill will contribute to resolution of the broader questions in the spirit of cooperation between the States. We should much prefer an energy policy built on cooperation than one that divides the Nation along producer/consumer lines.●

ORDER OF BUSINESS

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. METZENBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, this body finds itself in a very unusual position. In fact, seldom have there been instances similar to this in the history of the Senate.

Mr. President, reserving the right to be recognized immediately thereafter, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD, Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMPLIANCE BY THE SOVIET UNION WITH THE CONVENTION ON PROHIBITION OF BIOLOGICAL WEAPONS

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the distinguished minority leader (Mr. BAKER). Mr. PROXMIRE is here; Mr. JAVITS is on his way.

I ask unanimous consent that the Senate proceed for not to exceed 10 minutes to the consideration of Calendar Order No. 732.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The clerk will state the resolution by title.

The legislative clerk read as follows:

> A resolution (S. Res. 405) expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. PROXMIRE. Mr. President, Senate Resolution 405 is intended to make one point. That point is that the Soviet Union must honor international conventions, treaties, and agreements to which it is a party. The resolution calls upon the U.S.S.R. to provide the United States with scientific data sufficient in quantity, quality, and timeliness to answer the outstanding questions regarding an apparent outbreak of anthrax in the Soviet city of Sverdlovsk in April 1979.

Article V of the 1972 Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction states as follows:

> The States Parties to this Convention undertake to consult one another and to cooperate in solving any problems which may arise in relation to the objective of, or in the application of the provisions of, the Convention.

As recently as March 3–21 of this year, the nations which are parties to the convention met in Geneva to review its operation in order to assure that its objectives are being realized. This review, in which the Soviets participated fully, included an affirmation of the right of any part to the convention to request a consultative meeting of experts open to all parties. The Soviets agreed with this conclusion of the review conference.

Our request—that is, the U.S. request—of March 17 and our more formal demarche of March 28 merely seek to invoke our right under the convention to consult at the expert level on the reported 1979 outbreak of anthrax in Sverdlovsk.

The Soviets have responded to our requests with unsatisfactory replies which seek to turn aside the need for consultations among experts.

The information known to us suggests that there is legitimate cause for concern over what happened in Sverdlovsk, a city closed to U.S. personnel. There are many reports of deaths. The Soviets themselves have admitted that an outbreak of anthrax occurred. They have attributed these outbreaks to the handling and consumption of infected meat. It is this aspect of the explanation which raised doubts, since the information available to the U.S. Government indicates that the deaths were a result of pulmonary anthrax, a form of the disease which is not transmitted by infected meat.

There may be a natural explanation for what happened in Sverdlovsk, but until this fact is satisfactorily established, prudence and caution should prevail. The possibility that an accident may have occurred in a biological warfare testing facility cannot be ruled out at present. In fact, the evidence is heavily weighted on the side of a violation of the Biological Convention.

The resolution does not seek to prejudge the final answer. It merely serves to show both the President and the Soviets that this issue is too important to be relegated to routine bureaucratic handling by either side. It is an issue of concern to the entire international community. If the Soviets have nothing to hide, then talks among experts should be quickly convened. Delay only serves to increase tension. Hopefully, the expression of concern embodied in Senate Resolution 405, which 29 Senators have now cosponsored, will serve to alert the Soviets to the rising cost of continued delay.

Mr. President, I urge the adoption of the resolution.

Mr. President, I thank Senator CHURCH, chairman of the Foreign Relations Committee; Senator JAVITS, who is the ranking member; Senator PELL; and, in fact, the entire Foreign Relations Committee, which unanimously reported this resolution, for their excellent cooperation and their support in this matter.

I also thank two remarkable staff members that I have, I am proud to say: Ron Tamen, who is an outstandingly brilliant man, who called this to my attention; along with Charles Cecil, who is on loan from the State Department, working with us. These two gentlemen have worked hard on this matter. I think they have done a superlative job and deserve the thanks of the Senate.

Mr. THURMOND. Mr. President, will the Senator add my name as cosponsor?

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have added as cosponsors the names of Senator THURMOND, Senator METZENBAUM, and Senator DECONCINI.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, this resolution renders a real service to the Senate and to the United States. I think we are all indebted to Senator PROXMIRE for originating it, as well as to his staff, to whom he has just paid such a tasteful tribute.

The reason, Mr. President, is twofold. One is the basic proposition, which is that we have a treaty of 1972 with the Soviet Union, which requires that there be no biological warfare weapons in the U.S.S.R. Therefore, this outbreak of anthrax, which is a characteristic biological weapon, is very concerning. It so happens that this is a matter of some personal experience with me as, during World War II, I served for several years as an Officer of the Chemical Corps of the U.S. Army, then called the Chemical Warfare Service.

I was a planning officer, and I have a pretty clear idea as to biological warfare weapons, as well as chemical warfare weapons, and know how serious could be a violation of this treaty.

So that is point one, that we have to hold the Soviet Union to a greater accounting than might otherwise be thought necessary in respect to that dread weapon.

Again, I call attention to the fact that this is an effective treaty between us in which no such weapon should exist in the Soviet Union.

The other point, in my judgment, is equally, if not more important. That is, it is my belief in respect to the foreign policy of the United States that in the years ahead we will at one and the same time be required to oppose the Soviet Union in its expansionist projects and plans and, at the same time, negotiate standstills and other arms limitation agreements if we are to have a world which will not kill itself by some form of international suicide.

Therefore, the dependence which we have no verification in terms of the treaties between the Soviet Union and ourselves, like this particular treaty on biological and toxic weapons, and on their destruction, becomes supremely important.

I say this because I know the Soviet Union listens very carefully to our debates, as we do to theirs. I hope they take note and take heed, because this is a matter of survival for us both, and for the rest of the world. They should understand very clearly the consequences if if they fail to explain what requires explanation, because the idea that this anthrax was caused by some food poisoning simply has to be challenged. Our inquiries indicate that this is pulmonary, not gastric, anthrax, of which there was an outbreak in Sverdlovsk.

Anything can happen, Mr. President, and we are not charging anybody with anything. We are asking for an explanation.

I believe it entirely appropriate to take this matter to the Security Council where procedures allow exactly such an inquiry if the Soviet Union does not answer satisfactorily.

Mr. President, I point out that the Foreign Relations Committee makes no implications, no charges. We treated the matter with complete objectivity and in a completely correct way, as the diplomats say, and let us see if we are treated the same way by the Soviet Union.

But it is critical to emphasize from the point of view of the Foreign Relations Committee that this is a critical matter, that there is a lot at stake, that it is not just an inquiry about some unfortunate incident which we can take or leave. We cannot, in this case. We have to find out why, in view of the presence of the treaty, and the essentiality that we check very carefully on any charges that the treaties have been violated or completely bypassed.

Mr. President, I yield.

Mr. PROXMIRE. Mr. President, I thank my good friend from New York from the bottom of my heart. He has given exactly the right posture to this position of firmness, of insistence that we get an explanation, but very great care, indicating we do not make any charge, that we insist on getting the facts, which is exactly what we should do.

Mr. President, I ask unanimous consent that the name of the majority leader (Mr. ROBERT C. BYRD) be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● Mr. CHURCH. Mr. President, on April 29, by a vote of 12 to 0, the Foreign Relations Committee ordered favorably reported Senate Resolution 405. This resolution, submitted by Senator PROXMIRE, expresses the sense of the Senate that the President should call on the Soviet Union to provide the necessary scientific information to resolve questions regarding the outbreak of anthrax near the city of Sverdlovsk last year. This is a reasonable and proper demand because the Soviet Union is obliged, under article V of the Convention on the Prohibition, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, to "cooperate in resolving any problems in relation to the objective of, or in the application of the provisions of, the convention." The resolution further calls on the President, "to undertake consultative and cooperative measures through appropriate international procedures, as provided by article V of the Convention, or, if necessary, to lodge a complaint with the Security Council of the United Nations, as provided by article VI of the Convention, if the Soviet Union fails to provide such data."

The Soviet Government has acknowledged that there was an outbreak of anthrax in Sverdlovsk in the spring of 1979. The Soviet Union contends, in its official response to questions raised bilaterally by the United States, that this outbreak was the result of natural causes, specifically from the ingestion of improperly handled meat. This explanation does not correspond to the information available to the United States, which indicates that the anthrax outbreak was of the pulmonary form, which would be caused by breathing spores released into the atmosphere. Moreover, the evidence indicates that the outbreak was the consequence of some kind of accident, such as an explosion, and was of such scale as to signify that the Soviet Union was in possession of this deadly biological agent in amounts prohibited by the Convention.

Mr. President, the importance of a prompt and satisfactory resolution of the questions surrounding this terrible incident is clear. If the anthrax outbreak in Sverdlovsk, and the deaths of perhaps dozens or hundreds of Soviet citizens, was caused by illegal Soviet possession of stocks of pulmonary anthrax spores in violation of the Biological Weapons Convention, the implications for overall United States-Soviet relations and for existing and contemplated arms control agreements are profound. The Soviet Union must be under no illusion that public attention to this issue will wane and the question fade away to become the province of technical experts.

This resolution will be a clear demonstration to the Soviet Union that the Senate, as well as the administration, is determined that the United States will persevere in its efforts to get satisfactory responses to its questions. The U.S. faces several major and pressing foreign policy problems at this moment. But, we must not let our other preoccupations lessen our determination to find out whether the Soviet Union is violating its international obligations under the Biological Weapons Convention. Therefore, I support this resolution and urge the Senate to approve it.

The administration also shares the Foreign Relations Committee's desire that the Senate express itself on the need to resolve the Sverdlovsk incident. I submit a letter from Ambassador Ralph Earle of April 28, 1980, stating the administration's position to this effect to be printed in the RECORD.

The letter is as follows:

U.S. ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, D.C., April 28, 1980.

Hon. FRANK CHURCH,
U.S. Senate

DEAR MR. CHAIRMAN: Pursuant to the request of the Committee, I am transmitting the Administration's view with respect to S. Res. 405, pertaining to Soviet compliance with the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction.

The United States believes that the Soviet Union should provide information concerning the outbreak of disease at Sverdlovsk, as provided for under Article V of the Convention. S. Res. 405 expresses the Senate's support for the Administration's request. The Administration therefore has no objection to this resolution.

Sincerely,

RALPH EARLE II. ●

CHEMICAL WARFARE SETS THE AGENDA FOR MUSKIE'S MEETING WITH GROMYKO

● Mr. DOLE. Mr. President, the Senator from Kansas joins with the distinguished Senators from Wisconsin (Mr. PROXMIRE), South Carolina (Mr. HOLLINGS), Delaware (Mr. ROTH), Ohio (Mr. GLENN), South Dakota (Mr. MCGOVERN), Rhode Island (Mr. CHAFEE), and many other distinguished Senators, in cosponsoring Senate Resolution 405, expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological and Toxin Weapons. This resolution is made at a particularly timely moment in the conduct of this administration's foreign policy, for the new Secretary of State, the distinguished and most recent former Senator from Maine, Mr. Muskie, is soon to meet with the Foreign Minister of the Soviet Union, Mr. Gromyko.

It is the feeling of this Senator that this resolution is a positive and constructive approach to addressing the recent reports of the development and use by the Soviets of chemical and biological weapons. In addition, this measure sends a message that the Congress of the United States will no longer tolerate the U.S.S.R.'s equivocation and reticence on this issue. This resolution represents a willingness to assume the responsibility for calling to the attention of the world community the Soviets' violation of international law, and it is the hope of the Senator from Kansas that Secretary Muskie will raise this grave and potentially far-reaching matter with the Russians and place it at the head of his agenda. Future negotiations must be predicated on their response. We cannot conduct business as usual as long as Soviet Russia violates past treaties blatantly.

THE TIME IS NOW

Mr. President, now is the time to set a precedent for future negotiations and agreements on chemical and biological warfare capabilities. As nations around the world begin to draw together into an increasingly interconnected relationship, respect for international law becomes of utmost importance. We have seen in Tehran what damage disrespect for international law can bring to political stability. We must have guidelines such as the Geneva treaty by which to measure and conduct international relations, but if we cannot rely on them, anarchy will result. While it is unfortunate that we are not able to undertake a more aggressive investigation into violations of the Geneva protocol of 1925, we can at least voice our opposition as a nation to these clear and aggressive violations of civilized values and of human rights.

It is the understanding of this Senator that the House Foreign Relations Committee has recently reported out a similar resolution for floor action, and therefore joins with us in this effort that is already past due. I think it is fair to say that my colleagues join with me in the feeling that the unified voice of the Congress is an effective and well reasoned first step in meeting this dangerous problem head on. I have spoken on this issue with great concern many times before, for I believe it is one of the gravest threats we face to world peace. At this time, I wish to make part of the RECORD remarks the Senator from Kansas made on May 6, addressing this issue:

The remarks follow:

STATEMENT BY SENATOR BOB DOLE

CHEMICAL WARFARE AND THE GENEVA CONVENTION

Mr. Dole. Mr. President, for the past 2 months, I have spoken in this Chamber about atrocities committed in South Yemen, Vietnam, Cambodia and, most recently, Afghanistan, by the Soviet Union—atrocities with which we are only vaguely familiar and against which we have virtually no defense. I am speaking about the use of chemical warfare. The Senator from Kansas has repeatedly called upon the State Department and the administration to direct the U.N. Committee on Disarmament to begin an investigation of the Soviet role in Afghanistan with regard to chemical warfare. Unfortunately, in the wake of new developments in Iran, there has yet to be a serious attempt made by either the State Department or the administration to address the implications of this international crime.

I suppose the old cliche, "out of sight, out of mind" too often rings true. But it is the feeling of the Senator from Kansas that these blasphemies against humanity may not be out of sight for long if we continue to allow the suspected use of chemical and perhaps even biological warfare by the Russians to continue unquestioned.

A CAUTIOUS APPROACH

While it may have been wise at first to approach the issue cautiously when reports were still unproven on the use of nerve gas in Afghanistan, the accident at Sverdlovsk last spring makes it extremely difficult to ignore or deny the Soviets' chemical/biological venturism. When over one thousand citizens die within hours in one city, it becomes increasingly difficult to deny that biological research is being done. And when a government refuses to explain this ghastly occurrence to expectant conference members in Geneva, it becomes a deadly risk to continue to trust that government in critical negotiations.

The West has for too long assumed more than its share of responsibility for keeping channels of communication open with the Soviets. We have been misled, lied to, ignored and yet we have continued to jump at every opportunity that presented itself to concede to Soviet demands. The Soviet track record on agreements with the United States have been marked with deception and disrespect. They have stoically accepted our unilateral concessions, while snickering behind their hands. If this is to become the premise on which future negotiations are to be based, it is clear to the Senator from Kansas that the talks of long past are null and void and the prospect for future communication is gloomy.

BUSINESS AS USUAL IN SPITE OF LETHAL GAS

The administration has recently offered tough rhetoric against the Soviet Union since the invasion of Afghanistan opened their eyes to a long standing, tough reality. However, the President continues to offer ceilings on defense that allow little or no real growth after inflation. Vice President Mondale has publicly conceded the Soviets' use of "lethal gas." Yet, the administration has conducted its diplomatic relations in a business-as-usual fashion that some in the press have even gone so far as to suggest amounts to trying to ". . . cover up Soviet germ warfare capability. . . ." While few can deny that politicking is an integral part of our system of government, overt attempts at manipulating world events to suit an administration's political needs is utterly without justification.

If Geneva is to be the site and occasion for communicating and negotiating on biological and chemical warfare, it seems that one of the basic goals of the conference should be to utilize that opportunity to ask some simple and direct questions on the way in which chemicals are being used and the extent to which they are being developed in participating countries. The inability and/or unwillingness of the Soviet Union to answer these questions makes the conference a farce and the questions a waste of time.

The Geneva conference is one of the few active communication conduits between the west and the Kremlin since the invasion of Afghanistan. That, in itself, might seem enough to insure its continued viability and stature despite the costs. It is American policy to maintain the framework of United States-U.S.S.R. negotiations intact. However, a closer examination of this relationship reveals that we're building our future on shaky ground. Within the past year, over 1,000 have died mysteriously and quickly at Sverdlovsk. There has yet to be a satisfactory explanation of the deadly anthrax spores which caused the mass epidemic. The Soviets can ignore our questions as probing obtrusively into their internal affairs, but as fellow human beings, transcending nationality, we are owed an explanation.

Mr. President, as stated before on previous occasions, the Senator from Kansas does not suggest or condone a U.S. response in the form of development of our own chemical arsenals. Steps in this direction would virtually insure a U.S. fate similar to that of the Soviets. There is an appropriate and needed response, however—one which should be employed immediately. Once again, I call upon the administration and the State Department to analyze the facts and publicly recognize that we have a serious problem. Only then can we begin to structure an adequate defense against biological and chemical weapons. Tough rhetoric will do little if we continue to ignore this dangerous threat to our existence. A failure to react may be more fatal to America than the nuclear arms race that has received so much more attention and which we have feared for so long.●

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 405) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

Whereas the United States and the Union of Soviet Socialist Republics are parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 10, 1972;

Whereas article I of the convention prohibits each party to the convention from developing, producing, stockpiling, or otherwise acquiring or retaining certain microbial or other biological agents or toxins or certain weapons, equipment or means of delivery designed to use such agents or toxins; and

Whereas on March 17, 1980, the Government of the United States inquired of the Government of the Union of Soviet Socialist Republics as to the nature of an outbreak of pulmonary anthrax near the city of Sverdlovsk, Union of Soviet Socialist Republics, during April 1979 and has not received a satisfactory reply: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) urge and request the Government of the Union of Soviet Socialist Republics promptly to exchange such scientific data as may be necessary to resolve any dispute regarding the nature of the outbreak of pulmonary anthrax near Sverdlovsk, Union of Soviet Socialist Republics, as provided for by article V of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction; and

(2) undertake consultative and cooperative measures through appropriate international procedures, as provided by article V of the convention, or, if necessary, lodge a complaint with the Security Council of the United Nations, as provided by article VI of the convention, if the Government of the Union of Soviet Socialist Republics fails to make available such data.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that such copy be further transmitted to the Government of the Union of Soviet Socialist Republics.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SOFT DRINK INTERBRAND COMPETITION ACT

The ACTING PRESIDENT pro tempore. The clerk will state the pending business before the Senate.

The legislative clerk read as follows:

A bill (S. 598) to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I am going to address myself at this point to the issue that is before the Senate, on why we find ourselves engaged in an anomalous situation.

We in the Senate are presently awaiting the tolling of the hours with respect to the cloture motion that has been filed. In the past, cloture has almost with no exception, almost with no exception, always been used to cut off a filibuster, when somebody insisted upon talking and using dilatory amendments in order to drag out the debate. That has been the normal procedure, and because of that we have had cloture made possible when 60 Members of the Senate vote to cut off debate, that it could be done, and there was a limit placed as to what could occur thereafter.

As a matter of fact, not only did we have a limit as to what could occur with reference to the subject debate, but we also provided that no nongermane amendments could be made after cloture had been invoked.

Now, what do we have? Now we have a filibuster taking place on the floor of the U.S. Senate, not by anyone attempting to drag out the debate, because I am certainly not attempting to do that.

We have a filibuster taking place to preclude this Senator from calling up a nongermane amendment. That is what it is all about.

If we call up the nongermane amendment and if they did not like it, wanted to cut off debate, I certainly would not discuss it for more than 15 minutes.

As a matter of fact, I agreed yesterday that I would be willing to call up the amendment and have a vote on it without any debate, because everybody knows what the issue is in Illinois Brick.

What is really occurring on the floor of the Senate at the moment is that the consumers of America, the people of America, are being foreclosed. People are being told that we are going to pass a carving out of the antitrust exemption for the bottlers—a well-heeled, well-financed, well-organized lobbying group. They have done a great job. They have done such a great job that they have 80 cosponsors, and I salute them for their efforts. But the fact is that an amendment then was called up and an amendment in the second degree to that amendment was called up, which precludes this Senator from calling up a nongermane amendment.

There is no question that this is a filibuster. The first thing I said when I came to the floor yesterday was, "Let's agree on the amendment pending and the amendment in the second degree. Let us accept them." I am prepared to accept them now. I am prepared to accept them at any point. But the fact is that the authors of the amendment and the amendment in the second degree do not want to do that, because part of this preconceived, premeditated effort is to keep this Senator from calling up the so-called Illinois Brick amendment.

The Illinois Brick amendment is a proconsumer amendment, and the bottlers' bill is an anticonsumer proposal. But the consumers of this country do not have as effective a lobby as does the bottlers bill. The consumers do not have anybody to be here saying, "Look, we want Illinois Brick. We want to overturn the action of the Supreme Court because it is unfair." No, there is nobody around to say that—although I will say that a lot of Senators have indicated that.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD the names of the 22 cosponsors of the Illinois Brick bill, of which one, as was pointed out yesterday, is my very distinguished friend, my good friend, the Senator from Alabama, and he has been a strong supporter of that matter.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

SENATE COSPONSORS OF ILLINOIS BRICK BILL

Kennedy, Metzenbaum, Danforth, Morgan, Stafford, Bayh, Domenici, Durkin, Culver, Riegle, Tsongas, Levin, Proxmire, Leahy, Exon, Nelson, Hart, Williams, Ribicoff, Matsunaga, Pell, and Moynihan.

Mr. METZENBAUM. Mr. President, they do not want me to call up that measure because somebody might filibuster against Illinois Brick. I am not going to filibuster against Illinois Brick. I have said that I am willing to have the amendment called up, with no debate. I am willing to agree to an hour's debate, a half-hour's debate. I am willing to call it up in the middle of the night, in the middle of the afternoon, or in the middle of the morning. I could not care less. The Members of the Senate are being precluded, by a filibuster, from having an opportunity to vote on that amendment.

It is a sad day; it is truly a sad day. I have gone back and looked into the records, and I have found an instance when Senator Mansfield was the majority leader when this procedure was used. I think it was used under Senator Johnson on some occasions. I am told—but I have not been able to confirm the fact—that it has been used under the present majority leadership.

But that is not what cloture is all about. Cloture, historically, was intended to cut off a filibuster. Cloture, in laying down a first-degree amendment and a second-degree amendment, was not intended to keep a Senator from calling up an amendment that was nongermane.

I say to my fellow Senators that today it is against me that this procedure is being used, but perhaps tomorrow it will be used against the Jesse Helmses, the Orrin Hatches, the Jake Garnses, the Strom Thurmonds, and many others who have seen fit to come to this floor and make their point, even though oftentimes they were not in the majority.

I am not saying this to be critical of any of those Senators, I want to make that very clear. I am saying that today we have a new procedure—not totally new, but not used very often—to preclude a Senator from calling up a nongermane amendment, by filing a cloture motion and immediately thereafter calling up an amendment in the first degree and an amendment in the second degree.

Mr. President, I should like to talk about what is in the amendment I want to call up, and I will discuss it at some length, to indicate how the people of this country are getting the short end of the stick, as we proceed here today.

Mr. President, let us talk about what the substantive question is. We know what the procedural question is.

We understand that a filibuster is being conducted against a Member of the Senate calling up a nongermane amendment, a proconsumer amendment, while this body moves forward, hellbent for election, to pass an anticonsumer piece of legislation.

I have repeatedly stated during the consideration of this bill, in committee and on the floor of the Senate, that the exemption from the antitrust laws provided by this legislation for the bottling industry sets an extremely dangerous precedent. If we in this body do not make absolutely clear our commitment to preserving and strengthening the antitrust laws, then I believe we can look forward to a procession of other industries coming to Congress to seek the same special treatment that this bill provides to the bottlers. It is for that reason, in order that we may indicate our true commitment to substantially strengthening our ability to make the antitrust laws work, that I have attempted to call up the Illinois Brick amendment.

The amendment I hope to call up—but at this point I am being precluded from doing so—is based on legislation that was reported last year by the Judiciary Committee, and it would reverse some of the very negative results of the Supreme Court's Illinois Brick decision.

Mr. President, the Illinois Brick decision bars indirect purchasers from bringing private damage actions against an antitrust violator. What has it done? It has turned the antitrust laws upside down.

It bars those truly injured by antitrust violations from obtaining judicial relief, while providing windfall profits to middlemen who suffer no injury. I will illustrate what I am talking about.

Assume, for a moment, that manufacturers of drugs, hardware products, household appliances—you name it; take just a few examples—agree among themselves, and there is no question that they sit down and work out an agreement, to fix the prices of their products at levels higher than those products could command in a competitive market. Other customers—the retailers and wholesalers—purchase these products at the inflated prices and mark them up for resale to the consumer. There is no question that there are overcharges, no question that it has come about by reason of a preconceived conspiracy to set prices. In this manner, most or all of the illegal overcharges are passed on to the ultimate consumer.

What happened? The Supreme Court ruled in the Illinois Brick case that these consumers are barred from recovering because they are not direct purchasers. The middlemen, on the other hand—the wholesale jobbers, the people who actually do the selling to the stores—can collect treble damages from the antitrust violator, even though they have suffered no injury. It may be a store; it may be a wholesale jobber; but it is not the ultimate consumer.

Who are these ultimate consumers deprived of remedy by the Illinois Brick decision?

They are average citizens. They are the little people of America. They are people who always get it in the neck. They are the small businessmen. It is that group of people about whom we always speak how we want to help the small businessman, how the bottlers bill is going to help the small businessman. The bottlers bill may help a small group of small businessmen, but the Illinois Brick amendment will help a large group of small businessmen.

The other people who will really be hurt are the individual consumers.

Let us not forget the taxpayer. The taxpayers whose tax dollars are wasted on illegal overcharges paid by the State and Federal agencies for goods they consume will also pay the bill.

Balance the budget, save local governments money, save the State governments money, oh, yes, do all those things in the rhetoric but when it comes to Illinois Brick, which really has to do with savings and economies of purchase, and rolling back the rising tide of inflation for governmental agencies, oh, no, we are not going to let the Illinois Brick amendment come up because it is nongermane. But the fact is the rules of the Senate provide that I am entitled to bring up this amendment at this moment. But by reason of the filibuster that is taking place, by reason of utilization of the rules of the Senate in order to preclude that which is actually contemplated by the rules of the Senate, the Illinois Brick amendment cannot get to the floor.

Testimony last year before the Judiciary Committee revealed, for example, that 90 percent of State government purchases were made through middlemen. Over the last 15 years, and I emphasize this point, States have recovered hundreds of millions of dollars in antitrust suits, most of which would have been barred had the ruling in Illinois Brick been applied.

Let me read a portion of a letter from the first assistant attorney general of the antitrust section, the State of Colorado, addressed to the National Association of Attorneys General. It says:

> As we have discussed, the Illinois Brick rule has had a serious impact upon one very important segment of governmental purchasers, public schools. In a great number of treble damage class actions brought over the past several years, public school districts and boards of education were among the highest volume purchasers of the products at issue in the litigation. By deciding that indirect purchasers of price-fixed items could not sue for damages under the federal antitrust laws, the Supreme Court effectively cut off this large body of tax supported institutions from recovering overcharges for illegal collusive conduct, since schools almost always purchase indirectly.
>
> For this reason,

He continues in his letter:

> among many others, the Illinois Brick legislation is absolutely crucial to States and local governmental entities.

He goes on to say in his letter:

> I have compiled a list of school districts, colleges, and other institutions of education which received substantial (over $2,000) recoveries in the recent Master Key Antitrust settlement. Not one cent of this recovery would have been possible had the Illinois Brick ruling applied to that case.

I emphasize this to my fellow Senators:

> Not one cent of this recovery would have been possible had the Illinois Brick ruling applied to that case.

He carries on:

> The Master Key litigation was a Sherman Act case for price fixing by manufacturers of finish hardware and Master Key systems which were sold, indirectly, to large numbers of governmental entities as well as private contractors. The case was settled during trial in September 1976 but the fund was not distributed until earlier this month.

He goes on then to indicate by dollar amount the school districts that will benefit and he goes on to talk about the totals: $216,000 for Alabama, $1,617,000 for California, $419,000 for Florida, $355,000 for Georgia, $832,000 for Illinois, and the list continues on, including my own State, $711,000 for my own State; for the State or Indiana, $430,617; $858,000 for Pennsylvania, a total in that one case of $15,387,546.89.

All of this would have been foreclosed under the Illinois brick decision which my amendment would overturn and which would rectify and correct.

Mr. President, I ask unanimous consent that the entire letter as well as the entire list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STATE OF COLORADO,
DEPARTMENT OF LAW,
May 30, 1979.

Re Illinois Brick.
Ms. LYNNE ROSS,
National Association of Attorneys General, Hall of the States, Washington, D.C.

DEAR LYNNE: As we have discussed, the Illinois Brick rule has had a serious impact upon one very important segment of governmental purchasers, public schools. In a great number of treble damage class actions brought over the past several years, public school districts and boards of education were among the hghest volume purchasers of the products at issue in the litigation. By deciding that indirect purchasers of price-fixed items could not sue for damages under the federal antitrust laws, the Supreme Court effectively cut off this large body of tax supported institutions from recovering overcharges for illegal collusive conduct, since schools almost always purchase indirectly. For this reason, among many others, the Illinois Brick legislation is absolutely crucial to states and local governmental entities.

I have compiled a list of school districts, colleges, and other institutions of education which received substantial (over $2,000) recoveries in the recent Master Key Antitrust settlement. Not one cent of this recovery would have been possible had the Illinois Brick ruling applied to that case. The Master Key litigation was a Sherman Act case for price fixing by manufacturers of finish hardware and Master Key systems which were sold, indirectly, to large numbers of governmental entities as well as private contractors. The case was settled during trial in September 1976 but the fund was not distributed until earlier this month.

As you will see from the attached compilation, many of the recoveries of even small school districts were substantial and affected every part of the nation. Also, I am providing a list of "category codes" for distribution of the fund which was provided me by counsel for the states in the case. The second page points out the varying percentages for distribution to school districts across the nation. I hope this information will be of value to you in pointing out to others the importance of the Illinois Brick legislation being considered by the Congress at the present time.

Best personal regards.

B. LAWRENCE THEIS,
First Assistant Attorney General,
Antitrust Section.

STATE SCHOOL DISTRICTS AND INSTITUTIONS OF HIGHER EDUCATION RECEIVING OVER $2,000 FROM THE MASTER KEY SETTLEMENT DISTRIBUTION

ALABAMA	
Auburn University	$4,693.57
University of Alabama	4,375.74
University of Alabama in Birmingham	3,516.61
Baldwin County School District	2,558.67
Jefferson County School District	8,802.57
Birmingham City School District	8,578.63
Huntsville City School District	5,470.73
Mobile County School District	11,335.65
Montgomery County School District	6,222.82
Tuscaloosa County School District	2,109.45
ALASKA	
Anchorage School District	12,017.07
North Star Borough School District	3,080.13
ARKANSAS	
Arkansas State University	$2,191.52
University of Arkansas at Fayetteville	4,061.64
University of Arkansas at Little Rock	2,637.44
Fort Smith School District	2,028.21
Little Rock School District	3,309.87
Pulaski County Special School District	4,515.24
ARIZONA	
Mesa School District No. 4	2,389.09
Scottsdale School District No. 48	3,831.96
Glendale UHS No. 205	2,724.44
Phoenix UHS No. 210	5,574.05
Scottsdale HS No. 212	3,833.81
Tucson School District No. 1	5,384.87
Tucson School District No. 101	6,493.41
Yuma UHS No. 70	3,717.89
CALIFORNIA	
Hayward Unified School District	2,082.77
Livermore Valley Joint Unified School District	2,629.91
Oakland City Unified School District	3,940.25
Berkeley City Unified School District	2,171.87
Fremont Unified School District	5,302.51
Mt. Diablo Unified School District	7,796.24
Richmond Unified School District	3,615.97
San Ramon Valley Unified School District	2,358.65
Fresno Unified School District	5,761.65
Kern County Joint Unified School District	4,478.82
Baldwin Park Unified School District	2,354.47
Charter Oak Unified School District	2,005.11
Bassett Unified School District	2,130.95
Beverly Hills Unified School District	3,173.76
Bonita Unified School District	2,052.19
Claremont Unified School District	2,023.15
Compton Unified School District	3,945.97
Covina Valley Unified School District	2,375.15
Glendale Unified School District	6,008.94
Hacienda La Puente Unified School District	4,686.06
Las Virgenes Unified School District	2,665.55
Long Beach Unified School District	3,375.06
Los Angeles Unified School District	100,254.17
Norwalk-La Miranda City Unified School District	2,420.47
Palos Verdes Peninsula Unified School District	7,132.27
Pasadena Unified School District	3,684.39
Pomona Unified School District	4,132.31
Rowland Unified School District	4,187.09
Santa Monica Unified School District	2,912.18
Torrance Unified School District	5,887.71
Whittier Union High School District	2,371.63
Wm. S. Hart Union High School District	2,648.39
Novato City Unified School District	2,040.97

Anaheim UN High School District	$10,163.03
Capistrano Unified School District	3,188.28
Cypress Elementary School District	2,746.29
Fountain Valley School District	3,699.57
Fullerton UN High School District	3,464.16
Garden Grove Unified School District	10,145.87
Huntington Beach Union School District	6,108.60
Newport-Mesa Unified School District	3,950.15
Ocean View Elementary School District	5,779.03
Orange Unified School District	7,561.94
Placentia Unified School District	4,701.90
Santa Ana Unified School District	3,595.95
Tustin Unified School District	6,298.46
Westminster Elementary School District	2,819.78
Alvard Unified School District	2,131.61
Corona-Norco Unified School District	4,140.23
Riverside Unified School District	3,871.61
Elk Grove Unified School District	2,241.83
Folsom-Cordova Unified School District	2,949.36
Sacramento City Unified School District	11,789.07
San Juan Unified School District	6,064.60
Chaffey Union High School District	2,409.03
Ontario-Montclair Elementary School District	2,430.37
Redlands Unified School District	2,818.02
Rialto Unified School District	2,041.41
San Bernardino City Unified School District	8,417.53
Chula Vista City Elementary School District	2,016.33
Grossmont Union High School District	2,429.93
San Diego City Unified School District	16,088.58
Sweetwater Union High School District	3,091.04
San Francisco City Unified School District	8,548.01
Jefferson Union High School District	4,342.42
Laguna Salada Elementary School District	2,365.91
San Mateo City Elementary School District	2,405.51
San Francisco Unified School District	4,010.87
Lompoc Unified School District	3,626.09
Santa Barbara City Elementary & High School School District	4,233.73
Alum Rock Union Elementary School District	3,720.47
Campbell Union High School District	4,549.88
Cupertino Elementary School District	5,507.55
East Side Union High School District	4,790.78
Franklin-McKinley Elementary School District	2,100.81
Fremont Union High School District	5,112.64
Milpitas Unified School District	2,572.27
Moreland Elementary School District	2,122.81
Union Elementary School District	2,680.29
Oak Grove Elementary School District	$2,553.79
Palo Alto City Unified School District	2,450.83
San Jose Unified School District	6,039.52
Santa Clara Unified School District	4,111.19
Santa Cruz City Elementary School District	2,038.55
Santa Rosa City Elementary & High School District	2,300.57
Modesto City Elementary & High School District	2,362.61
Simi Valley Unified School District	8,608.27
Oxnard Unified High School District	3,838.83
Ventura Unified School District	2,055.71
Cabrillo College	2,022.71
Cerritos College	2,635.63
El Camino College	3,792.19
Citrus College	2,068.25
Los Angeles City College	13,703.53
Foothills College	7,559.30
Grossmont College	2,425.31
Monterey Peninsula College	2,107.41
College of Marin	2,499.01
Riverside City College	3,776.35
Orange Coast College	2,126.33
Pasadena City College	3,577.91
College of San Mateo	8,140.54
Shasta College	2,873.02
Ventura College	4,302.59
Washington High School	2,070.45
South County Community College	3,964.89
Hudson Elementary School	3,337.66
Excelsior High School	2,916.14
Costa Mesa Elementary School	2,936.60
San Joaquin Elementary School	2,845.96
North Orange Community College	2,897.44
Los Rios Community College	3,580.77
Sweetwater Community College	2,097.51
Jefferson Elementary School	2,164.17

COLORADO

Colorado State University	6,044.32
University of Colorado	5,704.04
University of Colorado Medical Center	7,525.32
University of Northern Colorado	3,156.89
Northglenn—Thornton School District	3,773.22
Westminster School District	2,910.51
Cherry Creek School District	3,497.85
Littleton School District	3,485.54
Adams—Arapahoe School District	4,129.37
St. Vrain Valley School District	2,888.80
Boulder Valley School District	4,490.34
Denver County School District	13,707.69
Colorado Springs School District	6,613.03
Jefferson County School District	15,923.57
Poudre School District	2,817.37
Mesa County Valley School District	2,742.44
Pueblo School District	4,437.99

DELAWARE

Delaware Technical and Community College	4,682.00
University of Delaware	7,680.50
Caesar Rodney School District	2,905.21
Capitol School District	2,540.29
Indian River School District	2,630.54
New Castle County School District	27,836.06

FLORIDA

District	$2,553.79
Broward Community College	2,147.31
Florida Junior College	4,385.16
Miami-Dade Comm.	4,692.35
St. Petersburg Jr. College	2,724.05
Valencia Comm. College	2,145.66
Florida International University	2,702.55
University of Florida	7,485.20
Florida State University	5,243.15
Florida Tech. University	2,638.37
University of South Florida	5,687.48
Duval County School District	12,025.47
Alachua County School District	2,442.59
Marion County School District	2,443.04
Seminole County School District	3,911.77
Escambia County School District	4,953.49
Leon County School District	2,436.69
Bay County School District	2,244.46
Okaloosa County School District	2,856.55
Volusia County School District	4,062.69
Brevard County School District	5,635.71
Orange County School District	9,243.02
Broward County School District	15,534.06
Sarasota County School District	2,753.97
Palm Beach County	8,025.42
Pinellas County School District	10,187.37
Hillsborough Co. School District	12,689.65
Dade County School District	33,958.37
Manatee County School District	2,283.83
Pasco County School District	2,690.31
Lee County School District	3,228.75
Polk County School District	6,662.90
Sarasota County School District	2,753.97

GEORGIA

Georgia State University	8,883.05
Georgia Institute of Technology	4,742.12
University of Georgia	9,618.68
Columbus College	2,152.77
Georgia Southern College	2,895.05
Valdosta State College	2,240.62
West Georgia College	2,217.23
Atlanta City Schools	14,614.35
Bibb County Schools	5,114.48
Chatham County Schools	6,353.48
Clayton County Schools	6,255.13
Cobb County Schools, Marietta	9,891.81
Dekalb County Schools	15,813.19
Dougherty County Schools	4,052.71
Douglas County Schools	2,108.54
Fulton County Schools	6,682.95
Gwinnett County Schools	5,603.87
Hall County Schools	2,167.80
Houston County Schools	2,983.09
Muscogee County Schools	6,515.00
Richmond County Schools	6,234.43

HAWAII

University of Hawaii	11,915.12
Department of Education, Honolulu District	10,804.75
Department of Education, Central District	8,764.17
Department of Education, Leeward District	8,222.91
Department of Education, Windward District	5,818.93
Department of Education, Hawaii District	4,586.14
Department of Education, Maui District	3,333.42

IDAHO

University of Idaho	$2,426.92
Boise State University	2,826.74
Boise City School District	3,545.62

ILLINOIS

Belleville Area College	2,632.24
Black Hawk College Quad-Cities	2,335.20
City College of Chicago	16,251.69
College of Du Page	4,607.06
College of Lake County	2,567.18
Eastern Illinois University	2,831,41
Illinois Central College	3,306.78
Illinois State University	5,833.16
Joliet Junior College	2,446.49
Moriane Valley Comm. College	2,981.21
Northeastern Illinois University	2,715.27
Oakton Comm. College	3,336.74
Rock Valley College	2,223.92
Southern Illinois University at Carbondale	6,310.81
Southern Illinois Edwardsville	3,569.29
Thornton Comm. College	2,362.31
Triton College	6,612.42
University of Illinois	6,064.00
University of Illinois, Urbana, Ill.	9,573.65
Western Ill. University	4,207.02
William Rainey Harper College	4,169.64
Alton Public Schools	2,663.49
Aurora (East) Public Schools	2,127.17
Aurora (West) Public Schools	2,277.09
Champaign Public Schools	2,381.52
City of Chicago Public Schools	120,180.22
Comm. Cos (Arlington Hts.)	2,388.85
Decatur Public Schools	4,142.34
Dundee Public School	2,878.46
E. Saint Louis Public Schools	5,169.49
Elgin Public Schools	5,799.23
Elmhurst 205 Public School	2,401.33
Evanston Elementary	2,028.62
Granite City Public Schools	3,044.03
Harlem Public Schools	2,045.00
Maine TWP High Public Schools	2,820.01
Moline Public Schools	2,626.32
Naperville Comm. Unit	2,467.11
Palatine Public Schools	2,751.78
Peoria 150 Public Schools	5,412.83
Quincy Public Schools	2,156.03
Rock Island Public Schools	2,456.11
Rockford Public Schools	9,077.79
Schaumburg Public Schools	3,893.38
Springfield Public Schools	4,734.17
Thornton TWP High	2,583.03
Township HS Public Schools	2,514.56
Township HS (Mt. Prospect)	4,728.55
Valley View Comm. Unit	2,272.93
Waukegan Comm. Unit Public School	3,301.55
Wheaton Comm. Unit District 200	2,741.75
M.S.D. of Lawrence Township	2,140.58
M.S.D. of Perry Township	2,853.35
M.S.D. of Warren Township	2,367.47
M.S.D. of Washington Township	2,956.40
M.S.D. of Wayne Township	2,766.34
Indianapolis Public Schools	17,670.37
Monroe County Community, School Corp	2,768.15
Portage Township Schools	2,208.82
South Bend Comm. School Corp.	6,673.25
Lafayette School Corp	2,032.33
Evansville Vanderburgh School Corp	6,205.00
Vigs County School Corp	4,783.53
Warrick County School Corp	2,087.69
Richmond Comm. School Corp.	2,246.56

IOWA

Area Education Agency II Ankeny IA	$2,050.63
Cedar Rapid Comm. School District	4,830.31
Council Bluffs Comm. School District	2,729.81
Davenport Comm. School District	4,884.22
Des Moines Independent Comm. School District	8,163.03
Dubuque Community School District	2,783.06
Sioux City Community School District	3,506.11
Waterloo Community School District	3,371.23

INDIANA

Ball State University	7,626.00
Indiana State University	5,014.90
Indiana University at Bryan Hall	14,307.60
Indiana University Northwest	2,097.83
Indiana University—Purdue University	9,125.38
Indiana University at South Bend	2,541.13
Indiana University—Purdue University	4,015.74
Purdue University Main Campus	13,122.43
Purdue University Calumet Campus	2,989.64
Fort Wayne Community Colleges	8,716.43
East Allen County Schools	2,691.99
School Corporation Bartholomew Consolidated	2,975.61
Greater Clark County Schools	2,969.96
Muncie Community School Corp.	3,223.29
Elkhart Community School Corp.	3,013.80
New Albany-Floyd Co. Cons. Schools	2,858.55
Marion Community Schools	2,288.60
Kokomo-Center TWP Con. Schools	2,554.59
Gary Community School Corporation	8,176.54
School City of Hammond	4,050.19
Michigan City Area Schools	2,519.79
Anderson Community School Corp.	3,986.23

KANSAS

Kingman USD No. 331	2,007.67
Emporia State University	11,336.57
Coffeyville Community Junior College	3,086.12
USD No. 405	4,459.95
USD No. 259	18,340.89
Johnson County Community College	12,667.55
USD No. 345	2,425.69
University of Kansas	17,899.98
Dodge City Community Junior College	2,306.66
Barton County Community College	2,629.66
USD No. 475	2,986.70

KENTUCKY

Eastern Kentucky University	4,775.00
Moorehead State University	2,676.26
Murray State University	2,951.24
Northern Kentucky University	2,238.70
University of Kentucky	7,961.28
University of Kentucky Comm. College System	6,077.79
University of Louisville	5,761.11
Western Kentucky University	4,731.18
Christian County Schools	2,100.73
Fayette County Schools	$6,917.87
Jefferson County Schools Louisville	23,910.81
K2 Kenton County Schools	2,216.61
Pike County Schools	3,227.73

LOUISIANA

Louisiana St. University	13,310.31
Louisiana Tech. University	2,551.31
Northeast Louisiana University	2,549.63
Southern Unit Agricultural Southern Branch	2,312.83
University of N.O. New Orleans	4,091.51
University of Southwestern	3,951.95
Delgado Vocational Technical College	2,897.69
Pres-Acadia Par School Board	2,082.31
Pres. Bossier Par School Board	3,404.06
Pres-Caddo Par School Board	9,072.41
Pres-Calcasieu Par School Board	6,695.29
Pres-E Baton Rouge Par School Board	13,051.02
Pres-Iberia Par School Board	2,903.05
Pres-Jefferson Par School Board	12,687.59
Pres-Lafayette Par School Board	5,188.75
Pres-Lafousche Par School Board	3,419.86
Pres-Livingston Par School Board	2,262.18
Pres-Orleans Par School Board	16,810.44
Pres-Quachita Par School Board	3,662.55
Pres-Rapids Par School Board	4,976.59
Pres-St. Bernard Par School Board	2,195.85
Pres-St. Landry Par School Board	3,736.26
Pres-St. Tammany Par School Board	3,626.05
Pres-St. Mary Par School Board	2,699.31
Pres-Trangipahoa Par School Board	2,806.19
Pres-Terrebonne Par School Board	4,069.33

MAINE

University of Maine at Orono	3,634.40
University of Maine, Portland	2,650.43

MARYLAND

Anne Arundel Community College	2,122.58
Catonsville Community College	3,113.42
Community College of Baltimore	2,930.88
Essex Community College	3,075.95
Montgomery College	4,857.48
Prince George's Community College	3,788.50
Morgan State University	2,025.23
Towson State University	4,918.97
University of Maryland	15,660.63
Allegany County Public Schools	3,656.24
Anne Arundel County Schools Superintendent Public Schools	18,254.17
Baltimore City Public Schools Superintendent	36,712.72

Superintendent, Baltimore County Public Schools	$27,338.43
Carrol County Public Schools	4,874.50
Cecil County Public Schools	3,217.10
Charles County Public Schools	4,278.52
Frederick County Public Schools	5,666.17
Harford County Public Schools	8,104.63
Howard County Public Schools	6,138.37
Montgomery County Public Schools	27,175.08
Prince George's County, Public Schools	33,654.63
St. Mary's County Public Schools	2,970.50
Washington County Public Schools	5,401.48
Wicomico County Public Schools	3,168.84

MASSACHUSETTS

Nauset Regional School District	2,899.78
Downey Elementary School	2,302.90
Brockton High School	7,033.24
King Phillip Regional School District	2,258.40
Peabody Public Schools	2,586.75
Olny School	3,691.10
Lee School	3,850.12
Hart-Dean School	2,077.62
Marshall School	3,145.06

MICHIGAN

Central Michigan University	4,987.62
Eastern Michigan University	5,665.94
Ferris State College	3,096.69
Grand Valley State Colleges	2,350.42
Michigan State University	13,637.72
Northern Michigan University	2,596.37
Oakland University	3,018.76
University of Michigan	14,012.11
Wayne State University	10,453.75
Western Michigan University	6,556.54
Delta College	2,851.67
Grand Rapids Community College	2,342.94
Henry Ford Community College	5,284.70
Jackson Community College	2,028.09
Kalamazoo Valley Community College	2,023.11
Lansing Community College	5,708.65
Macomb Community College	7,803.14
C. S. Mott Community College	2,819.57
Oakland Community College	6,232.97
Schoolcraft College	2,952.05
Washtenaw Community College	2,327.04
Wayne Community College	4,866.05
Albion Public Schools	2,151.75
Ann Arbor Public Schools	4,151.83
Battle Creek Public Schools	2,151.75
Bay City Public Schools	3,377.98
Benton Harbor Area Schools	2,336.80
Birmingham City School District	2,646.82
Dearborn City School District	3,706.84
Detroit City School District	54,021.95
East Detroit City School District	2,162.96
Farmington Public School District	3,159.78
Flint City School District	8,703.10
Grand Rapids City School District	8,945.15
Grosse Pointe Public Schools	2,349.68
Highland Park Community Schools	2,035.85
Huron Valley Schools	2,517.33
Jackson Public Schools	2,602.46
Kalamazoo City School District	3,544.00
Lansing Public Schools	$7,001.59
Lapeer Community Schools	2,067.33
Livonia Public Schools	6,324.33
Midland Public Schools	2,608.19
Monroe Public Schools	2,070.91
Plymouth Canton Community School	3,852.54
Pontiac City School District	5,118.60
Port Huron Area School trict	3,642.93
Portage Public School District	2,357.31
Rochester Community College	2,514.94
Roseville Community Schools	2,340.86
City of Royal Oak School District	2,737.92
Saginaw City School District	4,367.89
Southfield Public School District	2,693.80
Taylor School District	4,630.45
Traverse City School District	2,358.51
Troy Public School District	2,843.32
Utica Community Schools	6,827.74
Walled Lake Consolidated Schools	2,659.70
Warren Community Schools	6,996.58
Waterford School District	3,936.49
Wayne-Westland Community Schools	5,304.37

MINNESOTA

Minneapolis Special School District No. 1	12,107.54
Anoka Independent School District No. 4	8,104.62
Burnsville Independent School District No. 191	2,752.57
Rosemont Independent School District No. 196	2,758.41
Bloomington Independent School District No. 271	4,757.21
Edina Independent School District No. 273	2,232.88
Hopkins Independent School District No. 274	2,088.42
Osseo Independent School District No. 279	3,722.90
Robinsdale Independent School District No. 281	5,501.33
Rochester Independent School District No. 535	3,698.02
Moundsview Independent School District No. 621	3,585.30
North St. Paul-Maplewood Independent School District No. 622	2,694.43
Roseville Independent School District No. 623	2,618.77
White Bear Lake Independent School District No. 624	2,380.89
St. Paul Independent School District No. 625	9,074.44
Duluth Independent School District No. 709	4,611.99
St. Cloud Independent School District No. 742	2,884.33
South Washington Area Independent School District No. 833	2,643.15
Stillwater Independent School District No. 834	2,169.66
University of Minnesota	24,798.88

MISSISSIPPI

Alcorn State University	2,542.10
Gulf Coast Junior College District	2,048.73
Mississippi State University	2,559.47
University of Mississippi	2,488.34
University of Southern Mississippi	2,438.30
De Soto County School District	2,154.66
Jackson Separate School District	4,618.84

MISSOURI

Central Missouri State University	$3,047.60
Florissant Valley Community College	2,535.02
Forest Park Community College	3,238.42
St. Louis Community College	3,308.06
Southeast Missouri State University	2,374.84
Southwest Missouri State University	3,465.81
University of Missouri at Columbia	7,491.55
University of Missouri, Kansas City	3,934.85
University of Missouri, St. Louis	3,967.59
Columbia School District 93	2,279.71
St. Joseph School District	3,030.14
North Kansas City District 74	4,052.71
R–X11 Springfield	4,930.06
C–1 Hickman Mills	2,455.18
C–2 Raytown	2,393.24
Independence School District 30	2,809.17
Kansas City School District 33	9,419.21
C–6 Fox	2,025.24
Hazelwood School District	4,517.79
R–11 Ferguson-Florissant	3,615.85
R–V1 Rockwood	2,126.98
R–IX Mehlville	2,475.69
Parkway	4,992.82

MONTANA

University of Montana	2,886.52
Montana State University	3,422.49
Great Falls SD N. 1	2,152.44
Great Falls SD A	2,157.67
Billings Elementary SD	2,443.60
Billings Elementary SD	2,339.76

NEBRASKA

University of Nebraska—Lincoln	5,446.64
University of Nebraska—Omaha	3,678.98
Lincoln Public School	5,331.18

NEVADA

Clark County School District (Las Vegas)	16,698.72
Washoe County School District (Reno)	6,166.70

NEW HAMPSHIRE

University of New Hampshire	5,048.81
School Department, City of Manchester	3,283.71
School Department, City of Nashua	2,322.82

NEW JERSEY

Bergernfield Board of Education	3,198.05
Carlstadt-East Rutherford Regional Board of Education	3,099.04
Hackensack Board of Education	4,661.41
Lenape Regional High School Board of Education	5,236.47
Willingboro Board of Education	3,672.23
Bellmawr Board of Education	2,010.80
Caldwell-West Caldwell Board of Education	2,340.55
Cedar Grove Board of Education	2,344.51
West New York Board of Education	3,141.88
Hamilton Township Board of Education	4,193.62
Sayreville Board of Education	7,235.85
Butler Board of Education	2,199.32
Montville Township Board of Education	4,318.54
Lakewood Board of Education	4,427.20

Toms River Board of Education	$4, 552. 55
Wayne Township Board of Education	11, 673. 52
Hillsborough Township Board of Education	2, 178. 95
Scotch Plains-Fanwood Board of Education	3, 713. 13
Union Township Board of Education	5, 113, 58
Rutgers State University	41, 752. 69
Mercer County Community College	3, 297. 95
NEW MEXICO	
University of New Mexico—Albuquerque	6, 403. 00
New Mexico State University—Las Cruces	3, 953. 87
Albuquerque School District	15, 619. 48
Gallup School District	2, 485. 13
Las Cruces School District	2, 926. 23
Santa Fe School District	2. 225. 28
NEW YORK	
Arlington Central School District	3, 028. 75
Auburn Enlarged City School District	2, 688. 46
Baldwin Public Schools	3, 036. 69
Bethpage Union Free School District	3, 574. 41
Central Islip Public Schools	3, 662. 99
Central Square Central Schools	2, 582. 50
Cheektowaga-Maryvale Union Free School District	2, 672. 97
Clarkstown Central School District	5, 734. 73
Corning-Painted Post Area School District	3, 539. 48
Deer Park Union Free School District	3, 012. 73
Fayetteville-Manlius Central School District	2, 285. 81
City School District of Glen Cove	2, 324. 20
Greece Central School District	4, 501. 39
Hicksville Union Free School District	3, 307. 94
Hilton Central Schools	2, 579. 02
Horseheads Central School District	2, 347. 57
Huntington Union Free School District	3, 687. 02
Jericho Union Free School District	3, 423. 95
Lakeland Central School District of Scrub Oak	3, 609. 06
Liverpool Central Schools	4, 828. 45
Mahopac Central School District	3, 606. 23
Mamaroneck Union Free School District	2, 153. 57
Massapequa Union Free School District	5, 632. 45
Mineola Union Free School District	2, 280. 94
Monroe-Woodbury Central School District	3, 495. 25
Monticello Central School District	2, 096. 15
Northport-East Northport Union Free School District	5, 323. 48
Pittsford Central School	6, 484. 86
Plainedge Union Free School District	2, 292. 10
Rochester City School District	8, 906. 18
Rush-Henrietta Central School District	3, 871. 04
Sewanhaka Central High School District	4, 552. 50
South Huntington Union Free School District	3, 997. 85
Sweet Home Central School District	3, 142. 84
Three Village Central School District	6, 098. 14
Uniondale Union Free School District	$2, 706. 20
Utica City School District	3, 661. 61
Vestal Central School	2, 621. 52
Wantagh Union Free School District	2, 339. 81
Watertown City School District	2, 630. 56
West Seneca Central School District	2, 160. 42
State University Construction Fund	347, 225. 77
NORTH CAROLINA	
East Carolina University—Greenville	2, 376. 12
North Carolina State—Raleigh	3, 520. 11
University of North Carolina Chapel Hill	3, 961. 66
Central Piedmont Community College	5, 553. 56
Alamance County	2, 118. 44
Buncombe County	3, 874. 14
Burke County	2, 206. 14
Caldwell County	2, 379. 46
Catawba County	2, 081. 45
Cumberland County	5, 750. 70
Davidson County	2, 642. 55
Durham County	2, 715. 26
Forsyth County	7, 050. 21
Gaston County	5, 603. 33
Guilford County	4, 134. 52
Greensboro County	4, 311. 99
Johnston County	2, 451. 22
Mecklenburg County	12, 586. 30
New Hanover County	3, 352. 42
Onslow County	2, 497. 46
Randolph County	2, 256. 53
Robeson County	2, 130. 24
Rowan County	2, 332. 11
Wake County	8, 849. 44
Wayne County	2, 282. 84
Wilson County	2, 121. 63
NORTH DAKOTA	
University of North Dakota	3, 028. 14
North Dakota State University	2, 438, 76
Bismarck School District	3, 908. 60
Fargo School District	3, 716. 93
Grand Forks School District	3, 809. 63
Minot School District	3, 485. 86
OHIO	
Akron City School District	9, 524. 57
Austintown Schools	2, 506. 79
Bedford School District	2, 547. 35
Berea City School District	7, 291. 69
Boardman School District	2, 684. 31
Brecksville-Broadview	2, 075. 16
Canton Board of Education	3, 275. 19
Cincinnati Board of Education	19, 205. 71
Cleveland Board of Education	25, 598. 40
Columbus School District	24, 605. 08
Cuyahoga Falls Board of Education	2, 895. 22
Dayton Public Schools	14, 197. 45
Hamilton City School District	3, 770. 00
Lima City Board of Education	2, 951. 16
Lorain City School District	7, 032. 91
Mad River Township School District	2,474. 75
Marietta Board of Education	2, 231. 68
Marion City Schools	2, 315. 77
North Olmsted City Board of Education	2, 361. 31
Northwest Local Board (Cincinnati)	3, 229. 84
Shaker Heights Board of Education	4, 002. 92
South Euclid-Lyndhurst	2, 784. 16
Sylvania Board of Education	2, 081. 78
Washington Local Schools	3, 124. 00
Wayne Board of Education	2, 036. 75
West Clermont School District	2, 098. 83
Willoughby-Eastlike City	4, 258. 26
Worthington City Schools	2, 346. 01
University of Akron	8, 101. 44
Bowling Green University	18, 892. 07
University of Cincinnati	20, 979. 97
Cleveland State University	$15, 593. 32
Kent State University	20, 253. 90
Miami University	19, 162. 78
Ohio University	22, 587. 96
Ohio State University	50, 962. 31
University of Toledo	7, 253. 28
Wright State University	3, 209. 66
Youngstown State University	4, 760. 29
Cuyahoga C.C.D	8, 456. 08
Avon Lake Board of Education	2, 468. 95
OKLAHOMA	
Central State University	2, 602. 78
Oklahoma State University	4, 308. 87
University of Oklahoma	4, 080. 67
Lawton School District	3, 421. 62
Moore School District	2, 185. 34
Midwest City School District	3, 349. 09
Oklahoma City School District	8, 952. 77
Putnam City School District	3, 662. 47
Tulsa City School District	11, 472. 76
OREGON	
Portland Community College	2, 731. 70
Clackamas County School District 12	2, 718. 20
Lane County School District	4, 132. 40
Marion County School District 24 J	4, 392. 71
Multnomah County School District 1	11, 959. 18
Washington County School District 48	4, 070. 54
PENNSYLVANIA	
Bloomsburg State College	2, 934. 86
California State College	2, 541. 54
Clarion State College	2, 590. 27
Edinboro State College	3, 466. 00
Indiana University of Pennsylvania	5, 473. 44
Kutztown State College	2, 710. 38
Millersville State College	3, 080. 56
Shippensburg State College	2, 835. 42
Slippery Rock State College	3, 125. 85
West Chester State College	4, 575. 56
Pennsylvania State University	33, 583. 47
Temple University	17, 204. 50
University of Pittsburgh	17, 204. 00
Bucks County Community College	3, 394. 63
Community College of Allegheny	7, 875. 18
Community College of Philadelphia	5, 279. 00
Community College of Delaware County	2, 395. 34
Harrisburgh Area Community College	2, 285. 07
Montgomery County Community College	3, 063. 34
Northampton County Area Community College	2, 117. 21
Allegheny County Schools	13, 080. 71
Pennsylvania Hills School District	2, 914. 67
Armstrong School District	2, 459. 79
Reading School District	3, 256. 60
Altoona Area School District	2, 933. 03
Bensalem Township School District	2, 128. 32
Centennial School District	2, 757. 61
Central Bucks School District	3, 001. 11
Council Rock School District	2, 293. 03
Neshaminy School District	2, 645. 92
Pennsburg School District	2, 878. 72
Butler Area School District	2, 801. 46
West Chester Area School District	2, 741. 80
West Shore School District	2, 205. 32
Central Dauphin School District	2, 767. 04
Harrisburg City School District	2, 474. 58
Chester-Upland School District	2, 475. 09
Upper Darby School District	2. 493. 19

Erie City School District	$3, 849. 43
Connellsville Area School District	2, 044. 17
Chambersburg Area School District	2, 323. 37
Scranton City School District	3, 010. 29
Lancaster School District	2, 579. 12
Allentown City School District	3, 906. 29
Hazelton Area School District	2, 638. 27
Wilkes-Barre Area School District	2, 553. 11
Williamport Area School District	2, 238. 21
Mifflin County School District	2, 157. 13
Abington School District	2, 128. 57
North Penn School District	2, 598. 50
Bethlehem Area School District	3, 622. 24
Easton Area School District	2, 036. 52
Philadelphia City School District	62, 321. 36
Warren County School District	2, 331. 02
Hempfield Area School District	2, 576. 06
Bristol Township School District	2, 713. 49

RHODE ISLAND

Rhode Island College	2, 852. 70
Rhode Island Junior College	3, 206. 19
Pawtucket	2, 366. 79
Cranston	2, 896. 82
East Providence	2, 090. 28
University of Rhode Island	4, 391. 92
Providence	4, 439. 99
Warwick	3, 900. 39

SOUTH CAROLINA

Clemson University	2, 689. 18
University of South Carolina	5, 365. 04
Aiken School District	3, 373. 96
Berkeley County Schools	3, 236. 15
Charleston County Schools	7, 202. 39
Florence School District	2, 199. 55
Greenville County Schools	4, 829. 78
Horry County	2,874. 66
Richland School District No. 1	4, 760. 88
York School District No. 3	2, 057. 39

SOUTH DAKOTA

Sioux Falls School District	4, 445. 68
Rapid City School District	3, 483. 02

TENNESSEE

East Tennessee State University	2, 517. 19
Memphis State University	5, 362. 61
Middle Tennessee State University	2, 613. 36
University of Tennessee—Knoxville	7, 685. 20
Blount County School District	2, 062. 02
Davidson County School District	14, 231. 23
Hamilton County School District	4, 059. 40
Knox County School District	5, 245. 26
Montgomery County School District	2, 907. 65
Rutherford County School District	2, 414. 45
Shelby County School District	4, 518. 48
Sullivan County School District	3, 613. 78
Summer County	3, 426. 52
Chattanooga Schools	5, 512. 59
Knoxville Schools	5, 780. 64
Memphis Schools	22, 428. 48

TEXAS

Killeen ISD	2, 755. 31
Harlandale ISD	2, 975. 87
Edgewood ISD	3, 264. 79
San Antonio ISD	10, 784. 84
North East ISD	5, 595. 19
Northside ISD	5, 060. 56
Brownsville ISD	3, 925. 91
Piano ISD	$2, 912. 34
Carrollton—Farmes Br	2, 077. 42
Dallas ISD	22, 701. 90
Garland ISD	4, 880. 61
Grand Prairie ISD	2, 281. 96
Irving ISD	4, 111. 63
Mesquite ISD	3, 337. 07
Richardson ISD	6, 219. 61
Ector County ISD	3, 929. 63
El Paso ISD	10, 267. 34
Ysleta ISD	7, 146. 55
Fort Bend ISD	2, 202. 61
Clear Creek ISD	2, 785. 30
Aldine ISD	5, 383. 01
Cypress-Fairbanks ISD	2, 487. 99
North Forest ISD	2, 957. 98
Goose Creek ISD	2, 508. 30
Houston ISD	34, 226. 65
Pasadena ISD	6, 108. 21
Spring Branch ISD	6, 630. 92
McAllen ISD	2, 508. 30
Port Arthur ISD	2, 158. 64
Lubbock ISD	5, 537. 63
Waco ISD	2, 625. 47
Midland ISD	2, 659. 93
Conroe ISD	2, 542. 94
Corpus Christi ISD	6, 734. 49
Amarillo ISD	4, 439. 12
Tyler ISD	2, 709. 85
Arlington ISD	4, 886. 01
Birdville ISD	2, 606. 65
Fort Worth ISD	12, 071. 12
Hurst-Euless-Bedford ISD	2, 872. 48
Abilene ISD	3, 057. 09
San Angelo ISD	2, 498. 05
Austin ISD	9, 840. 01
Victoria ISD	2, 166. 28
Laredo ISD	3, 691. 38
Wichita Falls ISD	2, 638. 32

UTAH

University of Utah	7, 437. 09
Utah State University	3, 265. 99
Weber State College	3, 025. 44
Utah Technical College	2, 236. 98
Davis School District	8, 004. 99
Granite School District	13, 294. 15
Jordan School District	8, 632. 08
Nebo School District	2, 486. 54
Weber School District	4, 347. 98
Salt Lake City School District	5, 401. 71
Ogden School District	2, 644. 91
Provo School District	2, 056. 15

VERMONT

University of Vermont	3, 754. 00

VIRGINIA

George Mason University	2, 192. 28
Old Dominion University	3, 876. 98
University of Virginia	5, 199. 87
Virginia Commonwealth University	4, 368. 58
Virginia Polytechnic	4, 862. 93
North Virginia Community College	6, 783. 28
Tidewater Community College	2, 973. 15
Arlington Schools	3, 114. 08
Augusta Schools	2, 067. 83
Chesterfield Schools	5, 850. 58
Fairfax Schools	23, 024. 93
Hanover Schools	2, 038. 21
Henrico Schools	6, 213. 80
Henry Schools	2, 290. 29
Loudoun Schools	2, 557. 65
Pitsylvania Schools	2, 646. 16
Prince William Schools	2, 915. 17
Roanoke Schools	2, 917. 19
Tazewell Schools	2, 022. 02
Alexandria Schools	2, 210. 99
Chesapeake Schools	4, 830. 83
Hampton Schools	4, 847. 02
Lynchburg Schools	2, 059. 92
Newport News Schools	5, 210. 25
Norfolk Schools	7, 682. 15
Portsmouth Schools	3, 722. 39
Richmond Schools	6, 174. 79
Roanoke Schools	3, 180. 87
Virginia Beach Schools	10, 221. 95

WASHINGTON

Auburn School District 408	$2, 172. 93
Bellevue School District 405	5, 766. 47
Central Valley School District 356	2, 910. 40
Clover Park School District 400	3, 697. 45
Edmonds School District 15	5, 963. 99
Everett School District 2	3, 100. 47
Evergreen School District 205	2, 632. 59
Federal Way School District 210	4, 086. 34
Highline School District 401	5, 263. 33
Kennewick School District 17	2, 565. 52
Kent School District 415	4, 226. 30
Lake Washington School District 414	4, 583. 38
Longview School District 122	2, 134. 49
North Thurston School District 3	2, 121. 24
Northshore School District 417	3, 381. 73
Puyallup School District 3	3, 065. 48
Renton School District 403	3, 745. 17
Richland School District 400	2, 259. 35
Seattle School District 1	15, 620. 33
Shoreline School District 412	3, 127. 25
South Kitsap School District 402	2, 063. 18
Spokane School District 81	8, 161. 01
Tacoma School District 10	8, 347. 10
Vancouver School District 37	4, 468. 06
Yakima School District 7	3, 091. 46
State of Washington RE Institutions of Higher Education	54, 255. 22

WEST VIRGINIA

West Virginia University	5, 414. 09
Marshall University	2, 824. 91
Cabell County Schools	2, 936. 71
Kanawha County Schools	6, 824. 93
Mercer County Schools	2, 173. 03
Raleigh County Schools	2, 589. 32

WISCONSIN

University of Wisconsin—Madison	24, 307. 87
University of Wisconsin—Eau Claire	2, 677. 48
University of Wisconsin—La-Crosse	2, 879. 96
University of Wisconsin—Oshkosh	4, 998. 30
University of Wisconsin—Green Bay	2, 606. 52
University of Wisconsin—Menomonie	3, 333. 39
University of Wisconsin—Milwaukee	8, 329. 14
University of Wisconsin—Kenosha	2, 664. 17
University of Wisconsin—Platteville	3, 185. 30
University of Wisconsin—River Falls	2, 986. 24
University of Wisconsin—Stevens Point	4, 500. 45
University of Wisconsin—Superior	2, 216. 96
University of Wisconsin—Whitewater	4, 867. 75
Appleton Joint School District	16, 184. 77
Ashwaubenon Public Schools	3, 791. 22
Cudahy Public Schools	2, 653. 53
Eau Claire Board of Education	6, 163. 91
Elmbrook Schools (Joint Common School District No. 21)	18, 109. 07
D.C. Everest Area Schools (Joint School District No. 1)	4, 076. 90
Kenosha Unified School District No. 1	10, 392. 74
Marshfield Public Schools	2, 588. 78
Board of Education (Joint School District No. 1)	2, 699. 75

Board of School Directors-Milwaukee	$40,253.39
Oshkosh Area Public Schools	8,592.61
Racine Unified School District No. 1	14,796.95
Joint Union High School District No. 1	2,074.82
West Allis Schools	9,248.24
Monona Grove Public Schools	2,284.88
Grafton Public Schools	2,006.47
Janesville Public Schools	14,046.05
Kiel Area Schools	2,373.27
Muskego-Norway Schools	2,862.64
Neenah Joint School District	5,135.82
Plymouth Joint School District	3,351.35
Verona Area School District	2,179.86
School District of Wausau	3,058.96
Area Vocational Technical & Adult Education District, Eau Claire	2,119.13
North Central Technical Institute	3,189.16
Waukesha County Technical Institute	3,980.63
WYOMING	
University of Wyoming	2,967.81
Laramie School District 1	2,954.35
Natrona School District 1	3,105.07

State Totals Master Key Antitrust Litigation Settlement Distribution

Alabama	$216,380.41
Alaska	42,622.80
Arkansas	102,699.73
Arizona	149,500.68
California	1,617,080.60
Colorado	188,167.06
Connecticut	248,391.79
Delaware	80,146.88
Florida	419,533.34
Georgia	355,499.60
Hawaii	66,564.92
Idaho	50,352.25
Illinois	832,977.86
Indiana	430,617.79
Iowa	194,083.94
Kansas	157,796.12
Kentucky	230,405.74
Louisiana	258,441.63
Maine	61,007.95
Maryland	336,519.34
Massachusetts	372,329.03
Michigan	792,690.03
Minnesota	371,619.80
Mississippi	138,435.45
Missouri	296,098.62
Montana	52,613.44
Nebraska	101,518.57
Nevada	47,071.36
New Hampshire	50,839.96
New Jersey	427,839.75
New Mexico	87,580.75
New York	1,724,168.90
North Carolina	315,621.81
North Dakota	56,352.57
Ohio	711,360.88
Oklahoma	154,012.68
Oregon	153,968.36
Pennsylvania	858,235.11
Rhode Island	60,062.16
South Carolina	147,997.59
South Dakota	49,849.84
Tennessee	273,575.34
Texas	760,250.06
Utah	115,631.41
Vermont	37,154.54
Virginia	317,232.69
Washington	328,819.52
West Virginia	101,177.55
Wisconsin	431,031.52
Wyoming	33,637.17
Grand total	15,387,546.89

(Mr. HUDDLESTON assumed the chair.)

Mr. METZENBAUM. Mr. President, it is absurd that average citizens must bear the cost of antitrust violation while middlemen are permitted to reap the benefits of treble damage antitrust awards, and it is also absurd that a filibuster is being conducted against this proconsumer amendment to keep it from being called up while the anticonsumer bill is pending on the floor of the Senate.

Who owns the Senate? Whose Senate is this? Do the people not have an opportunity to have their amendments called up and only special interests have an opportunity to be heard? I hope not.

The worst part about this particular issue is that one of the Members of the Senate for whom I have the highest respect, the distinguished Senator from Indiana, finds himself in that very difficult position of being both the author of the legislation as well as a cosponsor of the Illinois Brick amendment.

And the concern he expressed yesterday was that there might be a filibuster and/or if Illinois Brick were to be attached to the bottlers bill, it might cause it to be defeated.

I do not know if that is so. It might gain more strength. I think Illinois Brick could only be attached if we had a majority on the floor of the Senate, and I do not see why it would be defeated unless there might be someone else who then thinks he would filibuster against Illinois Brick. But they are using a cloture motion to cut off this amendment from being called up and if that were the case, then why not use a cloture motion to cut off a filibuster against Illinois Brick?

What would Illinois Brick do? First, it would partially, and I emphasize "partially," overturn Illinois Brick by permitting Federal and State governments to sue for damages under the antitrust laws for themselves and on behalf of citizens who are indirect purchasers.

Second, it would modify the Supreme Court's ruling in the Hanover shoe case, allowing defendants in antitrust cases to raise the pass-on defense, thereby protecting themselves from duplicative recovery.

It would also modify the rule announced in government of India against Pfizer, Inc. to limit recoveries by foreign governments to no more than actual damages, as opposed to treble damages, under U.S. law.

It would permit the Federal courts to determine the amount of plaintiffs' attorney's fees that can be recovered in class action cases in Government suits.

It would permit the courts to award attorney's fees to prevailing defendants in cases that plaintiffs have brought in bad faith or vexatiously.

Finally, the amendment would be applicable to all pending cases, with the exception that the pass-on defense would not be permitted in direct-purchaser cases pending at the time of the enactment.

Let me emphasize. This amendment is a half-way measure. It makes some compromises. It takes care of certain other problems that business interests had concerns about. It corrects only some of the many inequities created by the Illinois Brick decision, but at least it is a major step in the right direction and it would permit the States through their State attorneys general to bring an action on behalf of the State and on behalf of the State itself and on behalf of citizens who are indirect purchasers.

Let me tell Senators some things it does not do. The amendment does not, for example, permit consumers to sue antitrust violators on their own behalf. It should, but it does not in an effort to compromise the issue. It does not permit small businessmen to sue on their own behalf. It should, but it does not in an effort to compromise the issue.

It permits only Federal and State antitrust authorities to act and authorizes them to bring only two kinds of suits: suits on behalf of citizens who are victimized by antitrust violations and suits on their own behalf when they themselves are victims of antitrust violations.

It is estimated that there are $0.5 billion in the claims currently pending in State and Federal proprietary suits, $0.5 billion in overcharges, but they cannot be brought with any real efficacy by reason of Illinois Brick. As a matter of fact, I cannot tell you how many more millions or billions of dollars in claims are at stake in State parens suits.

It is beyond me how responsible spokesmen for the business community, the Business Round Table, to be precise, can oppose a mild measure like this one.

I remember when the Business Round Table was talking about providing a link between Government and the business community. I remember when they said there needed to be more communication, that we have to work together for the general good.

I remember when the Business Round Table was moving in a direction that some of us felt would indicate that they would be concerned about the total good, about the total welfare of the Nation, that they would not be just another U.S. Chamber of Commerce or National Association of Manufacturers.

Well, it did not take very long. The Business Round Table continued to create and to add to its muscle, and as it added to its muscle it turned its back on the consumers and the public, on the States and the local governmental agencies.

They talk about balancing the budget at Business Round Table meetings. They talk about cutting down governmental spending at the Business Round Table meetings. They bring in great speakers, and they get people who are specialists about how we have to cut back on the public dollar, Federal, State, and local. They have some of the finest orators on the subject.

But Illinois Brick would make it possible to do something about it, and the Business Round Table is opposing that. They do not really care about the fairness and the equity of a doctrine that precludes suits being brought against corporations that have willingly engaged in price-fixing.

They ought to be in the forefront of this legislation supporting Illinois Brick. But, no, when it comes to helping the school districts and the counties and the State governments, and making those who have willfully engaged in overcharging conspiracies pay the piper, then they use all of their muscle to defeat the legislation, and that is what we find present in this situation.

This is a mild amendment that I would propose. It is an amendment that has a host of supporters:

The Amalgamated Clothing and Textile Workers Union; the American Association of State Highway and Transportation Officials; American Coalition of Citizens with Disabilities; the American Federation of State, County and Municipal Employees; the Arizona Public Service Co.; the Associated Retail Bakers of America; Citizens for Class Action Lawsuits; Common Cause; the Computer and Communications Industry Association; Congress Watch; the Consumer Federation of America; the Cooperative League of the U.S.A.; the Disability Rights Center; the Disabled American Veterans; the Independent Bankers Association; the International Association of Machinists and Aerospace Workers; the International Ladies Garment Workers Union; MCI Communications Corp.; the National Association of Attorneys General; the National Association of Counties; the National Association of Homebuilders; the National Association of State Purchasing Officials; the National Conference of State Legislatures; the National Consumers League; the National Council of Senior Citizens; the National Farmers Union; the National Governors Association; the National Homeowners Association; the National Institute of Governmental Purchasing, Inc.; the National League of Cities; the National Retired Teachers Association; the American Association of Retired Persons; the National World Electric Cooperative Association; the Oil, Chemical, and Atomic Workers International Union; the Paralyzed Veterans of America; the Public Interest Economic Center; the United Auto Workers; the United Mine Workers of America; the United Steelworkers of America; the White House; and the Women's Lobby.

That is a pretty impressive list of people and groups that support the Illinois Brick amendment. But, no, we cannot bring it up. It is nongermane. The rules say, Senator, that you can bring up a nongermane amendment prior to invoking cloture. But, no, you cannot do that if there is a pending amendment in the first degree and an amendment to that in the second degree.

Yesterday I stood on the floor of the Senate and said "Let us adopt that amendment in the first and second degree. Let us adopt either one of the amendments, the first degree amendment or the second degree amendment or both of them." There is no controversy about those amendments. They are good amendments. The authors do not want to adopt those amendments, and they do not want to adopt them because they know if they do then I can call up the Illinois Brick amendment prior to cloture being invoked. That is an absolutely unbelievable situation, a filibuster being conducted under the cloak of cloture. But it is just exactly the question of man bites dog, it is the opposite. Normally you use cloture to cut off debate. They are using cloture to keep a Member of the Senate from doing that which he has a right to do under the rules of this body.

I would say this amendment should be called up, would be called up, and will be called up if the author of the first degree amendment, the author of the second degree amendment, see fit to accept and approve their amendments. Their amendments have been on the floor for better than 24 hours, and nobody is opposed to them. Why are we not accepting them? We are not accepting them because the business community does not want Illinois Brick to be brought up, and, unfortunately, there are people in the Senate who are willing to go along with that point of view. Why do they not go along with the rights of the consumers of this country and the attorneys general and the whole list of groups who feel that Illinois Brick ought to have its day in court on the floor of the Senate?

It is a recognized fact that we have been trying to bring Illinois Brick to the floor of the Senate for weeks and months. But, no, we cannot do that. There might be a filibuster.

Well, let there be a filibuster and let us vote cloture and bring it to a head. I will not filibuster against it, and I am not prepared to filibuster this measure or other measures, but the fact is that the rules are being turned around so that a Member cannot bring up an amendment that he has a right to bring up.

I am being blocked from doing so. This amendment would not expose business to spurious time-consuming litigation generated by unscrupulous lawyers and professional troublemakers. No, not on your life could that occur because under this amendment only State and Federal antitrust authorities would be able to bring suits on behalf of indirect purchasers.

No private lawyer can set out to enrich himself at the expense of business.

I want to make it clear that I do not actually think that that is right. I am not worried about the lawyers making a fee. I am worrying about the corporations who engage in conspiracies to overcharge the American public by their being brought into court.

As a matter of fact, I feel very strongly that the amendment that I want to bring up does not go far enough. But, in an effort to compromise the issue, we accepted the fact that only the attorneys general would have the right to sue.

There is not any logical reason why those who are hurt, the consumers, why the business groups that are hurt should not have a right to see themselves and that their lawyers should be compensated. I have no quarrel to find with that.

Mr. President, State and Federal antitrust authorities have no incentive to waste their time and resources on spurious suits. They will only bring suits that have merit if this amendment were to be adopted. They will bring those suits in order to redress the harm done the individual consumers and, maybe even more importantly, to deter future antitrust violations. No deterrent effect arises from filing nonmeritorious, spurious suits which are continually thrown out of court.

Mr. President, we in Congress have a responsibility, we have a responsibility that we are avoiding, to the American consumer to reverse the effects of Illinois Brick. If we do not act now on this vital issue we inevitably stand to lose face with the American people—and rightfully so.

There is no secret about the fact that this Congress has been charged by many as being the most anticonsumer Congress in many a year. This is a Congress that has not been willing to adopt a consumer protection advocacy agency. This is a Congress that has decimated the Federal Trade Commission, the only major agency that concerns itself with consumer rights. This is a Congress that would have difficulty in finding a single piece of legislation of major moment that is proconsumer.

We have treated the American consumer shabbily, and we are treating the American consumer even more shabbily today. We are involved in a filibuster against a proconsumer amendment so that we can enact a piece of legislation that is anticonsumer, that provides an exemption from the antitrust law.

This legislation cannot be viewed in isolation. Unfortunately, over the past several years, Congress—and the administration—have demonstrated the low priority they place on the protection of consumer rights. Time and again consumer interests have been sacrificed for the benefits of one or another more politically expedient cause.

I cannot think of any logical reason under the Sun why we should be passing a piece of legislation that says that the Coca-Cola Distributing Co. of Mansfield, Ohio, cannot sell its product for 10 cents or 20 cents or 50 cents a case less in Cleveland, Ohio. That is plain absurd.

We want to pass that legislation, provide an exemption from the antitrust laws while a matter is pending in the Federal courts, and yet we are not willing even to permit to come to the floor a measure which would be proconsumer, which would make it possible to bring actions under the law by the Attorney General of the United States.

Consumers suffered when Congress refused to send a paltry $15 million to establish a consumer protection agency. That agency would have saved hundreds of millions of dollars every year for the people in this country. No, in the interest of economy, we had to save that $15 million and not enact a consumer protection agency.

Consumers suffered when the President decided that the only possible way to conserve energy was to lift price controls and price individual Americans out of the energy market, deregulate natural gas prices, deregulate jet fuel, deregulate oil—deregulate anything that makes the oil companies richer and the consumers poorer. That is the name of the game.

As a matter of fact, Mr. President, we had a great victory this week, although the battle is not over, because the President seems determined to impose an added 10-cents-a-gallon tax on gasoline in this country. He talks about it conserving energy. Well, if you look at the facts, you will find that you might get a little bit of conservation for a whole lot of inflation.

Even his own best advisers say that it will add three-quarters of a point to 1 percent on the inflation rate. That does not seem to bother the President and his advisers. It did not bother them when they told us if we deregulated the price of natural gas, we had so much more gas and it really would not cost much more than about an 8-percent increase.

Well, I can only say to my friends who voted with the President: Look at the record. You will see that there is not any more natural gas, but there is an awful lot more price.

There is more natural gas in the interstate market coming from those oil companies that were withholding intrastate gas from the interstate market. Charles Curtis, the head of the Federal Energy Regulatory Commission, recently testified that at the end of 1979 there was not any more natural gas.

Then, the President told us we had to deregulate the price of oil. I heard him on the tube tell us about the fact that we had so much inflation that has to do with the OPEC oil prices. Well, I can only suggest to the President that he go back and look at the facts and that he not just gloss over the reality of a situation, because it is the oil companies that have really joined and used the OPEC price increases to enrich their own pockets. Unbelievable price increases.

Where did it come from? It came from decisions of the Department of Energy, so many of which were to help the oil companies in increasing their prices. And that was before the impact of the President's order decontrolling the price of oil.

I read the other day that, I think it was Exxon that said—and decontrol had only been in effect a few months—that it was adding something like $30 million a month to their income by reason of the phased decontrol which has not yet taken full effect.

Mr. President, it is said, it is very sad to see this administration, day in and day out, favoring oil companies, favoring the business community that does not need any help.

I have no problem about helping the business community when they are in trouble. The auto industry is in trouble at the moment. I think we ought to provide some help for them. I think we ought to back off some of those imports that are coming in. I think we ought to give the industry a chance to rectify its errors of the past. But I am sad to say that I am not in agreement with the administration here, either, because the administration is not willing to do that. I am concerned that if they do not, the auto industry, much of it, will no longer be able to hold its head above water.

Mr. President, I varied from the subject that is before us today, and I am well aware of that.

Mr. BAYH. Mr. President, will the Senator permit me to interrupt and yield to me to make a comment, without his losing his right to the floor or without it being counted as a second speech for either one of us, on the subject that he has just covered? Since he is returning to the subject matter of his previous speech, I wanted to have the opportunity to congratulate him and comment on the merit of his position.

Mr. METZENBAUM. Mr. President, I have no objection. How much time does the Senator desire?

Mr. BAYH. Just a moment or two.

Mr. METZENBAUM. I have no objection to that.

Mr. BAYH. I will say to my friend from Ohio I could not agree more with the position he has taken on the 10 cent tax. It escapes my rudimentary knowledge of mathematics and economics how one fights inflation by adding 10 cents to the cost of something as basic as gasoline.

In reviewing this with large numbers of my constituents, and my constituents are located very much the same as the constituents of the Senator from Ohio, where many of them have to drive significant distances to get back and forth to work, this imposes a significant burden upon them. I salute him for his concern.

He and I have been shoulder to shoulder in our efforts to try to keep the OPEC pricing mechanism from running the price of our crude oil and our natural gas through the roof. In fact, as I recall the last time the Senator from Ohio was confronted with this particular kind of a parliamentary situation he was doing battle with the Senator from Indiana against those who were trying to keep us from having some influence in keeping the price regulations on the price of natural gas.

Mr. METZENBAUM. The Senator from Indiana is not 10 percent correct but 110 percent correct. Nobody was more helpful in that battle than was the Senator from Indiana. I am very grateful.

Mr. BAYH. I do not want to interrupt the Senator further, but I want to say that I concur with him wholeheartedly. This is a most unfortunate policy. Hopefully, the President might reassess the situation when confronted with this court order. I think we have to fight inflation and you do not fight that by increasing the price of gasoline 10 cents a gallon. I thank my colleague for yielding.

Mr. METZENBAUM. Mr. President, I could speak much longer on this subject. I guess I can speak for hours because I feel so deeply about it. Day in and day out I see what is happening here in the Congress. I see one House battling with the other House as to which one is going to do a better job of dismantling the Federal Trade Commission. In the name of removing the heavy hand of Federal regulators, we will turn the clock backwards. We just do not have a strong consumer agency in the Government any more. Speaking of the one that is there trying to do a job, nobody paid much attention to it until it started to be effective. As soon as that occurred, they descended upon the Congress.

I do not care whether it was the insurance industry, the television industry, Sunkist oranges, any one of a host of others, everybody had a special exemption that they wanted under the Federal Trade Commission regulations.

Most of them got what they wanted, though some did not get it entirely. They will be back. They will keep the lobbyists busy to help with their business PAC's. They will move along. They will not do badly next week or next year, whatever the case may be.

Time and again, Mr. President, this Nation's policymakers have chosen to ignore the ordinary people of this country at a time when just to get by they need all the help they can possibly get.

Mr. President, we must meet the needs of average Americans instead of continuing to cater to the wealthy and the powerful who come here seeking and too often receiving special treatment at the direct expense of the average American

Mr. President, I believe that failure by the Congress to strengthen the antitrust laws would and will send a very disturbing message to the people of this country, a message that we are not willing to require powerful business interests to play their rightful part in the fight against inflation. Let the hardworking middle-class families of this country cut back. Let the poor become a little poorer. Let the elderly do without. But under no circumstances should this Congress willingly inflict upon business the pain and discomfort that flows inevitably not from governmental regulators, but that flows inevitably from free and open competition.

Where is the spirit of the free enterprise system? The bottlers bill is antifree enterprise. The bottlers bill says, "We do not want to let competitive forces work."

We talk about the free enterprise system. We talk about being probusiness and antibusiness. But I say to my friends in the Senate that the bottlers bill may appear to be probusiness but it is very antibusiness, because when you carve out a portion of the antitrust laws and provide a special exemption, you are not doing the Nation any benefit. You are not helping the economy. You are not saying to the people of this country that you believe in free enterprise.

You believe in free enterprise only when it helps you, not when it hurts you.

The Senate recently approved the first balanced Federal budget in nearly two decades. Today we have the opportunity to strike another blow against inflation by passing an amendment that will enhance competition, by far the most effective tool we have to make our economy more efficient and more productive.

Mr. President, the Senate has a right to vote upon the Illinois Brick amendment, but as we well know it is precluded from doing so because there are amendments in the first and second degree on the floor of the Senate.

Approximately 27 hours ago I urged those who were authors of those two amendments to accept the amendments, to make them a part of the bill. They were engaged in this filibuster by amendment to keep a Member of the Senate from calling up an amendment that he has the right to call up except for the fact that there is an amendment in the first and an amendment in the second degree pending.

Therefore, Mr. President, I again suggest to my friend from Indiana that since it may have been the fact that yesterday we needed more debate on these amendments, I would like to propose and, Mr. President, ask unanimous consent that these two amendments in the first and second degree be adopted.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Then I ask unanimous consent that notwithstanding the fact that there is pending an amendment in the first degree and an amendment in the second degree, that the Senator from Ohio be permitted to call up his Illinois Brick amendment.

The PRESIDING OFFICER. Is there objection?

SEVERAL SENATORS. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Mr. President, I must say that the Senator from Ohio is not taken back by those objections. I assumed that the objections would be made. But I thought that I had to make it clear, not only to the Senate but to the world, that we are engaged in a filibuster to keep a Member of the Senate from calling up an amendment that he rightfully has the privilege of doing under the rules of the Senate, and that what really is taking place, as I previously said, is a filibuster, a filibuster by those who have called up the bill, not a filibuster by those who want to defeat the bill.

I am not filibustering this amendment. The authors, those who support the measure, are filibustering. They are keeping the floor closed from any amendment. Who amongst us have said that there is something so right and so proper about any particular measure, whether it is theirs or someone else's, that no Member of the Senate may be offered an opportunity to call up an amendment? What kind of an absurdity is this? What kind of an aberration of the rules of the Senate is this?

Filibusters and cloture. Cloture has, in the past, been used only—almost only—for the purpose of cutting off debate when somebody was trying to keep a measure from coming to a vote. I am not trying to do that. Let it come to a vote. Let the amendment come to a vote; let the amendment in the second degree come to a vote; accept it by voice vote. Let my amendment come to a vote; let the bill come to a vote. I am willing to agree to stop talking at any point.

But the fact is that this anomalous situation has developed, where cloture and the laying down and calling up of a first- and second-degree amendment are being used to preclude any amendment being offered.

It is a fact that I can call my amendments up after cloture has been invoked. But it is also a fact that if amendments are nongermane, then they will be ruled out of order.

I respect that rule. But I am trying to call the amendment up prior to cloture being invoked and, by a filibuster, I am being filibustered against doing so, and then having cloture used to keep me from calling up an amendment.

There is a right to do so. I am not saying there is no right. I am saying that is not what the rules originally contemplated. That is not what was intended. Cloture was intended for the purpose of cutting off a filibuster. Cloture was not intended to make it possible to filibuster, and that is exactly what has developed.

Mr. President, I am prepared to yield the floor, reserving to myself the right to conclude my remarks at 2:30 this afternoon.

Mr. BAYH. Mr. President, I ask unanimous consent that the speech of the Senator from Ohio not be counted as a first speech under the debate procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. I appreciate the cooperation of the Senator from Indiana.

The PRESIDING OFFICER. Who yields time?

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to speak for a few minutes on a subject not pertaining to the business at hand and ask that it not be counted as the first speech of the day.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The remarks of Mr. HAYAKAWA at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

Mr. HAYAKAWA. Mr. President, may I proceed to a further discussion of S. 598, which is the topic of our discussion today? I am a cosponsor with about 89 others.

Mr. BAYH. Mr. President, will the Senator yield briefly for an inquiry of the Senator from Ohio about the future this afternoon, without losing his right to the floor or his question or that of the Senator from Indiana being considered as a speech in debate?

Mr. HAYAKAWA. I am glad to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Would the Senator from Ohio have any objection if, at about the hour of 2:15, we provided just a bit of leeway for the introduction from committee of the intelligence bill which has been worked on assiduously by the present Presiding Officer, the Senator from Kentucky? It has been reported forth and, apparently, some members of the Intelligence Committee might like to be present when it is reported.

I do not think it would take very much time. But I wanted to be able to alert them to come or not to come.

Mr. METZENBAUM. The Senator from Ohio has no objection.

Could we not come to some unanimous-consent agreement where at the hour of 2:15 we have half an hour to take up the intelligence matter, and that at 2:45——

Mr. BAYH. It may not take more than 5 or 10 minutes.

Mr. METZENBAUM. Well, immediately after the conclusion, not in excess of a half hour, the Senator from Ohio be recognized in the event I wish to take the floor at that time.

Mr. BAYH. Let us check with the majority leader.

I appreciate the courtesy of the Senator from Ohio and the Senator from California.

Mr. HAYAKAWA. I thank the Senator.

Mr. President, I am a cosponsor of this bill and commend the distinguished Senators from Indiana and Mississippi for their hard and persistent work. This act provides that exclusive territorial licenses to manufacture, distribute, and sell trademarked soft drink products shall not be held unlawful under any antitrust law if such products are subject to "substantial and effective competition." "Substantial and effective competition" has been described by the Judiciary Committee to include such factors as the number of brands, types and flavors of competing products available in the territory from which the consumers may choose; the number of retail price options available to the consumers; the degree of service competition among vendors; the ease of entry into the market; and the number and strength of sellers of competing products in the territory.

In 1971, the Federal Trade Commission brought up a series of cases challenging the territorial provisions contained in bottlers' trademark licenses as unfair methods of competition in violation of section 5 of the Federal Trade Commission Act. The Commission conducted a lengthy hearing on the Coca-Cola franchise system to satisfy widespread congressional concern that the soft drink industry should be permitted to present its case in a comprehensive set of hearings. At the end of the hearing, the administrative law judge who heard the testimony ruled that Coca-Cola's franchise system is lawful, and that it positively fosters competition. The judge made extensive findings to the effect that there is intense interbrand competition in this industry in terms of price, product innovation, and marketing techniques.

However, in April 1978, the Federal Trade Commission overruled the administrative law judge and held that the Coca-Cola and Pepsi territorial provisions violated the Federal Trade Commission Act. In doing so, the FTC substantially ignored the massive record of evidence of intense competition between soft drink brands. For example, the FTC never tried to rebut the extensive evidence of intense price competition in the sale of soft drinks; it simply held that without territorial restraints there would be more competition. No attention was paid to the evidence that territories stimulate local bottlers' competitive efforts. Similarly, the FTC minimized the abundant evidence of technological and product innovation in the soft drink industry and assumed that without territories there would be even more innovation. The FTC ruling has been appealed and is pending in the Court of Appeals for the District of Columbia.

Mr. President, this is just another example of bias, fed by usurping power, demonstrated by the FTC. During the hearings and extensive debates of the Federal Trade Commission authorization it became abundantly clear that the FTC needed substantial reform. Not unlike a cancer, this agency of the Federal Government has spread extremedies considered protected, and left its crippling mark. Congress has—if this body approves the conference report on the authorization—found it necessary to forbid the Federal Trade Commission to investigate or promulgate rules in several specific areas. The insurance industry, which had been effectively regulated by the States, came under attack based on a report published by the FTC which the industry has justifiably called fraudulent; the threat of suit by the FTC to make the Formica Corp. change its name because the trademark had become recognized as a generic term; and the list goes on and on.

For the past 75 years the soft drink manufacturers have given their bottlers the exclusive right to manufacture and sell their product within a defined territory. This practice was needed 75 years ago and is just as important today with the impact of inflation and high interest rates hampering the ability of small, independently owned businesses to invest in this area. By providing bottlers with an exclusive territory, the soft drink manufacturers are able to offer an incentive to those businesses wishing to enter the market but who are wary of making the large initial investment needed. This incentive has yet to have a detrimental effect on competition. In fact, the system of exclusive territories has made market entry easy for new products which are able to use the existing distribution systems of major soft drink bottlers. For example, Nestea, canned iced tea, was able to be in areas serving 90 percent of the people in the United States in 3 years, by entering exclusive territorial licensing agreements with 135 established national brand bottlers.

This system has also kept hundreds of small independent bottlers competitive in the market. If the FTC ruling stands, large bottling firms and warehouse operations would enter and overrun the profitable territories, some of which are currently held by small bottlers, and initially offer a lower price and warehouse delivery to the chain stores. This would force the small bottlers out of the market and could lead to price-fixing by the large bottlers once they have taken over. The small bottlers would lose the most profitable sections of their territory to the large bottlers and would have no choice but to cut back service, raise prices or go out of business, leaving the less populated and therefore less profitable areas, with inadequate service, higher prices or no service at all. The passage of this act would provide protection of small bottlers, who are the foundation of the soft drink industry's marketing structure. In California alone, only 14 of the 113 soft drink plants employ over 100 persons. So this has great relevance to the continued existence of small business.

I appreciate the concerns of some of my colleagues that this act would hinder the FTC and the antitrust laws, however, I believe it will insure that every soft drink market is competitive and open to new business and innovation. The FTC would be able to study territories on a case-by-case basis and if it determines there to be a lack of effective competition in a particular market, antitrust laws would be enforced.

I feel this act is needed to put an end to the controversy which has surrounded the soft drink industry for 9 years and I give it my full support.

Mr. President, I am thinking about the disappearance within the last 50 years of hundreds and hundreds of local, well-known brands of beer. In Wisconsin alone, if I recall correctly, some 100 brands of beer have disappeared. I do not know how many have disappeared in California. But these are small businesses which needed the protection which the soft drink industry needs.

Therefore, in the interests of the beer business as well as the soft drink business, it seems to me that the small businessman has to be protected.

Mr. President, I ask unanimous consent to have printed in the Record a statement by Bob W. Delauter, of the Coca-Cola Bottling Co. of Portland, Ind., before the Subcommittee on Antitrust, Monopoly, and Business Rights of the Senate Committee on the Judiciary.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF BOB W. DELAUTER

I am Bob W. Delauter, a Coca-Cola bottler from Portland, Indiana. I serve all of Jay and Blackford and Randolph Counties in Indiana, and most of Darke and Mercer Counties in Ohio, and Grant, Wells and Adams Counties in Indiana. My franchise area covers 128,960 people, in which the largest town is Greenville, Ohio with a population of 13,800.

The history of our plant is one of hope, progress and development.

On November 20, 1917, Orien E. Holsapple and his uncle, Jim Isenhart, launched themselves into a new enterprise. On that date they became the sole owners of Portland Bottling Works, 317 West Main Street, Portland, Indiana.

The start was important because their new soda pop business brought them into contact with Mr. Luther Carson of Paducah, Kentucky, who was owner of the Coca-Cola bottling franchise in Fort Wayne, which included Portland and surrounding towns in its contract area.

Although the soda water business flourished, Mr. Holsapple was impressed with the growth of Coca-Cola on a national basis, and for six years sought a subcontract from Mr. Carson authorizing him to bottle and sell Coca-Cola in Portland. Finally, an agreement was reached between the parties in February, 1923, and the production facilities were moved from Hartford City, Indiana to 317 West Main Street in Portland. He tried to borrow money locally, but was turned down as it was considered a bad risk. Because the previous owner owed money to the Hartford City Bank and was in poor financial shape, his bank agreed to lend Mr. Holsapple the money to buy and move the company out of Hartford City to Portland. The purchase price was a total of $2,200.00.

That first year in business, they sold a total of 240 cases of Coca-Cola, less than the amount of Lemon Pop we sold around the town square in Hartford City. At 80 cents per case, this amounted to a grand total of $192.00, or $3.70 per week. At that time, Coca-Cola retailed at 5 cents per bottle, or .96 cents per ounce. Today in the Ludwig's IGA Store in Portland, Coca-Cola can be purchased for one cent per ounce on sale.

In September 1938 we moved into a new modern building at 510 East Arch Street. I have here copies of the local paper commemorating that big day in the life of our company. On that day we had 265 customers, as listed on the back full-page ad of the paper. We employed eight people and were very proud of our contribution to them and our home town. In 1961 we found it necessary to enlarge our facilities, and added 10,000 square feet, a 40 percent increase in size.

In 1969 we purchased the adjoining franchise at Union City, Indiana, and invested hundreds of thousands of dollars in new bottles, coolers and trucks. On that day we were selling 611,391 cases. Coca-Cola was selling at .75 cents per ounce. By promotion, hard work and efforts of loyal employees and customers, we grew at a rate of 35 percent the first year. We purchased thousands of dollars in coolers over the next ten years, and now are in the process of trying to build a new building to provide Coca-Cola for our 2,200 customers. Our employment has grown to eighty-three, and we sell ten times as much Coca-Cola per day as we did in the entire first year of our company in 1923.

Now I would like to retrace my steps to about July 15, 1971, the day the Federal Trade Commission sued the soft drink franchise companies and several bottlers. I had just purchased Union City Coca-Cola Bottling Company. I owed over a half million dollars, and had just been told, in effect, by the FTC that my purchase was practically worthless, because without franchise lines I could not afford to invest in coolers, signs, trucks and bottling equipment necessary to serve my customers. Although we are in a small, country area, we border some very large bottlers with much deeper pockets than mine, and in a price battle for customers we could not survive. Remember, in 1969 Coca-Cola was selling for .75 cents per ounce, some 22 percent less than when our company started in 1923. Thus, you see, the FTC attempt to assure competition between bottlers of Coca-Cola had a very hollow sound to me. What other product in the world was selling 22 percent cheaper in 1969 than in 1923? Where else could the consumer go and find such bargains?

In Portland, Indiana, we are about 65 percent returnable bottle sales, and the balance in nonreturnable bottles and cans. I am unable to produce some of these NR bottles and cans without investing about one million dollars in new equipment. The uncertainty of the FTC ruling over the last eight years has caused us to delay this investment at an increase in cost to us of about 10 percent per year. Even if I were 100 percent returnables, I would need to enlarge to take care of the 35 percent now served by customer-demanded convenience packaging.

The results of delay, inflation and uncertain legal prospects caused by the FTC ruling has been a major factor in the increased cost of my product to the consumer in Portland, Indiana since 1972. Actually, our price has increased as much since 1972 at it did during the first fifty years we were in business. FTC is not the sole cause of this, but certainly was a major cause. S. 598 will give me a clear understanding of the future where I can plan, build new efficient production, and continue to provide soft drinks at a price still available at about one cent per ounce. In today's world, that is still the best bargain in town.

It was made possible by the wisdom of my predecessors who designed the franchise system to assure a quality product, with wide availability, at a fair price. It was this system that demanded the life's work of several families, and the system that has created the most widely available, widely recognized enjoyed product in the world.

In January we went out to a supermarket in Indianapolis and purchased one each of every type, size, flavor and brand of refreshment available. We found over 395 different competing products and packages, not including milk, tea, coffee, beer or water. We were attempting to convey the tremendous competition for our customers' refreshment dollar. Some of these soft drink products were less than .77 cents per ounce. I would be glad to furnish the Committee a photograph of that display if you desire it.

The point of my story is this: Our system works honestly, fairly and efficiently to the benefit of the consumer, the bottler and the marketplace. This is obvious, as evidenced by the fact that 395 different entries exist in that refreshment market. I know of no other business where the consumer has such a wide choice at such bargain prices.

The average soft drink bottler cannot survive without the franchise system. We are a unique industry with a different delivery system, a reusable package system, and a multitude of package sizes to satisfy any customer's needs. Our products are available in every place we can find, big or small, where thirst might exist. In today's real world, the franchise territories determine whether hundreds of local bottlers like myself will continue to insure availability of hundreds of products to thousands of retailers; or whether the soft drink industry will become a few, national corporations shipping a few major brands to supermarkets only.

Thank you for the opportunity to tell my story. Please promptly consider the proposed bill and pass it. Eight years is long enough. We need your help NOW.

(Mr. METZENBAUM assumed the chair.)

Mr. DECONCINI. Mr. President, yesterday I had the great privilege and pleasure of inserting in the RECORD a statement by Ernest Gellhorn, a distinguished professor of law at the University of Virginia Law School. Unfortunately, I did not have an opportunity to finish that statement.

At this time, I should like to proceed with a continuation of some of the remarks and points that Professor Gellhorn brought out. As the RECORD will indicate, I was one-third through the statement yesterday. For clarity in the RECORD, I ask unanimous consent that the first eight pages of the statement be printed at this point in the RECORD. Those were the pages I did have an opportunity to read aloud yesterday.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY PROFESSOR GELLHORN

The primary question raised by H.R. 3567 is simply whether territorial distribution arrangements—specifically the allocation of exclusive territories to franchised bottlers—should be allowed where substantial and effective competition exists among trademarked soft drink products. If, as I believe, the goal of antitrust is to protect and improve consumer welfare through competition, then this proposed bill is consistent with the antitrust laws.

Where substantial and effective competition exists among soft drink products, franchised bottlers would be allowed by this legislation to retain their historic territories to bottle and sell soft drinks without fear of lawsuit by the government or private claimants.

With the consumer protected by interbrand competition, this bill would assure that soft drink producers could seek the benefits of vertical integration by contract. These contract arrangements are generally designed to increase the efficiency of each firm's distribution system; in a competitive market these efficiency gains should result in lower product prices or, at least in intensification of competition among branded competing soft drinks. On the other hand, where markets lack strong and vigorous competition, this legislation would have no effect. That is, the usual rules of antitrust which measure such vertical arrangements under a rule of reason analysis would apply.

As will be described below, this proposed legislation is supported by the rationale of, and is consistent with, the Supreme Court's recent decision in *Continental T.V., Inc.* v. *GTE Sylvania Inc.*, 433 U.S. 36 (1977). It would, in other words, codify existing legal rules. Yet, as illustrated by the Federal Trade Commission's opinions in *Coca-Cola*, Dkt. No. 8855, and *PepsiCo Inc.*, Dkt. No. 8856 (FTC April 7, 1978), (the *Cola* cases), alternative interpretations apparently are possible. Thus without this legislation it may take years of litigation and numerous hearings and appeals to resolve the question. Adoption of H.R. 3567 would establish the legal standard in a way likely to protect the consumer interest.

An understanding of the role which H.R. 3567 would play in the antitrust laws requires analysis of these laws and the practices they prohibit. In serving the consumer interest, the antitrust laws seek to prevent individual firms, either acting alone or with each other, from restricting output and thereby raising price (or its equivalents) above competitive levels. Reduced to their primary elements, two practices are attacked by the antitrust laws: (1) collusion among competing sellers to raise prices directly or indirectly; and (2) individual or group efforts to exclude other sellers from competing and thereby to gain a larger share of the market.

Under this framework, collusive practices have been banned by legal prohibitions of price fixing and market division. Each involves a horizontal agreement by competing firms where the effect on rivalry has seemed clear and little justification could be offered. Thus, per se rules have been applied to make such horizontal agreements illegal without further consideration of their purpose, justification or effect. However, where the horizontal arrangement does not fit within these categories—such as a trade associations public distribution of market statistics from its members, or a cooperative program of institutional advertising by all or some firms in an industry—the courts have applied a more lenient rule of reason test in order to determine whether some justification might support the practice and whether it outweighs any adverse effects. When this latter rule of reason measure is applied, the courts usually examine the purpose of the arrangement, the market power of the participants and the effect of the arrangements on competition.

A similar approach has been followed in examining exclusionary practices by individual firms (monopolization or attempts to monopolize) or joint actions such as vertical tie-in agreements, horizontal group boycotts and similar arrangements. In situations where the exclusionary practice raises serious antitrust questions, those in or seeking a monopoly position are trading today's monopoly returns for a larger share of the market by making it unprofitable for others to compete with them. Here the law is in a state of flux as both per se and rule of reason tests are applied.

One reason for this lack of legal clarity, especially in regard to the rules governing territorial restrictions in vertical distribution arrangements, is that the courts and agencies have often tried to borrow antitrust concepts developed for collusive horizontal practices. However, they have applied these horizontal rules without careful consideration of their analytical foundations or whether they have any relevance for vertical agreements whose only possible harm could be exclusionary. On the other hand, many, perhaps almost all, vertical restraints are designed for another purpose. That is, rather than being aimed at restricting output, their likely goal is to increase firm efficiencies. For example, vertical sales restrictions required by firms without market power are generally conceded as having no possible effect on price or interfirm competition; yet the aim and result of horizontal sales restrictions are to restrict output and thereby to affect price. It is therefore not surprising that attempts to apply horizontal, per se, rules to their vertical counterparts have proved unsatisfactory and been unstable.

As will be explained below, this borrowing of horizontal case rules to vertical arrangements without qualification was first developed in the area of vertical price fixing. Subsequently, it was extended to territorial and customer allocations. In both areas the horizontal case rules are clear. Price-fixing among competing firms has been condemned on a per se basis without regard to the reasonableness of the prices, any justification for the arrangement, or other supposed beneficial effects, since 1897. See *United States* v. *Trans-Missouri Freight Ass'n*, 166 U.S. 290 (1897); *United States* v. *Trenton Potteries Co.*, 273 U.S. 392 (1927); *United States* v. *Socony Vacuum Oil Co.*, 310 U.S. 150 (1940). Horizontal agreements to divide markets by allocating exclusive territories, assigning customer classes, or like arrangements similarly provide participants with an opportunity to restrict output and thereby to raise prices. Therefore, beginning in 1898 courts have condemned such territorial restrictions under increasingly rigid per se rules. See *United States* v. *Addyston Pipe & Steel Co.*, 85 Fed. 271 (6th Cir. 1898); *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593 (1951); *United States* v. *Sealy, Inc.*, 388 U.S. 350 (1967); *United States* v. *Topco Assoc., Inc.*, 405 U.S. 596 (1972). The application of these rules to similar vertical arrangements has long been criticized and with telling effect in recent years, at least in regard to vertical territorial restraints.

The development of the law regarding restrictions on the distribution of goods and services began with early efforts by manufacturers to set prices below which retailers could not subsequently resell their products. In the still leading case of *Dr. Miles Medical Co.* v. *John O. Park & Sons, Co.*, 220 U.S. 373 (1911), the Supreme Court ruled that a manufacturer who sells medicine to a wholesaler is not entitled to restrict resale through interference with the purchaser's pricing decisions. It relied on ancient property law rules making restraints on resale invalid. Where the purpose of the arrangement is to destroy competition by fixing prices, the Court held, the restraint is "injurious to the public interest and void." In reaching this result, the Court equated vertical price-fixing with horizontal cartel behavior. Since the latter was per se illegal, it followed that resale price maintenance was similarly prohibited.

The Court's assumption that a manufacturer's interest in eliminating price competition among its resellers is based on the same motives and consequences as those by resellers in forming a cartel, however, was badly flawed. That is, unless forced to do so by his retailers, the manufacturer would seem to have no interest in assuring retailers a monopoly profit, especially since it would be done at his expense. As one leading antitrust critic has correctly observed, a "rule of per se illegality was thus created on an erroneous economic assumption." R. Bork, The Antitrust Paradox 33 (1978).

Perhaps recognizing the infirmity of its own rule, the Supreme Court shortly cut back its prohibition of vertical price fixing by creating an exception to the per se rule in *United States* v. *Colgate & Co.*, 250 U.S. 300 (1919). There the Court allowed a manufacturer to control resale prices by the simple expedient of announcing his intention not to sell to price-cutters and then unilaterally refusing to sell to any retailer who failed to comply. However, the exception, which was based on the absence of any agreement essential to a Sherman Act contract, combination, or conspiracy, quickly proved illusory.

Mr. DeCONCINI. Mr. President, I will take up where I left off.

Subsequent cases established that the "fatal element of agreement" might be found in price discussions with retailers, in their assurance that they could comply with the condition, or in the reinstatement of errant dealers after a disciplinary waiting period.

The Dr. Miles approach to vertical price fixing—that it denied the retailer his "right" to resell his property—led to another exception where the retailer was the manufacturer's agent and, instead of taking title, received the products on consignment. Thus in *United States* v. *General Elec. Co.*, 272 U.S. 476 (1926), the Court held that where it is clear that the arrangement is legitimate and that the manufacturer both retains title and bears substantial risks of ownership, the antitrust laws do not prevent him from dictating the terms of sale, including retail prices. In this circumstance the Court held that vertical price fixing is not illegal.

Here too the exception provided unreliable. First the legitimacy of consignment arrangements was attacked, the question being whether the retailers were in fact the manufacturer's agents. And then in *Simpson Oil* v. *Union Oil Co.*, 377 U.S. 13 (1964), the Court ruled that an oil company supplier had violated the antitrust laws by fixing the retail prices of its service station-consignees because the consignment arrangement was being used as a device to "coerce" nominal agents "who are in reality small struggling competitors seeking retail gas customers." Whether any form of consignment now provides safe passage for resale price agreements is uncertain. They were approved for nonprice restraints in *United States* v. *Arnold Schwinn & Co.*, 388 U.S. 365 (1967), where the consignment provided that "title" dominion and risk" remained with the manufacturer, and this part of the *Schwinn* decision was not overturned in *Sylvania* (discussed below).

The rigidity of the rule against all price-fixing is further shown by the Court's restatement of the rule in *Abrecht* v. *Herald Co.*, 390 U.S. 145 (1968), when it held that a publisher's effort to fix maximum resale prices charged by independent newspaper carriers was illegal per se. The Court was unmoved by the fact that such price fixing seemingly protected the consumer's interest and was justified by the paper's independent interest in keeping prices down (to increase circulation and advertising revenues).

The continued strength of the per se rule against vertical price fixing was further revealed in 1977 in the Sylvania decision. Even though the Court there recognized that vertical restrictions serve different purposes from horizontal cartels, it expressly reaffirmed its earlier commitment to a per se rule against vertical price fixing. 433 U.S. at 51 n.18. On the other hand, the Court did support a different rationale for its early ruling in Dr. Miles prohibiting resale price maintenance, namely that it reduces "price competition not only among sellers of the affected product, but quite as much between that product and competing brands." About all this suggests, however, is that the Court may ultimately back away from its rule against maximum price-fixing. Accord. Pitofsky, *The Sylvania Case: Antitrust Analysis of Non-Price Vertical Restrictions*, 78 Colum. L. Rev. 1, 16 n.59 (1978).

With the opportunity for vertical price restrictions essentially proscribed, especially after the "fair trade" law exception for the states was repealed in 1976, attention has focused on other distribution restrictions and in particular on manufacturer limitations on dealer territories and customers. Until the 1940's these arrangements were not challenged by the government and their lawfulness was upheld in several private actions. Then in 1948 the Department of Justice, relying on a Supreme Court opinion holding vertical territorial restrictions illegal per se if they were an integral part of an agreement to fix prices (*United States* v. *Bausch & Lomb Optical Co.*, 321 U.S. 707, 721 (1944)), announced that it would henceforth treat simple vertical territorial and customer restraints foreclosing intrabrand competition on the same basis. For several years this position went unchallenged; consent agreements negotiated by the Department of Justice enforced this view, but no case supported its position. However, during the past fifteen years the law has swung violently, from uncertainty to per se illegality and more recently to a flexible rule of reason approach, in three very different Supreme Court opinions.

Seemingly overturning the Justice Department's contention, the Court first reversed a summary judgment holding vertical territorial and customer restrictions illegal per se. *White Motor Co.* v. *United States*, 372 U.S. 253 (1963). White Motor had sold its trucks to dealers who agreed to resell them to customers not otherwise reserved to the manufacturer and who had a place of business within the assigned territory. Because of the meager summary judgment record and the Court's admitted inexperience with franchise limitations, the Court concluded that it did not "know enough of the economic and business stuff out of which these arrangements emerge" to be certain whether they stifle or invigorate competition. It therefore remanded the case for a trial on the merits. The opinion was widely interpreted, however, as adopting a rule of reason approach to vertical limitations—especially since three dissenters called for a per se rule. In fact the Court carefully held "that the legality of the territorial and customer limitations should be determined only after a trial." Following remand the case was settled, and the Court therefore did not have an opportunity to develop a rule on a full record.

It seemed, nevertheless, that a rule of reason approach would be applied as two Courts of Appeals subsequently upheld territorial restraints, and in each instance the court overturned a stringent Federal Trade Commission decision in order to apply a more flexible test. See *Sandura Co.* v. *FTC*, 339 F.2d 847 (6th Cir. 1964) (territorial restraints used in rebuilding a dealer organization after its market position had deteriorated); *Snap-On Tools Corp.* v. *FTC*, 321 F.2d 825 (7th Cir. 1963) (manufacturer was one of 80 firms in an intensely competitively industry with high dealer turnover). As indicated, each case presented appealing facts to support the territorial restrictions. And in light of subsequent developments, it is particularly noteworthy that neither *White Motor* nor the circuit court cases paid heed to the doctrinal distinctions developed in the vertical price fixing cases, namely, whether the provisions violated property law rights to resell property or whether title was retained by the manufacturer.

When the next case before the Supreme Court four years after White Motor, the government retreated somewhat from its per se position and argued, in its brief, for a rule of presumptive illegality which would have required the defendant to justify any territorial restrictions. It thus came as a surprise to antitrust followers when, in *United States* v. *Arnold Schwinn & Co.*, 388 U.S. 365 (1967), the Supreme Court adopted a position even more restrictive than that put forward by the government. In condemning nonprice vertical restrictions, the Court ruled that "once the manufacturer has parted with title and risk . . . his effort thereafter to restrict territory or persons to whom the product may be transferred . . . is a per se violation of § 1 of the Sherman Act." Relying on the same rationale used a half-century earlier in Dr. Miles to condemn vertical price fixing, the Court said that such restrictions violate the "ancient rule against restraints on alienation." Thus the Court concluded that "under the Sherman Act it is unreasonable without more for a manufacturer to seek to restrict and confine areas or persons with whom an article may be traded after the manufacturer has parted with dominion over it."

With this sweeping language the Court "threw into doubt the legality of every sort of post-sale vertical restriction on distributions other than exclusive dealing arrangements, regardless of the type of restriction or the market power of the supplier and dealers." Pitofsky, supra at 6. Not surprisingly, this abrupt change of direction drew a spate of criticism seldom matched in a decade of bitter debate about various antitrust rulings of the Supreme Court. See, e.g., Handler, Twenty-Five years of Antitrust, 73 Colum. L. Rev. 415, 458–59 (1973) (*Schwinn* is "the most egregious error in all of antitrust."); A.B.A. Antitrust Section. Monograph No. 2, Vertical Restrictions Limiting Intra-Brand Competition 9 n.24 (1977) (citing other criticisms).

Nor was all criticism mere hyperbole. As numerous scholars, both lawyers and economists, patiently explained, vertical territorial restrictions serve many useful ends, usually to increase distributional efficiencies and lower costs. While occasional theoretical possibilities may exist for the misuse of such restrictions, primarily to facilitate horizontal cartels by manufacturers or retailers, the risk seems insubstantial where substantial and effective interbrand competition exists. That is, where firms selling different products compete vigorously, efforts by individual firms to achieve market efficiencies should be encouraged. The market will become even more competitive as a result, and in any case no individual firm's marketing strategy can have an adverse effect on competition in that circumstance. Moreover, since other avenues for vertical integration are open—especially by intenal growth—barring integration by contract would be futile, except that it might force a manufacturer to select a less efficient distribution scheme (reducing competitive pressures) and in fact foreclosing opportunities for smaller retail firms.

As this analysis makes evident, whether vertical restrictions on distribution by customer and territory should be allowed is unrelated to the manufacturer retention of title or the dealer's appointment as his agent. Thus it seemed anomalous or worse to have the Supreme Court resolve a question of economic policy by resort to ancient (and unrelated) property law rules governing resale of personal property. The policy question is whether these restraints serve to make product distribution more efficient and interbrand rivalry more vigorous. To allow legal formalisms developed three centuries earlier for another purpose to dominate and decide antitrust law seemed absurd. With such an unstable base, it was only a question of time before the Schwinn per se rule would be distinguished and restricted.

Again, however, the process was not gradual and business was not allowed time to adjust and react. Rather, the law was changed abruptly and without warning by the Supreme Court. In the next case to reach its docket, shortly after the tenth anniversary of the Court's application of a per se rule to vertical territorial restrictions in Schwinn, the Court sharply reversed its direction, directly overruled Schwinn, and applied a rule of reason for every sort of nonprice vertically imposed dealer limitation. Although the case in fact involved dealer store location clauses, the Court's opinion was not so limited and it appeared to suggest that a flexible rule of reason test—balancing the benefits (in particular, business efficiency) against demonstrated costs—was to be applied in almost every circumstances where nonprice vertical restraints are under challenge. The critical factor in Sylvania was the Court's clear recognition that several significant efficiencies could be achieved by distribution restrictions. Among those cited by the Court are retailer investments, promotional activities, and quality controls. In reaching this result, the Court recognized the economic interests of competing suppliers and the value of allowing them almost untrammeled freedom in deciding which distribution system will serve their interests (and those of their customers). And it appeared to hold that the burden was on the government to show that the competitive "costs" overrode those possible gains.

That the Supreme Court announced a broad and flexible rule of reason test for nonprice vertical restrictions in *Sylvania* is indisputable. But as always seems to be the case with legal issues, or at least those involving antitrust, questions remained. The case, for example, involved location clauses which usually have only slight intrabrand effects—but the Court expressly chose not to limit its discussion so narrowly. In addition, the respondent accounted for less than five per cent of the market; thus the clause could not have had a serious interbrand impact. Yet the Court appeared to place no reliance on *Sylvania's* size or market share as long as interbrand rivalry was present. Indeed, the Court specifically indicated that a supplier's market power would not justify reliance on a per se rule. 433 U.S. at 46 n. 12. On the other hand, in a final passage seemingly constructed to assure a solid majority, the *Sylvania* Court carefully reserved the possibility that some vertical restrictions might justify per se prohibition in particular applications and that others might not survive a case examination of their competitive effects. Neither situation, however, was explained, although it seems difficult to image what circumstances the Court has in mind (if any).

These uncertainties were expanded and compounded by the Federal Trade Commission's recent decisions in the *Cola* cases, that the territorial restraints historically required of franchised bottlers are unreasonable and violate Section 5 of the Federal Trade Commission Act. There the Commission's law judge had approved the legality of territorial provisions in trademark licenses to bottle and sell Coca-Cola and Pepsi-Cola. After making over 200 detailed findings of fact, he determined that the effect of the restraint on intrabrand competition among bottlers of these brands was far outweighed by its beneficial effect on competition in the marketplace as a whole. He therefore concluded that on balance the challenged territorial restrictions promote competition.

Two and one-half years later, a two member majority of the FTC, over the dissent of the other Commissioner participating in the decision, ruled that the territorial provisions were illegal because they eliminated intrabrand competition. In order to reach this result the majority first decided, as a matter of law, that the burden was on Coca-Cola and PepsiCo and their bottlers to demonstrate that the business justifications and the effect of the provisions to foster competition with other soft drinks outweighed any loss of rivalry among the bottlers. And this burden, the two person majority held, had not been met by the respondents. Even so, the majority recognized that the territorial provisions were justified when first adopted and all participating Commissioners found that the clause did not involve horizontal collusion or other per se illegal conduct.

Whether the FTC's opinion in the Cola cases has improperly misconceived and misapplied the Sylvania standard for nonprice vertical restrictions such as the territorial provisions common in the soft drink industry—even under the limited judicial review standard applicable to administrative agency decisions—is now before the District of Columbia Court of Appeals and prediction of the legal outcome would be gratuitous. As a matter of antitrust policy, however, affirmance would seem a disturbing backward step and a retreat to the illogic of Schwinn's per se approach. For the essence of the Federal Trade Commission's two member position is that admittedly efficiency enhancing territorial provisions will not be saved if the intrabrand effect is not insignificant. The Commission's rule would place the burden on the respondent—a burden which few seem likely to satisfy—and in direct opposition to settled antitrust doctrine as well as the provisions of the Administrative Procedure Act. See 5 U.S.C. § 556(d).

That this approach misunderstands the Supreme Court's purpose in Sylvania—which has been so highly praised by every commentator (of whatever persuasion)—seems clear. There, it will be recalled, the Court found that the consumer welfare is best served by promoting interfirm competition. And if that competition is substantial and effective, as was undisputed in the Cola cases, then internal efforts to achieve efficiency can only be procompetitive and beneficial to consumer interests (even though intrabrand competition is eliminated). To prohibit such efforts to achieve vertical efficiencies runs the risk that competitive vigor will be diminished and consumer welfare decrease. It also places undue emphasis on the elimination of intrabrand rivalry, an automatic but unusually insignificant casualty of every move toward vertical integration.

The Commission's decision in the Cola cases is also disturbing for the instability it has reintroduced to the rules governing nonprice vertical restrictions just one year after the Supreme Court sought to resettle matters in Sylvania. Instead of focusing its attention on the use of such restrictions where interbrand competition is limited and therefore more deserving of careful scrutiny, the Commission has sought to read the rule of reason standard so as to condemn restrictions which should be of no concern—when competition is substantial and effective.

In reviewing the primary substantive provision of S. 598—Section 2's directive that territorial customer restrictions in trademark licenses for soft drink products are not unlawful under the antitrust laws if substantial and effective interbrand competition exists—three questions need to be addressed: (1) what is the meaning of S. 598? (2) what is the relationship of S. 598 to the Supreme Court's decision in Sylvania? and (3) what will be the likely effect of S. 598 if adopted?

The operative provisions of S. 598 regarding the legality of nonprice vertical restrictions are simple and forthright. The bill is limited, first, to trademarked soft drink products where similar provisions have been relied upon for decades to support a large industry. Second, the proposed legislation only applies to territorial and customer restrictions. It does not involve other vertical restrictions such as price fixing or tie-ins which are usually subject to more stringent legal constraints. Rather it would govern in an area of well accepted territorial and customer restrictions whose purposes have been carefully considered and thoroughly explored, with the result that they are generally viewed as enhancing competition. Finally, and most importantly, S. 598 would protect such contract clauses from antitrust liability only where "substantial and effective competition" exists. That is to say, there must be vigorous rivalry among competing soft drink products before relationships between the syrup manufacturer (and trademark owner) and the bottler are protected by this legislation. The result of S. 598, then, is generally to limit the required inquiry, at least initially, to a determination of whether such competition exists. If that finding can be made, the practice would be upheld. On the other hand, if this level of competitive activity cannot be found, the restrictions would be subject to the Sylvania tests.

Mr. President, I will be glad to yield to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. LONG). The Senator from South Carolina.

Mr. THURMOND. Mr. President, I will now continue the address I began yesterday on the subject of the bottlers bill:

Coca-Cola Company USA does likewise in franchises covering about 14% of the population. These Pepsi-Cola Company-owned franchises include Boston, New York, Newark and almost all of New Jersey, Philadelphia, Detroit, Pittsburg, Dallas, Houston, Los Angeles, Phoenix, Las Vegas and Orlando/Daytona. The Coca-Cola Company-owned franchises include Boston, Chicago, San Francisco, Columbus, Toledo, Baltimore and Bellvue (Seattle). The FTC decision now permits, and indeed seems to require, the syrup manufacturers to compete with their independent bottler franchisees anywhere in the country.

Why will the FTC decision lead to concentration in the industry and with that concentration the demise of the returnable bottle? The reasons are manifold and, in our opinion, relatively obvious. We shall briefly examine a few of the more important ones.

Perhaps the most powerful economic force in accelerating concentration would be the incentive of the large syrup manufacturers to exploit a greatly enhanced opportunity to increase their market share, thereby increasing dual profits.

The syrup companies already realize a significant degree of dual profit, first from the syrup they sell to their independent bottlers and, secondly, from the sale of the finished products manufactured by their company-owned franchised plants. Without territorial restrictions the syrup companies will find the temptation irresistible to expand their company-owned bottling operations and thereby claim a greater share of market and overall profits generated by the sale of soft drinks to the public.[1]

Such expansion will be facilitated by the ease whereby the syrup manufacturer can reap all the profit available by raising the price of the syrup, both to its own bottling subsidiaries as well as its independent franchisees. This classic "price squeeze" has been described by Dr. Jesse W. Markham, professor of Economics at Princeton University and former chief economist of the Federal Trade Commission, in testimony before the House Small Business Committee:

"The vertically integrated firm can use the market power it has in the preceding stage to attain approximately the market share it desires in the subsequent stage by manipulating the prices at which it supplies itself and its customers with which it competes. When it wishes to expand its share of the market at the subsequent stage it simply raises the price at which it supplies both itself and its competitors, but holds the price line at the later stage. Competitors cannot pass on the price increase without driving customers to the integrated firm. The integrated firm, which by strict accounting may be incurring losses at the later stage, is making gains to offset them on its operations at the earlier stage. On its total operations it may be making a satisfactory rate of return. The unintegrated competitors, having no previous stage operations to draw on, simply operate at losses that may eventually drive them out of the business altogether. This stategy is known in the economic literature as the 'price squeeze' . . ." Hearings on the Impact Upon Small Business of Dual Distribution and Related Vertical Integration Before the Subcomm. No. 4 of the House Select Comm. on Small Business, 88th Cong., 1st Sess., vol. 1 at 50 (1963).

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[1] The point was made in one of the appeal court briefs that: "Ironically, it could be argued that the Commission orders . . . would require such expansion, in that they prohibit The Coca-Cola Company and Pepsi Co. from 'continuing' or 'maintaining' any 'understanding' or 'agreement'—even with their subsidiary bottlers—to limit territories." Brief of Intervenors, Coca-Cola Bottling Company of Los Angeles, et al., p. 8.

We have been told that "price squeeze" conduct of the kind described is unfair competition and probably unlawful, and that independent bottlers injured thereby could sue to prevent it or to recover damages if harmed thereby. However, if artfully employed it would be difficult to apprehend, at least before it was too late to prevent a devastating loss of market share by the affected independents. Moreover, resort to litigation against Coke or Pepsi by an independent bottler is about as attractive as it is for a small computer firm to sue IBM.

Another important factor leading inexorably to concentration in the industry and the disappearance of the returnable bottle is the aversion of the supermarkets to store door delivery and the stocking of returnable bottles. There are a number of reasons why supermarkets do not like returnables. They take up more shelf space, and the process of receiving and redeeming returnables in checkout lanes and storing empties until pickup by the bottler is viewed as an unrewarding nuisance. More important, perhaps, is the fact that supermarkets prefer central warehouse delivery of all inventory so that they can control the flow of merchandise into the retail outlets. One central warehouse may serve all stores in a chain within a radius of 100 to 300 miles located in many different municipalities and counties and several states, and, in the soft drink industry, many different franchise territories. If a large supermarket chain had its preference, it would almost always be to deal with one supply source for each of the soft drinks it opted to stock in its retail stores and to receive delivery at a central warehouse serving many retail outlets. This, of course, virtually impossible under the present exclusive territory system which imposes on each bottler the obligation to limit the sales of the product within the confines of his territory. This is a principal reason for store door delivery.

Exclusive territorial rights and store door delivery are concomitants which make possible the continued high level use of returnable bottles in our industry. Even the FTC recognized that exclusive territories were necessary for returnables, because of the need for a bottler to control his glass "float" within a discrete area when it limited its order invalidating vertical restrictions to non-returnable packages. However, what the Commission failed to recognize is that no independent bottler can continue profitably to use returnables after his supermarket accounts are no longer required to accept store door delivery and have ceased doing business with him in favor of a large supplier (and, most logically, the bottler's own franchisor) shipping cans and non-returnable bottles over long distances to a central warehouse.

The economic and marketing characteristics of our industry are such that a substantial level of returnable bottle sales can be achieved and maintained profitably only in conjunction with a mix of non-returnable package sales. Let's confront reality as consumers. Non-returnables, particularly cans, have various convenience features. They are easier to store, taking up less space in the refrigerator or in the kitchen closet. When used, they can be thrown away and need not be brought back to the store. They are obviously more convenient than bottles on a picnic or camping trip. The returnable bottle can overcome these advantages only through strong promotion utilizing feature price advertising. Earlier in our statement, we noted the result of the Majers study finding carbonated soft drink beverages ranking second in newspaper price promotion ads of 45 leading food store products. Almost three-fourths of these ads feature an attractive price for the returnable bottle.

The survey found that, in 1977, the consumer was paying $0.0079 per ounce of Pepsi in the 16-oz. returnable bottle in contrast with a price of $0.0156 per Pepsi in the 12-oz. can, or 97% more. But this price advantage is made possible only if the bottler can exercise the leverage his exclusive territorial rights give him with the supermarkets in his territory to cause the latter to stock and promote the returnable bottle. The use of the returnable bottle is both capital and labor intensive, considerably more so than non-returnables. The returnable bottles can be sold at a lower price than the competing packaging forms only if volume and velocity are high. When volume and velocity decline through loss of supermarket accounts, the cost to the consumer will rapidly rise. When the price advantage to the consumer disappears so too will the returnable bottle disappear.

Another cause for concern for the returnable bottle posed by concentration in the industry as the result of the FTC decision is that the movement to concentration will most surely be led by the large syrup manufacturers and their wholly-owned bottling subsidiaries, which already control many major markets. At least in the case of PepsiCo, there appears a strong disinclination to use the returnable bottle. Report data by Majers from the year 1977 on Pepsi advertising activity in the north eastern sector of the country—namely, New York-Newark, Philadelphia and Boston markets exclusively controlled by Pepsi-Cola Company-owned franchise subsidiaries—reveal no price ads in the economical 16-oz. returnable bottle.

If one needs further evidence of how availability of non-returnable packaging and lack of territorial restraint combine to result in market concentration, we can look at the beer industry.

The history of the brewing industry since World War II demonstrates the positive relationship between concentration and the decline of the returnable bottle. In 1945, there were 457 breweries, almost all local and regional firms. Eighty-five percent of beer sold was in the returnable bottle. By 1977, the number of breweries had declined to 47 (Exhibit 3), and the use of returnable bottles was down to 12 percent (Exhibit 4). In 1947, the five largest breweries controlled only 20 percent of the market, but, by 1977, the top five had a 70 percent market share (Exhibit 5). Miller and Anheuser-Busch serve the entire country mostly with cans and non-returnable bottles shipped long distances, from a few strategically located plant sites. (Exhibits 6 and 7). At present there are 1833 independent soft drink bottlers. However, PepsiCo and Coca-Cola, and now Seven-Up (recently acquired by Philip Morris, which also owns Miller Beer) are now positioned under the FTC decision to do the same thing in the soft drink industry which the large brewers have done in the beer industry.

If the FTC decision becomes effective, the ease by which our franchisor, Pepsico, can vertically integrate its soft drink operations, beyond its present substantial status, is enhanced because of Pepisco's recent acquisition of a large motor carrier, Lee Way Motor Freight. Lee Way's resources include 5,000 tractor trailer trucks, 85 terminals and service to more than 3,000 cities and towns. For example, look at the State of Ohio where every Pepsi franchise is independently owned.

PepsiCo, through its trucking subsidiary, now owns eleven terminals located throughout the State, including every major population center, and also owns the Pepsi bottling franchises in Detroit and Pittsburgh. Without territorial restraints, PepsiCo can easily serve every chain store central warehouse in Ohio in its own trucks with nonreturnable cans from its Detroit or Pittsburgh plants, or, if it desires, from one or more new facilities it could build and operate within the State. How, we ask, is the independent bottler to survive under these circumstances, bearing in mind that our sole supplier of syrup will then be our major competitor?

An exhaustive study entitled "Materials and Energy from Municipal Waste," recently released by the Office of Technology Assessment, Congress of the United States, contains the following comments in support of our views (p. 236):

"If upheld by the courts and not amended by the Congress, the recent FTC decision, which outlaws territorial franchise restrictions for trademarked soft drinks in nonreturnable containers, could lead to rapid concentration of that industry. The outcome would be an industry with only a few large plants, as well as the rapid disappearance of the refillable bottle for soft drinks."

Another commentator, Stephen Breyer, Professor of Law, Harvard Law School, and now Chief Counsel, Senate Judiciary Committee, wrote following the oral argument on the appeal from the FTC Decision:

"The companies' strongest argument is that the Commission, in permitting territorial restrictions for returnable bottles, has acted inconsistently and without adequately examining the evidence. The companies claim that the very fact that the Commission allows territorial restrictions for returnable bottles shows that the Commission accepts the 'returnable bottle' justification as procompetitive and desirable. The Commission wishes to encourage their use, yet the companies claim that unless territorial restrictions for all bottles are allowed, the bottlers will be unable to use returnables. Although both the hearing examiner and the Commission considered evidence related to returnable bottles, *there apparently was no consideration of whether or not returnable bottles could survive under the 'split relief' that the Commission ordered.*" (Italic added.) *Update on the Soft Drink Cases,* Stephen Breyer, Consultant Martin Romm, The First Boston Corporation, December 1978.

In our opinion, the question is not whether the returnable bottle will disappear if the FTC decision becomes effective, but how quickly this will occur. We commissioned Mr. Emanuel Goldman of Sanford C. Bernstein & Co., Inc., New York City, a recognized expert securities analyst specializing in the brewing and soft drink industries, to analyze the question. Mr. Goldman is with me here today and available to answer any questions you may wish to direct to him. We are attaching to this statement his affidavit filed in the litigation commenced by our Florida subsidiary against the FTC (Exhibit 8).

Mr. Goldman finds "that elimination of territorial exclusivity for cans and nonrefillable bottles will result in a decline of at least 5 percentage points a year and perhaps as high as 10 percentage points per year in the share of market accounted for by returnable containers. This would result in the elimination of the returnable bottle as a viable form of package in the soft drink industry within four to eight years."

He attributes the disappearance of the returnable bottle primarily to the loss of supermarket accounts by the independent bottlers after territorial rights are no longer enforceable. He estimates the present bottle "float" at approximately four billion bottles with an annual replenishment rate of new returnable bottles at one billion. If there is a 50 percent reduction in rate of replenishment, total exhaustion of the "float" will occur in eight years; with no replenishment, the "float" will be consumed in less than four years.

Mr. Goldman concludes: "If the returnable market share declines at a rate of 5 percentage points per year, we will, by 1982, have added 32.0 billion additional nonreturnable containers to our solid waste stream. In the event of a 10 percentage point decline, the number of additional one-way bottles and cans would be 63.8 billion."

EFFECTS ON THE ECONOMY, ECOLOGY AND ENERGY CONSERVATION

Our statement from this point forward proceeds on the assumption that the returnable bottle will disappear if the FTC decision is implemented. The effect of that occurrence on the economy, our environment, and energy conservation goals is truly shocking.

THE ECONOMY

The carbonated soft drink beverage industry generates $15 billion in annual sales. It is twice the size of the beer industry. Soft drinks are the number one dollar volume sales item in food stores, constituting 4.1 cents of every sales dollar. Based on 1978 food store sales of $164 billion, $6.724 billion was spent on soft drinks of which 41.5 percent were refillable containers. If refillables are eliminated, the minimum cost to the consumer based on Majers survey data, will be an additional 52 percent or an increase of $1.45 billion every year for carbonated soft drinks.

INTERACTION OF BCDL AND THE FTC DECISION

It has been suggested that even without territorial restraints a high level usage of the returnable bottle can be maintained through the enactment of Beverage Container Deposit Legislation (BCDL). Regardless of the merits of BCDL, and whether it will ever achieve widespread enactment, it will not for long prevent the demise of the returnable bottle if territorial restrictions are eliminated.

The OTA, in its previously cited report to Congress, considered the interaction of Beverage Container Deposit Legislation and the FTC decision. Greater use of the refillable container is a stated objective of BCDL and supported by OTA. The report suggests that BCDL could help slow any trend to regional bottling stimulated by the FTC decision. *"BCDL would undercut the economic advantage of centralized bottling, which is limited to nonreturnable containers. (The heavier weight of refillables and the need to back haul empties discourages their centralized bottling.) Thus, BCDL might slow any trend toward elimination of local bottlers,"* p. 234. [Emphasis added.]

It becomes readily apparent that the OTA recognizes the potential for the two disastrous results of the FTC decision we have discussed (concentration and the demise of the returnable bottle), and attempts to project BCDL, not as a solution to the problem, but only as a temporary barrier to an ultimate negative result.

The report states: *"Since BCDL would decrease the economic advantages of centralized brewing, bottling and wholesaling, the current trend toward a small number of large firms in beer and soft drink production might be slowed. By making the refillable bottle more attractive economically, BCDL could help preserve smaller, local bottlers. Legislation now under consideration to preserve the territorial franchise system could help maintain the refillable bottle's current market share,"* p. 17. [Emphasis added.]

We are pleased, parenthetically, that an arm of Congress recognizes the extremely negative implications of removing territorial restrictions in the soft drink industry.

Granted, as the OTA predicts, BCDL might slow the trend to regional bottling stimulated by the FTC decision. However, without exclusive franchise boundaries in the soft drink industry, concentration will still occur and the refillable bottle will disappear. This is what the experience in Oregon indicates.

THE OREGON STORY

We decided to find out what has occurred in Oregon—the only mature BCDL state. After the enactment of BCDL in Oregon, the brewing industry sales market share was still well in the hands of the two "local" breweries—Blitz-Weinhard and Olympia—and, at the end of 1974, 96% of all sales in Oregon were in refillable containers. At the end of 1978, or 4 years later, concentration by national companies had occurred (Miller Brewing was No. 1 in sales) and refillable container sales had declined by 48.1% down to 49.8% (Exhibit 9). Miller, the No. 1 selling beer, sold no refillables. By June 1979, further concentration occurred after Blitz-Weinhard had sold out to Pabst, and 4 of the top 5 in sales shares were national companies, with a combined 63% market share. By June 1979, the refillable sales share had fallen to 36% of sales in the brewing industry. (Exhibit 10.)

On the other hand, in the soft drink industry, with exclusive franchise territories and the absence of concentration, refillable bottle sales were still at 80% of food store sales at the end of 1978. This proves that exclusive franchise territories inhibit concentration and keeps viable the refillable container, and that without territorial restrictions, BCDL will not save the returnable bottle.

IMPACT ON ENVIRONMENTAL AND ENERGY CONSERVATION GOALS

Franklin Associates, Ltd., consultants in resource and environmental policy and planning, were commissioned by our company to study the energy and environmental impacts associated with the demise of the returnable bottle. A copy of their final report, dated February 14, 1979, accompanies this statement as a part hereof.

In conducting the study, Franklin relied on the scenarios regarding the disappearance of the returnable bottle developed by Emanuel Goldman. Franklin examined the impacts associated with soft drink delivery in the various container types, including all manufacturing operations beginning with raw material extraction, proceeding through processing, manufacturing, use, and final disposal of the container and secondary packaging, and including filling and transportation. This systems analysis is structured to determine all inputs and outputs at each stage of the container's "life cycle." Then, these data condense into several basic impact categories. These categories serve as the basis for determining the overall effect on environmental quality. They are listed below:

Total Energy Consumption.
Energy Source Summary.
Raw Materials Consumption.
Air Pollutant Emissions.
Water Pollutant Discharges.
Industrial Solid Waste.
Postconsumer Solid Waste.
Process Water Requirements.

The Franklin report describes in detail the methodology employed and quantifies in appropriate units of measure the adverse impact on the environment (including depletion of natural resources) and energy sources associated with replacement of the returnable bottle with the other commonly used nonreturnable package forms. The popular equivalency expressions of these impacts or losses are described as follows:

Total energy: Equivalent to the electrical energy consumed by a city of 100,000 in 34 to 69 years; plus

Natural gas: Equivalent to the natural gas requirements for heating 100,000 midwestern homes for 2.4 to 4.9 years; plus

Petroleum: Equivalent to imports of 65 to 129 millions gallons of gasoline; plus

Coal: If placed in a coal train, the train would stretch 331 to 686 miles, or a maximum distance extending from Washington, D.C. to Chicago; plus

Air pollution: Equivalent to 1.2 to 2.4 years of emissions from 1,000 Mw coal-fired power plant; plus

Water pollution: Equivalent to 3.2 to 8.9 years of emissions from a 1,000 Mw coal-fired power plant; plus

Solid waste: Trash Can Volume: Equivalent to 30 to 87 fillings of the Orange Bowl in Miami, Florida; or Landfill Volume: Equivalent to 12 to 30 completely filled medium-sized city landfills; plus

Water consumption: Equivalent to 2.8 to 5.3 years of domestic water use in the City of Washington, D.C.; plus

Raw materials: Bauxite: Equivalent to 7 to 15 percent of bauxite imports in 1976; Iron Ore: Equivalent to 2 to 5 percent of iron ore imports in 1976; Glass Sand: Equivalent to the sand in a beach 100 feet wide and 2 feet deep stretching 6.1 to 12.5 miles long.

S. 598 AND SIMILAR LEGISLATION

We stated earlier our gratitude to the many members of the Senate who have co-sponsored S. 598. We are equally appreciative of the many members who have co-sponsored the identical bill in the House, H.R. 3567. We wish to call attention also to H.R. 3573, introduced by Rep. Luken and Rep. Mica, which has the same purpose as S. 598 and H.R. 3567—to overturn the FTC decision and permit the continued use of exclusive territories in the soft drink industry. Both versions of the legislation seek a common objective—the preservation of competition and the avoidance of concentration in the soft drink industry and the maintenance of a manufacturing and distribution system in the industry that permits a continued high level use of the returnable bottle. The Luken-Mica bill differs only to the extent that it emphasizes the need for the legislation to protect the environmnt, to avoid unnecessary energy consumption, and to make the product available in the lowest cost package form.

It also represents an unambiguous legislative declaration that nothing in the Federal Trade Commission Act or other antitrust laws shall render invalid exclusive territorial agreements in the soft drink industry, unless it is found that within a territory there is an absence of generally available competing products, and further found that the elimination of the territorial rights will not adversely affect the quality of the environment, increase energy consumption, inflate the cost of soft drink products, or lead to concentration of economic power in the industry.

Some opponents of the legislation have described it as an "antitrust exemption" for the soft drink industry. This is both untrue and unfair since all the bills do is permit the continued use of the present franchise contracts, which, in essentially the same form, have been in effect for more than 75 years. The legislation would not, for example, permit such pernicious forms of anticompetitive behavior as collusion among interbrand competitors to fix prices or to eliminate the returnable bottle.

CONCLUSION

We submit the evidence in this matter is overwhelming to the effect that vertical territorial restraints in soft drink franchise agreements are pro-competitive and in the public interest. In fact, there is not an iota of reliable and credible evidence that they operate to the detriment of consumers, or that their elimination would lower the price of the product a penny. All evidence is to the contrary—that without these restraints the returnable bottle will disappear with resulting overall higher prices to the consumer and very serious adverse impacts on our environment and energy conservation goals.

We urge the Congress promptly to enact legislation that will avoid the many evils most certain to follow the implementation of the FTC decision in the soft drink cases.

(The exhibits referred to in the statement are not included in the RECORD.)

Mr. THURMOND. Mr. President, that completes the statement by J. F. Koons, Jr., president of Central Investment Corp., on S. 598, which was given before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, on September 26, 1979.

Mr. President, I now ask unanimous consent that I may yield to the able and distinguished Senator from Mississippi, with the understanding that upon my resuming at a later time, the Chair not consider this a second speech on this legislative day, and that I will not lose my right to the floor when I am ready to resume my address.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, before I continue my remarks on this subject which began earlier, I compliment the distinguished Senator from South Carolina on the contribution he is making to a full understanding of the issues presented to the Senate by this bill and these amendments.

Mr. President, this legislation will overturn an erroneous decision by the Federal Trade Commission. That decision, rendered on April 7, 1978, by a vote of 2 to 1, ignored the 195 detailed findings of fact made by the FTC's administrative law judge which served as a basis for upholding the legality of the territorial provisions governing the sale of trademarked soft drinks sold by local bottlers.

The administrative law judge ruled that the net effect of the soft drink territories was to promote competition among bottlers of different soft drink products.

The ALJ found that elimination of the territorial provisions "would adversely affect competition because it would lead to the business failure of many small and some large bottlers as well as to the accelerated growth of large bottlers."

The ALJ found "intense competition in the sale of flavored carbonated soft drinks which stems from the fact that there is a large number of brands available to the consumer in local markets." He found a large number of brands available "in large urban areas, small towns, and rural areas alike" and that private label soft drinks "since the early 1960's have become a substantial competitive force in the soft drink industry."

The ALJ also found "keen interbrand price competition" which compels Coca-Cola bottlers to price equal to or below their major competitors because even a few cents differential on a six-pack would adversely affect sales. In fact, the judge found that in July 1971, when the FTC cases were started, "the average retail price of Coca-Cola in the United States in 16-ounce returnable bottles * * * was lower than the average price per ounce at which Coca-Cola in the 6½-ounce returnable bottle was sold at retail in 1900."

The ALJ found that elimination of the territorial provisions was likely to change the industry profoundly. "Without exclusive territories the use of the returnable bottle by bottlers * * * would be substantially reduced, if not eliminated."

He also found that those bottlers which, as a result of elimination of territories, lost chainstore customers "would be obliged to cut back service to small accounts or to raise prices, either of which would reduce volume." In addition, "a substantial number of soft drink brands and flavors would be eliminated in local markets" and "even better known brands such as Seven-Up and Dr Pepper might not survive in many local markets."

Finally, he determined that "hundreds of bottlers would go out of business if exclusive territories were determined to be unlawful. The number of bottlers would be reduced to a fraction of the number that would otherwise exist under the present system."

Mr. President, this legislation is also necessary because the Federal Trade Commission misapplied the "rule of reason" test which the Supreme Court said should apply to all non-price vertical restraints in the case of *Continental TV Inc.* v. *GTB Sylvania*, 433 U.S. 36 (1977). In that case, the Supreme Court overturned an earlier ruling in *United States* v. *Arnold Schwinn & Co.*, 388 U.S. 365 (1967) in part and said that all non-price vertical restraints would have to be judged on a rule of reason; they would not be per se illegal. The rule of reason analysis requires weighing the effects of vertical restrictions in reducing intrabrand competition against possible benefits these restrictions may have on promoting interbrand competition. (Interbrand competition would be promoted if there are efficiencies in distribution, assistance to entry by new manufacturers, and encouragement for promotion and/or service and repair of the product.)

I am convinced that the FTC misapplied the "rule of reason" test in the consideration of the soft drink bottlers case, in part, because of evidence which I discovered during the hearings on this legislation, S. 598.

This evidence came from what has to be an unusual source given their position on this legislation—the U.S. Department of Justice. The Justice Department witness at the hearing in the Antitrust Subcommittee on September 26, 1978 was Richard J. Favretto, deputy assistant attorney general of the antitrust division of the Department. For the record I should say that Mr. Favretto, testifying for the Department of Justice, opposed S. 598. However I suggest here that Mr. Favretto has previously made public statements about the application of the rule of reason test which, if used in connection with the soft drink case, would lead Mr. Favretto to support the legislation pending in this body, the Soft Drink Interbrand Competition Act.

Specifically, in preparing for that subcommittee hearing, we found a speech by Mr. Favretto before the Southwest Legal Foundation Symposium on Antitrust Law given at the Dallas Hilton Hotel on May 12, 1978. The speech was entitled "Vertical Restraints and Other Current Distribution Issues In the Wake of Sylvania."

The speech discusses the impact of the Supreme Court rulings, which I mentioned earlier, United States versus Arnold Schwinn and Continental TV versus GTE Sylvania. I quote from part of Mr. Favretto's speech:

> Whether the Court's acceptance in Sylvania of the arguments in favor of vertical restraints is dispositive for future cases is questionable in light of its own express reservations. Stressing the limits of its decision, the Court deliberately left open the possibility that subsequent analysis might identify non-price vertical restrictions which would appropriately be governed by the per se rule. But such a "departure from the rule-of-reason standard must be based upon demonstrable economic effect rather than—as in Schwinn—upon formalistic line drawing." All that is apparent at this point is that the Court does not want antitrust liability to turn upon the form of the restraint but rather upon its substantive impact.
>
> The true meaning of the Sylvania opinion is going to have to await further clarification by the lower courts and ultimately by the Supreme Court itself. But we cannot wait for such clarification in making our enforcement decisions, so I would like to briefly outline for you how I see the Antitrust Division proceeding under the Sylvania opinion, and what I think some of the relevant considerations will be. From your perspective, I think you can assume that we will continue to view vertical restraints with suspicion.
>
> Sylvania's rule of reason analysis dictates that we weigh the effect of vertical restrictions in reducing intrabrand competition against possible benefits these restrictions may have on promoting interbrand competition. If the benefits outweight the adverse effects, then the restraints are reasonable. In making this analysis, the Antitrust Division is likely to look primarily at three factors: (1) the market power of the company imposing the restraints; (2) the extent to which the restraints impede intrabrand competition; and (3) the justifications asserted for the restraints in terms of promoting interbrand competition.
>
> Market power will be an important factor in our analysis because interbrand competition is the only remaining check on the price of a product subject to intrabrand restraints. If a manufacturer has substantial market power, the anti-competitive impact of the distribution restraints is aggravated. Factors we will consider in arriving at the state of competition in any industry—and the market power of the firm in question—will include the market share of the firm imposing the restraints, the degree of concentration in the industry, and the extent of product differentiation.
>
> Market power primarily turns on the market share commanded by the product in the interbrand market. The larger the market share of the manufacturer, the more likely there will be anticompetitive effects in the overall market as a result of intrabrand restraints. If the overall market is imperfect, there is normally more reason to guard against intrabrand restraints. This is reflected in the Division's concern with the level of concentration in the market where vertical restraints are imposed. The danger of aggravating oligopoly pricing behavior by increased utilization of intrabrand restraints in a concentrated industry would be a criti-

> cal factor in our assessment of the competitive effect of these restrictions. Conversely, we would have less concern for their impact in an overall market which was not concentrated.
>
> Finally, the existence of significant product differentiation in a market would be relevant to the analysis. Where there is strong brand identification, the power of the manufacturer and its dealers to exact an unwarranted premium price may not be materially restrained by the competition of other products in the market.
>
> After analyzing market power, the next step is to determine the extent to which the vertical restraints impede intrabrand competition. While the majority in Sylvania was unable to distinguish the defendant's location clause from the customer restrictions imposed upon retailers in Schwinn, there do appear to be important potential differences in market impact between the various possible vertical restraints. For example, the effect of a customer restriction on intrabrand competition is normally more threatening than a location clause restriction. Customer restrictions are frequently directed at keeping products out of the hands of discounters and may totally foreclose sales to that type of purchaser. Under a location clause, on the other hand, the dealer retains his right to sell to any customer, albeit only from its franchised location. Similarly, direct territorial restrictions tend to have a greater anticompetitive impact on intrabrand competition than, for example, areas of primary responsibility.
>
> The Department has traditionally treated less restrictive vertical arrangements, such as areas of primary responsibility, profit pass-over payments, and location clauses, as being subject to the rule of reason. The effect of Sylvania is to equate these restrictions for purposes of analysis to the same standard that applies to direct vertical territorial and customer restrictions. This will lead to no significant change in how the Division has previously viewed these somewhat more ambiguous practices.
>
> In the post-Schwinn era, the courts sought to ameliorate the harshness of the per se rule articulated there by distinguishing areas of primary responsibility, location clauses, and the like from direct customer and territorial restraints. Frequently, these hybrid restrictions were permitted where there did not appear to be any real competitive danger. Now that the per se rule has been eliminated, assessment of the validity of restraints in this entire area will not proceed on the basis of the form that the restriction takes. Thus, a direct territorial limitation or an indirect limitation achieved through use of a location clause will be assessed based on the effect of the limitation in the market involved.
>
> Situations may also arise where a combination of restraints may render a vertical arrangement suspect where the imposition of only one or the other of those restraints would be legitimate. Thus, an exclusive dealing requirement coupled with an exclusive territorial restriction may have an impact in the overall market which may not be warranted to achieve the individual manufacturer's interest. The combination of these two types of restraints has been cited by some commentators as increasing the barriers to entry in an industry and therefore having an anticompetitive impact in the overall market.
>
> After assessing market power and the restrictive impact of the restraints on intrabrand competition, we must proceed with an evaluation of the justifications proposed for the restraints in terms of promoting interbrand competition. One of the first steps in this analysis is a step familiar to rule-of-reason cases, i.e., we must look to the purpose of the restraint in question and whether it is ancillary to a legitimate business objective or imposed for the purpose of restricting competition. As part of this evaluation, we will examine the dimensions of the restraint to determine whether its scope is reasonably necessary to achieve the legitimate business purpose asserted and whether it merely regulates and promotes competition or is excessive in its restrictive effect. A possible inquiry here would be whether or not there are not less restrictive alternatives to achieve the same objectives. For example, would a primary area of responsibility achieve the objective as well as the more restrictive territorial exclusivity provision?
>
> The Supreme Court in Sylvania identified a number of possible justifications for intrabrand restrictions. The Court pointed out that vertical restrictions may promote interbrand competition by allowing the manufacturer to achieve certain efficiencies in the distribution of its product. As an example of how this could operate in practice, the Court commented that new manufacturers and manufacturers entering new markets can use vertical restrictions as a means of inducing competent and aggressive retailers to make the heavy investment that is often required in initiating distribution of new products. The Court also noted that vertical restrictions can be used by established manufacturers to induce retailers to engage in promotional activities or to provide services and repair facilities necessary to the efficient marketing of the product. The Court was concerned apparently with the fact that the availability of such services may affect the manufacturer's good will and the competitiveness of its product. The Court feared that the so-called "free rider" effect might cause retailers in a purely competitive situation to eliminate services.
>
> Debate has already started regarding the correctness of the Court's assumptions on these points. For example, some commentators have questioned the scope of the theory that by preventing a free rider, vertical restraints encourage dealers to undertake intense sales efforts, thereby furthering interbrand competition. This reasoning may not have application in some industries and solutions to the "free rider" problem may be available without imposing vertical restrictions.

Mr. METZENBAUM. Mr. President, will the Senator from Mississippi be good enough to yield to the Senator from Ohio for about 3 minutes just to make a statement on this subject without interfering with his speech?

Mr. COCHRAN. I would be happy to yield to the Senator without losing my right to the floor nor should my resumption be considered a second speech.

Mr. METZENBAUM. No problem.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. The Senator from Ohio asked the Senator from Mississippi to yield only for one purpose. Inquiry has been made of me and suggested that if I wanted to clear the floor in order to call up the Illinois Brick amendment, I might move to table the Bayh amendment or the Cochran amendment or the Bayh and Cochran amendment.

I am not rising to offer any motion to table. In effect, I am rising for the purpose of saving that I do not intend to offer a motion to table, it being my view that the Bayh and Cochran amendments are good amendments. I do not think they ought to preclude my calling up the Illinois Brick amendment. I addressed myself to that subject previously, but I wanted to make it clear that that to me would not serve any useful purpose to offer a motion to table amendments that have merit.

I think so well of them I wish they would be adopted immediately. But I also addressed myself to that subject previously, and I thank the Senator from Mississippi.

Mr. BAYH. Mr. President, if the Senator from Mississippi will yield to the Senator from Indiana on the same terms——

Mr. COCHRAN. I would be happy to yield to the Senator from Indiana on the same terms.

Mr. BAYH. I would just like to express my appreciation to the Senator from Ohio. As usual, he is extremely cooperative. Unfortunately, we cannot resolve this minor difference of how we can proceed here. Perhaps we will have a chance to discuss it further.

As I said earlier, the Senator from Indiana is in a very difficult position since he is a cosponsor of the very amendment the Senator from Ohio wants to bring up at this time. I hope after the Senator from Mississippi has concluded to, perhaps, put the reservation that the Senator from Indiana has to bring it up at this time in a little different perspective than that presented by his friend from Ohio earlier this morning in a very cogent argument presenting his side on this matter. But I want to thank him for helping us to proceed here.

I thank my friend from Mississippi.

Mr. COCHRAN. Mr. President, to continue:

> Also, the dangers of disguising fundamentally horizontal restriction as vertical and potentially lawful restraints have been noted, as has the tendence of vertical restraints to permit retailers of highly differentiated products to capture a "retail monopoly profit." Only time will tell the extent to which the possible justifications discussed in broad-brush fashion by the Sylvania Court are truly accepted as defenses to vertical restraints.
>
> In our future enforcement activity involving vertical restraints, I believe we will explore the appropriateness of seeking either per se treatment or the application of a rule of presumptive illegality in particular factual settings. Under a rule of presumptive illegality, once the Government proves certain facts—the existence of a vertical restraint plus something more about its competitive impact—then the burden of proof would shift to the defendant to justify the restraint on competitive grounds. For example, it has been suggested that a rule of presumptive illegality would be appropriate for vertical exclusive territorial arrangements where either the manufacturer or the dealer was shown to have market power or where the arrangement was shown to be directed against price cutting.
>
> To summarize, I think the Division is not likely to challenge non-price vertical restraints being used by new entrants or by marginal competitors like Sylvania who may be akin to the failing company found in merger law. It seems to be generally accepted among economists and businessmen that vertical restraints can facilitate the entry and continued market presence of small manufacturers by permitting them to secure the services of capable dealers and to build a favorable image. This promotes interbrand competition while imposing limitations on intraband competition that are not particularly significant.

Mr. President, if we take the legal analysis which Mr. Favretto makes in that speech and apply it to the specific facts found by the administrative law judge on those points, I believe we would inevitably come to the conclusion that the exclusive territories which are governed by contract in the soft drink bottling industry are procompetitive.

Let us take those three points in the speech in order. First, do the vertical restrictions promote interbrand competition by helping the manufacturer achieve certain efficiencies in the distribution of its product?

On October 3, 1975, the administrative law judge for the Federal Trade Commission found as follows:

> Around the turn of the 20th century syrup companies were largely small operations typically owned by pharmacists or their families. In order to provide the necessary inducement for local entrepreneurs to supply the capital required and to make the necessary effort to promote consumer acceptance of a new bottled soft drink product, soft drink licensors included exclusive territorial provisions in trademark licenses.
>
> Territorial restrictions encouraged greater development of marketing and distribution efforts since exclusive licensees knew that their licensors and other licensees could not obtain a "free ride" on their efforts; they made possible the licensor's maintenance of quality control, thereby insuring uniform application of his common law trademark; they facilitated the licensor's production planning by enabling greater accuracy in calculating the forthcoming demand for syrup in a territory; they reduced the selling cost of the product by avoiding duplication of sales effort in a territory; and they encouraged the bottler to develop the potential of his territory to the fullest, thereby maximizing sales of the trademarked product.
>
> The system of exclusive territorial licenses consistently has been widely employed in the manufacture and distribution of bottled soft drinks. There are over 50 syrup companies who have licensed local bottlers, 36 of them nationwide. These companies market more than 150 different soft drink brands through 7,500 agreements with local bottlers. These agreements for the local production and sale of trademarked products are unique when compared with the traditional organizational structure of American manufacturing and marketing.
>
> One unique feature of the soft drink trademark licensing system is that a nationally advertised product is manufactured locally by independent businessmen who are required to make substantial and continuing investments in plant, equipment, packaging and warehouse space. No other industry could be identified where a single national brand owner sells an ingredient to hundreds of independent licensees who manufacture a finished product from that ingredient and others under a trademark license.
>
> The soft drink industry is also unique in that it sells a refreshment product which is an "impulse item," whose most important characteristic is a distinct taste. Constant sampling is necessary to maintain demand for a brand and total availability of a brand at a multiplicity of outlets is essential to provide constant sampling necessary to successful marketing of that brand. The soft drink industry is also different from other industries in the broad range of flavors and package sizes and types required to be made available to satisfy consumer demand, in the need for frequent local store-door service, the importance of in-store merchandising, and the requirement of a store-door delivery system to sustain the use of a returnable container. Soft drinks are the only major product still available in food stores in returnable containers.

Those findings of fact show conclusively that the territorial restrictions encourage greater development of marketing and distribution, thereby achieving maximum market penetration—and, I might add, greater consumer choice.

Turning to the second point in Mr. Fauretto's speech: Do the vertical restrictions promote interbrand competition by inducing retailers (or distributors) to make new investment or new entry? The administrative law judge for the Federal Trade Commission made these findings:

> Over the last two decades, there has been vigorous and increasing competition from the entry of new types and brands of soft drink products. After losing market position, the Coca-Cola Company was forced to abandon its single product philosophy around 1960 and to introduce a line of flavors and various allied products.
>
> Entry of new firms and brands into the soft drink industry is easy. There are numerous flavor houses from which a company entering the soft drink business can purchase syrups or concentrates. There are also a large number of facilities available for the manufacture of soft drinks in bottles and cans which can be purchased, leased, or which will produce flavored carbonated soft drinks on a contract basis. Competition among contract bottlers or canners is very tough. There is no problem in obtaining an adequate supply of cans or bottles in which to package a new brand of soft drinks. Personnel with experience are available in the industry. Many new companies have entered the packaged soft drink business in the last 10 years, such as A&W Root Beer.
>
> Many brands of soft drinks have been able to enter new markets and obtain immediate distribution in such markets at virtually no expense by entering into exclusive territorial license agreements with established bottlers already manufacturing and distributing other national brand soft drinks. By this "piggybacking" on the products of an established national brand bottler, a brand attempting to enter a market capitalizes on the bottler's existing production facilities, vehicles, vending machines, sales force, and good will in a market and can obtain substantial distribution in a market in a very short time.
>
> By entering into exclusive territorial license agreements with established national brand bottlers and expanding the number of its bottlers from 395 in 1961 to 512 in 1971, Dr Pepper Co. has been able to enter a substantial number of new markets and expand the geographic areas in which Dr Pepper is available from those containing 114 million people to areas with 198 million people or almost 98 percent of the population. During this period, Dr Pepper's national share of the flavored carbonated soft drink market grew from 2 to 2½ percent to nearly 4 percent, and is about 5 percent today. In 1971, about 70 percent of the bottlers of Dr Pepper were licensed to sell other brands. During the 1961 to 1971 period, 70 percent of Dr Pepper's growth came from the multibrand plants, and Dr Pepper grew at a rate 2 to 3 times the rate of the industry.

Thus, these findings of fact, supported by the evidence, show that entry into the market is easy and that territorial license agreements helped Dr. Pepper enter the market.

Turning to Mr. Fauretto's third point: Do the vertical restrictions promote interbrand competition by inducing retailers (or distributors) to engage in promotional activity?

The administrative law judge for the FTC made findings on that point as follows:

> The evidence here shows that focusing the bottlers' attention on their own territorial markets stimulates their competitive effort.
>
> There is keen interbrand pricing and also packaging competition (Findings 103–109, 149–153) and there are many brands of soft drinks available (Findings 92–102). In the last few years in particular, many new brands of soft drinks have successfully been introduced into the territorial markets of bottlers (Findings 154–162). The bottlers also compete intensely in having their brands available at a multitude of outlets and in obtaining both desirable shelf space and display locations in food stores (Findings 137–140, 141–144). And it is worth repeating that the prices of Coca Cola and allied products are determined by the bottlers individually and that those prices are sensitive to the prices of other brands and types of soft drinks (Findings 66, 103–109, 127–131).

Thus, under all three tests, the territorial provisions have been found procompetitive.

Mr. President, I think this analysis proves my point, that the FTC misapplied the rule of reason and that S. 598 is needed to correct that error so that the soft drink industry can continue to serve its customers and do business in an atmosphere of stability and certainty.

Mr. President, I ask unanimous consent that the remarks I have just made not be considered as a second speech on the same legislative day on this issue under the rule.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

● Mr. SIMPSON. Mr. President, I am pleased to be one of the principal cosponsors of the Soft Drink Interbrand Competition Act. I firmly believe that this legislation will reintroduce some degree of realism into the Federal Trade Commission's interpretation of the antitrust laws.

Far from being an anticonsumer bill—as is depicted by its opponents—this legislation is clearly pro-competitive. It allows for the existence of franchise operations in the soft drink industry. Without this legislation, and in light of the FTC's recent misguided efforts to eliminate competition in this industry by its hasty and ill conceived attacks on franchise arrangements, it becomes obvious that there would, if the FTC were successful, actually be a reduction in competition, and a concurrent increase in the prices charged for soft drinks throughout the United States.

There is nothing in this legislation that runs contrary to the letter, or the spirit, of the antitrust laws. In 1967 the Supreme Court handed down one of its most ill-conceived and construed decisions rendered in the complex field of antitrust law. The net result of the Schwinn decision was to throw into doubt the legality of all territorial franchise contracts, on the assumption that they constituted an impermissible vertical restraint of trade.

With that one decision, the legality of some of the most successful, procompetitive, and pro-consumer business operations, including MacDonald's, Carvels, Pizza Hut, and Dunkin Donuts were placed in doubt. And for what reason? Merely, in my judgment, as an academic exercise of placing form over fact. It would no longer matter that by guaranteeing to a franchisee a protected territory, the franchisor would be bringing to consumers a host of new products and services at lower cost. It would no longer matter that franchise arrangements were providing perhaps the most readily available means for Americans with limited capital resources to become their "own bosses," and own their own business, thereby increasing overall competition in the marketplace. All of these pro-competitive advantages would disappear from the marketplace, because of an arcane attempt by the FTC to engraft this vague view of antitrust analysis to these types of contracts.

Eventually the Supreme Court recognized the inherently anticompetitive nature of the Schwinn decision. In 1977, it, in effect, reversed Schwinn. In GTE-Sylvania, Inc. against Continental Television, Inc., the Supreme Court held that, in a wide variety of circumstances, the allocation of protected territories among competing retailers—for distributors—by a manufacturer might well be a pro-competitive, pro-consumer policy, that would be sanctioned by the antitrust laws.

This proposed legislation is within the confines of the Court's decision in the GTE Sylvania case. The record before the Federal Trade Commission failed to disclose any injury to competition by this practice. In fact, expert testimony, before congressional committees, from reputable industrial organization economists disclosed that there was little likelihood that this territorial allocation system within the soft drink bottling industry was causing any increase in the retail cost of soft drinks. These same witnesses also testified that in any event, it would be virtually impossible to calculate such costs, even if they did exist; and the accusation that this system was raising the price of soft drinks by 5 cents a bottle was without foundation.

Finally, I would remind this committee that the history of this matter before the FTC was, to say the least, a checkered one. At no time did an absolute majority of the FTC ever rule that territorial francises were anticompetitive. Only three members of the Commission even heard the case. Moreover, only two of them thought that the administrative law judge's decision, which favored the bottlers, ought to be overturned. The third Commissioner ruled in favor of the bottlers. The U.S. Court of Appeals has yet to rule on the matter.

In short, S. 598 is, in fact, as well as in theory, a pro-competition, pro-consumer bill, and it should be approved.●

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT MODIFICATION—S. 1309

Mr. ROBERT C. BYRD. Mr. President, referring to the agreement that has previously been entered on the food stamp conference report, S. 1309, I ask unanimous consent to amend that agreement by adding thereto as follows: That there be 30 minutes on any amendment in the first degree to a motion, equally divided, and that there be 20 minutes on any amendment in the second degree to a motion, equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE THE SENATE AT 11:30 A.M. ON MONDAY, MAY 19, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Monday next, it convene at the hour of 11:30 a.m.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

FOOD STAMP ACT AMENDMENTS OF 1980—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of the conference report on S. 1309, including all votes:

Henry Casso, Carl Rose, Barbara Washburn, Steve Storch, and Nabers Cabaniss.

Also, Mr. President, I ask unanimous consent that Joe Richardson of the Congressional Research Service be granted the privilege of the floor during consideration of the conference report on S. 1309, including all votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I submit a report of the committee on conference on S. 1309 and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, before the Chair responds, may I say, in accordance with the promise made to Mr. METZENBAUM this morning that action on the conference report would not begin before 4 p.m. today without his approval, that approval has been given and there is no objection at this time.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. TALMADGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. Am I correct that the time on the conference report and consideration thereof will be limited to 90 minutes, to be equally divided between the ranking member on the committee, the Senator from North Carolina (Mr. HELMS) and myself?

The PRESIDING OFFICER. The Senator is correct.

Mr. TALMADGE. I yield myself such time as I may take, Mr. President.

Mr. President, the food stamp program is in a crisis. If this conference report, which increases the authorization for appropriations for this year's food stamp program, and the necessary supplemental appropriations are not quickly forthcoming, over 20 million needy Americans will be forced to go without food stamp benefits for at least a portion of the month of June. As my colleagues know, I am not one to close my eyes to fraud and abuse in the food stamp program. It has been my stated desire, over the year, to rid the program of fraud and abuse. We have been successful, but not successful enough. Even with this in mind, it would be poor public policy to hold the benefits of the truly needy elderly, infirm, and disabled hostage for the actions of those who are abusing the program or fraudulently receiving stamps. S. 1309, as reported by the committee of conference, contains a number of significant tightening provisions in the program that I will describe in a few minutes. We must insure that the truly needy are not jeopardized. It is the belief of the conferees that the new cap for fiscal year 1980 contained in S. 1309 will be sufficient to provide full funding for the program for the remainder of this fiscal year.

The Senate voted last year to remove the cap on the authorization for appropriations for the 1980 and 1981 programs. However, the House conferees did not see fit to remove the cap for 1981. The conferees recognize that the new cap of $9.7 billion for 1981 will likely be insufficient. However, because of the uncertainty of the estimating process, the conferees chose to put off until a later date, when more accurate data is available, its decision on what the proper cap for 1981 should be. I remain convinced that Congress, in recognition of the plight of needy Americans, will continue to provide full program funding.

The food stamp program is the most visible Federal aid program. Every American has been exposed to the program in the supermarket and has an opinion of the program. No program has occupied more of Congress time. We have studied, amended, restudied, and reamended the food stamp program. This laborious process will continue because it is a necessary process. There are problems in the food stamp program that must be addressed, and S. 1309 addresses many of these issues.

S. 1309 would—

First, permit States the option to determine program eligibility and benefits by using income received in a previous month, following standards prescribed by the Secretary of Agriculture;

Second, if a State elects to use a retrospective accounting system, require that certain categories of households file periodic reports of household circumstances following standards prescribed by the Secretary;

Third, attribute the income (less a pro rata share) and the resources of an ineligible alien to the remaining household members in determining that household's eligibility and benefits;

Fourth, expand the State agencies' authority for verification;

Fifth, require photo identification cards to be presented with authorization cards as a condition of receiving food stamps in certain areas where the Secretary finds that it would be useful to protect the program's integrity;

Sixth, require food stamp certification personnel to report illegal aliens to the Immigration and Naturalization Service;

Seventh, permit the Secretary to require forfeiture of and dispose of any form of valuable property illegally furnished or attempted to be furnished in exchange for food stamps or authorization cards;

Eighth, establish an error rate sanction system under which a State that fails to meet established error rate standards would have its Federal share of State administrative costs reduced or, if no matching funds were due the State, be subject to a Federal claim for recovery;

Ninth, require the disclosure of certain income tax information in the files of the Social Security Administration and certain wage and unemployment insurance information in the records of State unemployment insurance agencies to the Department of Agriculture and State food stamp agencies only for the purpose of, and to the extent necessary for, determining a person's eligibility for food stamps;

Tenth, extend workfare pilot projects for a full year to September 30, 1981;

Eleventh, make the adjustments in the thrifty food plan, the standard deduction, and excess shelter expense deductions on an annual, instead of semiannual, basis;

Twelfth, change the manner in which the income poverty guidelines for the program are adjusted, thereby lowering those guidelines;

Thirteenth, reduce the ceiling on assets for an eligible household other than a household consisting of two or more persons, one of whom is age 60 or over, from $1,750 to $1,500; and

Fourteenth, substantially restrict the eligibility of students for participation in the program.

These provisions will tighten the administration of the food stamp program and will result in savings of considerably more than one-half billion dollars.

I share the concerns of some of my colleagues over the provisions in S. 1309 that would increase the dependent care deduction and the excess medical expense deduction. These provisions will not become effective until fiscal year 1982. The Committee on Agriculture, Nutrition, and Forestry will have to reauthorize the food stamp program next year. It is my desire that at that time we fully reconsider and evaluate these provisions. If we conclude that they are unnecessary or unwise we can preclude their implementation.

The committee of conference rejected a recoupment proposal that was offered on the House floor, but requested the Finance Committee and the Ways and Means Committee to hold hearings on this proposal. Recoupment is an interesting proposal, and after those committees conclude their hearings it may be possible to formulate a recoupment proposal for the food stamp program, and other social programs, that will be equitable and workable.

S. 1309 is a bill that addresses major issues in the food stamp program and provides the necessary authorization for additional funding to insure that a cutoff in the program will not be necessary. It accomplishes that purpose while saving more than one-half billion dollars. That is quite an accomplishment, an accomplishment that could not have been achieved without the leadership of Chairman FOLEY of the House Committee on Agriculture and the cooperation of the House and Senate conferees. Senators McGOVERN, HUDDLESTON, LEAHY, MELCHER, HELMS, DOLE, and HAYAKAWA are to be commended for their fine efforts.

I urge my colleagues to join me in supporting the conference report on S. 1309.

Mr. President, I yield the floor and reserve the remainder of my time.

Mr. HELMS. Mr. President, in order that we may facilitate this a little bit and not consume too much of the Senate's time, I ask unanimous consent, notwithstanding the rule of the Senate that all time must be yielded back before a motion to recommit can be made, that we just consolidate this time with the understanding that both Senator TALMADGE and I want to expedite the proceedings as much as possible.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Now, Mr. President, I move that S. 1309 be recommitted to the committee on conference with instructions that the Senate conferees insist on the Senate position, that any amendment which is to become effective on October 1, 1981, or later, with the exception of section 127, the disclosure of information, be stricken from the bill.

The PRESIDING OFFICER. Will the Senator send his motion to the desk?

Mr. HELMS. Yes.

Mr. President, there is no one in the Senate for whom I have greater respect than the distinguished chairman of the committee, and it is very seldom we have even the slightest difference of opinion. But in this matter, perhaps there is one.

But I certainly will testify as to the accuracy of his earlier statement that he is concerned about the expansion of the food stamp program, and he has done a workmanlike job in trying to correct some of the abuses. I pay tribute to him in that respect.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. TALMADGE. I am grateful for the generosity of my distinguished colleague, and I commend him for his efforts in that regard.

Mr. HELMS. I thank the Senator.

Mr. President, at issue in the conference on S. 1309 were a number of House provisions that would expand—I emphasize that word—expand the food stamp program. The conferees accepted that modification of these provisions despite the fact that the food stamp program is already spiraling out of control.

Specifically, these provisions establish a special dependent care deduction and expand the medical expense deduction, at a cost of at least $68 million.

Also at issue in the conference on S. 1309 were proposals insisted on by the House Budget Committee. The conferees changed these provisions so that their positive budgetary effect of $290 million will be neutralized beginning in fiscal year 1982. In fact, in fiscal year 1982, these provisions will cost the American taxpayers $64 million more than the current law.

These two provisions address the way in which the annual adjustment of the so-called thrifty food plan and the annual adjustment of deductions are tied to the Consumer Price Index.

Mr. President, the point is this—and I hope all Senators will understand it, including those who are not present on the floor of the Senate but who may be listening in their offices on the public address system: In all, these changes will cost the taxpayers more than $420 million in fiscal year 1982 and will push the cost of the food stamp program to $11.6 billion in that year.

Even though one out of every seven Americans already, today, is eligible for food stamps, this bill will go further. It will loosen eligibility criteria, and this Senator submits that that is a mistake.

For example, the Congressional Budget Office reports that after these liberalizing changes are implemented, a family of four with an income of $14,878, nonetheless, can receive food stamps.

I do not know what the constituents of the Presiding Officer would say about this, but it staggers the imagination of the people of North Carolina that a family of four with an income of nearly $15,000 will receive food stamps.

Indeed, Congress has become so bound up in creating special interest deductions to be used in computing income to determine food stamp allotments that Congress has begun to duplicate deductions, all at the expense of the American taxpayer.

For example, the food stamp program's standard deduction was developed to allow for medical expenses of $35. Last year, Congress wisely acted to allow elderly citizens to deduct their medical expenses exceeding a $35-a-month assumption. In this bill, Congress would permit all medical expenses above $25 to be deducted.

Mr. President, I hope the Senator from North Carolina does not have to emphasize that he is a strong supporter of care for the elderly. Nevertheless, this Senator, in good faith, cannot endorse a proposal that would compensate food stamp recipients twice for the same expense. That is what this does.

Last week, the House Rules Committee granted a rule that paved the way for immediate passage of a supplemental appropriation for the food stamp program. That rule could have been granted months ago, when it became obvious that the runaway food stamp program would exhaust its appropriated funds this June. However, the leadership of the House chose to forestall any such action.

Instead, they opted to allow the development of a food stamp crisis.

In that connection, you had better believe that the bureaucrats administering this program have been on their Government telephones, whipping up all sorts of support for a ballooning, expanding food stamps program. They have sent out material to friendly newspapers which resulted in editorials which, in many instances, completely misrepresented the fiscal circumstances that prevailed.

So I submit, Mr. President, that most Americans do not even understand the consequences of this legislation, let alone how much it is going to cost them.

Obviously, this is a contrived crisis which need not have occurred. It is a crisis in the food stamps program that has unnecessarily caused the elderly and the truly needy untold worry and distress.

Another result—and this is not inconsiderable—is the unnecessary turmoil among the State and local officials who work hard to try to help the truly needy.

Obviously, Mr. President, this strategy was adopted as a means of sidetracking badly needed food stamp reform, and it was accomplished by creating a crisis situation so that the irresponsible expansions of the program would be swept under the rug, so that they would not receive proper legislative scrutiny.

In the conference committee, it was repeatedly said, "Oh, well, we can come back and look at this in legislation next year." But the fact remains that the built-in excesses of this program now carry the imprimatur of the Congress of the United States. To my knowledge, there has not been 1 minute of hearings or debate in the Senate dedicated to the proposals which have been incorporated into this legislation. That is not the way to operate.

I know that the distinguished Senator from Georgia shares my feeling that we hope we can move ahead and get all these things under control, so that we can go back home and honestly assure the people that we are working on the abuses of the food stamp program.

The food stamp program will have to be reauthorized next year; and there is absolutely no reason why these inordinately expensive program changes cannot be added at that time, if it can be demonstrated that they are desirable, not slip them in, in this crisis legislation.

Enacting these changes now, even with the assurances of thorough review next year, will needlessly build them into the Presidential budget for fiscal year 1982.

Also the burden will be placed upon those Members of Congress who argue for caution in expanding this program rather than upon those who supposedly have a proposal for which there is a legitimate need.

Mr. President, the Senate should not accept a conference report that expands the already bloated food stamp program rolls and the budget to pay for it.

I say again that the Senate had no opportunity to consider these changes and there is no good reason to annex them to this so-called emergency legislation, and that is why I have made the motion to recommit this conference report.

I insist to Senators that recommitting this report will in no way jeopardize the continued delivery of food stamp benefits this year because there is ample time for the conferees to meet again and consider the true will of the Senate. It may inconvenience one or more members of the committee, but when in terms of millions upon millions of dollars in savings to the taxpayer I see no other alternative.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield 10 minutes to the distinguished chairman of the Subcommittee on Nutrition of the Committee on Agriculture and Forestry, the Senator from South Dakota (Mr. McGOVERN).

Mr. McGOVERN. Mr. President, I first of all commend the distinguished chairman of our committee, Senator TALMADGE, for the way in which he handled the conference on this food stamp matter. We could have been faced with a very serious crisis in the funding of the food stamp program affecting millions of Americans if Congress had not moved expeditiously, and particularly in the conference yesterday, to work out the differences between the House of Representatives and the Senate on the food stamp authorization. I think that conference moved as well as it did because the chairman of our committee, Senator TALMADGE, was as experienced and skillful as he was in bringing together the two bodies for what I think is a workable and practical solution of this question.

Mr. President, I rise in support of the conference substitute on S. 1309.

Action on this conference will help to bring to an end the impending crisis for a good many Americans who would otherwise be faced with a cutoff of their food stamp benefits, their very bread and butter, on June 1.

The conference substitute also contains significant budget savings over what otherwise would have been the funding level in the food stamp programs both for the fiscal years 1980 and for 1981.

This measure as worked out by the House of Representatives and Senate also contains administrative improvements to reduce fraud, error, and abuse in the administration of the program. It includes program changes to aid the elderly, battered women, and families with dependent care costs.

Mr. President, let us look first to our most immediate concern, sufficient funding to avoid what otherwise would be a June 1 benefit cutoff.

The conference substitute contains a spending ceiling of $9.4 billion for fiscal year 1980, which by all estimates should be adequate to insure full benefits for all recipients through the end of the fiscal year.

Mr. President, I realize that a $9 billion program represents a lot of money. But let us keep in mind that this is money being spent for American food to feed American citizens. This is the produce of our farms and ranches across this country at a time when it is of special benefit to every food producer in the United States. With the impact of the Soviet embargo closing off outlets that had been available to American agriculture, it is especially important this year that we miss no reasonable, constructive opportunity to provide outlets for the produce of our farms. There is no question at all that putting several billions of dollars of additional purchases into the hands of American farmers and food producers is of great benefit to the economy of this country, the farmers, the food processors, food manufacturers, the grocers, and the entire food chain across the country. And beyond that is the even more fundamental objective of reducing hunger and malnutrition in this country.

I think the greatest single success story in Government in recent years is the success in the war against hunger here in the United States. What a tragedy it would be if this country with its great capacity to produce food were presenting the spectacle to the world that millions of its citizens are going hungry. We avoid that spectacle through the food stamp program, the child nutrition programs, and the WIC programs. At a time when there are very few success stories that we can point to in which the Federal and State governments are involved, the battle against hunger is one of those success stories, and it should be a matter of pride and satisfaction for every Member of Congress who has participated in the shaping of this program.

So I am glad that this conference report, however late in the day, does provide adequate funding to prevent a disruption of this essential food program that sustains nutrition and health for so many millions of our citizens.

I have never had any doubt in watching this program for many years that in the absence of such a program we would not only have serious hunger and malnutrition in the United States, but our entire country would be paying unnecessary medical bills for decades to come. One of the reasons the American people enjoy the health that they do today in comparison to other countries is that we do a pretty good job of providing food for our people. We do not have the diseases associated with chronic hunger and malnutrition, or at least those diseases are on the decrease as we strengthen this program.

The funding limit set for fiscal year 1981 of $9.7 billion is probably not going to be sufficient in view of what we see ahead in the way of rising unemployment and perhaps even more seriously the increased cost of food which means for the same amount of money you can feed fewer people and supply fewer beneficiaries.

But the conferees, recognizing the uncertainty of that ceiling for fiscal year 1981, directed the Department of Agriculture that they under no conditions were to reduce benefits until after Congress has acted on the fiscal year 1982 authorization.

That will at least prevent recipients from having their already limited food stamp allotments reduced even further.

I might just say in passing, Mr. President, that the difficulties that the conference committee faced in arriving at an acceptable ceiling for 1981 simply attest to the common sense of the Senate position last year in removing this ceiling and simply saying that Congress wants to go on record to make sure that we do not have hungry people in the United States because they do not have the income to buy even a minimal diet.

Removal of this ceiling certainly would not mean that costs would rage out of control. The kind of substantive amendments, the reform amendments that are in this legislation now before us, provide programmatic changes to achieve savings. It is simply not true that the food stamp program is raging out of control. It is a very carefully disciplined and administered program in which extensive hearings have been held by Congress, with very careful oversight, and I think we have made a number of changes in recent years that have provided for better administration of a program. Obviously in a program this size, involving some 22 million Americans, there is going to be some error, there is going to be some abuse and some fraud, but I have no doubt that those instances are a very small percentage of the overall impact of this program.

The program changes made by the conference substitute will bring savings to the taxpayers in both fiscal years 1980 and 1981.

The Congressional Budget Office estimates, for example, that the savings in the fiscal year 1980 will be approximately $150 million. CBO estimates that savings in fiscal year 1981 will be in the range of $550 million. These are substantial savings.

A portion of those savings will come in replacing the twice-a-year update for inflation with a once-a-year update in computing eligibility and benefits. The once-a-year update will simplify administration, which I support, but I was troubled by the fact that benefits could be as much as 15 months out of date from the cost of living, whereas under present law the maximum lag is 9 months.

The conferees saw fit to adopt my proposal to make the update only 3 months less timely than present law, beginning in fiscal year 1982, by adopting a method to make the maximum lag 12 months.

I believe this is an important protection for recipients who are among the Americans most ravaged by inflation.

Two statistics highlight the need for such protection. During the period between September 1975 and April 1979, income of food stamp households rose by only 7 percent, while that of the population generally rose by 40 percent. While food stamp households had only a 7-percent increase in income, the cost of necessities rose by 34 percent.

That is an enormous gap for families who do not have any "fat" in their budgets to begin with.

My concern for the plight of the working poor remains. It is for this reason that I am pleased that S. 1309 will provide a separate deduction for dependent care, beginning in 1982, severing dependent care from the combined excess shelter and dependent care deduction of present law.

This separate deduction is not indexed for inflation, as was the combined deduction.

I am committed to remedying this problem when we reauthorize food stamps next year.

In providing a separate dependent care deduction, we are removing a disincentive to keep ailing family members in the home. The dependent care deduction covers not only young children, but cost of caring for the elderly. This will mean that families will be able to choose to have the grandparents live with them, even though they are ailing, rather than putting them in nursing homes simply because it was a choice of that or sufficient food for the family. I am pleased that we are removing this obstacle to uniting families.

The conference substitute incorporates a number of measures to add to the steps taken by the Congress in the last few years to reduce error, fraud, and abuse. I believe most of the new provisions, such as those for matching of income information and for photo identification, strike an appropriate balance between the need for improved verification and the rights of the recipients. The House report spells out in more detail the protections afforded to recipients, and I was pleased to see the sensitivity of the House Agriculture Committee members to this issue.

Before I close, I would like to comment briefly on one House provision that is not included in the final bill—recoupment of benefits from individuals who earn more than 175 percent of the poverty level. Inclusion of such a provision would undermine the basic principle of the food stamp program that needy individuals, even though their need is only temporary, would be eligible for food stamps so that they and their children would not have to go hungry. The proposal before the conference was administratively complex and prone to error. But even if we were to develop a proposal that was administratively workable, we would be undermining one of the most important precepts making up the foundation of the food stamp program. I am pleased that the House receded on this issue.

The conference substitute is a balanced bill with adequate funding for fiscal year 1980; over one-half billion dollars of savings for fiscal year 1981, and additional measures for reducing error, fraud, and abuse. I urge my colleagues to support the measure.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. McGOVERN. Mr. President, I again thank the Senator from Georgia for his leadership and his time.

Mr. TALMADGE. I thank my colleague for his contribution and his comments.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, with respect to the distinguished Senator from South Dakota he says the error is very small. It is acknowledged that it is almost 15 percent. On a $10 billion program that amounts to $1.5 billion a year, and I submit that is not a very small error.

Mr. President, I yield to the distinguished Senator from Oklahoma such time as he may require.

Mr. BELLMON. Five minutes.

Mr. HELMS. Yes.

Mr. BELLMON. Mr. President, I thank my friend from North Carolina for yielding. I will try to be very brief.

I have come to the floor to support the Helms motion to recommit the conference report. I want to begin by commending the committee for the savings they have accomplished in this conference report, and I wish they had made the savings and stopped. But the problem is, as I understand what has happened here, there are liberalizations which will likely more than overcome the savings that were made, so we wind up with a more expensive bill and one which will be extremely difficult to fund in light of the fact that inflation is now running at a rate somewhere between 15 and 20 percent, and whether we like to think about it or not, we are probably facing another deficit for fiscal year 1981. I wish it were not true, but when we see what is happening to the economy, it is very likely the case.

It is my understanding that this bill significantly liberalizes and expands the food stamp program beginning in fiscal year 1982. This program is growing at unprecedented rates as it is, and this bill would further magnify these increases.

The growth in the food stamp program has been dramatic in the last several years, especially since 1977 with the elimination of the purchase requirement. This change has caused substantial program growth, contrary to projections made at that time that the effects on program participation rates and program costs from elimination of the purchase requirement would be largely offset by savings from eligibility tightening and other changes included in the 1977 legislation.

I have a table which shows what happens, which I will get into in just a moment.

CBO now indicates that almost all of the recent growth in the food stamp program, precipitating the funding situation we are now in, has been due to the elimination of the purchase requirement. The program's costs, Mr. President, have skyrocketed from $5.4 billion in fiscal year 1977 to an estimated $9.2 billion in fiscal year 1980, a growth of 70 percent in 3 years.

An even more striking indication of this growth is the fact that the level of funding for fiscal year 1980 contained in this bill is 51.6 percent higher than current law—the ceiling on costs that is in the law now. This is a tremendous increase which should make us look very hard at any proposals which will liberalize the program and increase future costs.

In addition to escalating costs, Mr. President, the number of people participating in the food stamp program has increased dramatically. In early fiscal year 1979, before implementation of the fiscal year 1977 amendments began, less than 16 million people received food stamps.

Mr. President, we were not having starvation in this country at that time. People were getting along. With the elimination of the purchase requirement program rolls are expected to swell to 21.2 million in fiscal year 1980 and 23 million by fiscal year 1981 unless the program is tightened. I understand that there is very little tightening on this bill, but considerable loosening starting in fiscal year 1982 that goes in the wrong direction.

Mr. President, I have a table which shows what has happened to food stamp costs and participation since 1965. It shows that in 1965 there was a very low number, so we can more or less disregard that. But in 1970 the number of recipients was 4,300,000. In 1975 it had grown to 17,100,000, a growth of about 32 percent over the prior year. It has gone on up now, and in fiscal year 1979 the number of participants was 20,200,000, and the fiscal year 1981 estimate is 23 million participants. This shows a program which started off growing at the rate of some 20 to 30 percent per year is still growing at the rate of 7 or 8 percent per year in the number of participants.

I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FOOD STAMPS—GROWTH OF EXPENDITURES AND COSTS

Fiscal year	Total expenditures (billions)	Percent growth over prior year	Recipients	Percent growth over prior year
1965	$0.035	15.2	442,000	14.5
1970	.58	130.8	4,300,000	33.3
1975	4.7	63.3	17,100,000	32.5
1976	5.7	22.0	18,600,000	8.7
1977	5.4	−5.2	17,100,000	−8.0
1978	5.6	3.7	15,800,000	−7.6
1979	6.9	23.2	20,200,000	+27.8

Fiscal year	Total expenditures (billions)	Percent growth over prior year	Recipients	Percent growth over prior year
1980 (ceiling)	6.2			
Supplemental	+2.5			
Amount in Second Con. Res. 86	8.6			
CBO revised estimate for 1980	9.2	33.3	21,200,000	4.9
1981 estimate	10.8	17.3	23,000,000	8.4

	Current dollars	Constant dollars
Average outlays growth per yer (percent):		
1965–70	311.4	239.4
1970–75	142.0	103.3
1975–79	11.7	2.6
1979–81	28.2	12.1

Shows costs if program were fully funded with no changes from current policy.

Mr. BELLMON. Mr. President, instead of reducing the program's growth, this bill would further exacerbate the problem which we face today. The conference has hidden the effect of these expansionary aspects of this bill by delaying the implementation of those provisions until fiscal year 1982 in order to show little cost effect in fiscal year 1981. But we ought to take a look at the effects of this bill down the road. The effects of this bill will be to add substantially to the costs of this program. Such provisions as the expanded medical deductions and the dependent care deductions will increase the income levels at which people can receive food stamps and will cause further cost increase.

These added costs far outweigh the comparatively minor savings that are included in S. 1309. The conference report on S. 1309 saves about $0.6 billion in fiscal year 1981, which drops to a net savings of $0.3 billion fiscal year 1982 when the costs of the liberalizing provisions take effect. This is not even close to the savings in the food stamp program which the Senate committed itself to when it approved Senate Concurrent Resolution 86, the first budget resolution for fiscal year 1981 just last week. That resolution called for savings of $1.4 billion in the food stamp program in fiscal year 1981, and $1.7 billion in savings in fiscal year 1982. Mr. President, S. 1309 not only liberalizes the program and adds significantly to costs in fiscal year 1982, but also provides for $0.8 billion less in savings in fiscal year 1981, and $1.4 billion less in savings in fiscal year 1982 than was agreed to by the Senate when it approved the budget resolution.

Mr. President, our country is facing devastating inflation. We are facing almost consecutive deficits on which we have run an inflation rate which hurts the poor and the elderly more than any other segment in our population. We cause greater hardship when we force up inflation, and we simply cannot afford to expand the food stamp program. This is not the time to consider expansion in the program. We need to be cutting back, and I strongly urge the approval of the motion to recommit, and I commend the Senator from North Carolina for his effort in this connection.

Mr. President, I ask unanimous consent that a table be included in the RECORD showing how fast the administrative costs of the food stamp program have gone up. They have gone up 73 percent in the last 3 years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE COSTS

	Federal administration			
	Matching	Other	Total Federal	Total State and Federal
1978A	286	71	357	643
1979A	335	58	393	728
1980 est	370	75	445	815
1981 est	500	113	[1] 613	1,113

[1] Current CBO estimate.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Oklahoma for his comments and his support of the motion to recommit. I do not need to tell this Senate that the distinguished Senator from Oklahoma is one of the most diligent students of the budgetary process and probably knows as much about spending activities of the Senate as any man who has ever sat in the Senate.

I greatly appreciate the remarks he has made and the support he has given.

Mr. President, while we have some Senators on the floor, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I now yield to my distinguished friend from California.

Before I do, let me say, Mr. President, that Senator HAYAKAWA, from the very beginning, has devoted so much of his time and effort to a scholarly study of this problem, not only as it affects his State of California but the entire budgetary process. I have been so proud of Senator HAYAKAWA for the work he has done and the stance he has taken.

Now, I yield to him such time as he may require.

Mr. HAYAKAWA. I thank the distinguished Senator from North Carolina for those kind remarks.

Mr. President, I rise in support of the motion of the Senator from North Carolina, Mr. HELMS. I did not sign the food stamp conference report. I believe it should be sent back to conference. This conference report does not reflect the changes necessary for compliance with the budget resolution, which the Senate passed 2 days ago.

Earlier in the year, Mr. President, I cosigned a letter with several of my colleagues to the chairman of the Senate Agriculture Committee requesting that at the earliest possible date the committee hold hearings and markup legislation to amend the Food Stamp Act. We wanted to review the entire program with the intent of cutting back food stamp benefits in appropriate ways. Such changes are necessary in order to bring the program back to a reasonable level, and to make the program come within reasonable limits. We need to act in a responsible manner in order to make the program do what it was intended to do, which was to help the very poor of this Nation. We are helping them, but we are also helping hundreds of thousands of others who are not quite so poor.

At this time, Mr. President, 1 out of every 10 Americans is eligible for food stamps. One out of every ten. Now I find it difficult to imagine that 10 percent of the American population is impoverished to the extent that their food budgets absolutely need supplementing with food stamps.

I was told earlier this year that the Senate Agriculture Committee would not have time to consider changes to the food stamp program. We were then forced to go to conference with the House on a bill that the Senate passed on July 23, 1979, almost a full year ago. This measure did nothing to substantively cut back the food stamp program.

During the conference the Senate accepted most of the House provisions that tightened up the program here and there. Most of those changes were relatively minor, but in principle we did take some action to tighten up the food stamp program. We also, however, added some costs to the program, which is unbelievable. And in the same conference meeting we increased the authorization level for food stamps to over $6 billion total for fiscal year 1980, and then to a level of $9.49 billion for fiscal year 1981. Let me repeat, $9.49 billion for food stamps in 1981.

Mr. President, the Senate just passed the budget resolution on Monday, May 12, and here we are 2 days later authorizing funding levels that reflect a runaway food stamp program. We in Congress are simply not doing an adequate job of keeping this program within reasonable boundaries.

Although this program was originally intended only for the very poor—and, along with the Senator from South Dakota, Senator McGOVERN, I do not want to see people starve; I do not want to see people undernourished. Although this program was originally intended only for the very poor, we now have, as I say, 10 percent of Americans eligible for food stamps. This should tell us something. Our costs for the program are almost up to $10 billion for a single year. Every year some of us get up and protest the injustices of this program, and every year others in this body protect the program and make long speeches about the poor people of the country and their lack of nutrition.

According to the Congressional Budget Office's estimate, costs will have increased 58 percent next year over those of last year. And the CBO's estimate for next year is 73 percent above the amount currently authorized for fiscal year 1981.

Therefore, the $9.5 billion budget proposal made by USDA for the program next year represents a full 40 percent of the whole Department of Agriculture budget proposal.

Let us talk about lack of nutrition. At the danger of shocking some people or offending some people, let me point out that witnesses from Johns Hopkins University, who were recently testifying before the Senate Agriculture Subcommittee on Nutrition, said that many so-called poor and rural Americans are overweight. Overweight from malnutrition? I do not know what they mean. Are they overweight from not having enough to eat?

These medical doctors, who are nutrition experts, said that the worst problem in American among the rural poor is dealing with this problem of obesity and not undernourishment.

I am not quoting random people. These are medical doctors from Johns Hopkins University who, presumably, know an awful lot about what they are talking about.

I make this point because I am sick and tired about hearing why we need more and more food stamp benefits. Those who advocate liberalizing the availability of food stamps are never willing to make appropriate cuts—and cuts are necessary.

Some will recall my speaking on this floor about the counterculture people in Sebastopol, Calif. They have a considerable amount of cash income which they spend on pot and on other luxuries. But they used their food stamps to buy Perrier water. And the food stamps are being used by I do not know how many of the affluent young to supplement their luxurious lives.

For the past several months we have been working hard in the Senate to get a balanced budget approved. What a shame it is that only 2 days after the budget passed the Senate, with the budget conferees meeting right this minute to get a final agreement, we pass a food stamp bill that totally ignores those budget limits. This is an abuse, and I will not be a part of it.

Your entitlement to food stamps depends upon the level of your income. The level of your income is calculated with certain deductions that you are entitled to make. Dependent care deductions, $38 million; medical care deductions, $30 million; annualization of thrifty—these are increases in the conference report over last year's deductions for these purposes. This means that, along with the annualization of the thrifty food plan and the annualization of deductions, that savings that will not be realized. The total fiscal year 1982 impact will be another $422 million.

The food stamp program, Mr. President, is widely recognized by the voters as being a runaway inflationary program. Not one of them, not one of those who object to the food stamp program, object because of any lack of sympathy for those who are really undernourished, for those who are really hungry.

We are no longer dealing with the really hungry and the really undernourished. We are dealing with a level of population that has gotten itself accustomed to a form of parasitism which we have officially encouraged through not being critical enough in our allocations.

It is our most costly welfare program of all the costly welfare programs we have. I urge my colleagues earnestly to join me in referring this entire program back to conference. I thank the Chair.

Mr. DOLE. Will the Senator yield?

Mr. HELMS. I will be delighted to yield.

Mr. DOLE. I would first like to address a couple of questions to the distinguished chairman of our committee, the Senator from Georgia.

As I understand it, and I do not quarrel with the statements made by my colleague from North Carolina (Mr. HELMS), when this measure as reported by the House Committee on Agriculture the dependent care deduction and other deductions would have been effective in fiscal 1981. But when the bill passed the House and when we finished the conference, through the efforts of the conferees, all of us, the chairman, Chairman FOLEY, and others, they would have no fiscal impact in 1981 and, in fact, it would be 1982. Is that correct?

Mr. TALMADGE. That is correct. The whole thing is a phantom issue. The bill expires next year. Unless the Congress reauthorizes the bill, it would be dead. It would be a nullity. None of these liberalizing provisions take effect until fiscal year 1982. So we are talking about something at the end of a rainbow that does not exist.

Mr. DOLE. That is the point I want to make. I certainly support the objective of the Senator from North Carolina. It is my understanding that we have to do something next year or it is not going to be effective; is that correct?

Mr. TALMADGE. The Senator is entirely correct. Let me make this statement also: The conference report will save, according to the Congressional Budget Office, for fiscal year 1980, $146 million. For the fiscal year 1981, it will save $560 million. And even if the liberalizing provisions go into effect in fiscal year 1982, and they will not go into effect at all unless the Committees on Agriculture of both the House and Senate act affirmatively, and the House acts affirmatively and the Senate acts affirmatively and include these liberalizing provisions, even under those conditions in fiscal year 1982, the conference report will save $326 million.

So what the conferees have brought to the Senate and are asking them to approve saves money in fiscal year 1980, it saves money in fiscal year 1981, and theoretically, it would save money in fiscal year 1982. When we add them all together, it amounts to about $1 billion.

Mr. DOLE. I thank the Senator for yielding. I think the Senator from North Carolina has raised a good point. I hope the record is clear that nothing is going to happen in 1982 unless we do something next year. If that is the case, then I am not going to support the motion to recommit.

It seems to me we are now responding to some of the objections the Senator from North Carolina has been raising for some time by moving in the direction he would like us to go in the food stamp program. I do not have any quarrel with that, but I do believe that we are faced with an emergency. Maybe it is the doing of the U.S. Department of Agriculture. Certainly, they did not do anything to prevent it.

On the other hand, going back to conference at this late date on something that would not have any impact in any event does not seem to this Senator to be necessary. Plus, as I understand, action on this bill will be followed by action on the appropriations bill. It is a special appropriations bill. I guess we could add some legislative language to that bill. Maybe we could put something in the appropriations bill that says notwithstanding anything in this act or any other act it is not effective in fiscal 1982, some way to protect the rights of the Senator from North Carolina and probably 30 or 40 others who share his views. I am willing to pursue that.

Mr. President, the Senator from Kansas supports the Food Stamp Act Amendments of 1980 conference report.

Immediate action on this conference report will end the crisis that millions of Americans are now facing with a threatened cut-off of their food stamps on June 1. The authorization limitations contained in this bill will insure adequate funding for the food stamp program for 1980 and insure benefits to some 21 million recipients in June.

No other social program has altered the American way of life, as well as the diet, more than the food stamp program. Until the early 1960's when the food stamp program was introduced, many poor and elderly went hungry. Today as a result of this program, we have seen evidence of decreases in infant mortality rates due to the food stamp program, decreases in crippling diseases in the low-income, and with the new provision in this bill in providing a separate dependent care deduction, we are now removing a disincentive to keep the ailing and elderly family member in the home. This dependent care deduction will cover not only young children, but the cost of caring for the elderly. This will allow families to choose to keep the grandparents in the home, even though they are ailing, rather than putting them in nursing homes because it was a choice of that or sufficient food for the family. This provision will help protect the nuclear family and its importance to our society.

Mr. President, this conference report contains significant budget savings for both 1980 and 1981. The Congressional Budget Office has estimated that the savings in fiscal year 1980 will be approximately $150 million, with savings for fiscal year 1981 at $550 million. These savings will be achieved through the reduction in fraud, abuse and error through computerization, photo identification, and increased accounting. The major portion of savings will come from replacing the twice a year update for inflation to once a year in computing eligibility and benefits.

RAISING THE CAP

The conference report contains a spending cap of $9.491 billion for fiscal year 1980, which according to all estimates will be sufficient to full benefits for all recipients through the end of the fiscal year. The funding limit set for fiscal year 1981 is $9.7 billion, which may be insufficient.

CHANGES IN AID

In addition to the aid to families with ailing and elderly family members in the home, the conference report contains aid to battered women. Presently, women with children residing in public or private nonprofit shelters cannot receive food stamp aid. Under the provisions of S. 1309, these women will now be able to use their food stamps to purchase meals prepared and served by those shelters. It also permits these persons to be considered for eligibility as individual units (parent/child) rather than considered as part of a single household consisting of all shelter residents. S. 1309 will also exclude from household income any payments or allowances made under any Federal, State, or local law for the purpose of providing energy assistance. This measure will also exempt from valuation as a household resource, for the purpose of assets requirements, any vehicle used to transport a physically disabled household member.

ELIMINATION OF RECOUPMENT

The recoupment provision under the House measure was eliminated from the final report. I believe, Mr. President, that such a provision would have placed the intent of the food stamp program, to assist the needy, in jeopardy even though individuals claimed temporary need. Recoupment of benefits from individuals who earn more than 175 percent of the poverty level is a complex proposal and one in which I believe, and recommended during the conference that the Senate Finance and House Ways and Means Committees take a look at before May 1 of next year.

Mr. President, I would like to commend my distinguished colleague, the chairman of the Agriculture Committee, for his skill in chairing the conference and moving the consideration on the conference quickly so as to meet the May 15 deadline.

Mr. President, the Senator from Kansas believes we have arrived at a good bill for adequate funding of this vital program for 1980; with over a half a billion dollars of savings for 1981. We have reduced error, fraud, abuse, and increased assistance to those households with elderly, disabled, and ailing, as well as those women living in shelters due to domestic violence.

Mr. President, I urge my colleagues to join me in support of this measure.

Mr. President, we did make progress. There were 39 points in dispute, as I understand it. The Senator from North Carolina was there, as were the Senator from Kansas, the Senator from California, the Senator from Georgia, and others. It is the view of this Senator that with one or two minor exceptions we adopted provision after provision saving money. No one quarreled about that. In fact, that was the thrust of the conference under the leadership of the chairman of this committee.

As I view the food stamp program, which may be different from some on this side or the other side of the aisle, it has been a good program. There are abuses and there are faults in the program, as there would be in any program where this many people participated. But on balance it seems to me we are now doing the very things some have suggested. We will make alterations next year. We should tighten up the program. I am committed to do that. I will give my word to the Senator from North Carolina that I will cooperate, if I am here next year.

On that basis, I yield back the remainder of my time.

(Mr. STEWART assumed the chair.)

Mr. HELMS. Mr. President, I would say to the Senator from Kansas, and I may have misheard what he said, that the bill that was passed by the House would take effect in fiscal 1982 instead of 1981. It is a small point but we should be clear.

Mr. DOLE. I think the House-passed bill would have been effective, as I understand it, in fiscal 1981.

Mr. HELMS. I believe it is 1982. It is a small point. Stripping away all of the arguments and assuming that it is correct to say we have another bite at the apple next year, the point of all this is the fact still remains that the Senate and House are putting their imprimatur on these increased costs, which I understand are going to be $422 million. We cannot escape that.

The question is, Are we going to put our imprimatur on that sort of thing? This Senator says "no." It will not take 10 minutes to go back to conference—it would not be an inconvenience to this Senator—to go back to conference and for $422 million I think it would be worth it. You pay your money and you take your choice. I happen to think this program is way out of line, and I think that the majority of the American people who observe the operation of it think it is way out of line.

I think it would be a demonstration of good faith for this Senate to take every precaution not even to puts its imprimatur on additional costs which will balloon the ultimate cost of the program.

Mr. President, I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I commend my distinguished friend from North Carolina for his efforts to correct the abuses in the food stamp program, and also my distinguished friend from California. We have stood shoulder to shoulder in trying to correct the abuses.

Congress can pass laws but Congress cannot administer laws. The abuses take place in the field and in the administration. The conference committee report we have brought to the floor today, which we are asking the Senate to approve, will save $146 million in fiscal year 1980.

It will save $560 million in the fiscal year 1981. It would save, theoretically, if the law continued that long, $326 million in the fiscal year 1982. The only complaint about this conference report that has been offered by any Senator on the floor today is that it did not go far enough in tightening up the law for the fiscal year 1982.

Let me point out, Mr. President, that this law expires on September 30, 1981. So what we are talking about in 1982 is something that will, under the law, not exist. It is a nullity. It is a fight that does not exist.

Next year, one of the first orders of our committee will be to hold hearings, very exhaustive hearings, on the food stamp program. I can assure my friend from California and my friend from North Carolina that we will be standing shoulder to shoulder, trying to tighten up the abuses, the fraud, the waste, and the extravagance in the food stamp program.

As I have pointed out before in my remarks, Congress makes laws but the executive branch of the Government executes laws. The Senator from North Carolina, the Senator from Alabama, the Senator from South Dakota, the Senator from California, and I cannot go out and arrest people who violate the law. We cannot put them in jail. We cannot take them into court. We cannot try them. We cannot sentence them. The execution of the laws has to be handled on the local level, and part of the fraud and abuse that exist at the present time under the food stamp program exists because local people are not properly executing the law that Congress passed.

I think we have been too liberal in some instances. I do not think that the gross income eligibility standards for a family of four ought to be as high as they are under existing law. In my book, they are too high. But I was in the minority. The Senator from North Carolina is in the minority.

We are talking about a law that Congress passed. We are talking about a law that the President approved. As long as it is the law, it is our responsibility as Congressmen and Senators to uphold that law, and it is the responsibility of the people who execute the law to enforce it, clean up the fraud, clean up the abuses, and rid the program of cheaters.

I am ready to yield back my time if the Senator from North Carolina is ready.

Mr. HELMS. Mr. President, I shall yield back my time in one second. I just want to commend the Senator from Georgia for his remarks and I assure him that we will stand shoulder to shoulder in trying to work on the bureaucrats downtown.

As the Senator says, we pass the laws and the bureaucracy executes them, I think the Senator said.

Mr. TALMADGE. That is correct.

Mr. HELMS. In this case, the bureaucracy is executing the taxpayers, that is the problem.

Mr. President, I shall not go into it, but the conduct of the bureaucrats administering this program after the 1977 Act borders on being criminal. I say that with no reservation whatsoever. This is the kind of thing that I want to stop and that I know the Senator from Georgia wants to stop. I assure him that he and I will stand shoulder to shoulder to let those administering the program know that we do not like what they are doing.

I would yield back the remainder of my time, Mr. President, but I have a little problem of a Senator who is coming to the floor. I suggest the absence of a quorum.

Mr. TALMADGE. Will the Senator withhold that until I introduce a table furnished us by the Congressional Budget Office?

Mr. HELMS. Certainly.

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the Record at this point Table 1, CBO Informal Current Services Cost Estimate of S. 1309 as ordered reported by the committee of conference on May 13, 1980.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 1.—CBO INFORMAL CURRENT SERVICES COST ESTIMATE OF S. 1309 AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON MAY 13, 1980

[In millions of dollars]

	Fiscal year—		
	1980	1981	1982
I. Current services (Budget authority)	9, 191	10, 766	11, 963
II. Provisions costed:			
(a) Meals for battered women and children	+2	+2	+2
(b) Expanded dependent care deduction	0	0	+38
(c) Expanded medical care deduction	0	0	+30
(d) Medical deductions, outlying territories	0	+1	+1
(e) Retrospective accounting monthly reporting [1]	0	−63	−150
(f) Annualization of thrifty food plan	−90	−204	+64
(g) Annualization of standard deductions, shelter deductions	−43	−86	0
(h) Poverty guideline updates	−15	−50	−56
(i) Asset restrictions	0	−20	−20
(j) Student participation	0	−50	−55
(k) Fiscal sanctions for error rates	0	−90	−180
Total estimated changes from current services base	−146	−560	[2] −326
Estimated needed budget authority for a current services program	9, 045	10, 206	11, 637
S. 1309 provides authorization for budget authority of	9, 490	9, 739	0

[1] This estimate assumes that all States participate, S. 1309 makes the provisions optional. Further the estimate assumes start-up within 10 mo. following enactment.

[2] The authorizations for appropriations for the food stamp program will expire at the end of fiscal year 1981. Therefore, the estimate shown for fiscal year 1982 will only be applicable if the program is reauthorized.

Mr. TALMADGE. Mr. President, I reserve the remainder of my time and yield to the Senator from North Carolina.

Mr. DOLE. Mr. President, will the Senator from North Carolina yield to me so I may clarify a point I think he made?

Mr. HELMS. Certainly.

Mr. DOLE. As I understand it now, the bill reported by the House committee was effective in fiscal year 1981. I understand that, by amendment on the House floor by Chairman Foley, it was made effective in 1982.

Mr. HELMS. I am advised that that is correct. I thank the Senator.

Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. I yield 2 minutes to our distinguished colleague, the Senator from Iowa (Mr. Jepsen).

Mr. JEPSEN. Mr. President, I respectfully request 4 minutes from the Senator.

Mr. TALMADGE. I yield 4 minutes to the Senator.

Mr. JEPSEN. Mr. President, in 1964, when the Food Stamp Act was passed in order to help poor people in depressed areas across the Nation who suffered from malnutrition, the program served 370,000 persons per month at an annual Federal cost of $30.5 million.

Mr. President, the Congressional Budget Office estimates that the program, unless adjusted, will cost the taxpayers $10.8 billion in fiscal year 1981. By my figures, that is an increase of 3,600 percent since 1964. CBO figures show that there are 21.7 million persons receiving food stamp benefits; that is 1 in every 10 Americans. The Food and Nutrition Service's targeted outreach levels are for a total participation of 27.2 million; that is 1 in every 7 persons in this country.

I do not believe that anyone in Congress wants to see what some in my home State of Iowa are calling a foodless June. We are near completing the complicated set of budgetary maneuvers which are necessary, according to the law, to raise the spending limit on the food stamp program this year so that truly needy individuals will not go without food stamp benefits—even for a day. According to the Iowa Department of Social Services, over 30 percent of those receiving food stamp benefits in Iowa are elderly or disabled. Fifty-one percent of food stamp recipients have an annual gross income of less than $3,600, well under the poverty guidelines. These people need food assistance. Last year, when it appeared that food stamp benefits would run out if additional money were not appropriated, I voted for supplemental funding so that no one would go hungry.

I am concerned, however, with the way the Federal Government has managed the food stamp program. Congress gave the Department of Agriculture definite guidelines to follow to insure that those who are truly dependent on food stamp benefits get them. But the bureaucracy has consistently refused to believe that Congress meant what it said, that there is to be a limit on the food stamp program and that the program was to be efficiently managed within those limits. It can be done.

Mr. President, despite what the Department of Agriculture tells us, the food stamp program is still subject to administrative error, and to fraud and abuse of benefits. A House Government Operations Subcommittee has learned that there are 20,000 cases per month of persons negotiating double food stamp benefits in New York City alone. I recently learned that 55 percent of the population of Puerto Rico receives food stamps. Fifty-five percent of the population of this entire Commonwealth receives food stamps.

Puerto Rico represents nearly 10 percent of the entire food stamp program. Food stamp benefits there are higher than any State in the Union and double the amount received by every State but California and New York. They have the second highest administrative costs and yet still operate the program with the highest rate of recipient fraud of all the States and trusts.

Something is wrong when 55 percent of the population of any State or trust is receiving food stamps, has the second highest administrative costs and the recipient fraud rate is worse than in any other State or trust. Something is wrong when one out of every seven Americans are eligible for food stamps. Something is wrong when a program costs 3,600 percent more than it did just over 15 years ago.

With these facts in mind, I am more than a little concerned when the administration refuses to act according to the intent of the law. The law says that when it is clear that money for full benefit entitlements will not be available for the entire year, a plan must be put in motion to adjust benefits but not to eliminate them and to reduce benefits to those at the higher end of the scale so that those very needy individuals who are dependent upon the program to eat will not go without.

That is where we have some of this bureaucratic blackmail we get right now with the announcement of no food stamps.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TALMADGE. I yield the Senator an additional 2 minutes.

Mr. JEPSEN. I thank the Senator.

We find there is an announcement made, people picketing some of my offices in Iowa, by direction. We have these canned letters, by direction.

I say that on this bureaucratic blackmail, one of these days we will have to find out whether the tail wags the dog, or who is elected to appropriate funds to provide, as we should, for the nutritional diets and the food stamp program. There should not be anyone in our country go hungry, ever. But that does not give people a license to build bureaucracies and to administer programs without any concern for following any of the prudent directions and instructions presented them by Congress.

The administration has done a disservice to the poor of this country by forcing a situation where benefits could be discontinued totally for a few days to a couple of weeks when the law clearly states that in such a situation, there should only be a benefit reduction to those at the least needy end of the scale.

I am sorry that they have chosen to administer the program in this manner, and I would hope that, if the situation ever rises again, they will work within the clear framework of the law instead of emotionally inciting recipients by telling them they will go hungry.

It is obvious that the food stamp program needs some tightening up and I will support proposals to do this so that we can avoid this type of situation in the future. The need for a balanced and nutritional diet for some very poor Americans does not give the Department of Agriculture license to use promotional outreach campaigns to bring so many people into the program that 1 in 7 people in the United States become dependent upon it. I remain hopeful that Congress will be able to act on the extra money for the program before it might have to be temporarily discontinued. No one wants a foodless June.

I thank the Chair.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum and I ask unanimous consent it be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I ask that the motion to recommit be rejected by the Senate, and I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to recommit. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from North Carolina (Mr. MORGAN), and the Senator from Nevada (Mr. CANNON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Rhode Island (Mr. PELL) would each vote "nay."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 29, nays 61, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—29

Armstrong
Bellmon
Boren
Boschwitz
Byrd, Harry F., Jr.
Cochran
Domenici
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Johnston
Laxalt
Lugar
McClure
Proxmire
Pryor
Schmitt
Schweiker
Simpson
Stewart
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—61

Baker
Baucus
Bayh
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cohen
Culver
Danforth
DeConcini
Dole
Durenberger
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heinz
Huddleston
Jackson
Javits
Jepsen
Kassebaum
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Randolph
Riegle
Roth
Sarbanes
Sasser
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Tsongas
Weicker
Williams
Young

NOT VOTING—9

Cannon
Cranston
Durkin
Humphrey
Inouye
Kennedy
Morgan
Pell
Ribicoff

So the motion to recommit the conference report was rejected.

Mr. JEPSEN. Mr. President, I do not want my vote in opposition to recommitting S. 1309 to conference committee to be misunderstood. I agree with the intent behind Senator HELM's motion, that is, language pertaining to the program in 1982 should not be used as a reason to expand the food stamp program. Instead, it should be tightened up when Congress reauthorizes it next year. However, I disagree with the timing. The proposal now would only serve to delay the Congress actions on the supplemental appropriations for the food stamp program when there is a possibility that funds could be cut off tomorrow if we delay. As I stated before, no one wants a foodless June.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the next rollcall vote which is going to occur immediately be limited to 10 minutes.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, we are not agreeable to a 10-minute rollcall vote on the next vote, but I advise the majority leader that I have no objection to limiting rollcall votes to 10 minutes on votes following then after that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY) is necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted who desires to do so?

The result was announced—yeas 65, nays 25, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—65

Baker
Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee

Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Durenberger
Eagleton
Ford
Glenn
Goldwater
Gravel
Hart
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Jepsen
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—25

Armstrong
Bellmon
Byrd,
 Harry F., Jr.
Domenici
Exon
Garn
Hatch
Hayakawa
Helms
Hollings
Johnston
Kassebaum
Laxalt
Lugar
McClure
Proxmire
Schmitt
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—9

Cannon
Cranston
Durkin
Humphrey
Inouye
Kennedy
Morgan
Pell
Ribicoff

So the conference report was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECLARATION OF A NATIONAL EMERGENCY ON NOVEMBER 14, 1979

Mr. MATHIAS. Mr. President, 6 months have passed since President Carter's declaration of a national emergency on November 14, 1979. His declaration was made under the authority of the National Emergencies Act, which evolved out of the investigation of past national emergencies by the Senate Select Committee on National Emergencies and Delegated Emergency Powers.

The National Emergencies Act which became effective September 14, 1978, suspended various extraordinary powers and authorities exercised by the President by virtue of several existing states of national emergencies whose justification had long since passed into history. In addition, that far-reaching act established authority for the declaration of future emergencies in a way that defines their use and insures regular and orderly congressional review. One such review mandated by the act is congressional consideration, 6 months after a proclamation, whether a state of national emergency should be terminated.

As we are all too painfully aware, the current state of emergency was brought on by the illegal seizure of the U.S. Embassy in Tehran and the taking of U.S. personnel as hostages. These despicable actions instigated or countenanced by the Iranian authorities violate international law and legal norms of conduct governing relations between nations of the world community. They have been widely condemned both by the international community and its judicial arm, the International Court of Justice.

The President's November 14, 1979 and more recent April 17, 1980 actions in this connection had a two-fold purpose. They were intended to signal to the Iranian authorities in a meaningful but nonbelligerent way the seriousness with which we regarded their lawless behavior. They were also intended to block withdrawal of official Iranian funds from U.S. banks and their foreign branches and subsidiaries in order to protect claims on Iran by the United States and its citizens.

All indications are that these Presidential initiatives enjoy widespread backing in Congress and the country at large. In these circumstances it would have been easy for Congress to close its eyes to its responsibilities under that National Emergencies Act and to have marked the 6-month review period by following the path of least resistance.

I am happy to report that the rule of law has prevailed and that the Congress has not fallen into old habits of calculated or quiet indifference. The Senate Foreign Relations Committee has carefully examined the question and has concluded that no cause exists for consideration of a resolution to terminate the current state of emergency. The committee has formally conveyed its decision to the President and the leadership of the Senate.

An important precedent is being established and it is useful to note it carefully and publish it widely. It has my honor to serve with the Senator from Idaho (Mr. CHURCH) as cochairman of the select committee and I feel a continuing responsibility to insure that the law is strictly observed.

Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. HOLLINGS. Mr. President, I am prepared to make the motion for the waiver with respect to food stamps. At the conclusion of these remarks, I will make that motion on behalf of the Budget Committee to waive the application of section 311 of the Budget Act to House Joint Resolution 545, the emergency food stamp supplemental bill. I will do so very reluctantly, and only because circumstances compel this action.

The Budget Act has been waived only twice in its 5-year history. I would not move to waive any provision of the Budget Act now if it involved a violation of the integrity of the budget process or would result in a breach of the budget Congress will adopt for 1980.

Unless the application of section 311 is waived, this emergency supplemental bill for food stamp benefits is subject to a Budget Act point of order. That is because the spending ceilings Congress agreed to last fall for 1980 have been exceeded by events beyond congressional control.

We are all familiar with the events since last fall which have increased budget costs. These factors required both Houses of the Congress within the last week to vote to increase the budget totals agreed to last fall, in order to compensate for these unforeseen, uncontrollable, and changed conditions. I want to remind you of a few of them now.

First, interest rates have shot up to unprecedented levels, as a result of the policies adopted by the Federal Reserve after each House had already adopted its budget last fall. Interest in the Federal budget is now estimated to be over $65 billion—$7 billion more than was budgeted for in the fall.

These high interest rates caused a delay in $2 billion worth of sales of federally held mortgages from 1980 to 1981, to avoid unnecessary losses from those sales. The $2 billion in proceeds from those sales would have reduced budget auhority and outlays equally in 1980. Because of the delay, the 1980 budget has increased by $2 billion instead.

Second, American diplomats and marines have been taken hostage in Iran and remain in captivity, and the Soviet Union has invaded Afghanistan.

In light of these international events, the President's defense requests for fiscal 1980 have increased by $4.1 billion in outlays. In addition, an accounting change affecting foreign arms sales will increase budget totals by $1.2 billion in outlays, even though that change involves no new Federal spending at all.

Third, in response to the invasion of Afghanistan, the President imposed an embargo on U.S. grain sales to the Soviet Union. To shield American farmers from the effects, the President followed up with unilateral action to support domestic grain prices.

These agricultural initiatives and other re-estimates of the cost of existing agriculture programs will add $3.4 billion to the amounts assumed in the fiscal 1980 budget.

Fourth, a nearly 4 percentage point addition to the inflation rate since last July when we marked up the 1980 budget resolution has added an additional $1.5 billion to the budget estimates for programs like social security which are indexed to the rate of inflation.

These four developments, unforeseen and uncontrollable by Congress, have added a total of more than $19 billion in outlays to Federal spending for fiscal 1980. All this happened without the enactment of a single spending bill by the Congress.

In light of these factors, both Houses have voted to increase the spending totals for 1980 in order that the Government can continue to function. Without an increase in the spending totals, many essential needs will not be met.

The title XX conference report upon which State governments and millions of Americans depend for social services cannot be enacted.

Trade adjustment assistance benefits will be denied to millions of workers now thrown into unemployment.

Black lung benefits will be cut off.

Urgently needed defense supplemental spending cannot be enacted.

The space shuttle program will be delayed, unacceptably endangering the success of missions important to our national security.

And of course the food stamp program would run out of money in early June, leaving 21 million Americans without nutrition benefits for the rest of the year.

Revisions in the 1980 budget have been passed by both the House and Senate. Both the House and Senate budget resolutions include provisions for continuing the food stamp program in 1980.

The overall spending totals for all Federal programs in the House resolution, however, are more than $5 billion higher than in the Senate resolution. That major difference is now the subject of the House-Senate budget conference.

That budget conference met all day yesterday until late last evening and is meeting again today and into tonight to negotiate the differences between the two resolutions.

As the press reported this morning, the Senate is fighting in that budget conference to reduce the spending totals in the House resolution.

The exact allocation the conference will agree on for food stamps is not yet clear, just as the final version of this appropriation for the food stamp program has not yet been determined. Everyone should understand one thing, though. If the budget conference decides—and the House has a lower figure than the $3 billion amount here, than the Senate figure—on a lower spending allocation for the food stamp program than the Appropriations Committees finally agreed to in the food stamp conference, some other supplemental appropriation will simply have to be reduced.

We do not intend to give a blank check in the budget for every supplemental spending bill.

The budget revisions of both Houses assume a supplemental food stamp bill on the order of $2.4 to $3 billion will be enacted so this nutrition program can stay in operation. The exact size of the spending will not be known until after the appropriations conference. The exact amount of room the budget will contain for that appropriation will depend on what we do in the conference on the budget. Any excess in the food stamp spending bill compared to the budget resolution will mean a reduction in other programs.

As most Members know, I have my own reservations about the growth in the food stamp program. The reforms contained in the new Agriculture Committee food stamp bill which the Senate has just adopted will reduce some of the unwarranted costs in the program, such as food stamps for well-to-do college students. But I think continuing oversight and additional reforms are necessary to assure that the food stamp benefits are targeted to those who really need the help.

Under all these circumstances, the Budget Committee will not oppose a waiver of the now-obsolete spending limitations in the second budget resolution for this emergency food stamp bill. To do so would frustrate the food stamp program and would ignore the budget revisions for 1980 which have already passed both Houses. Those revisions assume an increase in the food stamp program budget.

As I said, I regret such a waiver is necessary. I wish we had had time to finish the conference with the House on the 1980 budget revisions before the food stamp bill had to be considered.

A number of factors have delayed completion of the 1980 budget revisions. For one thing, the full extent of some increased costs, like social security and defense outlays, did not become known until after the President revised his own January budget in March of this year. Then the longest debate we have ever had in the Senate on the budget resolution delayed us several days further in getting to conference.

So now we confront the fact that unless we act today, millions of Americans may face a delay in their food stamp benefits for June, with great hardship to their families.

Both Houses have already approved an increase in the food stamp program in their budget resolution revisions for 1980. The conference on that resolution will surely agree to a significant revision in the food stamp program. So it does not serve any Budget Act purpose to delay the June food stamp benefits while the budget conference completes action on all the remaining disputed budget items, including the entire 1981 budget. Both Houses, in their budget resolutions, clearly intended that the food stamp program should be continued.

It is for these reasons that I move waiver of the application of the Budget Act to this appropriation. This waiver is not a precedent for any future action. It is based on the unique facts of this case. Both Houses have already approved substantial increases in the budget for the food stamp program in their already-passed budget resolutions.

The conference is going to agree to such revisions but has not had time to finish its work. To raise the point of order would serve no Budget Act purpose but would threaten severe hardship for millions of needy Americans.

Therefore, pursuant to section 904(b) of the Congressional Budget Act of 1974, and in light of the action already taken by both Houses to revise the 1980 congressional budget including provisions to accommodate increased food stamp costs, I move that section 311(a) of the Congressional Budget Act of 1974 be waived for the purpose of considering House Joint Resolution 545, a joint resolution making an urgent appropriation for the food stamp program for the fiscal year 1980.

The PRESIDING OFFICER (Mr. TSONGAS). The motion will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) moves as follows: That section 311 (a) of the Congressional Budget Act of 1974 be waived for the purpose of considering H.J. Res. 545.

Mr. HOLLINGS. Mr. President, I yield to the Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. Mr. President, I join the distinguished chairman of the Budget Committee in recommending waiver of section 311 of the Budget Act so that the urgent supplemental appropriation for the food stamp program can be considered by the Senate.

I support this waiver with considerable misgivings, Mr. President. Section 904 of the Budget Act which authorizes this waiver is a step which should be taken only as a last resort to avoid stopping a spending bill for which delay will work an intolerable hardship. I would point out that section 904 has been invoked only twice before in the 6-year history of the Budget Act. I reluctantly concluded that we are facing an intolerable situation relative to the food stamp program.

I would like to remind the Senate, however, Mr. President, that the fact that the food stamp program is about to run out of money is not the fault of the budget process.

Last fall when Congress approved the second budget resolution for fiscal year 1980, it reserved $8.1 billion for the food stamp program. That is $1.9 billion more than has been appropriated for the program so far this year.

I want to make that point again, Mr. President. The budget includes $1.9 billion that has not yet been appropriated. So we are not out of money because of any failure of the budget to take into account the legitimate needs of this program.

If Members ask why was not the additional money provided, the reason was the authorization bill which the Senate approved only a few minutes ago was held up on the House side because apparently the leadership of the House was afraid of what might happen to that bill when it was taken to the floor. The bill was not taken to the floor until after the House had approved its revised budget resolution for fiscal year 1980, only a few days ago.

So, Mr. President, the situation we now face on food stamp funding was not a result of any inadequacy or failure of the budget process.

I also want to comment briefly, Mr. President, on the performance of the Department of Agriculture regarding cost estimates of the food stamp program.

Earlier today I placed in the RECORD a chart showing a history of the costs in the food stamp program. Later today I intend to offer an amendment to this bill making clear that the USDA will be required to live within the appropriation this bill provides for the rest of fiscal year 1980. At that time I will talk some more about the recent changes in cost estimates of the food stamp program. But for now, Mr. President, let me just say that I believe the USDA has been careless and unreliable in its cost estimating work. We have had a new set of numbers, always higher numbers, month after month. At least some of the responsibility for the urgency in which we find ourselves must be placed squarely on the inability or the unwillingness of the USDA to give the Congress timely and accurate information.

In conclusion, Mr. President, I support the waiver which has been introduced by the distinguished Senator from South Carolina. I do so with the understanding that we have a highly unusual problem and that the action we are taking today is not a precedent to be followed frequently in the future. If the Senate ever gets to the point that it sets aside the Budget Act frequently, it will have mortally wounded the budget process and, in my opinion, that would be a death blow to the newly found fiscal discipline which we are experiencing this year in the Senate.

I thank my friend for yielding.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. ARMSTRONG. I would like to inquire of the distinguished chairman and the distinguished Republican on the Budget Committee about their plans for the future. It is my understanding that by granting this waiver we will permit the Senate to proceed immediately to the consideration of a $3 billion supplemental appropriation and if enacted that would give us a total of $9.2 billion for food stamps during fiscal year 1980. Am I correct in those numbers? Is $9.2 billion the correct number?

Mr. HOLLINGS. The Senator is correct.

Mr. ARMSTRONG. My question is this: Is the expectation of the chairman that $9.2 billion will be sufficient to pay the cost of the food stamp program for the balance of the year, or is it likely or possible that we may face yet another budget resolution or another budget waiver or an additional supplemental prior to the end of the year? Is $9.2 billion contemplated as the final total cost of this program for 1980?

Mr. HOLLINGS. That is the Senator's hope and mine. I know it would be $9.2 with the $100 million in the bill just passed.

This is the best estimate of the Agriculture and the Appropriations Committees. At this particular point we just have no way in the world of telling. We are arguing for a lower figure in the budget conference right now, but I do not want to be devious and I cannot guess what food stamps will amount to.

Mr. BELLMON. If the Senator will yield, I would like to call the attention of the Senator from Colorado to a letter which is on his desk and also a copy of an amendment which I intend to introduce as soon as it is in order. The text of the amendment reads:

> *Provided further*, That is is the sense of Congress that no further appropriations will be made for the food stamp program in fiscal year 1980. The sum provided herein substantially exceeds previous estimates of program needs and fully utilizes projections of budget authority and outlays remaining within the congressional budget's ceiling for this purpose. The Secretary of Agriculture is therefore directed to utilize those procedures authorized in section 18 of the Food Stamp Act of 1977, as amended, to asure that program costs do not exceed available funds and to avoid unnecessary disruptions or substantial reductions in benefits under the program.

What we are saying is to run the program with the amount of money we provide and do not come to the last of August or September and say the program is about to run out of money.

Mr. ARMSTRONG. I appreciate that word of explanation. I associate myself with the course of action recommended by the Senator from Oklahoma. But I assume that the section of the Food Stamp Act he references is that section known as the Lugar amendment. The Lugar amendment adopted by the Congress last year provides what the Senator suggested, that is, that the Secretary of Agriculture adjust the eligibility requirements of the food stamp program at the high end so as to tailor the total cost of the program to the money which had then been authorized and appropriated by Congress.

The Secretary of Agriculture did not choose to do that. He was encouraged to ignore the Lugar amendment by various Members of the Senate, Members of the House, and by report language adopted by various committees. I am very happy to have this expression from the Senator from Oklahoma. I want to be unequivocally on the record that I for one, as one Member of this body, do in fact expect the Secretary of Agriculture to follow the mandates of the Lugar amendment and the mandate of the Bellmon amendment, if, in fact, it is adopted by the Senate. This program is out of control. It is a travesty of good planning. It is an affront, in my opinion, to the taxpayers of the United States. It literally amounts to middle-income families being asked to pay taxes to support people who are already better off than they are in many, many instances.

We have been through a litany here, on the floor and in the Budget Committee conference, on the abuses of this program. It is a classic example of a program predicated on a noble idea which has run completely out of control.

I do not think I need to say more. I think Senators are well aware of that. I just want to make the record that there is a growing sentiment in this body to draw the line and be sure that we are taking care of the needs of the truly hungry, but then to put a stop to the astronomical increases in the costs of this program which, in my view, cannot and should not be supported.

Mr. BAKER. Mr. President, will the Senator yield to me for just a moment?

Mr. HOLLINGS. I yield, Mr. President.

Mr. BAKER. Mr. President, I take this opportunity to commend the distinguished Senator from Colorado for his statement, with which I entirely agree. I commend the Senator from Oklahoma for offering this amendment. I hope that the Secretary of Agriculture and the administration will take full account of the description that has been made of this program.

It is a humane program, it is a necessary program, and it is well motivated. But this program is being administered in a shameful way. It is shameful to me that the Secretary of Agriculture would completely ignore the clear, stated, statutory intent of the Congress of the United States. I hope someone will note these words and note that, for the part of the Senator from Tennessee, I shall do everything in my power to see that that bit of statute law is compiled with if it is reiterated here, as indeed I hope it will be with the Bellmon amendment.

Mr. McCLURE. Mr. President, will the Senator yield to me?

Mr. HOLLINGS. Yes, I yield.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on the motion to adopt the budget waiver.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. I thank the Chair.

Mr. President, if I recall correctly, it was on Monday of this week that we completed action on the budget resolution, including the first concurrent budget resolution for 1981 and the second concurrent budget resolution for the 1980 budget.

If I recall correctly, the figure in that budget resolution for this program included a supplemental for 1980 of $2.4 billion. Am I correct?

Mr. HOLLINGS. That is correct.

Mr. McCLURE. Mr. President, this is another one of the very difficult decisions that various Members may, from time to time, have to make. The reason I asked that question is I think it is appropriate for the American people to note that the Senate of the United States, on Monday of this week, took action in which they promised a balanced budget, generated favorable headlines in newspapers all across the country on Tuesday morning, and, on Tuesday afternoon, the Appropriations Committee started to unbalance it by violating the resolution which this body had adopted the day before. That is irrefutable fact.

I agree with the Senator from Colorado with respect to the abuses in this program. I commend the Senator from Tennessee for his remarks. I applaud the Senator from Oklahoma for his attempt to adopt again language which has, in the past, proven cosmetic only.

But I say to the Senator from Tennessee that it is not simply the Secretary of Agriculture who is at fault. The Congress of the United States is at fault. This program is not uncontrollable save we do not dare control it. The political implications of trying to tighten up on a program of this kind have proven to be greater than the capacity of this body to confront.

The result is that, on Monday, we take one action; on Tuesday we take another action; on Wednesday, we take another action; next week, we shall take another action, and the hope for the balanced budget goes down in flames.

I am mindful of the difficulty the managers of the Committee on the Budget have in trying to come forward with this budget waiver today. I agree with them that the waiver is, perhaps, a better way than simply ignoring it. But, first of all, Mr. President, May 15 is an illusory date. It is a date which the Secretary of Agriculture has indicated that he would like to meet.

That does not mean we have to meet it. It does not mean that food stamps will not be available in programs prior to the 1st of June. There is enough money to run this program into the month of June. We do not have to legislate today against this deadline of May 15. That is purely an arbitrary deadline designed to make it more difficult for us to legislate in a more orderly manner.

I can understand that the Senator from South Carolina and the Senator from Oklahoma did not make that date. They did not make that situation. They are confronted with it.

Yesterday, Mr. President, in the Appropriations Committee, as we were debating the question of the supplemental, the Senator from North Dakota (Mr. YOUNG) offered an amendment which would have said that none of the funds expended under the supplemental could be used to provide food stamps to anyone who had a net worth of $75,000 in addition to his home.

Mr. President, there are a lot of working men and women in this country. You go tell that to a guy who is working in a factory—living in a trailer home, who has no assets, he has no home, he rents—that he has to pay taxes to pay money to people who own their own home and have $75,000 worth of assets in addition to it. And that very, very generous amendment was defeated.

The Senator from North Dakota withdrew it. The Senator from Arizona (Mr. DECONCINI) then offered it, and it was threatened to be filibustered, and it was withdrawn because of the threatened filibuster in the committee.

Mr. President, if we cannot come to grips with this program by saying hard-working men and women of this country cannot be required to pay welfare to people who are better off than they are, than they themselves are, no wonder the American people rebel. I, for one, will vote against this budget waiver and I hope that others also will vote against the budget waiver. And, perhaps, if the budget waiver is defeated, then the responsible authorizing and appropriating committees can, in the next week, come to grips with the problem in a way that will yield some relief to the taxpayers of this country, to the people who work, pay their own way, do their own bit to provide for themselves, without detracting from our ability to provide humanitarian relief, food relief and other welfare relief to those people who cannot do for themselves.

Mr. President, if there is one message that comes through to me from my constituents when I visit at home, it is that the hard-working men and women of this country are tired of paying taxes to support programs that the political institutions of this country do not have the courage to control. That is exactly what we are doing here this afternoon.

I thank the Senator for yielding.

Mr. ARMSTRONG. Would the Senator yield to me for a moment?

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield time to the Senator from Colorado.

Mr. ARMSTRONG. I thank the Senator for yielding.

Mr. President, I want to pursue a point made a moment ago by the distinguished Senator from Idaho. I do so with full recognition of what happens to the bearer of bad news. He recounted the sequence of events of last week by which Congress first said we were going to balance the budget and then progressively took steps to unbalance the budget. I just want to report what has happened since he tuned in last. I say to the Senator that he left off the story at what happened in this Chamber yesterday. I would like to report to him what has happened in the last 30 hours or so in the conference on the budget.

The Senator may remember that we sent to conference an increase in spending for fiscal 1980 of some $22 billion—that is, a third concurrent resolution on the budget—some $22 billion above the level which, last December, we set and which was set after a representation by the then chairman of the Budget Committee that there would be no third concurrent budget resolution and, in fact, after Members and the world were warned that we would not tolerate further increases. In fact, we were told in solemn terms that every committee and every Member had better realize that we were not going above $547 billion. A week ago, we did go above it by $22 billion.

What happened yesterday and today is that so far, in the first half dozen functions for 1980, we have added another $6 billion above the $22 billion, above the $547 billion.

That brings, by my calculation, the deficit—if, in fact, the conference reports such a measure—to a total of $43 billion for fiscal year 1980. In addition, if the court sustains the lower court action on the oil import fee, as I personally hope they will, that will knock off another $3 billion, raising the deficit for this year to $46 billion.

I mention this, not because it bears directly on this question of this budget waiver, but because I hope Senators will speak to the conferees and urge them to come to their senses, because for a conference of this body to go to conference with the House and agree to that kind of spending increases for 1980, when our economy is unraveling at every corner, suggests to me that the conferees have lost touch with the economic realities of our country.

I do not believe that if we submitted such a report to a nationwide referendum it would be defeated by less than 4 or 5 to 1.

I have put my fellow conferees on notice that if they bring it back to this body, there is every likelihood it will be defeated.

But, rather than that, it seems to me the responsible thing to do would be for some Senators, not conferees, to let those conferees know how they feel and whether or not they are prepared to support increases of that magnitude for 1980.

I am also concerned about what that kind of attitude bodes for 1981.

As I understand it, we are just on the verge of starting our conference with the House on 1981, and I will undertake to keep Senators informed on that as we make further progress.

Mr. EXON addressed the Chair.

Mr. HOLLINGS. I yield to the Senator from Nebraska.

Mr. EXON. I thank my friend from South Carolina and I thank the Chair.

Mr. President, I associate myself with the excellent remarks made on the budget waiver introduced by the Senator from South Carolina, commented on by the Senator from Oklahoma, further commented on by the Senator from Colorado, further commented on by the Senator from Tennessee, further commented on by the Senator from Idaho, all good remarks. I share the concerns that have been expressed by all.

I say that I feel that the Secretary of Agriculture certainly is the one primarily at fault as we face this situation for finishing out the food stamp expenditures for the rest of this year.

If I understand it correctly, the budget waiver we have referred to has little or nothing to do, however, with the 1981 budget that we passed.

If we accept the waiver that has been introduced by the Senator from South Carolina, backed by the Senator from Oklahoma, in essence, what we will be doing is simply providing the additional $3 billion which is necessary by estimates to maintain the food stamp program for the rest of this year.

I think it is important we do not mix it up with fiscal 1981.

It is true we will be raising the deficit for 1980, but I do not think, as I understand it, it has anything directly to do with balancing the budget in 1981.

I also say, Mr. President, that as much as I am against poor fiscal management, and I think that is what we have here with the money running out in the food stamp program, despite the fact that the Lugar amendment probably could and should have been used, I would like to hope we might begin to address ourselves as to how we will make sure things like this do not happen in the future.

Some of us on the floor have had a great deal more experience at this than I. I am wondering if it is possible, not this year, but in 1981, for example, to say that whatever amount of money we appropriate for the food stamp program, that the Secretary of Agriculture is specifically directed by the Congress that at the end of January, if the expenditures for the first month of the year, or whatever, the fiscal year basis, of course, would be October, but for the first year for which the money is appropriated, the Secretary of Agriculture would be required by the Congress to make a computation, and if more than one-twelfth of the money expended for the first month has run over the appropriate figure, could we not direct him to reduce, direct him by law to reduce, the payout for the food stamp program for the next month, and reduce it further on down the line?

Perhaps I am asking that as a question of my colleagues to see if it might work.

I also say, as much as I am concerned, Mr. President, about the increased appropriation that is needed, I am going to support the waiver because I do not believe we can afford, as individuals, to say to the many people in this country that rely on food stamps, many of them for their only source of food, that we will not give them that money because the Secretary of Agriculture or someone else fouled up.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired. There are 25 minutes remaining to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I will yield to the Senator from South Carolina in a moment. But I would like to make a comment before that.

Mr. President, to keep the record straight we probably ought to review what happened on the food stamp appropriation bill last fall.

The fact of it was that at that time the authorizing level was at $6.2 billion, and that is as far as we could go in providing money for the food stamp program.

Most of us, in fact I suppose everyone on that committee and in the conference, knew that was not enough. We knew the program could not realistically be operated for a full 12-month period with $6.2 billion. We knew we would have to provide more in the spring supplemental.

So this is not an unexpected situation. We have been waiting for the authorization bill to pass.

We appropriated clear up to the level that had been authorized at that time. So this situation should not happen again.

Mr. President, in connection with the comments made by the distinguished Senator from Nebraska, the language which I discussed earlier, of an amendment I propose to offer when it is appropriate, should help take care of the problems as far as the balance of fiscal year 1980 is concerned.

I am a member of the Appropriations Committee. It is my intention to offer similar language on the 1981 appropriations bill to make it stronger, if we can figure a way to do it.

I say to the Senator from Colorado, the fact that the Lugar amendment was not followed in 1980 may be because it was plainly impossible to operate the program at the low level which was provided last year.

But we will provide a realistic level this year, since it is more realistic, and by putting this language in the appropriation bill I feel we will get the compliance of the Secretary of Agriculture.

So I hope we are making some progress in trying to bring it under control.

I yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank my distinguished colleague from Oklahoma, Mr. President.

One of the Senators said that time and again and every day it changes. There is no question that the Federal budget changes within the day.

Specifically, in marking up our budget now, we find that the Finance Committee has met and voted down the excise fee on imported oil.

If that is the case, we have lost $3.4 billion that was counted on in the 1980 budget that we are in conference on at this moment, and we will have to balance the budget without an import fee for 1981.

Additionally, I am told by the distinguished chairman of the Finance Committee that there is very little opportunity of passing a withholding tax on dividends and interest.

I happen to believe that we should not pass one.

That would be another $4.3 billion, and the food stamp bill itself is hit.

Talking about the changes from Monday to Wednesday here we assumed Monday night during debate on the budget resolution that we would save $1.4 billion in the food stamp program in 1981, and the reform bill comes to the floor and saves only about $525 million. So, already, we are $900 million shy.

I sympathize with what the Senator from Idaho and others are pointing out and emphasizing. I especially identify with the adulteration of the food stamp program and my misgivings about it.

I hate to see the hungry poor being exploited, for a program that should cover around 6 million to 8 million, at best, but that now will have, in the coming year, some 23 million participants.

There are several reasons for the soaring figures. One, when we did away with the cash requirement, more started coming in. Then, as they came in to qualify for low income energy assistance, they were told, "By the way, you aren't on the food stamp rolls. You better get on that and get eligible for that, too." That has been sending the program up through the ceiling.

Let us find a way to control it, and not just depend on the Lugar amendment.

The Secretary of Agriculture has promulgated regulations which state:

> In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under section 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over * * *

It says, "may." It does not say "do that." He may also give "minimum allotments after any reductions are otherwise determined under this section."

So there is a lot of permissive language.

With regard to the amendment of the Senator from Oklahoma, I hope we can do more than say it is just the sense of Congress. If the distinguished Senator will bear with me, I want to be a cosponsor, but what I want to do is to give specific instructions to the Secretary of Agriculture so that he will know the policy of Congress. He could say, "I had every reason to believe this. I talked to the leaders over there; I talked to the Appropriations Committee; I talked to the others on the House side; I talked to the others in Agriculture; and they said, 'Of course we're going to pay.' "

I hope we will get a majority by being categorical, by being specific, and not leaving it to discretion—by giving specific instructions, either by cutting off the funds or, as the Senator from Oklahoma intends, stating that there shall be no further appropriations. Then, upon the enactment of this provision, the Secretary will start implementing those regulations.

I would rather it say that it is required of the Secretary, so that he knows his duty and so that we will not blame the Secretary and the system if it is not carried out.

We did agree on Monday night, I say to the distinguished Senator from Idaho, but that did not bind the Appropriations Committee.

The distinguished Senator from Washington acts with his priorities and with his conscience and with his feelings, and the majority within the Committee on Appropriations also act; so it is not necessarily bad faith. We give them a figure; and if we want more given, give them more, and do not say it is a breach of faith. We actually did it on Monday, and we are busting the budget on Wednesday.

I want to hold to those figures, but let us be more specific in the language and in the directions.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. BELLMON. How much time does the Senator desire?

Mr. ARMSTRONG. I just want to ask a question.

Mr. BELLMON. I yield.

Mr. ARMSTRONG. I completely endorse the discussion of the chairman, and I agree with what he has said.

Of course, the crucial issue then becomes this: at what level we set the spending. The bill in its present form suggests an additional $3 billion, which is well above the mark established 72 hours ago by the Senate.

What I am wondering is this: Is the chairman suggesting that we amend the bill to conform to that mark and then to provide the language of the Bellmon amendment as a discipline on the process?

Mr. HOLLINGS. For starters, I think it should be a policy, if it is going to have support. I would make it the Bellmon language at this point, for the remainder of this fiscal year.

There is a fundamental question involved. Should we tax the family making $15,000 and $18,000—middle America—should we tax them to send three meals a day to the family of four making $10,000? We have a categorical cutoff on income.

Mr. ARMSTRONG. We are in agreement on that.

But the Senator's point, as I understood it, was that under the language of the Bellmon amendment, we would be making it clear that if the Department saw that the program was about to exceed the appropriated amounts——

Mr. HOLLINGS. And they are beginning to rumor that now.

Mr. ARMSTRONG (continuing). Restraint would be exercised.

Mr. HOLLINGS. Right.

Mr. ARMSTRONG. I am only suggesting to the Senator that that admission only becomes meaningful if we set the spending ceiling at the level which will impose some discipline.

Mr. HOLLINGS. That is what the Senator from Oklahoma is doing. He is fixing that ceiling, and I just fix it more categorically and specifically. Rather than saying that it is the sense of Congress, I think it should say that no sum shall be provided——

Mr. ARMSTRONG. This is what the Senator has not come to grips with: The bill calls for an additional appropriation of more than $3 billion, which exceeds the amount presently estimated by the Department to be necessary.

Mr. HOLLINGS. The House figure is $2.6 billion, and we compromised that down below.

Mr. ARMSTRONG. How about if we took the House figure of $2.6 billion? That would then place the House and the Senate in agreement, and it would provide the amount which the administration now estimates would be necessary to run the program for the remainder of the year.

Mr. HOLLINGS. I refer that to the chairman of the Appropriations Committee.

Mr. MAGNUSON. Mr. President, these are the figures we have: The amount enacted to date is $6.188 billion. The President's January request was $2.556 billion. That is the House figure. The President's March revised budget request was $2.791 billion.

We asked CBO to give us an estimate, and they estimated $3.002 billion. The latest figures from the Agriculture Department, in May indicate that they need from $3 billion to $3.3 billion.

So the committee figure represents an increase over the President's January request, and the House figure, of approximately $480 million.

Mr. ARMSTRONG. Will the chairman say again the number that the administration has requested?

Mr. MAGNUSON. In January, the administration requested $2.556 billion.

Mr. ARMSTRONG. And in March?

Mr. MAGNUSON. In March, they requested $2.791 billion.

Mr. ARMSTRONG. Since the purpose of the Bellmon amendment is to hold the administration accountable for their administration of the program within what they say is necessary, would we not be wise to grant the amount which the administration has requested and not some higher amount?

Mr. MAGNUSON. We are dealing with a difference of approximately $200 million. The committee recommended $3 billion, which is the latest figure we have from the Congressional Budget Office.

I agree with what the Senator from Oklahoma is trying to accomplish, to put a cap on this, because the cost has gone up and up. We figured that the $3 billion amount would be enough to take care of the program for this fiscal year so that we would not have to have another supplemental.

This is only for 1980; 1981 is another story. The food stamp program expires in 1981; and that is when the Congress can make all of the amendments we wish in order to change the eligibility standard, or whatever else you desire, from what it is now. The Senator from North Dakota had a good amendment. But such amendments to the basic operation of the program should wait until we take up the matter of changing the whole program next year. I may very well vote for many changes at that time.

The only thing the Appropriations Committee had to go on is the CBO estimate of $3 billion. The President has not sent up any further request, and the Agriculture Department has informally said in May—this is a week ago—that they wanted $3 billion.

I just want to put the figures straight.

Mr. ARMSTRONG. I think the Senator has done that.

The bottom line is this: For the Senate to adopt the bill in its present form is to literally appropriate more than the administration has requested. I do not see how we can square that with discipline. I think it would be well, if we want to adopt the spirit of the Bellmon amendment and conform to all we are saying and reform the program next year, that the highest number the Senate should adopt would be the highest number which has been requested by the administration, not some figure above that.

Mr. MAGNUSON. In March the President requested $2,791,000,000.

The Senator from Oklahoma knows how these things operate. We figured that a conference committee might end up between $2,550,000,000 and $3 billion or at what the President requested, $2,791,000,000.

Mr. BELLMON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 7 minutes and 47 seconds remaining.

Mr. BELLMON. Mr. President, how much time does the Senator from Nebraska require?

Mr. EXON. One minute.

Mr. BELLMON. Mr. President, I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, without objection, I ask unanimous consent that I be added as a cosponsor of the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I have one question for the Senator from Oklahoma. Before I pose the question, I wish to say that I suspect there is little we can do about the food stamp program and its allocation for the remainder of this year.

I ask a question of the Senator from Oklahoma as to whether or not he thinks we might be able to strengthen the thrust of his amendment in fiscal year 1981 by possibly appropriating food stamp moneys on a monthly basis. If my arithmetic is basically right, it is going to be somewhere around $9 billion. Could we appropriate $800 million for October and $800 million for November, and so forth, and by that action force the Secretary of Agriculture to not exceed those expenditures? Is that possible?

Mr. BELLMON. Mr. President, the question should appropriately be put to the chairman of the Appropriations Committee who is in the Chamber.

But let me say, as the former Governor of Nebraska I am sure Senator EXON will perhaps recall at the State level, and I know this was true in Oklahoma, that we made our funds available quarterly, that there was no way a department could spend all its money in the first half or three-fourths of the year. If we gave an agency a certain amount of money they had to spend it in an orderly fashion so they would not run out.

I wonder why we do not do that here at the Federal level. I believe the Senator raises a very good point. It certainly deserves looking into.

I am not sure we can appropriate so much per month. Perhaps the distinguished chairman of the Appropriations Committee could respond to the question of the Senator from Nebraska.

Is there a way of appropriating money, making it available on a monthly basis or quarterly basis?

We give the agencies the lump sum and they spend it out at any rate they see fit, apparently.

Mr. MAGNUSON. We could appropriate a certain portion of the money and then we could wait and see, which we sometimes do, whether they need it or not. But we felt it was imperative to take care of fiscal year 1980 now. In 1981 we can change the food stamp program as Congress wishes through the authorization process.

Mr. BELLMON. Mr. President, I suggest to the Senator from Nebraska that we could work together to try to get something ready for the appropriate time.

Mr. EXON. I thank my friend from Oklahoma.

Mr. HOLLINGS. Mr. President, if the Senator will yield to me a minute, we are ready to vote, I think.

Mr. BELLMON. Mr. President, I am ready to yield back my time.

Mr. HOLLINGS. Mr. President, I wonder if the Senator from Oklahoma could amend his amendment, deleting that little phrase "it is the sense of Congress," and provide "no further appropriations shall be made."

And I ask unanimous consent that I be made a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. The amendment is not now pending.

Mr. HOLLINGS. I know that.

Mr. BELLMON. But I had made such a change.

Mr. HOLLINGS. Good.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back his time?

Mr. BELLMON. I am ready to yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from South Carolina to waive section 311 of the Budget Act.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Connecticut (Mr. Ribicoff), the Senator from Nevada (Mr. Cannon), the Senator from New Jersey (Mr. Bradley), the Senator from New Jersey (Mr. Williams), and the Senator from North Carolina (Mr. Morgan) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell), is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "yea."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. Humphrey), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER (Mr. Nunn). Are there any Senators who have not voted who wish to vote?

The result was announced—yeas 71, nays 17, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—71

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Warner
Young
Zorinsky

NAYS—17

Armstrong
Boschwitz
Byrd,
Harry F., Jr.
Garn
Goldwater
Hatch
Hayakawa
Helms
Laxalt
Lugar
McClure
Proxmire
Simpson
Stennis
Thurmond
Tower
Wallop

NOT VOTING—11

Bradley
Cannon
Cranston
Humphrey
Inouye
Kennedy
Morgan
Pell
Ribicoff
Weicker
Williams

So Mr. Hollings' motion to waive section 311 of the Budget Act was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD STAMP URGENT APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 750, House Joint Resolution 545.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

The Senate proceeded to consider the resolution which had been reported from the Committee on Appropriations with amendments as follows:

On page 2, line 4, strike "$2,556,174,000" and insert "$3,002,400,000";

On page 2, line 11, after "operations" insert a colon and the following:

Provided further, That funds appropriated herein shall not be available to pay for any increases in benefits due to the July 1, 1980, adjustment in the cost of the Thrifty Food Plan pursuant to section 3(o) of the Food Stamp Act or the standard deduction pursuant to section 5(e) of the Food Stamp Act: *Provided further*, That the Department of Agriculture is directed to study the effects of regulations which would limit benefits to participants in the food stamp program based upon value of the participants' assets, shall recommend an appropriate level of asset value which would deny or reduce benefits to a participant and analyze the impacts of such a restriction. Appropriate exemptions to this restriction should be considered. The Department is to analyze the administrative burden which this will impose upon the States. The Department is to report to Congress its findings in this matter not later than September 1, 1980

The PRESIDING OFFICER. Time is limited on this measure.

Who yields time?

Mr. EAGLETON. Mr. President, I yield myself such time as I may consume.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the joint resolution, as thus amended, be regarded for the purposes of amendment as original text, provided that no point of order shall be waived by reason of the agreement to this request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Missouri (Mr. Eagleton) for his courtesy in yielding.

Mr. President, I ask unanimous consent, having cleared this request with the minority leader, with the distinguished Senator from Missouri, with Mr. Bellmon, Mr. Young, Mr. Helms, Mr. McClure, and others, that time on the bill be reduced to 1 hour, to be equally divided in accordance with the usual form, and the time on any amendment, with the exception of the amendments by Mr. McClure, be one-half hour, equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators and I thank the distinguished Senator from Missouri.

Mr. McCLURE. Mr. President, will the Senator yield for an explanation to the last unanimous-consent request? While I did not agree to reduce the time on my amendments, I do not expect to use all the time on the amendments. I think Members might take that into consideration.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. BAKER. Mr. President, will the majority leader yield to me for a brief moment?

Mr. ROBERT C. BYRD. Yes, if the Senator from Missouri will yield.

Mr. EAGLETON. Yes.

Mr. BAKER. Mr. President, now that we have a reduced time for most of the items to be considered in this connection, could I inquire if it is the majority leader's intention to try to finish this measure tonight?

Mr. ROBERT C. BYRD. Yes, it is, for these reasons: One, tomorrow morning there will be a cloture vote on the bottling bill. Assuming that that cloture vote carries—and I hope it will—then the Senate would have to complete action on that measure. The measure before the Senate now in the supplemental appropriations bill would probably have to go to conference. In order to complete action on the supplemental appropriations bill by the close of business tomorrow evening, it is necessary that action on the bill itself be completed today so that it can go to conference, so that the conference report can come back tomorrow afternoon, and the Senate can dispose of the conference report on the supplemental without having to have further action on that matter on a Friday.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, may I ask Mr. McClure how many rollcall votes he would anticipate on his amendments?

Mr. McCLURE. Mr. President, I would say three.

Would it be in order to request those now by unanimous consent?

Mr. ROBERT C. BYRD. By unanimous consent, if the Senate wishes that it be in order.

Mr. McCLURE. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on three amendments which I will offer.

Mr. ROBERT C. BYRD. With one show of seconds?

Mr. McCLURE. With one show of seconds.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, does Mr. Helms expect a rollcall vote on his amendment?

Mr. HELMS. Mr. President, I do not even propose to call up an amendment.

Mr. BELLMON. Mr. President, I would.

Mr. ROBERT C. BYRD. Mr. President, Mr. Bellmon would expect a rollcall vote on his amendment.

Are there any other Senators who plan to have amendments or rollcall votes?

Mr. President, it appears there are going to be four rollcall votes on amendments plus, I assume, a rollcall vote on final passage. This means that the Senate is going to be in for a while this evening.

I thank the Senator from Missouri for yielding.

Mr. EAGLETON. Mr. President, the Congress is within 36 hours of a critical point in food stamp funding in this country. Should we fail to act in that time to provide more funds, Secretary of Agriculture Bergland is required by law to notify States that they must cut off all food stamp issuances on June 1, 1980. That is why this urgent supplemental funding measure is being considered today.

As reported by the Appropriations Committee, the bill provides $3,002,400,000, or $446 million more than the House-passed version. I believe that this is a far more realistic estimate of the funding that will be needed to carry the program through this fiscal year without cutting benefits. Naturally in a program like food stamps, where each 1 percent increase in unemployment raises costs by $300 million, it is impossible to be certain that even $3 billion is enough. As the recession gets worse and unemployment moves up from last month's 7 percent figure, there is always the possibility of a greater funding need. But, at this time, based on the Congressional Budget Office projections of participation and unemployment, and revised Department of Agriculture in-house estimates of funding requirements, it appears that the $3 billion will be enough.

Besides the funds in the bill, there are two other amendments. One would prohibit increases in the thrifty food plan and standard deductions that would otherwise occur on July 1, 1980. This is similar to a proposal made by the President that was agreed to by the conferees on S. 1309, the food stamp authorization bill. We included this proviso to insure that the estimated savings of some $130 million in fiscal year 1980 would, in fact, be made no matter what ultimately happens to S. 1309.

Finally, the bill includes a proviso requiring the Department of Agriculture to study limiting benefits to participants in the program based on the value of their assets. Under present regulations, income-producing assets, such as those used in a trade or profession are not counted, but the income produced is considered in determining eligibility. There was some concern that certain individuals, such as farmers, who had substantial assets but very little income in a given year could qualify for food stamps and that this matter should be studied. A report is required by September 1, 1980.

Mr. President, I urge my colleagues to take speedy action on this bill so that we can complete conference and get it on the President's desk before the end of the day tomorrow.

Mr. President, I reserve the remainder of my time.

Mr. SCHMITT. Will the Senator yield?

Mr. EAGLETON. I yield.

Mr. SCHMITT. Mr. President, I will be very brief. I think it is important to point out that the significance of this second amendment that was mentioned by the distinguished Senator from Missouri is it is one which would require the Department of Agriculture to conduct an expedited study, which I understand from conversations with the Department of Agriculture will be part of a larger study that they are required to complete by the first of next year, a study that would look at the effects of regulations, which would limit benefits to participants in the food stamp program based upon the value of the participant's assets.

This amendment resulted from a compromise between the Senator from Arizona (Mr. DeConcini) and myself, based on an amendment originally offered by the distinguished Senator from North Dakota (Mr. Young).

It was my feeling in the committee that, although an important concept, it would require more information than we had available to us at that time to determine just how that concept should be framed, so that those who had great need for food stamps but might otherwise be hurt by precipitous action would not be so hurt.

At this time I want to thank all concerned, including the distinguished Senator from Missouri, for their cooperation in seeing that we reached this compromise yesterday and did what I think will provide a much more responsible base for legislation than we had available to us yesterday.

Mr. EAGLETON. I thank the Senator from New Mexico. He is precisely correct. There is a larger, ongoing major assets study in the Department of Agriculture which deals with the broader subject matter, but which, in essence, would include this issue as embodied in the amendment agreed to by the Appropriations Committee. Under the terms of that amendment, a report shall be made by September 1, 1980. The larger, ongoing study will be made available to the Congress in 1981.

Mr. President, I reserve the remainder of my time.

Mr. BELLMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, I rise in support of the supplemental appropriations for the food stamp program. I regret that this is necessary, but when one reviews the record of what happened with the food stamp appropriation when we were dealing with the 1980 appropriation bill, it was evident at that time that we were going to be called upon to pass a supplemental.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator has no time.

Mr. YOUNG. I yield all of my time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BELLMON. As I was saying, when we were dealing with the 1980 appropriations we realized that a supplemental would be required because at that time the authorization limit was $6.2 billion, and it was plain that we would need to provide supplemental funds.

At that time, the budget resolution included a limit of $8.1 billion, so we were somewhat more realistic. There has never been any question that there would need to be a supplemental, although the amount of supplemental is somewhat of a surprise and a disappointment.

This bill contains a supplemental of $3,002,000,000 for the food stamp program. It will allow a total program level of $9.2 billion for fiscal year 1980. The level recommended by the committee is $344 million more than that requested by the President, and $446 million more than the amount approved by the House.

So it is obvious there will be some negotiation when the conferees between the House and the Senate meet.

The basis for the committee action was a recent Congressional Budget Office reestimate of the program cost. It does not reflect the legislative savings contained in the conference approved version of S. 1309 which the Senate has just this afternoon adopted.

This means that there is room to accommodate inflation and cost increases of at least $150 million.

Mr. President, as I say, I support the supplemental. I feel it is inevitable. But I have an amendment to offer which will make certain that this is the final supplemental that is available for the food stamp program this year.

UP AMENDMENT NO. 1096

(Purpose: To express the sense of the Congress that no further supplemental appropriations will be provided the food stamp program in fiscal year 1980 and directing the Secretary of Agriculture to prepare cost-saving procedures as authorized in section 18 of the Food Stamp Act of 1977)

Mr. BELLMON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. Bellmon) for himself, Mr. Exon, Mr. Hollings, and Mr. Stevens, proposes an unprinted amendment numbered 1096.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 2, before the period, insert the following:

": *Provided further*, That no further appropriations will be made for the food stamp program in fiscal year 1980. The sum provided herein substantially exceeds previous estimates of program needs and fully utilizes projections of budget authority and outlays remaining within the Congressional budget ceiling for this purpose. The Secretary of Agriculture is therefore directed to utilize those procedures authorized in section 18 of the Food Stamp Act of 1977, as amended, to assure that program costs do not exceed available funds and to avoid unnecessary disruptions or substantial reductions in benefits under the program".

Mr. BELLMON. Mr. President, this amendment is, in effect, the Lugar amendment, strengthened and applied to the language of the supplemental appropriation bill.

Mr. President, my amendment merely declares that the $3 billion supplemental provided in House Joint Resolution 545 is all that can be provided in this fiscal year. It would make clear to the Secretary of Agriculture that he must administer the food stamp program in a manner which holds costs to levels within the sums appropriated.

This is nothing more than a reaffirmation of already enacted provisions of the Food Stamp Act which sets forth an orderly procedure of benefit reductions should available funds appear inadequate to meet program demand.

As I said earlier, there was no way the Department could have run the program with the funds available before this supplemental was passed. The reason was that the authorization was at such a low level that it was impossible to run the program. I am not being critical of the Department for what has happened in the past; I am only trying to look to the future.

Mr. President, it may be appropriate that I also state what this amendment will not do.

It does not require immediate benefit reductions. The $3 billion provided in this bill allows for a total fiscal year 1980 food stamp program of $9.2 billion. This exceeds all current estimates of what the program will cost this year. It is $344 million more than the administration is requesting. It is $446 million more than what the House has approved. It is even higher than the recent Congressional Budget Office estimate. If, and only if, program demands exceed this generous appropriation will the Secretary be called on to reduce benefits.

The amendment will not result in program interruption or drastic benefit reductions. On the contrary, the amendment is designed to avoid such disruptive actions. Presently, the Secretary of Agriculture has little choice but to operate the program at fall benefit levels until all funding is exhausted.

And then, of course, he would be out of money and the benefits would abruptly be shut off. That is the situation we are confronting now unless the supplemental appropriation is passed in a timely manner.

Unless Congress provides the funds requested, program participants will have to do without for the rest of the year. My amendment is designed to avoid another crisis like this in August or September.

Too many Americans depend on food stamps for an adequate diet to tolerate a 50-percent reduction in benefits or outright denial for any length of time.

Congress enacted section 18 of the Food Stamp Act to enable the Secretary to take less drastic action in holding monthly benefits down so as to avoid completely running out of funds before the end of the fiscal year. My amendment directs the Secretary of Agriculture to utilize these procedures before a funding shortfall reaches a crisis situation.

Mr. President, as I have stated before, the $3 billion provided in this bill is a very generous amount. It exceeds our current estimates of program needs, and it also exceeds all available room under both the House and Senate versions of the budget resolution for this fiscal year.

The simple fact is that there is no more room for still further increases for the food stamp program, nor any other program not assumed in the resolution. In fact, the budget committees are meeting now on the reconciliation instructions to find further savings in the fiscal year 1980 budget. Unless we take this very modest step of holding down runaway spending, there can be no hope of ever balancing the Federal budget.

Congress has already taken the initiative in providing procedures to making the food stamp program "controllable" under the budget. This amendment simply reaffirms those provisions. I urge its adoption.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, will my colleague yield for a few quick questions on my time?

Mr. BELLMON. I am very happy to yield.

Mr. EAGLETON. What is the Senator's assumption as to what the unemployment rate will be in the United States during the third quarter of calendar 1980, which is the final quarter of fiscal year 1980—specifically, the months of July, August, and September of 1980?

Mr. BELLMON. Mr. President, in the work we have been doing on the budget resolution for fiscal year 1981, we are assuming an average for the next fiscal year of 7.5 percent. The unemployment figures are irregular nationwide. They are high in the area where the automobile industry is in trouble; in the area of Oklahoma that I know about, the unemployment figure is still very modest.

But that is not quite the point here. When we are in a time of economic distress, as the country now faces, with inflation running at a very high level, it is unrealistic to expect programs like this to be held absolutely free of any interruption.

If the country is going through an economic bind, then it seems to me that the pain should more or less be felt, to some degree, by all parts of the economy and not have some people lose their jobs and have a dramatic reduction in income and others who are on Government food stamps or other welfare-type programs go on as if nothing has happened.

Mr. EAGLETON. Is the Senator aware that the $3 billion figure contained in this special supplemental appropriation is predicated on the unemployment rate during the months of July, August, and September averaging 7.3 percent?

Mr. BELLMON. I am aware that the figure we have put in the budget is more than has been estimated to be needed by the Congressional Budget Office and, also, that it does not count the $150 million of anticipated savings under S. 1309, which we just passed this afternoon. I think that would more than make up for the additional two-tenths of a percent in unemployment.

Mr. EAGLETON. Would the Senator agree with the estimate of the Department of Agriculture that if unemployment during July, August, and September were to go as high as 8.5 percent, then $3.3 billion then would be needed to finance the remainder of this fiscal year?

Mr. BELLMON. Mr. President, let me say to my friend from Missouri that there is available now $3 billion. If you add to that the $150 million of anticipated savings under S. 1309 and also take into account that we are making available more than has been requested and more than has been estimated, I would feel comfortable that we could handle program costs if it got to that level without any serious disruption. There might be some minor disruption, but it would not be unduly painful on any recipient.

Mr. EAGLETON. Would the Senator feel any differently about his amendment now pending before us if, on a subsequent amendment by some other Senator, the amount of this bill were reduced from the $3 billion figure to some lower figures such as, say, $2.556 billion?

Mr. BELLMON. Yes, I certainly would. There is a limit to how far this can go. But I feel that at this point, we have been quite generous with the food stamp program.

My problem is that the Department seems to me to feel that it can spend as much money as it cares to spend without any restraint and come to the Senate or come to the Congress and expect us to literally give them the key to the Treasury. Somehow, we have to get some discipline into this process and that is the intent of this amendment.

Mr. EAGLETON. Mr. President, the Senator knows that once this bill passes, we shall have to go to conference with the House.

Mr. BELLMON. I am aware of that, yes.

Mr. EAGLETON. The House figure is $2,556,174,000. Let us assume, for the sake of argument, that the Senate figure prevails in this body. We undoubtedly shall have to strike some compromise with the House. Seldom is it the case that the other body will take, in toto, our figure. How much reduction in the $3 billion figure is the Senator from Oklahoma willing to accept, realizing the somewhat Draconian nature of his own amendment? That is, he said he would be concerned if the figure went down as low as $2,556,174,000. Would he be concerned if we got down to $2.9 billion or $2.8 billion? Where would his level of concern be the most acute?

Mr. BELLMON. Mr. President, in the Committee on Appropriations, as the Senator from Missouri will remember, the Senator from Oklahoma voted for the $3 billion figure. I feel that is a realistic figure. I also expect that the conferees will agree to a figure very close to that amount. Particularly they will agree to it if we have the amendment which I propose as a part of the bill, because at that point, the House conferees will realize that this is all the money that the food stamp program is going to get. Therefore, I believe that they will look at the level of appropriations in a far more realistic way than they will if they feel that they can set a low number and then, later on, provide a supplemental.

It seems to me that is the game we are playing around here, that we set a figure that is unrealistically low and then force the Department to come back later for supplementals. In the meantime, they run the program without exercising the kind of restraint that I believe Congress is entitled to expect.

Mr. EAGLETON. An additional question: The Senator does realize that if the unemployment figures, which were at 7 percent in April, up from 6.2 in March, were to increase in May to as high as 7.4 percent, the Secretary would be required, under section 18 of the Food Stamp Act, as well as the Bellmon amendment today, to direct reductions in the month of June in food stamp benefits. Does the Senator recognize that as a natural consequence of his amendment, coupled with section 18?

Mr. BELLMON. Mr. President, if the Secretary of Agriculture accomplishes the savings anticipated when the Senate passed S. 1309, he would have $150 million, or at least a proportionate share of that, available with which he could adjust the income expectations from this appropriations bill, because that bill did anticipate saving $150 million. So there is a little flexibility here.

The Senator from Oklahoma would not be distressed if there were a requirement for the Secretary to begin to adjust the benefits to the higher income individuals who are now eligible for food stamps, as is required by the so-called Lugar amendment. To me, that is not a Draconian move, to begin to reduce modestly the food stamps available to people in the higher income brackets who are now getting food stamps.

So I agree that this could happen. That is the reason for the amendment.

Mr. EAGLETON. One final question. If unemployment in July or August reached 8 percent or better, could the Senator not conceive of a set of circumstances which would compel us to process yet another urgent supplemental? Would not that urgent supplemental as a matter of law take precedence over the Senator's amendment if a majority of both the House and Senate saw fit to proceed in that manner?

Mr. BELLMON. The Senator is correct.

The action the Congress takes today can certainly be overturned by the Congress any time it chooses.

On the other hand, having this amendment in the language of the supplemental will, I believe, cause the Secretary to operate the program in a far more responsible way than might be the case if he felt he could spend it all by the first of August and expect us to get him another billion or half a billion.

So I think this would have a very salutary effect on the way the program is run.

Mr. McGOVERN. Will the Senator yield?

Mr. BELLMON. How much time remains?

Mr. EAGLETON. I will yield 5 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President, the trouble with the amendment proposed by the distinguished Senator from Oklahoma is that it forces the Secretary of Agriculture, in the event the economy continues to worsen through the balance of this year, to take what amounts to punitive actions against the most vulnerable people in our society.

I know the Senator from Oklahoma talks in terms of tightening up the program and making it operate more efficiently. Those are fine sounding words until we translate them into human terms.

What it means, in effect, is that we can do one of two things. We can cut the benefits of everyone participating in the food stamp program who, for the most part, are poor working people, or elderly people who have reached the time in life when they are no longer capable of earning the income they might have had at an earlier age. We are cutting out many of the people who have recently come into the program from small rural communities across the country.

We have had some 3 million new people come into the food stamp program recently, partly because of the elimination of the purchase requirement that had kept a lot of poor people out of the program in the past.

Twenty-five percent of those new participants in the food stamp program came from small rural communities, all across the country, where participation increased 42 percent.

Participation by the elderly increased by 32 percent of the older people who heretofore were unable to scrape together the amount of money required for the purchase price.

Now, all of these people are subject to cutbacks in what is already a very meager food stamp allowance.

As the Senator from Oklahoma knows, the so-called thrifty food plan, under which the Department of Agriculture operates this program, does not provide the kind of diets that Senators have. It does not provide the kind of diets that comfortable middle class and upper middle income families have.

It is what it says. It is a thrifty diet, and that is a polite word for a very lean, meager fare that the poor people of this country receive, a diet that generally does not meet minimum nutritional standards. It is as little as this country can do and hold up its head in the world as a responsible society.

I think it would be unconscionable for this country, heading into what many of our economists tell us is a rising unemployment level, and what others have predicted as a rising cost of living, to tell the Secretary of Agriculture that, no matter what happens in the balance of this year, and none of us knows what will happen either now or after Congress adjourns, that no matter what happens, he has to operate the food stamp program with the money we authorize this week, for the balance of this fiscal year.

Mr. President, it may very well be that the money we are providing here this afternoon and also the balance of this week will be enough to see us through the end of the fiscal year. That is the projection of the CBO. But, as the Senator from Missouri (Mr. EAGLETON) pointed out, that is based on unemployment projections that many people think are too low in terms of where we will be this summer and throughout the fall.

Mr. President, why are we singling out the food stamp program for this kind of instruction? We do not say to any other agency of the Government that if they do not have enough money in this appropriation, they have to take steps to cut back the services in the department. We do not say that to the Defense Department. We do not say that on an individual contract where, repeatedly, cost overruns have made it necessary for us to come back and provide additional funding.

In a very real sense, the health and nutrition of the American people is an important part of our defense. If we have 21 million or 22 million Americans already subsisting on meager diets, if we are in a situation where some 21 million Americans have their benefits curtailed this summer or this fall, I think it presents a dismal specter to our own people and to the rest of the world.

As I said in remarks earlier today, Mr. President, this is a commonsense program. It is a humanitarian program in the sense it meets the needs of the hungry and the poor, those who are working poor, those who are too old to work, dependent children, the most vulnerable citizens in our society.

But beyond that, this is a program that benefits every farm producer in this country. There is not a farmer who is not benefiting in some way from this constructive outlet of food, and this food is not wasted. It is going into the stomachs of hungry men and women, boys and girls, across this country.

So I hope this amendment will be defeated, that we will leave ourselves the flexibility we do in all other Government programs where, if our estimates are wrong and a supplemental appropriation is necessary, we have the authority to do that, without putting the Secretary of

Agriculture through the confusion that would result in being forced to put through cuts in this program.

We have made a commitment here in the Senate repeatedly in recent years that we will not permit any American to go hungry. This would be a departure from that rule, from that precedent, if we were to agree to this amendment today.

I hope the amendment will be defeated.

Mr. BELLMON. Mr. President, I will respond briefly and then yield to the Senator from Idaho.

Mr. President, the figures on the growth of this program are absolutely astounding. When we look at it, going back as far as 1975, which is only 5 years ago, the cost of the program was $4.7 billion. If this supplemental passes, the cost for fiscal year 1980 will be $9.2 billion.

Then, when you look at the number of people involved, if you go back to 1970, 4.3 million Americans were involved. The CBO estimate for 1980 is 21.2 million. When you carry the estimate on to 1981, the estimate is 23,079,000.

Mr. President, I submit that this program has grown so rapidly that it is fairly obvious that some of these folks who got on the program were managing to get by before they were made eligible for food stamps. Obviously, they could stand a modest reduction, if benefits had to be reduced slightly for a brief period of time toward the end of the fiscal year.

To me, this is the only way we ever are going to get any kind of control over spending for food stamps.

As it stands now, the Secretary of Agriculture feels, and I think probably accurately, that he has a blank check; that he can spend as much money as he wants; that he can threaten Congress with running out of money and with totally cutting off food stamp benefits, knowing that we will give him whatever he asks for to keep the program going.

The purpose of this amendment is to say to him, "This is all the money available. Run the programs with this very generous appropriation. But if the program somehow exceeds this sum, make the needed adjustment and do not come back and tell us you have run out and that these people will have to go hungry for 2 or 3 months. We are saying that you can spend this much money in an orderly way for the balance of this year, and in this way, you can meet the legitimate needs of your participants."

I do not look at it as a draconian measure. It is an orderly way to look after the taxpayers' money.

Mr. McCLURE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. BELLMON. How much time does the Senator require?

Mr. McCLURE. Two minutes.

Mr. BELLMON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes and 10 seconds remaining.

Mr. BELLMON. I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I will reserve the major portion of my discussion of savings that might be made for the time when I discuss the amendment I will offer.

I repond to the Senator, who has indicated that it is impossible for us to reduce the food stamps without depriving the needy, the poor, the deprived, the young, the elderly, and the disabled of food stamps, by indicating that there was a GAO report in 1975, a GAO report in 1977, and the House Agriculture Committee has issued two different reports—all of which have indicated savings that can be made without taking food stamps away from the truly needy.

I will be offering an amendment that deals with just one. If all we do is eliminate the mistakes in issuance during the remainder of 1980—in June, July, August, and September of fiscal year 1980—we will save $200 million; because those errors, by USDA's own admission, are running at the rate of $600 million a year.

So let us not be deceived into believing that no savings could be made without depriving people of what they should have and what they need to have and what the Senator from Idaho wants them to have if, as a matter of fact, they are truly needy.

I believe the Senator from Oklahoma is exactly correct. He is not going to hurt anybody by the adoption of this amendment. He might even get the Secretary of Agriculture to do what Congress told him to do last year, and which he has refused to do until this time.

Somebody has said, "How in the world do you get the Secretary of Agriculture to do what Congress tells him to do?" Maybe you start bouncing some of them out of office. Maybe you start by requiring that salaries be withheld when they fail to follow the law.

I support the amendment of the Senator from Oklahoma.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EAGLETON. Mr. President, I move to table the Bellmon amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back the remainder of his time?

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back? All time is yielded back.

Mr. EAGLETON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Oklahoma. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from New Jersey (Mr. WILLIAMS), the Senator from North Carolina (Mr. MORGAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 26, nays 61, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—26

Bayh
Burdick
Chiles
Culver
Danforth
Durkin
Eagleton
Gravel
Huddleston
Jackson
Javits
Leahy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Randolph
Riegle
Sarbanes
Stevenson
Stone
Talmadge

NAYS—61

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Church
Cochran
Cohen
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Magnuson
McClure
Moynihan
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Thurmond
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NOT VOTING—12

Bradley
Cannon
Cranston
Humphrey
Inouye
Kennedy
Morgan
Pell
Ribicoff
Stennis
Weicker
Williams

So the motion to lay on the table Mr. BELLMON's amendment (UP No. 1096) was rejected.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas and nays be vitiated on this amendment.

The PRESIDING OFFICER (Mr. MELCHER). Is there objection?

Mr. EAGLETON. Mr. President, reserving the right to object, may I have 1 minute on the bill? Mr. President, obviously the Bellmon amendment will pass. I was not going to put the Senate through the torture of yet another rollcall vote on the amendment that obviously is going to pass, but I am going to ask Senator BELLMON if he would set this amendment aside.

If, in subsequent action, the Senate reduces the amount in this bill, and there is at least one cut amendment contemplated, then I would like to address some remarks on the effect the Bellmon amendment would have in light of a cut made in this bill, and would ask under those circumstances for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request at this point.

The PRESIDING OFFICER. The request is withdrawn.

Mr. EAGLETON. Mr. President, I am really asking my colleague, Senator BELLMON, if he would be willing to temporarily set aside this amendment.

Mr. BELLMON. Mr. President, I can understand the concern of the Senator from Missouri. It is my hope that the effect of this amendment will make us be responsible in setting a figure for food stamps and then making the Secretary responsible and making him live within that figure.

I am perfectly agreeable to setting the amendment aside until we have dealt with the other so-called cutting amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BELLMON. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent—this request has been cleared with Mr. MCCLURE—that on the three amendments by Mr. MCCLURE that they be debated and voted on back to back, with a 15-minute rollcall vote on the first one, and 10-minute rollcall votes on the two remaining amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 1097

(Purpose: To reform the food stamp eligibility requirements by placing a limitation on assets which beneficiaries can hold. Removes language merely directing a study of this issue)

Mr. BELLMON. Mr. President, I have an amendment at the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 1097.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike out all following the colon and insert the following: "*Provided further*, That none of the funds appropriated in this Act may be used to provide benefits to participants whose equity in assets, exclusive of the value of the participants' principal residence, exceed $75,000.".

Mr. BELLMON. Mr. President, this amendment by the Senator from North Dakota, Senator YOUNG, which was discussed yesterday in the Appropriations Committee, but which is not a part of the bill, sets an asset limitation for recipients of food stamps at $75,000. There is some objection to the amendment, but my reason for calling it up at this time is to make it plain to the Members of the Senate and also, hopefully, the Secretary of Agriculture that this amendment will be offered when we deal with the 1981 appropriation bill, and in that way overcome the objection. The objection to the amendment now is that there is not time to draw up the regulations in an orderly way and, therefore, it would cause considerable difficulty in administering the food stamp program, and that certainly is not the intent of the Senator from North Dakota and the Senator from Oklahoma.

So I call up the amendment to emphasize that the matter will be brought up when we deal with the 1981 appropriations bill so that Members, as well as the Secretary, will be on notice.

Having made those remarks, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Who yields time?

Mr. BELLMON. Mr. President, I suggest the absence of a quorum, with the time to be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1098

Mr. McCLURE. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE), for himself and Mr. JEPSEN, proposes an unprinted amendment numbered 1098:

On page 2, line 4 strike the number "$3,002,400,000", and insert the number "$2,802,400,000" in lieu thereof

Mr. McCLURE. Mr. President, I might just inform Members that I have three amendments that were part of a series of amendments which I had prepared, but I will offer only these three.

The first one, which has been stated by the clerk, deals with a reduction in the total amount under the supplemental appropriation. The second one deals with eligibility of recipients and the third one deals with the amount of food stamps that an eligible household would be eligible to receive.

This first one, as you will note from the figures reported, reduces the amount by $200 million.

Mr. President, I think it is informative for us to look not only at the reason why I have come up with that figure, but also at some of the background as to what it might do to this program.

First of all, the reason that I chose $200 million is that that is just the amount that USDA admits being paid to ineligible persons or overissues. According to the USDA figures, they admit overpayments or mis-issues, but at the amount of $600 million a year. And for the balance of 1980, for the 4 months, that would amount to $200 million.

So my amendment would simply supplement what the Senator from Oklahoma has already put in the motion, I think, by his amendment, suggesting that the Secretary of Agriculture be instructed to tighten up this program so he does not run out of money.

My amendment simply suggests that the USDA do what they already know they are misdoing and eliminate the issuance of stamps to people that are not eligible to receive it or the overpayments to people who are eligible to receive but have been given excess amounts of food stamps.

Mr. President, I am always amazed when I come in here and talk about food stamps and I find people saying there is nothing we can do to tighten up the program, because the GAO report in 1975 identified hundreds of millions of dollars of saving that could be made.

That study was followed by a FAO report in 1977 which, again, identified hundreds of millions of dollars that could be saved in the food stamp program without touching one person who is truly in need and that is not getting more than they are entitled to get under the basic premise of this program.

The amendment that I have offered will not strike at the poor. It will not strike at those truly in need. It will not strike at those who are entitled to receive food stamps. It will simply say to the Department of Agriculture: "Eliminate one phase, one phase of mistakes—not all mistakes, not all overpayments, not all fraud, just one part of it—and save $200 million."

The GAO report, if I recall correctly, identified over a billion dollars of such fraudulent or mistaken payments in 1977.

I did not ask to strike $1 billion or even one-third of $1 billion. I have asked in this amendment only that we strike or reduce the amount of money that USDA itself says is the amount of overpayment.

Mr. President, it is informative to perhaps go down the list and look at a number of things that might be done, lest some think that I am dealing with a heavy hand with a program that affects the needy in this country and there is no sensitive concern or regard for their needs.

But there have been some excellent proposals over the years for reductions in this program to reform the overlenient eligibility requirements for food stamps, such as setting a ceiling of gross income or personal assets for participation, as well as to help to eliminate the fraud or abuse. I made reference earlier, in comments on the bill and on the amendment offered by the Senator from Oklahoma, of the effort made in the Appropriations Committee yesterday to at least impose some kind of an eligibility requirement.

It was at the figure, if you can imagine, of saying that no one who has over $75,000 of assets in addition to his home should be eligible to receive food stamps.

To me that is ridiculous. Why should working men and women who rent their homes—they do not own any; they cannot save enough money to own; young people are trying to get a start to own their own homes—be required to pay taxes to support somebody or to help support somebody who owns their own home, who can have up to $75,000 worth of assets, and still be eligible for food stamps?

Mr. President, that limitation is not in the law. They can live in a $1 million home and still have food stamps. They can have $2 million worth of assets and still have food stamps. They can have any number of liquid or nonliquid assets. So long as it is not defined as income, they are not required to use the money that they have or the assets that they have before calling upon their neighbors, the other working men and women of this country, to provide food for them in their household.

Mr. President, that is ridiculous. People are telling me every time I go home to my own State of Idaho or elsewhere in this country, that the food stamp mess must be reformed. This is not the first time it has been said. If it was the first time we had called attention to the abuses in the food stamp program, I would not be so concerned. But this abuse has been growing year after year after year. Every time the bill comes before the Senate, instead of tightening the eligibility requirements, doing anything to eliminate the fraud or abuse, we enlarge the program.

Mr. President, the taxpayers of this country are getting sick and tired of that kind of action on the part of their elected representatives.

Let me give a few more examples of what we might do.

It started out with a $33 million a year program with 1 out of 300 or 400 Americans eligible for participation. It is now approaching a program of $10 billion a year with 1 out of 7 Americans who are eligible to receive food stamps under current criteria—1 out of every 7. As a matter of fact, 1 out of every 10 Americans is now drawing food stamps. That is not theoretical, that is fact. It is 1 out of every 10. Just look around you. Look at the number of people you see around you and start picking out every 10th person you are helping to support.

That has to be a sign of something basically and fundamentally wrong in our society and with this kind of a program.

We are not asking that a tight, lean, carefully administered welfare program be cut back. We are asking that one which has obviously grown far too fast, and which has been administered far too loosely, be tightened up.

There are many ways in which the legislative savings can be achieved. Let me look for a moment.

How about restoring the food stamp purchase requirement which was eliminated in 1977, one of those reform measures that we were supposed to enact to tighten up the program that was already being abused? We eliminated the purchase requirement. Reinstatement of that purchase requirement as it was then in the law would save $800 million a year.

We can legislate the following savings: We could limit the eligibility to those with gross incomes at the poverty line plus a 15-percent allowance for work activities, 15 percent above the poverty line.

Establish the purchase requirements as a percentage of gross income expended for food by average households of the same size and income range with regional variations as established by the most recent Bureau of Labor Statistics consumer expenditure survey or 30 percent, whichever is less, and use the thrifty diet plan with family size, age, and sex of family members taken into account.

That package of three different actions, all of them modest, none of them hurting anyone, would reduce the expenditures under the program by $700 million a year.

We could perhaps legislate the savings from using a food stamp assets test initially established for the supplemental security income program with a $1,500 limit on a motor vehicle, a $15,000 limit on property used in a trade or business essential to self-support of a household, an overall limit on liquid and nonliquid resources with the above exceptions of $1,500 for the household or $2,500 for households of two or more persons with a member or members aged 65 or over.

Those are not ridiculously stringent requirements, but if we adopted them, they would save $522 million a year.

We could legislate the savings from implementing the food stamp fraud control by mandating a photo identification card, countersigned warrants, a national application cross check, and an earnings clearance system. Those have been well identified possibilities. They have been discussed and well understood by anyone. They are not at all impossible to apply. If we just did those to eliminate a portion of the fraud, we would save $138 million a year.

Of if, as a matter of fact, we wanted to consider eligibility of a household to receive food stamps, if you would include in their income the income tax rebates that they get. Federal energy assistance and any in-kind income which provides food assistance, just those—just count their income in these three items: income tax rebates, Federal energy assistance, and in-kind income which provides food assistance—that would eliminate $503 million from the program.

Of if we want to, we could go back to the kind of a program we apply in other welfare and say that we could restore to age 6 from age 12 the age of a child which exempts an individual from work registration and strengthen the work registration requirement by permitting States to establish community work experience programs as a condition of eligibility. That would save $34 million a year.

In addition to that, we have already annualized in this bill by an amendment offered in the committee the cost-of-living adjustment and could save $230 million a year. That has been adopted by the committee, but that has not been subtracted from the $3,200,000,000 that is being appropriated here.

If we have just included that amount that we have already legislated, this sum would be $230 million less than it is. It is not a lean appropriation bill.

We could perhaps get these savings in the food stamp program by retaining the $90 per month child care reduction rather than increasing it, as proposed by the Housing Committee, and retain the $35 per month medical expense deductible rather than reduce it to a $10 deductible as proposed. If we did those two things, we would have saved $122 million a year. Perhaps, in eligibility, we could reduce the standard deduction from $75 to $50. That would save $630 million a year.

And, finally, the one we have looked at many times around here. I am not going to offer it as an amendment, but if we eliminated from this kind of welfare eligibility full-time college students and strikers, that would save $29 million a year.

Mr. President, these savings that I have outlined are not figments of my imagination, they are the product of study by others—not my own—and are verified by a number of sources. They could be made available in the legislation which we are considering here today, and we would be talking not about massive increases in the food stamp program, but a modest, a very modest restructuring. We could be eliminating a great deal of this $3 billion additional raid on the Treasury.

Mr. President, there are a number of other things that I might say about the food stamp program today, but there are very few people who want to come onto the floor of the Senate or the House and say the program is not only good, but it is so good that we should not change it. Almost everyone who is familiar with the program confesses that it could be tightened up and are willing to undertake some efforts to tighten it up. They just never get around to doing it.

It is interesting, too, Mr. President, that yesterday, we voted in the Appropriations Committee for a $3 billion figure, the next-to-the-highest figure that has been asked. The administration's January request was to increase it by $2.556 billion. The House Appropriations level was at that administration request. The House budget resolution level is $2.9 billion. The Senate budget resolution level request that we voted on just Monday—just Monday, the day before yesterday—was $2.4 billion. The administration adjusted its request from January to March to adjust it upward to $2.791 billion. The current CBO estimate, with the changes that have already been legislated in the bill that has passed this body, would adjust that figure to $2.858 billion. But we are coming in with $3.2 billion. The figure that I have suggested, $2.802 billion, is above all but two of those ranges of estimates.

Mr. President, I am not asking this body to go on record as hurting people. What I am suggesting is a very, very modest saving that could be implemented simply by eliminating the waste and error from overpayments and misissue of stamps for 4 months; that is all. All the rest of the savings I have talked about I have not even touched in this amendment.

Mr. President, I reserve the remainder of my time.

Mr. YOUNG. Mr. President, I yield myself 3 minutes on the bill.

Mr. President, this measure provides needed funds to maintain the food stamp program through the balance of this fiscal year. I note that with the $3 billion provided here, this program will cost a total of $9.2 billion. Over 21 million Americans currently receive food stamp benefits—this is 1 out of every 10 citizens. I understand if every eligible person applied, one out of every seven Americans could get food stamps.

One of the things I have tried to do is see that abuse is kept at a minimum. Loopholes cost taxpayers hundreds of millions of dollars in unnecessary program benefits.

I am pleased that the recent conference committee on S. 1309, the Food Stamp Act authorization bill of 1980, chose to close one loophole that I have sought action on for over a year. That bill will disallow depreciation on income-earning property as an offset toward income for food stamp eligibility.

Mr. President, it is for these same reasons that I support the amendment of the Senate Appropriations Committee to House Joint Resolution 545, which directs the Secretary of Agriculture to review the food stamp regulations with respect to participant assets. These regulations, as they are currently drafted, allow participants to hold assets of unlimited value—so long as they are classified as "income producing property". Any self-employed person can be worth millions but if he had had a bad year and low income, he is eligible for food stamps. This exemption covers tools of a trade, rental houses, real estate, motor vehicles and many other items.

I proposed that a strict limit of $75.000 be placed on the value of such assets—exempting only the participants principal residence. The committee, in view of consideration of related issues by the authorizing committees, and studies proposed by the administration, chose to defer taking direct action on this issue at this time. Instead, the committee has recommended that a study be conducted immediately, and that its findings be reported to Congress no later than September 1, 1980.

I believe that this is a reasonable approach at this time. I would advise my colleagues that we must act to remove all abuse and waste such as I have just mentioned if we are to ask taxpayers to continue to shoulder the burden of this program.

Mr. EAGLETON. Mr. President. I rise in opposition to the McClure amendment. This is the nature of a "cutesy" amendment. The Senator from Idaho is the Shakespeare of "cutesy" amendments. He should know that fraud and abuse are not a line item in the Federal budget. If it were, it would be a simple and a very compelling thing to go through every department of the Federal Government and strike fraud, waste, and abuse, from the budget. The world would be a happy, cleaner, and better place if that were possible.

No one condones fraud, waste, and abuse; no one likes it; no one encourages it. When we find it in the Department of Defense budget, it is just as evil there as it is in the Department of Agriculture budget, or the Department of HEW, or the Department of Transportation, or any of the several departments of government.

When we have a big weapons system up for consideration, whether it is one in the future such as the MX or one in the past such as the C–5A, I do not recall any Senator getting up and saying, "Well, it is in the track record of Defense Department programs dealing with defense contractors that there is a lot of kinky business that goes on.

"A lot of money changes hands. They take important public officials to hunting lodges out on the Eastern Shore. They wine and dine officials. They even spread around a little money overseas, bribing foreign potentates and what have you. and since we know that they engage in these nefarious and evil deals, we shall cut x million dollars out of this particular weapons system to take care of fraud, waste, and abuse."

Would that it were that simple, Mr. President. This program now reaches some 21 million people, the vast bulk of whom are people in the depths of poverty; young people, elderly people, who rely on this program as the basic mechanism by which they stay alive.

Now, out of that 21 million people, are there some who abuse it, rip it off, cheat, or violate the law?

I dare say, "Yes."

I used to be a prosecuting attorney. That was my first official job. Later, I was attorney general of my State. Part of my duty was to prosecute those who stole or cheated or ripped-off programs, in a criminal sense.

I would prosecute today those who would rip off and cheat and abuse this program.

If it were so simple as to just offer a cut of $200 million and thereby believe one had reached only the cheaters and only the rip-off artists, then this amendment would pass by unanimous acclamation.

The Senator from Idaho well knows that despite what he purports to be the thrust of his amendment, that the $200 million cut will not be targeted in only on the cheaters and the abusers. It is an across-the-board cut that will be borne in terms of the entire program.

If we were not entering a recession, perhaps his amendment would not be as mischievous as I deem it to be.

But here we are in the early stages of a recession, where unemployment rose in one calendar month from 6.2 percent to 7.0 percent, where the expectation of most economists is that it will go considerably higher in the ensuing summer months. In the face of that the Senator from Idaho is going to slash $200 million from this program, under the guise of curing fraud and waste. The actual result of his amendment, however, will be that all recipients under this program will have their benefits curtailed

Come about mid-June, no later than maybe early July, at the funding level suggested by the Senator from Idaho, the Secretary is likely to be compelled to make cuts in the payments to the recipients of this program. He will be doubly compelled, I might say, if the Senate later on tonight finally votes into the bill the Bellmon amendment we debated earlier.

I asked a question on this subject matter of the Inspector General of the Department of Agriculture. Lest my credentials, on being interested in fraud, waste, and abuse, be overlooked, I was the author of the Inspector General bill in this body, the bill that set up 12 officers of Inspector General in the major departments of government.

Last year in the hearings on the fiscal 1980 bill, I asked Mr. McBride, the Inspector General, the following question, and I will give his answer thereto:

> QUESTION. Why shouldn't this committee strike $400 million from food stamps and say, "McBride, go out and find that $400 million and everybody will be better off?
>
> Mr. McBRIDE. Unfortunately, fraud is not a line item. [Laughter.]
>
> I would not recommend the meat axe approach, because you are dealing with a very complex system of delivery. It involves not only the Federal Government; it invloves 54 State and territorial jurisdictions which issue food stamps. Management quality in those States varies widely. Some do a very effective policing job on the food stamp program. Some have error rates as low as 4 or 5 percent. Others, particularly the major metropolitan areas, do a very poor job. You will find error rates, and fraud is certainly part of that error rate, rising to as high as 30 to 40 percent.
>
> We obviously concentate our audit effort on those big volume, high error rate jurisdictions, trying to improve management as well as trying to detect and prosecute those who illegally obtain benefits.
>
> The problem is that the shotgun approach to the program budget just doesn't work.

That is the question I asked and that is really the proposal of Senator McCLURE here tonight. The Inspector General went on to say:

> It would cut off benefits to eligibles, as well as ineligibles, and hurt the deserving as well as the undeserving. So you are really dealing with a problem where you have to, through a variety of management, audit and other monitoring devices, attempt to bring down those error rates to within tolerable limits.
>
> I think it is not responsible to suggest that you can totally eliminate fraud, abuse and error from a gigantic program like this. You must recognize that there are certain tolerances in any program involving 18 million recipients.

Now. another point, although part of what the Senator from Idaho had to say was not directly germane to this amendment. I realize it may have broad applicability, not only to the amendment, but to others he may propose, wherein he itemized for us a list of savings he thought could be intelligently made in this program by changing various eligibility criteria, and so forth.

I did not take verbatim notes, but some of the proposals he mentioned have already been included as part of S. 1309, which just passed this body a few moments ago. These new antifraud provisions will be the subject of new regulations to be issued by the Department of Agriculture in the near future.

As he said, these were not figments of his imagination. I think by inference the Senator from Idaho may have inferred this was not spontaneous, original brilliance pouring forth from him ab initio this evening, that some of these proposals have been taken up on previous occasions by the Senate Agriculture Committee, the authorizing committee, the committee that properly writes the food stamp law.

Some of those were taken up before that committee in 1977. Some of these were proposed before that committee in 1979.

I dare say, since the food stamp program expires in calendar year 1981 and will, if demonstrated needed, be reauthorized in 1981, some of these proposals that the Senator from Idaho has made will be taken up before the committee at that time.

Here we are dealing with an urgent supplemental bill. We are dealing with a program two-thirds of the way through a given fiscal year, and the time and the place to go into various methods as to how to change eligibility, or the various methods by which one qualifies for the food stamp program, those, to me, are appropriate matters to be considered in a timely fashion before the appropriate authorizing committees of both the Senate and the House.

I realize that the Senator was arguing for those, in essence, by way of background to this amendment and not to make them immediately applicable to this amendment at this time.

Nonetheless, Mr. President, I will conclude, and then I will be prepared to yield back the remainder of the my time on this amendment.

I share some of the apprehensions that the Senator from Idaho has with respect to this program. I share the same anxiety he has about people abusing a program, ripping it off, cheating, and so forth. I wish to God there were a highly surgical, targeted method by which we could strike at those who are cheaters and abusers and rip them out of the bill in a precise, delineated way. If there were such a method, I would be very keen to support it. Indeed, I would be very keen to offer that amendment myself.

But to offer an amendment to cut this program by $200 million; then to put a sticker on it and say this is the fraud, waste, and abuse amendment; to give it a sort of catchy appeal, to give it the idea that "by God, I'm against fraud, waste, and abuse," is to mislead this body as to what the pragmatic effect of a $200 million cut will have on this program—especially at a time, as I said, when we are in the early stages of a recession which could cause an additional million people to be unemployed, perhaps, in the next 2 or 3 calendar months.

Mr. President, I reserve the remainder of my time.

Mr. McCLURE. Mr. President, I have been listening carefully to the comments of the distinguished Senator from Missouri. I just wish he had had the strength of his conviction when he asked the question of the Inspector General, instead of being so easily dissuaded from the purpose which led him to ask the question.

This is not simply a matter of fraud and abuse. I simply indicated that if we tighten this program, this saving is easily obtainable.

I do not intend to debate the matter further at this time. I am prepared to yield back the remainder of my time, if the Senator from Missouri is prepared to do so.

Mr. EAGLETON. I yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the Senator from Idaho is recognized to call up his second amendment.

UP AMENDMENT NO. 1099

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 1099.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 2, strike the period and add the following:

": *Provided further*, That the value of the Food Stamp allotment which state agencies shall be authorized to issue to any households containing members who have meals provided under the National School Lunch Program available to them shall be determined by reducing that household's allotment by the product obtained by multiplying—

(A) a monthly amount equal to the per person per meal value of the Thrifty Food Plan for a household consisting of 8 persons by;

(B) the number of such meals per month available to household members by;

(C) the number of household members eligible for free or reduced price meals under the National School Lunch Program by;

(D) a national average school attendance per month factor prescribed by the Secretary of Agriculture."

Mr. McCLURE. Mr. President, I have provided copies of this amendment to the managers of the bill so that they may read it and understand what it is, and so that it would not be necessary to read the entire amendment.

This is a saving which is possible to make and which is not covered under the existing reform.

I note parenthetically that the Senator from Missouri said that some of the savings already have been voted for, to take effect in 1981. But those savings that affect 1981, under the bill we have just passed, do not go into effect until after October of this year. Hundreds of millions of dollars of savings could be made if we applied them now, rather than waiting 5 months to initiate them.

This amendment would reduce the food stamp law by eliminating duplication of benefits under the food stamp and school lunch program, which amounts to an estimated $630 million per year—that is the estimate of the Senate Budget Committee—which amounts to $2.187 million per day over the 9½ month school year.

If we applied this amendment to the remainder of this school year, it would save $98.43 million over the estimated 45 school days remaining in fiscal year 1980.

So this amendment, modest as it is, amounts to $100 million, simply by saying that in the computation of benefits to be paid to a household—the computation that sets up the thrifty food plan that says what the nutritional requirements for that family are—it simply would say, subtract from that thrifty food plan the number of meals that household is getting through the school lunch program, and reduce the food stamps issued to that household by the amount of nutrition that is furnished through the school lunch program—a saving of $98.43 million in the remainder of this fiscal year.

Mr. President, if the thrifty food plan is the adequate measure of the nutritional needs of that household, then we can subtract the food that is furnished to them under other plans, without having subtracted from the necessary nutritional needs of that family.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. LEAHY). Who yields time?

Mr. EAGLETON. Mr. President, this, again, is legislative matter that would be better considered by the authorizing committee. An urgent supplemental bill designed for the singular purpose of continuing a program already in place is an inappropriate place. The program has already been subjected to extraordinary economic demands by reason of the fact that first, Congress consciously underappropriated for the program at the very outset, stated so in the appropriation bill conference that set forth the amount of some $6.2 billion, and, second, has had enormous demands made upon it by reason of the escalation of food costs, higher than anticipated unemployment rates, and so forth.

Now, two-thirds of the way through the school year, to try to rewrite substantively the program in this urgent supplemental bill, would be a serious mistake. I think that whatever might be called for by this McClure amendment would be virtually impossible to implement with but 4 months remaining in this fiscal year.

For that purpose I hope that the McClure amendment is rejected. The same amendment or virtually the same amendment was considered in the House of Representatives last week and I am told was rejected on a rollcall vote of 269 to 134.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to my colleague from Montana.

Mr. MELCHER. It was also rejected by the Agriculture Committee. Virtually the same thing was considered, and we rejected it because for one thing the schools were very upset. The State authorities were very upset. This is a nightmare to enforce and what you are enforcing is those families who have schoolchildren who are on this so-called "thrifty food plan," which is not a very lavish plan, would simply have deducted from their allotment the equivalent of whatever the school lunches were.

I think it is the worst place in the world to try to cut down on abuses of the food stamp program by worrying about what growing kids at school eat.

I think the Agriculture Committee did the proper thing by rejecting the amendment.

Mr. McCLURE. Mr. President, as the Senator knows, I always bleed for bureaucrats when they administer a law that saves taxpayers $63 million a year.

The Senator from Montana may think the committee did the right thing by leaving the program that way, but the Senator from Idaho does not.

As far as the difficulty of administration is concerned, it is a simple formula computation, not at all beyond the ability of most midlevel bureaucrats, and I think they could absorb the intricacies of that process to administer it without great difficulty.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield for a question.

Mr. MELCHER. I cannot pose it in a question.

Mr. McCLURE. How much time does the Senator want?

Mr. EAGLETON. Mr. President, I am glad to yield such time as the Senator from Montana desires.

Mr. MELCHER. Mr. President, I simply state that we could not, and I am talking about the Agriculture Committee, determine any such sum of money that could conceivably be attributed to this proposal.

We discussed this at length with all sorts of State officials and all sorts of school officials, and we simply could not put that type of money to the amendment at all.

Mr. McCLURE. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Missouri is, with one final statement.

The estimate I used came from the Budget Committee and that is the figure that the Budget Committee used in their estimate of possible savings.

I am prepared to yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

UP AMENDMENT NO. 1100

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 1100.

Mr. McCLURE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 2, strike the period and insert the following:

": *Provided further*, That funds appropriated herein shall not be available to pay any benefits to any individual or household unless all educational loans on which payment is deferred; grants, fellowships, scholarships, and veteran's educational benefits used for the payment of tuition and mandatory fees at any educational institution of higher learning; and all housing subsidies including, but not limited to payments made by an outside party on behalf of an individual or household, are included as income when determining the eligibility of such individual or household to participate in the Food Stamp Program."

Mr. McCLURE. Mr. President, again this amendment is another on the list of possible savings, and I just picked three out of that whole list, and I have not recited these three excerpts as I presented the amendment as to the savings that could be made in the administration of this program.

I have furnished the managers of the bill with a copy of this amendment so that we might save the time by not reading it.

But this simply deals with the eligibility criteria for those who receive food stamps and require some items of income which they have to be included in the calculation of their income to determine whether or not they are eligible.

After all, I think the working men and women of this country who pay the taxes to support this program are entitled to have the knowledge that the recipients of the food stamps do not have sufficient income to pay for the food themselves.

So these items of income which go into their household income, which are now excluded under the regulations, under my amendment would be included in household income. It would include deferred loans, fellowships, scholarships, grants, and veterans educational benefits used for tuition and mandatory fees as a part of income and there is, if this were done, an approximate savings of at least $40 million annually or $13.3 million over 4-month period of the supplemental.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, this amendment offered by the Senator from Idaho deals with student loans and other benefits provided for a specific purpose.

As the Senator knows, S. 1309, which we voted on an hour ago or so, eliminates most students from the food stamp program. The only students who still would be eligible under the terms of S. 1309 are disabled students; students under 18 or over 60, those who already work, such as a student who works full-time and supports a family and goes to school at night; and welfare recipients enrolled in school under the work incentive program, so that they can get jobs and get off welfare.

The McClure amendment would count as income that portion of a student loan that goes for tuition for these disabled and other few students who remain eligible.

As for the other parts of the amendment, when educational benefits like scholarships or veterans benefits for tuition and fees are provided, they are properly excluded as income since they cannot be used by the recipient for his living expenses.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. McCLURE. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Pursuant to the previous order, the Senate will now proceed to vote on the first amendment offered by the Senator from Idaho.

The Chair will advise that this rollcall is a 15-minute rollcall and the next two rollcalls will be 10-minute rollcalls.

The question is on agreeing to the amendment (UP No. 1098) of the Senator from Idaho. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Iowa (Mr. JEPSEN), the Senator from South Dakota (Mr. PRESSLER) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted who wishes to vote?

The result was announced—yeas 35, nays 52, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—35

Armstrong
Baker
Bentsen
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Exon
Garn
Goldwater
Hatch
Havakawa
Helms
Hollings
Johnston
Laxalt
Long
Lugar
McClure
Morgan
Nunn
Proxmire
Pryor
Roth
Schweiker
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—52

Baucus
Bayh
Bellmon
Biden
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Kassebaum
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Percy
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stevenson
Stewart
Stone
Talmadge
Tsongas

NOT VOTING—12

Bradley
Cannon
Cranston
Humphrey
Inouye
Jepsen
Kennedy
Pell
Pressler
Ribicoff
Weicker
Williams

So Mr. McClure's amendment (UP No. 1093) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the next vote will be a 10-minute rollcall vote on Senator McClure's second amendment, (UP No. 1099).

The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. Bradley), the Senator from Nevada (Mr. Cannon), the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Connecticut (Mr. Ribicoff), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. Humphrey), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted who wish to vote?

The result was announced—yeas 30, nays 58, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—30

Armstrong
Baker
Bellmon
Bentsen
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Church
Cohen
Garn
Goldwater
Hatch
Havakawa
Helms
Hollings
Johnston
Kassebaum
Laxalt
Lugar
McClure
Percy
Proxmire
Roth
Schweiker
Simpson
Stennis
Thurmond
Tower
Wallop
Young

NAYS—58

Baucus
Bayh
Biden
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Cochran
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Jepsen
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Warner
Zorinsky

NOT VOTING—11

Bradley
Cannon
Cranston
Humphrey
Inouye
Kennedy
Pell
Pressler
Ribicoff
Weicker
Williams

So Mr. McClure's amendment (UP No. 1099) was rejected.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the third amendment of the Senator from Idaho will be subject to a 10-minute vote. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. Bradley), the Senator from Nevada (Mr. Cannon), the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Connecticut (Mr. Ribicoff), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. Humphrey), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER (Mr. Stone). Is there any Senator in the Chamber who has not voted who wishes to vote?

The result was announced—yeas 46, nays 42, as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—46

Armstrong
Baker
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd,
  Harry F., Jr.
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Exon
Garn
Goldwater
Hart
Hatch
Havakawa
Helms
Hollings
Johnston
Kassebaum
Laxalt
Lugar
McClure
Morgan
Nunn
Packwood
Proxmire
Roth
Sasser
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—42

Baucus
Bayh
Burdick
Byrd, Robert C.
Chafee
Chiles
Culver
Domenici
Durenberger
Durkin
Eagleton
Ford
Glenn
Gravel
Hatfield
Heflin
Heinz
Huddleston
Jackson
Javits
Jepsen
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Percy
Pryor
Randolph
Riegle
Sarbanes
Schmitt
Stevenson
Stone
Talmadge
Tsongas

NOT VOTING—11

Bradley
Cannon
Cranston
Humphrey
Inouye
Kennedy
Pell
Pressler
Ribicoff
Weicker
Williams

So Mr. McClure's amendment (UP No. 1100) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oklahoma.

Mr. BELLMON. Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. BELLMON. I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 1096

Mr. BELLMON. Mr. President, inasmuch as the tabling motion failed by 26 to 61, I see no point to a rollcall vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. McCLURE. I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I rise in support of the Senate Appropriation Committee's fiscal year 1980 supplemental appropriation bill which includes $3 billion in increase funding for the food stamp program.

This program has been a vital link in a chain that has changed the quality of life for many Americans. Our Nation through this and other programs is leading the world in its attempts to eliminate hunger at home and abroad. The importance and viability of this program has been attested to both bv studies conducted by several of our Nation's leading educational institutions and individual citizens.

Last year, the Senate passed S. 1309, the food stamp authorization bill. This legislation removed the food stamp authorization cap for fiscal years 1981 and 1982. Today the Senate is being asked to reaffirm its earlier decision. The food stamp program is a very expensive program, but the fight against hunger and malnutrition is a fight that must also be measured in human terms. Americans should not be deprived of sufficient food to meet their nutritional needs unless there is no other way.

Today, our Nation is facing an economic crisis which will result in increased levels of unemployment. Many unemployed families may be without the economic means to meet their daily nutritional needs. Given this reality it would be imprudent for the Senate not to appropriate the funds necessary to insure the continuation of this program.

For those who express concern over the increase in food stamp recipients which will occur during the remaining months of fiscal year 1980, I call their attention to the fact that many of these recipients are workers who have been temporarily laid off. Such individuals have supported this program through their tax dollars and should not be deprived of its benefits in their time of need.

Mr. President, many households will begin to experience significant nutritional difficulties if this bill is not adopted. These households will be forced to make the impossible choice between health care needs and shelter costs on the one hand and decent food on the other. This choice is no choice. This bill is not without its costs—but the costs of not adopting it are much higher in terms of human suffering and nutritional deprivation.

● Mr. WEICKER. Mr. President, I strongly support House Joint Resolution 545, the food stamp supplemental, and urge my colleagues to act swiftly on this matter.

Mr. President, this legislation will provide the additional $3 billion necessary to maintain the food stamp program at current levels through this fiscal year. Without the additional funds, the Secretary of Agriculture will order all States to cut off food stamp benefits on June 1, 1980. If Congress does not act quickly to approve this legislation, food stamp benefits to an estimated 21 million Americans will be terminated.

More than a decade ago, the United States declared war on hunger and malnutrition. Since then, the food stamp program has become a vital element in the Federal and State programs of assistance to low-income households; food stamp households have an average income level of approximately $320 per month.

Mr. President, food prices have risen 32 percent since 1977—far beyond the 13-percent rise projected in the authorizing legislation. In that year unemployment was predicted to reach a level of 5.7 percent by 1980. Today's estimates indicate that unemployment will reach 6.8 percent. The Consumer Price Index shows that during the last 4 years prices for other basic necessities such as fuel, housing, and medical care have risen approximately 34 percent. Though most Americans spend 60 percent of their income on these necessities, the poor must spend 90 percent. These factors have substantially contributed to the 25-percent increase in the levels of participation in the food stamp program since 1977.

Local food banks and States will not be able to absorb the $3 billion loss that will occur if the supplemental legislation is not approved and benefits are not provided at current levels. The economy will lose millions of dollars in each month that food stamps are not issued.

Mr. President, I understand that significant costs incurred within the food stamp program are due to fraud and wasteful administration in the program. These problems must be resolved. Legislation to reauthorize the program has been introduced with provisions that address these issues. In addition, the fiscal year 1981 budget request has incorporated several measures to respond to these problems.

Today we must act to insure the continuation of food stamp benefits through this fiscal year. I urge my colleagues once again to join with me in supporting this legislation in the hope that we will soon win both the war against inflation and the war against hunger.●

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. BAKER. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. PRYOR), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from New Jersey (Mr. BRADLEY) would each vote "yea."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator wishing to vote who has not voted?

The result was announced—yeas 70, nays 18, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—70

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Warner
Young

NAYS—18

Armstrong
Boschwitz
Byrd,
Harry F., Jr.
Garn
Goldwater
Hatch
Hayakawa
Helms
Laxalt
Lugar
McClure
Proxmire
Simpson
Stennis
Thurmond
Tower
Wallop
Zorinsky

NOT VOTING—11

Bradley
Cannon
Cranston
Humphrey
Inouye
Kennedy
Pell
Pryor
Ribicoff
Weicker
Williams

So the resolution (H.J. Res. 545), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to House Joint Resolution 545.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. EAGLETON, I move that the Senate insist on its amendments to House Joint Resolution 545, request a conference with the House on the disagreeing votes of the two houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. EAGLETON, Mr. STENNIS, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. SASSER, Mr. MAGNUSON, Mr. LEAHY, Mr. BELLMON, Mr. YOUNG, Mr. MCCLURE, Mr. GARN, and Mr. SCHMITT conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, today the Senate acted to insure that food stamp benefits are not jeopardized. Earlier, with adoption of the conference report on S. 1309, the food stamp authorization bill, the Senate agreed to raise the spending ceiling on the program, which is needed because higher unemployment has resulted in a larger number of eligible recipients, and because of the rising cost of food.

I commend the distinguished chairman of the Agriculture Committee (Mr. TALMADGE) for his efforts to expedite this matter. This program is an important one which the chairman and his committee have refined and improved through their diligent work. I also commend Mr. HOLLINGS.

House Joint Resolution 545 provides urgent supplemental appropriations for the food stamp program for fiscal year

1980. Because of the urgency of the food stamp funding situation, funding for the food stamp program was split off from the larger supplemental and provided for in this resolution.

The food needs of more than 21 million beneficiaries nationwide are dependent upon this urgent supplemental. In my own State of West Virginia, 22,000 beneficiaries are counting on approval of this resolution so that they may be assured of receiving the important benefits which are provided by the food stamp program.

I thank the chairman of the Appropriations Subcommittee on Agriculture (Mr. EAGLETON) and the ranking minority member on that subcommittee (Mr. BELLMON) for the expeditious manner in which they handled this measure in the Appropriations Committee yesterday afternoon. Mr. MAGNUSON and Mr. YOUNG, chairman and ranking minority member on the full committee, are to be commended as well for the support they lent to efforts to get this urgent supplemental reported as quickly as possible.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, for not to exceed 30 minutes, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

AAAS CRITICIZES SOVIET UNION FOR TREATMENT OF SAKHAROV

Mr. PROXMIRE. Mr. President, today I again wish to recognize the American Association for the Advancement of Science. Following the association's recent endorsement of U.S. ratification of the Genocide Convention, the group made another bold announcement for freedom. This time the AAAS criticized the Soviet Union for its treatment of vocal dissident and Nobel Prize winner Dr. Andrei Sakharov.

The association sent the following succinct telegram to the Soviet Ambassador to the United States, Anatoliy Dobrynin:

> As officers of the American Association for the Advancement of Science, we are deeply concerned about the recent actions taken against Andrei Sakharov. These actions will undoubtedly undermine the spirit of cooperation which underlies scientific exchange between our two countries, and will further divide our nations at a time when every effort should be made to preserve a strategy of peaceful cooperation.
>
> The exile of Professor Sakharov deprives the people of the Soviet Union and the world of a brilliant voice in support of mutual understanding and the defense of human freedom. We strongly urge that he be protected from further harassment.

The message was brief and reasonable. But it penetrates to the heart of the Soviets' maltreatment of a man whose crime has been to speak what he believes. He has spoken truths that do not fit the mold of official truth in the Kremlin.

The internal exile and isolation of Dr. Sakharov extends beyond the muzzling of his voicing opposition to Soviet dogma. Just as Russian leaders have squelched Sakharov from expressing his political opinion, so they have cut him off entirely from his scientific endeavors. He is permitted neither to express his conscience nor continue his physics research.

I applaud the stand the American Association for the Advancement of Science has taken in the defense of freedom. I find the announcement the perfect complement to the association's endorsement of the Genocide Convention. With the two proclamations, the association has both pointed out an abuse of freedom today and pointed to a potential safeguard of freedom for tomorrow—the Genocide Convention. I join the AAAS in urging the Senate to ratify the Genocide Convention.

THE GREAT AMERICAN CREDIT COLLAPSE

Mr. THURMOND. Mr. President, the Federal Reserve System action of May 8, 1980, was yet another blow to the bond market—a market that virtually collapsed a few weeks earlier when interest rates were sharply escalating. The Fed's move to stem, at least temporarily, the recent drop in interest rates resulted in a sharp decline in long-term bond prices.

Mr. President, the strength of the market for these long-term bonds is critical to every facet of our Nation's domestic productivity and equally important to our American position in the international monetary arena. An article, titled "The Great American Credit Collapse," which was published in the April 5, 1980, issue of the New Republic, provides excellent perspective and insight regarding the bond market and other related credit problems of recent months. The author of the article is William J. Quirk, professor of law at the University of South Carolina.

Mr. President, Professor Quirk points to the situation of recent months when the bond market collapsed because no amount of interest would induce the lender to part with his money for a promise to repay at some time in the future. Rather than in years, repayment now must be promised in days. The long-term lender has lost confidence in the stability of the dollar in which he will be repaid. Without confidence in the dollar, the long-term bond market cannot exist. Foreigners stopped taking dollars in the late 1970's. In 1980 Americans are following suit.

Mr. President, this is indeed a critical situation and one that requires our most serious consideration. In order to share Professor Quirk's excellent article with my colleagues, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREAT AMERICAN CREDIT COLLAPSE

(By William J. Quirk)

Every inflationary spiral contains within it the seeds of its own destruction. The German inflation of 1923 topped out when farmers refused to exchange their produce for any amount of paper marks. Money was then disregarded and the economy went on to a barter basis.

Over the past few weeks, the bond market has collapsed with a sickening thud, the victim of escalating interest. Since June 1979 the value of outstanding bonds has dropped 25 percent, a dollar loss of about $500 billion. By comparison, in 1929 we called it a depression when the stock market in October and November lost $23 billion. Today all the major banks, if they had to value their bond portfolios at current market rates, would be insolvent. The bond market, which annually raises $40 billion for business, is practically at dead stop. Respected conservative economists speak of a "national emergency." The federal government itself, owner of the printing press, must pay 16 percent to borrow money. The debt service on the national debt, of which $450 billion must be rolled over each year, will consequently climb to disastrous levels. Felix Rohatyn, noting "chaos in the credit markets," warns that the US is in a "slide towards bankruptcy." Today paper money doesn't count. These facts obviously describe a financial collapse—a point already becoming clear to the worker reading about 20 percent inflation while getting an eight percent raise.

The bond market collapsed when no amount of interest would induce the lender to part with his money for a promise to repay at some time in the future. Repayment now must be promised in days, not years—90 days, 180 days, and 270 days are common periods. The long-term lender has lost confidence in the stability of the dollar in which he will be repaid. Interest is the investor's return for the use of his money but can't protect him against repayment of his loan in funny money. Without confidence in the dollar the long-term bond market cannot exist. Foreigners stopped taking dollars in the late 1970s. In 1980 Americans are following suit.

Many individuals, of course, have played this game from the other side—undertaking heavy mortgage obligations in the expectation of repaying in cheap dollars. So it is not too surprising if the people being repaid with cheap dollars have had enough. Like the German farmers, investors have refused to exchange a known value—the current worth of a dollar—for something unknown, namely the value of a dollar five or 10 or 20 years from now. Inflation, by definition, destroys all long-term obligations. The long-term fixed interest bond is totally dependent upon a stable currency. For example, take a rosy view and assume that inflation goes along at a steady and cool rate of 10 percent per year. Assume a $10,000 20-year bond due in the year 2000: simply to preserve the purchasing power of his original capital the lender would have to be paid back $67,276 in the year 2000. The lender requires that amount to recover the original principal; it does not include any return for the use of his money and related credit risk.

As interest rates increase the bond owner gets to watch the value of his capital go down. Higher interest rates mean lower bond prices. In less than a year Treasury bonds have lost 30 percent of their value—Treasury 9⅛s of May 15, 2009, sold last May at par ($100), are trading now about $70. IBM's 25-year 9⅜ percent debentures issued last October are down to 76.5 percent of their face value. A trustee who bought a Pacific Telephone bond in 1967 would have lost more than half his principal by 1980: Pacific Telephone's 35-year six percent debentures issued in 1967 at $100 are down to around $47 today. This is a severe loss indeed on what was traditionally viewed as an investment for those who should take no chances—pensioners, widows, and orphans.

A trustee who must report such capital devastation to his beneficiaries is in for as painful an experience as the beneficiaries. He can, of course, explain that Pacific Telephone is still paying the $600 annual interest, and if the trust holds the bonds until 2000, Pacific Telephone will surely repay the original $10,000. He can give no asssurance, however, that the $10,000 in the year 2000 will buy a salami sandwich.

Of course most trustees never intended to hold a bond until its maturity in the distant future. Who would invest in a security not due until 2020 which might be well beyond the expected lifetime of its purchaser? The trustee always thought that he could sell a bond for close to its face value if money was needed to send a child to college, for example. The bond could be sold in the secondary market for about what he paid—assuming, of course, that interest rates remained reasonably stable.

What will the trustee do next time to protect himself? He may invest in a money market fund. Virtually unknown five years ago, these funds have become a haven for scared money. Essentially a high-interest bank account, the funds now total $60 billion—including an addition of $6.8 billion in February and $7.9 billion in January. The funds invest largely in short-term federal notes, commercial paper, and certificates of deposit. Their appeal to the investor is defensive. All obligations are short term; the investor stays current with short-term interest rates and is free to withdraw his capital at will.

Europeans always have been puzzled by the American long-term bond. To them seven years is considered long term and floating or variable interest rates are used. But for the last 100 years the United States has funded its private and public growth with long-term (20 to 40 years) fixed-interest bonds. The stock market, while glamorous, has been relatively trivial as a source of funds. The due date of a long-term bond, say 2020, is far in the future. A great deal of change would be expected even in a fundamentally sound society. Only the United States has had the moral, political, and financial stability necessary to pull off such arrangements.

Would American bonds modeled after European standards sell? Say a seven-year term with variable interest, attractive call provisions and, perhaps, convertible to common stock. Are we just in a creative lull before someone comes up with the innovation that will permit the system to clear the overhang and go forward? Perhaps so, but there will be serious differences that impair productivity. A company, if it can only secure short-term financing, must hesitate before making a long-term investment. Playing roulette with financing costs has obvious dangers.

The immediate cause of the bond market collapse was Federal Reserve Chairman Volcker's statement of October 6, 1979. Volcker had just returned from the IMF meeting in Belgrade determined to buck up the fading dollar on international exchanges. Former chairman Miller's First Annual Fall Dollar Rescue (November 1978) had by this time completely run out of steam. Touted at the time as strong medicine likely to induce a recession, it was necessary, Miller said, to save the dollar. Many, in 1980, could not even recall the first rescue attempt, much less any strong medicine. But this time it was different. The problem, as Volcker saw it, was that Americans were treating credit like gasoline: no matter how much the price was raised, they continued to use about the same amount. The only solution was to ration it. Volcker adopted the currently fashionable monetarist philosophy and imposed stiff reserve requirements on the banks. The money supply was kept under a hand firm enough to please Milton Friedman.

In the past Volcker had been criticized for conservative rhetoric while the money printing presses rolled. But now, with the supply fixed—and demand fueled by continuing inflationary expectations—the squeeze was on and the price of money went right through the roof. Predictably, the first victims of the get-tough policy were the holders of the $2,000 billion worth of outstanding bonds whose capital melted as interest rates rose to 20 percent. Volcker had promised that interest rates would decline as his measures took hold, "whatever the initial impact on interest rates." But he never promised when they would come down or what would come down with them.

The next victim was the stock market since historically, the bond and stock markets move together. Besides why pay a brokerage commission to invest in a blue chip stock yielding a seven percent return when you can invest in a no-load money market fund yielding 13 or 14 or 15 percent and have relative safety of principal and free checking to boot?

Internationally, the Volcker policy has successfully strengthened the dollar. Europeans have been impressed by the Fed's resolve. But how much more domestic carnage will be tolerated for this goal seems questionable. Politically, the choice of bondholders as primary victims was brilliant. Bonds are held by a narrow and wealthy group of individuals and institutions. Probably every non-bondholder would agree that they are a perfect group to bear the brunt of the fight against inflation. But as the ripples go out all will be affected and the president's free ride on the inflation train will come to an end. Also, the institutions involved are very powerful. Government and the Federal Reserve exist to help them, not hurt them.

The president's free ride is not shared by people who are forced to sell their homes in the current housing market. Caught in the middle of a bursting housing bubble, homesellers are an additional group of victims, as incredible interest costs have virtually closed down private sales of housing. The startling fact is that a three percent increase causes an increased monthly cost to the buyer of 23 percent. Take a $75,000 house (hardly a palace) and a $15,000 downpayment; at 12 percent the monthly mortgage cost to the buyer is $617.17; at 15 percent the monthly cost is $758.67. The prospective buyer has at least one good option—he can refuse to buy. The seller's options are more but worse: he can (1) lower the price or (2) himself provide some financing to the buyer. The second option, its legal problems aside, puts the seller into the lending business with all its risks just as the country heads into recession. Chairman Volcker's bubble-pricking policy wins either way. If the seller himself takes a note from the buyer, at least there will be no new money sloshing around the economy. If he lowers the price it is a clear win for the feds.

On March 14 President Carter, saying we are in a "dangerous situation that calls for urgent measures," announced his latest anti-inflation plan. The market had long discounted the president's expected credit controls, but they were even weaker than expected. Some limits on future credit card borrowing do not seem material to the problem. In any case the Fed is doing about all it can to limit credit and, in the absence of foreign exchange controls to prevent Eurodollar borrowing, about all that can be done.

Consumer credit, of course, has provided much of the funding for inflation. Nonhousing consumer installment debt has doubled in the last four years—from $150 billion to $300 billion. This increase coincides with the beginning of the real depression for American workers, who have each year since 1974 experienced a decline in real purchasing power. The combined effect of inflation, the progressive tax system, and increased social security payments have decimated the middle-class paycheck. Middle-class taxpayers have risen into lofty tax brackets previously reserved for their betters. Their increased borrowing has been an obvious effort to maintain a constant standard of living in the face of lower real wages.

The amount of debt in the United States is stupendous. Government debt is $924 billion; business debt is $1232 billion; and household debt (mortgage and installment) is $1279 billion. It may be some comfort that as a percentage of GNP the overall total of debt has slightly decreased since 1946, when it was 155.9 percent, down to 145.5 percent in 1979. While consistent, the figures are nonetheless high—almost identical to those in 1921 to 1929. Moreover, the nature of the debt has changed sharply. Government debt, surprisingly enough, as a percentage of GNP, has declined sharply since World War II from 110.5 percent (1946) to 39.4 percent (1979). Business debt has risen from 29.4 percent (1946) to 52.2 percent (1979). The stunning increase has taken place in household debt—16 percent (1946) to 53.9 percent in 1979.

Is this level of household debt sustainable under any likely scenario? After Carter's program fails, if the Fed keeps to its plan, we must fall into the long-awaited recession. Because it has been postponed so long, the recession may well be severe. Indeed, a deflationary spiral may be as hard to control as an inflationary one.

There must be serious doubt about the economic resilience of the 74 million American households. Family income, extended by recent borrowing, is taut as a bowstring. Two-paycheck families seem reasonably prosperous but cannot afford the loss of a paycheck.

One-paycheck families are already under severe stress. A typical taxpayer earning $30,000 immediately loses $10,000 to federal and local taxes. His remaining $1700 per month spendable income is heavily encumbered. Probably over 40 percent will go to debt—say $400 for mortgage; $100 for car payments; $100 for department store credit; and $100 for credit card payments. His problems are deeper than President Carter seems to realize. He is left with $1000 a month to feed, clothe, maintain, and educate a middle-class family. The Fed seems to think he can make it if he exercises some self-discipline. Maybe he can't. The point is that this time the Fed is deadly serious. Europeans, who have a lot to lose, are betting on that.

THE NEED FOR STRONGER U.S. MILITARY

Mr. THURMOND. Mr. President, a succinct editorial on U.S. military preparedness has been published in the May 1980 issue of the Officer magazine, a publication of the Reserve Officers Association.

Maj. Gen. J. Milnor Roberts, executive director of ROA, has authored a short editorial entitled "Come As You Are War?"

He points to the fact that the Congress must cease "politics-as-usual" and undertake a major rearmament program as soon as possible. As one who attempted, in recent years, to strengthen our declining defense posture, I heartily endorse the recommendations of General Roberts.

Mr. President, I ask unanimous consent that this article, which appeared in the May 1980 issue of the Officer magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

"COME AS YOU ARE WAR?"

No member of Congress should be surprised when informed that we are ill prepared to conduct conventional military operations either in the NATO or the Persian Gulf areas. Year after year during the 70s, uniformed members of the Defense establishment have warned the Congress of the folly of adjusting military expenditures to fit whatever budget civilians in OMB decide is politically acceptable. The results of this extended policy are now painfully evident, and the years of relative neglect in weapons procurement, prudent maintenance of installations and some hardware items, plus the pretense of a successful Volunteer Army have brought us to a point of peril greater than December 8, 1941.

According to a recent report of the House Budget Committee, Secretary of Defense Harold Brown made the following statement about the 1981 defense budget in a classified hearing:

"'The United States has already slipped into a position of relative inferiority in the areas of strategic nuclear forces and theater nuclear forces.'

"The House report notes that this is the 'first time that any U.S. government official has ever made such an admission.'"

It has been generally known that we have been at a disadvantage to the Soviets in ground forces for many years, and recently our naval and air posture has deteriorated vs. the USSR.

We had better not get into a "Come As We Are War" with the Soviet Union in 1980.

We had better stop politics-as-usual and get on with a major re-armament program as rapidly as possible. The first and most important responsibility of our government is to keep our people free and to preserve our heritage for future generations. Food stamps ($11,000,000,000 in 1980), *et al*, are nice, but bread and circuses did not sustain the glory that was Rome.

EXXON'S NEXT PREY

Mr. BIDEN. Mr. President, I would like to bring to the attention of my Senate colleagues a very interesting cover story in the April 28 issue of Business Week. The article, entitled "Exxon's Next Prey: IBM and Xerox," documents that Exxon, one of the country's largest energy corporations, has spent over half a billion dollars over the last few years to launch, support and now consolidate 15 separate ventures into the growing office-equipment industry. I feel that the information revealed in this article has important implications which ought to be considered by every Member of this body.

A short time ago, the Congress was embroiled in one of the most intensely-fought lobbying efforts that I have seen in my 8 years in the Senate. The object of that struggle was the fate of billions of dollars that would be coming into the treasuries of American oil companies over the next 10 years as a result of the decontrol of domestic oil prices and the market manipulations of the OPEC cartel.

During our debate on the windfall profit tax, I supported a strong tax as the only way to recapture for the hard-pressed consumer some of the dollars that they are paying out for the energy they rely on for their homes and their jobs. I also believe that the windfall profit that Congress enacted left the oil companies more than sufficient revenues—and incentives—to fund explorations for new oil and natural gas sources and for the development of alternative energy sources. Lobbyists against the windfall profit tax maintained that the energy corporations needed the additional revenues resulting from decontrol to invest in energy production that could protect this Nation from replays of "energy crisis."

Now we can read in Business Week, a highly respected national magazine relied on by the American business community, that at least one major energy corporation is using its massive profits to move into nonenergy industries. Let me quote what I see as the heart of the article:

> For nine years, Exxon has been spending venture capital funds to seed a host of new ideas in office automation as well as to find new energy sources. And for nearly as long, the information processing industry has speculated about and worried over—what Exxon was up to. Until now, Exxon executives have labeled their ventures into electronics as separate, speculative investments, and they publicly ignored the scenarios laid out by analysts of a grand Exxon plan for assaulting the office market.
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> But the picture has changed suddenly and dramatically. The recent creation of Exxon Information Systems (EIS), the company's tightening grip on its many little start-up companies, and its major drive to recruit senior executives from other information processing companies has brought this diversification activity out of the closet. And the oil giant is finally confirming what it aims to do: become a major supplier of advanced office systems and communications networks within three to five years.

This article goes on to underline that nearly all of these Exxon ventures have operated often in the red, relying on Exxon's oil and natural gas profits to survive, and to fund innovation and expansion. Clearly, cash to back up these ventures are not a problem for the parent corporation, which took in nearly $2 billion in profits in the first quarter.

Mr. President, my purpose is not to excoriate the Exxon Corp. or its managements for these ventures. The company executives are doing what every business student in this country is taught to do: Diversifying, investing profits in new and growing industries. In ordinary circumstances, such a course of action would be no more than sound business practice. But the circumstances, given the Nation's energy situation and imperiled economy, are not ordinary, and this course has implications which the U.S. Senate is obliged to consider.

The profits of Exxon and other energy corporations are up, not because of their own business acumen and innovation, but because of the ill-considered decontrol of domestic oil and natural gas prices in conjunction with galloping inflation and the artificial hikes foisted on the world by the OPEC cartel. The windfall profit tax was designed to ease the injustice of asking the American public to pay substantially more when they were not getting substantially more. During debate on the tax, the oil companies urged that their excess profits were vital to their continued efforts to find new oil and gas reserves and to develop alternative technologies that could protect this country against the energy crises we experienced in 1975 and again last summer.

But trends such as the one examined in Business Week would indicate that the energy corporations are plowing their excess profits, not into energy development, but into unrelated industries. This kind of action has negative effects on two fronts:

First, as I have pointed out, it undercuts the pursuit of alternative technologies and renewable energy resources that this Nation not only should have, but must have, to maintain its national security, its independence in foreign policy, and its economic stability over the next two decades. Congress has committed a major portion of the revenues from the windfall profit tax to the funding of research in alternative energy; it seems that the energy corporations might be able to see the need for such development.

Second, the forays of energy corporations into nonenergy enterprises have grave implications for every other American industry in these times of recession and economic uncertainty. Can we, in conscience, stand back and allow the oil companies to use the excess profits they have been handed to compete with other American businesses—in the case of this article, IBM and Xerox, two of America's largest enterprises? In this difficult economic period, Exxon's competitors in the office-equipment field point out, that corporation's greatest asset may well be its vast cash reserve that buffers it against the uncertainties of the marketplace and enables the company to buy its way into the market.

The Congress has a responsibility to prevent that resource from being used at the expense of American businesses and the American consumer. We must support measures, such as the Energy Anti-Monopoly Act, which attempt to insure that the monetary resources the oil companies garnered from their windfall profit will be used where they are most needed—and where the energy corporations said they would use them—in energy development.

Mr. President, I ask that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXXON'S NEXT PREY: IBM AND XEROX

Many people—including, perhaps, some of Exxon Corp.'s own employees—would be surprised to learn that the giant oil company sold nearly $200 million worth of office automation equipment last year. With corporate sales soaring to $84.8 billion, even Exxon's bookkeepers could be forgiven for overlooking that kind of small change. But this embryonic business might very well represent both the future of the nation's largest energy company and a powerful new challenge for the leadership of the burgeoning information processing industry.

For nine years, Exxon has been spending venture capital funds to seed a host of new ideas in office automation as well as to find new energy sources. And for nearly as long, the information processing industry has speculated about—and worried over—what Exxon was up to. Until now, Exxon executives have labeled their ventures into electronics as separate, speculative investments, and they publicly ignored the scenarios laid out by analysts of a grand Exxon plan for assaulting the office market.

But the picture has changed suddenly and dramatically. The recent creation of Exxon Information Systems (EIS), the company's tightening grip on its many little startup companies, and its major drive to recruit senior executives from other information processing companies has brought this diversification activity out of the closet. And the oil giant is finally confirming what it aims to do: become a major supplier of advanced office systems and communications networks within three to five years. "We intend to be the systems supplier to the office market," declares Hollister B. "Ben" Sykes, who is in charge of pulling these operations together as senior vice-president of Exxon Enterprises Inc., the corporate parent of EIS.

Such brash words from a $200 million office equipment company could easily be taken for hype by office equipment giants such as International Business Machines Corp. and Xerox Corp. IBM earned $3 billion on revenues of $23 billion last year, while Xerox had net profits of $563 million on $7 billion in revenues. But when that determination comes from a company with $49.5 billion in assets, 1979 net profits of $4.3 billion, and sales that approach the gross national product of Mexico, such utterances take on a more serious meaning.

Creating a cohesive organization out of the 15 independent, entrepreneurial companies that make up EIS is a formidable management task, however, no matter how much money a corporation has. "Exxon Enterprises has the right pieces for the office of the future," says an Exxon consultant for the industry, "but they don't have the management to make it come together." John F. Cunningham, executive vice-president of Wang Laboratories Inc., a high-flying Lowell (Mass.) competitor, puts it even more strongly: "If God himself came down in a junior businessman's uniform, worked very hard for three years, and got very lucky, he'd still have a tough time pulling those companies together."

But no matter what industry executives say about the difficulty of Exxon's job, most of them are very concerned about Exxon's virtually unlimited resources. IBM, which accounts for the major share of the world's data processing business, will not comment on Exxon as a competitor, but its executives are watching Exxon warily. Although IBM denies it, some industry watchers are convinced that the company recently moved up the introduction date for an electronic typewriter after Exxon made a big splash with an innovative model aimed directly at IBM's product line.

Taking on IBM in the electronic typewriter market will require vast amounts of money. Last year alone, Exxon lost as much as $30 million in this single thrust, according to industry observers. But EIS has sufficient resources, through financing from its corporate parent, to develop or acquire virtually any type of technology deemed relevant to its goals, concludes a new study by Yankee Group, a Cambridge (Mass.) market research firm. And a growing number of observers believe that the money will be forthcoming. Access to such large amounts of capital would give Exxon an important advantage over other vendors. Many companies that are truly innovative simply cannot make a significant impact on the office systems marketplace without getting outside financing.

Sykes now leaves no doubt that Exxon is going after the leaders. While he acknowledges that the office automation business will always have viable "niche" companies serving a narrow market segment—the direction that his ventures had been taking in typewriters, for example—Exxon is beginning to combine its ventures into a single operation that will take a total systems approach to the market. "A systems capability, which will permit us to deliver a total system to the large customer," Sykes says, "will be necessary for a large company's competitive survival."

This evolving strategy, coupled with Exxon's financial muscle, is beginning to look like an almost unbeatable combination to some industry experts. "It seems likely that the [office system] business they are building now will rival, if not surpass, their oil business ultimately," predicts Stephanie B. Bigusiak, an industry analyst who worked on the Yankee Group study.

For Exxon shareholders, however, the move toward the office systems market will have little significance in the short run. "The base of oil and gas operations is so big that even if [the information business] is spectacularly successful, it won't make much difference for a long time," notes Phillip L. Dodge, an energy analyst at Donaldson, Lufkin & Jenrette Securities Corp.

For now, at last, Exxon's top management is not prepared to acknowledge a scenario that calls for information processing to become Exxon's No. 1 business. Chairman C. C. Garvin Jr. recently told shareholders that "Exxon is and will remain primarily an energy company." Ulric Weil, vice-president at Morgan Stanley & Co., says: "I don't think Exxon senior management has even focused on the idea that the office automation business might be bigger than the oil business [or that this is] a realistic possibility." He and other industry analysts believe there is a good chance, however, that Sykes and the other managers at Exxon Enterprises have considered the possibility.

A change like that could not come about until the 21st century, but Exxon and the rest of the oil companies spend much of their planning time on such far-reaching strategies. It has long been obvious to the oil industry—and many others—that any business based on a rapidly shrinking natural resource is not a long-term proposition. For years now the oil companies have diversified into other energy sources such as coal and nuclear power. Exxon is no exception—in fact, it is leading the way in changing from a traditional oil and gas company to a broadly based energy company. In 1980 alone, the company is spending $7.5 billion on capital improvements and exploration that will include substantial investments in everything from coal, oil sands, and oil shale to synthetic fuels.

But growth in office automation markets that may be trivial—in the 1980s—to the largest U.S. energy company would be highly important to the information processing industry. Exxon's revenues in this business already place it among the top 25 producers. And these revenues are soaring. "We've been doubling in revenues each year," Sykes says, and he expects that they will almost double again this year to near $400 million. "We still expect to reach a billion dollars in revenues within the next few years, and we'll definitely have good profitability by then," he says.

By the end of the 1980s, Bigusiak of Yankee Group predicts that "the Exxon information companies could produce $10 billion to $15 billion in revenues." That may not amount to much in barrels of oil, but in advanced office systems such volume would undoubtedly move Exxon to the top tier of vendors, with as much as 10 percent of the market. By that time, Yankee Group expects that the total information processing industry will be worth $150 billion to $200 billion annually.

Exxon has been developing products in its own laboratories and making venture capital investments in markets outside petroleum since the 1960s. Some did not pan out—artificial food and factory-built housing, to name two. But in the 1970s, Exxon Enterprises, the venture capital arm, began making investments in new technologies and new business opportunities in information processing. "Exxon looks for two things in a company, technology that will be around in 10 to 20 years and a product capable of producing $100 million [in annual revenues]," says Fred S. Lee, founder and president of Magnex Corp., an Exxon venture in San Jose, Calif., which is developing a way to cram more computer data on magnetic disks at less cost.

So far, Exxon has invested $500 million or more in 15 ventures that are now being grouped together as EIS. Eight of the companies have products on the market, and one is about to make its commercial debut. The first sign that Exxon was going after IBM and Xerox in the office-of-the-future market came last year when advertisements appeared that grouped the four largest of these companies under the EIS banner. Until then, they had all operated autonomously. The four are Vydec Inc., a pioneer producer of text-editors with display screens; Qwip Systems Div., the leading U.S. producer of telephone facsimile units; Qyx Div., which is taking IBM head-on with its Intelligent Typewriters; and Zilog Inc.; a leader in the fast-growing microprocessor business.

Now, as a first step toward a single systems company, Exxon plans to combine the marketing operations of Qwip, Qyx, and Vydec into a single sales force. But Sykes cautions that "we're just in the planning phases to determine what the most effective approach might be."

The other four companies marketing a product are Periphonics Corp. with its voice-response system, Dialog Systems Inc. with its voice-input system, Delphi Communications Corp. with its voice-message system, and Optical Information Systems, which turns out semiconductor lasers for use in optical fiber communications networks. And later this year, InteCom Inc. will introduce a switching network to handle both voice and data—the "glue" to connect all the Exxon products into a single system.

Six EIS companies are still in the development stage and are working on such advanced products as flat panel displays, new data storage devices, high-resolution nonimpact printers, microcomputers, and an advanced work station capable of doing everything from word and data processing and data-base accessing to electronic filing and mailing.

All of these products and technologies fit neatly into the office-of-the-future scenario, which will combine data processing and word processing in one office system. Instead of stand-alone typewriters, paper files, and separate telecommunications, the office will evolve into a data communications network that will connect word processors, data processing terminals, telephones, and shared electronic files. This automated office will not come overnight, but by the end of the 1980s it is expected to be larger than today's data processing market.

Exxon's strategy seems to be the Xerox "supermarket" approach—providing customers with everything they will need in office automation products. An Exxon customer could start with Intelligent Typewriters, move up to word processors, go to advanced work stations, and back them up with fast printers, facsimile receivers, and electronic files. This collection of office equipment could be hooked together locally by an Exxon computer-controlled network.

"There are only one or maybe two other companies that have all the pieces that Exxon has," says Howard M. Anderson, president of Yankee Group. "And even those two—IBM and Xerox—don't have them in the quality and quantity that Exxon has."

But even Sykes acknowledges the tough job he has ahead in assembling the pieces. Although EIS is taking its first step toward combining the three companies making up the office systems segment of its operations, the strategy for pulling together the communications and components parts of the company is, according to Sykes, a long way from being decided. More pieces may be needed to fill in the puzzle, Sykes says. Communications is one area, he adds, in which parts may be missing.

None of the 15 ventures turned a profit last year. Sykes expects four of them to hit the black this year, but he concedes that revenues will reach $1 billion before EIS, as a whole, becomes profitable. But early profitability is not a goal, Sykes insists. If it were, he says, several of the companies would have been in the black now. "Our objective," he says, "is to grow a business that is viable in a competitive marketplace with very large corporations. We're not out to build a flower that blooms and then has to be acquired by somebody else to survive."

Exxon management believes that it has plenty of time to create an effective, integrated systems company because no one else is nearer than EIS to supplying a total system for the office. "Right now," Sykes says, "it's not clear just what that system is or how it is going to be sold to the customer." IBM and Xerox, in fact, have taken longer to move in this direction than most observers had expected. But a rapidly growing group of smaller companies—led by Wang, Datapoint Corp., and others—are moving faster.

"Exxon doesn't have forever to get organized" maintains Amy D. Wohl, a Haverford (Pa.) consultant. "In the next few years there are going to be a lot of significant announcements in office automation, and unless Exxon does something soon, they might not be one of the first ones in there."

Speedy decision-making is not an EIS forte, according to some of its managers and former managers. "They like to strike oil and leave it there like money in the ground," observes one manager. "But with companies like they're acquiring, you've got to move or you'll miss the market window." Says Ralph K. Ungermann, former executive vice-president at Zilog, who resigned a year ago to start his own company: "The speed at which Exxon moves is incredibly slow. It can take a year to get approval for a strategy change."

Another area of activity that EIS is beginning to integrate is research and development. Until now, all of the companies did their R&D independently. Soon they will begin to share work at R&D centers that will focus on EIS's four business areas: office products, computer systems, communications, and components. The goal is to develop products along more similar lines than in the past, since compatibility—the ability for one piece of equipment to work with another and share the same software and memories—will become essential as computer-like work stations proliferate in the office.

Compatibility is old stuff to such companies as IBM, but it is something that Exxon still has to learn. For example, the floppy disks that store data on Qyx's electronic typewriters are not interchangeable with the "floppies" on Vydec's word processors.

Exxon's current investment in R&D for office equipment is still peanuts compared with what IBM and Xerox are spending. Last year, Exxon spent only $47 million for R&D not related to its energy, chemical, and mining businesses, with most of that amount spent by its office equipment ventures. In contrast, Xerox invested $376 million last year, mostly in office products, and IBM spent a tidy $1.4 billion. "When you think of the resources that IBM throws into integrating its products, I can't see how Exxon can hope to be competitive," says one word processor executive. On the other hand, if Exxon starts diverting some of its massive cash flow to office R&D, the picture could change quickly. "Exxon is now moving faster, and we're watching very closely," says one customer.

Integrating the products from 15 companies will be difficult enough, but integrating the independent-minded entrepreneurs into a single systems company could prove to be the single largest obstacle that Exxon faces. The greater the degree of corporate integration, observers agree, the greater the risk that these managers on whom Exxon depends for technological innovation will resign.

Ungermann is one of four founders from the eight EIS companies marketing products who have resigned in the past year. "I left strictly on the question of independence," he says. Says one competitor who turned down a top management post at EIS: "All of these companies are still personality driven. It's going to take a while to change the entrepreneur into a middle manager, if at all." But Exxon has no choice if it wants to compete with IBM and Xerox.

To help carry out this transformation, Exxon brought in Robert A. Winslow, the president of Exxon Chemical Co., to take the top spot at Exxon Enterprises. In the year or so since his arrival, Exxon Enterprises has begun to manage more of the entrepreneurs' activities from its New York headquarters. It is installing its own people in financial positions at many of the free-spending ventures and is sending in auditing teams to back them up. "It's a full-time job just filling out all the forms Exxon wants," grumbles Stephen Moshier, a founder of Dialog. He also complains about trips to Exxon headquarters in New York for long-range planning meetings and budget forecasts. "It's run like a big company now," he laments.

Sykes and Winslow intend to keep it that way. Their aim is to build a company that closely parallels Exxon Corp.'s decentralized management structure. In that way, they hope to foster the entrepreneurial spirit in the operating companies but curb the tendency of the managers to run off in all directions. Sykes compares the process with what the 13 U.S. colonies went through when they assembled as separate states held together by a central government. The EIS ventures "wont be as independent as they were," he acknowledges, but "we hope to balance that with the additional opportunity that will be provided by having the resources of the other companies as well as Exxon Corp."

RAIDING COMPETITORS

The executive suites at the various EIS ventures are, however, still in an uproar over the changes Exxon is making. James B. Scott, one of Delphi Communications' founders, resigned to join another company after his title was changed from director of systems engineering to a senior systems engineer. "I was told it was an oversight, but it was never corrected," he says. "Face it, Exxon doesn't need a lot of funny founders like me floating around." And in April, three members of Periphonics' top management resigned after Exxon had acquired the remaining 20% of the company that it had not owned. This left the executives with no equity stake in their company—a key motivation for entrepreneurs.

A number of former EIS venture managers charge that Exxon is picking and choosing among its managers for those it wants for the larger company, forcing the rest to resign. One way that Exxon is doing it, venture managers say, is by reducing the stock incentives available to some managers without providing another form of long-term compensation. In the early days, venture managers were given good stock options to compensate for the dilution of their stock when Exxon bought in. "Now," says one disgruntled manager who plans to resign shortly, "they're not willing to let the individual manager have as big a piece of the action as before."

Warns one former EIS manager: "They cannot motivate their current managers this way, and if they're not careful, they will kill the very spirit that they built upon." This prospect, however, does not seem to worry Sykes. He claims that EIS is doing a better job of holding its talented people than are most companies in this business. Sykes says that the people who have left EIS did not feel they were capable of managing a large operation. "If they want to learn the art of management," he adds, "then I believe they will stay with us."

To help get its EIS management house in order, Exxon has been raiding its competitors—IBM and Xerox in particular—for executive talent. In the past three months alone, it has hired 50 managers away from IBM, estimates one executive recruiter. The big prize in this IBM raid was Robert A. Contino, former vice-president of plans and requirements for IBM's Office Products Div., whom many observers had marked as a future candidate for the top spot there.

Such IBM-trained managers, however, could have trouble adjusting to Exxon's unstructured environment, some observers belive. And they could also increase the friction between Exxon and the founders of many of the ventures. "I left IBM and Xerox because I wanted my fingerprints unblurred on something," declares Jay H. Stoffer, a founder of Delphi. Asks one industry expert: "How is the entrepreneur going to react when one of these ex-IBMers, who is used to policies, controls, and procedures, comes in and says, 'here's how you're going to do your business plan'?"

The problem of losing entrepreneurs is compounded by the fact that, in the tightly knit companies that they usually run, their departure can trigger a host of other management defections. And in such high-technology businesses, the company assets often reside in the heads of its employees.

By some accounts, this is what happened at Zilog when Ungermann's departure was coupled with the appointment of Manuel A. Fernandez, an Exxon Enterprises executive, as group vice-president. In just a few months, two division managers and two vice-presidents had resigned. "They had all been promised that Exxon would not be running things and that Fernandez would not be hired," recalls one insider. "There was a big fight, and only the director of personnel stayed on."

Despite the loss of so many key people, Federico Faggin, president and co-founder with Ungermann at Zilog, insists that Zilog is in better shape than ever. Faggin is highly involved in the EIS plan to consolidate its companies, according to observers. And managers such as Faggin, who are privy to Exxon plans, fully support the moves.

Patrick P. de Cavaignac, the president and founder of Vydec, is one of those boosters. He anticipates playing a key management role in the reorganized EIS. "The advantage to be gained from the proper utilization of Exxon's resources, in terms of putting together a larger organization that makes us more competitive against our larger competitors, is abvious to any of us," he says.

UNDENIABLE POTENTIAL

But outsiders point to de Cavaignac as the perfect example of the kind of problem that Exxon faces in building a larger company from an entrepreneurial base. Under his leadership, they say, Vydec has marketed the same word processor since 1974. And the company has still not begun to ship a new model announced last June. In the past two years, market researchers estimate, Vydec has slumped from No. 3 to No. 7 in shipments of word processors with display screens. Says one competitor: "If there is one thing Pat de Cavaignac is good at, it is starting with nothing and building something. One thing he cannot do," he maintains, "is run a business once it gets above $5 million."

Other industry experts see Vydec's disappointing record as a signal that Exxon still does not yet have a handle on the office systems market. The big advantage that such companies as IBM have is their "all-important distribution system," says George M. Ryan, the chairman of Cado Systems, Inc., a California maker of small business systems. "Judging from what Exxon has done with Vydec," he says, "I don't think they understand the merchandising task."

But even Exxon's greatest detractors do not underestimate the energy giant's potential for success in the office of the future. Although Exxon must get around some major obstacles in pulling itself together as one systems company, they acknowledge that the company is unlikely ever to face the kind of cash problems that recently sent IBM to the financial markets looking for more than $1 billion. "One thing Exxon has," says one competitor, "is a lot of cash. And that's one thing this market is going to need."

FINANCING SALE OF BOEING JETS

Mr. HEINZ. Mr. President, I rise to report to my colleagues the results of a deeply troubling inquiry conducted by the Senate Banking Committee.

Mr. President, the Senate Banking Committee, on which I serve, yesterday completed 2 days of hearings concerning the loan commitment made by the Ex-Im Bank to finance the sale of Boeing jets to Ansett Airlines of Australia, which is owned by Rupert Murdoch. As my colleagues are no doubt aware, the circumstances surrounding the granting of the loan, as well as the substance of the loan itself, have raised questions concerning whether extraneous political considerations may have been involved in this matter.

I have been from the outset especially concerned about the following matters relating to the Ansett financing:

Procedures followed by the Eximbank.

The substantive result reached by the Bank Board.

The role that the Chairman of the Eximbank played in the financing process.

The credibility of the Ex-Im Chairman, and the implications of this lack of credibility both for the substance of this matter and for the future of the Eximbank.

Let me elaborate on these concerns and discuss what we have learned from our hearings.

PROCEDURES FOLLOWED BY THE EXIMBANK

It now seems beyond doubt that the Eximbank Board did not follow usual and routine procedures during the initial period of consideration of this loan. For example, there was no recommendation from the Eximbank staff on this matter, and I would agree with my colleague, Senator STEVENSON, who observed that the probable reason that there was no recommendation made, or requested, is because the whole deal "smelled."

Even more disturbing is the inescapable conclusion that the Eximbank apparently does not even have an institutionalized mechanism for assuring a critical review of applications—at least major ones which, as in this case, involve hundreds of millions of dollars—to assure that all questions are fully considered, and all alleged facts fully verified.

For example, one of the most crucial factors of this case, and a factor repeatedly stressed by Chairman Moore as a justification for hasty action, was the alleged firm deadline for action. Yet, my own interrogation has led me to the inescapable conclusion that Chairman Moore was probably—looking at it charitably—conned by shrewd negotiators, and that he did not exercise, or caused to be exercised by others, the necessary diligence to ascertain the true situation with respect to this, and a number of other factors relating to the loan deal. I will note only one here—the inexplicable failure of the Board to call upon its own investigative team for a formal presentation concerning its perspective on the merits of the proposed loan.

SUBSTANTIVE RESULT REACHED BY THE BANK

With respect to the substantive result reached by the Bank, I do not think that the Board offer met the standards which it itself acknowledges should adhere to any of its loans—that it match not exceed competitive offers. The weight of the testimony indicates clearly that the Board went beyond what was required in this situation, even in its final position. Of course, this is to say nothing of the original position which Chairman Moore sought to rush through the Board with little consideration.

Mr. Moore stated that he felt confident that he made the decision on the basis of the best available facts. Yet, he began the Board decisionmaking session by proposing a $656 million loan at 8-percent interest for 25 planes at a time when the European competition had only offered 4 planes, worth $160 million, at a foreign currency equivalent of 9.25 percent, according to the U.S. Treasury's best estimate.

The preponderant weight of evidence leads me to agree with the Treasury assessment that "matching the dollar rate at 9.25 percent would certainly be acceptable to all logical and reasoned human beings."

I realize that it is easy to second-guess; and I also acknowledge the long record of the Board in making excellent business decisions. But that is why this particular example of such poor judgment is so puzzling. I cannot help but conclude from the evidence presented thus far that the Chairman of the Board, Mr. Moore, played the key role in this matter, and clearly is the individual whose role must continue to be very closely examined if we are to reach any valid conclusions about this whole matter.

ROLE OF CHAIRMAN MOORE

As ranking member of the subcommittee which oversees the Eximbank, my conception of the role of the Chairman of the Board is that of a vigorous advocate of the expansion of U.S. trade overseas as a general principle—but—that of a critical reviewer of specific proposed business deals. The evidence available leads me to conclude beyond doubt that Mr. Moore, in this case, did not act as a critical reviewer, but rather as a vigorous advocate for a special interest—and that was, and is, simply wrong.

The transcript of the Exim Board meetings is replete with examples of Mr. Moore as an advocate—and not a single instance of Mr. Moore as a critical examiner. We are fortunate to have on the Board critical thinkers such as Mr. De St. Phalle and Mrs. Kahliff, who insisted that the original proposal be more closely examined.

Again, Mr. Moore, as the Chief Administrator and Manager of the Bank is the person who can justly be charged with a failure to discharge his responsibility to establish, or insist upon the implementation of, procedures which would assure the kind of full and critical review of the proposed loan package which is absolutely necessary in a situation such as this.

Chairman Moore's conduct has raised dark clouds of suspicion. His generosity to Rupert Murdoch and his enthusiasm for the Annsett/Boeing position is well documented, and remarked upon by his fellow Board member as being totally out of character. It is all the more questionable because the Bank, of which he is chief executive officer, is on shaky financial ground for this year—Eximbank could very well be out of lending authority only two-thirds of the way through the year—and Congress and the administration have given every indication that the Bank would have to husband scarce resources for the foreseeable future.

Chairman Moore appears to have been, at best, a pawn of outside interest and, at worst, a willing agent for them. The latter would clearly violate his responsibility to the Bank.

He seemed completely and utterly convinced of the veracity of the February 29 deadline set by Rupert Murdoch, and yet he acknowledged that he dealt with Jack Pierce of Boeing on a regular basis—as the Bank's best customer—and that the "fast shuffle," the "bum's rush," and the "push, push, push," negotiating techniquest were by no means unknown to the Chairman and his colleagues.

Finally, we have another situation where Chairman Moore clearly exceeded his authority—and in this instance his responsibility to his fellow Board members, when Mr. Moore instructed his assistant, Mr. Peacock, to give Mr. Murdoch a moral commitment to match further Airbus offers. This action clearly went beyond the Board's decision in the Ansett case as understood by the other Exim Board directors. Likewise, the original letter of intent for the loan went beyond the Board's decision, and had to be revised by Director de St. Phalle in order to avoid giving Rupert Murdoch additional leverage with which he would be able to obtain further Exim loans at equally low interest and high coverage.

CREDIBILITY PROBLEMS AND THEIR IMPLICATIONS

In addition to the concerns I have regarding Mr. Moore's conduct at the time of the loan transaction, our hearings have raised additional questions of a separate, but equally serious, nature. These questions go not to the substance or procedures surrounding the loan, but rather to the credibility of Mr. Moore's explanation of the factors influencing his decisions and actions in this matter. Let me recount the most serious of the credibility problems that Mr. Moore has created.

Mr. Moore originally denied that he knew who Rupert Murdoch was prior to his February 19 meeting with him; and then suddenly remembered that he did, in fact, know, when confronted by a memo from Jack Pierce of Boeing, spelling out Murdoch's other relevant affiliation with the New York Post. This memo also noted that Murdoch was going on to the White House afterward. How many of Mr. Moore's other applicants also happened to be going to the White House, so that facts like that just slip his mind? One's credulity is stretched to the breaking point.

In other testimony, Mr. Moore denied he even knew of the possibility of the Boeing sale to Ansett when he had dinner with his former law partner, Ambassador to Australia Philip Alston—a man both close to Carter and a major booster of U.S. exports—on February 4. The fact is that in his testimony Mr. Moore went out of his way to hide the possibility that the Boeing deal could have been discussed at the Alston dinner, even though he subsequently admitted under questioning that he had known of the Boeing-Ansett negotiations in January as a direct result of contact by Boeing. One can only assume that there was a reason for his unsuccessful disassembling and that the deal was discussed.

CONCLUSION

The issue of Mr. Moore's credibility was present before our hearings began. Unfortunately, the actual hearings have made the credibility issue even more serious, rather than less, as we had all hoped. I must say candidly, that the hearings have increased, not decreased, my initial concern that political factors may well have influenced the decisions reached in this case.

As I said at the outset of the hearings, I think that—in this time of cynicism about the American system—it is vitally important to reassure the public that our basic institutions function well and impartially, and that is why it remains important to both find out the full truth in this matter, and to take whatever action necessary to assure that the credibility of the Eximbank is completely restored. To further this goal I am making this report to my colleagues, Mr. President, on what I believe to be the salient points of our inquiry.

ALABAMA'S "SAFE STATE" PROGRAM

Mr. STEWART. Mr. President, in light of the continuing debate over the effectiveness of OSHA, I would like to bring to your attention a program which is providing positive incentive for Alabama's businesses to maintain good worker safety standards. "Safe State" is a confidential consulting service which informs businesses of existing hazards and advises them how to avoid future safety problems. Their efforts in this area are unique, for in working to improve and maintain a safe working environment, they also pay great attention to improving business efficiency. Safe State has won the confidence of the business community by showing them that worker safety is not totally at odds with business efficiency and cost minimization. I am submitting for your information a letter to the Assistant Secretary for Occupational Safety and Health, Eula Bingham. I hope that my colleagues will take time to learn more about this program, particularly in view of upcoming OSHA legislation.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 8, 1980.

MS. EULA BINGHAM,
Assistant Secretary for Occupational Safety and Health, Washington, D.C.

DEAR MS. BINGHAM: I would like to alert you to an excellent occupational safety and health program currently aiding Alabama's businesses and workers. Operating out of the University of Alabama's College of Engineering, the "Safe State" program provides confidential consultation to small businesses regarding accident and illness prevention in the workplace. In addition to pointing out existing hazards and conditions which fail to comply with federal worker safety requirements, Safe State informs management of potential hazards in the business, advising them how to correct and avoid future problems.

In the last two years, Safe State has provided consultation services to 1,376 businesses. These businesses employ over 110,000 workers now experiencing the benefits of a safer working place because of the removal of approximately 16,000 hazards. It is significant that this improvement in worker safety conditions was obtained with a no-penalty, voluntary compliance approach; it has achieved good worker safety conditions at a minimum of time and cost for both OSHA and businesses, and without the antagonism which unfortunately accompanies much OSHA-business interaction. Through sensitivity to business' concerns of productivity and efficeincy, Safe State has gained the confidence of the business community and has shown that high worker safety standards can be maintained without sacrificing productivity.

I hope that you will remember this program as you continue to strive for optimal worker safety conditions. If you have further questions or comments concerning any aspect of Alabama's Safe State program, please do not hesitate to contact me.

Sincerely,

DONALD W. STEWART,
U.S. Senator.

CHARLES CLINTON SPAULDING (1874–1952)

Mr. HELMS. Mr. President, I want to pay my respects to a remarkable North Carolina businessman, the late C. C. Spaulding, one of the early builders of the North Carolina Mutual Life Insurance Co.

Mr. Spaulding was recently elected a 1980 Laureate to the Junior Achievement Hall of Fame of Business Leadership by the board of editors of Fortune magazine—the first black to be so honored.

As most of you know, junior achievement tries to give high school students an opportunity to participate directly in business enterprise they set up and control themselves with the help of local businessmen. The program has been in effect for 61 years, and many of today's businessmen got their start in junior achievement.

Six years ago junior achievement founded its Hall of Fame for Business Leadership in order to give students career models. Mr. Spaulding is one of some 57 American business leaders who have been elected to the Hall of Fame.

Mr. President, a recent edition of Fortune magazine carried a story on the life of Mr. Spaulding. I ask unanimous consent that it be printed in the RECORD, as a reminder of the miracle of the free enterprise system.

There being no objection, the article was ordered printed in the RECORD, as follows:

CHARLES CLINTON SPAULDING (1874–1952)

In all the fifty-three years that he spent building up North Carolina Mutual Life Insurance Co. from a one-man shop to the largest black company in its field, C. C. Spaulding rarely went anywhere without stuffing his pockets with company literature. His seatmate on the train to Washington or the man pumping gas into his Packard would get a dose of Spaulding's missionary zeal. For him, North Carolina Mutual wasn't just a successful business. Through the difficult years of the post-Reconstruction South, it was a proving ground for talented young blacks and the vital financial infrastructure on which hundreds of other black enterprises depended. Today, with assets of $185 million, the Mutual has more than fulfilled Spaulding's dream that it be a beacon of black pride.

One of fourteen children, Spaulding was barely literate when he migrated to Durham from rural Columbus County at the age of twenty. So he went back to school, towering over classmates half his age and working after hours as a dishwasher, bellhop, and waiter. When his uncle, a Durham physician, hired him to manage an insurance association that had sprung from the black "burial societies" of the day, Spaulding found the policies tough to sell—until the first policyholder died and Spaulding scraped together the $40 needed to pay the claim. Brandishing the receipt as evidence of financial integrity, he signed up a sales force (mostly schoolteachers and ministers at first) that eventually covered sixteen states. A bank, a fire-insurance company, a bonding company, and a building-and-loan association were organized later—all offering financial services never before available to blacks.

As Spaulding hired increasing numbers of bright college graduates, a black intellectual community flourished in Durham. When Asa Spaulding, a young second cousin back home in Columbus County, showed an unusual ability with numbers, Spaulding had the Mutual send him north to college to become the nation's first black actuary in time to make North Carolina Mutual solid enough to survive the Depression.

To blacks, Spaulding preached self-help, and to whites, cooperation. But he insisted that cooperation "does not mean Negroes do the co-ing while whites do the operating."

AMERICAN SKYDIVERS AT THE NORTH POLE

Mr. HELMS. Mr. President, two North Carolinians were members of a skydiving team which, on May 2, executed the world's first parachute jump onto the North Pole. These two young men, James Crook, of Cary, and John Ainsworth, of Charlotte, are to be congratulated for successfully completing this northernmost skydiving expedition. I admire their adventuresome spirit and their courage.

Several articles have been written about the feats of this expedition. One of them was published on April 17 in the Raleigh News and Observer. It was written by Dennis Rogers, one of the most talented and entertaining columnists in American journalism today. Another was written and distributed by United Press International.

I ask unanimous consent that both be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Raleigh News and Observer,
Apr. 17, 1980]

They'll Take a Chilly Jump for Mankind

(By Dennis Rogers)

Adventuring just ain't what it used to be.

There was a time when a person going to the North Pole made headlines around the world and was hailed as a great explorer of the unknown.

Now consider this: Last year a Las Vegas philosopher named Jack Wheeler led an expedition to the North Pole that included two women in their 80s. They flew by commercial jetliner to Canada and took a chartered plane to the top of the world. They landed, broke out champagne and caviar, had a snort and a nibble and flew home.

Which goes to show that you have to look hard to find real adventure these days. James Crook has found one.

Crook, a 25-year-old student at N.C. State University, is a sport parachutist. That by itself is more than enough thrills for us earthbound folks, but Crook has found a new way to get the blood pressure perking.

This month, Crook and a handful of other similarly inclined skydivers plan to parachute onto the North Pole, something that has never been done.

"I first heard about it when a friend of mine in Charlotte called me to ask help in raising the $7,000 it will take," said Crook, a Cary resident.

"I told him I'd help, but the more I thought about it the more I got interested in it. They had an opening on the expedition team, and I was accepted. Now I've got to raise the $7,000 for myself.

"This will be the first and probably the only real adventure I'll have in my life. I am really excited about it.

"People parachute all the time; it really isn't all that big a deal. But to be able to jump where no one else has ever jumped before adds some adventure to it.

"Beyond that I don't know why. I do know this is something I really want to do."

The expedition is being led by the same Jack Wheeler who led the little old ladies to the pole, but this trip won't be quite as plush.

There will be 10 jumpers, including Crook and his friend, John Ainsworth of Charlotte. Crook and Ainsworth plan to leave Raleigh April 25 to fly to Resolute Bay, Canada.

Until then, the trip will be in the rich excursion class, with fancy jets and luxury hotels. But once the jump team assembles in Canada, things will start to get a bit rugged.

From Resolute Bay, they will pile into a twin-engine, ski-equipped Otter aircraft for a flight to Lake Hazen on Ellsmere Island, above the Arctic Circle.

Practice jumps are scheduled for Resolute Bay and Lake Hazen, and after everyone has been checked out and supplies loaded, the team will leave April 29 or 30 to make the final flight to the Pole.

"We're doing it as a team," Crook said. "No one will get credit for making the first jump, all our names will be in the Guinness Book of World Records as a team jump, but I really would like to be the first.

"I'm a pretty good size fellow (well more than 6 feet and well more than 200 pounds) and usually the biggest man goes out the door first. But if I'm second I plan to dive like crazy to be able to hit the pole first. Accuracy doesn't count, but if they mark the exact spot I plan to try and hit it."

If there is a good time to be jumping onto the polar ice cap at the top of the world, this time of the year is best. The sun shines almost 24 hours a day, and Crook says there is a 98 percent chance of clear skies. The ground temperature should be in the range of −20 to 10 degrees Fahrenheit, said Bill Skinner of the National Climatic Center in Asheville.

Once the historic first jump is behind them, the team plans to sample a little bubbly and fish eggs and then spend two days and nights camping at the pole.

Crook said he was busy trying to find sponsors to help provide the $7,000 cost, but there is an even more important matter to be settled.

"I'll be leaving Raleigh after the last class of this semester" Crook said. "Which means I'll be at the North Pole during exams. Have you ever tried to tell a professor that the reason you have to miss exams is that you'll be at the North Pole?

"They have heard a lot of excuses, but never that one."

North Pole

(By United Press International)

A five-man American skydiving team has parachuted onto a frozen ice cap about 400 miles from the North Pole in the most northerly sky dive in history, it was disclosed today.

The team, led by Craig Fronk of Issaquah, Wash., included Mike Dunn of Carson City, Nev., Don Burroughs of Miami, Fla., James Crook of Cary, N.C., and John Ainsworth, of Charlotte, N.C.

The 17-man polar expedition, led by David Porter of Hope, N.J., and Jack Wheeler of Las Vegas, Nev., took off from its first base camp in a Dehaviland twin otter late yesterday but ran into fog and had to turn back 80 miles from the Pole, according to ham radio operator Richard Duane of New Jersey.

"The plane landed on a polar ice cap at 84 degrees north, 70 degrees west, where the expedition set up a base camp to prepare for the jumpers. At 9:18 P.M. EDT Thursday, the aircraft took off with the skydivers team and at 9:27 P.M., the skydivers jumped from the plane. They all landed safely at 84 north, 70 west at 9:36 P.M. making it the northernmost skydiving expedition ever completed," Duane said.

Reports on the skydive were delayed until today because magnetic storms knocked out communications.

Duane said expedition leader Porter described the weather conditions on the ice cap as "beautifully sunny, blue skies overhead and spectacular ice ridges."

After spending about six hours on the ice, the skydivers and other team members returned to Ellesmere Island aboard the skiquipped plane, the expedition planned to return to Resolute Bay and to fly back to the starting point of the expedition, Edmonton, Alberta, Canada.

Other members of the expedition were George Dixon, a bank president from Minneapolis and William Beinecke, soon-to-be-retired president and board chairman of Sperry & Hutchinson Corp. of New York.

FARMERS FACE TO FACE WITH ECONOMIC CRISIS

Mr. HELMS. Mr. President, the farmers in America are facing their worst crisis since the Great Depression. It has been estimated by some agricultural economists that as many as 25 percent of the Nation's farmers could face bankruptcy in the next 12 months.

The crisis for many smalltown businessmen who provide the goods and services to farmers and farm families is even worse. These small-scale entrepreneurs do not have access to the kind of credit available to farmers, and many of them may well go under even before the farmers they serve.

Mr. President, too many Americans fail to undertand that farmers are the ultimate consumers. Farmers must purchase all of their inputs—the seed, fertilizer, fuel, equipment, and all the rest—at retail. They must sell their crops at wholesale. They cannot pass on their increased costs. For that reason inflation and the increasingly heavy burden of costly excessive regulation are devastating to farmers.

USDA estimates that farm income will decline by more than 35 percent this year. In 1979 net farm income was $33 billion. USDA has reported that it is likely to be $23 billion in 1980. And, it should be remembered that those $23 billion 1980 dollars are worth some 13.3 percent less than the $33 billion 1979 dollars. Farmers cannot absorb indefinitely the kinds of losses this dramatic decline in income represents.

If inflation is not brought under control, and if we do not significantly curtail the massive burden of unnecessary regulation on farmers and small businessmen, many will be eliminated from the economic spectrum. Farmers know that, and they cannot understand why the Congress refuses to address the causes of inflation with more than superficial posturing on budget resolutions.

Mr. Robert Delano, the recently elected president of the American Farm Bureau Federation understands the causes of inflation—and the cures inescapably necessary to bring it under control. Last week he wrote to me—and to other Senators—conveying the official position of the 3 million member families of the American Farm Bureau Federation. I commend the Farm Bureau's prescription for action to every Senator and to every American. Farmers know what is imperative to resolve this crisis—and we ought to have the good sense to listen carefully and follow their advice.

I ask unanimous consent that Mr. Delano's letter and the policy statement of the board of directors of the American Farm Bureau Federation be printed in the Record.

There being no objection, the letter and statement were ordered to be printed in the Record, as follows:

American Farm Bureau Federation,
Washington, D.C., April 24, 1980.

Hon. Jesse Helms,
U.S. Senate,
Washington, D.C.

Dear Senator Helms: The Senate is beginning consideration of the First Concurrent Budget Resolution at a time in our economic history when the annual inflation rate is over 18 percent; farmers are faced with lower incomes due to inflation, depressed markets, and credit conditions that are sure to prevent some from planting this spring.

The nation is in great need of fundamental changes in both monetary and fiscal policy. Fundamental changes in monetary policy were begun by Chairman Volcker in October 1979 in an effort to bring the supply of money and credit under control to check inflation. Farm Bureau supports the Federal Reserve effort but the Fed cannot control inflation alone. Congress must cooperate with the Federal Reserve by reducing federal expenditures to balance the budget.

Congress is now presented an excellent opportunity to bring inflation under control by cutting federal expenditures to balance the federal budget. This task is both challenging and ominous. Americans are calling for accountability from each member of Congress to look beyond the demands of special interest for the good of the nation.

Farm Bureau supports a balanced budget by meaningful reductions in federal spending. The attached policy statement issued by the AFBF Board of Directors in March supports all efforts to balance the budget by cutting federal spending.

Farm Bureau's three million member families are willing to make their share of sacrifice in order to control inflation and to restore good health to the economy. We ask you for your commitment to this cause.

Robert B. Delano,
President.

Policy Statement of the Board of Directors, American Farm Bureau Federation

Farm Bureau members throughout the nation are alarmed at the runaway inflation which is rapidly approaching an annual rate of 20 percent. We are skating on the edge of an economic disaster at a time when we face grave international threats to the free world. Resolute action must be taken to stop inflation before it completely wrecks our economic and social system.

We reject the motion that it is impossible to identify the causes of inflation and come up with long-run solutions that will work. The American people understand very well that the basic cause is excessive spending and deficit financing by the federal government. Inflated prices and wages are the results of inflation; not its cause.

We reject the fallacious idea that wage and price controls are a cure for inflation. Farmers and consumers are still suffering from the results of the last effort to control beef prices. Such controls have never worked and would not work now, because they treat only the symptoms of inflation rather than its basic causes.

We call on the President and the leaders of both political parties to put politics aside and to reach agreement on an affirmative program of effective actions to be taken during the next 60 days. This agreement should include actions to rescind $30 billion of the expenditures authorized for this fiscal year, to be implemented by a careful review of every budget item, and further action to reduce the 1981 budget, which Congress is now considering, by $30 billion. In some cases, these actions will require a review and revision of basic legislation which is causing a rapid escalation of the cost of civil service salaries, transfer payments and other entitlement programs. Farmers are willing to take their share of the sacrifices that are needed to bring inflation under control by accepting proportional cuts in the Department of Agriculture's budget as a part of an overall reduction in the total federal budget.

In addition to drastic cuts in federal spending, a concerted attack on inflation should include tax reforms to encourage savings and investment as a means of increasing productivity: a large-scale elimination of excessive and unnecessary government regulation; and a realistic energy policy which will provide greater freedom for the market system to reduce our dependence on imported oil by encouraging conservation and expanding the production of domestic sources of energy.

We reiterate, however, that the most important and essential step that can be taken to stop inflation is for the federal government itself to stop creating inflation through excessive spending and deficit financing which leads to the printing of money. Significant cuts in federal spending are needed to break the psychology of inflation and to reinforce the courageous efforts of the Federal Reserve Board to restrain the growth of the money supply.

"Politics as usual" will not stop inflation. What we need is dramatic action by the President and the Congress to set aside partisan politics for a few weeks and to convince Americans that their political leaders intend to do more than just talk about the need to bring inflation under control.

THE CRISIS IN U.S. NATIONAL SECURITY

Mr. HELMS. Mr. President, retired Brig. Gen. Albion W. Knight, Jr., a distinguished and articulate American, recently addressed the 1980 national convention of the Daughters of the American Revolution on the subject of our national defense.

I was privileged to be present as he warned that our national security is perilously grim. He said, for example:

> Our nation is in grave danger! Our political leaders, in a sense of fear and wishful thinking, have allowed the strategic nuclear superiority which has protected the country for forty years to wither away. The Soviet Union now has the most powerful military force in history. That force is the ultimate tool they have been seeking to reach their long-term objective: world domination.
>
> The United States now faces the stark question of its survival as a free nation. Unless we make major changes in our foreign and security policies *this* year, I believe that we have less than 1,000 days left. We have let ourselves become subject to Soviet political and military blackmail.

General Knight has had a long and distinguished career in the service of his country and each of us should give his analysis of our weakened defense posture special attention and study.

I ask unanimous consent that the text of General Knight's address to the Daughters of the American Revolution be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

The Crisis in U.S. National Security

Our nation is in grave danger! Our political leaders, in a sense of fear and wishful thinking, have allowed the strategic nuclear superiority which has protected the country for forty years to wither away. The Soviet Union now has the most powerful military force in history. That force is the ultimate tool they have been seeking to reach their long-term objective: world domination.

The United States now faces the stark question of its survival as a free nation. Unless we make major changes in our foreign and security policies this year, I believe that we have less than 1,000 days left. We have let ourselves become subject to Soviet political and military blackmail.

Tonight I want to talk about our external dangers which stem from the strategic imbalance and how it came about. It is a grim picture which fills some Americans with fear and despair and others with rising anger. But there is also a positive side to the story; we can still act to keep our destiny in our own hands. I will describe some of the quick and practical steps we can take to recover our strategic credibility.

I am certain of one thing: we cannot continue in safety with the foreign and security policies of the past five presidents. Their policies, built on illusions, wishful thinking and misplaced hope brought us to the brink of disaster.

How did the United States lose its vital strategic nuclear superiority? Let us review some history. In October 1962 the United States forced Russian missiles out of Cuba because of the six-to-one American nuclear superiority over Soviet forces. That superiority was the result of the prudent decisions of President Eisenhower after the October 1957 Russian launching of their Sputnik satellite. He ordered the development and production of B–52 jet bombers, Minuteman missiles and Polaris submarines. Our national security is still based upon these systems.

After the Cuba missile crisis two major decisions were made: First, the Soviet leaders decided to seek clear strategic nuclear superiority over the United States; Second, the Kennedy Administration and its successors decided to permit Soviet nuclear equality with the U.S. and then to freeze that condition with a series of arms control agreements to control the arms race.

What did the Russians do? Beginning in 1962 they spent from 10 to 15% of their gross national product on enlarging their military forces across the board: strategic and theater missiles, bombers, fighters, tanks, artillery, submarines, a blue water navy, strategic airlift, air defense, missile defense, civil defense, better logistic, more troops and a heavy military research and development effort. Since 1970 they have spent over $300 billion more than we have on military forces. In that same time they have spent over $100 billion more than we have on strategic forces alone. The CIA said that in 1979 the Soviet Union spent—just in one year—over $50 billion more than we did on defense. This level of expenditure over 15 years shows a firm political commitment to military superiority. It also shows that the Soviet Union has been running in an uncontrolled nuclear arms race.

But the Soviet Union could not have gained that strategic superiority without our help. How did we do it? We gave them our technology. We helped finance their military effort with low interest loans. We sent them our food. But our political decisions surrounding our national security policy were even more helpful to them.

First, we began with President Kennedy a policy of unilateral disarmament which extends through each of his successors to President Carter. In 1962 the Kennedy Administration was certain that the Russians only wanted to be equal in nuclear power with the United States. To reach that point of equality at a lower level of weapons, they began a major cutback of existing nuclear weapon systems, cancelled new ones, and refused to develop weapons which the Soviet leaders might believe to be "provocative". Let's translate that: Our Government believed that the world would be safer if the United States were weaker and the Soviet Union stronger.

This gives a key to a major flaw of our foreign policy for the last twenty years: the safety of the world has a higher priority than the safety of the United States of America! Our American heritage—which you have done so much to preserve—demands a policy which places the nation's security at the top priority; higher than humanity as a whole, higher than the United Nations, higher than any other nation, and higher than any new economic or political international order. American sovereignty must never be ceded away in a treaty or just given up through fear, apathy, negligence or intent.

The second policy step was to engage the Soviet Union in a series of arms control agreements with the objective of controlling the nuclear arms race. We believed that the Soviet Union would live up to the terms of each treaty. We believed that they would not cheat. We believed that our intelligence was so good we could catch them if they did cheat. This was a mistake. Our political leaders did not read their history. In Communist doctrine, cheating on a treaty is moral if doing so helps the state. The Soviet Union has violated every one of the arms control treaties we have signed with them. When we did find out about their violations, we usually hid them—especially from the American people—because we did not wish to hurt the credibility of the arms control process. We showed a lack of nerve which still exists today. The U.S. Government is generally the first apologist to the American people for a Soviet treaty violation.

How have these arms control agreements harmed our strategic strength? The 1972 SALT I agreement and the ABM treaty granted the Soviet forces a three-to-two advantage over the U.S. It denied the U.S. key weapons the Soviets were permitted. It created loopholes through which the Soviets drove their massive strategic expansion.

Some of these problems are demonstrated in the 1979 SALT II treaty still pending before the Senate for ratification. The Treaty is not in the best interest of the United States. It has serious technical, political and moral flaws.

Technically, it leaves uncounted major Soviet nuclear weapons which can strike us. It permits the Soviet Union to have critical weapons systems denied to the United States. It cannot be verified technically against Soviet cheating. Finally it prevents the United States from taking steps to recover its strategic credibility. I will talk about this later.

Politically, the SALT II Treaty freezes the United States formally into clear strategic nuclear inferiority. Its negotiation history is a disgraceful story of concession and appeasement to Soviet demands. It strips away the protective nuclear umbrella we have held over Western Europe and Japan.

Morally, the Treaty is fatally flawed. I will deal with this in some detail since it also reveals fundamental mistakes in our overall security policy.

First, we have forgotten who we are dealing with. We have forgotten that the Soviet Union, since 1917, has killed over 40 million of its own people for political reasons and has enslaved millions more simply because they disagreed with the decisions of the Communist Party.

We would not have signed an arms control agreement with Adolph Hitler, particularly if we had known ahead of time that he had killed over 6 million Jews in a holocaust. Yet, we seem to have no twinge of conscience in signing an arms control treaty with a nation which has killed over six times Holocaust.

We ignore the fact that the Soviet Union is basically responsible for the Cambodian Holocaust, the Vietnamese boat people. the inhumane use of poison gas in Laos, Cambodia and now in Afghanistan. Further, they are producing biological warfare weapons in direct violation of a treaty signed with us and 85 other nations in 1972.

We made a major mistake by supporting Stalin against Hitler in World War II. We should have let the two dictators destroy each other. We are now paying a heavy price for that mistake. This should be a warning for us today. Our government is seriously playing the "China Card" against the Soviet Union. Let us not forget that Communist China, in its short but bloody history, has killed over 60 million of its people for reasons of state.

As a Judaeo-Christian nation, we should heed the words of the Lord in the 30th Chapter of Isaiah: "Woe to the rebellious children, says the Lord, who carry out a plan, but not mine; and who make a league, but not of my spirit." Arms control with a godless tyrannical power, dedicated to the destruction of liberty which flows from the worship of God, is not of God's spirit. Beware America!

The second moral flaw in the SALT II Treaty is that it freezes our government into continuing the immoral, dangerous and now ineffective doctrine upon which our security has been based for 15 years. As a Judaeo-Christian nation, who values the life of the individual over the state, we have placed our security in the threat of destroying the lives of millions of innocent Russian people while intentionally avoiding Soviet military targets. Our theory of strategic deterrence says that we shall absorb a Soviet nuclear first strike against the United States (itself a grossly assumption). We shall then still have enough nuclear power left to do "unacceptable damage" to the Soviet society. That threat of terror is supposed to deter the Soviet first strike on the United States from ever happening. Let us examine that carefully. Our weapons are so designed that all we can hit are cities and people. Our military forces are prohibited from striking Soviet offensive weapons held in reserve.

On the other side of the coin, we intentionally, according to doctrine approved by five presidents, leave the American population unprotected from a Soviet bomber or missile attack. We are intentionally left hostage to a Soviet attack. You and I are told by our government that we are not worth protecting. It is grossly immoral. One of the benefits of the SALT II debate around the country is that American citizens are waking up to the reality of this doctrine of no defense.

In line with this doctrine, we have dismantled every one of the air defense missiles that used to protect our cities from bomber attack. All we have left are 300 obsolete fighter interceptors. That is why the SALT II loophole which permits the Russians to have uncontrolled their new supersonic Backfire intercontinental bomber is so important. We have dismantled our promising ABM missile system. We have almost starved to death the research and development program for anti-ballistic missile defense. We have only a paper civil defense.

On the other hand, what has the Soviet Union done to defend itself? Are they unprotected? Absolutely not! Whereas we have no air defense missiles, they have over 12,000; where we have 300 old interceptors, they have 3,000.; where we have killed the ABM system, theirs still operates and with new components which could make them effective against our missiles in a short time. They have a strong civil defense program which protects their government structure, key industries and many of their people.

What does this mean? Should the U.S. ever carry out its strategic doctrine, the Soviet defensive measures and their untouched reserve missiles, the Soviet Union could win a nuclear war! They would lose not more than 10 million people and could, on a retaliatory strike kill over 100 to 150 million Americans.

See what has happened? In October 1962, the U.S. made Khrushchev do what we wanted because for every American killed there would have been ten dead Russians. Today, it is reversed: for every dead Russian there would be at least ten dead Americans. Thus we have given the Soviet Union the ultimate tool for political blackmail. I do not believe that the Soviet leaders would need to strike the United States with a massive nuclear attack. I believe they can now use their new terror weapon to blackmail us politically on a series of lesser but vital matters without firing a shot.

In fact, they are now using that strategic superiority to take full political advantage of their military power in Africa, the Middle East, in Central America and now in Afghanistan where they are positioned to seize the Iranian oil fields and to bottle up the Persian Gulf in hours.

This grim picture shows that our security hangs by a thread. We need to recover our strategic credibility as soon as possible. Our President must tell the American people the real nature of the danger. Then he must take the necessary steps, and the Congress must support him, to restore the damage of the last twenty years. Yet, I do not see this sense of urgency on either the part of the President or of the Congress.

President Carter has proposed several steps to give the sense of American strength. First he has asked for the registration of both men and women for the draft. As far as men are concerned, the issue is debateable at this point. We have not yet done our homework on where these men should go, what they should be doing or what the civilian requirements will be in the laboratories and in industry should we embark upon a major program to restore our strategic credibility.

However, the issue of registering and drafting women for military service is not debateable. That proposal is just plain wrong! I do not object to women serving as volunteers in the Armed Forces. In most cases they do a fine job. But I believe that under no conditions should these women volunteers or any other women be permitted to face combat duty.

Requiring women to serve in the Armed Forces is a sign of the degradation of our society, the deterioration of our high Christian respect for women, and shows that we as a nation no longer believe that the family is the source of our society's strength. I have a number of objections to that proposal:

First, I believe that the Armed Forces are being used improperly as a launching platform for social experimentation. The experiment seems to be more important to the Administration than are the requirements of national security. One of America's best philosophers today is Professor Michael Novak who wrote recently on this point:

"The American people must choose. Does the U.S. military have a military purpose? Or is its purpose to test a philosophical fantasy? Do we want defense? Or social experimentation? Many critics have said that the sweeping assumptions of the Equal Rights Amendment are based on fantasies and wishes. The reality of military service has brought these fantasies to a screeching halt. The prospect of combat shattered them beyond repair."[1]

This comment of Dr. Novak raises an important point. If we must return to the draft, it is because we do see actual combat staring us in the face. If this is so, our soldiers will be facing men—well trained men—who will be shooting to kill. To send women into combat, with 60 percent of the physical strength of men, under filthy, exhausting, bloody impossible conditions is to consign women to almost certain death.

To require the registration and draft of women gives one more signal of weakness of America to the rest of the world. It says that we no longer have enough willing to protect our nation. I know that is not true.

Another objection is that our feminist theorists have ignored the very practical problem of sex. Where men and women are in the same barracks, the same ships and the same foxholes, there will be sex. Training for survival in combat is tough enough without this extra distraction. Our experience to date shows that the unmarried pregnancy rate in the military is soaring. For our women soldiers in Europe today it is reaching as high as 15 percent. That is an unnecessary problem for our commanders to deal with.

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[1] Michael Novak, "The Army as Maternity Ward," *Washington Star*, February 25, 1980.

Finally, it is wrong according to our religious foundations. The Holy Bible sets the family on a higher priority than warfare. There are scriptural provisions for the registering of men for warfare—but not for women. To do so would destroy the family. A nation that defies this God-ordained priority will suffer serious consequences both at home and in the military ranks. The results already show these consequences. Let your Senators and your Representative know that registration for women for the Armed Forces is totally unacceptable.

What can we do to save our country? Surely matters have not yet deteriorated where we must leave our security in the hands of what we hope will be a benign Soviet Union. We still can correct the problem, but there is so little time left that we can hardly wait for a new Administration to take office.

I am convinced from technical studies that we can recover our strategic credibility and that we can do it within one thousand days. I will talk about what we can do later. But first, let us look at what must be done in our attitudes and understandings.

We are in trouble because our political leadership has lost its nerve and it is becoming more apparent to our friends and our enemies that this is the case. Alexander Solzhenitsyn, the great Russian writer, told us when he arrived in this nation five years ago that the West had lost its nerve. This was shown in our political, economic, intellectual and even religious leadership. He warned that every nation and civilization in history which lost its nerve has died.

Our first step in recovery is to decide to survive. We must show the world that the American people believe that this nation, founded by God-fearing and courageous people, still believe our nation is worth protecting. We must show that our religious roots are so firm that we can face with courage the dangers of the future. Just a few weeks ago, Solzhenitsyn gave us new advice. He said, "Communism stops only when it has encountered a wall, even if it is a wall of resolve. The West cannot now avoid erecting such a wall in what is already its hour of extremity". Before we start rebuilding weapon systems, we must rebuild that wall of resolve.

Another great philosopher, Dr. Charles Mall, the Christian diplomat from Lebanon, told a Washington audience last year that the revolution in Iran was the Pearl Harbor of the West for today—except that the tragedy is that we seem not to realize it. He said that there will be no solution to the Middle East crisis until we make it very plain to all in the Middle East—and especially to the Soviet Union—that we are determined not to die. It is absolutely necessary that American citizens take the leadership and tell their political leaders that we do not intend for them to continue handing our nation over to anyone who threatens us. We intend to stand firm and we expect our elected leaders to understand our determination.

Second, as part of the solution, all Americans, and especially our political leaders, must understand the seriousness of the problem. We must understand that we are facing a struggle to the death. We must understand that we are facing an enemy who is dedicated to our destruction and that he now has the ability to do that. With that in mind, we need to take a whole new attitude toward our defense. We must make our objective national survival rather than national security. National security deals with long-range problems. National survival means that we have urgent problems to solve right now. They must be dealt with first. We do not yet have that kind of program for our protection.

Before we can take positive measures we need to clear the decks of old impediments. First, we need to recognize that detente worked only to the advantage of the Soviet Union. Second, we must change our strategic doctrine to place top priority on the protection of the American people from Soviet attack. Third, we must cancel the arms control agreements with the Soviet Union which prevent us from recovering our strategic credibility in the shortest possible time. Let me tell you why this must be done.

We are in trouble today because our Minuteman missiles in the west can be eliminated by only 300 of the Soviet very heavy missiles. Our missiles are vulnerable because they are pin-pointed by the Russians. They cannot move and they are prohibited by the SALT treaty from moving. We must reduce their vulnerability as a top priority. We cannot wait eight more years for a new system to do that job. We can do it with these present missiles.

We can take the Minuteman out of the solos, put them in cannisters, place them on mobile flat bed trucks. We can fire them from parking lots with the controls on the back end of a jeep. We have done that in tests. But the SALT II treaty bans us from doing that. We can fire these missiles from aircraft. We did it twice in September 1974—and that triggered the November Vladivostok meeting between President Ford and Brezhnev. Yet the SALT II Treaty bars us from firing ballistic missiles from aircraft. We can place those missiles on surface naval vessels. Yet, the SALT II Treaty will not let us do that. All these things we need to do to protect our present strategic deterrent—without building a new missile. Yet we can, and must, reopen the production line for the Minuteman.

This example shows how we have let the SALT II treaty and the arms control process take a higher priority than our national defense. This shows dramatically that we cannot recover our strategic credibility and still have the arms control agreements with the Soviet Union in effect. Therefore, it is essential for the Senate to reject the SALT II treaty and the sooner the better.

Then we must use our innovation. If we do that we will not have to match the Soviet Union in the short term missile for missile, bomber for bomber or submarine for submarine. In the past twenty years we have been restricted from using our American spirit of ingenuity for it violates the spirit of the arms control agreements. But if we use our imagination we can multiply the effectiveness of our weapons systems many times by using mobility and deception.

Let me give you some examples. Some of our Navy people have proved that you do not need to fire a missile from a submarine or a surface slip. You can put a cork in the motor, kick it into the sea and fire it directly from the sea. You can take the submarine-launched cruise missile and place it on any vessel that has a torpedo tube. You can do what the French are going to do: develop a light intercontinental missile and make it so mobile that it can travel on the interstate highways and look like any other truck. The French call their system the "Danone" because it looks like the trucks that deliver yogurt. We can even use off-the-shelf technology and put together a small space cruiser which can shoot down Soviet missiles in the upper atmosphere. We can do that within the next two years.

Yet, we are not doing any of these possible things because the Administration is still deeply committed to the arms control process. Yet they are the very things that we need to do to preserve the nation. Their value is that they leave the Soviet Union in doubt about the size and location of the American weapons which threaten them. It is time that we stop defending our nation using only the Russian rules. Arms control is good for the superior power. Since we are no longer the superior power, our safety lies in being fast and tricky.

There are many other steps that we can take in the military, political and economic arena. There is not time to discuss them here. But let me leave you with the thought that our quiver is full of arrows for our protection if only we have the courage and insight to use them. All it takes is a political decision.

These policies I have described to you will not be easy. They will be riskier than continuing a policy of appeasement. They will require courage. But they will be necessary if we are to survive as a free nation.

Courage, however, is a characteristic of the Judaeo-Christian faith upon which our nation was built. Another characteristic is that cold, hard facts can be accepted and taken in the face of grave danger. The history of the American Revolution shows that time after time.

In our faiths we conduct a constant spiritual warfare with Satan. We are used to a constant confrontation between good and evil in our personal lives. In this world, confrontation with evil cannot be avoided. Yet for almost twenty years American foreign policy has been based upon a concept of nonconfrontation—of not being provocative to the Soviet Union. It is time that we become provocative in order to preserve our liberty. It is time that we return to the motto on the Rattlesnake flag of the American Revolution: Don't tread on me!

It is time that we stop seeking a detente that favors only the Soviet Union. It is time that we remember that a world without a free United States of America would be a world without hope. It is time that we citizens tell our political leaders that we will no longer tolerate their weakness in the face of Soviet threats. It is time that we accept the advice of the Lord as He told the prophet Joel about the last days:

"Beat your ploughshares into swords and your pruning hooks into spears; Let the weak say I am strong." (Joel 3: 10)

We are facing the last days. We have only so little time left to keep our nation free. Let the citizens of the United States provide the moral courage which will force our leaders to stop giving away the nation on a silver platter. That moral courage can only come from a faith in the Living God and from a clear remembering of the price our forefathers paid to create this nation under God's guidance and protection.

FRENCH OLYMPIC COMMITTEE'S DECISION ON SUMMER GAMES IN MOSCOW

Mr. EXON. Mr. President, I am tremendously pleased with our new Secretary of State. I have an item which came over the news wires a few moments ago, and I want to share it with my colleagues. It is an Associated Press report out of Brussels, Belgium:

ASSOCIATED PRESS REPORT

Secretary of State Edmund S. Muskie said today the French Olympic Committee's decision to reject President Carter's call for a boycott of the summer games in Moscow is "incomprehensible."

In a comment made to reporters as he conferred here with Western European allies, Muskie accused the French committee of helping the Soviets justify their military intervention in Afghanistan. He said he spoke less as Secretary of State than "a citizen of the United States whose father was born in Russian-occupied Poland."

In his message to the NATO Defense Planning Committee, Muskie urged meaningful economic sanctions against Iran, declaring that ingenuity, not force, offers the best hope for freeing the American hostages. "Make them see they must pay a price," he said.

The setback on the Olympics was the first reversal since Muskie took over earlier this month from Cyrus R. Vance. The administration had hoped the French Government would use its influence to have a decision deferred—at least until the West German Committee, which is expected to approve the boycott, takes its position Thursday.

Muskie, talking to reporters in the lobby of the European Common Market headquarters, said the Soviets consider the July games "a confirmation of the rightness of their foreign policy."

"I find it incomprehensible," he said, "that a free people, whether Europeans or Americans, whether athletes or non-athletes, contemplate allowing the Soviet Union to confirm that act."

Muskie said participation in the Olympics would confirm to the Soviets the rightness of "their system, their policy, their aggression in Afghanistan."

The Europeans, getting their first look at the lanky ex-Senator since he replaced Vance, heard a lecture on their responsibilities.

Muskie urged foreign and defense ministers from 13 of the 15 NATO allies to increase their defense spending while the United States guards the Persian Gulf against the Soviets.

In Moscow, the official Tass News Agency accused the United States of using the NATO meeting to pressure its allies into new military programs. Tass said the meeting of the "aggressive bloc" took place "in an atmosphere of militarist psychosis and whipping-up of the arms race."

Muskie also advised the European allies to keep their hands off Mideast diplomacy even though U.S.-led negotiations on Palestinian autonomy are lagging.

He tried to dissuade the Europeans from watering down last month's decision to cut off trade with Iran except for food and medicine.

"We need a sanctions policy that is meaningful, that will hurt the Iranians and make them see that they have got to pay a price for their hostage policy," Muskie told a news conference after his closed-door speech.

The Europeans meet in Naples, Italy, next weekend to decide whether to exempt current contracts from the ban approved April 22 by the European Economic Community.

"I would hope no action was taken to undercut it or so dilute it that it becomes ineffective," Muskie said.

At the same time, he offered the nervous Allies assurances the Carter administration was not poised for a military strike to free the hostages, held in Iran since last Nov. 4.

"I don't see any military option that promises or guarantees success in achieving that goal," Muskie said.

And yet, he said he did not want "to give the Iranians the luxury of our excluding it" entirely.

The best approach, Muskie said, is "to explore all the nonmilitary avenues that are available—and they are considerable—as well as our ingenuity, the ingenuity of friends and contacts with the Iranians."

Mr. President, I hope that our supposed French friends, for whom American blood has been spilled, in quality and quantity, to free their homeland twice in this century, will understand that we appreciate Lafayette and his spirit, and we wonder where that French spirit has disappeared to these days.

WORK AFTER 65: OPTIONS FOR THE 1980'S

Mr. PERCY. Mr. President, on May 13, the Senate Special Committee on Aging, of which I am a member, held a hearing on "Work After 65: Options for the 80's." This is the second in a series of hearings in which the committee is exploring how opportunities for extended employment can be encouraged for older workers.

We were fortunate in having senior executive officers from four corporations testify on the work opportunities available for older workers at their respective companies. The panel of witnesses included: C. Peter McColough, chairman and chief executive officer, Xerox Corp. and chairman, President's Commission on Pension Policy; Gerald L. Maguire, vice president of Corporate Services, Bankers Life and Casualty of Chicago; Harold S. Page, vice president, personnel, Polaroid Corp.; William M. Read, senior vice president, Employee Relations, Atlantic Richfield Co.

I am pleased that the committee is reviewing future retirement and work options for older persons. Following is the opening statement I submitted to the committee during the hearing. In addition, I also am sharing with my colleagues an article which appeared in the Washington Post on May 14 concerning the hearing.

Mr. President, I ask unanimous consent that my remarks during the hearing and the May 14 Washington Post article entitled "Older Workers Seen as More Productive" at this point be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Work After 65: Options for the 80's

Mr. Chairman, today's elderly Americans are a pioneer generation: they are the first in history to experience a long and early retirement.

However, their dreams of having a comfortable retirement are rapidly changing. Inflation, the major reason why dreams are breaking, is having a serious impact on the elderly. It is not only eroding the meager retirement incomes of most older persons, but it is dramatically shrinking their purchasing power. It is threatening the economic well-being of older persons especially those living on fixed incomes.

Still, the evidence suggests that people are opting for early retirement despite the economic problems early retirement may bring. Although the mandatory retirement age has been raised for most workers from 65 to 70, there is little evidence to support the belief that many workers are staying at their jobs the extra five years.

There is an obvious contradiction here—and we need to address ourselves to it. Could it be that by encouraging people to work as long as they can be productive, we will help ease their economic problems as well?

We have achieved major advancements in medicine and technology that make it possible to prolong life. We have been told that since 1940 life expectancy has increased by almost 10 years. Today a man can expect to live to 69 and a woman to 77, with 76 percent of the population reaching age 65.

Over 11 percent of our population, an estimated 25 million Americans, is aged 65 or over. The trend in America is towards an aging society, with a dramatic increase in the proportion of elderly and an equally striking reduction in the proportion of young. The post-World War II baby boom soon will become the senior boom in the next century. It is projected that by the year 2030 over 55 million Americans will be 65 or over. Thus, in terms of sheer numbers, retirement should be regarded as a major social issue in the United States. How we deal with our current retirement and employment policies will not only have a profound impact on older workers but also on our own futures as well. We need to review private and public sector policies which have encouraged retirement of physically and mentally able older Americans.

Unemployment statistics do not reflect the number of persons who would like to work but who have given up seeking employment because they feel prospects are hopeless. What options are available to these people in job counseling and retraining programs?

In the continuing series of hearings on "Work After 65: Options for the 80's" the Committee will be hearing today from top executive officers from major companies: Xerox, Bankers Life and Casualty of Chicago, Polaroid, and Atlantic-Richfield. I want to hear from the officers about not only what options they are offering for the employment of older workers but also what their companies are doing to properly prepare older workers for retirement.

I am pleased that Mr. Gerald Maguire, Vice President of Corporate Services for Bankers Life and Casualty Co. of Chicago, Illinois, will be testifying on his company's long-standing, non-mandatory retirement policy. One of the examples of how a company can continue to employ older workers and yet save money is found at Bankers. I understand that Bankers' retiree temporary worker pool, which began operating in March of 1979, has saved the Company thousands of dollars in employment fees and—most importantly—has provided retirees an opportunity to work and share their valuable services.

For the last two years, Bankers Life and Casualty Co. and Northeastern Illinois University, Chicago, have cosponsored the National Conference on Age and Employment in Chicago. The conferences have enabled all who have attended an opportunity to share the experiences, systems, and procedures of their business, academic institutions and service agencies in the hiring and retention of older workers.

I wish to commend Bankers Life and Casualty Company for developing fresh approaches towards retraining older workers, and giving many of them the chance to feel productive.

Older Workers Seen as More Productive

(By Nancy L. Ross)

True or false: Workers over age 65 are less productive, more often absent from the job and cost companies more due to their higher salaries and medical benefits?

All false, according to four major corporations which have considerable experience dealing with elderly employees. The four—Xerox, Polaroid, Atlantic Richfield and Bankers Life and Casualty—testified yesterday before a Senate Special Committee on Aging's hearing on ways to encourage work after 65.

Sen. Charles H. Percy (R.-Ill.), who was a corporate chairman before becoming a legislator, outlined what he termed the "obvious contradiction" in our society today.

"Inflation," he said, "is having a serious impact on the elderly. Still, the evidence suggests that people are opting for early retirement despite the economic problems it may bring."

He noted that a recent change in the law raising the mandatory retirement age from 65 to 70 has had little effect on the number of older workers, although individual companies like Polaroid report that as many as 80 percent of their employees over 65 are still on the job.

Early retirement for some has become a part of the American dream. A survey conducted last fall by the President's Commission on Pension Policy shows that 47.5 percent of the population expect to retire at age 62 or before, even though 63 percent said their retirement income would be inadequate.

C. Peter McColough, the commission's chairman, said there is a "fairly general experience" in the business community today that inflation is causing people to work longer. But fundamental changes like tax credits, alternative work patterns such as phased retirement, and educational and vocational training are needed to solve the "basic attitudinal problem" of opposition to work after 65, he said.

This has become a national necessity because the number of young workers is shrinking in comparison to the number of older ones, as are the payroll taxes to pay for their retirement, McColough added.

Xerox, which McColough also heads, has developed a preretirement counseling program, although as a fairly young company it has few older workers.

Bankers Life and Casualty of Chicago, on the other hand, has had 40 years experience with older workers. Gerald L. Maguire, vice president of corporate services, tried to puncture some of the myths that he claimed scare employers most.

Retirees do three times as well as commercial temporary employees who do not know the business, Maguire said. "Older workers are a special breed of people, self-disciplined. They know themselves when it's time to go; in 40 years we've never had to tell a person to retire."

He contended it is more economical for a company to continue paying older workers' higher salaries than to retrain new employes. The old take only 20 to 33 percent of the compensatory time taken by the young for accidents, and insurance is cheaper because of Medicare, Maguire said.

Polaroid has several innovative work patterns, including tapering off and "rehearsal retirements." The latter allows an employee to take off three to six months without pay just to see how it feels to retire. If dissatisfied, the employee can return to his or her previous job.

Atlantic Richfield, the only blue-collar company represented at yesterday's hearing, has had only two years experience without a mandatory retirement age. Harold S. Page, vice president for personnel, said just 3 percent of employes reaching 65 elected to stay, whereas 80 percent continued to retire early.

Page admitted it will be difficult to convince labor unions and management of the advantages of post-65 work. Moreover, he warned that if industry doesn't expand in the 1990s there may be serious problems with workers in the 25-to-45-year bracket who feel older workers are delaying their promotions.

Sen. John Glenn (D-Ohio) asked the corporate executives their opinion of a test being developed by the National Institutes of Health to assess skills to "find out how old is old." The executives declared themselves unanimously against such an idea.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT—PM 206

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I hereby transmit the "Annual Report of the Corporation for Public Broadcasting for FY 1979," in accordance with the Public Telecommunications Financing Act of 1978 (Public Law 95-567).

The Corporation's thorough report presents its major accomplishments during the past fiscal year in support of public radio and television broadcasting, technological change including satellite advances, and achievements in human resource development. The report notes the Corporation's vigorous response to the challenge provided by the Public Telecommunications Financing Act of 1978.

The Annual Report is being forwarded for the deliberations of the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *May 14, 1980.*

MESSAGES FROM THE HOUSE

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 1123. An act to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for title II of such Act for fiscal year 1980.

At 5:23 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 1140. An act to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1980 and 1981, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to the amendments of the House to the bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. FLORIO, Mr. SANTINI, Ms. MIKULSKI, Mr. MURPHY of New York, Mr. MATSUI, Mr. VAN DEERLIN, Mr. BROYHILL, Mr. MADIGAN, and Mr. LEE were appointed as managers of the conference on the part of the House.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 14, 1980, he presented to the President of the United States the following enrolled bill:

S. 668. An act to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the United States Court of Claims any claim such band could have filed with the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 431. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3236 and the conference report thereon. Referred to the Committee on the Budget.

S. 2697. An original bill to authorize appropriations to the United States International Trade Commission, United States Customs Service, and the Office of the United States Trade Representative, and for other purposes (Rept. No. 96–701).

By Mr. NELSON, from the Select Committee on Small Business, with an amendment:

S. 2224. A bill to amend the Small Business Act to increase the solar energy and energy conservation loan program authorization, and for other purposes (Rept. No. 96–702).

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. 2698. An original bill to provide authorizations for the Small Business Administration, and for other purposes (Rept. No. 96–703).

FOOD STAMP ACT AMENDMENTS OF 1980
CONFERENCE REPORT

Mr. TALMADGE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes (Rept. No. 96–704).

By Mr. BAYH, from the Committee on the Judiciary, with an amendment:

S. 2441. A bill to amend the Juvenile Justice and Delinquency Act of 1974, and for other purposes (Rept. No. 96–705).

S. 2511. A bill to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for fiscal year 1981 (together with minority views) (Rept. No. 96–706).

By Mr. NELSON, from the Select Committee on Small Business:

Report entitled "Thirtieth Annual Report of the Select Committee on Small Business" (Rept. No. 96–707).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2549. A bill to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1975 (Rept. No. 96–708).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

H.R. 6554. An act to authorize appropriations for the fiscal year 1981 for certain maritime programs of the Department of Commerce, and for other purposes (Rept. No. 96-709).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 433. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6554. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Edna Gaynell Parker, of Virginia, to be a Judge of the U.S. Tax Court.

Sheldon V. Ekman, of Connecticut, to be a Judge of the U.S. Tax Court.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. DURENBERGER, Mr. JACKSON, Mr. RIEGLE, Mr. LEVIN, Mr. NELSON, Mr. PROXMIRE, and Mr. METZENBAUM):

S. 2695. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

By Mr. HAYAKAWA:

S. 2696. A bill to establish ridesharing programs nationwide; to the Committee on Governmental Affairs.

By Mr. LONG (from the Committee on Finance):

S. 2697. A bill to authorize appropriations to the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative, and for other purposes. Original bill reported and placed on the calendar.

By Mr. NELSON (from the Select Committee on Small Business):

S. 2698. A bill to provide authorizations for the Small Business Administration, and for other purposes. Original bill reported and placed on the calendar.

By Mr. NELSON (for himself, Mr. STEWART, Mr. TSONGAS, and Mr. TOWER):

S. 2699. A bill to amend the Securities Act of 1933 to authorize small issuers to sell securities to accredited investors without filing a registration statement under such Act, and grant an exemption from Section 5 of such Act for resale of these securities by accredited investors to other accredited investors; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METZENBAUM:

S. 2700. A bill to give the Government National Mortgage Association—Ginnie Mae—the legal authority to forgive outstanding mortgage payments on Lanham Act properties where it is shown that the property was sold at a price higher than the appraised market value; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McGOVERN:

S. 2701. A bill for the relief of Madhav Prasad Sharma; to the Committee on the Judiciary.

By Mr. LUGAR (by request):

S. 2702. A bill to correct an inequity in public housing sales; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS:

S. 2703. A bill for the relief of Rodeline Dionio; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2704. A bill to amend the Federal Reserve Act to authorize the Board of Governors of the Federal Reserve System to establish margin requirements for transactions in financial instruments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BIDEN (for himself, Mr. MATHIAS, Mr. KENNEDY, and Mr. THURMOND):

S. 2705. A bill to amend chapter 207 of title 18, United States Code, relating to pretrial services; to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 2706. A bill to establish a one hundred per cent observer program on all foreign fishing vessels in the U.S. 200 mile fishery conservation zone; to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. DURENBERGER, Mr. JACKSON, Mr. RIEGLE, Mr. LEVIN, Mr. NELSON, Mr. PROXMIRE, and Mr. METZENBAUM):

S. 2695. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BUMPERS when he introduced the bill appear earlier in today's proceedings.)

By Mr. HAYAKAWA:

S. 2696. A bill to establish ridesharing programs nationwide; to the Committee on Governmental Affairs.

NATIONAL RIDESHARING ACT

Mr. HAYAKAWA. Mr. President, I am sending to the desk a bill which I am introducing today. This legislation will be called the "National Ridesharing Act".

Mr. President, energy, environment and transportation have become bywords in our vocabularies over the past few years. Last year, we experienced yet another oil shortage from Iran and the OPEC nations. The long gasoline lines which resulted from that shortage made us painfully aware of our dependence on foreign oil, and most of us became even more aware of our dependence on the private automobile. Modern America has grown up with the automobile. It has become synonymous with freedom to many of us, and we cherish the flexibility and personal mobility it provides us with. Although the gasoline supply now appears to have stabilized and the long gas lines of last summer are not being predicted this year, we are faced with some changes in our lifestyle and some hard decisions for the future.

The high cost of gasoline has made transportation a very real problem for many people. I am not even talking about the luxuries of family vacations, or weekend trips to the beach or the mountains that are becoming a thing of the past, I am talking about the everyday, to-and-from work travel. A real emphasis has been placed on getting Americans out of their private cars, especially for the rush hour, commuter type of travel. As we have already seen, this process is going to be very slow and painful. It also presents some new problems.

In many areas of our country—my own State of California, for instance—the travel distances are so great, and the transportation systems are either nonexistent or simply cannot accommodate all our needs. I believe we have to start by making alternate forms of transportation available. Many localities have already begun to do this by providing vanpool systems and various other forms of shared-ride programs. I have concluded that a national ridesharing program would move us in the direction necessary to assure making us a more energy self-sufficient society.

The National Ridesharing Act, which I have introduced, defines ridesharing as group travel by any mode, including carpooling, vanpooling, public-private buspooling, shared-ride taxi and jitneys, and public transit, in either mixed-flow traffic or on exclusive lanes, such as the bus lanes which we have in and around Washington. This would enable the establishment of ridesharing programs in urban and nonurban areas where none currently exist, as well as providing support for those already in existence.

This bill establishes a National Office of Ridesharing to make available grants, loans, and information for starting carpooling and vanpooling programs and other alternate transportation systems or endeavors. This office will coordinate the programs and activities currently existing in other departments of the Federal Government.

My bill is intended to encourage private ownership and operation of transportation because of the reliance placed on the marketplace. It stresses the need for a relaxation of Federal laws and regulations which impede the ownership of more than one kind of transportation. This will bring about the creation of new and innovative transportation ideas, and encourage the reemergence of others, perhaps used in the past but now long forgotten. The jitney, for instance, is once again taking its place in transportation systems in California, especially in San Diego. In San Francisco, there are 25 operating on Mission Street and 2 or 3 running on Third and Fourth Streets to the Southern Pacific Depot. San Diego recently passed a new section in their city code to clarify jitney licensing procedures. Although only a few operate there now, they are relieving some of the pressure of traffic from the airport to the center city.

The energy savings potential of ridesharing is enormous. Over 50 million Americans drive alone to and from work each day. If each of these drivers would carry just one additional passenger, we could save 22.5 million gallons of gasoline per day.

That is a startling figure, Mr. President, but as you drive on the highway, as I have often done, from Marin County to San Francisco, you see hundreds and hundreds of cars going by, the majority with only the driver and no other passenger.

Mr. President, in addition to its great potential for conserving energy, ridesharing offers other important benefits. It relieves traffic and parking congestion, reduces air pollution, cuts down on personal transportation expenses, and increases personal mobility. Ridesharing can also facilitate the use of flextime and mean less absenteeism to employers.

Mr. President, as I have indicated in these few minutes, this is an important issue, vital to our Nation, vital to our economy. I urge my colleagues to join me in what I believe to be a step toward solution.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Ridesharing Act."

DEFINITIONS

SEC. 2. (a) The term "ridesharing", for purposes of this Act, means group travel by any mode, including carpooling, vanpooling, public or private buspooling, share-ride taxi, fixed route or unregulated jitney, and public transit, either in mixed flow traffic or on exclusive high-occupancy vehicle facilities.

(b) The term "outreach effort" includes planning, survey analysis, implementation or evaluation of ridesharing programs, and marketing of rideshare activities.

FINDINGS AND PURPOSE

SEC. 3. (a) Congress finds that—

(1) a principal source of air pollution is the private automobile; and

(2) the automobile is a principal consumer of gasoline.

(b) the purposes of the National Ridesharing Act are to—

(1) promote and facilitate availability and use of alternatives available to the single occupant automobile for both work and nonwork related trips;

(2) establish viable ridesharing programs in urbanized and nonurbanized areas where none currently exist; and

(3) support and enhance existing ridesharing programs.

(c) The benefits expected to result from the accomplishment of the objectives are—

(1) reductions in transportation related energy consumption, air pollution, and highway congestion;

(2) reduced dependency on foreign sources of oil;

(3) improvement of the balance of trade for the United States;

(4) strengthening of the United States dollar abroad;

(5) increases in disposable income available to United States citizens for nontransportation-related purposes; and

(6) increases in consumer transportation choice and mobility, especially in times of gasoline shortages.

ESTABLISHMENT OF NATIONAL OFFICE OF RIDESHARING

SEC. 4. The Secretary of Transportation (hereinafter referred to as the "Secretary") shall establish a National Office of Ridesharing. The Director of such Office shall report directly to the Secretary.

DEVELOPMENT OF THE PROGRAM

SEC. 5. (a) The National Office of Ridesharing shall develop a national ridesharing ing program to assist States, counties, municipalities, metropolitan planning organizations, other units of local and regional government, providers of ridesharing services, publicly owned operators of mass transportation services, and private entities in developing and implementing ridesharing programs.

(b) The National Office of Ridesharing shall have responsibility for the development and coordination of any and all ridesharing activities supported in total or in part by Federal funds. The National Office of Ridesharing shall administer funds and programs authorized under this legislation and shall coordinate those programs with other ridesharing activities within the Department of Transportation, the Department of Energy, and other branches of the Federal Government.

(c) The Director of the National Office of Ridesharing shall coordinate the development of ridesharing programs pursuant to this Act with the Administrator of General Services to insure that such programs are consistent with and complementary to efforts made by other Federal agencies to promote ridesharing in accordance with Executive Order 12191, Federal Facility Ridesharing Programs.

(d) The Secretary of Transportation and the Secretary of Energy shall establish a process for coordinating their Departments' activities related to the planning and implementation of ridesharing programs. All ridesharing-related Department of Energy moneys shall be coordinated with the requirements of section 134 of title 23, United States Code.

FUNDING

SEC. 6. (a) Funding for ridesharing services under this Act shall be available for establishment and operation of local or regional ridesharing programs, outreach efforts, dial-in ridesharing assistance, computer matching, and coordination with planning organizations, providers of ridesharing services, publicly owned operators of mass transportation services, State and local governments, and the private sector.

(b) Construction of high occupancy vehicle facilities and the purchase or operation of public transit vehicles are not eligible for funding under this Act. However, the development of ridersharing projects shall be closely coordinated at all levels of government with the planning of high occupancy vehicle facilities and public transit programs.

(c) Funding provided by this Act shall be in addition to ridesharing fund sources in the Department of Transportation, the Department of Energy, or other departments of the Federal government existing as of the date of enactment of this Act.

(d) Funds appropriated for apportionment prior to September 30, 1982, shall be allocated at the discretion of the Secretary to—

(1) support existing ridesharing programs which the Secretary certifies as viable;

(2) support significant expansion of programs which the Secretary deems so warrant; and

(3) establish new programs where none currently exist.

(e) Subsequent to September 30, 1982, funds for the establishment of new programs or for significant expansions of existing programs shall be allocated at the discretion of the Secretary. In order to facilitate orderly planning and management of existing viable ridesharing programs, funds to support such programs, as certified by the Secretary, shall be allocated on a formula basis set forth in section 7.

FORMULA ALLOCATIONS AND RECIPIENTS

SEC. 7. (a) Subsequent to September 30, 1982, the proportion of funds authorized by this Act to be allocated on a formula basis shall be determined by the Secretary on the basis of the financial requirements of existing ridesharing programs which have been certified by the Secretary. However, such proportion shall not be less than 50 percent of the total funds authorized under this Act for the fiscal year ending September 30, 1983, plus any funds unapportioned from the prior fiscal year.

(b) Not more than 10 percent of the funds authorized under this Act shall be allocated by the Secretary to areas other than urbanized areas as defined in section 1608(c)(11), title 49, United States Code. Any funds to be allocated by formula in areas other than urbanized areas shall be made available for expenditure for eligible ridesharing activities on the basis of a formula under which each State will be entitled to receive an amount equal to the total amount so apportioned, multiplied by the ratio which the population of areas other than urbanized areas in such State (as designated by the Bureau of the Census) bears to the total population of areas other than urbanized areas in all the States as shown by the latest available Federal census.

(c) Any funds to be apportioned by formula in urbanized areas shall be made available for eligible ridesharing services on the basis of a formula under which urbanized areas or parts thereof will be entitled to receive an amount equal to the sum of—

(1) one-half of the total amount so apportioned multiplied by the ratio which the population of such urbanized area or part thereof, as designated by the Bureau of the Census, bears to the total population of all the urbanized areas in all the States as shown by the latest available Federal census; and

(2) one-half of the total amount so apportioned multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

As used in paragraph (2), the term "density" means the number of inhabitants per square mile.

(d) Recipients eligible to receive and dispense the funds apportioned under this Act available to urbanized areas with populations of two hundred thousand or more shall be designated by the following, in accordance with the planning process required under section 1607, title 49, United States Code, and with the concurrence of the Secretary:

(1) the Governor;

(2) responsible local officials;

(3) providers of ridesharing services;

(4) operators of publicly owned mass transportation services; and

(5) appropriate representatives of the private sector.

A public agency shall be designated in accordance with the same planning process and procedures set forth in this paragraph to account for and ensure that Federal funds apportioned for ridesharing services are expended consistent with the policy and programing decisions made pursuant to the planning process set forth in section 9. All provisions of this Act shall apply to grants made to both public and private sector entities.

(e) Sums apportioned under this Act which are not made available for expenditure by designated recipients in accordance with the terms of subsection (d) shall be made available to the Governor for expenditure in urbanized areas or parts thereof in accordance with the planning process required under section 1607, title 49, United States Code, and shall be fairly and equitably distributed. The Governor shall submit an annual report to the Secretary concerning the allocation of funds made available under this paragraph.

TIMELY USE OF FUNDS

SEC. 8. Sums apportioned under this Act shall be made available by the Governor or designated recipient for a period of two years following the close of the fiscal year for which such sums are apportioned. Any amounts so apportioned remaining unobligated at the end of such period shall be added to the amount available for apportionment under this Act for the succeeding fiscal year.

PLANNING PROCESS

SEC. 9. (a) The development of ridesharing programs shall be based upon the continuing, cooperative, and comprehensive planning process as required under section 134, title 23, United States Code, in section 1607, title 49, United States Code. The Secretary of Transportation shall not approve any project in an urbanized area unless he finds that the project is based on such process.

(b) The National Ridesharing Program shall be administered in a flexible manner to ensure participation of State departments of transportation, metropolitan planning organizations, counties, municipalities, providers of ridesharing services, publicly owned operators of mass transportation services, other local transportation planning and implementation agencies, and the private sector.

PUBLIC TRANSIT'S ROLE

SEC. 10. The National Ridesharing Program shall be developed to ensure that the various modes of ridersharing are implemented in a complementary rather than competitive manner. Carpooling, vanpooling, buspooling, jitneys, and other high occupancy vehicle programs shall be developed with full coordination with and participation by operators of publicly owned mass transportation systems. The Secretary shall not approve any programs which have not been developed pursuant to these requirements.

SPECIAL CONSIDERATION FOR LOCAL EFFORT

SEC. 11. The Secretary, in making discretionary apportionments to eligible recipients shall give special consideration to those applicants who have shown particular commitment to ridesharing by virtue of their use of non-Federal funds or eligible Federal highway funds in their ridesharing programs.

INVESTIGATION AND REPORT

SEC. 12. (a) The Secretary of Transportation shall conduct an investigation of the performance of the Office which shall include an analysis of—

(1) the effectiveness of the programs;

(2) operations and activities in accomplishing the goals and purposes of the program;

(3) any reduction in gasoline consumption nationwide; and

(4) any reduction in air pollution attributable to motor vehicles.

(b) The Secretary shall submit, to the President, Congress and the public, a report on the findings of the investigation by September 30, 1983. The report shall include the following:

(1) a recommendation as to whether the authority of this Act should be extended; and

(2) recommendations, if any, for reorganization of the Office.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated funds not to exceed $40.000.000 for the fiscal year ending September 30, 1981, $50,000,000 for the fiscal year ending September 30, 1982, $50.000.000 for the fiscal year ending September 30, 1983, and $40.000.000 for the fiscal year ending September 30, 1984, for the purposes of carrying out the objectives of this Act.

By Mr. NELSON (for himself, Mr. STEWART, Mr. TSONGAS, and Mr. TOWER):

S. 2699. A bill to amend the Securities Act of 1933 to authorize small issuers to sell securities to accredited investors without filing a registration statement under such Act, and grant an exemption from section 5 of such act for resale of these securities by accredited investors to other accredited investors; to the Committee on Banking, Housing, and Urban Affairs.

SMALL BUSINESS ISSUERS SIMPLIFICATION ACT

● Mr. NELSON. Mr. President, on behalf of myself, Mr. STEWART and Mr. TSONGAS I am introducing today a bill entitled the "Small Business Issuers Simplification Act". The proposal would permit smaller businesses to raise capital by selling their stock to institutional and other sophisticated investors without the necessity of filing costly and complicated registration statements with the Securities and Exchange Commission.

I ask that the measure be referred to the Senate Committee on Banking, Housing, and Urban Affairs where hearings are currently underway, and that the text of the bill and section-by-section analysis be printed in the RECORD following my remarks.

This measure was proposed by the Carter administration as part of the effort to improve capital formation for new and small businesses. I ask unanimous consent that the transmittal letter from Mr. A. Vernon Weaver, administrator of the Small Business Administration, also be printed in the RECORD following my remarks for the information of all concerned.

The Small Business Committee has carefully reviewed the measure and we are pleased to introduce it now with the hope that it will receive serious and favorable consideration in the Senate hearings now in progress before the Securities Subcommittee under the chairmanship of the Senator from Maryland (Mr. SARBANES).

WHAT THE BILL WOULD DO

This bill contains two recommendations. First, there would be an exemption from registration under the Securities Act of 1933 if a small business wishing to raise capital sells its stock to large and sophisticated investors who are able to analyze the merits of the securities offering for themselves.

The term "small issuer" used in the Act is defined as a company which has total assets of less than $15 million, revenues of less than $30 million and/or less than 500 stockholders. The "accredited investors" allowed to purchase these unregistered securities are defined to include banks, insurance companies, investment companies, pension plans, and individuals prepared to purchase more than $100,000 of the companies securities at one time.

The second aspect of the bill would permit resale of the securities acquired under the exemption described above if the purchaser is another "accredited investor".

The section-by-section analysis prepared by the administration provides a technical explanation of the legislation.

I would like to commend the administration for preparing and sending this proposal to Capitol Hill and the American Bar Association Small Business Committee for its Securities Conference in 1979 which developed the concepts on which the bill is based.

NEW AND SMALL FIRMS VIRTUALLY SHUT OUT OF SECURITIES MARKETS

For small and independent businesses, the raising of equity or permanent capital has become almost impossible in recent years. In 1977, Business Week magizine reported that the capital markets were open only to the 1,000 or so largest corporations. That 1,000 constitutes five one-hundredths of 1 percent of the 2 million corporations in this country. It would exclude half the listings on the New York Stock Exchange and virtually all of the companies listed on the American Stock Exchange or on the NASDA over-the-counter market.

It would certainly exclude the overwhelming majority of new and emerging companies, which may have the best ideas in the world but have no "track record" of earnings.

In a series of public hearings in capital formation over the past 2 years the Senate Small Business Committee found that in contrast to 1,056 small companies (with assets of less than $5 million) which raised public equity capital in the 2 years 1968 and 1969, only 79 such companies were able to do so in 1978 and 1979. Witnesses told the committee that during the 1960's new companies could be launched with public stock issues. Now, however, a minimum requirement for such capital raising is about $1 million in profits.

COSTS OF RAISING EQUITY CAPITAL HAVE SOARED

The costs of registering a stock issue with the SEC approaches $200,000.

This level of cost was established in a study performed by the National Association of Securities Dealers and submitted at the Small Business Committee's capital formation hearings on May 22, 1979. It shows that the average cost of a first-time-to-market stock issue in the 7 years between 1972, and 1978 was $189,368 and the figure soared over $200,000 for 3 out of the 4 most recent years. The table follows:

Expenses of firm commitment underwritings of registered offerings of first time to market companies[1]

Year	Number of offerings	Average registration expense
1972	478	$120 486
1973	89	116,817
1974	9	199,359
1975	[2]5	[2]253,000
1976	21	217,745
1977	19	188,368
1978	24	229,805

[1] Excludes real estate investment trusts, closed end investment companies and commodity pools.

[2] Excludes three initial public offerings with an average gross dollar amount of $52,000,000 and an average expense of $510,000.

SOURCE.—"Financing Small Business", report of the National Association of Securities Dealers, Inc., May 22, 1979. p. 44.

These statistics show that conditions have changed in capital markets and they have changed for the worst for small business. These adverse developments make it urgent to strengthen the machinery by which new and small ventures gain access to public securities markets.

The administration's letter, expresses the "deep national concern" over the "serious problems and impediments . . . inhibiting the creation and growth of small and medium-sized businesses * * *".

It pinpoints the costs of reporting and regulatory requirements of the Securities and Exchange Commission as one of those impediments. The administration concluded that such costs "have effectively prevented small businesses from raising (equity) capital in public securities markets."

AREA OF REGULATION CAN SAFELY BE ROLLED BACK

The essence of this proposal is that sophisticated purchasers of securities and their financial advisors have the knowledge, expertise and experience to evaluate small issues. These investors can, therefore, dispense with the particular disclosure documents required by the Securities Act of 1933 and the rules and regulations thereunder that are "detailed and onerous to prepare."

We are saying that we want to roll back the barbed wire of the regulations and widen the area within which the free market can operate. The bill envisions that "accredited investors" would meet with the company management and would decide what information is needed as a basis for an investment. There would be no complicated documentary requirements, no detailed forms to indicate compliance with rules and regulations, and so the costs of raising the money would be markedly reduced. If the investors were not satisfied with the quantity or quality of the information, they would not invest their money. That is very simple and very direct, and therefore very appealing.

In my view we could safely push the regulations back even further and allow $50,000 purchasers to be "accredited investors." That is still quite a lot of cash to come up with all at one time, and this would suggest that proper financial counsel would be obtained.

INVESTOR PROTECTION WOULD BE PRESERVED

The administration points out that even large "accredited" investors would continue to be protected under the securities laws if there is fraud involved. This legislation would not reduce the effect of existing antifraud provisions of the securities laws. The bill also leaves intact all existing protections afforded to small investors—those investing less than $100,000. If such small investors were solicited after passage of this measure, the companies would be required to prepare and furnish disclosure documents to the same extent as they do now. The Securities and Exchange Commission would still be on the job, and small investors which need the protection would continue to receive it, as Congress has always insisted they should.

POSSIBILITIES FOR WIDENING ACCESS TO EQUITY CAPITAL

In examining this bill, we in the Small Business Committee were intrigued with the possibilities for broadening the area of the free market within which decisions might be made and for the potential of developing markets for blocks of the securities of new and small ventures among institutional and other sophisticated purchasers. Those investors having large sums of money are well equipped to evaluate, and well situated to take, the greater and longer term risk which are associated in start-up and early stage financing of promising ventures.

This proposal is attractive because it merely removes a regulatory barrier and allows these investors greater liberty to make such investments if they appear to make good business sense.

This can greatly benefit the economy. Our committee has found that new and small firms and individual inventors consistently account for over half of all industrial innovation. In the nature of things, many of these new ventures fail or falter. However, when they succeed they can be the basis of entire new industries, such as Polaroid Camera of Edward Land, the photocopying process of Chester Carlson (Xerox) and the miniaturization of electronics which has spawned a series of billion-dollar markets such as hand-held calculators, minicomputers, intelligent terminals, telecommunications, data processing, and certain military hardware.

When we improve the climate for such investment, we greatly strengthen our economy and our country.

PARALLEL SECURITIES AND EXCHANGE COMMISSION RULE IN THIS AREA

One of the encouraging developments with respect to this legislation is that the Securities and Exchange Commission has recently adopted a position quite similar to the thrust of our bill. The Commission, under the able leadership of Harold Williams, has taken several steps in this area, including the establishment of an Office of Small Business to work on these matters.

At the end of January 1980, the Commission proposed a "rule 242," which would allow offerings up to $2 million in any 6-month period, if they are sold to "accredited persons" and less than 35 ordinary investors.

Those "accredited" under the rule include the same types of institutional investors and $100,000 purchasers contemplated by our bill. So, the Commission, which is the "watchdog" of the small investors also recognizes the need for change in this area.

The proposals are quite similar, although certain minor differences remain.

The bill does not have a limitation as to the amount of an issue while the SEC proposal does—it would permit $4 million of securities per year by any one company. The bill limits the size of the issuer while the rule does not. Both proposals would permit sales up to 35 persons who were not "accredited," provided they receive disclosure information as is required by SEC. The SEC rule would require issuing companies to file a notice of the sale and another form 10 days after it is completed, which the bill does not. Further, SEC has resale limitations, including a holding period of 2 years which the bill does not impose.

Under our bill, if the company confined its capital raising activity to accredited investors, it would be able to steer clear of paperwork both on the initial sale and on the resale of the stock.

But, the thrust of these two proposals is very similar and I hope they can be reconciled.

HEARINGS NOW UNDERWAY

Fortunately for all, the Senator from Maryland (Mr. SARBANES) has commenced a set of hearings in the Securities Subcommittee of the Senate Banking Committee. The subcommittee is addressing this vital matter on small business capital formation, and how access to capital can be facilitated for independent enterprise by possible changes to the Federal securities laws.

These hearings come at an excellent time, in view of the recommendations of the White House Conference on Small Business.

I would like to commend Senator SARBANES for his willingness to provide a forum for a discussion of these issues at this juncture.

Capital formation was voted by the White House Conference on Small Business as by far the most serious problem and greatest concern. Five out of the top 10 recommendations concerned ability to retain, recover and raise capital for the startup, expansion and survival of small business.

The Senate majority leader, the Senator from West Virginia (ROBERT C. BYRD), appointed a task force in the Senate to coordinate the implementations of those top priority White House Conference recommendations. He appointed as members the chairmen of key committees and subcommittees including the assistant majority leader, the Senator from California (Mr. CRANSTON), who serves on the Banking Committee which has jurisdiction over securities legislation, Senator CRANSTON has long been interested in the capital raising problems of new and small business. He actively participated in the Senate Small Business Committee capital formation hearings in 1979 and joined with our committee for combined hearings on that subject through his Subcommittee on Financial Institutions in early March of this year.

Other Senators have shown their interest in this area by cosponsoring S. 1940, my bill to reduce regulatory barriers to raising funds by venture capital companies, and S. 1533, a bill put forward by the Senator from Texas (Mr. TOWER), and the Senator from Indiana (Mr. LUGAR), to accomplish similar ends.

The Small Business Committee's views have been available continuously to the Securities and Exchange Commission in these matters and we are pleased now to have them before the Senate so that they can be taken into consideration by other appropriate committees.

SUMMARY

The administration is to be commended for sending up this bill and devoting its attention to the critical problems of small business capital formation, with which many of us in the Senate have also been concerned. The proposal introduced today will go before the Securities Subcommittee where hearings are already in progress on these matters.

It is my hope this legislation, and the related SEC proposal, rule 242, can receive the thoughtful consideration of the Securities Subcommittees in the Senate and the House, and an appropriate measure combining the best of both can be approved in 1980 as one of the parts of our legislative efforts to improve small business capital formation.

We at the Small Business Committee will do all that we can to advance the responsible consideration of this and other measures which will make easier the access to capital for new, small and independent firms, thereby benefiting all of our economy.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Issuers' Simplification Act of 1980."

TRANSACTIONS INVOLVING SMALL ISSUERS AND ACCREDITED INVESTORS

SEC. 2. Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end thereof the following new paragraph:

"(6) Transactions involving offers or sales by a small issuer to one or more accredited investors, provided there is no advertising or public solicitation in connection with the transaction by the issuer or anyone acting on the issuer's behalf.".

RESALE OF SECURITIES

SEC. 3. Section 4(1) of the Securities Act of 1933 (15 U.S.C. 77d(1)) is amended by adding at the end thereof the following:

"For purposes of this paragraph, any accredited investor who acquired a security in a transaction to which Section 4(6) applies and who sells such security for his own account or in a fiduciary capacity shall not be deemed to be an underwriter under Section 2(11) with respect to such transaction if such sale is made to another accredited investor.".

DEFINITIONS

SEC. 4. Section 2 of the Securities Act (15 U.S.C. 77b) is amended by adding the following two paragraphs:

"(15) the term 'accredited investor' shall mean

"(i) a bank as defined in Section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity; an insurance company as defined in Section 2(13) of the Act; an investment company registered under the Investment Company Act of 1940; a Small Business Investment Company or Minority Enterprise Small Business Investment Company licensed by the Small Business Administration; or an employee benefit plan, including an Individual Retirement Account, which is subject to the provisions of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company or registered investment adviser; or

"(ii) any person who purchases for cash at least $100,000 of securities of the issuer sold pursuant to Section 4(6) of the Act.

"(16) The term 'small issuer' means any business entity organized or existing under the laws of any state in the United States which has or proposes to have its principal business operations in the United States and which meets two of the three following criteria:

"(i) had total assets at the end of its last fiscal year of less than $15,000,000;

"(ii) has had total gross revenues per year in each of its last two fiscal years of less than $30,000,000;

"(iii) has no class of securities with more than 500 record holders.".

RULEMAKING AUTHORITY

SEC. 5. Section 19 of the Securities Act (15 U.S.C. 77s) is amended by adding at the end thereof the following new subsection:

"(c) The Commission shall have authority from time to time to make, amend or rescind such rules and regulations as may be necessary to revise the definitions contained in paragraphs (15) and (16) of Section 2 in accordance with the provisions of subsection (a), if it finds that such action is necessary or appropriate in the public interest or for the protection of investors, *Provided however*, That before adopting any proposed rule which would (1) increase the dollar amount contained in paragraph (15) of Section 2; or (2) decrease the dollar amounts contained in paragraph (16) of Section 2, the Commission shall afford interested persons an opportunity for public oral presentation of data, views and arguments concerning such proposed rule.".

OVERALL ANALYSIS: THE SMALL BUSINESS ISSUERS' SIMPLIFICATION ACT OF 1980

GENERAL

The "Small Business Issuers' Simplification Act of 1980" is designed to alleviate the significant problems encountered by smaller businesses in attempting to raise capital in nonpublic offerings. The bill creates an exemption from the registration requirements of Section 5 of the Securities Act of 1933 (the "Act") for sales by a defined class of small issuers to an unlimited number of accredited investors as defined by the bill. Although the securities received by such accredited investor would be restricted and thus could not be resold in a public offering unless they were registered or some exemption were available, the bill creates an additional exemption from Section 5 of the Act for sales and purchases between accredited investors. The terms "small issuer" and "accredited investor" are defined by the bill, which also gives the Commission certain rulemaking authority to revise the definition as may be necessary or appropriate in the public interest or for the protection of investors.

SECTION-BY-SECTION ANALYSIS

Section 1. Title.

Section 2. Transactions Involving Small Issuers and Accredited Investors.

This section of the bill would amend Section 4 of the Act to create an exemption from the registration requirements of the Act for transactions by a small issuer solely with one or more accredited investors, provided there is no advertising or public solicitation in connection with the transaction. The terms "small issuer" and "accredited investor" are defined in Section 4 of the bill.

Section 3. Resale of Securities.

Section 3 of the bill would amend Section 4(1) of the Act to provide that any accredited investor who sells a security that was acquired in a transaction to which the newly created exemption applies will not be deemed to be an underwriter under Section 2(11) of the Act, if such sale was made to another accredited investor.[1] Pursuant to this amendment, accredited investors would resell securities purchased under this exemption to other accredited investors without registration and without any limitation on the size of the offering or the length of time the securities were held. Moreover, securities issued and sold under this exemption would retain their exempt character in such resales without regard to subsequent changes in the size of the issuer.

Section 4. Definitions.

Section 4 of the bill would amend Section 2 of the Act by adding two paragraphs to define the terms "accredited investor" and "small issuer." The term "accredited investor" is defined as a bank, an insurance company, a small business investment company or an investment company registered under the Investment Company Act of 1940; certain employee benefit plans subject to the Employee Retirement Income Security Act of 1974; or purchasers of at least $100,000 of securities sold in a transaction to which the newly created exemption applies. The term "small issuer" is defined as any business entity which meets two out of the three stated criteria: (a) has less than $15,000,000 in total assets at the end of its last fiscal year; (b) has less than $30,000,000 in total revenues in each of its last two fiscal years; or (c) has no class of securities with more than 500 record holders.

Section 5. Rulemaking Authority.

Section 5 of the bill would amend Section 19 of the Act by granting special powers to the Commission to make, amend or rescind such rules and regulations as necessary to revise the definitions of "accredited investor" or "smaller issuer" if such action is necessary or appropriate in the public interest or for the protection of investors. However, the bill would require the Commission to hold public hearings prior to the adoption of any rule that would increase the $100,000 minimum purchase in the definition of an "accredited investor," or reduce the assets or revenues threshold in the definition of "small issuer." It is important that the Commission have adequate rulemaking authority to allow it to act to protect the investing public in the event that its experience demonstrates a need to restrict the availability of the exemption. This section would provide such authority.

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, D.C., December 20, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am pleased to transmit to the Congress for your consideration and appropriate reference the "Small Business Issuers' Simplification Act of 1979" together with a section-by-section analysis of the bill.

Our efforts as a Nation to promote long-term economic growth, to foster innovation and productivity and to create new jobs for the young people entering our economy depend to a significant degree upon the health of small business.

Small businesses account for more than 50 percent of all private employment, 43 percent of the gross national product and over half of all inventions. The small business sector plays a critical role in new job creation. In the period from 1960 through 1976, small and medium-size businesses provided virtually all of the new private sector jobs added to our economy. The Nation's largest 1,000 firms contributed less than 2 percent of the total.

It is, therefore, a matter of deep national concern that the small business community should be confronted today with serious problems and impediments, some of which arise from governmental actions at the Federal, state and local levels. Although the factors which appear to be inhibiting the creation and growth of small- and medium-sized businesses are various, two problem areas predominate: the difficulty of raising capital to finance expansion of young companies, and the disproportionate burdens borne by smaller companies as a result of governmental regulation.

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[1] Section 2(11) of the Act provides in pertinent part:

The term "underwriter" means any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking.

The proposed legislation which I am transmitting to the Congress today is designed to address each of the these problem areas. Although its scope is limited and the advance over prior law which it represents is modest, it nevertheless reflects and seeks to implement the policy of this Administration to make government more responsive to the legitimate concerns of small business.

The "Small Business Issuers' Simplification Act of 1979" will significantly reduce the paperwork and regulatory burdens of small businesses which sell their securities to institutional investors and other persons making investments of at least $100,000. The high costs of compliance with the registration provisions of the Federal securities laws have effectively prevented smaller businesses from raising capital in the public securities markets. The Securities and Exchange Commission has taken a number of actions within its existing statutory authority to ease these burdens. Typically, however, small issuers are confronted with the requirement, either express or implied, that they prepare a disclosure statement in connection with the offering of their securities. These documents tend in practice to be detailed and onerous to prepare. The requirement for such paperwork constitutes a needless impediment to the raising of capital where the securities are sold to a purchaser well able to fend for itself in the marketplace. Such purchasers do not require the protection of a disclosure document, because they possess the means to obtain access to the material facts about the issuer and its securities and to analyze and understand them.

By eliminating paperwork and regulatory burdens in a specified class of transactions, this legislation will facilitate the flow of capital into small businesses. The exemption provided by the bill will make it easier for small business to tap into the sizable pool of capital at the disposal of institutional investors.

The exemption from the registration provisions of the Federal securities laws provided for in the bill has been carefully drawn to ensure that no risks are posed to small investors. For such persons, the public disclosure protections of existing law remain in full force. Moreover, the antifraud guarantees of existing law remain in full effect for all transactions covered by the bill.

I urge the Congress to give the draft legislation its prompt and favorable consideration.

The Office of Management and Budget has advised that it has no objection to the submission of this bill and that its enactment by the Congress would be consistent with the Administration's programs.

Sincerely,

A. VERNON WEAVER,
Administrator.●

By Mr. METZENBAUM:

S. 2700. A bill to give the Government National Mortgage Association—Ginnie Mae—the legal authority to forgive outstanding mortgage payments on Lanham Act properties where it is shown that the property was sold at a price higher than the appraised market value; to the Committee on Banking, Housing, and Urban Affairs.

Mr. METZENBAUM. Mr. President, the legislation I am introducing today is designed to give the Government National Mortgage Association—Ginnie Mae—the legal authority to forgive outstanding mortgage payments on Lanham Act properties where it is shown that the property was sold at a price higher than the appraised market value. Although this legislation would give Ginnie Mae that authority in all such instances, it is specifically designed to assist a major housing project in Lincoln Heights, Ohio, near Cincinnati, which has been described as the largest all-black city in the country.

I believe that the people who live in that project—the Valley Homes project, which is owned by a black veterans cooperative—have been wronged. This legislation would give Ginnie Mae and the Federal Government a chance to right that wrong. Valley Homes has 350 units and about 1,700 residents. It was originally built in 1941 to house defense workers at the Wright aeronautical plant during World War II and was then sold by the Federal Government to the black veterans cooperative as surplus housing. According to a 1953 appraisal discovered in the Public Housing Administration's records, that project was appraised at $1,005,200, but was actually sold by the Federal Government to the veterans for $1.4 million—an overcharge of $400,000. Despite this apparent overcharge, and other evidence that the citizens in that community have been discriminated against, Ginnie Mae officials contend that they are legally unable to forgive the outstanding debt. That refusal has compounded a wrong that has already lasted more than 25 years.

It would be unjust to ask the Valley Home residents to repay an unfair debt. Many of those residents simply cannot afford that additional burden. In addition, it has been estimated that the projects needs an additional $5 to $7 million in repairs to fully rehabilitate the project. If citizens who now live in the project were forced to bear those costs, many would be forced out altogether. The Valley Homes Board has submitted an application to the Department of Housing and Urban Development for section 8 rehabilitation assistance, and my office has been in contact with HUD urging officials to make as much assistance available as possible.

Mr. Les Edwards, president of the Valley Homes Board, and Mr. Paul White, city manager of Lincoln Heights, have requested that I introduce this legislation. I am happy to do so, and I pledge to continue working with those local leaders to help the Valley Homes cooperative in the months ahead.

By Mr. LUGAR (by request):

S. 2702, A bill to correct an inequity in public housing sales; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. LUGAR. Mr. President, at the request of Representative BILL GRADISON, of Ohio, I am introducing a bill to correct an inequitable Federal Government decision made in 1954. This action involved the sale of a World War II civilian housing project by the Public Housing Administration to the Valley Homes Mutual Housing Corp., a group of 350 families in Lincoln Heights, Ohio. Lincoln Heights is an all-black community with one of the lowest per capita incomes in the State. Approximately 30 percent of the units in Valley Homes are occupied by senior citizens and the total family income in nearly half of the units is below $6,000 per year.

The sale price was approximately $400,000 above the Federal Government's own appraisal of the property's fair market value. The residents were not aware of this fact until recently. If the original sale had been closed using the fair market value, the loan would have been paid off 12 years ago. Instead, Valley Homes is still indebted to the Government by an amount which is approximately equal to the original overcharge.

Since the residents of Valley Homes have, in fact, paid enough to the Government over the last 26 years to more than cover the value of the property when it was sold to them in 1954, it is only fair that the outstanding mortgage be canceled. The bill that I am introducing would provide the Government National Mortgage Association—the mortgagee—with the authority, which GNMA claims it lacks, to cancel the 1954 overcharge. Last week, the House Subcommittee on Housing and Community Development unanimously adopted an identical measure as a provision of the fiscal year 1981 housing authorization bill.

This legislation would rectify the earlier injustice which clearly is inconsistent with the Government's obligation to assure that affordable and decent housing is available to our Nation's poor.

I am especially pleased to lend my support to Congressman GRADISON's legislation. His leadership and unflagging energy has resulted in a solution to a problem that would have gone unsolved without him. But it comes as no surprise that once again BILL GRADISON is solving important problems for his district. As a Member of the House for 5 years, he has been an extremely able Congressman serving the Nation in a manner consistent with the highest levels of public service.●

By Mr. PROXMIRE:

S. 2704. A bill to amend the Federal Reserve Act to authorize the Board of Governors of the Federal Reserve System to establish margin requirements for transactions in financial instruments; to the Committee on Banking, Housing, and Urban Affairs.

REGULATION OF TRADING IN FINANCIAL INSTRUMENTS

Mr. PROXMIRE. Mr. President, I am introducing today a bill to authorize the Federal Reserve Board to regulate transactions in certain financial instruments. Under the bill, the Board could set margin requirements against loans used to finance the purchase of a financial instrument. The Board could also prescribe the deposit to be furnished and maintained by investors in futures contracts involving financial instruments. A financial instrument is defined to include any security that is not otherwise subject to the Board's margin authority under the Securities and Exchange Act. For the most part these include securities issued by or guaranteed by the Federal Government. The bill also covers transactions in foreign exchange, gold, silver, or any other item which the Board determines to have monetary characteristics or is a store of value. However, the bill specifically precludes the regulations of transactions in agricultural commodities.

Mr. President, the recent extreme price swings in the silver market have pointed up a serious gap in our laws and regulations designed to curb excessive speculation. One of the principal reasons for the stock market collapse in 1929 was due to excessive speculation in securities which, to a large extent, was fueled by bank credit. When the stock market took a nose-dive, many banks were also dragged down. In order to prevent a reoccurrence, Congress authorized the Federal Reserve Board to prescribe margin requirements on loans used to finance the purchase of securities. For the most part the margin authority has achieved its intended objectives. However, the authority does not apply to all financial instruments, and these exemptions have become increasingly important with the growing scope and sophistication of our financial markets.

For example, today it is possible for investors to amass sizable speculative positions in gold, silver, or other unregulated financial instruments through the use of borrowed money. Unless we have some means of curbing the amount of speculative activity in these instruments we will run increasingly greater risks of serious financial repercussions. For example, a sudden and steep drop in the price of these instruments can threaten the safety and soundness of the financial institutions making the loans. Also, the easier it is to borrow to speculate on gold or silver the more credit is diverted from productive investments in real economic activity.

We have the lowest rate of productivity increase of any major country. Moreover small businessmen, home builders and buyers, farmers, and others are starved for credit. At the same time, investors who speculate in gold or silver or other financial instruments seem to have no trouble in obtaining credit to finance their speculative purchases. I believe margin requirements on loans used to buy gold or silver or other financial instruments will curb excessive speculative activity and make more credit available for productive investments in our economy.

Mr. President, a second gap in our regulatory system involves the establishment of deposit requirements on futures contracts. Under present regulatory arrangements, no governmental agency has the authority to prescribe deposit requirements except in unusual or extraordinary circumstances, and that authority has never been used. As a practical matter, the authority to set and revise deposit requirements is lodged exclusively with the Nation's various commodity exchanges. Until recently, activity on these exchanges has been confined to agricultural commodities. However, during the last few years they have moved heavily into financial futures. Today we have futures contracts not only on gold and silver, but on the major foreign currencies, Treasury bills, Treasury bonds, and GNMA securities. Applications are pending for many other financial instruments including a futures contract on the Dow-Jones stock market index.

The rapid development of financial futures markets has dramatically changed the nature and impact of futures trading. The ratio of speculative to hedging transactions seems to be much greater in financial futures trading compared to agricultural futures. Moreover, the consequences of excessive speculation can be far more serious on our financial system. The Federal Reserve and Treasury are especially concerned that trading in futures contracts on Treasury securities can complicate debt management and monetary policy. For example, the Treasury could be forced to alter the maturity structure of its obligation in order to prevent a squeeze from developing on a particular issue. Likewise, the Federal Reserve Board's open market operations might have to be revised out of the same considerations.

The growth of the financial futures market will likely continue at a high rate over the next few years as more and more brokerage houses attempt to make up for the decline in interest in the stock market on the part of individual investors. Thus more and more individual investors will be attracted to financial futures but without the regulatory safeguards established in the equity securities market. For the most part, trading in agricultural futures contracts has involved a relatively small group of highly sophisticated investors. However the financial futures market is likely to draw upon a much larger and somewhat less sophisticated group of investors. Therefore, the regulatory arrangements that may have been appropriate for agricultural futures trading are, in my opinion, no longer appropriate for the growing financial futures market.

One particular problem that was highlighted in the silver case is the ability of investors to pyramid their positions by using their daily profits to buy more futures contracts. Under the deposit rules established by the commodity exchanges, investors in futures contracts who profit from a change in price are able to withdraw their profits in cash on a daily basis. By the same token, investors whose positions are adversely affected by a price change are required to post an additional deposit to cover their losses. Nevertheless, in a rising market those who have taken a long position are able to push the price still higher by using the cash derived from their paper profits to put back in the market.

When the initial deposit requirement is a small percentage of the value of the contract, as it tends to be on most futures contracts, the leverage can be substantial. For example, if the initial deposit requirement is 2 percent than a mere 2-percent increase in the price can enable an investor to double his position overnight if he uses the paper profits to buy another futures contract. When a market is dominated by speculative investors, the ability to pyramid sounds like a built-in prescription for instability. Many market observers believe that pyramiding could be effectively curbed by requiring that any profits on a futures contract not be paid until the contract delivery date. Losses, of course, would continue to be posted as presently required. Under the bill I have introduced the Federal Reserve Board would have the authority to institute this change on futures contracts involving financial instruments.

Mr. President the Senate Committee on Banking, Housing, and Urban Affairs is holding a general oversight hearing on the recent developments in the silver market and on the adequacy of our system for regulating trading in financial instruments. I expect these hearings will also focus on the legislation I have introduced. I am certainly not wedded to the details of the legislation and I am willing to accept any reasonable modifications designed to make the bill more practical and workable. I am mindful of the constructive economic benefits flowing from our highly developed financial futures market and it is certainly not my intent to shut these markets down. Nonetheless, enough problems have been suggested that I believe it is in the long run interest of all parties to work out a more stable regulatory framework that will serve the needs of the market in the years ahead. It is certainly better to attempt to forge that consensus now rather than awaiting a financial crisis when the governmental response is likely to be far more rigid in its approach.

By Mr. BIDEN (for himself, Mr. MATHIAS, Mr. KENNEDY, and Mr. THURMOND):

S. 2705. A bill to amend chapter 207 of title 18, United States Code, relating to pretrial services; to the Committee on the Judiciary.

PRETRIAL SERVICES ACT OF 1980

Mr. BIDEN. Mr. President, today I am introducing, along with Senators MATHIAS, KENNEDY, and THURMOND, the Pretrial Services Act of 1980. This act will provide pretrial services in each Federal district to assist judicial officers in making appropriate pretrial release decisions and to supervise and monitor conditions of pretrial release.

The Pretrial Services Agencies had their origin in the preventive detention provisions of President Nixon's anticrime program. Attorney General Mitchell told the House Judiciary Committee in 1969 that crime committed by persons free on bail was a "major factor in the rising crime rate." Senator Ervin believed that preventive detention was the wrong solution. His position, based upon a Justice Department study of crime on bail, was that the preventive detention proposal would result in the detaining of as many as 19 nondangerous defendants for each dangerous defendant.

He also argued that pretrial detention did not reach the real source of the problem—the longer the period of time before trial, the more frequent and serious a second crime. Senator Ervin concluded that the real solution to crime on bail was: First, speedy trial, second, informed bail decisions, and third, bail supervision. His proposals were enacted in titles I and II of the Speedy Trial Act of 1974. Title II of the Speedy Trial Act of 1974 established pretrial service agencies in 10 demonstration districts.

The function of the agencies was specifically designed to assist the court in meeting the goals of the Bail Reform Act of 1966.

The Bail Reform Act established a presumption in favor of release on personal recognizance or unsecured bond. If personal recognizance or unsecured bond are inadequate, the court is directed to impose the least restrictive condition of release necessary to assure appearance. Despite general agreement that the goals of the Bail Reform Act are valuable, the sponsors of title II noted that many Federal judges are reluctant to release defendants and all too often when they do, defendants either commit subsequent crimes or become fugitives. This situation exists because district courts do not have adequate personnel to make informed decisions on whether to release defendants. After conditions of release are imposed there is no agency charged with supervising bail conditions outside the District of Columbia. The Pretrial Services Agencies performs these essential functions.

The value of Pretrial Services Agencies is well established. In October 1978, the General Accounting Office issued a report, "The Federal Bail Process Fosters Inequities." That report included the following findings and recommendations:

> The Bail Reform Act requires judicial officers to set bail based on available information about the defendant and the crime. While information concerning the crime charged is almost always available at the initial bail hearing, information on the defendant's personal and criminal background is often incomplete and unreliable. As a result, some judicial officers believe they must detain some defendants until more information is available. Others sometimes inadvertently release defendants who probably would not have been released if more had been known about them.
>
> Most district courts have limited means for providing needed information about defendants. As a result, judicial officers often receive incomplete and conflicting information from the assistant U.S. attorney, defendant, and defense counsel and must set bail based on this incomplete and conflicting information. Without a source for accurate information, judicial officers sometimes resort to other methods of getting good information. For example, judicial officers in one district placed defendants under oath when trying to get information about their prior criminal history. We identified three FTA cases in that district where the defendants gave false information which the magistrates relied on in setting bail conditions. The magistrates in these cases said they probably would have set higher bail amounts if they had known of the defendants' prior records.
>
> Several magistrates told us that, without complete and reliable information, they set bail to detain defendants until more information becomes available. Many of these defendants are later released. For example, the bail for codefendants accused of drug-related crimes was reduced and the defendants released after 6 days of detention when new information on their financial resources and community ties was presented to the magistrate. If this information had been presented at the initial appearance, the magistrate said a lower bail would have been set and the defendants probably released. Both defendants were sentenced to probation so the only time they served in jail was prior to trial. The information which was later made available to the judicial officer in this example and which triggered the change in release conditions could have been available initially if the districts had had a way to provide verified information to their judicial officers.
>
> The lack of complete and reliable information can also result in high-risk defendants being released. For example, a defendant arrested on a narcotics charge was released on a $1,000 unsecured bond. He failed to appear and was later arrested for attempted murder. When the magistrate set bail, he did not know about the defendant's lengthy criminal record which included escape from prison. The magistrate told us he would have set a much higher bond had he known about the length and seriousness of the defendant's prior record.
>
> In another case a defendant accused of possession with intent to distribute heroin was released on a $5,000 corporate surety bond and subsequently failed to appear. At the time the magistrate set bail, he did not know about the defendant's drug addiction, prior failure to appear, felony conviction, and pending felony charge. The magistrate said he would have set a higher bail to detain the defendant if he had known.
>
> These examples demonstrate that a lack of complete information on defendants can often result in inappropriate bail decisions. Most magistrates in the 10 districts with PSAs told us the PSAs were available to provide them this information, many bail decisions were made in a vacuum and "by the seat of the pants."
>
> We recommend that the Chief Justice, in his capacity as Chairman of the Judicial Conference, work with the Conference; the Director, Administrative Office of the U.S. Courts; and the Director, Federal Judicial Center, to develop and implement a program to assist judicial officers in making sound and consistent bail decisions. Such a program, at a minimum, needs to clarify the legitimate purposes of bail; present information and guidance on how the criteria listed in the Bail Reform Act relate to determining appropriate conditions of release; develop ways to promote greater use of secured appearance bonds rather than corporate surety bonds; and eliminate the practice of placing blanket restrictions on all defendants without regard to a defendant's danger of nonappearance.
>
> We also recommend that the Judicial Conference provide the means for judicial officers to have more complete and accurate information on defendants in making bail decisions.

Under title II of the Speedy Trial Act of 1974 the Director of the Administrative Office of the U.S. Courts is required to report annually to Congress on the accomplishments of the Pretrial Services Agencies. The Director issued his fourth annual report to the Congress in June 1979. The report, paid particular attention to the agency's effectiveness in: First, reducing crime on bail; second, in reducing the volume and cost of unnecessary pretrial detention: and third, in improving the operation of the Bail Reform Act. The data collected by the Administrative Office of the U.S. Courts was also analyzed by the Federal Judicial Center to assist the Probation Committee of the Judicial Conference.

The legislation I am introducing today is based in large part upon the analyses and recommendations contained in those reports. In addition it reflects the substantial input of a wide variety of judges, magistrates, pretrial services offices, U.S. attorneys and defense counsel and others who have experience in the 10 demonstration districts before the implementation of pretrial services and after.

This legislation continues pretrial services in the 10 demonstration districts and expands the program to reach all defendants in every district. The specific manner in which the services will be provided is necessarily flexible. The criminal caseload in some districts is so small that a full-time pretrial services officer is not warranted. The bill allows for a part-time pretrial services officer to provide services as needed.

The expansion of pretrial services agencies is supported by the Administrative Office of the U.S. Courts, the Judicial Conference of the United States, the Department of Justice and the ABA.

The cost of pretrial services agencies is one of its most important features. It is estimated that pretrial services can be available for every Federal defendant at an annual cost of approximately $12 million. This amount is insignificant when compared with the savings, in both human and financial terms, resulting from a reduction in crimes on bail now committed by persons not provided with pretrial services. Pretrial services result in further savings by greatly reducing unnecessary pretrial incarceration which now exceeds $20 per day.

The Subcommittee on Criminal Justice will hold a hearing on pretrial services agencies on May 13. Witnesses include Judge Gerald B. Tjoflat, Chairman of the U.S. Judicial Conference Committee on the Administration of the Probation System; Chief Judge Edward S. Northrup and Judge Joseph H. Young of the Federal District Court for Maryland; Mr. Guy Willetts, Chief of the Pretrial Services Branch of the Administrative Office of the U.S. Courts; U.S. attorneys and pretrial services officers from the demonstration districts; and Mr. Bruce Beaudin, Director of the D.C. Pretrial Services Agency.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pretrial Services Act of 1980".

SEC. 2. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services agencies.

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall under the supervision and direction of the Judicial Conference of the United States provide directly, or by contract or otherwise, for the establishment of a pretrial services agency in each judicial district (other than the District of Columbia) with respect to which the appropriate United States district court and circuit judicial council have recommended such establishment.".

SEC. 3. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services agencies.

"(a) The pretrial services agencies established under section 3152 of this title shall be under the general authority and direction of a separate entity established within the Administrative Office of the United States Courts by the Director.

"(b) Each pretrial services agency shall be headed by a chief pretrial services officer selected by a panel consisting of chief judge of the circuit, the chief judge of the district and a magistrate of the district or their designees.

"(c)(1) With the approval of the district court, the chief pretrial services officer shall appoint such other personnel as may be required to staff the agency. The position requirements and rate of compensation of the chief pretrial services officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS–16 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The chief pretrial services officer is authorized, subject to the general policy etsablished by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code. The staff of the agency, other than clerical, may be drawn from law school students, graduate students, or such other available personnel.

"(d) An individual who is a probation officer appointed under section 3654 of this title may perform functions and duties of an officer or employee of a pretrial services agency except a function or duty of the chief pretrial services officer.

"(e)(1) Except as provided in paragraph (2) of this subsection, information contained in the files of any pretrial services agency, presented in an agency report, or divulged by the agency during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The agency report shall be made available to the attorney for the accused and the attorney for the government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in the files of each pretrial services agency. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the admission of criminal justice;

"(B) by persons under contract under section 3154(a) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in the files of any pretrial services agency is not admissible on the issue of guilt in any criminal judicial proceeding, except that such information, if otherwise admissible, may be admitted on the issue of guilt for a crime committed in the course of obtaining pretrial release.".

SEC. 4. Section 3154 of title 18, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out "such of the following" and all that follows through "specify" and inserting in lieu thereof "the following functions";

(2) so that paragraph (1) reads as follows:

"(1) collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, and recommend appropriate release conditions for such individual.";

(3) in paragraph (4), by striking out "With the cooperation of the Administrative Office of the United States Courts, and with the approval of the Attorney General, operate or contract for the operation of" and inserting "Provide for" in lieu thereof;

(4) in paragraph (5), by inserting "and the United States attorney" after "court";

(5) so that paragraph (9) reads as follows:

"(9) Perform other functions under this chapter."; and

(6) by adding at the end the following:

"(10) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(11) To the extent provided for in an agreement between the pretrial services agency and the United States Attorney, collect, verify, and prepare reports for the United States Attorneys Office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(12) Make contracts for the carrying out of any of the functions of such pretrial services agency.".

SEC. 5. Section 3155 of title 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports.

"Each chief pretrial services officer shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of the agency. The Director shall be required to include the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services agencies for the previous year.

SEC. 6. The table of sections for chapter 207 of title 18, United States Code, is amended—

(1) in the item relating to section 3153, by inserting "and administration" after "Organization"; and

(2) so that the item relating to section 3155 reads as follows:

"3155. Annual reports.".

By Mr. GRAVEL:

S. 2706. A bill to establish a 100-percent observer program on all foreign fishing vessels in the U.S. 200-mile fishery conservation zone; to the Committee on Commerce. Science, and Transportation and the Committee on Foreign Relations, jointly, by unanimous consent.

● Mr. GRAVEL. Mr. President, today I am submitting legislation which would require that every foreign vessel that fishes in the U.S. 200-mile fishery conservation zone have an American observer on board. At present the level of observation on foreign vessels that fish within the 200-mile zone varies from 5 percent to 20 percent, with coverage off Alaska generally falling at the lower end of that range. In my opinion, and in the opinion of most of the fishing constituency of my State, that percentage is altogether too low.

Since the inception of the Fishery Conservation and Management Act in 1976 the fisheries off the Alaskan coast have undergone an incredible change. The significance and value of the so-called "underutilized species" off the shores of Alaska, which are the target of most of the foreign fishing activity, are being seen in a new light. In a protein hungry world, the proper management and conservation of these numerous fishery species in the oceans of the American coasts are more important than ever before. They must be properly protected or they run the danger of being permanently damaged or even destroyed.

The 200-mile legislation set forth the American policy that fishing by foreign nations off the U.S. coast should be allowed. Any species which Americans are not interested in and capable of harvesting can be fished by foreign nations. They are only required to make an application for the desired species and pay a nominal permit fee for the privilege of fishing in the U.S. 200-mile zone.

By and large, this system has worked quite well. The U.S. National Marine Fisheries Service sets the quotas at which fishing by these foreign vessels can take place and the Coast Guard enforces the terms of the permits to insure that fishing for species other than those specifically allowed by permit or that fishing for quantities in excess of that permitted does not occur.

Of late, the number and seriousness of the fishing violations have become increasingly greater, especially off the coast of Alaska. There have been very significant cases of both underreporting and the taking of prohibited species by foreign fishing entities. Management of a fishery is difficult in any event but when these singular violations are extrapolated throughout the entire foreign fleet the underreporting may be astronomical in size. The managers of the stocks in these areas have no reliable data upon which to base their predictions and their quotas which leaves them in a most precarious situation.

I believe that the fishery resource of the north Pacific is of sufficient value that every foreign vessel that plys those waters should have a full-time American observer on board. Those individuals should have sufficient training that they can readily identify the species of the area where they are in service. And, in addition, I believe that the foreign vessels should bear the entire cost of training, transporting, paying, and maintaining each observer as a condition of their being issued a permit to fish. The cost would be minimal—maybe $15,000 per vessel per year; the benefit would be substantial.

So, today, Mr. President, I am offering a bill to require full observer coverage on all foreign vessels which are issued a permit to fish within the U.S. fishery conservation zone. The number and seriousness of the violations which have occurred of late leave us with no other alternative if we are to insure the continued health of the invaluable natural fisheries resources off our shores.

I ask unanimous consent that the text of my bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 1. Establishment of Full Observer Program.

Section 201 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821) is amended by adding at the end thereof the following new subsection:

(1) Observer program.—(1) The Secretary shall establish a program under which at least one United States observer will be stationed aboard each foreign fishing vessel while that vessel is within the fishery conservation zone and is—

"(A) engaging in fishing;

"(B) accepting United States harvested fish through transfer at sea;

"(C) cruising to and from a location at which any such fishing or transfer will transpire; or

"(D) taking highly migratory species if such taking may result in the incidental taking of species over which the United States exercises fishery management authority.

"(2) United States observers, while aboard foreign fishing vessels, shall carry out such scientific and other functions as the Secretary deems necessary or appropriate to carry out the purposes of this Act.

"(3) In addition to any fee imposed under section 204(b)(10) of this Act and section 10(e) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1980(e)) with respect to foreign fishing for any year after 1980, the Secretary shall impose, with respect to each foreign fishing vessel for which a permit is issued under such section 204, a surcharge in an amount sufficient to cover all the costs of providing a United States observer aboard that vessel. The failure to pay any surcharge imposed under this paragraph shall be treated by the Secretary as a failure to pay the permit fee for such vessel under section 204 (b)(10).

"(4) Payment of costs.—The owner and operator of each fishing vessel to which an observer is assigned shall reimburse the United States for the total costs of placing the observer aboard, including training, salary, per diem, transportation of observers, and overhead costs.

"(5) While a United States observer is aboard a foreign fishing vessel as required under this subsection, such vessel shall display an insignia (in such form and such manner as the Secretary shall by regulation establish) that will indicate that such an observer is aboard.

"(6) Training.—The Secretary shall provide United States observers and observer assistants such training as may be necessary.

"(7) Transportation.—The Secretary of the department in which the Coast Guard is operating shall provide transportation for United States observers and observer assistants to and from the foreign fishing vessels with respect to which they are carrying out duties and functions provided for under this section.".

Sec. 312. Effective Date.

The amendment made by section 311 shall take effect October 1, 1980, and shall apply with respect to permits issued under section 204 of the Fishery Conservation and Management Act of 1976 after December 31, 1980.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by the Senator from Alaska (Mr. Gravel), establishing a 100-percent observer program on all foreign fishing vessels in the U.S. 200-mile fishery conservation zone, be jointly referred to the Committees on Commerce, Science, and Transportation and Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered

ADDITIONAL COSPONSORS

S. 336

At the request of Mr. Mathias, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954.

S. 1629

At the request of Mr. Jackson, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 1629, a bill to amend section 9441 of title 10, United States Code, to provide for budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force.

S. 1825

At the request of Mr. Nelson, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 1825, a bill to amend the Internal Revenue Code of 1954 to adjust the unified credit against estate and gift taxes to take into account the rate of inflation.

S. 2079

At the request of Mr. Bayh, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 2079, a bill to improve the administration of the patent and trademark laws by establishing the Patent and Trademark Office as an independent agency, and for other purposes.

S. 2220

At the request of Mr. Nelson, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 2220, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or trade or business if the spouse or children of the decedent materially participate in such farm or trade or business.

S. 2441

At the request of Mr. Bayh, the Senator from Iowa (Mr. Culver), the Senator from Arizona (Mr. DeConcini), the Senator from Montana (Mr. Baucus), the Senator from Maryland (Mr. Mathias), the Senator from Kansas (Mr. Dole), and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of S. 2441, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

S. 2511

At the request of Mr. Bayh, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 2511, a bill to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1981.

S. 2521

At the request of Mr. Dole, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2580

At the request of Mr. Schweiker, the Senator from Idaho (Mr. Church) and the Senator from New York (Mr. Javits) were added as cosponsors of S. 2580, a bill to amend the Immigration and Nationality Act to provide procedures for administrative correction of the dates of birth of certain naturalized citizens.

S. 2581

At the request of Mr. Church, the Senator from Michigan (Mr. Levin) and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 2581, a bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals.

S. 2582

At the request of Mr. Church, the Senator from South Dakota (Mr. McGovern) and the Senator from Michigan (Mr. Levin) were added as cosponsors of S. 2582, a bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country.

SENATE JOINT RESOLUTION 152

At the request of Mr. Mathias, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 159

At the request of Mr. Dole, the Senator from Iowa (Mr. Jepsen), the Senator from South Carolina (Mr. Thurmond), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE JOINT RESOLUTION 161

At the request of Mr. Bentsen, the Senator from Maryland (Mr. Mathias), and the Senator from Nebraska (Mr. Zorinsky) were added as cosponsors of Senate Joint Resolution 161, a joint resolution proposing an International Code of Business Conduct.

SENATE JOINT RESOLUTION 168

At the request of Mr. Dole, the Senator from Pennsylvania (Mr. Heinz). and the Senator from Illinois (Mr. Percy) were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National POW–MIA Recognition Day."

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. Chafee, the Senator from Indiana (Mr. Bayh), the Senator from Georgia (Mr. Talmadge), the Senator from Iowa (Mr. Jepsen), the Senator from New Mexico (Mr. Domenici), the Senator from Connecticut (Mr. Weicker), and the Senator from Wyoming (Mr. Simpson) were added as cosponsors of Senate Concurrent Resolution 92, a concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments.

SENATE RESOLUTION 405

At the request of Mr. Proxmire, the Senator from Arizona (Mr. DeConcini), and the Senator from West Virginia (Mr. Robert C. Byrd) were added as cosponsors of Senate Resolution 405, a resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

SENATE RESOLUTION 414

At the request of Mr. Stewart, the Senator from Oklahoma (Mr. Boren), the Senator from Alabama (Mr. Heflin), the Senator from Indiana (Mr. Lugar), the Senator from South Carolina (Mr. Hollings), the Senator from Maryland (Mr. Sarbanes), the Senator from Michigan (Mr. Levin), the Senator from Montana (Mr. Baucus), and the Senator from California (Mr. Cranston) were added as cosponsors of Senate Resolution 414, a resolution to commend the National Forensic League on its Golden Anniversary Tournament.

SENATE RESOLUTION 422

At the request of Mr. Dole, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of Senate Resolution 422, a resolution to proclaim National Circle K Week.

AMENDMENT NO. 1690

At the request of Mr. Mathias, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor of amendment No. 1690 intended to be proposed to S. 1722, a bill to codify, revise, and reform title 18 of the United States Code; and for other purposes.

SENATE CONCURRENT RESOLUTION 93—SUBMISSION OF A CONCURRENT RESOLUTION RECOGNIZING THE CONGRESSIONAL OBLIGATION TO INSURE AN ADEQUATE STANDARD OF LIVING FOR THE ELDERLY

Mr. MOYNIHAN submitted the following concurrent resolution, which was referred to the Committee on Labor and Human Resources:

Senate Concurrent Resolution 93

Whereas Congress and the President have stated their intent to balance the budget; and

Whereas, if the budget were to be balanced at the expense of programs designed to aid the elderly, severe hardships would be experienced by our senior citizens who already have difficulty in making ends meet; and

Whereas one out of every four senior citizens lives below the poverty line; and

Whereas 30 percent of all senior citizens live in substandard housing and receive inadequate health care; and

Whereas in retirement the average senior citizen can expect to have an annual income of less than half what it was during his or her working years; and

Whereas with inflation the senior citizen's already insufficient income will buy less and less as he or she grows older; and

Whereas these same senior citizens can expect annual health care costs of $1,500—more than four times the costs for the average non-senior citizen: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That our senior citizens who spent their lives building America have the right to live out their remaining years in dignity, without the fear of having to choose between staying warm, eating, living in decent housing, or receiving adequate health care; and the Congress has the obligation to fund, and to seek continuously to improve, those programs which have been designed to ensure an adequate standard of living for the elderly.

● Mr. MOYNIHAN. Mr. President, the first concurrent budget resolution is now almost behind us. I am glad to see that most programs for the elderly have survived relatively unscathed, despite a veritable hail of proposals which would have, in effect, balanced the budget on their backs. But future budgets and other decisions pose similar threats to the well-being of our aged and retired citizens.

We must guard against cuts which would impose unbearable hardship on those persons and groups in the greatest need. We must not force our already hard-pressed senior citizens, many of them struggling under the double burden of reduced income and spiralling inflation, to choose between warmth and food, between housing and health care. We must not trample on the dignity and security our senior citizens have earned. We must reaffirm our commitment to the principle that the Federal Government should do all that is necessary to assure the financial security of our Nation's elderly. To this end, I am submitting a concurrent resolution reaffirming the obligation of Congress to insure an adequate standard of living for the elderly. This resolution is identical to the one being introduced in the House by my friend and colleague, Congressman Charles Rangel of New York's 19th District.

I urge its rapid and favorable consideration.●

SENATE CONCURRENT RESOLUTION 94—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO A LIMITATION ON IMMIGRANTS FOR 1980

Mr. HUDDLESTON (for himself and Mr. Burdick) submitted the following concurrent resolution which was referred to the Committee on the Judiciary:

S. Con. Res. 94

Whereas legal immigration into the United States is at the highest level in over fifty years, exceeding the total immigration level for all other free nations combined;

Whereas pressures to immigrate to the United States are enormous and growing steadily, fueled by dramatic population growth and inadequate economic expansion in foreign countries;

Whereas immigration pressures are further exacerbated by the policies of certain foreign governments which encourage or force the mass exodus of hundreds of thousands of their citizens, with the expectation that they will be admitted to the United States;

Whereas the expulsion of these unwanted and discontented citizens serves to support totalitarian regimes by reducing pressures for internal change and accommodation of human rights;

Whereas the United States cannot act as a safety valve for regimes that are oppressive or incapable of fostering an adequate standard of living for their people:

Whereas continued unchecked immigration to the United States will complicate and delay the solution of important national problems such as excessive Federal spending, inflation, energy shortages, and unemployment;

Whereas Congress is attempting to reduce Federal spending wherever possible in order to balance the budget, and such attempts will result in reductions in many programs which benefit the American people;

Whereas the direct cost to the American taxpayers for assistance to refugees will be at least $1,720,000,000 in fiscal year 1980 and $2,110,000,000 in fiscal year 1981;

Whereas increased admissions will cause these costs to escalate substantially; and

Whereas prior to the completion of the work of the Select Commission on Immigration and Refugee Policy, the United States should establish an interim policy on immigration levels: Now, therefore, be it

Resolved, by the Senate (the House of Representatives concurring) That it is the sense of the Congress that the United States shall not admit more than 650,000 immigrants, including refugees, in fiscal year 1980 and, that the President shall submit to the Congress an annual total immigration goal for the United States.

● Mr. HUDDLESTON. Mr. President, once again, with thousands of Cubans entering our country in flight from a repressive regime, we are confronted with the fact that neither the Congress nor the President has firm control over our immigration levels. Neither do we have control over the amount of taxpayer money that we will have to spend to screen, process, and resettle these new immigrants.

The fact is that Fidel Castro, the Marxist dictator of Cuba, with assistance from the Cuban exiles in Florida, has usurped U.S. immigration policy.

This country's tradition of opening its doors to oppressed people from throughout the world is well established and has played a significant role in the development and strength of our Nation. However, even the most ardent supporter of our open-door policy concedes that there are limits to the number of immigrants and refugees we can accommodate without imposing serious and unacceptable burdens on our citizens.

The present Cuban refugee crisis and the plight of approximately 30,000 Haitians who have come to our country illegally points up the difficulties of our uncontrollable immigration policy and the problems it creates.

Fidel Castro's efforts to embarrass the Government of the United States as he rids his island kingdom of those discontented with his rule have brought us to a crisis stage. Yet this crisis is not the total problem. The real problem is hidden and has been growing virtually unnoticed for 15 years. It is time we did something about it.

The problem I am referring to is our unchecked immigration, growing at an unprecedented rate. We in this Congress have the distinction of serving our country at the time of the highest immigration in American history. Legal immigration was over 600,000 last year. Estimates of illegal immigration run between several hundred thousand to almost 2 million people yearly. Even in the peak years of immigration at the beginning of this century, immigration never topped 2 million persons per year.

"America is a nation of immigrants." We have all heard this phrase, and the stirring inscription on the Statue of Liberty:

> Give me your tired, your poor, your huddled masses yearning to be free.

And America is generous. We accept more refugees and more immigrants than all the other nations in the free world combined. Our response to the plight of the Indochinese refugees is characteristic: By the end of this year, we shall have accepted more than a half-million Indochinese refugees. No other country, save the People's Republic of China, has taken more than 100,000 for permanent settlement. America is, and will continue to be, the most generous country in the world.

But while we intend generosity, we should not allow ourselves to be taken advantage of, to be manipulated. And we cannot allow our laws, designed to provide for this generous refuge in an even-handed and fair manner, to be ignored. We cannot allow any group in our society to tell us that we dare not enforce the laws for them because they live above the demands of the law.

Our laws are necessary in immigration affairs, because the pressure to immigrate to the United States is so great. By accepting hundreds of thousands of immigrants, we have stimulated millions of people in their desperate desire to come to America. There are an estimated 14 million refugees worldwide. By the year 2000, 5 billion people will live in nations with abject poverty. Crushed by debt and energy costs, less developed countries cannot expand their economies fast enough to keep pace with their growing populations. Droughts and wars continue to displace millions.

Congress has responded to this pressure by increasing immigration ceilings. Courts have responded by restricting enforcement of the laws. Special interest groups have responded by insisting that their constituents receive preferential treatment. The result is that annual legal immigration has almost doubled since 1970. Illegal immigration has skyrocketed, and our ability to control it has withered.

Once an illegal immigrant enters this country, he is safe. Safe to displace Americans from jobs, safe to take housing, safe to use resources and social services, and safe to bring in his family and friends as future illegal immigrants. And safe to demonstrate in front of government buildings, as happened in Chicago.

We all pay for our toleration of such illegality. We pay for the shortage of energy; we pay for the unemployment of displaced U.S. workers. The Secretary of Labor, Ray Marshall, has said that, if only 2 million jobs held by illegal immigrants are freed, unemployment will drop below 4 percent. The Internal Revenue Service estimates that the untaxed income of illegal aliens may be as much as $6 billion.

We all pay, also, for refugees. A report done by the Department of State at my request showed that our costs for refugee assistance programs will be $1.7 billion in fiscal year 1980, and more than $2.1 billion in fiscal year 1981. Those figures were prepared before the administration announced plans to bring in thousands of additional refugees—and they were announced before Fidel Castro implemented plans to disrupt our refugee program. On May 6, 1979, the Washington Post estimated that the cost of this new wave of refugees from Cuba "could rise toward $1 billion or more." If this happens, the total cost of refugee assistance to the American taxpayers will be over $3 billion in 1981. Unfortunately, this assistance will not terminate quickly, but will go on for many years.

We have reached the point at which millions of foreign nationals are demanding immigration to the United States as a right. We are, deliberately and by inattention, weakening our ability to say "no" to those who break down our doors by force or by fraud.

We have lost control of immigration to this country. Our immigration policy is no longer set by Congress, or even set in Washington. Our policy is made in Tehran, in Havana, in Port au Prince, in Hanoi. Foreign governments have been quick to see and to use the opportunity presented by our loss of control, our lack of will to enforce our laws. Other nations are not willing to help us enforce our immigration laws when we show ourselves unwilling to exercise control. Mexico guards its southern border strictly and efficiently against illegal immigration, but leaves its northern border open for those who wish to emigrate to the United States. Canada, with a rational and controlled immigration system itself, has become a major waystation for South American and Caribbean illegal immigration to the United States.

The United States, for all its generosity, cannot accept all the people oppressive regimes want to be rid of. We must understand that the last country to send refugees in massive numbers will not be Vietnam, or Cambodia, or Haiti, or Cuba—that the potential immigrants to the United States are beyond counting. But we are not limitless in our resources, or in our ability to accept refugees and immigrants. We must have an enforced limit on immigration, and we must set it quickly. We must regain control of our immigration. Every passing month has shown that we can wait no longer.

Some may counsel delay or request special exceptions—and they will all have very good cases, very humane purposes. But we must be firm. We must set a limit, generous though it may be, and stick to it.

We can still be flexible and responsive within our immigration ceiling. If an emergency occurs, we can adjust our priorities and allocations within such a ceiling. But we must keep in mind our overall goal, and not become overwhelmed by every individual or group problem.

If we set a limit and stick to it, there will be less incentive for foreign governments to thrust their citizens into danger on the seas, into life-threatening crises. Other countries will be forced to respond to humanitarian calls for help, and not to leave the bulk of resettlement efforts to the United States.

I am today introducing a resolution to accomplish this. This resolution sets a total immigration level for this year of 650,000, twice the statutory level of our immigration preference system. Thus, we can accept refugees and immigrants of all types. But we must have that limit and we must stick to it.

The resolution would direct the President to submit to Congress a yearly total immigration goal for the United States. The goal can change from year to year to reflect our economic and employment needs, and to respond to humanitarian crises. But the goal must be set.

I do not take this step lightly, Mr. President. But the crisis brought to light by events in the Caribbean will not wait. The Federal advisory body on immigration and refugees is a year away from its report. Actions by the members of that commission show that even they are not waiting for the report before initiating major changes in immigration law. I propose this resolution as a modest, remedial step, to do what we can today to bring our immigration crisis back under some semblance of control until we can make the basic, major reforms necessary. I urge my colleagues to join me on this important resolution.●

SENATE RESOLUTION 431—ORIGINAL RESOLUTION REPORTED TO WAIVE CONGRESSIONAL BUDGET ACT

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on the Budget:

SENATE RESOLUTION 431

Resolved, That (a) pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of such Act shall not apply with respect to the consideration in the Senate of the bill H.R. 3236 to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, or with respect to the consideration of the conference report on such bill; and

(b) That waiver of such section 303(a) is necessary in order to enable the Senate to consider this legislation the prompt enactment of which is important to the achievement of the budgetary goals for fiscal year 1981 included in the first concurrent budget resolution for that year as passed by the Senate; and

(c) That the waiver is required because completion of Congressional action on the first budget resolution is expected to be delayed beyond the May 15 date provided for in the Congressional Budget Act of 1974 and because the conference committee on H.R. 3236 found it necessary to modify certain effective dates in the bill because of the passage of time and because of the need to assure that the bill is consistent with the budgetary objectives of the Congress.

SENATE RESOLUTION 432—SUBMISSION OF A RESOLUTION WITH RESPECT TO TAXING OF SOCIAL SECURITY BENEFITS

Mr. NELSON (for himself, Mr. BAUCUS, Mr. BAYH, Mr. BOREN, Mr. BRADLEY, Mr. BUMPERS, Mr. HARRY F. BYRD, JR., Mr. CHAFEE, Mr. CHURCH, Mr. CULVER, Mr. DOLE, Mr. DURENBERGER, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HART, Mr. HEINZ, Mr. HUDDLESTON, Mr. KENNEDY, Mr. LONG, Mr. MCGOVERN, Mr. MATSUNAGA, Mr. MELCHER, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. PRESSLER, Mr. PRYOR, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. ROTH, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, Mr. TALMADGE, and Mr. WALLOP) submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 432

Whereas social security was established to protect the income of Americans against the serious economic risks that families face upon retirement, disability and death; and

Whereas social security provides a monthly payment to some thirty-five million beneficiaries; and

Whereas the 1979 Advisory Council on Social Security has recommended that half of social security benefits be included in taxable income for Federal income taxes; and

Whereas social security benefits are now exempt from federal taxation; and

Whereas for the people affected, taxing of social security benefits would be tantamount to a cut in benefit payments; and

Whereas 15 to 20 per centum of the elderly—even with social security—are today below the poverty level and all Americans are suffering the effects of inflation; and

Whereas estimates based on 1978 data indicate that taxing one-half of social security benefits would affect 10.6 million tax filing units of the 24.2 million individuals who received social security cash benefits; and

Whereas the estimated impact of this taxation of social security benefits would have increased the average tax liability of those tax units affected in 1968 by $350; and

Whereas the total estimated increase in federal tax collections in 1978 by the taxation of one-half of social security benefits would be $3.7 billion; and

Whereas the prospect of possible cuts has alarmed many older Americans and undermined the confidence of Americans in the integrity of the social security program; Now, therefore, be it

Resolved, That, it is the sense of the Senate that the Social Security Advisory Council's recommendation that one-half of social security benefits should be subject to taxation would adversely affect social security recipients and undermine the confidence of American workers in the social security programs, that social security benefits are and should remain exempt from federal taxation, and that the 96th Congress will not enact legislation to implement the Advisory Council's recommendation.

SENATE RESOLUTION 433—ORIGINAL RESOLUTION REPORTED TO WAIVE CONGRESSIONAL BUDGET ACT

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 433

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 6554. Such waiver is necessary because H.R. 6554 authorizes the enactment of new budget authority which would first become available in fiscal year 1980, and such bill was not reported on or before May 15, 1979, are required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

Section 4 of H.R. 6554 would amend the Maritime Appropriation Authorization Act for fiscal year 1980 (Public Law 96-112; 93 Stat. 847) to provide the necessary authorization for a fiscal year 1980 supplemental appropriation for the Department of Commerce to cover certain unforeseen expenses in the operating-differential subsidy program. Specifically, section 4 of H.R. 6554 would raise the authorization for this program for fiscal year 1980 from $256,208,000 to $300,515,000.

Operating-differential subsidy is paid to United States companies to enable them to operate U.S.-flag ships competitively in the United States foreign trade by generally offsetting the excess of United States ship operating costs over comparable foreign ship operating costs. Direct subsidies were first provided to United States operators under the Merchant Marine Act, 1936. The Merchant Marine Act of 1970, expanded the coverage of operating-differential subsidies to include bulk-carrier ships.

Due to the complexity of calculations under the operating subsidy formulas and the dynamic nature of several cost factors that enter into those calculations, vessels that participate in this program during any fiscal year are reimbursed at tentative rates for such fiscal year. Often final amounts paid to such participating vessels are not determined and paid for at least 18 months after the end of such fiscal year. Thus, even though the latest available data is used to prepare budget estimates for this program, the timing of the budget process requires that this data be used to forecast economic conditions that will prevail 1, 2, and 3 years from the date the budget estimates are prepared. The supplemental authorization to reflect the decline in the value of the dollar, changes in United States and foreign cost factors in certain maritime trades, and unforeseen developments in the United States-Soviet grain trade that occurred subsequent to the preparation of the fiscal year 1980 budget estimates.

AMENDMENTS SUBMITTED FOR PRINTING

SOFT DRINK INTERBRAND COMPETITION ACT—S. 598

AMENDMENTS NOS. 1762 THROUGH 1767

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted five amendments intended to be proposed by him to S. 598, a bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

AMENDMENT NO. 1768

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1760 intended to be proposed to S. 598, supra.

AMENDMENT NO. 1769

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1761 intended to be proposed to S. 598, supra.

AMENDMENT NO. 1770

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1762 intended to be proposed to S. 598, supra.

AMENDMENT NO. 1771

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1763 intended to be proposed to S. 598, supra.

AMENDMENT NO. 1772

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1764 intended to be proposed to S. 598, supra.

AMENDMENT NO. 1773

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to amendment No. 1765 intended to be proposed to S. 598, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will conduct a hearing on "Crime and Its Impact on Small Business."

The hearing will begin at 10 a.m., on Thursday, May 29, 1980, in room 424 of the Russell Senate Office Building.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will conduct a hearing on the Small Business Administration's veterans' assistance program.

The hearing will begin at 10 a.m., on Wednesday, June 4, 1980, in room 424 of the Russell Senate Office Building.●

ADDITIONAL STATEMENTS

THE AMERICAN INTELLIGENCE COMMUNITY

● Mr. GOLDWATER. Mr. President, today I would like to speak about a very important aspect of our national security, namely, the American intelligence community. In these days of worldwide turmoil and widespread anti-American sentiment, it is absolutely mandatory that we have in the field an efficient and functioning system for collecting and assessing the events that bear directly on our own strategic interests.

Now, if anyone is confused on this score it does not surprise me. We have been through an extended period wherein the intelligence agencies of our Government have been pictured more as enemies of the American people than they have as benefactors and necessary adjuncts to our national security. It is almost impossible these days to pick up a newspaper printed in our major cities without reading long diatribes against the intelligence gathering system of the United States and outlining alleged abuses they supposedly committed both here and overseas. For example, just 1 day's collection of such stories show the Los Angeles Times with a piece entitled "The Danger Can't Be Ignored," the St. Louis Post-Dispatch has an article entitled "The Issue of Force," the Washington Post headlines "Congress Closes On the CIA," and the New York Times advises its readers under a headline that reads "Retreat From Intelligence."

Now, it is important to keep in mind that all of these newspapers are editorially associated with the left wing branch of the political spectrum and it is a well known fact that the liberal press has never shown any marked sympathy for the collection and use of intelligence information, especially if such activity required the use of secret or clandestine methods. There seems to be a built-in abhorrence on the part of these publications for anything of a confidential nature, whether it be in the interests of protecting the American people or any other Government activity.

Now, as some of you know I have served on the Church committee to investigate intelligence activity and the present Senate Oversight Committee on Intelligence. In my humble opinion the Church committee went out of its way to do as much as it possibly could to destroy the CIA and all other intelligence agencies. Never did that committee keep in mind nor did the newspapers that reported on its activities keep in mind, the fact that everything they criticized about intelligence activity was done by those agencies on direct orders from the Presidents of the United States. Everything that the media regards as reprehensive in intelligence work has occured in the past two decades and all of it was approved by whoever happened to be occupying the White House at the time. The things that were done were done because the men elected to the highest office in the land decided they were necessary in the interests of the security of the American people.

Throughout this entire period of criticizing, berating and downgrading our intelligence agencies, the question of ultimate responsibility has been conveniently played down. The effect of all the public breastbeating has been to reduce the ability of our Government to gather needed intelligence and assess it properly. If you were able to look inside these agencies today you would find that through the efforts of the press and the Church committee, the sound, experienced older people in the intelligence business, have been eliminated and the long, slow process of training younger people is only now getting underway. The cost to this Nation in solid gathering and assessment of worldwide intelligence will be impossible to calculate.

At the present time, there is a great deal of criticism of Congress because we have been unable to come to an agreement on a 150-page intelligence charter that every single member of the Intelligence Committee knew from the beginning would not work. This whole business of a charter is long and involved and extremely difficult to understand. And, although I greatly admire the efforts of Senator HUDDLESTON, who worked for many months on this charter, I cannot see in it, what is so desperately needed to quickly give our intelligence community some degree of independence and protection so that it can move ahead immediately on the job or protecting American interests. In my opinion, we would be well advised to adopt quickly the succinct and easily understood bill introduced by Senator MOYNIHAN and the committee because they are brief and get to the guts of what I have been talking about. It is a step in the right direction and needs to be taken immediately. It limits the number of Members of Congress who would be able to obtain secret intelligence briefings and provides much needed protection for our intelligence agents in the field.

Frankly, I have always felt it was ridiculous and self-defeating to authorize multiple committees of Congress to have access to planned intelligence operations. Frankly, if I had the power I would do away with all intelligence oversight committees, because I feel intelligence is of such major importance to the United States that it should be operated only by people who know how to operate it and who understand it. There are very few Members of Congress with the kind of ability this requires. But, we do have a law and we have one committee in each House of Congress that is reasonably capable of performing a measure of oversight functions, so I am going to go along with the idea that we permit these two committees to examine intelligence activities because I believe this is the best we can do at the present time.

In conclusion, let me say that events in Iran, Afghanistan, Cuba and other trouble spots throughout the world are beginning to convince the American people and many Members of Congress of the absolute and vital need for a healthy intelligence community. I believe that even some elements of the liberal press are beginning to understand that you cannot go on forever heaping abuse on agencies and individuals whose job it is to protect this country without eventually doing grave damage to all of the American people.●

NATIONAL EMERGENCIES ACT

● Mr. CHURCH. Mr. President, today marks the end of 6 months since the President's declaration, on November 14, 1979, of a national emergency with respect to the situation in Iran. I bring this to the attention of my colleagues because of the responsibility imposed on the Congress by section 202(b) of the National Emergencies Act. That section requires that—

> Not later than six months after a national emergency is declared . . . , each House of Congress shall meet to consider a vote on a concurrent resolution to determine whether that emergency shall be terminated.

The purpose of this provision, as the Committee on Foreign Relations saw it, was to require the Congress on a periodic basis to consider the continued existence of the emergency in a manner appropriate to the degree of interest and controversy. Pursuant to this provision, the full committee discussed the matter at an open meeting on Thursday, May 8, reached its conclusion that a resolution to terminate was not warranted at this time, and agreed to send a letter to the President to inform him of the committee's action.

I believe, Mr. President, that it is important to make the record clear that the Senate has taken seriously its responsibility under this section of the act and has complied with the mandate imposed upon it. I ask that the attached committee correspondence with the President of the United States and with the majority and minority leaders of the Senate be printed in the RECORD.

Two letters follow. A third letter, identical to that sent to Senator BYRD, was sent to Senator BAKER, but is not reprinted.

The letters follow:

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., May 9, 1980.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Last November 14, when you declared a national emergency to deal with the situation in Iran, it was the hope of all Americans that the crisis would rapidly and successfully come to an end. It remains our hope that your efforts will soon be successful in ending this unlawful detention of Americans, and the emergency which has ensued therefrom.

As you are aware, in cases where a national emergency continues for this length of time, Congress is mandated by law to consider whether or not the emergency should be terminated. Section 202(b) of the National Emergencies Act states that, "not later than six months after a national emergency is declared . . ., each House of Congress shall meet to consider a vote on a concurrent resolution to determine whether that emergency shall be terminated." No Senator has introduced such a resolution.

The Committee on Foreign Relations, acting in satisfaction of the duty imposed by section 202(b) of this Act, at a May 8, 1980 meeting considered whether or not the introduction of a concurrent resolution was warranted at this time. After due consideration of the question, the Committee has determined that, because the causes for declaring a national emergency with respect to the situation in Iran continue to this day, no reason exists for the introduction and the Senate debate of a resolution to terminate the emergency.

With best regards,

Sincerely,

JACOB K. JAVITS,
Ranking Minority Member.
FRANK CHURCH,
Chairman.

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., May 9, 1980.

Hon. ROBERT C. BYRD,
Majority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: We write to inform you of recent action taken by the Committee on Foreign Relations pursuant to the duty imposed by section 202(b) of the National Emergencies Act. Section 202(b) requires that "not later than six months after a national emergency is declared . . . , each House of Congress shall meet to consider a vote on a concurrent resolution to determine whether that emergency shall be terminated." To comply with this section the Committee considered the question of whether or not the introduction of a resolution to terminate the national emergency, declared on November 14, 1979 with respect to the situation in Iran, was called for by current circumstances, and concluded unanimously that it was not. We agreed to send the attached letter to the President informing him of this action.

Because no Senator to date has introduced a resolution to terminate the emergency, the Committee was faced with the question of whether or not section 202(b) required the Senate, or more particularly the Committee on Foreign Relations, to take some affirmative step on the question of termination of the emergency, in the absence of the introduction of such a resolution.

It was our belief that, if the Senate were to do nothing in the face of this provision, no legal consequence would have resulted. In other words, a failure of the Senate to "meet"—as provided for in the provision—does not terminate the national emergency, does not serve to limit the President's powers in the crisis, and does not interfere with any litigation concerning Iranian assets now in process—according to the consensus of Senate and Executive branch lawyers.

Instead, the issue, as the Committee saw it, was one of preserving the principle that Congress has the right, and the duty, to review the use of executive authority in times of national emergency. Because this is the first national emergency declared pursuant to this Act, how well the Senate complied with the intent, if not the letter, of this provision could be cited in the future as precedent.

Considering all these matters, the Committee interpreted section 202(b) to require the Congress to consider, in a manner appropriate to the degree of interest and controversy, whether or not the national emergency should be terminated. For this reason, the Committee discussed the matter at a meeting on Thursday, May 8, reached its conclusion that a resolution to terminate was not warranted at this time, and agreed to send the attached letter to the President to inform him of the Committee's action. It was our belief that this procedure upholds the intent of the statute that declarations of national emergencies be reviewed periodically by the Congress, establishes the precedent that the Senate takes seriously its responsibilities under the National Emergencies Act, and avoids the dangers of misinterpretation that could result from a Senate debate on terminating the national emergency undertaken for the sole purpose of complying with the form of the statute.

Sincerely,

JACOB K. JAVITS,
Ranking Minority Member.
FRANK CHURCH,
Chairman.●

ELIMINATE AND PREVENT FEDERAL REGIONALIZATION OF LOCAL, STATE, AND FEDERAL GOVERNMENTS

● Mr. GOLDWATER. Mr. President, a lot of concern is being felt these days about the division of Federal service throughout the country into regional systems. The fear of local and State officials is that this tendency will lead to centralization of power and authority which rightfully and constitutionally belong to local political subdivisions. Recently the House of Representatives of the Arizona State Legislature took note of this problem in adopting a concurrent memorial urging the Congress to eliminate and prevent Federal regionalization. I ask that the concurrent memorial be printed at this point in the RECORD.

The concurrent memorial follows:

HOUSE CONCURRENT MEMORIAL 2003

Whereas, the United States was divided into ten federal service regions in 1972 by presidential executive order 11647 and the states, encouraged by the promise of federal dollars or threat of the withdrawal of federal dollars, have further divided into planning and service districts; and

Whereas, the announced goal of regionalization of local, state and federal governments under federal regionalism is centralization of power and authority, which rightfully and constitutionally belongs to these several state governments, transference of custody of the public purse to appointed officials and usurpation of the rights and freedoms of citizens; and

Whereas, many authorities on constitutional law have declared that the federal regional concept is a direct violation of Article IV, Sections 3 and 4 and of the Tenth Amendment of the United States Constitution; and

Whereas, regional government, under whatever name, is a real and present danger to the freedom of person and property guaranteed to the people by the United States Constitution and to the sovereignty and proper interest of the people of this state.

Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

1. That the Congress of the United States take action to eliminate and prevent federal regionalism of local, state and federal governments.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

STRATEGIC PETROLEUM RESERVE

● Mr. DOLE. Mr. President, last week during consideration of the budget resolution, myself and a number of my colleagues attempted to restore the needed funding to fill our strategic petroleum reserve. Unfortunately our attempts were unsuccessful and subsequently a vital link in our overall national security chain is still missing. The concern of this Senator and many others in this Chamber as to the administration's lack of commitment to our reserve program will not be alleviated by empty promises and rhetoric by Secretary Duncan and his assistants at the Department of Energy.

The retreat by the Carter administration from a strong commitment to our Nation's security interests because of pressure from foreign nations is unconscionable. The strategic petroleum reserve must be a vital component in any strategy aimed at reducing U.S. oil vulnerability. Without a viable reserve our entire economy and military strength could be rendered virtually impotent in time of a severe energy supply interruption. It is my belief that there is no justification for the anti-SPRO policy this administration has adopted and I want my colleagues to know that I will continue the fight to restore our strategic petroleum reserve to its proper place on our list of national priorities.

Mr. President, today's Wall Street Journal carried a very informative and enlightening exposé as to why our reserve program was halted, the efforts being made to make good our commitment to a strong reserve, and the importance a strategic petroleum reserve program has as tensions in the area of the Persian Gulf continue to mount. I commend the article, "Kowtowing on the Oil Reserve," by Walter S. Mossberg, to my colleagues and hope that this issue of critical importance pointed out by Mr. Mossberg does not escape their attention. I ask that the Wall Street Journal article be printed in the RECORD.

The article follows:

KOWTOWING ON THE OIL RESERVE

(By Walter S. Mossberg)

WASHINGTON.—For over a year now, the Carter administration, bowing to pressure from Saudi Arabia, Europe and Japan, has refrained from adding any oil to the U.S. strategic petroleum reserve.

As a result, the strategic reserve, the government's only readily usable store of the fuel needed to run the U.S. economy and supply American military forces, holds barely enough oil to keep the country in business for two weeks in the event of a halt in oil imports.

What's more, the White House and congressional budget committees have dropped from the new budget nearly all funds earmarked to buy oil for the reserve, should the U.S. want to start filling it again. The budget doesn't evision new purchases for the stockpile until mid-1981.

These policies have been pursued at the very time when world events, notably the kidnapping of Americans in Iran and the Soviet invasion of Afghanistan, are drawing the U.S. more deeply than ever into conflicts that threaten to disrupt the flow of oil from the Persian Gulf.

The President's willingness to be cowed by self-seeking foreign governments and to forgo the strategic stockpiling of oil could dangerously limit America's freedom of action, both diplomatic and military. It could turn out to be one of Mr. Carter's more serious foreign-policy mistakes.

REVIVING THE RESERVE

Recently, however, pressure has been rising in Congress, and in Mr. Carter's own Energy Department, to resume the filling of the reserve, regardless of the opposition abroad. A bipartisan group of conservative and liberal Senators, including Democrats Henry

Jackson of Washington and Bill Bradley of New Jersey and Republicans Robert Dole of Kansas and Mark Hatfield, of Oregon, is pressing various bills to revive the reserve. Other efforts are under way in the House, with the backing of that chamber's principal energy legislator, John Dingell, a Michigan Democrat.

Some of these measures would provide the necessary funds for further stockpiling. Others would order the resumption of oil purchases for the reserve. Still others would require that oil produced by federally owned oil fields at Elk Hills, Calif., be diverted to the reserve instead of being sold to oil companies.

Sen. Bradley charges that "we lack the political will" to fill the reserve, and Sen. Dole asks "If we kowtow to Saudi pressure on this, how can we realistically be expected to defend our own interests elsewhere?"

When President Carter took office in 1977, he set a goal of placing 250 million barrels in the reserve by the end of 1978, and one billion barrels by 1985. But his new Energy Department bungled the job, amassing just 70 million barrels by the end of 1978.

Early last year, when the Iranian revolution suddenly slashed world oil production, new purchases for the reserve were halted. Oil trickling in under prior contracts pushed the reserve's size to 92 million barrels, where it stands today.

By late last year, a small world oil surplus was developing, but the administration had erected added barriers to new purchases for the reserve. Last summer, it agreed at the Tokyo economic summit to consult with other industrial nations before resuming the stockpiling in order to avoid undue pressure on world supplies and prices.

In the fall, U.S. government sources revealed to this newspaper and others that Saudi Arabia was privately threatening to cut its oil production, pushing world prices higher, if purchases for the reserve were resumed.

The Saudi threat was prompting a U.S. agreement to "consult" on the issue. One high administration energy official says consultation with the Saudis has been needed because, if new U.S. stockpiling leads to a Saudi production cut, "you've kind of killed the golden goose. You've got to look at the expected consequences of your action."

But former Energy Secretary James Schlesinger, who left office last August, says ruefully "It was a mistake to have allowed the issue to become whether we could fill the reserve." He now wishes, he says, that in his final months of office a token flow of oil into the reserve had been maintained, just to preserve the stockpiling principle.

"The United States established the reserve for the national security," Mr. Schlesinger declares. "We do not provide a lien on the national security to any nation." The Saudi threat, he claims, was mainly a restatement of "ritualistic" opposition, and could safely have been ignored. By asking Saudi permission, he asserts, Saudi opposition was guaranteed.

Mr. Schlesinger's successor as Energy Secretary, Charles Duncan, last broached the issue with the Saudis in March, and was predictably rebuffed. He and his advisers have also floated a plan by which the Saudis would hold to high production rates while we resume stockpiling, in return for guarantees that the strategic reserve wouldn't be used against them. But that idea has been received coolly, both in Saudi Arabia and in the White House.

Mr. Duncan is now expected to urge President Carter to resume filling the reserve this summer, with oil either from Elk Hills or foreign sources. To help him make his case, he has hired Abram Chayes, an international law expert from Harvard, as an adviser.

In a recent interview, Mr. Chayes said "Obviously, it's desirable to encourage the Saudis to maintain high production, and to withhold any objection to, or even approve, our filling of the reserve. But those aren't necessarily preconditions to going ahead."

The debate over the issue is expected to be joined in late June or early July, when representatives of the Energy, Treasury and State Departments and the White House staff make a recommendation to the President.

That time period has been carefully selected to come after the scheduled early June meeting of OPEC and the late June summit meeting of Western leaders. The time coincides roughly with the date when new contracts would normally be let for commercial sale of oil from the Elk Hills Naval Oil Reserve.

"That will be a reasonable time to look at the issue anew," says a top administration official. "All of this stuff has got to be thought through again. It's entirely possible that the policy may change, but it's too early to tell."

Opposition to resumption of stockpiling is expected to come from the State Department, which may be fearful of upsetting the Saudis. The Saudi government insists its oil reserves can be considered as the West's strategic stockpile, and so the U.S. storage program isn't needed. Saudi officials complain that, since purchases for the U.S. stockpile add to demand and to world oil price pressures, they undercut Saudi efforts to moderate and unify OPEC's oil pricing. What's more, the Saudis say, they'd have little interest in maintaining high rates of production just so the U.S. could stockpile more oil.

The State Department may also argue that it's bad diplomacy to resume purchases for the reserve and thus add to world demand and prices, just when we're urging allied nations to boycott Iranian oil, a move that forces them to seek other supplies.

Some Treasury and Budget officials fear that spending $1.5 billion or $2 billion a year to buy oil for the reserve could wreck the balanced budget currently being pasted together in Congress. And, if oil from the Elk Hills field is placed in reserve instead of sold to oil companies, the budget will be hurt further by a $1 billion revenue loss.

The trouble with these arguments isn't just that they pale before the national-security need for an adequate oil stockpile. The trouble is that most are simply disingenuous.

Saudi Arabia for instance, despite its high-minded talk about moderation and order in oil pricing, really opposes the strategic reserve for one, obvious reason: A large U.S. oil stockpile would blunt or even negate the feudal kindom's only means of having a serious impact in world affairs—the threat to withhold its oil.

The Saudis have been notably unsuccessful lately at selling "moderation" in OPEC; even without U.S. stockpiling last year, world oil prices doubled. What's more, their current high production rate isn't being maintained solely to aid the West; it's also intended to shore up Saudi Arabia's fading power within OPEC. With or without American stockpiling, most U.S. oil analysts believe, internal political pressures will force the kingdom's rulers to cut daily oil output sooner or later.

Our European and Japanese allies themselves now possess bulging stockpiles of oil and oil products. Their inventories were amassed last year in a panicky buying spree that helped drive prices sky-high, while the U.S. was holding back.

As for the budget-balancing problems posed by a renewal of reserve oil purchases, Mr. Carter could quickly propose that the stockpiling be financed from receipts from his oil import fee, if it survives court challenges; the White House says it isn't now counting on the fee as a means of balancing the budget.

IMPACT ON DEMAND AND PRICES

By waiting so long to resume oil stockpiling, President Carter has, ironically, missed the best opportunity to ease the government back into buying oil with the minimum impact on demand and prices. World oil markets appear to be tightening with spot-market prices rising after several months in which supplies outran demand. Foreign governments are bound to argue that this is the worst time to start stockpiling again.

But the President's task this summer will be to brush aside all these arguments about the oil market and the budget. The main issue—maybe the only issue—before him, should be the nation's need for a secure emergency store of oil as the world heads into a period of struggle over the control of oil production, a struggle few now doubt will be dangerous and tough.

It will be interesting to see whether Jimmy Carter can summon up the purposefulness to order that the strategic reserve be filled again, over the opposition of contemptuous and jealous men in Arabia, Europe and Japan.●

NUCLEAR INDUSTRY WINS AWARD

● Mr. GRAVEL. Mr. President, I was pleased to see recently that the nuclear industry has won an award which I think it richly deserves. It is the 1979 Doublespeak Award, issued by the National Council of Teachers of English. As one who has been trying to debunk the pronouncements of nuclear advocates for the past decade, I think this group of language experts has performed an important public service, and I commend them for it.

In presenting the award, the National Council cited several examples of what Ralph Nader calls "nuclearspeak." I would like to note a few more:

First. "Spent fuel" means radioactive waste;

Second. "Health effects" means deaths;

Third. "Thermal enrichment" means thermal pollution;

Fourth. "Breach of containment" means leak of radioactive poison;

Fifth. "Benefit versus risk" means we do as we please, while you (involuntarily) suffer the risks; and

Sixth. "Let us put this in perspective" (when confronted with a difficult nuclear problem) means let us divert attention from the matter at hand to discuss something else.

It is encouraging to see polls which show that Americans are, increasingly, able to see through the doublespeak. Two-thirds now regularly say, when asked, that they do not want a nuclear plant in their neighborhood.

Mr. President, I hope that my colleagues will remember this award when they hear claims about "safe, necessary nuclear power" and not allow themselves to become victims of doublespeak. I request that the November 22, 1979, news release from the National Council, which is located at 1111 Kenyon Road, Urbana, Ill. 61801, announcing the award be printed in the Record.

The news release follows:

Power Industry's Jargon About Three Mile Island Accident Gets NCTE'S Doublespeak Award for 1979

San Francisco, November 22.—The nuclear power industry was declared the winner of the 1979 Doublespeak Award this morning at the annual meeting of the National Council of Teachers of English at the San Francisco Hilton.

"Unfortunately, this past year has been a good year for doublespeak," said William Lutz, chairman of the NCTE Committee on Public Doublespeak. "The Committee received more nominations for its Doublespeak Award this year than any other year . . . The selection process was arduous." In the end, the nuclear power industry outdistanced all individual contenders, Lutz said, by inventing "a whole lexicon of jargon and euphemisms used before, during, and after the Three Mile Island accident and serving to downplay the dangers of nuclear accidents. An explosion is called 'energetic disassembly' and a fire, 'rapid oxidation.' A reactor accident is an 'event,' an 'incident,' an 'abnormal evolution,' a 'normal aberration' or a 'plant transient.'" All these terms, Lutz pointed out, were used by officials at Three Mile Island. "Plutonium contamination," the Doublespeak Committee chairman added, is "'infiltration,' or 'plutonium has taken up residence.'"

Lutz, a professor at Rutgers University, also scored the nuclear power industry's public relations campaign, launched against the film The China Syndrome before the Three Mile Island crisis. "Articles appeared in popular periodicals giving assurances of the astronomical odds against a major accident occurring at a nuclear power plant. Such an article defending nuclear power and attacking The China Syndrome appeared in the March 12, 1979 issue of Fortune magazine and was entitled 'Exorcising the Nightmare of Reactor Meltdowns.' Among those who wrote along the same lines as the nuclear power industry was columnist George F. Will, who in the April 2, 1979 issue of Newsweek, attacked the movie and stated, among other claims, that 'there is more cancer risk in sitting next to a smoker than next to a nuclear plant.'

"A hallmark of most of the articles defending nuclear power," Lutz said, "was the 1972 Rasmussen Report, whose methodology and statistical data have been questioned and partially discredited. Among other claims made in the Rasmussen Report is the estimate that 'an accident resulting in the early death by cancer of ten or more people could be expected only once in three million reactor-years.' After the Three Mile Island experience, the nuclear power industry might want to review some of the claims made in the Rasmussen Report and some of its own claims of safety and reliability."

The Committee on Public Doublespeak, made up of teachers and professors of English from throughout the U.S., gave second place for 1979 to Kentucky State Representative Dwight Wells, who on the statehouse floor, told news media reporters to tell Kentuckians only what they want to hear. The magazine Mother Jones quoted Representative Wells as saying, "When you start to write, read, or act, you can ask yourself, 'Is what I'm doing . . . uniting the people of Kentucky and helping them to stand and be great?' You are to the people of Kentucky what a parent is to a child. When the truth is harmful and detrimental to the people of Kentucky, you should not only not tell them the truth, but you have a duty to see they do not know the truth."

Colorado State Representative A.J. Spano came in third with a set of euphemisms meant to downplay Denver's rating as "the city with the second-dirtiest air in the nation." According to the Denver Post, Spano "introduced, and the House Transportation Committee passed last May, a bill to change the nomenclature of the state's air-quality scale. The level of pollutants called 'hazardous' by the federal government would now be called 'poor,' 'dangerous' would become 'acceptable,' 'very unhealthful' would become 'fair,' 'unhealthful' would become 'good,' and 'moderate' would become 'very good.'"

This year, Lutz announced, the Committee on Public Doublespeak voted to make a special award for the most conspicuous example of doublespeak from a foreign source. The committee cited General Joao Baptista Figueiredo, who on his election as Brazil's next president, told reporters, "I intend to open this country up to democracy, and anyone who is against that, I will jail, I will crush." Figueiredo's statement was quoted in the Washington Post.

In the running for this year's award for the most flagrant example of public doublespeak, Lutz said, were presidential assistants, drug companies, state legislators, a United States Senator, a U.S. Congressman, and various corporations.

"There was strong support for Hamilton Jordan's comment. 'I was thinking in contemporaneous terms.' According to Jack Anderson, Jordan made this statement when it was pointed out to him that his denial that the FBI had questioned him about his alleged involvement in the Robert Vesco case was false. His statement was in the grand tradition of Ron ('That statement is now inoperative.') Ziegler, a previous winner of the Doublespeak Award.

"Hamilton Jordan did not get the award. Nor did Congressman Richard Kelly (R-Fla.), who said: 'I think the free-enterprise system is absolutely too important to be left to the voluntary action of the marketplace . . .'"●

THE PROBLEM OF FEDERAL COERCION

● Mr. GOLDWATER. Mr. President, the whole problem of Federal coercion is one that is beginning to annoy many States. It is becoming increasingly the practice of the Federal Government to require States to enact laws to implement Federal policy by threatening to withhold Federal funds. This coercive activity amounts to indirectly imposing the will of the Federal Government upon States which should be free to pursue their own policies. This coercive power of the purse is being used to extend the authority of the Federal Government far beyond the powers delegated by the Constitution.

The Arizona Legislature recently adopted a concurrent resolution asking the Congress to convene a convention to propose an amendment to the Constitution which would prohibit the kind of coercive action I have just mentioned. I ask that the Arizona resolution be be printed in the Record at this time.

The concurrent resolution follows:

House Concurrent Resolution 2001

Whereas, the powers delegated to the federal government by the United States Constitution are limited, and those powers not delegated to the federal government are reserved to the states; and

Whereas, it is becoming increasingly the practice of the federal government to require states to enact state laws to implement federal policies by threatening to withhold or withdraw federal funds for failure to do so; and

Whereas, the federal government has imposed upon the states many programs and obligations which require funding in excess of state means, thereby making the states subservient to and dependent upon the federal government for financial assistance; and

Whereas, through the coercive force of withdrawing or withholding federal funds, or the threat of withdrawing or withholding federal funds, the federal government is indirectly imposing its will upon the states and requiring implementation of federal policies which neither Congress nor the President nor any administrative agency is empowered to impose or implement directly; and

Whereas, this coercive power of the purse is being used to extend the power of the federal government over the states far beyond the powers delegated to the federal government by the United States Constitution; and

Whereas, the power of the federal government should be exercised directly by the enactment, implementation and enforcement of federal laws governing only those areas in which the federal government is empowered to act by the United States Constitution, and the federal government should be prohibited from usurping the authority of the states and imposing its will indirectly in those areas in which it has no power to act directly; and

Whereas, the federal government has imposed upon the states many programs and obligations which require state administration and such programs or other programs may lose federal financing if certain conditions attached to the program are not met.

Therefore be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. Pursuant to Article V of the Constitution of the United States, the Legislature of the State of Arizona petitions the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States to prohibit the Congress, the President, and any agent or agency of the federal government, from withholding or withdrawing, or threatening to withhold or withdraw, any federal funds from any state as a means of requiring a state to implement federal policies which the Congress, the President or the agent or agency of the federal government has no power, express or implied, under the Constitution of the United States, to impose upon the States or implement its own action, and to limit permissible conditions of federal financing by the Congress, or the President, or any agent or agency of the federal government designed to obtain state administration of federal programs at the risk of losing federal funds for other programs if any or all conditions of the program are not met.

2. That the Secretary of State of the State of Arizona is directed to send a duly certified copy of this Resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of Congress from the State of Arizona.●

LAXALT PROBES THE IRS

● Mr. LAXALT. Mr. President, ever since I was Governor of Nevada I have been deeply concerned about the activities of the Internal Revenue Service. That agency, in its constant pursuit of every tax dollar, has demonstrated a callous disregard of the rights and dignity of the American taxpayer. It has harassed and threatened hapless citizens—often beyond endurance. I have personally known innocent taxpayers who were financially and physically reduced to ruin by the zealots at the IRS.

Several times over the past few years, I have written the agency to express my concerns. Yet, far from improving their procedures, over the years the agency has gotten worse. More taxpayers have written in this year than ever before detailing even worse abuses. Although nationally the number of IRS audits are decreasing, Nevada remains singled out for special enforcement. The mentality in the agency can be characterized as "if you have anything to do with gambling, you are illegal." The entire State is suffering because of our cash economy.

For that reason, Senator SCHMITT and I recently held a special hearing to examine the activities of the IRS. I questioned Commissioner Kurtz on a number of subjects and conveyed to him the frustration and anger toward the IRS we feel in Nevada. I plan to use the hearings as a benchmark to evaluate future IRS performance. I expect improvement and will accept nothing less.

Mr. President, at the start of those hearings I submitted a statement which outlined my concerns with the IRS. Given the seriousness of the problems mentioned, I hope that all my colleagues will take the time to consider my views.●

ANOTHER SIDE TO HEALTH POLICY

● Mr. RIBICOFF. Mr. President, most of the day-to-day work of the Members of Congress covers broad policy issues, large-scale decisions on the way to spend Federal funds, and judgments about the value of one program over another. Sometimes we get a glimpse of the way these broader issues translate into the day-to-day lives of other individuals. In the case of health legislation and policy, these glimpses can be especially poignant. Recently a fine article by Natalie Davis Spingarn appeared in the Washington Post. Mrs. Spingarn, in her work and in her personal life, has seen both sides of the story of health policy, and her article does an excellent job of bringing these often opposing forces to life. It is vital that we on Capitol Hill not lose sight of the connection between legislation and its effect on individuals.

Mr. President, I ask that this article "A Cancer Patient's Never-Never Land" be printed in the RECORD.

The article follows:

[From the Washington Post, Apr. 27, 1980]

A CANCER PATIENT'S NEVER-NEVER LAND

(By Natalie Davis Spingarn)

In my work, I write, usually about health policy matters. I also serve as a hospital commissioner. In my life, I am a patient, a role which takes time—too much time. In all these capacities, I read a huge amount of boilerplate about health care.

Sometimes I get confused. I do not know which is the never-never land, the written word or the (I think) reality. The other night I struggled to stay awake while browsing through a document with the straight-faced title "Environmental Assessment of the Hospital Industry, 1979," published by the American Hospital Association. I read that changes in the age composition of the population—more older patients with chronic illness—would challenge the hospital industry to "expand its focus on 'caring' to supplement hospitals' traditional 'curing' function. This will involve greater attention to the emotional and psychological needs of patients and their families, especially chronically and terminally ill patients."

Caring vs. Curing. This terminology studs the literature especially the nursing literature. But are they really different?

I am lying still in my Washington hospital bed, minding my own business. Chronic, yes. Terminal, not yet. My room is par for the course—drab, colorless, a large TV set like an idol on the wall. A nurse comes in to check on me. She is young, Indian, no credit to Mrs. Gandhi.

"What's the matter with you?" she wants to know.

I tell her I have just had an episode of "true vertigo." But my basic ailment is metastatic breast cancer (which she could have seen on my chart.)

"Why?" she persists. She asks if I had been to the doctor for checkups before I fell ill. I reply in a strained voice that I had been checked every three months over a decade's time, but had gotten cancer anyway (exactly like my grandmother).

Not only did I see the doctor, I stopped smoking, did exercises, in other ways lived healthy.

Nothing stops her. My disease seems to her my fault. She makes no move toward me, even to inquire if I need anything, and observes that I should have talked to the doctor about avoiding its spread.

My head begins to ache, my patience to run out. I advise here that indeed I had talked to many specialists about avoiding spread. When she starts muttering about "fourth stages," I tell her firmly I would rather not discuss the matter any more. She leaves; I feel lousy.

I am in another hospital—Memorial Sloan-Kettering in New York City. Here extra effort is put into making things look, feel and taste cheerful—bright paintings, even tapestries grace lobbies and corridors painted orange, yellow, blue. Each bed has its own telephone and tiny TV set on an adjustable goose-neck arm; volunteers bring the new patient a vase containing a single pink carnation. The nutritionist works with my fussy, elderly roommate for 15 minutes, trying to find her a diet that is at once tasty, bland and Kosher. Later I am wheeled downstairs on a stretcher, Demerol-bleary. I wait to be admitted to the myelogram room. Someone gives me a lemon-stick to suck; I start to cry.

Two technicians rally round, jolly me, accept my pain. "This is the place to cry," one soothes, "not in your room where you have to keep a stiff upper lip for visitors." Then, skillfully: "Care to tell us what's the matter?"

I search my brain for an adequate answer. "All these awful things, and nothing seems to work."

"Nothing seems to work, or nothing seems to help?" she asks.

I perk up; after all, I have been helped. I feel better.

Back to the boilerplate. I read that the direction of national health policy is "toward reducing the capacity of the inpatient sector of the hospital industry in relation to the population in order to control costs." In other words, get those patients out of the hospital faster.

But neither I nor any of my friends have met those doctors who "overutilize" hospital beds, putting patients into the hospital too easily and keeping them there too long. I have found it hard to get past the close scrutiny of the peer review committee and into a hospital unless I was scheduled for an operation or *in extremis* (this is particularly true at Sloan-Kettering, a better mousetrap almost always filled to capacity). I have found it equally hard to stay in, and many of my friends and family have been sent home after three or four days, teetering and tottering—whether they've had a baby, a hernia operation, or experienced an accident or mugging.

In between hospital and home is a no man's land which the health care "system" has not been imaginative at filling. Sister Rosemary, a crackerjack Sloan-Kettering social worker, places me in an exception to this rule, "hospital housing." I have a comfortable apartment where my husband and children can visit and help me out, and I can easily walk the few blocks to the hospital for my daily radiation treatments. Even this arrangement has its Catch-22: though the price is right—about $40 a day as compared to my $400-a-day hospital bed—I would have been better off financially staying in the hospital, where my high-option Blue Cross insurance would have picked up the entire tab.

Back in Washington, I call the Visiting Nurse Association and a few similar agencies to see if I can get some extra help on the days when I have chemotherapy, when I feel terrible. But I cannot; I am not sick enough.

About 130 mostly elderly D.C. General Hospital patients have a different problem. They do not need the expensive "acute care" they get in the hospital. But they need some care and there are no nursing home beds open to them they can afford, so they stay on, getting what is technically described as "inappropriate" care and costing and the hospital some $10 million a year instead of the roughly $2.3 million their care would cost in nursing homes. Searching for solutions to help patients, hospital and taxpayers as chair of the D.C. General Commission's Planning and Development Committee, I find an HEW "swing bed" demonstration program used largely in rural areas. We are about to apply for a grant which would enable us to demonstrate that an inner city hospital can set aside a number of "swing" beds which could be used for either acute or sub-acute care as the need might be, and reimbursed accordingly. But we find the program has been so successful that it has been frozen while Congress considers whether to apply it nationally. Catch-22 again.

Great reams of computer printouts come in the mail from George Washington University Medical Center each month. The computer stands as the new arbiter; we patients are in its hands. I try to monitor its judgments. My husband and I have paid insurance premiums over the years, we deserve the benefits that are due us, but at the same time, we want to deal fairly with the insurers—and so help keep costs reasonable for everyone.

Sometimes we catch a mistake: A consultant enters his charge under the wrong code and the insurance company refuses to pay it. I complain; the doctor's secretary erases the charge and re-records it under a different code; months later it shows up correctly in the computer prints.

Sometimes we catch what seems to be a mistake. In January I get a bill for $125 for hospital care the previous September. I was in the hospital at that time, but I do not even remember meeting the doctor and cannot recall his name. Puzzled, I write the doctor that there must be some mistake. We correspond in vain; he says that he was "attending" on the neurology floor the month of my stay and his fee is in fact low. He knows I have only to give in and sign my insurance form and he will be paid.

The medical marketplace is unreal. My hospital bed costs—$242 a day in Washington, $400 in New York—are paper figures. There are buyers (us patients) and sellers (our hospitals, clinics, doctors and their aides), but we seldom face each other at the cash register. Dr. Thomas Fahey, my Sloan-Kettering doctor, prescribes a new drug for me, tamoxifen, an anti-hormone developed in England. It costs about $100 a month at the time; my insurance will pick up 80 percent of the bill.

What do people who are uninsured (22 million) or underinsured (another 20 million) do? How about the nearly two-thirds of the poor not covered by Medicaid? I ask Dr. Fahey, a fine physician who worries about these questions too. He says he has a patient he wanted to put on tamoxifen. No way could she afford it; she lacked the insurance. Nevertheless, he sent her down to the pharmacy with a prescription, telling her he'd find a way to pay the bill (the same is true at George Washington or D.C. General—if there's no insurance, someone, usually the taxpayer, will foot the bill for what's needed, whether it be a CAT or expensive medication.) He feels we need a national health insurance plan covering "not nose jobs," but honest costs of catastrophic illness.

Back to the "Environmental Assessment." Regulation of the health care industry will increase and intensify, I read. Regulation will "become more politicized both in terms of greater conflict between regulators and the regulated and in terms of greater visibility of health care as a political and electoral issue. . . ."

My bones ache and pains wax and wane. As they wax, so do the news stories about the nontoxic drug interferon. A way has been found to synthesize this rare antiviral substance manufactured in the body; reports of its great potential as a cancer treatment abound. I read a congressional committee has returned the HEW secretary's budget to her, telling her to spend more on interferon.

I spend the day on the telephone, trying to find out what's what. Might interferon help me? If so, can I get some? The doctors are so unanimous in answering the first question that I don't bother with the second. They doubt interferon is for me. In fact, they have been disappointed in it. Thus far what success it has shown has been largely with lymph, not breast, cancers. One doctor says the only cancer center that has reported encouraging results is M. D. Anderson, in Houston, and he feels they are inclined to be positive about everything. A breast patient of his had gotten hold of some interferon and grown worse after interferon treatment. This might have been coincidence, but he doubts it.

Washington doctors have experience with the "politicization" of health issues. One tells me that Rep. Claude Pepper has experienced in his family the unpleasant toxic effects of chemotherapy; with passionate philanthropist Mary Lasker urging him on, he has been advocating more federal funding for interferon. Like the Congress, I am frustrated at not being able to legislate faster cancer treatment research results out of the scientists. But I agree with the poet-physician Lewis Thomas, Sloan-Kettering's chief, that laboratory researchers someday soon will, in their building-block way, uncover the mechanism at the root of cancer. I feel sad that it will probably not be in time for me.●

THE THREE-TIERED FARE SYSTEM FOR THE AIRLINE INDUSTRY

● Mr. CANNON. Mr. President, yesterday the Civil Aeronautics Board approved a new three-tiered fare system for the airline industry. This would allow airlines, effective today, to raise fares an unlimited amount for route distances of 200 miles or less; 50 percent above base for distances up to 400 miles; and 30 percent above base for distances over 400 miles.

I am immediately struck by the inherent discriminatory nature of this system based on distance with an obvious potential for the smaller communities of the country bearing the brunt of these increases. While I am generally in favor of increased fare flexibility, I am extremely skeptical of the discriminatory application of that flexibility. I have already announced hearings for next Tuesday, May 20, 1980, so that we can immediately look into this matter and encourage the Board to reconsider its action of yesterday.●

NUCLEAR SAFETY: THE BOTTOM LINE

● Mr. GRAVEL. Mr. President, there is hardly an issue which has been the subject of more reports, reviews, commissions, investigations, special inquiries, hearings, and so forth than the nuclear power safety issue. Yet rarely is much, if any, attention paid to the two words which say more about nuclear power safety than all the verbiage generated by the nuclear industry and the Government. Those two words are "Price-Anderson."

Under the Price-Anderson Act, passed in 1957 and renewed twice through 1987, financial damages can be collected by nuclear accident victims only up to a total of $560 million per accident, despite estimates that damages could be in the tens of billions of dollars. This limit on liability is both unfair and dangerous.

The $560 million limit on liability means that in a serious accident, injured parties might be able to collect only 3 or 4 cents on each dollar of damages. This violates the basic principle that those who cause damage should be held fully responsible for it. In effect, all of us—including those who oppose nuclear power—are being forced by this law to underwrite the nuclear industry's hazards.

Artificially unburdening nuclear power of one of its major drawbacks—the possibility of huge lawsuits—gives it an unfair advantage over all other competing energy sources, none of which enjoy this special protection.

Mr. President, in a free enterprise system the normal constraint on reckless activity is financial responsibility for the consequences of that activity. By removing that important concept from the nuclear industry, the Federal Government is encouraging recklessness. It hardly takes a nuclear engineer to understand that a company whose assets are fully exposed to liability lawsuits will be less likely to engage in reckless activity than one whose assets are artificially protected.

The nuclear industry and its defenders in Government have for many years insisted that nuclear power cannot survive without limited liability. It is paradoxical that on the one hand we are assured that nuclear disasters will never occur, but then we hear that a special law is needed to protect the assets of those who cause the disasters. If accidents are so unlikely, as loudly proclaimed in mountains of reports and advertisements, I would like to know why the nuclear promoters will not put their money where their mouths are and expose all their assets to suits after accidents that will never happen.

Mr. President, I think it is important to understand that not only through its actions does the nuclear industry express "no confidence" in its own safety claims, but so does the insurance industry. The insurance industry refuses to insure nuclear utilities for damages above the $560 million limit, and it will not even write insurance policies up to the $650 million limit. When insurers, who are necessarily society's best risk assessors, refuse to sell insurance it is good evidence they expect accidents to happen. We all know insurance companies like to collect premiums for insurance against claims they never will have to pay.

Additional evidence of lack of confidence by insurers lies in the fact that homeowners' policies specifically exclude nuclear plant damages.

Mr. President, as a strong advocate of the free enterprise system, and an ardent opponent of nuclear socialism, I think it is time to restore some realism to nuclear power. I have, therefore, introduced a bill to repeal Price-Anderson's limit on liability, S. 1082. I believe that by applying normal business prudence to nuclear matters we will do far more to improve nuclear safety than anything a bureaucracy such as the Nuclear Regulatory Commission may do.

I am pleased that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Michigan (Mr. LEVIN) are cosponsors of S. 1082, and I hope that as other Senators hear from citizens angered by the inequity and recklessness of Price-Anderson they will join us as cosponsors of the bill.●

CONTROLLING WILD BURROS

● Mr. GOLDWATER. Mr. President, in my State of Arizona we have a growing problem with wild burros. The uncontrolled growth in the number of wild burros is now recognized as a threat to the survival of wildlife and livestock in some sections of the State. There is need for effective measures to control the size of these burro populations. Because of this problem the Arizona State Senate has recently passed a concurrent memorial urging the Congress to authorize the State of Arizona to implement measures to control wild burros. I ask that the Arizona memorial be printed at this point in the RECORD.

The memorial follows:

SENATE CONCURRENT MEMORIAL 1005

Whereas, in the period of time following the passage of the Wild Free-Roaming Horses and Burros Act by the Congress, these animals have expanded their numbers to such an extent as to cause considerable damage to the grazing and watering resources available to livestock and wildlife within the State of Arizona; and

Whereas, the uncontrolled growth in the number of wild burros in Arizona and the attendant overuse of life-sustaining resources is now recognized as a threat to the survival of wildlife and livestock in those areas where the burros are found; and

Whereas, in response to this situation many programs have been initiated, attempting to control the size of the burro populations by transferring these animals to private lands with the "Adopt-a-Burro" program; and

Whereas, these methods are not only expensive, with an estimated average cost of eight hundred dollars per burro, but are also proving to be ineffective, to the extent that at least one burro herd in Arizona tripled its numbers since the passage of the Act; and

Whereas, there is growing concern in Arizona over these impacts and developments, with an increasing need to expand the activities to control these animals.

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress of the United States be advised of the support for alternative burro population control methods that exists in the Arizona Legislature.

2. That the Congress of the United States amend the Wild Free-Roaming Horses and Burros Act to allow officers of the Arizona Game and Fish Department to remove or take burros when, in the opinion of the Department as confirmed by the Game and Fish Department and in cooperation with the appropriate federal land management agency, it is necessary to reduce the number of burros in a given habitat or range, without penalty for such officers.

3. That the Congress of the United States direct and empower those federal agencies responsible for the management of land or land-based resources in the State of Arizona to act to control or otherwise reduce the size of burro populations when it is found that they are producing adverse impacts upon livestock or wildlife on federal lands, and that the Congress further provide the funds necessary for such actions by federal agencies.

4. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

THE RIGHT MAN FOR AN IMPORTANT JOB

● Mr. MATHIAS. Mr. President, it is a source of great personal satisfaction to me that Harlan Cleveland, one of the Nation's most distinguished public servants, has been named director of the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs. It is good to know that this living memorial to our beloved friend and colleague is in the care of one of our most thoughtful citizens and one who was a close personal friend of Hubert's.

Harlan Cleveland's remarks in accepting the appointment as director of the Hubert H. Humphrey Institute of Public Affairs reflect his appreciation of the qualities of mind and heart that made Hubert Humphrey such an extraordinary human being and his determination to make the Institute express the qualities of leadership which Hubert Humphrey embodied.

Mr. Cleveland spoke of Hubert's sense of personal responsibility for the situation as a whole. "He felt a personal responsibility," said Mr. Cleveland, "for growing more food, making useful goods, distributing wealth fairly, creating better jobs, combatting inflation, managing government, and insuring international peace. We need a million more like him, and American higher education is not doing enough about it."

Under Harlan Cleveland's skilled direction, I suspect the Hubert H. Humphrey Institute of Public Affairs will begin to fill that gap. I ask that the text of his statement to the University of Minnesota Board of Regents be printed in the Record at this point.

The statement follows:

Statement By Harlan Cleveland

Madam Chairman, Members of the Board of Regents: I greatly appreciate your invitation to become Director of the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs. I am thoroughly sold on the potential of the Institute, and impressed with the quality of support that is available for such an enterprise in this incomparable community called Minnesota.

To undertake this task in honor of Hubert Humphrey, and in the presence of Muriel Humphrey, is something almost inexpressibly special. I always thought of Hubert as a bustling bundle of practical compassion, blessed with an intellectual curiosity that embraced the world and even outer space, and blessed also with an infinite capacity for warmth and friendship. My wife Lois and I were among the many thousands of people who regarded him as a close personal friend. We never quite figured out how a person could have close personal friends numbered in the thousands.

Hubert Humphrey was that rare public official who could be a hero without needing a pedestal. Unlike some heroes I have known, he did not have a public face and a private face; rather, he was made of the same stuff all the way through. To serve in some sense as his surrogate, to act and help others learn to act as he would have acted in public and international affairs, is a one-of-a-kind opportunity. I eagerly accept it.

"Public Affairs" is not one more discipline, to be defined by a particular method of analysis. It is not a new profession. either, in the tradition of medicine and business and law. It is the public action, the public responsibility component of every profession.

"Public Affairs" focuses on how the general management of any society uses expert knowledge and specialized methods to make something happen. It is concerned with the politics of value and the values of politics. It does not mistake growth for progress, but asks "Growth for what? Growth for whom?" And it keeps asking the question, "How do you get everybody in on the act and still get some action?"

In "Public Affairs," research and analysis must above all be integrative. "Public Affairs" education means learning to think integratively. And right here is the chief bottleneck, I think, in our society of specialized achievement.

Both in universities and in the world of work, education and training are concentrated on producing first-rate specialists. We need them badly. But as we multiply the specialization of knowledge, we need even worse what we are not producing—the leaders who can "get it all together."

The ladder to leadership in our society is always expert excellence. But the practice of leadership is a different line of work, requiring different insights, different intellectual tools, different values, and different personal relationships.

If the central concern of an institute of "public affairs" is the reflective practice of leadership, the institute needs to work across the university with every discipline and profession, and outside the university with diverse local, national and international communities that are trying to clarify the purposes and develop the techniques for getting things done in the public interest.

Several years ago, perhaps with Hubert Humphrey as my subconscious model, I listed four attitudes as indispensable to the management of complexity:

The notion that crises are normal, tensions are promising, and complexity is fun;

A realization that paranoia and self-pity are reserved for people who don't want to be leaders;

The conviction that there must be some more upbeat outcome than would result from the sum of available expert advice; and

A sense of personal responsibility for the situation as a whole.

Hubert Humphrey was the very model of a situation-as-a-whole person. He felt a personal responsibility for growing more food, making useful goods, distributing wealth fairly, creating better jobs, combatting inflation, managing government and ensuring international peace. We need a million more like him, and American higher eduction is not doing nearly enough about it.

Minnesota has already done more than its share to sponsor innovation and provide quality leaders for America. By betting on the Hubert H. Humphrey Institute of Public Affairs, Minnesota is pioneering again—and I am looking forward to joining you on the frontier.●

ROBERT DIXON, JR.

● Mr. DANFORTH. Mr. President, recently the Nation lost a great constitutional scholar and Missouri a great citizen with the death of Robert Dixon, Jr., a former Assistant Attorney General of the United States and Daniel Noyes Kirby professor of law at Washington University in St. Louis. Renowed as an expert in the field of constitutional law, Professor Dixon was—without question—the leading scholar in the country on the subject of reapportionment. In 1968 he received the prestigious Woodrow Wilson Award for his treatise "Democratic Representation: Reapportionment in Law and Politics."

Last year I was fortunate to be able to call on him to testify in hearings on my proposal to end the gerrymandering of congressional districts. Later he provided counsel to my office in the debate over the legislative veto of FTC regulations, a subject to which he had given considerable study. Invariably he was generous in giving freely of his time. He will be sorely missed by my office and the legal community.

I ask that an article from the May 7 Washington Post, reporting his death, be printed at this point in the Record.

The article follows:

Robert G. Dixon Jr. Dies; Assistant in 1973–74 to U.S. Attorney General

Robert G. Dixon Jr., 60, a former assistant attorney general of the United States and a leading authority on constitutional and administrative law, died of a heart attack Monday at Johns Hopkins Hospital in Baltimore. He was stricken while undergoing surgery for a circulatory disorder in one of his legs.

Mr. Dixon was assistant attorney general, office of legal counsel, from 1973 to 1974. He taught political science at the University of Maryland from 1949 to 1956 and was a professor of law at George Washington University from 1956 to 1975. He was Daniel Noyes Kirby Professor of Law at Washington University in St. Louis, at the time of his death. He taught at the University of Virginia Law School in Charlottesville as a visiting professor this spring.

Mr. Dixon was brought into the Justice Department by former attorney general Elliot L. Richardson. Among the things he did there was conduct a study of the law of impeachment in view of the possibility that President Nixon would be tried by the Senate in connection with the Watergate scandal. He concluded that if a president tried to withhold evidence in such a trial "a constitutional confrontation of the highest magnitude would ensue."

But much of Mr. Dixon's career was devoted to the law of reapportioning legislative districts. His book, "Democratic Representation: Reapportionment in Law and Politics," won the Woodrow Wilson Foundation Book Award in 1968 and is considered a leading text on that subject.

Mr. Dixon also was an expert in administrative law and was a member of the Administrative Conference of the United States.

A native of Canajoharie, N.Y., Mr. Dixon earned bachelor's and doctoral degrees in political science at Syracuse University. He earned his law degree from George Washington University in 1956 and joined the faculty there in the same year. He lived in Rockville before moving to St. Louis.

In the course of his career, Mr. Dixon received fellowships from the Rockefeller and Ford foundations and the National Endowment for the Humanities. He received the George Washington University alumni Achievement Award in 1978.

Survivors include his wife, Claire, of St. Louis, and three daughters, Mrs. James Ryan of Charlottesville, Mrs. Walter Teagle of New York City, and Laurie Dixon of St. Louis.●

POLITICAL FREEDOM AND ECONOMIC WELL-BEING

● **Mr. GRAVEL.** Mr. President, it is widely remarked and commented on these days that America is in decline. We have "a crisis of confidence," it is said. America's submergence into the ocean of history is widely predicted and blamed on morale or morals, or the lack of them.

Can anyone this worried about decadence really be that decadent?

We do have problems—serious problems. But it is hardly because we've become a nation of quitters.

Quite the contrary: As a nation, we are looking for the same things today that we have looked for throughout our history—political freedom and economic well-being—"life, liberty, and the pursuit of happiness."

There was nothing wrong with these goals before, and nothing now; and however uncertain we may feel about ourselves, the rest of the world—including the people of the Communist countries—still looks to America as a land of freedom, opportunity and justice.

Not only are our goals laudable, but we are pursuing them with as much vigor and an even greater maturity than ever before.

It is within this context that I want to talk about what is wrong in America. Because I think there is indeed a serious problem—a structural flaw in our society that has been building for the last 50 years.

It is the nature of this structural flaw that we as people are more prone to use the tool of Government to solve problems which it should not or it cannot solve.

I think this flaw accounts very much for the sense of malaise that we have today. And the flaw is dangerous and insidious—even potentially fatal. But it is not—not yet—a question of dissipation or purpose lost. So far, it is only apprehension—and a strong case of frustration.

And who would not be frustrated? We do not seem to be able, these days, to get anything done. Our leaders are divided and want to take us in different directions. Even when we are pretty much in agreement (which is rare enough), we do not seem to be able to move. As a nation with day-to-day and week-to-week tasks, whether it is getting energy or grazing cattle, we seem to have fallen into some dream-like slow motion machine.

We cannot seem to make decisions. If we are not visibly floundering over a decision, then we are likely to be standing dead still, making no choice at all. Our society is too complex. We are awash with "data," afraid of "yes" and "no," and positively terrified of being wrong and of being held accountable.

I think that most Americans would recognize these traits as features of the malaise they feel about the country and its future. I think most of us, too, would concede that these are traits often associated with bureaucracy—bureaucracy of all kinds, public and private.

It is no coincidence. Our oversized Government is at the heart of the problems that are causing our "crisis of confidence." And the structural flaw that I have mentioned is the continued constituency of the American people for growing Government, even while we complain about its failure to solve the problems we have already consigned to it, and even when it has perpetuated or enlarged those problems.

I am not trying to set up Federal bureaucracies as scapegoats. I know them to be as competent and as diligent and as sensitive as their counterparts in the private sector. Nor would I dare denigrate the rightful exercise of our national environmental maturity through the use of Government. And the similar use of Government in guaranteeing that responsiveness and responsibility are shown by private industry for its manufacture, called consumerism.

I think it right for Government to seek the implantation of competition in our capitalistic model where none exists. And attention should be given to countering the centripetal force of wealth rather than the present Government inducement to its concentration.

Space will not let me deal with these areas where obviously Government ought to do something. Nor will it allow me to properly treat the even more obvious extremes of Government in their regulations as a result of inadequate checks and balances upon the Government itself.

The oft stated cliche "the least Government is the best Government" has never felt comfortable to me because I think that "the best Government is simply the best Government." It is a tool, use it when you need it and put it down if you do not.

By way of emphasis, there are things our Government ought to do, and things it ought not to do—and things it cannot do. Time only permits me to deal somewhat with the inappropriateness of asking Government to do what it ought not to do and what it cannot do.

It cannot give us a risk-free existence.

It cannot duplicate the independent creativity of thousands of individuals and small firms.

And it cannot replace the market system and decide for millions of people what is best for each, the way each can decide for himself.

It also cannot distribute the goods and products of the Nation as effectively, or even as fairly, as the private enterprise system, because it cannot duplicate for itself the incentive of profit and the discipline of loss or the freedom of the consumer-choice mechanism.

Yet we go to Government more and more, asking it to do all these things.

The Government can cause failure in some very creative ways. We have devised the Catch-22, a self-contradictory edict which usually boils down to this: "If you cannot do it, it must be done; if it can be done, you cannot do it." A particularly useful feature of the Catch-22, as we will see shortly, is that it can transfer the appearance of blame from Government to the individual or the company which failed to carry out the self-contradictory order.

Blameless, however, as the Government may try to hold itself, we still perceive it as a delayer, a strangler—and a failer. And yet back we go, again and again, asking for more.

In a curious way, Government even promotes its own growth and power by failing. The pattern is easy to see: If we gave a job to an agency and the job did not get done, then the agency must need more authority, or another agency to see that the first agency gets the job done—like the "Energy Mobilization Board."

Two hundred years ago, physicians were in the same trap—or rather, their patients were. The physician would bleed the patient, using leeches, in order to cure him. If the patient got worse, then he must need more leeches. If the patient died, then the conclusion was that they did not use enough leeches fast enough. The problem is in the premise, but the premise goes unexamined.

If, through its own action (and inaction), the Government causes failure in the private sector, then the Government seeks authority in the future to prevent just such failures as the one it caused.

Here is one example I am familiar with: the proposed Alaska natural gas pipeline.

This project is bogged down today in spite of its nearly universal support. A quarter of our Nation's reserves of natural gas are at Prudhoe Bay, and that gas must be released in order not to interfere with the production of Prudhoe oil (which constitutes more than one-third of the Nation's petroleum reserves). The Congress supports the project—it passed a law to "expedite" it. And the President supports the project—his policy, too, is "expedited handling." And, at this point, the project is delayed. In spite of the Government's support, the Government seems to be incapable of making decisions that would let the project move.

One series of decisions constitutes a classic Catch-22. By law, the pipeline must be built with private financing and no Government guarantees. The oil companies are chided by the President because they will not financially back the gas pipeline when they are prohibited by law from owning any part of the line. Also the Federal Energy Regulatory Commission has indicated that the $2 billion cost for a conditioning plant cannot be passed on to the gas consumer, but must be absorbed by the oil companies, increasing their costs, thereby causing the oil consumers to pay more for oil, thereby subsidizing the gas consumers. "If you cannot do it, then it must be done." Catch-22.

We also have in the gas line case a ladder of failure that has elevated the Government to new power:

When the Alaska oil pipeline was built, Government requirements as well as long delays that were mostly the Government's fault combined to make the cost of that pipeline skyrocket—$1 to $8 billion. Having caused that cost overrun, the Government was then handed new authority by Congress to prevent future cost overruns. It can now regulate the equity return that the investors in the gas line will receive. The higher any cost overrun, the less they can receive, regardless of the fact that the Government may cause the overrun.

When all this fails and the pipeline cannot be built privately because of self-contradictory regulations, then the Government will undoubtedly step in with guarantees. And in the process, no doubt, its authority over the whole project—and over all future pipeline projects—will expand and the market will never be able to judge the economic efficacy of the largest "private" project in the history of the world.

And one more example: The Sohio pipeline through California. The company spent 5 years and $60 million trying to cut through the jungle of regulation and nondecision. They finally gave up, not only in frustration, but also because the economics dried up. And now that the Government has killed it, suddenly the Congress is looking at having the Government build the project in the face of poor economic risk. In any event, I doubt the Government could get the necessary construction permits from Government.

So, for the Government, nothing succeeds like failure. We must be true believers because we keep coming back for more. And we get it: Not more help, but more Government—and more failure.

One more item: The Alaska lands issue, known to those of us who are constantly involved in it as "(d) (2)." The expression "(d) (2)" comes from section 17(d) (2) of the Alaska Native Claims Settlement Act. It is the section that orders the Secretary of the Interior to withdraw lands in Alaska—up to 80 million acres—for possible designation as parks, refuges, national forest, and wild and scenic rivers.

This issue is motivated by the preservationist community, and has been taken on by the President as his No. 1 environmental goal. Representative MORRIS UDALL has brought about passage of a bill in the House of Representatives that would set aside upward of 120 million acres of land. This Federal land is so strategically located that its withdrawal would deny economic use of additional Federal lands, as well as State-owned and private lands, on the order of 100 million or more additional acres.

The proponents of this action have a set of cliches: "We are not going to make the same mistakes in Alaska that we have made before."

These claims are specious. Today there is more than sufficient environmental law already in place to protect Alaska. This bevy of environmental law that already exists assures that the mistakes of the past will not be repeated. No part of Alaska or the rest of the United States will be despoiled in the so-called rape, ruin, and run fashion. The laws guarantee that the full environmental impact will be known and weighed before future economic activities are undertaken.

Recognizing that protection already exists, then we can see the real purpose of superimposing additional layers of Government control and regulation on Alaska, at a cost of $1 billion: The purpose is not protection, but denial of any economic activity in the State. By creating bureaucratic barriers that cannot be reasonably penetrated by thoughtful and responsible economic actors, all economic action can be brought to a standstill.

The effort to lock up Alaska and to deny its many treasures to the American people seems to have acquired the force of a tidal wave. Not only did the House pass Congressman UDALL's bill by a large margin, but President Carter has already acted unilaterally to create 56 million acres of national monuments in Alaska. This is happening, I think, because more Americans do not understand its implications.

Alaska is indeed a treasure chest. In this chest, we have wilderness, parks, game refuges, recreational areas—and also urban development, oil and gas potential, mineral potential, great fisheries and forest resources, and more. For one small group—the preservationists—through the exercise of disproportionate political strength, to reach into this chest and take only the wilderness treasure and then slam the lid shut is arrogant beyond belief. They are acting to the detriment not only of those who have pioneered and made their homes in this unusual land, but also of all Americans and of their economic and recreational needs.

The actions of the President and the prospective withdrawals by the Congress would take from our Federal lands inventory millions of acres of potential oil and gas lands. Last December 1, the President misused the Antiquities Act to create 56 million acres of monuments-wilderness. This action has effectively withdrawn from an energy inventory 40 million acres of sedimentary basin. All this in an effort to bully the people of Alaska into the acceptance of a much larger congressional withdrawal. The recent House action would take from our energy inventory upward of 100 million acres of oil and gas sedimentary basins. To appreciate the significance of these figures, we should note that Prudhoe Bay contains more than a third of our oil and a quarter of our natural gas in just 190,000 acres.

Little wonder that we Alaskans feel ravaged by the Federal Government and overreact to those Cassandras of self-fulfilling prophecy who state there is no point in permitting the flow of capital to the oil and gas industry * * * "the oil and gas is not there to be found."

Today's clearest case of Government's "success through failure" is in energy. We are on the verge of nationalizing the energy industry, whether we call it that or not. And if success does come from failure in Government, then we should expect nothing less. Nowhere else have Government's failures been so spectacular. This country is going to continue to refuse to let a free market determine the proper economic time to bring on synthetic fuels. Instead, we are to withdraw billions in capital from the only sector in our economic system that can do anything to alleviate the energy crisis in the short term. Instead, we will funnel our economic decisions through the Government—in the process losing the vital discipline of the market—and wasting billions through Government incompetence.

The Presidential and congressional proposals that the Government should direct the development of synthetic oil is the watershed of socialization of the energy industry in this country. Elements of business and labor seem naive enough to accept the offered "partnership of government." But for those who understand that there never can be a partnership with a generically superior power, they will be bludgeoned into accepting this through the windfall profit tax.

The word "windfall" with respect to a tax on the oil industry was first characterized by Richard Nixon and was used by Gerald Ford, and now is used by Jimmy Carter. It is an unfortunate characterization because it is really not true, because it is a severance or excise tax on crude oil.

To quote Howard Ruff who recently testified before my Subcommittee on Energy:

> The windfall profits tax is a proposal by the politically astute to impress the economically ignorant.

"Windfall profit" is a cosmetic term to shift the blame that might possibly fall on Government to the energy industry for the energy crisis.

The use of this rhetoric does great violence to the American psyche, because it creates a perception that a major sector of the American industry has been grossly misbehaving, and that that sector must be controlled and punished by the Government in order to protect the American people. This misperception also discourages the American people from truly understanding the real nature of the energy crisis—a crisis of cost and of price.

Americans are prepared to sacrifice if need be to meet this crisis. But if it is only the oil companies that are the problem with their "price gouging" behavior * * * then why sacrifice, let the Government straighten out those oil companies * * * that will take care of the crisis. Obviously, our political and media demagogery has been counterproductive to the proper realization of the energy crisis.

This American misperception as to the problem and fault also incapacitates our moderate political leaders because of their fear of going against a strongly held view of the electorate in trying to solve the problem * * * "everyone wants the tax and I have to vote for it even though I know it is wrong."

The American energy industry is enjoying no windfall profits. These supposed profits are the figment of the imagination of those who are intent upon demonstrating the failure of free enterprise so as to rationize a Government takeover. The American energy industry has acted no differently than any other sector of American enterprise, and their range of profits are within the average of the return on all enterprise. This fact is easily proven and would be easily understood if there were faith in the free enterprise system.

But because of a colossal national misperception, the Government is able to strike at the heart of the free enterprise system—in a word, going for the jugular on the neck of the golden goose.

Never mind that the oil company "windfall profits" do not exist—or that a higher price for a scarce commodity is the only way to increase its availability. It says a great deal about how far we have gone when people so easily accept and support the concept that the lifting of price controls after 5 years constitutes a "windfall profit" to a company rather than a 5-year denial of legitimate profits to that company.

As we turn again and again to Government for economic well-being—and wind up with failures—we undermine our other goal: individual political freedom.

And this road we are on does not lead only to economic inefficiency. If the Government can tax nonexistent windfall profits in the energy industry, can that same Government be far from collecting nonexistent profits from the rest of business which has no real constituency in this country?

We are ceding more and more power to our Government. So far, this power is being used negatively, intervening and interfering in the private sector, but not taking an active role. Obviously, we are afraid to unleash Government power in that way—and we should be.

But history makes it abundantly clear what will happen if we continue to relinquish power to a central government. Its appetite for more power will only grow—its musclebound paralysis will only frustrate the people and the Government itself all the more—feeding it more power and eventually the dam will break and this reservoir of power will sweep away our liberties.

If, by asking Government to do things it really cannot do, we are slipping backward from our national goals, then why do we persist in turning to Government? At bottom, I think, it is because people do not see their welfare protected anywhere else. The Government may be a bungler—and the people may see it—but in seeking their own security, they see no one else who protects them.

To most of us, security means income. If we have a paycheck, we have some security. Our Government does protect income. Americans may work in the private sector, but they live in the house of Government.

For the indigent, Government provides welfare. For those threatened by labor-saving technology, it tolerates "featherbedding." For those employed in failing corporations, it has soft loans and the Government contracts to keep the corporation floating. And at the end of the spectrum, we have the prospect of the Government as employer of last resort.

For the individual, whose economic security is his first responsibility, the Government consciously or subconsciously is his friend. The corporate sector will cast him aside if he has no productive mission to fulfull. And if he has no capital to earn him an income when his labor is not needed, he can only face the stark terror of economic insecurity.

Our citizens have no direct stake in our free enterprise system. They only have a stake in a job working for the free enterprise system. Capitalism is without a meaning constituency in our democracy.

Consider these figures:

Approximately 1 percent of Americans own 25 percent of America's wealth—5 percent own half its wealth. And that distribution has not changed appreciably during this century.

Little wonder that most people do not see their welfare in the free enterprise system—much less understand how they benefit from its natural efficiency. They barely care about the economy at all. They care about their jobs, their income, their economic security—and that is perfectly natural.

So how can people learn that free choice is generic to the market system? How do they learn that this is part and parcel of our larger goals—individual freedom and economic well-being?

Even though we are still pursuing our historic goals as a nation—our legitimate and laudable goals—and even though we are pursuing them as vigorously as ever, both for ourselves and for the rest of the world—we are doing so more and more by experimenting with socialism. This is self-delusion. Under an all-powerful central government, we will wind up with neither individual freedom nor economic well-being.

But if we are to turn back from the road to socialism, we are going to have to build a constituency for capitalism. It has little constituency today.

We must broaden the ownership of capital. When people own "a piece of the rock" and begin to receive dividends, their interest in the health of the private sector will grow dramatically.

I am talking about the ownership of the new capital that must be created in the future to meet our needs—not the confiscation of existing wealth.

And I am not suggesting that this ownership of capital wealth use the Government system for distributing income—that is, transfer payments—but rather use the corporate and capitalist system, without the participation of Government. Obviously, Government can and should act as the check on abuse and arbiter of justice in the undertaking.

The fatal flaw of socialism—in trying to share wealth more widely—is that it centralizes power in the Government without creating the checks and balances that impede Government's tendency toward oppression.

We need to find a way, or many ways, for our citizens to participate in the free enterprise system—to see it working for them—to see the market economy working for their freedom.

How can this be accomplished? I think some of the tools are in our hands now, but I do not doubt that others remain to be acquired, remain even to be invented.

We have a variety of profit-sharing plans. We have employee stock ownership plans and other theories by Louis Kelso.

But I think most importantly, we have the corporation itself. The corporate structure can be molded to the purposes of broader capital ownership and greater economic vigor, both at once. The corporation, after all, is a readymade tool for broad ownership.

In Alaska, the corporation has already been used for this purpose. In settling the aboriginal claims of the Alaska Natives in 1971, we took a novel approach. We ceded land to the Natives not in a reservation status, but rather in fee as an economic base—and, at the same time, we formed a dozen private, profit-oriented, regional Native corporations, giving the Alaska Natives the tool they needed in a modern economy to truly shape their own destiny.

In addition, there is now an effort to start a general stock ownership corporation, which would be owned essentially by all Alaskans. This was made possible by a tax amendment I authored last year removing the corporate income tax as an incentive to broaden capital ownership. The corporation would be chartered by the State legislature, but would be a private enterprise at arm's length from government that would invest in Alaska. This is a first effort. But it is a step toward making everyone truly and visibly the beneficiary of the economic system that has delivered the world's highest living standard—complete with the personal and political freedoms we cherish.

Some may say this is not sufficient solution nor immediate enough to halt this year's inflation or unemployment. I know of no quick fix to a problem two generations in the making. We will be lucky to correct our structural flaw in a decade. In addition to my suggestion to create a constituency for capitalism, what we can do today is fight, and tomorrow fight again, to move the government roadblocks out of the way of private enterprise so as to let business do what it does best—produce.

For me, the reason for this paper and I hope the reason for its reception whether by Democrat, Republican, liberal, moderate or conservative is—freedom.

I am not pessimistic about our future. If we can unleash our creative genius, nothing can stop our greater maturity and its concomitant reward. The fact that we struggle and flail around in solving our problem is a sign of true health. Only through conflict can we change, and only through change can we improve.

It is from our present cauldron of conflict that our great Nation, and for that matter all people, can and will improve.●

MARYLAND'S SMALL BUSINESSMAN OF THE YEAR

● Mr. MATHIAS. Mr. President, as we mark the beginning of Small Business Week, I wish to draw my colleagues' attention to a distinguished citizen of the State of Maryland—John R. Laughlin, president and cofounder of the Digital Systems Corp. Recently, he has been selected by the Small Business Administration as Maryland's "Small Businessman of the Year." That is a high honor, and I am doubly proud to note that Mr. Laughlin is from my home county of Frederick.

From its earliest days, Maryland has been associated with advanced technology. It is, therefore, fitting that the SBA has recognized a man whose business centers around that centerpiece of the technological repertory—the computer. Just as the steam engine brought on the industrial revolution, and airplanes and telecommunications reduced the world to a neighborhood in my own lifetime, so now computers and information processing systems portend a third technological revolution that will likely surpass all earlier ones in sweep and consequence. John Laughlin's company is in the vanguard of this revolution, and his Galaxy 5 microcomputer, which he and his brother launched 5 years ago, is a recognized triumph in the great tradition of American invention.

I will not get into the nuts and bolts of Mr. Laughlin's enterprise—as a matter of fact I doubt if there are many nuts and bolts in the computer. But I think his success at a time of economic difficulty is a great tribute to his foresight as an inventor and businessman.

In 1968 over 300 high-technology firms were started: In 1978 none was. So it is plain that Mr. Laughlin was swimming against an ebbing tide when he started the Digital Systems Corp. in 1975. He had a good idea, and he stuck with it. Digital Systems has provided the State with over 100 jobs and outstanding service, and promises more of the same in the future. The history of this company should be an inspiration to all prospective small entrepreneurs. John Laughlin proves that you do not have to be an employee of a huge multinational corporation or a researcher at one of our major universities to participate in the tremendous technological adventure that is underway in the world today.

Throughout our history, this Nation has achieved greatness again and again because of the genius of men and women like John Laughlin, who successfully combine science and the marketplace. Even with the wonders of modern science at our disposal, the challenge of exploring and coming to grips with our universe is just as great to us as was the challenge of creating a new world in the wilderness to the men and women who arrived on Maryland's shores three and a half centuries ago in those two small ships, the *Ark* and the *Dove*. I am proud to hail John Laughlin as a distinguished contemporary explorer, as we honor him as Maryland's Small Businessman of the Year.●

THE MX MISSILE

● Mr. HATFIELD. Mr. President, in the past week we have been beleaguered recipients of the 30th major change in the design for basing the MX missile in a shall game concept in the Southwestern United States. The latest linear design—now known as the dragstrip—replaces the ill-fated racetrack scheme. I am quite certain that we will receive the same solid assurance from the Air Force that this—like the racetrack—will be the "final" solution to the problem of Minuteman vulnerability. I am equally certain that the new design will do absolutely nothing to mitigate the snowballing political and environmental opposition to the MX system, reduce the ultimate cost of this $50 to $75 billion project, lessen the window-of-vulnerability period during which the U.S. ICBM system will move toward a highly dangerous launch-on-warning strategic stance, or improve the likelihood that Soviet technological advances will not render the entire system vulnerable before it is fully deployed.

Yet in the face of these nearly intractable problems, the Department of Defense stubbornly continues a concerted campaign to discredit an alternative basing system, the shallow underwater mobile (SUM) concept, which appears to respond to all these concerns far more cheaply, effectively, and intelligently than any multiple protective shelter (MPS) concept.

The mot recent effort of high officials in the Department of Defense to unfairly discredit the SUM system lies in their official testimony before a congressional committee that the SUM system could be destroyed by huge tidal waves caused by a Soviet nuclear barrage bombing of the one-quarter million square miles of U.S. coastal waters, where SUM is to be deployed.

The fact is, Mr. President, that at the time they were telling congressional committees that the SUM system would be vulnerable to the Van Dorn effect, they were using as reference copies of the CONGRESSIONAL RECORD of November 9, 1979, in which the SUM system is described in full. In that description, I made amply plain that SUM would be deployed off the continental shelf in waters deeper than 400 feet. In that same RECORD, it was made plain by Drs. Drell and Garwin, designers of the SUM concept, that the Van Dorn effect had been fully anticipated and that the proposed deployment method was designed to completely vitiate the dangers of such nuclear tidal waves. Department of Defense officials privately agreed then that the Van Dorn effect was not a threat to SUM as it was proposed in the November 9, 1980, RECORD.

My colleagues might understand my sense of frustration when, 5 months later, it was reported that these same officials were testifying before Congress that SUM could be destroyed by the Van Dorn waves. Absolutely no mention was reportedly made of the proposed deployment scheme or of the body of scientific thought that totally refused the claims that these officials were making. This is a sad, but growingly typical, example of how a technically proficient, fiscally sound and strategically stabilizing alternative to the MX is not being given a fair hearing because of interdepartmental rivalries, and a growing fear that SUM might well be seen as a viable replacement for the inherent flaws in MPS basing.

I might add for the record that this testimony was followed by a Department of Defense study on SUM which rested on a substantial lack of technical information, and which drew conclusions against SUM from this insufficient data that were often highly exaggerated and, in some cases, probably false.

I ask that a recent article on the unsuccessful effort to discredit SUM be printed in the RECORD. I also request that a detailed response by Dr. Sidney Drell to the Department of Defense study of SUM be printed in the RECORD.

The material follows:

ATTACK OF THE ATOMIC TIDAL WAVE: SIGHTED S.U.M., SANK SAME

(By Bill Keller)

On March 25, the Defense Department dramatically disclosed in public one of the ghastly secrets of modern nuclear strategy. Testifying before a House subcommittee, Pentagon officials revealed that an enemy could barrage our coastal waters with nuclear warheads timed to explode under the ocean, creating an immense tidal wave. ("I can't tell you how big," a Pentagon PR man later confided in a hushed voice, "but it starts out at a height not unlike that of the Empire State Building.") This great breaker, called the "van Dorn effect" (after the Defense Department scientist who discovered its potential), would destroy all vessels in its path and, incidentally, smash coastal cities into so much driftwood.

It was an uncharacteristic performance for the Pentagon, not an organization famous for its dedication to the public's right to know the latest military secrets. In fact, the van Dorn effect was precisely the sort of secret you might expect the generals to want to keep, on the off chance the Soviets hadn't heard of it. But, as the hearings wore on, it became clear that our top defense planners had come to believe they had little choice but to reveal the secret in all its terrifying details. It was the only sure way to eliminate what they perceived as a threat to America's two most expensive nuclear weapons—the Trident submarine and the land-based MX missile. The threat was a new weapon, superior in many ways to anything the Pentagon was building; it was cheaper, more effective, and invulnerable. This was no time to worry about the Russians—Congress was talking about building small submarines.

SUB FOR A HERO

The threat had been present for decades, ever since we began putting our nuclear missiles to sea in subs. Lying in wait under the seas, the submarines could survive any nuclear exchange—for the simple reason that they would be virtually impossible to find—and after the attack they could deliver their warheads to any point in the U.S.S.R.

The logic of the missile-carrying subs had always seemed to lend itself to a philosophy of "small is beautiful," at least to a minority in the defense establishment. They would trot out arguments like Lanchester's Law, which holds that if you have twice as many weapons, they need only to be one fourth as effective. Since the virtue of subs was that they were hard to track down, it followed that many small subs would be preferable to a few large ones. The fact that small submarines are easier to hide (they present smaller profiles to enemy sonar) seemed to strengthen the case. To military laymen—and I am certainly one—the idea has an obvious simplicity and appeal that is almost irresistible.

But it was not an idea that ever held much sway with Admiral Hyman Rickover. Rickover wanted submarines that could range the world, fast and deep, staying submerged for long periods without the need to refuel. That meant nuclear-powered submarines. And once you've decided to build your ship around a nuclear power plant, Rickover argued to a receptive Congress, you might as well go for economies of scale and load the thing to the gunwales. Under Rickover's guiding hand, each generation of subs got bigger, fancier, and fewer; the contracts to build them got less competitive and more expensive. First came Nautilus, then Polaris and Poseidon, and finally the masterpiece of the Rickover mentality, a self-contained, 24-missile, 240-warhead submersible fortress the size of the Washington monument called the Trident. In the early seventies, the decision was made: where there were 41 missile-carrying submarines in service, America's nuclear deterrent would be packed into a dozen of these $1.65-billion monsters.

Meanwhile, as the Navy was committing itself to the Trident, in defiance of Lanchester's Law, the Air Force was running into problems with its leg of the nuclear "triad," the land-based ICBMs. (The third leg of the triad consists of long-range bombers, mostly B-52s.) Soviet missiles were getting accurate enough to "theoretically" destroy the silos containing our Minuteman missiles. The Air Force requested a bigger missile with more warheads, known as the MX, so that whatever survived a Soviet attack could deliver a more crushing counterpunch.

There were, of course, those who questioned this widely publicized concept of "Minuteman vulnerability." To over-simplify, they pointed out (a) that what the Soviets can hit in theory, they've never had to hit in practice and probably couldn't, and (b) they could not afford the risk that we'd empty our silos as soon as the attacking missiles appeared on our radar screens, a maneuver called "launch on warning" or "launch or lose." Surprisingly, many military supporters of the MX, including several whom I have interviewed, agree with this critique: no real military need for the MX, except to bolster America's sagging confidence. Back in 1975, Senator John Culver, then a newcomer on the Armed Services Committee, listened to this argument about "psychological insurance" and suggested the Pentagon could save a hell of a lot of money by just hiring a good PR man. Everyone chuckled, and then Congress gave the Pentagon what it wanted. Congress was so impressed with the Russian threat, in fact, that it decreed the new missiles would somehow have to be made invulnerable. The Pentagon's job was to figure out how.

SCREEN DOORS

By 1978, this issue of ICBM invulnerability was the hottest subject in the field of weapons research, and it was chosen as the topic for a three-week summer study session of about 40 academic scientists and Pentagon advisers known as the Jason Group. Among the group's members is an IBM physicist and Harvard professor named Richard Garwin. Garwin is regarded as a little quirky by the military establishment. He once proposed a cheap defense system for missile sites which involved simply blowing up trenches full of ball bearings and scrap metal in the face of onrushing enemy missiles, sort of a Popular Mechanics Anti-Ballistic Missile. (The idea did not strike the Pentagon as . . . well, sufficiently military.) But Garwin is an acknowledged genius in the field of weapons systems, and the Pentagon is willing to pay for his ideas, maintain his access to classified material, and tolerate his creative eccentricities.

The more Garwin and his think-tank colleagues thought about the alternatives to the Minuteman, the more one alternative began to look extremely attractive. It was the alternative that Rickover had vetoed—the small submarine. At the end of the session, the Jason Group sent the Pentagon a secret paper on what they called the "water-based MX." The proposal looked so promising that they chose to spend the next summer's session refining it.

The idea was simple: take a fleet of little, diesel-powered, no-frills submarines—say 100 of them. Strap to either side a tube containing a missile. When the tube is released, it bobs to the surface and fires, and the missile is steered to its target by a combination of satellite and on-shore guidance systems. The missile would have all the accuracy and firepower of the MX—it could, in fact, be the same missile—with an added virtue that no land-based system could hope to achieve: the ability to hide in the quarter-of-a-million miles of water close to our shores.

The Jason Group picked out a small German submarine that could be modified for their purposes. About 160 feet long, weighing 450 tons, and carrying a crew of 15, each vessel is one-fortieth the size of a Trident, and would cost around $30 million to build. The group then developed (on paper) the communications and guidance systems it would need. They christened their baby SUM (for Shallow Underwater Mobile) and sent their study to the Pentagon, along with Garwin's arguments that SUM would be far cheaper, would have greater strategic value, and would create none of the environmental problems of the alternatives being considered by the Air Force.

Those alternatives did present quite a contrast to the Jason Group's thinking. Where SUM was simple, the Air Force had proposed, and then discarded, a series of grandiose, complex schemes for making a land-based MX missile a moving target. Eventually they settled on the now-familiar "racetrack" system, in which each missile is to be tucked under the skirts of a huge metal shield-on-wheels and driven around a 15-mile oval of heavy-duty road, pulling up at a series of 23 hardened concrete shelters and secretly depositing the missile in one. The Air Force plans 200 missiles, chugging around 100 racetracks, connected by 10,000 miles of road, and occupying, by conservative estimate, about 8,000 square miles of land in the desert valleys of the American Southwest. As for cost, the Air Force estimates a tidy $37 billion.

The Jason Group wasn't convinced. Richard Garwin felt it was an "open question" whether the SUM system was superior to the Navy's Trident—open, because it had never been thoroughly studied. But he had little doubt that SUM stood up as an alternative to the racetrack MX. In fact, he estimated that it would cost roughly half as much to have 100 little subs as to have 200 racetracks. And the subs (with two missiles each) could be deployed two to three years sooner.

The Air Force, which was making loud public noises about analyzing every possible alternative for the MX, had to give the Jason Group's plan some consideration. But not much. According to an Air Force official who was privy to ICBM planning at the highest levels, the SUM proposal was treated from the start as a nuisance. The Air Force wasn't about to hand over its prestigious leg of the sacred triad to the Navy; nor was it about to embark on a submarine program of its own. The official characterizes the Air Force's basic analysis like this: "Put some of our missiles underwater? You've got to be out of your mind."

In the Navy, SUM fared still worse, if that was possible. To an even greater extent than the Air Force, the Navy had already set its course in nuclear warfare—the Trident. ("Admiral Rickover told me in the 1960s that the Navy would never again build a non-nuclear-powered submarine," Garwin recalls.) So among the admirals the little sub sank as if it had screen doors. With the Trident eating up a huge share of the Navy budget, nobody was going to propose another strategic submarine. And then there was a more disturbing, unspoken thought; if SUM worked, if the MX missile really could be launched effectively from cheap, undetectable vessels lurking just off U.S. coasts, then who needed the mammoth, globe-girdling Trident? Troubling, indeed, for while by 1979 there were plenty of Navy officers who now wished the Trident program had never been started, none was ready to endorse an alternative that might sink the program in midstream.

"Oh, there were studies," said a former defense official, now a consultant, who was involved in the Pentagon's handling of the issue, "And every one was b---s---. Listen, I've never had a contract yet to study something where I didn't know what the outcome was supposed to be." As Garwin put in, more drily, in a recent paper, "organizations which derive most of their funds in contracts from the United States Air Force or United States Navy are reluctant to imperil their future by accepting modest study contracts whose success may expose to criticism or termination large programs important to their chief sponsors."

COMPARISON SHOPPING

So it was that the small submarine came to be viewed as a threat by the Navy, the Air Force, and the Pentagon. At first, however, it didn't seem like much to worry over. About the only thing it had going for it were the tireless lobbying efforts of Garwin, and the disturbing fact that it can apparently do everything the MX and Trident can do, more effectively, at a fraction of the cost.

There is, for example, the question of missile range. The big advantage of long-range nuclear subs is their ability to maneuver close to their targets. But the same improvements in range and accuracy that allow the Russians to threaten our silos have been applied to our own weapons, to the point where the newest family of Trident missiles will be capable of hitting Moscow from San Francisco Bay. "If the missile gets longer and longer in range, the submarine doesn't need much range at all, does it?" says Michael McGuire, a British expert in maritime and strategic studies (and a small sub advocate), now at the Brookings Institution.

Then there's Lanchester's law. Ever since America plunged into the nuclear sub business, Russia has invested a huge amount of baisc research on ways of tracking down and destroying our subs. Most likely, they haven't found a way to catch a Trident yet—at least that's what the experts say—but it stands to reason that we are making the game a whole lot easier for them by having all our underwater nuclear eggs in twelve Trident baskets. When you realize that the Tridents are easier to spot and easier to track than the Poseidon and Polaris subs we have used until now, it's not hard to understand the urgency of the Pentagon's desire to protect the other leg of the nuclear triad, the ICBMs.

Unfortunately for the Pentagon, the Air Force's chosen ICBM strategy, the "racetrack" MX, is so awesomely flawed that even diehard hawks don't like it. It is hard to know where to begin listing its problems. Not counting its (current) $37-billion price tag, they include:

Resources: In a region perennially short of water, the military wants to dig deep wells and suck up 90 billion gallons over the next two decades—but the Pentagon is not sure that much water is there. If it is, much of it will be mixed with concrete (twice the amount poured into Hoover Dam) that is also in short supply. The project demands enough electricity for a new city of 180,000 people, and nobody yet knows where that is to come from either.

Environmentalists are worried about damage to the 8,000 square miles of land that will be affected by the project, ranchers are worried about grazing access, and city fathers are concerned about schools and sewers for the 14,000 missile operators and their families. (These groups will have ample oportunity to press their case in the courts—under the nine major and dozens of minor laws controlling federal land use—along with the Shoshone Indians who claim much of the land as their own.) Still, none of these concerns would justify blocking the project if we needed it—if it really did remove the threat of Russian nuclear attack. But it won't.

Arms control: For a project designed to accommodate the SALT II treaty (the shelter lids pop open for easy counting of missiles) the system is an arms controller's nightmare. The point of having 4,600 shelters is that the Soviets would exhaust their arsenal in search of our missiles. But if SALT II falls through, the Soviets can simply build many more warheads, in response to which the Pentagon plans to toss up more shelters, and so on in a wild game of nuclear leapfrog. It's a game they win, because they can build warheads faster than we can build shelters, and while they don't have to shoot their warheads at the MX, we can't shoot our shelters at anything.

Vulnerability: The whole fuss is about "ICBM vulnerability," we're told. But the General Accounting Office says it is "an unresolved issue" whether the military can really hide its missiles in this shellgame arrangement. A million pounds of equipment moving around a racetrack gives off noise, radiation, and about 30 other "signatures" that might make it easy for the Russians to pick the right shell. To guard against such detection, the Pentagon may have to cordon off thousands of extra square miles under tight security, which it has promised never to do.

In case the Russians get good at guessing, the system is also supposed to allow the missile, on its transporter, to "dash" from shelter to shelter even after the Russians have launched an attack. But Garwin points out that a Russian missile launched from an offshore submarine could hit the transporter (which "dashes" at 30 m.p.h.) before it had gotten even a quarter of the way around the racetrack. This, coupled with the possibility of future technology—such as the "real time" surveillance of racetracks by satellite during a nuclear war—leads Garwin to assert flatly that "by the time the first MX missile is operational in a racetrack configuration, the racetrack will be regarded as more vulnerable than the Minuteman silos are now."

THE HAWKS SQUAWK

These were troubling questions, all right, but not too troubling—because, as long as no one except the Jason Group was seriously proposing SUM as an alternative to the land-based MX, they might never have to be answered. The Pentagon could count on reactions like the one I heard from a senator's defense adviser: "The racetrack is screwy. It's unpopular. It's expensive. But what else is there?" And in the fall of 1979, most of the Senate's "doves," resigned to the need to buy off the critics of SALT with whatever form of MX they wanted, weren't wasting much energy looking for practical alternatives.

The small sub did find one advocate, in Senator Mark Hatfield. From the Pentagon's point of view, Hatfield was a near-ideal choice to be SUM champion. On defense matters, most senators defer to the "experts" on the committees governing military affairs. Occasionally a member of these committees might propose an idea the Pentagon doesn't like and succeed in having it adopted—but such proposals stand little chance if they come from one of the liberal members of the committees, like Gary Hart. They have almost no chance if they come from Mark Hatfield, who is not on the Armed Services Committee, and who is about as close as you'll get in the U.S. Senate to a genuine pacifist.

Still, Hatfield was a member of the Appropriations Committee, through which any money for the racetrack would have to pass. And he was, as they say, doing his homework—collecting material from Garwin, mastering tongue-twisters like "prompt hard target kill capability." The first sign of trouble came when Hatfield made a motion in the Appropriations Committee to strike the MX budget for the year and fund a full-scale study of SUM. The motion failed, but the vote was 15 to 9—too close for comfort, even if Hatfield's support was "soft" and his proposal got only 11 votes from the full Senate when the MX came up on the floor last November. (Instead, the Senate passed an amendment requiring the Air Force to keep its MX options open, which the Air Force has interpreted as meaning only land-based options.)

But there was more danger ahead. It wasn't senators like Hatfield, or the chance that SUM might actually win a surprise vote. It was senators like Paul Laxalt of Nevada and Jake Garn of Utah, and representatives like Utah's Gunn McKay—prominent "hawks" from the Western states where the racetrack complex was to be built. These men could normally be counted on as loyal supporters of Pentagon plans, and, indeed, they were firmly behind the MX missile itself. They were, however, feeling pressure from their constituents. The residents of Utah and Nevada had believed the Pentagon once before, when it said there was no danger of radiation exposure from above-ground atomic tests in the area. They were more skeptical this time, not so ready to accept a plan that would block off their land, drain their water, and disrupt their communities. It was disconcerting to see Garn lecture Defense Secretary Harold Brown about the erosion of popular support for the racetrack, or to see Laxalt and Garn pledge, in a joint statement, "We are more determined than ever to find an alternative to the racetrack basing mode. . . ."

SUM MEETS IRWIN ALLEN

And so the Pentagon, taking no chances, decided to act swiftly against the small sub threat. Quietly at first, in closed-door briefings, defense officials began telling the appropriate committees about the van Dorn effect. Later, when McKay, as chairman of the House Appropriations military construction subcommittee, decided a hearing was necessary to air the alternatives to the racetrack, the Pentagon decided to go public. William Perry, the Pentagon's undersecretary for research, and Seymour L. Zeiberg, deputy undersecretary for strategic systems, went before the McKay committee and testified, in graphic detail, how nuclear explosions in shallow water would ricochet off the ocean floor, creating the vast wave that would demolish any small vessel. "It would simply turn over a submarine and destroy it," said Perry. During a break in the hearings, Zeiberg confided to Washington Post reporter George C. Wilson that the Defense Nuclear Agency "had conducted exhaustive studies on underwater explosions, studies that the advocates of the coastal submarine did not know about." Wilson dutifully reported this information to his readers the next day, in an article headlined "Pentagon Gives a Picture of Tidal Assault on Subs." Later, for some lawmakers, there was a film illustrating the tidal wave's effects with the scale models used to depict similar calamities in disaster movies. As a finishing touch, the Defense Department hinted at an uncirculated report on SUM that had raised questions about its durability and cost.

When I talked with congressmen and their staffs after the tidal wave story had hit the papers, it was clear that the military's gamble had worked. One senator's aide, who had previously been interested in the small submarines, shook his head and muttered, "It's sort of Buck Rogers, but that damn van Dorn effect has got to be reckoned with." Over at the Pentagon, officials seemed as proud of their little revelation as if they had just bagged a brace of Soviet ICBMs.

There was just one potential cloud on the military horizon, which is that Garwin and his allies had answers to the doubts the Pentagon was now raising. The van Dorn effect? They had reckoned with that one last summer, when it was still a secret. They had, in fact, read the secret studies that Zeiberg revealed to the Post. And their answer had been simple: The van Dorn effect only applies to the shallow waters of the continental shelf. Off the East Coast, this underlip of the North American continent juts out an average of 50 miles, and in some places up to 200 miles. Off the West Coast, where coastal mountains plunge deep into the sea, there is hardly any shelf at all. All that the small submarine needs to do to avoid Russian-made tidal waves is slip out beyond the continental shelf, where even if the Russians decided to sink their arsenal into American waters, they could not hope to destroy more than a fraction of the submarines. And even if you assumed that the subs were "vulnerable" during the time they crossed the shelf going to and from port, they could still spend enough time at sea on their two-week tours of duty to more than match the land-based MX in terms of invulnerability. "In every technical and military respect," declares Kostas Tsipas, an MIT physicist and Jason Group member, "the van Dorn effect is irrelevant to the small submarines."

As for the uncirculated study which purported to show that an effective SUM would cost as much as the racetrack—Garwin had answers for that one too. For example, the study assumes that the bases for SUM will cost as much as bases for the nuclear Trident, despite the fact that small diesel subs do not need the Trident's deep-draft locks or the elaborate facilities to refit its nuclear power plants. The complex maintenance required by the Trident is the major reason why an estimated 50 percent of all Tridents will be out of commission at any given time (which means, remember, only six Tridents at sea)—yet the Pentagon applied the 50-percent figure to SUM's conventional subs, which can be expected to stay at sea for a far higher proportion of their time.

The Air Force knows these things. Perry and Zeiberg, the Pentagon officials who made the March 25 attack on SUM, know them too. Defense officials concede, for example—if pressed—that the van Dorn effect only really applies to the continental shelf. But they are making no great efforts to correct Perry's testimony.

And the van Dorn effect is still the first thing they throw at an inquiring reporter, or anyone else, who expresses some curiosity about SUM. If that doesn't work, of course, they still have other arguments in reserve. As one lieutenant colonel in the Air Force MX public affairs office summed them up:

"Once you get into these small submarines, you have to tell me the Navy's been doing the wrong thing for 30 years."

STANFORD UNIVERSITY,
Stanford, Calif., April 11, 1980.

Hon. JOHN SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SEIBERLING: Thank you for the opportunity to participate with Dr. Garwin in your informal hearing of Thursday, April 13 on the SUM and racetrack basing modes for the MX with Dr. Zeiberg, General Hecker, and other DOD officials and Air-Force officers. It was a useful exchange of views. It has also been exceedingly valuable to have had the opportunity, following our meeting, to study in detail the draft of the report," An Evaluation of the Shallow Underwater Missile (SUM) Concept," dated April 3, 1980 (henceforth referred to as the draft report), prepared by Dr. Zeiberg's office [Office of the Deputy Under Secretary of Defense for Research and Engineering (Strategic and Space Systems)].

I do not believe this draft report provides an adequate basis for the conclusion expressed by Dr. Zeiberg in Thursday's discussion that "there is no particular motivation to be interested in SUM." As the only currently existing DOD report on SUM, it also does not provide a valid basis for the Administration or the Congress to dismiss the SUM basing option. In this letter I wish to provide for the record, as you requested, my response to key statements made in the draft report and by Dr. Zeiberg in last Thursday's discusion which lack an apparent analytic basis. I believe that SUM *is* a promising option for meeting the growing U.S. concerns about survivability of our fixed land based ICBM's.

First, let me say I was pleased to hear from Dr. Zeiberg directly that the van Dorn, or surf zone effect, is irrelevant to the proposed SUM deployment. I hope we will hear no more of that allegation. I am also interested to hear him say that command, control, and communications (C^3) and accurate guidance are not viewed by him as special difficulties or inadequacies of the SUM concept. When we started our JASON study in 1978 these were the two aspects most frequently raised in support of retaining a survivable land based ICBM component of the U.S. strategic deterrent. Indeed, motivated by such concerns, our JASON study efforts of 1978 and 1979 heavily emphasized the development and description of robust C^3 and accurate guidance techniques.

I note that these factors are still occasionally raised in some quarters as drawbacks of SUM. For example, the official Air Force response (by Colonel Richard D. Osborn, USAF, Chief, Systems Liaison Division Office of Legislative Liaison, dated April 1, 1980) to Senator Hatfield's letter of January 29, 1980 to the former Secretary of the Air Force requesting Air Force comments on SUM states: "Operation in deeper water would also diminish the capacity for high confidence C^3 and weapon delivery accuracy." As described in our original proposal, SUM is intended to be deployed, for the major part, in deep water in an ocean band some 200 miles wide off the east and west coasts. Its near coastal deployment in these waters was designed specifically to enhance the technical feasibility of robust C^3 and of good guidance relying on a ground beacon system as well as on NAVSTAR satellites. This is not changed in our proposal, and it is not evident therefore that the Air Force and the Deputy Under Secretary of Defense for Research and Engineering are in full agreement with one another. On the basis of the ideas developed in the 1978 and 1979 JASON studies, I believe the SUM concept suffers no inadequacies or special difficulties with regard to robust reliable C^3 and good guidance. I have seen no analysis to suggest otherwise. I welcome Dr. Zeiberg's agreement on these particular issues. I suggest that it would be valuable to move ahead with detailed design studies of some of the C^3 and guidance ideas advanced in the JASON studies because they may prove to be of substantive value to our Poseidon/Trident forces, as well as to the proposed SUM deployment.

The basic case against SUM is summarized on page 2 of the draft report, which states:

"SUM is unlikely to be cheaper than MX; considerable technical advances have to be invoked to make it comparable to cost to MX (or Trident) type systems.

"SUM is unlikely to be available before the 1990's.

"SUM must operate in deep waters as a short range submarine with no apparent advantage over conventional submarines such as Trident. Therefore, substituting SUM for MX would represent an abandoning of the Triad in favor of a Dyad of bombers and submarines, not the creation of Quadrad."

I searched in vain for an analytic basis for arriving at the second and third of these three conclusions, but found none at all. Concerning the first conclusion about costs, I can only comment that the cost of the MX/racetrack weapon system is itself still, after extensive study, uncertain (see the report by the Comptroller General to the Congress, PSAD–80–29), and too little systems work has been done on SUM to permit it to be costed reliably. As the draft report comments on page 48, "The costs shown for SUM are not of budgetary quality and individual costs must be treated as such." Therefore, it is hard to make any definitive cost comparisons.

However, two observations on costs are relevant. First, let us accept the draft report's design of a fuel cell powered "minimum essential submarine" of 1100-ton presure hull displacement, loading 4 MX missiles. (This size is scaled by the requirement of a four-week mission duration and may, or may not, turn out to be preferable to our JASON report's "point design" of a 500-ton mini-sub loading 2 MX missiles). This means that 25 boats with 100 MX missiles are required on station in order to reproduce the same survivable megatonnage designed in the racetrack deployment of 200 MX missiles (against the projected Soviet threat as limited by SALT II). Given the minimum maintenance requirements for the small submarines and missile capsules and the fact that they are at all times near to their deployment areas, a force of 40 boats would seem fully adequate. However, the cost comparisons in Table V on page 49 are based on a force of 50 boats—i.e., on the assumption of only 50 percent duty cycle for the SUM force. This difference translates into a $2B savings in investment, plus operational savings. On the other hand, additional costs for naval equipment and operations are required to counter potential threats to the SUM boats will presumably be incurred thereby increasing the system costs.

"SUM is unlikely to be available before the 1990's."

Past experience shows that, if we are determined to, we should be able to initiate a SUM deployment well before the 1990's. Let us recall the history of the Polaris project: Less than 4 years were required to proceed from the existence of a nuclear powered atack submarine (SSN) in 1957 (first commissioned in 1955) to a deployed fleet ballistic missile boat (SSBN) in November 1960. Indeed, by the end of 1960, 4 years after initiation of the Polaris project, 2 SSBN's were on patrol and 12 were in various stages of outfitting or construction. Major technical accomplishments during that short period included solid fuel missiles with adequate thrust for a 1200 mile range and the technique for launching missiles from submerged submarines. The hull of an SSN was "cut open" and redesigned in this period to accommodate the 16-tube missile mid-section. The entire nuclear submarine revolution from the 1949 go-ahead given by the Chief of Naval Operations for the Nautilus to the deployment of the first Polaris SSBN boat in 1960 required only 11 years! The SUM system involves nothing like the major technological advances made in developing nuclear subamrines and solid fuel SLBM's. SUM is merely a realization of a concept presented in the STRAT-X study of 1967: encapsulated missiles as in the MX racetrack basing, secure C^3, good guidance accuracy, and integrated crew functions. It is a substantial change in operational concept, relying on large fuel cell propulsion systems, but only a modest advance in technology, including radio inertial guidance improvements. The allegation of SUM availability only by the 1990's is not only unsubstantiated by analyssis, it denies the capacity for our industrial and defense establishments to respond in a timely fashion to national needs. It is reported* that the first response to the challenge to deploy missiles at sea was also that initial deployment would require 10 years. (I am referring here to the original Navy proposal in the fall of 1955 to deploy a modified liquid-fueled Jupiter missile; it projected 1963 as the date for the first submarine launch of the missile and 1965 for initial SLBM deployment.) We proved then that with determined and committed leadership we can do much better. Is there no hope now? The SUM challenge is a very, very much more modest one than Polaris.

"SUM must operate in deep waters as a short-range submarine with no apparent advantage over conventional submarine such as Trident."

The differences between SUM and Trident with respect to ASW lie in three factors:

1. SUM is deployed closer to the U.S. shoreline and therefore in waters under more complete control of the U.S. Navy, with more shore-based assets available for operations against potentially threatening activities by Soviet ships.

2. SUM presents many new targets (from 30–40 boats) to tax Soviet anti-submarine warfare assets.

3. The SUM boats are small, move slowly, and can be designed to be very quiet, avoiding particularly noise generation due to pumps, heat exchangers, fast drive shafts, and the like in the current nuclear submarines.

Further analysis of the operational importance and significance of these factors for the SUM deployment relative to Trident is necessary and has been proposed by us. Indeed, the analysis of these issues should be pursued both by interested and qualified contractors and by technical experts (skeptics and enthusiasts). One appropriate mechanism for performing this analysis is the Office of Technology Assessment of the U.S. Congress.

I have additional specific comments on the draft report as follows: Section 2.1 discussed the Continental Shelf Sitter. This was not proposed as the basing for the SUM system because the available deployment area is too limited. This entire issue was clarified in the letter by Dr. Garwin and myself to Senator Hatfield that appeared in the Congressional Record (S16353, November 9, 1979). In particular, we also never proposed to "sit on the ocean bottom."

The discussion of existing diesel electric submarines was presented by SUM proponents as an exemplar and as a possible very rapid option in response to a request by Senator Hatfield. This is not the basic SUM proposal that we are advocating.

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*The Polaris System Development: Bureaucratic and Programmatic Success in Government, Harvey M. Sapolsky (Harvard University Press, 1972)

It is simply wrong to claim, as the draft report does first on page 2, that "substituting SUM for MX would represent an abandoning of the Triad in favor of a Dyad of bombers and submarines. . . ." The U.S. would still retain a force of some 800 Minutemen under SALT limits.

Finally, let me say that, as a technical man who has been involved in technical issues of U.S. national security for more than 20 years, I realize that it is not always possible to arrive at a good technical answer to every technical problem. I do believe that SUM is a promising basing option that avoids problems inherent in a multiple protective shelter deployment, such as the racetrack, which were emphasized in my letter to you of January 22, 1980 which I submitted as a statement for the record of your subcommittee hearings. However, I also believe that it has yet to be established that SUM is the best solution for the United States to the growing problem of vulnerability of our fixed land based ICBM's. We must do our best—especially in so vital a matter as U.S. national security and in so costly and huge a project where we cannot afford to do otherwise. I am confident that we can do better than the seriously flawed MX racetrack basing concept. I am convinced that the Administration has not been fully responsive to the request by the U.S. Congress that alternatives to a land based multiple protective shelter system be given full consideration. Such an analysis is greatly needed. If there are other implicit political, strategic, or service roles-and-missions issues, aside from straight technical ones, that are of preeminent importance in the ultimate choice of a basing by the U.S., these, too, should be explicitly presented, fully analyzed, and explained in the national discussions.

In the meantime, a judgment must be made as to the desirable pace for proceeding to solve the "Minuteman vulnerability" problem. If it is concluded that it is unacceptable to U.S. national security to further delay a decision on the go-ahead for a new survivable basing system, we still have another option. That is to immediately enhance the Trident force. As Dr. Zeiberg pointed out in our discussion, an additional Trident boat could be deployed by 1986 or 87 if we started on it at this time. This would add approximately 192 survivably based warheads to the U.S. deterrent assuming the deployment of the Trident I missile, although further enhancement of the sea based force with the Trident II is also a possibility in this time frame. Such an increase is comparable to what the entire first half of the racetrack deployment would add to the calculated survivable megatonnage against the Soviet threat as projected under the SALT II limits.

I hope these remarks are of use in your continuing deliberations.

Sincerely yours,

Sidney D. Drell,
Professor and Deputy Director.●

SQUANDERING AMERICA'S TREASURE

● Mr. MATHIAS. Mr. President, for weeks now in committee and in the Chambers of both Houses of the Congress we have devoted much of our time and effort and thought to balancing the Federal budget. Earlier we agreed that, if we were ever to get a handle on inflation in this country, a balanced budget was the place to begin. I pledged myself to this effort and support the decisions necessary to reach the goal.

But as we seek to husband America's financial resources in order to bring inflation under control, let us not forget that we are squandering other American assets in the most profligate ways. The basic assets of any society are its people and particularly its children. As we conserve some assets we must take special care not to waste our human assets, our fundamental investment in the future.

I ask that the accompanying article be printed in the Record.

The article follows:

Some Sad Facts About America's Children

(By Carl T. Rowan)

There I was worrying about the hostage situation in Iran when onto my desk came a disturbing report about millions of Americans who are hostages to poverty, ignorance and the unconcern of society.

The report is about children, and it recently was submitted to President Carter by the U.S. National Commission on the International Year of the Child.

Jean C. Young, commission chairperson, opened her letter to Mr. Carter with this blunt paragraph: "Childhood evokes for most of us images of joy, laughter and play; of bright healthy children surrounded by a warm and loving family. But the harsh realities of life for millions of children not only around the world but also here in the United States contrast starkly with those images."

If you care about what these children will bring to—or do to—America in their adulthood, ponder these "harsh realities":

One child out of six in the U.S. lives in poverty. One-fourth of our children are on Aid to Families With Dependent Children at some time before they grow up.

One million are victims of child abuse and neglect.

Almost 10 million children—one out of six—have no regular source of medical care; some 20 million under the age of 17—one out of every three—have never seen a dentist.

An estimated 500,000 to 750,000 children are growing up outside their homes, in foster, group and institutional care.

One million youngsters run away from home each year for reasons ranging from teen-age rebellion to unbearable living conditions.

Every year, more than 550,000 teen-agers become mothers; most are not ready to take on the responsibility of raising a child.

Almost three times as many youngsters committed suicide during 1977 as did in 1950. Since 1950, the suicide rate has tripled for 15- to 19-year-old boys and has more than doubled for boys between 10 and 14.

Nearly one out of every five 14- to 17-year-olds—5.3 million youngsters in all—have drinking problems.

Thirteen per cent of all 17-year-olds in school today are illiterate, and that percentage does not include dropouts.

Seventy-four thousand youngsters under age 18 are in prisons or correctional facilities.

The situation is even more desperate among minorities and the poor. The mortality rate of children aged 1 to 4 is 70 per cent higher among minority youngsters than among whites. One black or Hispanic child drops out of school for every two who graduate, and four American Indians drop out for every one who graduates.

Even those who do get an education face bleak futures: A young black college graduate has the same chance of being unemployed as does a white high school dropout, and a black high school graduate's chances of working are about equal to those of a white grade school dropout.

Granted, this is the negative picture of America's children. The majority of this country's 60 million youngsters lead whole, healthy lives, says the commission report. But as these figures so dramatically show, too many do not. And, except for the special burdens of the disadvantaged, problems affect children from all sectors of society—rich and poor, suburbs and cities, black and white.

The commission made several recommendations for changes in education, health care, juvenile justice, family support services.

According to news stories, when President Carter received the report, he did not indicate whether he intended to carry out any of those recommendations, but he did pledge that "This is not the end of our country's commitment to young people."

Let's hope not. For we must recognize the urgent need to do more for "hostage" children—whether we have children, are children, know children or simply care about the future of our country and the word.●

AMERICA IS THE SAUDI ARABIA OF COAL

● Mr. BAYH. Mr. President, on Monday, May 12, 1980, the report of the "World Coal Study, Coal—Bridge to the Future," was released. The World Coal Study (WOCOL) has been an international project involving over 80 people from 16 major coal-using and coal-producing countries. This important study was ably and surehandedly directed by its creator, Dr. Carrol Wilson of the Massachusetts Institute of Technology. Dr. Wilson is deserving of our highest praise and acclaim for conceiving the project and for his dedication to the timely completion of this ambitious task. The WOCOL report is a major milestone in the development of the essential details of a strategy to achieve energy independence: greater reliance on coal for domestic energy supplies and as an increasingly valuable export commodity.

At the first meeting of WOCOL held at Aspen, Colo., in October of 1978, the participants outlined the purpose of the study:

> The World Coal Study is designed to be an action-oriented assessment of future prospects for coal. . . . Its objective is to examine the future needs for coal in the total energy system and to assess the prospects for expanding world coal production, utilization, and trade to meet these needs. . . . It will rely as much as possible on available and appropriate analysis performed by others. It will apply its own resources in areas where other satisfactory work is not available and it will undertake its own evaluation of possible coal development strategies. Environmental issues will be given special attention because of their importance in the expansion of the production of use of coal.

It is to Dr. Wilson's credit that the WOCOL report has achieved these aims, delivering to us an outline of what must be done to assure that enough energy is available at reasonable prices to meet the needs of our Nation. We must begin to work now to achieve the very promising news of the WOCOL report. Every day that our Nation remains dependent on expensive and scarce foreign petroleum, our national security is threatened. America is the Saudi Arabia of coal. Coal is the centerpiece of an effective strategy to achieve energy independence. I commend the WOCOL study personnel for their efforts and suggest that all of my colleagues in the Senate and the House of Representatives take their message to heart.

INDIANA COAL CONFERENCE

In my own State of Indiana we generate 98 percent of our electrical energy through coal-burning powerplants. We know what a valuable resource coal is. Last year Indiana produced 28 million tons of coal, but we could have produced 37 million tons with expanded markets. A major finding of the WOCOL report is that America has an enormous export potential for coal. Indeed, the report finds that world steam coal trade will have to increase tenfold to fifteenfold in the next 20 years to support reasonable economic growth. By the year 2000, coal could become America's largest single source of foreign exchange.

Because of these exciting possibilities, I have organized an Indiana Coal Export Conference to be held on June 20 in Evansville, Ind. Other sponsors of this day-long event will be the Chambers of Commerce of Terre Haute and Evansville, the United Mine Workers, and the Mining and Reclamation Council. The U.S. Department of Commerce is cooperating in organizing the program. Other agencies represented will include the Department of Energy, the Export-Import Bank of the United States, and the Department of Transportation. Also in the program will be coal operators with first-hand experience in coal exports and representatives from the major coal companies with operations in the State.

It is our hope that by bringing together coal producers, mine workers, financial experts, business representatives, Government officials and transportation planners we can have a useful discussion of the future development of Indiana coal resources and formulate strategies to expand the coal market—particularly for export. As the WOCOL report emphasizes, effective coalitions must be formed to apply firm and determined pressure toward our objective of seeing America achieve in fact that promise of being the Saudi Arabia of coal.

Mr. President, I ask that two articles discussing the WOCOL report be printed in the RECORD.

The articles follow:

[From the New York Times, May 13, 1980]

COAL AS KING; AMERICANS AS SAUDIS

Coal has a dirty reputation, and rightly so. Mining it kills thousands, scars landscapes and ruins waterways with acid drainage. Burning it pollutes the air, killing thousands more. No wonder that coal gave way to oil as the world's premier fuel—and no wonder that environmentalists have been wary of turning back to coal, no matter how plentiful. But now it seems clear that they, and all of us, had better take another look. Coal may be good for the world and especially good for America.

An internationally sponsored World Coal Study, issued yesterday after 18 months of work, offers a surprisingly upbeat prognosis for expanded coal use in the next two decades. The study contends that oil now costs so much that it is possible to spend heavily to clean up coal and still come out far ahead. And it predicts that coal can compete successfully against oil in export markets. The United States could becomes a "Saudi Arabia of coal exporters."

This is a rosy vision. But if it is even remotely accurate, the old image of coal is clearly wrong. Coal can fill the world's energy gap for at least two decades without threatening major environmental damage.

The central message of the report—compiled by Prof. Carroll Wilson of M.I.T. and experts from 16 countries that produce and use most of the world's coal—is that coal use must be tripled, and steam coal exports increased at least tenfold, if the world is to solve its immediate energy problems. What are the alternatives? Conservation alone cannot contribute enough. Nuclear power is meeting increasing resistance. Solar and other renewable energy sources cannot be developed and widely marketed until about the year 2000. So in the meantime most of the added energy needed for moderate economic growth must come from coal.

That can be accomplished, the report contends, without sacrificing health, safety and environmental protection. The reason: oil is now so expensive that it is economic to clean up coal. The cost of mining, transporting and burning coal in this country, even after applying the strictest environmental standards, is roughly $60 a ton; the equivalent amount of crude oil would cost about $165. That gives coal an enormous price advantage that could be used to meet even stricter environmental standards, if deemed necessary. And the price gap is getting bigger, not smaller.

Coal's greatest environmental threat is thought to be the "greenhouse effect"—the possibility that carbon dioxide produced by burning coal and other fossil fuels might cause catastrophic changes in global climates. On this danger, the Coal Study temporizes. It notes, rightly, that there are many uncertainties as to whether such changes will occur; even if they do, coal may not make much difference. If the effects do prove serious, the report says, coal combustion can be cut back. That seems a reasonable approach—if the world is really prepared to take the necessary control steps at the time.

The export potential for coal is often overlooked, even by the American coal industry itself. The United States has by far the biggest export potential, followed by Australia and South Africa. By the year 2000, coal could become America's largest single source of foreign exchange—not to mention a benefit of incalculable value: greatly lessening United States dependence on imported oil.

The World Coal Study is more upbeat than many previous reports on the potential for coal. But its projections are not outlandish. The goals can be reached through a 5 percent annual growth in coal production, a level that has been met in recent years. The study calls for a prompt start on building the transportation and equipment needed for a large expansion in coal use. It also seeks Government action to speed licensing, stabilize environmental standards and encourage investment. What a small price to pay, in both industry and Government, for shattering the oil cartel's domination of world energy.

STUDY ON COAL URGES TRIPLING OF WORLD USE

(By Joanne Omang)

The world will have to triple coal consumption between now and 2000 if any kind of real economic growth is to be sustained, according to a major energy study released yesterday.

Describing itself as "carefully optimistic," the World Coal Study organization of researchers from 16 countries concluded that enough coal is available and that it "can be mined, moved and used at the most stringent environmental protection standards and at acceptable costs" to accomplish the task.

The only hitch is that key decisions must be made now, before heavy demand begins, because of the time involved in setting up mines, rail lines and shipping facilities, the study said.

The two-volume report, entitled "Coal: Bridge to the Future," was coordinated by Dr. Carroll L. Wilson of the Massachusetts Institute of Technology and involved 38 high government and international corporation leaders.

Wilson directed a 1977 workshop on alternate energy strategies study that predicted recession would accompany reduced Middle East oil output in the early 1980s. "We were too optmistic," he said in an interview. "It's happening now, and at lower oil levels than we predicted."

The new report, Wilson said, shows there is a way out.

It involves major conservation efforts, marshaling of all other available energy resources and a 10- to 15-fold increase in world coal trade. "Without such a coal expansion the outlook is bleak," he said.

To maintain a modest 3 percent annual average growth rate worldwide, world oil exports would have to rise about 4 million barrels per day from the current 26-million-barrel level, the report estimated. Instead, exports are likely to drop to 22 million barrels per day because of growing internal demand or conservation policies in exporting countries.

Tar sands and heavy oil shales offer promise after 2000 but not before; natural gas will require building expensive, time-consuming facilities, and nuclear power is suffering from "political uncertainty" that is delaying new plant construction worldwide, the report said.

Conservation "may well become one of the world's largest energy 'sources'" over the next 20 years but cannot do the job alone, the study continued. Hydropower, alcohol fuels and solar energy along with other "alternative" energy sources will make a growing contribution, it said, but only really come into their own after 2000.

Until then the world must rely on coal, the study concluded.

In fact, where oil supplied two-thirds of the power for economic growth in developed countries during the last 20 years, coal can and should supply that much over the next 20, it said, with oil providing little or none of the economic growth.

This would require a total world increase in coal consumption from 2.5 billion metric tons this year to 6 billion or 7 billion tons by 2000, an annual growth rate of 4 to 4.5 percent, about the same rate as coal use grew during the 1950s, the study said. Reserves are ample, so vast they are "difficult to comprehend," totaling about 250 times the world 1977 production.

But it will take money, about $200 billion over the coming two decades for mining, transport, ports and ships, the study said, and $740 billion for construction and conversion of power plants. Government help will clearly be essential, not only in providing capital but also in smoothing licensing procedures, providing a stable investment climate and setting up believable environmental standards.

The researchers acknowledged that coal's environmental impact is one of its most controversial aspects. However, they said, crude oil at $35 a barrel means that coal can cost up to $165 per metric ton and still be cheaper. Right now, the study said, all environmental requirements on mining, reclamation, emissions and wastes can be met at an average of $35 a ton in Japan, for example, where controls are strict, and the total cost per ton is $80.

"It is likely that environmental concerns or control costs will preclude the development of certain sites or certain coal resources," the study said. "However, there are so many possible sites and resources remaining worldwide that such exclusion will not be a limiting factor to the expansion of coal use."

The only environmental impact of coal about which nothing can be done is a worldwide buildup of carbon dioxide in the atmosphere. Researchers fear this could lead to a "greenhouse effect" that would warm the atmosphere, change the earth's climate patterns and disrupt the growing seasons.

The study acknowledged that coal puts out 25 percent more carbon dioxide than oil, but added, "most [researchers] expect that there are at least several decades to evaluate the carbon dioxide modification issue."●

COAL—BRIDGE TO THE FUTURE

● Mr. HUDDLESTON. Mr. President, on Monday, the very important and encouraging results of a major international coal study conducted by the Massachusetts Institute of Technology were released. The report, entitled "Coal—Bridge to the Future," concludes that coal can provide an impressive two-thirds of the added energy needed to fuel the world's economic growth over the next 20 years, and that "even if OPEC nations decide to hold down oil output indefinitely and the current slowdown in the expansion of nuclear power continues, the coal rich nations—spearheaded by the United States and Australia—can lead the way out of the present energy dilemma."

The report well documents exciting opportunities for the United States to use our vast resources of coal to help improve the world energy situation, end our own reckless dependence on foreign oil, and significantly brighten our balance-of-payments outlook in the process. But as the report's director, Dr. Carroll Wilson, wisely observed—

> This is an optimistic message, but it is not a self-fulfilling prophesy.

We must have an immediate and unwavering commitment to coal use in this country, and that includes a commitment to overcome the unnecessary and counterproductive obstacles which currently keep coal from realizing its full potential.

The New York Times yesterday called Government action to speed licensing, stabilize environmental standards, and encourage investment "a small price to pay, in both industry and government, for shattering the oil cartel's domination of world energy." If we neglect to pay that small price, we will be admitting to ourselves and the world that we lack the resolve to meet the energy crisis head on.

I ask that a summary of the world coal study report and the New York Times editorial of May 1333 entitled "Coal as King; Americans as Saudis" be printed in the RECORD, and I urge my colleagues to give them careful consideration.

The material follows:

WORLD COAL STUDY REPORT

WASHINGTON, May 12.—Coal con provide two-thirds of the added energy needed to fuel the world's economic growth over the next 20 years.

Even if OPEC nations decide to hold down oil output indefinitely and the current slowdown in the expansion of nuclear power continues, the coal-rich nations—spearheaded by the United States and Australia—can lead the way out of the present energy dilemma by tripling world coal production and multiplying exports of steam coal 10–15 times.

This goal is attainable. It will require a 5 percent annual growth in the production of coal, which already provides a quarter of the world's energy—more than any other source except oil. But, it will require early commitments by coal users.

Without unacceptable increases in cost, this additional coal can be mined, transported and used in most areas of the world in conformity with high standards of health, safety and environmental protection by applying available technology.

If this goal is met, global energy problems can be faced with confidence. If it is not met, the world economic outlook is bleak.

There can no longer be any doubt that the world has reached the end of an era in its energy history. Increasing supplies of oil imports, the basis for three decades of unparalleled economic growth, will not be available.

Coupled with vigorous conservation and predictable increases in energy supplies from sources other than oil, coal can bridge the transition from the fading petroleum era to next century's renewable energy. Coal is the only fuel capable of doing this in large enough quantities within the time available.

Unique among nations, the United States has the opportunity with its enormous coal reserves, to break the world's energy stalemate by becoming the Saudi Arabia of coal exporters. Coal could become its largest single source of foreign exchange by the year 2000.

These carefully optimistic assessments are the conclusion of 38 persons holding key positions in governments and private and public institutions in 16 countries around the world. They were organized as the World Coal Study (WOCOL) by Professor Carroll L. Wilson of M.I.T. and worked together intensively for 18 months. Their report, Coal—Bridge to the Future, was released here today and simultaneously around the world by WOCOL country teams.

Professor Wilson is internationally known for organizing and directing the first comprehensive analysis of world energy to the end of the century, the Workshop on Alternative Energy Strategies (WAES). It also consisted of teams from 15 countries, some different from WOCOL. The WAES report in 1977, Energy: Global Prospects 1985–2000, became a landmark when it projected that world oil demand would outstrip supply by 1983 if OPEC nations decided to restrict oil production. Loss of Iran's exports and restricted output by other countries has brought us close to the ceiling in 1980.

The WOCOL project, launched in 1978, is unique among international studies. It is an action-oriented attempt to chart a practical course through the energy obstacles of the next two decades. WOCOL is the first major attempt to examine the requirements against the potential of coal-producing countries to meet them.

WOCOL teams first assembled their data and future projections for their own countries, which produce and use 60 percent of the world's coal and consume 75 percent of the world's energy. They combined these projections with information from other studies to make regional, and finally global estimates.

Major conclusions from the study—in addition to those above are:

World coal reserves are enormous. Technically and economically recoverable reserves are large enough to support 1977 production rates for another 250 years and are 5 times world proven oil reserves. Only 15 percent of these coal reserves would be used by year 2000 even under WOCOL projections of expanded coal use. New reserves are being discovered at a rapid rate.

Because prices of coal are likely to be based on costs, over the long term the present price advantage of coal over oil and gas is likely to increase.

The technology for mining, moving and using coal is well established and steadily improving.

The amount of capital needed to triple the production and use of coal and greatly expand world coal trade is well within the capacity of the world's capital markets.

"WOCOL's conclusions point a way out of the energy dilemma towards more world economic security over the next twenty years," Professor Wilson said in releasing the report. "This is an optimistic message, but it is not a self-fulfilling prophecy. The lead time between signing a contract for the output of a prospective new mine and using its coal hundreds or thousands of miles away in a new power plant can be as much as ten years. The potential bottlenecks in between are numerous. And at almost every step, government approvals have to be obtained.

"The price of delay at any one of these points can be disastrous: too little coal, too late. Time is our most valuable resource. It must be used as efficiently as energy."

World coal production in 1977 totaled about 2.5 billion tons of coal equivalent of which the U.S. produced nearly a quarter.[1] Coal production is highly concentrated. Eighty percent of the world production comes from eight countries, seven of which—United States, China, Poland, West Germany, United Kingdom, Australia and India—were represented by WOCOL teams.

Since 12 of the 16 WOCOL countries are members of the Organization for Economic Cooperation and Development (OECD) and account for 94 percent of OECD's coal production and 95 percent of its energy use, most of the detailed figures in the report are for the countries of the OECD.

The major coal use in the year 2000, as today, is projected to be in electric utilities, which now consume more than 60 percent of total coal. It is estimated that the rapid decline in the use of coal by industrial users will be reversed, particularly after 1985 when such use is projected to grow at 5–7 percent a year, perhaps quadrupling by 2000.

A substantial new coal market as feedstock for synthetic oil and gas plants could develop in the 1990's, the report says, particularly in the United States. Estimates by the WOCOL teams indicate that coal could supply as many as 65 large synfuel plants in the OECD producing the equivalent of 3 million barrels of oil/day by the year 2000.

The United States has by far the biggest potential for exporting coal (350 mtce), followed by Australia (200 mtce) and South Africa (100 mtce). This means that as coal import needs rise much above the capacity of other exporters the bulk of the additional exports will have to come from the United States.

One of the basic assumptions in the report is that conservation will become, over the next 20 years, "one of the world's largest energy 'sources'." WOCOL assigned it such a role, assuming in its projections a 25 percent reduction by 2000 in OECD energy input per unit of economic activity (GNP). This would reduce the amount of increased energy needed by almost as much as the threefold expansion of coal projected in the report.

The health, safety, and environment aspects of coal mining, transport and use were carefully scrutinized, country by country, by the WOCOL teams. These studies showed that by 1979 many countries had adopted detailed legislative and regulatory systems for controlling the environmental, health, and safety effects accompanying increased coal production and use.

With the exception of CO_2, according to the report, "the technology is available to meet these concerns and to comply with the most stringent of the current environmenal standards in each WOCOL country at costs that leave coal competitive with oil at mid-1979 prices in most areas." This conclusion applies with even more force today with oil prices that are more than 50 percent higher.

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[1] See the attached explanation of energy units.

"Acid rain resulting from the long-range transport of emissions including those from coal burning is acute in some regions," the report stated, "and may require early actions by nations in such regions." Emission strategies and technologies are available and would be effective in controlling long-distance airborne pollution, but decisions on who pays the costs involved are complex because acid rain usually falls far from the source in distant regions or other countries.

In the United States, the Clean Air Act requires the installation of emission control equipment on all new coal-fired plants. Such standards will allow the expansion of coal use to occur with substantially reduced impact on existing air quality or acid rain conditions. Mr. Douglas Costle, Administrator of EPA in testimony on March 19 said "Existing (coal) power plants on average emit more than 80 pounds of sulfur dioxide for every ton of coal they burn. The new plants covered by our performance standard will produce on average only 12 pounds of sulfur dioxide for each ton of coal burned. Depending upon retirement schedules for existing plants, sulfur loadings will eventually be reduced even with a high level of economic growth."

In this country, therefore, concern about acid rain applies primarily to existing rather than new emission sources, Professor Wilson said. The key issues, he added, appear to be whether the problems associated with acid rain warrant the cost of retrofitting modern emission control technology on old plants or their early replacement, and who pays the cost.

WOCOL members concluded that the present knowledge of carbon dioxide effects on climate "does not justify delaying the expansion of coal use." The WOCOL members said that their finding is consistent with the authoritative statement on the carbon dioxide question issued by the World Climate Conference in 1979, which said:

> The causes of climatic variations are becoming better understood, but uncertainty exists about many of them and their relative importance. Nevertheless, we can say with some confidence that the burning of fossil fuels, deforestation, and changes in land use have increased the amount of carbon dioxide in the atmosphere by about 15 percent during the last century and it is at present increasing at about 0.4 percent per year. . . . It is possible that some effects on a regional and global scale may be detectable before the end of this century and become significant before the middle of the next century. This time scale is similar to that required to redirect, if necessary, the operation of many aspects of the world economy, including agriculture and the production of energy.

Professor Wilson, who directed one of the earliest international studies on climate change, A Study of Man's Impact on Climate (1971) noted, in releasing the report, that the WOCOL studies provide some basis for optimism about the time scales of possible future problems from CO_2 buildup.

The World Coal Study projections, he said, imply a reduction in the rate of growth of energy-related CO_2 emissions of about 50 percent. This slowdown in the growth rate, he explained, results in part from the strong conservation assumptions built into the WOCOL projections, which lead to a corresponding reduction in the rate of growth of fossil energy use and thus of CO_2 emissions.

The members of the U.S. WOCOL team are: Thornton F. Bradshaw, President, Atlantic Richfield, Co.; Gordon R. Corey, Vice Chairman, Commonwealth Edison Co.; W. Kenneth Davis, Vice President, Bechtel Power Corp.; Pierre Gousseland, Chairman and Chief Executive Officer, AMAX Inc.; Prof. Robert C. Seamans, Jr., Dean, School of Engineering, M.I.T., and former Administrator, Energy Research & Development Administration (ERDA); Russell E. Train, President, World Wildlife Fund—U.S., and former Administrator, Environmental Protection Agency (EPA).

The other participants range from the director of a university institute of energy economics in West Germany, to the chairman of Britain's National Coal Board, the deputy general manager and director of a large Australian corporation, to the joint secretary of India's Ministry of Energy. Eight WOCOL members were also members of WAES, including the chairman of Japan's Economic Research Center, who resigned from WOCOL last November to become Foreign Minister of Japan.

COAL—Bridge to the Future is being published by Ballinger, a division of Harper & Row, and will be available tomorrow in bookstores around the world. Next month, Ballinger will publish a second volume—Future Coal Prospects: Country and Regional Assessments—which contains the full text of the comprehensive country studies by WOCOL teams in the 16 nations participating in the study as well as assessments for other regions of the world.

ENERGY UNITS

Throughout this report we have used the unit *mtce* or *million metric tons of coal equivalent* as our standard measure of coal and energy use. This measure is based on the conventional unit of a *ton of coal equivalent* (tce), which is defined as a metric ton (2,205 pounds) * of coal with a specific heating value (7,000 kcal/kg or 12,600 Btu/lb).

Coals vary significantly in heat content, and most coals have a heat content of less than 12,600 Btu/lb. For this reason more than 1 metric ton of coal is often required to produce the energy content of 1 tce. In this regard it is important to recognize that it is physical tons that must be mined, transported, and burned or processed. The table below indicates the conversion factors from 1 tce to physical tons of coal of various calorific contents. In terms of oil equivalences, 1 tce converts to 0.65 tons of oil equivalent (i.e., 1 toe=1.55 tce) and to 4.8 barrels of oil.

Conversion factors for coals of various calorific contents

Type of coal, typical calorific content, and quantity equivalent to 1 tce:

Bituminous, 12,000 Btu/lb, 1.05 tons.

Subbituminous, 9,000 Btu/lb, 1.4 tons.

Lignite, 7,000 Btu/lb 1.8 tons.

One mtce provides 27.78 trillion (10^{12}) Btu's of energy. The following table provides an illustration of the amounts of energy provided by various quantities of coal.

Illustrative scaling comparisons for various quantities of coal

Quality of coal and indicator of amount of energy provided:

2 mtce—Annual primary fuel requirement for a 1,000 MWe electric power plant if it operates at a 65 percent capacity factor and generates 5.7 billion kWh per year electricity.

5–7 mtce—Annual coal feedstock requirement for a 50,000 barrels per day synthetic liquids plant or a 250 million cubic feet per day synthetic gas facility.

34 mtce—Amount of energy provided by 1 exajoule (10^{18} joules).

76 mtce—Amount of energy supplied annually by 1 million barrels per day of oil.

100–140 mtce—Annual coal feedstock requirement for production of 1 mbdoe synthetic liquids.

Comparison of the costs of various types of fuel is complicated by differences among the costs of fuel supply/delivery/use systems, by variations in fuel use efficiencies, and by the quality characteristics of different fuel types.

The table below shows the costs of several fuels that are equivalent, on a calorific (Btu) basis only without accounting for the above differences, with oil at three price levels—$20/barrel, $30/barrel, and $40/barrel. For example, the table shows that coal at $142/tce is equivalent on a Btu basis to oil at $30/barrel.

Cost of coal, natural gas, and heat that are equivalent to various oil prices

	Oil price		
Fuel type	$20 barrel	$30 barrel	$40 barrel
Coal ($ per tce)	$95	$142	$190
Natural gas ($ per thousand cf)	3.30	5.00	6.60
Heat ($ per million Btu)	3.40	5.10	6.80

COAL AS KING; AMERICANS AS SAUDIS

Coal has a dirty reputation, and rightly so. Mining it kills thousands, scars landscapes and ruins waterways with acid drainage. Burning it pollutes the air, killing thousands more. No wonder that coal gave way to oil as the world's premier fuel—and no wonder that environmentalists have been wary of turning back to coal, no matter how plentiful. But now it seems clear that they, and all of us, had better take another look. Coal may be good for the world and especially good for America.

An internationally sponsored World Coal Study, issued yesterday after 18 months of work, offers a surprisingly upbeat prognosis for expanded coal use in the next two decades. The study contends that oil now costs so much that it is possible to spend heavily to clean up coal and still come out far ahead. And it predicts that coal can compete successfully against oil in export markets. The United States could become a "Saudi Arabia of coal exporters."

This is a rosy vision. But if it is even remotely accurate, the old image of coal is clearly wrong. Coal can fill the world's energy gap for at least two decades without threatening major environmental damage.

The central message of the report—compiled by Prof. Carroll Wilson of M.I.T. and experts from 16 countries that produce and use most of the world's coal—is that coal use must be tripled, and steam coal exports increased at least tenfold, if the world is to solve its immediate energy problems. What are the alternatives? Conservation alone cannot contribute enough. Nuclear power is meeting increasing resistance. Solar and other renewable energy sources cannot be developed and widely marketed until about the year 2000. So in the meantime, most of the added energy needed for moderate economic growth must come from coal.

That can be accomplished, the report contends, without sacrificing health, safety and environmental protection. The reason: oil is now so expensive that it is economic to clean up coal. The cost of mining, transporting and burning coal in this country, even after applying the strictest environmental standards, is roughly $60 a ton; the equivalent amount of crude oil would cost about $165. That gives coal an enormous price advantage that could be used to meet even stricter environmental standards, if deemed necessary. And the price gap is getting bigger, not smaller.

Coal's greatest environmental threat is thought to be the "greenhouse effect"—the possibility that carbon dioxide produced by burning coal and other fossil fuels might cause catastrophic changes in global climates. On this danger, the Coal Study temporizes. It notes, rightly, that there are many uncertainties as to whether such changes will occur; even if they do, coal may not make much difference. If the effects do prove serious, the report says, coal combustion can be cut back. That seems a reasonable approach—*if* the world is really prepared to take the necessary control steps at the time.

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*A metric ton is 10 percent heavier than a short ton (2,000 pounds), the unit commonly used in the United States.

The export potential for coal is often overlooked, even by the American coal industry itself. The United States has by far the biggest export potential, followed by Australia and South Africa. By the year 2000, coal could become America's largest single source of foreign exchange—not to mention a benefit of incalculable value: greatly lessening United States dependence on imported oil.

The World Coal Study is more upbeat than many previous reports on the potential for coal. But its projections are not outlandish. The goals can be reached through a 5 percent annual growth in coal production, a level that has been met in recent years. The study calls for a prompt start on building the transportation and equipment needed for a large expansion in coal use. It also seeks Government action to speed licensing, stabilize environmental standards and encourage investment. What a small price to pay, in both industry and Government, for shattering the oil cartel's domination of world energy.●

DEATH OF ROBERT J. NORTHERN

● Mr. HATFIELD. Mr. President, it is my sad duty to announce the death of Mr. Robert J. Northern, who for 30 years was an employee in the Senate Disbursing Office.

Jerry Northern came to the Senate in 1946. In a position of great care and responsibility, he was diligent, authoritative, and helpful. By reputation and practice, he reflected high credit upon himself and the institution he served.

Jerry Northern will be remembered as a man of broad intellectual capacity and great personal cheer. All those who had the privilege to know him mourn his passing and extend sympathy to his loved ones.●

U.S. STRATEGIC BALLISTIC MISSILE SUBMARINE INVULNERABILITY AND PROJECT ELF

● Mr. LEVIN. Mr. President, over the course of the past few months our colleague from New Hampshire, Senator HUMPHREY has addressed this body regarding the strategic nuclear balance between our country and the Soviet Union, and about what he sees as an urgency for the President to decide to deploy a proposed extremely low frequency (ELF) submarine communications system known as Project ELF.

Our colleague has stated that unless we deploy Project ELF immediately, the strategic ballistic missile submarines (SSBN's) which form the foundation of our nuclear deterrent will become increasingly vulnerable to Soviet antisubmarine warfare (ASW) forces.

I disagree with my colleague's statements and hope that neither the American people nor the Soviets misunderstand what actually is the real nature of the strategic balance and of the continuing invulnerability of our strategic ballistic missile submarines.

As a member of the Committee on Armed Services, I can report to the Senate, to our constituents who look to us to preserve our national security by our votes on the defense budget, and to our potential adversaries who might be wrongly encouraged to challenge us, that the overwhelming body of expert testimony before our committee for the past 2 years supports exactly the opposite conclusions as those reached by Senator HUMPHREY.

While we must conduct an appropriate modernization program to maintain and improve our enormously capable, flexible and powerful strategic nuclear forces, our present Triad remains a strong and viable deterrent and defense against Soviet nuclear aggression of nuclear blackmail.

Both the Secretary of Defense, Dr. Harold Brown, and the Pentagon's top scientist, Dr. William J. Perry, Under Secretary of Defense for Research and Engineering, have testified that, contrary to Senator HUMPHREY's assessment, this situation will continue throughout the 1980's—including the early period of the decade which some have erroneously referred to as the "window of vulnerability."

Doctor Brown, who has been connected with our nuclear weapons programs since almost their very beginning has stated that, even considering the hypothetical Soviet threat against our ICBM's before the MX is deployed, the Soviets could not gain political or military advantage. He stated:

> In 1985, our bomber and submarine force will be far more capable than today, and far more capable than the corresponding Soviet force.
>
> In 1985 the U.S. would have a range of devastating responses open to it were the Soviets to run the enormous risks of an attack on our ICBMs. It bears emphasizing, because it is so often ignored, that even after a total loss of Minuteman missiles, we would not face the dilemma of surrender by inaction or mutual suicide by an all-out attack on Soviet cities and industry, provoking an equivalent attack on ours. We would instead have surviving bomber and submarine forces still fully capable of selectively attacking military, economic, and control targets, thus negating any gain the Soviets might imagine they could attain by an attack on our ICBM force.
>
> In the aftermath of an attack on U.S. ICBMs, the remaining Soviet ICBMs would not be in sanctuary. Our ALCMs in surviving bombers would have the accuracy, numbers, and ability to penetrate defenses sufficient to allow us signficantly to reduce the residual Soviet ICBM force. The time for cruise missiles to arrive on target would be longer than the time for ICBMs to arrive, but that element of difference is only one among many factors in determining the balance.
>
> All these facts being true, the Soviets could not hope to gain political or diplomatic leverage from their advantage in a narrow area—ICBM vulnerability.

Dr. Perry specifically rejected Senator HUMPHREY's contention that we are strategically inferior to the U.S.S.R.

Second, there has been extensive and conclusive testimony from the Navy's top submarine admirals, from the Navy's top scientist, and from the General Accounting Office, that our SSBN's are invulnerable now and are expected to remain so through at least the next 10 years, despite the many billions the Soviets spend on antisubmarine warfare (ASW) research.

This assessment, I might add, refers to our ballistic missile submarines (SSBN's) using their present communications systems which Senator HUMPHREY considers so threatening and which ELF is intended to augment.

I have repeatedly pressed our Nation's top military and civilian defense officials about both the Soviet (ASW) threat and what role our present submarine communications systems play in increasing or reducing this threat.

This is because the Navy has justified the Project ELF system as less threatening to our SSBN's than present systems because it does not require these submarines to deploy a floating wire antenna at the surface or a towed buoy antenna between 12–40 feet below the surface, which in turn impose speed and depth restrictions on our missile submarines. Senator HUMPHREY has referred to this same justification repeatedly.

Last year, Rear Adm. Jeffrey C. Metzel, Jr., Director of the Antisubmarine Warfare Division of the Office of the Chief of Naval Operations reaffirmed the Navy's conclusion that the Soviets have not had a militarily significant return on their heavy investment in trying to counter U.S. submarines in the open ocean areas where our SSBN's operate.

I asked Admiral Metzel whether he agreed with the following two excerpts from the Chief of Naval Operations publication entitled "Understanding Soviet Naval Developments":

> Although they have expanded considerable resources in recent years on antisubmarine warfare including an intensive ASW research and development program the U.S. Navy's leaders do not believe that the Soviets have resolved the problem of locating a large number if nuclear-powered submarines on the high seas with a high degree of probability. This task becomes progressively more difficult as longer-range missiles become available to permit submarines to operate in much larger areas of ocean and still remain within range of their targets.

The admiral stated his agreement.

I want to underscore the Navy's conclusion that the Soviet ASW task "becomes progressively more difficult as long range missiles become available to permit submarines to operate in much larger areas of ocean and still remain within range of their targets."

This is exactly how we intend to greatly complicate Soviet ASW efforts, Mr. President—by deploying the new, much-longer range Trident missiles in our existing Poseidon and new Trident submarines. The new Trident boats, because of technological sound dampening advances in which our Navy excels and due to their increased size, which permits incorporation of more "quieting" techniques, also will be significantly more quiet than our Poseidon and Polaris SSBN's and certainly more quiet than Soviet submarines.

Since antisubmarine warfare is heavily dependent on sound detection, our quieting capabilities are a major advantage over the Soviet threat and a primary reason why our SSBN's will remain virtually invulnerable in the foreseeable future.

Let me include in the RECORD here the exchange between Senator HUMPHREY and Vice Adm. Charles H. Griffiths, Deputy Chief of Naval Operations for Submarine Warfare, on April 2, 1980, because I think it is a very enlightening reaffirmation of how well our Navy is doing to maintain the present and future invulnerability of our SSBN's:

Senator HUMPHREY. I understand that one TRIDENT submarine provides the same capability as all 10 POLARIS submarines. However, by replacing the 10 POLARIS boats with the first TRIDENT boat, we are succumbing to a status quo mentality. Is our strategic posture vis-a-vis the Soviets already so good that we can afford not to improve it? Moreover, is one TRIDENT boat more survivable than 10 POLARIS boats?

Admiral GRIFFITHS. One TRIDENT submarine provides a strategic weapons capability greater than that provided by all 10 of the POLARIS SSBNs. Far from maintaining a status quo, we will continue to increase the sea launched ballistic missile force capability with each additional TRIDENT submarine entering the fleet. Moreover, we have already backfitted the more capable TRIDENT-I missile into three Atlantic based POSEIDON submarines and will backfit a total of 12 SSBNs with this missile. The greater range of this missile provides these ships with the increased survivability inherent in the resulting greatly increased operating area and permits these SSBNs to cover potential targets immediately upon departure from their base at Kings Bay, Georgia.

The TRIDENT submarines are built, not with a status quo mentality, but with growth room in the missile tubes to accommodate a future missile with much greater payload and accuracy and thus the capability to destroy hard targets. Additionally, the TRIDENT submarines are built to be much quieter and to have greater evasion capability than the POLARIS or POSEIDON SSBNs, as well as having the flexibility, through growth room, to install countermeasures if future threats develop.

Survivability of SSBNs is a function of individual submarine detectability and total patrol area size. Since TRIDENT detectability is significantly less than that of POLARIS, and the patrol area is of the order of ten times larger than that of POLARIS, the survivability of a TRIDENT force is much greater than that of a POLARIS force.

Admiral Griffiths last year even was able to state that "the delay in the ELF communications system has not impacted on the vulnerability of the present SSBN force."

The General Accounting Office last year, after many interviews with Navy intelligence, communications and submarine warfare experts gave at least five major reasons why Project ELF could not be justified, in its opinion:

First, because of the extensive duplication and reliability of existing systems the Navy uses to communicate with its submarines;

Second, because there is a high likelihood that submarine antennas and other receiving systems will not be detected and therefore, will not endanger the SSBN's;

Third, because SSBN's are "extremely survivable now and will continue to be survivable for the foreseeable future;"

Fourth, because of the limited capability of Project ELF to attack submarine operations and missions, (a secondary Navy justification); and,

Fifth, Project ELF is no more survivable in a nuclear war than existing day-to-day submarine communications systems.

This year before the committee Vice Admiral Griffiths reported that the Soviet ASW threat had not improved since he was before us in 1979, and he said that already programed improvements to U.S. SSBN's, not including ELF, "will provide continued survivability."

I would like to insert the unclassified part of Admiral Griffiths' response to my question into the RECORD here to further demonstrate my point, along with a response from another top submarine admiral, Rear Adm. Robert H. Wertheim, the Navy's Director of Strategic Projects.

Admiral Wertheim, who is in charge of the Polaris/Poseidon submarine and missile programs and of the Trident missile program, also testified that there had been no improvement in Soviet ASW capabilities during the past year:

Senator LEVIN. Since your appearance before this Committee last year, has there been any change in the Soviet threat to our strategic ballistic missile submarines in term terms of greatly improved Soviet anti-submarine warfare capabilities?

Admiral GRIFFITHS. (S) There has been no change in our assessment of the Soviet threat to our strategic missile submarines. We continue to believe that Soviet anti-submarine warfare (ASW) force are not now an effective counter to U.S. SSBNs. We believe that Soviet ASW capabilities will improve, but that introduction of the TRIDENT missile and TRIDENT submarine with the corresponding expanded operating areas and improved acoustic quieting will provide continued survivability.

Senator LEVIN. Since your appearance before this Committee last January, has there been any change in the Soviet threat to our strategic ballistic missile submarines in terms of greatly improved Soviet anti-submarine warfare capabilities?

Admiral WERTHEIM. I am aware of no such change.

Admiral Griffiths also made it clear this year that the present communications systems are not now a threat to our SSBN's.

Furthermore, Mr. President, the Pentagon's top scientist, Dr. Perry, and the Navy's top scientist, Dr. David E. Mann, Assistant Secretary of the Navy for Research and Development, both testified this year that, contrary to Senator HUMPHREY's contention, we still have several years before we must start ELF deployment without decreasing the high survivability of our missile submarines.

Lastly, it was clear after this year's testimony that even if we have underestimated the progress the Soviets are making in ASW, it is highly unlikely that they could catch us by surprise and develop a significant threat to our SSBN's before we could develop appropriate and offsetting countermeasures.

Dr. Perry rebutted Senator HUMPHREY's "surprise breakthrough" contention by stating that we would have several years of warning because of our vigorous programs to monitor, predict and counter Soviet ASW efforts.

In summary, and contrary to my colleague from New Hampshire's statements, there has been no testimony before our Committee on Armed Services which supports a conclusion that the Soviet ASW threat is of a magnitude which justifies the type of decision to deploy ELF, that he is urging.

To the contrary, considering the hundreds of millions of scarce taxpayers dollars which would be required to deploy Project ELF, I believe that our responsibilities to the taxpayers warrant a much more responsible approach.

Such a more responsible approach would consider whether there are more capable alternatives to Project ELF which could be developed and deployed in advance of any potential Soviet ASW threat.

Congress and the President have a responsibility to seriously evaluate alternative ways to meet our defense needs so we can be confident that we are receiving the best national security return on our defense investments.

This is especially so in these perilous economic times, as we try to balance the Federal budget. That is why our committee's Research and Development Subcommittee has tentatively decided to allocate additional funding to investigate a possible Project ELF alternative known as the blue-green laser or "Strategic Laser Communications System."

If the technology develops as it could, we would be able to deploy a much more capable and survivable system than Project ELF and do so still within a timetable to beat a potential Soviet ASW threat.

Senator HUMPHREY apparently rejects a proper investigation into the feasibility of such a system in his haste to deploy ELF.

He claims that such a system may or may not be achievable by the year 2000, may only be able to reach SSBN's operating down to 300 feet, may not be able to penetrate clouds and seawater and will rely on vulnerable satellites.

Again, I must disagree with my colleague.

In part the present assessment of the potential for lasers for strategic submarine communications is quite different than it might have been 1 year ago when the Defense Department was resisting it as an innovative idea and a possible threat to Project ELF.

The blue-green laser communications is not some wild-eyed scheme which was concocted only recently. Four years ago, the basic principles of using such lasers for communications were articulated. Three years ago, the House Armed Services Committee recognized their potential and accelerated funding of an Air Force program to demonstrate by next year a prototype satellite and laser system which could be adapted for blue-green use.

Thus, we are not talking about some "pie in the sky" proposal as Senator HUMPHREY would have us believe by his statements.

This year, scientists within the Defense Department already have drafted a preliminary plan which would deploy a strategic laser communications system more capable and more survivable than

Project ELF well before the year 2000, contrary to Senator HUMPHREY's claims.

Not only could such laser signals penetrate through clouds and seawater well below 300 feet, but such a system imposes no speed or operating restrictions on our SSBN's. Even Project ELF would restrict SSBN depths and speeds, and has another operational constraint not possessed by the laser system—an ELF antenna must be deployed in a certain direction to receive signals. The laser system receives signals from all directions.

Most importantly, a laser system, because it could be more survivable and has faster, higher message volume transmitting capacities, would be able to transmit emergency action messages (EAMS) to our strategic forces during or after a nuclear attack, something ELF cannot do.

Through distant positioning, and redundance, such a laser system would not be vulnerable to a surprise attack by Soviet antisatellite capabilities, again contrary to Senator HUMPHREY's claim.

I would like to insert in the RECORD at this point a brief outline of the growth potential of the strategic laser communications system as drafted by Defense Department scientists.

The outline follows:

STRATEGIC LASER COMMUNICATION GROWTH POTENTIAL

The initial operational capabilities achieved by the deployment of first-generation Strategic Laser Communication (SLC) equipment afford substantial benefits in terms of increased survivability of the ballistic missile submarine force. While this initial capability would be comparable to that offered by the austere version of the Extremely Low Frequency (ELF) concept, SLC offers strong growth potential, which could be efficiently realized, to very high payoff systems. This growth is foreseeable in the areas of data rate upgrade, real-time flexibility, anti-jam capability and—perhaps most importantly—survivability.

Increasing the survivability of any Strategic Communications System impacts heavily on the effectiveness of our nation's strategic deterrence as it allows more carefully considered and flexible responses and greatly magnifies the enemy's problems in attempting pre-emptive action. The increased survivability could come in stages, the first of which would dramatically increase the time or effort required for communications neutralization, thus ruling out surprise as an element of attack. Further increases in survivability would provide continuing strategic command and control during and well after any attack.

Strategic laser communications offer a variety of means of decreasing vulnerability as technology matures and the system grows. The system of satellites would become more difficult to attack through redundancy, increasing orbital distances, quiet reserve satellites in maneuverable orbits and ultimately through active defense. Uplink stations would be made more survivable through replication and redundancy, transportable ground stations, hidden and hardened reserves, and airborne laser uplinks. Further advance could be achieved with the space laser system which could be stationed at five times synchronous altitude and which would require only small and portable microwave uplink stations. Even in the earliest stages, several hours would be required to neutralize the SLC system, resulting in total loss of surprise.

The proposed Strategic Laser Communication System also offers the unique ability to change from wide-area coverage at low data rate to high data rate in restricted areas. This operational flexibility, which cannot be achieved with any ELF System, could support tactical and special submarine operations and could allow timely communications with submarines in the event of emergencies. Further, there is a natural and efficient growth in system capacity to the point of achieving wide area coverage at higher data rates as well as growth to communicating with SSBN's in the Indian Ocean. This would permit rapid Emergency Action Message Transmission and eventually complete operational broadcasts permitting submarines to operate deep and undetectable at all times in all operating areas. Thus, the rapid and random scanning techniques envisioned combined with these high data rates and flexibility offer a unique anti-jam capability. The potential operational payoffs are therefore enormous in terms of our nation's security.

Mr. LEVIN. This more optimistic assessment of strategic laser communications potential is possible this year, Mr. President, because there have been significant, and in part unexpected, advances in laser and optical technology in the past year.

We are spending billions of dollars annually on laser technology throughout the Federal Government, and much of this research is complementary and mutually supporting, even though it all is not coordinated in a single program or directed toward the same goals.

For example, there is the high energy laser weapons work which I know my colleague from New Hampshire supports enthusiastically. Another example is the Air Force's program to develop airborne communications lasers. The Department of Energy is developing lasers in its inertial confinement fusion and isotope separation programs.

Defense Department scientists have reported to me that, since last year, we have made significant progress in three areas key to the development of a blue-green laser communications system:

DOD has made substantial strides in developing efficient lasers of sufficient power to support an initial, ground based approach for the system;

DOD has conducted cloud characterization studies in the heaviest cloud-cover region of the world and has discovered evidence that diffusion and weakening of a laser through such an atmosphere "is well within" what was expected and thus would not interfere with sending signals by a laser of the power contemplated for the system. In fact, DOD has discovered that less powerful lasers would be needed than previously thought; and

The Department of Energy has significantly advanced its research toward developing a space-based laser of the operating lifetime and power required for a blue-green communications system. Progress has been made earlier than expected, which holds out the prospect for reducing system development time.

These developments contradict Senator HUMPHREY's summary dismissal of the potential for the strategic laser communications system.

Finally, Mr. President, I would like to address Senator HUMPHREY's statements 2 days ago connecting improvements in the Navy's TACAMO communications aircraft with Project ELF. He said:

> Well, perhaps we would not need to have such a large fleet of aircraft, and fly them to death if we had ELF. They could be held in reserve for post attack.

Mr. President, I must disagree again. The Navy yesterday reaffirmed to me that there is no direct connection between it and Project ELF.

The Navy stated that TACAMO is a program designed to transmit emergency action messages to SSBN's during and after a nuclear attack, and that at least one TACAMO aircraft is kept continuously airborne, which increases its flying hours, to assure its survivability in a nuclear exchange.

TACAMO aircraft rarely transmit messages during peacetime to avoid detection by the Soviets and only to test the system's reliability, the Navy said. The requirement to improve and augment the present TACAMO fleet stems from the fact that the current aircraft are aging and are less capable of carrying new, heavier communications equipment. Also, we need to procure a certain number of such aircraft to keep one each airborne continuously over the Atlantic and Pacific Oceans, not to perform communications missions which Project ELF could do.

On the other hand, Project ELF would be a peacetime, non-emergency action message system which would transmit to our SSBN's on a day-to-day basis—a vastly different system than TACAMO.

Mr. President, when I began this statement, I said I was concerned that the American people and the Soviet leaders not misunderstand the great strengths in our present strategic nuclear forces as well as the present and projected invulnerability of our fleet ballistic missile submarines.

I hope that the public and the Soviets give serious attention to the statements by our Nation's leading Navy and civilian defense experts which support my conclusions.

To summarize:

Our missile submarines are invulnerable to Soviet threats today, and they are projected to remain this way well into the foreseeable future.

There is no urgency to decide this year to deploy Project ELF, which is a peacetime only, low-message rate, less capable and less survivable communications system than we may be able to develop for improving our links to our missile submarines.

More capable, more survivable, wartime and higher message rate alternatives to Project ELF, such as the blue-green laser communications system, ought to be pursued aggressively to determine their potential before we make a decision to commit ourselves to a less capable ELF system.●

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may have until midnight tomorrow, Thursday, May 15, to file reports.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MESSAGE FROM HOUSE ON HOUSE JOINT RESOLUTION 318 TO BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as a message from the House of Representatives on House Joint Resolution 318 is received, it be held at the desk pending further disposition by the Senate.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 2134

Mr. ROBERT C. BYRD. Mr. President, because of a clerical oversight, S. 2134 when reported from the Committee on Environment and Public Works did not include the words specifying the fiscal year for which funds were authorized. To correct this error, I ask unanimous consent, on behalf of Mr. RANDOLPH, that S. 2134 be reprinted as a star print with the following addition:

On page 3, line 4 add the following words: "for fiscal year 1981" after "$645,000."

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9 a.m. tomorrow morning, and under Senate rule XXII, after passage of 1 hour, the clerk will be directed to establish a quorum, after which the Senate will proceed to vote on the motion to invoke cloture on the bottling bill.

If that vote carries 60 votes, then the Senate will proceed to the consideration of that bill to the exclusion of all other business until action is completed on it.

Also, it is hoped that conferees can complete action on the food stamp appropriations bill tomorrow so that matter will not be left hanging over to Friday.

I expect several rollcall votes tomorrow.

RECESS TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until the hour of 9 a.m. tomorrow morning.

The motion was agreed to and, at 9:26 p.m., the Senate recessed until tomorrow, Thursday, May 15, 1980, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 14, 1980:

DEPARTMENT OF STATE

Francis J. McNeil, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

Theresa Ann Healy, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sierra Leone.

THE JUDICIARY

Carmen Consuelo Cerezo, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico, vice a new position created by Public Law 95-486, approved October 20, 1978.

IN THE NAVY

The following-named rear admirals of the Reserve of the U.S. Navy for permanent promotion in the grade of rear admiral, in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

LINE

William Jewell Gilmore
Joseph L. Loughran
Herbert Marvin Bridge
Samuel Amspoker Cummins
Martin Joseph Andrew
Benamin J. Lehman
Philip Wesley Smith, Jr.
George William Lotzenhiser
James William Gray, Jr.
Donald Sebring Albright, Jr.
Carl August Brettschneider

MEDICAL CORPS

Harold Moser Voth
Matthias Henry Backer, Jr.
Park Weed Willis, III
John Robert Senior

SUPPLY CORPS

Dean Bearchell Seiler
William Alvin Armstrong
Frank James Allston

CHAPLAIN CORPS

Gerald Edwin Kuhn

CIVIL ENGINEER CORPS

Peter Ross Brown

JUDGE ADVOCATE GENERAL'S CORPS

Penrose Lucas Albright

DENTAL CORPS

Frank Hannum Anderson

EXTENSIONS OF REMARKS

HON. TOM BEVILL STRESSES NUCLEAR NEEDS

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. FLIPPO. Mr. Speaker, my distinguished colleague from the Fourth Congressional District of Alabama, Mr. BEVILL, who is chairman of the Appropriations Subcommittee on Energy and Water Development, recently gave a speech to the American Nuclear Power Assembly here in Washington.

Since its content directly affects all of us in this time of energy shortage, I would like to share his remarks with our members:

REMARKS OF CONGRESSMAN TOM BEVILL

It's a pleasure for me to come before you today and tell you that I'm a strong believer in nuclear power. I'm proud of its many beneficial and safe accomplishments in bringing energy to the American consumer. I also realize that many challenges still face this dynamic industry, but they are challenges which will be overcome by American ingenuity teamed with the free enterprise system.

America is facing a severe problem today, which has made itself evident in almost every aspect of our lives. That problem is foreign oil. It has created severe economic problems for the United States, bringing skyrocketing inflation, which has bombarded the American consumer with high prices at every turn.

Purchasing foreign oil at artificially inflated prices has increased the deficit in our Nation's balance of trade payments. It has damaged our foreign policy, confounding an already complex situation. Also, increased costs for foreign oil have forced our military to reduce its expenditures for improvements in our armed forces, weakening our defense capabilities.

These hardships, and more, have been brought about, in large measure, by the selfish actions of the mid-east oil countries, and by America's unhealthy dependence on their oil.

This Nation must stop its dependence on foreign oil. We must move swiftly to other options for our energy production, and the only options technologically and economically feasible today are nuclear energy and coal.

I look to your dynamic and progressive industry to change the gloomy economic picture which foreign oil has painted for Americans. I look for your industry to break our dependence on foreign oil, and create an America which is energy self-sufficient; an America capable of producing its own energy safely, economically and in great abundance. I look for your industry to accomplish the safe and beneficial expansion of nuclear energy production.

Nuclear power holds tremendous potential to reduce our Nation's dependence on foreign oil. A typical 1000 mega-watt nuclear plant, operating at 65 percent capacity, will replace 9.8 million barrels of residual oil per year. The 72 reactors currently licensed, and the 120 plants under construction or on order will save this Nation 4.5 million barrels of oil per day. That means nuclear power could save one-half the foreign oil America is forced to import each day to meet its energy needs.

My calculations show that would save our country $50 billion a year in balance of trade payments, and inflation could be reduced. And America would not be dependent on the unstable Mid-east for nearly half the oil we use each day.

The necessity for increased use of nuclear energy is readily apparent. However, there are those who would say the accident at Three Mile Island was a death sentence for atomic power in the United States. My friends, you and I know that is not true. In fact, because of the events at Three Mile Island, nuclear energy has a much greater chance of being a constructive force for this Nation. The events at TMI riveted our attention on the importance of building safety into nuclear power plants and then insuring their safe operation. That is the only way to do it.

I said I'm a strong advocate of nuclear energy, and I am, and I make no apology for that. But I am an even stronger advocate of safety in the production of energy. We must build greater safeguards into the production of nuclear energy. The plants must be monitored closely at each step, from design through operations. And I know the nuclear energy industry well enough to believe that you want it to be the same way * * * safety first.

One of the greatest challenges the industry faces, however, is the abundance of misinformation in this country about nuclear energy. Recall, if you will, the extensive publicity at the recent NRC hearings in Pennsylvania concerning the cleanup of the damaged reactor at Three Mile Island. That hearing reflected a fear of nuclear power that has spread to many sections of the country.

In fact, the Kemeny Commission cited the loss of public confidence as one of the worst problems the nuclear power industry and its regulators face today. The knowledgeable experts tell us that the risks from nuclear power are small, indeed, when compared to the other risks Americans accept daily. But the industry must do a better job of educating the public about the advantages and safety of nuclear power production.

Americans need to be reminded that nuclear power plants have been operating safely for years in this country. In fact, there has not been one nuclear related death in more than 500 plant-years of operation in the United States. That is a tremendous record of safety, especially when one compares it to other industrial activities.

Nuclear power's safety record is a good one. But that does not mean the industry can rest on its laurels. Rather, it should continue to build more safety into the plants and their operation. And the public should hear the true story about the benefits and safety of nuclear power.

I am proud to come from a region of the country where nuclear power plays a major role in energy production. As Chairman of the Energy and Water Development Subcommittee, I have closely observed the Tennessee Valley. Authority's nuclear power program, which is the largest in the country.

TVA has recognized the need for nuclear energy. And in my opinion their program shows a great deal of wise planning for efficiency, safety and public education. By the mid-1980's, about half of their generating capacity will be nuclear.

TVA currently has three nuclear reactors in operation, one in start-up and 13 additional reactors planned. It is also the first utility in the country to obtain a low-power license from the NRC since Three Mile Island. The license is for its Sequoyah plant in Tennessee. You people know that getting any kind of license from the NRC is a small miracle, in itself.

TVA is serious about nuclear power, and just as important, it is serious about safety and public acceptance. Alvin Weinburg, a founding father of the nuclear age, warned that if people reject nuclear power it will be rejected politically; not because people will actually be hurt, but because they will be scared out of their wits.

TVA is educating its consumers about the benefits of this great source of energy. I am impressed by their efforts to make people throughout the Tennessee Valley comfortable about nuclear power.

Their preeminence in the nuclear energy field imposes a special responsibility on TVA, and one which I believe they have accepted with great concern and a remarkable ability to succeed.

They have moved quickly to strengthen their safety efforts in the aftermath of TMI. Instead of waiting for the Federal regulators at the Nuclear Regulatory Commission to decide what should be done, TVA assumed its responsibility and moved ahead, immediately, on its own. TVA has taken several significant steps which make its nuclear program a yardstick for the Nation.

They have implemented an independent nuclear safety review staff, reporting to the TVA board. This review staff is, in effect, an in-house version of a functioning NRC. TVA has enhanced, what I am told is an already superior operator training program, and provided for improved emergency planning.

To insure additional safety, they tightened their levels of acceptable radiation exposure limits for their personnel. The utility also instituted design changes that will improve operator information and control capabilities at their plants.

They constructed a $20 million training facility near Chattanooga. There in addition to thorough classroom education, power plant operators spend hours in sophisticated control room simulators, which are exact reproductions of control rooms at actual TVA nuclear plants.

TVA Chairman David Freeman recently told me that he views TVA's training facility as being the best in the Nation. In fact, NRC sends its own people there to be trained.

TVA is not the only utility which has taken positive steps toward making nuclear power safe. The industry, as a whole, seems to have acted positively and decisively, without waiting for the foot-dragging NRC to slowly make up its mind about what actions were needed.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The actions include the establishment of the Nuclear Safety Analysis Center, the establishment of an independent Institute of Nuclear Power Operations to increase overall safety in the operation of nuclear power plants, and creation of a new insurance company, Nuclear Electric Insurance Limited, that provides partial protection from the financial impact of an extended outage of a plant, caused by an accident. This will be a great help in reducing the cost to consumers for alternate replacement power during such an outage.

The industry has developed a model emergency response plan to aid utilities in controlling a nuclear emergency.

The utilities also are expanding operator training programs to provide improved understanding of system operation, during both normal and unanticipated sequences.

The list of positive accomplishments for increased safety goes on. But what has the Nuclear Regulatory Commission accomplished in the same time? They have, basically, ceased movement. Frankly I am extremely disappointed with the conduct of this agency. The Nation has billions of dollars worth of investments in new nuclear power plants sitting idle, at great expense to the American public, because the NRC cannot get its act together and make licensing decisions.

Certainly, if there is a justifiable reason for not licensing a power plant, it should not be licensed. NRC's behavior since TMI has been a stereotype of bureaucratic inertia.

Seven reactors have been waiting final commission go-ahead for sometime, forcing costly delays on utilities and ratepayers, alike. Utilities are forced to purchase power rather than produce it.

TVA's Sequoyah plant, alone, could save that utility's ratepayers $10 million a month in lower power bills, but the NRC fails to act.

To date, NRC's lack of leadership has cost TVA customers $50 million in higher rates.

We have to break NRC away from its inaction. Their indecision must be brought to a halt, and progress must be made, for the good of our economy, for the good of our country and for the good of our people.

Together with these industry initiatives, we also need a Federal policy on energy supply that emphasizes the use of our only options available, nuclear energy and coal. Such a policy would enable the utilities to obtain required financial support to permit them to commit to nuclear plants, and it would help to enable the United States to become energy self-sufficient.

Predictability must be returned to the licensing process. Hopefully, we will not have to face a major world confrontation over the availability of oil before we focus attention on nuclear licensing practices.

The industry seems to be doing its job. High standards have been set.

We all know that a nuclear power plant is not just another generating station. The industry has many additional responsibilities imposed upon it with this dynamic form of energy. Thirty-five years ago President Harry Truman said atomic energy was "a new force, too revolutionary to consider in the framework of old ideas." That advice is sound yet today.

As advocates of this vital option of energy production, you are now challenged as never before to insure safety and instill in the public mind a confidence in the competent management of nuclear energy.

You may be assured that I will be working hard in the Congress toward meeting this challenge.●

SUPPLEMENTAL APPROPRIATIONS FOR THE FOOD STAMP PROGRAM

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. JEFFRIES. Mr. Speaker, with the passage today of the fiscal year 1981 supplemental appropriations for the food stamp program, I feel it is necessary for me to explain my vote on both House Joint Resolution 545 and S. 1309 which passed on May 8. I do not normally vote for such huge increases in Government programs, but because of the slumping economy and its effect on those Americans who are on fixed incomes and most especially our senior citizens, I voted in favor of both food stamp bills.

With the panic situation created by both the Department of Agriculture and the Committee on Agriculture, many of my constituents were becoming excessively alarmed over the future of the food stamp program after June 1. Such a pressure-packed atmosphere is not conducive to a rational or objective judgment on the merits of the legislation.

Simply increasing the funding for the food stamp program is putting a band-aid on the symptom of a much deeper problem which is the real reason why the food stamp program is running short of funds. We are all very familiar with the unexpectedly high increase both in the cost of food and in the number of participants. These two facts have mandated the need for additional funds. I am hopeful that with the increased funding, the real reasons for this need will not be pushed into the background. The reason, of course, is the skyrocketing inflation which is taking its heaviest toll against those on fixed incomes and especially our senior citizens. This inflation is caused by excessive Government spending and the failure of the Government to live within its means. The sagging economy is thrusting many previously self-sufficient people on to the welfare roles and of course many of these victims are the elderly.

It would seem unfair for Congress to allow countless thousands to be driven into the food stamp program without at least some effort to correct the conditions which are putting them there. That is the reason behind the bickering over whether or not to increase food stamp funding. Congress needs to turn its attention to providing real economic opportunities for our citizens instead of pursuing policies which are driving lower income groups into increasing dependence on Government welfare.●

A GOOD NEIGHBOR POLICY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SANTINI. Mr. Speaker, mining companies have a responsibility to be concerned citizens in every community where they operate. Company officials, local officials, and residents can derive a sense of pride from working together for the betterment of their community.

Recently the Houston Oil & Minerals Corp. took a first step in promoting their good neighbor policy by offering their assistance in renovating a town park. Silver City, Nev., has a park in the center of town which is in need of landscaping and general improvements. In a letter to the chairman of the Park Renovation Committee, the Houston Oil & Minerals Corp. offers their help in this worthwhile project. I am placing the letter in the RECORD for my colleagues to read.

I commend and congratulate the Houston Oil & Minerals Corp. for taking this first step in becoming a good neighbor:

HOUSTON OIL & MINERALS CORP.,
April 28, 1980.

Mr. DAVID DECHRISTOFORO,
General Delivery, Post Office, Silver City, Nev.

DEAR MR. DECHRISTOFORO: I read in the Mason Valley News about your work as chairman of the renovation committee for the Silver City Town Park. The purpose of this letter is to offer our assistance in this worthy project.

The article mentioned that you need to bring in some fill dirt. Perhaps we can help you do this by using some of our trucks to haul the dirt and one of our tractors to spread the dirt. If some of the playground equipment needs repair, perhaps our welding equipment can be used to help you. If you would accept a contribution for the park renovation fund, perhaps that can be arranged with our corporate contribution committee.

We would welcome an opportunity to participate in this project. If you will allow us to do so, please let me know what help you might like from us and I will go forward from there.

Yours very truly,

ALLEN B. CLUCK,
Manager of Governmental Relations.

CHANGES PLANNED FOR SILVER CITY PARK

The Silver City Town Park, which consists of about two acres of ground in the center of town, will be undergoing some landscaping changes soon.

"We hope to come up with a master plan for the park," said David DeChristoforo, who chairs the park renovation committee, "and get to work on it this spring." DeChristoforo says a paved street, that doesn't exist on the town maps, runs right through the park, and another paved street runs below it.

Trees have been planted and forgotten, and some retaining walls have crumbled. "What we need to do essentially is to draw the master plan," said DeChristoforo, "and then terrace the whole park, and bring in some fill dirt. That would make the ground a lot more usable." Right now the park sits on the side of a hill, and much of it is rocky soil.

DeChristoforo said that the town has about $5,000 in a fund, but there is a dispute as to where that money can be spent. Some say it has to go to putting a bathroom and kitchen in the Fire House and Town Hall, but others say it can go for the park.

"We do know that the money has to be spent before the next fiscal year," said DeChristoforo. "But the main problem right now is that everybody in town is either too busy dealing with Houston Oil and Minerals and their mine proposals, or the new schools for Dayton."●

CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORT: CLARK COUNTY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● **Mr. BROWN of Ohio. Mr. Speaker, the Congressional Youth Advisory Council Committee, composed of students from Clark County, has completed its study in regard to the important issue of whether the general revenue sharing program should be continued. I would like to take this opportunity to share this information with my colleagues in the House.**

Following is the report of the Clark County Committee:

CLARK COUNTY CYAC COMMITTEE

GENERAL REVENUE SHARING

The general revenue sharing legislation of 1972 provided $30.2 billion in permanent appropriations, to be derived from Federal personal income tax receipts, for distribution amoung State and local units of government during the five-year period beginning retroactively on January 1, 1972, and ending December 31, 1976. Under this law, these funds were to be paid automatically to qualifying State and local governing units on a quarterly basis without necessitating annual appropriation action by Congress.

Two-thirds of the $30.2 billion was to be paid directly to "general purpose" local units of government—counties, municipalities, townships, etc.—and had to be spent for any of the following high priority purposes: (1) ordinary and necessary maintenance and operating expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration; and (2) ordinary and necessary capital expenditures authorized by law. The remaining one-third of this total was to be distributed to State governments and could be spent for whatever purpose they considered the most urgent.

Complex formulas governed how much State and local governments received during each entitlement period and took into consideration such factors as the population, extent of urbanization, relative poverty, State personal income tax collections, and the general tax effort of these governmental units.

The primary Federal "strings" attached to this legislation, other than the requirement that local governments must spend their allocation among specified priority categories, were prohibitions on the use of any government's allotment in any way which would discriminate against an individual on the basis of race, color, national origin or sex or to match Federal grants received under other programs.

General Revenue Sharing was originally conceived as a way of sharing the progressive Federal income tax with State and local governments which traditionally have had to depend on more regressive taxes. Its major goal is to disburse Federal funds with minimal restrictions on use, permitting the local decision making process to determine the programs and activities where the money is most needed.

Intended to increase public involvement, the users of General Revenue Sharing funds must hold public hearings where citizens can suggest ways to spend to monies.

USES OF GENERAL REVENUE SHARING FUNDS

State uses

Nine states nationwide (HI, CA, WI, NY, MA, MS, UT, MI, RI) are heavily dependent on General Revenue Sharing compared to the nationwide average. These states are typified by higher welfare and state-subsidized program burdens. The District of Columbia receives the second largest share of GRS money nationwide. Nine others, notably Michigan, Pennsylvania, and Illinois, receive a large portion of the state budgets in GRS; all the above states receive significantly larger amounts of GRS funds than they contribute. The remainder of the States receive approximately the same or lesser amounts than they contribute.

Primary uses the states have for General Revenue Sharing funds include: education, welfare, capital improvements, and pension benefits. But in addition, States utilize GRS for state tax rebates. VT, AZ, IA used all of their GRS allocations for this purpose; Kansas uses more than a quarter of its allocation this way also. Other states periodically offer less, but similar programs.

Municipal and county uses

Municipal uses include salaries, printing, welfare and pension/workman's compensation programs. More than ⅔ of all GRS funds are used in this area, but local GRS funds can and are used for capital improvements.

THE COST

General Revenue Sharing—$30.2 billion dollars distributed nationwide—was envisioned as a return of tax money to allow the taxpayers to determine the use. However, to gain this right, $200 million must be spent to launder the funds through the Washington bureaucracy.

The question arises greater when governors cry for a cut in Federal spending, "but not in my state!" Many of these states offer only an expensive return of funds at the expense of the Federal budget.

RECOMMENDATION

It is the opinion of the Clark County Committee that the General Revenue Sharing program be continued, but with the following changes and conditions:

1. All state funding be eliminated; one-half of the funds be diverted to local GRS.

2. One-half of the total funding for a categoric grants be eliminated; the funds being diverted to broad and block grants.

3. GRS funds may no longer be used for tax rebates; tax cuts must be approved specifically by the Office of Revenue Sharing.

The committee submits the following reasons for adoption of our proposals.

1. States use of monies for tax rebates are self-defeating. The use of tax rebates from GRS costs the taxpayers a great deal. Instead of sending the funds through the Washington mill at the cost of over $200 million in interest alone, the money should just be a tax cut in the first place.

2. If the States were cut out of this program an excess of $10.2 billion could be cut from the Federal budget. In times when an inflation is rampant, we all can see the need for such budget cutting. This is not, however, meant to be interpreted as saying that this should be the only cut by Congress in the budget. If all committees on such Federal programs would follow the example of this committee and cut all such bills in similar ways then it would be with little pain and no tax increase that we could be back in the black.

3. Local communities (cities and counties) have become dependent on the money which they receive from this program. For this reason, these communities would be in serious financial trouble if this program was not renewed. This would cause increased tax burdens on the people of these communities and thus would cause no beneficial economic assistance to the people.

Mr. Speaker, all three of the recommendations were adopted by the full council following debate, with no amendments.●

RABBI HENRI E. FRONT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● **Mr. PATTERSON. Mr. Speaker, on Sunday, June 8, the congregation of the Temple Beth David of Orange County in Westminster, Calif., will join together to honor Rabbi Henri E. Front on the occasion of the 25th anniversary of his Rabbinic ordination. For a quarter of a century, this man has actively served his community and ministered his congregation.**

Rabbi Front has provided moral leadership and direction for the Orange County Jewish community. His personal drive and individual stamina are reflected in his active participation in religious and secular organizations which have dealt with issues of concern to the community. He has personally touched many lives as a teacher, counselor, and rabbi and is held in high regard by those who have worked with him and been served by him.

Rabbi Front is to be commended for his years of service and dedication. He is to be thanked for the active leadership and direction he has provided to the Jewish community and the county in general. We are grateful to him for his commitment and dedication, and for his efforts to preserve the promise and the goals of our Nation and the Jewish community.

The congregation of the Temple Beth David is indeed fortunate to have such a capable and dedicated individual to serve as their rabbi, leader, and teacher, and I urge my colleagues to

join me and the members of that congregation in honoring Rabbi Henri Front for the 25 years of exemplary service he has devoted to his community.●

CAPITALISM—FREE ENTERPRISE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. COLLINS of Texas. Mr. Speaker, America has developed the greatest civilization in history by carrying the spirit of capitalism and free enterprise. Two centuries ago our country was a barren land. And yet, through the capitalism system Americans today own their homes and automobiles, enjoy television and air-conditioning, and take vacations around the country.

Today in the United States this growth momentum has come to a complete standstill. Instead of a country where the people are doing things for themselves, we have an expanding Federal centralization of power. More and more we see the Federal Government with excessive regulations and overloaded bureaucracy taking over our economic system. Today 43 cents out of every dollar goes for taxes to pay for government.

Americans realize we have more government than we want, more regulations than we need, and more taxes than we can afford to pay.

Time magazine has an excellent report on "Capitalism: Is it Working . . .?" This indepth report written by George M. Faber was penetrating and sound. Time asks whether in this age of economic anxiety could free enterprise surmount the problems of energy, inflation, and productivity. The conclusions were sound. Time magazine's story confirms the strength of capitalism and the free enterprise system.

This was a comprehensive report but I want you to review some of the key sections that were pointed out with clarity by Time magazine.

The report follows:

CAPITALISM—FREE ENTERPRISE

From 1948 to 1973, the productivity of American employees increased 2.9 percent annually, thus permitting steadily higher real wages and higher standards of living. Last year productivity dropped .9 percent. The real median income of American families jumped 64 percent from 1950 to 1970, but has crawled up by less than 1 percent a year in the past decade. Weekly real take-home pay has been declining for two years.

In the U.S., federal, state and local agencies in 1929 spent an amount equal to only 10 percent of the nation's total output; last year they spent 32 percent. Fifty years ago, government income-support payments to individuals were 3 percent of the total amount of wages and salaries; last year they had swollen to about 20 percent.

Typical was last year's pay settlement between Chrysler and its employees. At the same time that the company was asking for a fat federal loan guarantee, it agreed to raise the wages of some of the nation's best-paid workers from $60.24 a day to $76.96 over three years. Because both sides at the bargaining table assumed financial help would be coming from Washington, there was less pressure to make a significant sacrifice. It was left to Congress, as a condition for a federal loan guarantee, to force the union to accept a $463 million reduction in the wage package.

Rather than spending billions of tax dollars to clean up the air and water, authorities passed laws obliging companies to spend large sums to do the job. Such federal regulations, which came to 20,000 pages in 1970, swelled to 77,498 pages last year.

In a form of Gresham's Law, bad planning by government drives out good planning by private people. The new Rational Expectations school, led by the University of Chicago's Robert Lucas and the University of Minnesota's Thomas Sargent, emphasizes that government policy initiatives often do more harm than good, creating more inflation than economic growth.

When capitalism took root in the 18th century, religion exercised a strong influence within a rigid social structure. The principles of the new economic system coincided in large measure with those of religious faith. Free enterprise demanded sacrifice and delayed satisfaction in order to build savings as a source of investment funds. Limited consumption and hard work were required to create more capital and more consumption for the future. Self-denial and individual diligence in this life were signs of someone's virtue and even of salvation in the next life. Max Weber labeled this "the Protestant ethic."

Social spending is now by far the largest item in the national budget, amounting to $423.8 billion this year as compared with $145.1 billion for defense. But some well-intentioned Government spending, such as the $8.6 billion annual outlays for the heavily criticized Comprehensive Employment and Training Act (CETA), has created new bureaucracies rather than solving urban problems. Social expenditures have grown so rapidly that they have become a heavy load on a national economy that is growing only slowly.

Wage and price controls are an attractive temptation, supported, according to the latest public opinion polls, by a strong majority of the American public. But they remain fool's gold. Studies show that once mandatory price restraints are removed prices soar as high as or perhaps even higher than they would without any legal restrictions. Virtually all free-market economists, whether liberals or conservatives, reject mandatory controls as ultimately detrimental in fighting the causes of inflation. The real price of oil declined by 50 percent between 1950 and 1970.●

THE SPIRIT OF HELSINKI, VIGIL 1980: THE PLIGHT OF IGOR GUBERMAN

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. FAZIO. Mr. Speaker, it is an honor and a privilege to participate in "The Spirit of Helsinki, Vigil 1980" with so many of my colleagues. I would like to commend the gentleman from New Jersey, Mr. MAGUIRE, for the fine effort he has put forth in coordinating this worthwhile effort to bring the plight of the thousands of politically oppressed Soviet citizens to the attention of this body and the American people.

We are more concerned now than ever about the actions of the Soviet Union. We are concerned because of the blatant disregard for international law and national sovereignty recently demonstrated by the Soviet's invasion and suppression of Afghanistan. We are concerned because the military balance of power is more and more uncertain, and in many of the critical areas of the world such as the Persian Gulf the Soviet Union is assuming a more offensive posture. And, we are all concerned about the continued oppression of Soviet citizens because of their political and religious beliefs and actions. In fact, there is at the present time a systematic effort on the part of the Soviet regime to quell any and all dissidents through any means possible, including imprisonment on false grounds. This mass denial of all civil liberties is deplorable.

Igor Guberman is one such case. He was arrested on August 13, 1979, after having been summoned to the city of Dmitrov near Moscow. He was there under the false pretense of serving as a witness in another investigation. Soon thereafter he was arrested and escorted back to Moscow where his family's apartment was searched. Many books, manuscripts, drafts, and letters from friends in Israel were seized in search, along with two icons from Mr. Guberman's collection.

It was not until almost a month later that Igor Guberman's wife, Tatyana, was informed of the charges being levied against her husband. He was being charged with buying and selling stolen property, the icons, even though the two individuals convicted of stealing the objects denied that they had sold them to Mr. Guberman. Moreover, one of Mr. Guberman's colleagues informed him that KGB agents had offered a substantial payment to provide evidence against Mr. Guberman.

Mr. Guberman, an acknowledged expert in icons and medieval art, has pursued his hobby for many years. The criminal charges brought against him are not only untrue, but they conceal the true reason for this governmental harassment, which is Mr. Guberman's involvement with the underground journal, "Jews in the U.S.S.R.," and his refusal to join with the Soviet authorities in gathering information on the journal.

Clearly, the arrest of Igor Guberman was the product of a contrived set of circumstances to justify removing this outspoken dissident from the domestic scene. As has been pointed out time and time again, the Soviets tend to use the dissident movement to their own political benefit. When the slightest liberation of its emigration policies or civil liberties will gain something substantive in return from the United States, they tend to widen the parameters of acceptance behavior and activity. When there is no discernable benefit to the State, or when the relations between the Soviet Union and the West are especially tense, the Soviet Government feels free to deal with the internal dissension with an iron hand. After all, they justify, United States-Soviet relations could not be any worse.

It is this contention that we must dispute. Relations can get worse if the Soviet Union continues to deliberately disregard the basic and accepted rights of the individual. The Soviets must understand that we include among those basic rights the right to emigrate, as stated in the Helsinki accord which they signed. This is not an agreement to only be adhered to when the Soviet Union chooses. This is a statement about the fundamental, and basic tenets which we as human beings hold dear. And, it is a document whose provisions should be honored by all nations all the time.

Therefore, I urge the Soviet Union to comply with the international conventions which they have signed and free Igor Guberman. We must continue our vigil until all refuseniks and prisoners of conscience are freed and we will.●

RETIRING TEACHERS OF GARDEN GROVE HONORED

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. PATTERSON. Mr. Speaker, each May, as the school year draws to a close, we are reminded of the important role our educational system plays in the development of the young men and women who will be the core of our society tomorrow. The responsibility for providing learning experiences, instilling the basic values of our society and, most importantly, generating enthusiasm about life and living, lies with our schools. The most critical element in making all of this happen is the faculty, that dedicated core of men and women who work daily toward the achievement of these goals.

On Friday, May 30, the Garden Grove Education Association will meet to pay tribute to 26 retiring teachers, men and women who dedicated their lives to working with our young people. It gives me great pleasure to join the California Teachers Association, the National Education Association, and the Garden Grove Education Association in honoring:

John O. Barnes, Bolsa Grande High School; Bob Blurton, McGarvin Intermediate School; Ken Boyce, Wakeham Elementary School; Orrell Cooper, Edgar Elementary School; Gene Gibson, Eisenhower Elementary School; Helen Grant, Newhope Elementary School; Charlotte Hollingsworth, Anthony Elementary School; Elizabeth Hoose, Hare Intermediate School; and Patricia Jackery, Rosita Elementary School.

Mary Legree, Lincoln Adult School; Joyce McMullin, Jordan Intermediate School; Henrietta Meyer, Stanley Elementary School; Dayle Provost, Garden Grove High School; Berna Stelson, Woodbury Elementary School; Shirley Strange, Bolsa Grande High School; Edna Talman, Edgar Elementary School; Peggy Toussaint, Marshall Elementary School; William Vanvorst, La Quinta High School; and Evelyn Vulliet, Post Elementary School.

Lee Walters, Anders Elementary School; Mary Wiley, Rancho Alamitos High School; Shirley Wolford, Walton Elementary School; Elizabeth Woods, Excelsior Elementary School; Alton Morse, Garden Grove Unified School District; Jean Carpenter, Bolsa Grande High School; and Nellie Burchfiel, Rancho Alamitos High School.

From kindergarten through senior year, these teachers have directed and contributed to the development of our children. They have earned our gratitude and our heartiest thanks. I ask my colleagues to join me in paying tribute to these fine individuals and to wish them fulfillment as they reflect on their teaching careers.●

COOPERATIVES HELP FAMILY FARMS SURVIVE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. COELHO. Mr. Speaker, the past several months have occasioned considerable debate on Capitol Hill over the marketing practices of farmer cooperatives. For the RECORD, I include two editorials from the Fresno Bee on this issue.

The opposing view presented by Rich Rominger, director of the California Department of Food and Agriculture, makes a persuasive case for the special nature of these enterprises. I invite my colleagues to read these varying perspectives. It will be especially useful as Congress devotes its attention to this important concern:

THE GIANT CO-OPS

Since 1922 farmers who join together in marketing and promotion cooperatives have been largely exempt from federal anti-trust laws. They can fix prices, jointly advertise and jointly prepare food for market without interference from the Justice Department or the Federal Trade Commission (FTC), which enforce fair competition in other economic sectors. Only the Department of Agriculture has some authority to insure that prices are not, as a result, "unduly enhanced".

This immunity and the Department of Agriculture's special jurisdiction, however, are limited. The U.S. Supreme Court has ruled several times that while farmers are exempt from anti-trust laws when they form a cooperative, the cooperatives themselves are subject to the same rules against monopolies, predatory business practices and unfair restraints of trade as any other business. And the FTC and the Justice Department, the court has ruled, have every right to investigate such violations.

This distinction between the legal price-fixing of the farmers within the cooperatives and the illegal restraints of trade that the cooperatives themselves may be perpetrating on the industry as a whole was not spelled out clearly in federal law: It didn't seem necessary when the co-ops were small and struggling and their purpose was largely to give independent farmers some clout and unity in their dealings with big food processing corporations and grocery chains.

But since 1922, several farm co-ops have grown into big business themselves, controlling as much as 85 percent of their markets. Last year the Justice Department's task force on anti-trust laws found that some of these co-ops had gotten so powerful that consumers, other farmers and, in some cases, co-op members themselves were suffering the same ill-effects from large farm co-ops as from any other non-competitive business arrangement.

Thus, although the FTC was breaking important new ground it was within its rights when it recently began hearings against Sunkist, the co-op that controls 70 to 80 percent of the Western citrus market. The FTC charged Sunkist with monopolistic practices—controlling industry prices, wilfully eliminating competitors and other unfair practices—that exceed the price-fixing allowed by law.

Sunkist, in response, claimed that the FTC has no jurisdiction over cooperatives. And after losing its court battles over this question, it began lobbying Congress for a law that would eliminate the FTC's jurisdiction over all agricultural co-op issues and thus derail the pending case against Sunkist.

Sen. Alan Cranston of California is leading the effort in the Senate to quash the Sunkist case, on the dubious grounds that the Agriculture and Justice Departments are better able to understand an agricultural case than the FTC. But while agriculture may be central to California's economy—as Cranston points out in defense of his attempt to obstruct the FTC hearings—agricultural monopolies are as unhealthy for California and the nation's economy as any other monopoly.

Whether or not Sunkist, in the end, is found guilty of anti-trust violations, Cranston's efforts to help Sunkist come at the expense of consumers and even many farmers—not just because they might prevent a hearing on a crucial anti-trust issue, but also because they undermine the FTC, which has finally, under the Carter administration, begun to actively pursue anti-trust violators. The public interest would be better served by allowing the FTC to conduct its hearing against Sunkist than by allowing Sunkist to lobby itself beyond the reach of the law.

FARMERS DEPEND ON CO-OPS

(By R. E. Rominger, State Department of Food and Agriculture)

Your April 13 editorial attack on farmer cooperatives was no doubt applauded by the 50 food conglomerates who now control 60-70 percent of the American diet and whose marketing power is many times that of the nation's 7,600 farmer cooperatives. But it was very disappointing to the State's small farmers who depend on their democratically owned and run cooperatives for their very survival.

The editorial was titled "The Giant Co-ops"—a misleading label. If all 7,600 cooperatives in the United States were combined into one giant company it would be smaller than either of the nation's two largest companies.

In 1977, the five largest cooperatives had combined sales only one-third the size of those of their five largest food industry competitors. Sunkist, which you specifically singled out as a "giant", wouldn't make the list of the largest 100 companies in the United States, or the top 200, or the top 300. In fact, Sunkist, which is the largest co-op in California, would rank 383 on the 1977 list of top U.S. corporations. Of the nearly 300 cooperatives in California only two others would make the top 1,000.

That the Federal Trade Commission doesn't understand agriculture is not as dubious a proposition as you might think. The FTC spent hundreds of thousands of dollars suing the California Milk Advisory Board for false advertising on the FTC theory that milk was dangerous to the health of many Californians. The case was thrown out by the FTC's own hearing officer, but not before the California farmers had spent nearly a half million dollars furnishing records and defending themselves in a case dragged out over seven years and ending in a marathon 67-day FTC hearing.

You specifically cite the FTC action against the Sunkist growers cooperative. Sunkist has over 6,000 grower members who farm an average of less than 40 acres of citrus. They do not control 70-80 percent of the Western market as you suggest. Rather they market 65 percent of the California/Arizona fresh orange crop, which is no more than they marketed when the Capper-Volstead Act was enacted in 1922. The FTC is alleging that Sunkist is bad because it is big. Congress has expressly stated that in the case of farmer cooperatives size alone is not bad and, as I have noted, Sunkist is hardly a food-processing giant when compared to its food-industry competitors.

What the Bee and the FTC have failed to appreciate is the legislative history and purpose behind allowing workers in the case of labor unions, and farmers in the case of cooperatives, to get together and ask for a common wage or price. Both these activities were violations of the Sherman Anti-trust Act as "price-fixing" until Congress clarified the act with Capper-Volstead for agriculture and the Wagner Act with respect to labor.

Congress correctly realized that to be effective, labor unions and farmer cooperatives had to be free from some anti-trust law restrictions. They also recognized that the balance could swing too far the other way and consequently gave the secretary of agriculture the power to control abuses by cooperatives. In 1922, the FTC wanted this power and the legislative history is clear that Congress didn't want them to have it. There is nothing sinister or dubious about asking Congress to reaffirm its original intention, especially where, as here, the FTC has decided to ignore that legislative history.

No one likes to be accused of trying to prevent the FTC from having its day in court, but the alternative is to spend millions of dollars defending a suit which we and many others think shouldn't have been filed in the first place. The grower members of Sunkist have already spent over $2 million defending this case. The FTC is spending taxpayer money. It is entirely appropriate for publicly elected officials to review this situation.

Farmer cooperatives provide the major mechanism for small farmers (and medium and large sized farmers as well) to compete against large corporate food processors. This fact is clearly borne out by noting that the farmer members of major California cooperatives marketing almonds, peaches, pears, walnuts, raisins and prunes in every case average less than 50 acres of the crop. Without farmer cooperatives these small family farmers face a very uncertain future. It was the recognition of this fact that led to the congressional action in 1922, and it is the recognition of the plight of the family farm that establishes the need for strong farmer cooperatives in 1980.●

H.R. 7144

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. JACOBS. Mr. Speaker, on April 23, 1980, I introduced H.R. 7144, "The Former Presidential Enough Is Enough and Taxpayers Relief Act of 1980."

This legislation seeks to limit the use of tax dollars for the care and feeding of former Presidents.

Unfortunately, I have detected an error in the bill, and so I am today introducing a corrected version of this proposal. The bill, in its correct form, is as follows:

THE FORMER PRESIDENTIAL ENOUGH IS ENOUGH AND TAXPAYERS RELIEF ACT OF 1980

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the total annual Government expenditures for the care and feeding of a former President shall not exceed ten times the poverty level income for one urban family of four.●

CUTTING THE COST OF HEALTH CARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, May 14, 1980, into the CONGRESSIONAL RECORD:

CUTTING THE COST OF HEALTH CARE

The rising cost of health care is a major domestic problem. Although it does not grab headlines in the way that some other domestic problems do, it touches virtually every American in every walk of life. Residents of the Ninth District are deeply concerned about it.

The nation's annual health care bill reached $192 billion in 1978, up from $27 billion in 1960. This 711 per cent rise was six times greater than the rise in overall consumer prices during the same period. About 9.1 per cent of the gross national product is now committed to health care, as opposed to 5.3 per cent in 1960. From the federal point of view, health care, while very important, is only one priority among many. There are limits on the resources that can be diverted to it. In meeting after meeting, constituents have made it clear to me that something must be done to hold health care costs down. Rather than ineffective and inequitable cost controls imposed by Washington, what is needed is an effort to modify current cost-increasing practices in the health care industry. The following are a few matters that should have our attention:

PREVENTING ILLNESS

A recent federal study estimated that a person's health is determined in large part by lifestyle and the environment, with heredity and the health care system playing a lesser role. Another federal study predicted that a reduction of up to 35 per cent in the mortality rate among different age groups could be achieved by 1990 if a greater emphasis were placed on preventing disease and injury. In spite of what these studies say, federal payments for treatment of illness have been 25 times greater than federal payments for prevention of illness. The savings from programs of preventive medicine are difficult to calculate with accuracy, but they could be substantial.

The development of healthier lifestyles through education and better programs of screening, environmental protection, and worker safety are important objectives of preventive medicine. Screening may be especially helpful. Programs for expectant mothers, infants, and adults have already been documented to be worthwhile. The main congressional action in this area was the recent House passage of the Child Health Assurance Act. If passed by the Senate, the bill will improve present Medicaid programs of pre- and post-natal screening, diagnosis, and testing.

INCREASING COMPETITION

As in any other sector of the economy, the cost of health care can be cut if competition is promoted. One alternative is the health maintenance organization (HMO) a group that hires physicians to render care to members who pay a fixed premium. HMOs may reduce costs significantly, and they have been successful in certain parts of the country. Another alternative, one which may be beneficial in rural America, is the independent practice association (IPA). IPAs are like HMOs, but the doctors who care for members do so under contract. A third alternative is variable cost insurance (VCI). VCI permits insurers to offer smaller premiums to policy holders who choose treatment in cost-effective facilities. Congress is looking into ways to further the growth of such options.

The so-called "consumer choice" bills could also increase competition. In general, these bills would limit the employer's tax-free contribution to his employees' health care plan. If an employee chose a plan more expensive than the employer's contribution, he would pay the difference, but if he chose a less expensive plan, he would be paid the difference. There would be a strong incentive for employees to "shop around" when selecting a plan.

ELIMINATING UNNECESSARY COSTS

One of the best ways to stretch the health care dollar is to spend it only when necessary. For example, many hospital patients can be treated just as well at lower cost in the home. Congress might encourage this less costly form of care by increasing payment for it under Medicare. Hospitals themselves can cut costs both by purchasing supplies in groups and by sharing services and facilities. The federal government should lead the way with the example of its practices in its own health care facilities.

There are other ways to economize with little or no sacrifice in the quality or availability of health care. Two federal agencies are studying the costs and benefits of high-priced medical technology with an eye to recommending where savings might be made. A second opinion may help patients avoid unnecessary surgery, so another federal agency has begun an educational campaign to show the wisdom of "asking again." The use of physician extenders or paramedics may be yet another cost-effective measure, and Congress has recently displayed interest in it by allowing reimbursement under Medicare for the services of such people in rural clinics.

CUTTING REDTAPE

Government regulations have had a significant impact on the total cost of health care. It has been estimated that 40 per cent of all federal rules have to do with health care, and that last year alone there were 2,000 such rules affecting hospitals and doctors. A study in one state revealed that 25 per cent of all hospital costs may be attributable to government regulation, and that more than $35 may be spent each day for each patient to meet regulatory requirements.

I have co-sponsored several bills in Congress that address the problem of overregulation. One bill, a "sunset" measure, would require that all federal programs be reviewed at least once every ten years. A program would be terminated automatically unless reauthorized by Congress. Another bill, the "congressional veto," would permit Congress to examine proposed regulations and reject them if they appeared to be excessive. Yet another bill would demand that agencies analyze the economic impact of a proposed regulation to see if its benefits outweighed its costs.●

SOVIET JEWRY: THE STRUGGLE FOR FREEDOM

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. UDALL. Mr. Speaker, in 1978 I first committed myself to aiding the Fradkin family of Leningrad in their endeavor to obtain emigration visas from the U.S.S.R. Daniel Fradkin—Shoose Revoluts No. 45, Flat 140, Leningrad, R.S.F.S.R., U.S.S.R.—his wife and two children have been trying to leave the Soviet Union since 1972. I am deeply concerned not only with the extreme difficulties that the Fradkins face in acquiring exit visas, but also with the human injustice that Jews are continually subjected to now in the Soviet Union.

In the Universal Declaration of Human Rights of the Helsinki accords of 1975, the Soviet Union pledged to "facilitate freer movement and contracts * * * among persons * * *" in their nation. I believe that the U.S.S.R. has violated its word by denying hundreds of thousands of Jewish citizens the right to leave. The Soviet Union also agreed to "deal in a positive humanitarian spirit with applications of persons who wish to be reunited with members of their family." However, continued refusal of Soviet emigration authorities to freely issue exit visas to Jewish refuseniks and others who wish to emigrate demonstrates to me that the U.S.S.R. has deliberately decided not to abide by the accords and perhaps never intends to do so.

The Soviet Office of Visas and Registration—OVIR—refused to issue a visa to Mr. Fradkin, claiming that he had been exposed to secret Soviet information. I do not think this is a justifiable excuse. Daniel Fradkin was a mathematician in 1963, and clearly no information he was exposed to 17 years ago could be damaging to Soviet security if it were to be revealed.

Because OVIR would not grant emigration visas to the Fradkins, the past 8 years have been traumatic for them. As refuseniks, they have undergone public scorn and economic hardship, while as Jews they have undergone severe anti-Semitic propaganda and persecution because of their religion.

Mr. Speaker, the Fradkin family is just one of thousands of Jewish families who are being legally oppressed by the Soviet Government because of their religion. Jews in the U.S.S.R. are constantly denied the most basic human rights due to historic Soviet anti-Semitism. For example, all religious groups except Jews are permitted to manufacture their respective ritual objects. It is virtually prohibited, however, for Jews to make matzo, prayer shawls, or phylacteries. While Arabic, Latin, and Greek are taught through the university level, the teaching of Hebrew is forbidden. Jewish graves have been bulldozed in Kishinev and Odessa, but cemeteries of the other religious groups have been kept intact. This outrageous list of the unfair treatment of Jews goes on and on. I am distressed that even in 1980, after millions of lives have been lost fighting for tolerance of beliefs, religious persecution still exists in the Soviet Union. The Soviet Union, which professes to be a nation devoted to the advancement of the common man, is indulging in sheer hypocrisy with its treatment of Soviet Jews.

Recently, I received from the National Conference on Soviet Jews some alarming statistics concerning Jewish emigration from the Soviet Union in 1979. I am concerned about the problems that Jews have in obtaining emigration visas from the U.S.S.R. For example, between 1968 and 1979, 598,100 Soviet Jews were sent emigration visas from Israel but only 228,701, or less than one-half of these Jews obtained visas and reached Vienna. OVIR officials make it extremely difficult for Soviets to emigrate and refuse to accept applications from families with draft age sons or from families in which any member has not worked for 3 years in a state-directed job. And now, with 96,000 visa applications from Jews in the first 8 months of 1979, OVIR has started refusing applications on the arbitrary basis of "insufficient kinship of the invitee." As a result, visas issued by the Dutch Embassy—which represents Israel in the Soviet Union—decreased from 3,600 in November 1979, to just 3,300 in December 1979. In addition, 400 Kievian Jews were refused visas in the last week of January 1980, while only 29 received visas. During 1979, an average of 4,277 Soviet Jews emigrated per month, while the 1980 monthly average is down by 42 percent.

I believe that we must not ignore the atrocious Soviet treatment of its Jewish population. Rather, we, as responsible elected officials, must persist in fighting against persecution of the Soviet Jews. The State Department has been helpful in a variety of ways, and I hope that in working together, the Congress, the State Department, and the people of this Nation can aid the Soviet Jews in obtaining the freedom they so obviously deserve.●

LARRY HOLMES: ATHLETIC SKILLS AND CARING ABOUT PEOPLE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. RITTER. Mr. Speaker, all American and world sports fans are well aware of the remarkable boxing skills of Larry Holmes, the undefeated heavyweight champion of the world. Larry lives in Easton, Pa., which is located in my district, and like millions of others, I have thrilled to watch his brilliant performances in the ring.

At the same time, Mr. Speaker, there is another side to Larry Holmes that fewer people ever see. The fact is that Larry is far more than a world champion boxer—he is a dedicated, compassionate, concerned citizen who cares deeply about his community and its people, particularly its young people. For Larry Holmes, father of three, knows from experience how vitally important it is that young people receive guidance and attention during their formative years as a way to channel their energies and skills into productive directions.

Two weeks ago, I had the privilege of joining Larry in his second annual "Run With the Champ," a 5-mile race held in Easton to raise funds for the local boys club. The race succeeded beyond everybody's best expectations, drawing 200 more entrants than it did last year and raising $3,150, more than double last year's total.

The day after the race, at a banquet raising funds for an orphanage for Greek children, I heard Larry Holmes talk about people caring for other people. The message was soft and simple but it jolted everyone—right in the heart.

All his life Larry has shown the kind of caring for others and courage that today make him such a respected citizen of the Lehigh Valley. Larry often says that "you can't forget where you come from. You can't forget the people who helped you." I've seen Larry with those people, sometimes by the hundreds, ever patient, ever humble. He seems to love all of them.

As 1 of 12 children, he had to work to help support his family, yet all the while he found time to pursue his interest in sports and to develop his remarkable athletic skills. No doubt it was his own experiences growing up using local PAL and youth center facilities that gave Larry his concern for the benefits offered by such youth facilities. Today, that concern is helping to give other young people a chance to develop their minds and bodies for their own futures, much as Larry himself did years ago.

Mr. Speaker, Larry Holmes is an example to all of us that fame and professional success mean far more when combined with a sincere interest in other people, and a willingness to help build the futures of others. That is the attitude Larry Holmes brings to America and to the world as heavyweight champion. His home community deeply admires and appreciates his example. I'd like to add my own personal tribute to a man of great humility who is a real champion in more ways than one.●

DOCTOR OF PUBLIC ADMINISTRATION: NOVA UNIVERSITY

HON. EDWARD J. STACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. STACK. Mr. Speaker, on behalf of all citizens concerned about the administration of government programs in this country, I want to alert my colleagues to current efforts being made by Nova University of Fort Lauderdale, Fla., to improve the caliber of public administrators at all levels of government.

We are all too aware of the crisis of confidence in our government, and in the public officials who administer the various programs we have established to protect and to serve effectively the citizens of this Nation. I think it is, therefore, particularly important that the institutions of higher education who address this mounting problem be recognized.

It is noteworthy that Nova University has pioneered a program which is in the vanguard and is specifically designed by some of the Nation's outstanding public administrators to meet this challenge facing public administration. This unique doctor of public administration program provides advanced professional education for working public administrators, and I would like to share with my colleagues the summary of a report of the board of governors of Nova University's Center for the Study of Administration, which remarks on this program.

The information follows:

ADVISORY BOARD MEETING, NOVA UNIVERSITY'S CENTER FOR THE STUDY OF ADMINISTRATION

Some of the nation's top public administrators met in Fort Lauderdale February 23 to evaluate, to praise, and to further strengthen a unique Doctor of Public Administration (DPA) program pioneered by Nova University, a program they had helped develop.

The group, the Advisory Board of Nova University's Center for the Study of Administration, included 18 members of the prestigious National Academy of Public Administration, including its chairman and its executive director.

An important function of the Board at this meeting was to consider a report of a task force on program review headed by Dr. York Willbern, Professor of Government at Indiana University and incoming Chairman of the Board.

"Our report was generally affirmative," said Dr. Willbern. "The committee felt the DPA program is a sound one, with a solid curriculum and a high quality national faculty. Our recommendations are essentially aimed at trying to preserve the integrity of the program, and to avoid attempting to do too many things at once."

The members of the Board reaffirmed their conviction that Nova's program, designed to provide advanced professional education for working public administrators, fulfills an important need.

"Conventional doctorate programs are primarily aimed at training college professors," explained Harvey Sherman, Director of Administration of the Port Authority of New York and New Jersey, and outgoing Chairman of the Board. "There is a great need for conceptual education in public administration for high level administrators, and very little that's presently available."

"Most public administrators come from specialized fields, and enter public service almost by accident," added Philip Rutledge, president of the National Institute of Public Management. "After a few years, they realize they should be thinking about larger problems and ideas. But by then, they're too busy to take two or three years off to go back to school to learn about them."

"At Nová, these people can come together on a regular basis with their peers, led by a faculty of academician/practitioners who have already come through the same hourglass they have," he continued. "I think Nova's key contribution is the chance it gives these people to move into the wide part of the hourglass to learn to deal with systems and ideas in imprecise areas and begin to synthesize them, which is the essence of management."

Nova's principal problem, the Board agreed, lies in getting the "educational establishment" to recognize and accept the validity, the quality and the demonstrable effectiveness of the practitioner's degree.

And yet, according to the Board, there are now some clear signs that the "educational establishment" may soon be following Nova's lead in setting up educational delivery systems that serve the needs of working professionals.

"This program has had an impact throughout the country," said Dr. Willbern. "It's affecting the thinking of higher education institutions. Now they are starting to think in these terms." Added Mr. Sherman, "I'm convinced that in 5-10 years, Nova's program will be copied by universities all across the country."

The general feeling of the Board is perhaps best expressed by Stephen B. Sweeney, Professor Emeritus of the University of Pennsylvania School of Local and State Government which he founded and headed for many years.

"This program has fascinated and challenged me right from the start," said Professor Sweeney. "Compared to any others that I know of, this is one of the best integrated, carefully balanced programs in the country, largely because of the breadth of its conceptualization and the quality of the people who are responsible for it—their broad experience, their dedication to the public service and its improvement, their high academic, intellectual and experiential caliber.

"It's the only program I know of, in almost any of the social science fields, where a candidate for a doctoral degree is involved in public service management and therefore knows in advance the nature and the extent of what he will have presented to him and what he will be expected to know at the end of the program. It's import can only be realized by people who have been involved in typical academic situations where course work is the product of a loosely integrated faculty of academicians, no matter how broadly they may be educated and dedicated. Nova's program from the start called for the integration of ideas and subject matter in a way present in few other programs anywhere.

"I feel its impact in all branches of public service is bound to be great—MUST be great—because it was initiated and carried out on a sound groundwork and framework for the future."

"I feel its impact in all branches of public service is bound to be great—MUST be great—because it was initiated and carried out on a sound groundwork and framework for the future."

Members of the Advisory Board of Nova University's Center for the Study of Administration are:

Dr. Guthrie S. Birkhead, Dean of the Maxwell School of Citizenship and Public Affairs, Syracuse University.

Andrew W. Bradley, Certified Public Accountant.

Alan L. Dean, Chairman, National Academy of Public Administration.

Lawrence P. Doss, Coopers and Lybrand, Detroit.

Dr. George H. Esser, Jr., Executive Director, National Academy of Public Administration.

Dr. Abraham S. Fischler (ex officio), President, Nova University.

Dr. Lyle C. Fitch, President, Institute of Public Administration.

Dr. Nesta Mabyn Gallas, Associate Dean for Graduate Studies, John Jay College of Criminal Justice, City College of New York.

Dr. James A. Graves, Professor, Department of Political Science, Kentucky State University.

Bertrand M. Harding, Consultant, Central Intelligence Agency, National Institute of Public Affairs.

Dr. Walter G. Held, Professor, Public Policy and Business Affairs, American University.

Mark E. Keane, Executive Director, International City Management Association.

Kent Mathewson, President, Metropolitan Fund.

James M. Mitchell, Senior Staff Associate, Advance Study Programs, The Brookings Institution.

Dr. John D. Montgomery, Professor, John F. Kennedy School of Government.

Dr. Thomas P. Murphy, Special Assistant to the Secretary, Department of Human Resources.

Dr. Emmette S. Redford, Asbel Smith Professor of Government & Public Affairs, University of Texas.

Mr. Philip J. Rutledge, President, National Institute of Public Management.

Dr. Alexander Schure (ex officio), President, New York Institute of Technology.

Harvey Sherman, Director of Administration, The Port Authority of New York & New Jersey.

Stephen B. Sweeney, Director Emeritus & Fels Professor, University of Pennsylvania.

Dr. John J. Theobald (ex officio), Dean, Graduate Studies, New York Institute of Technology.

E. Robert Turner, Consultant, RET Association.

Anne Marie Hauck Walsh, Senior Staff, Institute of Public Administration.

Mr. Graham W. Watt, Broward County Administrator.

Dr. York Willbern, Professor of Government, Indiana University.

Dona Wolf, Special Assistant to the Chairman, National Credit Union Administration.●

THE SOVIET ACADEMY OF SCIENCES AND ITS SOCIAL INSTITUTES—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. McDONALD. Mr. Speaker, after World War II, the U.S.S.R. developed a large system of institutes designed to study certain geographical areas and military strategy in order to provide assistance to the Central Committee of the Communist Party U.S.S.R. in expanding the boundaries of Marxism-Leninism. In some instances they appear to be patterned after some of America's think tanks. A better example than the Council on Foreign Relations might have been picked by the authors, William F. and Harriet Scott, in pointing out comparative institutions, in my view. The Council on Foreign Relations has been rather well known for its monolithic liberal and one world views since its beginning. However, as the authors point out, no diversity of opinion is permitted at the Soviet institutions, and their sole aim is the furtherance of world communism. However, since they have the appearance of scholarly institutions, their members are wined and dined by American foreign policy groups as though these people were dedicated scholars seeking truth and not the destruction of the Western civilization. I commend to the attention of my colleagues these articles which appeared in Air Force magazine in its March 1980 issue.

The articles follow:

THE SOVIET ACADEMY OF SCIENCES AND ITS SOCIAL INSTITUTES—PART I

The Academy of Sciences, USSR, has no exact counterpart in the United States. It is a lineal descendant of the Russian Academy of Science, founded by Peter the Great in St. Petersburg in 1724. The Presidium of the Academy and some of its institutes were moved to Moscow in 1933, where the Academy is under the direct control of the Council of Ministers. Its function, as is true of all institutions in the USSR, is to serve the interests of the state, which are synonymous with the interests of the Communist Party of the Soviet Union.

The more than 45,000 scientists and scholars of the Academy of Sciences are organized in four Sections, dealing respectively with physics and mathematical sciences, chemistry and biological sciences, earth sciences, and the social sciences. Within each Section are Departments concerned with specific disciplines, and under many of the Departments are still more specialized institutes.

Of particular interest to Americans who are concerned with political relations between the US and the USSR—especially the defense aspects of those relations—are two institutes that fall under the Department of Economics of the Academy's Social Sciences Section. They are the Institute of World Economy and International Relations (IMEMO), founded in 1956; and the Institute of the United States of America, founded in 1967 and redesignated the Institute of the United States of America and Canada (IUSA&C) in 1974. Members of those two institutes, particularly the latter, have had frequent contacts with US officials and other dignitaries associated with political/defense relationships. Institute members frequently visit and lecture in the US, and their articles appear not infrequently in prestigious US journals.

There is nothing sinister about these, and other institutes of the Soviet Academy of Sciences when one understands what they are and what they are not. They are not associations of independent scholars and scientists comparable to, for example, the Council on Foreign Relations in the US. They are instrumentalities of the Communist Party, dedicated to the service of the USSR.

Many Americans who have had personal contacts with officials of IMEMO and IUSA&C, either in the USSR or at home, regard them as reasonable men pursuing goals that are not identical to those of the U.S. but that lead to the same ultimate objective—a stable and peaceful world. These Soviet intellectuals are sometimes characterized as "doves" who are thought to be a counterweight to Soviet "hawks," particularly to the Soviet military. In fact, some of the most influential members of the institutes are military officers who are leading Soviet strategists and theoreticians; other members occupy high-level positions within the Party structure. The institutes are an illustration of the fusion of Party and state and of the Party's control and domination of elites, described by Cmdr. Steve Kime, USN, in the article beginning on page 54 of this issue. Their function is to play a major role in "the struggle for the victory of world socialist revolution." A primary means for achieving that victory, explained in a book published by IMEMO in 1965, is "to force the imperialists to general and complete disarmament."

THE RISE OF THE SOCIAL SCIENCE INSTITUTES

In 1966, Marshal V. D. Sokolovskiy and his frequent collaborator, General Major M. I. Cherednichenko, in a carefully timed article entitled "On Contemporary Military Strategy," wrote of the attention being given to military strategy in the United States. The Rand Corp. was described as an "original factor of military thought where engineers, mathematicians, physicists, philosophers, economists, astronomers, and so forth work. The mission of the corporation—the scientific working out of plans for thermonuclear war." They also cited the Hudson Institute and the International Institute for Strategic Studies in London as centers for strategic analysis.

To counter "the aggressive strategy of imperialism" the authors stressed the need for the Soviet Union "to work out the contemporary problems of strategy, both on the theoretical and on the practical plane. . . ." They wrote that "the working out of the theory of military strategy, in essence, represents specific social research." These two Soviet military strategists were advocating that something new be added to the Soviet Party-military structure.

Rarely does anything appear in the Soviet press without a purpose. Party Secretary Brezhnev in his address to the XXIII Party Congress in March 1966 criticized the work of the Soviet social sciences, and demanded improvement. the Sokolovskiy-Cherednichenko article obviously had been coordinated at the highest Party levels to ensure it would coincide with the Party Secretary's criticism. Their article had said:

> As in other social sciences, the theory of military strategy is called on to expose pressing problems and tasks and to indicate the valid path of their solution, to serve as a scientific basis of Party policy in questions of protecting the country. It is fully understood that *the deficiencies of social sciences, being printed in our periodical press, are inherent in military strategy as well.* (Emphasis added.)

The Party's Central Committee took remedial action the following year, described in a resolution "On Measures for Further Developing the Social Sciences and Heightening Their Role in Communist Construction." It was noted that "in the era of transition from capitalism to socialism," both Marxist-Leninist theory and the role of the social sciences have become increasingly important. To this end:

> * * * intensification of creative work in the sphere of theory is imperative to strengthen the political, economic, and cultural cooperation of the socialist countries and to determine the most effective ways and means *to secure the victory of socialism over capitalism.* (Emphasis added.)

In 1972, just after SALT I was signed, Vadim Zagladin, deputy head of the International Department of the Central Committee, wrote of actions that had been taken to improve the work of the social sciences. He listed the following research institutes as among those whose tasks had been broadened and clarified. The dates they were established are in brackets:

Institute of World Economy and International Relations (IMEMO) [1956].

Institute of Economy of the World Socialist Systems (IEMSS) [1960].

Institute of the Far East (IDV) [1966].

Institute of Oriental Studies (IVAN) [1930].

Institute of Africa (IA) [1959].

Institute of Latin America (ILA) [1961].

New institutes had been formed, also, including the Institute of the International Workers' Movement (IMRD) in 1968, the Institute of Scientific Information for the Social Sciences (INION) in 1969, and the Institute of the United States of America (IUSA) in 1967. As mentioned earlier, IUSA was redesignated the Institute of the United States of America and Canada (IUSA&C) in 1974.

The formation and growth of these Soviet research institutes has coincided with the buildup of the Soviet Armed Forces, and Soviet ability and willingness to project its military power and presence. The actual relationship between the institutes and the Soviet General Staff is a closely guarded secret. However, leading Soviet military strategists have held, and continue to hold, key assignments in the institutes.

THE INSTITUTES' INFLUENCE ON SOVIET POLICY

There is considerable speculation in the US about the role of the institutes in developing or influencing Soviet policy, but no general agreement on the degree or the nature of their influence. One index of their actual or potential importance lies in the linkage between senior officials of the institutes and the Kremlin power structure.

In June 1979, to take an example, a Scientific Council for Research on Problems of Peace and Disarmament was formed under the auspices of the Soviet Academy of Sciences and the State Committee for Science and Technology. The new council is headed by N. N. Inozemtsev, director of IMEMO. Members include Georgiy Arbatov, head of IUSA&C; Yevgeniy Primakov, head of the Institute of Oriental Studies; and Dzerman Gvishiani, Deputy Chairman of the State Committee for Science and Technology. The Council is to coordinate research in the USSR on peace and disarmament and *promote cooperation with foreign scientists.* (Emphasis added.)

The men named above have been working together for years, and have both direct and indirect ties with the top Kremlin leadership. With a few other key individuals, they form an "old-boy" network that appears to have a significant influence on Soviet foreign and defense policies.

Anatoliy Dobrynin, the Soviet Ambassador to the United States since 1962 and now dean of the Washington diplomatic corps, is a major figure in the Soviet power structure. He started as an aeronautical engineer, soon shifted to foreign affairs, and graduated from the Higher Diplomatic School in 1946. Until 1952 he worked in the Ministry of Foreign Affairs and taught at the prestigious Institute of International Relations (MGIMO). Since 1966 he has been a member of the Party's Central Committee.

One of Dobrynin's students at MGIMO was Nikolay Inozemtsev, who graduated in 1949. In 1966, as a result of the shakeup in the social sciences institutes. Inozemtsev was designated head of IMEMO. He is an Academician of the Academy of Sciences and since 1971 has been a Candidate Member of the Communist Party's Central Committee.

Georgiy Arbatov was another member of the MGIMO class of 1949. In 1964 he was cited as one of the primary authors of the Soviet textbook, "Fundamentals of Marxism-Leninism." In 1967 he was named head of the newly formed Institute of the USA and in 1976 became a Candidate Member of the Central Committee. Arbatov accompanied Brezhnev to Camp David during the Party General Secretary's visit to the United States. His articles have appeared in many Western publications, and he has been on network television programs in this country.

A third member of the MGIMO class of 1949 was Vadim Zagladin, now first deputy head of the International Department of the Central Committee. This department operates under the direction of Politburo Candidate Member and Party Secretary Boris Ponomarev. Zagladin has served on the editorial board of USA, Arbatov's monthly journal.

Dzerman Gvishiani, son-in-law of Premier Aleksey Kosygin, is a 1951 graduate of MGIMO. Since 1955 Gvishiani has worked in the influential State Committee on Science and Technology, and since 1965 has been its deputy chairman. He also heads a research laboratory in the Institute of Sociological Research, and recently was elected an Academician. Gvishiani chairs the Scientific Council of the Academy of Sciences on Social, Economic, and Ideological Problems of the Scientific-Technical Revolution, formed in 1972. He works closely with Inozemtsev and Arbatov.

A relative newcomer to the power scene is Yegeniy Primakov, who specializes in oriental studies. In the 1960s he was assigned as the deputy director of IMEMO. In the mid-1970s he was made director of the Academy of Sciences' Institute of Oriental Studies.●

SENSENBRENNER-VOLKMER AMENDMENT TO H.R. 5200

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SENSENBRENNER. Mr. Speaker, I would like to insert as part of the RECORD a copy of a letter that was forwarded to me from Mr. Paul Lenz, mayor of Alton, Ill., in favor of the Sensenbrenner-Volkmer amendment to H.R. 5200, the Fair Housing Act Amendments of 1980:

OFFICE OF THE MAYOR,
Alton, Ill., May 12, 1980.

Mr. JOHN J. GUNTHER,
U.S. Conference of Mayors,
Washington, D.C.

DEAR SIR: I have read, with considerable dismay, your "Urgent" memo (copy enclosed) relative to the Fair Housing Amendments of 1980.

For the eleven years I've been Mayor of Alton the most difficult barriers I've faced, while trying to represent the interests of Alton citizens, have all been placed by bureaucratic agencies of the Federal Government. The time, talent, and money Alton has been forced to put forth because some person totally unfamiliar with our capabilities, sitting in Washington judging us, have been for the most part a total waste of taxpayers' monies. Needless to say, many cities have had similar experiences.

Is it any wonder then, when a bill is introduced in Congress providing for an Administrative Court, all cities must be shocked. Quoting Congressmen John W. Wydler and Ronald M. Mottl, "We believe that such an Administrative Court review of local zoning violates every principle of sound government because it puts the Federal Government directly into local affairs. Rarely has Congress considered such far-reaching national land-use legislation".

The U.S. Conference of Mayors is totally wrong in attempting to represent the municipalities of this country in legislative matters which defeat the very purpose for which those municipalities were created. If in fact the electorate of any municipality must be governed by an agency so remote that it has no input in the local election process and so self-opinionated that only it can judge the merits of the elected—then we have no need for local government. Incidentally, if that's the case, we also have no need for the U.S. Conference of Mayors.

While I compliment your organization for its lobbying efforts on our behalf, I find your position in this matter totally contrary to the purpose of your existence. As a Mayor of a City in Illinois where the people totally support the section of the State Constitution dealing with Home Rule, I will fully encourage our Congressmen to support the Sensenbrenner-Volkmer amendment. If you are truly representing local government interests, you will reverse your position.

Very truly yours,

PAUL A. LENZ,
Mayor of Alton.●

AMERICANISM ASSEMBLY IN WILLIAMSON, N.Y.

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. HORTON. Mr. Speaker, on May 2, 1980, I was a participant in a moving display of patriotism which culminated "Americanism Week," sponsored by the Williamson, N.Y., American Legion Post No. 394. Retired Army Col. James H. Clark, more than any other person was reponsible for this week of programs on patriotism, history of the flag, and celebration of our great American heritage.

On Friday, May 2, students, faculty, and citizens of Williamson, N.Y., gathered at the Williamson High School to participate in an Americanism assembly. The program included the Williamson High School band, under the direction of George Giroux, playing "America the Beautiful," massing of the colors, singing of "God Bless America" by the high school chorus, and a speech by retired Judge J. Willis Barrett. I was honored to present to Mike Madison, president of the student body, and Dana Wilbur, superintendent, an American flag which had been flown over our Nation's Capitol.

Those assembled were also moved and impressed by a speech on voter apathy by Timothy Urban. Timothy, a student at Williamson Central School, and a runner-up in the New York State oratorical contest sponsored by the American Legion, makes a number of important points about the nature of voter apathy and its potential consequences. Because America faces some of its most serious and pressing problems, I think his view that more Americans must involve themselves through the ballot box, is especially appropriate. I commend his speech to my colleagues. The text follows:

VOTER APATHY

(By Timothy Urban)

By 8:30 Monday morning, everybody must have their head shaved and be wearing their uniforms which will be handed out tonight at 8:00 sharp at the Town Hall. My troops will be coming around to each house Monday morning. Anyone found not following my orders will be imprisoned. Furthermore, I am raising your taxes, a mere forty percent, to help pay for my new summer estate. Anyone who fails to comply with my orders will be shot.

This could be the condition of the United States in less than one hundred years at the current rate of voter decline. Many of the worlds most infamous dictators, such as Hitler and Mussolini, came to power because of voter apathy. They needed only the support of the few remaining voters to get into office. However, once in office they did as they pleased. If present trends continue, by the year 2079, only 4.4 percent of all the eligible voters will be exercising their privilege to vote. So you see, by not voting, we make it possible for a dictator to rise amongst you.

Just for a moment, let your mind wander back to the mid 1780's. Picture yourself sitting in a small, hard, uncomfortable wooden chair. You are in a large, hot, steamy, stuffy, room in Philadelphia. You and the other delegates are listening to a heated argument between Alexander Hamilton and Thomas Jefferson. The main crux of their argument is whether small farmers and private businessmen, people like us, should be allowed to vote.

Jefferson placed his faith in these people, believing them to be practical and sensible. Alexander Hamilton, however, had radically different views. He believed the common man was too ignorant to run his government. He favored the big businesses, these were the ones he wanted to have the power. Looking out today, we see that despite Jefferson's efforts, it is the big business which has most of the power. But if we aren't, then let's get out to those polls and prove to the rest of the world that we are capable of governing ourselves as Jefferson envisioned.

When the United States became an independent nation in 1776, the only voters in Federal elections were those white males who were 21 years of age or more. However, in 1870, the 15th Amendment to the Constitution was added. This Amendment states that, "The right of the United States citizens to vote shall not be denied or abridged on account of Race, Color or previous condition of servitude." This meant that any male, black, white, yellow or mixed had the right to vote. But, by instituting poll taxes, many people who had the right to vote simply could not afford it. Another practice that cut down even further the number of voters were the literacy tests. These required voters to have a sixth grade education, as evidence of literacy.

It was not until 1964 that the poll taxes were banned. And a year later, the literacy tests were abolished as a result of the Voting Rights Act of 1965. As a result of these two voting measures, the percentage of Southern Black voters rose from 25% in 1957, up to 65% in 1972.

The voting arena was open to women in 1920 with the enactment of the 19th Amendment. The passing of this opened the door to women who had hitherto been prevented from casting a ballot. Now all citizens who were 21 years or more could vote, and with the addition of the 26th Amendment in 1971, all citizens who were 18 or more could vote.

Thus, when studying the Constitution, we find four different amendments protecting our precious right to vote. Why is it then, that as time treads onward, fewer and fewer people are exercising their privilege to vote? State and local residency requirements have been relaxed. Registration in many areas have been simplified. No state has a registration deadline of more than fifty days before the elections. Many areas have postcard or election day registration. And some states, such as California, have even resorted to registering people in McDonald's, and other fast food restaurants.

A small minority of the nonvoters still complain that residency requirements have limited their participation. A survey by the University of California indicated that if election day registration was instituted nationally, the percentages would rise by 6 percent.

However, more surveys point to a growing sense of powerlessness—a feeling that one vote just doesn't make any difference, and that no matter which party wins the election, the result will be the same. Curtis B. Gans, codirector for the Study of the American Electorate states that, "What is occurring is a trend for which the term apathy is too mild a word. There are substantial numbers of Americans who are disenchanted with the political process, disgusted with their leaders, and disillusioned by the failure of both political parties to meet their needs. They are voting with their bottoms, sitting our elections in increasing numbers, as if to say, it just doesn't make any difference." Another voting expert, Austin Ranney of the American Enterprise Institute argues that there are a large number of positive refrainers who are generally satisfied with the way things are.

We the people of the United States are the ones who determine the future of this nation. It is up to us to prevent a tyranny from arising. Remember the saying of Abraham Lincoln, "The ballot is stronger than the bullet?" It is my sincere hope that by the wise use of our precious right to the ballot, which is preserved and supported in the United States Constitution, we may never have to use the bullet to defend our right to the ballot.●

RESOLUTIONS FOR DISAPPROVAL OF THE ADULT EDUCATION STATE-ADMINISTERED PROGRAM

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. GOODLING. Mr. Speaker, on April 3, 1980, the Commissioner of Education published in the Federal Register the final rules for the adult education State-administered program. Pursuant to the changes made in the Education Amendments of 1978—Public Law 95-561. These regulations far exceed the statutory authority which was established in the amendments to the Adult Education Act in that they require under subpart (b), section 166a.51, that a State educational agency "shall employ a competitive process" to determine the best possible combination of agencies, organizations, and institutions receiving grants under the State program.

Nowhere in the statute is there specific direction that the State be given the authority or be required to establish a competitive grant program.

Under section 306 of the act, as amended, the State must describe in its plan the procedures that it will use to insure that there will be adequate consultation, cooperation, and coordination among the State educational agency, the State manpower service councils, the State occupational information systems, and other agencies, organizations, and institutions in the State which operate employment training programs or other educational training programs for adults.

Section 306 also requires that the State describe the means by which the delivery of adult education services will be expanded through the use of agencies, institutions and organizations other than public school systems, such as business, labor unions, libraries, institutions of higher education, public health authorities, and antipoverty programs, and the community organizations.

Finally, section 306 requires that the State plan describe the means by which representatives of business and industry, labor unions, public and private educational agencies and institutions, churches, fraternal and volunteer organizations, community organizations, State and local manpower and training agencies, and representatives of special adult populations, including residents of rural areas, residents of urban areas with high rates of unemployment, adults with limited English, language skills, and institutionized adults and other entities in the State concerned with adult education have been involved in the development of the plan.

Nowhere in the Adult Education Act, as amended, is there specific reference to the fact that a State must establish a competitive process in determining who should receive the grants under the State-administered grant program. This is another example of excessive overregulation which reaches far beyond the intent of the Congress. It is clear that a State can survive the safeguards that there will be adequate consultation and involvement from all organizations interested in the adult basic education program, without requiring that the State alter its structure of administering these grants by establishing competitive grant process.

On this basis, I urge my colleagues to support this resolution of disapproval and request that the Office of Education rewrite this section so that it accurately reflects the intent of the Congress.●

THE SPIRIT OF HELSINKI, VIGIL 1980—IDA NUDEL EXEMPLIFIES THE SPIRIT OF HELSINKI

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. LENT. Mr. Speaker, I am honored and privileged to join in Vigil 1980, thus helping to center the attention of my colleagues on the importance of assisting the thousands of Soviet Jews who are cruelly persecuted solely for their efforts to seek the freedom to practice their religion in the country of their choice.

The Soviet regime has been relentless in its oppression of the human rights of these unfortunate human beings. But the Soviet leaders have outdone themselves in their unsuccessful efforts to smother the noble spirit of Ida Nudel. And it is her plight that I want to direct to your attention today as a graphic illustration of the need for all of the support that we in this Chamber can provide.

Nearly a decade ago, the Soviet regime coldly refused Ida Nudel permission to emigrate to Israel, although her husband and her sister were given visas. This is a familiar and particularly cruel Kremlin tactic of separating families. The official reason given for denying Ida Nudel her visa was that she possessed "state secrets." What a travesty. Her work dealt with hygiene standards in food stores and control of infection in foods. Ida herself said, "The biggest secret I had was in knowing where the mice build their nests."

In the 9 years since that first denial, Ida Nudel has sought time and again to get her visa. Beyond that, with great compassion and courage, she did everything she could to assist other Soviet Jews attempting to emigrate. Her devoted efforts on behalf of these refuseniks and prisoners of conscience won her acclaim as the "Guardian Angel of Moscow" and the "Mother of the Prisoners."

These efforts also caused the Kremlin to intensify its persecution of this innocent woman. In 1978, the Soviets sentenced Ida Nudel to 4 years in exile in the bleak Siberian wasteland for the crime of displaying a banner from the balcony of her Moscow apartment which read: "KGB, Give Me My Visa."

This increased persecution only increased Ida Nudel's efforts for freedom. Despite her isolation and despite personal threats and even physical violence against her, she continued to demand that the Kremlin give her the visa. Since adopting her as my prisoner of conscience, I have written a letter each week to Soviet leaders demanding her freedom and have attempted, with limited success, to get our own Department of State more actively involved in efforts to free her.

But, recently I have learned that still further persecution is being inflicted upon this amazingly courageous woman. A new campaign of vilification has been launched through a poisonous, false article in a Siberian newspaper. Ida Nudel fears the campaign is designed to arouse against her the populace of the small Siberian village in which she is exiled.

I have protested this new persecution in a personal message to Soviet General Secretary Leonid Brezhnev—a protest in which, I am happy to report, 56 Members of the House have joined. We also are seeking more assistance from the Department of State.

But, with astonishing courage and determination, overcoming all thought of personal danger, Ida Nudel, herself, is fighting this libelous slander through the Soviet legal system. Ida told her sister: "I'm determined to go to court * * * I must deal with this stupid article * * * I might even get sentenced again myself, but that doesn't matter anymore."

Mr. Speaker, what a demonstration of indomitable spirit. Truly, Ida Nudel's brave and lonely struggle for freedom exemplifies the spirit of Helsinki and should inspire all of us who enjoy freedom to come to her assistance and to the assistance of the thousands of other Soviet Jews denied their human rights.

Let us in this Vigil 1980 send the Kremlin the unmistakable message that we who support the cause of human rights will never relax in our efforts until the Soviet Jews who desire religious freedom and who seek the free air of Israel gain those freedoms guaranteed so solemnly in Helsinki in 1975.●

INSTITUTE FOR POLICY STUDIES' INFLUENCE ON U.S. FOREIGN POLICY: PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. McDONALD. Mr. Speaker, we are continuing with the excellent examination of the operations of the Institute for Policy Studies—IPS—and its programs written by Dr. Rael Jean Isaac and which appeared in the publication of the National Committee on American Foreign Policy.

THE IPS EMPIRE

IPS has created its own empire, its own version of the multinational corporation. IPS established the Transnational Institute (TNI) because it recognized "that the social and political problems of the United States . . . are in fact part of larger global problems." More prosaically, IPS found a foreign-based operation a more convenient way to establish working contacts with a host of international "liberation" groups. The former head of TNI, Tariq Ali, could not even enter the United States: According to Newsweek of January 14, 1974, he has also been barred from entering France, India, Japan, Turkey, Thailand, Hong Kong, and Bolivia. IPS also has a Canadian affiliate. Within the United States there are now a substantial number of IPS subsidiaries, most with independent funding setups and interlocking staffs. Among them are the Foundation for National Progress, which publishes Mother Jones, a mass-circulation magazine that few realize is connected to IPS; the National Conference on Alternative State and Local Public Policy, which has attracted a large number of former new-left activists who have moved into the lower levels of government; the Institute for Neighborhood Studies; the Bay Area Institute, which controls the Pacific News Service, an allegedly "independent, nonprofit source of news and analysis"; the Cambridge Policy Studies Institute; and the Institute for Southern Studies, which, according to its own literature, "is systematically collecting, evaluating, and disseminating data on the operations of over 400 corporations in the South."

IPS RETURNS TO THE FEDERAL BUREAUCRACY

Many of the leading figures of IPS were originally government officials in responsible positions who left the government because they were disillusioned with prevailing policy assumptions. Under the Carter administration there has been a reverse movement, as individuals linked to IPS, its subsidiaries, and closely related groups (like the Center for National Security Studies and the North American Congress on Latin America) have moved into government, especially into the National Security Council, the Department of State (not surprisingly, they are attracted to the "human-rights" sector), and ACTION, which controls various social-action programs. It was presumably to this cadre that Senator Moynihan referred when he urged President Carter to demonstrate his seriousness about adopting a more realistic policy toward Soviet expansion by dismissing those of his appointees who held the reverse perspective and were responsible for implementing policy.

IPS CONQUERS LIBERAL MEDIA

The return of IPS to government is a symptom of the institute's greatest triumph: winning legitimacy. The institute has succeeded in reaching out to an audience beyond policymakers. It has established cooperative programs with leading universities. IPS now runs its own "Washington School," offering courses by present and former congressmen, Institute fellows, and government bureaucrats. IPS makes its own documentary films. IPS fellows have produced a veritable avalanche of publications, some published by IPS, many by major publishing houses. Although "progressive" journals are, of course, open to them, mainstream publications like Harpers, Atlantic, The New Republic, and many daily newspapers have published the essays of IPS fellows.

The most disturbing indication of IPS's increased legitimacy is that it has practically become an institutional columnist for The New York Times. For example, in the three-month period between March 1 and June 1, 1979, The New York Times published an article by Peter Weiss, five articles by Eqbal Ahmad, an article by Fred Halliday, and an article by Marcus Raskin. Not surprisingly, IPS staffers use the Times space to attack every United States ally in the third world, from Israel to Indonesia to Morocco, to glorify terrorist groups or countries that have openly gone over to the Soviet bloc, and to justify Soviet actions, including the invasion of Afghanistan. The Times identifies IPS simply as "a research organization based in Washington, D.C.," when it identifies it at all.

IPS AS SUPPORT SYSTEM FOR SOVIET POLICIES

This brings us to the most serious aspect of the institute's work, its role as a support system for Soviet policies. Brian Crozier, director of the Institute for the Study of Conflict, says bluntly that IPS is the "perfect intellectual front for Soviet activities that would be resisted if they were to originate openly from the KGB."[1]

In some cases this presumably is a conscious decision. Orlando Letelier, who directed IPS's Transnational Institute and was murdered by Chilean agents, was apparently a paid agent of Cuban intelligence, the

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[1] "Power and National Security," National Review, February 2. 1979, p. 166.

DGI, which is tightly linked to the Soviet KGB. Letelier used his position at the institute to act as an "agent of influence" on Capitol Hill, as papers found in his briefcase at the time of his death make clear.[2]

And yet intent to promote the interests of foreign powers does not have to be assumed in order to explain what IPS does. If we take seriously the assumptions of Raskin's Being and Doing, the Soviet Union, scarcely an anarchist's paradise, is no better than the United States. The problem is that for IPS to have any hope of moving forward in "dismantling the national-security state" and inaugurating the perfect "reconstructed" society, it must allay fears about the Soviet Union. For if the Soviet Union were building up its own national-security system, we would need intelligence agencies, an army, advanced technology—the very things IPS wants to eliminate (the first two) or reduce (the third). IPS is forced to explain aggressive Soviet behavior in terms of the Soviets' perception of threat from the United States. In the IPS analysis, unilateral United States disarmament and acceptance of Soviet actions in Africa, Asia, Europe, or Latin America actually enhance United States security. By easing Soviet fears, such acceptance reduces the likelihood of further seemingly aggressive Soviet moves. Dismantling the national-security state thus becomes the best security option, ensuring the possibility of peaceful utopian collectivism in the land mass now organized as the United States.

But whatever motivation or mixture of motivations animates the fellows of the Institute for Policy Studies, what is important is that it is impossible to distinguish between the goals of such obvious Soviet fronts as the World Peace Council and the institute. Surely, when the intellectual-political history of the 1970s is written, not the least remarkable feature of the period will be that an institute openly avowing as its goal the dismantling of the state should have (1) convinced a sizable number of legislators to pursue legislation designed to do precisely that, (2) succeeded in obtaining the appointment of sympathizers to key government position, (3) managed to become an organization of trusted "experts" whose input into policy is considered to be serving the public interest, (4) won acceptance by "establishment" media as a source of a significant perspective on public policy.●

A TRIBUTE TO J. R. LIVESAY, CHAMPION OF THE FIRST AMENDMENT

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, it is my pleasure to be acquainted with a gentleman whose reputation as a dedicated, professional broadcaster is known throughout the U.S. radio industry. His name is Ray Livesay, and I consider it my good fortune to have him as both a constituent and personal friend.

During this month of May, which is National Radio Month, Mr. Livesay will be celebrating the 30th anniversay of personally broadcasting a daily, 15-minute radio editorial commentary on radio station WLBH in Mattoon, Ill. This is an achievement which cannot be matched by anyone else in this country's broadcasting history, to the best I have been able to determine.

Most people would consider this singular achievement a full-time job and a very admirable contribution by one individual to the broadcasting industry. And, in reality it is, when one considers the research, preparation and delivery of over 7,800 15-minute editorial programs broadcast each day, Monday through Friday, for 30 years. However, this is not the case with Ray Livesay.

During his entire adult life, with the exception of a few years active duty in the U.S. Navy during World War II, Mr. Livesay has devoted full time to radio. Over the past 45 years, in addition to his 30 consecutive years of radio editorializing, Mr. Livesay has testified upon numerous occasions before congressional committees in both this House and the Senate concerning both national and international broadcast matters. He has been ever willing when asked to assist our U.S. State Department in negotiating international radio treaties. This has included negotiations with neighboring Mexico and, most recently, he accompanied members of the Federal Communications Commission and U.S. State Department to Buenos Aires, South America where representatives from 28 countries met to discuss possible future radio frequency allocations in the AM broadcast spectrum throughout region 2 which consists of North and South America.

For years, "Mr. Daytimer"—as he is referred to and known throughout broadcast circles large and small—has headed the Daytime Broadcasters Association—DBA—which represents the interests of this Nation's over 2,300 daytime radio stations, many of whom would like to serve their communities with local full-time broadcast service if given the opportunity.

Nationwide, his fellow broadcasters have demonstrated their confidence in his qualities of leadership by electing him to represent them on the National Association of Broadcasters board of directors four times, a total of 8 years. He is presently a director on the board of the National Radio Broadcasters Association and has served in this capacity for the past few years.

In his home State of Illinois, his fellow broadcasters who know him best—some of whom compete with him on a daily basis spoke louder than words when they named him Illinois Broadcaster of the Year in 1969—the very first year this prestigious award was ever presented to any Illinois broadcaster. He also was instrumental in founding the Illinois Broadcasters Association, and is a charter member and past president of the organization; Mr. Livesay is also a private pilot with over 4,500 hours of flying experience; he is an expert first class FCC License radio engineer; he has been a most active civic leader; for years he has served on the council of his local church and I could continue to elaborate.

However, the main point I wish to stress is this one man is a prime example of the type of individual who, during a lifetime of hard work, dedication to principle, loyalty, and honesty has made a tremendous contribution to broadcasting in these United States. He continues to give unstintingly of himself and of his talents in the cause of better broadcasting in America. I, as so many, highly admire and respect Ray Livesay's integrity, and I appreciate this opportunity to sincerely commend his meritorious and outstanding service. Ray Livesay is indeed a very rare individual who is a broadcasting legend in his own time.●

THE WOUNDS OF VIETNAM

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. WYLIE. Mr. Speaker, I am privileged to be a cosponsor of House Joint Resolution 431, which would authorize the construction of a Vietnam veterans' memorial here in the Nation's Capital. This idea was recently featured by James J. Kilpatrick in one of the most thoughtful pieces one of my favorite columnists has produced. I share that column with my colleagues, and invite those who have not yet joined the more than 190 Members of our body as cosponsors to do so.

The article follows:

THE WOUNDS OF VIETNAM

There were no parades when the veterans of Vietnam came drifting home. No bands, no speeches in the park, no heroes' welcome marked the end of a long war and a lost cause. For the most part, the survivors of Vietnam got the silent treatment: So you served in Vietnam? Forget it.

A decade after the war's end, this shameful experience may be in part redressed. Congress is about to complete action on a bill authorizing a memorial here in Washington to the 2.7 million who served in Vietnam, and especially to the 57,661 who died there. If ever a patriotic cause merited universal support, this is such a cause.

It is said that the war in Vietnam was the most unpopular war our nation has ever waged, and probably this is true. The Civil War claimed a heavier toll in dead and wounded, but it came to an honorable end. A thousand courthouse towns, North and South, erected statues to the Union and Confederate dead. Veterans of the Civil War had a certain standing in their communities.

Almost no one ever had a good word to say about our agony in Vietnam. In the beginning, many of us supported the commitment. It seemed an altogether moral and honorable act for the great and powerful United States to come to the aid of a small and almost defenseless ally.

But in time it became apparent that the Johnson administration's aimless purpose was to wage the war but not to win it. Even the small enthusiasm faded. And meanwhile, on college campuses across the nation, violence erupted. Thousands of young men turned into draft evaders; hundreds went to prison. This war was not "unpopular." This war was despised.

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[2] See "Information Digest," April 22, 1977, Accuracy in Media, AIM Report, February 1977, Part 2, and March 1977, Part 1, and Institution Analysis #9, "The New Left in Government: From Protest to Policy Making" of the Heritage Foundation, p. 36.

And perhaps the saddest aspect of the whole miserable experience came later, when hostility to the war somehow got transferred to the men who served in it. Veterans who used their G.I. benefits to take college courses tended to be shunned by their fellow students. An infamous colloquy made the rounds:

"How did you lose your arm?"

"Lost it in Vietnam."

"Serves you right."

No memorial ever can make up for this shabby treatment, but the current effort will try. The venture is largely the product of one man's determination. Jan C. Scruggs was wounded while fighting with the infantry in Vietnam in 1969 and 1970. He is now a specialist with the Department of Labor.

Last year he rounded up a small band of fellow veterans. They formed a nonprofit foundation to raise funds by public subscription to finance an appropriate memorial—not as a political statement of any sort, but simply as a symbol of reconciliation and remembrance.

Sen. Charles Mathias of Maryland went to work in the Senate. Two weeks ago he brought off a remarkable feat: All 100 members of the Senate came on his bill as cosponsors. The measure now is pending in the House, where John Paul Hammerschmidt of Arkansas is pushing for early action. By the end of this month authorization may be completed.

The sponsors do not envision anything very monumental. The bill would set aside two acres on the mall near the Lincoln Memorial. There would be a piece of sculpture, to be approved by the National Commission of Fine Arts. The area would be serenely landscaped. A memorial wall would bear the names of the dead.

No tax funds are sought for the memorial itself. The venture is essentially private, which is as it should be. Once the necessary funds are raised and the memorial is completed, the Park Service will take over maintenance and Scruggs' small foundation will go out of existence.

In the 16 years I have been writing this column, I don't believe I ever have urged contributions to a particular cause. I do now. Tax-deductible gifts should be made to the Vietnam Veterans Memorial Fund, 1025 Connecticut Avenue, N.W., Washington, D.C. 20036. The bitterness engendered by Vietnam may never be forgotten. The sacrifice at least should be remembered.●

MARGINS ON FUTURES CONTRACTS

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SMITH of Iowa. Mr. Speaker, since the very visible activities of the Hunts in the silver market and the huge increase and decline in silver prices, there has been a renewed interest in the commodity futures markets, a recognition of their tremendous importance, and several new proposals relative to curbing abuses which do or could occur. I still think that the basic tools we need are provided in the Commodity Futures Trading Commission Act, of which I was the principal author, and that what we need now is a good independent commission with the financial and technical support necessary to properly implement that act. There is no satisfactory substitute for daily surveillance of the exchanges themselves. Primary responsibility must still remain with the exchanges but they, in my opinion, need to know that they are being watched and that if they fail to carry out their responsibilities to the public, there is an agency which can take action.

One of the recent proposals that has attained considerable attention has been related to setting margins on commodity contracts. It is understood that there was even consideration given to increasing margins as an anti-inflation action. This would have been inflationary instead of deflationary because it simply does not work the same as margin requirements for those buying common stock.

A recent statement relative to margins was made by Dr. Mark Powers at an April 21 luncheon sponsored by the Futures Industry Association. I stress that I do not agree with all of his conclusions; however, I think he does present forcefully a particular point of view and I do agree with a good many of the statements that he makes. I think his statement on this important subject is worthy of consideration of those who are interested in this subject matter and I include it in the RECORD so that others may have an opportunity to read it:

COMMODITY MARGINS—WHOSE RESPONSIBILITY

(By Dr. Mark J. Powers)

Thank you Mr. Stotler, ladies and gentlemen, Chairman Foley. I'm delighted to be with you here today to discuss a most timely topic namely who should have responsibility for the establishment of margins on commodity futures contracts. This topic arises out of the aftermath of the recent episode in silver futures trading. My purpose in discussing this issue with you today is to try to identify some of the issues that have arisen and to put them in the proper perspective.

As I thought about how to present my ideas today I thought the most useful way was to ask myself the questions I would ask if I were in your position as a legislative assistant or as an elected representative who needed to make a decision on these issues.

Let me turn to the questions:

QUESTION 1: HOW DO MARGINS WORK IN THE COMMODITIES MARKET?

When a customer enters into a futures contract either as a buyer or as a seller he must have on deposit with his broker a specified amount of money required by the exchange where the contract is traded. This deposit is called initial or original margin. The money belongs to the customer and is segregated from the funds of the broker. The broker in turn deposits these margins at the exchange clearinghouse. Each day the contracts carried with the exchange clearinghouse are marked-to-the-market and the margins on deposit are adjusted accordingly. This daily marking-to-the-market protects the financial integrity of the entire system permitting the margins on deposit to be kept small in relation to the value of the contracts.

The amount of margins required by the exchange varies from one commodity to another depending upon its price volatility. The exchanges have authority to adjust margins on short notice and raise or lower margins especially when prices are volatile.

Exchanges usually require higher initial margins on speculative accounts than on hedging accounts. The reason is that hedge accounts have a smaller financial exposure to price change because by definition the intent of hedging is to use the futures as an offset for risk on cash positions.

Margins are also lower on intramarket spread transactions (long one month short a different month in the same commodity contract). The risk exposure on intramarket spread positions is usually less than that on outright positions.

Maintenance margins

In addition to setting the minimum level for initial margins the exchange has set a minimum maintenance margin level for each commodity. This is the amount the customer must maintain in his account at all times. Generally it is about 75 percent of the initial margin. As long as the customers equity (his cash deposit in his account plus or minus his gain or loss in open trades) is not below the maintenance level no further margin level is required. However, if his equity drops below that level he must deposit sufficient funds to bring his margin back to the initial level.

Variation margin calls

Calls from the broker to the customer for additional funds to bring the equity back to initial margin levels are called variation margin calls.

Acceptable margin deposits

Cash is preferred as initial margin although T-bills may be permitted in particular situations.

Only cash is permitted for variation margin calls. These variation margin calls represent losses on futures positions.

By the same token variation margin credits belong to the customer. Futures trading is a zero sum activity. The daily profits of one trader come from daily losses of other traders and this money is transferred daily to and from the clearinghouse and to and from the individual customer accounts.

QUESTION 2: WHAT IS THE PURPOSE OF COMMODITY MARGINS AND HOW DO COMMODITY MARGINS DIFFER FROM SECURITY MARGINS?

The purpose of commodity margins (the word margin is a misnomer they really should be called security deposits) is to act as a good faith guarantee that the individual who entered into the commodity futures transaction will perform his duties as called for under the terms of the contract. These security deposits are not down payments. Both the buyer and the seller are asked to post these funds. Their purpose is to secure the financial integrity of the transaction.

The purpose of Federal Reserve margin on securities is to prevent excessive use of credit. When someone purchases stock on margin there is an actual transfer of property rights. The seller is paid in full for the stock he has sold to the buyer. If the buyer does not have sufficient funds to pay for the stock in full he borrows the rest through his margin account. Thus, net purchases of stock on margins generate credit and add to the national money supply.

Stock margin requirements have three effects. They limit credit, they limit the volume of purchase on credit, and they limit the individual level of borrowing for purposes of purchasing securities.

The use of margin by the Federal Reserve is a selective instrument in credit controls. It supplements the other powers they have. They can raise margins without tightening other credit. Generally they have raised margins when prices increase and seldom have they had margins below 50 percent.

In the case of commodity transactions no credit is created and no property rights are transferred. Both parties to a transaction have entered into a promise that at a later date they will transfer property rights to the actual commodity. In the meantime both sides have been asked to post a security deposit at the exchange to affirm the contractual obligations they have undertaken.

QUESTION 3: WHO HAS RESPONSIBILITY NOW FOR COMMODITY MARGINS?

The exchanges have responsibility for establishing commodity margins and for changing them from time to time. Congress has reaffirmed the wisdom of this arrangement a number of times through the years. Each time when the issue has been addressed Congress has determined that it is in the best interest of the public for the exchanges to retain control over the establishment of commodity futures margins.

However, the emergency powers of the CFTC have been construed as giving the CFTC authority to establish margins when the CFTC declares an emergency in the market. They have used that power once in the fall of 1977 when they established a 100 percent margin on November potatoes.

QUESTION 4: WHAT IS THE OBJECTIVE OF THOSE WHO WOULD REMOVE THE RESPONSIBILITY OF SETTING MARGINS FROM THE EXCHANGES AND TRANSFER THAT POWER TO AN AGENCY OF THE FEDERAL GOVERNMENT?

From all that I have been able to discern in talking to various people interested in this issue and reading newspaper reports it seems that there may be several objectives that various groups believe might be accomplished.

Some feel that placing margin control with a governmental agency would help to control inflation. They believe that low margins cause excessive speculation and that excessive speculation is an engine of inflation. They would use margins to affect the price level. If they thought prices were too high they would adjust margins accordingly. In reality no one knows what constitutes excess speculation. More importantly commodity prices are not the engine of inflation; they measure the heat of the engine.

Some feel that the objective would be to reduce price fluctuations in the prices of the various commodities. I know of no evidence that suggests that higher margins actually reduces price fluctuations. Indeed in the short run I rather suspect that higher margins may be closely associated with wider price fluctuations as people who are affected by those changes in margin scramble to reduce or eliminate their market positions.

Some feel the objective of changing the responsibility for setting margins is to limit participation in the futures markets. The assumption here is that a government agency would establish margins at a higher level than those established by the exchanges. Certainly experience and common sense suggests that higher margins would reduce the participation in the markets.

Some feel the purpose would be to protect brokerage houses from overextending themselves in carrying customer positions. In my view, if that is a real fear, the use of margins to accomplish such an objective is the wrong tool.

When all of the objectives are boiled down they come down to two fundamental points. First, that government established margins would be higher than those established by the exchanges and, second, that the fundamental purpose of margins would not be to protect the financial integrity of the price discovery institutions. Rather, they would be used to influence prices or people's desire to do business.

QUESTION 5: IS SUCH A CHANGE IN THE LOCUS OF MARGIN RESPONSIBILITY REALLY IN THE PUBLIC INTEREST?

To answer this question one needs to look at the costs and the benefits of a change from the private establishment of margins to public establishment. Let's turn our attention first to the cost side.

Costs

1. Margins established at higher levels than those necessary to maintain the financial integrity of the futures system will tend to raise the costs of marketing our products. Thus the objective of those that would raise margins in order to help fight inflation would not be met. High margins increase the cost of hedging. There is an interest cost for margin money posted with the broker. The higher the margin the higher this opportunity cost. There is also an execution cost associated with commodity transactions. Execution cost is measured by the spread between the bid and the ask prices and the size of that spread is directly related to the amount of participation in the market. High margins result in reduced participation in the markets, wider spreads and higher hedging costs. These higher hedging costs get passed back to producers in the form of lower prices or forward to consumers in the form of higher prices. The size of these costs is difficult to know, but the direction of the change is not difficult to discern.

A disruption of the marketing system

A second major cost that would emanate from a change in the margining system has to do with the tremendous disruption there would be to our marketing and distribution system.

The marketing system that has evolved for agricultural products over the last hundred years is a system that closely integrates the price discovery process of the futures market into the pricing in the cash system. If the markets should become less liquid and hedging should become much more expensive it is very likely that many of the institutional arrangements that have evolved over the years will be altered significantly. Many of the forward contracting devices that have been established by local grain elevators and major meat packing firms will be discontinued or made less available to small operators. The cost of marketing agricultural products will increase accordingly. The overall cost to the economy could be enormous.

Although it is difficult to know at this stage precisely what would be the overall impact it is highly likely that the very large firms will benefit most. The smaller firms will find it much more difficult to compete simply because it will be too costly for them to use the futures market as a means of efficiently managing their risk. Many of the forward contracting and forward pricing devices that currently exist in agriculture exist only because the risks associated with those institutional arrangements can be laid off efficiently and at low cost through the commodity futures markets.

Administrative costs

A third cost that must be considered are the costs associated with administering margins. There are approximately 64 different contracts listed on the exchanges. Most exchanges make a distinction in their margining policy between hedgers and speculators. Further most exchanges make distinctions between spread transactions and outright positions in the market. When one considers the various combinations and permutations of margins for these different contracts it becomes obvious that there are several hundred different margins that must be established. It is virtually impossible to establish these margins through a pre-established formula.

The establishment of margins is not solely a science. It does require some art. No governmental agency no matter how responsible or how enlightened, and there are some that are both responsible and enlightened, will be sufficiently responsive to the needs of the marketplace to make the decisions on margin frequently enough or fast enough. Further, the data necessary to make correct decisions on margins does not at present reside with any governmental agency. The exchanges are in a much better position, have faster access to the data (on volume, open interest size and ownership of positions, cash market activity, etc.) and a better understanding of the meaning of the data to make responsive and necessary changes in margins.

Benefits

When I turn to the benefit side of this equation I'm hard pressed to find very many benefits that would accrue to the public. At best I believe regulators and elected representatives might get some degree of comfort from knowing that they have control over margins. Such control would be a security blanket for them but a very costly, tattered and torn blanket. It would provide a false sense of security.

Certainly I see no benefit to consumers in providing margin control to a governmental agency. I see no benefit to producers and I see no benefit to the price discovery process. Indeed, I think the price discovery process would be less efficient than it is under the current system.

QUESTION 6: WHO IS BEST EQUIPPED TO HANDLE THE SETTING OF MARGINS AND WHAT IS THEIR RECORD?

In my view exchanges have better and faster access to the correct data and to the expertise for interpreting that data than any governmental agency could ever hope to have. Exchanges have proven, if past history is any guide, that they can and will raise margins when it is necessary to do so in order to protect the financial integrity of the marketplace. The record also suggests that when exchanges have raised margins participation in the marketplace and the total volume of trading did decrease. This is precisely as one should expect and indeed is quite in line with some of the objectives voiced by proponents of giving margin control to the government. But the fundamental objective of the exchanges in raising of margins was not to affect prices or to reduce price fluctuations or to limit participation, it was to protect the financial integrity of the price discovery institutions. The reduced participation was a result not an objective.

The government agencies simply cannot be responsive in a timely fashion. Further, they will be very reluctant to lower margins when it is appropriate.

QUESTION 7: WHAT DID WE LEARN ABOUT MARGIN CONTROL FROM THE RECENT SILVER SITUATION?

It would be naive and foolish of me to stand here and suggest that all was well in the commodity futures industry and that there were no problems in the industry during the recent run-up and subsequent collapse of silver futures prices. Judging from the reports I've read the industry was very close to some very major problems during the collapse of silver prices. And these problems threatened to spill over into other areas of the financial community. So there can be no denying that potential problems did exist and through fast action and good judgment and most importantly a very resilient and capable futures system a disaster was diverted.

But the question remains. "Would the imposition of higher margins or the control of margins by another agency have made any difference?" In my view the answer is a resounding "no". Margins were raised regularly and to very high levels by the exchanges. Some individual brokerage houses raised margins faster and higher than did the exchanges. The result was that participation in the market dropped but prices continued upward and became more volatile. The market became extremely thin.

The problems that arose and that most people seem to have focused on centered around questions of business judgment—judgments made by particular brokerage houses with respect to the size and extent of the business those houses wished to conduct with particular individuals. In hindsight, it seems relatively easy to point out that several houses over-extended themselves and became too involved with a few customers given the capital of the brokerage house. I see no evidence or suggestion that changing the margining system or raising margins would have had any impact on this aspect of the problem.

It is dangerous and fruitless to believe that we can legislate good business judgment. We cannot. We however, take a look at business practices within the industry and the rules and regulations of the exchanges governing the capital requirements of its members and the concentration of positions carried by members with a given amount of capital. Focusing attention in this area will strengthen the entire commodity brokerage industry and in the long run help protect the integrity of the futures system.

QUESTION 8: SHOULD ANY DISTINCTIONS BE MADE BETWEEN MARGIN CONTROL FOR AGRICULTURAL COMMODITIES AND FINANCIAL FUTURES?

The answer is no. The answers given above relate equally to financial futures. The financial futures markets are used for hedging. They do contribute to the information processes and they do help strengthen our capital intermediation service system. Although there are other ways of hedging than through futures, the financial community finds that the futures is a more efficient and less costly means of hedging than through the matching and adjustment of cash positions.

QUESTION 9: WHY NOT GIVE THE FED STANDBY AUTHORITY TO SET MARGINS ON FINANCIAL FUTURES WHEN THEY FEEL IT APPROPRIATE?

As noted above, the CFTC already believes it has that type of emergency power. To also give the authority to the Fed would create added uncertainty as to when, how, and under what criteria the power would be used. Further, standby authority is like being a little bit pregnant. If a government agency has standby authority, someone someday will find an excuse to use it. Given the objectives that many proponents wish to achieve through the margin control, the likelihood is that such authority would be used for some other reason than to maintain the financial integrity of the price discovery institutions. Once the authority is used it will become an additional factor of market uncertainty but not a natural one.

QUESTION 10: SINCE SECURITY OPTIONS ARE MORE SIMILAR TO FUTURES CONTRACTS THAN TO SECURITIES, DO THE ARGUMENTS POSED ABOVE SUGGEST THAT THE FED SHOULD NOT HAVE CONTROL OF THE MARGIN REQUIREMENTS FOR MARGINED SECURITY OPTIONS?

No. A major difference between the trading in security options and futures contracts is that those companies on which options are traded do not have their revenues or costs of doing business affected by the level of margins set by the Fed. Exactly the opposite is the case in futures. As the margins are increased the costs of marketing a bushel of corn or underwriting a bond issue goes up. A delicate balance needs to be kept between providing low cost efficient hedging and price discovery while maintaining the financial integrity of the system.

In summary, I believe the proper place for margin control to rest is with the exchanges. Their past record shows they are responsible and responsive in this area. That is not to suggest that the exchanges do not have an affirmative duty to continue to strive to improve the capital structure of the industry and the system of margining.●

IN SUPPORT FOR SECTION 5 OF THE FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1980

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to express my support for section 5 of H.R. 2313, the Federal Trade Commission Improvements Act of 1980. This measure will be considered by the full House in the coming weeks.

In passing section 5 of H.R. 2313, we are removing from the Federal Trade Commission's rulemaking jurisdiction, all matters relating to the business of insurance, including any health insurance plans regulated by State law such as indemnity plans, prepaid health plans, health maintenance organizations, and foundations for medical care.

I am pleased to note that section 5 will end a threat posed by a recent FTC rulemaking proceeding to the Monumental health plan, an important community service in the district. As the Members are no doubt aware, access of inner-city residents to quality health care services is frequently limited severely. Few physicians have their offices in these areas, and other health services are frequently also lacking.

Fortunately for my constituents, the Monumental health plan is providing comprehensive care on a prepaid basis in the community. As a prepaid health plan, it involves the patient in an integrated package of preventive medicine, treatment for illnesses, and health maintenance. Because many of the plan's physicians and staff are also from the inner city, they have a special awareness of the unique medical needs of my constituents.

The recent FTC proposed rule concerning physician control of Blue Shield and other open panel prepayment plans threatened the very existence of Monumental health plan and all other similarly organized plans in which community based physicians control the plan's policies.

I believe the FTC staff was mistaken in applying its analysis to plans of Monumental's type. Despite what I find to be substantial clear evidence that plans like Monumental increase competition in the health care services market, the FTC staff felt that those plans were anticompetitive. I am pleased, therefore, that today's bill will remove the cloud created by the FTC rulemaking proceeding and allow Monumental and other prepaid health plans to continue to serve their communities in a responsible manner.

THREE VIEWS ON NUCLEAR WAR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. BROWN of California. Mr. Speaker, as we debate the fiscal year 1981 defense budget, and the side issues of defense policy, foreign policy, and SALT treaties, it is useful to consider the core of all this debate—which is the role of nuclear weapons and nuclear war.

Recently I came upon a deceptively simple editorial in Chemical & Engineering News which consisted solely of three letters. Without further comment, I commend these three letters to my colleagues:

[From the Chemical & Engineering News, May 5, 1980]

FEBRUARY 10, 1980.

TO PRESIDENT CARTER AND CHAIRMAN BREZHNEV: As physicians, scientists, and concerned citizens, alarmed by an international political climate that increasingly presents nuclear war as a "rational" possibility, we are impelled to renew a warning, based on medical and scientific analyses, that:

Nuclear war, even a "limited" one, would result in death, injury, and disease on a scale that has no precedent in the history of human existence;

Medical "disaster planning" for a nuclear war is meaningless. There is no possible effective medical response. Most hospitals would be destroyed, most medical personnel dead or injured, most supplies unavailable. Most "survivors" would die;

There is no effective civil defense. The blast, thermal and radiation effects would kill even those in shelters, and the fallout would reach those who had been evacuated;

Recovery from nuclear war would be impossible. The economic, ecologic, and social fabric on which human life depends would be destroyed in the U.S., the U.S.S.R., and much of the rest of the world;

In sum, there can be no winners in a nuclear war. Worldwide fallout would contaminate much of the globe for generations and atmospheric effects would severely damage all living things.

Therefore, in the interests of protecting life, we appeal to you to: Defuse the current tensions between our countries, ban the use of all nuclear weapons, and recognize the threat posed by the very existence of our enormous nuclear arsenals, and begin dismantling them.

We urge you to meet with us to discuss the medical consequences of nuclear war. We urge all physicians in the U.S. and the U.S.S.R. to join us in this appeal.

PHYSICIANS FOR SOCIAL RESPONSIBILITY.

MARCH 20, 1980.

To PHYSICIANS FOR SOCIAL RESPONSIBILITY: I have studied your statement "Danger—Nuclear War" and I fully share your concern as scientists for the fate of mankind in connection with the danger of nuclear war. Since the time when the atomic energy was first used for military purposes the Soviet Union consistently stands for banning these and all other weapons of mass destruction and annihilation.

The U.S. scientists can substantially contribute to the explanation of disastrous consequences for mankind of a nuclear conflict between the U.S.A. and the U.S.S.R. which would inevitably assume a global scale. Such explanation will further strengthen the will and activity of those who come out for stopping the arms race, for maintaining normal relations between all the countries including, of course, the U.S.A. and the U.S.S.R. You may rest assured that your humane and noble activities aimed at preventing nuclear war will meet with understanding and support in the Soviet Union. With best wishes of success,

LEONID BREZHNEV.

APRIL 25, 1980.

To PHYSICIANS FOR SOCIAL RESPONSIBILITY: Your statement on the danger of nuclear war is a grim reminder of the almost incalculable price the world would pay in the event of nuclear conflagration. By describing so forcefully the terrible human costs of nuclear catastrophe, you have made a valuable contribution to its prevention.

The task of preventing nuclear war is the responsibility of all the nations of the earth. But it is a special challenge to the wisdom and statesmanship of the two nuclear superpowers, the United States and the Soviet Union. In a period of heightened tensions, it is all the more important to have reliable constraints on the competition in nuclear arms. Equitable and verifiable limitations and reductions in nuclear arsenals are crucial—not only to the national security policy of the U.S., but also to the peace and stability of the world. Our efforts to stop the proliferation of nuclear weapons are crucial as well. Again, I welcome your service to the cause of nuclear sanity and to public understanding of this vital subject.

JIMMY CARTER.●

FEDERAL LENDING OVERSIGHT AND CONTROL ACT

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. BETHUNE. Mr. Speaker, I have introduced a bill to impose controls over Federal credit activities—Federal loans and loan guarantees. My bill, the Federal Lending Oversight and Control Act, consists of two parts: part I, to impose an annual ceiling on overall Federal credit; and part II, to make way for tighter tests and controls on Federal credit assistance programs and a better understanding of how they affect the economy.

There is widespread agreement on the need for lending oversight and I am encouraged that Congress is setting targets in the first budget resolution for the amount of Federal credit that can be extended. My bill would insure that targets and ceilings for Federal credit would be incorporated into the congressional budget process—as are Federal spending programs. They both affect the economy, so they both should be understood and controlled annually by Congress.

During the course of the Chrysler bailout legislation, the White House, OMB, the Federal Reserve, the Congressional Budget Office, Budget Committee Chairman BOB GIAIMO, Budget Committee member NORM MINETA, the House Banking Subcommittee on Economic Stabilization, the Federal Reserve, and economist Alan Greenspan all expressed concern over the lack of controls and understanding of Federal credit programs.

A tightening up of credit programs is imperative because this largely unknown, but mighty sector of the Government till is growing more rapidly than any other form of Government assistance. According to CBO, outstanding credit may soon reach a level of almost $500 billion. Despite this increasing activity, Congress is only beginning to set limits on Federal lending and has no systematic method for reviewing the makeup of credit activity, no way of knowing how effective credit programs are, or how they are affecting the economy.

Mr. Speaker, I was astounded last year when Congress pushed through a $1.5 billion Federal loan guarantee program for Chrysler. How many more programs like this where the Federal Government assumes full risk of default—will quickly become law without a clear understanding of their effect on the economy? That is why I have introduced this bill, and that is why I will be watching out for new initiatives like the one for Chrysler, where the risk is high, the activity is unproductive, or the risk is not pooled among borrowers. As you may recall, last December 13, when the House debated the rule for the Chrysler bill, I described the difference among the three types of loan guarantees, and how the newest kind of loan guarantees to large, single borrowers—like Chrysler—is the riskiest and has experienced a thousandfold increase since 1960.

Imagine the multibillion-dollar economic havoc in say 1990, if the Chrysler loan program defaulted along with a couple of other major programs. Yet, I am told that the Federal Government has no idea at this moment how many programs are in default, or how many are nearing default. If the present pace of growth in this off-budget credit sector keeps up without proper control, the U.S. economy could be severely hampered.

Unlike direct Federal loans, loan guarantees are offbudget. It is only until one defaults and the Government must pay up, that it is recognized in budget outlays. Since Federal loan guarantees skirt the budget process, they are perceived to be a less painful form of Federal assistance. Consequently, they have been growing by leaps and bounds. The Federal Government's reckless deficit spending within the budget process is an atrocity. However, the off-budget approach for credit is an even more insidious time bomb that needs review, control, and proper application.

The common perception that Federal loan guarantees represent a minimum of intervention in the economy is far from accurate. Dr. Alan Greenspan, former Chairman of the Council on Economic Advisers, pointed out in hearings before the Economic Stabilization Subcommittee last year that there are long-term impacts and indirect costs—such as higher inflation due to an excessive amount of credit preemption on the part of the Government—associated with Federal lending programs. The true costs of Federal credit programs are their adverse effect on the prosperity and future economic growth caused by the allocation of capital away from its potentially most productive users.

The first part of my bill incorporates Federal credit activities into the Congressional budget process, requiring Congress to set targets and ceilings for the gross amount of direct loans and loan guarantees which the Federal Government may make or enter into during each fiscal year, beginning fiscal year 1982.

My bill will piggyback Federal credit targets and ceilings required by the Congressional Budget and Impoundment Act of 1974, which establishes first and second concurrent budget resolutions. Further, this legislation would check backdoor spending by subjecting all Federal credit programs to the annual appropriations process.

The second portion of the Federal Lending Oversight and Control Act would amend the House rules to allow a single House committee designated by the Rules Committee an opportunity to: First, analyze the nature of the risk of individual Federal credit programs; second, evaluate overall economic impact by reviewing the mix of credit programs with regard to risk and maturity; third, help set universal terms, definitions, default policies; and fourth, determine the impact of individuals credit devices and overall credit on our national financial institutions.

A study on Federal credit by Peat, Marwick, Mitchel & Co. for CBO confirmed that present inconsistencies in Federal loan and loan guarantee programs create uncertainty in the extent of potential or actual U.S. liability. This is caused by a number of factors, including a variance among agencies on definitions of credit terms. For example, one agency might consider a loan in default if it is 1 week past due, whereas it may be months before other agencies know that a loan is no longer in current repayment status.

My bill would give a committee designated by the House Rules Committee, 15 legislative days of sequential jurisdiction over authorization bills containing credit programs. Tighter steps like credit tests, default reserves, and greater incentives for private lending could reduce Government liability. A greater uniformity and tightening of tests over the multitude of credit programs is needed to develop prudent lending policies.

Passage of the Federal Lending Oversight and Control Act could put the credit cart where it rightly belongs—behind the horse. There simply must be a systematic review of Federal loans and loan guarantees before this form of Federal assistance expands further.

Your support for this legislation is crucial. For your information, I am submitting a section-by-section description of the bill:

SECTION-BY-SECTION DESCRIPTION OF THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT

STATEMENT OF PURPOSE

To establish control over federal credit assistance programs by making them subject to the Congressional Budget process; to allow a House committee to review credit legislation to analyze and evaluate the nature of the risks and impact on financial lenders, and to have general oversight to evaluate overall economic impact of credit activities and review the uniformity of terms and conditions of federal credit programs.

Title I piggybacks provisions for setting targets and ceilings for direct and guaranteed loans established in the first and second concurrent budget resolutions required by the Congressional Budget Act of 1974.

Section 101 amends sections 301(a) and 301(c) to include direct and guaranteed loans into the budget targets required in the first concurrent resolution. It also requires that the standing committees include in their reports to the Budget Committee their views and estimates on credit programs, as well as direct expenditures. This section also requires the Banking Committee to include their recommendation for overall credit levels.

Section 102 requires a joint explanatory statement accompanying a conference report to include targets for credit levels, as are required for budget authority and outlays. It also requires the Appropriations Committees to subdivide their allocations among their subcommittees, as they presently subdivide their allocations of budget authority and outlays.

Section 103 amends section 307 to add to the summary report a comparison of the Committee's recommendations on gross obligations on direct loans and total commitments to guarantee loan principal to the levels set forth in the concurrent budget resolution.

Section 104 expands CBO budget scorekeeping responsibilities (an up-to-date tabulation of limitations on gross lending and new commitments compared with targets in the budget resolution).

Section 105 requires that action on bills containing credit limitations take place not later than 7 days after Labor Day, as is required of all bills providing new budget authority.

Section 106 requires the Budget Committee to report in a second resolution any revisions to the budget expenditure aggregates in the first resolution, and make necessary revisions in limits on direct loans and new commitments for guaranteed loan principal.

Section 107 states that legislation that breaches the ceiling would be subject to a point of order, as are outlays now.

Section 111 sets up a two-stage process for loan guarantee authority. Requires that authorizations for guarantee authority shall be effective for a fiscal year, only as approved in advance in appropriation acts.

Section 112 amends section 402 of the Congressional Budget Act to make the May 15th deadline for reporting authorizing bills, effective also for bills authorizing loan guarantees.

Sections 121 and 122 add to the Declaration of Purposes section of the Budget Act, a definition of direct loans, and declares the purpose is to control direct lending and loan guarantees.

Title II amends the Budget and Accounting Act of 1921 to require necessary data on federal credit programs from the President.

Title III amends Clause 3 of rule X of the Rules of the House and designates that the House Committee on Banking, Finance, and Urban Affairs, or a single committee designated by the Rules Committee will have sequential jurisdiction for fifteen legislative days over legislation authorizing direct loans, loan insurance, and loan guarantees from or by the Federal Government. The designated committee shall analyze and evaluate the nature of the risks, and impacts on financial institutions and on the economy of federal lending activity. The Committee will review and make recommendations with respect to the consistency and uniformity of definitions, default policies, terms and conditions relating to federal credit activities.

Title IV establishes October 1, 1981 as the effective dates for titles I and II. Title III would become effective on January 3, 1981.●

GOOD NEWS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. PAUL. Mr. Speaker, one of our country's truly wise men, Leonard Read, founder and president of the Foundation for Economic Education, wrote a wonderful essay recently that I would like to call to my colleagues' attention. This article contains a very necessary corrective for all of us who believe in freedom:

GOOD NEWS

(By Leonard Read)

How hard it is to imagine the existence of goodness, wisdom and love when quite the opposite is being drummed into our heads day in and day out. Television, press and radio emphasize the sordid, the bizarre, the ugly. Newscasters specialize in disaster. For one of countless examples, a DC-10 crash is headlined around the world. But who sees or hears mention of the millions of miles flown daily in safety!

The preponderance of bad news has a traumatic effect on those exposed to it. Millions of people are downcast, overwhelmed by gloom, seeing nothing ahead but disaster: murder, rape, mugging, vandalism, arson, armed robbery, theft or whatever.

This atmosphere of disaster tends to make us prophets of doom, stranded without hope, unable to see or imagine how freedom would work its wonders.

Reflect for a moment on some of the bad news about our country: rising prices and wages and interest rates, fuel and housing shortages, unemployment, unfavorable trade balances, higher health care costs, more welfare claimants, educational problems, mounting crime rates.

What we are being told by such headlines, if we'll only stop to ponder, is that coercive governmental intervention is bad news. Despite the good intentions of the proponents of easy money and credit, social security, Medicare, protectionism, subsidies to special interests, wage and price controls, more or different welfare programs—despite those good intentions the bad news is that each step of socialistic tampering leads inevitably to consequences that are undesirable. And the more burdensome and stifling the rules and regulations, the greater is the temptation to ignore or break such laws. This results in new demands upon government to cope with the consequences of the prior intervention. Bad news, compounded!

Now, think about that. Is it really bad news that coercive measures lead to undesirable consequences? No, not really. It would indeed be bad news if the consequences were anything else—if bad methods could be employed to yield good results. So, behind the "bad news" headlines on the state of the economy is the good news that socialism cannot deliver on its promises of something for nothing. There is an alternative, a better way, and that better alternative is freedom.

The good news concerns the private ownership and control of scarce and valuable resources and the voluntary exchange of goods and services in open competition—with government limited to keeping the peace and invoking a common justice. The good news is that we'll better serve ourselves and others when free to act creatively as each chooses. The good news is that coercion does diminish the resources and the productivity of everyone involved. So hail to the better way—freedom!

One of my favorite examples of good news appeared some time back in The Ambassador magazine:

Last year more than 196,000,000 Americans were not arrested.

More than 89,000,000 married persons did not file for divorce.

More than 115,000,000 individuals maintained a formal affiliation with some religious group.

More than 4,000,000 teachers and professors did not strike or participate in riotous demonstrations.

And then this brilliant and encouraging comment by the author:

Let those apostles of despair who preach hate and discord ask themselves what they have done and what they are doing for the good of their loved ones, their nation and the world.

Recently I read of a television station in Europe specializing in reporting only the good news. What a boon if all of us could tune to a "good news freedom station"—for those of us saturated with the bad news of violence and plunder are indeed hungering for the good news of freedom and its many blessings. What a viewer market such a station could profitably serve!

There was a time when the miracle of American productivity heralded good news around the world. Investigators came from many nations to seek the explanation. And none of these came closer to finding the right answer than did Alexis de Tocqueville when he visited here in the 1830s:

> I sought for the greatness and genius of America in fertile fields and boundless forests; it was not there. I sought for it in her free schools and her institutions of learning; it was not there. I sought for it in her matchless Constitution and democratic congress; it was not there. Not until I went to the churches of America and found them aflame with righteousnes did I understand the greatness and genius of America. America is great because America is good. When America ceases to be good, America will cease to be great.[1]

Tocqueville read correctly the good news that the miracle of America was the outgrowth of the freedom of the individual. He knew, what so many today have forgotten, that such miracles are not attributable to the interventions and controls by those exercising political powers of coercion. He knew then, as we must learn anew today, that the coercive nature of overextended government is bad news.

As we reverse the tide—no longer captivated by the bad but anxious to learn more of the good—our America will move toward the good at an unbelievable rate. And the bad will rapidly fade away. Wrote the English poet, Oliver Goldsmith (1728–74):

> Whatever mitigates the woes, or increases the happiness of others, is a just criterion of goodness; and whatever injures society at large, or any individual in it, is a criterion of iniquity.

The good news is that individuals best discover themselves and realize their potentialities when free. And thus do they contribute most to the good of their loved ones, their nation and the world.●

FIRST CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1981

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. FISHER. Mr. Speaker, I would like to offer a few comments on the recent passage by the House of the First Concurrent Budget Resolution for Fiscal Year 1981. In a sense, this resolution provides us with the coming attractions for the double feature of the authorization/appropriation process and the second budget resolution which is to follow.

Looking at it from the broadest perspective, this first budget resolution is important because it marks the most affirmative step which the House has taken in over a decade to balance the Federal budget. In fact, the targets for revenues and expenditures would result in a slight budget surplus for fiscal year 1981. This is no small accomplishment. It signals a determined effort to deal with the Government spending component of inflation. It will not end the increase in the cost of living. However, it will take some of the steam out of it. Moreover, it will put the Federal Government in a better position to ask for restraint on the parts of business, labor and consumers, all of which is necessary for a comprehensive anti-inflation strategy.

I was pleased to vote for this balanced budget—more accurately, this small budget surplus. My only regret is that the budgets for the last several years were not closer to being balanced. Those were good years for the national economy and the deficits should have been less. They would have been less if the expenditure cutting amendments which I consistently offered had passed.

As for the details of the resolution, I believe that the Budget Committee struck an appropriate balance between defense and nondefense spending in light of the current international situation. As compared with fiscal year 1980, the committee increased budget authority for defense by $18.2 billion, the largest single peacetime defense increase since World War II. Although more might be spent on defense, this represents a prudent increase. To have gone further, as the Gramm-Holt amendment suggested, would have risked upsetting the balance by cutting more deeply into domestic programs, which had already been subject to severe cuts and which are likely to be under even greater pressure due to the current economic slowdown.

In fact, it was the cuts in several domestic programs which led me to support the Obey amendment, which still would have resulted in a balanced budget but which would have provided for modest increases in the areas of revenue sharing, fuel assistance, mass transit, and impact aid among others. These increases would have been compensated for by spending cuts through administrative tightening and increased revenue from reform of the foreign oil tax credit. Unfortunately, the Obey amendment was defeated by a narrow margin. Other amendments, such as the one offered by Congressman OTTINGER, would have further increased spending but did not provide for commensurate revenue increases which stood a realistic chance of enactment. Passage of these more costly amendments, then, would have made certain almost from the start that the budget for fiscal year 1981 would not be balanced. For this reason, I opposed them.

So here we have in this resolution a preview of what is to come. However, it will be through the authorization and the appropriation process and through the formulation of the second budget resolution which will take place in the coming months that the firm decisions will be made as to where to cut and spend and to what extent. This will be the main focus of our attention.

As for the authorizing legislation, the first budget resolution set us in the right direction by requiring that reconciliation occur by June 15. Under this procedure, which I voted to support, eight House and Senate authorizing committees are directed to report legislative savings of slightly over $9 billion in outlays in fiscal year 1981. Although the Budget Committee made recommendations as to how these savings could be achieved, the directive itself only specifies a dollar amount for each committee. The resolution explicitly states that these authorizing committees must come up with "their recommendations" as to how this money can be saved. For example, the resolution directs that the House Post Office and Civil Service Committee trim spending by $4.2 billion in outlays. It recommends that 14 percent of this saving be achieved through changing the twice a year cost of living adjustment for Federal retirees to once a year. However, if it chooses to do otherwise, the Post Office and Civil Service Committee could achieve the same savings by trimming other programs within its jurisdiction. If it would have been possible to amend the resolution to require that the twice a year COLA for Federal retirees be retained, I would have voted to support that amendment. Unfortunately, the parliamentary procedure under which the resolution was considered did not allow for such an amendment to be offered. Nevertheless, having supported the twice a year COLA in the past and strongly supporting it now, I emphatically urge the House Post Office and Civil Service Committee to make its legislative savings in areas other than the Federal retirees COLA. Furthermore, I will support the retention of the twice a year COLA when that issue is brought before the Congress as part of the authorization and appropriation process.

To have defeated the reconciliation directive, would have been to dilute the potential impact of the first budget resolution by making the likelihood that the budget can be balanced less certain. By having reconciliation this early in the year, the authorizing committees will be given a realistic chance to modify the existing programs well before the start of the 1981 fiscal year in October. This will help to avoid the administrative disruptions and delays which would result from changes made just prior to the beginning of that fiscal year and which could take months to implement. Furthermore, the authorizing committees will be given 1 month to consider these legislative savings in contrast to the 10 days which would have been allotted if reconciliation was not passed until the time when the second budget resolution is considered in September. Requiring reconciliation now puts teeth into the first budget resolution and evidences our determination to trim Government spending through amending Government programs.

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[1] This quotation is found on pages 12-13 of the popular school text by F.A. Magruder, *American Government: A Textbook on the Problems of Democracy.* Except for the last two sentences, this is Magruder's paraphrase of Tocqueville's words.

In a similar manner, the various appropriation bills will have to be scrutinized carefully to make sure that they are within the ceilings of the first budget resolution. As part of this effort, the resolution directs that no spending bill—either appropriation or entitlement legislation—which exceeds these ceilings can be enrolled and sent to the President for his signature until after passage of the second budget resolution on September 15. This should impose a greater discipline on both the appropriation committees of the House and Senate in their consideration of this legislation.

During this stage of the budgetary process it will become crystal clear that part of the difficulty with reducing spending to the point of balancing the budget is that not only waste or bad programs are likely to be affected. Budget cutting of this magnitude will affect some good programs as well. And, yet, if we do not bring runaway inflation under control, many individuals served by these programs will continue to be among the hardest hit. The challenge is to guarantee that the sacrifices required are equally spread.

Finally, I am aware that even after all these attempts to control spending and to stay within the budget ceilings of the first budget resolution, it may still be impossible to balance the budget in fact and the second budget resolution may have a deficit. This could come about if the current recession proves to be more severe than is expected. As a result, revenues would be lower and spending for unemployment compensation and the like would be greater. The benefits of a balanced budget may become outweighed by the need to help the victims of the recession. This is not to characterize the first budget resolution as a cynical and meaningless attempt at political posturing. Rather, it is consistent with the very intent of the Budget Act of 1974. The first budget resolution set our goal, and our goal for fiscal year 1981 should be a balanced budget. The surest way not to achieve this goal would have been not to have tried and, instead, to have voted an unbalanced budget from the very beginning. However, after all is said and done and after unexpected events have intervened, it may be impossible to balance the budget. The second budget resolution would then have to recognize this new reality and chart a responsible fiscal course in terms of the situation and outlook at the time. Meanwhile, I shall work to maintain the balanced budget for fiscal year 1981 that I have just voted for.

So, then, this is where the budget process for fiscal year 1981 stands to date. It is a good start. Now let us see it through.●

THE ELECTION OF OHIO'S FIRST BLACK CONGRESSMAN

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, I am proud to share with my colleagues a copy of a recent paper delivered at the annual meeting of the Ohio Academy of History at Wittenberg University in Springfield, Ohio, by Philip A. Grant, Jr., associate professor of history. The paper is entitled, "The Election of Ohio's First Black Congressman," and it is a fitting tribute to the distinguished service of Representative LOUIS STOKES, both to his constituents in Ohio's 21st District and to the House of Representatives:

On December 4, 1967 the United States Supreme Court issued a decision invalidating the existing apportionment of Ohio's twenty-four congressional districts. The Supreme Court, basing its ruling on two previous landmark reapportionment decisions ("Wesberry v. Sanders" and "Reynolds v. Sims"), decreed that the vast majority of the districts varied considerably in population. Thus, the nation's highest tribunal warned that any future apportionment in Ohio had to conform to its mandate that congressional districts be equal in population.

On January 15, 1968 the Ohio Legislature convened at the State Capitol for its annual session. The foremost task of the 1968 Legislature was to revise the boundaries of the Buckeye State's congressional districts to the satisfaction of the Supreme Court. Since 1968 was an election year and since Ohio's congressional primary contests were scheduled for early May, it was imperative that the Legislature resolve the reapportionment question as quickly as possible.

After ten days of intense deliberations, the House of Representatives and State Senate reached agreement on a compromise reapportionment plan. The final version of the reapportionment bill was thereupon signed into law by Governor James A. Rhodes on January 26th.

The reapportionment plan provided for drastic alterations in twenty-two districts, while the remaining two districts were to retain their boundaries with relatively minor adjustments. Three days after the Governor had affixed his signature to the bill, a panel of federal district judges in Cleveland ruled that the reapportionment was equitable and definitely complied with the specific requirements imposed by the Supreme Court.

Especially noteworthy was the reapportionment in populous Cuyahoga County. Consisting of the City of Cleveland and several dozen suburban communities, Cuyahoga County was Ohio's largest political unit. In the aftermath of the Census of 1960, Cuyahoga County had been divided into four congressional districts. These districts, prior to the Supreme Court decision, had varied in population between 385,755 and 439,835 (14.1 percent). After the Legislature passed its reapportionment measure, the four reconstituted districts had populations ranging from 402,298 to 406,017 (0.9 percent).

One of the four Cuyahoga County districts in January 1968 was represented by seven term Democrat Charles A. Vanik of Cleveland, a member of the powerful House Committee on Ways and Means. For many years Vanik's constituency in the Twenty-First District has been approximately forty percent Black. Subsequent to the reapportionment, the district was estimated to have a Black proportion of sixty-five percent. To most informed political observers it seemed quite likely that Vanik would encounter serious difficulty if he chose to seek re-election in the Twenty-First District in 1968.

On January 27 Vanik announced that he would not be a candidate for re-election from his present district, but instead would challenge veteran Republican Frances P. Bolton in the neighboring Twenty-Second District. The decision of Vanik to run against Mrs. Bolton virtually guaranteed that the new Twenty-First District would have a Black congressman on Capitol Hill at the opening of the Ninety-First Congress in January 1969.

The new Twenty-First District, located primarily on Cleveland's East Side, consisted of Wards 10, 13, 14, 15, 16, 18, 20, 21, 23, 24, 25, 27, 28, and 30 and the contiguous townships of Newburgh Heights and South Newburgh-Warrensville. During the decade between 1960 and 1970 the district's Black residents accounted for roughly two-thirds of the total population. In terms of median family income the Twenty-First District was the poorest in Ohio and among the least affluent in the Midwest.

In party registration the old Twenty-First District had been overwhelmingly Democratic in political complexion. Since 1922, the Republican candidates had been defeated in every congressional election in the Twenty-First District. In these twenty-three House contests the average Democratic plurality had been 39,354, and in the ten elections since 1948 the corresponding figure had been 61,625. The addition of several thousand Black Democrats obviously weakened the Republican Party to an even greater extent.

During the nineteen sixties Democratic candidates for major offices had fared remarkably well in the newly established Twenty-First District. In 1960 John F. Kennedy, the Democratic presidential nominee, had polled 76.3 percent of the district's vote, while four years later Senator Stephen M. Young, seeking re-election to a second term, had received a majority of 80.1 percent. Finally, in November 1967 State Representative Carl B. Stokes, the first Black ever to secure the Democratic nomination for Mayor of Cleveland, had defeated his Republican opponent by an 89,396 to 38,694 margin (69.7 percent).

Several Black Democrats had also been victorious in their quests for political offices within the new Twenty-First District. Foremost among these gentlemen was State Senator M. Morris Jackson of Cleveland, who in November 1966 became the first Black ever elected to the Ohio Senate from Cuyahoga County. Four other Blacks in 1966 were chosen to serve with Jackson in the Legislature. They were State Representatives Stokes, Thomas E. Hill, Larry G. Smith, and Troy Lee James of Cleveland.

A total of fourteen candidates filed to participate in the May 7, 1968 Democratic congressional primary. Three of the best known candidates were Black. They were City Councilmen George L. Forbes and Leo A. Jackson and Attorney Louis Stokes. Forbes is currently serving his fourth term as President of the Cleveland City Council. After completing six terms in the Council, Jackson began a distinguished judicial career.

Stokes was Cleveland's most prominent civil rights lawyer and the foremost political adviser to his illustrious brother, Mayor Carl B. Stokes.

As the primary race progressed, it was apparent that Jackson and Stokes were the two most formidable contenders for the Democratic nomination. Two other individuals had been overwhelmingly defeated in previous quests for House seats, while ten of the remaining eleven aspirants were completely devoid of political experience. Considering the extraordinarily large number of candidates competing against one another, it was entirely possible that the ultimate winner would need less than one-third of the overall vote.

Jackson, stressing his decade of experience on the City Council, was strongly favored by most of the senior members of the Cuyahoga County Democratic Organization. He also enjoyed the endorsement of the Cleveland Plain Dealer, Ohio's largest circulating newspaper, and the Cleveland Federation of Labor, AFL-CIO. Predicting his campaign on an "orderly change to reverse the decay of our cities," Jackson insisted that numerous measures were necessary to ease unemployment in urban areas such as Cleveland. Although Jackson devoted the bulk of his attention to domestic issues, he also urged a "search for a diplomatic solution" to end the Vietnam War.

Stokes, while a relative newcomer to the political arena, had the solid support of most of the Blacks who had been involved in his brother's successful mayoral campaign of the preceding year. Emphasizing his independence of the Cuyahoga County Democratic Organization, Stokes argued that the people should determine the congressional nominee. Stokes was more outspoken than Jackson in his opposition to the Vietnam War, demanding an immediate stop to the bombing of North Vietnam. Deploring the unfortunate economic conditions pervading so many parts of urban America, Stokes committed himself to "eliminate poverty through the creation of new jobs, to promote economic opportunity for the Negro who desires to start his own business, and to improve the quality of education for all children in the public schools."

On May 7 more than seventy-three thousand Democrats cast ballots throughout the confines of the Twenty-First District. The early returns indicated that Stokes was attracting impressive electoral support in all parts of the district. By midnight it was evident that Stokes had accumulated nearly twice as many votes as Jackson. In his gracious statement of concession Jackson attributed the result to the "magic of the Stokes name." Altogether Stokes, Jackson, and the five other Black candidates received more than seventy percent of the votes cast in the district. Edward Katalinas, a white member of the Cleveland City Council, was the only candidate of his race to poll more than ten percent of the ballots. The official tabulation, released several days later, was as follows:

Louis Stokes—29,787 (40.6 percent).
Leo A. Jackson—15,522 (21.2 percent).
Edward Katalinas—10,079 (13.6 percent).
Jack P. Russell—3,711 (4.9 percent).
George L. Forbes—3,370 (4.7 percent).
Andrew E. Ziolnowski—2,320 (3.2 percent).
Frank J. Kniola—1,951 (2.6 percent).
George W. White—1,719 (2.4 percent).
Gerald J. Martin—1,093 (1.5 percent).
Michael J. Crosser—990 (1.3 percent).
Frank Evans—932 (1.2 percent).
James H. Boyd—782 (1.1 percent).
Geraldine Williams—606 (0.8 percent).
Robert W. Annable—360 (0.5 percent).

Having secured the Democratic nomination by such an emphatic margin, it was a foregone conclusion that Stokes would be elected to Congress on November 5. In 1968 the Democratic presidential nominee was Hubert H. Humphrey, who for many years had been in the forefront of the civil rights movement, while the Democratic senatorial candidate was John J. Gilligan, who, as a Cincinnati City Councilman and as a member of the House of Representatives from Ohio's First District, had staunchly supported open housing, equal employment opportunity, and other legislative measures to eliminate racial discrimination. Opposing Humphrey were two highly unpopular figures in the Black community, Republican Richard M. Nixon and Independent George C. Wallace. Gilligan's Republican adversary was Attorney-General William B. Saxbe, who had vigorously resisted all attempts at congressional reapportionment. Stokes' Black Republican challenger, Charles P. Lucas, was a former member of the Cleveland Transit Board. Ironically, Lucas had been the plaintiff in the Ohio reapportionment suit. During the congressional campaign Stokes and Lucas remained on friendly terms and expressed agreement both in their disenchantment with the Vietnam War and their advocacy of greater emphasis on social programs to curb the deterioration of urban communities.

On November 5 Stokes received nearly three-quarters of the popular vote. The official statistics were as follows: Louis Stokes 85,509 (74.7 percent); Charles P. Lucas 28,931 (25.3 percent). Stokes' massive victory was accompanied by a sweeping Democratic triumph throughout the Twenty-First District. In the presidential race Humphrey polled 103,450 votes, accounting for a proportion of 79.7 percent, while in the senatorial contest Gilligan vanquished Saxbe by a 92,369-21,246 majority (81.3 percent). Also re-elected to the Ohio Legislature by overwhelming margins were Black State Representatives Hill, Smith, and James, while another Black, Phillip M. DeLaine, won the House seat vacated by Mayor Stokes.

At the time of Stokes' election to Congress there were only five Blacks among the four hundred and thirty-five members of the House of Representatives. Two of these gentlemen were from the City of Detroit, while the others represented districts within the corporate limits of Philadelphia, Chicago, and Los Angeles. None of these Blacks had ever been appointed to such key committees as Rules, Ways and Means, Appropriations, or Armed Services.

Stokes was sworn in as a member of the House on January 3, 1969. Seventeen days later he was assigned to the Committee on Education and Labor, joining two other Blacks, Adam Clayton Powell, Jr. of New York and Augustus Hawkins of California, on that panel. Since this committee exercised jurisdiction over legislation affecting minimum wages, manpower retraining, federal aid-to-education, and the various Office of Economic Opportunity (anti-poverty) programs, the assignment was considered quite relevant for a Black congressman serving an urban district coping with a wide variety of acute social problems.

Since November 1968 Stokes has been easily renominated and handily re-elected to five consecutive terms in the House. Unopposed for renomination in 1970 and 1978, his majorities in primary contests held in other years have ranged from 79.5 percent to 86.6 percent. In general elections Stokes' margins have varied from 45,983 to 85,229 and his winning proportions have fluctuated from 77.6 percent to 87.8 percent. At the present time Stokes, having soundly defeated a succession of Republican challengers, represents one of the three or four most safely Democratic seats in Congress.

On February 4, 1971 Stokes was designated to fill a vacancy on the prestigious Committee on Appropriations, thus becoming the first Black ever to serve on that organization. Currently he is the second ranking Democrat on the Appropriations Subcommittees on the District of Columbia and the Department of Housing and Urban Development—Independent Agencies.

In addition to discharging his responsibilities on the Appropriations Committee Stokes has been Chairman of the Congressional Black Caucus (1972-1973), the Special Committee on Assassinations (1977-1978), and the Budget Subcommittee on Human and Community Resources (1979-1980). While presiding over the Black Caucus, Stokes vigorously denounced the Nixon-Agnew Administration's so-called "Southern Strategy". In his capacity as Chairman of the Assassinations Committee, he strongly challenged many of the findings of the Warren Commission. Finally, during the recent well-publicized debates over the feasibility of a balanced budget, Stokes has insisted that reductions in federal expenditures should not be effected at the expense of disadvantaged citizens and members of minority groups.

A mere freshman congressman in January 1969, Stokes is currently outranked in seniority by only sixty-six of the two hundred and seventy-seven Democrats in the House. In terms of longevity he is fourth among the sixteen Blacks on Capitol Hill. Because of deaths and retirements, Stokes will almost certainly be chosen to chair a major Appropriations Subcommittee at the beginning of the Ninety-Seventh Congress in January 1981.

In December 1967 Louis Stokes was a private citizen and the present Twenty-First Congressional District of Ohio did not exist. In December 1967 only three House districts between Philadelphia and Los Angeles were represented by Blacks. In December 1967 there were only five Blacks among the four hundred and thirty-five members of the House.

In April 1980 Louis Stokes is completing his sixth term in Congress and the Twenty-First District is a significant part of the political landscape of Ohio. In April 1980 Blacks represent districts in Baltimore, Cleveland, Saint Louis, Memphis, Houston, and Berkeley, California. In April 1980 there are sixteen Blacks in the House, incuding ladies and gentlemen assigned to the Rules, Ways and Means, and Appropriations Committees. The election of Louis Stokes as Ohio's first Black congressman in November 1968 was an event of consequence not only for the citizens of the Twenty-First District, but also was indicative of a meaningful increase of Blacks in the participation of the political life of urban America.●

CALL TO A NATIONAL CONFERENCE FOR TRADE UNION ACTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. CONYERS. Mr. Speaker, Gary, Ind. will be the site of the National Conference for Trade Union Action on June 21 and 22, 1980. Convened by the National Coordinatory Committee for Trade Union Action and Democracy, this conference represents an important milestone in building a stronger labor movement in America.

This conference could not take place at a more critical time. The Nation is entering upon another economic nosedive, a major recession that could even be worse than the last one. Basic industries such as auto manufacturing are being crippled by runaway oil prices, import pressures, and outrageous interest rates. A growing number of plants are being shut down across the country. Unemployment once again is reaching new highs, and as the recession deepens, workers' wages once again will be depressed. Because of inflation and the Council on Wage and Price Stability's one-sided controls on wages rather than prices, American workers are facing a serious decline in their purchasing power. Meanwhile, the business sector has mounted an all-out attack on health and safety regulations, union organizing, and the labor movement in general.

The June National Conference for Trade Union Action will take action across a broad front of labor issues—resistance to plant shutdowns; support for a shorter workweek and the abolition of forced overtime; affirmative action; democracy within the workplace. The sponsoring organizations have played an increasingly significant role within the labor movement, and I fully expect that the forthcoming conference will further strengthen its role and its activities in behalf of American labor.

In order to share further information on the nature and purposes of this conference, I insert the following materials in the RECORD:

A CALL TO LABOR LEADERS AND UNION ACTIVISTS—BROTHERS AND SISTERS!

Working people are catching hell these days and those of us who are Black, Brown, Yellow, Red or female are catching a special kind of hell.

Corporate America is on the rampage. They are using outfits like the Committee for a Union Free Environment to cut the throat of the labor movement and to destroy the protections that have been built by the sacrifices of generations of workers. Never in the history of our country have so many been victimized by so few.

The handful of men who control the economic and political life of our country have driven prices through the ceiling. They have hooked interest rates to a skyrocket. They've wasted billions on the military-industrial complex, while squeezing the last thin dime out of programs that create jobs and meet the needs of the people. And, to help them turn the screws a little tighter, they know they can depend on their bought and paid for government, their PAC's and their "two-party" system.

But that's not enough. These greedy-guts want even more: They close plants because they are not "profitable enough." They shift production and jobs to low-wage, unorganized areas at home and abroad. They saddle us with wage controls. They shove thousands more of us into the unemployment lines. They demand "take aways" at the bargaining table. They force us to work overtime. They contract out our work. They dish out all kinds of discipline. They step up racist and sexist harassment, and when we protest, they tell us to "go file a grievance."

But there's another side of the story. More and more, those of us who work for a living are saying 'NO!' 'NO!' to your safety-be-damned, production-happy arrogance! 'NO!' to your union busting! 'NO!' to your crude, racist efforts to divide and weaken our struggles! 'NO!' to grievance procedures that deny us the right to deal with issues and to protect our human dignity!

We are angry—and who wouldn't be in a situation that saw the purchasing power of our wages decline by nearly 7 percent last year while their profits increased by nearly 20 percent?

But we are more than angry. We are fighting back—and we're looking for ways to fight better.

Everywhere that workers get together—in union halls, during lunch breaks, in taverns over beer, in small house meetings—the discussion goes on. Questions are asked. Plans are made. Battles won and battles lost are talked about and analysed.

Out of this process a new body of experience is being born. A tough, new generation of fighting union activists, in and out of leadership, is emerging.

The time is ripe—the need is urgent—to create an opportunity to share that experience, to exchange ideas, to bring the best in the labor movement together to build new strength and confidence. A way must be found to weld these valiant but scattered struggles into a single campaign—into a movement with a program that addresses the most pressing needs of trade unionists everywhere.

That is why we are calling the National Conference for Trade Union Action. If you are a bona fide trade unionist, be it rank and file activist or union leader, you are not merely invited to attend, you belong at the Gary Conference.

Join us in shaping a Program for Trade Union Action. Join us in launching the campaigns that will bring it to life. Each of us needs all of us if we are to make our unions the fighting organizations they must be if we are to defend our jobs, our wages, our working conditions and our human dignity.

Let us learn from each other—let us fight together.

Join us at the National Conference for Trade Union Action.

MARION T. CALLIGARIS.
RAYFIELD MOOTY.

TUAD: TEN YEARS OF STRUGGLE AND LEADERSHIP

In June 1970, a thousand trade unionists attended a conference at the Packinghouse Labor and Community Center in Chicago. They had come to initiate a campaign to strengthen and unify the labor movement; to defend it from its enemies; to democratize their unions by the elimination of racism in all its forms and to win membership control over the affairs of their unions. After two days of debate and discussion, the National Coordinating Committee for Trade Union Action and Democracy (TUAD) had been formed.

In the years since, TUAD had sought to be true to the spirit of these goals. Our initiatives have been influential in the growing movement for a shorter workweek and an end to compulsory overtime; in the campaign to defend and expand affirmative action; in the fight against wage controls; in the struggle to cut the military budget; in the movement for solidarity with workers the world over; and in the on-going battle to protect and strengthen membership rights.

In furtherance of these struggles, and in view of the stepped-up attacks on all labor, we have now undertaken to call a National Conference for Trade Union Action.

INITIATING SPONSORS

Margie Aikin, Secretary, Riverside Federation of Teachers.

Frank Arnold, Delegate, Santa Clara County, Central Labor Council.

Nick Ballas, Staff Representative, District 48, American Federation of State, County and Municipal Workers.

Charles Barton, Secretary-Treasurer, Local 500-P, United Food and Commercial Workers International Union.

Alice Bush, Organizer.

Lee Cain, Chair, Save Dodge Main Committee.

Ben Collet, Trustee, Roofers Local 54.

John L. Cromer, President, Local 765, United Electrical Workers (UE).

Angelo Deitos, Committeeman, Local 78, United Automobile Workers.

Admiral Dawson, Delegate, Los Angeles County Federation of Labor.

George Edwards, Co-Chair, National Steelworkers, Rank & File Committee.

Mary Ewing, Chair, Fair Employment Practices Committee, Local 2, United Auto Workers.

Francis Fink, Labor Action Committee.

Fred Gaboury, Editor, *Labor Today.*

Larry Gurley, Chair, National Black Caucus, American Federation of Teachers.

Bonnie Harmon, President, Local 2695, United Steelworkers of America.

Jim Hanley, Chair, Civil Rights Committee, Local 6705, United Steelworkers of America.

Liz Hrenda, Secretary, Civil Rights Committee, Local 1688, United Steelworkers of America.

John L. Kailin, Executive Secretary, Twin Cities Local, American Federation of Television & Radio Artists.

Ron Kidwell, Shop Steward, Local 776, International Union of Electrical Workers.

Earl Keihl, Director, District 4, United Furniture Workers.

Ted Krukowski, Vice President, Local 111, United Electrical Workers (UE).

Ellen C. Lavroff, President, Colorado Federation of Teachers.

James Lyons, Griever, Local 1033, United Steelworkers of America.

William Obbagy, Editor, *The Cleveland Citizen.*

Rudy Schneider, Griever, Local 1010, United Steelworkers of America.

Ted Silverstein, Steward, Local 75, United Automobile Workers.

Ed Smith, Business Representative, Local 248, United Food and Commercial Workers International Union.

Lasker Smith, Chair, Auto Workers Action Caucus.

Dan Stewart, Organizer, National Union of Hospital and Health Care Employees.

Harold E. Supriano, Business Representative, Local 390, Service Employees, International Union.

Kay Tillow, Vice-President, District 1199-P, National Union of Hospital and Health Care Employees.

Ernist Travis, President, Local 776, International Union of Electrical Workers.

Jewell Ryan-White, President, National Black Communications Coalition.

Allen Weaver, Secretary, DeKalb-Ogle County Central Labor Council.

Jack Weintraub, President, Local 85, International Brotherhood of Teamsters.

Jeff Wilkinson, Executive Board Member, Local 164, Moulders & Allied Workers Union.

TUAD's Program

JOBS

Stop plant closings.

Renew the struggle for shorter hours.

No forced overtime

WORKING CLASS UNITY

Outlaw racist practices on the shop floor—end accommodation to racism on the union floor.

End all discrimination against women and youth.

POLITICAL INDEPENDENCE

Elect workers and trade unionists to public office. Build a labor-community electoral and legislative coalition.

PEACE

End the arms race—build homes, schools and hospitals.

Expand peaceful trade with all nations.

Establish relations with the world labor movement.

MILITANT DEMOCRATIC UNIONS

Protect and extend the right to vote on all contracts.

Establish the right to elect stewards, bargaining and grievance committees, officers and convention delegates.

Guarantee the right of all members to participate in the conduct of union affairs—remove all clauses from union constitutions that discriminate on the basis of political belief or affiliation.

A Bill of Rights for Union Members

1. All members shall have the right to secret-ballot vote for stewards, bargaining committees, local union officers and convention delegates.

2. All members shall have the right to vote on contracts and working agreements.

3. All members shall have the right to call and to end strikes.

4. All members shall have the right to vote on dues, establish union salaries and control the expenditure of union monies.

5. All unions shall take special steps to guarantee representation by Black, Latin and women members on all policy-making bodies.

6. All union members shall have the right to respect the picket lines of other workers.

7. All workers shall have the right to join and participate in union affairs without regard to race, creed, national origin or political belief or affiliation.

8. Members shall have the right to all union documents in his/her own language.●

TRIBUTE TO HELEN STEINER RICE

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. LUKEN. Mr. Speaker, Emerson said, "We do not count a man's years until he has nothing else to count." This quote is certainly true of Helen Steiner Rice, who has so much to count that her years seem few.

It was Cincinnati's good fortune when she came here to work at the Gibson Greeting Card Co. in 1931. We feel privileged to have had her career bloom and grow in our city. But Mrs. Rice's special touch with words has reached well beyond our city. Her words have been published in Europe, Africa, the Philippines, New Zealand, and Canada, as well as in the United States. Her words have brought cheer, comfort, hope, and inspiration to millions of people around the world. They have brought, also, our respect and pride.

Her birthday on May 19, 1980, gives me the opportunity to note her many contributions and to thank her for the rich use of her talents. We are enriched and inspired by her work.●

ALABAMA LEGISLATURE CALLS FOR PROLIFE AMENDMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. ASHBROOK. Mr. Speaker, on April 23, by a House vote of 65 to 16, Alabama became the 19th State to call upon Congress to convene a constitutional convention to propose a human life amendment to the U.S. Constitution.

I would like to point out the obvious fact that Alabama is not one of our more overwhelmingly Catholic States. Once again, the bigotted stereotyping of prolife as a Catholic phenomenon is exposed for the nonsense it is. A simple look at the States which have called for a human life amendment would destroy this stereotype in the mind of any reasonable person. Mississippi and Tennessee, each with about 3 percent Catholic population, have also called for the amendment, as have Kentucky, Arkansas, and Missouri. If this is a purely Roman Catholic phenomenon, as some people in the media persist in saying, why on Earth did these overwhelmingly Protestant States take the lead?

As a matter of fact, the only label that can be applied to the States which have called for a human life amendment is that they are American. The list, Indiana, Louisiana, Missouri, New Jersey, Arkansas, Utah, South Dakota, Rhode Island, Massachusetts, Pennsylvania, Kentucky, Nebraska, Delaware, Mississippi, Nevada, Tennessee, Idaho, and Oklahoma, represents every region of the country, every mix of urban and rural, Catholic and Protestant, even Republican and Democrat, very evenly.

The prolife movement frightens the liberal establishment precisely because it is not the product of a single denomination, of a single party, or of a single region. It is because this rebellion against liberal establishment dictates has grassroots support in every part of the country that has panicked the Washington establishment into resorting to religious bigotry to protect its privileges.

If the liberals abandon their religious stereotyping of prolife, they will have to publicly admit a fact that everyone knows: Once again, liberals have pushed the people too far, and on yet another front the people are rising in rebellion against arbitrary rule from Washington. Politicians and columnists pour out oceans of ink to assure each other that gun control is only opposed by the NRA, that antibusing is just racism, that prolife is just Catholic bishops, that the tax revolt is just a flash in the pan, that opposition to ERA is just sexism, that opposition to increasing regulation is just greed on the part of businessmen, and so on and on. If they believed any of that, they would not have to keep reassuring each other so much. But the simple fact is that an establishment that has so many rebellions going against it is an establishment out of favor and in deep trouble.

But the use of religious bigotry against the prolife movement represents a new low in liberal excuses. Religious stereotyping strikes at the very roots of a nation in which religious diversity is one of the foundations on which it was built. Politics is often a rough game, but this tactic goes beyond the bounds.●

GEORGIE ANNE GEYER TALKS ABOUT CUBAN REFUGEE PROBLEM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. HYDE. Mr. Speaker, once again columnist Georgie Anne Geyer has analyzed a difficult and explosive foreign policy issue with rare clarity and insight.

Why not involve our South American neighbors in resolving the Cuban refugee problem and thus turn the tables on Dictator Castro?

I commend her May 14, 1980, column appearing in the Chicago Sun-Times to my colleagues:

Parcel Out Refugees To Sow Fidel Opposition

Santo Domingo, Dominican Republic—Jose Peña Gomez, the brilliant young leader of the ruling, populist Dominican Revolutionary Party here, described the refugee problem in the clear terms in which the Latins are thinking about it these troubled days.

"In Cuba," he told me, "it has been possible to have a dictatorship of the left because Cuban problems were exported to the U.S. But that won't happen in any other country. Fidel is sending all his dissension to the United States. Others will always have to fear their own opposition internally and, if they don't deal with them, they'll fall."

This kind of observation, which one hears all over down here, brings up some troubling questions about the Mariel-Miami axis of Cuban refugees:

Would it not have been wiser to inveigle to force the Latin American countries to take some of these poor people (as many of them were prepared to do), thus making the rest of the hemisphere also responsible for Fidel Castro's ruthless tragedies?

Would it not have been smarter for us to lay down the rules instead of letting a ruthless Castro, a Stalin-type, set the rules, sending us his criminals as well as his angels?

Would it, in short, not have been better to think of the refugees in harder, even geopolitical, terms now so that we will not have to think of them—the hundreds of thousands in other Caribbean countries waiting desperately to emigrate—in still more tragic terms later?

Even suggesting these questions is painful. The faces of the thousands of suffering people, beset by Castro's goons, is sufficient to make the blood boil with anger and compassion. Yet, one has to think tough-mindedly about these things because so much tragedy for later is built originally upon innocence.

Like a lot of others, I have been trying to figure out what exactly moves President Carter to enthusiastic action, and the Cuban refugee "exodus" clarified many things for me.

He gets very excited—and really then and only then acts with conviction—when some event occurs that appeals to him as being of utterly transcendent symbolism. For instance, he was himself transformed by (1) Camp David, (2) the Panama Canal treaties and now (3) the refugee exodus, which had the double attraction of allowing him to cancel military maneuvers in the Caribbean for it.

It is in situations where one must anticipate outcomes or deal in relative goods or mold or force events, or in situations where force must be used, perhaps for negative possibilities, that he always appears so helpless.

That's the cost of the Great Symbolic Act. It is high indeed. Of its nature, it does not bother with the grubby, curbstone stuff of cause and effect. It transcends. Yet, even Moses learned that everything did not end once he was done with the Tablets on the mountain. In many ways, it was all downhill from there.

Just as Carter now does not worry about the "effects" of the Cuban exodus, so was he seemingly oblivious to the lethal side effects of the Camp David accords, which are ripping the Middle East to bits.

What do we hear down here? The Latin American diplomats and thinkers are wondering, with near unanimity, why we don't do the one thing Fidel Castro obviously fears most—send some of the refugees to Latin America where they would naturally form a much-needed power center against the Cuban revolution.

What else should we be thinking about? We should be considering what these enormous unstructured numbers of random refugees will mean to the immigration from the rest of the Caribbean. We are at a moment in history when our consular offices throughout the area are going crazy—everybody apparently wants to come to the United States. This deviation from regular behavior at the same time regarding refugees sets a serious new precedent that could return to blight us in the very near future.

It is not for lack of compassion, therefore, that we should ask how many of these basic, socio-political realities are understood in Washington—or whether the president has even considered them.●

DOUGLAS J. MOORE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SHELBY. Mr. Speaker, it is my pleasure to acknowledge here today the election of Douglas J. Moore to the presidency of the Alabama League of Municipalities. Douglas Moore, who also wears the hat of mayor of Marion, Ala., is well qualified for this position with an association which provides essential services to cities and towns throughout the State of Alabama.

Elected mayor of Marion in 1970, Douglas Moore served since 1960 in the capacity of city councilman to Marion. Throughout this entire period he has been a major contributing factor to the Alabama League as chairman of the environmental quality and legislative committees and as a knowledgeable and thoughtful representative of a small town's interests.

It is the Alabama League's purpose to give smaller cities and towns the same clout and access which is available to larger cities automatically. Through organized lobbying efforts in the State legislature, through legal representation and advice, through information banks and resources, the league unifies over 400 small towns and cities statewide into a coordinated and active force on behalf of their local citizenries.

This vital group will be ably led by Mayor Douglas J. Moore. I know that the league's voice will be heard by the State legislature and that the interests of Alabama's small towns and cities will be protected by the capable and knowledgeable Douglas J. Moore.●

EMERGENCY CONFERENCE ON THE CASE OF ANATOLY SHCHARANSKY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. DRINAN. Mr. Speaker, I recently returned from Amsterdam, where I participated in the deliberations of a 2-day emergency tribunal established to examine the case of Soviet human rights activist Anatoly Shcharansky. After 3 years in prison, Shcharansky has recently been transferred to a labor camp where he is required to serve the remaining 10 years of his sentence. An impressive array of international experts on Soviet law, as well as selected panelists with longstanding interests in human rights and the Shcharansky case, gathered to examine the evidence used to convict him in July 1978.

After numerous sessions during which legal testimony was presented, and after vigorous discussion over the appropriate conclusions, a statement was agreed upon by all the participants of the panel.

The significance of the Shcharansky case has been documented in the Congress in the past, but I believe, in light of Shcharansky's continued incarceration and the deliberations of the emergency tribunal, that the facts of the case deserve review. In the coming days, I shall insert into the RECORD testimony presented in Amsterdam.

The Shcharansky case is, in many ways, symbolic of the other unjust trials against the members of the Helsinki Watch Group. Today, because of new evidence of human rights abuses documented by Amnesty International and others, it is timely to remind the American people of the necessity to continue to press for Soviet compliance with internationally accepted standards of human rights.

The Amsterdam conference served the useful purpose of demonstrating the strength of concern in the West for the Soviet disregard and misapplication of its own laws. I urge Members to read the attached conclusions of the international panel that met earlier this week. The statement and a list of participants follows:

STATEMENT OF THE EMERGENCY CONFERENCE ON ANATOLY SHCHARANSKY

This emergency conference, held in Amsterdam on May 12 and 13, 1980 unanimously leads to the following conclusions.

Serious breaches of Soviet domestic law were committed in the prosecution and trial of Anatoly Shcharansky resulting in a grave miscarriage of justice. Shcharansky did not have a lawyer of his own choice, and was not allowed to call his own witnesses. The trial was essentially closed to the public and to the foreign press. Written testimony was excluded.

Some of the charges used as the basis of the prosecution against Shcharansky were excessively vague. Almost any conduct objectionable to the authorities can be classified as "anti Soviet propaganda and agitation." This imprecision in the Soviet law made it impossible for Shcharansky to exercise the rights and freedoms accorded to him by that law. Other parts of the charges, for example those relating to freedom of expression, while in conformity with the letter of domestic Soviet law, are nevertheless contrary to both the letter and spirit of the international treaties and accords ratified by the USSR.

Every country should be free to choose its own social and political system and to protect interests which it feels are vital to its national security and survival. There are, however, questions of human rights on which the world community has a moral obligation to express its opinion. The Soviet Union has recognized this fact by its ratification of the International Covenant on Civil and Political Rights and the Helsinki Final Act, and by the provisions of its 1977 Constitution. Shcharansky was prosecuted and convicted for attempting to exercise his rights of emigration and free expression. No evidence was presented at the trial that he had committed any act, which could justify this conviction and the harsh sentence.

Therefore, we call upon the Government of the Soviet Union to release Anatoly Shcharansky from imprisonment and to allow him to exercise the rights enshrined in the Helsinki Agreement and in the International covenant on Civil and Political Rights—in particular, the right for Shcharansky to freely leave his country and to be reunited with his wife, or in the words of the 1977 USSR Constitution, the right to decide his own destiny.

We further call upon the other signatories of the Helsinki Final Act to use their influences at the Madrid Review Meeting in November to secure Shcharansky's release.

Finally, we call upon all who love justice to demand Anatoly Shcharansky's release.

Signed: Amsterdam, May 13, 1980.

Lord Avebury, Ramsey Clark, Hon. Robert F. Drinan, George Fernandes, Charles Hanin, André Lwoff, Michel Rocard, Bayard Rustin, Mario Soares, Joop den Uyl, Andrew Young.

An emergency conference was held in Amsterdam on May 12 and 13, 1980, under the auspices of the Foundation "Friends of Anatoly Shcharansky" at which the participants were the following:

Lord Avebury, Chairman, Parliamentary Human Rights Group, UK; Mr. Ramsey Clark, Former U.S. Attorney General, New York; The Honorable Robert F. Drinan, Member, U.S. House of Representatives, Washington, D.C.; Mr. George Fernandes, Member of Parliament, New Delhi; Mr. Charles Hanin, Vice President of the Council of Europe, Former Minister, Brussels; Mr. André Lwoff, Nobel Prize Winner, Paris; Mr. Michel Rocard, Member of Parliament, Paris; Mr. Bayard Rustin, Member of President Carter's Commission on the Holocaust, New York; Mr. Mario Soares, Former Prime Minister, Lisbon; Mr. Joop den Uyl, Former Prime Minister, Amsterdam; and Ambassador Andrew Young, Former U.S. Ambassador to the U.N.

They heard details of the trial and conviction of Anatoly Shcharansky from a number of experts with knowledge of the case:

Mr. Robert Badinter, Lawyer, Paris; Mr. Peter Baehr, Former Professor of International Relations, University of Amsterdam; Mrs. Dina Belina, Former activist in Jewish emigration movement, Jerusalem; Mr. Irwin Cotler, Professor of Law, McGill University, member of Quebec Bar, Montreal; Mrs. Dina Kaminskaya, Former Moscow defense attorney, Arlington, Virginia; Mr. Eduard Kuznetsov, Former prisoner of conscience, Tel Aviv; Mr. Alexander Luntz, Refusenik and former activist in Jewish emigration movement, Jerusalem; Mr. Richard Pipes, Professor of History, Harvard University, Cambridge, Massachusetts; Mrs. Avital Shcharansky, Wife of Anatoly Shcharansky, Jerusalem; and Mr. Michael Sherbourne, Information and telephone link with refuseniks, London.

The Emergency Conference reviewed all the numerous documents available. The relevant provisions of domestic Soviet law were reviewed, as well as the international implements of which the Soviet Union is a signatory, insofar as they were relevant to this case.●

PAUL HAMILTON, SR.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SKELTON. Mr. Speaker, recently, Kansas City and the State of Missouri lost an outstanding citizen, Paul Hamilton, Sr. Mr. Hamilton was the chairman of the board of Paul Hamilton Co., a real estate firm in Kansas City.

Born in Cass County, Mr. Hamilton was a lifetime Missourian. He attended the University of Missouri, and was the captain of the 1917 football team. He left school to join the Army in World War I, rising to the rank of lieutenant.

In the 1940's, Mr. Hamilton became active in Democratic Party politics, and in the 1944 Democratic primary election, he headed the committee that selected the reform candidates. Mr. Hamilton was later appointed by the Governor and served on the Kansas City police board from 1945 until May 1949.

In addition to serving as the president of the Kansas City Board of Police Commissioners, he was also a past president of the Kansas City Board of Realtors, the Missouri Real Estate Association, and the University of Missouri Alumni Association in Kansas City. He was appointed to the City Plan Commission in 1950, and was chairman of this commission from 1957 to 1966. The State of Missouri Real Estate Association named him "Realtor of the Year" in 1965.

Mr. Hamilton was a member of the Country Club Christian Church, and he is survived by his two sons.

Paul Hamilton, Sr. will long be remembered for his civic and political leadership.●

EQUITY IN THE MARKETPLACE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. APPLEGATE. Mr. Speaker, deep in this excessively depressed economic period for the American auto industry and the building industry, and as it injects its ills into the economic veins of the steel industry, related suppliers, and other segments of American industry, I think it is time Congress and the administration woke up to the potential disaster that lies ahead, and do something to correct it.

This Nation and its people have been generous in supporting other nations of the world economically and militarily, but it seems that our friends and allies do not know the meaning of reciprocity. American industry as well as the American people only demand equality in the American marketplaces. And it is not just the economic ills of the auto industry and the building industry that are being addressed here. Because the thrust of what I am saying and what the American people are saying is: "Let us do something to resolve this problem by increasing American productivity and put Americans back to work."

The American pottery industry, the first great industry to succumb to foreign imports, never regained its economic stability because of the American Government's direction to build foreign business at our expense. Others to follow have been leather goods, electronics, clothing, jewelry, and even coal. Coal, which is America's greatest natural energy resource, also has its problems from overzealous environmentalists through Government bureaucracy.

The administration needs to rethink its arrangements in every instance of international trade. And if we have to fear retaliation from our trading partners then we have had no respect from them in the first place.

We do not look for protection nor do we need protection. All we need or want is equity in both the world and America's marketplaces.

To say that recovery is tied totally to more equity in international trade is false. Congress and the administration must also support tax equity for business and industry to provide capital for modernization improvements in oil expansion as well as reducing excessiveness of regulations that go far beyond the tolerance level.

The inequities have gone on far too long.

A combination of factors has to be considered; that is foreign imports, Government regulations and private sector management and labor. Congress and the administration must also be held responsible but each must play a strong participating role if this country is to regain a viable and healthy economic state.

The American people are tired of being a patsy and paying excessive costs of uncontrolled bureaucratic bungling. The time has arrived that the administration and Congress stand up and exercise its leadership role and return sanity and stability to the American economy. We can do it if we work together, but first—we must begin.●

TWENTY-FIVE YEARS OF SERVICE FOR FATHER JOHN CANAVAN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. FORD of Michigan. Mr. Speaker, I take pleasure in bringing to the attention of the House of Representatives a very special event which will occur during the Memorial Day weekend. St. Constance's Parish in Taylor, Mich., will celebrate masses thanking the Lord for the 25 years of service of Father John Canavan.

Father John Canavan is loved and respected throughout the community as well as within the St. Constance Parish, where he has served as pastor since October of 1970. St. Constance has benefited from Father Canavan's wisdom, his energy, his dedication, and his reverent respect for the church.

Father Canavan is a native of Michigan. He attended Lowrey High School, Henry Ford Trade School and served 2 years in the service of this country.

He worked hard to become a priest. His call to the Holy Order took him through St. Jerome's College in Kitchener, Ontario, Sacred Heart Seminary in Detroit, Mich., and St. John's Provincial Seminary in Plymouth, Mich. On June 5, 1955, Father John Canavan celebrated his first solemn high mass at St. Clement's Church.

Father Canavan served as assistant pastor at St. John's Parish in Monroe, St. Joseph's Parish in Erie, St. Cyril's Parish in Taylor, St. Basil's Parish in Detroit, and at St. Lawrence's Parish in Utica.

I am proud to say that Father Canavan has served the Lord and the people of my home town for the last 10 years. I am proud that the parish will honor him on the 25th anniversary of his priesthood.

Father Canavan was instrumental in building one of the most viable, civic minded parishes in the United States. It was through his work, dedication and direction as pastor at St. Constance Parish that the parishioners now enjoy and can depend upon the good words of God to guide their lives.

This great country of ours depends upon builders and leaders like Father Canavan. I ask that the Members of the House join with me in wishing Father John Canavan the best on the occasion of this important event.●

AN ADEQUATE STANDARD OF LIVING FOR OUR SENIOR CITIZENS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. RANGEL. Mr. Speaker, in recent months, several articles have appeared in some of our leading publications which have intimated that we can no longer afford our senior citizens—that in fact such social programs as social security, supplemental security income, housing for the elderly, medicare, and so forth are costing the Government so much that we should reexamine our present policies in the area of income assistance and social programs for the elderly. For me to have seen such assertions was and is extremely disturbing.

Many of the senior citizens in my district believe that the appearance of such articles at a time when both the administration and the Congress are seeking to produce a balanced budget are a direct attack on their very existence. They are upset because in their day-to-day lives they know just how hard it is for them to make ends meet. That rather than being better off than anytime before in their lives, they are struggling to simply keep their heads above water. In recent years, how many times have we heard of senior citizens having to choose between staying warm and eating during the winter months.

And the facts simply do not substantiate that our elderly are receiving benefits that are excessive, not alone sufficient, to meet their needs. One out of every four seniors lives below the poverty line. Over 30 percent of the elderly live in inadequate housing and receive inadequate health care. Senior citizens can expect an average annual health care bill of $1,500, over four times that of the nonsenior population. The elderly can expect to live on an average annual income of less then one-half that of when they were working and with inflation, that buying power is being eroded drastically daily.

It is a cruel hoax that we would be playing on our elderly were we to not insure them that after they have contributed their strength and youth to building America, that they had to live out their remaining years in constant fear of not having enough to survive. Rather than looking to cut back on assistance to the elderly, we should be looking to insure that each and every one of our senior citizens are provided with an adequate income to meet their basic needs. If this means that we must raise benefits for some then so be it. There is no reason that anyone in America and especially our elderly should have to suffer and fear for where their next meal will come from, or where they will sleep, or whether they will be able to receive the medical assistance they need. We have an obligation to the elderly of this Nation and it is about time that we faced up to it.

For that reason Senator Moynihan and I are today introducing a House concurrent resolution entitled, "Recognizing the congressional obligation to insure an adequate standard of living for the elderly." The text of the resolution follows:

H. Con. Res. 338

A concurrent resolution recognizing the congressional obligation to ensure an adequate standard of living for the elderly.

Whereas Congress and the President have stated their intent to balance the budget; and

Whereas, if the budget were to be balanced at the expense of programs designed to aid the elderly, severe hardships would be experienced by our senior citizens who already have difficultly in making ends meet; and

Whereas one out of every four senior citizens lives below the poverty line; and

Whereas 30 percent of all senior citizens live in substandard housing and receive inadequate health care; and

Whereas in retirement the average senior citizen can expect to have an annual income of less than half what it was during his or her working years; and

Whereas with inflation the senior citizen's already insufficient income will buy less and less as he or she grows older; and

Whereas these same senior citizens can expect annual health care costs of $1.500—more than four times the costs for the average non-senior citizen: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That our senior citizens who spent their lives building America have the right to live out their remaining years in dignity, without the fear of having to choose between staying warm, eating, living in decent housing, or receiving adequate health care; and the Congress has the obligation to fund, and to continuously seek to improve, those programs which have been designed to ensure an adequate standard of living for the elderly.●

CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. MOAKLEY. Mr. Speaker, today I am inserting in the Record two additional statements of support for the Cigarette Safety Act, which seeks to insure that cigarettes have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

Radio station WBBM, a CBS affiliate in Chicago, and Sears, Roebuck & Co. are the latest organizations to call on the Congress to address the No. 1 national cause of both injuries and fire deaths in residential dwellings in America.

A text of their statements follows:

[Editorial From Radio Station WBBM]

CIGARETTE SAFETY ACT

The leading cause of fire deaths in the United States is dropped cigarettes. According to the United States Fire Administration, there were 1,800 deaths due to dropped cigarettes in 1977, 4,000 burns or smoke inhalation injuries and $180 million of economic losses.

The cigarette safety bill, sponsored by Representative Joe Moakley of Massachusetts and Senator Alan Cranston of California, requires the production of self-extinguishing cigarettes by all American tobacco manufacturers. This means that a cigarette, when dropped, would not continue burning, but would extinguish itself within a brief period of time.

According to Andrew McGuire, Executive Director of the Burn Unit of San Francisco General Hospital, this bill will not add to the price of a pack of cigarettes. There will be no expensive technology needed because 15 patents for self-extinguishing cigarettes are already in existence. In fact, some cigarette companies use a type of self-extinguishing cigarette now.

The tobacco industry is mounting an attack on these two bills. It is against regulation, and concerned that self-extinguishing cigarettes will hurt cigarette sales.

The Cigarette Safety Bill will go before the House of Representatives this month or next. Presently only one Illinois Congressman has co-sponsored this bill. To combat the tobacco lobby, to insure passage of this bill, we ask you to write to your Congressman requesting that he or she become a cosponsor of the cigarette safety bill. We stress, this is not an anti-smoking bill, instead, it's pro-safety.

That's our opinion. We'd like to hear from you.

Sears, Roebuck & Co.,
Washington, D.C., March 26, 1980.

Hon. John J. Moakley,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Moakley: I have just recently learned that you have cosponsored legislation which would mandate the establishment of a mandatory safety standard for cigarettes.

Sears supports this legislation.

As you know, too many lives are lost each year in residential fires, many of which are started by smoldering cigarettes. It makes sense to endeavor to get at the cause of such fires, rather than, for example, attempt to develop stringent mandatory flammability standards for upholstered furniture.

If any of the folks at Sears might be of any assistance to you and your staff in securing passage of HR 6675, please let me know.

Regards,

Philip M. Knox, Jr.,
Vice President,
Governmental Affairs.●

A SEVENTH GRADE STUDENT'S VIEW ABOUT CUBAN REFUGEES

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● **Mr. HUBBARD.** Mr. Speaker, in the midst of the confusion created by the Cuban refugees entering the United States, I have received a refreshing letter from Miss Vanedda Prince, a student in Mrs. Annette Hawkins' seventh-grade class, Mayfield Middle School, Mayfield, Ky. At this time I insert the text of her letter as follows:

Right about now you probably will be reading several letters that are against the United States' accepting refugees from Cuba, yet my thoughts run along a different line. Have they forgotten that those refugees could have easily been us if our founding fathers had not been so careful to prevent such things or our forefathers had not fought so hard for our freedom? Have they fought so hard only to form a selfish attitude that makes some Americans turn away others who are homeless, penniless, and could have been freedomless? Do we forget that someday, if we are not careful, we could be refugees too?

Have we become so materialistic, money-centered, and self-centered that a small crisis of economy that makes us scared of wasting tax money also lets us forget that the ones who first started our country were searching for freedom? Are we as a country based on freedom and liberty complaining about giving it to someone else? Let us not forget what is written on our famous Statue of Liberty. Does it not say something about taking in the poor, the homeless? Maybe we ought to add freedomless, but even without it we still have a promise to keep. Why shouldn't we practice what we preach? Thank you for your time.

Sincerely,

Vanedda Prince.●

LOOKING TOWARD SPACE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● **Mr. FUQUA.** Mr. Speaker, our national space program is making important and positive contributions to understanding our solar system and the universe, to managing and monitoring the Earth's environment and natural resources, innovation and increased productivity in industry, as well as our standing as a nation among the peoples of the world. I would like to include in the Record a recent article in Omni magazine by James Michener, a famed novelist:

Looking Toward Space

(By James A. Michener)

There seem to be great tides that operate in the history of civilization, and nations are prudent if they estimate the force of those tides, their genesis, and the extent to which they can be utilized. A nation that guesses wrong on all its estimates is apt to be in serious trouble, if not on the brink of decline. Filled with speculation, men with clever minds can make remarkable contributions.

Toward the middle of the fifteenth century, nations faced problems comparable to those faced by individuals like Columbus, Vasco Da Gama, and Sebastian Cabot. They had to decide whether they wanted to participate in the exploration of the world and, if so, to what degree of commitment. Those nations like Portugal and Spain that made early and fast decisions gained empires of fantastic richness. Others, like disunited Germany and Italy, which did not perceive the possibilities, suffered grave disadvantages and never caught up. England and France were very tardy, but in the end the first made a stunning recovery, the latter never did.

I am not primarily interested in either the exploits of a few daring captains or the economic advantages of the nations they represented. The more lasting effect was on the spirit of the times, that wonderful enlarging of the human consciousness when it realized that the old definitions no longer applied, when it knew that the world consisted of a great deal more than Europe. To have missed the explorations was regrettable, but to have missed this spiritual awakening would have been disastrous. France and Sweden are excellent examples of nations that did little of the manual work but that reaped the intellectual rewards of the period. One might almost argue that Portugal and Spain dragged home the raw material for France and Sweden to codify and digest, proving that any nation can participate in the great swing of civilization according to its peculiar capabilities Portugal provided daring sea captains. England provided able administrators. France provided the philosophers. Those that provided nothing lost an entire cycle of historical experience, from which they never recovered.

Nor do I think that the rewards resulting from participation in a great cycle need be permanent, reaching down to all generations. I am quite content if my nation gains enlightenment or riches or advantages of other kinds for a respectable period. It can't be the hullabaloo of a single day or week, not the celebration without foundation of some accidental accomplishment with little subsequent meaning. But if a nation responds to a challenge, succeeds in its effort, garners the rewards for a sensible period, and then loses the commanding position, I think no harm has been done. The nation has gleaned from that experience about all that it was destined to achieve, and a great good has been accomplished, because then the nation is prepared psychologically to tackle the next big problem when it comes along. And it surely will, for the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way.

History is a grand mix of concepts, actions, organizings, and commitments that determines the extent to which any nation can achieve a good life for its citizens, and I believe without question that if a nation misses the great movements of its time, it misses the foundations on which it can build for the future.

One word of caution. I am not here speaking of either fad or fashion. I am not extolling the attractive ephemeral. And I am certainly not sponsoring the idea that was so fashionable in the 1930s that German Nazism represented "the wave of the future." Anyone who subscribed to that idea had a very limited view of what the future of the human race could be and few fashionable ideas have ever crumbled so fast and so disastrously. The senate of any nation is obligated to discern the merely fashionable when it offers itself and to reject it.

Suppose that all I have said is true, which would be a miracle equal to those I've been discussing. Where does that leave the United States in relation to its space program? I am competent to comment on only three of its aspects, leaving the more technical details to others.

Are there nonmilitary advantages to be gained from a space program? The high technical requirements for success in space are so fundamental that spinoff rewards are almost automatic. Radio, television, medical instrumentation, miniaturization, watches, new food processes, communications, health advances, and improvement in clothing are some of the few advantages that I myself have gained because of the space program, and I am speaking only of small items that can be comprehended and used by the individual.

If one considers the larger items, such as intercontinental communications satellites, the mapping of weather patterns, the analysis of soils and forests, the exploration for minerals, including oil, the management of fisheries, and the like, the potential rewards are multiplied many times.

I have followed our past space adventures about as carefully as an uninstructed layman could, and I have a rather imaginative mind, but I anticipated almost none of these significant by-products, and I doubt that any of us can predict where the next contributions will be made.

I have heard one impressive argument against what I am saying now. A man of some probity said, "If we had applied our scientific brains to these problems, we could have solved them all at one tenth the cost." He is right. Had Congress 20 years ago set aside a substantial budget, and had it authorized the assembling of a body of top scientists, and had it provided them with spacious laboratories and told them, "Devise a computerized navigational instrument that will operate regardless of where in space it is stationed," this could surely have been done. But neither Congress nor the human mind works this way. It is only when great felt needs spur the imagination that certain accomplishments become possible. As a project by itself, few of the bonuses cited above would have materialized; as part of a national effort with a clearly defined goal, they all came into being, and others like them will follow.

Are there military advantages to be gained from a space program? I would be terrified today if only Russian and Chinese vehicles were orbiting in space. Their military advantage would be so tremendous that we might almost suffer as a nation a kind of psychological shock from which we might never recover, for we would certainly be at their mercy.

I fear that potentials of space warfare have yet to be impressed upon the American public. We do not realize the overwhelming advantage a nation would enjoy if it alone commandeered space, if it alone could direct by radio beam when and where an object or its cargo were to be brought down to Earth. Any nation that allowed its enemies such a superiority would soon find itself doomed.

But if all nations have the capacity to utilize space defensively, then the peril is diminished and reasonable arrangements can be worked out. But only through parity can we fully succeed in this endeavor.

Therefore, the United States must have a sensible space program whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any presidential administration that permitted a lag should be resoundingly condemned. We have to know what the capabilities of space are and we have got to retain our proficiency in using them.

Are there spiritual advantages to be gained from a space program? The spirit of man and the resolve of a nation are tenuous things, to be fortified by the strangest experiences or destroyed by the most unanticipated accidents. Outward events influence them, but inner resolves usually determine outcomes. A novelist sees men and women destroy themselves because the will to survive has been lost; a historian watches nations go down because of fatal wrong choices that sap the national energy. Usually the tragedy occurs when inner convictions are lost or when a sense of frustration or waning purpose prevails.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as William James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could, as a nation, attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly 400 years ago when we wrote:

There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves
Or lose our ventures.

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation that loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

I doubt there is a woman or a man who honestly believes that the United States could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly doomed, because their willpower had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will bring them down.

Therefore, we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn our back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand, slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance, with specific characteristics, and I supposed that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurtling into distant space, and when it began sending back signals—a chain of numbers, to be exact—that could be reassembled here on Earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always clearer and more defined. I realized that we could accomplish almost anything out in the fartherst reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light and myself and my nation in a new set of responsibilities. My spirit was enlarged and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices in accordance with these discoveries.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space. I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced it must be done.●

CHRISTINA D. BEESON

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. LEWIS. Mr. Speaker, it was once said, "Teachers should be held in the highest honor. They are allies of legislators; they have agency in the prevention of crime; they aid in regulating the atmosphere, whose incessant action and pressure cause the lifeblood to circulate, and return pure and healthful to the heart of the Nation." These words so aptly describe one of the finest women in America today, Christina D. Beeson.

C.D.B., as she is affectionately known, has taught journalism and English at Colton High School in Colton, Calif., for 46 years with a dedication and perseverance that few could ever achieve. Her honors are legion, but perhaps her biggest pride are her students. They often begin her class bored and listless but come away alive with a curiosity for learning that is seldom seen. This is by far the greatest prize for any teacher. She inspires them to do the best they can and be satisfied with nothing less.

Her style of teaching is not rigid and staid, but is one of example, conceived by an enthusiasm and love for what she is teaching. It is said that Chris Beeson is obsessed with stimulating a class and the standards she sets by her own achievements are truly high. She has been the Colton High School Teacher of the Year three times; the Columbia Scholastic Press Association Gold Medalist and the National Scholastic Press Association Medalist for outstanding work with youth. She was the first woman to receive the California Newspaper Publishers Association award as the Outstanding High School Journalism Teacher in California. The list goes on and on.

C.D.B.'s contributions are not limited to the parameters of Colton High School. She is a past president of Sigma Tau Delta, an honorary English organization, and one of the founders of the San Bernardino English Teachers' Association. She is a charter member of the Twin Counties Journalism Education Association, and one of the founders of the Inland Journalism Education Association. She is a member of the State and National Journalism Education Association and the National English Association, as well as the California Teachers' Association and the Columbia Scholastic Press Association of Journalism Advisors.

Chris Beeson is the faculty adviser for The Pepper Bough, the Colton High School newspaper, which has, year after year, been among the finest in the Nation. The paper has received awards from around the country, including 22 first places from the Columbia Scholastic Press Association and several first place and excellence awards from the National Scholastic Press Association.

Mr. Speaker, Christina D. Beeson is one of the most outstanding teachers with whom I have been associated. It is my privilege to commend her to the House of Representatives and wish her the best of luck in the future.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. MURPHY of New York. Mr. Speaker, today I am pleased to introduce a joint resolution to declare the week of October 5 through 11 to be "National Port Week." Further, this resolution requires the Secretary of Commerce to provide a comprehensive report to Congress annually on the economic condition of our Nation's public ports.

This subject is most timely. The viability of our country's ports has never been more intimately related to our national security and economic health. For more than two centuries America's complex system of harbors and inland waterways has reflected the economic, social, and cultural conditions, and needs of this Nation. The waterborne commerce of the United States is responsible for the continued employment of more than 1 million workers and a yearly contribution in excess of $56 billion to the economic well-being of this great land.

More than ever before, our Nation's ports are now needed to meet important goals. In seeking to reduce our dependence on high-priced foreign-produced oil, it is important to note that waterborne transportation is one of the most energy efficient transportation systems known. It is a transportation scheme that is necessary to insure strong national security by being able to facilitate military and defense needs. Our ports also play an important role in stimulating increased export trade to help gain a more favorable balance of trade.

I am deeply honored in introducing this resolution to be joined by the Public Works and Transportation Committee Chairman, BIZZ JOHNSON, who serves with me as cochairman of the Congressional Port Caucus; the ranking minority member of the Public Works and Transportation Committee, BILL HARSHA; and the ranking minority member who very ably serves with me on the Merchant Marine and Fisheries Committee, PETE MCCLOSKEY. These Members join with me in urging all of our colleagues to support this resolution. We invite you to join us in cosponsoring this very worthwhile legislation.●

STOP GOLD DUMPING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. ASHBROOK. Mr. Speaker, in the last several months we have seen both the rate of inflation and the price of gold hit all-time highs. Suddenly even my liberal friends are admitting that the state of the U.S. economy is our most pressing national problem. There once was a time when prices were stable and working people could save for their retirements without worrying whether each passing year might erode their savings by 20 percent or more. Those were the days when the value of our currency was insured by a gold standard.

Obviously, today we have no price stability and no gold standard. The United States unwisely discarded the last vestiges of the latter with the closing of the gold window by the Nixon administration in 1971. Ever since that time, Treasury has been trying to "reduce gold's role in monetary affairs."

However, probably as a result of the deteriorating economic situation, there seems to be emerging an increased awareness on the part of the taxpayers, economists, and legislators alike that perhaps a renewed gold standard is an option we should keep open. Journals as diverse in viewpoint as the New Republic and Fortune have cited the possibility of a new gold standard as a cure for our national ills.

Would such an action be feasible? I believe it would but only if we manage to retain our gold reserves. For this reason, I have joined my colleague, Congressman JACK WYDLER, in sponsoring H.R. 5802, a bill which would require the Treasury Department to obtain congressional approval before conducting any further sales of U.S. gold reserves. Since 1960, our gold stock has been reduced by 50 percent, and I believe that under present economic conditions it would be unwise to reduce those reserves any further.

Gold sales by the Treasury Department have up to now been conducted solely at the discretion of the Secretary of the Treasury and since 1975 have resulted in the sale of over 15 million ounces at an average of $244 per ounce. Anyone who only occasionally glances at a newspaper headline knows that such transactions could not possibly be in the best interest of the country. With gold at $500 or $600 an ounce, the United States has "lost" more than $4 billion because of Treasury decisions to sell these reserves. Even if a new gold standard for which we would desperately need gold stock is not adopted in the very near future, we nevertheless should not allow our reserves to be auctioned in such a cavalier manner.

While not seeking to outlaw gold sales entirely, H.R. 5802 would effectively limit them. By subjecting Treasury's rationale for selling what is part of every American's national heritage to close scrutiny, Congress could work to prevent the dumping of inordinate amounts of our gold stock at inordinately low prices. Thus U.S. gold reserves would no longer be so vulnerable to the ebb and flow of the political tide.

Under H.R. 5802, the one exception to the requirement that gold sales be approved by Congress would apply only if the President acts to establish a firm relationship between gold and the dollar. Such a relationship would put the country back on the road to a stable economy.

H.R. 5802 is an important bill—one that could have a crucial effect on the future of our Nation. I urge my colleagues to give their support to this measure.

Mr. Speaker, at this point in the RECORD, I include a brief article on this topic from the Bulletin of the Institute on Money and Inflation. The institute has done much to promote the cause of sound money here in Washington and its executive director, Howard Segermark, according to New York magazine "knows more about gold than anyone else in Washington." The IMI Bulletin article follows:

MEDIA MYOPIA ON GOLD

The recent dramatic rise in the price of gold has focused media attention on the yellow metal. However, the interpretations placed upon this phenomenon by the press are often misguided and sometimes downright ludicrous.

We were amused the other day to stumble across an editorial in the *Washington Post*, written by a Mr. Clayton Fritchey, entitled "Golden Buoys." The basic premise of this article is that the rush into gold is merely an irrational, inexplicable, and transitory fad. In any case, Mr. Fritchey contends, we should not worry about it since the soaring price of gold is really great news for the U.S. Treasury because it increases the value of the country's gold holdings. He even implies the the U.S. dollar is in marvelous shape. We know this, he contends, because President Carter has said that the dollar is now, " 'well within the bounds of management.' "

IMI cannot understand how, if Mr. Fritchey's claim as to the salutory effects of the "astronomical rise" in the price of gold is true, the Treasury Department can justify having repeatedly dumped U.S. gold reserves on the market in order to temporarily lower the price.

Mr. Fritchey points out that, "the bull market has enhanced our country's gold holdings by well over $100 billion at today's prices."

"Today's prices," he says, and therein lies the flaw. The rise in the price of gold over the last decade has been reflected in a corresponding decrease in the value or the anticipated future value of the dollar. Every year a dollar buys less gold because every year a dollar is worth less. This might explain why Treasury has always favored dumping U.S. gold reserves in order to lower the price of gold. Gold sales deter "speculators," Treasury maintains, and while such actions cannot bolster the dollar, they can temporarily hide the fact that its value has once again decreased.

Such gold sales by the Treasury over the past few years have resulted in a major reduction in U.S. reserves. Mr. Fritchey touches upon this fact when he says that, "the current U.S. gold reserves, although substantially reduced, still far exceed those of any other country in the free world." This statement not only glosses over the ill effects of selling our gold reserves, but also seems to ignore the fact that the free world is getting smaller by the minute (wasn't Afghanistan a friendly nation just a couple of years ago?).

The accelerating decrease in the value of our currency in recent years is not disproved by Mr. Fritchey's contention that the dollar is obviously doing just fine because during the last year it has "held its own" against the German mark, the Swiss franc, and the Japanese yen. This argument is hardly impressive in view of the fact that *all* fiat currencies have been inflating. Thus, though the dollar may be stable in relation to other currencies, it is still inflating at an entirely unacceptable rate.

Mr Fritchey also defends the state of the U.S. dollar by quoting Khaled Abu Su'ud, the top financial advisor to the government of Kuwait, as saying, "The American economy is strong. It has plentiful natural resources. Your financial markets offer great flexibility." Later, Mr. Abu Su'ud is also quoted as saying, "Gold is a bad investment. Gold has never been a good long-term investment."

Well, Mr. Abu Su'ud's financial acumen may be, "widely respected in the Persian Gulf region," but anyone who refers to a commodity that has increased in price 1500% over the past decade as a lousy long-term investment needs to have his head examined.

Though perhaps Mr. Fritchey's assessment of Mr. Abu Su'ud's influence in the Arab world is a bit inflated. Many experts point out that the recent boom in gold was initiated by oil-rich nations withdrawing their wealth from inflating currencies and putting it into gold. Obviously, then, somebody out there considers gold to serve as real "money".●

PRESIDENT CARTER ON THE IMPORTANCE OF INTERNATIONAL FINANCIAL INSTITUTIONS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. LaFALCE. Mr. Speaker, this year has been a particularly difficult one for the discussion of foreign aid especially because our own economic conditions are far from healthy. Long hours of debate have ensued in both Houses of the Congress on the authorizing legislation for the continued funding of the multilateral development banks. We have worked hard but, as of yet, have been unsuccessful in reporting out a conference report acceptable to a majority.

I have stood before you on numerous occasions detailing my reasons for attaching so much importance to following through on international commitments made by the United States over 2 years ago. Today, I would like to share with you the President's views on the overall importance of this legislation. The President recently sent a letter to the chairman of the House Banking Committee, HENRY REUSS. The President's words serve to strengthen my own convictions about the importance of multilateral assistance to our Nation and to those we help. This letter leaves no doubt how strongly the President feels about passage of the multilateral development bank legislation and the need for Congress to act and act quickly.

The letter follows:

THE WHITE HOUSE,
Washington, May 6, 1980.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 18 regarding authorization legislation for the multilateral development banks.

This legislation is a vitally important part of our overall foreign economic assistance effort. Its approval is essential if we are to continue to participate in regional development bank lending programs over the next three to four years. These programs, which are based on international agreements to which the United States is a party, cannot go forward without U.S. participation.

As I indicated to several Members of the House in a White House meeting on April 28, I place the highest priority on prompt passage of S. 662. (The United States will suffer an enormous loss of confidence among our industrial allies as well as among the developing nations if our support for these institutions is diminished.) You will have my complete support and that of my Administration. I have asked Secretary of the Treasury Miller to work with you on all the actions that will be necessary to gain sufficient support for approval and to bring the bill to the floor for final action as soon as possible.

Further delay in passage of this legislation is not in the national interest of the United States. (Already our delay has halted all new lending by the Inter-American Development Bank, the Asian Development Fund and the African Development Fund.) In the IDB, the replenishment agreement depends on Congressional approval of authorizing legislation. In the ADF and AFDF, other donors are now withholding their contributions until we can agree to participate and provide the first installments of our contributions. Clearly we cannot do so in the absence of authorizing legislation.

We have a large stake in the maintenance of economic progress and political stability in these regions. That interest is being threatened and our standing in many countries is being eroded.

I am also concerned that failure to gain Congressional approval of S. 662 will delay consideration of the IMF Quota Increase (H.R. 5970) and legislation for IDA VI and African Development Bank (H.R. 6811) submitted earlier this year. These authorization bills also contain provisions to implement important international agreements that have been negotiated and are now awaiting U.S. action to go forward. We need enactment of these bills as early as possible during the current session. As you have pointed out, the Congressional budget process requires that your Committee act on these bills before May 15.

It would be preferable to keep the IMF Quota Increase separate from the IDA and African Development Bank legislation, because a merging of these bills could blur the functional distinction between the IMF and the development banks. As with S. 662, these bills will have the complete support of the Executive Branch.

Please let me know of any specific actions on my part which would be helpful to you in moving these bills forward. With your active leadership and full support of this Administration, I am confident that the Congress will approve these programs, which are important to the long-term economic and foreign policy interests of the United States.

Sincerely,

JIMMY CARTER.●

WELL-DESERVED TRIBUTE TO HAROLD CARMICHAEL

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. GRAY. Mr. Speaker, this week in Philadelphia a well-deserved tribute will be paid to one of our city's outstanding athletes, Mr. Harold Carmichael.

The Allegheny West Community, a highly regarded civic organization in the congressional district which I represent, will honor Mr. Carmichael at a testimonial dinner.

It is important to note, Mr. Speaker, that this tribute comes not because of Mr. Carmichael's impressive feats on the football field as a wide receiver for the Philadelphia Eagles. Rather, it comes because throughout his entire career in Philadelphia, Harold Carmichael has demonstrated that life off of the football field is just as important to him as life on the field.

He has given unselfishly of his time and resources to make our city a better place to live, and to help the legions of disadvantaged youngsters in Philadelphia. He has given of himself so that others in our community might have an opportunity to pursue their dreams and ambitions. And above all, he has exemplified the notion that great athletes and other people who have succeeded in society have a responsibility to share the benefits of their lives with those who are less fortunate.

Mr. Speaker, in addition to playing a major role in the success of the Philadelphia Eagles on the field, Harold Carmichael has used his time off the field to work with a wide variety of community and charitable organizations, particularly those involved with young people.

He has assisted with job training programs in North Philadelphia; has played a leading role in helping to rebuild the Triumph Baptist Church after it was destroyed by fire; and has been a key participant in such organizations as the Boy Scouts of America, the March of Dimes, the Leukemia Society of America, the Fellowship Commission, the Ronald MacDonald House, and the Cancer Society.

The Allegheny West Community has chosen wisely in deciding to honor his broad range of accomplishments, Mr. Speaker. I know that my colleagues join me in saluting Harold Carmichael for the positive and forceful image he projects for our youth today.●

THE SPIRIT OF HELSINKI VIGIL: FREE SEYMON GLUZMAN

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. MAGUIRE. Mr. Speaker, it has now been 9 years since Dr. Seymon Gluzman was arrested on charges of "anti-Soviet agitation and propaganda." Dr. Seymon Gluzman was found guilty, after what apparently constituted even under Soviet law an illegal search of his home, of distributing censored publications, including a Nobel Prize winning essay by Albert Camus.

The court sentenced him to 7 years in a strict regime labor camp to be followed by 3 years of internal exile. This harsh sentence seems clearly to have been intended to silence Dr. Gluzman's protests against political interference in the field of psychiatric medicine. Dr. Gluzman had authored a report exposing the use of psychiatry as a penal device in controlling dissidents, especially General Grigorenko, a leading Soviet human rights figure.

While in prison camp he intensified his protests against the Soviets' treatment of dissidents. He and another inmate, Vladimir Bukovsky, secretly published a manual to aid dissidents in avoiding committal as psychotics. This was not his only achievement inside the prison camp. He and others led hunger strikes against maltreatment of prisoners, refused to participate in the building of a new prison camp, and refused to testify to the insanity of an old friend and fellow activist, Leonid Plyushch.

As a result of all these activities, Dr. Gluzman was denied visits or correspondence with any outsiders and was periodically confined to a prison cell. However, he managed to smuggle out to his parents a letter in which he described how he was surrounded by "death from starvation, bullets, and torture."

Dr. Gluzman's prison sentence ended last year; he is now facing 3 years of internal exile with his wife and his child by a previous marriage. Although his wife and child are now permitted to be with him, Dr. Gluzman is still subjected to severe hardships.

Dr. Gluzman has continued to request that he and his family be allowed to emigrate to Israel. However, Russian officials continue to deny permission to Soviet emigration authorities to issue exit visas for Dr. Gluzman and his family, and most Jewish refuseniks who wish to emigrate. It has to be said that in this case, as in so many others, the U.S.S.R.'s official policy is to violate the Helsinki accords which clearly state that nations are to "make it their aim to facilitate freer movement and contacts * * * among persons * * *."

Dr. Gluzman is a perfect example of one who is selflessly dedicated to the interests of his fellow dissidents. His writings have aided the release of Piotr Grigorenko and Leonid Plyushch by exposing the severity of the Soviet's persecution of these men and all dissidents.

I am outraged at the U.S.S.R.'s treatment of Dr. Gluzman and other Jewish refuseniks who are denied basic human rights and are oppressed by a country which claims to support the achievements of the common man. I have established "The Spirit of Helsinki, Vigil 1980" as a concerted effort by Congress to draw attention to the individual's plight under the arbitrary and inequitable Soviet system.

Mr. Speaker, as a body, we must raise our voices and do whatever we can to secure Dr. Seymon Gluzman's release and to provide for his emigration to freedom.●

CARTER'S CONTRIVED YEMEN CRISIS—1 YEAR LATER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. OTTINGER. Mr. Speaker, it is little over a year since President Carter decided to sell $390 million worth of arms to North Yemen. In retrospect, this ill-considered policy has proven to be a failure. Arthur Schlesinger, Jr., perceptively highlights the lessons to be learned from this mistaken policy decision and its ominous bearing on the Carter doctrine, in his letter which recently appeared in the New York Times. I commend it to my colleagues attention:

REMEMBER CARTER'S GREAT YEMEN CRISIS

TO THE EDITOR: It is now a year after the great Yemen crisis of 1979, when President Carter announced his decision to sell $390 million worth of arms to North Yemen in order to save that country from imminent conquest by Marxist South Yemen.

Mr Carter found the need to rush arms to "our" Yemen so desperate that he did not submit the arms sale to Congress, as required by the Arms Export Control Act. Instead, he invoked a provision of that act authorizing the President to go ahead on his own if "an emergency exists which requires such sale in the national security interests of the United States."

This anniversary provides an appropriate opportunity to consider what subsequently happened to Mr. Carter's "emergency."

In the year since, negotiations between the two Yemens, already underway when the emergency was declared, have turned into unification talks. Colonel Ali Abdullah Saleh, the President of "our" Yemen, has signed an arms agreement with Moscow. Soviet tanks, planes and rocket launchers have arrived in North Yemen.

Saudi Arabia, disturbed by the turn of events, has cut back its financial aid to North Yemen. The American F-5E aircraft, M-60 tanks, Vulcan air defense systems, so imprudently rushed to North Yemen, may well, at the next spin of the dial, end up pointed at the Saudis, if not at us. An ill-considered policy, rashly initiated, denied Congressional consideration and debate, has proved a dismal flop.

One lesson surely is the duty incumbent upon Congress not to collapse and cry uncle whenever a rattled or cynical President claims there is some emergency somewhere.

Because Congress let Mr. Carter get away with his great Yemen emergency in April 1979, the President did not hesitate to go through somewhat the same act on an ominously larger scale with the "Carter Doctrine" of January 1980—again panicky exaggeration of foreign crisis, again exploitation for domestic political benefit, again anticlimax.

As Falstaff observed long ago, "forcible feeble" is not the best maxim for the conduct of life.

ARTHUR SCHLESINGER, JR.●

CONGRESSMAN ERLENBORN: RIGHT ON TARGET

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. ASHBROOK. Mr. Speaker, I would like to call my colleagues' attention to an excellent article which recently appeared in the Journal of American Insurance. The article goes a long way to expose congressional irresponsibility during consideration of the Longshoremen's and Harbor Workers' Compensation Act. My distinguished colleague, Congressman JOHN ERLENBORN, who is featured in the article, hits the nail right on the head when he says "that workers compensation is a new type of social welfare program, rather than temporary income maintenance. In one stroke," he adds, "Congress upset 35 years of careful legal precedent and the basic understanding of law." He is absolutely correct.

The Congress has an obligation to correct the many deficiencies in this poorly drafted legislation. I would urge my colleagues on the other side of the aisle to get moving. They can count on plenty of help from us.

The article follows:

ON THE WATERFRONT: HOW CONGRESS TORPEDOED THE LONGSHOREMEN'S ACT

Imagine becoming captain of the *Titanic* a half an hour after it struck the iceberg.

Perhaps that's how the House Subcommittee on Labor Standards felt last fall when it faced the task of reviewing the mounting problems associated with one of Congress' own creations—the Longshoremen's and Harbor Workers' Compensation Act (LHWCA).

Originated in 1927, the Act started life as a federally administered program of workers compensation, which, like Topsy, "just growed." Grew, in fact, from its basic premise of providing temporary income maintenance for injured dock workers, to a bloated example of government planning gone sour.

Especially vague in administration since 1972, when Congress passed a number of perplexing and often contradictory amendments, the Act has triggered an unusually high number of litigated claims and conflicting rulings by federal appeals courts.

According to Congressman John Erlenborn (R-Ill.), the problem-plagued Employees Retirement and Security Act (ERISA) is a "work of genius" when compared to the 1972 Longshore amendments. These amendments, says Erlenborn, introduced the concept "that workers compensation is a new type of social welfare program, rather than temporary income maintenance. In one stroke, Congress upset 35 years of careful legal precedent and the basic understanding of the law."

What went wrong? According to testimony presented before the House Labor Subcommittee by the Alliance of American Insurers and other concerned insurance groups, "runaway costs for employers, inadequate response to employee medical needs, and unpredictability of insurance risk exposures brought the program to a state of operational crisis. Only Congress," said the Alliance, "can take the remedial action necessary to bring this federal program back to some economic sense."

At present, the Act covers more than one million employees—longshoremen, harbor workers, workers in shipbuilding, ship repair, marinas, construction, boatyards, offshore drilling; some U.S. personnel overseas, private employees in the District of Columbia, and others.

The Longshore Act thus includes many workers whose worksites are over navigable waters or out of the country, and who would therefore not qualify for protection under state workers compensation laws. But many employees who could receive state benefits are covered under the Act, because Congress, the Department of Labor and the courts have created confused patterns of jurisdiction. In fact, coverage has been expanded to such an extent that construction and other activities remote from the longshore and harbor workers' industries are now included in this umbrella coverage.

Up until 1972, problems with the Act were minor compared to what happened after the 1972 amendments were passed. Complete with technical omissions and fuzzy language, and a generous sprinkling of liberal interpretations of the revised law, the amendments extended the program for all these groups well beyond medical benefits, rehabilitation, and income replacement. Now included are life insurance, pension benefits, and other forms of supplemental income.

Compensation benefits, for example, are often awarded when workers continue to work at full pay. Survivors benefits are payable even when the death is unrelated to the deceased's employment injury.

The largesse bestowed by the 1972 amendments, coupled with the jurisdictional confusion arising from them, have created a legal and financial nightmare for employers and insurers. In fact, the Longshore Act has made itself virtually uninsurable: it is now impossible for insurers to predict risk exposure with any degree of accuracy.

When an insurance company cannot determine risk, it is disinclined to underwrite any policy. In the case of the Longshore Act, the number of insurance companies willing to underwrite it has dwindled—so much so, that companies still underwriting coverage are forced to charge extremely high rates. Self-insured employers face the same problems of incurring and financing exorbitant costs.

Since the expense of any workers compensation insurance is usually passed along through the distribution system, the high cost of the Longshore Act puts additional pressure on the already overheated U.S. economy. In the case of stevedoring companies, much of the Act's cost is transferred to shipowners, then to their customers. Ultimately, consumers pay the higher cost of the products involved.

In the District of Columbia, where all private sector employees are also covered under the Longshore Act, workers compensation rates are three to four times higher than those in neighboring areas of Maryland and Virginia, even though the District rates as one of the safest in the United States in terms of incidence of work-related injuries and illnesses. Translated into direct consumer costs, a new $95,000 town house in the District would sell for $5,000 less if compensation costs were equal to those in Maryland and Virginia.

In addition, since the benefits paid under the Act are tax-free, many persons now receive awards that equal or exceed their pre-injury take-home pay. This negative work incentive prolongs disabilities and invites claims for conditions more serious than they really are. The net effect? The discouragement of rehabilitation and return to work within a reasonable time—two fundamental principles of workers compensation.

An aura of mystery shrouds the origin of some of the most troublesome sections of the 1972 amendments. Those members of Congress who hammered out the changes did not ask for or possess cost studies and other hard data to use as a basis for their decisions. It now seems doubtful that, at the time, anyone understood the full implications of the revisions.

At face value, the 1972 amendments were pushed through to remedy two problems: low weekly benefits levels and the loss—through judicial interpretations—of what is called employers "exclusive remedy" protection. Before 1972, the Supreme Court had interpreted the law to permit third party liability and indemnification actions in which an injured longshoreman could sue a shipowner for damages. The shipowner could then sue the longshoreman's employer to recover these damages, in effect allowing the employee to indirectly sue his employer. This practice had eliminated a fundamental principle of workers compensation, exclusive liability.

Amendments in 1972 at first appeared to strike a balance between the needs of labor, management and government. Specific new language eliminated employer liability in third-party suits. Workers compensation was re-established as the employee's exclusive remedy under the Longshore program. In return, compensation benefits were drastically increased.

What actually happened was that the amendments had removed balanced controls while leaving other intentions of the Act unclear. Compensation became inordinately generous. Maximum disability benefits increased from $70 a week in 1972 to $426 in 1979, with annual automatic escalations built in.

Now the floodgates were opened. By vastly expanding the opportunities to receive high tax-free benefits, the 1972 amendments triggered a surge in claims. According to Department of Labor figures, injuries reported under the Longshore Act (excluding the District of Columbia) jumped from 72,087 in 1972 to 205,584 in 1977, an increase of 185 percent. In contrast, during the years immediately preceding the amendments, claims had dropped steadily—from 96,944 in 1969 to 72,087 in 1972—a decrease of 25 percent.

Today, it's still the same old story. Problems with the Longshore Act are even worse, particularly in the following areas:

JURISDICTION

Before the 1972 amendments, the concept of "water's edge" clearly prevailed. Water's edge meant that employees who worked seaward of the water's edge were covered under the Act. Those landward were covered under whatever state system of compensation applied. The amendments extended compensation coverage landward but left doubts about how far the coverage extended and to whom it applied.

Today, no one can say with certainty where Longshore coverage ends and state workers compensation jurisdiction begins. As a result, some employees have switched from state programs in order to qualify for greater Longshore benefits.

BENEFITS ESCALATION

The 1972 amendments quadrupled the weekly benefit level and pegged it permanently to two-thirds of the worker's income, not to exceed 200 percent of the national average weekly wage. In effect, this means that an open-ended annual tax-free increase exists in benefits—both for those who will have future claims and for those with claims in the process of being paid.

The increase, determined by the Secretary of Labor each October 1, is based on the percentage increase during the previous year in the national average weekly wage. For example, the increase was 8.05 percent for 1978 and 7.5 percent for 1979, bringing the maximum benefits for disability to its present level of $426 a week.

Inability to project these increases gives employers and insurers huge risk assessment problems, and are a major factor in employers' escalating premium costs.

INSURABILITY

Insurance companies and their reinsurers are retreating from the Longshore market because of its unpredictable nature. Since they have no clear idea of who is covered under the Act, or how inflation will affect future benefits, insurance companies cannot project their risk exposure and claims losses. A one percentage point miscalculation of inflation rates for the year ahead can literally make millions of dollars difference in claims costs.

As Longshore insurance has become less available, many employers have had to turn to self-insurance, provided they are large enough to afford the bonding, or, as another alternative, to take up more costly and less effective assigned risk coverage. However, getting reinsurance then becomes a factor; reinsurers are reluctant to accept unlimited escalation when there is no possibility of obtaining adequate rates.

Ultimate losses cannot be predicted when future claims payments are linked to inflationary factors which make it impossible to collect or set aside reserves adequate to protect both insurers and their reinsurers.

COST

Since benefits are high and continually increasing, opportunities to qualify for them are many, causing insurance premiums to soar. In New York, the employer's rate for general stevedoring coverage runs $363 per employee per week, or $18,872 a year. For many employers under the Longshore Act, workers compensation is the second greatest cost after direct payroll.

It now appears that the volume of trade and number of jobs at American ports is affected by the Longshore Act. During 1974–1976, more than $1 billion in cargo was exported by land and loaded for shipment overseas at Canadian ports where longshore rates are much lower.

UNRELATED DEATH BENEFITS

At the present time, the Longshore Act is the only workers compensation law paying death benefits to survivors of permanently disabled employees when the death was not employment or employment-injury related, such as murder or suicide. A costly form of life insurance, this provision was not considered when the Act was originally created, and further complicates risk predictability.

COMPENSATION RATES PER $100 OF PAYROLL FOR HIGH RISK OCCUPATIONS

	District of Columbia [1]	Maryland [2]	Virginia [2]
Roofing	$36.47	$18.92	$12.71
Window cleaning	76.98	48.40	19.96
Painting metal structures	85.26	31.05	23.50
Wrecking	67.00	41.08	21.16

[1] Workers compensation covered by the Longshore Act.

[2] State workers compensation coverage.

Source: Alliance of American Insurers.

MAXIMUM DEATH BENEFITS

Through a quirk in the law upheld by the Supreme Court, death benefits to surviving spouses are granted tax-free at half the actual gross income the deceased worker was earning, subject to no maximum. Additional benefits are paid to surviving children, and all death benefits are escalated annually.

This interpretation literally puts a premium on death. The surviving spouses of highly-paid workers can collect benefits at a higher rate that the workers would have received in disability compensation had they lived—benefits which could add up to millions of tax-free dollars over the spouses' lifetimes.

UNSCHEDULED INJURY AWARDS

Unscheduled injuries—primarily back and head injuries and occupational disease—allow employees to receive permanent partial disability payments, unqualified, for a lifetime. With them, a worker can resume work at full pay, with permanent partial benefits serving as supplemental income.

ADMINISTRATION

Approximately two years is required to review a case—first by a deputy commissioner of the Labor Department, then by an administrative law judge, finally by the Department's benefits review board. If the case is appealed further, it takes a minimum of 18 months for a decision from the appropriate federal appeals court. Prior to 1972, decisions of the deputy commissioner could be appealed directly to a U.S. district court.

MEDICAL TREATMENT

The medical service provision in the 1972 amendments allows any physician to treat and evaluate Longshore injuries instead of only those doctors experienced in industrial medicine. As a result, many employees receive incompetent medical care. Further, opportunities for rehabilitating disabled persons have also been overlooked. Practical rehab programs which match the hopes and remaining abilities of the disabled to jobs where they can be productive have not been developed or encouraged by the Longshore Act, a situation which stands out as one of the most tragic indictments of the program.

THE SPECIAL FUND

The Special Fund limits the liability an employer has under workers compensation for an employee who at the time of hiring had a disability. This provision encourages employment of the handicapped. If a work accident occurs and the employer can show that a previous disability existed, his liability for the accident is limited to payment of the first 104 weeks of compensation. The Special Fund pays the rest of the claim.

The Fund is administered by the Department of Labor, and claims payments made by it are financed through annual assessments on insurers and self-insurers. The cost of these usually open-ended claims is thus spread among all those underwriting the Longshore Act.

Lack of administrative safeguards for the Fund creates the temptation to use it in cases which may not be justified. From 1972 through 1975, claims payments by the Fund increased from $42,000 to $2,200,000, a jump of 388 percent. Claims currently paid by the Fund are increasing at $10 million in liability each month. Nor is the Fund subject to reserve practices and other insurance procedures which would assure that claims obligations can be met.

LIGHT AT THE END OF THE TUNNEL?

Originally designed to provide a balanced trade-off of increased benefits in exchange for reinstating the exclusive remedy principle, the 1972 amendments to the Longshore Act have fostered many more problems than they solved—excessive costs, uninsurability, administrative delays, court confusion, and the need for additional legal services.

This sorry legacy has had the adverse effects for both employers and employees. The Alliance of American Insurers believes the only effective cure is to start at the core of the problem, the law itself. Even the Supreme Court of the United States has remarked that the Longshore Act is about as unclear as any statute could conceivably be.

Representative Erlenborn, who has introduced a bill in the House to correct the abuses of the Longshore Act, gives the coup de grace to such federal bungling: "In addition to the damage that Congress can do in passing a bad law, is the ability of the bureaucracy to take a good law and completely distort its intentions." What's more, Erlenborn points out, "there is ample evidence that the federal government is not qualified to run disability programs. Recent studies show that the group of federal employees with the consistently higher rate of workers compensation are the same group who administer the federal employees compensation program: the Department of Labor."●

TRIBUTE TO REV. JOHN JACKSON

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. DUNCAN of Oregon. Mr. Speaker, I am especially proud that today the pastor of my church, the Mount Olivet Baptist Church in Portland, is being honored by the Oregon region of the National Conference of Christians and Jews at their 31st Annual Human Awards Banquet.

I know of no one who is more deserving of honor. We have been very fortunate to have Rev. John Jackson in Portland since the early sixties, and he has made a truly remarkable contribution to our community.

Reverend Jackson came to us very highly recommended. His academic credentials are impressive—a bachelor of arts degree from the University of Pittsburgh, a master of divinity degree from Union Theological Seminary in New York and a master of education degree again from the University of Pittsburgh. He has served as pastor in Rochester, Pa., Roxboro, N.C., and Greenwich, Conn. His awards and accomplishments are too numerous to mention.

Reverend Jackson decided early in his career that a pastor need not restrict his activities to the confines of a church. And certainly, Portland has benefited from that philosophy. Reverend Jackson has served on the Portland Metropolitan Steering Commission, the Greater Portland Council of Churches, Planned Parenthood of Oregon, Albina Citizens War on Poverty and the Oregon State Public Welfare Board. He has also served as president of the Portland branch of the NAACP.

It is unfortunate that most of us today are so intent on looking out for our own best interests that we fail to notice what is happening to those around us. It is fortunate that we do have in this world a few such people as Rev. John Jackson.●

THE TRAGEDY OF THE ARMENIAN MASSACRE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. BIAGGI. Mr. Speaker, each April 24, the Armenian American community joins with the citizens of Armenia in commemorating the anniversary of the Armenian Massacre of 1915. It is a day to recall the horrors of the first recorded incidence of genocide in world history—and it is an occasion in which the world community should pledge to end all genocide.

The Armenian massacre resulted in the annihilation of three-quarters of their population. History reveals that the provocations which led to the Armenian massacre were simply a ruthless Turkish Government bent on eradicating all non-Turkish elements in the Ottoman Empire. Armenians were murdered because of their Christian beliefs, their intellectual, cultural, and commercial advancements.

In 1975, I joined as a cosponsor of House Joint Resolution 148, which designated April 24, 1975, as "National Day of Rememberance of Man's Inhumanity to Man." It coincided with the 60th anniversary of the Armenian massacre. It also expressed the deep protest of the Congress to the capitulation of the United Nations when it deleted a reference to the Turkish massacre in their report on genocide.

As we witness the continued occupation of Cyprus by Turkish forces, we unfortunately see that the Turkish Government remains committed to aggressive policies which run contrary to the principles of democracy.

On April 24 of this year the Armenian National Committee of Metropolitan New York and New Jersey staged their annual parade to commemorate the massacre. It was a dramatic illustration of the depth of feeling which this issue still generates.

I am aware of the many and varied contributions of the Armenian American community. They are an integral part of American society. Yet the history of Armenia has been a tumultuous one—filled with tragedy and exploitation by stronger powers.

The horrors of genocide have blackened the pages of world history beginning with the Armenian Massacre of 1915. There were reports of the use of genocide by Soviet troops in Afghanistan this year. The world community must unite in a concerted effort to end genocide. Genocide does not belong in a civilized world.●

JERUSALEM

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. YATES. Mr. Speaker, May 14, 1980, has been designated Yom Yerushalayim Day, marking the 13th anniversary of the reunification of the city of Jerusalem. After millenia of division and strife, Jerusalem is today a living city, uniting in a bond of humanity the great religions and traditions of Judaism, Islam, and Christianity. It would, of course, be inaccurate to say that tensions no longer exist, but under the leadership and administration of the State of Israel, human rights have been protected and religious freedom guaranteed to all. This is a truly remarkable accomplishment.

Mr. Speaker, President Carter has publicly advocated the unification of Jerusalem and open access to all holy shrines in the city, I congratulate the President on his support of these important goals. The next step, Mr. Speaker, is for him, the Congress, and the international community to join in the recognition of Jerusalem as the capital of Israel. This is a privilege Israel has earned; it is a right she deserves.

The spirit of Yom Yerushalayim is embodied in the hopes of all civilized peoples for a lasting peace in a troubled area, and the rights of all to religious freedom. I am pleased to be able to honor this day of commemoration.●

HUMAN RIGHTS ABUSES IN GUATEMALA

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. PEASE. Mr. Speaker, I am today providing the remainder of the two-part report on human rights abuses and living conditions in northern Guatemala. To refresh the memories of my colleagues, this is a report provided to me by a parish priest who has spent many years living and working with the people of this region. His identity is being withheld for considerations of his own personal safety. Also at the close of the report, there is a copy of a communique issued by the Diocese of Quiche Province.

DECEMBER OF 1979

On the 25th of this month, the EGP killed a Cotzalean Army specialist who had been on a spree in the town of Cotzal.

The month of December was the most tense in recent years for the town of Nebaj. Rumors abound that a guerrilla attack on the town's military post was imminent.

The 8th of the month: An Army lieutenant by the name of Prado, in a drunken spree and in cold blood, assassinated an employee of the Department of Health at one in the morning. Because it happened on the eve of the feast of the Immaculate Conception, and many residents were preparing for the celebrations, there were many witnesses to the murder. Many personal effects of the lieutenant were found under the corpse. The dead man, Daniel Mazariegos, native of Amatitlan, was an employee of the Nebaj Health Department, where he had been taken after kidnapping as he was doing his rounds as Technician in Rural Health, and tortured by the Army in Ixcan.

December 12: Two soldiers in civilian clothes attempted to rape two women in the Confradia celebrations.

December 16: One drunken soldier shot a Nebajian while at a party. The people tried to lynch the soldier, but he escaped.

Due to the abuses committed by Army soldiers at the Confradia celebrations on the 24th, the women of Confradia became incensed, brutally beat the soldiers and scalded their heads with boiling water.

During the 25th, 26th, 27th, 28th and 29th of the month, there were a number of abuses by drunken soldiers in the town of Nebaj. There were daily shootings by the Army.

The Army insisted that it was being attacked by guerrillas. The people said that they had not seen a guerrilla during any of these days; that it was an Army action to terrorize the civilian population.

The bullet-ridden corpse of a young Nebajian was found on December 26 in the Xajal Canyon in the Nebaj municipality.

In Chicaman, the year came to a close with an EGP occupation on Saturday morning.

The month of December became for the people of Chajul the blackest of the year. Three people died in a shooting on December 7, in the military depot at Jaboncillo. Army information informed the country's mass media that it had destroyed three guerrillas who were part of a group that attempted to attack a military base in Chajul. The town of Chajul denied this report and informed us that there was no guerrilla attack and that the soldiers killed one another.

The truth is that, beginning December 7, the soldiers from the military base had been making nightly incursions into the town, searching homes, raping women, stealing money, the townspeople's belongings, etc. That same December 7, the Army kidnapped more than a dozen persons, among them women. They were interrogated under torture at the military base and subsequently released, a few at a time. They forced residents to accompany the soldiers and to identify the homes of the guerrillas. Community leaders were forced to appear at the military base to provide information. Frightened by the terror, many families fled toward the hot lands of Chajul or toward the coast.

On the 21st of the month, the guerrillas entered the town of Chajul, killed two Chajuleans and wounded several others. This group had served as Army guides during house searches.

The 24th: Christmas Eve surprised the Chajuleans with some new developments. The Army abandoned its base at Jaboncillo and took over the Savings and Loan Building downtown. This move was made without the permission of the tenants of the Savings and Loan Building. That building is now the headquarters of the Army. From it are launched the nightly patrols that abuse the civilian population.

JANUARY 1980

An example of what has already been said: Seven soldiers on an investigative mission at a house in the town of Chajul, in broad daylight raped the owner of the house. The seven soldiers raped her. It had been only twenty days since the woman had given birth to her last child. The woman's name is being withheld for fear of reprisals. A number of neighbors who had been alerted by the woman's screams—but kept at bay by the rapists' machine guns—are witnesses to this event.

We close this report by relating an event typical of the kind experienced by the people in the north of Quiche. The first of January 1980, the nation's newspapers (Prensa Libre, El Grafico, etc.) under large, front-page headlines, ran a communique of the Public Relations Office of the Guatemalan Army.

According to this communique, in the hamlet of San Pablo Baldio, municipality of Uspatan, the guerrillas of the E.G.P. had ambushed an Army patrol. According to this account, it was only because of the soldiers' military training and spiritual discipline that they were able to repel the guerrillas who, upon realizing their imminent defeat, took cover behind the hamlet residents. Casualties of this military action, the Army informs us, were one critically wounded soldier, one soldier with minor wounds to the little finger of his left hand, and half a dozen seriously wounded guerrillas.

The truth of the matter, however, is totally different. The residents of San Pablo Baldio say that on January 10, 1980, an Army patrol from the army detail at Xejul, next to the town of Uspantan, arrived at their hamlet, occupied it, and began house to house searches. During the searches, they physically assaulted several residents, and stole money and property from many houses. In one of these houses (we omit the family name for fear of reprisals), the soldiers, in front of the head of the household, found and stole 15 quetzales. Later they decided to steal a basket of eggs. The father of the family responded by reaching for his machete in order to protect his property.

Immediately, a soldier, who was in the bedroom, shot the man with his weapon from no more than three meters away. The bullet struck the blade of the machete. In its trajectory it clipped the index finger of the right hand of the father and, changing directions, struck the stomach of a soldier who was searching another part of the house. The father was treated at a hospital in Santa Cruz del Quiche, where it was discovered that he had, apart from a wounded hand, a large black and blue mark on his chest where the machete had been when the bullet struck. In addition, several lead fragments had lodged in his chest. Such was the alleged guerrilla ambush in San Pablo el Baldio, and such is the way that the events are reported by the mass media, in such a distorted way that not even the media's own protagonists can recognize them.

COMMUNIQUE OF THE QUICHE DIOCESE

Profoundly affected by the recent tragic events which have affected public opinion in Guatemala and abroad, the Bishop, priests and religious of the Quiche Diocese declare the following:

That there be national mourning for the loss of human lives, the offering of prayers to God for those who have died and sympathy to their families. As human beings and Christians, we can do no less than to raise our voices in protest at the intolerable situation that has led to the death of our brothers, fellow citizens and parishioners.

The lamentable events that have occurred at the Spanish Embassy reflect the present tension that exists in the country, especially in Quiche. Campesinos who asked to be heard by the authorities and the people, who unsuccessfully tried in many different ways to air their demands for solution to their problems, are today added victims to the tragedy that our country suffers.

An extremely violent situation has weighed upon the Quiche for the last four years. This has been aggravated by the military occupation of the northern zone and by other repressive actions against the people in favor of small minorities. At the root of the problem is an economic system that does not take into account the interests of the poor, and that is supported by a doctrine of national security that imposes a reign of terror over the people. The denial of civil liberties put the people in a desperate situation that translates into rebellion and explodes into violence.

From the perspective of our faith, we interpret this reality as a rejection of God's Providence and as a continuous sinful state. The Lord identifies with His people to the degree that what we do to the poor, we also do to Him. This is how God's judgment will be realized: Salvation, when the relationship with the poor is based on love and active struggle by their side; Condemnation, when the relationship is exploitation, violence or abandonment.●

JOE BRUNO

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1980

● Mr. SHELBY. Mr. Speaker, tomorrow, May 16, the Horatio Alger Awards will be given to 13 modern-day Horatio Algers at a ceremony in Detroit, Mich. I am pleased and honored to say that an Alabamian and a good friend, Mr. Joe Bruno, will be one of the honorees.

Joe's is a storybook tale. The son of an Italian immigrant father working in the Alabama steel mills and the eldest of eight children, Joe left home to earn his keep as a grocery store live-in helper at the age of 12. By 1932, in the depths of the Great Depression, he started his own grocery store with an investment of $600. But even then he knew that ultimately he would run a chain of stores—and Joe's vision has become reality with 51 major foodstores and 56 drugstores making up a company with assets of $60 million and annual net sales of $500 million. A truer example of Horatio Alger success does not exist.

Joe's first little store grossed $75 its first week of operation but, after being joined by his four brothers, Joe Bruno persevered. He was among the first to buy full-page grocery ads in the Alabama newspapers, and soon found himself head to head with grocery giants like A. & P. In 1971, Bruno's went public with its first stock issue, opened the doors to Big B discount drugs, and soon thereafter launched Food World, a new venture into discount food sales. The real icing on Joe's cake of dreams is the knowledge that A. & P. is selling its Alabama operations, while Bruno's is still growing strong.

When Dr. Norman Vincent Peale presents this award to Joe Bruno tomorrow, he will be seeing the real life version of his book "The Power of Positive Thinking." In Joe's own words, "If a person is willing to work for something, willing to persevere long enough, then he can make it * * *. I do not think there should be a stopping to anybody's dream. The more you dream, the more you want, the longer you live for it. If you stop dreaming, what is there left?"

The father of 2 and the grandfather of 10, Joe's dreams have been showered on his family and his community. Through active participation in the American Cancer Society, the American Red Cross, the Salvation Army, the Southern Benedictine College and others he has spread this positive attitude throughout the organizations and people he has touched.

Joe Bruno will step into the Horatio Alger Award limelight with such luminaries as Dwight D. Eisenhower and Clare Boothe Luce. And he will be the first Alabamian ever to do so. We are mighty proud to call Joe Bruno one of our own.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 13, 1980, may be found in the Daily Digest of today's RECORD

MEETINGS SCHEDULED

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981, for programs of the Department of the Interior.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1533 and 1940, bills to provide an exemption for qualified small business venture capital companies.

5302 Dirksen Building

Judiciary

To resume hearings on the nomination of S. Arthur Spiegel, to be a U.S. District Judge for the Southern District of Ohio.

2228 Dirksen Building

MAY 19

9:00 a.m.

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on H.R. 5563, to allow certain proceedings in the U.S. District Court for the District of Puerto Rico to be conducted in either English or Spanish.

1224 Dirksen Building

9:30 a.m.

Judiciary

To hold hearings on the nominations of Fred D. Gray, to be U.S. District Judge for the Middle District of Alabama; E. B. Haltom, Jr., U. W. Clemon, and Robert B. Propst, each to be a U.S. District Judge for the Northern District of Alabama.

2228 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

*Science, Technology and Space Subcommittee

To hold hearings on industrial applications of recombinant DNA techniques.

224 Russell Building

Environment and Public Works

To hold hearings on S. 1631, proposed Fish Restoration Act.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

To hold oversight hearings on the implementation of the Chrysler Corporation Loan Guarantee Act.

5302 Dirksen Building

Commerce, Science, and Transportation

Aviation Subcommittee

To hold oversight hearings on the Civil Aeronautics Board's decision to grant increased fare flexibility to U.S. airlines.

235 Russell Building

Energy and Natural Resources

To hold hearings on S. 2665, proposed National Coal Production, Distribution, and Utilization Act.

3110 Dirksen Building

10:30 a.m.

Judiciary

Business meeting, to consider pending calendar business and nominations.

2228 Dirksen Building

2:00 p.m.

Office of Technology Assessment

The Board to hold a meeting on pending business items.

EF-100, Capitol

MAY 21

9:00 a.m.

Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of expected appointments for disabled veterans.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 2523, to clarify certain antiquated inspection and manning laws which affect smaller commercial vessels, and H.R. 1198, to establish appropriate identifiable lines dividing inland waters of the United States from the high seas.

235 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 1610, proposed Blood Assurance Act.

4232 Dirksen Building

MAY 22

9:00 a.m.

Special on Aging

To hold oversight hearings on the administration of mental health programs to serve the elderly and to review proposals to overcome service barriers to older Americans (the substance of S. 1177).

1202 Dirksen Building

10:00 a.m.

Environment and Public Works

Environmental Pollution and Resource Protection Subcommittees

To resume joint markup of S. 1480, proposed Environmental Emergency Response Act.

4200 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

Business meeting, to markup S. 2144, 2375, and 2378, bills to provide support for the training of professionals in health service needs.

4232 Dirksen Building

*Select on Indian Affairs

To hold hearings on S. 2513, to promote economic self-sufficiency among Indian Tribes by providing tax incentives to industries who hire Indians and locate on or near their reservations.

1318 Dirksen Building

MAY 23

10:00 a.m.

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on S. 1519, authorizing the Secretary of Energy to redress the capital repayment problems of the Southwestern Power Administration without undue burden to the current ratepayers.

3110 Dirksen Building

MAY 28

10:00 a.m.

Energy and Natural Resources

To hold hearings on the impact of acid rain in the atmosphere resulting from an increased use of coal.

3110 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.

5302 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of Federal programs for women in business.

457 Russell Building

MAY 30

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on the following miscellaneous tax legislation. S. 2484, 2486, 2500, 2503, 2548, and H.R. 5043.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.

5302 Dirksen Building

JUNE 2

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to examine certain energy policy issues dealing with episodic, severe shortages in transportation fuel.

3110 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.

5110 Dirksen Building

JUNE 3

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands.

S-407, Capitol

JUNE 4

10:00 a.m.

Select on Indian Affairs

To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.

5110 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of the Small Business Administration's loan assistance programs as they apply to veterans of the Armed Forces (Public Law 93-237).

424 Russell Building

JUNE 5

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.

3110 Dirksen Building

JUNE 10

9:30 a.m.

Judiciary

To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.
5110 Dirksen Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

JUNE 12

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2490, proposed Infant Formula Act.
4232 Dirksen Building

JUNE 17

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.
1224 Dirksen Building

JUNE 19

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.
412 Russell Building

JUNE 24

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.
1224 Dirksen Building

JULY 1

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.
412 Russell Building

CANCELLATIONS

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

SENATE—*Thursday, May 15, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our fathers, known of old, be known to us in our daily prayer and through our working hours. Lift our jaded spirits into the clear light of Thy presence that we may perceive the truth. And, seeing the truth, help us to speak to one another in love. Bless Thy servants here with clarity of thought, precision of expression, and hearts aflame with divine love. Make us and all people of this Nation obedient to the moral and spiritual laws which make a nation great and advance Thy kingdom on Earth.

Hear our prayer, in the name of the Lord of Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 15, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SOVIET OCCUPATION OF AFGHANISTAN

Mr. ROBERT C. BYRD. Daily reports remind us of the continuing resistance of the people of Afghanistan to intervention by the Soviet Union.

The Soviet Union is no stranger to being an occupying power, having overrun and occupied half of Europe since World War II. Soviet military occupation in Eastern Europe has encountered only occasional, limited armed resistance—for example, in Hungary in 1956, and in Czechoslovakia in 1968. But in Afghanistan, armed resistance promises to be sustained and widespread.

In seeking to occupy Afghanistan, the Soviets find themselves pitted against ordinary men, women, and even children. According to reports, school-age youngsters have emerged as one of the most active groups resisting the Soviet intervention in Afghanistan. Young people have dared to take to the streets to demonstrate their opposition to the Soviet presence.

The Soviet Army and the troops of the Soviet-backed Afghan regime have responded savagely. In a recent incident in Kabul, an unarmed crowd of about 5,000 students was fired on. Several were killed and others were wounded. This demonstration was led by high school girls. Shooting at unarmed schoolgirls is not a show of force; it is an outrage and a disgrace.

Military occupation almost inevitably leads to these kinds of confrontations. What the Soviets are compelled to do to meet the growing resistance in Afghanistan is a demonstration of the failure of Soviet policy in that nation.

The United States and other nations should seek to make it clear that it is a mistake for the Soviet Union to persist in its attempt to occupy Afghanistan. The United States and other nations should seek the withdrawal of Soviet forces from Afghanistan under conditions that will restore that nation's nonalined status. For example, various proposals to neutralize Afghanistan should be seriously considered. The shameful military occupation must be ended and peace restored to Afghanistan.

Mr. President, I yield to the distinguished Senator from Wisconsin 3 minutes.

Mr. PROXMIRE. I thank the Senator.

CAMBODIA'S COMMEMORATIVE

Mr. PROXMIRE. Mr. President, last month on April 17, Khieu Samphan, Prime Minister of the Khmer Rouge's Democratic Kampuchea, released a statement calling for the celebration of the fifth anniversary of Kampuchea. I would like to read a portion of that statement:

> We are therefore celebrating the national day of Democratic Kampuchea in a situation in which our nation, our people, our army and our guerrilla fighters in their struggle against the Vietnamese aggressors, expansionists, swallowers of territory and racial exterminators, are winning major victories and in which changes are taking place which are increasingly favorable to us.

The statement is a grim joke. Samphan would portray the Khmer Rouge as a patriotic group representing the Cambodian people in a struggle against a foreign invader. They look for sympathy as struggling revolutionaries.

These people who look for world sympathy and respectability are the very ones who liquidated 3 million of their own people. Sickness, starvation, and mass murder—all are results of the Khmer Rouge's ruthless policies. All these are a legacy to this "peoples" government.

Samphan would have us forget all this. He would have us believe that the Khmer Rouge has the support of all the Cambodian people.

But Samphan is not content with this distortion. He tries to rationalize the past and further twist history by speaking of "unifying increasingly large numbers of national and popular forces and waging a war on all fronts against the Vietnamese aggressors and their expansionists and genocidal policies."

Such sleight-of-hand would credit a magician. Now the Vietnamese and not the Khmer Rouge are responsible for the mass murders, the starvation, and the suffering.

But this rhetoric of resistance against the Vietnamese must not confuse the issue in Cambodia.

April 17 should not be a celebration. Celebrating this anniversary would be akin to celebrating Hitler's genocide of the Jews in Germany during World War II.

Rather, April 17 should be a day of commemoration. A commemorative to the 3 million people who died in Cambodia under the Khmer Rouge. A reminder of the depths to which the human soul can sink.

We can contribute constructively to that commemorative. No more fitting memorial to the victims of these atrocious acts exists than a pledge to work to prevent further occurrences of this heinous crime. The Senate can act to morally censure these acts by ratifying the Genocide Convention.

Nothing stands in our way. The Senate Foreign Relations Committee has reported this convention favorably four times. The American Bar Association has reversed its previous opposition to this treaty and has voted overwhelmingly to endorse it. Every President since Harry Truman has called for Senate consent to ratification.

I call on my colleagues to ratify the Genocide Convention.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minority leader, the Senator from Tennessee, is recognized.

HAPPY BIRTHDAY CALE BOGGS

Mr. BAKER. Mr. President, today is a day of celebration for a former member of this body and a great friend of those of us who are veterans of the Senate.

J. Caleb Boggs, who served with great distinction for two terms as a Senator from Delaware, observes today his 71st birthday.

In special ceremonies tomorrow, the people of Delaware will pay well-deserved tribute to Cale Boggs, who represented them with surpassing skills not only as a Member of the Senate but as a Member of the House of Representatives and as a two-term Governor of his State.

The Federal building in Wilmington will be dedicated tomorrow as the J. Caleb Boggs Federal Building.

It was my personal pleasure to serve with Senator Boggs on the Committee on Public Works during my first term in the Senate, and I came to know him especially well through our mutual service on the Air and Water Pollution Subcommittee.

Cale Boggs was the first ranking Republican of that subcommittee, created in 1963, and I was honored in later years to succeed him in that post.

Rarely has any Senator earned the universal affection and respect of the entire Senate membership as Cale Boggs did. Our former colleague from Montana, Lee Metcalf, said during Senator Boggs' reelection campaign in 1966 that if the Senate itself could vote, Cale Boggs would win, 99 to 0. And if Cale voted for himself, it would be unanimous.

Similarly, the late Robert F. Kennedy, then a Senator from New York, was called upon in that 1966 campaign to speak for Cale Boggs' opponent. Senator Kennedy, at the height of his political appeal, asked his friend Cale Boggs what he should do. Cale, in his customary way, said, "Bob, you have to take care of your friends and your party." But Robert Kennedy, perhaps the most popular Democrat in America in that period, declined to campaign against the Senator from Delaware.

Mr. President, these are stories of a special man, and I know my colleagues join me in wishing J. Caleb Boggs well on his birthday today and on his day of tribute tomorrow.

WILLIAM REGAS

Mr. BAKER. Mr. President, on May 20, William Regas, of Knoxville, Tenn., will be inaugurated as the new president of the National Restaurant Association.

As the faithful patrons of Regas Restaurant in Knoxville well know, Bill Regas has been offering gracious hospitality and outstanding cuisine for almost 30 years as owner and manager of one of the finest restaurants in the Southeast.

He is also a partner in Regas Real Estate Co., and in Ross Quality Foods, and serves as a director of several Tennessee organizations. Bill is a past president of the Knoxville Restaurant Association.

He has given freely of his time and talents to numerous civic and charitable enterprises, and it is good to see a man like Bill Regas rewarded for his efforts.

An article in the Knoxville News-Sentinel recently detailed Bill Regas' remarkable career, leading to this most recent honor, and I ask that it be printed in the Record at this point together with the Senate's congratulations.

The article follows:

BILL REGAS OFFERS CHALLENGES AS HE HEADS NATIONAL RESTAURANT GROUP

(By Bob Barrett)

On May 20, Ella Fitzgerald, First Lady of Song, will serenade a leading Knoxville businessman and civic leader as the new president of the National Restaurant Association.

The man is William Frank (Bill) Regas, and it will be his night at the association's annual convention, full of gourmet dining, dancing and entertainment.

The association may not realize it yet, but their new president is a hard-working, God-fearing unashamedly patriotic subscriber to the American dream. And he fully intends to challenge the entire membership of 10,000 firms, representing almost 150,000 eating places, to work in the coming year to work toward making the dream stronger.

For Regas, the dream of heading the largest association of its kind began 61 years ago when his father, Frank Regas, and uncle, George Regas, came to this country and opened their own restaurant.

The man who is about to head the nation's restauranteurs began working in the restaurant when he was 14. He took over as manager in 1952, after the death of his father.

Characteristically, the 51-year-old man is quick to play down his own contributions to the restaurant's success. Instead, he points to other members of his family and partners as the ones who make its success possible.

"If it weren't for my cousins, Gus Regas and Frank Regas, and Mrs. Frankie Gunnels (his sister), it would not be possible for me to serve as president of NRA," he said.

"I also want to pay tribute to our fine staff of employees, who give special concentrated effort to do an outstanding job when I have to be out of the city on occasions," Regas said.

Just last Sunday, Regas gave the food service industry three challenges in a speech to the Western Pennsylvania Restaurant Association in Pittsburgh.

He first challenged them to work harder within their local, state and national associations to solve not only the restaurant industry's problems, but those of the nation's economic health.

He noted that the association now has its offices in Washington, D.C., "voicing opinions on the issues we feel are best for free enterprise—a system that has made our economy the strongest in the world."

His second challenge was to improve their own food service operation "and make sure we are doing the very best for our customers that we can possibly do."

Thirdly, he said, "I challenge you to be a better American."

He vowed that while president, the restaurant association board meetings will open with the Pledge of Allegiance to the Flag.

That is merely symbolic of the work he has planned for the restaurant association.

"We are going to keep trying, and trying until our Government balances the budget, becomes more productive, establishes sound economic policies that will preserve the savings of the past and encourage investment in the future.

"We also will keep trying to build strong foreign policies that will once again make America the strength of the world!

"As president of the NRA, I am going to ask the industry promotion committee to launch a campaign which we can take to the people:

"Let's Go, America!"

Regas pointed out that the members of the association reach 500 million people each week, serving meals and snacks.

"Our industry has the opportunity to rally the general public . . . to create the necessary wave of pressure on Washington and bring about an immediate change," he said.

"We are hopeful that this will result in a strong resolution to Congress and the Executive branch to shrink Government, to balance the budget and to redirect the thinking and focus of the administrative bureaucracy," Regas said.

He recalled seeing a bumper sticker recently that read: "America: She ain't perfect, but we ain't done yet!"

"I think it is my favorite bumper sticker," he said.

In addition to being board chairman and chief executive officer of Regas Brothers Inc., Regas also is a partner in Regas Real Estate Co. and in Ross Quality Foods Inc., a company operating three East Tennessee Wendy's Old Fashioned Hamburger Stores.

He is on the boards of directors of United American Bank, Knox Federal Savings and Loan Association and the Knox County Industrial Development Board.

He is a member and past chairman of the Knoxville Parking Authority, a former director of the local Jaycees and Chamber of Commerce, past president of the Knoxville Tourist Bureau and former member of the Lawson McGhee Library board of trustees.

He is a member of First Baptist Church, a Mason and a Shriner.

Regas is a UT business administration graduate and an Army veteran.

He was the 1955 Knoxville Jaycees' Young Man of the Year and served the next two years as president of the Tennessee Restaurant Association.

He also is a past president of the Knoxville Restaurant Association and was named the local and state associations' Restaurant Man of the Year in 1961.

He was married to Elizabeth Frost Regas for 26 years until her death on Feb 20, 1978. They had three children: Carol Regas Acker, married to Dr. John H. Acker, a Memphis physician; Sharon Regas Scott, married to Stuart Scott, a marketing specialist for Electric Vehicle Systems with General Electric Co., Charlottesville, Va., and William Grady Regas, a third year business major at Florida State University, Tallahassee, Fla.

Last June 15, he married Anne M. DeAnis. She has a son, Dennis B. Ragsdale, a Duke University graduate, who now is a third year UT law student.

Mr. President, I have no further need for my time. I would be glad to yield it to the majority leader or yield the floor.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. BAKER. Mr. President, I yield back my time under the standing order.

SOFT DRINK INTERBRAND COMPETITION ACT

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of the pending business, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 598) to clarify the circumstances under which territorial provisions and licenses to manufacture, distribute, and sell trade-marked soft drink products are lawful under the antitrust laws.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, for 2 days now we have been debating the superb amendments offered by the Senator from Mississippi (Mr. COCHRAN) and the Senator from Indiana (Mr. BAYH). They are good amendments. They have been called up in the first degree and second degree in order to facilitate and make possible a filibuster against the Senator from Ohio, a reverse of the usual procedure. Cloture is about to be invoked but will be invoked only for one reason, and that is to cut off the rights of the Senator from Ohio to call up a nongermane amendment.

Mr. President, this procedure, this tactic, this operation is going to be successful. But in being successful I want to point out that today's loss for the Senator from Ohio will be also today's loss for the U.S. Senate.

There are Senators who are involved in this tactic who have been known as champions of the right to filibuster, one of whom I think holds either the all-time record for remaining on the floor or, if not the all-time record, he comes close to it. Cloture has been used over a period of years, I guess since the Senate's inception, to cut off debate when some Senator or some group of Senators was attempting to keep a matter from being brought to a vote.

The Senator from Ohio has no desire to do that. The Senator from Ohio, in his first speech on this issue 2 days ago, said: "Let's accept the Cochran amendment and the Bayh amendment. They are good amendments."

The Senator from Ohio repeated that suggestion yesterday. The Senator from Ohio now repeats the same suggestion. Since the amendments have been debated for 2 days, since they are so meritorious, since the authors have been so persuasive in their arguments, the Senator from Ohio again suggests to the managers of the bill that the Cochran amendment and the Bayh amendment be accepted, either without debate by voice vote or by rollcall. And I make that request again of my good friend from Indiana.

Mr. BAYH. Mr. President——

Mr. METZENBAUM. Without my losing my right to the floor, I would like to ask the Senator from Indiana if he is ready to accept the Cochran amendment and the Bayh amendment, and accept both of them either by acceptance by the managers of the bill or by rollcall vote so that we might get on to other amendments prior to the cloture vote.

Mr. BAYH. May I ask a question of my colleague in response to his question so that I do not unnecessarily take part of his time this morning in expressing the position of those of us on the opposite side of the issue?

Would my good friend from Ohio want me now to explain why I am unwilling to accept his gracious offer or would he prefer just a one-word answer, "no," right now?

Mr. METZENBAUM. A one-word answer will suffice.

Mr. BAYH. With all due respect, no. I think the Senator from Ohio is very gracious, but I hope to be able to explain to the Senate and to those who are concerned with this legislation that what we are talking about here is really not a substantive difference, but we are talking about a parliamentary tactic that is being used by both sides, which will have dramatic consequences on the substance. Although the Senator from Ohio in his usually persuasive and articulate manner has described the issue as he sees it, I think an equally reasonable if not as well articulated argument can be made on the other side of this issue. So in all respect to my friend from Ohio, I have to say no.

Mr. METZENBAUM. Let me say for the record I believe I asked the Senator whether he would accept the amendments or have a rollcall vote on the amendments prior to the vote on cloture. He pointed out to me that the amendments would not be accepted by the managers, nor would there be a vote prior to the cloture vote. I would like to elaborate on that point.

I now ask unanimous consent that, notwithstanding the fact that there is pending an amendment in the first degree and an amendment in the second degree, the Senator from Ohio be permitted to call up an amendment at the desk.

Mr. COCHRAN. Reserving the right to object.

Mr. BAYH. Objection.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. METZENBAUM. Mr. President, I am not surprised. Of course, I anticipated that reaction. But I wanted to make it clear to my fellow Senators that really what has transpired here is not an abuse of the rules, but a use of the rules to deprive a Member of this body of his legitimate right to amend a piece of legislation.

I wonder whether those who will vote for cloture today and who have been parties to this particular procedure would act the same way if labor law reform legislation was on the floor. I now address myself to my friends on the opposite side of the aisle. Or if there were some consumer protection legislation on the floor.

Of course, it should be pointed out that there is an effort to bring up a consumer protection amendment, and I am being denied the right to do that in order to pass this lobbyist supported, well-organized effort by a group of business persons who do not want to comply with the antitrust laws, who think that they have some God given right, and if it is not God given that it will be a congressionally given right, to be exempt from those laws.

It is sad. Why should bottlers be exempt from antitrust laws and everybody else be expected to comply? As a matter of fact, when we get done today, things will change. Others will say, "We should not have to comply with the antitrust laws either."

They will say that automobile dealers ought to be protected in their territorial rights.

They will say that television manufacturers or refrigerator makers, or any one of a host of other manufacturers of products that are on the market, need protection, need territorial restrictions, and that the antitrust laws should not be applicable.

And if they hire the best lobbyists, and if they organize back home, get enough people to call, they will again prevail upon the Congress to provide that exemption once the pattern has been set.

They need not worry that the consumers will be concerned. The people of the country do not understand that what we have before us today is a way to keep prices up in the soft drink industry. They understand that prices are up. They go to their supermarkets and they know what they are paying. They know how the companies who are involved in this business have raised the prices day in and day out, and that a bottle of Coca-Cola today, even in these Senate Halls, has continued to rise. Competition does not work.

There is not any question. We talk about the poor little soft drink bottlers, about these poor independent businessmen.

But take a look at the figures. Not all of the operations are public as far as earnings are concerned, but there is not any question about it that those that are public, and there are a great many that are, have been making extraordinary profits.

One week we come to the floor and we talk about the extraordinary profits of the oil companies and how they have gouged the American people. They do it not by an exemption from the antitrust laws, in all fairness, but by other procedures that this Government has made available to them.

The bottlers do it by territorial restrictions, territorial restrictions so that there will be no competition. The free enterprise system does not mean anything any more to the bottlers.

There has been no real hue and cry that there has been cutthroat competition. I sat through the hearings. Nobody really was getting hurt. Even those who came forth from my own State, and who said how important this legislation is, also indicated how high their profits have been.

What is so terrible about competition? Why is it the Business Roundtable and the business lobbyists are opposed to Illinois Brick and have joined together in connection with the bottlers' bill to keep Illinois Brick off it?

Illinois Brick cannot be brought to the floor because we do not have enough votes for cloture, I am told. Well, why do we not bring it to the floor and see whether we have enough votes for cloture? No. Today I am going to be effectively deprived from bringing up Illinois Brick regardless of the impact upon the consumers of this country, regardless of the impact upon the small school districts and the local governments that will get the short end of the deal. Who cares about them? They are good for speechmaking but they are not good for the legislative process because their lobbyists are not that strong.

I submitted for the RECORD yesterday a list of school districts across the country. I did not examine it closely, but I do not think that one State in the entire Union failed to have school districts that were benefited by the award in the Master Key decision or, to put it another way, if our failure to pass Illinois Brick legislation would make it impossible for that award to have been made.

It is sad, it is tearful, if you have any concern for the American people, that while the rules can be worked for the benefit of a special group of businessmen—and not all small businessmen; some of the largest conglomerates in this country and the large syrup makers—the rules are worked to keep the Illinois Brick amendment from coming to the floor. I cannot wait for that day to arrive in the not far distant future when some of those who were so enthusiastic about keeping Illinois Brick from coming to the floor by this particular procedure will have the same procedure worked against them and they, too, will be deprived of an opportunity to bring up a nongermane amendment as provided for under the rules of the Senate.

What is going on is inequitable, it is contrary to most of the precedents, although there may have been some occasion in the past, many years ago, when it was done in the same manner. But it is just not right.

The Senator from Ohio will have a full life whether or not the bottlers bill passes, and undoubtedly it will, and whether or not Illinois Brick is attached as an amendment. But there are a lot of people out there in America whose lives will not be quite as full. There are a lot of little children who will not be able to buy a bottle of pop because it costs more.

You might say, well what do you mean, they can afford 35 cents but they cannot afford 45 cents for a bottle? I do not know what they can afford. I do not know how much that amount is. But I do know that the bottlers bill means that competitive forces will not work and we shall have more inflation.

I do know that, by the failure to permit Illinois Brick to come to the floor, those who have conspired, who have sat down and worked together to price-fix, to increase prices, will, under the law as it presently is, for all practical purposes, be exempt from litigation.

I put into the RECORD yesterday a whole host of organizations that believe Illinois Brick ought to be enacted—Municipal League of Cities, National Association of Attorneys General—a group across the board; some business groups who recognize how they get hurt in this process.

Mr. President, I am, indeed, saddened, disheartened, disturbed that the rules of the Senate are being used to keep one Senator from calling up an amendment that has, I think, 22 cosponsors; that is, indeed, a proconsumer amendment, an amendment that, under the law at the moment, keeps consumers from being able to recover unlawful profits, keeps consumers from being able to recover unlawful profits from willful price fixing on the part of certain businesses.

Is it right? I am aware of the fact that the Senator from Indiana is a cosponsor of the Illinois Brick legislation and a strong advocate. I am aware of the magnificent record of my good friend from Indiana, who has been a true advocate of antitrust legislation and enforcement. As a matter of fact, it is probably fair to say that the Senator from Ohio would not be standing in his position on the floor today as chairman of the Antitrust Committee were it not for the support and efforts of my good friend from Indiana.

So this is not a personal matter with me. He is my friend. He is a Senator whom I believe in. The mere fact that he happens to be wrong on this particular subject, on the wrong side of the issue, does not make my affection for him any the less, nor my respect for him any the less. It only proves that even great men have a right to err on occasion. In this instance, he is on the wrong side of the issue.

As a matter of fact, Mr. President, it is bad enough that he is on the wrong side of the issue on the bottlers bill; he is on the right side of the issue as far as being for the Illinois Brick amendment, but on the wrong side as far as permitting it to come up. I know he would say, and he has said, that he favors the Illinois Brick amendment, but he is concerned that if it is adopted, the bottlers bill will lose its chances of being passed. I guess the only way that would happen is if there were a filibuster against it. So, instead of having a filibuster against it by those who are its opponents, the Senator from Indiana and others have opted to have a filibuster against the Senator from Ohio having an opportunity to call the amendment up.

In all fairness, the Senator from Ohio is not the only one who would be prepared to call up Illinois Brick at this point as an amendment. There are other Senators who would like the opportunity to do so. But, realizing the lay of the land, they have not seen fit to do so.

Mr. President, equity in the situation, the fact that we have a vote at 10 o'clock, gives me the opportunity either to hold the floor until that time or to yield it to the Senator from Indiana, the Senator from Mississippi, or such other Senators as want it. But I should like to ask unanimous consent that, upon yielding the floor, I not be held to the one-speech-a-day rule and that I be given permission to have 5 minutes just prior to 10 o'clock. Does the Senator from Indiana have any difficulty with that?

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. METZENBAUM. On that basis, I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate the traditional courtesy of my colleague and good friend from Ohio in not taking advantage of the opportunity he has to foreclose any opposition discussion of the issue between now and the cloture vote. That is vintage Metzenbaum and I am grateful to the Senator from Ohio.

Let us look at the whole environment of where we are right now from the perspective of those of us who are strong supporters of the Soft Drink Interbrand Competition Act, S. 598. In the finest tradition of the Senate, it is possible for individual Members to feel very strongly about the merits of the issue, deeply, sincerely, and not be in any way compromised as far as our motivations are concerned. So what the Senator from Indiana is about to say in no way goes to depreciation of the Senator from Ohio. We are just plain looking at different sides of this elephant.

I recall an elderly senior Member of the House of Representatives, whom I had the good fortune of serving with in the Indiana General Assembly. He had been there a good number of years and, every year, I had the good fortune to serve with him, he told the same story about one bill that came down the pike. Whatever it might be, it usually applied to one bill or another that came through the session. The story was about a blind man who was asked to describe an elephant, and what he said depended upon whether he touched the side, the tusks, the front, or the tail. And the Senator from Ohio is grasping the tail of this beast and the Senator from Indiana is feeling the ears, and we are coming to different conclusions as to what S. 598, or, indeed, what the broader issue is right here.

The Senator from Ohio has very patiently suggested that, as one Member of the Senate, he is being denied his legitimate rights, where the rules of the Senate are being used so that he does not have the right to bring up two amendments, one, Illinois Brick, and the other, oil merger, both of which are proconsumer by his definition and by the definition of the Senator from Indiana.

He has been very kind in suggesting that traditionally, and to this moment and into the future, the Senator from Indiana has been an ally of his in our efforts to try to defend consumer rights and get action on the two amendments. Others on different sides of these issues are joined in concert with the Senator from Indiana, not because they follow the interpretation of the Senator from Ohio and the Senator from Indiana on the merits of Illinois Brick and oil merger, but because they share the concerns of the Senator from Indiana on whether we should have a chance to vote up or down on the issue of Senate bill 598, the soft drink bill on its own merits alone.

That is the issue. Should we have a chance to vote up or down on the soft drink bill, S. 598, or should we not?

We have heard the Senator from Ohio talk rather patiently about this bill being lobbyist supported, and some huge conglomerate operation reaching its tentacles into the decisionmaking process of the U.S. Senate.

I have seen lobbyists and I have been a lobbyist, and in the finest tradition of the democratic process—with a small "d," I say to my colleagues on the Republican side here—we are talking about thousands of lobbyists, the great bulk of which are small business interests in this country.

One can look at my home State, or at the so-called lobbyists in the Senator from Ohio's home State, or at the situation in the State of our distinguished Presiding Officer, the Senator from Oklahoma, at the situation faced by our allies here from Mississippi or South Carolina. If we look at the situation in Indiana, we are talking about—give or take, one or two, depending on whether or not they are going bankrupt yet—about 50 small businesses, 35 of which employ less than 100 people, and none of which employ over 1,000.

In fact, I think if one looked, none would employ more than 500—maybe 1 or 2, but none of them over 1,000.

Now, this is the insidious type of group that is invading the decision process in the U.S. Senate, representatives of operations that employ less than 100 people.

It seems to me that somebody has to stand up when we see a segment of our economy that is about to be destroyed by an act of the Federal Trade Commission, not to establish a precedent, but to destroy an acceptable contractual relationship that has been in existence for 75 years. That is what we are saying.

If this thing has worked for 75 years, if the administrative law judge who heard the evidence says that there is ample competition, if the FTC ignores the evidence and makes an arbitrary decision on its own that will wipe out the majority of these small businesses, somebody ought to stand up and say, "Wait a minute, wait a minute, that is an excessive use of the power of the Federal Trade Commission."

I say that as one who has not had the record of being out to gut the FTC.

What we are talking about here is a procedural question: how under the rules of the Senate can 100 Members of the United States Senate have a chance to vote up or down on the soft drink bill? How can we get a vote on it?

The rules of the Senate are being used by my good friend and distinguished colleague from Ohio to prevent us from having a vote on this bill which he feels is anticonsumer. He feels very strongly it is anticonsumer. He has made no bones about the fact that he thinks it is a bad bill.

He has done everything he can legitimately under the rules. He is the most honest man in this Senate. He tells us what he will do—he will use the rules of the Senate to try to keep this bill from passing because he thinks it is a bad bill, and he has done a very effective job.

We have had hearings. We have had an effort to get this brought up. The only way we have been able to bring it up is to bring it up with the guarantee to the leader that we have enough votes to shut off a filibuster on it.

I would like nothing better than to have the opportunity to vote on Illinois Brick and to have an opportunity to vote on oil merger.

I would hope the Senator from Ohio and the Senator from Indiana and the rest of us who feel these amendments are important could devote as much time and energy to trying to get the number of votes for cloture, so that we can tell the oil companies to stay out of the circus business, so we can tell the oil companies to stop buying Montgomery Ward, so we can tell them to stop buying Anaconda Aluminum, and stick to the energy business, so that we could deal with the question of consumer protection and Illinois Brick.

Let us spend time trying to get a cloture vote on this and stop trying to kill the bottling bill. That is the question now.

We know there is no question in the mind of anybody here who has counted noses that once these two amendments, any one of them, is added to the bottling bill, the whole shebang is dead. The soft drink bill is dead, and we do not have the votes necessary to invoke cloture and get a vote on Illinois Brick.

So the issue, it seems to me, is whether the Senate is going to have a chance to vote on the bottling bill unfettered by some of these other issues which, if they are accepted, kill the bottling bill.

Let us look at the bottling bill. There has been a good deal of talk about it being anticonsumer.

I want to go back into the record and see what actually has been said, both by those of us who are in favor of the bottling bill and those of us who are opposed to the bottling bill.

The soft drink territorial arrangement has been on the books for 75 years. What we are trying to stop from happening is a Federal Trade Commission decision which totally ignores the conclusions reached by their own Administrative Law Judge.

I have not seen a Commission ruling that totally ignores the record in the field, a record which conclusively suggests that there is ample competition within the brands of soft drinks so that the consumer is protected.

If the position of the Senator from Ohio is accepted, by his admission what is going to happen is that a lot of these small businesses are going to go defunct. A handful of major bottlers will control the whole bottling business.

Those of us who are really concerned about competition in small business are trying to keep the big, powerful interests out of the industry. To let the Federal Trade Commission ruling stand, would result in greater concentration in the industry, not less concentration in the industry. Once there is more concentration, the consumer is going to get it in the seat of the pants. A few large bottlers will determine what is going to happen. There will be less service to the small grocer, to the filling station. The vending machines will disappear to a great extent because the large bottlers are not concerned about serving; they are concerned about getting a maximum return on the dollar.

I will conclude by showing the absolute unwillingness of the so-called experts who are behind this, on whom my good friend from Ohio is relying, to show what the issue is here.

I ask that we turn to page 97 of the hearings of the Soft Drink Interbrand Competition Act. The Senator from Ohio was thoughtful enough to let us hold some hearings. We have here Mr. Comanor, who was one of the experts on whom the FTC relied as to the kind of competition that existed and the evidence used by the FTC to rule against the franchise.

The issue was, is the return on the investment too high? Is that evidence of lack of competition? Are the bottlers of America making too much money? The FTC concluded, based on Mr. Comanor's study, that they were.

Senator BAYH asked Mr. Comanor on page 97:

> I don't want to get semantical here, but I would like a clarification. In your statement, you continue to refer to bottlers. Now, could you tell us, on table 3 where we talk about the rates of return of the leading soft drink concentrate manufacturers, is it concentrate manufacturers, or is it the return of bottlers which you refer to in your oral testimony?
>
> Mr. COMANOR. The rate of return refers to concentrate manufacturer, as does table 1. I see no reason why these would—I should have used the word "concentrate manufacturer" in table 1 and throughout the statement, when I was talking about competition at the manufacturers stage, I was referring to the soft drink concentrate manufacturers.

So here we have a decision that is based on the rate of return of the concentrate manufacturers, the large concentrate manufacturers, not the rate of return on those small bottlers.

Now let us look further:

> Mr. COMANOR. . . . One could look at bottlers, I suspect, but I do not know what they are.

Yet, we are about to put all these bottlers out of business:

> Senator BAYH. Did the FTC when they made this decision, did they have a chance to study the profitability of the bottling part of the soft drink industry?
>
> Mr. COMANOR. I really didn't get into that.

Here is the architect of the decision admitting that his study did not even explore the profitability of a lot of those small drink people, employing 35, 40, or 45 people. He is about to put them out of business on the basis of an entirely different premise—that the syrup manufacturers are making too much money; and he is going to put my bottler in Portland, Indiana, out of business. I am not going to sit still and let him do that. He says:

> These firms I would expect to see turn very low profits.

So let us look at what we are really trying to do here. We who are supporting this act are trying to keep in business a relatively large number—a couple of thousand—of small businesses, most of whom employ less than 50 people, businesses that are now existing in many hometowns in America, which are providing good service for small businesses that want access to soft drinks. The profit ratio, by Mr. Comanor's admission, is very low. We are trying to keep these folks in business, so that we do not have a handful of large bottlers move in and take over the whole distribution of soft drinks.

With all respect to my friend from Ohio—and it is rare that we disagree—I think we will have less competition, we will have less service, and we will have higher prices.

I respectfully suggest that it is painful to have to resort to this strategy to get a vote on an issue. But the Senator from Ohio has very effectively given us no alternative. He knows how much I have explored alternatives to get a vote up or down on the issue. He has been a valiant champion of his position—namely, he is against the soft drink bill.

Mr. STEVENS. Mr. President, will the Senator yield me 1 minute?

Mr. BAYH. I yield the floor.

Mr. STEVENS. Mr. President, at this time I should like to express my support of S. 598, the Soft Drink Interbrand Competition Act. This legislation, which is cosponsored by 78 Senators, is designed to clarify the circumstances under which territorial license provisions are lawful. It is intended to preserve a unique and necessary industry practice: the manufacture, bottling, and distribution of trademarked soft drinks by local companies operating under a territorial contract.

To understand why this legislation is needed, it is important to understand the soft drink industry. The bottling industry is very capital intensive. A bottler must invest a tremendous amount of time and money to develop a viable business in any given geographic territory for their specific product. In any given area, they face competition on the shelf from several hundred other beverages. The consumer, should he decide that the price of Coke or Pepsi is too high, may choose such things as the store brand, powdered drinks, juices, and any number of other trademarked beverages.

Yet, the opponents of this legislation argue that, despite the tremendous competition on the grocery store shelf, the bottler should also face competition from other bottlers of the same product. Unfortunately, such competition could only result in increased concentration in the soft drink industry. The smaller bottlers who serve a limited geographical territory and who have, through their efforts over the years, worked up a good market for the product will be faced with a larger dealer "dumping" excess product. Obviously, the larger bottler will not want to sell excess product in his market because that would ruin his price structure. However, the larger bottler could and would successfully sell his excess in another area at a lower price, undercutting the smaller bottler and eventually putting him out of business, thereby decreasing the competition in the market.

This is not a problem in just a few areas. Of the 2,000 bottlers in 1979, over 1,500 employed less than 50 employees. In most cases, these are small, family-owned businesses which have worked over many, many years to develop their markets. Unless Congress passes this bill, these small enterprises may simply disappear in the face of competition from large, interbrand conglomerates. Such a result would not only be unjust, it would be unwise. In the long-run it would decrease competition, not increase it.

I strongly urge all my colleagues to consider this legislation carefully and support passage, as it drastically affects and justly accommodates the many small soft drink bottlers in each State.

While I strongly support the legislation, I do not feel that I can vote for cloture before this issue has been seriously debated. Over the past few years, I have become increasingly aware of the importance of the rights of the minority on any issue. As a Senator from a State with a relatively small population which, nonetheless, has a strong interest in complicated and unique legislation, I feel very strongly that those who wish to speak at length on any particular bill, even if they are in the minority, should be afforded that right. Therefore, while I will vote against cloture until the bill has been thoroughly debated, my vote is in no way connected to the merits of S. 598, which I believe is an excellent piece of legislation.

Mr. HATCH. Mr. President, the Soft Drink Interbrand Competition Act will preserve a unique system of enterprise, which for the past 75 years has encouraged initiative, promoted competition, and established one of the most successful examples of small business development in this country. Failure to give this legislation our support will result in: First, Government interference with a successful business structure; second, granting a hunting permit to larger businesses to poach upon the areas carefully cultivated by smaller independent bottlers; third, myriads of other difficulties which we are not capable of completely assessing.

The independent soft drink bottling business is one of the finest examples of unfettered competitive development. The entire independent bottling system is an imaginative response to a peculiar demand created by the invention of a formula for soft drink syrup. Though there are many examples within the industry, perhaps one of the most successful is that of the Coca-Cola Co. In 1886, Mr. John S. Pemberton invented a soft drink syrup and was the first to prepare and sell a soft drink under the Coca-Cola trademark. Five years later, in 1891, Mr. Asa G. Chandler acquired the rights to the secret formula and a year later in 1892, the Coca-Cola Co. was formed. In 1899, Coca-Cola granted the exclusive right to Joseph Whitehead and B. F. Thomas to bottle and to sell Coca-Cola in bottles throughout the United States.

In response to insufficient capital and to create consumer demand, the two divided their territory between them. The two branched out, forming other related companies to whom the right to act as licensor with respect to certain territories was conveyed. In 1900, Thomas and Whitehead initiated a program aimed at granting exclusive licenses to local bottling companies, throughout their respective territories. By 1920, they had licensed over 880 local bottling companies to produce and sell Coca-Cola in bottles. Other bottling companies, such as Dr. Pepper, Pepsi-Cola, Hires, Vernor's, et cetera, have all expanded and responded to the demand for bottled soft drinks in a similar way. All have granted exclusive territorial rights to independent bottlers to sell and market soft drinks. All of these "acorn" companies, competing with each other, have grown and expanded until today they compete for one of the major beverage markets in the country, second only to coffee. In 1977, the soft drink industry had sales of $11,526.8 million, employing 114,347 persons, with a payroll of $1,267.2 million, distributed among 2,174 soft drink plants most of which are owned by small businesses, many of them family owned and operated.

Territorial restrictions placed on the independent bottlers under the franchise contracts continue to promote competition and growth just as they did in the 1880's.

Each bottler, while in keen competition with other brands, has sole responsibility over his territory. This encourages greater marketing and distribution efforts. Accuracy in calculating demand is facilitated and duplication of services, advertising, and other efforts is avoided.

Exclusive territories encourage independent businessmen to make the required substantial investments in plant, equipment, packaging, and warehouse space, which they otherwise would be reluctant to make. This stewardship concept promotes frequent local store-door service, store-door delivery, and the use of returnable bottles at a variety of outlets. The independent bottling system has resulted in wide product availability, keen brand competition, nationwide service on a local level, and the perpetuation of small businesses.

After nearly three quarters of a century of successfully promoting free enterprise and independent growth and development, the bottler's system was challenged. In 1971, the Federal Trade Commission brought a series of cases challenging the territorial provisions in trademark licenses as unfair methods of competition in violation of section 5 of the Federal Trade Commission Act. Not satisfied by the findings of an administrative law judge, who concluded that the Coca-Cola franchise system was lawful and in fact fostered competition, the FTC overruled, and held that the exclusive territorial provisions were violative of the act.

The FTC overlooked an abundance of evidence and favored legal intervention over the continuance of a working model of business ingenuity. The FTC ignored a recent Supreme Court decision in Continental T.V. against GTE Sylvania, Inc., which held that vertical nonprice restrictions are to be tested under the rule of reason. The rule requires that the extent of industry competition be weighed against the effects of the challenged restraint upon competition. Had the FTC followed the Court's holding in the Sylvania case, it would not have ruled against the Coca-Cola franchise system. Neither would the Court have overruled the administrative law judge who found that competition was stimulated and not stifled.

During the past 8 years since the FTC ruling, uncertainty as to what touchstones constitute "unfair methods of competition" has torn the industry. Are bottlers to violate the FTC ruling in order to honor their contract obligations, or should they obey the FTC order and subject themselves to a price war with chainstore customers?

This legislation would settle the issue in favor of the independent bottler, as it rightly should. Yet, it would also insure that the objectives of antitrust law are implemented. The bill would require that a rule of reason approach be taken in deciding whether or not exclusive territory franchises are anticompetitive.

Section 2 of the bill pinpoints what considerations the rule of reason requires. Exclusive territorial arrangements used in the soft drink industry shall not be held unlawful under the antitrust laws if the soft drink products are in substantial and effective competition with other products of the same general class. The bill would require that the FTC not only give lip service to the rule of reason, as they did in the Coca-Cola decision, but would require them to decide all such cases on its touchstones.

If this legislation is not enacted and the FTC holding goes unchecked, franchise territories will no longer be legally enforceable. Supermarket chains will drive independent bottlers out of business with temporary price wars. Chainstore control would mean an end to returnable bottles, store-to-door delivery, and multiple outlets. Large stores would ultimately dominate the distribution of soft drinks. This would result in monopolistic distribution and higher prices. More important, this centralization would mean fewer local bottlers and less opportunity for local employment.

I pledge my entire support for this bill. The successful development of the exclusive soft drink franchise convinces me that any Government regulation of this industry, though well intended, would not make the industry any more competitive or productive. We should applaud the soft drink industry for its positive utilization of the franchise. It would be more appropriate to recognize than to regulate.

● Mr. LEVIN. Mr. President, with mixed emotions I have concluded that I am unable to support this cloture petition. Since I have consistently said that I would support cloture whenever I felt that the issues before the Senate had been fully debated, I want to take just a moment to explain this vote for the RECORD.

The development of this debate makes it clear that in this particular case, cloture is being invoked in order to prevent debate from taking place on a number of amendments—in fact cloture is being invoked in an attempt to prevent those amendments from ever being offered.

Thus, in this case a vote for cloture is a vote against debate and a vote for cloture is a vote for a filibuster.

Given these unique set of circumstances, I find myself unable to support an attempt to prevent debate from even beginning on some significant policy questions. Thus, reluctantly, I am compelled to oppose this petition.●

Mr. THURMOND. Mr. President, I strongly favor the passage of this bill as it was introduced. The small bottlers of America will be put out of business unless this bill is passed.

It is the little fellow I am trying to help, and I do not think we should amend the bill in any way that will affect it, because little businesses are having a very difficult time existing, even now.

I hope the Senate will pass the bill as it is written.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, let us not kid ourselves. This is not really a special project of small businessmen. I am going to offer an amendment which will try to separate the small business people from the large business people, and we will find that it will be voted down, because this is the baby of the syrup companies and the large conglomerates, not the baby of small businessmen, whom we talk about protecting.

I recall when my good friend RUSSELL LONG spoke on the floor of the Senate about the little gasoline station operator, when we had some bills having to do with the major oil companies of the country. He is very persuasive.

This is not a special bill for small business. This is a bill that hurts small business because you fail to permit the Illinois Brick amendment to come up and that, indeed, helps the small businessman.

We talk about whether the FTC decision would destroy a segment of business. What has happened to the great concept of free enterprise in this country? Small business people in Martinsville, in Galion, and in Mansfield cannot compete against other companies, even though they may be a bit larger.

I will tell the Senate what the real truth is: The big boys are afraid that the little fellows are going to start undercutting them where they have their territorial privileges and rights. That is what is involved in this bill.

It has been said that if we let the Illinois Brick matter come up, the whole shebang is dead, that we cannot invoke cloture. How do we know that? We never got the bill to the floor so that we could attempt to invoke cloture.

The fact is that I am not sure but that we may have 60 votes. I know we have in excess of 50 votes for it. More than a majority of the Senate want to vote for Illinois Brick, and they are not being given an opportunity to do so.

Mr. President, this whole issue should not revolve only around whether Senators are for or against the bottlers bill. This issue has to do with whether or not a Member of the Senate can be precluded by cloture and by a filibuster from bringing up a nongermane amendment.

I say to Members of this body who have been known to want to take the floor to fight for their positions that today this will be used in opposition to Illinois Brick, in opposition to the oil company antimerger bill, but tomorrow, figuratively speaking, I predict it will become a procedure in the Senate.

I am willing to change the rules. I am willing to come up with a new procedure. I am only sorry that the distinguished Senator from Alabama, Jim Allen, who used to sit in this Chamber is not here today, because if he were here he would be standing shoulder to shoulder with me against this abuse of the procedure under the rules of the Senate.

Has my time expired?

The ACTING PRESIDENT pro tempore. Time has expired.

Mr. METZENBAUM. I thank the Presiding Officer and I appreciate the cooperation and consideration of the managers of the bill.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. Under the previous order and pursuant to rule XXII, 1 hour having passed since the Senate convened, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 598, a bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

Henry M. Jackson, J. James Exon, Strom Thurmond, Lawton Chiles, Jennings Randolph, Richard (Dick) Stone, Howell Heflin, Frank Church, Charles McC. Mathias, Jr., Edward Zorinsky, Donald W. Stewart, George McGovern, James A. McClure, Russell B. Long, Birch Bayh, David L. Boren, Max Baucus, Robert Morgan, David Pryor, Dale Bumpers, Robert C. Byrd.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 5 Leg.]

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

The PRESIDING OFFICER (Mr. Heflin). A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 598, the bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws, shall be brought to a close?

The yeas and nays are automatic under the rules. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from California (Mr. Cranston), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "yea."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. Danforth), the Senator from Wyoming (Mr. Simpson), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to vote?

The yeas and nays resulted—yeas 86, nays 6, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—86

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—6

Byrd, Harry F., Jr.
Goldwater
Helms
Levin
Metzenbaum
Stevens

NOT VOTING—7

Cannon
Cranston
Danforth
Kennedy
Pell
Simpson
Weicker

The PRESIDING OFFICER. On this vote, the yeas are 86, the nays are 6. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Cloture having been invoked, amendments must be germane. The pending first-degree amendment being not germane, the Chair declares it out of order; therefore, the second-degree amendment falls with it.

SOFT DRINK INTERBRAND COMPETITION ACT

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I should like to pose a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. For the edification of the Senator from Indiana and for others who are interested in this legislation, does the ruling of the Chair now say that the effect of the recent ruling that I just heard the Chair make result in S. 598 being the pending business, in its unamended form.

The PRESIDING OFFICER. The Senator is correct. There are no pending amendments to the bill.

Mr. BAYH. I appreciate that, Mr. President.

Would the Senator from Ohio—I notice he is trying to get access to the floor and I am perfectly happy to have him have that in just a moment. We have several of our colleagues here who have asked the Senator from Indiana what the disposition of the Senator from Ohio is so they can plan their schedules. Is this a good time to ask that question?

Mr. METZENBAUM. The Senator from Ohio has not hesitated to indicate to his fellow Senators that he has no desire to delay the issue or hold the floor unnecessarily. The Senator from Ohio does intend to call up a number of amendments, but is not, to a tremendous extent, talking about more than four or six or seven amendments. The Senator from Ohio anticipates that there will be rollcalls on appeals from the decision of the Chair in connection with certain of those amendments which I anticipate the Chair may see fit to rule nongermane.

There may also be rollcalls in connection with certain amendments which I believe are germane and that depends on whether or not those amendments are or are not acceptable to the managers of the bill.

The Senator from Ohio has no desire to keep his fellow Senators from getting back and doing their thing in their own communities. I expect that we should be on this matter for no more than a couple of hours.

Mr. BAYH. I appreciate the openness of the Senator from Ohio. In other words, to those who have to make this decision, it is fair to say there probably will be several rollcall votes as soon as we can get to them? Is that correct?

Mr. METZENBAUM. I think that is correct.

Mr. THURMOND. Will the Senator from Ohio yield for just a minute?

Mr. METZENBAUM. The Senator from Indiana has the floor.

Mr. BAYH. I am glad to yield without losing my right to the floor.

Mr. THURMOND. Mr. President, since cloture has now been voted, the rule is that each Senator now has 1 hour and he is limited to 1 hour. Will the Chair rule on that?

The PRESIDING OFFICER. Is that a parliamentary inquiry?

Mr. THURMOND. It is a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator repeat it?

Mr. THURMOND. Since cloture has been voted, how long now does each Senator have to speak, in total time?

The PRESIDING OFFICER. Under the rule, each Senator has 1 hour for debate, but there is a 100-hour limitation of total time involved.

Mr. THURMOND. I understand, but

each Senator is limited to 1 hour. Does that 1 hour include time consumed in rollcalls?

The PRESIDING OFFICER. The 1 hour does not, but the 100 hours does.

Mr. THURMOND. I thank the Chair.

Mr. BAYH. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Virginia for 2 minutes without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I want to state for the record that I favor the pending legislation, which is to say that I favor the legislation which is being managed by the distinguished Senator from Indiana and the distinguished Senator from South Carolina. I do not support the amendment, the key amendment, which was to have been offered and may still be offered by the Senator from Ohio (Mr. METZENBAUM). However, I voted against cloture because I do not want to vote for cloture at this stage in the proceedings. I want the record to show that I favor the pending legislation and I shall vote for it when it comes to a vote.

Mr. BUMPERS. Will the Senator from Indiana yield for a couple of minutes?

Mr. BAYH. I shall be glad to, if I may first express my appreciation to the Senator from Virginia for the position he was in. I appreciate his support on the bill.

I yield to the Senator from Arkansas.

Mr. BUMPERS. I shall take it out of my time so it will not come out of the time of the Senator from Indiana.

Mr. President, I just want to say that I would not have the majority leader's job in the U.S. Senate regardless of what it might pay. After what has happened here in the last 3 days, I hope the American people really never find out what is going on here.

We have, literally, wasted 3 days. I am not blame-placing. I am not talking about any Senator who has been involved in what has occurred in the last 3 days here.

I am blaming every Member of the U.S. Senate, because of the rules. It does not permit just the minority, but that of one person—one person can tie this place in knots, put holes in the bills.

What does a hold mean when the majority leader goes to the Policy Committee and says, I want to bring up a certain bill? There is a hold on that bill. And who has that hold? Senator So-and-So.

Well, the lay public does not understand that this means one thing, that that one Senator is going to filibuster that bill until he gets what he wants, either a rule to allow him to offer nongermane amendments to it, or talk until he talks it to death, hopefully, and keeps 60 Senators from voting for cloture.

Here we are in one of the most devastating political and economic times in the history of this country and we have wasted this whole week. We have wasted it.

I am for the bill. I am ready to vote on Illinois Brick, up or down, I do not care. I think most of my colleagues feel the same way.

But I have heard many times in the last year that the thing the American people are most upset about is that we cannot get anything done. But most everybody points to the bureaucracy, the regulators. We cannot get a decision from the regulatory agencies. Well, we cannot get one out of the U.S. Senate, either.

Mr. METZENBAUM. Will the Senator from Arkansas yield?

Mr. BUMPERS. I am happy to yield.

Mr. METZENBAUM. I would like to point out to the Senator from Arkansas that on three separate occasions, or maybe four, I stood on the floor and said I was prepared to vote immediately with respect to the amendments of the Senator from Mississippi and the Senator from Indiana, and to bring up my amendment and vote on it immediately without any debate.

I have not held the floor. I have been the victim of a filibuster, not one who participated in it. I have been trying to bring debate to a close so that an amendment could be offered under the rules.

Mr. BUMPERS. I reiterate, as long as the rules of the Senate are as they are, this Senator on occasion is going to take advantage of them.

I have a parochial interest in protecting the people of my State. Sometimes legislation is offered here which might appear on the face of it to be in the national interest, but it penalizes my State, and I intend to put holds on them, and do all the other things everybody else does.

I say that this institution cannot function efficiently and effectively as long as we have that germaneness rule and as long as we have the filibuster rule.

I say now that I am willing to do away with both of them and start putting a little political courage here, vote up or down, I do not care how controversial it is.

That is what we were sent here for. I am not blaming the Senator from Ohio or the Senator from Indiana. Everybody knows what has happened. I am not blaming either one.

As I say, I intend to do it, and have in the past done it myself, and will continue in the future.

But I say that I, certainly, and this is not just a bouquet to the majority leader, but I would not have his job for all the tea in China.

We sat here the other night trying to decide at 2 o'clock in the morning, are we going to continue this thing all day tomorrow, go on through the night, or wait until Monday.

One Senator said, "My plane leaves at 4 o'clock, I want the vote at 3 o'clock." Another said, "My plane does not get in until 4, I do not want it taken until 4."

I had prepared two of my best speeches in my life for Monday and I canceled them both. Either make them and miss 13 rollcalls, or cancel, but not hold 99 Senators hostage to a couple of speeches in my State.

I had that surge coming on this morning, Mr. President. I had to get it out of my system. I said it, and I yield the floor.

Mr. BAYH. Mr. President, I do not call that a surge. I call it an exposition of wisdom.

There is not a person in this body that has not felt compelled, for reasons that are good to each of us, to take advantage of the rules, to protect our States, to further interests we feel are important to the country.

I think the Senator from Arkansas is absolutely right.

I would like to see things change. I think the majority leader may have been operating in a vat of molasses, in which he is trying to create miracles, in an environment that almost defies even normal conditions of business, let alone miracles.

If there is anybody who is a miracle maker, it is the Senator from West Virginia.

Let me reiterate, I do not want to make a Supreme Court case out of this, but I cannot let my good friend from Ohio stand up and piously talk about the fact that he has been ready to vote. The fact is he has been ready to vote, but the reason is that if we permitted him to vote, he would kill the bill he is opposed to, and which 80 Members have been supporting for a couple of years.

He has a right to do that under the rules, as the Senator from Arkansas points out. I think his position is well taken and I want to support him in any effort he might take in this regard.

The Senator from Indiana is prepared to yield the floor. I am glad to yield to the Senator from West Virginia without losing my right to the floor.

Mr. RANDOLPH. Mr. President, the Chair has explained correctly that each Senator has 1 hour, in responding to an inquiry from the able Senator from South Carolina (Mr. THURMOND).

In connection with that 1 hour I add that one Senator cannot transfer any part of that 1 hour to another Senator, except as stated in rule 22.

It is not a pleasantry, but a truism, to emphasize that the present majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) is a skilled master of legislative legerdomain. His job is, as the effective Senator from Arkansas has well said, a difficult responsibility.

The leader has compassion, commitment, and courage. He also has the attribute of fairness to all his colleagues.

I salute him, as I have often done, not only for myself, but all Members of this body.

We are fortunate that Senator ROBERT C. BYRD is the leader of this Senate.

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize the Senator, and then I would like him to yield to me.

Mr. METZENBAUM. I yield to the Senator, but not on my own time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that he may do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, while the distinguished Senator from Ohio, by unanimous consent, has yielded to me on my own time, I state a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. Is it not true that debate, once cloture has been invoked, must also be germane?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I also have a parliamentary inquiry.

I have heard some comment that no Senator may yield his time of 1 hour. As a matter of fact, is it not correct that a Senator may yield his time to the majority leader or the minority leader, but not to exceed 2 hours?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. I thank the Chair.

AMENDMENT NO. 1767

(Purpose: To eliminate damage immunity for antitrust violations)

Mr. METZENBAUM. Mr. President, I call up amendment No. 1767.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an amendment numbered 1767:

On pages 2 and 3, strike section 3 and renumber the following section to conform to this amendment.

Mr. BAYH. Mr. President, a parliamentary inquiry.

Is the amendment proposed by the Senator from Ohio germane to the measure that is now before the Senate?

The PRESIDING OFFICER (Mr. SARBANES). The Chair informs the Senator from Indiana that the amendment is germane. It simply strikes a section of the bill and renumbers the following sections to conform with the amendment. This is amendment No. 1767.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, this amendment has to do with the damage section of the proposed legislation. What this amendment would do would be to take out a section of the bill that goes far further than anything having to do with small bottlers. It provides something brand new in the whole area of antitrust law. As a matter of fact, it provides a retroactive forgiveness of any antitrust violations.

Why should there be a retroactive forgiveness? If you violated the law, why should we, in one fell swoop, enact a piece of legislation that says that even though you violated the law, you do not have to pay any damages?

It does something beyond that. It has a prospective aspect. It says that if there are any future violations, under this law, under the amendment—not a future violation under law but a future violation under the laws as amended by the pending measure—you are not to be held responsible for violating the very law we are passing, until such time as some court comes along and tells you, "Don't, do it"; and only from that time forward would you be responsible.

Mr. President, that is an absurdity that just does not make any sense. We have not gone totally berserk. There is no other law in the country that says that you may violate a law until such time as some court tells you that you are violating the law. When you violate the law, whatever the law is—antitrust, criminal law, traffic law, any kind of law—if you violate the law, you pay the penalty. But this would provide something brand new.

In our enthusiasm and in our excitement to pass the bottling bill, my guess is that we will reject this amendment. But I hope that the manager of the bill, in his wisdom, will recognize how correct the Senator from Ohio is in pointing out that there is no logic whatsoever to exempting a future violation from the very act we are about to pass, saying that you are not violating the law until some court comes along and says, "See here, you are violating the law."

Mr. President, I ask for the yeas and nays in connection with the amendment, and I reserve the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. Mr. President, I invite the attention of the Senate to the relevant provision in the bill and would relate that to how the law presently exists and what has been the tradition governing the soft drink industry.

The bill now says that soft drink bottlers will not be subject to treble damages unless it can be proved that after the date of enactment of this legislation, substantial and effective interbrand competition does not exist. The bill provides no exemption for treble damages due to violations of the antitrust laws not involving territories.

The situation confronting any bottler in America is that for 75 years it has been the law of the land that these territorial agreements are legal. Suddenly, out of the clear blue, contrary to the evidence compiled and the decision of the administrative law judge to the contrary, the FTC strikes down this 75-year precedent.

There are 1,000 or so—almost 2,000—small businessmen out there, operating on the basis of a 75-year precedent. What we are saying is that none of those small businesses should be subjected to being dragged into court for treble damages as violating the antitrust laws on the basis just of this territorial franchise provision, as a result of an FTC decision which runs contrary to 75 years of law and of previous court decisions from 1920 to date; that they should be held culpable only after a court has made this decision and should not be held culpable in the interim.

If any of these folks are involved in price fixing or some other violations of the antitrust laws that are not based solely on their territorial contracts, they are guilty and can be prosecuted. But in this area, until the law is resolved, let us not drag some small businessman in and accuse him of violating antitrust laws because the FTC decides that 75 years of precedent no longer makes any sense.

I hope we can vote down the provision of the Senator from Ohio. I do not know whether he wants to debate it extensively. I do not want to preclude his right to do so. But at a time convenient, I shall move to table the amendment.

Mr. METZENBAUM. I yield myself 1 minute.

Mr. President I point out that I am talking about prospective violations. I am talking about violations under this law that are prospective as well as retrospective.

Prior to the Schwinn decision in 1967, the legality of the soft drink industry's territorial restrictions was doubtful. But after the Schwinn decision until the 1977 Sylvania decision, the restrictions clearly were illegal under the Supreme Court's per se test.

I am talking about that part of the retrospective aspect of antitrust violations, but I also am talking about the prospective question. I am saying that there is no basis to say that you are not responsible if you violate the law as drafted and as introduced in this amendment.

It is as if we were to say to a fellow who drives an automobile and has an accident and hits somebody, "You're not responsible for that, but you are responsible if you do it a second time."

Mr. President, I do not think that is what the Senator from Indiana truly intends, and that is what the language of the bill provides.

So I think that in the excitement and enthusiasm for the soft drink bottlers, we will be going a step too far, even for those who want the bottlers' bill.

Mr. BAYH. Mr. President, I point out that there is a significant distinction between Schwinn and the case of bottlers. In Schwinn, we are talking about a distributor involved only in distribution, not in manufacturing. With respect to small bottlers, we are talking about manufacturing. We are talking about a plethora of bottlers in the soft drink business. We are talking about very few distributors of bicycles.

Also, I point out that most of the cases that have been litigated after the Schwinn decision backed up the position of the bottlers, as the judges consistently ruled that similar contracts were not per se violations, based on the court's analysis of Schwinn.

So despite the concerns expressed by the Senator from Ohio, I must suggest that in the judgment of the Senator from Indiana, what we are talking about is that we should see what the rule of law really is and not drag a bunch of small bottlers into court on the basis of what the FTC says the law is. Let us let the court say what the law is and then we will abide by it.

Mr. HATCH. Mr. President, will the Senator from Indiana yield for a question?

Mr. BAYH. The Senator has his own time. I am glad to yield to him on his own time.

Mr. HATCH. I am happy to do that.

The PRESIDING OFFICER. The Senator from Utah is recognized on his own time.

Mr. HATCH. I appreciate that.

Mr. President, as I view the Senator's amendment, this particular amendment would gut this bill and basically it is the remedial program that we are trying to pass here in the Chamber. It has a tremendous number of sponsors.

Will the Senator from Indiana agree that that would be the effect of the amendment of the Senator from Ohio?

Mr. BAYH. I think the amendment of the Senator from Ohio really guts what we are trying to do.

We are trying to protect small businesses from being arbitrarily subjected to treble damages during a period of hiatus in the law. Once the court has decided or once the Senate and the House of Representatives have decided, then there is no question; anyone who goes out and violates what the law is and what the court says is guilty of treble damages and he or she is also guilty of treble damages if he or she gets involved in violation of antitrust laws in the interim, if those are not violations of territorial franchise questions.

Mr. HATCH. I thank the Senator from Indiana. He has covered this very well. I appreciate the Senator's good remarks.

All I say, in addition, is if we adopt the amendment of the Senator from Ohio, we will in effect, void the last 3 days in the fight that really has gone on.

I thank the Chair.

Mr. BAYH. Mr. President, I move to table the amendment of my distinguished colleague from Ohio and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. No further debate is in order.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Ohio. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON), would vote "yea."

The PRESIDING OFFICER. Is there any other Member in the Chamber who desires to vote who has not voted?

The result was announced—yeas 88, nays 3, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—88

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—3

Javits
Metzenbaum
Stevenson

NOT VOTING—8

Cannon
Cranston
Danforth
Kennedy
Lugar
Pell
Pressler
Simpson

So the motion to lay on the table Mr. METZENBAUM's amendment (No. 1767) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. BENTSEN. Mr. President, this indicates that when something is working, we all try to fix it. This system has been working for over 70 years. You have had great competition in quality and you have had it in price.

Anyone who goes to a supermarket these days sees all kinds of colas—uncolas, real colas, bi-colas. And as you are checking out of the supermarkets you see them again.

I thought I used to know the names of all of the soft drinks. But I do not think anyone today could name half of them.

So this system has worked in giving you a greater variety of soft drinks. It has given you good service. Customers have supported it in the marketplace and they have benefited from that kind of competition—the strong and effective competition that is existing today.

New products have emerged to compete with existing choices. In small businesses, jobs have been created and the economy has been strengthened. I believe our Nation has been well served.

Mr. President, the Federal Trade Commission made a mistake in finding that territorial licensing arrangements are unlawful. That decision will not improve this industry; it will harm it. It will not reduce concentration; it will increase it.

It will be particularly harmful to small bottlers, who could well find themselves out of business by larger firms.

It is going to be harmful to the workers, because some of them are going to be out of work. They are going to lose their jobs. And I think consumers would also lose under this kind of decision.

The FTC decision, if upheld, would restructure an industry that does not need restructuring, creating harm instead of benefit.

I believe its action could be far reaching. It is not the kind of news that makes page 1 of the New York Times. It will get no prime time special on the 7 o'clock news on TV.

But, Mr. President, I think it is going to be far reaching, far reaching to those who spend their lives in the industry, and far reaching to those who are well served by the current system.

Congress ought to pass this bill. They ought to say no to the FTC decision. Congress should allow the existing system to continue, so long as there is "substantial and effective competition" among different products. And the way they try to push each other off the shelves in the supermarkets these days, you sure have enough competition taking place.

Mr. President, this FTC action is an excellent example of the kind of overregulation that angers so many of my constituents. It is neither needed nor wanted nor helpful. It would endanger, not improve, the soft drink industry.

I believe Congress ought to pass this bill and uphold the current system that will protect firms, workers, and consumers alike.

Mr. THURMOND. The question, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THURMOND. We are ready to vote on the bill as soon as the Senator is ready.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 1761

(Purpose: To preserve territorial restrictions for small soft drink bottling companies)

Mr. METZENBAUM. Mr. President, I call up my amendment No. 1761.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. BAYH. Mr. President, a parliamentary inquiry. Is the proper time to make a point of order on germaneness and ask the Chair's advice on germaneness now or after the clerk reports the amendment?

The PRESIDING OFFICER. If the amendment is nongermane on its face, the Chair has the responsibility to so state. This is not such an amendment. The Senator, if he chooses to make a point of order concerning the germaneness of the amendment, may do so after it has been reported.

Mr. BAYH. I thank the Chair.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an amendment numbered 1761:

On page 2, lines 7 and 8, strike "the licensee" and insert in lieu thereof "any licensee whose sales do not exceed $100,000,000 and whose assets do not exceed $50,000,000".

Mr. BAYH. Mr. President, I ask the Chair's advice on the germaneness of this amendment.

The PRESIDING OFFICER. The cloture rule requires that an amendment be germane. One of the tests of germaneness is whether the amendments limits or restricts the provisions contained in the bill. Such a restrictive amendment is per se germane. This amendment is clearly restrictive. The Chair rules the amendment is germane.

Mr. BAYH. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself 10 minutes.

Mr. President, this is the amendment that will separate the men from the boys. This will separate the talkers from the actors. This is the amendment that, in essence, says if you are here thinking you are protecting the small bottlers, then you can still do that and vote for this amendment.

This amendment says that any licensee whose sales do not exceed $100 million and whose assets do not exceed $50 million. Now, who among us would say that the bottlers whose sales exceed $100 million are small bottlers; whose assets exceed $50 million are small bottlers?

This amendment really says, in so many words, that if honestly what you want to do is protect the small bottlers, then pass this amendment and let the big boys fend for themselves. If you are selling more than $100 million of soft drinks or other products, you ought to be able to compete in the free enterprise system.

What is there about us that says that the free enterprise system should be so twisted, so modified, that we do not want competition to prevail any more?

OK, I hear the arguments, "Protect those little bottlers. Protect the small bottlers. They are in the small communities."

We are saying, do not provide protection to companies whose sales exceed $100 million or which have assets in excess of $50 million.

Those companies do not need any protection. Those companies ought to stand on their own two feet and slug it out in the competitive world.

No, they want a special antitrust exemption with a territorial restriction.

If we adopt this amendment we help the small bottler because the small bottler will be able to compete with the big bottler. We will make it possible for the bottler in some small community in my State to come into the Cleveland market, the Columbus market, or the Cincinnati market. We will make it possible for a small bottler in downstate Illinois to move into the Chicago market and discount the price.

What is so terrible about that? Is that not American? Is it not un-American to restrict free competitive forces from working?

I have heard those arguments about the competition and all the different cola companies. I think you ought to check and see who owns those cola companies and other bottling companies that operate under a different name, Mr. President.

This bill would protect from competition little companies like Beatrice Foods, IC Industries, General Cinema, Warner Communications—every one of them, those little companies, being on the Fortune 500 list. They need protection? That is laughable.

Some of the independent bottling companies themselves are absolute giants. For example, Coca-Cola Bottling Co. of New York, one of the so-called independents, ranks in the Fortune 500 and owns bottling companies in Maine, Kentucky, Kansas, Nebraska, and Colorado as well as in New York. As a matter of fact, that giant spent over $85 million in a period of 11 months to acquire bottling companies in Maine, Kentucky, Kansas, Nebraska, and Colorado.

And Coca-Cola Bottling Co. of Los Angeles purchased more than 98 percent of Coca-Cola Mid-America.

These are giants of American industry we are talking about.

Coca-Cola and the Pepsi Co., the two giant sirup companies, are also the Nation's two largest bottlers.

It is fair to point out, Mr. President, that at various points in the proceedings connected with this piece of legislation, the Senator from Ohio indicated a willingness to compromise the issue. The Senator from Ohio said let us separate the small bottlers from the big bottlers. Let us put on an amendment that would say that the parent company, in other words, the sirup manufacturers, cannot have the protection of this law. They do not need that protection.

Let us also say that the conglomerates who do offer a certain amount of business do not need this protection.

But that was rejected. That, I was told, would not work because the big conglomerates and the big bottling companies in some instances own little bottlers operating in smaller communities.

I do not think that makes a whole lot of difference. I think if you are going to provide an exemption from the antitrust laws, Mr. President, you ought to limit it. I do not think you ought to provide the exemption. Obviously, the overwhelming majority of the Senate thinks so, but that does not make it right. That does not make this legislation anything other than anticonsumer. That does not change the nature of this legislation from being proinflation or more inflation. And that does not make the legislation right.

All it proves is that if you really put on a strong enough lobbying effort, you can get something through the U.S. Senate.

But the fact is that the whole argument has been made to do it for the little guys, do it for the mom-and-pop bottlers. They need some protection against those big goliaths, those giants.

OK, let me, for the purposes of this amendment, accept that argument.

I want to say, "God bless you" to the Senator from South Carolina, who just sneezed twice.

There is an old saying or superstition that if somebody sneezes at the time you are saying something, it proves the truth of what you are saying.

[Laughter.]

Since the Senator from South Carolina sneezed not once but twice, I feel particularly pleased that he has indicated by his sneezes if not by his oratory and his votes his agreement with the validity of the point being made by the Senator from Ohio.

Mr. President, this amendment is simple. This one is not complicated. This one is germane. This one says let us not provide an exemption from the antitrust laws for the giant conglomerates and the giant sirup companies. That is all that this amendment is about.

Mr. President, I reserve the remainder of my time.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, without in any way attributing a motivation that is less than pure as the driven snow to the Senator from Ohio, because I think he is sincere about his concern for competition as the Senator from Indiana is concerned about competition, the Senator from Indiana thinks it makes absolutely no sense to have two sets of rules which make the territorial franchise system in the country one that is sort of a Rube Goldberg operation.

There are some independent bottling companies that are larger companies than some of the hometown operations that the Senator from Indiana referred to. But in an effort to try to provide the kind of protection my small bottlers need in Indiana, I am not going to be a part of an amendment that is going to penalize the larger bottlers that may exist in New York or California, where largeness is a relative thing when one looks at the size of the population.

In all respect to my friend from Ohio, I move to table the amendment.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Ohio. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Indiana (Mr. LUGAR) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "yea."

The PRESIDING OFFICER (Mr. RIEGLE). Is there any other Senator in the Chamber desiring to vote?

The result was announced—yeas 89, nays 4, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—89

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy

Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—4

Javits
Metzenbaum
Morgan
Proxmire

NOT VOTING—6

Cannon
Cranston
Kennedy
Lugar
Pell
Simpson

So the motion to lay Mr. METZENBAUM's amendment (UP No. 1761) on the table was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BAYH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, the picture is clear now; it is unequivocally clear. This bill is supposed to be for those little guys, those small businessmen. The fact is that it is for the big boys. It is for the conglomerates, and it is for the sirup manufacturers.

It is pretty obvious that procedure has worked well to keep other amendments from being offered to this bill which would be proconsumer amendments. The forces of anticonsumerism in the Senate are having a heyday today; and they cannot even say any more that it is just for the little businessmen, because the last vote made it clear that it is not just for little businessmen; it is for everybody—big and small alike.

As a matter of fact, my guess is that matter never would have been lobbied as effectively as it has been and never would be in the position it is in if it had not been for the efforts and money of the sirup manufacturers and the conglomerates.

Mr. President, look at what has happened. Any effort to offer an amendment having to do with consumers, having to do with the rights of the small business people or the rights of consumers, has been prevented from coming to a vote on the floor by a parliamentary procedure. Man bites dog. Cloture and a filibuster have been used to cutoff proconsumer amendments while this anticonsumer bill is passed—proconsumer amendments that have been supported by newspapers throughout the country in editorials.

Mr. President, I ask unanimous consent to have a number of such editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

FAVORABLE ILLINOIS BRICK EDITORIALS

New York Times, New York, N.Y., October 28, 1977.

Washington Post, Washington, D.C., October 31, 1977.

New York Times, New York, N.Y., April 6, 1978.

Louisville Courier Journal, Louisville, Kentucky, June 20, 1978.

Minneapolis Star, Minneapolis, Minnesota, June 20, 1978.

Des Moines Register, Des Moines, Iowa, June 29, 1978.

Waukesha Freeman, Waukesha, Wisconsin, August 18, 1978.

Boston Sunday Globe, Boston, Massachusetts, August 27, 1978.

St. Petersburg Times, St. Petersburg, Florida, September 25, 1978.

Tallahassee Democrat, Tallahassee, Florida, September 25, 1978.

Rocky Mountain News, Denver, Colorado, October 5, 1978.

Columbus Citizen Journal, Columbus Ohio, October 6, 1978.

Salt Lake Tribune, Salt Lake City, Utah, October 8, 1978.

Deseret News, Salt Lake City, Utah, October 9, 1978.

KLUB Radio, Salt Lake City, Utah, October 12, 1978.

Billings Gazette, Billings, Montana, December 3, 1978.

New York Times, New York, N.Y., April 23, 1979.

Baltimore Sun, Baltimore, Maryland, April 25, 1979.

Hartford Courant, Hartford, Connecticut, April 29, 1979.

Minneapolis Tribune, Minneapolis, Minnesota, May 6, 1979.

Kansas City Star, Kansas City, Missouri, May 11, 1979.

Evening Sun, Baltimore, Maryland, May 19, 1979.

Washington Post, Washington, D.C., May 21, 1979.

Las Vegas Sun, Las Vegas, Nevada, June 5, 1979.

Orlando Sentinel Star, Orlando, Florida, June 9, 1979.

County News, National Association of Counties, June 11, 1979.

St. Louis Post Dispatch, St. Louis, Mo., June 14, 1979.

Tallahassee Democrat, Tallahassee, Florida, June 15, 1979.

Des Moines Register, Des Moines, Iowa, June 18, 1979.

Louisville Courier Journal, Louisville, Kentucky, June 26, 1979.

St. Petersburg Times, St. Petersburg, Florida, July 9, 1979.

Charleston Gazette, Charleston, West Virginia, August 7, 1979.

Sacramento Bee, Sacramento, California, August 24, 1979.

Oregon Journal, Portland, Oregon, October 1, 1979.

The Ledger, Lakeland, Fla., March 26, 1980.

[From the Columbus Citizen-Journal Friday, Oct. 6, 1978]

PRICE FIXING

Backroom price fixing by manufacturers is just as pernicious as labor union featherbedding or wasteful government spending. It subverts the much heralded "market mechanism" by protecting the lazy and the inefficient producer. It is inflationary. And it is illegal.

Government has a vital but difficult role in protecting the public interest in this area. The penalties against illegally rigging prices should be made prohibitive.

This brings us to a 1977 Supreme Court ruling which undercuts a 1976 law designed to give state governments and consumers the right to go to court and seek triple damages from producers accused of getting together and setting inflated prices.

The court held the rather narrow view that only the middlemen in the economic system, those who bought goods directly from manufacturers, were entitled to triple-damage relief under the antitrust laws.

But these middlemen have little incentive to tackle the problem. In the first place, they can simply mark up the already rigged price and pass the goods along. And in the second place, out in the real world, few wholesalers are going to take their suppliers to court and risk losing their sources of supply.

A bill now before Congress which would overturn the Supreme Court's ruling is being bottled up by a single senator who threatens to disrupt the Senate schedule by a filibuster if the measure is brought up.

The bill in question is being supported by all 50 state governors and state attorneys general and the Carter administration, but it is being opposed, inevitably, by manufacturing interests that claim it would invite a blizzard of spurious lawsuits and accomplish little beyond enriching lawyers.

These are legitimate concerns, but they do not justify ignoring the problem. An important public policy question is at stake here, and it ought to be addressed by Congress.

It is probably too late in the congressional session to take action on this complicated issue this year. But it ought to receive high priority on Capitol Hill next year.

[From the New York Times, Apr. 6, 1978]

EASING THE CURBS ON PRICE-FIXING SUITS

(By Edward Cowan)

WASHINGTON.—Glenn Freie is a 44-year-old farmer who raises 200 head of cattle and 2,000 hogs on a Latimer, Iowa, farm his grandfather bought 70 years ago. The spirit of populism ran strong on the prairies in those days, with farmers and urban reformers challenging the prices and policies of the banks, railroads, grain elevator companies and meat packers.

Some of that spirit courses through the husky frame of Mr. Freie. A cattleman who buys more feedgrain than he grows, Mr. Freie sees himself as a little guy being buffeted by economic forces that are manipulated by big corporations.

He and 500 other cattlemen, mostly from the Plains States, have formed the Meat Price Investigators Association, based in Des Moines. The association brought what Mr. Freie calls "a limited class-action suit" against 18 food chains, charging them with conspiring to depress prices paid to farmers for live cattle. The chains have denied the charge.

Under a June 1977 Supreme Court ruling, a Federal District Court in Dallas dismissed the suit. The association has appealed the dismissal to the United States Court of Appeals for the Fifth Circuit.

Incensed, Mr. Freie put on his conservative brown suit and gleaming slipon shoes and came to Washington to lobby Congress and anyone else who would listen. He was here, he said, to get Congress to overrule the Supreme Court. In his quest, he asserted, he was making common cause with consumers all over the country, even if they usually think the cattleman's pursuit of higher livestock prices is contrary to their interests as the ultimate purchasers of steak.

Mr. Freie explained that his group's suit, which was brought in 1975, was dismissed last December because the Supreme Court had held in the Illinois Brick case last June that only those who dealt directly with alleged price-fixers could sue. In that 6–3 decision, the Supreme Court said the state of Illinois could not bring a suit against the Illinois Brick Company, even if the state had the evidence it claimed to have an alleged price fixing of bricks because the state had bought the bricks through a middleman.

Under this holding, Mr. Freie said, the Dallas court reasoned that because the farmers sold their animals to meat packers, who in turn sold to food chains, the farmers could not sue the chains.

The more usual case concerns not sellers but buyers, particularly consumers. Illinois Brick means that unless the ultimate consumer buys directly from the alleged price fixer, the consumer has no standing to sue. This also means that the right Congress gave state governments in 1976 to bring class-action suits on behalf of consumers is largely nullified.

According to Congressional staff specialists, Illinois Brick already has led to the dismissal of suits that allege price fixing of plywood, sugar, cement, toilet seats, fertilizer, paper and ampicillin.

Even before the Dallas court dismissed the cattlemen's suit last December, Congress had begun the slow process of enacting a bill to overturn Illinois Brick. The Senate Antimonopoly subcommittee reported a corrective bill to the Judiciary Committee in November. The House Monopolies' subcommittee approved a similar measure yesterday.

The Senate Judiciary Committee has scheduled hearings requested by Republican members for tomorrow and April 17, 21 and 24. There is an understanding that the committee will vote on the bill no later than the first week of May.

No timetable has been set by the House Committee, headed by Peter W. Rodino Jr., Democrat of New Jersey. He may want to schedule hearings on an amendment unexpectedly adopted by the subcommittee that raises a new issue. The amendment, sponsored by Representative Charles E. Wiggins, Republican of California, would deny standing to sue under the antitrust laws to foreign governments and their agencies.

Antitrust lawyers say this would weaken enforcement generally and might also undermine the efforts of the United States to dissuade the European Economic Community and Japan from sanctioning cartels or other forms of price-fixing.

But that is a side issue. The key point is that both Democrats and Republicans seem to agree that Illinois Brick should be overturned and that consumers should be allowed to sue even if they do not buy directly from the alleged price fixers. The legislation would also seek to prevent the duplicative claims and recoveries that could arise if initial buyers and ultimate consumers sued.

What now shapes up as the most controversial aspect of the legislation, certainly in the House, is the question of class-action suits like that brought by Mr. Frele's group. As approved by the House subcommittee, the bill would permit the proving of damages "on a classwide basis" without requiring proof from each member of the class but would limit payment of compensation only to individuals who make "a valid damage claim."

Representative John F. Seiberling, Democrat of Ohio," asked the subcommittee to remove that test for cases that are settled voluntarily, so that the rank and file of consumers could share in recovery, perhaps by a temporary reduction of prices. However, the subcommittee rejected his amendment. A similar effort is likely to be made in the full committee. But an opposite proposal, to limit class actions to those brought by states, is expected from Representative Walter Flowers, Democrat of Alabama.

"The problem this bill has is that there is no effective lobby for it other than the state attorneys general," said Michael W. Straight, a legislative assistant to Mr. Seiberling. Without "a natural constituency" Mr. Straight added, the bill becomes an easy target, for special interests. Mr. Straight noted that the House has rejected class-action legislation several times in recent years.

Mr. Freie is just the sort of man to take Mr. Straight's lament about no "natural constituency" as a challenge. Consumer groups in Washington criticized Illinois Brick last June and presumably will support the remedial legislation. The bill just might be the vehicle for a revival of the turn-of-the-century alliance of farmers and urban reformers.

[From the Washington Post, Oct. 31, 1977]

PURSUING THE PRICE FIXERS

The Supreme Court, in an unfortunate decision last June, suddenly created a large new obstacle to the enforcement of the antitrust laws. Even if you can prove that you are the victim of a price-fixing conspiracy, the Court said, you cannot recover damages unless you dealt directly with the fixer. In an economy as complex as this country's, with its vast networks of distributors, that is an extremely serious qualification. In many kinds of industry, it effectively eliminates any risk of damage suits over price conspiracies.

This anomaly stands out clearly in the case that the Court heard. The state of Illinois sued the Illinois Brick Co., charging that it had conspired to rig prices of concrete blocks. The state government had let construction contracts, the contractors had hired masonry subcontractors, and it was the subcontractors who actually bought the blocks from Illinois Brick. They presumably passed the price on, through the contractors, to the state.

Since it's not illegal to pass a rigged price on, the state can't sue the middlemen. Legally, the middlemen could sue the manufacturer. But these subcontractors weren't hurt by the conspiracy, if there was one, and in any case they are unlikely to undertake prolonged litigation against their supplier. For all the Court knew, it might have been the grandest conspiracy in the history of concrete blocks. But nobody, under the Court's rule, would recover anything.

How in the world did the Court arrive at that decision? Well, six of the justices got tangled up in a misconceived effort to apply the logic of an earlier, different case to this one. They were worried, for one thing, about creating multiple liabilities for price fixers if everyone down the distribution chain could sue for triple damages. But trial judges have broad authority to consolidate cases and require plaintiffs to allocate damages among themselves. That, in fact, was what happened in these cases before the Court suddenly halted them.

Fixing prices is a crime, and people who engage in it risk criminal prosecution by the Justice Department. But the Justice Department cannot monitor every price tag or pursue every complaint of conspiracy. To keep markets free and competitive, there is great public interest in encouraging a second kind of enforcement—the civil suit by the consumer. It's the consumer who has the sharpest interest in fair pricing. Consumers can be individuals or corporations or, as in the Illinois case, governments. The effect of the Court's decision, if it stands, is to make price-fixing much less dangerous to the conspirator.

Corrective legislation has been drafted under the leadership of Sen. Edward Kennedy (D-Mass.), and the Carter administration vigorously supports it. The opposition is coming, as usual, from those business organizations that celebrate free competition in theory, but find objections to every attempt at actually enforcing it. The Court's decision is an aberration, with unhappey implications for the American economy. The remedy is a simple two-page bill, and it is needed urgently.

[From the Minneapolis Star, June 20, 1978]

REBUILDING ANTITRUST LAW

President Carter yesterday strongly endorsed legislation to restore federal antitrust law to its full strength. Bills introduced in both houses of Congress would undo the damage caused by a 6-to-3 U.S. Supreme Court decision last year. Carter rightly urged passage of a curative bill without weakening amendments.

The court's decision last year drastically narrowed the number of suspected price-fixers within the reach of antitrust prosecutions. This affected especially the economic interests of the federal and of state and local governments. Here's one immediate danger: If the decision—which is based on statutory interpretation and not constitutional principle—isn't changed, $500 million in state and federal claims could go down the drain. Atty. Gen. Warren Spannaus said the loss to Minnesota could be $1 million.

Spannaus made that point at a meeting of the National Association of Attorneys General in St. Paul, where he is the host. The association has lobbied for the legislation Carter endorsed. In Washington, Carter said that if the Supreme Court's narrow ruling stands, anticompetitive practices would go unpunished. We agree with Carter, Spannaus and the association on the need for vigorous enforcement of adequate antitrust laws. Such laws stimulate price competition. That is a weapon against inflation that should not be dulled or broken, a point to which both Carter and Spannaus alluded.

Technically, what the Supreme Court did was to prohibit "indirect" purchasers from recovering antitrust suit damages. In other words, only those who purchase directly from the pricefixer can sue, even though the higher prices are passed through the economic chain to the ultimate consumer. That new technical twist provides antitrust immunity for 95 percent of the manufacturers who supply government units because their goods go through administrators. But governmental units aren't the only victims. The decision is a blow for farmer groups, trade associations, businessment (especially small businessmen) and individuals, it furthermore jeopardizes a special statute that authorizes attorneys general to sue on behalf of citizens who have been overcharged by price-fixers but who simply can't afford to start lawsuits as individual consumers.

[From the Louisville Courier-Journal, June 20, 1978]

Congressman Mazzoli's go-slow approach to a much-disputed Supreme Court ruling has put this Kentuckian in the center of a legislative battle involving millions of dollars in antitrust suits. Hanging on the outcome of the dispute, which resumes today in the House Judiciary Committee, are consumer interests tied up in proceedings against firms in the sugar, plywood, cement, fertilizer, meat-packing, paper and drug industries, to name a few.

The story goes back to a 1973 price-fixing case against 11 cement-block companies. The Illinois attorney general, speaking for the state and 700 local governments, charged that cement blocks in public buildings had cost more than they should, and sought triple damages.

Last June, the U.S. Supreme Court ruled that only direct purchasers of the cement blocks—in other words, the contractors and architects on the buildings—were eligible to sue. No matter that the governments had had the overcharges passed on to them. They were only "indirect" buyers and could not assert claims.

SOME GROUPS EXCLUDED?

The 5-3 decision sandbagged the clear intention of Congress. Recent laws had been expanding the states' ability, on behalf of consumers, to seek civil damages from corporations engaged in price-fixing. So the measure now in committee would supersede the court ruling by making the congressional meaning explicit.

This is where Representative Mazzoli comes into the picture. His amendment, offered last week, would let states file price-fixing suits on behalf of consumers cheated in the marketplace. But the amendment leaves cloudy the rights to sue of such groups as small businessmen (damaged by monopoly domination of supplies and prices in their industries) or units of government (buying the goods of price-rigging manufacturers).

This possible exclusion stirred a storm of protest from local governments, small business, cattlemen, and state attorneys general, including Kentucky's. President Carter has now thrown his support behind the bill, pretty much in unamended form. Perhaps because of this opposition, Mr. Mazzoli plans to alter his amendment.

That's wise. He has a point in arguing that Congress should wait for recommendations from a presidential commission studying antitrust enforcement before it sets sweeping new policy. But the Mazzoli amendment would exclude cases which the courts can efficiently handle, because they involve business and governmental purchases. Meantime, it would thrust on federal judges more complex issues of consumer losses due to antitrust violations.

In the long run, the higher standard of antitrust enforcement the committee bill proposes is in a kind of partnership with efforts to free business of government regulation. It hardly behooves corporations to ask for one without accepting the other. An antitrust measure, without the Mazzoli amendment in its original form, would be a step in the right direction.

[From the Wisconsin Newspaper Association, Aug. 18, 1978]

Restore the Antitrust Law

Attorney General Bronson La Follette is applying what pressure he can to encourage bills pending in Congress intended to undo an unwise split decision handed down more than a year ago by the U.S. Supreme Court. Known as the Illinois Brick decision, it prevents persons who have been illegally overcharged for goods from suing the price-fixer if they didn't purchase directly from the violator. It is a monstrous decision that reflects badly on the integrity of the highest court in the land. Unfortunately, the only recourse the public has is to appeal to Congress and the President to undo this mischief by adopting a law to restore rights previously recognized as protecting purchasers from being gouged.

The high court majority held that the overcharged direct purchaser and not others in the chain of manufacture or distribution, is the injured party within the meaning of Section 4 of the Clayton Act. Since consumers usually purchase goods through retailers or other middlemen, under this decision they are now unable to recover damages for the higher prices they pay due to price-fixing and other anti-trust violations. It is estimated there are presently pending cases valued up to half a billion dollars which are jeopardized because of the Illinois Brick decision.

Bronson La Follette points out that the State of Wisconsin has collected about $5 million in antitrust cases since 1966 which would have been lost had this ruling been in effect. One of the ironies is that while the court precludes recovery by persons who ultimately pay the higher price, it does not prevent direct purchasers (usually middlemen) who pass on the higher prices, from recovering huge windfall damages even though they had not been injured at all.

In appealing for public support to influence Congress to adopt remedial legislation, La Follette states, "It has become quite common for most of us to complain about waste and the high cost of government . . . The Supreme Court ruling will have a devastating effect on all consumers, including federal, state and local governments through its ruling."

In other words, those who end up paying inflated prices because of illegal price-fixing can no longer recover the overcharges. This situation should not have been permitted to exist as long as it has but until corrective legislation is adopted there can be no relief. In June, President Carter strongly endorsed legislation to restore the federal antitrust law to its full strength but as with so much other pending legislation, Congress is dragging its heels. The President, in effect, has joined those who assert that so long as the Supreme Court's narrow ruling stands, anticompetitive practices will go unpunished. This is lamentable.

[From the Des Moines Register, June 29, 1977]

It Pays To Fix Prices?

The Supreme Court dealt a serious blow to effective antitrust enforcement when it recently ruled that victims of illegal price-fixing can't collect damages if they bought the overpriced goods from middlemen.

The case before the court involved nine manufacturers of concrete blocks, who had pleaded no contest to charges of illegally fixing prices. The plea persuaded the state of Illinois and 700 of its local governments to sue for damages. The governments contended that they had paid more than $3 million extra for buildings in which price-fixed blocks were used.

Justice Byron White, arguing for the six-man majority, used precedent and unpersuasive practical arguments to conclude that only direct purchasers of products should be allowed to collect damages for price-fixing.

The minority opinion by Justice William Brennan, Jr., argued that antitrust laws have two aims: first, to provide a penalty sufficient to deter businesses from engaging in such anticompetitive practices as price-fixing; second, to enable victims of price-fixing to recover damages.

The ruling erects no barriers against these aims if the consumer buys directly from the supplier who illegally fixed the price of a product. But, as the minority opinion correctly notes, "In many instances, the brunt of antitrust injuries is borne by indirect purchasers, often ultimate consumers of a product, as increased costs are passed along the chain of distribution."

The minority concluded that in such cases the ruling may thwart both aims of antitrust law: "Injured consumers are precluded from recovering damages from manufacturers, and direct purchasers who act as middlemen may have little incentive to sue suppliers so long as they may pass on the bulk of the illegal overcharges to the ultimate consumers."

Fortunately, the majority opinion holds out the hope that this ruling could be overturned by a law explicitly giving consumers who had purchased from a middleman the right to sue for antitrust damages.

The debate in Congress over the 1976 Antitrust Improvements Act made it clear that Congress intended consumers who had bought from middlemen to be able to sue. Since this message apparently has not reached a majority of the Supreme Court, Congress should pass a law that the court can comprehend.

The U.S. has gone too long without adequate antitrust enforcement. Consequently consumers have paid unnecessarily high prices and businessmen have been persuaded that it pays to fix prices. The Supreme Court ruling serves only to continue this unfortunate situation.

[From the Boston Sunday Globe, Aug. 27, 1978]

A Brick Wall of Obstruction

There may be no better evidence of the parliamentary swamp in which the Congress finds itself mired than the plight of a relatively unheralded piece of antitrust legislation. It has been approved by both the House and Senate judiciary committees. It has the backing of the AFL–CIO, Ralph Nader's Congress Watch, Common Cause, all 50 state attorneys general, several cattlemen's associations, groups representing 100,000 wheat farmers, the American Retired Persons Association, the Consumer Federation of America and others. Yet, as things now stand, it might not even reach the House or Senate floor for a vote.

The legislation seeks to undo a 1977 Supreme Court decision in what is known as the Illinois Brick Case. In that case the court ruled that consumers who are indirectly harmed by price fixing or other antitrust activity cannot sue for damages. Thus, a person purchasing drugs whose price has been set by the drug manufacturers in violation of antitrust laws would have no right to sue. Only the pharmacy, the direct purchaser, would have that right. Yet, in many cases, such middlemen, fearful of bad relations with suppliers and able to pass on artificially high prices to consumers, would have no incentive to sue and might, in fact, be afraid to do so.

The pending legislation would restore to indirect consumers the right to sue. Further, it would revitalize a 1976 law that allows attorneys general in the states to sue to recover treble damages for consumers in their state hurt by antitrust activities. That law was designed to cover situations in which the loss suffered by any individual consumer is too small to warrant a suit. Most such cases result, of course, from the "indirect" purchase outlawed by the Supreme Court ruling.

Safeguards have been put into the pending legislation designed to assure that no original seller would be forced to pay overlapping settlements from various consumers down the supply chain. It could lead to complex legal actions; yet antitrust cases are always difficult and the legislation seeks to assure that those who are truly harmed are those who can recover.

The breadth of consumer organization support indicates the attractiveness of the legislation. Yet it is stalled by obstruction tactics, spearheaded by Sen. Orrin Hatch (R-Utah), who is clearly doing the bidding of large business interests. He has introduced more than 130 amendments to the bill and is threatening a filibuster. As a result, because the Senate is woefully behind schedule due to earlier parliamentary delays and filibusters, Senate President Byrd is reluctant to call the bill up.

On the House side, some members are chary of voting for legislation that may not go down well with big business interests in their district if the bill is not even going to come up in the Senate and will not become law. So they are urging a go-slow on bringing the bill to the House floor.

Clearly this Alphonse and Gaston routine must be ended. Both Speaker O'Neill and Sen. Byrd must push to have the legislation brought out for a vote. It would be an affront to consumers across the nation if the Illinois Brick legislation is permitted to crash to defeat against a brick wall of obstructionism.

[From the St. Petersburg Times, Sept. 25, 1978]

Nix the Fixers

Congress ought not go home next month without fully restoring the rights of governments, small businesses, farmers and consumers to sue for anti-trust violations. Those rights largely were stripped away in June 1977 when the Supreme Court ruled that victims of a price-fixing conspiracy cannot recover damages unless they dealt directly with the fixer.

Rarely in today's complex economy does anyone, or any federal, state or local governmental agency, buy a product directly from the manufacturer.

Purchases mostly are made through retailers, distributors, contractors, subcontractors and other middlemen. The middlemen merely pass on the rigged costs, often profiting from them. They aren't apt to sue their suppliers. Consequently, unless corrective legislation is enacted, many big industries need not fear damage suits over price conspiracies.

At stake are upwards of $300-million in pending lawsuits by Florida and other states, another $200-million in suits filed by federal agencies and untold billions of dollars in future cases.

To make the argument, Florida Atty. Gen. Robert L. Shevin points to the state's class-action suit against Bethlehem Steel and three other suppliers of steel for the construction of government buildings, schools and bridges in this state. The state has alleged a price conspiracy dating as far back as 1959. Based on a study of purchases from 1970 to 1974, economists figured recoverable damages at $27-million for that period alone.

However, if damages are limited to direct steel purchases, the potential recovery is reduced to $450,000.

Even larger amounts are at issue in an anti-trust suit by Florida and six other states against the major oil companies. And, according to the attorney general's anti-trust section, the 1977 Supreme Court ruling also is being cited by defendants in civil action stemming from the Florida Power Corp. "daisy chain" fuel scandal.

The court practically eliminated the consumer's right to sue price-fixers in a case brought by Illinois against Illinois Brick Co. for allegedly rigging the price of concrete blocks used in the construction of state office buildings. In a 6–3 ruling, the court seemed unduly concerned about creating multiple liabilities for price fixers if everyone down the distribution line could sue for triple damage.

Of course, price fixing is still a crime and thus subject to prosecution by the Justice Department. But consumers—whether governments, corporations or individuals—have the sharpest interest in keeping the marketplace free and competitive. They are the victims of the artifically inflated prices, directly or indirectly. It's ludicrous to deny them the right to sue.

Judiciary committees in both houses finally approved bills reasserting that right, but intense lobbying by big business interests has kept the legislation bottled up in the House Rules Committee until these waning days of the current session. Now the Rules Committee plans to take up the House version on Tuesday.

Among obstacles still ahead are a threatened filibuster in the Senate, whose version includes a vital savings clause to prevent dismissal of the pending government cases for several hundred millions of dollars in damages. At a time when concern about high taxes is sweeping the land, it's inconceivable and yet all too possible, that Congress would adjourn without giving taxpayers' representatives a chance to recover damages from unconscionable price-fixers.

We hope that the leadership of both houses, with full support from Florida's delegation, will not let that happen.

[From the Tallahassee Democrat, Sept. 25, 1978]

Congress Should Act To Uphold Lawsuits

Let's say you hire a contractor to build that dream house you've always wanted. He completes the job and you pay his bill. Then you discover that the only suppliers of the bricks the contractor used had gotten together to fix prices. As a result, you paid several thousand dollars more for the house than you should have.

You'll sue the brick suppliers, right? Wrong. The courts say you can't sue, but your contractor can—and he doesn't have to give you any part of the money he collects.

Unfair? Sure it is, but, as a Florida taxpayer, you are in that very "can't sue" position today.

Unless Congress passes the corrective legislation scheduled to come before the House Rules Committee Wednesday, Florida taxpayers could lose as much as $26.5 million in a single lawsuit.

That's because taxpayers have built themselves some large "houses" (such as the state Capitol) and some expensive bridges and roads.

The state contends that the suppliers of the structural steel for many of these projects conspired to fix prices and has sued for treble damages under a provision of the Clayton Act that has been on the books since 1890.

That suit has not been settled, but another suit, Illinois Brick vs. Illinois, has. The U.S. Supreme Court ruled that Illinois could not sue for treble damages because the bricks involved had not been purchased directly by the state, but by contractors who did work for the state.

The contractors can sue. But will they? It's unlikely they'll want to irritate their suppliers and, besides, they've suffered no loss because the added cost of bricks was simply passed along to the state. It's possible, in fact, that they made some extra money simply by adding an overall profit markup to the cost of supplies and labor.

Contractors are in the same position in the Florida steel case—one of three state anti-trust cases that could be affected by the Supreme Court decision.

The Florida projects contained steel worth $30 million and the state contends that overcharges accounted for $9 million of that amount. If the state should win its treble damage suit, the payoff would be $27 million.

But, if the state can only sue for the material it purchased directly, the amount of steel involved is about a half million dollars and the payoff would be limited to about $450,000.

And that's simply the dollar impact of a single suit.

Florida officials have acted to prevent future problems by requiring contractors to assign their rights to sue to the state. But that won't help the average consumer who purchases a product from a retailer only to find its price was inflated by price fixing at the wholesale level.

Now, states and organizations can bring class action suits in behalf of cheated consumers. The court decision, if allowed to stand, could virtually end such suits.

Congress should act quickly to pass corrective legislation before the Florida case is dismissed by the courts, as a similar Texas case was earlier.

The right to sue should be given to those who are actually damaged, not to middlemen who suffer no losses.

[From the Rocky Mountain News, Oct. 5, 1978]

Price Fixing

Backroom price fixing by manufacturers is just as pernicious as labor union featherbedding or wasteful government spending. It subverts the much heralded "market mechanism" by protecting the lazy and the inefficient producer. It is inflationary. And it is illegal.

Government has a vital but difficult role in protecting the public interest in this area. The penalties against illegally rigging prices should be made prohibitive.

This brings us to a 1977 Supreme Court ruling which undercuts a 1976 law designed to give state governments and consumers the right to go to court and seek triple damages from producers accused of getting together and setting inflated prices.

The court held the rather narrow view that only the middlemen in the economic system, those who bought goods directly from manufacturers, were entitled to triple damage relief under the antitrust laws.

But these middlemen have little incentive to tackle the problem. In the first place, they can simply mark up the already rigged price and pass the goods along. And in the second place, out in the real world, few wholesalers are going to take their suppliers to court and risk losing their sources of supply.

A bill now before Congress which would overturn the Supreme Court's ruling is being bottled up by a single senator who threatens to disrupt the Senate schedule by a filibuster if the measure is brought up.

The bill in question is being supported by all 50 state governors and state attorneys general and the Carter administration, but it is being opposed, inevitably, by manufacturing interests who claim it would invite a blizzard of spurious lawsuits and accomplish little beyond enriching lawyers.

These are legitimate concerns, but they do not justify ignoring the problem. An important public policy question is at stake here, and it ought to be addressed by Congress.

It is probably too late in the congressional session to take action on this complicated issue this year. But it ought to receive high priority on Capitol Hill next year.

[From the Salt Lake Tribune, Oct. 8, 1978]

Utah Sen. Hatch Should Ease Price-Fixing Bill Barrier

There can be no true economy in government if governments are prevented from discouraging price-fixing which costs them dollars they needn't spend. And yet, local governments are apt to be stuck in such a situation if congressional action now pending can't move ahead.

Last year, the U.S. Supreme Court startled local officials nationwide when it ruled that under current federal antitrust laws, only buyers who deal directly with manufacturers can sue in U.S. courts for recovery if those manufacturers practice illegal price-fixing. Until that decision, cities, counties, states and school districts normally filed in federal courts for damages they suffer from alleged or proven price rigging which hits them through middle-man suppliers.

In fact, during his term, former Utah Attorney General Vernon B. Romney recovered $200,000 for Utah in a successful antitrust case against pharmaceutical firms. He wouldn't have had a chance under the 1977 Supreme Court ruling. Right now, Atty. Gen. Robert B. Hansen's antitrust division is attempting to regain $2 million for the state in a suit against sellers of fine paper. Unlike Mr. Romney, however, Mr. Hansen's office is hog-tied unless the measure amending federal antitrust law gets passed.

The pending bill spells out, clearly enough for even Supreme Court judges to understand, the right of those actually hurt by illegal market-rigging to sue for and collect damages at the federal level. It acknowledges that lacking this protection at the buyer end of commercial transactions, there's precious little disincentive for price-fixing.

The bill has moved through House and Senate Judiciary Committees. But Sen. Majority Leader Robert Byrd, D-W.Va., says he won't schedule a floor vote because Utah Sen. Orrin Hatch is poised to introduce more than 100 amendments—many of them inconsequential—if the bill reaches the Senate chamber. At this late date in the congressional session, that tactic is as good as a filibuster.

Sen. Hatch frankly opposes the bill. He says the problem can be solved with state laws. Unfortunately, his solution would require, because price fixing usually involves commerce across several state lines, identical antitrust legislation in 50 states. That's obviously not possible.

Moreover, it's been common practice to consolidate antitrust actions involving several states in one federal court case. That's convenient for everyone, including defendants otherwise obliged to appear in several state courts over a prolonged period.

Ultimately, however, tax money is at issue. Unless local governments can file original antitrust suits against those who have gouged them through market division agreements or other price-conspiracy schemes, the public will be fleeced as higher noncompetitive costs are passed along to them.

The stalled bill is strongly endorsed by the National Association of Attorneys General. Also by the National League of Cities, the National Conference of State Legislatures, the National Governors Conference, the Independent Bankers Association of America, retirement associations, consumer groups and farm organizations. It at least deserves a debate in the Senate on its merits. Sen. Hatch should help let this happen.

[From the Deseret News, Salt Lake City, Utah]

LET OVERCHARGE VICTIMS SUE

Utah government buys a lot of paper. Atty. Gen. Robert Hansen believes that some paper manufacturers may have violated antitrust laws forcing the taxpayers to pay $600,000 or so more than they should.

His office is suing to recover the overcharges and, Hansen hopes, additional damages.

But a recent decision by the United States Supreme Court could keep Utah taxpayers from ever having a day in court. In what's called the Illinois Brick case, the high court ruled that to bring an antitrust suit, a person must have dealt directly with the alleged lawbreaker.

In other words, Utah can sue to recover the taxpayers' money only if it bought paper directly from the manufacturers who violated the law.

Only a small part of the paper the government bought came directly from the manufacturer. The rest came from wholesalers. In most cases, wholesalers have passed through the costs of manufacturers' antitrust violations to their customers, Hansen points out, so wholesalers have little incentive to use.

Pending before Congress is a bill that would allow Utah taxpayers to have a day in court if they feel they've been cheated. It would allow victims of antitrust violations to sue violators even if they did not buy directly from them.

The bill has the unanimous support of the nation's to governors and of state attorneys general. But it doesn't look as if it will pass. A major reason is that Utah Senator Orrin Hatch has threatened to delay the bill and hold up the Senate during its final adjournment rush.

Hatch raises some important objections to the Illinois Brick bill. He points out that the bill could result in litigation costly to innocent businesses and in harrassment of some businesses for political publicity.

These dangers could be largely avoided by careful compromise. The bill should make plaintiffs who bring unmeritorious suits pay the costs of litigation of all the parties in the suit. And the bill should limit class action suits brought under it.

But if carefully drawn, the Illinois Brick bill would allow those victimized by illegal business practices to seek justice in court.

Surely no one can reasonably object to that.

[From the Klub Radio Public Affairs Broadcast, Oct. 12, 1978]

CONTROL THE PRICE-FIXING

One of the more important items still before Congress on the eve of its adjournment involves a stalled piece of legislation greatly needed if such anti-trust violations as price-fixing and bid-rigging are to be controlled.

Since last June, when the United States Supreme Court ruled that indirect purchasers may no longer recover damages from antitrust violators, price-fixing has been a greater threat than ever to the taxpayer. And unless the bill before Congress is passed, this condition will remain, and price-fixing control will be greatly limited.

In the case in question, the high court ruled the State of Illinois had no action against Illinois Brick Company for alleged price-fixing because it purchased blocks from the firm through a middleman. This affects all states, since only a contractor who deals directly with an antitrust violator can recover damages for injuries, and the taxpayer, who hires the contractor, has no recourse through its legal entity.

Blocking action in the Senate to date is a threatened filibuster by Utah Senator Orrin Hatch in the form of over a hundred proposed amendments. This, despite heavy support for the legislation by both parties in each house, along with the backing of a long list of responsible organizations throughout the country.

We feel it would be a tremendous disservice to the people of this nation to leave the court decision as the law of the land. Congress should consider the measure and pass it before adjournment.

[From the Billings Gazette, Dec. 3, 1978]

CONSUMERS AND GOVERNMENT ARE PLACED IN THE SAME BOAT

(By Duane W. Bowler)

One of the more frequent phrases or slogans used by a number of writers to Voice of the Reader is "Wake Up America!"

It is commonly used at the opening or end of the letter. The contents in between are usually quite predictable. The writers are of a conservative persuasion. They oppose governments controls, taxes, regulations of all sorts, their version of liberals and so on: They see them as evils out to destroy America.

A number of them are the same as those who decried the "Warren Court." If you have forgotten it, that is the U.S. Supreme Court which handed down such decisions as one-man, one-vote, that public schools should offer equality opportunity regardless of color, and other findings of that stripe.

These same persons quite commonly complain about governmental waste and the high cost of government. In their thinking they seem to forget that the government really is a consumer of various goods and supplies much like everybody else. When prices go up, so does the cost of government.

What is being led up to is that they now should turn their attention to what is happening in the U.S. Supreme Court. Call it what you will, Burger or Nixon or Supreme.

Last year the Nixon-Burger court handed down a decision which will have a devastating effect on all consumers, including federal, state and local governments.

The case, known as Illinois Brick Co. vs. Illinois, tossed out about eight decades of previous law in holding that the only party entitled to recover in a suit of overcharges that result from price fixing is the person who purchases directly from the price fixer. No other person in the chain of manufacture or distribution may sue to recover damages.

The reason is that they ordinarily buy from distributors, retailers or other middlemen who made the purchase from the price fixers.

It is estimated that state and federal lawsuits valued at more than one-half billion dollars presently pending in courts are in jeopardy because of this ruling.

If remedial legislation is not enacted to overturn the Nixon-Burger court's about-face decision, groups of manufacturers can gather in board rooms and merrily fix prices for whatever the traffic will bear. The distributors aren't too concerned because they only pass along the cost.

The crunch comes at the retail level where the businessman, small or large, has to take the consumer heat and is in legal fact unable to do much more about it than the consumer.

Despite all the industrial talk of Ralph Nader, the consumer isn't well organized. Few can afford to go to court over a few dollars. The legal costs would eat them up.

This is where government, the antitrust divisions, step in. Government is usually a big enough buyer that cases can be pursued. When it has a good case and wins in such a class action, the consumer benefits.

You may ask where Montana enters into this. Jerome Cate of the antitrust division of the Montana attorney general's office reports that the state of Montana alone has recovered more than $1 million in antitrust cases in recent years. This is money that would have been lost had the Illinois Brick decision of the Nixon-Burger court been in effect at the time.

The court's action has resulted in several corrective measures being introduced in the Congress. They were temporarily sidetracked by the more volatile legislation of the session—energy, tax cuts, the Panama Canal treaty. However, they will be back in January.

Not surprisingly, when you consider the stakes, the antitrust divisions have some strange allies in their cause.

[From the Baltimore Sun, Apr. 5, 1979]

MR. SACHS SMILES

(By Peter A. Jay)

Maryland Attorney General Steve Sachs was on the telephone, talking to the office of Senator Charles McC. Mathias and seeking to do a little lobbying on behalf of what's known as the Illinois Brick bill.

The bill is one of those litmus-test issues that eternally divide consumer groups from the commercial community. If passed, it would amend the Clayton Antitrust Act to allow convicted or admitted price-fixers to be sued for damages, not only by those who had bought their goods directly, but also by those who had bought them indirectly from middlemen.

It would have the practical effect of reversing a 1977 Supreme Court decision that interpreted the law as only allowing such suits to be brought by direct purchasers, and in so doing allow a broad range of class-action damage suits to be brought by consumers.

At this particular moment, which happened to be early Monday afternoon, Mr. Sachs was on the telephone, the bill was in the Senate Judiciary Committee, and Mr. Mathias, a swing member of that committee, was on the fence.

The Maryland attorney general's call to the senator was in part a dutiful one; he had been asked by fellow attorneys general favoring the bill to give Mr. Mathias a nudge, just as the Maryland Chamber of Commerce and many large industries were trying to give him a nudge the other way. So he put in the call, left his message, and that was the end of it; no pressure was involved.

But the incident is illustrative. It shows that Mr. Sachs, who has been in office less than four months, is setting out to be the kind of attorney general he gave every indication, during his long campaign, that he would be.

His predecessor, Francis Burch, was a conservative by instinct and philosophy; if he had been making any telephone calls on the Illinois Brick bill, he would in all probability have sided with the Chamber of Commerce. Mr. Sachs, on the other hand, is a consumerist; as far as he's concerned, there's no reason why anyone who thinks he's been damaged by a price-fixer shouldn't be able to sue, if he feels like it.

Not surprisingly, many of the new people Mr. Sachs has brought to the attorney general's staff (170 lawyers serve under him, of which he has appointed perhaps 30) have a similar orientation, often combined with experience in legal aid or other forms of public interest law. His office, in the years to come, is likely to be far more active on consumer-related issues than was Mr. Burch's.

It may also be more active in other ways. He is reviewing, for example, the touchy subject of outside counsel hired by the state, and has suggested—as he did during the election campaign—that maybe the practice ought to be curtailed or even eliminated.

Private lawyers now represent the state in a variety of matters, from special litigation to title work to the highly-specialized field of preparing state bond issues. Some of this could easily, competently, and economically be handled by the attorney general's office. Some of it, notably the bond work, very likely couldn't.

(The big New York bond-rating agencies, Moody's and Standard & Poor's, might well insist that an independent bond counsel is absolutely necessary, Mr. Sachs knows; it could reasonably be argued that a Maryland attorney general, no matter how well qualified legally, cannot be relied upon to evaluate his own state's bond offering with the requisite detachment.

(But he has the strong conviction nevertheless that the state's legal work should be done to the greatest extent possible by the state's own lawyers—which means by him and his staff. As a result, it's a good bet that a year or so from now there will be less reliance on outside counsel throughout the Maryland state government, no matter what—if anything—happens with the bond work.)

A change of attorneys general, like a change of governors, means a different pace as well as a different face. Mr. Sachs, naturally enough, is going to do things differently in the four or more years to come than did Mr. Burch in the last 12.

His approach will affect much more than his own staff; his assistants are attached to every department in the state, and policy set by Mr. Sachs will be felt throughout the government. In some ways, the imprint of the attorney general is potentially as great as that of the governor, and of this Mr. Sachs is well aware.

He leaves shortly for a two-week vacation in Italy, but he is already looking forward to his return.

"I don't know what I look like when I'm sitting in this office all by myself," he says, "but I think I probably have a smile on my face."

[From the New York Times, Apr. 23, 1979]

Antitrust Damage, and Damages

When some communities in Illinois discovered that the price of bricks sold to private government contractors had been illegally fixed by the brick manufacturers, they sued for damages. But in 1977 the Supreme Court ruled that as "indirect" purchasers they had no right to sue. Only the middlemen—the contractors who actually bought the bricks—had any claim against the brick companies.

If left standing, the Court's decision would greatly weaken the impact of the antitrust laws, which gain deterrent effect from such civil actions. Direct purchasers often have no incentive to sue price-fixers. Like the brick contractors in Illinois, they are typically unwilling to offend major suppliers and usually suffer no damage themselves since they can pass the higher costs on to consumers.

The Justice Department can prosecute price-fixers. But it does not have enough lawyers to do an effective job. And besides, the fines meted out for criminal antitrust convictions rarely match damage awards in civil ones.

That is why the chairmen of the House and Senate Judiciary Committees, with the support of the White House, want to amend the Clayton Act to overturn the Illinois Brick decision. Last year a bill reached the Senate too late in the session for a vote. Opponents of the measure are stalling again this year. Indeed, if the Senate committee fails to complete work on a bill this week, it may be drowned by other Senate business.

Critics of the measure are counting on current popular hostility to government regulation to help their case. Permitting indirect suits, they argue, would force courts to go through the laborious process of finding out who was actually harmed and by how much.

That is true, but it is hardly an insurmountable obstacle. Before the Supreme Court intervened in 1977, the Federal courts dealt adequately with the special problems raised by indirect antitrust suits, making common-sense judgments about common-sense issues. And surely it is not good public policy to let price-fixing go unpunished just because it increases the work load of the judiciary.

The law against price-fixing does not mean very much unless the prospect of getting caught is a real deterrent. In antitrust as in other types of law, crime should not pay.

[From the Minneapolis Tribune, May 6, 1979]

"Illinois Brick" and Minnesota Medicines

"Illinois Brick" is not a new ice-cream flavor and not the name of a rock group, either. It refers to a 1977 Supreme Court ruling on who can sue whom under federal antitrust law. That sounds technical. Nevertheless Illinois Brick could become a familiar phrase. The decision affects consumers and taxpayers in every state. President Carter, Sen. Edward Kennedy and Rep. Peter Rodino favor legislation to overthrow it. So do we. A local example will make clear why.

Five years ago Minnesota collected more than $2 million in an antitrust suit against five pharmaceutical manufacturers. The payment was compensation for alleged illegal price-fixing on antibiotics bought by public agencies and private consumers. The suit was filed by the attorney general. The settlement returned $1.5 million to hospitals and welfare departments, and $700,000 for new treatment programs and to 450 individuals.

The antibiotics case showed an alert state government using antitrust laws to protect the state's taxpayers and private consumers. The threat of such civil suits—and of similar litigation by companies or individuals—complements the threat of criminal investigation by federal authorities. Together they make a strong deterrent to price-fixing practices which curb competition and undermine free markets. Currently, for example, antitrust actions being considered by Minnesota and other states touch products as diverse as bread, tires, wheelchairs and fertilizer. It would be good to think that such cases will have a full hearing in the courts. But Illinois Brick makes it highly unlikely.

That ruling declares that only first purchasers of price-fixed goods can sue for damages from the people who fix the prices. Now, if Minnesota buys its medicines from a wholesale house instead of from the factory, and then discovers that the manufacturers have illegally priced them, it nevertheless cannot go to court against the manufacturers. Neither, of course, can private patients or the pharmacist they buy from. And neither, apparently, can the state bring suit on behalf of other consumers. No one except direct first purchasers—in this case wholesalers—can claim financial loss and demand the treble damages antitrust law calls for.

That makes sense only when first purchasers actually press their claims. But often they do not—because it's easier to pass the price along, because they'd rather not offend their major suppliers, or because even the hope of winning is not enough incentive to take on the burden of protracted lawsuits. In such situations, if no one else is allowed to sue, antitrust enforcement is automatically weakened. There is no second line of civil deterrence and no compensation for overcharged consumers. In an antibiotics case now, neither Minnesota agencies nor Minnesota citizens would get the repayments they got before.

That makes a persuasive argument for legislation to overturn Illinois Brick. Such legislation is before Congress now. It should be passed.

[From the Hartford Courant, Apr. 29, 1979]

Restoring a Consumer Right

The U.S. Supreme Court has made it more difficult for individual consumers and groups to successfully bring lawsuits as a class when they have been wronged.

The court in the last two years has taken away from consumers who are the victims of illegal price fixing the right to file suit and collect triple damages under the antitrust laws. Only the direct purchaser of a product, such as a store or supplier, has the right to collect damages for an illegal price fix, the court said in a case involving the Illinois Brick Company.

Ultimately, the consumer who has to pay higher prices as a result of the price fix, is harmed most. Unlike the retailer or supplier, the consumer earns no compensating profit. Retailers and suppliers also may be reluctant to go to court and impair their relationships with manufacturers.

Legislation which would have allowed consumers to collect damages for illegal price fixes died in Congress last year. Similar legislation is in danger of defeat this year in the Senate Judiciary Committee, although the chairman, Senator Edward Kennedy, has been pushing hard for it. The bill also gives state attorneys general the power to file suit on behalf of consumers in their states and collect damages from companies that illegally fix prices.

The bill should be endorsed by the committee and passed by the House and Senate. Companies that violate the antitrust laws by fixing prices should not be able to escape compensating those hurt most by higher prices—consumers.

[From the Baltimore Evening Sun, May 19, 1979]

Passthrough Scam

What happens when a customer victimized by an anti-trust conspiracy decides to pass along the injustice, chain-letter style, to his customer? Nothing, says the Supreme Court. This is the effect of its 1977 ruling in the Illinois Brick case. Contractors bilked by price-fixing brick manufacturers simply absorbed the higher costs and passed them on to several communities which were their customers. But the communities, the ultimate victims, were declared by the court to have no standing.

In an effort to correct this obvious injustice, the Senate Judiciary Committee narrowly approved a bill to let not only the "middle men" contractors sue for triple damages, as they might have done in the Illinois Brick case but did not. The bill would extend this right to the contractors' customers as class-action plaintiffs. Committee approval by a 9-8 margin came only after Senator Mathias successfully pressed for several amendments, then supported the swing vote.

One of the amendments would deny the governments of foreign countries the right to sue American firms in such cases unless they also have laws enabling this government to file similar anti-trust actions against price-fixing companies in those countries. This is only fair. The other amendments, offered in an attempt to fine-tune the bill by balancing the interests of consumers and business, are intended to discourage the filing of frivolous or wanton suits and to empower the courts to set reasonable fees for attorneys representing class-action plaintiffs.

Even with the amendments, the bill faces an uphill fight in the Senate. A filibuster has been mentioned as a possible weapon by opponents. They unfortunately fail to recognize its potential value in protecting a true free-enterprise system by substituting honest competition for price-fixing. The bill should be passed.

[From the Kansas City Star, May 11, 1979]

THE FIXING OF PRICES

In recent days the attorney general of Kansas mailed checks in the amount of more than $150,000 to 43 state and local units of government there as the result of a favorable antitrust action against four lock and key companies. This settlement quite likely could not have been possible under current law. A U.S. Supreme Court decision markedly weakened the antitrust rules that prevented price-fixing in restraint of competition.

This issue is important because, as the Kansas case shows, taxpayers can be gouged by antitrust violations. Kansas shared in a settlement of more than $16 million that resulted from a case filed in 1971.

In 1977 the Supreme Court held that damages in antitrust suits cannot be recovered if the goods were purchased through a middleman, rather than directly from the producer. That means only the direct buyer can, if successful in court, collect treble damages from a price-fixing manufacturer, even though the middleman who also handled the goods passed the overcharge on to subsequent buyers.

Few consumers purchase directly from producers. An estimated 80 to 95 percent of all state purchases are made through middlemen. Moreover, middlemen often are reluctant to sue producers for fear of endangering their source of supplies. Consumers, then, can be stuck with the overcharges with no means of recovery.

An attempt is being made in Congress to overturn the court decision. On Tuesday a bill was approved by the Senate Judiciary Committee by a vote of 9 to 8. Robert T. Stephan, Kansas attorney general, is attempting to build support for the measure. "When only a few large corporations control the sale and distribution of a particular product there becomes a danger of them conspiring to set prices at a higher level than open competition in our free enterprise would allow," the official asserts.

The antitrust provisions, including the threat of treble damages, is considered to be a helpful deterrent to price-fixing. Restoration of the Clayton Antitrust Act would provide states and other consumers with protection that events over the years have demonstrated are urgently needed.

[From the Washington Post, May 21, 1979]

A BUSINESS LOBBY COMES TO GRIEF

(By Rowland Evans and Robert Novak)

Just as Sen. Charles McC. (Mac) Mathias Jr. of Maryland was about to enrage business lobbyists May 8 by voting out the bill they most hotly oppose, he pulled back the curtain to permit a glimpse of the hardball still being played backstage in Washington in this post-Watergate age of reform.

In casting his vote, Mathias disclosed that a business Political Action Committee (PAC) had threatened to withhold contributions for his reelection campaign next year unless he voted against the bill in the Senate Judiciary Committee. Mathias refused then and still refuses to disclose the name, but it happened to be the PAC of Bristol-Myers Co., the famous pharmaceutical firm.

The PACs, part of the elaborate new paraphernalia of financing politics, have been widely used by lobbyists playing hardball with legislators. What was different in this instance was that the Bristol-Myers man played the game with too much zeal and too little finesse, and that Mathias, by blowing the whistle, did not play the game at all.

The incident also casts light on the feisty, aggressive attitude of lobbyists in a Capitol Hill climate where neither the president nor the congressional leaders exercise much influence. "There is a kind of mood around about everybody getting a scalp," one business lobbyist told us, "and I think that Bristol-Myers was after Mac's."

Specifically at issue was "Illinois Brick," beyond the ken of the general public but at the top of the agenda for both the business community and the Judiciary Committee's expansive new chairman, Sen. Edward M. Kennedy. Kennedy has been pushing the bill to overturn a 1977 Supreme Court decision involving Illinois Brick Co. Applicable to thousands of companies, the bill would permit parties who are not direct purchasers to collect damages from an antitrust violator.

Besides involving billions in potential antitrust penalties, the bill also is a test case of whether chairman Kennedy can convert the committee, a fortress of reaction for 23 years under now retired James O. Eastland, into a battering ram of reform.

The committee's key vote was Mathias, a liberal Republican viewed by the business lobbyists as worse than any Kennedy Democrat. Oil industry lobbyists took the lead in 1977 when Mathias was maneuvered out of the senior Republican position on the Judiciary Committee, giving way to conservative Sen. Strom Thurmond.

Illinois Brick was in the air when William Greif, Washington-based vice president for governmental affairs of Bristol-Myers, recently conversed with one of Mathias' closest political supporters: Earl Brown, who owns a Bethesda advertising agency. As Mathias later reported it to the Judiciary Committee: "You tell Mathias if he doesn't vote my way on Illinois Brick, he won't get any of my PAC money."

Nobody this side of television docudramas actually talks that way, suggesting that Mathias was exercising senatorial license. But Brown did get the unmistakable impression that Greif was threatening grief for Mathias from corporate business interests in his 1980 reelection effort. "Hell, Sen. Mathias is not the kind of candidate we support," Greif told us, adding that his vote on Illinois Brick would make no difference. But records of Bristol-Myers' contributions show that like most PACs, its endorsements are not always discriminating; beneficiaries have included such doyens of the left as former Rep. Bella Abzug of New York and Rep. Andrew Maguire of New Jersey.

Greif also told us it was Brown who asked him for a Bristol-Myers PAC contribution to Mathias. "That is absolutely untrue," Brown responded to us. Actually, the Bristol-Myers PAC is not exactly Fort Knox. Its high contribution in 1978 was $900 for Thurmond (and a mere $100 for Ms. Abzug). But a number of business PACs linked together can generate real money, and that is what bothers Mathias advisers on the eve of a possible Republican primary challenge.

Despite his protestations of innocence, Greif's name is now linked by his lobbyist colleagues to choice four-letter words for having been clumsy. But the harsher curses are reserved for Mac Mathias, whose vote provided the 9-to-8 margin by which a significantly water-down version (suggested by Mathias) of Kennedy's Illinois Brick bill passed the committee.

That raises the question of why business lobbyists so admantly resist compromises that would give senators a chance to cast a vote for the individual consumer without persecuting business. The lobbyists in this case insisted on a full loaf, as a precedent-setting spanking for Teddy Kennedy's new chairmanship. With the cash-filled sealed envelope now forbidden, such toughness is based on legal contributions by the PACs—provided, of course, they are used with a bit of finesse.

[From the Las Vegas Sun, June 5, 1976]

CONSUMERS PLIGHT

Attention, Sen. Howard Cannon:

A bill soon will come before the Senate which could help Nevada—indeed all 50 states—recapture untold millions of dollars illegally paid out to big business.

Consumers, along with local and state governments across the nation, could lose out if Congress fails to overturn a 1977 Supreme Court decision and allow indirect victims of antitrust violations, like price gouging, to sue for recovery of damage.

PROFIT-MONGERS

S. 300 narrowly survived on a 9 to 8 vote in Sen. Paul Laxalt's Senate Judiciary Committee. Your Republican counterpart cast a "no" vote on the bill.

A "yes" vote from you would help give antitrust victims a crack at regaining money paid out to profit-mongers.

More important, a "yes" vote would help curb skyrocketing costs.

And in this, the year of the "taxpayers' revolt" and unrelenting inflation, curbing skyrocketing costs is a Number 1 priority for us all.

The problem is that state and local governments, like John Q. Public, rarely make purchases directly from suppliers.

Instead we all rely on middlemen for the vast majority of transactions.

The Supreme Court, in Illinois Brick Co. vs. Illinois, handed down in 1977, held that only direct purchasers of a price-fixed item may sue the antitrust violator.

BARRED FROM SUING

All persons who bought price-fixed goods through middlemen are barred from suing to get back money.

Nationwide, states have pending lawsuits valued between $200 and $300 million. The federal government is litigating to the tune of $200 million.

"Conservative" estimates on the yearly loss to consumers were set at the $150 billion mark by Sen. Edward Kennedy.

These lawsuits are likely to be dismissed unless Congress acts—this session—to approve corrective legislation.

The nation's governors, at their annual meeting in August 1978 approved—without a dissenting vote—a resolution urging approval of legislation to overturn the court's decision.

IMPLICATIONS

Arizona Gov. Bruce Babbitt, testifying on behalf of the National Governors' Association earlier this year, said implications of the proposed legislation are particularly important as federal, state and local governments attempt to hold spending in check without drastically curtailing services.

"When we see the cost of our highways, our buildings, and other needed government services inflated by unlawful price-fixing, it is with no small measure of outrage and frustration that we hear the Supreme Court tell us we are powerless to remedy this expropriation of tax dollars unless we dealt directly with the price-fixers, the bid-riggers and the monopolists," Babbitt said.

Senator Cannon, please note.

[From the Orlando (Fla.) Sentinel Star, June 9, 1979]

FLORIDA WATCHES

The future of antitrust enforcement in this country, with a multimillion dollar impact on Florida, is now pending before the U.S. Senate. But opposition forces are trying to block its full debate on the Senate floor.

Florida Attorney General Jim Smith says those opponents represent the nation's largest business concerns which enjoy "the benefits of increasing concentration of wealth and power (who) now seek virtual immunity from the natural policing mechanism of the free market economy."

The bill stems from a 1977 Supreme Court ruling that only persons who buy directly from an actual antitrust violator can recover damages. That means in most cases that it would be up to the middleman to sue his supplier. Since the middleman merely passes on the rigged prices—with the opportunity for more profits himself—there is little incentive for him to sue his supplier.

It is the person at the end of the line—either an individual or a consumer like state government—who gets stuck with the higher prices. It is the ultimate consumer who should be able to sue. That is the way it was before the Illinois Brick ruling, and the way it would be under SB 300.

What it means to the state is clear in a suit in which Florida has sued four steel companies, charging illegal price fixing. The state says there were $9 million in overcharges, which would allow it to collect $27 million under the treble damages provision. But under the court ruling, the state and its taxpayers would recover only $450,00 from direct purchases.

"At a time when government is under pressure to rein in excessive expenditures, to be accountable, to achieve the maximum benefit from each dollar spent, it defies reasoned explanation to allow Illinois Brick to remain the operative rule," Mr. Smith told the Senate Judiciary Committee earlier this year.

The Judiciary Committee, under intense lobbying pressure from big business to scuttle the bill, did approve the legislation—which had the blessings of both its chairman, Sen. Edward Kennedy, D-Mass., and President Carter.

Now the question is whether the full Senate has enough courage to bring the bill to a vote. Florida is watching.

Just Compensation

In recent weeks, states, counties, and other local governments received checks for their share of a $14 million settlement of antitrust litigation which was filed in 1970. For example, Minnesota counties received $12,000; Oregon counties, approximately $7,500. It is ironic that if the June 1977 Supreme Court decision in *Illinois Brick Company* v. *Illinois* had been in effect, no one would have received a penny of compensation from the manufacturers of master key lock systems.

Illinois Brick involved the State of Illinois and 700 local governments which had purchased bricks from a contractor and which sued to recover damages for price-fixing. The court held that Illinois and other forms of governments could not recover damages, since they did not purchase the bricks directly from the manufacturer.

That decision clearly invites price-fixers and other violators of the antitrust laws to gouge state and local budgets, safe from prosecution as long as the government purchases are made on an indirect basis.

Counties are major purchasers of construction materials for roads, bridges, school districts, hospitals, and so forth. Ninety percent of these items are handled indirectly through middlemen. Unless remedial legislation is enacted, counties will no longer be able to benefits from effective enforcement of the antitrust laws.

Legislation has been introduced in Congress which would reverse the Illinois Brick ruling so that all indirect purchasers, whether government, business or citizens would be allowed access to the courtroom to present evidence.

This legislation is strongly supported by NACo, the National Association of Attorneys General and a host of other government, consumer, farm and labor groups.

Right now, states have antitrust actions pending valued between $200–$300 million, including fine paper, petroleum, and ampicillin, all jeopardized by the Supreme Court ruling. Reversal of the Illinois Brick ruling is urgently needed to provide counties, states and the taxpayers with the protection that the antitrust laws were designed to provide in the first place.

[From the St. Louis Post-Dispatch, June 14, 1979]

Remedy Against Price-Fixers

Largely because of big business lobbying, Congress has still not acted on a bill to offset a 1977 U.S. Supreme Court decision that effectively guts antitrust law enforcement by limiting suits for damages to those who have dealt direcly with price-fixers. In the 1977 ruling, in Illinois Brick Co. v. State of Illinois, the high court held that Illinois could not recover damages under the antitrust law from a concrete block manufacturer whose price-fixing had raised the cost of some state buildings, the rationale being that only those who buy directly from price-fixers can sue; and in this case Illinois had not bought the blocks from the manufacturer but from the contractor doing the construction.

To counteract the decision, Democratic Sen. Edward Kennedy—with Missouri's Republican Sen. John Danforth as co-sponsor—introduced a bill that, as Sen. Danforth has put it, "would restore full legal rights to all parties harmed by violations of federal antitrust laws." Actually, all the measure does is to reinstate the right that Congress obviously intended consumers to have when it provided for suits by "any person who shall be injured . . . . by reason of anything forbidden in the antitrust laws."

By its ruling, the Supreme Court virtually eliminated any remedy for injured parties. Middlemen, such as the contractor in the Illinois Brick case, would not be injured and therefore would have no reason to sue; and those who really are injured have been barred from suing. Despite the unfairness to consumers of this Catch-22 ruling, organized business—motivated, as Sen. Danforth says, by greed—is fiercely lobbying against the legislation to overturn the decision. Now that the Senate Judiciary Committee has reported out the bill, the Senate should ignore the business lobby and enact an obviously needed protection for consumers.

[From the Tallahassee (Fla.) Democrat, June 15, 1979]

Congress Slow To Act

Congress can act speedily enough when it comes to protecting the fringe benefits of its members—witness the dispatch with which it scrapped the limit on the amount of outside income senators may earn.

But when it comes to protecting the taxpayers interest, it is sometimes difficult to ascertain any congressional movement at all—witness the lack of dispatch in handling legislation that would again allow you to sue when suppliers defraud you by fixing prices.

Last September, we urged passage of a bill that would repair the damage done by the decision in a lawsuit called Illinois Brick vs. Illinois. That decision could cost Florida taxpayers $26.5 million in a single suit now underway. It's impossible to calculate the overall loss to consumers throughout the nation.

Congress has yet to act.

Illinois had sued the brick companies for treble damages under the provisions of the Clayton Act, which has been a federal law since 1890. But the court said it had no right to sue. because it had not purchased the bricks directly. Only the contractors, who used the bricks to construct buildings for the state, could sue.

The contractors, of course, have no real incentive to sue. They have suffered no loss; the higher brick prices were passed along to the state—and its taxpayers. Why anger the suppliers they will have to deal with in the future?

Florida is now involved in a similar case, charging that suppliers conspired to overcharge the state by $9 million for steel used in various state projects. If the state wins, the treble damages would total $27 million. But, if the state can sue only for steel purchased directly, the claim will drop to roughly $450,000.

That's an example of the impact of the Illinois suit. That impact will be multipiled many times. States and organizations now regularly bring class actions on behalf of cheated consumers. The decision virtually puts an end to such suits. Most pricefixing is at the wholesale level; most consumer purchases are made at the retail level.

Congress should stop bowing to special interest pressure and give the right to sue back to cheated consumers and taxpayers.

[From the Des Moines (Iowa) Register, June 18, 1979]

Hitting Where It Hurts

The Supreme Court ruling that consumers who have been gouged by price-fixers can sue for triple damages under the Clayton Antitrust Act is an important victory for consumers and the fight against inflation. But further action will be needed by Congress if the antitrust laws are to be effective.

A Minnesota woman charged that she was forced to pay higher prices for hearing aids because of price-fixing by five hearing-aid manufacturers. In her suit, she asked for triple damages for herself and all other consumers who bought the aids.

The Eighth U.S. Circuit Court of Appeals ruled that she had no right to bring the suit as a consumer. The Clayton Act states that "any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws" (such as price-fixing) may bring a suit for triple damages. The court of appeals said that only businesses or other commercial ventures can bring such suits. The Supreme Court ruled, 8–0, that the Clayton Act was meant to provide consumers with the right to sue price-fixers for damages.

But the Minnesota woman's suit might still be blocked by a 1977 Supreme Court decision known as "Illinois Brick." In "Illinois Brick," the court held that only direct purchasers of goods may sue for damages for price-fixing.

Most consumers—possibly including the Minnesota woman—are indirect purchasers. That is, they don't buy a product from the company that made it, but from a retailer who bought it from the manufacturer or a middleman.

As Senator Edward Kennedy (Dem., Mass.) has charged, the "Illinois Brick" decision "denies compensation to those who are injured and undermines deterrence of the overwhelming force of illegal price-fixing in the United States today."

Many direct purchasers—such as middleman—have no incentive to sue for damages in price-fixing cases, for they can pass the higher cost of the goods on to consumers. Without the threat of the consumer class-action suit brought by the Minnesota woman, the antitrust laws become little more than a paper tiger.

The Senate Judiciary Committee has approved a bill to overturn the "Illinois Brick" decision by authorizing consumers and other indirect purchasers to sue for triple damages for price-fixing. The bill faces strong opposition from business organizations, and a Senate filibuster is considered likely.

Price-fixing may be the single most unjustifiable cause of inflation in America today. Surely consumers should be given the chance to fight this evil.

Congress Shouldn't Cave in to Business on Antitrust Bill

Almost three years ago, hardware manufacturers agreed to an out-of-court settlement with educational institutions across the nation of a suit in which they were accused of price fixing. Only last month, they began repaying millions of dollars in overcharges. Among those collecting are the Jefferson County schools ($24,000) and a dozen Kentucky universities and school boards (a total of $50,000).

That was the good news.

The bad news was a 1977 Supreme Court decision—after the hardware settlement—that pulled the rug out from under such suits. That decision (called "Illinois Brick" for the chief defendant) has plunged Congress into a bitter behind-the-scenes dispute over the best way to repair the gap in antitrust laws resulting from the court ruling.

What the court did was make it impossible for many local governments, school systems and other victims of price-fixing to take action. This was because the court, following an earlier decision, decided that someone hurt by price-fixing could only sue if in a direct buyer-seller relationship with the responsible party. Many times, this means that only middlemen can sue.

But the outlook for a law to void the Illinois Brick decision isn't promising. Lobbying against the measure by major corporations is said to be as intense as the 1975 effort to beat the consumer-protection agency bill.

While obviously based on self-protection, the lobbying also represents an effort by manufacturer members of the Business Roundtable to defeat the new Senate Judiciary chairman, Edward Kennedy, on his first major antitrust bill. Another target is the Carter administration, which supports the Kennedy measure.

The Illinois Brick case arose from an antitrust suit filed by that state and 700 local governments. They charged that 11 concrete-block manufacturers were fixing prices to create some $3 million in illegal overcharges. When the court disallowed suits by "indirect purchasers," it effectively closed off scores of complaints against other makers of products passing through a chain of distributors, wholesalers and retailers on their way to the consumer.

THINK TWICE BEFORE SUING

Worse yet, the ruling appeared to thwart a 1976 law in which Congress gave state attorneys general a go-ahead to protect consumers who eventually pay the extra costs of such price-fixing.

Recognizing the policy implications of its decision, the high court noted that Congress could easily clarify the antitrust rules by passing a new law. This is what Senator Kennedy proposes to do.

The manufacturers claim that such a law would drown them in a sea of speculative suits filed by greedy lawyers. But the proposed bill would counter this risk by encouraging federal judges to toss out frivolous suits—and to levy costs and lawyers' fees against those filing such unwarranted litigation.

The reason for Congress to pass the Kennedy bill is that it would protect one of the highest values of American business—competition. When Congress in 1914 passed the Clayton Antitrust Act, it wisely recognized there would be difficulty getting public officials to pursue the "trusts." So it attached a triple-damages provision to encourage private individuals or associations to move against price-fixing or other monopolistic violations.

This private enforcement of antitrust laws is necessary to the preservation of business competition. Over the years, Congress has made the antitrust victim's opportunity to sue unusually broad; it chose this as an alternative to any listing of specific illegal practices—which would just set up a code full of inviting loopholes. Instead, it has relied on the courts to put the broad definition of "restraint of trade" into concrete form.

Lately the courts, particularly the Supreme Court, have complained that complex antitrust cases are becoming steadily more difficult to handle. However, it's possible that the report of the recent President's Commission on Antitrust Enforcement may contain ways, which Congress should take seriously, of lightening this burden.

To allow the Illinois Brick decision to stand unchallenged would be too sharp a break with almost 90 years of private antitrust action. That action, on balance, has been helpful to consumers and businessmen alike. Congress should move to restore this tool of anti-monopoly enforcement by passing the Kennedy bill.

[From the Petersburg (Fla.) Times, July 9, 1979]

The Fruits of Crime

Steel reinforcing bars are not likely to be found on the household shopping list or in stock at the corner hardware. But that's not to say that they aren't big business. The state of Florida figures that it bought $30-million worth between 1970 and 1974, mostly for highway bridges and overpasses.

The state also contends that it paid $9 million too much because of a price-fixing conspiracy among the four major suppliers.

The state sued, relying on federal antitrust law that says that a victim who can prove price fixing is entitled to a refund of three times the ill-gotten gains.

The idea behind triple damages wasn't just to make it worthwhile for victims to sue. It was to make big business think seriously over whether breaking the law was worth the risk.

It is, sorry to say, well worth the risks. In June 1977, the U.S. Supreme Court made crime pay. It ruled that only the direct customers of a price-fixing conspiracy are entitled to sue under the antitrust law. Ultimate consumers, though they may be the actual victims, were thrown out of court.

The final consumer is usually the only party who cares to file a suit. Most often, the direct customer is a wholesaler, contractor or broker who has passed on the extra costs, has lost nothing on account of the price fixing and has no incentive to litigate.

This particular judicial outrage, known as the Illinois Brick decision, left Florida's lawyers to make bricks without straw in their steel-bar case, which was already in progress. The state calculates that it lost only $150,000 in direct purchases of price-fixed bars, for which it could—if it can prove the case—recover only $450,000 in triple damages. The rest of the $9-million in alleged overcharges were paid through contractors who had merely passed on the suppliers' prices on a cost-plus basis, and while the state is trying to keep the case alive on some ingenious technicalities, the outlook is, as they say, in doubt. If the Illinois Brick decision holds firm, the taxpayers of Florida get nothing.

The decision was so bad that the ink was scarcely dry when Congress began considering legislation to overturn it. Big business lobbies, led by the increasingly influential Business Roundtable, blocked it last year with the threat of a Senate filibuster.

This year, a compromise bill came out of the Senate Judiciary Committee. It contains some new safeguards for defendants. One would allow trial courts to set the fees for plaintiffs' lawyers. Another would permit judges to award legal fees to defendants who were sued without good reason. And another would let foreign governments recover only actual, not triple, damages from U.S. firms.

For some people, there is no compromise. The big business lobbies are still working massively against the bill, another filibuster is threatened, and the people will likely lose again unless 60 senators are willing to vote for cloture. Floridians, with $27-million immediately at stake, will be looking to Sens. Lawton Chiles and Richard Stone to vote for their interests, against corporate corruption.

No Wonder the Public Is Skeptical of Business

Two years ago the United States Supreme Court in an astonishing action ruled that indirect purchasers, persons buying from retail stores, for example, cannot sue a wholesale seller guilty of price-fixing. Placing the nation's highest court on the side of corporate culprits, the verdict comforted the comfortable and afflicted the afflicted.

Now consumers must look to Congress to enact a law that permits consumer ——— by their retail purchases to sue and collect from manufacturers guilty of breaking federal antitrust statutes.

When Congress returns from its August vacation not the least important matter facing it will be the Illinois Brick bill, co-sponsored by Sens. Edward Kennedy, D-Mass., and John Danforth, R-Mo. Their measure, if enacted, will correct the Supreme Court's lamentable judgment which rewards board room brigandage.

American consumers and America's big businesses have a huge stake in how Congress handles the bill. The bill's defeat would save companies hundreds of millions of dollars—illegal dollars acquired by violating antitrust law.

Currently 10 states are suing 45 cement and cement product manufacturers. Damages could exceed $180 million. In the absence of an Illinois Brick Act on federal statute books, however, many complaints against these manufacturers would be dismissed.

The same state of affairs pertains for antitrust violations brought by 30 states against three large ethical drug firms for the sale of ampicillin, by 12 states against 11 sugar companies, by several states against eight lumber companies, and by six states against major oil companies which overcharged buyers hundreds of millions of dollars.

West Virginia is interested in this legislation, as Attorney General Chauncey Browning, one of the nation's leading antitrust sappers, pointed out in an article two-and-a-half weeks ago on the page across from this one. (Rebuttal to Browning from the West Virginia Chamber of Commerce and the West Virginia Manufacturers Association is published today on the same page.) Browning on occasion has collected antitrust awards for state and for some political subdivisions. but he collected before the Supreme Court allied itself with lawbreakers.

The key question congressional members should ask themselves is: Why shouldn't businesses which defy antitrust laws be liable to redress from their victims?

Indeed, we're amazed responsible businesses are fighting the Kennedy-Danforth legislation. Such fights, we're convinced, is one reason a majority of the American people holds American business in low esteem. The campaign against Illinois Brick is a plea by business to be allowed to break the law and for the most part get away with it. Despite that, business is fighting the bill—all-out.

[From the Portland (Oreg.) Journal, Oct. 1, 1979]

Overturn the Brick

Congress seems to be making progress on legislation that would overturn the U.S. Supreme Court's anti-consumer "Illinois Brick" decision.

The court ruled in 1977 that consumers can't sue price fixers unless they manufactured the product. Seldom do consumers buy directly from manufacturers. Consumers buy from middlemen, and they should be able to sue distributors if that is who is involved in anti-trust activities.

The court decision barred the door for a lot of consumer suits under the Clayton Act, which for years has permitted price fixers to be sued for triple damages.

The state of Oregon has an antitrust division which actively pursues price fixing cases on the behalf of consumers. Attorney General Jim Redden has said that the Illinois Brick decision is preventing legal action on at least $54 million in suits pending by his office.

Last week the U.S. House Monopolies and Commercial Law Subcommittee approved a strong Brick bill overturning the decision and permitting class action suits. But the committee is holding on to the bill awaiting action on a Senate Judiciary Committee compromise backed by Sen. John C. Danforth, R-Mo.

The Danforth compromise doesn't permit class action suits. Yet it is backed by the Consumer Federation of America, which says it is a significant piece of legislation and apparently the best that can be passed. The U.S. Chamber of Commerce disagrees, and says it isn't enough of a compromise.

The National Association of Attorneys General unanimously backs the Danforth compromise, which is supported by Senate Judiciary Committee Chairman Edward Kennedy, D-Mass.

"It's incredible how fast the bill changes," said one observer of the lengthy congressional fight. Now the Danforth compromise permits defendant middlemen several defenses to the claim that they passed on overcharges.

Congress has worked on a compromise for more than a year. That is enough time. The bill shouldn't penalize retailers who aren't directly involved in price fixing cases. But the nature of the system that distributes consumer goods through middlemen shouldn't prevent suits from being filed and adjudicated.

[From the Sacramento (Calif.) Bee, Aug. 24, 1979]

THE ILLINOIS BRICK BILL

Among the new antitrust measures that Sen. Ted Kennedy has put before Congress this year is a bill to overturn the Supreme Court's "Illinois Brick" decision. In the Illinois Brick case, the court severely restricted who could sue for damages in a price-fixing case, nearly decimating one of the public's most effective antitrust enforcement tools. The Kennedy bill—which has the support of the Carter administration, the nation's governors and attorneys general and most consumer groups—would restore the rights to sue that the court took away.

Because it recognized that the federal Justice Department could not oversee the entire business community, Congress in 1914 enacted a law to encourage private citizens to pursue antitrust violators themselves. Anyone damaged by a company's price-fixing or other antitrust violations can, under this law, sue that company for three times the damages suffered. Congress created that large penalty to provide an incentive for private parties to bring antitrust suits and to deter potential violators.

However, when the state of Illinois recently tried to sue the Illinois Brick Co. under the statute, the Supreme Court ruled that it could not. The Brick company had clearly engaged in price-fixing and other antitrust violations, and the state had clearly suffered damages. But the state had purchased the overpriced concrete blocks through a series of middlemen, and the court ruled that only the first middleman who purchased directly from the Brick Co. could collect damages. Because of this ruling, no end-of-the-line consumers can now bring antitrust suits, despite the fact that the original overcharges have been passed on to them.

The decision could be disastrous for antitrust enforcement. When direct purchasers can simply pass illegal charges on to consumers, they often have little incentive to risk their own supply sources by bringing suit against them. Moreover, in eliminating suits by indirect purchasers, the court has virtually barred state governments, which could be expected to be particularly vigilant, from bringing antitrust suits. The states, after all, make almost all their purchases through middlemen as do the private citizens the state attorneys general could represent.

The decision was highly unfair, since it disqualified the purchasers at the end of the marketing chain—often the only ones to suffer from illegal overcharges—from recovering their losses. Thus, the court not only vitiated a major part of Congress's antitrust effort, but it also established in its place an unfair and far less effective substitute.

The Kennedy bill would, in effect, overturn the Supreme Court's ruling. Its opponents argue that the bill would increase the number and complexity of private antitrust suits, that it would clog the courts and allow legitimate businesses to be harassed by nuisance suits. But there were not many abuses of this right to sue before the court curtailed it. And the small encouragement the Kennedy bill might provide to frivolous suits is a slight price to pay for the increased antitrust vigilance it would insure.

In its Illinois Brick ruling, the Supreme Court acknowledged the difficulties of creating antitrust litigation policies that are both fair and effective, and the court asked for congressional guidance in this matter. The Kennedy bill would provide that guidance in no uncertain terms—by overturning the court's own attempt at policy making in this area and reasserting the Congress's original antitrust intentions.

A BASIC RIGHT TO SUE

Some businessmen and grocery executives view the Illinois Brick Bill with the same honor as a debutante looking at an acne pimple.

That pending federal legislation, and the controversy surrounding it, becomes downright interesting when one considers that price-fixing costs each American consumer $200 a year.

And that is why Congress, battling the legislation around like a shuttlecock for two years, needs to pass it. The battle started when the U.S. Supreme Court found some flaws in the previous legislation. So the Court ruled that, until those flaws are corrected, only direct purchasers can bring suit against companies which collude to destroy open competition by rigging their prices—instead of letting the free enterprise system operate as it was intended to.

If, for instance, you purchased a water heater and then learned the price was fixed by a group of manufacturers, you could not sue because the water heater was purchased through a middle man—the plumbing company. The plumbing company might sue, but there is no incentive. The plumber has his money.

Nor—to use a very real example—can the state of Florida sue a steel company which overcharged the state by $9 million. The state can sue the company for $500,000 because it purchased some of that steel directly from the company, but cannot seek damages for the other $8.5 million because the rest of the steel was purchased through a middle man. The state may sue the middle man, but he has done nothing wrong. He has merely acted as an agent, selling the steel to the state and making a profit.

When one considers that the state of Florida purchases 95 percent of its goods through middle men, the significance of the Illinois Brick Bill takes on a new dimension. It is a classic consumer bill, aimed at punishing those companies which tamper with the free enterprise system.

Illinois Brick has its detractors, the grocery store dealers being among them. Mark C. Hollis, a Public Super Markets executive here, says the bill would allow producers to sue the grocers for selling goods too cheaply.

He has a point, albeit a weak one from a consumer's viewpoint. Yes, meat producers have sued slaughter houses for conspiring to drive prices down. And according to Hollis' argument, passage of Illinois Brick would invite meat producers back into court, with the possible result of grocers' legal expenses being passed on to consumers.

Well, the meat producers are still in court, having been told they are exempt from the Supreme Court ruling on indirect purchasers. So passage of the legislation won't affect them.

But to get to a larger issue. Wouldn't it be just as wrong for a group of grocery store owners to conspire to drive prices down as it would be for them to conspire to drive prices up? It's not a question of whom to cheat—the cattlemen or the consumers. It's a question of not cheating at all.

That's the laudable thrust of the Illinois Brick Bill. Those cheated in the marketplace deserve a day in court. The Illinois Brick Bill would give them just that. If the evidence shows companies conspired to rig prices, the courts will award damages.

Some business groups lobbying against the bill are saying, "Trust us. We'll do the right thing for consumers and look after them better than they can themselves."

That tune sounds familiar because it has been played before. By the oil companies.

Mr. METZENBAUM. Mr. President, I point out that it is not right to provide an exemption from the antitrust laws, to turn the clock back, as we are doing today, and to have it done in such a manner as to prevent any amendment from coming up which has to do with oil companies gobbling up their competitors, oil companies buying up department stores and hotels, oil companies getting far beyond the pursuits of energy.

No, none of those amendments can come up. It has to do with antitrust; but no, that would be a little offensive to the oil companies. That would be pro-consumer legislation. That would be pro the American public. So amendments of that kind cannot come up.

Yes, an amendment that might help little school districts, located in every State in the Union, an amendment that would make it possible for those small school districts not to be overcharged, not to be subjected to price-fixing conspiracies without having an opportunity to have their day in court—such an amendment cannot come to the floor.

What does it really mean? What does it mean that we had a measure debated and discussed to emasculate the Federal Trade Commission, to take away its vitality, to turn the clock back because it was doing an effective job? What did we do? Congress indicated that it would play ball with the business community and turn its back on a Government agency doing its job, because it was doing it too well.

Today, we have a bill that does the same thing, in a different way. The Federad Trade Commission has had a proceeding. They have found that the territorial restrictions are anticompetitive, and they have ruled to that effect. Now we have a piece of legislation which would vitiate the impact of that court decision before the court even made its decision.

Then we even have a bill that says "If you violate this law," the one we are talking about passing, and undoubtedly are going to pass here today, "if you violate the provisions of that law you cannot even be held responsible until you get into the courtroom and some court says that you have violated the law, do not do it the second time. And you do not pay any penalty for having done it the first time." That is what this legislation provides.

We should be ashamed of ourselves. We do not do that with any other piece of legislation on the statute books. Nowhere do we say "You are entitled to the first bite," as in the dog bite laws.

You are not entitled to the first bite if you kill someone. You are not entitled to a first bite if you have an automobile accident and you violate the laws. You are not entitled to a first bite no matter what the law is. But for our bottlers, for the Coca-Cola Co. of America, for the Pepsi Co. of America, for the Beatrice Foods, for all of the other conglomerates that I mentioned earlier on today, each of them are entitled to a first bite, a first violation of the law and then if a judge says, "Don't do it," then after that they may be subjected to it. We do not do that for the auto industry. We do not do it for any other industry in America. We do not say to anyone you can go out and violate the antitrust laws and you are not subjected to those laws until after some courts says "You done wrong."

But we do it for the bottlers. Oh, we have to save those poor bottlers. Their profits are only running 16 and 18 and 20 and 22 and 25 percent on equity. That is not bad.

As a matter of fact, we may run a contest in this country, whose return on equity is greater, the oil companies or the bottlers? Fortunately these poor bottlers that we are so concerned about today would do pretty well in those sweepstakes.

They are not satisfied.

I am told stories that are absolutely unbelievable as to the lobbying effort that has been made to get this bill through. I am told about 30 calls coming in in a day from one State. I am told about some story that one bottler reportedly had spent up to $300,000, in support of this great bill.

We need not worry about the inflation that is taking place in this country. The Senate need not debate that. The Senate need not get itself concerned about higher interest rates. We never really got into that subject in the Chamber. The Senate need not concern itself about so many other problems that are happening in this country, including a higher and higher rate of unemployment. No, we are not talking about unemployment in the Chamber today. That is not the issue before us.

We are talking about our poor bottlers, those giant conglomerates and sirup companies, who are only making tremendous yields on their equity.

We are not talking about the real problems that face this Nation in Afghanistan, Iran, and the Soviet Union. We are not talking about the issues that are of concern to the American people.

There are 215 million Americans and if you went out and polled them and asked them how they feel about the bottlers bill, they would think you flipped your lid and if you told them what the bottlers bill contained then they would know you flipped your lid.

Bottlers bill—tie up the Senate for a whole week to keep a Senator from offering a proconsumer amendment or maybe two proconsumer amendments. Great day.

I agree with the Senator from Arkansas. This is no way for the Senate to conduct itself. No. But the bottlers' lobby insists that we get this bill to the floor.

There are all sorts of substantive legislation pending to be brought up. No, we do not do that. We have to take care of the bottlers. Oh, those wonderful bottlers. Up goes the price of Coca-Cola. Soaring through the sky goes the price of Pepsi-Cola, RC Cola and all the other branded pop. We are so concerned about them that the Senate spends a whole week to protect the bottlers. It is wonderful. Do not worry about the senior citizens of this country. They should be able to fend for themselves. What is the matter with those senior citizens? Cannot they take care of themselves? Why should we in the Senate bother about them?

How about those young kids who are looking for jobs in the streets of America? The unemployed, how about the 35 to 40 percent of young blacks who cannot find a job in this country? It will be greater as we have this programed recession of the administration. Do not worry about any legislation for them. They can take care of themselves.

I remember when I was in the business world and I came to Washington and attended a meeting at the Sheraton Park and we talked about the problems facing America because they were burning down our cities. They were burning down Watts. They were burning down Huff in Cleveland. They were burning down Detroit, and they were burning down Washington. We came and out of that was formed the urban coalition that we might do something to save our cities and to see to it that young people in this country, including young blacks and young Hispanics, could find a job. There was a sense of concern.

Well, we have shown it this week. The unemployment is higher for young blacks than it was then. The unemployment is higher for young people than it was then. The unemployment is higher for males and females and people across the country than it was then. We are going to do something about it. We are going to do something great today. We are going to pass the bottlers' bill.

Is it not wonderful? Every Member of the Senate can go home this weekend and stand up and say what we did for the people of this country. We passed the bottlers' bill. We invoked cloture, to keep some Senator who wanted to bring up an amendment that was a proconsumer amendment. We said, "Oh, no, we are not going to let you get to that, fellow. We are not going to let the proconsumer amendment come up." No, we have the bottlers' bill today.

I do not know how we squeezed in the time the other day to indicate the Senate's opposition to the oil import fee. That was pretty good.

We waste our time on stuff that is unimportant, like bottlers.

Let us see what is going to happen if we are really successful.

I guess John Smith in some community is going to be able to go out and really get smashed this weekend. We have got the bottlers bill through the Senate. John Smith I guess is a bottler in some small community in America. But John Smith was not in trouble. We heard this bill in my committee. I did not hear one bottler who said that the giants were coming in and trying to drive him out of business. There was no evidence that the small bottlers were under attack. No, not a scintilla of evidence.

But the fact is we are seeing in some respects two things: one is we are proving the value of the business PAC's. They have been involved in this. The business PAC's have proven their value, if you agree with that point of view.

But the fact is we cannot be very proud of what we are doing.

The Senator from Arkansas was right. What are we doing tying up the Senate for a full week concerned about the bottlers? Are we concerned about what our troops are in Europe, or whether we have a strong enough military defense? Are we talking about whether we should or should not have the M–X? Are we talking about the substantive issues that concern American people?

I think what we should have done before we brought this bill to the floor of the Senate is the Senate should have commissioned Gallup and Hart and Cadell, and I do not know who else, Roper and maybe NBC–ABC, New York Times poll, or is the CBS-New York Times poll, I do not know. We should have gotten all the pollsters in the country and we should have asked them to poll the country and ask them to name the 50 most important issues, not the 10 most. That is all they usually do when they talk about the 10 most important issues.

We should ask them to include the 50 most important issues.

And you know and I know that the bottlers' bill or the problem with respect to the bottlers would never have found the list. This is unbelievable; this is absolutely absurd. The U.S. Senate has taken 3 days to talk about the bottlers' bill.

So the record is clear in connection with the Senator from Arkansas' comments, let me say that the Senator from Ohio in the inception said he was willing to agree to a time limitation with respect to any amendment that I had to bring up and was willing to agree to a time limit with respect to the bill itself or anybody else's amendment.

I am sad to see that we have wasted several days of time while my amendment or my attempted amendment was filibustered; while I was precluded from obtaining the floor. We have just achieved this week a new low in senatorial achievement, in senatorial accomplishment.

I am not proud of the fact that I felt, as chairman of the Senate Antitrust Committee, a responsibility and an obligation to make the fight to protect the antitrust laws of this country from being invaded as does this bill. I am not proud of the fact that I had to sit in the Chamber for several days making repeated efforts to get up a proconsumer antitrust amendment. I am not proud of the fact that the Senate rules did not make it possible to do so.

The victors will be the bottlers. The losers will be the American people. The Senator from Ohio will not lose. But the American people have lost this week. They have lost because the Senate should have been spending its time in more productive endeavors. They have lost because this bill provides exemptions from the antitrust laws, and they have lost because, by manipulating the rules of the Senate, others have been successful in preventing proconsumer amendments from coming to the floor.

AMENDMENT NO. 1759

(Purpose: To exempt licensees from suits by indirect purchasers)

Mr. METZENBAUM. Mr. President, at this time I call up amendment No. 1759.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Ohio (Mr. Metzenbaum) proposes an amendment numbered 1759.

The PRESIDING OFFICER. The Chair would ask the Senator to suspend for a moment.

The Chair would advise that, under the precedents of the Senate——

Mr. METZENBAUM. Mr. President, regular order. I believe, under the rules of the Senate, the amendment is to be read first.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that if an amendment is offered that is nongermane on its face, even before it is read, the Chair is obligated, in that situation, to rule that the amendment is not germane. The Chair is advised, through the Parliamentarian, that this is such an amendment.

Mr. METZENBAUM addressed the Chair.

Mr. THURMOND. Mr. President, I thought I had the floor.

The PRESIDING OFFICER. The Chair would advise that no one has the floor at the moment.

Mr. THURMOND. Mr. President, I ask for the floor.

The PRESIDING OFFICER. The floor is not available until the Chair finishes ruling on this matter, and then it will consider the request from the Senator from South Carolina.

The Chair is compelled to rule, on the strength of the advice of the Parliamentarian, that the amendment is nongermane.

Mr. METZENBAUM. Mr. President, I appeal the decision of the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair must advise that an appeal is not debatable under rule XXII.

Mr. THURMOND. Mr. President, I move to table the appeal from the ruling of the Chair.

The PRESIDING OFFICER. The motion to table the appeal is in order.

Mr. THURMOND. Mr. President, I move to table the motion of——

Mr. METZENBAUM. Mr. President, I did not hear the Senator.

The PRESIDING OFFICER. The Chair would indicate that the motion to table the appeal is in order and it is not debatable.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Mr. President, would the Chair be kind enough to advise the Senate what vote is necessary to sustain the ruling of the Chair?

The PRESIDING OFFICER. The Chair will advise that a yea vote would sustain the ruling of the Chair.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from California (Mr. Cranston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Illinois (Mr. Stevenson), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. Simpson) is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 6, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—86

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harrv F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Morgan
Nelson
Nunn
Packwood
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—6

Danforth
DeConcini
Metzenbaum
Moynihan
Proxmire
Tsongas

NOT VOTING—7

Cannon
Cranston
Kennedy
Pell
Simpson
Stevenson
Talmadge

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the able was agreed to.

Mr. METZENBAUM. Mr. President, if I were good with my vocal chords and could sing, I would sing at this point, "The Party's Over." But I cannot carry a tune so I will not do that.

As far as I was concerned, I thought it important to make the issue with respect to this bill. I thought the world ought to know, if anybody had any interest in it—and, frankly, I do not think anybody has any interest in it except the bottlers—what the issues are and what it is all about.

If they have that kind of an interest, then I think that they understand that the Senate has determined that they will pass the bottlers bill, and the bottlers bill will be the way the bottlers want it; that the bottlers bill will forgive retroactively antitrust violations as far as damages are concerned, and also will forgive future violations unless there is a judge who has said there are violations.

The Senate has clearly indicated that it is not just a small bottlers bill, but it is a big bottlers bill as well.

The Senate has indicated that they are not prepared to accept legislation as an amendment to the bill which would make it possible for the small school districts, the small communities, small businessmen, and consumers to be able to bring an action under the antitrust laws by reasons of the decision in Illinois Brick.

The Senate has indicated that it is not prepared to bring that issue to a vote before the Senate as an amendment to this bill.

I recognize what has occurred. I think the Senate has wasted the time of its Members on this subject. I think it has been enough.

Because I do not think there is any reason to keep wasting more time, I am prepared, Mr. President, to yield back all of my time conditioned upon other Members yielding back their time, and if that not be the case I will reserve all of my time.

Since I have brought up most of the amendments, and since I have been at issue with respect to this bill, I am prepared to say at this time that when and if the other Members of the Senate yield back all their time, I will be prepared to yield back my time unless prior thereto some Member, and I do not wish to deny any Member his right to speak, should put in issue some particular matter as pertains to this bill that I felt I needed to respond to.

Mr. BAYH. The Senator from Indiana has about 5 or 10 minutes of comments that he would like to make, at which time I am prepared to yield back whatever time I might have left, which will be some part of an hour. Does the Senator from North Carolina care to have the floor? I shall be glad to yield to him.

Mr. HELMS. I was going to ask the Senator from Indiana to use his microphone. I have a statement to make, but I shall wait until he is finished.

(Mr. MORGAN assumed the chair.)

Mr. BAYH. Mr. President, the Senator from Ohio mentioned a moment ago that he was proud to have had the opportunity to make the case as he sees it on the amendments and against the bill. I am proud of him as a friend and as an adversary. He is one Member of this body who has the will to take on all comers for something he thinks is right. I have the greatest respect for him because of that. We need more of that.

With all respect, I suggest that just because my friend from Ohio thinks it is right does not necessarily mean it is right.

We sat here very patiently and heard a recitation of all the major problems confronting our country: Interest rates, inflation, unemployment, senior citizens, young kids, young blacks, business taxes, troops in Europe, the MX missile, all of which my friend from Ohio suggested needed to be discussed and we were spending our time discussing the bottling bill.

I do not want to make a Supreme Court case out of this. I have already said that the reason we were making such a parliamentary maneuver is that it was the only way we could keep our friend from Ohio from killing the bill.

If anybody has kept us here a full week, it is the Senator from Ohio who refused to let this measure be voted up or down on the issue. To suggest that those of us who wanted to vote for the bottling bill were anticonsumer, if one just examines who voted here I think we get a rather interesting perspective.

I have supported the consumers' interests. The Senator from Ohio has been very thoughtful and has pointed that out in the record.

But I see nothing but folly in idle support for a consumer issue for which there is not the necessary votes to ever have the issue raised, or at least, which would kill another piece of legislation a Senator feels is important. I happen to believe this bottling bill is important.

I would like to correct the record. There has been a great deal of discussion about the profitability of the bottling business. I point out on page 19 of the record that we have a bottler saying:

> I have never earned more than 5 percent on dollar sales. Last year I earned 2 percent.

We also have him describe in some detail what is going to happen when the large bottlers come in and compete with this small bottler. He outlines it:

> I am out of business. Retail prices will be raised, in my opinion, by the big groceries and chains who, at least, in the past have always placed national brands above their private labels to assure that those private labels do, in fact, sell.

That is in the record.

We also have the expert witness before the FTC, Mr. Comanor, who testified before our committee, of which the distinguished Senator from Ohio is chairman.

He pointed out that the profit from these small companies is small.

I do not know why we need to start talking about the profit of the sirup companies, which is where the FTC made the mistake in the first place, when they looked at the percentage of the sirup companies instead of the small bottlers.

I feel this as sincerely as I know how, and I think as sincerely as the Senator from Ohio feels on the other side of this thing, in my judgment, without this bill, we are going to have most of the small bottlers in America go out of business. I think the record shows that.

As a result of that, we will have a few large bottlers, of which there are some now, who are going to take over the market, and, when there are a few bottlers, we will have less competition, and we will have a greater tendency to increase the price.

There is no question, in my judgment, that there will be less service, less availability, because the small bottlers now emphasize service. The large bottlers will emphasize volume sales.

There has been discussion about the antitrust violations. Let me suggest that we have already discussed that.

I ask anyone to look in the record who may have a question about whether this is a bad thing or not.

We are trying to preserve the rights of these small businesses after a 75-year practice has been changed by a split vote of the FTC. We feel that the bottlers, who have been acting according to what the precedent of the courts have said, and an 75-year precedent, should not be accused of a violation of this very small area, the territorial franchise, until a court has ruled upon it.

Mr. President, I close by pointing out that although my friend from Ohio feels very strongly that the issue here involves antitrust, and that his position is proconsumer, if one would look at the record of the last votes, we had a cloture vote of 86 to 6. The next amendment was 88 to 3. The next was 89 to 4.

I leave it to the judgment of the public, even consumer advocates, when they go down that list and see Senators BAYH, BRADLEY, BUMPERS, BURDICK, BYRD, CHAFEE, CHURCH, CULVER, EAGLETON, HART, HATFIELD, HUDDLESTON, INOUYE, JACKSON, LEAHY, MAGNUSON, MATHIAS, MCGOVERN, MOYNIHAN, NELSON, PACKWOOD, PERCY, PRYOR, RANDOLPH, RIBICOFF, RIEGLE, SARBANES, STEVENSON, TSONGAS, WEICKER, WILLIAMS—I left out some of our colleagues, including my good friend from North Carolina.

I just think it is stretching it a little bit to suggest that all these people, all 86 of those who voted for cloture, all 89 who voted 89 to 4, against my friend from Ohio, that all of us are in bed with these big, large oil companies, and against the poor little consumer, because, as my friend from Ohio knows, that is not the case.

We have a legitimate difference of opinion on this issue, on which at least 88 Members of the Senate joined with the Senator from Indiana, and I am glad to have their support, as we feel those bottlers need the kind of assistance necessary to be able to provide the kind of service that would not be available if the FTC's decision stands.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I point out to my friend from Indiana that I do not think he really meant, in bed with the oil companies. I think he meant in bed with the bottlers, did he not?

Mr. BAYH. No. I meant in bed with the oil companies, because my good friend from Ohio suggested by being against his application of the oil merger bill and Illinois Brick, that he put all of us who want to help the hometown bottlers in bed with the multinational giants.

Mr. METZENBAUM. No.

Mr. BAYH. I do not think he can sell that voting list on that basis.

Mr. METZENBAUM. I would not do that.

I just say that a number of my friends in the Senate today are in bed with the bottlers.

But I do not say that improperly. I do not say there is anything improper about it at all. I do not mean to suggest that. I think bottlers have done a very effective lobbying job.

I would like to respond very briefly to the comment the Senator from Indiana made about this return.

I pointed out the returns were good, 16, 18, 20, 22, 25 percent. My friend from Indiana pointed out, using different figures, I think, 2 or 2.5 percent, and the other was something down around that area, as well.

I emphasize for the record that he was talking about return on sales and I was talking about return on equity, and there is a big difference.

As a matter of fact, on page 148 of the committee report, there is this exchange with Mr. Koons and myself:

> Senator METZENBAUM. You are the only bottler we have today. Has the bottling industry been a reasonably profitable industry?
>
> Mr. KOONS. Yes, sir. I think so. We make a profit on all packages. As I say, I don't have my statement here, but I think that we run around 5½ percent on sales, something like that.
>
> Senator METZENBAUM. And it shows a profit of about 20 percent on equity, approximately, which is certainly respectable and nothing to be——
>
> Mr. KOONS. Nothing to be ashamed about, that's right.

I think a 20-percent profit does put the bottlers in the same league with the oil companies as far as the return on equity is concerned. I am pleased to see that the Senate has such concern about those small bottlers and that we are about to give them an exemption from the antitrust laws.

Mr. HELMS. I yield myself such time as I may require.

Mr. President, I hope the distinguished Senator from Ohio will understand that there is not the slightest hostility on the part of any Senator toward him for his having exercised his rights in accordance with the rules of the Senate. To the contrary, speaking for myself, I express to him a sense of admiration, because from time to time, I feel a bit lonely in this Chamber, and I understand his feeling that he should defend his position as vigorously as he can—and he has certainly done that.

I disagree with him on this issue. He knows that. But he has stood for what he believes to be right, and a man never makes a mistake when he does that.

As for the pending measure, as an original cosponsor of S. 598, I strongly support this legislation to preserve a unique and competitive industry practice—the manufacture, bottling, and distribution of trademarked soft drinks by local companies operating under territorial licenses.

The Soft Drink Interbrand Competition Act allows local manufacturers to maintain their territorial licenses as long as there is substantial and effective interbrand competition. The Federal Trade Commission's decision to bar as unlawful territorial restrictions in soft drink trademark licensing—like most misguided bureaucratic actions—does more harm than good.

In the long run, the FTC decision would prove to be anticompetitive. If territorial licenses are prohibited, it is most likely that many of the small bottlers will be absorbed by larger ones. I think that is the question that many Senators recognize today. Such a restructuring of the industry would be inconsistent with the purposes of the antitrust laws.

Mr. President, this legislation is not—as the administration charges—"an effort by special interests to remove themselves from the application of antitrust rules designed to maximize competition and preserve efficiency." Such a statement misrepresents the intent and purpose of this legislation. The Justice Department lawyers surely must know—if they can read the English language—that S. 598 does not exempt the soft drink industry from prosecution under any of the antitrust laws.

All we are really doing with S. 598 is rendering lawful these exclusive territorial contract arrangements under a specified set of circumstances. The illegality of those contracts is in doubt despite the FTC decision, since an administrative law judge did not hand down the same opinion as the FTC and the question is, in fact, being litigated. The contracts in question will only be considered lawful in the presence of "substantial and effective" interbrand competition with products of the same general class.

Under the trademark licensing system which exists in the soft drink industry, the franchise company produces and sells sirups or flavoring concentrates pursuant to trademark licensing agreements with independent bottlers, participates in advertising and promotional expenditures made in connection with trademarked products, provides advice and technical assistance on production, quality control, management, and sales problems, and assists in development and test marketing of new products and containers.

The bottler, in turn, manufactures, distributes and sells the trademarked products and provides the capital investment necessary for this market. He determines the plant and equipment to be used, the volume of production by size and type of container, the product mix, the wholesale price to be charged, and the manner in which he can maximize his market penetration to secure the widest possible distribution of his products throughout the territory. The bottler delievers soft drinks directly to retail stores and other outlets through what is commonly referred to as the store-door system. On a regular basis the bottler makes deliveries, retrieves empty returnable bottles for reuse, and provides merchandising and other services. Route delivery to a combination of large and small volume stops permits the small accounts to be economically serviced. because the bottler is also making deliveries to high volume accounts on the same route.

Last year, the Judiciary Committee heard testimony concerning the structure and dynamics of the soft drink industry. According to the testimony, there were 1,724 soft drink bottling companies competing in the United States in 1978. Of the 2,048 bottling plants in the United States, 1,412 had fewer than 50 employees. Many of these plants are family owned; many of them hire significant numbers of employees in the small communities in which they are located. Moreover, while this industry has been experiencing a trend of acquisitions in recent years, the testimony before the committee indicated that this growth was principally in the number and market shares of moderate sized firms, which reflects efficiency promoting adjustments to economies of scale and new technology by the soft industry. As a result, a survey of large metropolitan areas reveals that most of them are served by between 6 and 12 franchised soft drink bottlers, plus unfranchised operations and supermarket private labels and that even in the smaller metropolitan areas the availability of fewer than 5 or 6 sources of soft drink supply is relatively rare.

A 1977 profile of the North Carolina soft drink industry is illustrative of the small size and competitive nature of this business, and I ask unanimous consent to have a table in this connection printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

North Carolina soft drink manufacturers

Number of plants	87
Domestic owned plants	70
Number of firms	59
Domestic owned firms	52
Single-plant firms	41
Multiplant firms	18
Plants by number of employees:	
1 to 49	61
50 to 99	14
Over 100	12
Number of cities with plants	49

Mr. HELMS. Mr. President, for 75 years the soft drink industry and soft drink bottlers have operated under the belief that their territorial contracts were legal. In repeated litigation the legality of those contracts has been upheld, most recently in January 1980. To subject them now to punitive damages for operating in a manner they believed to be legal is unfair. If, in fact, substantial and effective competition can be proved to be absent from the soft drink market after the passage of S. 598, the soft drink bottler in question would once again be subject to treble damages. Therefore, this is not a total exemption from treble damage threats for all time. Also, this bill does not exempt the industry from treble damages from any violations of antitrust laws not relating to their territorial contracts.

The protracted nature of the litigation and the uncertainty created by the FTC decision has left in its wake the strong possibility that the structure of the industry may begin to fall apart before the litigation is completed especially since there are still appeal avenues open to both sides. It is, therefore, important that Congress enact this legislation as quickly as possible.

Mr. President, I yield back the remainder of my time.

Mr. COCHRAN. Mr. President, I take this opportunity, before we vote on final passage of the bill, to commend the distinguished Senator from Indiana (Mr. Bayh) and the distinguished Senator from South Carolina, (Mr. Thurmond), the ranking minority member of the Judiciary Committee, for the leadership they have provided and the hard work that has gone into presenting the facts about this measure to the Senate; for bringing the bill to the floor, helping it to gain its way through the roadblocks that were thrown in front of it, so that we would have an opportunity to vote on it today.

I have the greatest admiration, also, for the distinguished Senator from Ohio, who knew he did not have the votes to prevail, yet he waged a strong fight. I have the greatest admiration for him, even though I have to say that he is wrong on this bill.

We have here a bill that deserves the support it has received from the Senate. It is going to guarantee that there will be substantial and effective competition in the small rural communities as well as the large cities of this country. It is a pleasure to be associated with this measure and to be a principal sponsor of it. I hope we now can move to a vote.

Mr. BAYH. Mr. President, I appreciate the thoughtful remarks of the Senator from Mississippi. The record will show, as I indicated earlier, that the Senator from Mississippi has been a longtime champion of this measure. Before he came to this body, he was extremely interested in providing leadership in the House. I thank him and his staff for their able assistance here.

I say to all my colleagues that I deeply regret that the parliamentary facts of life required us to take so much time. We have many things that are extremely important. There was no way to get a vote on this measure without going through all the business we went through. Everyone acted courteously and all acted within their rights. I regret the fact that it took us this long. I appreciate the patience of all involved.

Mr. METZENBAUM. Mr. President, I express my appreciation to the Senator from Mississippi for this kind remarks.

Mr. COCHRAN. I thank the Senator.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. CULVER. Mr. President, I ask unanimous consent that Mr. George Gilbert, of my staff, have the privilege of the floor for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, in order that my position may be clear, I am prepared to vote immediately. I am prepared to vote without insisting upon the remainder of my time.

I do not know about other Senators. I am prepared to have a voice vote or a rollcall vote, whatever is the wish of the sponsors of the measure.

Mr. BAYH. I appreciate the wish of Senator METZENBAUM to move quickly. The Senator from New Hampshire and others have had important engagements which they have foregone. I think that they should have an opportunity to vote up or down on this issue and get it over with on a rollcall vote.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I first take this opportunity to commend the distinguished Senator from Indiana and the distinguished Senator from Mississippi for the long, hard and arduous work they did on this bill.

This is a bill that was originally sponsored by Senator Eastland from Mississippi some years ago.

Senator Eastland first introduced the soft drink bill but unfortunately it was not passed by the Senate. At a later date Senator Eastland did sponsor another bill which passed the Senate but was not taken up by the House of Representatives.

I am glad that his able successor has been able to foster this bill and nurture it and promote it as he has.

Mr. President, I also say that this is not a complicated bill. It is a very simple bill. It simply allows the licensee the sole and exclusive right to manufacture, distribute, and sell his product in a defined geographical area. It does protect the public. It has a proviso that reads this way: "Provides that such product is in substantial and effective competition with other products of the same general class."

So that means that in any geographical area there will be competition. There will have to be competition under this bill. If a man, for instance, has a Coca-Cola license he will be in competition with Pepsi Cola or 7-Up or Royal Crown or Canada Dry ginger ale or Nehi or the product of any other company.

Mr. President, I am convinced this bill is in the best interests of the small bottler, and that is the reason I supported it.

I commend all of the authors of this bill. There were 80 to start with; Senator Muskie became Secretary of State, leaving 79. I think that shows the strong sentiment for this bill and I am very pleased that so many did join on this bill and that it has received such magnanimous support during its consideration here in this body.

Mr. President, I say that on this matter I have differed violently with the distinguished Senator from Ohio. I am convinced that the position that the 80 Senators took endorsing this bill was the right position. On the other hand, he stood here and fought his case openly and bravely and I commend any man for taking such a position of standing for his convictions.

Mr. PERCY. Mr. President, I have not spoken on this bill yet although I am an original cosponsor of it. I only intend to speak for 3 or 4 minutes and then we can go immediately to a vote.

To begin, I do wish to address some comments particularly to the distinguished Senator from Ohio. I respect the conviction with which he speaks and I have listened with great interest to his comments on this legislation.

He and I have in common a business background, but I sometimes find myself diametrically opposed to his point of view despite that commonality of background. The issue of franchises represents one of those instances.

I wish him to know that during my years in business, I spent a great deal of time trying to design a distribution system for the motion picture sound projectors we sold to schools, churches, industry, and individuals. We tried many different ways and finally decided to build this business by a system of franchises. We gathered together independent businessmen from all over the country; gave them territories; and set them up in business. This made possible the growth of an industry that really has benefited, I think, our entire economy.

I saw the system work. It was highly competitive. It was looked upon as a cutthroat business. But these private entrepreneurs, with that franchise, were able to take the risk, make the investment, and do the servicing.

Mr. President, as an early supporter and cosponsor of S. 598, the Soft Drink Interbrand Competition Act, I am pleased by the strong showing of support for it this morning. In invoking cloture we are following an unusual, though not unprecedented, procedural course of action. However, it was necessitated by the obvious desire of most Members of the Senate to pass S. 598 without debilitating or totally destructive nongermane amendments.

S. 598 should be considered and enacted on its own merits. It is necessary to prevent the destruction of the soft drink industry as it has existed for many years. Until we enact this legislation, the industry will remain in a state of uncertainty and confusion. This is not the time for action on unrelated, highly controversial issues.

Since 1971 the Federal Trade Commission has been attempting to bar the industry's territorial franchise agreements which restrict the geographical territory in which a bottler may manufacture and distribute soft drinks. The FTC has argued that this is necessary to promote fair competition. In my judgment and based on 28 years of business experience, the FTC's actions will have exactly the opposite effect.

From all the evidence I have seen, the soft drink bottling and distribution industry is highly competitive as it is presently structured. The administrative law judge at the 1971 FTC hearings on this issue found that there was a high level of interbrand competition in the industry. Certainly the Illinois bottlers with whom I have spoken believe they are in a competitive industry. There are 61 bottlers in Illinois with approximately 5,300 employees. In all, 91 bottling companies currently service our State. Of our 61 plants, over 50 are individual firms and nearly 50 have less than 50 employees. These are small businesses in the true sense of the term and all would be threatened if the FTC were allowed to terminate the industry's current method of doing business.

It is my conclusion that rather than promote competition in the soft drink industry, the FTC's action would have the opposite effect. The 93 percent of the industry that is now privately owned would, I am afraid, be swallowed up by larger bottlers. We would be left with a noncompetitive oligarchical industry which would likely be of less service to consumers, the very opposite of what the FTC states it intends.

S. 598 is drafted to assure that competition in the soft drink industry continues, while allowing the industry to continue its traditional small business nature. I urge its speedy enactment.

Mr. President, I commend Senator METZENBAUM. We disagree on occasion, but I admire how hard he fights for what he believes in.

He comes to his conclusions as a result of very careful thought. He speaks out without any fear of the consequences. I believe it is a real Senator who does that, and I am happy to add my expression of regard to those already made by my colleagues.

Mr. BUMPERS. Mr. President, I am a cosponsor of S. 598 and strongly support this important piece of legislation. Without this legislation, many bottling companies might be forced out of business by competition with the very companies who supply sirup to them.

For over 75 years the bottling industry has operated with a system of territorial franchises. These territorial franchises allowed businessmen to invest large amounts of capital in bottling equipment with some protection for their investment. During these 75 years the different types of soft drinks available and the different types of packaging available have continued to grow from 1 or 2 types of soft drinks in 1 package to at least 3 or 4 dozen nationally recognized soft drink brands in 6 to 10 different types of packages.

The majority of these bottling companies are small employers. According to testimony before the Senate Judiciary Committee there were 1,724 soft drink companies in the United States in 1978 and 2,048 bottling plants; 1,412 of these bottling plants had fewer than 50 employees. In Arkansas there were 33 soft drink bottling companies in 23 cities in 1978. Of these 33 plants, 23 had fewer than 50 employees. Only three plants had over 100 employees.

However, the companies which supply sirup to these bottling companies also operate bottling plants of their own. For example, PepsiCo, the parent company of Pepsi sirup owns bottling franchises in Massachusetts, Connecticut, New York, Pennsylvania, New Jersey, Michigan, Florida, Texas, Nevada, Arizona, California, and Wisconsin. Because of territorial restrictions the bottling companies owned by the sirup manufacturers do not now compete with the small bottlers, but if the territorial restrictions were abolished, they would compete with one another.

A recent FTC decision involving Coca-Cola and PepsiCo held that the territorial franchises of the soft drink industry were unreasonable restraints of trade. The underlying administrative law judge's decision had found that there was substantial interbrand competition among the bottling companies and that the territorial franchises were not unreasonable restraints. The administrative law judge found that removing the franchises would change the industry in several undesirable ways. Many small bottlers would be forced out of business through competition with large bottlers, particularly those owned by the sirup companies, and the use of the returnable bottle, which provides considerable cost-saving to the consumer, would be substantially reduced since a bottler would be uncertain whether he could recapture his large investment in returnable bottles without the guarantee of his geographic area.

If the territorial franchises were eliminated, many large bottling companies could distribute their product, in nonreturnable containers throughout the United States. Several of the large bottling companies are owned by the sirup companies themselves and there is a tremendous potential there for these companies to gain control of the market. Smaller companies would be forced out of business and then the large bottlers could control the market and price the products as they wished.

Right now the small bottlers have some protection through the territorial franchise system. Even with this protection, the bottlers must operate in a highly competitive market.

Our small employers provide important economic and social benefits for their communities and the Nation. According to an MIT study by David Birch, "The Job Generation Process," small employers provided over 57.8 percent of the jobs between 1969 and 1976. During that same time period, small firms provided over 66 percent of the net new jobs created. A recent article in the Washington Post, pointed out that small locally owned firms provide markets for suppliers, and funds for financial institutions. Locally owned small businesses promote the community's welfare and support its programs. If a larger company buys out a small firm or forces it out of business and serves the area long distance, the community loses economically and socially since the larger company has no local interest. This legislation will protect the small bottlers who provide these benefits to their communities.

As for returnable bottles, now the industry operates under a store-door delivery system. Large supermarkets would prefer to receive soft drinks through a warehouse system. A warehouse system would concentrate the sales in the hands of large bottlers in metropolitan areas and would encourage the use of nonreturnables.

For example, Shasta soft drinks are warehoused to supermarkets and they are only sold in nonreturnables. It is impossible to recover returnable bottles if they are warehoused and then delivered to various stores. Returnable bottles require significantly less energy to produce in the long run and eliminate the waste problem of nonreturnable containers. Returnable bottles also save the consumer money. In Arkansas a 32 ounce returnable bottle sells retail for between 1.03 and 1.35 cents an ounce while a nonreturnable can sells for 2.76 cents an ounce, over twice as much.

Moreover the price of soft drinks in returnable containers from 1939 to today has increased about 60 percent while the Consumer Price Index for that period has gone up over 400 percent. In Arkansas between 51 and 55 percent of the packaging for soft drinks is in returnable bottles. Eliminating returnable bottles would mean that the cost of soft drinks would rise significantly for most customers in Arkansas. Passage of this legislation will help keep consumer cost and energy consumption down.

For these reasons, Mr. President, I urge my colleagues to support and quickly pass this legislation.

Mr. ROTH. Mr. President, today I wish to speak in support of S. 598, the Soft-drink Interbrand Competition Act. The support of this legislation by a large majority of the Senate, and similarly large support for companion legislation in the House of Representatives, comes as no surprise. Throughout the country, the soft drink industry is part of the way of life of most Americans, from school children to retirees.

The Soft Drink Interbrand Competition Act would prevent great harm from befalling this industry and at the same time would foster the continuation of an industry practice which dates back to the earliest years of the 20th century.

Section 2 of the bill limits its application only to those areas where there is "substantial and effective competition with other products of the same general class." This provision should work to the advantage of American consumers in two ways. First, it should provide a continued wide range of choice among similar competing products, permitting the satisfaction of a wide range of consumer tastes. Second, intense competition between brands in a limited market area will most likely include price competition, thereby keeping consumer costs for soft drinks at the lowest possible level.

S. 598 will avoid a wrenching change in the structure of the industry. This means that independent bottlers and distributors, and especially the smaller and more vulnerable ones, will have some insulation from predatory competition. The prosperity of small businesses, which provide most of the employment in this country, has always been an important concern of the Senate.

While stabilizing the industry's structure along lines which have worked well for generations, S. 598 would also eliminate a major uncertainty which has impeded the growth and prosperity of companies in the soft drink business. I refer to the unsettled legal status of intrabrand soft drink competition as different opinions are registered by the courts and regulatory agencies.

I am pleased to have cosponsored this legislation. I urge its prompt enactment.

● Mr. LEVIN. Mr. President, I am a cosponsor of the Illinois Brick bill and I am hopeful that the Senate will have the opportunity to vote on this bill on its own merits. This bill would overturn the 1977 Supreme Court decision in Illinois Brick Co. against Illinois, in which the Court held that only persons who have dealt directly with an antitrust violator are entitled to sue that violator for antitrust damages. However, it is my opinion that this bill, while worthy of support on its own merits, is not germane to S. 598 and it is for this reason I do support the nongermane ruling of the Chair.●

Mr. DOLE. Mr. President, in considering S. 598, the Soft Drink Interbrand Competition Act, I feel compelled to note that this legislation is considerably different than the original Eastland bill which attempted to deal with this problem several years ago. The Eastland bill attempted to say that vertical exclusive territorial license agreements between soft drink companies and bottlers were legal per se, under the "per se" rule of the Supreme Court.

However, in 1977, in the GTE Sylvania case, the Supreme Court held that the so-called rule of reason test, rather than a standard of per se illegality, should be used to evaluate vertically imposed nonprice restrictions, such as the territorial restrictions in bottlers' contracts. In 1978, the FTC supposedly applied the "rule of reason" to bottlers' territorial restrictions and concluded that such restrictions were unreasonable restraints of trade.

Yet, in studying the FTC opinion, the Senator from Kansas has concluded that the FTC based its decision on only the intrabrand effects of a territorial restriction, rather than on its interbrand effects. Since, by definition, a territorial restriction is a directly intrabrand restriction, under the analysis of the FTC, such restrictions will always restrain intrabrand trade. Hence, even though the FTC acknowledged that the "rule of reason" was the correct legal standard, it actually applied a standard of per se illegality by refusing to consider the interbrand impact of these restrictions. As a matter of antitrust policy, it is this competition between brands that the Senator from Kansas believes is most significant.

S. 598 clearly articulates a "rule of reason" standard to judge the territorial restrictions of bottlers. In this way, it overturns neither the precedents of the Supreme Court nor the law the FTC claimed to apply. Consequently, this legislation is not a departure from present law, but rather represents a reasonable way of clarifying an ambiguity which has developed in the application of the law. The Senator from Kansas is confident that this bill satisfies the aims of our antitrust laws; namely, it seeks to assure effective competition in the marketplace.

This measure, if enacted into law, would obviate the necessity of having many different lawsuits brought before the FTC in order to clarify the application of the Sylvania case's rule of reason test to the soft drink bottling industry. The bill applies the rule of reason test by requiring in section 2 that a territorial license agreement must result in "substantial and effective" interbrand competition between different soft drink products of the same general class in order for the territorial license agreement to be legal. Thus, this language in section 2 resolves the problem that was raised in the case brought before the FTC last year. The bill would have no effect where substantial and effective interbrand competition is not found to exist in a market. The usual rules of antitrust law which measure such vertical agreements under a "rule of reason" analysis would apply in such a case.

The bill insures that both interbrand and intrabrand competition would be considered in judging the legality of a territorial license agreement. By considering interbrand competition, this legislation will preserve the system of vigorous competition which has prevailed in the soft drink bottling industry for over 75 years. The evidence of this competition can be seen on several fronts. There are fairly low barriers to entry in the soft drink market, which indicates the existence of a high degree of competition.

In addition, advertising expenditures in recent years have increased by a percentage amount greater than that for sales of soft drinks. This indicates that the various brand manufacturers are engaged in serious competition for market share in their respective soft drink markets. Third, the cost per ounce of a soft drink over the past few decades has increased by a percentage amount which has been much less than the percentage rise in the general Consumer Price Index.

This high degree of competition has been of benefit to consumers. We can see that the price of soft drinks has been remarkably low over the years, and we want to preserve this benefit to consumers. This bill will insure that such benefits continue.

If the bill is not passed, we may see the rapid acquisition of smaller independent bottlers by larger regional or national bottlers because these latter bottlers have greater financial strength and resources to mount a bidding war against the smaller bottlers. In addition to the reduction of competition, this means that many jobs at the smaller bottlers plants are at stake. The unemployment rate is high enough without increasing it through confused application of the antitrust laws. This is another justification for the bill.

In addition, the bill does not provide immunity for the use of territorial or customer restrictions if they are part of a scheme to engage in collusive or exclusionary practices. Thus, the bill cannot be used as a cover for price-fixing, horizontal market divisions, or customer or wholesale boycotts. It is aimed at a specific problem.

Yet another beneficial result of S. 598 will be to shorten and simplify antitrust trials where the legality of nonprice vertical restraints on territories and customers in the soft drink industry is being questioned.

The Senator from Kansas has followed this bill closely in the Judiciary Committee and has participated in its consideration. It represents a valid middle ground compromise approach to the problem before us. Accordingly, the Senator from Kansas is pleased to vote for this bill today.

Mr. DURENBERGER. Mr. President, it is impossible to overstate the significance of the bottling industry to the economy in my State, and the economy of the Nation as a whole.

Sales of soft drinks by Minnesota bottlers totaled an estimated $256.9 million in 1978. The bottlers employed 2,285 Minnesotans, with a payroll in excess of $32 million. Minnesota houses 48 bottling plants, most of which are small, independently owned businesses. All but seven of these plants have 100 employees or less. These plants are located in 32 cities across the State of Minnesota, and paid over $4 million in State and local taxes last year. In addition, these companies purchased goods and services from other firms totaling $154.1 million.

These figures parallel statistics from other States in the Midwest, and in the Nation as a whole. The soft drink bottling industry has been a vital portion of the Nation's economy, and if permitted to stand in its present form, the Commission's decision would have a devastating effect on its continued vitality.

Overall, elimination of bottler territories will have a substantial adverse impact on bottlers, especially small bottlers, on use of the returnable bottle, on soft drink competition, and on industry concentration.

Historically, franchised bottlers have used store-door delivery as a means of handling returnable bottles, assuring quality control, and providing other customer services to both large and small accounts. But most food chains prefer to receive delivery of soft drinks at their warehouse distribution centers rather than at their retail stores. Without the market power that comes from exclusive territories, bottlers will be increasingly pressured to make warehouse deliveries, or to allow chains to pick up franchised brands on their own trucks for backhaul to their warehouses.

This will have a significant effect upon returnable bottles. Delivery of returnable bottles is economical through store-door delivery but not through warehouse delivery. For this reason because returnables involve extra handling costs, and vigorous price-per-ounce competition with the chain's own private label soft drinks, which are sold almost exclusively in nonreturnable containers, many food chains have discouraged the sale of returnables in the past. With the shift to warehouse delivery, returnables would be eliminated at many food chains. Once returnables and nonreturnables are not distributed together, cost of delivery of returnable bottles will increase dramatically; the ultimate effect will be the demise of the route delivery system and, therefore, of the returnable bottles.

The shift to warehouse delivery would also cause the demise of many bottlers. As chains begin to receive franchised brands through their warehouse distribution systems, many bottlers will lose a major part of their nonreturnable business in food stores to neighboring bottlers, since chain warehouses typically service a larger area than do individual bottlers.

Since sales volume is critical to a successful bottling operation, the bottlers who were unable to secure the warehouse business would experience a sharp increase in unit costs. To survive, such bottlers would have to increase prices to their remaining customers, or reduce costs by cutting back on service and other activities, or both. However, as bottlers cut back on services, which develop demand for the franchised soft drink brands they sell, and increase prices, the result will be a further decrease in demand. The inevitable result will be the loss of hundreds of bottlers.

Obviously, this would have an adverse effect on consumer choice. The loss of independent bottlers will have a direct effect on the choices of soft drink available to customers. Historically, many soft drink brands have succeeded in local markets mainly because they are manufactured and distributed by bottlers of major franchised brands. As the number of bottlers decreases, the slower moving brands would find it difficult to survive since the remaining bottlers would stress high volume brands. Weaker brands would also be unable to obtain distribution through alternative warehouse delivery channels, since food chains prefer to handle only the fast moving brands, and their own private labels. The result would be fewer competitive brands and fewer consumer choices.

Rejection of S. 598 would produce significant adverse price effects. In the short run, there would be a temporary price reduction at the wholesale level for certain nonreturnable packages—principally cans—but only for the chains and other high volume accounts, which represent about 40 to 45 percent of sales of franchised soft drinks. However, no retail savings to the customer can be expected even at these accounts. The chains have a longstanding practice of maintaining a retail price spread between franchised brands and their own private label soft drinks. This fact has been repeatedly demonstrated by experience with warehouse delivery by various soft drink companies, where lower wholesale prices for nonreturnables delivered to warehouses were not translated into lower retail prices in chain store outlets. Moreover, the consumer would experience a rise in prices in nonchain store accounts—which represent 55 to 60 percent of sales—and a decline in the use of returnables which constitute about 40 percent of the sales of franchised brands and are generally cheaper than nonreturnables on a price per ounce basis.

Finally, rejection of S. 598 would restructure the bottling industry. In a few years, the result of eliminating territories would be the restructuring and concentration of the industry into the hands of a few extremely large, regional soft drink manufacturers. These surviving bottlers would offer fewer brands in a limited number of packages and distribute soft drinks to a fraction of the accounts presently served. In this concentrated economic environment, wholesale price levels would rise even to warehouse delivered accounts, and overall retail prices to consumers would further increase.

Mr. PRYOR. Mr. President, I would like to reaffirm my strong support of S. 598, the Soft Drink Interbrand Competition Act, and encourage my colleagues to vote in support of this legislation.

This legislation is most important as it will benefit the small soft drink bottler and permit the continuance of a territorial distribution system which has been in existence for over 75 years. The existence of exclusive territories allows small- and medium-sized bottlers to compete effectively with large bottlers and giant conglomerates which own bottling operations. It focuses competition within a defined geographic territory, thus allowing the bottler with smaller resources to focus all of those resources in a given area and meet the competition of his larger competitors. This system has allowed second and third generation bottlers to grow and prosper along with their larger competitors.

Without passage of S. 598, there may later be fewer bottlers and greater market concentration in the hands of a few. The elimination of exclusive territories would, thus, not improve the competitive nature of the soft drink industry, it would result in increased concentration as smaller bottlers disappear. This will cause declining product and price variety in the marketplace for soft drinks. This would appear to bring about the very antithesis of the intent of antitrust laws.

Mr. President, S. 598 preserves competition in the soft drink industry. It will benefit the small soft drink bottler and the consumer, who will find lower prices and increased quality and service. I believe that this body should act to approve this legislation which will clarify the antitrust laws and preserve a system of doing business which has benefited all of us.

Mr. BAUCUS. Mr. President, the legislation we are considering today, S. 598, has implications that go far beyond the soft drink bottling industry. The action we take today is an excellent example of Congress standing up to a Federal bureaucracy that we perceive is not operating in the public interest.

So much has been written about how the Federal Government is out of control and how Congress has failed to pull in the reins. But, this legislation is one outstanding example of what we in Congress can do if we are willing to exercise properly our oversight responsibilities.

I applaud the Senate for this action and I trust that we in Congress will continue to monitor carefully the activities of all Federal agencies, and to bring this kind of legislation to the floor of the Senate each time it is warranted.

We also have another lesson to learn from this legislation. I am reminded of the warning of the Roman writer of fables, Phaedrus, who wrote "things are not always what they seem." That message has a unique application with respect to the soft drink franchise legislation that we are considering today.

The FTC took a look at the practice of major bottling companies entering into "territorial franchise" agreements with local soft drink bottlers. Under these agreements, soft drink bottlers and major distributors enter into contracts whereby only one person will be entitled to distribute that particular soft drink in a given geographic area. This means that if Max Baucus is a small soft drink bottler in Helena and has a contract with a major soft drink company to distribute a certain product in Helena, no other individual can obtain that product and distribute it in the Helena area. On its face without looking beyond, that would appear to be an anticompetitive practice.

But it would be a big mistake for Government to end its analysis there and begin to try to terminate territorial franchise practices.

If the real beneficiaries of the FTC's endeavors were other Montanans who wanted to be able to compete with Max Baucus in distributing a product in Helena, then I would be the first to stand up for their right to compete for the distribution of that product. But there are two other factors which are so important that for me they make this legislation a very simple proposition.

The first factor is that it is not other small Montana businesses who would benefit from FTC's attempts to prohibit territorial franchises. Rather, it is large bottlers located in Seattle and Denver and Los Angeles and Chicago who would be taking soft drink bottling franchises away from Montanans. While the territorial franchises may keep some small businessmen from Montana from competing with other small businessmen from Montana, their real benefit is that they are keeping small Montana businesses from being taken over by large businesses owned and operated by large companies located hundreds and thousands of miles outside of our State.

Additionally, the opponents of this legislation overlook the fact that there is a great deal of competition between brands of soft drinks. Although Max Baucus may have exclusive rights to soft drink *x*, nothing in the territorial franchise scheme will prevent any Montanan from competing with Max Baucus with soft drink *y*, *z*, or any other brand for that matter.

It is the protection of small Montana businessmen and the fact that competition does currently exist in the soft drink industry that have convinced me that these territorial franchises are not what the FTC claims them to be. If I believed they were keeping small businessmen out of business, Mr. President, you can rest assured that I would be one of the chief opponents of this legislation. Rather, in my conversations with Montana businessmen, I am convinced that just the opposite is the case: that the territorial franchises permit small Montana businessmen to continue to exist. This legislation would permit territorial franchises to continue.

I believe that the FTC should be working on anticompetitive practices that hurt small businessmen. There must be thousands of other practices that really impact negatively on all of us. I believe my vote on this legislation will be a message to the FTC that they should rearrange their priorities and focus their attention on those practices that really do hurt the small businesses of our country.

I am proud to have been an initial cosponsor of this legislation, and I am proud to be identified with a Senate that is taking a stand that will show the country that when the Federal bureaucracy does not act in the public interest we in the Congress can do something about it. This is an important precedent, and I hope it will just be the first of many similar occurrences during my tenure in this distinguished body.

Mr. BOREN. Mr. President, I rise in support of S. 598. The soft drink bottling industry has been in an uncertain state for nearly 10 years, and the passage of S. 598 will eliminate that uncertainty and validate the manner in which the soft drink industry has been operating without challenge, for over 75 years.

The industry has always operated under the belief that it was entirely appropriate to have exclusive territorial provisions or franchises to manufacture, distribute, and sell their products. That belief was reinforced by the Federal courts themselves 60 years ago with a decision that supported the manner in which the industry operated.

Then, in 1971, the Federal Trade Commission decided to challenge the territorial provisions in the bottlers trademark licenses. The Commission apparently felt that the licenses constituted unfair methods of competition in violation of section 5 of the Federal Trade Commission Act. As has already been pointed out on the floor by the able and distinguished Senator from Mississippi, Senator Cochran, extensive hearings were conducted over a 6-week period and in October of 1975, the administrative law judge at the Commission issued a lengthy and detailed opinion which upheld the legality of territorial provisions and trademark licenses.

The administrative law judge not only ruled that the franchise system was lawful, but that it positively fostered competition. The judge, in his 91-page ruling, went to great lengths to find that the effect of the system was such that there was intense interband competition in this industry in terms of price, product innovation, and marketing technique.

Mr. President, you can imagine the stunned disbelief in the industry when the full Commission, with only token references to the evidentiary records, overruled the judge and held that the territorial provisions did, in fact, violate the FTC act. The vote was 2 to 1.

In making their finding, the Commission never tried to rebut the judge's opinion that there was intense price competition in the sale of soft drinks—they simply held that without territorial restraints, there would be more competitors and therefore more competition.

One of the most incomprehensible portions of the Commission finding was that bottler territories should not be permitted in the distribution of soft drinks contained in nonreturnable containers, but soft drinks in returnable containers should be permitted.

That ruling has been appealed to the Federal courts.

S. 598 is intended to remedy the chaotic conditions that have prevailed in the industry since the FTC ruling. Specifically, the bill provides that exclusive territorial licenses to manufacture, distribute, and sell trademarked soft drink products shall not be deemed unlawful as long—Mr. President—and this is very important—as long as there is "substantial and effective competition" among different products.

The bottlers that are affected by this bill, Mr. President, are by-and-large family owned businesses. In 1979, over 2,000 bottling plants were in operation throughout the United States. Seventy-five percent of those employ 50 people or less.

Mr. President, if this bill does not pass, and in the event that the Federal courts should reverse themselves and support the FTC's finding, the victims would not be only the small bottling firms I have mentioned, but also the general public.

Here is what I believe would happen. Large bottling companies with regional distribution systems and sufficient operating capital, not available to smaller businessmen, would move into a small marketing area and undercut the price of the local bottling firm. Once the local firm was driven out of business by this price-undercutting technique, the larger regional operation could set any price they chose.

There is no doubt in my mind, Mr. President, that whatever price was then charged for the product, it would be sufficient to not only provide a profitable rate of return for the larger company, but also to make up for whatever losses were incurred during the price-undercutting period. In such a case, far from promoting more competition, the result would be less competition and higher prices to the consuming public.

● Mr. LEVIN. Mr. President, I oppose S. 598, the Soft Drink Interbrand Competition Act. This bill seeks to overturn a Federal Trade Commission decision which held that the territorial arrangements in question were unreasonable restraints of trade. That decision has been appealed and the Court still has the case before it. A legislative remedy to this issue is therefore perhaps unnecessary and is in any event premature.

By giving this industry an exemption from the antitrust laws, the Senate may be creating a difficult precedent for ourselves. S. 598 creates the only single industry exception to the antitrust laws of its type. If there were no alternative, it might be reasonable to create the exemption legislatively. But so long as relief in court is in process and a realistic possibility, creating this exemption now is a mistake.●

The PRESIDING OFFICER. Does any Senator seek recognition?

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. TALMADGE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

On this vote, the Senator from Nevada (Mr. CANNON) is paired with the Senator from Illinois (Mr. STEVENSON). If present and voting, the Senator from Nevada would vote "yea" and the Senator from Illinois would vote "nay."

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. SIMPSON) is necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "yea."

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 89, nays 3, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—89

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—3

Javits
Levin
Metzenbaum

NOT VOTING—7

Cannon
Cranston
Kennedy
Pell
Simpson
Stevenson
Talmadge

So the bill (S. 598) was passed, as follows:

S. 598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Soft Drink Interbrand Competition Act".

SEC. 2. Nothing contained in any antitrust law shall render unlawful the inclusion and enforcement in any trademark licensing contract or agreement, pursuant to which the licensee engages in the manufacture (including manufacture by a sublicensee, agent, or subcontractor), distribution, and sale of a trademarked soft drink product, of provisions granting the licensee the sole and exclusive right to manufacture, distribute, and sell such product in a defined geographic area or limiting the licensee, directly or indirectly, to the manufacture, distribution, and sale of such product only for ultimate resale to consumers within a defined geographic area: *Provided,* That such product is in substantial and effective competition with other products of the same general class.

SEC. 3. The existence or enforcement of territorial provisions in a trademark licensing agreement for the manufacture, distribution, and sale of a trademarked soft drink product prior to any final determination that such provisions are unlawful shall not be the basis for recovery under section 4 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914.

SEC. 4. As used in this Act, the term "antitrust law" means the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (the Sherman Act), approved July 2, 1890, the Federal Trade Commission Act, approved September 26, 1914, and the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (the Clayton Act), approved October 15, 1914, and all amendments to such Acts and any other Acts in pari materia.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAYH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAYH. Mr President, I would like to reiterate the appreciation the Senator from Indiana expressed earlier to the distinguished Senator from Mississippi, and I would also like to express my appreciation to the ranking Republican member of the Judiciary Committee (Mr. THURMOND) for his efforts. There have been several others of our colleagues who have been very helpful in this.

I think we should recognize the fact that we have had a number of outstanding staff people working on this: Louise Milone, Kevin Faley, and others on the Subcommittee on the Constitution staff; Mr. Henry Ruempler, Elizabeth Edwards, and Linda Townsend of Mr. COCHRAN's staff; Emery Sneeden, Pete Chumbris, and Mike Chambers of Senator THURMOND's staff, as well as others of our staff.

I also want to express a deep feeling of appreciation to the distinguished majority leader, who made it possible for us to handle this measure, and to his staff because, without their willingness to let the Senate have a chance to work its will on this piece of legislation, we would not have been here. I regret that we have had to inconvenience some people over such a period of time, but this is, really, one of the glories of the Senate, that one Member of the Senate or a dozen Members have the opportunity to see that an issue is fully discussed and fully examined.

Again, I think we need to say that the Senator from Ohio was operating fully within his rights and was aboveboard and candid and open, as he always is. He is a great man to do battle with. I would rather be with him than "agin" him, but indeed, he was a worthy foe on this matter.

Mr. THURMOND. Will the Senator yield?

Mr. BAYH. I yield.

Mr. THURMOND. Mr. President, I associate myself with the remarks that have just been made by the distinguished Senator from Indiana.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BAYH. Yes.

Mr. ROBERT C. BYRD. Mr. President, I want at this time to express appreciation to Mr. Bayh and to Mr. Thurmond for the leadership that they have demonstrated in the enactment of the bill that the Senate has just passed. They have spent many hours in the course of the subcommittee and committee process. They have worked hard and very effectively, as was shown today, in lining up the cloture vote. This is one instance in which I never did anything to get cloture. I simply said to them, "Can you produce, can you lay the votes on the line?" The only thing I did was offer the cloture motion.

I think that, in the future, I might be well advised, when attempting to get cloture, to just turn to Senators Bayh and Thurmond and leave the job to them. If we can get cloture on the first vote, we can save the time of the Senate.

I also thank Mr. Metzenbaum for his cooperation in this matter. He has demonstrated a spirit of give and take, and he took more than he gave. It is easy to give but not so easy to receive. He has shown a fine spirit of cooperation and he is entitled to some tribute as well.

I thank the Senate for the dispatch with which it has consummated the action on this measure following the cloture vote.

Before I proceed with other things, I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the distinguished majority leader for yielding. I want to pay my respects to the distinguished Senator from South Carolina and the distinguished Senator from Indiana for their work in this matter. This bill is worthy of their efforts and I think it serves a good purpose and avoids a great deal of the difficulty that might have ensued.

I noted the remarks of the majority leader that, in the future, he might turn to the joint efforts of the Senator from South Carolina and the Senator from Indiana to invoke cloture. I suggest that if we wait for these two to be together on cloture in the future, that would be a rare teaming indeed. I have not seen them work on many matters so agreeably, but it is good to see that much cooperation between two Senators who, in the past, have always disagreed on subjects of major concern.

Mr. President, I also thank the distinguished Senator from Mississippi for his good work in this field. He is a relatively new Member of this body, a highly valued one on this side of the aisle. I have had an opportunity to watch at close range as he has conducted his part of this effort during the rather extended debate on this bill. I extend my gratitude to him for his work and my admiration and congratulations for the skillfulness with which he handled the very substantial part of the responsibilities that devolved on this side of the aisle.

Mr. President, I shall not prolong the discussion any further, except to join with others who have already expressed their appreciation to the Senator from Ohio (Mr. Metzenbaum) for the graceful combination of his expression of dedication to principle on the one hand and his willingness to facilitate the business of the Senate on the other.

Finally, Mr. President, I say that in the course of my 13 years in the Senate, I have seen many parliamentary endeavors and I have seen many parliamentary devices spawned and hatched under the originality of the distinguished majority leader, but I must comment that I do not think I ever saw a preemptive filibuster before, or a preventive filibuster. I rather expect that is what we have just witnessed. I do not know whether it is a good thing or a bad thing, but it worked and worked very well. I congratulate all who are the parents of this enterprise.

Mr. DURENBERGER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. DURENBERGER. I thank the leader.

Mr. President, I rise to express my appreciation and to add my own comments of respect to the leaders on both sides on this bill.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. Harry F. Byrd, Jr., of Virginia.

U.S.S. "EISENHOWER"

Mr. HARRY F. BYRD, JR. Mr. President, on April 15, the U.S.S. *Eisenhower* left Norfolk, Va., for a projected long-term deployment to the Indian Ocean. The *Eisenhower*, an aircraft carrier, is an extremely large vessel of great combat power and should add significantly to the military might of the United States in the Indian Ocean.

Over the past several weeks I have sought and finally obtained some information regarding the *Eisenhower* which is necessarily important to make known to Congress and the American public.

When the *Eisenhower* departed Norfolk, the ship was short 1,074 personnel. Of a ship's company and air wing of over 5,000, almost 1 in 5 authorized billets was empty.

A total of 143 sailors missed the ship, including 11 percent of nonrated ship's company.

But the primary cause of the reduced strength of the *Eisenhower* crew and air wing is that the Navy simply does not have personnel to man the ship and its air group at full strength.

Shortages in the ship's company are particularly severe in the petty officer ranks. The *Eisenhower* is authorized 1,700 petty officers. Only 1,296 were on board when the ship left Norfolk. The shortage of petty officers is 23 percent and is approaching a level which could make drastic reduction in the combat readiness of the *Eisenhower*.

Full strength is seldom required in any military organization but, in the manning of a ship, a critical point can be reached beyond which reductions in strength dramatically affect operational capability.

In my judgment, the *Eisenhower* is now a borderline case.

Mr. President, I ask unanimous consent that a table containing *Eisenhower* manning data provided by the Department of the Navy be printed in the Record for the information of the Senate.

There being no objection, the table was ordered to be printed in the Record, as follows:

U.S.S. EISENHOWER

	Nonrated	Petty officers	Officers	Total
SHIP'S COMPANY				
Authorized billets	1,298	1,700	147	3,145
Actually assigned	1,029	1,310	145	2,484
Missed movement	111	14	0	125
Total deficit	380	404	2	786
AIR WING				
Authorized billets	797	1,385	307	2,489
Actually assigned	704	1,221	294	2,219
Missed movement	16	2	0	18
Total deficit	109	166	13	288
Total unfilled at sea billets				1,074

(See subsequent remarks correcting above figures in the Record of May 28, 1980.)

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this is a request which I have cleared with the distinguished minority leader. He is on the floor. It has been cleared with other Senators on both sides of the aisle, particularly those who are principals or will be principals in discussing the matters.

Mr. President, I ask unanimous consent that an original resolution introduced by Mr. Culver dealing with the Federal Reserve Board nominees be laid before the Senate, and that the Senate proceed to the immediate consideration of that resolution under the following time agreement: That there be 30 minutes equally divided between Mr. Proxmire and Mr. Garn, that no amendment be in order; that following adoption of the resolution, the Senate then go into executive session to consider the nomination of Mr. Gramley with the following proviso, as in executive session: That there be a 5-minute limitation on the nomination of Mr. Gramley equally divided between Mr. Proxmire and Mr.

Garn; that upon the disposition of the Gramley nomination, that being the sole purpose of the executive session, the Senate then, without further debate on the motion, return to legislative session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask the cloakroom to see if Mr. Proxmire can now come to the floor, and I make the same request of the cloakroom serving the other side of the aisle to see if Mr. Garn can come to the floor, in order that the Senate may then proceed with consideration of the resolution introduced by Mr. Culver.

In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bradley). Without objection, it is so ordered.

FEDERAL RESERVE BOARD NOMINEES—SENATE RESOLUTION 434

Mr. ROBERT C. BYRD. Mr. President, I ask that Mr. Culver be permitted at this time to submit his resolution, without any time running on it, until Mr. Proxmire and Mr. Garn reach the Chamber, and that I be permitted to suggest the absence of a quorum immediately after the submission of the resolution, without the time running against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. CULVER. I thank the distinguished majority leader.

Mr. President, I send to the desk a Senate resolution concerning future nominations to the Federal Reserve Board, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. Culver), for himself, Mr. Stewart, Mr. Bumpers, Mr. Durkin, Mr. Metzenbaum, Mr. Sasser, Mr. McGovern, Mr. Hollings, Mr. Baucus, Mr. Eagleton, Mr. Exon, Mr. Dole, Mr. Jepsen, Mr. Thurmond, Mr. Magnuson, Mr. Nelson, Mr. Bentsen, and Mr. Morgan submits a resolution (S. Res. 434) relating to Federal Reserve Board nominees.

Mr. ROBERT C. BYRD. Now, Mr. President, if the Senator will allow me, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the agreement which was entered into earlier with respect to the resolution and the nomination and the return to legislative session, the Senate proceed with the transaction of routine morning business, for not to exceed 1 hour, and that Senators may speak therein up to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CULVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL RESERVE BOARD NOMINEES—SENATE RESOLUTION 434

The Senate continued with the consideration of the resolution.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I ask if the distinguished floor manager of the resolution will be kind enough to yield me 5 minutes.

Mr. PROXMIRE. Mr. President, I am happy to yield the Senator 5 minutes. If he needs additional time, I will be happy to yield him that.

Mr. CULVER. I thank the distinguished chairman.

Mr. President, I have at the desk a resolution concerning future nominations to the Federal Reserve Board, and I ask for its immediate consideration.

Mr. PRESIDING OFFICER. The resolution is already before the Senate.

Mr. CULVER. Mr. President, will the clerk read it.

The PRESIDING OFFICER. The resolution will be stated once more.

The assistant legislative clerk read as follows:

A resolution (S. Res. 434) relating to Federal Reserve Board nominees.

Mr. CULVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. Mr. President, has the clerk read it? I have been in the Chamber and I have not heard the clerk read it.

The PRESIDING OFFICER. It has been stated by title.

Mr. CULVER. Has it been read?

The PRESIDING OFFICER. It has not been read in full.

Mr. CULVER. I appreciate it being read.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk proceeded to read the resolution.

Mr. CULVER. Mr. President, I ask unanimous consent that the reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is as follows:

Whereas the Board of Governors of the Federal Reserve System has responsibility for the conduct of monetary policy and control of rates of growth of the monetary and credit aggregates which affect the economic well-being of the Nation;

Whereas the Federal Reserve Act requires that not more than one Governor shall be selected from any one Federal Reserve District, and that due regard be given to a fair representation of financial, agricultural, industrial, and commercial interests and geographical divisions of the country; and

Whereas recent nominations to the Board have been made primarily from the eastern part of the Nation or without genuine representation of financial, agricultural, industrial, and commercial interests;

Now, therefore, be it

Resolved, That continued insensitivity to the requirements of the Federal Reserve Act in selecting nominees to the Federal Reserve Board shall not be overlooked by the Senate Committee on Banking, Housing, and Urban Affairs, or by the United States Senate.

Mr. CULVER. Mr. President, this resolution expresses the sense of the Senate that nominations to the Board of Governors of the Federal Reserve System should reflect careful consideration of the requirements for regional and economic interest representation contained in the Federal Reserve Act.

The Federal Reserve Act states, "in selecting the Members of the Board, not more than one of who shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographic divisions of the country."

This statutory requirement has been largely overlooked for many years by both Presidents and by Senate. As a result, today's board is composed primarily of east coast bankers and career Government economists who have spent most of their professional lives in Washington, D.C.

The geographic and economic interest representation requirement was enacted by the Congress in the original Federal Reserve Act of 1913. Specific reference to agricultural representation was added in 1922 in order that, according to the House Banking Committee's report on the measure, agricultural interests "be placed on a parity with commercial and industrial interests."

I believe this purpose is as valid, is as crucial to the balanced consideration of monetary policy issues today as it was in 1913, and 1922.

To my knowledge, the last time these issues were debated in the Congress was in 1935 when an attempt to delete the economic and geographic representation requirements was rejected by the Senate.

An on the record reaffirmation of the principles of balanced representation contained in the Federal Reserve Act is long overdue. This resolution reaffirms the Senate's commitment to these principles and puts the Presidents on notice that in the future the Senate and the Committee on Banking, Housing and

Urban Affairs will not overlook insensitivity to the requirements of the Federal Reserve Act.

Monetary policy is a highly complex tool of economic policy. Its exercise has far-reaching effects on both the domestic and international economies.

It is not a tool to be placed under the control of narrow special interests. The independence of the Federal Reserve Board is an important aspect of its character. It is important in insuring that the tremendous economic power of the Federal Reserve System is not subjected to narrow political or economic pressures.

By the same token, the exercise of monetary authority should not be concentrated in the hands of a group of narrowly focused individuals with similar experience, similar philosophies and similar intellectual backgrounds.

The devastating impact on the housing, agricultural and small business sectors of record high interest rates during the past few months is clear evidence of how destructive monetary policies can be if they are unresponsive to the real world conditions and operating characteristics of the various sectors of the American economy.

More broadly based representation on the Federal Reserve Board could help prevent the imposition of policies that, when applied to the economy, result in the kind of disproportionate impact that we have witnessed this year.

Admittedly, monetary policy, by its nature, is a blunt instrument. Yet the Federal Reserve System is entrusted with the responsibility to exercise its authority in a manner that yields a fair and equitable distribution of benefits and burdens. If restrictive monetary policy is needed, the Federal Reserve Board should at least attempt to target its actions so that the effects are distributed in a fair and rational manner. Representation on the board of diverse economic interests and geographic regions, while not a guarantee that these results will be achieved, is an important safeguard that the Congress, and in particular, the Senate under its constitutional responsibility to advise and consent on Presidential nominations, should take great pains to preserve.

I understand that immediately following consideration of this resolution the Senate will consider the nomination of Dr. Lyle Gramley to a full 14-year term on the Federal Reserve Board of Governors.

Over a month ago I announced that I intended to oppose Dr. Gramley's nomination on the grounds that the Board was already too narrowly based and that Dr. Gramley's nomination did not effectively broaden that base. In particular, I felt that a person should be appointed to the Board who had personal experience in and knowledge of the financial requirements of small business and agriculture.

It was not without serious thought that I chose to oppose this nomination. Nor did I do so without having attempted to secure, through other means of persuasion, representation on the board that gave greater recognition to the agricultural and small business interests of this country.

On two occasions, first in January of 1978 and again in early March of this year, I wrote the President urging the nomination of someone with these qualifications.

After Dr. Gramley was nominated, I announced that I would take this issue to the Senate by opposing his confirmation. I testified before the Committee on Banking, Housing, and Urban Affairs on April 16. Subsequent testimony by other Senators and comments from many members of the committee have expressed support for my views.

I would stress, as I have throughout the debate on this nomination, that my opposition has not in any way been based on any personal failing or shortcoming in Dr. Gramley's character or professional abilities. My opposition has been based on adherence to the principle of achieving more broadly based representation on the Federal Reserve Board as a means of instilling greater sensitivity to small business and agricultural needs into the Board's deliberations.

I believe the debate over this nomination has been instructive to all those who have participated in it.

I commend the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs, and the committee as a whole for including in its report on this nomination language expressing the committee's concern about the lack of balanced representation on the Federal Reserve Board. I think it is particularly important that the report reflects the committee's desire that, with regard to future nominations, greater consideration be given to agricultural and other economic interests, and that the committee recognizes the need for the Board to assess the impact of monetary policy on small business as well as the larger economic concerns in our economy.

The Federal Reserve Board itself responded to these concerns by establishing on April 17 a special "temporary seasonal borrowing program" to loan money to small banks at 13 percent in order to help provide funds to meet productive needs in agriculture, small business and housing at interest rates below the market rate at the time. While I do not have national figures on this program, as of last Friday, the Federal Reserve Bank of Chicago had made commitments of $17 million to 21 Iowa banks under this program. Perhaps more important than the dollars themselves, this action helped ease the crisis mentality that was rapidly spreading throughout the money short upper-Midwest States.

On April 30, the Small Business Administration announced that it is establishing, with the cooperation of the Federal Reserve Board and the Council of Economic Advisers, a task force on small business and economic stability. Its purpose is to assist small firms across the country with their financial problems arising from credit restraints and high interest rates. It will be made up of small business people, farmers and representatives of small banks and will also be communicating with the Federal Reserve branch banks around the country concerning farm and small business needs and conditions.

Finally, I commend Dr. Gramley for the sincerity and understanding with which he has personally responded to the issues I have raised concerning agriculture and small business.

During the past 6 weeks Dr. Gramley has, at his own initiative, met with numerous farm and small business groups and discussed with them their concerns about monetary policy and general economic conditions.

I have personally met with Dr. Gramley on two occasions during the past month to discuss my own concerns in this regard and have been assured that he will maintain the communication he has established with these farm and small business groups. He has also indicated to me a willingness to work with the SBA, the small business committees and the small business community in obtaining more adequate data on and analysis of small business finance and use of credit.

I have indicated to the chairman of the Banking Committee, Senator PROXMIRE, that, in light of the committee's report language and in anticipation of Senate adoption of my resolution, I do not intend to persist in my opposition to Dr. Gramley's confirmation.

I do intend to persist in urging the Federal Reserve Board, the administration, and the U.S. Senate to pursue economic policies that reflect greater sensitivity to this country's small business and agricultural communities. These sectors represent the heart of America's future productivity and innovation. They represent the vast majority of this Nation's job creation capacity and all of its food production capacity. We cannot fight either inflation or recession without strong and vital farm and small business sectors.

The resolution I am proposing, together with Senators STEWART, BUMPERS, DURKIN, METZENBAUM, SASSER, MCGOVERN, HOLLINGS, BAUCUS, EAGLETON, EXON, DOLE, JEPSEN, THURMOND, MAGNUSON, NELSON, and MORGAN, if approved, will provide further recognition by the Senate that the diverse interests of American business enterprise as well as the diverse geographic regions of the country should be fairly represented on the Nation's highest monetary policy council.

I urge my colleague to support this resolution to reaffirm the Senate's commitment to achieving and preserving more broadly based and more balanced representation on the Federal Reserve Board.

Mr. President, I ask unanimous consent that other Senators desiring to cosponsor this resolution have until the close of business today to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I reserve the remainder of my time.

● Mr. EXON. Mr. President, I am cosponsoring this resolution with Senator CULVER in order that the controversy surrounding the nomination of Lyle Gramley to the Board of Governors of the Federal Reserve System will yield positive and lasting results. This resolution will send a loud and clear message to all concerned that the unique monetary needs that regularly confront agriculture and small businesses should be recognized on the Board of Governors of the Federal Reserve System.

This resolution should not even be necessary because since 1922 the Federal Reserve Act has specifically stated that when selecting members to this Board "the President shall have due regard to a fair representation of the financial, agricultural, industrial and commercial interests, and geographic divisions of the country." This statutory requirement has too often not been adhered to, and that is why this resolution is needed.

It troubles me that the unique needs of agriculture and small businesses have not been taken into account when selecting members to the Board of Governors.

These important sectors of our economy have been especially hard hit by not only a lack of available loan funds, but high interest rates on what credit is available. The rapid money drain from the farmbelt has been exceeded only by the drop in farm prices. If the Board members do not understand the critical money needs of rural America because its financial specialists do not represent all sectors of our complex economy, the imbalance on the Board should be corrected.

The controversy surrounding the nomination of Mr. Gramley has served a purpose. Mr. Gramley, who has never pretended to be an agricultural expert, recognized the issue being raised as not being against either him or his qualifications, but his background, and he made a concerted effort to deal with it.

He has displayed to me personally and to many agricultural and small business groups that he is anxious to learn more and to be sensitive to their special needs when considering Federal Reserve policies.

Hopefully, their needs will no longer be overlooked, even for a short time, as they were recently when high interest and short money caused some farmers and small businesses to go completely without necessary funds while the needs of large borrowers were taken care of by the money lenders and the Government alike.

Mr. Gramley is highly qualified and will undoubtedly be approved by the Senate. I am not arguing against his nomination but, while he has demonstrated a willingness to represent agriculture and small business needs on the Board, there still will be no one on the Board with the specific requirements set forth in the Federal Reserve Act.

However, there will be other appointments in the future, and that is what this resolution addresses. It is a reminder that the important agricultural and small business sectors of the economy expect fair representation.

In closing I want to express my gratitude to Senator CULVER. His efforts have certainly brought this issue out in the open which has contributed to a better understanding of the needs that face agriculture and small businesses and the effects that callous Federal Reserve policies can have on them.

I urge my colleagues to support the resolution.●

● Mr. BUMPERS. Mr. President, I strongly support the resolution introduced by Senator CULVER today. I originally opposed and testified against Lyle Gramley's nomination to the Board of Governors of the Federal Reserve because I felt the Federal Reserve Act which requires that not more than one Governor be selected from any one Federal Reserve district, and that there be a fair representation of financial, agricultural, industrial and commercial interests among the members of the Board of Governors had not been met. My opposition was not based on Mr. Gramley's qualifications for the job.

My objection lies in the fact that the current Board lacks a person who is qualified and has personal experience in small business and agriculture. These two sectors of our economy are directly affected by the Fed's policies and they are the ones who are suffering the most from Fed policy. The Federal Reserve Act specifically requires that the members of the Board represent diverse parts of our economy. This resolution will insure that those requirements are met.

In the 1940's and 1950's the Federal Reserve Act's requirements that agriculture be represented were fulfilled by Gov. Rudolph Evans, who was a former farmer. Since that time only between 1955 and 1959 has there been a Governor who had a background in agriculture.

Small business has only been represented on the Board once in recent years, by David Lilly, president of Toro Lawnmower Manufacturing of Minneapolis, who served from 1976 to 1978.

The Federal Reserve's policies greatly affect small business and agriculture yet none of the present members of the Board have any expertise in these areas. As a matter of fact, the current Board has an unusually high degree of homogeneity in experience, philosophy, and intellectual background. Four of the members are former employees of the Federal Reserve System and another member was employed by the U.S. Treasury. If Mr. Gramley is confirmed, only one of the seven members of the Board of Governors will have come from outside the Federal Government.

We have seen a classic failure of our monetary system in controlling inflation in these last few months. Of course, all the old rules that you and I learned in 103A, economics, just do not apply any more. I was shocked in 1974 to learn that we could have inflation and unemployment at the same time. The Fed plays a large part in determining our monetary policy and unfortunately, they do not seem to consider the affect these policies have on small businessmen and farmers.

The Federal Reserve Board makes its announcements of policy changes only on Friday afternoon, after the stock market is closed. What does that mean: That means that they are only thinking about the stock market and companies in the Fortune 500. They are not thinking about small businesses. I can tell you right now that you do not have to worry about Gulf & Western. You certainly do not have to worry about the oil industry. They will survive this recession.

The people in this country who are going to be literally wiped out are small businesses. I am not talking about the Small Business Committee's definition of small business either. I am talking about the people up and down the Main Street of Charleston, Ark., where I grew up. These are people eking out a living, doing a $100,000 or $500,000 a year retail business or employing 50 to 70 employees in a small factory. These people cannot borrow money. Their markets are declining. They are the ones who are hurting.

Small businesses make a large contribution to our economy. They provide 24 times more research innovations per dollar spent than do large firms. They provide over half of all new jobs created. The small businesses are the ones who are responsible for half of our industrial innovations and inventions, the same inventions which have given the United States a reputation for creative and efficient technology. These small business innovations are the ones which are going to help us improve our productivity.

The agricultural segment of the economy is providing a great service through its exports. While other parts of our economy have declined, our agricultural community continues to grow and export needed foods to other parts of the world. The United States exported $32 billion in food last year and it is projected that our trade surplus in agricultural commodities will be $19 billion. Our trade deficit for 1980 will be $19 billion less because of agriculture. Yet these same farmers who are helping our trade deficit by offsetting our large oil bill, are forecast to receive only two-thirds of the net farm income they received in 1979. Their production costs for 1980 are projected to rise over 12 percent while their gross farm receipts will only rise 2.7 percent.

You and I both saw the President on television when he announced the grain embargo and assured us that farmers would not be asked to bear the brunt of that embargo. Yet subsequent events have revealed an unmitigated disaster in agriculture.

My State is the fifth largest soybean producer in the United States and the largest in rice and broiler production. Let me tell you what has happened.

Soybeans are 50 to 80 cents a bushel lower now than they were the day the embargo was announced. We had contracted 65,000 tons of broilers to Russia, which was canceled. That is 2 percent of broiler production in this country.

The Department of Agriculture has bought 5,000 tons of that 65,000. Poultry was selling in this country for 52 cents a pound the day the embargo was announced. The price fell 6 cents the next day and is now 37 to 39 cents.

The average break-even point for a poultry processor in Arkansas is 45½ cents. So every pound of chicken being processed in this country is being processed at an 8-cent-a-pound loss. If you want a bargain in the grocery store now, gentlemen, I suggest you buy poultry.

Unless you and I are sensitive to every aspect of agriculture and the effects of the monetary policy of this country on farmers, many farmers are going to be wiped out this year.

We need to pass this resolution putting the President and the country on notice that we are going to insist that the Federal Reserve Act requirements be met and that small business and agricultural interests are considered by the Federal Reserve Board of Governors. These parts of our economy have been ignored long enough.●

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from New Hampshire.

Mr. DURKIN. Mr. President, I thank the Senator from Wisconsin, and I thank the Senator from Iowa. I am happy to be a cosponsor of this very timely resolution.

As we look around the country we see the homebuilding industry, the real estate market, the auto industry, and all those related industries flat on their back. There has never been a greater need for representation on the Federal Reserve Board in accordance with the law which requires due consideration to the interests of agriculture, commerce, industry, services, labor, and consumers.

The Federal Reserve Board is made up predominantly of the eastern financial establishment. As a result, our agriculture interests, our small businesses, our homebuilding industry, the real estate market, are all suffering as well as the thousands who have been unemployed by the current high interest rates and the misguided economic policy of this administration. This resolution is a message to the White House and to the Federal Reserve Board that the Senate is going to insist that they follow not only the letter of the law but the intent of the law in comprising the Federal Reserve Board.

The PRESIDING OFFICER. The Senator's minute has expired.

Mr. PROXMIRE. I yield an additional minute to the Senator.

Mr. DURKIN. Mr. President, I wish the Record to reflect my opposition to Mr. Gramley because, although he may be a fine family man, his nomination does not square with the resolution.

I thank the chairman for the time and I thank the Senator from Iowa.

Mr. PROXMIRE. Mr. President, I yield a minute to the Senator from Alabama.

Mr. STEWART. I thank the Senator.

Mr. President, I want to add a few words to those of Senator Culver and Senator Durkin in regard to the resolution now before the Senate.

When the nomination of Lyle Gramley came before the Banking Committee, I voiced some strong concern about the diversity of economic interests which are represented on the Federal Reserve Board of Governors. I feel strongly that the present Board is too narrow in economic outlook and thus fails to fully appreciate the impact of its policies on certain sectors of the economy—particularly the small business and agricultural sectors.

I feel that the nomination of Lyle Gramley to a position on that Board does nothing to correct the present imbalance.

As the hearings on the Gramley nomination progressed, several members of the Banking Committee echoed some of the same concerns that I had. While the Banking Committee ultimately voiced its approval of the Gramley nomination, the committee also expressed its concern about the present narrow range of economic interests which are represented on the Board, as well as the need to more closely follow the geographical representation requirements which are contained in the Federal Reserve Act.

I have indicated, both before the Banking Committee and in speeches made outside of that committee, that my opposition to Mr. Gramley is not personal opposition. He is a fine man. He is a skilled monetary policy expert, and can be expected to serve the Board well.

But I do feel that he does not present the kind of background that would make the Federal Reserve Board more diverse and would meet the requirements that are presently set out in law.

The resolution now before the Senate will insure that in the future, all nominees to the Federal Reserve Board—the highest monetary policy board in the land—will receive the close and careful scrutiny of both the Banking Committee and the full Senate.

I think that by putting the Senate on record in this regard, we will have achieved victory for those groups in our country which all too often have been the victims of arbitrary and insensitive monetary policy. While the effect of this action will certainly not be felt overnight, I am confident that in future years, a broader, more diverse representation of the small business and agricultural interests on the Federal Reserve Board will serve this Nation well.

I congratulate the Senator from Iowa for bringing us this resolution, and for taking the stand that he did, both before the Banking Committee and here today on the Senate floor.

The PRESIDING OFFICER. The Senator's minute has expired.

Mr. PROXMIRE. Mr. President, I yield an additional minute to the Senator from Alabama.

Mr. STEWART. I thank the Senator.

Mr. President, I commend the chairman of our committee for giving us the opportunity to fully address this issue before the committee. I welcome the opportunity to work with him in the spirit of this resolution in future years to make sure that the diversity that we have sought on the Board is present there.

Mr. GARN. Mr. President, I yield myself such time as is necessary.

Mr. President, I certainly do not oppose this resolution. I think it goes a step farther than the report of the Banking Committee.

Mr. President, I ask unanimous consent that excerpts from the Banking Committee report on the Gramley nomination be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

NOMINATION OF LYLE E. GRAMLEY TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Committee on Banking, Housing, and Urban Affairs, to which was referred the nomination of Lyle Elden Gramely of Missouri, to be a member of the Board of Governors of the Federal Reserve System, having considered the same, reports favorably thereon and recommends that the nomination be confirmed.

COMMITTEE ACTION

The nomination of Lyle Elden Gramley to be a member of the Board of Governors of the Federal Reserve System was submitted by President Carter to the Senate on March 21, 1980 and referred to the Committee on Banking, Housing, and Urban Affairs, for consideration. Dr. Gramley appeared before the committee in connection with his nomination on April 15, 1980. In addition, Dr. Gramley's nomination was considered by the committee on April 16, 1980 at which Senator Culver of Iowa testified. The committee met in executive session to consider the nomination on April 30, 1930 and on May 1, 1980. On the later date Senators Bumpers, Exon, and Sasser sat with the committee to offer their views on the nomination.

At its meeting on May 1, 1980, the committee voted 13 to 2 to report the Gramley nomination favorably to the Senate. Senators who voted in favor were: Proxmire, Williams, Stevenson, Morgan, Riegle, Sarbanes, Tsongas, Garn, Tower, Heinz, Armstrong, Kassebaum, and Lugar. Those Senators opposed to the nomination were: Cranston and Stewart.

COMMITTEE COMMENTS

Throughout the consideration of the nomination of Lyle Elden Gramley to be a member of the Board of Governors of the Federal Reserve System, there was almost universal agreement that Dr. Gramley is well qualified for the position, that he has an outstanding background as an economist and policymaker. His background includes 3 years as a member of the Council of Economic Advisers (1977–80); 13 years as an economist at the Federal Reserve Board (1964–77) where he was Director of the Division of Research and Statistics and Economist to the Federal Open Market Committee; associate professor of economics at the University of Maryland; and financial economist with the Federal Reserve Bank of Kansas City (1955–62). While he was at the Federal Reserve Board he directed a study in 1971 of "Ways to Moderate Fluctuation In Housing Construction." In addition, Dr. Gramley contributed importantly to several studies that were done in the late 1950's by the Federal Reserve staff of the credit problems of small businesses. The 1959 survey is still the definitive, qualitative survey of credit sources of small businesses.

During the committee's consideration of the Gramley nomination several Senators raised issues concerning recent nominations to the Federal Reserve Board. Senator Garn indicated his concern that, with the exception of Governor Schultz, all of the last several appointments to the Fed seem to come from the same geographical area of the country or from the Federal Reserve System. Senator Stewart voiced strong concerns about the narrow range of economic interests that are represented on the current Board. Senator Culver also questioned the adequacy of representation on the Federal Reserve Board of particular regions of the country and, in addition, the representation of specific economic interests, in particular small business and agriculture.

Section 10 of the Federal Reserve Act contains the following requirements for appointments and qualification of members of the Federal Reserve Board:

"In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of financial, agricultural, industrial, and commercial interests and geographical divisions of the country."

These requirements were intended to provide broad regional representation and experience on the Board of Governors.

The committee shares the concerns raised by Senator Garn, Senator Stewart, Senator Culver, and other Senators that in recent years strict attention has not been given to the representation requirements in the Federal Reserve Act. The six current members of the Board of Governors each have been nominated to represent different Federal Reserve districts. However, in several cases individual Governors represent regions in which they have not lived for some time or in which they have spent only a small portion of their lives. Fair representation on the Board of agricultural, industrial, and commercial interests has also been questioned. Although the statute does not explicitly require such representation, lack of experience and background in small business and housing on the Board has been mentioned by many Senators, individuals, and interest groups that have commented on this nomination. The committee recognizes all of these concerns and believes that broader representation on the Board could be helpful in assessing the effects that monetary policy has on various sectors of the economy, including the differential effects that may apply to small and large economic interests.

The committee expects that in the future full consideration will be given to the regional and economic interest requirements specified for members of the Board in the Federal Reserve Act. Regional representation should reflect to the maximum extent possible, a genuine relationship with the Federal Reserve district from which the individual has been nominated. The committee expects that the requirement of fair representation of financial, agricultural, industrial, and commercial interests will also be adhered to in the future. Continued insensitivity to these requirements in selecting nominees to the Federal Reserve Board should not and will not be overlooked or condoned by the committee. The committee believes that additional regional and economic interest representation in the Board of Governors would strengthen the Board by providing greater awareness of the effects of monetary policy on the various sectors of the economy.

At the committee markup, Senator Garn, commenting on the Gramley nomination and the questions raised about adherence to the statutory requirements, indicated that in the future he intends to pay particular attention to the statutory requirements and will oppose otherwise qualified nominees unless there is an honest appointment from geographical areas and more diversity on the Board. Senator Garn also indicated that it would be unfair to penalize Dr. Gramley for the current situation because he had not determined previously that close adherence to the statute was important and that a quite different pattern within the Federal Reserve Board had been developing.

Senator Stewart commented at the markup that in his view the Gramley nomination would do nothing to broaden the representation of various economic interests on the Board.

The committee recognizes also the need for individuals on the Board of Governors with expertise and experience in finance, economics, and monetary affairs. During the consideration of Dr. Gramley's nomination it was pointed out that many members of the Board, present and past, have had some experience within the Federal Reserve System. Five members of the current Board of Governors have had experience as economists with the Federal Reserve System during some period in their careers. This experience is important because of the complexity of monetary policy and its very critical impact on the economy.

The committee would also indicate to the members of the Senate that the Federal Reserve Act does provide for other types of regional and economic interest representation in addition to the qualifications of Board members. There are 12 regional Federal Reserve banks located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Minneapolis, Dallas, and San Francisco. The president of each Federal Reserve bank serves on the Federal Open Market Committee, which is the primary monetary policy body within the System. Each district Reserve bank also has a representative on the Federal Advisory Committee. Finally, there is a requirement for economic representation on the board of directors of each Federal Reserve bank. There are three class A directors that are bankers. The three class B directors are public directors and are to be selected "with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor and consumers." This requirement was broadened from the original "commerce, agriculture, or some other industrial pursuit" by the Federal Reserve Reform Act of 1977. The same economic representation guidelines applicable to the class B directors also apply to the three class C directors selected by the Board of Governors.

The committee would like to emphasize that the criticisms and issues that have been raised regarding appointments to the Board of Governors have been taken seriously. Such criticism has not been directed at the nominee, Lyle Elden Gramley, whose qualifications and background are excellent.

The Committee on Banking, Housing, and Urban Affairs urges the Senate to approve this nomination without further delay.

Mr. GARN. Mr. President, I share the concerns of Senator CULVER and many of my colleagues. As a matter of fact, as a member of the Banking Committee, I have raised these concerns several times over the last 3 or 4 years of having Federal Reserve Board nominees come before our committee.

My only regret is that I did not put the administration and the Senate on notice before that I would oppose nominations that did not fit the statutory guidelines and did not provide for broader representation on the Federal Reserve Board. Because we have seen many appointments over the last several years coming from within the establishment, if I may use that term, of an inbreeding from within the Federal Reserve System, from economists, and the Council of Economic Advisers. We have seen the law subverted that requires not more than one Federal Reserve Board Governor be from one Federal Reserve district.

The intent of the law has been subverted by saying: "Well, someone went to college in California for 3 years. Therefore, although he never lived there or has worked there, we will put him in that particular district."

At the present time we have no one that is really from west of the Mississippi River. It really has been distorted what Congress intended when the original law was written.

So when Mr. Gramley's nomination came up, although he is personally very well qualified—I had no objection to his nomination as an individual. He is probably one of the better appointments the President has made.

But, nevertheless, he fits the mold of what some of us have been talking about for several years, of coming from within the Federal Reserve System, most recently from the Council of Economic Advisers. He has not had that broad spectrum of experience that I think should be represented on the Board.

So I asked the chairman of the committee to delay the consideration of his nomination for a week to consider my plight. After that week's consideration, looking very deeply into Mr. Gramley's background, I decided it would be completely unfair of me to oppose his nomination and make him a scapegoat for the general feelings I had about the Federal Reserve Board nominees over a period of several years. So I concluded that I would support his nomination. I did in committee and I will here on the floor.

But I want to repeat what I said in the Banking Committee so that messages are sent loud and clear on how I feel, as the ranking minority member of that committee; that unless future nominees, whether it is from this President or a future President, regardless of how personally well qualified they may be, if they do not match the intent and the spirit of the law as far as geographical area, and we do not start seeing some businessmen, farmers, people who give more balance to that Board, rather than just trained economists, I am putting everyone on notice that I will oppose, not just vote against, but try and stop those nominations. I could not do that where I had not announced that position prior to Mr. Gramley's nomination. But that will be my position in the future.

Regardless of who the nominee is, regardless of what President makes the nomination, I will insist that they adhere to the statute on geographical representation and that we get a much broader balance of thought on that particular Board.

I have nothing else to add at this time.

I am prepared, when the chairman is, to yield back the remainder of my time.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER (Mr. STEWART). The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, first, I want to pay tribute to the distinguished Senator from Iowa (Senator CULVER). Without his initiative and without his very strong concern, this resolution never would have seen the light of day, the Gramley nomination would not have been challenged, and the Senate would not have been alerted to the importance of having not only geographical representation but broad economic representation, people who understand and appreciate the enormous problems that agriculture has.

The typical American farmer is a debtor. He has to borrow money. When money is at high interest rates, it makes it extremely difficult for him. And when they are at super high interest rates, which they have been, of course, recently, it makes it almost impossible for him.

We also know that small businessmen have suffered very, very seriously from this inflation and from high interest rates and, many people feel, from the policies of the Federal Reserve.

The Senator from Iowa, more than anybody in the 23 years I have been in the Senate, has made a fight, a very strong fight and a very effective fight, to alert our committee, which has jurisdiction over the Federal Reserve and has the responsibility for recommending nominations to the Federal Reserve Board, and make us sensitive and aware of that.

As I say, without his efforts, there is no question in my mind that we would not have done this.

After having said that, and agreeing wholeheartedly with Senator GARN that the law should be abided by and we should not have appointed from only one section of the country, or from only two or three States and then use a phony kind of residence that they have had in the past identifying them as coming from a particular State, recognizing that Senator GARN is right about that, Mr. President, I want to stress the fact that if I have done anything else on that committee, what I have tried to do is to emphasize that we have qualified people on the Federal Reserve Board.

If you look back at the Federal Reserve Board in the past, we have had people who have been pitifully unqualified. M–1 is a vital factor in monetary policy. It is the basic money supply. We have had people nominated in the past who thought it was a rifle; had no idea it had anything to do with money.

Monetary policy is a complicated, very difficult field of economic endeavor. Some people who have spent many years in economics still do not understand monetary economics if they have not had a chance to have had solid experience. And the best place you can get that is in the Federal Reserve Board or in the banking business. You don't get it by forming or operating a small business.

Presidents have tried to get qualified people. We have a number of difficulties here. People who really understand money are in demand in our society, as you might expect. And when you pay people $55,000 or $60,000 to be a Governor of the Federal Reserve Board, it is hard to get people with that kind of pro bono publico view who will make that kind of sacrifice. The top, expert, professionals can make three or four times as much money in banking or in economics, or in many other areas.

Now, it is true you can get some mediocre people, if you are willing to shave the qualifications. But, as I pointed out, if you look over the people who have served on the Federal Reserve Board in the past, with the exception of the chairman, who, of course, is a great national figure under all circumstances, we have often had people on that Board who just are not qualified by any stretch of the imagination to do the job. Many of them are so lacking in understanding that they have to blindly follow the Chairman of the Federal Reserve Board, do what he suggests, or be the children of their staff, because they do not have the kind of self-confidence or kind of economic basis to understand this.

Now, I agree that we have had, as I pointed out in the very beginning of this, a bad economic situation, which Senator CULVER has done more than anybody else I know to dramatize, with high interest rates. But we also have to recognize, Mr. President, that there is no way you can get interest rates down without getting inflation under control.

If you have inflation of 15, 16, 17 percent, you are going to have interest rates at least as high or higher. And if you do not have interest rates that high, the speculators are going to have a field day borrowing money below the inflation rate and speculating in commodities, real estate and other property and they will drive up inflation further.

So I think we should recognize that the policies that have been followed by the Federal Reserve and which have been very strongly citicized, and I think it is good that they have been debated and criticized, are policies that are pretty much inevitable. If you have high inflation, you are going to have high interest rates. What we have to do to restrain inflation is follow a number of anti-inflation policies, including a conservative Volcker-style monetary policy.

I hope that in following the policies this resolution recommends, and I think they are sensible the way the resolution is framed, that we also recognize that we must have people appointed to the Federal Reserve who understand what their job is. It is just as if you are going to hire a football coach. You hire somebody who has a record as a football coach, who understands football. You do not hire some guy off the street who is a good wrestler or a good soccer player to get geographic balance on your team. It is the same way in the Federal Reserve Board. We should hire somebody who understands monetary policy and has the record to show he understands it, who has had training in it, and who, hopefully, has had some experience at one time or another in his life with the Federal Reserve.

I again congratulate the distinguished Senator from Iowa for this initiative, which I think is a useful instruction for our committee. Certainly, as long as I am on the committee I am going to regard it as such and do my best to follow it. I would hope that we would also recognize that we must do our best to get people appointed to the Federal Reserve Board who are qualified.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. How much time have I, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. PROXMIRE. I yield 1 minute to the Senator from Iowa.

Mr. CULVER. I thank the distinguished chairman. I rise to express my appreciation to the chairman of the full committee and the ranking minority member of the committee for their consideration and very constructive response to the concerns that I have attempted to present. I yield back any remaining time.

Mr. PROXMIRE. I yield back my remaining time, Mr. President.

Mr. GARN. Mr. President, I support this resolution by the Senator from Iowa and yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution.

The resolution (S. Res. 434) was agreed to.

The preamble was agreed to.

Mr. CULVER. I move to reconsider the vote by which the resolution was agreed to.

Mr. GARN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now go into executive session to consider the nomination of Lyle Elden Gramley, which the clerk will state.

FEDERAL RESERVE BOARD

The assistant legislative clerk read the nomination of Lyle Elden Gramley, of Missouri, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Five minutes will be equally divided between Mr. PROXMIRE and Mr. GARN.

Mr. PROXMIRE. Mr. President, we are now considering the nomination of Lyle E. Gramley to be a member of the Board of Governors of the Federal Reserve System for a full 14 years. The committee gave Mr. Gramley approval not by unanimity but by an overwhelming majority.

The committee has spent a considerable amount of time on the nomination. We heard witnesses both in favor of and opposed to Mr. Gramley. The committee has judged him to be very well qualified to be a member of the Board of Governors.

We have also taken a close look at this nomination and other recent nominees to the Federal Reserve and their conformity with the requirements of the Federal Reserve Act.

As indicated before, in view of the resolution we have just agreed to, we are going to be very careful to see that the requirements of the law are abided by.

Mr. President, throughout the consideration of the nomination of Lyle Elden Gramley to be a member of the Board of Governors of the Federal Reserve System, there was almost universal agreement that Mr. Gramley is well qualified for the position, that he has an outstanding background as an economist and policymaker.

Even those who were opposed to Mr. Gramley admitted that he was a man of high competence with respect to monetary policy and with respect to the operations of the Federal Reserve.

His background includes 3 years as a member of the Council of Economic Advisers (1977–80); 13 years as an economist at the Federal Reserve Board (1964–77) where he was Director of the Division of Research and Statistics and Economist to the Federal Open Market Committee; associate professor of economics at the University of Maryland; and financial economist with the Federal Reserve Bank of Kansas City (1955–62). While he was at the Federal Reserve Board he directed a study in 1971 of "Ways To Moderate Fluctuation In Housing Construction."

This is probably the most definitive study we have on housing and its relationship to credit and, of course, this is exactly what the Federal Reserve Board is all about with respect to homebuilders. So we are appointing a man here who has a special expertise, a recognized competence, in the area of the effect of monetary policy on homebuilding.

In addition, Dr. Gramley contributed importantly to several studies that were done in the late 1950's by the Federal Reserve staff of the credit problems of small businesses.

Again, as we pointed out, small business has been a special victim of high interest rates and monetary policy. Mr. Gramley is probably the best-equipped man who has served on the board for a number of years to be sensitive to that. He has made a study of it.

The 1959 survey is still the definitive, qualitative survey of credit sources of small businesses. Mr. Gramley also has authored studies on commercial banking, bank deposits, interest rates and monetary policy.

As I have mentioned the committee also has taken a broader view of nominations to the Federal Reserve Board and during the committee's consideration of the Gramley nomination several Senators raised important issues concerning such nominations. Senator GARN indicated his concern that, with the exception of Governor Schultz, all of the last several appointments to the Fed seem to come from the same geographical area of the country or from the Federal Reserve System. Senator STEWART voiced strong concerns about the narrow range of economic interests that are represented on the current Board. Senator CULVER also questioned the adequacy of representation on the Federal Reserve Board of particular regions of the country and, in addition, the representation of specific economic interests, in particular small business and agriculture.

Mr. President, section 10 of the Federal Reserve Act contains the following requirements for appointments and qualification of members of the Federal Reserve Board:

> In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of financial, agricultural, industrial, and commercial interests and geographical divisions of the country.

These requirements were intended to provide broad regional representation and experience on the Board of Governors.

The committee, in general, shares the concerns raised by Senator GARN, Senator STEWART, Senator CULVER, and other Senators that in recent years strict attention has not been given to the representation requirements in the Federal Reserve Act. The six current members of the Board of Governors each have been nominated to represent different Federal Reserve districts. However, in several cases individual Governors represent regions in which they have not lived for some time or in which they have spent only a small portion of their lives. Fair representation on the Board of agricultural, industrial, and commercial interests has also been questioned. Although the statute does not explicitly require such representation, lack of experience and background in small business and housing on the Board has been mentioned by many Senators, individuals, and interest groups that have commented on this nomination. The committee recognizes all of these concerns.

The committee expects that in the future full consideration will be given to the regional and economic interest requirements specified for members of the Board in the Federal Reserve Act. Regional representation should reflect to the maximum extent possible, a genuine relationship with the Federal Reserve district from which the individual has been nominated. The committee expects that the requirement of fair representation of financial, agricultural, industrial, and commercial interests will also be adhered to in the future. Continued insensitivity to these requirements in selecting nominees to the Federal Reserve Board should not and will not be overlooked or condoned by the committee. The commitee believes that additional regional and economic interest representation in the Board of Governors would strengthen the Board by providing greater awareness of the effects of monetary policy on the various sectors of the economy.

At the committee markup, Senator GARN, commenting on the Gramley nomination and the questions raised about adherence to the statutory requirements, indicated that in the future he intends to pay particular attention to the statutory requirements and will oppose otherwise qualified nominees unless there is an honest appointment from geographical areas and more diversity on the Board. Senator GARN also indicated that it would be unfair to penalize Mr. Gramley for the current situation because he had not determined previously that close adherence to the statute was important and that a quite different pattern within the Federal Reserve Board had been developing.

From my own point of view, the most important consideration is the qualification of the nominee. We need individuals on the Board of Governors with expertise and experience in finance, economics, and monetary affairs. During the consideration of Mr. Gramley's nomination it was pointed out that many members of the Board, present and past, have had some experience within the Federal Reserve System. Five members of the current Board of Governors have had experience as economists with the Federal Reserve System during some period in their careers. This experience is important because of the complexity of monetary policy and its very critical impact on the economy. The fact that Mr. Gramley or other nominees have had experience with the Federal Reserve is a plus, not a minus. That is how and where they get experience in a very complex subject—monetary policy—and experience is the best teacher. That is how they can do the job they are required to do. Should we never appoint a man with military experience as Secretary of Defense or foreign policy experts as Secretary of State? Should the Redskins appoint a football coach who could not tell a football from a grapefruit?

I think that Members of the Senate should be aware that the Federal Reserve Act does provide for other types of regional and economic interest representation in addition to the qualifications of Board members. There are 12 regional Federal Reserve banks located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Minneapolis, Dallas, and San Francisco. The president of each Federal Reserve bank serves on the Federal Open Market Committee, which is the primary monetary policy body within the system. Each district Reserve bank also has a representative on the Federal Advisory Committee. Finally, there is a requirement for economic representation on the board of directors of each Federal Reserve bank. There are three class A directors that are bankers. The three class B directors are public directors and are to be selected "with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor, and consumers." This requirement was broadened from the original "commerce, agriculture, or some other industrial pursuit" by the Federal Reserve Reform Act of 1977. The same economic representation guidelines applicable to the class B directors also apply to the three class C directors selected by the Board of Governors.

Mr. President, I think that it is important to have individual members of the Federal Reserve Board who are known for their independent views. While it is true that Dr. Gramley is a member of the President's Council of Economic Advisors, it is also true that those who know him and have worked with him greatly respect his independence and his ability to argue his point of view forcefully in policy discussions while respecting the right of the final decision once made to be carried out. To his credit Mr. Gramley has strong backing and support for this nomination from former Federal Reserve Chairman Arthur Burns, and current Chairman Volcker, from conservative economists and from liberal economists. This is an outstanding nomination to the Federal Reserve.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GARN. Mr. President, I yield 1 minute to the Senator.

Mr. PROXMIRE. Mr. President, under these circumstances, I think the country should be grateful that Dr. Gramley is appointed. I applaud President Carter for having made this nomination. I think it is one of his better nominations.

I am sure that Dr. Gramley will serve with distinction.

I might conclude by pointing out in spite of all the criticism of monetary policy it is now beginning to work. Inflation may be abating to some extent, and interest rates have fallen more rapidly in the last few weeks than they have ever fallen in the history of our country.

I think this does indicate the Volcker policy, which I am sure Mr. Gramley will be inclined to support, is a policy which is working.

Mr. GARN. Mr. President, I have already stated my objections to the overall situation so I will just conclude on Mr. Gramley by stating that he is extremely well qualified for this position, and I will support his nomination.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. GARN. Yes, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lyle Elden Gramley, of Missouri, to be a member of the Board of Governors of the Federal Reserve System?

The nomination was confirmed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. GARN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will now return to legislative session.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS TO THE BOARD FOR INTERNATIONAL BROADCASTING

Mr. MOYNIHAN. Mr. President, on this occasion, in the company of my revered senior colleague, I address a matter which was reported in this morning's press having to do with a letter sent to the President on May 5 by four ranking members of the Committee on Foreign Relations: the chairman; my colleague, Senator JAVITS; Mr. PERCY; and Mr. PELL.

I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., May 5, 1980.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Six years ago, the Board for International Broadcasting was constituted, in accordance with Public Law 93-129, in order to legitimize the broadcasts of Radio Free Europe and Radio Liberty; to free them from any suspicion of continuing influence by the Central Intelligence Agency; to assure their journalistic quality, effectiveness and integrity within the framework of broad U.S. policy objectives; and to encourage the most efficient use of appropriated funds through active oversight by a board of distinguished private citizens supported by a professional staff of Federal civil servants.

In carrying out our responsibilities to oversee the work of the BIB, we have been deeply impressed by the Board's performance in placing RFE and RL on a firm new basis by consolidating the two radios into a single organization, assuring them adequate funding while achieving higher levels of efficiency, clarifying their mission and implementing new program policy guidelines, doubling their transmitter power, unifying and reforming their pension plans, adopting detailed regulations to govern the Board's own oversight functions, and dealing independently and wisely with the various controversies which have arisen concerning RFE/RL broadcasts and staff.

It has been obvious to the Committee that the Board's accomplishments since January 1977 have been principally due to the energetic and conscientious work of all of the Board members you have appointed. The Board as currently constituted has secured the journalistic independence of RFE/RL from all forms of political or bureaucratic interference while maintaining scrupulous Federal oversight of Radio finances and administrative practices.

At this juncture, it is of the highest importance to the future of RFE/RL that continuity be maintained in the membership of the Board. We have been disturbed by reports of attempted interference in the Board's work by former CIA officials inside and outside the Administration; and we believe that the work of a decade in assuring the professional integrity of RFE/RL would be undone if any of the present members of the BIB were to be replaced by persons who could even remotely be identified as presently or formerly associated with the CIA or intelligence activities in any capacity. Particularly in an election year, the critical work of this bipartisan independent Board should be spared needless controversy which could only profit the adversaries of RFE/RL.

Sincerely yours,

FRANK CHURCH,
Chairman.

Mr. MOYNIHAN. Mr. President, the letter is ambiguous and in need of clarification. Clearly, it was intended to refer by indirection to very specific concerns. Just as clearly, those who wrote and those who received the letter knew of these specific references. Properly and directly, the New York Times and the Washington Post today reported on the matter.

It is to bring forth some of the specific matters that I speak today, in the company of my senior colleague.

The subject has to do with the appointments to be made to the Board for International Broadcasting, which was established in accordance with Public Law 93-129, to use the somewhat curious language of the letter, "in order to legitimize the broadcasts of Radio Free Europe and Radio Liberty."

I leave to those who will the question of whether those broadcasts had theretofore been illegitimate or what exactly was intended. This is part of the ambiguity and language of threat and inference that is so alarming about this whole matter.

The letter from my colleagues to the President goes on to say that the purpose of Public Law 93-129 was also "to free them"—which is to say, these radio stations that have been active in Europe since the 1940's—"from any suspicion of continuing influence by the Central Intelligence Agency." This is, at the very least, a curious statement coming from the Foreign Relations Committee.

I find it so. I had not thought us to be in an adversary relationship with that agency. I had not thought that to be its role in the immediate post war time in Europe, when the control of the streets of the capitals of Europe was under contest, when the United States returned from its immediate postwar impulse to withdraw altogether from the world to its own concerns, to the recognition that a question of democracy was not resolved by the triumph over nazism, but that the jeopardy of totalitarian communism was every bit as real and every bit as present.

It was at that time that another organization, International Rescue Committee, also had an important role. It had been established in the late 1930's to aid the victims of Italian fascism and German nazism throughout occupied Europe and had done extraordinary work in bringing to this country the refugees from fascism—some of the most distinguished names of that time, some of the great men and women of that era. That is an episode in our history of which we are proud, and there was too much at that time that we had no reason to be proud of and our Government had no reason to be proud of. Yet private citizens did what was necessary, at a time our Government would not.

The International Rescue Committee was born as an organization that dealt with the refugees from totalitarianism.

And it, also, found as the Second World War ended, when the threat presumably was past that no, it was not. From behind what Winston Churchill in his speech in Missouri called "The Iron Curtain," there commenced to flow an extraordinary stream of men and women seeking freedom in the West, and the International Rescue Committee was reconstituted. Its work was turned to yet a new chapter in an ongoing history of the 20th century.

I should declare my interest in this matter, Mr. President. After the revolt of the German workers in East Berlin in 1953, I returned from Europe and went to work for the International Rescue Committee.

Since that time the IRC has never ceased that work. It is today helping the refugees from Cuba, Kampuchea, and Vietnam. It seems this century will never see the time when its work should cease. A man named Leo Cherne has been chairman of its board, and some of the most distinguished Members of the Senate have been members of it.

It seems somehow unnecessary even to address the Senate about who this man has been in this age and what he has stood for. I know my revered senior colleague will speak to that matter.

He is a man of implacable attachment to the principles of freedom, beyond party and beyond partisanship.

There has scarcely been a President of the United States in the modern age who has not asked for his services in one form or another, and he has never stinted and never sought anything for himself. He has sought everything for his nation, that his nation would be proud in the manner in which it conducted itself with respect to the refugees, the victims of totalitarianism in our time. He has been anathematized for that by the victimizers, and his intentions have been impugned. He has suffered all that persons with high public purpose endure in any age and perhaps singularly so in an open society. But he has never been the least bit deterred in his purposes and has known the respect and honor of three generations of American leaders from the time of the occupation of Japan in 1945 to this time.

Hence it is the more disturbing to read in the press what is clearly an accurate account for which we are much in the debt of the journals and journalists that published it, the meaning behind the sentence in the letter from the Committee on Foreign Relations. The signers of the letter say:

> We have been disturbed by reports of attempted interference in the board's work by former CIA officials inside and outside the administration. We believe that the work of a decade assuring the professional integrity of RFE/RL would be undone if any of the present members of the board were to be replaced by persons who could even remotely be identified as presently or formerly associated with the CIA or intelligence activities in any capacity.
>
> Even remotely?

Is that the language of the U.S. Senate?

It turns out that the appointment of two persons evidently was contemplated. I have confirmed in a conversation with Mr. Cherne that it was contemplated that he would be asked to be a member of the board and that Prof. Paul Seabury of the University of California, Berkeley, would be asked. That at least is the report. I have not talked to Mr. Seabury but again I must state that Paul Seabury is among the most disitnguished political scientists of the Nation today.

He holds a chair in the second most distinguished department. He is not a man without views. He is known to be a Democrat and has been accused of being a liberal Democrat. He is also thought to think the Soviet Union's intentions toward the free world are not entirely benevolent; that is a matter to which he also probably attests. He has written vigorously, intelligently, and creatively about American Government and foreign policy.

To my knowledge he has never had the slightest relationship with the Central Intelligence Agency. I would not care if he had. I do know that he is a man eminently suitable for such a board if he were willing to serve on it.

I also know as to the International Rescue Committee that Mr. Cherne has had the following associations. He served at the request of the President of the United States on the President's Foreign Intelligence Advisory Board in the company of other men of his caliber and repute. Clark Clifford just comes to mind as one. It was an oversight board established in the executive branch to concern itself with the quality of intelligence performance and character of intelligence activities, a board whose members were entitled to the innermost secrets of the U.S. Government, such as they may be. They often turn out to be disappointing. But the confidence held in him by American Presidents is not to be questioned.

And later when PFIAB, to use that unhappy acronym, was succeeded by the Intelligence Oversight Board he also served there.

He has never done anything but serve his Nation when asked by the President of the time and we could ask little more than he should continue to do it.

What a resource we have in him as in that institution, the International Rescue Committee, which reflects the continuity of American policy, its consistency with respect to the liberties of individuals, the nature of free as against totalitarian societies—has anyone ever seen someone fleeing into a totalitarian society? Who have concerned themselves with those who escape—Leo Cherne and his like. And now to find that the Committee on Foreign Relations views with alarm the prospect that such a man might be associated with Radio Free Europe, with Radio Liberty is to ask what confusion has appeared in the midst of our councils. It has also to be asked, if I may use the language of this report, whether this sorry and unseemly episode could be "remotely" associated with personal animosities of a kind that have no place in affairs of this sort?

Lastly, it has to be asked what will be the effect upon Radio Free Europe and Radio Liberty to learn that the Committee on Foreign Relations is alarmed at the prospect that two men who think the Soviet Union has been capable of aggression against free societies might have been appointed to a board which would oversee their activities? Will they report the agreement of the NATO ministers yesterday in Brussels about the events in Afghanistan or will it be their view that the Afghan invasion was a necessary response to intolerable provocation from the CIA?

Whose side are we on here? What are we doing to ourselves?

We now rise in this Chamber to state that the integrity and honor of Leo Cherne is perfect and unsullied. It is no business of any member of the staff, of any person in this body, or any other body, to suggest otherwise, "even remotely."

The idea that Leo Cherne would not be fit for such duties because he has been associated with the International Rescue Committee is one that suggests, as I say, confusion in the heart of our council. And it alarms me.

But, it reassures me so much to know that my senior colleague is here, knowing how much he shares my regard for the National Rescue Committee and Mr. Cherne and, by reputation, Professor Seabury. I see my colleague has risen and I am happy to yield to him.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, this is almost rising to a point of personal privilege, though not quite opposite to the normal procedure in that regard, because I have known Leo Cherne for 30 years, maybe more.

If there ever was a stalwart believer in our deeply-held faith in a free, open, honorable, and nonsecret society, it is Leo Cherne. His contributions to the cause of freedom and justice in the world are legendary, as they deserve to be. And his chairmanship or presidency—I do not know the exact title of the International Rescue Committee—has been a constant source of benefit through hundreds of thousands, perhaps even millions, of refugees in the world, and a constant source of satisfaction to me and to so many others who have been associated with him.

That this general position, which I and three associates on the Foreign Relations Committee took, respecting replacements to the Board for International Broadcasting should suddenly strike Leo as untoward are as uncalled for and happenstance as shooting an arrow in target practice and finding it hit a friend. It aggrieves me that much. He certainly does not deserve it and it should not be visited upon him.

Now, I say nothing about Professor Seabury, about whom Senator MOYNIHAN has said such kind words, because I just do not know him and I have not had time to check it out.

But I certainly know Leo Cherne and basic honesty and decency, and I am required to get to my feet and say these things about my friend.

Now, I do not want to see the whole matter overblown or overstated. The fact is that Leo Cherne was not remotely in my mind—I do not know about the other Senators; I could almost surely say the same thing for them. I had not the remotest notion of whom the President had in mind to appoint to these jobs. They all come before us, anyhow, for confirmation.

I was stunned to hear yesterday that Mr. Cherne's name had been mentioned in newspaper reports and again in newspaper reports this morning.

I hastened to point out, Mr. President, that the news report in the New York Times speaks of "Leo Cherne, President of the International Rescue Committee in New York, which reportedly—I quote that word very, very especially—"which reportedly received $15,000 in CIA money in the mid-1960's. Mr. Cherne was on the

Foreign Intelligence Advisory Board under President Gerald R. Ford."

I have talked with Mr. Cherne. He says that is untrue and the author of the statement is repudiated. I take his word for it fully.

In addition, even if that were true, one would have to go into the circumstances. But I accept his word absolutely.

Mr. MOYNIHAN. Mr. President, will my colleague yield at that point?

Mr. JAVITS. Of course.

Mr. MOYNIHAN. Mr. President, I happen to have an article from the New York Times of February 21, 1976, in which there is a statement which retracts that allegation. Perhaps that should be put in the Record at this point.

Mr. JAVITS. Mr. President, I ask unanimous consent that that article and the article published in the New York Times this morning be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

C.I.A. Link to Cherne Unit Is Denied

(By John M. Crewdson)

Washington, February 20—Frank Weil, president of the Manhattan-based Norman Foundation, said today that he erred in his assertion yesterday that the Central Intelligence Agency had passed about $15,000 through his organization to the International Rescue Committee in the mid-1960's. Mr. Weil said in a telephone interview that on checking the foundation's records, he had discovered that none of the $27,000 it gave to the I.R.C. from 1961 to 1965 had been provided by the intelligence agency.

He said that the $50,000 in C.I.A. funds passed through the foundation in that period had gone instead to four other organizations—the American Society of African Culture, the African-American Institute, the Pan American Foundation and the International Development Foundation.

Leo Cherne, one of President Ford's three appointees to a new intelligence oversight board set up to check for possible abuses of authority by the C.I.A. and other intelligence agencies, is board chairman of the I.R.C.

Mr. Cherne, a professional economist, said the I.R.C.'s work involves assistance to political refugees round the world. The I.R.C. project funded by the Norman Foundation was a medical-service unit set up in the Belgian Congo to aid Angolan refugees and others.

Mr. Weil said today that he "misrecalled" himself yesterday in recollecting that "a mysterious gentleman" from the C.I.A. had approached him in 1963 or 1964 with a specific request to pass agency money to the Congo medical project.

He said he had also erred in recalling that the foundation had agreed to serve as a pass-through for the funds only after deciding that the I.R.C. project would have been worthy of a contribution from its own endowment.

"I WAS WRONG"

"Let me make it very clear," he said in the interview, "I made a mistake. I was wrong."

Although he spoke to Mr. Cherne last night and again this morning, he said, Mr. Cherne "did not ask me to do anything" with respect to setting the record straight. He is amending his earlier statements because "harm has been done," he emphasized.

Mr. Cherne was appointed in 1973 to sit on the President's Foreign Intelligence Advisory Board, which The New York Times reported erroneously today was abolished by Mr. Ford this week. It was the United States Intelligence Board that was abolished by executive order on Wednesday.

The President's Intelligence Board, created by President Eisenhower in 1956, is a group of private citizens responsible for reviewing the functions of the Federal intelligence community and reporting to the President on the conduct of those agencies.

The United States Intelligence Board was a high-level coordinating group within the intelligence community, presided over by the director of Central Intelligence. In the past it met as often as each week to coordinate intelligence data available from all members of the community.

In a related development Freedom House, an organization with which Mr. Cherne has also been closely associated for many years, asked George Bush, director of Central Intelligence, whether the C.I.A. had ever given it funds "directly or through any other entity."

The request was in a letter sent to Mr. Bush that mentioned a report, also in today's Times, that Freedom House received $3,500 from the J. M. Kaplan Fund between 1962 and 1964.

The Times article quoted executives of the Kaplan Fund as having said that while they had passed C.I.A. money to the now-defunct institute for International Labor Research, all the funds paid by them to Freedom House or to the I.R.C. had been their own.

U.S. Overseas Radio Stirs Dispute Again

(By A. O. Sulzberger Jr.)

Washington, May 14—Senior members of the Senate Foreign Relations Committee have written to President Carter to protest how the Administration is handling the filling of a majority of positions on the Board for International Broadcasting. They said they felt the board's independence might be jeopardized.

The five-member board which oversees Radio Free Europe and Radio Liberty, was created by Congress in 1973 after the Central Intelligence Agency was shown to be behind the two Munich-based stations. Two seats on the board are now vacant and in a week a third will be open.

Actions by members of the National Security Council have raised fears that former intelligence officials are trying to redirect the board away from its oversight role to one more compatible with the two station's old role as a tool for propaganda.

In a letter, the Senators said: "At this juncture, it is of the highest importance to the future of the RFE/RL that continuity be maintained in the membership of the board. We have been disturbed by reports of attempted interference in the board's work by former C.I.A. officials inside and outside the Administration."

The letter, dated May 5, was signed by Senators Frank Church of Idaho, chairman of the committee Jacob K. Javits of New York, its ranking Republican, Claiborne Pell, Democrat of Rhode Island, and Charles H. Percy, Republican of Illinois.

TWO MEN APPROACHED ABOUT SEATS

"I have the feeling," an Administration official said, "that some of the oldtime C.I.A. types don't feel the board has been doing the right job with the radios. They want to mold the successor."

Paul B. Henze, the National Security Council specialist on United States propaganda and a former C.I.A. station chief in Turkey, has approached two men about filling seats. They are Paul Seabury, a professor of Political Science for the University of California at Berkeley, and Leo Cherne, president of the International Rescue Committee in New York, which reportedly received $15.000 in C.I.A. money in the mid-1960's. Mr. Cherne was on the Foreign Intelligence Advisory Board under President Gerald R. Ford.

The Senators' letter said: "We believe that the work of a decade in assuring the professional integrity of RFE/RL would be undone if any of the present members of the BIB were to be replaced by persons who could even be remotely identified as presently or formerly associated with the C.I.A. or intellience activities in any capacity."

The White House would not comment beyond saying that recommendations were being prepared for President Carter. The National Security Council is a coordinating body that takes information gathered from various sources, including the C.I.A., and presents policy options to the President.

Professor Seabury and Mr. Cherne said by phone that they also had talked with Zbigniew Brzezinski, the President's national security adviser, about the jobs. Both men said they believed the matter was in limbo.

CANDIDATE CRITICIZES EFFORT

"These bizarre efforts to identify me with the C.I.A.," said Mr. Cherne, "are damaging to an organization that is breaking its neck in seeking funds for refugees," speaking of the rescue committee. He said he first accepted the offer and later declined.

"I think it's reasonably clear to those involved they are not going to pursue it now," he said.

The debate over the appointments mirrors in many respects an earlier dispute in which Mr. Brzezinski recommended Prof. William E. Griffith of the Massachusetts Institute of Technology for a seat on the board. State Department officials and members of Congress fought his appointment successfully because he had been the chief political adviser at Radio Free Europe when it was run by the C.I.A.

Those opposing the appointments effort see it as an attempt to make the board more responsive to the National Security Council. "I doubt they'll get it," said one official.

The three departing members are the chairman, John A. Gronouski, and Rhita E. Hauser and Frank Marcoe Jr.

In the past few years the board, which has oversight responsibility for the two stations, has been at odds with the stations over several issues, including the possible transfer of 50 to 60 personnel from Munich to Washington.

"There are close ties between the N.S.C. and the radio people," said one Senate staff member. "They go to Henze with their problems. The two radios have never liked even the light hand of the Board for International Broadcasting."

Mr. JAVITS. Mr. President, I hope that the newspaper in question will note this very carefully, because when you do anything which offends, in his own judgment, the reputation of so fine a human being and so useful a human being, so useful an American as Leo Cherne, it is critically important that all take note. And it is only the most modest measure of justice that two Senators of the United States from his State should deal with the matter in the way that they are doing today.

Now, Mr. President, also, I am ready to say that the very, very general statement which is made in the letter which I signed, to wit, "That the professional integrity of RFE and RL"—that is Radio Free Europe and Radio Liberty—"would be undone if any of the present members of the BIB were to be replaced by persons who could even remotely be identified as presently or formerly associated with the CIA or intelligence activities in any capacity," would, in my eyes, require a careful scrutiny of any such applicant and could not be any conclusory finding without hearing something about it and hearing the evidence.

No name was mentioned. I did not know of any name in connection with these replacements. I was moved to sign the letter by the following state of facts:

Senator PERCY, who took a very great and particular interest in these two radios—as all of us must, in different committees which we serve, we make a specialty of some one or more subjects of critical importance—made a specialty of looking into these two radios from the point of view of straightening them out, in view of the fact that they had incurred a great amount of criticism and a very considerable loss of the ability to carry out their mission because of some facts involving CIA financing, on the grounds that they were really not directed for the purpose which they stated but that what was concealed was some kind of intelligence and propaganda purposes of a kind which was not credible to listening to them and accepting what they had to say.

Now, that is a serious matter for our country. So we worked it out and we put those radios under some form of general oversight of this very Board for International Broadcasting. Hence, the reference to CIA or intelligence activities was meant to keep them in a useful position—that was its purpose—and that the board, which had general oversight, we ought to be particularly concerned should not tend to have any influence in it which would revive the recollections of intelligence use or disguised purpose which had so seriously harmed these two radios, which are terribly important in getting some message of freedom in behind the Iron Curtain.

So it is understandable that, in our own convictions and in our forensic sweep, we may have made the statement too broad, without adequate regard to due process for any appointee.

My purpose in spelling that out is twofold: One, to point out that I had not the foggiest notion of any individual—and certainly not Leo Cherne. And because he has been mentioned, even though the press hedged it very carefully, he has been mentioned and his reputation is so high with me, and I think with most anybody else who knows about his activities—and many, many do—that he, at the very least, deserves this high testimonial to his great record as a Democrat, a person who loves his country as much as life itself and to his tremendous service in the refugee field and in the field of human decency and human rights.

Second, Mr. President, to assure any nominee whom the President may name who will come before our committee—certainly at my hands, and, again, I am sure none of my colleagues feel any differently—of the utmost due process, we are issuing a word of caution not to repeat an experience which we have had before.

I think that that is a very elementary and sincere caution, because we value these two radios and we value this board. But, whoever the President appoints who comes before us will, certainly, for me, and I will not only do it myself, but do everything I can as, I hope, an effective lawyer to protect him, to be sure that there are no presumptions, no assumptions, certainly no conclusions, but that we accept the nominee at face value, subject to examination and cross examination and inquiry, but with no prejudice or predetermined position whatsoever.

I think that is the way in which I would like to leave the matter.

I thank Senator MOYNIHAN. He and I talked about it this morning, and we both agreed that in all fairness these things should be said on the floor and the leaders gave us the opportunity to do so. I thank him for the opportunity to join with him in this testimony to one of the most useful people in this country, Leo Cherne.

Mr. MOYNIHAN. Mr. President, may I thank my distinguished colleague for his words which have been so direct and precise. Knowing that he has to rush off to a meeting of a Senate committee, may I just say that in a not uncharacteristic serendipity, the Letters to the Editor's column of the Washington Post this morning contains a long letter from Leo Cherne in praise of Cyrus Vance and his performance in the matter of refugees these past 3½ years. Leo Cherne writes as chairman of the Citizens Committee on Indonesian Refugees, with the Post's title, "Cyrus Vance's 'Unfailing Humanity,'" a quotation from Mr. Cherne's letter and one which would equally apply to him.

Mr. President, may I continue on another matter for a brief period?

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ROLE OF THE CENTRAL INTELLIGENCE AGENCY

Mr. MOYNIHAN. Mr. President, I rise, as I had intended to do today, to discuss a matter which is curiously related to the subject about which my senior colleague and I have just spoken. That is the role of the Central Intelligence Agency in our affairs, its reputation, the regard with which it is held, the concern with which its purposes are tended to and its capacity maintained.

As the distinguished Presiding Officer knows, the Senate Select Committee on Intelligence has, for the past 3½ years, been involved in an effort to draft a charter for the intelligence community, including, of course, the Central Intelligence Agency. This is something much in need of doing.

The existing arrangements were established in 1947 by the National Security Act, which really was a post-World War II phenomenon that brought about the unification of the armed services. This was a part of a general reorganization, which did not take place in the atmosphere of military anxiety or threat. A National Security Council was established with a National Security Adviser in the Executive Office of the President, and a Central Intelligence Agency was also established in legislation that was five paragraphs in length; the principal function of this legislation was the coordination of the previously established, existing and continuing intelligence activities of the Department of War, the Department of the Air Force, and the Department of the Navy.

That was before the cold war. That was before the crashing down of the Iron Curtain across Germany, through Czechoslovakia, and down to the Adriatic. The events that followed have been in a very different international climate and order, and the institutional responses have correspondingly produced arrangements different from those we had anticipated.

As a result the Senate Select Committee on Intelligence has been involved for the past 3½ years in an effort to establish a charter for the Central Intelligence Agency and the intelligence community generally. In the course of these deliberations, as the Presiding Officer is well aware, one of the continued concerns expressed within this body and outside it was whether committees of Congress could be entrusted with confidential matters of the intelligence community, it being in our nature to be public and to be involved in controversy of legitimate and necessary kinds.

We have been sensitive to that concern. Indeed, we will shortly be bringing to the floor a bill that will confine the oversight responsibilities of Congress to two committees, the select committees in each body. That compartmentalizing responds to a legitimate concern, although I think the record will establish that the arrangements we now have work and work well.

In our report, we have stated that what we have codified in our bill is the existing practice. Congress is quite capable of maintaining these confidences in this case, as it did, for example, for over a generation in the matter of atomic energy.

While this has been going on, I have found myself increasingly concerned with the growing disregard within the executive branch for the protection of the most sensitive classified data developed by the intelligence community. In one case after another, over the past 3 years, I have read in the press of our country reports of Government actions and decisions that were of the highest security classification and which the press made very clear were given to it for the purpose of being published.

There is a slight code by which this procedure is identified. When a responsible journalist in our city reports that a White House official has informed him, one begins to narrow down—given the subject matter—to two or three people. Their names are known. "A high-ranking source on an airplane carrying the Secretary of State from one place to another" presents no great difficulty in deciphering the high-ranking source.

The press says it has been given information by officials for the purpose of the press publishing it and legitimacy does not even need to be established. The press informs you when a White House official does something because they think it is something one should know.

Mr. President, this has reached proportions which, in my view, represent more of a problem for the performance of our intelligence community than any other single factor I can think of. None of our information is secure among the people who run this Government and to whom the agencies and the intelligence community report.

I should like to give, as an example, three instances in the press of one particular disclosure which seems to me to verge on the unforgivable, but which has become routine, and to comment on what it means that such things, in fact, have become routine.

Once each year, the intelligence community—it goes back to the original coordinating function of the CIA itself—collects judgments about the course of events in the coming year, in various regions of the world, most particularly with respect to the strategic balance between the Soviet Union and the United States. These are known as the National Intelligence Estimates. The NIE regarding the strategic balance is always considered the most sensitive and the most important.

When I came to Washington, an official of the executive branch would have considered it a grievous misuse of his position even to talk about it—that is, outside official circles—and to give one of them to be published would have been thought behavior that would verge upon the despicable. It now has become routine.

On January 31, about the time drafts were circulating, a long and informed and careful study in the Washington Post said, "Intelligence Estimate Said to Show Need for SALT."

I read a paragraph:

> While the intelligence estimate is normally classified, some Government officials who support SALT are willing to discuss the broad figures privately, believing they support the case for the treaty.

In other words, it made a case for the treaty. This is perfectly legitimate. I support the treaty. Nonetheless, these officials revealed the innermost judgments of the Government, thinking they had a right to do so and having no right to do so; but they did so, anyway.

One of the two distinguished journalists who wrote this article continued on May 9 of this year, and once again we learned more:

> Officials say that the NIE summary contains what is called a "footnote" but which in fact is a sharp dissent by the Pentagon's military-run Defense Intelligence Agency together with the intelligence chiefs of the three armed services.
>
> Administration sources call the breadth of the split within the civilian-run CIA "unprecedented," a well-informed Pentagon source says.

What is the nature of the regard for the intelligence community by these officials if they will do this?

Most recently, perhaps the best known—certainly, among the most respected—correspondent in our city in this matter felt the confusion as to what was being given to the press had reached the point where it needed to be cleared up. In the manner of a good professional, Mr. Richard Burt called all around the Government and said, "Now, look, we have to get this straight. We have too many contradictory leaks. What is going on?"

He wrote a careful paper entitled "Soviet Nuclear Edge In Mid-80's Is Envisioned By U.S. Intelligence." And I will read the first sentence:

> American intelligence services have concluded that in the next few years the Soviet Union could achieve an edge over the United States in every major measure of strategic nuclear power, including overall numbers of missile warheads, Carter administration aides said today.

Mr. President, this is the administration revealing to the world the national intelligence estimate. That should be serious misconduct. It suggests a disregard verging on disdain for the purposes and functions of the agency whose job it is to collect and make these assessments.

How is the morale of that agency to be maintained? How is their sense of self-regard and of the importance of their work and the privacy of their work to be maintained if it is indiscriminately passed out to the press by the White House?

Mr. President, I have not seen the national intelligence estimate and as a member of the select committee when I do I will be bound by confidence concerning it. I do in fact want to get to it and will, but before I am bound by that confidence I want to put this into the RECORD and to say, is there no one in the Government with a sense of the purposes of Government and the nature of procedures not to be outraged by this behavior?

The Director of the Central Intelligence Agency knows of my regard for him, and he will understand the wholly hypothetical nature of what I am about to say. But it occurs to me that there may be no way for some semblance of order and procedure to be reestablished here until the President opens his newspaper one morning and finds the Director of the CIA has resigned because he will not any longer tolerate the misuse of his agency and his reports by the National Security Council staff or whomever.

We do not understand how we undermine our institutions and our morale in this matter. It has proceeded so far that it is not even noticed.

I tell Senators this is not the behavior that Allen Dulles or John A. McCone would have tolerated. They would not have tolerated it. They would not have had it. Nor should any director of the agency, nor any director of the community, DCI, as he is called, be required to do this.

Congress is attending to its purposes and seeking oversight of a responsible and effective intelligence community. So long as that effectiveness is undone by the very officials who are to be served by the community, that effort of the Congress cannot succeed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. I thank the Chair. I appreciate the courtesy of the leader who so kindly provided this time.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to have printed in the RECORD the various articles to which I have made reference.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 13, 1980]

SOVIET NUCLEAR EDGE IN MID-80'S IS ENVISIONED BY U.S. INTELLIGENCE

(By Richard Burt)

WASHINGTON, May 12.—American intelligence services have concluded that in the next few years the Soviet Union could achieve an edge over the United States in every major measure of strategic nuclear power, including overall numbers of missile warheads, Carter Administration aides said today.

The aides said that the projection was one of the principal findings of a national intelligence estimate completed by the Central Intelligence Agency and other Government intelligence bureaus. The estimate is now being circulated among high-level policy makers and has been presented to President Carter.

According to officials familiar with the document, the Soviet Union, in the absence of the new nuclear arms treaty, could possess a missile arsenal in 1985 capable of delivering as many as 16,000 nuclear warheads against the United States. Officials estimate that the United States, in the same year, is likely to have a missile force equipped with about 8,000 warheads.

DEBATE OVER NUMBERS

Some military experts contend that both Washington and Moscow possess so many nuclear warheads that comparisons of total numbers does not make much difference. However, American officials have traditionally pointed to Washington's lead in warheads to argue that Moscow has not surpassed the United States in strategic power.

Moreover, some academic specialists believe that growth in the numbers of Soviet nuclear warheads in the coming decade could neutralize the Administration's plans for building a new mobile missile, the MX.

While other aspects of the intelligence estimate have apparently caused disputes, the projections on warheads numbers have been welcomed by diverse elements in the Government.

IMPORTANCE OF ARMS PACT

Proponents of arms control in the White House and the State Department said the estimate demonstrated the importance of approving the strategic arms pact, which would place limits on numbers of Soviet warheads. The treaty, signed June 18, 1979, was before the Senate when the Soviet Union intervened militarily in Afghanistan. The Administration then asked that consideration of the pact be postponed as part of its effort to induce Moscow to withdraw its forces.

At the Pentagon, officials said the report strengthened their case for deploying the Air Force's new MX mobile missile, which would give American forces an additional 2,000 warheads in the late 1980's.

Other defense aides said that Moscow's growing nuclear arsenal, set against Washington's improved political ties with Peking, had led military planners to assign a smaller portion of American missiles against targets in China and a larger number against the Soviet Union.

The balance in strategic forces has been gradually shifting against the United States since the late 1960's, when Moscow initiated programs to deploy new land- and sea-based ballistic missiles. During the 1970's, the Soviet Union was able to establish an edge in such measures of strategic power as overall numbers of missiles and long-range bombers and the total payload that these systems can carry.

CLEAR U.S. ADVANTAGE IN NUMBERS

But the United States, with a larger part of its missile forces equipped with multiple warheads, possessed an advantage over the Soviet Union in the 1970's in the number of nuclear weapons that could be delivered by the two sides' forces. Accordingly, in the annual Defense Department report in January, Secretary of Defense Harold Brown said that Washington possessed a total force of about 8,000 warheads on its land- and sea-based missiles, compared with 6,000 for Moscow.

Officials said that over the next five years the American total was unlikely to change significantly. In 1985, they said, the land-based missile force would be equipped with about 2,100 warheads while sea-based rockets would carry about 5,700 warheads.

THREE THOUSAND MORE U.S. WARHEADS

Air Force bombers, they added, could deliver another 3,000 nuclear weapons, consisting of bombs and air-launched cruise missiles.

During the same period, the officials said, the intelligence estimate reports that without the new arms pact Moscow could put as many as 11,000 warheads on its existing force of 1,400 land-based missiles, and as many as 5,000 additional warheads could be fitted to Moscow's 950 submarine-launched rockets by 1985.

Together with about 1,000 weapons that could be carried by Soviet bombers, the intelligence group's "high estimate" for Soviet warheads in 1985 is 17,000, officials said.

The officials said that if the new arms treaty was finally ratified, this total could be cut by about half. By placing a ceiling of 820 on land-based missiles equipped with multiple warheads and by freezing numbers of nuclear bombs that could be placed on individual missiles, the new accord, officials said, would permit Moscow to deploy only about 8,500 warheads through 1985.

[From the Washington Post, May 9, 1980]

SOVIETS' POWER SPARKS INTELLIGENCE RIFT

(By Michael Getler)

An extraordinary split has developed between military and civilian intelligence agencies over conclusions reached by the director of the Central Intelligence Agency about the balance of strategic military power between the United States and the Soviet Union.

The military agencies are arguing that the CIA summary of a top-secret government-wide assessment of the power balance, which goes to President Carter, is "not representative" of the analytical work that went into preparing that assessment.

Perhaps more importantly, the military contends that the job of comparing U.S. and Soviet forces and how they might fare in an atomic struggle constitutes what is called a "net assessment." Preparing such assessments, they contend, is the prerogative of the Joint Chiefs of Staff and the Defense Department rather than the CIA.

The CIA, this argument goes, should confine itself to figuring out what the Soviets are doing.

The dispute centers on the latest version of the National Intelligence Estimate, which goes from the nation's top intelligence officer, CIA chief Stansfield Turner, a former admiral, to the president.

That Turner is at the center of this dispute is not surprising. The ex-Navy man has been the target of some criticism from both military and civilian defense officials in recent years as he, under Carter's orders, has solidified his sometimes controversial control over the nation's intelligence apparatus.

Because the National Intelligence Estimates are widely circulated among the top rungs of government, and are so authoritative, these estimates have great importance within the bureaucracy in shaping future U.S. national security policy on many issues.

Officials say that the NIE summary contains what is called a "footnote" but which in fact is a sharp dissent by the Pentagon's military-run Defense Intelligence Agency (DIA) together with the intelligence chiefs of the three armed services.

Administration sources call the breadth of the split with the civilian-run CIA "unprecedented." A well-informed Pentagon source says: "It is fair to say this is probably as strong an assertion of dissent on the part of the DIA to the director of central intelligence" as has been registered.

The State Department's Bureau of Intelligence and Research and the super-secret National Security Agency did not join in the dissent, sources say.

The actual conclusions of the report are highly classified, but sources suggest they contain a mixed bag of assessments that trouble the military.

On the one hand, the defense agencies are said to believe that the report underestimates the relative momentum of the Soviet strategic military buildup in comparison to that of the United States, arguing in effect that the picture is even grimmer than presented.

Yet the military also contends, other sources say, that the new report overestimates the Soviet threat that could be mounted against the Pentagon planned MX super-missile.

INTELLIGENCE AGENCIES SPLIT OVER U.S.-SOVIET POWER BALANCE

The military is counting on the MX as its future land-based, long-range missile force. Critics contend the Soviets, with their bigger missiles, will always be able to lob enough atomic warheads at the MX shelters to make survival of a few of them not worth the huge cost, estimated by some at more than $60 billion. Supporters of MX argue that the Russians wouldn't use their missiles in that fashion.

CIA officials say that full-scale net assessments, involving such things as paper war games to figure out who wins, are indeed the Pentagon's job. The CIA claims it is not doing that but rather has been using "a more sophisticated form of analysis in recent years" and "adding some judgments" to its findings rather than just counting Soviet missiles.

The CIA officials contend that many people within the government find this technique helpful in assessing the power balance, a claim confirmed in interviews with civilian officials elsewhere in government.

Some CIA officials suspect the military objections at this time may have an element of politics to them, seeking perhaps to take advantage of an election year to support those arguing for higher defense spending in face of the Soviet threat.

Pentagon sources suggest it undoubtedly will be left to the president to resolve the dispute over who does what kind of assessment. The report summary also has gone to Capitol Hill, and sources say the House subcommittee of intelligence oversight probably will begin closed-door hearings next week on the report, including the disputed "footnote."

The National Intelligence Estimates, produced by the entire U.S. intelligence community, normally include at least two main volumes, the summary and the back-up factual and analytical data.

The summary section of the disputed NIE, number 1138, was completed in mid-March. The second volume of back-up data is scheduled to be circulated very soon, sources indicate.

In the past, there have been other dissenting footnotes to these reports. But officials suggest they usually have been over technical matters, such as the debate over the range of the new Russian Backfire bomber and whether it is aimed at U.S. targets or other targets closer to the Soviet Union in China.

In the current dispute, the DIA and military chiefs are understood to have "disassociated" themselves from the summary presented by Turner, contending that it concentrates too much on quantitative information and gives too little weight to Soviet military doctrine, policy, overall capability, momentum and future programs.

Similarly, the military is said to contend that the kind of analysis used in the summary distorts judgments and that these are shaped too much by U.S. thinking, rather than on Soviet thinking, on strategic matters.

Though Turner also is not without his critics elsewhere in the civilian-run agencies of government, on this issue the former admiral seems to have supporters.

One administration source says he has "a grudging admiration for Turner in refusing to budge from his position once he and his analysts are convinced they are right."

Another suggested that Turner was refusing to allow the NIEs "to become sterile documents" and refusing to "let the MX go by without focusing a light on it."

[From the Washington Post, Jan. 31, 1980]

INTELLIGENCE ESTIMATE SAID TO SHOW NEED FOR SALT

(By Michael Getler and Robert G. Kaiser)

The nation's top intelligence officials this week are completing a grim new estimate predicting that without a Soviet-American strategic arms agreement, Soviet rockets in 1989 will be able to rain nearly 250 percent more atomic warheads on the United States than they would if constrained by SALT II and successor agreements.

The new National Intelligence Estimate—NIE 1138-79—indicates that by 1989, the Soviet could have about 14,000 highly accurate warheads mounted on their land-based missile force aimed at the United States. Under current plans, the United States would have only a fraction of this amount. By U.S. estimates, the Soviets would have about 6,000 such warheads under a SALT II treaty, which would expire in 1985 but could be extended.

These still-secret figures are the first concrete contribution to an emergency debate within the government about one consequence of the Soviet invasion of Afghanistan, and subsequent derailing of SALT II, that has received scant public attention thus far.

This debate is prompted by the widely perceived conclusion that the United States is in danger of entering into a tense period of confrontation with the Soviet Union without a coherent or broadly supported policy of dealing with nuclear weapons.

The administration hoped it had such a policy built around the SALT II treaty and a program of new strategic arms procurement that went with it. Even before the Soviet invasion of Afghanistan, this policy—like the treaty—was in serious trouble, but now it appears to be on the verge of unraveling.

Senior administration officials now see a dangerous paradox—that the Soviet invasion of Afghanistan, potentially a threat to U.S. security, has prevented passage of a Soviet-American arms agreement that they believe clearly serves the country's security interests.

For these officials, the new National Intelligence Estimate provides proof that SALT II would put crucial constraints on a Soviet missile buildup that otherwise could threaten the survivability of the U.S. retaliatory missile force.

Several officials in the White House, Pentagon and State Department said in interviews in recent days that the prospect of a world without SALT—so starkly defined by the new N.I.E.—could jolt the country and the Senate into the realization that SALT II is now more urgent than ever.

But other administration officials and numerous sources on Capitol Hill expressed the belief that the Senate could never be convinced to act favorably on SALT II this year while Soviet-American relations are tense.

While the intelligence estimate is normally classified, some government officials who support SALT are willing to discuss the broad figures privately, believing they support the case for the treaty.

SALT critics in the Senate and elsewhere reject alarmist views of the world without SALT, arguing that the Soviets will not reach the high numbers of warheads predicted in the N.I.E. because they will not need them.

By extending the new intelligence estimate out to 1989, the intelligence officials throughout the government who prepare National Intelligence Estimates for the president cover the period in which the new U.S. super-missile, the MX, is supposed to be fully deployed.

The United States is currently planning to build 200 of these huge missiles, each carrying 10 warheads. The idea is to truck them around concrete "racetracks" in desert valleys of Utah and Nevada, hiding them at random in 4,600 concrete shelters as protection against a Soviet strike. The system is estimated to cost between $30 billion and $100 billion.

But the arcane arithmetic of nuclear forces that drives the arms race could change dramatically without SALT limits in force, raising questions about whether this MX project—a scheme of unprecedented cost and complexity—is the right answer.

Under SALT, government specialists estimate the Soviets could possibly aim 3,000 warheads at the MX silos, with the rest of their arsenal aimed at other U.S. missiles and military and civilian targets. About half the MX force would survive a Soviet attack, they believe, enough to still deter a Soviet strike in the first place.

But with 14,000 Soviet warheads, some 11,000 could be aimed at the MX silos, almost quadrupling the threat and calling the whole MX project, as now conceived, into question.

To maintain survival of half the MX force under an uncontrolled Soviet expansion, specialists say that the first crude estimates undertaken indicate it could mean tripling the land needed in Utah and Nevada to handle still more silos and double the cost.

It is this kind of calculation that some top civilian officials believe will have what one called "a profound and sobering impact on people's perceptions of what the realities of a world without SALT will mean."

The idea of building a budget-busting MX that might not even fulfill its mission is certain to reopen old arguments and start new ones on American procurement policy.

For example, some members of Congress and administration officials are already talking privately about reviving earlier ideas for missiles that can be carried aloft and fired from airplanes. Other ideas are to move toward a new class of less expensive, more accurate missile-carrying submarines, or even to go back to the idea of installing anti-ballistic missile (ABM) defenses around existing missile silos to protect against attack. ABM's are banned by the SALT I treaty, so reverting to them would amount to "the death of arms controls," one official said.

For now President Carter has declared a policy of respecting the limits on arms contained in both the SALT I and II agreements. The Soviets' willingness to do the same, when the SALT I agreement on offensive weapons has lapsed and the SALT II treaty has not been ratified, will be tested this spring.

To continue respecting the SALT I limits, the Soviets will probably have to report to the United States in the spring that they are dismantling some of their old Yankee class submarines to make room under the numerical limits for a new Delta sub to be launched in May. The Soviets did so report in December, signaling a willingness then (before Afghanistan) to keep respecting lapsed provisions of SALT I.

Continued, voluntary adherence to the existing agreements will also require American cooperation, including sanction from Congress. The first test could come in July, when a new Trident submarine goes to sea and older Polaris subs must come out of the American fleet to satisfy SALT II. The Navy is willing to do this because the Polaris boats are antiquated, but Congress will have to vote money to decommission those boats, an issue that could provoke a de facto vote on SALT in both houses.

SALT opponents on the Hill are already planning tactics to scuttle the existing agreements, if not on this issue then on one of many others that will come up for votes this year.

Even if both sides chose to respect the SALT agreements voluntarily, practical problems in the months ahead will make this increasingly difficult.

For example, if there is no Senate action on SALT II this year, the treaty cannot come up for a vote before mid-1981. But it was drafted on the assumption that the Soviets would have all of 1980 and 1981 to dismantle 250 old rockets that they would have to give up under the treaty. This timetable, then, would have to be renegotiated, a perilous necessity given the delicate balancing of interests embodied in the treaty now.

Moreover, the treaty's protocol, on which the Soviets put great emphasis, is scheduled to expire at the end of 1981. U.S. officials have begun to wonder if Moscow would accept SALT II next year without a prolonged protocol, since this section provides the most significant controls in SALT II on the new type of U.S. strategic weapon, cruise missiles.

The cruise missile issue has been made more complicated by the decision of NATO nations in December to deploy large numbers of these unmanned, uncannily accurate drones in Europe aimed at Soviet targets. U.S. officials acknowledge that the Soviets now face a greater potential cruise missile threat than they probably anticipated when they signed SALT II last June.

Some officials expect the Soviets to demand reopening the negotiations to extend the cruise missile controls. But this could open SALT's Pandora's Box—the issues of all European-based nuclear weapons, which were deliberately left out of SALT II except for the short-lived cruise missile controls in its protocol.

Once the European-based system—including the French and British nuclear forces—become a SALT issue, many experts agree, it will become vastly more difficult to negotiate any agreements.

Administration officials express deep pessimism about the prospects for building a political consensus behind new strategic arms policy if the SALT process does indeed collapse.

"We really are in a tricky world and a fragile situation now," one senior administration official said. "Nobody is prepared for the no-SALT world, either psychologically or militarily."

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. STEWART. I thank the Chair.

THE ECONOMY

Mr. STEWART. Mr. President, on May 20 the Senate Small Business Committee will hold a day-long symposium on economic growth. Some of the most thoughtful analysts from business, labor, and academia will be in attendance to discuss how the United States can encourage sustained, responsible, and equitable economic growth. The express purposes of the symposium is to offer a broader view of our problems, one that goes beyond merely suggesting a tax cut here, a regulatory change there, and addresses instead fundamental economic problems.

This symposium will be just the first step toward a comprehensive review of our economic policy from an additional perspective. In the early summer, several days of hearings will be held, and throughout the rest of the summer an extensive investigation will be undertaken with the goal of producing a major report on the economy by the beginning of the next Congress. In doing this, I hope that the committee's efforts will complement the excellent work already done by the Joint Economic Committee under its chairman, Senator BENTSEN.

Senator BENTSEN has been a leader in the Senate in the discussion of these continuing economic problems and the formulation of a program to deal with these problems.

We are all very familiar with the outlines of our economic dilemma—inflation roaring at record rates; real rates of investment declining; imports increasing; basic industries aging severely; productivity going down; U.S. economic strength on world markets deteriorating. It is a frightening situation, one that threatens not just our prosperity, but our political and social institutions as well.

The data supporting this view have often been repeated in this RECORD, but some essential points bear repeating. The U.S. share of the world manufacturing output has declined from 21 percent in 1972 to 16 percent in 1978. Our productivity growth rate is the lowest in the democratic industrial world and actually declined in 1979. In 1961, 16 percent of all patents were granted to foreigners; in 1979 the figure was 35 percent. Capital investment per worker, measured in 1972 dollars, grew at an average annual rate of 1.8 percent per year from 1966 to 1973, but once the recession of 1974 and 1975 ended, actually declined by about 1 percent per year. Research and development expenditures have also grown more slowly than in the 1960's, so that today, despite our larger population, there are actually 5 percent fewer people in research and development than there were in 1969.

The proposed solutions to these problems have also been frequently stated in this RECORD—decrease business taxes, lessen the impact of regulation, encourage exports, and balance the budget.

Every one of these things needs to be done. Each will help to restore our economy to a sounder footing. I suggest, however, that there are also some basic structural problems in our economy which need to be addressed by Government policy.

In my view, we can only improve productivity and our ability to compete in world markets—and thereby improve our ability to fight inflation—if we move decisively to create a more competitive economy with substantially increased opportunities for every American to participate in economic growth and the capitalist system. It was this very notion of individual initiative that made this American experiment succeed, and it is this very notion that we must restore.

Competition provides the incentive for innovation, for investment, and for improvements in productivity. This Nation created an enormously prosperous society based on that simple notion.

Today, however, the large institutions in our society, government, and corporate bureaucracy, have substituted the goals of control and self-perpetuation for competition. These large institutions, by their very nature, discourage risk-taking and change.

This short-term, risk-averse posture was never any clearer than when the automobile industry decided not to make long-run investments in smaller cars in 1973, the time of the first oil embargo. Instead, they stuck to their short-run plans to maximize year-to-year profits by continuing to produce gas guzzling automobiles. The rest is now history.

Big government is just as bad, and even bigger. Agency after agency loses sight of its mission and, instead, concentrates on building its power and maintaining its position, with little awareness of how what it is doing is stifling business performance. Smaller businesses are especially hurt by this arrogant and insensitive attitude.

The Government grows at an awful rate, taking money away from the private sector and spending much of it merely to keep itself employed. Over half of all the money we spend on welfare, for instance, is spent on administrative and personnel costs. That is a tragedy and an outrage, for there are better and cheaper ways to help people help themselves.

The terrible fact is that this concentration in business and Government is increasing. The Government's total budget at the end of World War II was only $40 billion. Today, it is over $600 billion. The Federal share of GNP has risen from 18.5 percent in 1960 to 22 percent in 1979. Government regulation is, if anything, growing even faster. Much of that regulation is needed, but much is not, or could be much more effectively administered.

At the same time, concentration in the economy is increasing rapidly. The largest 200 firms control 60 percent of all manufacturing assets. Last year, Exxon alone had sales of $85 billion—more than the gross national product of South America. Sixty percent of the value of all goods and services are sold in markets with four firm oligopolies. Just recently, the Agriculture Department reported that concentration in the food industry alone cost the consumer $16 billion per year.

This concentration is not a problem in itself unless it stifles competition and discourages long-range, productive investment. In some sectors and for some firms, this is undoubtedly not the case. In addition, it is clear that many industries require large concentrations of capital. Overall, however, the data show a very disturbing pattern, one that suggests that corporate growth is not being disciplined by competition. In 1979, approximate figures show that, at the very least, $50 billion was spent on both mergers and acquisitions, and $50 billion more on advertising, while only approximately $175 billion was spent on investment in new plants and equipment and $20 billion on research and development.

What this means is that when a steel company sees its mills deteriorating, it buys a chemical company instead of improving its steel mills. No new jobs are created—not one. No new productivity results. No new product is put on the market. In fact, according to the Organization for Economic Cooperation and Development, companies are less profitable after they have been acquired than before. What these data show is that companies are sending vast sums of money to protect and expand their market shares through acquisitions and advertising rather than through investment and innovation.

How, then, do we stimulate more competition in the economy? In general, breaking up existing firms is neither practical nor feasible. These companies grew under laws and policies that encouraged their growth. Instead, we must look to the future and create a policy framework which encourages and maintains competition to begin with, rather than attempting the impossible task of imposing it after the fact.

While stimulating competition and decreasing the role of the Government are important, I believe that there is a second goal that must be accomplished by any growth policy—broadening participation in the economy. In part, competition itself will do this, as entrepreneurial opportunities are made more available. The large majority of people, however, will still be employees, and their participation in growth will be limited to increased wages unless our current system is changed.

There are signs that changes are, in fact, already occurring. Employee stock ownership plans have grown rapidly and are now in place at 4,000 companies. Employee participation in workplace management has become increasingly common and has shown enormous potential. By combining these two—giving workers a share in our growth and giving them a voice in their work environment—we can increase productivity substantially and cheaply, while at the same time providing people with meaningful participation in the economic system. We can, through these means, give people a much larger say in their own lives.

Recent studies have shown that employee owned companies are 1.5 times as profitable as comparable conventionally owned firms, and have productivity rates 25–30 percent higher. Worker participation experiments from small companies to General Motors have shown that when workers have more of a role in designing the workplace, productivity gains dramatically. At GM's Tarrytown plant, for instance, after a worker participation system was instituted, the percentage of bad welds dropped from 35 to 1.5 percent. Absenteeism dropped by two-thirds. Outstanding work grievances dropped from 2,000 to 30. Time magazine called the turn-around "stunning".

American industry is desperately concerned about productivity. There is a way to improve it dramatically at almost no cost—give the workers a significant ownership share by printing additional stock for them and distributing it through an employee stock ownership plan, and then let them have a say in how they do their work. It is not as dramatic as a multibillion-dollar new plant, but it may work even better.

In conclusion, I believe that any growth policy should be tied to broadened ownership, and that the United States should encourage—not mandate or regulate, but encourage—greater experimentation with worker participation. Once we have more experience with these ideas, I am convinced they will grow on their own in the market, and the Government's role will evaporate.

I hope that this provides a somewhat different, but useful perspective on our economic problems. Once again, I commend the work that Senator BENTSEN and his committee have done, and I agree with the thrust of their report. We need to implement these measures if we are to succeed. In essence, we need to return to a society in which individual initiative is the central, dynamic motor of economic growth. That is what this country was founded on and that is what we need to restore. What we need to do is "re-invent America"—reinvest the society of free men, freely competing.

Mr. BENTSEN. Mr. President, I say to the distinguished Senator from Alabama that I appreciate his comments about the work of the Joint Economic Committee. I believe that reflects a growing sentiment on the part of Members of this body that we are going to have to get rid of some of that heavy baggage of the old economic theories that have just not worked, that we ought to be searching for new ideas, new ways to approach this problem, not just this periodic pulling up of the drawbridge, this idea that we have to have recession, deep recession, to try to curb inflation. We need some new approaches, I believe, to deal with today's realities.

Senator STEWART himself has been a leader in this effort to get off the old tracks and to find new ways to combat these problems. I believe that what he is doing with his day-long seminar for small business, trying to find ways to stimulate economic growth and productivity for small business and to correct some of the problems and find solutions for small business, is going to contribute significantly to that effort. The fact that we now seem to be heading for what I would call probably a deep and a dirty recession makes that kind of creative approach necessary toward our economic policies.

During the first 3 months of this year, the inflation rate was 18 percent at an annual rate. In April, the unemployment rate jumped to 7 percent, from 6.2 percent in March. That is the biggest jump we have seen in unemployment since at least the first quarter of 1975.

Not since the Depression has the economic news been so distressing. In this kind of situation, the usual medicine—tight money and fiscal restraint to fight inflation, easy money and higher spending to reduce unemployment—simply will not work. We need a new economic program for the 1980's, and Senator STEWART's work with the Small Business Committee will be one of the factors guiding the formation of that program of economic policy.

Despite the widely held belief that a recession is necessary to reduce the rate of inflation, we at the Joint Economic Committee believe that America does not have to fight inflation during the 1980's by periodically pulling up the drawbridge with recessions that doom millions of Americans to unemployment. While a balanced budget and reduced spending will help ease inflationary pressures in the short run, the only way to control inflation in the long run is by increasing the productivity of the American economy through selected incentives to stimulate new investment as well as through measures which reduce production costs such as responsible regulatory reform, expansion of energy supplies, and targeted job training programs.

In its 1980 joint economic report, the committee urged that half of any tax cut enacted during 1980 or 1981 should go for incentives for investment in plant and equipment should be to increase productivity in this country.

Any time we have wages and prices going up faster than productivity, we have, obviously, inflation, and that is what we face.

What we have had in this country is a boom or bust cycle start out here, and when we get through that, it is here somewhere, with higher inflation and higher unemployment, and we try to reapply our thinking that that is the way it has to be.

I do not believe it has to be. I think we beat inflation by putting more products on the shelf at a cheaper price; by more efficient, and effective tools.

It is like having two willing workers side by side, willing to put in the same number of hours, and one with a hand saw and the other with a power saw. Who will turn out the most units of work? That is what is happening.

I do not know how many have read this book, "Japan No. 1." If not, they should read it. It tells what is happening in the way of competition, the fact they tear down their factories, throw out all their equipment, once every 10 years. We do it once in 30 years.

But we know who will have the most effective tools.

Of the 22 largest, most modern steel blast furnaces in the world, 14 are in Japan, and none in the United States.

For 14 years we built blast furnaces in this country that the Japanese had already quit building, because they were building them more modern, more progressive, more effective, more productive.

This emphasis on tax cuts to expand the supply side of the economy will help control inflation by improving productivity as well as by expanding the ability of American businesses to put more goods on the shelf for American consumers.

The committee also believes that productivity can be increased and inflation reduced through a program of targeted job training programs that are designed to attack the problem of structural unemployment. With a recession coming on and unemployment rising sharply, it is even more important now that our jobs programs provide effective and useful job training. These programs should recognize that most of the good, well-paying jobs in the American economy that are not dead and are in the private sector and that these jobs require well-trained, highly skilled workers. While we have had many good job and training programs in the past, all too often participants have been given inadequate training or have been trained for jobs that do not exist while other jobs have gone begging for lack of properly trained workers. Public sector job training efforts should be much better coordinated in the future with job needs and opportunities in the private sector. In addition, training programs should channel workers into industries and occupations experiencing long-run growth, thus helping to alleviate the bottlenecks in skilled occupations which push up costs and prices during periods of strong economic growth.

We ought to be putting incentive out there to get those people to hire and train them. That is done a lot in Germany. We get a correlation between those programs and the schools and the factories to hire them.

The other things we ought to be doing is not training young people for jobs that do not exist, and industries going out of business, going downhill. We ought to be selecting those industries that are growing, as technology is improving, getting a bigger share of the market, where they can not only get a job but grow and expand and improve their standard of living.

Another factor affecting the productivity of the American economy and the rate of inflation has been the rapid growth of government regulation during the past two decades.

We hear about the increase of regulation. We should look at actual numbers. The increase in regulated industry in this country since 1960, where it was 10 percent, is now 35 percent. That is the kind of thing we see taking place today.

Another study was to find what the cost of regulation happens to be in this country. We came back with cost estimates of $105 billion a year.

To relate that to something we can all understand, that is $500 for every man, woman, and child in this country. That is quite a burden to the economy.

That does not say that all regulations are bad. Of course, some are good and important and necessary. But it means we ought to make them cost effective.

A lot of these laws we pass never mention cost. Then we talk to the agencies and they say that cost is not their concern, that was not in the law, it just tells them to achieve this objective.

But they are saying that without regard for cost.

But we have to limit resources and, if we pay too much to achieve this objective, it will hurt this one, whether it is education, whether it is hospitalization costs.

We have to find that most effective—cost-effective—way to accomplish these things if we achieve our goals.

We are talking about doing some things in the Joint Economic Committee in trying to encourage a regulatory budget. What do we mean by that?

We put a limitation on how much an agency can spend, how much a department can spend. That is what we are arguing now with this resolution.

But we do not put any limit, any damper, on how much a department or agency can make them spend in the private sector, and that is an incredible additional burden to the economy.

So if we had a regulatory budget there would also be limitations on that.

While some regulatory programs have been highly beneficial to consumers, workers and the environment, many regulations have been excessively costly, wasteful, duplicative, or conflicting, thus unnecessarily driving up costs and contributing to inflation. The members of the Joint Economic Committee have unanimously recommended two proposals which would reduce private sector regulatory compliance costs without reducing the important benefits of many regulatory programs. First, all major regulations should be cost-effective; when alternative methods exist for achieving the goals of a regulation, the least costly should be adopted unless an overriding statutory objective requires the adoption of a more costly alternative. Second, a regulatory budget should be adopted which would permit Congress to measure and limit the compliance costs imposed each year on the private sector by Federal regulations.

Taken together, these two proposals would cut regulatory costs without reducing benefits and would help Congress channel resources into regulatory activities which yield the greatest benefits. The committee also urges that responsibility for all Federal paperwork should be consolidated in the Office of Management and Budget, so that the Federal paperwork burden on the American public can be reduced to the minimum level necessary for the effective management of Government programs.

Finally, the disastrous effect of crude oil price increases during the 1970's on productivity and growth indicates that we must reduce our dependence on imports from the OPEC countries. In addition to measures which have already been enacted, the Joint Economic Committee believes that a comprehensive energy plan should include a program to stimulate greater energy conservation and to raise energy productivity; a major accelerated alcohol fuels program; a program to encourage oil exploration in non-OPEC developing countries; a program to increase energy security in the Western Hemisphere by strengthening our trade relationship of mutual benefit with Mexico and Canada; as well as a major program to accelerate the use of enhanced oil recovery technologies and other steps designed to increase domestic petroleum production.

The result will be an improvement in productivity in American business, a sustainable long-term reduction in the rate of inflation, better long-term growth and employment prospects and a more stable economy, and a return to a period when American workers and consumers can expect a rising rather than falling standard of living in this country, a bigger slice of the pie, if they are willing to work and put up, and if we follow these policies we can bring it about.

It will not happen overnight. There is no quick fix. But it takes that kind of comprehensive approach to get it done.

I think what the Senator from Alabama is doing is trying to assist small business in that regard.

When we talk about small business as part of this economy, there is nothing small about it. They are a major part of the economy and have a major influence on productivity and employment in this country.

I congratulate the Senator for the excellent work he is doing in this regard.

Mr. STEWART. Will the Senator yield?

Mr. BENTSEN. I am delighted to yield to the Senator.

Mr. STEWART. I would like to respond to something said earlier here on the floor. It was indicated by the Senator from Wisconsin, the chairman of the Banking Committee, that our inflation-fighting policy is working. Interest rates are dropping rapidly, he pointed out, and the inflation rate, hopefully, will drop as well.

In response, I say that I appreciate the comments of the Senator from Wisconsin, but I point out that I think the Senator from Texas has a better solution, a long-range solution. We need a more stable economy, and not this boom-or-bust cycle we have been through.

The interest rates are dropping rapidly, but they went up to 20, 21 percent before they started to drop, and during that rise a whole lot of small businesses in my State were forced out of business, a lot of farmers were forced out of business.

Their economic well-being is threatened now and in many cases the things they worked for all their lives are gone.

It does not please them that the interest rates are coming down, that the inflation rates prospectively will come down.

So I say to the Senator from Texas that he is leading us down a path that I think we ought to take, particularly on this side of the aisle. We ought to establish a more equitable long-range economic policy that speaks to some of the fundamental problems we have in this country.

I am glad to join the Senator in his efforts.

Mr. BENTSEN. I thank the distinguished Senator.

I think we can see inflation show a substantial decrease over a short period of time, but then we are going to see it level off at an absolutely unacceptable level. Then we will be in the core of inflation, and we will not correct that unless we correct some of these things in this country.

Mr. STEWART. That is another thing I wanted to tell the Senator from Wisconsin, but I was acting as presiding officer at the time, and I did not have an opportunity to do it.

Mr. BENTSEN. I thank the Senator.

MILITARY RETENTION PROBLEM

Mr. THURMOND. Mr. President, the problem of retaining middle grade officers in the armed services remains acute. It is especially serious in the Army and Navy. Personnel are leaving for higher paying jobs in the industrial marketplace; they are leaving because of morale problems; and they are leaving because the educational level of the recruits is making it extremely difficult to train them properly. To save money, basic training has been shortened from 8 to 7 weeks. We could improve the situation if we could find the resources to reinstate that extra week of practice and training.

Also, we need to attract more high school graduates. A new GI educational bill is sorely needed as an incentive if we are to retain an All-Volunteer Force. Such an approach would mean many more Americans would have an opportunity to obtain a college education and the services would get a larger, more stable, more easily trainable recruit pool.

During a recent inspection trip to Fort Jackson, S.C., my special assistant for defense, Tom Fagan, talked with 15 recruits at random. Not one of these recruits was a high school graduate—zero out of 15. Our job of training them in 7 short weeks is very difficult.

One of my constituents, Capt. James D. Black, from Horry County, S.C., has recently decided to resign from the Army for many of these same reasons. Mr. President, I ask unanimous consent that Captain Black's letter to me of May 2, 1980 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 2, 1980.

Hon. STROM THURMOND,
U. S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: Due to adverse enlistment statistics and wide ranging discontent among many members of the U.S. Armed Forces, I feel compelled to submit this letter in hopes that it will aid in identifying some of the problems and possible solutions concerning existing discontent and inefficiency within the military structure.

My greatest concern is that this letter arrives at its rightful place and is read personally by the intended recipient. My letter is prompted by my concern and love for my country and its men in uniform, there is no malice intended.

Senator Thurmond, should you wonder why a military officer would risk a move such as this, in light of the fact that it could ruin his entire career, I must inform you that I have submitted my resignation and I have no fear of repercussions for my actions. I just feel that you should hear part of the story from a 10 year middle-manager, someone at the grass roots level who will tell it like it is and won't let bias enter into the picture. My contemporaries are exiting the military at an increasing and alarming rate. Many officers separating are not doing so because of lucrative outside opportunities.

A major factor in separation is low morale experienced by these individuals because of the quality and inefficiency of our soldiers and our system. Many of these captains leaving the military are very dedicated, efficient, and sad to leave. Sadly enough the high percentage that do separate are some of the most qualified; they demand excellence and professionalism, so consequently, they end up seeking it outside. Years ago I desired to eventually be a general officer. Had I known the conditions which would plague the military in the future. I would have chosen a different profession. I shall continue to act whenever the opportunity arises to do whatever I can do constructive for the military and its personnel.

In recent months the military has gone to great lengths and expense to induce more young people into the military. Simultaneously, statistics indicate that a larger percentage of personnel are leaving the military, although incentives have been increased for inductees. A great many of those exiting the military are officers and NCOs with as much as 10–14 years service. You would tend to ask "Why with only 6–10 years left to serve would these men exit the military?"

The military structure could do well to follow a simple common sense approach to the problem at hand. It is my sincere belief that a simple common sense approach to recruitment and retention could improve our readiness posture and assure the retention of a vast number of the experienced professionals we are now losing. Million of dollars spent on recruitment incentives without proper retention is synonymous with pouring water into a bucket with a hole in the other end, the water is there only temporarily and is eventually lost.

Suggestions for improvement and problems presently existing are numerous. It is obvious that all cannot be addressed in this letter. Many contemporaries agree that there appears to be apparent and common sense solutions to some of the problems which currently exist, yet they contend that because of bureaucracy and attempts at coverup among high ranking officials, nothing can be done. Senator Thurmond, I cannot accept that idea, I cannot resort to the belief that nothing can be done, I just believe that the right people have not tried, they have been misled.

Senator Thurmond, soldier quality has diminished markedly; I have witnessed this and ones eyes seldom fool them. Some recruits cannot comprehend how to operate present inventory equipment. Not only have we lowered induction standards, we have lowered school graduation standards at the Intelligence School, so that new recruits can graduate school specialty training. When soldiers arrive in an active Army unit, many still are not trained. Supervisors become disgruntled and eventually, as is evidenced by present retention statistics, throw their hands in the air and decide to ignore the problem or decide not to re-enlist. Illegal recruiting methods and lower standards for inductees, and school graduates, is causing a more serious problem than has been addressed on such TV programs as 60 Minutes. That is the resultant effect caused by the increased loss of those who comprise the core of our experience and professionalism. "A rotten apple spoils the barrel" is more than an over used obscure cliche. In this incidence, it is reality.

Professionals find it difficult to work with a large number of untrainable inductees. I personally attest that it is very, very frustrating. One high official has pointed the finger at military supervisors and unit leaders to place blame for inefficiency. I have to return to a plea for common sense; is it the fault of the leaders and trainers when the material with which they are working is partially or totally untrainable to being with? Sir, what has happened to common sense? If the American people are not alerted to all the conditions which presently exist, this may end up becoming one of the biggest cons described in history books of the future, should a powerful adversary ever test the might and professionalism of our ground forces. It calls to mind an incident in the recent series "Battlestar Galactica" when Voltare betrayed the human race. He managed to obscure the truth long enough for the enemy to strike and destroy an unprepared force.

Most of us are aware of the problems, statistics validate them. Officers at the troop level know of and try to expose problems, yet the coverup continues, everyone works for someone else and doesn't want to make waves. Complacency is a monster that may devour us.

Senator Thurmond, as previously mentioned, there is not enough time in a letter to disclose many of the alarming inherent problems within the military. As the primary participant representing the Intelligence School at the National Training Center experiment, I saw first hand much of the inefficiency and incompetence displayed by U.S. military personnel. Sir, some military personnel could not even transmit intelligibly on a radio, it was deplorable. The exposure of information this alarming should be a breach of security in itself.

Sir, I am a veteran of 10 years of military service. I have been dedicated and observant, and now feel dedicated to expose further evidence to show the massive coverup which exists. I personally am one of those apples in the barrel. I joined the military with the idea that I was joining an elite, professional team. I graduated college with honors, both academic and military, have led a unit to become the best within a combat battalion, and have a fine record as a paratrooper, ranger, and military intelligence officer. I am disillusioned that indecisiveness, mismanagement, and coverup have apparently attributed to low retention, morale, and professionalism within an organization which I love, hate to leave, and owe so much. I know I am only one person, but I speak for thousands of seasoned military professionals.

Senator Thurmond, please don't think that I am throwing sour grapes or yelling wolf. I am not. I am trying hard not to be biased. When I observe documentaries on TV concerning the military, I comment, "Well, they're hitting us hard, if only they knew the rest." Sir, I am certain that you are aware of most of our problems, but I tend to think that sometimes you are presented with incomplete or biased information. Why doesn't someone ask the worker bees how they see it, someone besides 60 Minutes, they seem to be the only ones interested in exposing reality, sadly enough.

Senator Thurmond, in closing, I respectfully request two favors: I sincerely hope that this letter is read by you personally because of its importance and secondly, I request a brief interview with you, although I know you are a busy man. I promise to be candid and brief as possible if such an interview could be granted. There are items such as military contracts, etc. where possible problems exist that are more apparent at the user level than might be exposed at the political level. Senator Thurmond, I am just an "ole country boy from Horry County," but I have had a deep admiration for you since a young boy. The people in Horry County think you are an excellent senator; it has been an honor in writing this letter to you.

Sincerely,

James D. Black,
Captain, Military Intelligence.

PLANT LAYOFFS AND REDUCED FARM INCOME

Mr. THURMOND. Mr. President, plant layoffs and reduced farm income are increasingly critical problems in South Carolina, just as they are all across this Nation.

A recent article that appeared on April 23, 1980, in the Charleston News and Courier of Charleston, S.C., by the Associated Press, entitled "S.C. Plants Announce Layoffs," points out this problem quite sharply. The first portion of this article is as follows:

> The downturn in the national economy is being blamed for layoffs at a South Carolina textile mill and a lumber plant—the second such announcements by each industry in a week.
>
> Owners of Poinsett Mill in Greenville told 350 employees the mill will close by summer. In Orangeburg County, Holly Hill Lumber Co. told almost a third of its more than 1,000 employees they will be laid off.
>
> Last week J. P. Stevens Co. told workers at its Aragon plant in Hock Hill the 73-year-old mill will shut down by summer. About 200 persons will be unemployed.
>
> At about the same time three Newberry County lumber plants said they were either cutting back on their work force or closing temporarily. About 450 persons were affected at one, Champion Building Products at Silverstreet.

Also, Mr. President, I would like to refer to another article by Leverne Prosser of the Charleston News and Courier on April 25, 1980, entitled "Bleak Year Seen for S.C. Farmers." This article describes the acute income problem that our farmers are facing. The following excerpt from the article deserves notice, as it is one of our most serious concerns:

> Florence.—Tight money, high interest rates, inflation and declining prices have started farmers on what South Carolina Farm Bureau Federation President Harry S. Bell claims could be "a very bleak year."
>
> Bell, in speeches around the state, is saying the livestock industry has already reached a crisis stage, with pork and beef producers getting less than production costs for their output.
>
> "Hogs are bringing less than the cost of production, and feeder cattle have dropped 30 to 40 cents a pound since the first of the year," according to Bell.
>
> Bell's bleak picture of what may lie ahead for the state's farmers is being repeated by state Agriculture Commissioner Bryan Patrick.
>
> Both Patrick and Bell blame part of the farmer's plight on the embargo of food and feed to Russia.
>
> 'The embargo triggered many of our present price problems but inflation and high interest rates have compounded the problem," according to Bell.
>
> Clemson University Extension Service agricultural economist B. H. Robinson said farmers "are being severely challenged by present conditions."
>
> Robinson said farmers will have to borrow more than $800 million to finance production of their crops and livestock in South Carolina this year.
>
> "With inflationary increases and rise in interest rates, borrowing this money will cost farmers $30 million more than borrowed money cost them last year," Robinson said.
>
> "Agriculture has become capital-intensive. Capital is now the most important input in production agriculture. It takes massive amounts just to finance production of our fruits, crops and livestock," he continued.
>
> Robinson said the interest costs, rising costs for what farmers have to buy, poor early spring planting conditions and a dismal marketing outlook add up to trouble for agriculture.

From the portions read of the preceding two articles it is quite obvious, Mr. President, that our Nation is in the midst of troubled times.

We are a nation that has been misguided by the present administration. The unemployment figure for April jumped to 7 percent, the largest monthly unemployment increase since the 1975 recession, and yet, the present administration forecasts only a "mild" recession. The latest figures I have received make it clear that we are headed for something much more severe.

Our Nation is currently suffering from the same problems that tormented us 5 years ago—high inflation and recession-caused unemployment. Auto sales and housing have fallen drastically, and 7 million Americans were unable to find work last month.

Our current situation can only be blamed on the ineptness of the Carter administration and the inadequacies of the administration's economic policies.

Mr. President, in order that my colleagues have the benefit of these two articles in their entirety, I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Charleston News and Courier, Apr. 23, 1980]

S.C. Plants Announce Layoffs

The downturn in the national economy is being blamed for layoffs at a South Carolina textile mill and a lumber plant—the second such announcements by each industry in a week.

Owners of Poinsett Mill in Greenville told about 350 employees the mill will close by summer. In Orangeburg County, Holly Hill Lumber Co. told almost a third of its more than 1,000 employees they will be laid off.

Last week J.P. Stevens Co. told workers at its Aragon plant in Rock Hill the 73-year-old mill will shut down by summer. About 200 persons will be unemployed.

At about the same time three Newberry County lumber plants said they were either cutting back on their work force or closing temporarily. About 450 persons were affected at one, Champion Building Products at Silverstreet.

Having Poinsett's workers come on the Greenville area job market at once will mean some will be forced into other types of industry, said Jim Ballard, manager of an area job service. Noting his firm lists just 200 openings, Ballard added, "Often the mill that's closing will have direct contact with other mills and we may never see a lot of these workers at the employment office."

Jesse A. Boyce, president of the Grendel Corp. which owns the Poinsett Mill, cited inflation and high interest rates as the reason for the decision to close. Poinsett has made light, synthetic cloth for men's and women's clothing since it took over operation from Abney Mills a year ago.

Its workers learned last week that operations would end in six to eight weeks. Boyce said the company would "make every effort to give jobs to people who are willing to drive to our other plants" in Anderson and Greenwood.

Loom fixer T. A. Durham, who has been at Poinsett for 36 years, said, "I don't know where I'm going to go. I feel like I won't be able to get a job at 59."

A 15-year employee, Montez Smith, said, "I thought it (the decision) was awful. It's President Carter's fault. He lets all those imports come in here."

Walter Anderson said, "It wouldn't be so bad if people hadn't been here all their life. They've been here years, all their life.

"It just makes you wonder."

M. C. Colvin, president of Holly Hill Lumber, said new home construction traditionally accounts for 60 percent of the firm's business but this year only about half as many houses are being built.

"It's just been devastating to us. There's absolutely nothing stirring.

"In my 33 years of business, I've never seen such a stillness in the marketplace."

Several weeks ago Holly Hill Lumber closed its plywood division in the town of Holly Hill, putting 129 persons out of work. It has since cut its sawmill operation to one shift instead of two, affecting 155 workers.

On Monday it laid off 80 employees at its Walterboro plant.

About 800 persons are still working for the 53-year-old firm.

[From the Charleston News and Courier, Apr. 25, 1980]

Bleak Year Seen for South Carolina Farmers

(By Leverne M. Prosser)

Florence.—Tight money, high interest rates, inflation and declining prices have started farmers on what South Carolina Farm Bureau Federation President Harry S. Bell claims could be "a very bleak year."

Bell, in speeches around the state, is saying the livestock industry has already reached a crisis stage, with pork and beef producers getting less than production costs for their output.

"Hogs are bringing less than the cost of production, and feeder cattle have dropped 30 to 40 cents a pound since the first of the year," according to Bell.

Bell's bleak picture of what may lie ahead for the state's farmers is being repeated by state Agriculture Commissioner Bryan Patrick.

Both Patrick and Bell blame part of the farmer's plight on the embargo of food and feed to Russia.

"The embargo triggered many of our present price problems but inflation and high interest rates have compounded the problem," according to Bell.

Clemson University Extension Service agricultural economist B. H. Robinson said farmers "are being severely challenged by present conditions."

Robinson said farmers will have to borrow more than $800 million to finance production of their crops and livestock in South Carolina this year.

"With the inflationary increases and rise in interest rates, borrowing this money will cost farmers $30 million more than borrowed money cost them last year," Robinson said.

"Agriculture has become capital-intensive. Capital is now the most important input in production agriculture. It takes massive amounts just to finance production of our fruits, crops and livestock," he continued.

Robinson said the interest costs, rising costs for what farmers have to buy, poor early spring planting conditions and a dismal marketing outlook add up to trouble for agriculture.

"Agriculture could get clobbered this year," Robinson said.

Robinson, Bell, Patrick and other authorities on the state's agriculture see tobacco as possibly the bright spot in farming this year. Bad weather has slowed corn and cotton plantings and declining prices are putting a damper on soybean intentions.

"Vegetable farmers live or die by timely planting. When they should have been putting their tomatoes, beans and cucumbers and other crops, their fields were a quagmire. It is doubtful that they will be able to plant a full crop this year," Bell said.

Robinson and other Clemson Extension Service specialists listed as additional reasons for their pessimistic outlook:

The poultry industry is currently a losing situation because of high production costs and a drop in prices farmers are getting for eggs, broilers, laying hens and turkeys.

The escalating production costs and a drop in soybean prices mean a farmer will have to produce more per acre this year to show any profit.

Continued increases in the costs of farm machinery and fuel are hurting farmers. Machinery has climbed 300 percent in costs since 1970 while seed has gone up 300 percent, and energy has climbed 360 percent.

Robinson said this year's production costs will increase from 12 to 18 percent.

Robinson said the range of net income for farmers in South Carolina this year will be from $110 to $115 million.

"This projection is about the same as 1977, a dismal year for agriculture in this state. It is possible, in fact, for S.C. farmers to experience a level of income in 1980 below the disaster year of 1977," Robinson concluded.

OPPOSITION TO PROPOSED ACTIONS BY IRS AND FEC

Mr. PACKWOOD. Mr. President, I come to the floor of the Senate to express my strong opposition to administrative action being contemplated by the Internal Revenue Service and the Federal Elections Commission.

A recent private letter ruling by the Internal Revenue Service would disallow the existing tax credit for political contributions to what the agency considers "negative campaigns." Additionally, the Federal Elections Commission has been petitioned to promulgate a regulation requiring that a notice of the Internal Revenue Service ruling appear on all solicitations for contributions by political parties conducting "negative campaigns."

I am opposed to the actions being considered for several reasons. First, the Service has made an initial determination based upon a very narrow interpretation of statutory language which is highly ambiguous and which allows quite an opposite conclusion. Second, this agency has improperly failed to reflect congressional intent in formulating its conclusion; in fact, the effect of the ruling would be at odds with the intent of Congress. Lastly, I strongly believe that such an administrative restriction may be in violation of our constitutionally guaranteed rights of political expression.

FEDERAL ELECTION REFORM

The passage of the Federal Elections Act of 1971 made clear Congress commitment to prevent the improper use of money in elections. Another important objective was to insure that it is always possible for interested citizens to seek elective office even though they may not have access to large amounts of money with which to run their political campaigns.

The act sought to accomplish these goals in several ways: by restricting the amount of money spent in Federal elections; by limiting the amount of money contributed to candidates for Federal office; by broadening the definition of "political committee" and "expenditure"; by requiring the disclosure of virtually all contributions and expenditures; and by establishing the Federal Elections Commission with broad enforcement powers to implement the new law.

There is no question that Congress intent was good and proper, but it is also undeniable that these reform measures were, in part, oblivious to the constitutionally-guaranteed rights of freedom of political speech, expression, and association. So ruled the Supreme Court in landmark cases such as Buckley against Valeo.

It is interesting to note that at the same time Congress "cleaned up" the electoral process through the legislative restrictions of the 1971 act, it also considered alternative proposals to "open up" the process.

When the Revenue Act of 1971 was signed into law, tax credits were first made available for political contributions to candidates, parties, and political committees. The purpose of the tax credit is to create an incentive for millions of Americans to become active participants in the electoral process.

To encourage individuals' involvement in the political system as a matter of public office is important. Congress has rightly recognized the usefulness of tax credits for political contributions in promoting greater participation. In fact, action taken by the House and Senate in the Revenue Act of 1978 expanded the income tax credit for political contributions—the maximum amount was doubled. I was one of the principal sponsors of these provisions. Persons making a political contribution can now claim a credit equal to one-half of the amount of the donation up to $50 ($100 in the case of a joint return).

RECENT ADMINISTRATIVE ACTION

Action currently being considered by two Federal agencies threatens to severely curtail the availability of the tax credits and to allow them only for certain administratively-approved political contributions.

On February 12, 1980 the Internal Revenue Service, in a private letter ruling requested by the Democratic Senatorial Campaign Committee (DSCC) and the Democratic National Committee (DNC), made the preliminary determination that political contributions to "negative campaigns" would not qualify for the credit.

Then, on April 3, 1980 the DSCC and DNC filed a petition for rulemaking with the Federal Elections Commission. The petitioners seek the promulgation of a rule requiring that a notice of the Internal Revenue Service ruling appear on all solicitations for contributions by political committees conducting so-called "negative campaigns."

The petitioners have sought the IRS ruling because several "liberal" Senators were the principal targets of the National Conservative Political Action Committee's (NCPAC) target 1980 campaign. While NCPAC generally accepts contributions to help conservative candidates, the target 1980 campaign is administered separately for the purpose of opposing "liberal" candidates.

I completely understand the concern that certain of my colleagues have about the effectiveness of campaigns designed to challenge them in their bid for reelection. I understand because I too have been threatened to be targeted for defeat by "conservative" single-interest organizations. Most notable among the ones that have chosen to oppose my reelection are those groups who disagree with my "prochoice" position on the issue of abortion.

I have long supported election reforms which I believed would bring about the increased participation of millions of Americans, diminish the influence of single-interest groups and which would strengthen the political parties.

But the course of action chosen by the DSCC and DNC is wholly unacceptable. While we may be working toward the same goals, I find the course pursued by them to be completely at odds with the shared objective of enhancing participatory democracy. In my view, this is a classic case of where the end clearly does not justify the means.

The aim of the DSCC and DNC is to diminish the influence of those organizations which jeopardize the reelection of several incumbent Senators. The strategy is to lessen the groups' effectiveness by reducing the flow of money into its coffers. Administrative action is being sought which, in effect, discourages political contributions to NCPAC and other groups who would wage similar anti-incumbent campaigns.

So, by request, the IRS entered the picture and subsequently determined that contributions to NCPAC's Target '80 effort are not used "to further the candidacy of any candidates." Thus, tax credits would not be permitted for these donations.

STATUTORY AMBIGUITY

The IRS ruling is based on its interpretation of section 41(c)(1)(B) of the Internal Revenue Code. This section of the Code defines the term "political contributions" as a donation or gift of money to:

> Any committee, association or organization (whether or not incorporated) organized and operated exclusively for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals who are candidates for nomination or election to any Federal, state, or local elective public office, for use by such committee, association or organization to further the candidacy of such individual or individuals for nomination or election to such office.

Also, a candidate is defined in this section as:

> With respect to any Federal, state or local elective office, an individual who—(A) publicly announces before the close of the calendar year in which the contribution or gift is made that he is a candidate for nomination or election to such office, and (B) meets the qualifications prescribed by law to hold such office.

The IRS in reaching its conclusion that contributions to so-called negative campaigns do not meet the test of furthering a candidacy and therefore do not qualify for the tax credit, has taken an extremely narrow interpretation of this section. In my view, the definitions are ambiguous enough to allow an opposite conclusion.

Clearly, a so-called "negative campaign" would meet the criteria of being "operated exclusively for the purpose of influencing * * * the nomination or election of one or more individuals who are candidates" for public office.

But, does such a campaign "further the candidacy" of one of the individuals involved? As a matter of commonsense, it seems that any expenditure against one candidate does, in fact, further the candidacy of that candidate's opponent. That is, waging a campaign to oppose the reelection of an incumbent constitutes an expenditure to boost the chances for election of his challenger or challengers. Further, it defies commonsense to think that any organization would, after careful evaluation, concentrate its resources, financial and otherwise, on opposing an incumbent if it did not think that some candidate, explicitly identified or not, would benefit from their efforts and possibly mount a successful challenge to the incumbent.

Moreover, even in those cases where there is no obvious challenger to an incumbent at the time a "negative" expenditure is made, such an expenditure could still be considered as "furthering the candidacy of a candidate." For example, let us assume money is spent in 1979 to oppose an incumbent and no political challenge has been begun by another candidate. Let us also assume that a political opponent does surface in 1980. The money spent in 1979 would still be considered to "further the candidacy" of the person who waited until 1980 to announce because, according to this section, a "candidate" is someone who "publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made that he is a candidate for nomination or election to such office."

Thus, I do not think it unfair to conclude that the IRS' narrow interpretation of the statute is clearly debatable and its ruling is highly arbitrary.

CONGRESSIONAL INTENT

Further, I believe that the IRS has improperly failed to reflect the intent of Congress in coming to a conclusion based on ambiguous statutory language. I believe that the IRS private letter ruling is in direct conflict with congressional intent.

Tax credits for political contributions were first provided for as part of the Revenue Act of 1971. This particular provision was added as an amendment offered by our former colleague from Rhode Island, Senator Pastore, on the floor of the Senate.

During debate on his amendment. Senator Pastore informed the other Senators that it was his intent to "provide an incentive for the small contributor" and that he believed that this mechanism was "an opportunity for the ordinary citizen to work his will in an area that all too often has been the special province of the large contributor or the vested interest."

The IRS fails to recognize the role of "negative" contributions as a legitimate part of broad citizen participation in campaigns. For example, "negative" campaigning may be the only way to initiate the process of electoral choice in a district or State served by a well-ensconced, powerful incumbent. Congress did not intend "negative" campaigning to dominate or be favored. On the other hand, there is no evidence that they were intended to be discouraged or driven out by IRS interpretation.

Further, the IRS position creates definitional uncertainty. Defining "negative" campaigning is difficult. Even the IRS—which seeks to impose the term upon us—has not made an attempt to fully define it. This requires citizen participants to constantly seek to appraise the "negativeness" of their actions. The resulting confusion will chill free participation in campaigns and it will reduce the amount of political speech. These results are clearly contrary to the intent of Congress.

On May 5, 1977, I testified before the Senate Committee on Rules and Administration on the topic of political campaign financing. That same day I, along with Senators BAKER, NUNN and TALMADGE, introduced legislation to liberalize the tax credit for political contributions. This legislation was reported by the Senate Finance Committee on May 18, 1977. The concept embodied in the bill could be summarized by an excerpt from my remarks upon its introduction:

> What we should be doing in this Congress is not trying to figure out how we can limit and eventually prohibit free choice in private contributions to campaigns. We should be trying to figure out how we can encourage private contributors.

Congress recognized that tax credits for political contributions offer just such encouragement. The Senate Finance Committee adopted an amendment to the Revenue Act of 1978 which doubled the maximum amount of the tax credit for political contributions. A tax credit can now be taken on one-half of a contribution up to a maximum of $50, or $100 in the case of a joint return. This provision was sanctioned by a House-Senate Conference Committee and was signed into law.

The Senate Finance Committee report gives the best indication of the committee's intent:

> The Committee believes that the credit for political contributions can be an effective means of encouraging individuals to participate actively in the electoral process by donating to the candidate or party of their choice. The credit, in effect, reduces the cost of an eligible contribution to the donor. In addition, it has the same value at all income levels, and is available regardless of whether the individual itemizes deductions. Moreover, since the maximum credit is small, it probably has the greatest incentive effect with respect to contributors of moderate amounts.
>
> To further expand individual participation in the electoral process, through the encouragement of political contributions, the committee believes that it is appropriate to increase the maximum amount of the credit for political contributions.

Thus, in making the tax credits available for political contributions, Congress moved to actively encourage greater participation in the electoral process and the public discussion of political issues. In contrast, the IRS letter ruling and the petition filed with the Federal Elections Commission would result in a disallowance of the tax credit and would actually discourage participation.

The parties who filed the petition—the DSCC and the DNC—are counting on it. In fact, the petitioners note that the availability of a tax credit to individuals "may influence their decision to contribute, and/or the amount of their contribution." As a member of the Senate Finance Committee, and as one of the principal authors of the legislation, I believe that discouraging participation by curtailing the availability of the tax credit for political contributions is totally at odds with the intent of Congress.

CONSTITUTIONAL CONFLICT

Mr. President, I believe that there are serious constitutional issues raised here as well.

In *Buckley* v. *Valeo,* 424 U.S. 1 (1976), the Supreme Court showed its belief that broad citizen participation in the electoral process is vital. I believe that the IRS ruling is contrary to this philosophy.

In the Buckley case, the appellants argued "by analogy" to the religion clause of the first amendment that public financing of campaigns, however meritorious, violates the first amendment. The Supreme Court had held that the religion clauses—"Congress shall make no law regarding an establishment of religion, or prohibiting the free exercise thereof"—require the State to remain neutral in matters of religion.

The Court held that the analogy was inapplicable because "instead of abridging, restricting, or censoring free speech, it promoted the use of public funds "to facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people."

I believe that the Court may react differently to the same argument on the issue of the IRS ruling and the petition filed with the FEC. This action is totally inconsistent with the goals of "facilitating and enlarging public discussion and participation." Its net effect will be to discourage political contributions and involvement.

The IRS interpretation rewards "positive" contributions and fails to reward "negative" contributions. In a relative sense, then, the so-called "negative campaign" contributions of individuals would be burdened by the imposition of an administrative restriction on the availability of the tax credit. This would be completely at odds with the protections granted under the First Amendment, as evidenced by the Court's ruling in Speiser against Randall, 357 U.S. 513, 536 (1958):

> Plainly a community may not suppress, or the state tax, the dissemination of views because they are unpopular, annoying or distasteful. (citations omitted) If the Government may not impose a tax on the expression of ideas in order to discourage them, it may not achieve the same end by reducing the individual who expresses his views to second-class citizenship by withholding tax benefits granted to others. When government denies a tax exemption because of the citizen's belief, it penalizes that belief.

This principal has been reaffirmed in other of the Supreme Court's decisions. In Buckley it was noted that:

> The Court's decisions on Mills v. Alabama, . . . and Miami Herald Publishing Company v. Tormillo, . . . held that legislative restrictions on advocacy of the election or defeat of candidates are wholly at odds with the guarantees of the First Amendment.

Presumably, administrative restrictions are no more privileged. This idea was further elaborated upon in the Buckley decision, where the Justices observed:

> It is argued . . . that the ancillary governmental interest in equalizing the relative ability of individuals or groups to influence the outcome of elections serves to justify the advocacy of the election or defeat of candidates imposed by . . . expenditure ceilings. But the concept that government may restrict the speech of some elements of our society in order to enhance the relative voices of others is wholly foreign to the First Amendment, which was designed to secure "the widest possible dissemination of information from diverse and antagonistic sources," and "to assure unfettered interchange of ideas for the bringing about of political and social changes desired by the people." (New York Times Co. v. Sullivan, 376 U.S. 254 (1964), at 266, 267 quoting Associated Press v. United States, 326 U.S. 1, 20 (1944)).

Mr. President, I am pleased to say that the American Civil Liberties Union has joined me in opposing the IRS' determination on constitutional grounds. The arguments of the ACLU are articulated clearly in a letter to me of May 6, 1980 from Mr. Arthur Eisenberg on behalf of that organization, I would like to share the contents of that letter with my colleagues, and I ask unanimous consent that the letter be printed in full at the conclusion of my remarks.

CONCLUSION

Mr. President, I have spoken here today in opposition to the administrative action being contemplated by the Internal Revenue Service and the Federal Elections Commission. I strongly believe these actions to be wrong; they fail to reflect the intent of Congress and they seriously jeopardize our constitutionally-protected right of political expression.

It is absolutely vital that Congress address this issue. Therefore, I have written to Treasury Secretary G. William Miller to advise him of my views and to request that a corrective ruling be made as soon as possible. I ask unanimous consent that a copy of the letter I have written, as well as copies of the IRS letter ruling and the petition for rulemaking which was filed with the FEC be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., May 13, 1980.

The HONORABLE G. WILLIAM MILLER,
Secretary, Department of the Treasury, 15th Street and Pennsylvania Avenue, NW., Washington, D.C.

DEAR MR. SECRETARY: I write to you today to express my strong objections to a recent Internal Revenue Service private letter ruling.

On February 12, 1980 the Internal Revenue Service made a preliminary determination that contributions to so-called "negative campaigns" would not qualify for the standard tax credit under 26 U.S.C. 41. A "negative campaign" was arbitrarily defined as one which is for the purpose of defeating specified candidates for elective office.

I strongly disagree with the conclusion reached by the Service for several reasons. First, the position of the Internal Revenue Service is based upon a narrow interpretation of highly ambiguous statutory language. In my view, the statute allows quite an opposite conclusion.

Secondly, in light of the vagueness of the language in the statute, I feel that the Internal Revenue Service has improperly failed to reflect the intent of Congress in making its determination. In fact, the effect of the ruling would be to discourage participation in the electoral process; such action is totally at odds with Congressional intent.

Lastly, I believe, as does the American Civil Liberties Union, that administrative action stemming from the ruling may be in violation of constitutionally-protected rights of political expression. In *Speiser* v. *Randall*, 357 U.S. 513, 536 (1958), the Supreme Court ruled that:

"If the Government may not impose a tax on the expression of ideas in order to discourage them, it may not achieve the same end by reducing the individual who expresses his views to second-class citizenship by withholding tax benefits granted to others."

Again, the Supreme Court touched upon this principle in its opinion in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), where the Justices observed:

". . . the concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment."

I feel that the ruling by the Internal Revenue Service on the matter of tax credits for political contributions to so-called "negative campaigns" is contrary to prior Court rulings.

I am aware of the Internal Revenue Service's interest in having the letter ruling published. The purpose of this letter is to advise you of my strong opposition to such a publication for the reasons stated above, and to request that you announce a corrective ruling as soon as possible to minimize the harm this may have to Congressional efforts to broaden citizen participation in the democratic process. As always, I appreciate your consideration in this matter.

Cordially,

BOB PACKWOOD.

NEW YORK CIVIL LIBERTIES UNION,
New York, N.Y., May 6, 1980.

Senator BOB PACKWOOD,
1321 Dirksen, Senate Office Building,
Washington, D.C.

DEAR SENATOR PACKWOOD: The Internal Revenue Service, in a letter ruling dated February 12, 1980, has taken the position that, pursuant to Section 41 of the Internal Revenue Code, persons will not be given tax credits for political contributions to those organizations that merely criticize or oppose candidates where such organizations do not affirmatively promote rival candidates. The IRS ruling rewards electoral advocacy where the speech promotes the election of candidates and it penalizes political statements that exclusively oppose the election of candidates.

I am writing on behalf of the American Civil Liberties Union and its New York State affiliate, the New York Civil Liberties Union, to express our deep concern with this recent IRS ruling. We are concerned, first, that this ruling serves to reinforce a statutory regime, under Section 41 of the Internal Revenue Code, in which the federal government is penalizing and, in effect, censoring political speech based upon the content of the speech and the political affiliation of the speakers. In this respect, Section 41, as interpreted by the IRS, plainly conflicts with our First Amendment tradition, a tradition that is built upon the proposition that government cannot disfavor political speech or organizations that it deems unworthy but must, instead, remain neutral with respect to the expressive or speechmaking activity of all its citizens. We are also concerned that this ruling renders Section 41 excessively vague and, therefore, violates First Amendment "vagueness" principles.

In order to fully demonstrate the constitutional difficulties presented by the recent IRS ruling, it may be useful, at the outset, to briefly sketch the statutory formulation set forth in Section 41 of the Code, and to identify how Section 41 will apply in a variety of situations.

Under Section 41 of the Code, tax credits can be taken for political contributions in three general circumstances: First, for direct contributions to "a candidate for nomination or election to any Federal, State, or local elective . . . office." 26 U.S.C. 41(c)(1)(A); Second, for contributions to national, state, or local committees of a national political party[1] 26 U.S.C. 41(e)(1)(C), (D), (E); Third, where a contribution is given to any "organization . . . operated exclusively for the purpose of influencing . . . the election of one or more candidates . . . [where the contribution is given] for use by such . . . organization to further the candidacy of such individual or individuals." 26 U.S.C. 41(c)(1)(B).

It was subsection 41(c)(1)(B) that was the subject of the February 12 IRS ruling. And in interpreting this subsection, IRS emphasized the language of the provision which suggests that in order to qualify for a tax credit the contribution must be made "to *further* [a] candidacy. . . ." (emphasis supplied). In seizing upon the requirement that contributions under 41(c)(1)(B) must be made in "furtherance of a candidate's election, the IRS ruling combines with the statutory language of 41(c)(1)(C), (D), and (E) to establish various categories of political speech, some of which will be favored with a tax credit, others of which will not.

The categories depend entirely upon two criteria: The content of the speech and the popularity of the political organizations engaging in the speech. For example, under the specific circumstance of the February 12 IRS ruling, contributions to a political action committee such as the National Conservative Political Action Committee (NCPAC) that engages in negative[2] political campaigning are not entitled to tax credits. But, contributions to the national committee of the Republican, or Democratic Party would be entitled to tax credits, even if the Republican or Democratic national committees were to engage in precisely the same sort of negative political campaigning as that undertaken by NCPAC. Similarly, contributions to the national committees of the Socialist Party, U.S.A.[3] would not be eligible for a tax credit where the Socialist Party engages in precisely the same sort of negative campaigning as that undertaken by the Republicans and Democrats because that organization does not qualify as a committee of a national political party, as defined by 26 U.S.C. 41(c)(3).

The disparity in treatment under Section 41 is thus manifest. The Republican and Democratic political parties (and other major political parties) can engage in both affirmative and negative political campaigning. Smaller or less popular political parties are penalized for engaging in negative political campaigning as are all political action committees that are not organized as political parties. This disparity of treatment—based as it is, both upon the content of the political speech and the popularity of the political parties undertaking to speak—violates the First Amendment.

The Supreme Court has repeatedly insisted that "[a]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter or its content." *Police Department* v. *Moseley* 408 U.S. 92, 95 (1972). Moreover, the First Amendment is offended as much by statutory disincentives as by direct prohibitions based upon content or subject matter. As Justice Douglas pointed out in *Speiser* v. *Randall* 357 U.S. 513, 536 (1958) (concerning opinion):

" 'Plainly a community may not suppress, or the state tax, the dissemination of views because they are unpopular, annoying or distasteful.' [citations omitted] If the Government may not impose a tax upon the expression of ideas in order to discourage them, it may not achieve the same end by reducing the individual who expresses his views to second-class citizenship by withholding tax benefits granted others. When government denies a tax exemption because of the citizen's belief, it penalizes that belief. That is different only in form, not substance, from the 'taxes on knowledge' which have had a notorious history in the English-speaking world. . . ."

The First Amendment's prohibition against governmental favoritism regarding the content of speech extends to a prohibition against the state favoring or disfavoring certain speechmakers because of their political affiliation or favoring others because of the popularity or social utility of their ideas. This basic theme has been consistently articulated by the Supreme Court. Thus, in *NAACP* v. *Button* 371 U.S. 415, 445 (1963), the Court observed:

"The Constitution protects expression and association without regard to the race, creed or political or religious affiliation of the members of the group which invokes its shield, or to the truth, popularity or social utility of the ideas and beliefs which are offered."

This theme has been most frequently invoked where the state has either created a public forum or where a governmental entity is supervising First Amendment access to a public facility. For example, when a municipality regulates speechmaking access to the streets, sidewalks, parks, or a public auditorium, it cannot make content-based judgments about who may or may not speak or what may or may not be said. It is axiomatic that in such circumstances the First Amendment's command of governmental neutrality limits the municipality to judgments based only upon "time, place, or manner." *Cox* v. *Louisiana* 379 U.S. 536, 558, (1965); *Niemotko* v. *Maryland* 340 U.S. 268 (1950); *Fowler* v. *Rhode Island* 345 U.S. 67 (1953).

The constitutional requirement of governmental neutrality has also been applied to the imposition of tax exemptions. For example, California enacted a statute requiring that any person seeking a property tax exemption must sign a statement on the tax return declaring that such person does not advocate the unlawful overthrow of government. Persons refusing to subscribe to such a statement were denied tax exemptions. In Speiser v. Randall, supra, the Supreme Court invalidated the California enactment. The Speiser decision, is most often cited, for the proposition that vague statutes and procedures affecting First Amendment freedoms are suspect because they force persons to "steer far wider of the unlawful zone" than is necessary. Id. at 526. In fact, at the heart of the *Speiser* decision is the notion that government may not use its tax laws to favor certain political positions and disfavor others.

In Police Department v. Mosley 408 U.S. 92 (1972) the Supreme Court held a Chicago ordinance unconstitutional where the ordinance prohibited all forms of peaceful picketing within 150 feet of a public school except for picketing arising out of a labor dispute. The Mosley decision rested upon the observation that the Chicago ordinance selectively granted the right to picket based upon the content of the speech and the labor affiliation of the speakers. In this regard, the Court declared, supra, at 96:

"[U]nder the Equal Protection clause, not to mention the First Amendment itself, government may not select which issues are worth discussing or debating in public facilities. . . . There is an 'equality of status in the field of ideas,' and government must afford all points of view an equal opportunity to be heard. . . ."

Section 41, as presently interpreted by the IRS, thus, violates the neutrality principles underlying the Supreme Court decision in *Speiser* and articulated by the Court in *Mosley*. Section 41 favors the most popular political parties over the smaller parties. And it rewards certain kinds of political statements while penalizing other attempts at electoral advocacy.

While the primary thrust of our concern is with the violation of First Amendment "neutrality" principles presented by the February 12 IRS ruling, we are also concerned that the ruling raises First Amendment "vagueness" and "overbreadth" problems. The First Amendment is not only offended by governmental favoritism. It is also violated by laws that are imprecise and that, therefore, sweep too broadly with respect to expressive activity. The dangers inherent in vague or overly broad statutes that affect speech are threefold: First, the individual who is subject to the statute will be uncertain as to that speech which is proscribed and that which is not; Second, public officials who must enforce the laws will be similarly confused about the reach of the statute; Thirdly, vague and overly broad statutes will confer excessive discretion upon public officials who may wish to use the statutes to single out unpopular views for discriminatory enforcement. See *Gooding* v. *Wilson* 405 U.S. 518 (1972). The IRS attempt to distinguish "affirmative" from "negative" electoral advocacy suffers from all the vices inherent in a vague and overly broad statute. It is entirely unclear how and where one would draw the line between an "affirmative" and "negative" political campaign. And for this reason, as well, we believe the present IRS interpretation of Section 41 renders it unconstitutional.

In sum, Section 41, as presently interpreted and applied by the IRS, suffers from considerable constitutional imperfections. We, therefore, urge that you undertake all appropriate legislative action in an effort to rectify these deficiencies.

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[1] A national political party is defined as a political party whose presidential candidate appears on the ballot in ten states. Where the contribution is made during a presidential election year, the determination of whether a party qualifies as a national political party is made by examining the election ballots in that presidential year. Where the contribution is made during a nonpresidential election year, the determination of whether a party is made by examining the election ballots in the preceding presidential election.

[2] Negative political campaigning was described in the IRS letter ruling as "an independent expenditure program directed in opposition to the nomination and election of several identified . . . candidates for elective public office." IRS letter of February 12, 1980, Index No. 0041.00–00–00 at p. 1.

[3] The Socialist Party, U.S.A. with a venerable political tradition, dating back to the presidential candidacies of Eugene Debs, would not qualify as a national political party under 26 U.S. 41 (C)(3) because its presidential candidate appeared on the ballot in only seven states during the 1976 election.

Sincerely,

ARTHUR EISENBERG.

PETITION FOR RULEMAKING

The Democratic National Committee ("DNC") and the Democratic Senatorial Campaign Committee ("DSCC") hereby petition the Federal Election Commission ("FEC") to propose and prescribe regulations requiring that certain political committees notify potential contributors that contributions to those committees would not qualify for a tax credit under Section 41 of the Internal Revenue Code.

I. Introduction

A. IRS Letter Ruling of February 12, 1980.

By letter ruling dated February 12, 1980, the Internal Revenue Service (IRS) has ruled that the Section 41 credit may not be claimed for contributions made to committees conducting "negative campaigns"—i.e., campaigns conducted exclusively to defeat a particular candidate for federal office, and not to further the candidacy of any identified aspirant to that same office. Since many taxpayers assume that their contributions to a political committee will qualify for the standard credit, the DNC and DSCC believe that it is imperative that taxpayers be notified as soon as possible of this important ruling by any committee soliciting contributions for these negative campaigns. In the absence of such notification, numerous taxpayers may be misled into giving contributions for these kinds of campaigns on the mistaken assumption that the tax credit will be available—only to have their claimed credit later disallowed by the Internal Revenue Service.

While the IRS letter ruling represents a preliminary ruling only, one lacking the weight of precedent, the DNC and DSCC have reason to believe that it will shortly be considered for promulgation as a "revenue ruling" of general application. Moreover, the letter ruling states the current position of the agency on this issue and makes it clear that credits claimed on contributions to "negative campaigns" in this election year may be subject to disallowance.

Under these circumstances, it is essential that, pursuant to § 311(f) of the Federal Election Campaign Act (FECA), the FEC act without delay, in cooperation and consultation with the IRS, to require notice to contributors that the standard credit may not be claimed on contributions to "negative campaigns." Failure to act now may result in a substantial number of erroneously claimed credits. Many taxpayers who have made contributions to "negative campaigns", and who intend to claim such credits, may be preparing their tax returns now, in the two weeks remaining before the April 15 close of the current taxable year. Other taxpayers may not yet have made a contribution to these campaigns, but may expect to do so in the months ahead in the mistaken belief that the credit may be claimed in the next taxable year. Accordingly, the DNC and DSCC urge the FEC to act to avoid widespread confusion, erroneously claimed credits, embarrassment to taxpayers, and the unfairness of allowing taxpayers to base their decisions, in whole or in part, on a credit which is not, in fact, available.

B. Relief Requested by the DNC and the DSCC.

The FEC should, in cooperation and consultation with IRS, implement an "interim" rule requiring organizations soliciting such contributions for "negative campaigns" to include as a part of their solicitations the following notice:

"You should be aware that the Internal Revenue Service, in a letter ruling dated February 12, 1980, made a preliminary determination that contributions to 'negative campaigns' (i.e., for the purpose of defeating specified candidates for elective office) would not qualify for the standard tax credit under 26 USC § 41."

This notice will, of course, provide a safeguard against confusion among potential contributors only. Other contributors have already made contributions in response to solicitations expressly representing that a credit would be available. See, e.g., p. 6 of this Petition, which discusses representations to this effect in solicitations by the National Conservative Political Action Committee (NCPAC), an organization collecting contributions for "negative campaigns". The FEC should work with the IRS, therefore, to determine whether these agencies possess the authority to provide notice to these contributors—through the soliciting organization or otherwise—that the credit previously advertised may not be claimed.

c. Interests of the DNC and DSCC in this Proposed Rule.

As parties with a strong interest in this matter, the DNC and DSCC bring this petition pursuant to 5 USC § 553(e) (§ 4 of the Administrative Procedure Act). The DNC and DSCC have supported and will continue to support, candidates for federal office who have become the targets of negative campaigns. At least one political committee conducting these negative campaigns has represented in its written solicitations to potential contributors that the standard tax credit could be claimed on their contributions. Other contributors to other committees of this kind may assume that the tax credit is available for their contributions and this assumption may influence their decision to contribute, and/or the amount of their contribution. Since the tax credit therefore plays a role in the financing of these negative campaigns, and since these campaigns adversely affect candidates supported by the DNC and the DSCC, the DNC and the DSCC have the strongest interest in the subject of this proposed rule.

II. The IRS Letter Ruling Constitutes An Important Preliminary Interpretation Of 26 USC § 41, And May Affect Many Contributors In This Election Year.

A. The Letter Ruling Interpretation of Section 41.

On February 12, 1980, the IRS responded to a taxpayer's request that it rule on the application of Section 41 of the IRC to contributions made to a committee conducting "negative campaigns." Specifically, the taxpayer referred to one political committee's operation of "an independent expenditure program directed in opposition to the nomination and election of several identified 'liberal' candidates for elective public office."

Under the program, expenditures would be made, inter alia, for a "concentrated media program" against these candidates, and for the preparation and distribution of voting records highlighting their "liberal" positions on selected issues.* The IRS ruled in response that contributions made to this committee, for this purpose, would not qualify for a tax credit of up to $50.00 per individual, or $100.00 in the case of a joint return.

In so ruling, the IRS pointed out that Section 41 applied only to those "contributions" to political committees which would be used "to *further the candidacy* of [an individual] . . . for nomination or election [to elective public office]." A copy of this letter ruling is attached as Exhibit "A". In short, the ruling holds that in order to qualify for the tax credit the monies contributed must be intended to support, not defeat, a specified candidate for public office.

The IRSs letter ruling of February 12 is one of considerable importance to potential contributions around the country. As the IRS official responsible for the ruling has stated to the press, it ". . . is an . . . issue of widespread applicability. It's the kind of ruling we try to get published." See Article in Legal Times, dated March 17, 1980, attached as Exhibit "B".

B. The Significance of the IRS Letter Ruling.

As previous election years have shown, a significant number of taxpayers claim a credit on their contributions. In 1975, for example, over 200,000 taxpayers claimed a credit on their contributions, for a total cost to the Government of $37.6 million. An equivalent, if not greater number, may be expected to claim a credit in this election year, with no doubt a sizeable percentage making contributions to "negative campaigns". The amount of "negative campaign" contributions may be gleaned from the activities of only one organization soliciting such contributions in this election year—the National Conservation Political Action Committee (NCPAC). This Committee alone raised 2.2 million last year, and expects to raise approximately the same amount this year. See Exhibit "D", an article on NCPAC in the New York Times dated March 24, 1980. The evidently large contributor base of this committee suggests a considerable number of contributors who, in response to express NCPAC representations that the credit is available, will claim such a credit on their contributions to this committee (See Exhibit "C" for an example of such a NCPAC solicitation). These taxpayers and other contributors to "negative campaigns" should be notified of the inapplicability of Section 41 before, and not after, their contributions are made. Otherwise the taxpayers may later find their claimed credit under challenge from the IRS.

Moreover, political committees conducting these negative campaigns should no longer solicit funds on the express or implied understanding that the standard tax credit would be available. Such committees have, in the past, explicitly represented the availability of the credit for contributions made to their activities. See, e.g., attached solicitation (Exhibit "C") from the National Conservative Political Action Committee (NCPAC), a political committee currently conducting a "negative campaign" known as "Target '80." See attached article from New York Times, dated August 17, 1979. (Exhibit "D") NCPAC's solicitation announces the availability of the credit in boldface, headline type, and advises contributors that, as a result of the credit, "Your contribution to NCPAC may cost you very little." Even if committees such as NCPAC now delete any such express representation from their solicitations, or refrain from any comment whatever on the availability of credit, the potential for serious contributor confusion remains. Most contributors simply *assume* that the Section 41 credit may be claimed for any contribution made to a political committee; they do not distinguish between ordinary campaigns conducted in support of particular candidacies and "negative campaigns" directed toward a candidate's defeat. Unless the FEC acts, through its rulemaking authority, to ensure notice to these contributors of the tax treatment of negative campaign contributions, many contributors may be induced or encouraged to make contributions to these negative campaigns, or to make them in large amounts, on the mistaken assumption that the credit may be claimed.

III. The FEC Has The Responsibility And

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* Press reports have since identified the committee in question as the National Conservative Political Action Committee (NCPAC), a political committee making large-scale independent expenditures. *See* Exhibit "B" (an article on the IRS letter ruling from the *Legal Times*, dated March 17, 1980).

Authority To Consult And Cooperate With The Internal Revenue Service In Ensuring That Taxpayers Are Fully Informed About The Tax Consequences of Their Decision To Contribute To "Negative Campaigns."

A. Authority of FEC Under § 311(f) of the Act.

Under the new FEC amendments, Congress specifically directed that the FEC and IRS "consult and work together to promulgate rules . . . which are mutually consistent." *See* § 311(f) of the Act, as amended by P.L. 96-187. Annual reports to the Congress on the progress of these consultations are required. Certainly the issues addressed in this petition call for the interagency consultation envisioned by the Congress and for the promulgation of a regulation requiring that the tax consequences of contributions to negative campaigns be fully disclosed to potential contributors. The FEC has the authority not only to consult with the IRS for this purpose, but it also has the obligation to ensure that solicitations for such contributions clearly inform contributors that the IRS may disallow any claim that they may make for a credit under Section 41.

B. FECA Policy Requiring Notice to Taxpayers of the IRS Ruling.

In imposing a requirement that committees conducting "negative campaigns" advise potential contributors of the IRS ruling, the FEC would be acting in a manner consistent with its broad duty to ensure full disclosure to contributors to federal election campaigns. See e.g. 2 U.S.C. 441d; and 11 C.F.R. 110.11. As stated previously, many, if not most, contributors may make their donations on the assumption that a credit might be claimed. Indeed, most contributions to political committees will qualify for such a credit, but an exception has now been established by the IRS for committees conducting negative campaigns. This is an important ruling, one which may affect many contributors' decisions to donate monies to such committees, or their decision on how much they will, in fact, donate. These contributors should not be left unclear about the tax consequences of their contributions for these campaigns.

C. Proposed Notice to be Provided by Organizations Soliciting Contributions to "Negative Campaigns"

As a practical matter, only a notice provided by the committee soliciting the contributions would be effective in notifying the taxpayer of the IRS ruling. These committees may conveniently include a notice of the ruling in all written solicitations, much as they are now required to provide authorization "disclaimers" under the FEC regulations. Only in this way may the FEC be sure that contributors are donating their monies in full awareness that a tax credit may not later be claimed. The alternatives to notice by the soliciting organization, e.g., a public notice by the FEC or IRS, or a joint public notice by both agencies in the Federal Register, would be most unlikely to provide actual notice to potential contributors. Yet it is important that a reasonably reliable mechanism for providing such notice be established, so that potential contributors may make a decision to contribute, or not to contribute, with full information about the tax consequences.

Accordingly, the DNC and the DSCC petition the FEC to promulgate a rule requiring that the following notice be included in the solicitations of committees conducting negative campaigns, and seeking contributions for that purpose:

"You should be aware that the Internal Revenue Service, in a letter ruling dated February 12, 1980, made a preliminary determination that contributions to 'negative campaigns' (i.e., for the purpose of defeating specified candidates for elective office) would not qualify for the standard tax credit under 26 USC § 41."

This notice, which is concise but accurate, would supply taxpayer-contributors with notice that their claimed credit may be subject to disallowance by the IRS. Only with such a notice may the FEC be certain that contributors are donating with full understanding of the relevant tax consequences.

As for those contributors who have already donated to "negative campaigns", and who have done so in response to solicitations, such as those of NCPAC, expressly representing that they may claim a credit, the notice proposed by the DNC and DSCC will be insufficient. For this reason, the DNC and the DSCC respectfully request that the FEC and IRS give consideration to using any authority they may possess to provide notice to past contributors, through the soliciting committees or through other means, that the previously advertised credit is not, in fact, available.

Respectfully submitted,

RONALD EASTMAN,
General Counsel, Democratic National Committee.

ROBERT F. BAUER,
General Counsel, Democratic Senatorial Campaign Committee.

EXHIBIT A

This is in reply to your letter of ——— requesting a ruling concerning the application of section 41 of the Internal Revenue Code and the Income Tax Regulations thereunder. More specifically, you request a ruling that you will not be eligible to claim a tax credit under section 41 of the Code for contributions made to the ——— for use in its ——— program.

The ——— was organized and is operated for the purpose of directly or indirectly accepting contributions or making expenditures or both for influencing or attempting to influence the selection, nomination, election or appointment of any individual to any federal, state or local public office or office in a political organization, or the election of Presidential electors. In furtherance of its purposes, ——— established and administers a program entitled ——— which is an independent expenditure program directed in opposition to the nomination and election of several identified "liberal" candidates for elective public office.

According to a strategy report describing the ——— program, voter surveys will be used to determine the strengths and weaknesses of each targeted candidate. Once these strengths and weaknesses are determined, a field representative will organize the opponents of each candidate and will research the candidate's voting record on specific issues. Information concerning the candidate's voting record will then be distributed to identified "conservatives" in each targeted state. The field representative will also coordinate a concentrated media program against each candidate. A letter containing a vote by vote analysis of each candidate's most "liberal" positions will be prepared next and sent to each registered voter in each of the targeted states. In addition, an extensive television, radio and newspaper ad campaign will be developed to exploit the weaknesses of each candidate. At the end of the ——— program, all resources will be turned over to any candidate which the ——— determines to be best able to present the conservative viewpoint.

Section 41(a) of the Code provides that in the case of an individual, there shall be allowed, subject to the limitations of subsection (b), as a credit against income tax for the taxable year, an amount equal to one-half of all political contributions and newsletter fund contributions, payment of which is made by the taxpayer within the taxable year.

Section 41(c)(1)(B) of the Code provides that the term "political contribution" means a contribution or gift of money to any committee, association, or organization (whether or not incorporated) organized and operated exclusively for the purpose of influencing or attempting to influence, the nomination or election of one or more individuals who are candidates for nomination or election to any federal, state, or elective public office, *for use by such committee, association, or organization to further the candidacy of such individual or individuals for nomination or election to such office.* [Emphasis added.]

Section 1.41-1(d) of the regulations provides that expenditures further a candidacy within the meaning of section 41(c)(1) (A) and (B) of the Code if they are directly related to, and are intended to support, a candidate's campaign for elective public office. Examples include payments for—

(1) Researching and polling campaign issues;

(2) Trips in connection with campaigning by the candidate or persons acting on his or her behalf;

(3) Raising funds; and

(4) Campaign-related debts left over from a previous political campaign.

Based on the information and documents submitted, we conclude that contributions made to the ——— for use in its ——— program are not used to further the candidacy of any candidate within the meaning of section 41 (c)(1)(B) of the Code. Accordingly, you are not eligible to claim a tax credit for such contributions under section 41.

A copy of this letter should be attached to your federal income tax return for the years in which you make a contribution to the ——— for use in its ——— program. A copy is enclosed for this purpose.

In accordance with the power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Sincerely yours,

ANTHONY MAUZAUARES, Jr.,
Chief, Individual Income Tax Branch.

EXHIBIT B

RULING MAY BAR TAX CREDIT FOR "NEGATIVE CAMPAIGN" GIFT

(By Emily Couric)

A recent Internal Revenue Service private letter ruling disallowing tax credits for contributions to a negative campaign organization is wending its way through the commission maze toward revenue ruling status.

The IRS ruled in a Feb. 12 letter that contributions to the National Conservative Political Action Committee's Target '80 program are not used "to further the candidacy of any candidate." They cannot, therefore, be allowed as a credit, "equal to one-half of all political contributions," as provided in the code.

NCPAC generally accepts contributions and makes expenditures to help conservative candidates, but it also administers as a separate program, Target '80, to oppose liberal candidates.

"This is an interesting issue of widespread applicability," said James K. Harris, the IRS group chief responsible for the ruling. "It's the kind of ruling we try to get published."

Harris explained that during the complicated IRS review process, a ruling "could be killed for a variety of reasons along the way." If approved, he predicted publication "no earlier than April, but probably during the summer."

Principal objects of the negative Target '80 campaign, begun last August, are Senators George McGovern (D-N.D.), John Culver (D-Iowa), Alan Cranston (D-Calif.), Frank Church (D-Idaho) and Birch Bayh (D-Ind.). They contacted the Democratic Senate Campaign Committee with their concern about the alleged smear tactics of Target '80; the committee, in turn, contacted the Washington office of Preston, Thorgrimson, Eills, Holman & Fletcher.

QUICKEST APPROACH

The firm decided to pursue a private letter ruling approach, explained Robert Ruxin, because "other options would have taken too long; the campaign would have been over."

The IRS gave NCPAC the same private letter answer on Feb. 13 in response to its own request for a ruling on the tax credit issue. NCPAC had been saying on all of its literature—both for and against candidates—that contributions were subject to tax credit provisions.

NCPAC counsel Curtis Herge of Sedam & Herge said that he will request a reconsideration of the private letter ruling. "The Supreme Court in *Buckley* v. *Valeo* [424 U.S. 1 (1976)] struck down limitations imposed on how much candidates could spend and on how much individuals could independently spend," said Herge.

"It is clear that contributions are eligible for the tax credit if they advance an election. It wouldn't be right to exclude contributions against an election."

The liberal candidates disagree. "The IRS ruling is important because NCPAC is part of the 'new right,'" explained Park Rinard of Culver's office. "They raise bushels of money with their mailings, which pay no attention to truth or fiction.

"They have an influence beyond that which appears," he continued, "because they build coalitions with other single-interest groups—such as anti-abortion, gun control, school prayer—and, as a consequence, from a standpoint of arousing the electorate, they do a considerable job."

Technically, IRS private letter rulings are restricted to the individuals to whom they are addressed. Harris thinks, however, that others who want to contribute to negative campaigns should take notice.

"Go ahead and give," he said. "But think twice about claiming a credit on your taxes."

EXHIBIT C

REPLY MEMO

To JOHN DOLAN, Chairman, NCPAC.

DEAR JOHN: Your report has convinced me that NCPAC can help conservatives actually take over the U.S. Senate in 1980!

As a dedicated conservative, I pledge my full support to this vital project.

I have enclosed my maximum "Target '80" contribution of: $15, $25, $50, $100, Other ——. (Please make your check payable to NCPAC.) Federal law requires that we ask the following: Occupation ————. Place Where Employed ————. Optional: Home phone number: ————.

EXHIBIT D

[From the New York Times, Mar. 24, 1980]

MILLION-DOLLAR DRIVE AIMS TO OUST 5 LIBERAL SENATORS

(By Bernard Weinraub)

WASHINGTON, March 22.—A basketball player dribbling a ball appeared on television screens across South Dakota the other morning.

"Globetrotter is a great name for a basketball team, but it's a terrible name for a Senator," said the announcer. "While the energy crisis was brewing, George McGovern was touring Cuba with Fidel Castro. He also took a one-month junket to Africa. All at taxpayers' expense."

The announcer concluded: "No wonder he lost touch with South Dakota. With so many problems at home, we need a Senator and not a globetrotter."

In Indiana, a large baloney recently appeared on television screens. Abruptly, a cleaver sliced the baloney and a voice said: "One very big piece of baloney is Birch Bayh telling us he's fighting inflation."

A MILLION-DOLLAR CAMPAIGN

A price appeared on the sliced baloney: $46 billion. "That's how much deficit spending Bayh voted for last year alone," the voice said, pausing before concluding: "So, to stop inflation, you'll have to stop Bayh first. Because if Bayh wins, you lose."

The unusually acid commercials are part of a million-dollar advertising campaign in which conservative groups are seeking to unseat five liberal Senators by presenting a "negative image" of them on television, radio and in newspapers.

The smoothly organized drive, spearheaded by the National Conservative Political Action Committee, depicts Frank Church of Idaho, John C. Culver of Iowa, Alan Cranston of California and Senators McGovern and Bayh as "radicals" for their stands on abortion, gun control, the proposed equal rights amendment and the economy.

"There's no question about it—we are a negative organization that wants to get rid of five bad votes in the Senate," said John T. Dolan, director of the umbrella group. "We're interested in ideology. We're not interested in respectability. We're going to beat these five and send a shiver down the spine of every other liberal Senator and Congressman."

What makes the negative campaign unusual is that it seeks the defeat of the five incumbents without openly promoting any challengers.

USING A NEW APPROACH

Past efforts of conservatives were aimed at seeking control over the Republican Party, but the new method appears to be aimed at creating coalitions among special interest groups, such as the gun lobby, antiabortionists and those opposed to a strategic arms limitation agreement with the Soviet Union.

"This is an entirely new development in the political process," said Cleve Corlett, press secretary to Mr. Church. "It's very scary and dangerous. We're seeing the New Right melding single-issue groups into one monolithic force and using tactics that are divisive and based on fear.

Mr. Corlett said that Idaho voters had been subjected to "an unrelenting drumbeat" of television commercials and letters in the last 14 months directed against Mr. Church, who is chairman of the Foreign Relations Committee. One of those radio spots was broadcast 150 times a day throughout Idaho for five days.

"We really haven't seen these kinds of tactics and this negative approach to this degree in a long time," said Tom Baker, executive director of the Democratic Senatorial Campaign Committee. "We take them very seriously. We have to. They're well-financed and they're making their money felt."

More than $390,000, for example, has been budgeted against Mr. McGovern, a key target of the campaign, according to the Senator's aides. Mr. Dolan contends that the figure is closer to $100,000, but makes it clear that the Senator is a prime target for conservatives.

ATTACK ON M'GOVERN

Mr. McGovern is depicted in fund-raising leaflets in South Dakota as a "radical left extremist" who has voted for handgun control, spoken in behalf of the homosexual rights movement, praised Cuba and "been an enemy of the F.B.I. and C.I.A. since he came to the Senate."

One newspaper advertisement says: "George McGovern voted against you when he voted to bail out New York City and its labor unions, bureaucrats and crooked politicians and cost South Dakota more inflation."

Even greater controversy has been stirred by an anti-abortion group, "Stop The Baby Killers," which has sent out letters to South Dakota and other states saying that Mr. McGovern and his liberal colleagues were "political baby killers" who "apparently think it's perfectly O.K. to slaughter unborn infants by abortion."

"These groups are very dedicated, very active and, I think, very dangerous," said George Cunningham, administrative assistant to Mr. McGovern. "They're using issue as a facade, as a flag out front, to try to defeat liberals and moderates."

Mr. Dolan, who has close ties with Richard A. Viguerie, who raises funds for conservative causes through direct mail campaigns, concedes that his efforts to unseat the five liberals are rooted in a loophole created by the United States Supreme Court when it ruled in 1976 that independent groups could spend unlimited amounts on political causes, as long as they did not coordinate their efforts with any candidate. Direct contributions to candidates from political action committees are limited to $5,000 in a primary campaign, and $5,000 in the general election.

Mr. Dolan said in an interview that his group raised more than $2.2 million last year, largely through direct mail, and expected to raise $2 million this year. The group expects to spend about $1.3 million in the political campaign. The rest of the money would be spent on such activities as polling, research, lobbying and obtaining professional consultants to help in precinct organization, scheduling and campaign management.

Although Mr. Dolan's organization is the dominant group waging the campaign against the five Senators, other rightist groups are acting independently to accomplish the same goals. Mr. Church, for example, is also the target of the Committee for a Positive Change, Stop the Baby Killers, the National Right to Life Committee and the Citizens Committee for the Right to Keep and Bear Arms.

What has sharpened the anger of the liberal Senators and their supporters is the tough, blunt—and the liberals say, unfair—media and mail campaign that began last summer.

One Idaho commercial was taped in front of an empty silo for intercontinental ballistic missiles, implying that Mr. Church was responsible for the void and "has almost always opposed a strong national defense." In fact, the Titan silo was empty because the weapons have been replaced by more advanced Minuteman missiles.

Mr. Dolan insisted that the group's advertisements were carefully researched and accurate, except for one dealing with Senator Church's vote on a pay raise. The group apologized for the error.

"Images are important, not issues," Mr. Dolan said. "We start early and use repetition and it's bound to have an impact. Start with an image like George McGovern doesn't represent South Dakota. Keep hitting away. That's more effective than George McGovern did or didn't do X, Y or Z for South Dakota."

MESSAGES FROM THE HOUSE

At 10:44 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 1148. An act to reauthorize title I of the Marine Protection, Research, and Sanctuaries Act, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 2009) to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. UDALL, Mr. PHILLIP BURTON, Mr. SEIBERLING, Mr. SANTINI, Mr. WEAVER, Mr. KOSTMAYER, Mr. VENTO, Mr. CLAUSEN, Mr. JOHNSON of Colorado, Mr. SYMMS, and Mr. YOUNG of Alaska were appointed as managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. BURLISON, Mr. TRAXLER, Mr. ALEXANDER, Mr. McHUGH, Mr. NATCHER, Mr. HIGHTOWER, Mr. JENRETTE, Mr. ANDREWS of North Dakota, Mr. ROBINSON, Mr. MYERS of Indiana, and Mr. CONTE were appointed as managers of the conference on the part of the House.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 318. A concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act.

At 3:49 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

At 5:47 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture; that the House recedes from its disagreement to the amendments of the Senate numbered 3 and 4 to the joint resolution, and concurs therein each with an amendment in which it requests the concurrence of the Senate.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3796. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Efforts to Control Fraud, Abuse, and Mismanagement in Domestic Food Assistance Programs: Progress Made—More Needed," May 6, 1980; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3797. A communication from the Executive Director and Secretary, Chrysler Corporation Loan Guarantee Board, transmitting, pursuant to law, a report entitled "Findings of the Chrysler Corporation," May 12, 1980; to the Committee on Appropriations.

EC-3798. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2104(a), title 10, United States Code, to remove the requirement of two years remaining at an educational institution to be eligible for Senior Reserve Officers' Training Corps' advanced training; to the Committee on Armed Services.

EC-3799. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 13 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-3800. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Switzerland for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3801. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), reporting, pursuant to law, that a study has been conducted with respect to converting the guard services function at the Naval Supply Center, San Diego, California, Point Loma Fuel Facility, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3802. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "SARs—Defense Department Reports That Should Provide More Information to the Congress," May 9, 1980; to the Committee on Armed Services.

EC-3803. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1980 for operating subsidies for public housing projects; to the Committee on Banking, Housing, and Urban Affairs.

EC-3804. A communication from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, additional material to the Board's Cost Accounting Standards, Part 418—Allocation of Direct and Indirect Costs; to the Committee on Banking, Housing, and Urban Affairs.

EC-3805. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during March 1980 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-3806. A communication from the Chairman, United States Youth Conservation Corps, transmitting, pursuant to law, a report entitling "YCC At Work" (1978); to the Committee on Energy and Natural Resources.

EC-3807. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports entitled (1) Commercial and Industrial Storage of Distillate and Gasoline, and (2) Petroleum Storage and Transportation Capacities; to the Committee on Energy and Natural Resources.

EC-3808. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the acquisition of space by lease in Washington, D.C.; to the Committee on Environment and Public Works.

EC-3809. A communication from the Chairman, Foreign Claims Settlement Commission, transmitting, pursuant to law, a report of its activities for the period beginning January 1, 1979, and ending December 31, 1979; to the Committee on Foreign Relations.

EC-3810. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days of the execution thereof; to the Committee on Foreign Relations.

EC-3811. A communication from the Staff Assistant, Bonneville Power Administration, Department of Energy, transmitting, for the information of the Senate, an enclosure to a communication forwarded on May 2, 1980, relating to a new system of records; to the Committee on Governmental Affairs.

EC-3812. A communication from the Director of Administration, Department of Energy, transmitting, pursuant to law, a report on a revised system of records; to the Committee on Governmental Affairs.

EC-3813. A communication from the Assistant Secretary for Administration, Department of Transportation, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-3814. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the examination of the financial statements of the Export-Import Bank of the United States for fiscal year 1979; to the Committee on Governmental Affairs.

EC-3815. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Civil Service Reform—Where It Stands Today"; to the Committee on Governmental Affairs.

EC-3816. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Land Acquisitions By Condemnation—Opportunities To Reduce Delays and Costs"; to the Committee on the Judiciary.

EC-3817. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "From Quantity To Quality: Changing the FBI Emphasis On Interstate Property Crimes"; to the Committee on the Judiciary.

EC-3818. A communication from the Director of the National Legislative Commission, The American Legion, transmitting, pursuant to law, a report on the financial status of the American Legion as of December 31, 1979; to the Committee on the Judiciary.

EC-3819. A communication from the Chairman of the United States Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to simplify certain annuity computations under that Act; to the Committee on Labor and Human Resources.

EC-3820. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final amendments-Vocational Education-Vocational Education Data and Accounting System; to the Committee on Labor and Human Resources.

EC-3821. A communication from the

Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Health Maintenance Organizations Can Help Control Health Care Costs"; to the Committee on Labor and Human Resources.

EC–3822. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the analysis of deficiencies in Foreign Medical Education of U.S. Foreign Medical Student Transferees; to the Committee on Labor and Human Resources.

EC–3823. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals as of May 1, 1980; pursuant to order of January 30, 1975, jointly, to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on Labor and Human Resources, the Select Committee on Indian Affairs, the Committee on the Judiciary, the Committee on Rules and Administration, the Select Committee on Small Business, and the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred as follows:

POM–723. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS FOR THE TRANSFER OF POWER OVER PUERTO RICO FROM THE UNITED STATES GOVERNMENT TO THE PEOPLE OF PUERTO RICO

"Whereas, the move toward the elimination of Colonialism and all vestiges of Colonialism in all parts of the world is now irreversible; and

"Whereas, this is in full accord with the commitment of the people of the United States in the Declaration of Independence of 1776 to the principle that all Colonial peoples have the inalienable right to self-determination and the right to assume their place as sovereign states among the nations of the world, as well as the mandate of the fourteenth amendment to the Constitution of the United States that the status of inferiority for any people be forthwith abolished; and

"Whereas, the practices followed by the United States with respect to Puerto Rico have been developed in open contradiction to the principles upon which this Nation was founded, as was stated by Mr. Justice Harlan in his opinion in the insular cases, Downes v. Bidwell (1901), "the idea that this country may acquire territories anywhere upon the earth, by conquest or treaty, and hold them as mere colonies or provinces—the people inhabiting them to enjoy only such rights as Congress chooses to accord to them—is wholly inconsistent with the spirit and genius, as well as with the words of the Constitution; and

"Whereas, Representative Ronald Dellums of the State of California has filed a joint resolution with the Congress which provides in part as follows:

" 'Section 2. All powers and authority presently exercised by the three branches of Government of the United States, legislative, judicial and executive, and all its agencies and instrumentalities, including the Armed Forces of the United States, over the territory of Puerto Rico, should be relinquished and transferred unconditionally and without reservations to the people of Puerto Rico, in order to allow them to fully exercise their inalienable right to self-determination and independence, in accordance with their freely expressed will and desire.'; Therefore be it

"*Resolved*, That the Massachusetts House of Representatives respectfully urges the Congress of the United States to adopt said resolution filed by Representative Ronald Dellums; and be it further

"*Resolved*, That copies of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, to the Presiding Office of each branch of the Congress, and to the Members thereof from this Commonwealth."

POM–724. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Be it enacted by the Legislature of the State of Minnesota:

"Section 1. Minnesota Statutes 1978, Section 138.025, Subdivision 10, is amended to read:

"Subd. 10. (Split Rock Lighthouse State Park). In accordance with the terms and provisions of this section, the Minnesota historical society shall administer and control the historic site within the Split Rock Lighthouse state park in Lake county and described as follows:

"That part of Government lot 3, Section 33, and Government lot 1, Section 32, Township 55 North, Range 8 West, fourth principal meridian, Lake county, comprising the historic Split Rock Lighthouse tract as originally conveyed to the state of Minnesota by the federal government and containing 7.6 acres more or less; and The North 711 feet of the East 300 feet of Government Lot 1, Section 32, Township 55 North, Range 8 West, and the South 711 feet of the North 2,031 feet of Government Lot 3, Section 33, Township 55 North, Range 8 West, containing approximately 17.4 acres, more or less.

"Sec. 2. Minnesota Statutes 1978, Section 138.585, is amended by adding a subdivision to read:

"Subd. 28. Traverse des Sioux State Monument in Nicollet County, including the Traverse des Sioux Treaty Site, where the treaty of Traverse des Sioux was signed in 1851, consists of two tracts divided by United States Highway No. 169 as follows: All that land owned by the state of Minnesota under the jurisdiction of the departments of natural resources and transportation within the statutory boundary of the Traverse des Sioux State Park located westerly of United States Highway No. 169 and northerly of Chestnut Street of the plat of Traverse des Sioux north of Sibley Street and containing approximately 19 acres, more or less, and, all that land owned by the state of Minnesota under the jurisdiction of the department of natural resources within the statutory boundary of the Traverse des Sioux State Park located easterly of United States Highway No. 169 and northerly of McCann Street of the plat of Traverse des Sioux south of Sibley Street, and containing approximately 90 acres, more or less, both parcels located in Sections 4 and 9, Township 110 North, Range 26 West.

"Sec. 3. There is appropriated from the general fund to the Minnesota historical society the sum of $30,000, or so much thereof as may be required, for the purpose of maintaining and interpreting the property described in sections 1 and 2 during the remainder of the biennium ending June 30, 1981.

"Sec. 4. Whereas, Sixty-three years ago, the Nation declared war on Germany and Austria in defense of freedom of the seas and over four and one-half million young Americans left their jobs and classrooms to help win the war that was "To make the World safe for Democracy"; and

"Whereas, a large percentage of these veterans are house-bound and in need of care: Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota, that Congress pay the debt that America owes these needy, aged, veterans by enacting H.R. 1918 into law.

"Be it further resolved that the Secretary of State of the State of Minnesota is instructed to transmit enrolled copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to the Minnesota Senators and Representatives in Congress.

"Sec. 5. The sum of $5,000 is appropriated from the general fund to the department of veterans' affairs for the purpose of establishing a suitable memorial to Minnesota's war dead in Memorial Hall at Arlington National Cemetery. The funds are available until expended.

"Sec. 6. Minnesota Statutes 1978, Section 138–55, Subdivision 5, is repealed."

POM–725. A resolution adopted by the Senate of the State of Colorado; to the Committee on Governmental Affairs:

"SENATE RESOLUTION NO. 15

"Whereas, The Congress of the United States is considering Senate Bill No. 1647 and House Bill No. 5499, which are cosponsored by some sixteen United States Senators and more than one hundred twenty-five United States Representatives, and which would create and establish "A Commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066, and for other purposes"; and

"Whereas, During World War II, from about 1942 until 1946, there were some one hundred twenty thousand persons of Japanese ancestry uprooted from the West Coast of the United States and incarcerated in desert camps, behind barbed wire fences patrolled by armed guards of the United States Army, replete with watchtowers, machine gun post, and searchlights, and more than four hundred million dollars in property losses, according to the United States Federal Reserve Bank of San Francisco, were incurred by such individuals, of which only approximately thirty-eight million dollars were recovered by such evacuees under the "Evacuation Claims Act of 1949", et seq., (at the rate of about eight and one-half cents on the dollar); and

"Whereas, Some ten thousand persons of Japanese ancestry, three-fourths of whom were American citizens, were evacuated to and incarcerated and subsequently relocated in the State of Colorado, during 1942–1946, and have since reestablished their lives, and have contributed significantly to the economy and welfare of the State of Colorado; and

"Whereas, During the period of hostilities by the United States against the Axis powers of Germany, Italy, and Japan, and during subsequent periods of armed warfare, more than two thousand Americans of Japanese ancestry, both men and women, have served loyally and heroically in the defense of our country, with eighty-seven Nisei from Colorado having given their lives while in the service of the armed forces of the United States, as commemorated and listed on the monument maintained in the Fairmount Cemetery of Denver, Colorado; and

"Whereas, In recognition of the unquestioned loyalty of Americans of Japanese ancestry in the State of Colorado, and in recognition of the forced migration by the military from the West Coast to the State of Colorado of this group of present-day Colorado residents, who were subjected to unconscionable disruption of their lives and fortunes, the members of the Senate of this Fifty-second General Assembly of the State of Colorado support the proposed study of all facts and circumstances involved in such evacuation and incarceration during 1942–1946 of loyal American citizens and of peaceful, law-abiding permanent residents of the United States, to the end that such grievous injustices shall never again recur against any other group in the United States; now, therefore,

"*Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado:*

"That we, the members of the Senate of this Fifty-second General Assembly of the State of Colorado do support and endorse Senate Bill No. 1647 and House Bill No. 5499, now pending before the Congress of the United States, and that we, the members of the Senate of this Fifty-second General Assembly of the State of Colorado do urge the Congress of the United States to enact such legislation as speedily as possible to prevent the recurrence of such events again in the United States.

"*Be It Further Resolved*, That copies of this Resolution be transmitted to the President of the United States, the Vice president of the United States, the Speaker of the House of Representatives of the Congress of the United States, and each member of the Congress of the United States from the State of Colorado."

POM–726. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Finance:

"SENATE RESOLUTION No. 306

"Whereas, providing the best possible education for our children has been and will always continue to be of deep concern to the people of Hawaii; and

"Whereas, millions of dollars are needed for the repair and maintenance of our school facilities; and

"Whereas, our schools are suffering dramatically from a shortage of needed textbooks, such shortage only resulting in a detriment to our children's education; and

"Whereas, the area of handicapped child education would certainly welcome financial assistance in any form; and

"Whereas, revenue sharing has been an effective medium for funding education projects throughout the State; now, therefore,

"Be it resolved by the Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, that Hawaii's Congressional delegation be requested to seek additional revenue sharing funds for Hawaii's educational program; and

"Be it further resolved that certified copies of this Resolution be sent to Hawaii's Congressional delegation, the President of the United States Senate, the Speaker of the United States House of Representatives, and the President of the United States."

POM–727. A concurrent memorial adopted by the Legislature of the State of Arizona, to the Committee on Environment and Public Works:

"SENATE CONCURRENT MEMORIAL 1005

"Whereas, in the period of time following the passage of the Wild Free-Roaming Horses and Burros Act by the Congress, these animals have expanded their numbers to such an extent as to cause considerable damage to the grazing and watering resources available to livestock and wildlife within the State of Arizona; and

"Whereas, the uncontrolled growth in the number of wild burros in Arizona and the attendant overuse of life-sustaining resources is now recognized as a threat to the survival of wildlife and livestock in those areas where the burros are found; and

"Whereas, in response to this situation many programs have been initiated, attempting to control the size of the burro populations by transferring these animals to private lands with the "Adopt-a-Burro" program; and

"Whereas, these methods are not only expensive, with an estimated average cost of eight hundred dollars per burro, but are also proving to be ineffective, to the extent that at least one burro herd in Arizona tripled its numbers since the passage of the Act; and

"Whereas, there is growing concern in Arizona over these impacts and developments, with an increasing need to expand the activities to control these animals.

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the Congress of the United States be advised of the support for alternative burro population control methods that exist in the Arizona Legislature.

"2. That the Congress of the United States amend the Wild Free-Roaming Horses and Burros Act to allow officers of the Arizona Game and Fish Department to remove or take burros when, in the opinion of the Department as confirmed by the Game and Fish Department and in cooperation with the appropriate federal land management agency, it is necessary to reduce the number of burros in a given habitat or range, without penalty for such officers.

"3. That the Congress of the United States direct and empower those federal agencies responsible for the management of land or land-based resources in the State of Arizona to act to control or otherwise reduce the size of burro populations when it is found that they are producing adverse impacts upon livestock or wildlife on federal lands, and that the Congress further provide the funds necessary for such actions by federal agencies.

"4. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM–728. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT MEMORIAL 1006

"Whereas, portions of the Verde River, San Francisco River and Upper Salt River have been proposed for designation as having wild, scenic or recreational values, and as elements of the Wild and Scenic Rivers System; and

"Whereas, many or all of the alternatives being considered would involve the acquisition of some private lands or rights attached to such lands which would require the present landholders to relocate or else restrict the landholders' freedom to make full and beneficial use of private property; and

"Whereas, with regard to the San Francisco River, its inclusion in the Wild and Scenic River System may result in serious interference with a major industrial complex; and

"Whereas, with regard to the Upper Salt River, its inclusion in the Wild and Scenic River System may interfere in the present usage of the river; and

"Whereas, the public hearing procedure to allow affected citizens to provide information and opinions has been criticized by many who, in their opinion, were not given adequate notice, including several landowners who were not within this State at the time, and subsequently did not learn of the meeting until after its occurrence; and

"Whereas, without commenting on the merits of the Wild and Scenic Rivers program or on the merits of the proposed inclusion of portions of the Verde River, there is nevertheless grave concern among the local citizens and in the Legislature about the procedural questions, since the taking issue would appear to violate the basic American tenet of the protection of the right to private property, and further concern over even the appearance of the government's attempting to act without first allowing everyone who might be affected by this action to have an opportunity to be heard. Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the Congress of the United States defer any action to include all or any portion of the Verde River, San Francisco River and Upper Salt River as part of the Wild and Scenic Rivers System until all those affected have been granted an opportunity to be heard, and that the Congress further prevent any attempts to make such inclusion by executive order or administrative proceeding at this time.

"2. That the Congress of the United States either direct the appropriate federal agency to reopen public hearings in the communities affected and in the State, with the additional instruction that all landowners will be contacted, preferably by certified mail, and that hearings not be conducted until a reasonable time to reply has passed or, if it is determined that the appropriate agency should not hold new hearings, that the Congress direct the appropriate committee, committees or subcommittees to hold field hearings in the affected communities prior to taking action on the proposals.

"3. That the Congress of the United States reject, in its final consideration, the inclusion of any portion of the Verde River, San Francisco River and Upper Salt River as part of the Wild and Scenic Rivers System if the local citizens are strongly opposed to such designation.

"4. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM–729. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Governmental Affairs:

"HOUSE CONCURRENT MEMORIAL 2003

"Whereas, the United States was divided into ten federal service regions in 1972 by presidential executive order 11647 and the states, encouraged by the promise of federal dollars or threat of the withdrawal of federal dollars, have further divided into planning and service districts; and

"Whereas, the announced goal of regionalization of local, state and federal governments under federal regionalism is centralization of power and authority, which rightfully and constitutionally belongs to these several state governments, transference of custody of the public purse to appointed officials and usurpation of the rights and freedoms of citizens; and

"Whereas, many authorities on constitutional law have declared that the federal regional concept is a direct violation of Article IV, Sections 3 and 4 and of the Tenth Amendment of the United States Constitution; and

"Whereas, regional government, under whatever name, is a real and present danger to the freedom of person and property guaranteed to the people by the United States Constitution and to the sovereignty and proper interest of the people of this state. Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the Congress of the United States take action to eliminate and prevent federal regionalism of local, state and federal governments.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-730. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary:

"House Concurrent Resolution 2001

"Whereas, the powers delegated to the federal government by the United States Constitution are limited, and those powers not delegated to the federal government are reserved to the states; and

"Whereas, it is becoming increasingly the practice of the federal government to require states to enact state laws to implement federal policies by threatening to withhold or withdraw federal funds for failure to do so; and

"Whereas, the federal government has imposed upon the states many programs and obligations which require funding in excess of state means, thereby making the states subservient to and dependent upon the federal government for financial assistance; and

"Whereas, through the coercive force of withdrawing or withholding federal funds, or the threat of withdrawing or withholding federal funds, the federal government is indirectly imposing its will upon the states and requiring implementation of federal policies which neither Congress nor the President nor any administrative agency is empowered to impose or implement directly; and

"Whereas, this coercive power of the purse is being used to extend the power of the federal government over the states far beyond the powers delegated to the federal government by the United States Constitution; and

"Whereas, the power of the federal government should be exercised directly by the enactment, implementation and enforcement of federal laws governing only those areas in which the federal government is empowered to act by the United States Constitution, and the federal government should be prohibited from usurping the authority of the states and imposing its will indirectly in those areas in which it has no power to act directly; and

"Whereas, the federal government has imposed upon the states many programs and obligations which require state administration and such programs or other programs may lose federal financing if certain conditions attached to the program are not met.

"Therefore, be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

"1. Pursuant to Article V of the Constitution of the United States, the Legislature of the State of Arizona petitions the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States to prohibit the Congress, the President, and any agent or agency of the federal government, from withholding or withdrawing, or threatening to withhold or withdraw, any federal funds from any state as a means of requiring a state to implement federal policies which the Congress, the President or the agent or agency of the federal government has no power, express or implied, under the Constitution of the United States, to impose upon the States or implement its own action, and to limit permissible conditions of federal financing by the Congress, or the President, or any agent or agency of the federal government designed to obtain state administration of federal programs at the risk of losing federal funds for other programs if any or all conditions of the program are not met.

"2. That the Secretary of State of the State of Arizona is directed to send a duly certified copy of this Resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of Congress from the State of Arizona."

POM-731. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Foreign Relations:

"Resolution 11

"Whereas the United States desires peace among nations and a reduction in the arms burden; and

"Whereas, as a concrete step toward the goal of peace, the United States has negotiated a Strategic Arms Limitation Treaty with the Soviet Union; and

"Whereas this treaty is presently before the United States Senate for ratification; and

"Whereas, since negotiation of the treaty, the Soviet Union has invaded and effectively taken control of Afghanistan; and

"Whereas this invasion shows that there can be no reliance on the good faith of the Soviet Union and little faith that it would live up to the Strategic Arms Limitation Treaty;

"Be it resolved by the Alaska State Legislature that the United States Senate is urged to refrain from considering ratification of the treaty at this time; and be it

"Further resolved that Congress is urged to take all necessary legal, constitutional and prudent steps to increase the military, economic, and political strength of the United States, with special emphasis on upgrading and strengthening the Alaska Command.

"Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States, and to each member of the United States Congress."

POM-732. A resolution adopted by the Senate of the State of Iowa; to the Committee on Environment and Public Works:

"Senate Resolution 111

"Whereas, ninety-five percent of the energy used in Iowa is imported; and coal is Iowa's most abundant energy resource and is estimated at over three billion tons of recoverable coal, enough to last the State for hundreds of years; and

"Whereas, the past seventy years have seen a ninety percent reduction in the production of Iowa coal resulting in the decline of Iowa's coal industry to the point of extinction; and

"Whereas, thirteen million tons of coal were used in Iowa in 1979, but only seven percent was Iowa coal; and

"Whereas, the current energy crisis necessitates the establishment of efficient energy production priorities which emphasize the utilization of local energy resources instead of furthering the reliance on unstable energy sources from unfriendly nations; and

"Whereas, the application of federal air quality standards threaten further economic disruption and unemployment to significant portions of Iowa; and

"Whereas, the importance of air quality for Iowa's citizens is well recognized, it should also be recognized that data indicates that previous federal scientific studies upon which air quality standards were set have proved to be vague; now therefore,

"Be it resolved by the Senate, That the United States Environmental Protection Agency be urged to take prompt action to reevaluate all sulfur air quality studies and standards affecting Iowa; and

"Be it further resolved, That the state of Iowa through the Iowa Department of Environmental Quality, working with the United States Environmental Protection Agency, a representative from the Governor's Office, and other interested parties, reevaluate by September 1, 1980 Iowa's air quality regulations to allow for the burning of considerably more Iowa coal in an environmentally acceptable manner; and

"Be it further resolved, That a copy of this resolution be forwarded to the President of the United States, to the United States Environmental Protection Agency, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of Congress from Iowa."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JAVITS (for Mr. Pell), from the Committee on Labor and Human Resources, with an amendment:

S. 1658. A bill to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States or local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes (Rept. No. 96–710).

By Mr. NELSON, from the Committee on Labor and Human Resources, without amendment:

S. 2708. An original bill to extend title VII of the Comprehensive Employment and Training Act relating to private sector opportunities for the economically disadvantaged, and for other purposes (Rept. No. 96–711).

By Mr. ROBERT C. BYRD (for Mr. Kennedy), from the Committee on Labor and Human Resources, with an amendment:

S. 1177. A bill to improve the provision of mental health services and otherwise promote mental health throughout the United States, and for other purposes (Rept. No. 96–712).

By Mr. ROBERT C. BYRD (for Mr. Kennedy), from the Committee on Labor and Human Resources, with an amendment and an amendment to the title:

S. 568. A bill to promote the full use of human resources in science and technology through a comprehensive program to maximize the potential contribution and advancement of women in scientific, professional, and technical careers (together with additional views) (Rept. No. 96–713).

S. 988. A bill entitled the "Health Science Promotion Act of 1979" (Rept. No. 96–714).

By Mr. ROBERT C. BYRD (for Mr. Kennedy), from the Committee on Labor and Human Resources, without amendment:

H.R. 4453. An act to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin (Rept. No. 96–715).

By Mr. STEWART, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2716. An original bill to authorize appropriations for flood mapping studies for fiscal year 1981 (Rept. No. 96–716).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2709. An original bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes (Rept. No. 96–717).

S. 2710. An original bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1981 and 1982, and for other purposes (Rept. No. 96–718).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2240. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 96–719).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2248. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes (Rept. No. 96–720).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2492. A bill to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction, and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; to amend the Merchant Marine Act, 1936, to make available certain financial assistance for construction and operation of such facilities and plantships, and for other purposes (Rept. No. 96–721).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 4890. An act to authorize appropriations for the Commercial Fisheries Research and Development Act of 1964 for fiscal years 1981, 1982, and 1983 (Rept. No. 96–722).

By Mr. ROBERT C. BYRD (for Mr. Cannon), from the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, with an amendment:

H.R. 6614. An act to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes (Rept. No. 96–723).

By Mr. MORGAN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2711. An original bill to amend title V of the Housing Act of 1949 to authorize appropriations for fiscal year 1981, and for other purposes (Rept. No. 96–724).

By Mr. NELSON, from the Select Committee on Small Business, with an amendment and an amendment to the title:

S. 2635. A bill to amend the Small Business Investment Act of 1958, to authorize guarantees with respect to energy facilities, to conform it to current needs and usage, and for other purposes (Rept. No. 96–725).

By Mr. LONG, from the Committee on Finance, without amendment, but with a preamble:

S. Res. 432. A resolution with respect to taxing social security benefits (Rept. No. 96–726).

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 435. An original resolution relating to transitional rules governing the use of tax-exempt State and municipal bonds known as mortgage bonds (Rept. No. 96–727).

S. J. Res. 159. A joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products (Rept. No. 96–728).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 436. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2352. Referred to the Committee on the Budget.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 2352. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes (together with additional views) (Rept. No. 96–729).

By Mr. BAYH, from the Select Committee on Intelligence, with an amendment and an amendment to the title:

S. 2284. A bill to authorize the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States, and for other purposes (Rept. No. 96–730.)

(The remarks of Mr. Bayh when he reported the bill appear elsewhere in today's proceedings.)

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment:

S. 2666. A bill to authorize appropriations for the International Natural Rubber Agreement for fiscal year 1981 (Rept. No. 96–731).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. 2714. An original bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and for other purposes (Rept. No. 96–732).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment, but with a preamble:

S. Con. Res. 95. An original concurrent resolution expressing the sense of the Congress with respect to the overthrow on April 12, 1980, of the Government of the Republic of Liberia.

By Mr. SCHWEIKER (for Mr. Pell), from the Committee on Labor and Human Resources, with an amendment:

S. 1839. A bill to extend the Higher Education Act of 1965, and for other purposes (Rept. No. 96–733).

By Mr. NELSON, from the Select Committee on Small Business, with an amendment and an amendment to the title:

S. 1860. A bill to establish a Federal program to assist innovative small businesses by strengthening the role of such businesses in federally funded research and development and by fostering the formation and growth of small business (Rept. No. 96–734). Referred to the Committee on Finance solely to consider title III, by unanimous consent.

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2718. An original bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally (together with additional views) (Rept. No. 96–735).

By Mr. WILLIAMS, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2719. An original bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes (together with additional views) (Rept. No. 96–736).

S. 2720. An original bill to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations, and for other purposes (together with additional views) (Rept. No. 96–737).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. 2727. An original bill to authorize additional appropriations for the Department of State for the fiscal years 1980 and 1981 for the Board for International Broadcasting for the fiscal year 1981, and for other purposes (Rept. No. 96–738).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with amendments:

S. 1882. A bill to provide for the control of interstate and foreign commerce in fish and wildlife (Rept. No. 96–739).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

H.R. 6727. An act to establish the Bon Secour National Wildlife Refuge (Rept. No. 96-740).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with amendments:

S. 2244. A bill to establish the Tensas River National Wildlife Refuge (Rept. No. 96-741).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with an amendment and an amendment to the title:

S. 1895. A bill to change the name of the Los Esteros Dam (New Mexico) to the Santa Rosa Dam (Rept. No. 96–742).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. 2724. An original bill to extend authorizations for law enforcement assistance at Corps of Engineers projects (Rept. No. 96–743).

S. 2725. An original bill to extend certain authorizations in the Clean Water Act, and for other purposes (Rept. No. 96–744).

By Mr. RANDOLPH (for Mr. Culver), from the Committee on Environment and Public Works, without amendment:

S. 2726. An original bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes (Rept. No. 96–745).

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment:

S. 1188. A bill to improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes (Rept. No. 96–746).

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

S. 2534. A bill to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Veterans' Administrations' Department of Medicine and Surgery, and for other purposes (Rept. No. 96–747).

By Mr. NUNN, from the Committee on Armed Services, with an amendment:

S. 91. A bill to amend title 10, United States Code, to remove certain inequities in the Survivor Benefit Plan provided for under chapter 73 of such title, and for other purposes (Rept. No. 96–748).

By Mr. NUNN, from the Committee on Armed Services, with an amendment and an amendment to the title:

S. 2460. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the Armed Forces and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes (Rept. No. 96–749).

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with amendments:

S. 2546. A bill to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colorado, to prevent or reduce seepage damage on adjacent properties, and for other purposes (Rept. No. 96–750).

By Mr. JACKSON, from the Committee on Governmental Affairs, with amendments and an amendment to the title:

S. 1647. A bill to establish a Commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order Numbered 9066, and for other purposes (Rept. No. 96–751).

By Mr. SARBANES, from the Committee on Banking, Housing, and Urban Affairs, with amendments:

S. 2465. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1981 through 1983 (Rept. No. 96–752).

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 5892. An act to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies (Rept. No. 96–753).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 2680. A bill to improve the administration of the Historic Sites, Buildings and Antiquities Act of 1935 (49 Stat. 666) (Rept. No. 96–754).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 2363. A bill to authorize the establishment of the Georgia O'Keeffe National Historic Site, and for other purposes (Rept. No. 96–755).

By Mr. WILLIAMS, from the Committee on Banking, Housing, and Urban Affairs, with an amendment and an amendment to the title:

S. 2004. A bill entitled the "Public Transportation Energy Conservation Act of 1979" (Rept. No. 96–756).

By Mr. MELCHER, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 2043. A bill to provide for research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife (Rept. No. 96–757).

By Mr. MELCHER, from the Select Committee on Indian Affairs, without amendment:

S. 2728. An original bill to amend the Indian Health Care Improvement Act and the Public Health Service Act with respect to Indian health care, and for other purposes (Rept. No. 96–758).

By Mr. MELCHER, from the Select Committee on Indian Affairs, with amendments:

S. 1181. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country (Rept. No. 96–759).

S. 2223. A bill to permit any Indian to transfer by will restricted lands of such Indian to his or her heirs or lineal descendants (Rept. No. 96–760).

By Mr. MELCHER, from the Select Committee on Indian Affairs and the Committee on Energy and Natural Resources, jointly, with amendments:

S. 2066. A bill to convey Federal land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development (Rept. No. 96–761).

By Mr. MELCHER, from the Select Committee on Indian Affairs, with amendments:

H.R. 2102. An act pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota (Rept. No. 96–762).

By Mr. McGOVERN, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 1625. A bill to amend the Act of December 20, 1944, as amended (Rept. No. 96–763).

By Mr. McGOVERN, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 2587. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act for two years (Rept. No. 96–764).

By Mr. McGOVERN from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

H.R. 6285. An act to amend the Egg Research and Consumer Information Act (Rept. No. 96–765).

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, with an amendment and an amendment to the title:

S. 2514. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1981 and 1982, and for other purposes (Rept. No. 96–766).

By Mr. HART, from the Committee on Environment and Public Works, with amendments:

S. 2358. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (together with additional views) (Rept. No. 96–767).

By Mr. CHAFEE (for Mr. CULVER), from the Committee on Environment and Public Works, with amendments:

S. 2181. A bill to assist the States in developing fish and wildlife conservation plans and actions, and for other purposes (Rept. No. 96–768).

By Mr. SCHWEIKER (for Mr. PELL), from the Committee on Labor and Human Resources, without amendment:

S. Con. Res. 91. A concurrent resolution to disapprove the regulations of the Department of Health, Education, and Welfare relating to grants to State educational agencies for educational improvement, resources, and support (Rept. No. 96–769).

By Mr. MATHIAS, from the Committee on Governmental Affairs, with an amendment:

S. 1010. A bill to establish a Commission on the International Application of the Antitrust Laws (Rept. No. 96–770).

By Mr. FORD, from the Committee on Energy and Natural Resources and the Committee on Governmental Affairs, jointly, with amendments:

S. 1699. A bill to amend title VI of the Powerplant and Industrial Fuel Use Act of 1978 to provide financial and technical assistance to States, local governments, and regional agencies to promote the establishment of consolidated programs to mitigate certain adverse social and economic impacts caused by major energy developments, and for other purposes.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with amendments:

S. 2443. A bill to authorize the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Ex. D, 96–2. International Natural Rubber Agreement of 1979 (Ex. Rept. No. 96–35).

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Clyde O. Martz, of Colorado, to be Solicitor of the Department of the Interior.

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, today the Senate Committee on Energy and Natural Resources ordered favorably reported the nomination of Clyde O. Martz to be Solicitor of the Department of the Interior. I ask unanimous consent that Mr. Martz's biography be printed in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

CLYDE O. MARTZ

Business: Davis, Graham & Stubbs, 950 17th Street, Denver, Colo. 80202, (303) 892–9400.

Home: 755 Sixth Street, Boulder, Colo. 80302, (303) 443–3783.

Age: 59.

Born: Lincoln, Nebr.

Married: May 29, 1947 to Ann Spieker, Fremont, Nebr.

Children: Dr. Robert Graham Martz, 29, Albuquerque, N. Mex.; Nancy Martz, 27, Denver, Colo.

Education: AB University of Nebraska 1941, LLB Harvard 1947.

Employment: Partner, Davis, Graham & Stubbs 1962–1967, 1969-Present.

Assistant Attorney General of United States, 1967–1969.

Judicial Administrator, State of Colorado, 1959–1960.

Special Assistant Attorney General, Colorado, 1972–1979.

Professor of Law, University of Colorado, 1952–58; 1960–62.

Assistant Dean 1954–1959; Acting Dean 1957–1958.

Associate Professor of Law, University of Colorado, 1951–52.

Assistant Professor of Law, University of Colorado, 1947–50.

Adjunct Professor of Law, University of Denver, 1962-Present.

Consultant, President's Materials Policy Commission, 1950–51.

Admitted to Practice Colorado, 1948; U.S. Sup. Ct., 1968.

Publications: Cases and Materials on Natural Resources Law, 1951.

Co-author, American Law of Property, 1953.

Editor and Co-author, American Law of Mining, 1960.

Co-author, Waters and Water Rights, 1963.

Water for Mushrooming Populations, 1954.

Contributor, Annual Surveys of American Law, 1952–60.

Various articles: Rocky Mountain Mineral Law Institute, University of Colorado Law Review, University of Denver Law Review.

Other:

United States Naval Reserve 1942–1958. Commander.

Active duty 1942–1945, Silver Star, Bronze Star.

Commanding Officer, Reserve Division 1955–1957.

Honorable Discharge.

President, Rocky Mountain Mineral Law Foundation, 1961–1963.

Member Colorado Advisory Board, Bureau of Land Management, 1967.

Member American, Colorado and Denver Bar Associations.

Award of Merit, Colorado Bar Association, 1962.

Elder, Presbyterian Church.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 2707. A bill for the relief of Ms. Rosalva Anguiano Bonilla; to the Committee on the Judiciary.

By Mr. NELSON (from the Committee on Labor and Human Resources):

S. 2708. A bill to extend title VII of the Comprehensive Employment and Training Act relating to private sector opportunities for the economically disadvantaged, and for other purposes. Original bill reported and placed on the calendar.

By Mr. ROBERT C. BYRD (for Mr. CANNON) (from the Committee on Commerce, Science, and Transportation):

S. 2709. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes. Original bill reported and placed on the calendar.

S. 2710. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1981 and 1982, and for other purposes. Original bill reported and placed on the calendar.

By Mr. MORGAN (from the Committee on Banking, Housing, and Urban Affairs):

S. 2711. A bill to amend title V of the Housing Act of 1949 to authorize appropriations for fiscal year 1981, and for other purposes. Original bill reported and placed on the calendar.

By Mr. BAYH:

S. 2712. A bill to provide for the establishment of a Foreign Service grievance procedure; to the Committee on Foreign Relations.

By Mr. STEWART:

S. 2713. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of travel expenses of employees not reimbursed for such expenses; to the Committee on Finance.

By Mr. CHURCH (from the Committee on Foreign Relations):

S. 2714. A bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and for other purposes. Original bill reported and placed on the calendar.

By Mr. GRAVEL:

S. 2715. A bill to develop new sources of oil and gas; to the Committee on Energy and Natural Resources.

By Mr. STEWART (from the Committee on Banking, Housing, and Urban Affairs):

S. 2716. A bill to authorize appropriations for flood mapping studies for fiscal year 1981. Original bill reported and placed on the calendar.

By Mr. CHURCH:

S. 2717. A bill to facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits; to the Committee on Energy and Natural Resources.

By Mr. STEVENSON (from the Committee on Banking, Housing, and Urban Affairs):

S. 2718. A bill to encourage exports by facilitating the formulation and operation of export trading companies, export trade associations, and the expansion of export trade services generally. Original bill reported and placed on the calendar.

By Mr. WILLIAMS (from the Committee on Banking, Housing, and Urban Affairs):

S. 2719. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes. Original bill reported and placed on the calendar.

S. 2720. A bill to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations, and for other purposes. Original bill reported and placed on the calendar.

By Mr. MOYNIHAN (for himself and Mr. SCHMITT):

S. 2721. A bill to require that most favored nation treatment be granted only to the products of countries which have not expropriated United States citizens' property without compensation therefor; to the Committee on Finance.

By Mr. WALLOP:

S. 2722. A bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 2723. A bill to amend the Social Security Act to provide for low income energy assistance to recipients of aid to families with dependent children and recipients of supplemental security income benefits; to the Committee on Finance.

By Mr. RANDOLPH (from the Committee on Environment and Public Works):

S. 2724. A bill to extend authorizations for law enforcement assistance at Corps of Engineers projects. Original bill reported and placed on the calendar.

S. 2725. A bill to extend certain authorizations in the Clean Water Act, and for other purposes. Original bill reported and placed on the calendar.

By Mr. RANDOLPH (for Mr. CULVER) (from the Committee on Environment and Public Works):

S. 2726. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes. Original bill reported and placed on the calendar.

By Mr. CHURCH (from the Committee on Foreign Relations):

S. 2727. A bill to authorize additional appropriations for the Department of State for the fiscal years 1980 and 1981 for the Board for International Broadcasting for the fiscal year 1981, and for other purposes. Original bill reported and placed on the calendar.

By Mr. MELCHER (from the Select Committee on Indian Affairs):

S. 2728. A bill to amend the Indian Health Care Improvement Act and the Public Health Service Act with respect to Indian health care, and for other purposes. Original bill reported and placed on the calendar.

By Mr. MATHIAS:

S.J. Res. 174. Joint resolution to authorize and request the President to designate May 24, 1980 as "Railroad Passenger Services Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAYH:

S. 2712. A bill to provide for the establishment of a Foreign Service grievance procedure; to the Committee on Foreign Relations.

FOREIGN SERVICE GRIEVANCE ACT OF 1980

● Mr. BAYH. Mr. President, as the attention of the Nation continues to be focused on the U.S. diplomatic personnel held hostage in Iran, we are reminded constantly of the dangerous and demanding nature of career work in the foreign service of the United States. Our efforts to forge a unity among the international community continues with uneven progress while, at the same time, we have seen another hostage drama in Bogota, Colombia end happily with the release of the American ambassador who had been held hostage with a number of other diplomatic officials. And yet the constant peril which diplomats must accept on a daily basis continues. On Monday, our Ambassador to El Salvador was rescued by American Marines in still another instance of a terrorist attack on diplomatic personnel.

Several resolutions and bills have been introduced to deplore the unlawful act of Iranian terrorists. I have cosponsored such legislation and am aware that special compensatory proposals have also been set forth. But it seems to this Senator, that another action would be altogether fitting and meaningful if it is the intention of this Nation to be ably served by a future generation of able and dedicated men and women in our diplomatic corps. This would be the establishment, within the foreign service, of an effective grievance procedure complete with guarantees of due process.

The legislation I am introducing today is meant to accomplish this goal. It is nearly identical to a bill which I sponsored which passed the Senate on June 26, 1972. It authorizes the Secretary of State to appoint a Foreign Service Grievance Board to hear grievances from a Foreign Service officer, or any such officer or employee of the Service, who is a citizen of the United States or a surviving spouse or dependent family member, on appeal, if informal processes which may now be established by the Secretary of State do not resolve the problem within 60 days. The legislation will also codify the right of any grievant to be represented during the course of the proceedings. In total, this comprehensive grievance reform is, I believe, an important step in overall Foreign Service reform.

The need for this foreign service grievance procedure legislation was most recently pointed out by the Government accountability project conducted by the Institute for Policy Studies. The project pointed out the need for due process guarantees, enforced by an independent authority with structural safeguards, to protect against reprisals—particularly against employees who disclose abuses or participate within the grievance system.

My interest in the creation of a Foreign Service Grievance Board is longstanding. The repeated support of the Senate for such legislation is a matter of record. More than once, legislation establishing a strong and independent foreign service grievance board has been approved by the Senate. I am hopeful that provision for such a board can be made in the Foreign Service Act now being considered by the Senate Foreign Relations Committee. Such action would finally put on the books the kind of grievance procedures that, together with other steps, will enhance the morale of public servants whose chosen career is becoming more and more dangerous as a troubled world becomes more and more unpredictable. It is a matter of national interest that we permit foreign service officers to avail themselves of such procedures. And it is a matter of human justice that we act affirmatively on this legislation.

At the same time, the legislation which I am introducing today would not in any way prevent the Secretary of State from rejecting a grievance determination by the Board if it is determined that such actions would undermine the foreign policy or national security interests of the United States.

While the existing grievance procedure enjoys general acceptance by those representing Federal workers, and the Foreign Service Officers Association, there is room for important improvement. One change contained in the legislation I am introducing today would protect any person filing a grievance, and any witness or other person involved in a proceeding before the board, from coercion and reprisal. Another would establish the right of any grievant to a representative of his or her own choosing at every stage of the proceedings. I would note that this is a change which has been explicitly endorsed by the American Federation of Government Employees.

Mr. President, for some in this body who were not Senators in 1971, the question might occur, what is a Senator from Indiana doing involved in a matter of this nature? My own strong feelings about the correctness of this course derive from a tragedy which befell one of my own constituents who was a foreign service officer, and eventually a victim of the lack of an effective grievance procedure within the Department of State.

Charles W. Thomas was an orphan who was reared in the home of his sister in Fort Wayne, Ind. Always an achiever, Charles Thomas distinguished himself academically in high school, worked his way through college at Northwestern University, supplementing his scholarship there by working as a busboy, janitor, and farmworker, and served as a fighter pilot in the Navy in World War II. After the war, Charles Thomas returned to Northwestern to complete a law degree, again on scholarship, and went on to earn a doctorate in international law and international affairs from the University of Paris.

He entered the Foreign Service in 1951 and endeavored to establish a record of service which won high praise. However, a misfiled personnel record report indicating that Thomas should receive an important promotion abruptly halted his promising career. Despite a special plea from Thomas' superior at the time, Ambassador Fulton Freeman, to the department, as well as congressional appeals by myself and others from Indiana's congressional delegation, the record was not corrected. Charles Thomas was selected out for being "too long in class," principally because no system existed to fully hear and fairly arbitrate his grievance.

On April 12, 1971, Charles W. Thomas killed himself.

Mr. President, it seems to me that the legislation which is being proposed today ought not to cause an undue burden on the administrative machinery of the Department of State. On the contrary, it ought to be taken by the foreign policy establishment as a profoundly positive signal that we in the Senate care enough about excellence and fairness to provide a grievance procedure which is itself excellent and fair. It seems to me that this is the kind of measure, taken together with other reforms being considered by the Foreign Relations Committee, that would serve our Nation well as we strive to attract and retain the very best for our diplomatic corps. I would, therefore, urge my colleagues to support this legislation as the Senate has done in the past. In so doing, we can eliminate the conditions which resulted in the Thomas tragedy. We can create a new set of conditions which will attract and retain courageous, talented and brilliant men and women without whom our Nation's foreign policy tasks simply could not be served.

Mr. President, I ask unanimous consent that a copy of this legislation and the report of the Government accountability project concerning the need for further grievance reform be printed in the Record at this point, as well as material on the Charles Thomas case.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title VI of the Foreign Service Act of 1946 is amended by adding at the end thereof the following new part:

"PART J—FOREIGN SERVICE GRIEVANCES

"STATEMENT OF PURPOSE

"SEC. 691. It is the purpose of this part to provide officers and employees of the Service and their survivors, a grievance procedure to insure the fullest measure of due process, and to provide for the just consideration and resolution of grievances of such officers, employees, and survivors.

"REGULATIONS OF THE SECRETARY

"SEC. 692. The Secretary shall, consistent with the purposes stated in section 691 of this Act, implement this part by promulgating regulations, and revising those regulations when necessary, to provide for the consideration and resolution of grievances by a board. No such regulation promulgated by the Secretary shall in any manner alter or amend the provisions for due process established by this section for grievants. The regulations shall include, but not be limited to, the following:

"(1) Informal procedures for the resolution of grievances in accordance with the purposes of this part shall be established by agreement between the Secretary and the organization accorded recognition as the exclusive representative of the officers and employees of the Service. If a grievance is not resolved under such procedures within sixty days, a grievant shall be entitled to file a grievance with the board for its consideration and resolution. For the purposes of the regulations—

"(A) 'grievant' shall mean any officer or employee of the Service, or any such officer or employee separated from the Service, who is a citizen of the United States, or in the case of the death of the officer or employee, a surviving spouse or dependent family member of the officer or employee; and

"(B) 'grievance' shall mean a complaint against any claim of injustice or unfair treatment of such officer or employee arising from his employment or career status, or from any actions, documents, or record, which could result in career impairment or damage, monetary loss to the officer or employee, or deprivation of basic due process, and shall include, but not be limited to, actions in the nature of reprisals and discrimination, actions related to promotion or selection out, the contents of any efficiency report, related records, or security records, and actions in the nature of adverse personnel actions, including separation for cause, denial of a salary increase within a class, written reprimand placed in a personnel file, or denial of allowances.

"(2) (A) The board considering and resolving grievances shall be composed of independent, distinguished citizens of the United States well known for their integrity, who are not officers or employees of the Department, the Service, the Agency for International Development, the International Development Cooperation Agency, or the International Communication Agency. The board shall consist of a panel of three members, one of whom shall be appointed by the Secretary, one of whom shall be appointed by the organization accorded recognition as the exclusive representative of the officers and employees of the Service, and one who shall be appointed by the other two members from a roster of twelve independent, distinguished citizens of the United States well known for their integrity who are not officers or employees of the Department, the Service, or either such agency, agreed to by the Secretary and such organization. Such roster shall be maintained and kept current at all times. If no organization is accorded such recognition at any time during which there is a position on the board to be filled by appointment by such organization or when there is no such roster since no such organization has been so recognized, the Secretary shall make any such appointment in agreement with organizations representing officers and employees of the Service. If members of the board (including members of additional panels, if any) find that additional panels of three members are necessary to consider and resolve expeditiously grievances filed with the board, the board shall determine the number of such additional panels necessary, and appointments to each such panel shall be made in the same manner as the original panel. Members shall (i) serve for two-year terms, and (ii) receive compensation, for each day they are performing their duties as members of the board (including traveltime), at the daily rate paid an individual at GS–18 of the General Schedule under section 5332 of title 5, United States Code. Whenever there are two or more panels, grievances shall be referred to the panels on a rotating basis. Except in the case of duties, powers, and responsibilities under this paragraph (2), each panel is authorized to exercise all duties, powers, and responsibilities of the board. The members of the board shall elect, by a majority of those members present and voting, a chairman from among the members for a term of two years.

"(B) In accordance with this part, the board may adopt regulations governing the organization of the board and such regulations as may be necessary to govern its proceedings. The board may obtain such facilities and supplies through the general administration services of the Department, and appoint and fix the compensation of such officers and employees as the board considers necessary to carry out its functions. The officers and employees so appointed shall be responsible solely to the board. All expenses of the board shall be paid out of funds appropriated to the Department for obligation and expenditure by the board. The records of the board shall be maintained by the board and shall be separate from all other records of the Department.

"(3) A grievance under such regulations is forever barred, and the board shall not consider or resolve the grievance, unless the grievance is filed within a period of eight months after the occurrence or occurrences giving rise to the grievance, except that if the grievance arose prior to the date the regulations are first promulgated or placed into effect, the grievance shall be so barred, and not so considered and resolved, unless it is filed within a period of one year after the date of enactment of this part. There shall be excluded from the computation of any such period any time during which the grievant was unaware of the grounds which are the basis of the grievance and could not have discovered such grounds if he had exercised, as determined by the board, reasonable diligence.

"(4) The board shall conduct a hearing in any case filed with it. A hearing shall be open unless the board for good cause determines otherwise. The grievant and, as the grievant may determine, his representative or representatives are entitled to be present at the hearing. Testimony at a hearing shall be given by oath or affirmation, which any board member shall have authority to administer (and this paragraph so authorizes). Each party (A) shall be entitled to examine and cross-examine witnesses at the hearing or by deposition, and (B) shall be entitled to service interrogatories upon another party and have such interrogatories answered by the other party unless the board finds such interrogatory irrelevant or immaterial. Upon request of the board or grievant, the Department shall promptly make available at the hearing or by deposition any witness under the control, supervision, or responsibility of the Department, except that if the board determines that the presence of such witness at the hearing would be of material importance, then the witness shall be made available at the hearing. If the witness is not made available in person or by deposition within a reasonable time as determined by the board, the facts at issue shall be construed in favor of the grievant. Depositions of witnesses (which are hereby authorized, and may be taken before any official of the United States authorized to administer an oath or affirmation, or, in the case of witnesses overseas, by deposition on notice before an American consular officer) and hearings shall be recorded and transcribed verbatim.

"(5) Any grievant filing a grievance, and any witness or other person involved in a proceeding before the board, shall be free from any restraint, interference, coercion, discrimination, or reprisal. The grievant has the right to a representative of his or her own choosing at every stage of the proceeding. The grievant and his or her representatives who are under the control, supervision, or responsibility of the Department shall be granted reasonable periods of administrative leave to prepare, to be present, and to present the grievance of such grievant. Any witness under the control, supervision, or responsibility of the Department shall be granted reasonable periods of administrative leave to appear and testify at any such proceeding.

"(6) In considering the validity of a grievance, the board shall have access to any document or information considered by the board to be relevant, including, but not limited to, the personnel and, under appropriate security measures, security records of such officer or employee, and of any rating or reviewing officer (if the subject matter of the grievance related to that rating or reviewing officer). Any such documents or information requested shall be provided promptly by the Department. A rating officer or reviewing officer shall be informed by the board if any report for which he or she is responsible is being examined.

"(7) The Department shall promptly furnish the grievant any such document or information (other than any security record or the personnel or security records of any other officer or employee of the Government) which the grievant requests to substantiate his or her grievance and which the board determines is relevant and material to the proceeding.

"(8) The Department shall expedite any security clearance whenever necessary to insure a fair and prompt investigation and hearing.

"(9) The board may consider any relevant evidence or information coming to its attention and which shall be made a part of the record of the proceeding.

"(10) If the board determines that (A) the Department is considering any action (including, but not limited to, separation or termination) which is related to, or may affect, a grievance pending before the board, and (B) the action should be suspended, the Department shall suspend such action until the board has ruled upon such grievance.

"(11) Upon completion of the proceedings, if the board resolves that the grievance is meritorious—

"(A) and determines that relief should be provided that does not directly relate to the promotion, assignment, or selection out of such officer or employee, it shall direct the Secretary to grant such relief as the board deems proper under the circumstances, and the resolution and relief granted by the board shall be final and binding upon all parties; or

"(B) and determines that relief should be granted that directly related to any such promotion, assignment, or selection out, it shall certify such resolution to the Secretary, together with such recommendations for relief as it deems appropriate and the entire record of the board's proceedings, including the transcript of the hearing, if any. The board's recommendations are final and binding on all parties, except that the Secretary may reject any such recommendations only if it is determined by the Secretary that the foreign policy or security of the United States will be adversely affected. Any such determination shall be fully documented with the reasons therefor and shall be signed personally by the Secretary, with a copy thereof furnished the grievant. After completing his review of the resolution, recommendation, and record of proceedings of the board, the Secretary shall return the entire record of the case to the board for its retention. No officer or employee of the Department participating in a proceeding on behalf of the Department shall, in any manner, prepare, assist in preparing, advise, inform, or otherwise participate in, any review or determination of the Secretary with respect to that proceeding.

"(12) The Board shall have authority to insure that no copy of the Secretary's determination to reject a board's recommendation, no notation of the failure of the board to find for the grievant, and no notation that a proceeding is pending or has been held, shall be entered in the personnel records of such officer or employee to whom the grievance relates or anywhere else in the records of the Department, other than in the records of the board.

"(13) A grievant whose grievance is found not to be meritorious by the board may obtain reconsideration by the board only upon presenting newly discovered relevant evidence not previously considered by the board and then only upon approval of the board.

"(14) The board shall promptly notify the Secretary, with recommendations for appropriate disciplinary action, of any contravention by any person of any of the rights, remedies, or procedures contained in this part or in regulations promulgated under this part.

"RELATIONSHIP TO OTHER REMEDIES

"SEC. 693. If a grievant files a grievance under this part, and if, prior to filing such grievance, he or she has not formally requested that the matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part, then such matter or matters may only be considered and resolved, and relief provided, under this part. A grievant may not file a grievance under this part if he has formally requested, prior to filing a grievance, that the matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part.

"JUDICIAL REVIEW

"SEC. 694. Notwithstanding any other provision of law, regulations promulgated by the Secretary under section 692 of this Act, revisions of such regulations, and actions of the Secretary or the board pursuant to such section, may be judicially reviewed in accordance with the provisions of chapter 7 of title 5, United States Code."

(b) The Secretary of State shall promulgate and place into effect the regulations provided by section 692 of the Foreign Service Act of 1946 (as added by subsection (a) of this section), and establish the board and appoint the member of the board which he is authorized to appoint under, as provided by such section 692, not later than 90 days after the date of enactment of this Act.

GOVERNMENT ACCOUNTABILITY PROJECT,
Washington, D.C., October 31, 1979.
Hon. DANTE B. FASCELL,
Chairman, Subcommittee on International Operations, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the Government Accountability Project, we want to thank you for requesting our testimony on H.R. 4674. The bill would restructure the Foreign Service personnel system, purportedly to "strengthen and improve" the Foreign Service. Our testimony will concentrate on §§ 205 and 1101–1131, establishing an office of Inspector General and restructuring the grievance process, respectively.

The Government Accountability Project (GAP), a project of the Institute for Policy Studies, is a non-profit public interest group formed in 1975 to help restore and maintain confidence in the federal system by making public officials acountable for their activities. In pursuit of these goals, GAP works to broaden public understanding of the role of the federal employee in preventing illegal government activities.

GAP has been especially concerned about civil servants whose careers are destroyed for having spoken out against governmental wrongdoing. Through public education, personal counseling and selective legal action, GAP works to protect the right of all federal employees to initiate criticism without fear of retaliation, and to provide these men and women with vital support. See, e.g., GAP's publication, "A Whistleblower's Guide to the Federal Bureaucracy" (1977).

I. Premises: From GAP's experiences with personnel systems throughout the federal government, we have found several premises which are essential for the efficient, productive, and equitable management of all employees. Each of these premises emphasizes the need for personnel mechanisms which are allowed to operate independently of the Agency in which they are involved. GAP has examined H.R. 4674 in light of these premises, determining if the proposed legislation will provide:

1. A guarantee of due process, enforced by an independent office, for participants in the system.

2. An adequate structural safeguard to protect against reprisals for those employees who disclose abuses or participate within the grievance system.

3. Meaningful sanctions against supervisors and managers who impose such reprisals.

4. An independent mechanism to examine the substantive issues raised by whistleblowers, allowing them a place to make confidential disclosures of wrongdoing.

5. An effective judicial review for challenging Agency actions that adversely affect whistleblowers.

6. Maintenance of employees' high morale and resulting productivity, through concrete protection of their rights.

H.R. 4674 is alarmingly deficient in each of these categories, making the possibility of a strong and efficient Foreign Service personnel system a dream rather than reality. Because of the blatant disregard of these essential premises within this proposed legislation, implementation of H.R. 4674 would be actually a step away from efficient management of employees. While the sponsors of H.R. 4674 correctly assert that the strength and competence of the Foreign Service rests upon its personnel system, the proposed legislation itself would do little to correct the well-known inequities of that system. Following closely in the footsteps of the Foreign Service Act of 1946, H.R. 4674 embraces many of the shortcomings found in the earlier legislation. Two areas where H.R. 4674 continues to be sorely lacking, as is existing law, are in the provisions for the office of the Inspector General, and the grievance system. The Foreign Service personnel system will continue to be inefficient and inequitable until the essential premises for a balanced system are incorporated in two areas. Any meaningful personnel system must provide for the establishment of—

(1) an Inspector General operating independently of the Secretary of State, and

(2) a grievance system guaranteeing due process to grievants.

III. Analysis of Legislation:

A. Inspector General—Chapter 2, Section 205: In December of 1978, the Comptroller General reported to Congress that "Essential changes must be made in the Foreign Service Act of 1946, as amended, if the State Department's Office of the Inspector General, Foreign Service, is to have the flexibility it needs to improve its evaluation processes." Section 205 provides for the establishment of the Office of the Inspector General. However, it falls short of providing for an Inspector General with the independent operating authority he needs to discharge his duties effectively.

One change proposed, (Section 205(a) of H.R. 4674), would extend the maximum time period between inspections from two to three years, as recommended by the Comptroller General. This change was intended to alleviate the burden of inspections placed on an inspection staff that is "sometimes spread too thin to do a thorough analytical job."[1] However, cutting back on the number of evaluations made by the Inspector General would not necessarily lead to more thorough analysis.

Instead a positive approach is needed to increase the efficiency of the Inspector General, such as the provision of increased staff and resources. A benefit from this increased staff and resources would be the formulation of a clearer mandate and stronger support for the functions of the office. The evaluation and review functions of the Inspector General should be central to the process of strengthening the Foreign Service and its personnel system, particularly by identifying inappropriate acts and procedures. To reduce the amount of required inspections, as done in Section 205(a), in the interest of "flexibility" is to sacrifice the Inspector General's much needed oversight capabilities.

Another major impediment to an active and objective Inspector General is the large involvement of the Secretary of State in the Inspector General's activities. The Inspector General's independence is severely limited by the influence of the Secretary's management offices, which not only approve the budget and operations of the Inspector General, but also decide on the suitability of his recommendations. Throughout Section 205, the Inspector General is tied even closer to the Secretary, bound again and again to "the direction of the Secretary." This clause could easily be used to subvert every mandate of authority given to the Inspector General and runs contrary to the very principles of objective evaluation and oversight as expressed by Congress in the Inspector General Act of 1978. This act, while not binding on the State Department, can be viewed as the voice of Congress supporting the necessary independent movements of an Inspector General. It is worth noting the observable differences between Section 205 of H.R. 4674 and the Inspector General Act of 1978.

Section 205(b) implicitly limits the Inspector General as to what programs and activities can be evaluated by virtue of the "under the direction of the Secretary" stipulation. In allowing the Secretary the authority to guide the direction of the Inspector General's inspections, the effectiveness and objectivity of these inspections are severely compromised. By implementing the words "under the direction of the Secretary" Section 205 runs contrary to the Inspector General Act of 1978 Section 3(a) which states:

"The Inspector General reports to, and is under the general supervision of the head of the Agency. However, *the head of the Agency may not prohibit, prevent or limit the Inspector General from undertaking and completing any audits and investigations which the Inspector General deems necessary, or from issuing any subpoenas deemed necessary in the course of such audits and investigations.*" (Emphasis added).

Section 205(c) also affords the opportunity for a misuse of authority by giving the Secretary "blank check" authority to dismiss any Foreign Service Inspector, or to suspend from duty any member of the Service other than a Chief of Mission. Characteristically, in the Department of State, such authority is actually exercised by the management officials whose activities would be most susceptible to criticism by a truly independent Inspector General. So any unchecked authority given to the Secretary can be presumed to be unchecked authority delegated downward to those who would be least in favor of the independent operations of the Inspector General.

Finally, Section 205 omits a key and vital component of the Inspector General Act of 1978. This is Section 5(b) of the Act which serves to maintain the independent behavior of the Inspector General by guarding against any alteration or deletion of the Inspector General's evaluation comments by an Agency head—in this case, the Secretary. A comparable statement to that of the Inspector General Act of 1978, Section 5(b), should be included within Section 205 of H.R. 4674 reading as follows:

"The head of the Agency may submit his own comments along with the Inspector General's report, but may not generally prevent the report from going to Congress or alter or delete the report."

With these recommended changes in Section 205, the Inspector General would be better equipped to pursue the vigilant and independent course of action designated by Congress. Thus the Inspector General would be allowed to direct remedial attention to improper, inefficient, inequitable, or illegal conduct wherever it may be found within the scope of the Inspector General's investigations.

We do not perceive any valid reason to deny Foreign Service employees an independent Inspector General. While the State Department often engages in sensitive assignments Foreign Service whistleblowers are not excluded from coverage of the Office of the Special Counsel under the Civil Service Reform Act. Foreign Service employees are subject to merit system principles and protected from prohibited personnel practices. It would be unfortunate for the Special Counsel to become overburdened with complaints from the Foreign Service as a result of the absense of an independent office at the State Department.

B. Grievances—Chapter 11: The urgent need for a fair and equitable grievance system within the Foreign Service has been a recurrent issue before this subcommittee since 1971. Representative Lee Hamilton of Indiana, testifying before a House Subcommittee, stressed "Unless all employees believe that the grievance system is fair and impartial, no grievance system will work." Under the proposed legislation of H.R. 4674, the grievance system continues to suffer from a "credibility gap," a gap which seriously impedes the airing and resolution of grievances within the system. The problems of the Foreign Service grievance system continue and promise to continue as long as the guarantee of due process is sidestepped. Throughout Chapter 11 of H.R. 4674, provisions are qualified and the language is couched in terms which evade the guarantee of due process to grievants. We urge the subcommittee to adopt, in place of these inadequate provisions, a more comprehensive guarantee of due process as formulated in H.R. 9805 which was introduced on September 24, 1975.

1101. Definition of Grievance: Within Section 1101, as contained in this draft legislation, the definition of grievance is so narrow that many very serious grievances are excluded, such as promotions, assignments, discrimination and selection-out. In effect, this section handcuffs the system to a position of very limited jurisdiction. A much more inclusive definition of grievances is needed within this legislation to replace the exclusive nature of the present wording. One such inclusive and more appropriate definition of grievance can be found in H.R. 9805.

"(B) 'grievance' shall mean a complaint against any claim of injustice or unfair treatment of such officer or employee arising from his employment or career status, or from any actions, documents or records, which could result in career impairment or damage, monetary loss to the officer or employee, or deprivation of basic due process, and shall include, but not be limited to, actions in the nature of reprisals and discrimination, actions related to promotion or selection-out, the contents of any efficiency report, related records, or security records, and actions in the nature of adverse personnel actions, including separation or cause, denial of a salary increase, (in-step increase in salary), written reprimand placed in a personnel file, or denial of allowances."

Section 1103(b) Freedom of Action: Under this section, 1103(b), the union becomes the exclusive representative for grievants within the bargaining unit. Several serious problems stem from this provision:

First, individual members of the bargaining unit would thereby be deprived of the right to choose their own representative for presenting their positions to the Grievance Board. Besides putting undue demands upon an organization that lacks suitable resources, this also places a large amount of authority within the union. Operating under this stipulation, the union as the exclusive representative becomes a determining factor in who and what is allowed access to the Grievance Board. In lieu of these shortcomings of Section 1103(b), it is our recommendation that the wording of this passage be amended as follows:

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[1] Comp. Gen. Report, State Department's Office of Inspector General, Foreign Service, Needs to Improve its Internal Evaluation Process, 1(1978).

"The grievant has the right to a representative of his/her own choosing at every stage of the proceedings." H.R. 9805.

Section 1112 Board Procedures: This section outlines the regulations and procedures under which the Grievance Board operates. Again, the language includes too many reservations and qualifiers to allow the Grievance Board to perform its functions adequately. Section 1112 (1–2) and Section 1112 (8) are the major trouble spots.

Section 1112 (1) delineates the circumstances under which the Board could hold a hearing. Section 1112 (2) follows this by describing the circumstances under which the hearing could be open to others. These two sub-sections, 1 and 2, give the Board arbitrary authority. The question of whether or not to hold a hearing is fundamental to the grievance process. To allow the Grievance Board discretionary authority to determine the worthiness of a grievance, i.e., the necessity of a hearing, is to invite misuse of this power. However, this potential misuse of authority could be avoided if the Board were required to conduct hearings whenever the grievants request them. Likewise the operation of these hearings should be assumed to be open unless the Board determines for good reason that they should be closed. Again, this openness would reinforce the guarantee of due process within the grievance system. H.R. 9805 addresses these two points in a more evenhanded manner.

"The Board shall conduct a hearing in any case filed with it. A hearing shall be open unless the Board for good cause determines otherwise."

Section 1112 (a) Suspension of Action: Section 1112(8) also poses some serious problems in its attachment of a stipulation to its Suspension of Action passage. Again, the purpose of this provision is thwarted by the qualifications and reservations placed on it. The ideal provision would suspend any and all departmental actions which are related to or may affect a grievance pending before the Board until such a time that a ruling is made. This would in effect protect the grievant from any reprisals made by the Department until the Grievance Board has ruled on the case. However, within H.R. 4674 the head of the Agency, or the Chief of Mission, or principal officer is allowed to exclude the grievant from the premises or relieve him from his functions before the Board comes to any ruling. Thus the grievant is stripped of this protection from reprisals pending a decision from the Grievance Board. To amend this passage, a more equitable provision would be written as follows:

"If the Board determines that (a) the Department is considering any action (including, but not limited to, separation or termination) which is related to, or may affect, a grievance pending before the Board, and (b) the action should be suspended, the Department shall suspend such action until the Board has ruled upon such grievance." H.R. 9805.

With this amended wording, the authority to suspend action rests in the Grievance Board's hands rather than in the hands of those who are very likely the source of the grievance. This seems to us to be a much wiser appropriation of authority.

1113 Board Decisions: One of the major weaknesses of the whole grievance system is to be found in this section. The Grievance Board's lack of authority to make binding its own rulings undermines its *raison d'etre*. By only being able to recommend a remedy to the Agency head, the Grievance Board is rendered fairly impotent. If the Grievance Board is to be more than a kangaroo court, it must be able to back its rulings with some authority. As it reads in Section 1113, the Agency head may choose whether or not to follow the Board's recommendation according to an ambiguous definition of the ruling's compliance to "the needs of the Service." To allot the Grievance Board authority in regards to its rulings would be to issue a vote of confidence in the grievance system itself. However, to hold back on this transfer of authority from the Agency head to the Grievance Board is to diminish the value of the grievance system as a whole. It is for this reason that we strongly urge that Section 1113 be amended to make the decisions of the Grievance Board binding. A provision as found in H.R. 9805 could be used in place of the current wording.

"*The Board's recommendations are final and binding on all parties,* except that the Secretary may reject any such recommendation only if he determines that the foreign policy or security of the United States will be adversely affected. Any such determination shall be fully documented with the reasons therefore and shall be signed personally by the Secretary, with a copy thereof furnished the grievant."

After completing his review of the resolution, recommendation, and Record of Proceedings of the Board, the Secretary shall return the entire record of the case to the Board for its retention. No officer or employee of the Department participating in a proceeding on behalf of the Department shall, in any manner, prepare, assist in preparing, advise, inform, or otherwise participate in, any review or determination of the Secretary with respect to that proceeding."

Section 1141 (d) Judicial Review: This current lack of the Grievance Board's authority to make compliance to its ruling binding, when translated into practical terms, poses a real dilemma to the grievant. For under Section 1141 (d), the grievant who is so unfortunate as to be caught in this power play between the Grievance Board's ruling and the Department's refusal to comply is refused the right to judicial review. Refusing to allow a grievant the opportunity for judicial review constitutes a blatant violation of due process. For these reasons we believe this Section 1141 (d) should be eliminated from H.R. 4674.

IV. Minimum principles for an effective system: Any legislation which promises, as does the Foreign Service Act of '79, to strengthen and improve the personnel system must provide a safe mechanism for the disclosure of agency misconduct. However, it is increasingly obvious that the Foreign Service Act of '79 fails to institutionalize effective protection for Foreign Service Officers who disclose agency abuses. It is ironic that legislation which proposes to increase "compatibility between the Foreign Service and Civil Service" actually contributes to a growing disparity between the two systems. The Civil Service Reform Act includes Foreign Service employees under the umbrella of the Office of the Special Counsel. But in terms of internal Foreign Service personnel policy, H.R. 4674 represents a major step away from the "governmental self-cleansing mechanism" established by the Reform Act. At a minimum an effective Foreign Service personnel system should include—

(1) an explicit commitment to pursue merit system principles (5 U.S.C. 2301) and to guard against prohibited personnel practices (5 U.S.C. 2302).

(2) establishment of structural guarantees to insure the independence of the office of the Inspector General from agency interference and pressures. The Inspector General should be appointed by the President, with the advice and consent of the Senate. But only the President should be authorized to remove the Inspector General, and only for inefficiency, neglect of duty or malfeasance. While the Inspector General Office would be formally a part of the State Department, it should present a separate budget annually for congressional approval. This would build congressional oversight into the system.

(3) a mandatory duty to investigate *any* allegation of reprisal against a Foreign Service employee to determine whether the whistleblower's disclosure was based on a reasonable belief that illegal or improper activity had occurred, and whether there are reasonable grounds to believe the reprisal was linked to the disclosure. Whenever these conditions are met, the Inspector General should have the authority to issue recommendations for agency action to neutralize the retaliation. If the Secretary does not comply within a reasonable period, the Inspector General should have the authority to request the Merit System Protection Board to order compliance.

(4) authority for the Inspector General to investigate confidential disclosures from Foreign Service employees or former employees, and order the Secretary to investigate and report on any disclosure, if the Inspector General determines that there is a substantial likelihood the information discloses violations of any law, rule or regulation, mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to the public health and safety. The Inspector General should work with the whistleblower to evaluate the adequacy of the Secretary's investigative report and corrective action. Both the report and the evaluation should be available to the public, with appropriate deletions mandated by the Privacy Act of the FOIA.

(5) authority for the Inspector General to issue a complaint to the Merit Systems Protection Board recommending disciplinary action against any official responsible for an illegal reprisal against a Foreign Service whistleblower.

(6) establishment of judicial review for decisions of the Inspector General.

(7) a requirement for the Inspector General to submit semi-annual reports to Congress summarizing the activities of the audit, investigative and inspection units of the Foreign Service. These reports should include instances of significant wrongdoings or patterns of wrongdoings as determined by the Inspector General; a summary of matters referred for prosecution and the results of such prosecutions; and a statistical summary of audit and inspection records completed during the reporting period. Under no circumstances should the Secretary of State be permitted to alter or delete the contents of any Inspector General reports.

(8) modification of the proposed grievance system to incorporate broad jurisdiction, the employee's right to a representative of his/her choice, the right to an open hearing; Board authority to suspend contested personnel actions during pending investigations, Board authority to issue final decisions and meaningful judicial review.

[From the Sunday Star, Apr. 23, 1972]

THE FEDERAL SPOTLIGHT—SENATE RIDER SPURS STATE'S GRIEVANCE ROW

(By Philip Shandler)

The Senate Foreign Relations Committee has dropped a bomb on the State Department—a rider on the department's fund-authorization bill which would require a comprehensive grievance procedure for Foreign Service officers.

The tremors have reached the White House and department friends in both the executive and legislative branches have been asked for help in mapping a counterattack.

The legislation would shift control of

grievance-handling away from management, and open it to the kind of scrutiny that is anathema to bureaucratic managers.

The measure would effectively wipe out State's unique autonomy in dealing with its professionals.

William B. Macomber, deputy undersecretary for administration, acknowledged that some officials feel that "everybody might as well simply be under Civil Service."

He emphasized, however, that he opposes any move in that direction.

He denied reports that Secretary of State William B. Rogers had angrily ordered a study of legislation that might indeed convert the elite Foreign Service officers to ordinary civil servants.

The Senate committee has been concerned with revamping the personnel system of the Foreign Service for almost a year, in the wake of the suicide of Charles W. Thomas, who had been "selected-cut" of the service without a pension and couldn't find equivalent work.

Macomber has since spearheaded a move for a number of changes, including an "interim" grievance setup that could be modified, he said, in negotiations with the representational organization that employes are to pick in the coming weeks.

However, the two groups vying to exclusively represent the workers—the American Foreign Service Association and the American Federation of Government Employes—both have called for establishment by law of the kind of grievances procedures they want.

And they have found sympathy in the Senate Committee and with Sen. Birch Bayh, D-Ind. Bayh, who is not a member of the committee, has acted at an external prod.

The other day, for example, after the committee—unable to get Rogers to testify publicly on personnel problems—approved its grievance rider 12–0, Bayh announced he'd seek even stiffer legislation.

The rider, engineered by Sen. John Sherman Cooper, R-Ky., calls for establishment of a grievance board consisting of someone picked by the secretary, someone picked by the employe-representation group, and a third picked by the two.

Bayh, however, believes the board should be more independent and more clearly arbitration-oriented. He wants the selections to be made from a panel of 15 persons submitted by the American Arbitration Association.

But even as is, the rider is fiercely opposed by management.

Macomber asserted in a telephone interview that it would shift control of the Foreign Service "from the secretary of State to the chief judge of the Court of Appeals," because it provides for judicial appeal of grievance decisions.

And it would be "limitless" with regard to what constitutes a grievance—"it could be anything you like," he said.

Macomber stressed that management is not alone in its criticism. Both the Senior and Junior Officers Association have started petitions opposing the legislation, he said.

And while there was no confirmation of the reported civil service legislation study, a Civil Service Commission official did say a statement of opposition to the bill is being prepared, in response to a request from the White House's Office of Management and Budget.

Another source said discussions have been held with Sen. Gale McGee, D-Wyo., a member of the Foreign Relations Committee and chairman of the Post Office and Civil Service Committee, to test receptivity to counter-legislation. This could not be confirmed.

Macomber did say that "there's going to be a lot of education" of different people about the legislation in the days ahead.

In the Senate, the day of reckoning is just ahead: The authorization bill is expected to be debated later this week.

The Foreign Relations Committee has agreed to take testimony on Tuesday from John D. Hemenway, a selected-out Foreign Service officer, on what Hemenway says are gross violations by the Foreign Service of its own standards and regulations for promotion.

The International Law Committee of the Federal Bar Association recently expressed "strong support" of the Bayh bill.

And the April journal of the Foreign Service Association—which long has been regarded as an echo of management—contains an editorial accusing the Board of the Foreign Service of being a "prestigious rubber stamp for management. . . ."

That, coming from a former friend, reportedly was the unkindest cut of all to management and generated the talk of a shift to Civil Service.

[From the Washington Post, May 3, 1972]

A Grievance Law for Diplomats

The Foreign Service continues to be Washington's most troubled bureaucracy, and its troubles are now being brought, once again, to the floor of the Senate. The immediate issue is legislation to establish a new and independent grievance procedure for Foreign Service officers and the other employees of the foreign relations agencies. The Department of State strongly opposes this legislation, arguing with considerable justice, that it has already corrected the worst abuses of the recent past. Unfortunately, the temper within the Foreign Service has become sufficiently distrustful and bitter that administrative reorganization by the State Department alone cannot cure it. What the Department has given, some of its employees fear, the Department can take away. These employees are entitled to legislation guaranteeing that the Department will apply its rules fairly, and will provide a right of appeal to an impartial referee. Both the American Foreign Service Association and the American Federation of Government Employees, the two chief organizations representing these employees, support the legislation now before the Senate. It is high time for Congress to enact it.

Grievances mainly involve, as one might expect, promotions and firings. These matters can be handled fairly smoothly in a corps of stable size and rank. But the State Department has been cut back about 20 per cent over the past five years, resulting in many firings of officers well into middle age, too old to change careers easily but too young for pensions. Mr. Macomber, the deputy secretary of state for management, has put a stop to the wholesale purges of people in mid-career. But the White House apparently believes that too many officers are clustered in the upper ranks of the Foreign Service, suggesting that there will be few promotions in coming years. The cuts in both positions and promotions has exacerbated all the familiar questions of fair play. The Foreign Service, like most other American institutions, is divided over questions of the proper limits to dissent. And those questions have a special edge in an organization whose business involves political analysis. What one man considers creativity may seem insurbordination to another, and personnel disputes often revolve around precisely that distinction.

The Department, under Mr. Macomber, has made a series of important improvements in the personnel system recently, A grievance panel has been set up under a professional arbitrator, Mr. Simkin, former head of the Federal Mediation and Conciliation Service. Employees are now given access to their personnel files. The old up-or-out firing system, which works well in the military services but badly in diplomacy, has been suspended. The Department says that it is prepared, in principle, to support grievance legislation.

But it argues that the bill before the Senate is much too broad. The bill's supporters, in contrast, say that it is limited to issues of due process, and would only require the Department to follow its own rules. The senators sponsoring the bill can perhaps make their intentions on this point explicit in the floor debate. The next question is who shall be the judge. The present bill suggests a three-seat panel, with one seat filled by the person bringing the complaint, one by the Department, and one by agreement or failing agreement by the Court of Appeals here. In this instance, Senator Bayh's amendment seems preferable. He proposes filling all three . . .

The malaise in the Department goes a great deal deeper than the personnel rules. The Department is, in fact, going through one of its periodic bad times, and bad times for the Department are bad times for the men and women who have committed their careers to it. Many of their traditional responsibilities have been carried off to Dr. Kissinger's office at the White House, or to the Treasury. The Vietnam war has churned up all of the basic questions of foreign policy, and the organizations that deal with it. But the Department and its sister agencies have an unusual proportion of first-rate people, highly trained and highly specialized. They are not dispensable to this country's central purposes. At a time when policy disputes are profound and vehement grievance legislation can reassure these valuable people that their own superiors will deal with them equitably in their personal careers.

[From the Indianapolis Star, Jan. 9, 1972]

Widow Fights Same Bureaucracy That Drove Diplomat to Suicide

(By Myra McPherson)

Washington.—Every day Cynthia Thomas goes to work at the place she feels killed her husband—foggy bottom's sprawling State Department.

Last May, a month after her husband shot himself to death in their Washington home, she was offered a job by Deputy Undersecretary of State for Management William B. Macomber, Jr. and took it. She had her reasons, the most compelling one the fact that she was broke. Two years before, her husband, a foreign service officer, had been "selected out (fired)" without a pension at the age of 46. He repeatedly tried to get a State Department hearing about what he felt was unjust treatment.

He sought hundreds of jobs, painstakingly sending out more than 2,000 applications in two years, and found himself a stranger in civilian life—either overqualified or overaged for what was available. Following him around, for every prospective employer who cared to check, were State Department statements that he was asked to leave because he "couldn't meet the competition." Debts mounted and in his last days he considered a job as night waiter.

Instead, Charles Thomas decided to end it all, thinking, one friend surmised, that he was probably worth more to his wife dead than alive. As a widow she now gets $5,500 a year from a government pension to support their two children, Zelda, 6, and Jeanne Marie, Thomas' teen-aged daughter by a former marriage and now Mrs. Thomas' adopted daughter.

Thomas' suicide could have been just a tragic personal incident, but because of smoldering discontent within the State Department it became the catalyst for one of the bitterest and most protracted controversies concerning hiring policies the State Department has faced in recent years.

The Orwellian phrase "selected out,"

means simply that one is fired. It is the State Department's system for weeding out people as they move up the career ladder. Proponents of the system call it getting rid of dead wood, critics consider it a cutting down of officers in an arbitrary, capricious, subjective ruthless manner.

Since Thomas' suicide, the system and those running it have been under fire from people both within and without the State Department. "It's sad to say, but in death Thomas may do more to change things than anyone else living," said one foreign service officer (FSO).

Cynthia Thomas and various FSOs are leading an ongoing struggle to torpedo Former Personnel Director Howard Mace's appointment as ambassador to Sierre Leone. A close colleague of his boss, Macomber, Mace has been called the "executioner" by some FSOs who say he is responsible for letting go increasing numbers of veteran FSOs like Charles Thomas. Mace's future as ambassador is now cloudy.

Macomber thinks of the anti-Mace people as a small band of dissidents and denies offering Cynthia Thomas a job was an "act of conscience."

In a three-hour interview Macomber said, "I talked to someone who knew her and said, 'Please tell her after this funeral business to see me.' We do for our widows in straitened circumstances." Asked how many were offered jobs, Macomber said, "Well, there are others." An aide later called to say there were at least four widows given State Department jobs in recent years.

Today Mrs. Thomas writes reports in the science adviser's office as an FSO Class 5, one rank below her husband when he was selected out after 18 years of service. One irony is she finds some of husband's old reports useful in her work. She makes almost $15,000 a year.

Mrs. Thomas also fights for legislation to change the department, and still carries on her struggle to get her husband reinstated posthumously to the top rank of FSO 1 and to elevate him to ambassador. She says Macomber told her if they made one exception, all the other selected outs "would be coming out of the woodwork." Macomber denies saying that and adds that he reviewed the Thomas case and saw no "reversible error."

Mrs. Thomas at 35 is a slim, attractive brunette, who once considered the foreign service.

A roommate at Sarah Lawrence, where Cynthia majored in international relations, remembers her as a "warm, bubbly, carefree bobby soxer." Still warm, she is also nervous and intense now. But her eyes glow as she talks of her husband.

"He was hard working, a brilliant writer, a generalist in the real tradition of what it used to be."

Mrs. Thomas was in her mid 20s when she met her husband in New York where she was working as a Time magazine researcher to support her embryonic acting career.

It was a quick romance, and they were married in February, 1964.

Then 41, Thomas, nearly 6 feet, blond and young looking, already had lived a life of great diversity and had acquired a cool intellectual reserve that belied his years of struggle as an orphan. He grew up in the home of an older sister at Fort Wayne, Ind., graduated fourth in his high school class, went to Northwestern University on a full scholarship, worked as busboy, janitor, and farm worker to supplement it. "He even peeled onions in a Chinese restaurant," his widow said.

After graduating with a B.S. in economics and government. Thomas was a Navy fighter pilot in World War II, then went to Northwestern Law School, again on scholarship. Later he earned a doctorate in international law and international relations from the University of Paris, became fluent in French and Spanish and had an elementary knowledge of German, Italian and Portuguese.

His first State Department job in 1951 was as political consul at Monrovia, Liberia. Then came jobs as acting consul general in Ghana and economic and commercial officer in Morocco. Thomas seemed to be moving up the ladder well, was put in charge of the Moroccan desk at Washington, then became a delegate to the United Nations General Assembly, then Haiti, where he got good reports and his wife said he ferreted out two Communist parties where none was thought to exist.

After their wedding, the Thomases were sent to Mexico, "I remember I felt I was the luckiest person in the whole world." Zelda was born there and Cynthia acted in a play in Spanish.

But things were not going that smoothly. Joseph Montllor, an immediate supervisor, wrote in 1964, after knowing Thomas briefly, that he showed a "lack of forceful personality to exert leadership." His reason? Thomas did nothing about dismissing his secretary, an acknowledged, and aged, bad typist.

In her testimony before the Senate Foreign Relations Committee concerning Mace's qualifications for ambassador, Mrs. Thomas said, "That is a very tender story because that secretary could have been my husband's mother—she was an older woman and was near retirement."

This report, which went into the files to be seen by the selection committee who decides whether a man is promoted, left in his class, or selected out, was unknown to Thomas for several years.

Two years later, an extremely laudatory report by Foreign Service inspector, Robert McClintock, was lost, misfiled in the records of another Charles W. Thomas. In it, McClintock recommended that Thomas receive immediate promotion to Grade 3 and be assigned to the National War College.

Macomber says the report arrived late anyway, two days after the selection boards met for that year, and that it was put back in time for the next year. However, the error was found, not by State Department officials, but by Thomas, who discovered it when he returned to the states in 1967.

Mrs. Thomas hinges much of her argument on the fact that such "personal blunders" came at a crucial time in her husband's career. The "time in class"—the length of time a FSO is allowed to remain in one grade—had been shortened arbitarily from 10 to 8 years. This meant that in 1966 he was in his middle years in grade, a time when most are considered for promotion, the State Department theory being that a man who has been in class too long apparently doesn't have the stuff to go higher or he would have been promoted sooner.

An outsider gets extremely confused trying to understand the State Department's basis for letting a man go or promoting him. Not only is the McClintock letter filled with praise ("one of the most valuable officers . . ." "an excellent drafting officer . . ." "promotion long overdue"), so are all of Thomas's other reports in his file except the Montllor letter.

In 1967 first secretary of the embassy Duncan MacKay wrote that Thomas was "suitable for advancement to the highest rank" and spoke of his "brilliantly drafted reports."

Even a special plea from American Ambassador Fulton Freeman, who headed the Mexican embassy, failed to help Thomas. "Surprised and disappointed" Thomas was not on the 1968 promotion list, Freeman wrote that Montllor's comment that Thomas was "not ready for promotion" was "needlessly and unfairly prejudicial and was directly contrary to my own judgment."

He said not only was it a "miscarriage of justice," but added, "I feel even more strongly that the Foreign Service stands to lose an able, effective, competent, dedicated and sincerely respected team if the Thomases are forced to resign because of time-in-grade—a loss which at this critical juncture of the Foreign Service can ill be afforded."

At the time he was selected out in 1968, Thomas' widow testified at the Mace hearings, "he was serving as chief spokesman for the U.S. government at the UNESCO general conference in Paris, Chairman of the U.S. National Commission for UNESCO, Alvin Eurich, wrote "one of the reasons for our notable success in shaping the UNESCO program—was the excellent work done by FSO Charles W. Thomas." He added that his "cool head, easy way with people, linguistic ability and understanding of the political implications of UNESCO's ramified science programs made him a very effective negotiator."

The last efficiency report was a plea to keep Thomas. "In the half year since we first learned of Mr. Thomas' imminent departure," his supervisor wrote, "We have been unable to find a replacement" after a look at personnel files of those "quite senior in rank." He asked to retain Thomas by "converting him to foreign service reserve status," but administration technicalities prevent such a solution.

Larry Cummings, an aide to Senator Birch Bayh (D-Ind.) who tried to get Thomas a hearing before his death, said, "I was appalled at the high recommendations. I saw his entire file. Based on records like that how do you take 200 guys and rank them?" Macomber replies "You'd be amazed at how easy it is to rank these men." As good as Thomas' files were, he said, others were better.

One big problem is reading fitness reports—whether those of the State Department, military or large comporation bureaucracy—is the tradition of polite, semantic exaggeration. In a system where "good" can mean "less than acceptable" and "excellent" mean "good," reviewers learn to read between the lines.

There is, however, no record kept of how one ranks someone against others in his class. In an answer to an appeal Cynthia Thomas wrote to Elliot Richardson in May of 1969, the then acting secretary of state replied, "My review of his situation disclosed that it is not possible to reconstruct precisely the process of comparison with his class 4 peers. No independent records are kept describing particular decisions made during this comparative process, which is, of course, the key to promotion in the continuously narrowing senior officer classes."

Macomber was asked if he said anything unfair about no records being kept of "a comparative process" which is in Richardson's terms the "key is promotion." Macomber said no. He says "It's for the individual's protection.

"The jury doesn't keep records either, does it? One reason is we want to be careful, the last thing we want to show is how someone ranked with others to prejudice next year's panel".

Macomber states Thomas was rated consistently in the middle of class and repeats you'd have to look at all the officers' files in his rank (which are not available) to understand why he was not promoted.

Macomber declined to speak out on the record about Thomas. His only observation, after repeating questioning, was that Thomas "was reserved, didn't make friends easily . . . was, some say, withdrawn."

There is no such "withdrawn" phrase in any of the files that, purportedly, only the selection committee sees. However, here were some between-the-lines hints that Thomas could be considered an aloof intellectual to some of the more traditional States Department FSOs.

But even those were countered by another reviewing officer. In Haiti an efficiency report noted that Thomas had been assessed as reserved and not easy to know. "These observations are I think valid, but should not be taken to suggest that he is shy or retiring, rather he is a serious person who takes considerable pride in being objective and unemotional. He is not given to socializing with his superiors, but he develops business contacts carefully and methodically, so that he has an unusually wide range of acquaintances among Haitians," wrote the supervisor.

Mrs. Thomas says theirs was a "different lifestyle" from some of the envoys she described as "enjoying the wine, the servants and associating only with other Americans." The Thomases got to know the intellectuals, the thinkers of the countries they were in, she said.

Mrs. Thomas testified that all personnel letters attempted to convey the "simple impression my husband merely did not measure up to the competition." What they conspicuously failed to mention to Senators or prospective employers' asking for an explanation of her husband's status "were the blunders attendant to the misfiling" of report and the "extensive commendations received and ignored by these same personnel authorities."

She repeated the other day, "The whole thing was like a nightmare. Charles was never given a chance to correct it." One problem, an FSO 2 said, is that "the victim who complains is put through a meat grinder. If he writes a rebuttal it mustn't sound like sour grapes."

Macomber consistently says, "Not everyone can be promoted" and that laudatory letters from ambassadors, such as Thomas had, are the rule, not the exception. However, Ambassador Freeman, talking on the phone from his California home, said his Thomas letter was a highly unusual one for him to write.

"There was nothing mediocre about Thomas. He was outstanding. I've seen all the documents in the Thomas case and am pretty well convinced there is real cause for grievance. As far as I'm concerned the State Department attitude is a little too late and too little.

"That was only one of two such instances I can remember becoming personally involved in eight years as ambassador. Both cases I lost. I was very much aware Thomas was in fifth year in class and once you've gone past that you've gone beyond the rubicon as it were. The last three years in grade your chance is practically nil. And there is a stigma about being selected out that is not true if one leaves the military."

Freeman said, with a laugh, "Maybe there was a personal vendetta against me. My letter may have done more harm than good. God knows I've stuck my neck out around there. I could have been the kiss of death."

The hours that the Thomases spent on appeals yielded only frustration. Thomas took with him one year's salary, $17,000 before taxes, but since he took it all at once, the tax bite came out all at once too. The ego bruising went on daily. Thomas had gotten to the final stages in an interview for a job with Mobil Oil in Nigeria. He brought his wife up to New York for the ultimate interview.

Then there was a final question. "Isn't 50 the magic age?" Meaning isn't that the year one can retire with a pension and why wasn't he waiting a few more years.

Mrs. Thomas reflected, "My husband had to say he was being asked to leave. What more do you have to say?"

All the law firms were hiring young men. In his last days, Thomas was a public defender of the indigent at $7.50 an hour when he could find a case. Mrs. Thomas edited a science book of her father's and got paid for that. Two nights before her husband's death, she cooked a dinner for a party, for money, and her husband delivered the food.

"Three days before he died, I asked, 'Isn't it time to ask a favor of somebody?' and he said, 'No, I stand on my record.' I said, 'You're a purist' and he said 'A profound one.' "

The day he shot himself, Thomas was resting upstairs and told his wife, "I'm going to take out the $10,000 in the annuity fund at State and open a law office in town." Mrs. Thomas recalls, "I felt relieved."

She still is searching for an explanation of why he killed himself. "He never acted as if this had got him down. Maybe he thought if he took that money out and anything should happen to him, I would have nothing. Maybe it was out of some crazy love for us. Maybe he didn't want to live to be a shadow of himself in his time."

Now, Mrs. Thomas says, she just wants to "close this chapter and put it all behind me. But I want justice for Charles and all the others first."

By Mr. STEWART:

S. 2713. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of travel expenses and employees not reimbursed for such expenses; to the Committee on Finance.

Mr. STEWART. Mr. President, today I am introducing legislation to correct a major inequity in our tax law. Under the current tax law a taxpayer who incurs employment related living expenses while away from their usual place of employment may deduct the lesser of $44 per day or the actual expenses incurred provided the taxpayer is reimbursed by his employer. When the taxpayer accounts to his employer for the amount reimbursed he does not have to itemize his expenses on his tax return in order to claim the $44 per day expense deduction. Those workers who incur reimbursable expenses of less than $44 a day get a bonus deduction equal to the difference between their actual expenses and the $44 per day.

Where the inequity occurs is with workers who are not reimbursed by their employers for expenses incurred while working away from home. These taxpayers can only claim the actual expenses incurred and they must itemize the expenses. Usually it is almost impossible for this taxpayer to justify expenses of $44 a day. These taxpayers are not accorded the same treatment as those who are reimbursed by their employer.

The unfortunate thing about this inequity in the tax law is that it favors those who already have numerous tax loopholes available to them and it penalizes the already overtaxed working man and woman of this country. The taxpayers who are not reimbursed by their employers for these work related expenses are the carpenters, construction workers and laborers who often have to travel 150 miles a day to a worksite. Many of these folks do not have credit cards to provide receipts for what they are spent getting to and from a job. They have to pay out of their pockets for gas and food. Under the current tax law these folks have to scurry around each April trying to document their expenses in order to claim a deduction. Meanwhile their well paid executive counterparts get to claim $44 a day as a deduction without any documentation whatsoever. This is in spite of the fact that the well paid executive is probably claiming the deduction for marginal living expenses such as cocktails with a meal. The poor working fellow cannot even get a deduction for the gasoline he uses to get to a job or a sandwich from a takeout restaurant.

The legislation which I am introducing today will provide some much needed tax relief for the folks that really need it. It will restore equal treatment under our tax law for workers who are not fortunate enough to be reimbursed by their employers for these work related living expenses.

All too often we have merely given lip service to the notion of equity in our tax system. Most of us find the notion of a well paid executive being able to write off the cost of a two martini lunch while the poor working stiff cannot write off the cost of a bologna sandwich objectionable. But we have failed to make the kinds of changes in the tax code that would promote greater tax equity. The middle class taxpayer is fighting mad. Not only must be contend with an ever increasing portion of his salary going to the Federal Government but he must also stand by while other better paid taxpayers take advantage of tax breaks that he cannot qualify for.

The legislation which I am introducing today is quite simple. It simply extends to all taxpayers an advantage which is now only available to a few. Under my bill any taxpayer who incurs job related living expenses shall be entitled to a deduction equal to the greater of $44 a day or the actual expenses incurred whether he is reimbursed by his employer or not. The worker would not have to itemize in order to claim the $44 a day but in order to claim a deduction for expenses greater than $44 a day he would have to itemize expenses.

Mr. President, I commend this legislation to the attention of the Senate and urge that my colleagues on both sides of the aisle support it.

By Mr. GRAVEL:

S. 2715. A bill to develop new sources of oil and gas; to the Committee on Energy and Natural Resources.

OUTER CONTINENTAL SHELF LEASE-SALES

● Mr. GRAVEL. Mr. President, today I am introducing a bill on behalf of the residents of the many coastal communities in western Alaska where Outer Continental Shelf oil and gas lease sales are scheduled. The bill represents an effort to minimize any adverse impacts on those who will be most directly affected by that development as this country continues to attempt to achieve energy independence.

As we strive for less dependence on foreign sources of oil, the oil producing States are being called upon to an increasing extent to provide for the energy needs of the country. Alaska is an example of one location which has been and will continue to be significantly affected by this development. This new exploration is beneficial to the State in several ways, but there are aspects of potential development, which can present very serious problems.

The social and environmental impacts of such development are particularly pronounced in the coastal communities of Alaska where the residents are dependent on the continued health of the fish and wildlife resources of the sea and adjacent land areas. There is legitimate concern over the possible deleterious effects of unplanned, and possibly environmentally damaging oil and gas development. The need for adequate planning is critical to the continued well-being of the residents of coastal Alaska, and this legislation is intended to address that need.

Mr. President, this bill will try to insure that proper planning for Outer Continental Shelf development will take place before OCS activity begins. It requires that OCS lease sales in the Chukchi and Bering Seas in western Alaska can only take place after a coastal zone management plan has been completed. By requiring the completion of a coastal zone management plan it is hoped that a better assessment of the numerous impacts—both adverse and beneficial—which are to be expected can be identified and accommodated before they occur.

The language of the bill addresses only OCS activity in the Chukchi and Bering Seas. However, this is not intended to obviate the desirability to have coastal zone management plans in place in other lease sale areas in Alaska, such as the Gulf of Alaska or the Beaufort Sea. But because lease sales have already taken place in these areas, and because litigation is currently pending in regard to leasing in the Beaufort Sea, inclusion of additional OCS areas in this legislation needs to be further studied so as not to prejudice the court suit in any way or to disrupt ongoing exploration work on existing leases.

Finally, to avoid the possibility that this legislation might be used as an obstructive device to block any OCS exploration and development, section 3 of the bill permits the Secretary of the Interior to proceed with OCS lease sales if he finds that a good-faith effort is not being made to complete coastal zone management plans in a timely manner.

Several lease sales are scheduled in frontier areas off the coast of western Alaska with the next 5 years. Because CZM planning has been initiated in some of the on-shore areas, this legislation should have little or no impact on the scheduled sales for those basins. The sales for some basins, however, are scheduled very early in the 5-year sale schedule which will require expedited coastal zone management plans if those sales are to proceed on schedule.

Mr. President, I believe this bill is a rational approach to a very serious situation. Oil and gas development can take place in Alaska with a minimum of detrimental impact. This bill should insure that both planned development and coastal impact are adequately addressed as the lease sales proceed.

I urge my colleagues to consider this measure favorably and join with me in securing its swift passage.●

By Mr. CHURCH:

S. 2717. A bill to facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits; to the Committee on Energy and Natural Resources.

HYDROCARBON-TAR SAND LEASING ON PUBLIC LANDS

● Mr. CHURCH. Mr. President, today I am introducing legislation which will speed up and facilitate the issuance of Federal leases for the development of tar sands. This bill parallels H.R. 7242, introduced earlier this month in the House of Representatives by Congressman McKay of Utah.

Over 90 percent of the known tar sand deposits in our Nation are located in Utah, Idaho's southern neighbor. These deposits can be of considerable importance to our national energy future, since the two major regions in Utah containing these deposits contain at least 25 billion barrels of oil. The rapid upward spiral in the OPEC price of oil and continued technology development in the United States are adding to the feasibility of developing these tar sand deposits for our Nation's use.

Despite the potential possessed by these deposits, not a single Federal lease to develop tar sands has been issued for the past 15 years. This legislation is meant to adjust the leasing policy of the Department of the Interior in a reasonable manner so that such leases can be made. The Department has faced great difficulty in differentiating, on a geologic continuum, between deposits of oil and deposits of tar sands. This technical difficulty has created the impasse on leasing for tar sands development.

This bill tackles this problem by amending the 60-year-old Mineral Leasing Act by providing for the issuance of a single lease covering hydrocarbons other than coal and oil shale. The effect of this change is to eliminate the need to distinguish between oil and gas and tar sands for the purpose of mineral leasing on public lands. This bill would competitively lease such hydrocarbons in a known geologic structure except in locations where there is an existing oil and gas lease. This bill would entitle existing oil and gas lessees to exchange their leases covering oil, gas, and tar sand deposits.

Finally, conforming amendments are made to the Mineral Leasing Act to increase the maximum acreage any one person may hold under the new tar sand-hydrocarbon lease.

Mr. President, both the House and the Senate have, at various times, examined the difficulties facing the leasing of tar sand deposits. This legislation seeks a balanced approach to the concept of a combined hydrocarbon lease and I urge my colleagues to support its approval.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 1 (30 U.S.C. 181), sections 21 (a) and (c) (30 U.S.C. 241 (a) and (c)), and section 34 (30 U.S.C. 182) of the Mineral Lands Leasing Act of 1920, as amended, are amended by deleting "native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)" and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),", except that in the first sentence of section 21(a) the word "and" should be inserted before "gilsonite."

(2) Section 27(k) of such Act (30 U.S.C. 184(k)) is amended by deleting "native asphalt, solid and semisolid bitumen, bituminous rock" and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),".

(3) Section 30 of such Act (30 U.S.C. 209) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

(b) Section 1 of such Act (30 U.S.C. 181) is further amended by adding after the first paragraph the following new paragraph:

"The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).".

(c) Section 27(d)(1) of such Act (30 U.S.C. 184(d)(1)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided, however,* That if the Secretary determines that it is in the public interest, he may establish a lower aggregate acreage limitation for leases in areas known to contain deposits of tar sand.".

(d)(1) Section 17(b) of such Act (30 U.S.C. 226(b)) is amended by inserting after "gas field," "or in areas known to contain deposits of tar sand," and by inserting after "six hundred and forty acres," "unless the Secretary finds in those areas known to contain deposits of tar sand that a larger area is necessary to comprise a reasonable economic unit,".

(2) Section 17(c) of such Act (30 U.S.C. 226(c)) is amended by deleting "within any known geological structure of a producing oil or gas field," and inserting in lieu thereof "subject to leasing under subsection (b),".

(e) Section 17(e) of such Act (30 U.S.C. 226(e)) is amended by inserting before the period at the end of the paragraph the following: ": *Provided, however,* That the Secretary shall extend a lease for not less than three years beyond its primary term in areas known to contain deposits of tar sand where the lessee or his assignee submits, before the end of the primary term, an acceptable plan of operations leading toward commercial recovery of hydrocarbon resources at depths of less than three thousand feet or by use of enhanced (tertiary) recovery methods".

(f) Section 39 of such Act (30 U.S.C. 209) is amended by adding the following new paragraph:

"In areas known to contain tar sand, that for a period of not less than three years and not to exceed five years, the Secretary shall suspend the payment of royalties on new oil which is produced under a new combined hydrocarbon lease using enhanced recovery methods of development or surface mining.".

Sec. 2. (a) Section 2 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351) is amended by adding at the end thereof: "The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those leasable as coal, oil shale or gilsonite (including all vein-type solid hydrocarbons).".

(b) Section 3 of such Act (30 U.S.C. 352) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

Sec. 3. Except as provided in this section, nothing in this Act shall be construed to diminish or increase the rights of any lessee under any oil or gas lease issued under section 17 of the Mineral Lands Leasing Act of 1920 or section 3 of the Mineral Leasing Act for Acquired Lands. The owner of an oil and gas lease issued before the date of enactment of this Act may apply to the Secretary to convert the lease to a new combined hydrocarbon lease. Such conversion shall take place upon such conditions as may be imposed by the Secretary including an acceptable plan of operations submitted by the lessee or his assignee, which assures diligent development of those resources requiring enhanced recovery methods of development or surface mining, conditions relative to methods of mining, and such royalties as shall be specified in the converted lease.●

By Mr. WALLOP:

S. 2722. A bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to inmates of penal institutions or facilities for the criminally insane; to the Committee on Finance.

Mr. WALLOP. Mr. President, disability insurance, which was added to the Social Security System in 1956, provides monthly cash benefits for insured persons who are totally disabled. A disabled person must not only be unable to do his previous work but also be unable to engage in any other kind of substantial, gainful work which exists in the national economy. People are now receiving disability insurance benefits that do not meet these qualifications; these people are inmates in Federal and State prisons.

It is frightening that prisoners can receive social security benefits. Payments to the disabled and their dependents have quadrupled from about $3 billion in 1970 to nearly $12 billion in 1978 and the amount is increasing annually. During that same period, the total number of beneficiaries has increased from 2.7 million to 4.9 million. This rapid growth could simply be the cumulation of increasing awareness of the program's existence and the fact that rising benefit levels have attracted many persons to apply for benefits who would otherwise have continued to work. With the trust fund in danger, it does not make sense to allow any permitted abuse to continue—such as criminals receiving social security disability benefits.

On February 22, 1980, the Finance Subcommittee on Social Security held hearings on social security financing. The result was clear. Many of the programs will be inadequately funded by as early as 1982. One solution to the problem that many speakers agreed with is that OASI is in such bad financial shape right now, that it will become necessary to borrow from the DI trust fund with the hope of being able to replace it at some later time. It is a solution of doubtful value. Poll results released at the hearing, showed that nearly 50 percent of the public has little or no confidence that social security will even have the funds to provide them with benefits upon their retirement or if they become disabled.

The public is worried and frightened. With the economy in its present state they are not going to see any justification in spending millions of dollars for disability benefits for criminals. An abuse that exists and is sanctioned by current law is the situation in Title II of the Social Security Act where a convicted criminal can receive up to $500 a month from the Social Security Administration. The employer and employees pay into this disability trust fund for the worker that becomes disabled. They do not pay into it so that convicts in prison may use it to purchase luxury items in order to make their stay in prison more comfortable.

Some will say that this money is given to their families, but even there it is an unreasonable burden for the law abiding public to bear. Accountability to society for criminal acts should not trigger society's responsibility for family hardships created by those acts. Convicts have been reported to use this extra money to buy such items as color televisions, stereos, sporting goods and are even using it to enter the investment world.

The Social Security Administration estimated in 1970 that nearly 4,000 inmates in Federal, State and local prisons were collecting disability benefits. Congressman WILLIAM WHITEHURST from Virginia, who has introduced similar legislation in the House, indicates the figure may be closer to 30,000 in 1980 at a cost of $60 million. His figures are based on interviews conducted with inmates and guards at several prisons from California to New Jersey. These figures are only rough estimates because social security officials do not keep records on how many of the 5 million individuals receiving disability benefits are prison inmates. The records are confidential and not open for public inspection.

Whether the figure is 4,000 or 30,000, this is an abuse of the social security system that was never intended and needs to be stopped.

Once the bill we are considering here today becomes law, the social security office will be informed of a conviction, and the individual will no longer have any claim to disability benefits. For the convicts already inside, their names and social security numbers will be given to the Social Security Administration, and all payments will stop.

Another of the many reasons to stop this benefit is that, unlike people on the "outside" who must use their social security checks to provide themselves with food, clothing, and a place to live, prisoners have all of these necessities provided for them by the State or Federal Government.

There are many ways we have found out for convicts to get benefits. One way that has become very popular and has run through the prison grapevine is by claiming mental disability. An inmate who is doing time at a prison "acts a little crazy" and gets a psychiatrist or psychologist to commit him to a state hospital for observation. Once in the less-confining atmosphere of a hospital, the convict suddenly regains his senses, at least enough to call on one of the numerous social workers, to put him in touch with a social security field representative.

Many prisoners use mental disability as their reason for collecting social security benefits. After filling out an application, their records, which have been processed by the State for them (a private citizen would have to pay his doctor for the same service) are returned to the Social Security Administration for review.

If the convict is rejected in his effort to collect social security disability benefits, he generally appeals, according to prison sources. Here again, he receives an advantage the rest of us do not have. People on the outside who are rejected must hire a lawyer and pay 25 percent of their initial payment after the claim is settled. He can file "in pauperis"; that is, as a pauper or have a county legal aid attorney handle the case for him.

In many cases, social security and our society will pay twice when a convict goes to jail. Not only will the convict get social security disability payments but the victim who may have been injured or killed in the crime will also receive benefits. At the very least benefits to the victim should come from benefits of the criminal.

This social security abuse is a prime example of how the criminal continues to work secured behind bars to turn incarceration into profit. A bill to amend the Social Security Act to prevent the payment of disability insurance benefits to individuals for any month they are confined in penal institutions or correctional facilities will stop this problem and close this loophole.

This bill amends Title II of the Social Security Act by providing that disability insurance benefits shall not be paid to inmates of penal institutions or facilities for the criminally insane. The bill adds a new subsection (e) to section 223 of the law. The amendment states that no money will be distributed for the entire period that one is an inmate in a correctional institution or a facility for the criminally insane.

By Mr. MOYNIHAN:

S. 2723. A bill to amend the Social Security Act to provide for low income energy assistance to recipients of aid to families with dependent children and recipients of supplemental security income benefits; to the Committee on Finance.

LOW INCOME ENERGY ASSISTANCE ACT OF 1980

● Mr. MOYNIHAN. Mr. President, the legislation I am introducing today would establish a new program of low income energy assistance for recipients of aid to families with dependent children and supplemental security income in fiscal years 1980 through 1990.

It may be recalled that section 102 of Public Law 96–223, the Crude Oil Windfall Profit Tax Act of 1980, specifies that 25 percent of the net revenues from that tax be placed into a special "subaccount" in the Treasury for low-income assistance, and that half of that sum be "allocated to a program to assist AFDC and SSI recipients under the Social Security Act," while the other half is to be "allocated to a program of emergency energy assistance."

My bill obeys the first of these twin mandates, as enacted by Congress and signed into law by the President, by amending the Social Security Act to provide that 12.5 percent of the windfall profit tax revenues be utilized for additional cash assistance for individuals receiving AFDC or SSI, to help them meet the soaring costs of home heating and other residential energy expenses.

The idea of low income energy assistance is familiar. The first such effort—the energy crisis assistance program—was authorized in 1974 under that year's amendments to the Economic Opportunity Act, as a direct response to the Arab oil embargo of 1973–74 and the sharp rise in energy costs that ensued. Under its provisions, the Community Services Administration directed each States to develop an assistance plan, designating local agencies as the aid administrators and specifying the types and amounts of aid that would be given. Eligibility was limited to families with incomes below 125 percent of the poverty level, with benefits averaging approximately $400 per recipient household.

This program was funded at $200 million per year, beginning in fiscal 1977. until this past winter, when appropriations were increased to $400 million and accompanied by a separate $1.2 billion program for SSI recipients and other low income persons.

The Social Security Administration distributed one-third of this sum to all SSI recipients, while the Department of HEW apportioned the remaining $800 million to the States in the form of "block grants." Overall, this past winter's low income energy assistance program employed a three-tiered system that carried with it a number of inherent redundancies, inefficiencies, and administrative problems. Still, as we recognized at the time of its passage, it was the only certain way of insuring that those who needed help would receive it.

Next winter's plan, as specified in the windfall profit tax legislation, is somewhat more clearly delineated. Block grants to the States are authorized, with the size of the grant based on the State's "heating degree days," the residential energy expenditures of its population, and the size of its low income population. The Governor is responsible for developing a State plan, which must be approved by the Secretary of—now—Health and Human Services. The eligible population must include all households receiving AFDC, food stamps, veterans pensions or SSI benefits.

For subsequent years, the stated intent of Congress, which is also embodied in the windfall profit tax legislation, is to create two separate and distinct programs, each funded with one-eighth of the net revenues from that tax. One of these—the specifics of which are entrusted to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor—will provide emergency assistance. The other—which my legislation would establish—will provide cash assistance to persons already eligible for and receiving benefits from either of the two major Federal welfare programs, aid to families with dependent children, and supplemental security income.

It is not too soon to begin planning for fiscal 1982 and subsequent years. A sound program requires sufficient "lead time" for careful consideration by the Congress, for the development of administrative procedures by the executive branch, and for the preparation and approval of State plans.

Under the terms of this proposal, the Federal funds will be apportioned among the States according to a formula that is similar to that established for 1981. Two-thirds of the total will be distributed according to each State's percentage of total national residential energy expenditures and the remaining third according to each State's percentage of the square of the "heating degree days" weighted by the State's AFDC and SSI recipient population.

The revised formula is needed to comply responsibly with the mandate of the Windfall Profit Tax Act that the program be specifically tailored to the energy needs of AFDC and SSI recipients. It follows that the distribution of a substantial portion of the funds would be tied directly to the number of such recipients living in each State and to the "heating degree days"—a measure of cold weather—of that State. But since welfare recipients face rising energy costs in every part of the country, two-thirds of the total is apportioned according to aggregate residential energy costs.

I wish to be clear that this program calls for no new taxes and diverts no moneys from other purposes. It taps a large new revenue source—the "windfall profit tax" revenues associated with the decontrol of oil prices—to precisely the extent that was previously stipulated in law: One-half of one-quarter of the net revenues from that tax. It adds no new burdens to State and local governments because, unlike the existing AFDC program, no State matching funds must be provided (although States are, of course, free to supplement this program with their own resources).

Each State's allocation is divided into two parts. One of these—proportionate in size to the number of SSI recipients vis-a-vis all AFDC plus SSI recipients—is retained by the Department of Health and Human Services for distribution directly to SSI recipients. The other is entrusted to the State in the form of a block grant for distribution to AFDC recipients. The Governor of the State is charged with responsibility for the preparation of a "State plan" (which must meet with the approval of the Secretary of HHS) to insure that those funds are distributed according to the intentions of Congress. The State plan may vary the amount of assistance going to individual recipients according to such factors as income, household size, the type of fuel used, and whether the recipient pays all or part of the costs of home heating. Other relevant individual circumstances, such as age and health, may also be considered. But ultimately it is the Governor who is responsible for these determinations, according to applicable State and Federal laws, and subject only to the provisos that this additional money may not be used to reduce existing AFDC benefits nor may it be considered as additional income for purposes of determining AFDC eligibility.

The Social Security Administration may consider similar factors and individual circumstances in determining the size of each SSI recipient's energy assistance, and is specifically directed to make every reasonable effort to insure that only those who actually pay for heat and other energy costs will receive assistance. It is my hope that SSA will thereby be able to avoid a recurrence of problems that plagued the program this past winter, when some SSI beneficiaries received aid even though they resided in institutions and had no direct energy costs. Although time did not permit detailed scrutiny of the SSI rolls this past winter, this can be done by 1982.

I ask unanimous consent that there be printed in the Record at the end of this statement the text of my bill, a fact sheet explaining its provisions, and a chart illustrating the distribution of funds among States on the basis of a $3 billion program. This is a conservative figure, inasmuch as revised estimates of the windfall profit tax revenue yield indicate that more funds may be available.

If we are to make a sincere effort to insure that needed aid is provided to the dependent poor who are especially hard-hit by soaring energy costs, prompt attention to this proposal is required. The Low Income Energy Assistance Act of 1980 will accomplish the purposes previously agreed to by Congress by directing help to the individuals and regions most heavily burdened by the consequences of oil price decontrol. I urge its speedy and favorable consideration.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Low Income Energy Assistance Act of 1980".

LOW INCOME ENERGY ASSISTANCE

Sec. 2. Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"LOW INCOME ENERGY ASSISTANCE

"Sec. 1132. (a) For the purpose of providing low income energy assistance to recipients of aid to families with dependent children in accordance with section 412, and to recipients of supplemental security income benefits in accordance with section 1619, there are authorized to be appropriated for each fiscal year beginning on or after October 1, 1981, and ending before October 1, 1990, such sums as may be necessary to carry out the provisions of this section and sections 412 and 1619 of this Act, which amount shall be equal to the amount allocated for such fiscal year for the purpose of providing a program to assist AFDC and SSI recipients under this Act as provided in section 102 of the Crude Oil Windfall Profit Tax Act of 1980.

"(b) (1) From the amount appropriated for each fiscal year under subsection (a), the Secretary shall set aside an amount equal to the greater of (A) 0.1 percent of the amount appropriated for such fiscal year under subsection (a), or (B) $2,500,000, for the purpose of making payments to the territorial jurisdictions under paragraph (5). From the amount remaining the Secretary shall allot to each State an amount determined under paragraph (2), based upon the most recent appropriate data available at the time the Secretary makes such determination.

"(2) From the sums appropriated pursuant to subsection (a), less the amount set aside under paragraph (1), for each fiscal year, the Secretary shall allot to each State—

"(A) an amount which bears the same ratio to two-thirds of such amount as the aggregate residential energy expenditure in such State bears to the aggregate residential energy expenditure for all the States, plus

"(B) an amount which bears the same ratio to one-third of such amount as the square of (i) the total number of heating degree days in such State, multiplied by (ii) the number of individuals in such State receiving aid to families with dependent children under a State plan approved under title IV–A or supplemental security income benefits under title XVI, bears to the sum of the square of such products for all the States.

"(3) From the amount allotted to any State under paragraph (2) for each fiscal year, the Secretary shall pay to such State an amount which bears the same ratio to the amount of such State's allotment as the number of recipients of aid to families with dependent children under a State plan approved under title IV–A in such State bears to the total number of recipients in such State of aid to families with dependent children under a State plan approved under title IV–A or supplemental security income benefits under title XVI. Such payment shall be used by the State to make low income energy assistance available in accordance with section 412.

"(4) From the amount allotted to any State under paragraph (2) for each fiscal year, the Secretary shall reserve an amount which bears the same ratio to the amount of such State's allotment as the number of recipients of supplemental security income benefits under title XVI in such State bears to the total number of recipients in such State of aid to families with dependent children under a State plan approved under title IV–A or supplemental security income benefits under title XVI. Such reserved amount shall be used by the Secretary to make low income energy assistance available to recipients of supplemental security income benefits under title XVI living in such State in accordance with section 1619.

"(5)(A) From the amount set aside for payments to the territorial jurisdictions under paragraph (1), the Secretary shall pay to Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, an amount which bears the same ratio to the amount set aside under paragraph (1) as the number of individuals in such jurisdiction receiving aid under a plan approved under title I, IV–A, X, XIV, or XVI, bears to the number of individuals in all such jurisdictions receiving such aid.

"(B) Except as provided in subparagraph (C), payments under this paragraph may be used only to make energy assistance payments in accordance with section 412 or to make energy assistance payments to other individuals receiving aid under a plan approved under title I, X, XIV, or XVI in a manner approved by the Secretary as being substantially equivalent to the manner in which energy assistance payments are made under section 412.

"(C) An amount not to exceed 5 percent of the amount paid to such jurisdiction under this paragraph may be used by such jurisdiction to defray administrative expenses incurred in making payments under this paragraph, in lieu of the administrative cost allowance under section 412(b)(2).

"(D) Amounts paid under this paragraph shall not be subject to the limitations under section 1108.

"(c) For purposes of this section, a recipient of a State supplementary payment from the Secretary under an agreement entered into by the Secretary under section 1616 of this Act or section 212 of Public Law 93–66 shall be deemed to be a recipient of supplemental security income benefits under title XVI.

"(d) For purposes of this section the term 'State' means the fifty States and the District of Columbia.".

PAYMENTS TO AFDC RECIPIENTS

SEC. 3. Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"ENERGY ASSISTANCE PAYMENTS

"SEC. 412. (a) The Governor of each State having a plan approved under this part shall establish a program of energy assistance payments to recipients of aid to families with dependent children. In developing such program the following factors may be considered in determining the amount (if any) of such assistance to be paid to a particular recipient or household:

"(1) The income of the recipient or household.

"(2) The size of the household.

"(3) Whether the recipient or household is responsible for paying for heat or other residential energy costs.

"(4) Regional price differences within the State for fuel used in heating, or for other residential energy costs.

"(5) The type of fuel used for heating or other residential energy use by the recipient or household.

"(6) Any relevant individual circumstances of the recipient or household, including age or health status.

"(b)(1) Payments under this section shall be made from the allotment paid by the Secretary to the State under section 1132(b)(3), and, except as provided in paragraph (2), amounts paid by the Secretary under such section 1132(b)(3) may be used only for making payments under this section.

"(2) An amount not to exceed 5 percent of the amount paid to the State under section 1132(b)(3) may be used by such State to defray administrative expenses incurred in carrying out the program established under this section.

"(c)(1) Any energy assistance payment made under this section—

"(A) shall not be considered to be aid to families with dependent children for purposes of section 403; and

"(B) shall not be considered income for purposes of the State plan approved under this part.

"(2) Administrative costs incurred in carrying out the program established under this section shall not be considered to be amounts expended in carrying out the State plan for purposes of section 403.

"(3) The State may not reduce any benefit amount payable to a recipient or household under the State plan approved under this part by reason of a payment made to such recipient or household under this section.

"(d) Any State having a plan approved under this part shall be entitled to payment under section 1132(b)(3) for any fiscal year beginning on or after October 1, 1981, and ending before October 1, 1990, if such State complies with the requirements of this section for such fiscal year.".

PAYMENTS TO SSI RECIPIENTS

SEC. 4. Part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"ENERGY ASSISTANCE PAYMENTS

"SEC. 1619. (a)(1) The Secretary shall establish a program of energy assistance payments to recipients of benefits under this title who are in need of such assistance. In developing such program the following factors may be considered in determining the amount (if any) of such assistance to be paid to a particular recipient:

"(A) The income of the recipient, or of the household in which he resides.

"(B) The size of such household.

"(C) Whether such recipient or household is responsible for paying for heat or other residential energy costs.

"(D) Regional price differences for fuel used in heating, or for other residential energy costs.

"(E) The type of fuel used for heating or other residential energy use by the recipient or household.

"(F) Any relevant individual circumstances of the recipient or household, including age or health status.

The Secretary shall make every reasonable effort to provide such assistance to recipients who pay directly for heating or other residential energy costs.

"(2) Any recipient determined to be in need of a payment under paragraph (1) shall be entitled to such payment, subject to the availability of funds as determined under subsection (b).

"(b) Payments under this section shall be made to recipients residing in any State only from the funds reserved with respect to such State under section 1132(b)(4), and such reserved funds may be used only for making payments under this section.

"(c) Payments under this section shall be in addition to any other payment to which an individual is entitled under this title or under an agreement entered into by the Secretary under section 1616 of this Act or section 212 of Public Law 93–66.

"(d) Payments under this section shall not be considered income for purposes of this title or for purposes of any State supplementary payment made under an agreement entered into by the Secretary under section 1616 of this Act or section 212 of Public Law 93–66.

"(e) For purposes of this section, a recipient of a State supplementary payment from the Secretary under an agreement entered into by the Secretary under section 1616 of this Act or section 212 of Public Law 93–66 shall be deemed to be a recipient of benefits under this title.".

Individual State allocations of $3 billion

	*Amount allocated**
Alabama	$35,700,000
Alaska	4,200,000
Arizona	19,200,000
Arkansas	21,000,000
California	246,600,000
Colorado	20,100,000
Connecticut	42,600,000
Delaware	6,300,000
Dist. of Col	6,000,000
Florida	67,200,000
Georgia	38,700,000
Hawaii	4,500,000
Idaho	8,400,000
Illinois	234,600,000
Indiana	63,900,000
Iowa	31,500,000
Kansas	21,000,000
Kentucky	36,300,000
Louisiana	30,900,000
Maine	16,500,000
Maryland	43,500,000
Massachusetts	111,900,000
Michigan	186,300,000
Minnesota	51,600,000
Mississippi	21,900,000
Missouri	54,900,000
Montana	6,000,000
Nebraska	14,100,000
Nevada	5,400,000
New Hampshire	11,700,000
New Jersey	117,300,000
New Mexico	8,400,000
New York	546,300,000

State	Amount allocated*
North Carolina	57,300,000
North Dakota	5,700,000
Ohio	166,200,000
Oklahoma	25,200,000
Oregon	18,900,000
Pennsylvania	213,000,000
Rhode Island	12,900,000
South Carolina	29,100,000
South Dakota	6,900,000
Tennessee	44,100,000
Texas	103,000,000
Utah	8,700,000
Vermont	6,000,000
Virginia	52,800,000
Washington	26,100,000
West Virginia	18,000,000
Wisconsin	69,000,000
Wyoming	2,700,000

*A portion of each State's share will be retained by the Social Security Administration for direct distribution to S.S.I. recipients residing in the State.

SOURCE.—From tables prepared by the Congressional Research Service.

THE LOW INCOME ENERGY ASSISTANCE ACT OF 1980

BASIS OF THE PROGRAM

Section 102 of the Crude Oil Windfall Profit Tax Act of 1980 specifies that 25 percent of the net revenues from that new tax will be allocated for low income energy assistance. This amount is to be divided equally between a program of assistance for AFDC and SSI recipients under the Social Security Act, and a program of emergency assistance.

A program of low income energy assistance has been established for Fiscal Year 1981, but there is not yet a plan in effect for Fiscal Years 1982–90, the expected duration of the windfall profit tax. This legislation would establish a program to assist AFDC and SSI recipients during that nine year period. The money for this purpose comes solely from the intended disbursements of the Windfall Profit Tax revenues, and the bill thus imposes no additional burdens on general federal revenues.

ALLOCATION OF THE FUNDS

Money will be allocated for low income energy assistance in the form of block grants to the states. The states' shares of the funds will be determined according to the following formula:

Two-thirds of the funds are distributed according to each state's percentage of total residential energy expenditures;

One-third of the funds are distributed according to each state's percentage of the square of, the heating degree days weighted by the AFDC and SSI population of the state.

Assuming an average of $3 billion per year would be available for the program, the anticipated allocation of the money among the fifty states and the District of Columbia would be as shown on the attached chart.

DISTRIBUTION OF FUNDS TO AFDC AND SSI RECIPIENTS

Each state's allocation of money is to be divided proportionately according to its AFDC and SSI populations. The portion for the AFDC recipients will be entrusted to the state itself. The governor is responsible for the development and establishment of the state's detailed plan for distributing money to AFDC recipients. The entire amount (except for a maximum of five percent for state administration) must be distributed among AFDC recipients. No state or local matching funds are required. Individual grants may vary under a state's plan (which must be approved by the Secretary of Health and Human Services), according to such factors as:

(1) Income of the recipient

(2) Size of the household

(3) Whether the recipient pays directly for heating or other residential energy costs

(4) Type of fuel used

(5) Any other relevant indvidual circumstances which the state may deem important in the allocation of assistance.

The other portion of the state's allocation—that which is proportional to the SSI population of the state—will be retained by the Social Security Administration for distribution to SSI recipients. S.S.A. is directed to establish a plan for allocation, which may take into account the same criteria as the state's AFDC plan. In addition, S.S.A. is to make every reasonable effort to ensure that those receiving aid in fact pay, either directly or indirectly, for their energy costs.●

By Mr. MATHIAS:

S.J. Res. 174. A joint resolution to authorize and request the President to designate May 24, 1980, as "Railroad Passenger Services Day"; to the Committee on the Judiciary.

Mr. MATHIAS. Mr. President, the first scheduled passenger train arrived at the first terminus of the first commercially successful railroad in America on May 24, 1830. The place was Ellicott City, Md. The train had traveled the impressive distance of 13 miles from Baltimore. The Ellicott City station, a very imposing granite structure, thus became the first passenger terminus for the new industry and it was at this site there arrived the first scheduled passenger train in America.

The brochure for the Ellicott City B. & O. Railroad Station Museum describes it well:

> As you approach this fascinating Ellicott City Station, you can hear those lonely haunting sounds of the now-vanishing steam locomotives that echoed through the nights in towns and cities all across America. This station, the terminus of the first 13 miles of track between Baltimore Town and Ellicott's Mills, played a significant role in the further development of the romantic American railroad.

The B. & O. station is a registered National Landmark today, as are several other buildings and sites in Ellicott City.

In February of 1827 there began a series of meetings in Baltimore that led to the founding of the Baltimore & Ohio Railroad Co. In the early 1800's our forefathers had pushed beyond the boundaries of the original 13 States and were making new frontiers in the territories west of the Ohio River. The leaders of the Port of Baltimore were anxious to serve the interests of their city by providing better transportation for the growing commerce of Baltimore. The founders of the B. & O. Railroad selected for their first effort a route that followed the Patapsco River Valley to Ellicott's Mills, where three enterprising brothers had established a thriving mill town.

A travel brochure for Howard County, Md., describes the founding of the town:

> Ellicott City traces its beginning back to 1772, when three Quaker brothers, the Ellicotts, purchased 700 acres in the area. The Ellicotts sowed their land with wheat and built a mill on the Patapsco River to grind it into flour. Later, they built bridges, roads, and a wharf in Baltimore to facilitate the sale of their flour. They expanded, building ironworks, a furnace, and rolling mills, as well as houses, stores, schools, and a Quaker meeting house. In 1831, when railroading was in its infancy, Ellicott Mills became the first railroad terminal in the United States. In 1851, Howard District was named Howard County and Ellicott Mills was renamed Ellicott City, the county seat. In 1974, the County named Ellicott City as an official historical landmark.

On July 4, 1828 the cornerstone for the Oliver viaduct over Frederick Road was laid by Philip Thomas, president of the railroad. Another viaduct, the Thomas viaduct, designed by Benjamin H. Latrobe, is the oldest railroad bridge of its kind still in use. At the time of its construction it was called "Latrobe's Folly" because many engineers of the day believed the viaduct would not hold up under its own weight. Those doubting Thomases have been proved wrong as the viaduct is today still in use.

The arrival of the first passenger train was truly an historic occasion as it marked the beginning of rail passenger service in the United States. This form of transportation continued to grow, reaching its heyday in the first half of this century with its luxurious parlour cars, vista domes, and Pullmans. These sleek, streamlined passenger trains were the way to travel and took Americans to many parts of the country, particularly national parks and scenic areas, which were otherwise virtually inaccessible.

As the fledgling railroad system expanded, it led first to the Ohio River and then on to the Mississippi. Ultimately, this railroad expansion led to the great event at Promontory Summit, Utah where, on May 10, 1869, the Golden Spike Ceremony joined the lines of steel from East to West that truly became the "bond" that united a nation.

Another historic railroad event occurred at Ellicott City shortly after that first passenger train arrival. It was the legendary race between the Iron Horse and a real horse. Permit me to read from Benjamin H. Latrobe's account of this event believed by many historians to have actually happened:

> And on August 28, 1830, with an open car attached to the engine "Tom Thumb," the first trip to Ellicotts Mills was made by steam. It seems that on that day the trip had been enjoyed by the Directors (of the B&O Railroad Co.) and their friends and everyone's spirits were high.
>
> As the engine approached Relay House, named for relays of horses trotting cars from place to place, a car owned by Stockton and Stokes, the great stage proprietors of the day, was being pulled toward Baltimore on the second track by a gallant grey beauty. It was here, in this mood of frivolity, that the race between animal and "iron horse" began.
>
> With a snort of the horse and a puff of the engine, the horse got off ahead. Finally, as the engine's steam came up, the "Tom Thumb" overtook the horse and with a cheer from those aboard, the grey was passed. Its driver, being outdistanced, was ready to concede victory to the steam puffing monster when a band slipped from the drum used to drive the pulley on the blower. The engine ceased to scream, and panted as if out of breath and the grey horse, now encouraged by its driver, surged ahead. The horse had won this contest.

The station museum has been completely restored on the exterior and the cosmetics for the interior are about to begin. The associated freight shed has been restored and converted to a theater, which features a sight and sound show entitled "The Greatest Railroad Adventure." This presentation illustrates very graphically the development of the American railroad industry. The show is supported by a colorful diorama that has been designed around an HO model railroad that depicts the first 13 miles of the B. & O. Railroad, complete with scenes and structures that have stood along the railroad as it wound its way along the picturesque Patapsco River Valley.

The station building now houses the museum, along with a gift shop that features railroad memorabilia and other items from the railroading past.

Historic Ellicott City, Inc., a private, nonprofit organization, in cooperation with the County Executive of Howard County is planning a celebration of the sesquicentennial of that historic day in May of 1830. They have invited the community, State, and Nation to join in the day's activities. In particular they have extended invitations to the railroad industry to help them celebrate and relive that glorious day when passenger service was inaugurated.

I join with the people of Ellicott City and Howard County in inviting Senators and their families and members of the staff to visit the Railroad Museum and the town on May 24. And I offer for my colleagues consideration a resolution commemorating this occassion.

I ask unanimous consent that this joint resolution be printed in the Record.

Each time that I reflect on the historic efforts of civic-minded groups, I am reminded of the lines of Carl Sandburg, who reflected "That nation or people, who forget their early, hard beginnings is beginning to die."

I thank my colleagues for their consideration of this measure.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 174

Whereas, the United States of America has prospered largely due to the creativity of its industrial minds;

Whereas inventive thinkers have contributed greatly to the growth of the United States through accomplishments in the area of transportation;

Whereas, the first paying passenger on the first commercially successful railroad in the United States arrived at the first terminus in the village of Ellicott City, Howard County, Maryland (then known as Ellicott's Mill), on May 24, 1830;

Whereas, this therminus, the oldest rail depot in the United States has been designated by the United States Department of the Interior as a registered historic landmark and now houses the Ellicott City B. & O. Railroad Station Museum; and

Whereas, on May 24, 1980, a celebration will recognize the sesquicentennial of such achievement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate May 24, 1980, as "Railroad Passenger Services Day", as a tribute to the citizens and civic leaders responsible for the preservation of this historic railroad station as well as the historic town of Ellicott City, and to call upon Federal, State, and local government agencies and the people of the United States to observe such anniversary of the sesquicentennial with appropriate ceremonies, programs and activities.

ADDITIONAL COSPONSORS

S. 568

At the request of Mr. Kennedy, the Senator from New Jersey (Mr. Williams), the Senator from Ohio (Mr. Metzenbaum), the Senator from New York (Mr. Javits), the Senator from Rhode Island (Mr. Pell), the Senator from Hawaii (Mr. Inouye), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 568, a bill to promote the full use of human resources in science and technology through a comprehensive program to maximize the potential contribution and advancement of women in scientific, professional, and technical careers.

S. 988

At the request of Mr. Kennedy, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 988, a bill entitled the "Health Science Promotion Act of 1979."

S. 2176

At the request of Mr. Inouye, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 2176, a bill to amend titles XVIII and XIX of the Social Security Act to provide for the coverage of clinical social work services under the supplementary medical insurance benefits program and the medicaid program.

S. 2298

At the request of Mr. DeConcini, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 2298, a bill to amend part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to extend death benefits to public safety officers who die as a result of conditions arising out of or exacerbated by official duty.

S. 2492

At the request of Mr. Inouye, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 2492, a bill to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction, and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; and to amend the Merchant Marine Act, 1936, to make available certain financial assistance for construction and operation of such facilities and plantships; and for other purposes.

S. 2579

At the request of Mr. Chafee, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 2579, a bill to amend section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes.

S. 2623

At the request of Mr. Goldwater, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 2623, a bill to incorporate the U.S. Submarine Veterans of World War II.

S. 2625

At the request of Mr. Weicker, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 2625, a bill to amend chapter 39 of title 28 of the United States Code, relating to the appointment of a special prosecutor.

S. 2691

At the request of Mr. Moynihan, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 2691, a bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by the State and local governments in carrying out or complying with such bill or resolution.

SENATE JOINT RESOLUTION 124

At the request of Mr. Church, his name was added as a cosponsor of Senate Joint Resolution 124, a joint resolution to authorize and request the President to designate the week of June 16 through June 22, 1979, as "National Oldtime Fiddlers Week".

SENATE JOINT RESOLUTION 161

At the request of Mr. Bentsen, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of Senate Joint Resolution 161, a joint resolution proposing an International Code of Business Conduct.

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. Chafee, the Senator from Nevada (Mr. Laxalt), the Senator from Minnesota (Mr. Durenberger), the Senator from Tennessee (Mr. Baker), the Senator from Alaska (Mr. Stevens), and the Senator from Delaware (Mr. Roth) were added as cosponsors of Senate Concurrent Resolution 92, a concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments

SENATE CONCURRENT RESOLUTION 95—ORIGINAL CONCURRENT RESOLUTION REPORTED WITH RESPECT TO THE GOVERNMENT OF THE REPUBLIC OF LIBERIA

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original concurrent resolution, which was placed on the calendar:

Senate Concurrent Resolution 95

Whereas the Republic of Liberia on April 12, 1980, experienced its first coup d'etat in its 133-year history;

Whereas the United States has traditionally enjoyed close and cordial relations with the people of Liberia and looks forward to a continuation of traditionally friendly relations with them;

Whereas the President of the Republic of Liberia, William Tolbert, was slain, along with 27 others; and

Whereas a number of officials of the former government of Liberia have been brought before a military tribunal on unspecific charges and without defense counsel, sentenced to death, and promptly executed, despite the pleas of the United States Ambassador to Liberia and those of the representatives of other nations: Now, therefore, be it

Resolved, That the Congress, joining the other concerned nations in Africa and elsewhere—

(1) condemns the summary nature of the military trials being conducted in Liberia, and the number of executions resulting from such trials, and other actions which offend basic principles of justice and humanity and due process of law; and

(2) expresses concern about the extent to which the new government of Liberia intends to adhere in the future to internationally recognized standards of justice, and welcomes a recent statement by the Government of Liberia that there will be no more executions.

SEC. 2. It is the sense of the Congress that the President should communicate to the Government of Liberia the concern of the Congress expressed in this resolution, specifically indicating that a continued disregard for internationally recognized standards of justice is bound to have a serious effect on the traditionally close relations between the United States and Liberia.

SEC. 3. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE RESOLUTION 435—ORIGINAL RESOLUTION REPORTED RELATING TO TRANSITIONAL RULES GOVERNING USE OF TAX-EXEMPT STATE AND MUNICIPAL BONDS KNOWN AS MORTGAGE BONDS

Mr. LONG, from the Committee on Finance, reported the following resolution, which was placed on the calendar:

SENATE RESOLUTION 435

Resolved, That it is the sense of the Senate that any change, enacted after the date on which this resolution is adopted by the Senate, in the treatment, for Federal income tax purposes, of interest on obligations issued by State or local governments to provide financing for owner-occupied or multi-family residences shall not apply in the case of any issue of such obligations issued before January 1, 1981, if—

(1) all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before a date that is 1 year after the date on which the bonds were issued, or

(2) all such proceeds are not committed by firm commitment letter before such date, but—

(A) it was reasonably expected, at the time of issuance, that all of such proceeds would be committed by firm commitment letter within 1 year from issuance, and

(B) any proceeds for which commitments were not made before such date are used to redeem obligations within 18 months from the date of issue.

SENATE RESOLUTION 436—ORIGINAL RESOLUTION REPORTED TO WAIVE CONGRESSIONAL BUDGET ACT

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

SENATE RESOLUTION 436

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2352. Such waiver is necessary because S. 2352 authorizes the enactment of new budget authority which would first become available in fiscal year 1980, and such was not reported on or before May 15, 1979, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible in this instance because the Council on Wage and Price Stability was designated to have an expanded role in the Administration's anti-inflation efforts announced by the President on March 14, 1980. The expanded role includes the following components: a reduction in the reporting thresholds for the price standards from $250 million in sales to $100 million; a reduction in the review time for exception requests and noncompliance decisions; the establishment of a voluntary program of selective prenotification of price increases; the development of a new capability for on-site audits; and a strengthening of price monitoring. This expanded role was not foreseen at the time the previous authorization was approved.

The effect of defeating consideration of this authorization will be to impede seriously the monitoring of the voluntary wage and price standards which are key elements of the administration's anti-inflation program.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the session of the Senate today to continue markup of S. 2294, the fiscal year 1981 Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear administration officials on oversight of the Taiwan Relations Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a hearing on pending judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. MATHIAS. Mr. President, I ask unanimous consent that the Senate Select Committee on Small Business be authorized to meet during the session of the Senate today to hold a hearing on the final report on the White House Conference on Small Business to the President.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A TRIBUTE TO ELLEN CHURCH MARSHALL

● Mr. BAYH. Mr. President, this morning an exhibit opened at the National Air and Space Museum commemorating the 50th anniversary of the beginning of the profession we know today as airline flight attendants. In the early days of passenger aviation, only the intrepid ventured forth into the skies. While commercial aviation was already beginning to build its admirable safety record, the unfamiliarity with airplanes made many potential passengers wary of flying.

A young nurse, Ellen Church, had already developed a fascination with flying, so she approached S. A. Stimpson of Boeing Air Transport, the parent company of United Air Lines, and suggested that a nurse flying on scheduled flights would make passengers more comfortable.

Mr. President, being a keen observer of human nature, Miss Church suggested that men would be less likely to express a fear of flying if a woman was on the plane. And she also correctly predicted the subsequent publicity which would accrue to the airline and to the passenger aviation industry in general.

Miss Church was hired and thus became the first airline stewardess. She hired eight other nurses and the profession of these dedicated pioneers of the air was begun. In the half century since Miss Church began her duties, the men and women who serve the public as flight attendants have made millions more comfortable on trips, have helped solve many problems, have saved hundreds of lives, and have given up their own lives in the course of their profession.

Mr. President, today's observance has special meaning to me. I was fortunate to know Miss Church who became the administrator of Union Hospital in Terre Haute, my hometown. She later married Mr. Leonard Marshall, distinguished banker, civic leader, and member of the bar in Terre Haute, and a man who I am proud to say I had the honor of being associated with in the law firm of Marshall, Batman, Day, and Swango before the people of Indiana elected me to the U.S. Senate.

Ellen Church Marshall was a leader in many fields, but more than that she was a gracious, courageous, and strong woman who is remembered warmly by her friends and associates.

Mr. President I submit for the RECORD a copy of an article published recently in the Terra Haute Spectator written by Mrs. Joyce Lakey Shanks about Ellen Church Marshall and the beginnings of the flight attendant profession.

The article follows:

STEWARDESSES MADE THE SKIES FRIENDLY

(By Joyce Lakey Shanks)

Fifty years ago this month, a determined young nurse became the world's first airline stewardess. Ellen Church formerly administrator of Union Hospital, died of injuries received in a horseback riding accident in 1965, but the profession she inspired has blossomed far beyond her daring fantasy.

Today there are more than 39,000 flight attendants, as they are called now, in the United States alone. Eighty percent are assigned to domestic flights, and twenty percent are on international schedules.

As a youngster during World War I, Ellen Church idled away many a summer afternoon hanging over the fence bordering her parents' farm near Cresco, Iowa, dreamily watching Army training planes taking off and landing in the bumpy pasture.

After receiving a degree in nursing from the University of Minnesota, Church was offered an irresistible opportunity to taste the flying life. She was assigned to care for the wife of an Army pilot who asked what he could do for the young nurse to express gratitude for his wife's recovery.

Without a moment's hesitation, Church responded eagerly, "Take me up in a plane and give me the book!" He did, and she was hooked on a lifetime fascination.

When she walked into the San Francisco office of Boeing Air Transport (parent company of United Airlines) one George Washington's birthday, only the traffic agent, S. A. Stimpson, was there to listen to the innovative idea of the young slip of a girl. She explained that she was a nurse at the local French Hospital and that she wanted to combine her profession with her interest in aviation.

Church suggested to Stimpson that a woman with nurse's training could do a better job of caring for air passengers than the male co-pilots. She was aware that people were fearful of commercial air travel, and her parting argument to the curious and astonished Stimpson was, "How is a man going to say he is afraid to fly when a woman is on the plane?"

Not long after that encounter, Stimpson fired off a memo to his supervisor, A. G. Kinsman, in Cheyenne, Wyoming, suggesting there would be "psychological punch" in having young nurses as "couriers."

"Imagine the national publicity we could get from it, and the tremendous effect it would have on the traveling public," he urged.

"Of course," Stimpson wrote, "it would be distinctly understood that there would be no reference made to their hospital training or nursing experience . . . as it sort of sounds as though they are necessary."

Gambling that this new service might spur passenger business, Boeing hired Church and commissioned her to recruit and train seven other nurses. Candidates had to be nurses, at least 25 years old, single, no taller than five feet, four inches, and around 115 pounds.

In 1960, the thirtieth anniversary of the group's first flight, Church reminisced about the initial three-month training period. "We were training in Cheyenne during a fierce snow storm, and were grounded for two weeks. There wasn't much to do except eat, and I surely had a time explaining how eight young women could run up a $300 food bill in only two weeks."

The maiden flight of the intrepid little band of flying nurses was May 15, 1930, aboard a tri-engine Boeing plane flying 120 miles per hour. It carried eighteen passengers between San Francisco and Chicago, making thirteen stops.

The first uniforms of the "sky girls" harmonized with the fashions of the day. They were green wool, trimmed with gray. The jacket had notched lapels with a double row of buttons and not too much shape. The skirt was plain and easy fitting. The whole costume was dashed off with a matching cape and tam, probably a welcome protection in the drafty cabins which were not thermostatically heated.

The long list of ground and flight duties of the novice stewardesses emphasizes what pioneers they were. They tagged, loaded and unloaded all freight and baggage. They carried aboard baskets brimming with cold chicken, apples, rolls, cakes and hot coffee. Dusting the cabin, washing windows, making sure seats were secured to the floor, and checking the heat and ventilation were all included in the job description.

They punched tickets at all stops, carried railroad timetables in case the planes were grounded for mechanical or weather reasons, and helped passengers make arrangements for overnight accommodations near remote airstrips. They also asked passengers not to throw cigar butts and other refuse out of the plane windows.

But their most frightening duty was to see that passengers who were heading toward the rest room did not open the exit door by mistake—making a swift and unexpected departure from the plane.

At first, there was a strong negative reaction from the pilots, most of whom had worked for the mail service. They had traded fur jackets and goggles and two-gun holsters for commercial flying, and they protested, "Keep those flying nursemaids in the hospitals where they belong."

Public acceptance, however, was enthusiastic, as was that of management. Business improved dramatically, mostly because of the increase in the number of female passengers who now felt safer. Within a year, Boeing hired twenty additional nurses, and in two years, competitive airlines began to employ air hostesses. One airline advertised for "cabin attendants" and received 10,000 applications.

After only eighteen months as chief stewardess, Church was grounded as the result of injuries in an automobile accident. After her recovery, she took post graduate work at the University of Minnesota, resuming hospital duty in Milwaukee, Wis., and later in Louisville, Ky.

During World War II, she was a captain in the Army Nurse Corps, Air Evacuation Service. She spent 20 months evacuating wounded soldiers from North Africa, Sicily, England, France and Belgium. The last 20 months of service she taught at a school of air evacuation, Randolph Field, Texas.

Church was decorated a number of times for meritorious service to her country and to the air transport industry. She is one of only a few women to have received the Air Medal.

After the war, she took a hospital post in Elgin, Ill. and then earned a master's degree in nursing administration and education at the University of Chicago.

The last fifteen years of Church's life were spent in Terre Haute as administrator of the 250-bed Union Hospital. A year before her death, she married the late Leonard Marshall who was president of Terre Haute First National Bank. She had planned to retire on her 15-acre farm near Elbridge, Ill., to raise Christmas trees.

In 1969, United Airlines dedicated an eight-story addition to their complex near Chicago's O'Hare International Airport in memory of Ellen Church Marshall. The airline also sent a sizable gift to the Union Hospital Building Fund in her memory.

Mary Ann Miller, 9 Cresthill Road, sums up the contribution of her friend and stepmother like this: "Ellen spoke of her stewardess experience as if it were just routine—something that needed to be done, and she did it. She was more like a woman of today, but years ahead of her time."●

NATIONAL SECURITY SENSITIVE TECHNOLOGY SALES TO SOVIETS

● **Mr. GARN.** Mr. President, for many months now, I have called for a halt to the sale of Western, and particularly U.S., national security sensitive technology to Soviet facilities engaged in the production of military equipment. The Kama River truck plant is the best known example, because of the essential role trucks produced in that U.S.-equipped plant have played in the brutal subjugation of Afghanistan.

Unfortunately, the administration and the Commerce Department chose to ignore the blatant Soviet violations of U.S. export laws and refused to apply sanctions until Afghanistan was invaded. Only after intense congressional and public pressure was exerted, did the administration finally announce a new set of guidelines to govern our trading relations with the Soviet Union. Once again, I was disappointed to find out that the new guidelines were riddled with loopholes and exceptions.

One of the major problems was our insistence not to totally cut off support of the Kama River truck plant, despite conclusive evidence that it was producing vehicles going to the military. Upon learning that an American company had been given the green light to ship a 200-foot diesel engine assembly line to Kama River after the new guidelines had been issued, it appeared to me that the Commerce Department was attempting to fight a rear guard action to protect existing trading relations with the Soviet Union—despite the obvious implications for U.S. national security.

Apparently the Commerce Department has finally chosen to respond to my repeated concerns, and those of others, about this problem—by placing the assembly line on the commodity control list and denying its sale at least for now. I am distressed that the decision to deny the sale was so belated. This means that only one of the many loopholes in the new guidelines has been closed. Much more needs to be done, but I have lost faith in the Commerce Department to take the necessary steps.

Legislation I recently introduced to remove the Office of Export Administration from the Commerce Department, and to replace it with an independent Office of Strategic Trade—free from political and export promotion bias—would be an essential step in the right direction. There still remains many pending license requests for the shipment of new equipment and spare parts to consignees in the Soviet Union known to be producing military equipment.

Because there have been apparent violations of U.S. export laws, I call upon the Persident to revoke all existing licenses to Soviet facilities engaged in production for the military—including the Kama River and ZIL facilities. The President has this authority under section 5a of the Export Administration Act of 1979. I call upon him to use that authority.●

WASTE IN DEFENSE DEPARTMENT CONTRACTING

● **Mr. SASSER.** Mr. President, from time to time I have come across what I consider to be a very apt admonition:

> Our job is to treat each dollar of taxpayer's funds with the same care and frugality that we would treat our personal funds.

I have become increasingly fond of this simple, but refreshing expression.

Would that others would also adopt that motto—especially those in charge of contracting at the Defense Department.

Mr. President, we are all aware of the need to rearm the U.S. Armed Forces. I believe my colleagues are keenly aware of the need to improve the readiness of the Armed Forces—without delay. But, unless the Defense Department does a better job of managing its contracting operations than it has to date, fraudulent and erroneous contract payments will continue to drain urgently needed resources away from our serious efforts to improve military readiness.

A $1.9 BILLION EXPENDITURE

The Defense Department spends about $1.9 billion annually on maintenance and repair of its real estate. A recent General Accounting Office report indicated that substantial savings could be accomplished if only the Defense Department would tighten up its contracting procedures.

Mr. President, what is transpiring at the Defense Department in terms of fraud, abuse, waste, and error in contracting procedures represents monumental ineptness. I fervently hope this does not extend into the combat areas of the U.S. Armed Forces.

Let me give some examples of the laxness in contracting procedures that GAO auditors found in their spot checks at 10 military bases.

EXAMPLES OF WASTE

At Fort Knox, Ky., a two-story building was painted. Not unusual. Except that this building was already scheduled for demolition. The building was painted "shortly before or after demolition work began."

At the Navy facility at Sewells Point, several family quarters were painted. Not once, but twice—in a period of several months—even though they were vacant during the period between paintings.

In another case, a contractor installed a new furnace in a housing unit at a military base. The contractor then billed and was paid the full price twice—once each in 2 consecutive months.

TAXPAYERS CANNOT AFFORD INEPT MANAGEMENT

I dare say, Mr. President, that I could not afford to repaint my house every couple of months or pay twice for a new furnace. Well, neither can the American taxpayer afford this kind of inept management of his hard earned tax dollars.

MORE EXAMPLES

The General Accounting Office revealed several other incidents worth mentioning. In one case, a contractor was to receive $9 per service call to repair 17 interior doors. However, he billed a separate service call charge for each door—and was paid for 17 service calls instead of 1.

In another case, two contractors sent in bills for painting the same houses—and both were paid in full. The GAO auditors could not determine which contractor painted the houses—but only one contractor did.

Mr. President, if only the responsible Federal employees would strive to manage the Government's financial dealings with the same degree of care they use in handling their own finances, I believe much more work could be accomplished at considerable savings in cost.

BLACKTOP EXAMPLE

One last example, Mr. President. One military facility was encountering difficulty with drainage in a parking lot. Rainwater would not run off. Consequently, someone got the bright idea to blacktop the parking lot. However, because of a "lack of coordination," no grading was done when the asphalt was laid. As a result, the drainage problem was not corrected and the parking lot floods with every rain.

SUMMARY

Mr. President, the Defense Department needs to clean up its contract administration procedures. It is clear that the Defense Department is not getting what it pays for. Unnecessary work performed, duplicate payments, and a general overall sloppiness in contract administration characterize the efforts of some of the Federal employees in the contracting area.

CONCLUSION

I believe these employees can and should be required to do better. They ought to ask themselves if they are meeting the standard of competence I mentioned earlier—that is, are they using the same degree of care with the taxpayers' dollars as they would if the dollars were coming out of their own wallet or purse—because they are.●

TAXATION OF SOCIAL SECURITY BENEFITS

● Mr. DOLE. Mr. President, the Senate Finance Committee reported a resolution yesterday expressing the sense of the Senate that social security benefits should not be subject to taxation and that the 96th Congress will not enact legislation to implement a recommendation of the social security advisory council for that purpose.

As a cosponsor of the resolution, I would like to bring to the attention of my colleagues a very thoughtful editorial on this issue which appeared in the Wall Street Journal on April 14, 1980. In particular, I was struck by the argument that the effect of this approach, which is to "tax the strong earners to support the weak ones," may undermine the basic backing that these strong earners have given the system up to now.

There is no doubt that there will be more discussion of this issue and further studies will be conducted. I certainly hope the concerns voiced in this editorial are given every consideration during any future deliberations on the matter.

I ask that the Wall Street Journal editorial be printed in the RECORD.

The editorial follows:

TAXING SOCIAL SECURITY

One of the proposals of last year's Social Security Advisory Council called for making half of Social Security benefits subject to the federal income tax. The Congressional Budget Office also has offered support for this idea, as have various other influential voices, such as The New York Times.

The response to the Times March 7 endorsement is of some interest. The Times got a batch of angry letters from readers contending such a tax would be "unfair." It attempted to field this complaint with a second editorial on April 1 explaining, in essence, that such a tax would not affect the poor and hence is not "unfair."

There is very little argument on the first point. Because of the double income tax exemption for the elderly retirees with little or no income other than Social Security would pay nothing. The new tax, which it is estimated could raise $36 billion to supplement the Social Security funds between now and the end of 1985, would fall entirely on retirees whole total retirement income exceeded some $10,000 a year. The entire bill would be paid by the upper-income one-third of the retired population.

This reply no doubt satisfied many of the Times's worried readers. But whether or not it represents "fairness" depends on how you define fairness. Some people define it as taking from the well-off and giving to the poor; others view it as treating everyone alike and still others, most of us probably, put it somewhere in between. One thing is certain however. A tax on benefits would take Social Security still further along the road to becoming a welfare system.

Social Security has been tilting towards high income to low income transfers for some time, even though it was promoted originally in the 1930s as a retirement insurance plan. Many people still think of it as insurance and for good reason, since it is officially titled Old Age and Survivors Insurance (OASI).

Many people can't see why anyone should worry about the tilt towards welfare since everyone still gets more than he and his employer put into the system. That, however, is only true of present beneficiaries. According to an American Enterprise Institute study young men and women entering the system today are facing the prospect of getting less than the combined employe-employer contribution if they remain single and if their earnings are above the median level. Low earners will continue to get more. Young single males in the maximum earnings bracket won't even get back the tax extracted from their own wages.

As a class, young wage earners of all income levels face a heavier burden than their elders faced, simply because they will be fewer in numbers relative to the number of retirees if present demographic projections hold true. And the high earners who have the least to look forward to in benefits would face further inroads from a benefit tax.

Supporters of benefit taxation think it is only fair for the Social Security system to be rigged in a way that will tax the strong earners to support the weak ones. Of perhaps more relevance to the future of the system, however, is whether the strong earners feel that way as well.

There already are signs of disaffection among high producers with many of the artifacts of the welfare state, its ever increasing taxes and its generation of dependency among healthy people. Given this mood of the times, a change that tilts Social Security towards welfare cannot be expected to win universal favor in this large and vital segment of our society.

There are some conservatives who would argue along a different tack, that Social Security should be taxed to put it on a par with private pension income. They fear that given the rising costs of Social Security, it will eventually put private pensions out of business with a further impact on the nation's already feeble rate of capital formation.

This is not an insubstantial fear. Yet the answer to this and so many others of our economic problems does not seem to us to be additional taxation. Rather, it lies in genuine government cost reductions and elimination of economic inefficiencies.

If the burdens of stunted economic growth are steadily shifted to our society's strong producers, they will at some point cease to be strong producers. The rundown of economic growth that has been occurring this last decade will accelerate. The biggest victims of this will be the poor. And that won't be fair either.●

PERSONAL FINANCIAL DISCLOSURE

● Mr. DECONCINI. Mr. President, pursuant to long-standing beliefs that all public officials should make full financial disclosure, I am submitting for the CON-

GRESSIONAL RECORD this date a financial report dated December 31, 1979 for Dennis and Susan DeConcini. Having supported the Senate Code of Conduct and believing in strict financial disclosure, I urge all of my colleagues to comply immediately with such disclosure. It is my hope that the public will have confidence in its public officials when there is an overwhelming effort by all Members of Congress to make such disclosures without reservation.

It is important in our American way of life for public officials to reach out to the American constituency with total candidness such as exhibited by the Code of Conduct and the exemplary efforts of many Members of Congress to make financial disclosure a way of life.

Mr. President, I urge the executive branch to impose upon itself, as well as the judicial branch of Government, a requirement to make similar financial disclosure. No one should be afraid of the American people, who we all profess to represent.

I submit this statement and the accompanying financial report for the RECORD.

SCHOOR, LEONARD & FELKER, P.C.,
Tucson, Ariz., May 10, 1980.

Hon. DENNIS DECONCINI,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DECONCINI: Pursuant to your instructions, we have prepared a Balance Sheet with accompanying schedules for the year ending December 31, 1979. The Balance Sheet includes both separate and community property of you and your wife.

The Balance Sheet and its schedules were prepared without audit but were prepared from information we believe reliable, including information supplied by you and information available to our firm by reason of representing you and members of your family in matters involving state and federal taxation, including the preparation of federal and state income tax returns. We conducted such other inquiries that we deemed necessary to determine the assets in which you have an interest and the extent of your interests therein.

The reported basis of each asset is that basis which would be used in calculating gain or loss for federal income tax purposes.

Based on the foregoing, it is our opinion that the Balance Sheet and schedules adequately disclose all property, including, without limitation, real property, partnerships, corporations, trusts or other entities in which you have a financial interest and the extent of your financial interest therein.

In addition to the preparation of the Balance Sheet and schedules, you requested an estimate of your net worth if your assets were valued at market value. Based upon our good faith estimate of the market value of the assets, it is our opinion that the consolidated net worth of you and your wife is approximately $2,925,000.

This acknowledges that our firm does not have a financial interest in any of the assets.

Sincerely,

SIDNEY LEX FELKER.

DENNIS AND SUSAN DeCONCINI BALANCE SHEET, DEC. 31, 1979

Assets:		
Current assets:		
Cash in banks	$5,787	
Cash in escrow	60,115	
Loans receivable	200	
Total current assets		$66,102
Income properties at cost (schedule I):		
Buildings	312,586	
Less accumulated depreciation	78,116	
Land	71,888	
Net income properties		306,358
Other assets at cost less applicable amortization or depreciation:		
Stocks and bonds (schedule II)	35,056	
Undeveloped land	72,189	
Real estate mortgages and contracts receivable	10,756	
Real estate partnerships (schedule III)	304,926	
W. M. Investments, an investment club	6,605	
Southwestern Television, Ltd., a partnership	28,601	
Cash surrender value—life insurance	60,979	
Residence—Virginia	160,565	
Personal property	53,336	
Prepaid expenses	1,622	
Office furniture	1,716	
Accounts receivable—Committee for DeConcini for Senate (note 1)	72,026	
Assets owned by Susan DeConcini (schedule IV)	410,444	
Total other assets		1,218,821
Total assets		1,591,281

Liabilities and net worth:		
Current liabilities:		
Current portion of long-term debt	$10,224	
Deposits payable	400	
Federal and State income taxes payable	22,415	
Total current liabilities		$33,039
Long-term debt:		
Debt secured by mortgages on rental property (schedule I)	162,325	
Debt secured by mortgage on residence	114,638	
Unsecured loans payable	110,072	
Debt secured by mortgages on undeveloped land	8,302	
Debt secured by mortgage on real estate owned by Susan DeConcini	33,415	
Total	428,752	
Less current portion	10,224	
Total long-term debt		418,528
Total liabilities		451,567
Net worth at cost: Consolidated net worth of Dennis and Susan DeConcini		1,139,714
Total liabilities and net worth		1,591,281

Note 1. The receivable of $72,026 from the Committee for DeConcini for Senate represents loans made by Dennis DeConcini to the Committee. It is impossible as of this date to determine whether the balance or any portion thereof will be paid.

Note 2. Federal and State income tax liability for 1979 was $62,332 with $39,917 paid by withholding or quarterly estimated tax payments. The balance of $22,415 was paid prior to its due date of Apr. 15, 1980.

SCHEDULE I

DENNIS DeCONCINI—INCOME PROPERTIES, DEC. 31, 1979

Description	Land	Improvements	Accumulated depreciation	Net book value	Mortgages	Mortgagee
Part of Lot 2 and Lot 3, Block A, National City Annex, Pima County, Ariz.	$8,300	$27,000	$15,926	$19,374	$12,484	I. DeConcini Trust.
Lot 24, Block A, National City Annex, Pima County, Ariz	4,184	35,070	25,911	13,343	0	
Portions of Lots 45, 46, 47, 48, Block 38, Ocean Beach, Calif	26,830	85,170	18,738	93,262	78,583	Home Federal Savings Marie Krause (2d).
Lot 23, Block 5, Nettleship Tract No. 1, Pacific Beach, Calif	28,574	100,426	11,049	117,951	60,539	American Savings & Loan Association.
234 North Norton, Tucson, Ariz., Assessor's Code 125-08-0530	4,000	64,920	6,492	62,428	10,719	Jefferson Life Ins. Co.
Total	71,888	312,586	78,116	306,358	162,325	

SCHEDULE II

DENNIS DeCONCINI, DEC. 31, 1979

Name	Number of shares	Amount
Atlantic Richfield (Arco)	40	$2,432
Brunswick Corp	200	3,025
E. Systems	20	420
Fidelity Fund	119	2,500
Homestake Mining	40	1,440
IBM	40	2,692
Inter-Isle Resorts	100	516
Liberty Corp	100	$1,772
U.S. Filter	100	1,459
State of Israel Bond	1	1,000
Communication Systems	100	1,738
Valley National Bank	700	16,062
Total		35,056

SCHEDULE III

DENNIS DeCONCINI REAL ESTATE PARTNERSHIPS, DEC. 31, 1979

	Total	3-D properties	2-D properties	4-D properties	DeConcini-Hurley	2-D Larriva
Assets:						
Real estate less applicable amortization or depreciation:						
Buildings	$1,063,454	$834,184	$41,524	$92,195	$95,551	
Furnishings	66,440	60,761			5,679	
Total	1,129,894	894,945	41,524	92,195	101,230	
Less: acc. depreciation	241,132	207,187	1,615	3,864	28,466	
Net depreciable assets	888,762	687,758	39,909	88,331	72,764	
Land	1,438,275	91,566	67,208	1,189,118	48,835	$41,548
Net real estate	2,327,037	779,324	107,117	1,277,449	121,599	41,548
Other assets at cost less applicable depreciation:						
Other partnership interests	134,822	13,329		121,493		
Shopping Center, Inc., stock	400,000			400,000		
Mortgage notes receivable	190,786		148,031	32,580		10,175
Accounts receivable	48,657	7,980		40,677		
Prepaid expenses	(681)	(681)				
Cash	31,093	(358)	4,206	14,267	12,655	323
Net other assets	804,677	20,270	152,237	609,017	12,655	10,498
Total assets	3,131,714	799,594	259,354	1,886,466	134,254	52,046
Liabilities:						
Long term debt:						
Due to financial institutions	964,784	603,296	14,103	347,385		
Due to individuals	1,044,641	182,261		822,380	40,000	
Total long-term debt	2,009,425	785,557	14,103	1,169,765	40,000	
Other liabilities:						
Current maturities	11,115	11,115				
Other	4,510	2,882		1,628		
Deferred gains—instalment sales	94,531		78,792	10,597		5,142
Deferred gains—condemnation	8,263		8,263			
Total other liabilities	118,419	13,997	87,055	12,225		5,142
Partners capital:						
Dennis DeConcini	304,926	16	81,596	164,398	47,127	11,789
Dennis DeConcini's interest in the capital, profit and losses of each partnership (percent)		(33⅓)	(50)	(25)	(50)	(25)
Other partners	698,944	24	76,600	540,078	47,127	35,115
Total partners capital	1,003,870	40	158,196	704,476	94,254	46,904
Total liabilities and capital	3,131,714	799,594	259,354	1,886,466	134,254	52,046

SCHEDULE IV

SUSAN DeCONCINI BALANCE SHEET, DEC. 31, 1979

Assets:			
Current assets:			
Cash in banks		$10,638	
Total current assets			$10,638
Real property at cost less applicable depreciation:			
California properties:			
Buildings and improvements	$82,230		
Less accumulated depreciation	51,896		
	30,334		
Land	39,355	69,689	
Arizona properties:			
Buildings and improvements	172,180		
Less accumulated depreciation	46,964		
	125,216		
Land	120,786	246,002	

Assets—continued		
Real property at cost less applicable depreciation—continued		
Other land:		
½ interest in 12 acres, Maricopa County, Ariz	$5,220	
½ interest in 5 acres, Maricopa County, Ariz	2,175	
½ interest in 120 acres, Maricopa County, Ariz	48,000	
Net real property		$371,086
Other assets:		
DeConcini-Gallo, a partnership	24,646	
Deposits	1,074	
Securities	3,000	28,720
Total assets		410,444
Liabilities:		
Mortgage payable—secured by California property	33,415	
Total liabilities		33,415
Net worth at cost		377,029
Total liabilities and net worth		410,444

●

THE SOVIET THREAT TO WESTERN INTERESTS IN THE MIDDLE EAST

● Mr. GARN. Mr. President, much has been said about the increasing Soviet threat to Western interests in the Middle East, and what this threat means to world stability and peace. Recently the Executive Council of the AFL–CIO issued a statement on "The Persian Gulf," which provides an excellent analysis of Soviet regional objectives, as well as some reasonable approaches open to the West for preventing their attainment.

The executive council states that our allies should cooperate with us in our attempt to levy sanctions against the Soviet Union for its brutal conquest of Afghanistan. Finally it is pointed out in the statement that it is necessary for our allies not just to back the United States, but to act together with us, to make the sanctions work. "What is needed now is the will to harness that capacity to resist the totalitarian assault on vital Western interests and on democracy itself."

Mr. President, I urge all of my colleagues to study this fine analysis, and ask that it be printed in the RECORD.

The analysis follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON THE PERSIAN GULF

The effort to rescue the American hostages in Teheran again focuses world attention on the tragic ordeal of the victims of Iran's policy of official terrorism—a policy aimed at the humiliation and blackmail of the United States. We regret the failure; we do not regret the attempt; we wish it had succeeded.

At the same time, winning release of the hostages cannot be the preoccupation of American policy toward the crisis in the Persian Gulf. The interests of the hostages will not be served if American foreign policy is also held hostage in Teheran.

The turmoil in Iran must be viewed in the context of the Soviet occupation of Afghanistan. In effect, the Soviet-Iranian border has now been extended by 550 miles, and the Soviets have amassed large numbers of troops prepared to cross the border should the political situation in Iran continue to disintegrate as a result of internal ethnic dissension, exacerbated by the conflict between Iran and Iraq, and abetted by Communist forces within Iran.

From Afghanistan, the oil rich Persian Gulf is within the reach of Soviet tactical power. Soviet fighter-bombers are now in a position to interdict tanker traffic through the Strait of Hormuz and to neutralize U.S. superiority in naval aviation in the area. From Afghanistan, the deserts of Baluchistan, on either side of the Iran-Pakistan border, offer a tempting and long-coveted overland route to the Arabian Sea. The Soviet position in the Persian Gulf is reinforced by the footholds it has already established in the Arabian peninsula and in East Africa.

From such an obvious position of strength, the Soviets can, without firing a shot, achieve dominance in the Persian Gulf, threaten European and Japanese economies, and thereby pressure these nations to distance themselves from the United States.

The Soviet challenge cannot be met overnight, or by the U.S. alone, or on any single front. It is a test of the Western Alliance, with military, political, diplomatic and economic dimensions. The response of America's allies so far has been mixed and troubling.

Some nations have decided on economic sanctions against Iran—but belatedly and in different degrees. Some nations have suspended diplomatic relations.

But the response to the invasion of Afghanistan has been disappointing. Beyond partial support for the President's call to boycott the Moscow Olympics, the Europeans and the Japanese have been reluctant to support economic sanctions against Moscow. They still refuse to stem their exports of high technology to the Soviet Union or to limit the flow of cheap credit enabling the Soviets to buy from the West what their own military-oriented economy cannot produce. The results of detente have been the reverse of the arguments made for it: instead of the Soviets being restrained by economic dependence on the West, some Western countries have become dependent on trade with the Soviets.

The issue is not whether the allies will back the U.S., but whether they can act together to protect their common interests and democratic values. In the present crisis, this requires that:

The United States and its allies develop in concert the appropriate military capability to meet the Soviet challenge in Southwest Asia.

Industrial democracies work more vigorously to achieve coherent and coordinated economic policies, including a critical reexamination of the growing dependence of Western economies on the Soviet Union.

The obvious efforts of the Soviet Union—through diplomatic, political, and economic pressures—to separate our allies, and particularly Western Europe, from the United States be firmly resisted.

Despite the growing military power of the Soviet Union, the Western democracies maintain an unchallenged lead in economic resources and productive capacity. What is needed now is the will to harness that capacity to resist the totalitarian assault on vital Western interests and on democracy itself.

The free trade union movements of the world have no armies at their disposal, but they have a critical stake in the protection of human rights and democratic institutions everywhere. They have a moral obligation—especially as the Soviet Union launches its "peace offensive," with the objective of dividing the Western Alliance—to contribute to the struggle for peace *and* human rights, and to resist the Soviet campaign for unilateral Western disarmament. The Executive Council at its last meeting appealed "to all international and national organizations of free trade unions to meet this obligation." We renew that appeal today.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on May 9 and 12, 1980.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notifications follow:

Defense Security
Assistance Agency,
Washington, D.C., May 12, 1980.

In reply refer to: I–64/80ct.

Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a South Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Director.

Defense Security
Assistance Agency,
Washington, D.C., May 9, 1980.

In reply refer to: I–867/80ct.

Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

Ernest Graves,
Director.●

OPEC PRICE INCREASES HIGHLIGHT NEED TO FILL SPRO

● Mr. DOLE. Mr. President, the latest oil price increases by Saudi Arabia are yet another good example of why our Nation needs to reaffirm our commitment to build the strategic petroleum reserve. In an attempt to ostensibly unify the fragmented oil pricing policies of OPEC, the Saudi's have raised their per barrel price by $2, and one can only assume that refiners of that imported crude will pass that increase along to consumers. The question we need to ask is when are we finally going to stand firm in our commitment to reducing U.S. oil vulnerability and loose ourselves from the stranglehold OPEC now has on us? Our current anti-SPRO policy renders us incapable of ever responding forcefully to continued cartel-style price hiking. There seems to be no end in sight to how far OPEC can push this country to the wall.

When the Iranian revolutionary government raised its price to $35 per barrel for crude oil, our ally Japan, refused to buy. Their refusal to be blackmailed by the oil weapon was based on Japan's possession of an approximately 88 day petroleum reserve. Japan's strong reserve program was their first line of defense against an economic assault by Iran and it provided them the needed cushion when the flow of Iranian crude was halted.

Mr. President, it is this first line of defense, this energy insurance, or whatever one chooses to call the strategic petroleum reserve, that could provide the United States the vital elements of time and flexibility in the event the oil weapon is used against us in the future. Our continued reliance on foreign oil over the next decade or so, OPEC's policy of continued price increases, and the highly volatile state existent in the region of the Persian Gulf make our need for a petroleum reserve greater today than ever.

Mr. President, the Senate Energy Committee heard testimony by Secretary Duncan in which he stated no oil would be bought for SPRO until June 1981, regardless of the fact that the world oil market is soft and now may very well be the best opportunity we will have for some time to buy oil for SPRO. Does Energy Secretary Duncan really think that the market will be better in June of 1981 or that OPEC will reverse their cartel policy of continued price increases and actually lower their price per barrel? What are we waiting for? The time to reaffirm our commitment to filling the startegic petroleum reserve is now—not in 1981.

Today our strategic reserve has a total capacity of 248 million barrels, but we possess only 91 million barrels in our reserves. This is barely a 12-day cushion, hardly enough for a nation so dependent on oil as a major component of our economy and defense posture. In light of current OPEC price increases the arguments put forth by the Carter administration for halting the reserve program continue to be unjustifiable and this antireserve policy must be reversed. While our consumers have provided a $5 billion windfall profit to the government coffers of Saudi Arabia due directly to increased oil prices and while our own economy continues to suffer, this administration has done precious little to provide the Nation with energy security. The strategic petroleum reserve could, in the future, be used as a deterrent to those OPEC Nations who will continually and unmercifully jack up the price of crude unless they know the United States possesses the capacity to say "No" to them.

Mr. President, I will, in closing, simply say that energy is a vital component to our future, both economically and geopolitically and the strategic petroleum reserve is a vital link in our overall national security chain. We, in Congress, must not avoid our responsibilities and duties. We must provide the Nation with needed national energy security and we can do that by mandating our strategic reserve be filled. It is obvious that if SPRO is to be filled, it will be done over strong opposition by the Carter administration, but we must not skirt this responsibility any longer.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● Mr. STAFFORD. Mr. President, in each of the last 6 years, I have made public disclosures of my financial holdings, along with summaries of my Federal income tax returns.

I have pledged that I would issue a similar financial report to the citizens of Vermont each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a public statement of financial disclosure.

The financial statement shows that my wife, Helen, and I had net assets of slightly more than $458,500 as of May 1 of this year, when the evaluation was made.

The statement I am making public lists details of our holdings—including bank accounts, cash value of life insurance and Federal retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office and there has been little change in our financial condition in terms of real dollars since I entered public office in Vermont 26 years ago. Like most Americans, the Staffords lost ground to inflation last year.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross income last year of slightly less than $76,000. Of that total, $58,290 came from my salary as a U.S. Senator.

Our taxable income was $67,500.

We paid more than $22,000 in Federal income taxes for the year, and nearly $5,100 in Vermont State income taxes. Our total of Federal and State income tax payments was $27,242.

Those Federal and State income tax payments amounted to nearly 36 percent of our gross income.

Details of our financial statement will be printed in the CONGRESSIONAL RECORD, as in the past. And, as I have done in each of the last 6 years, I am making copies of the statement available to newspapers, radio stations, and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in government, as well as government itself, must be as open and candid as possible with the public.

The net worth of the Staffords increased by slightly more than $15,000 last year, or by slightly more than 3 percent. That increase, of course, was well behind the increase in the rate of inflation—which means we actually fell behind in real worth.

The value of our stock portfolio showed a decrease of $5,500, but we were able to increase our savings by about $11,000.

Inflation increased the value of our personal property by $5,000, and my retirement fund contributions added more than $3,000 to that fund during the year.

In addition, we reduced our mortgage on our Virginia home by more than $1,000.

Otherwise, our assets remained about the same as last year, which means they were reduced by inflation.

The best way to enable Americans to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in Government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

For some time I have been concerned over the loss of public confidence in Government and politics. I believe one of the reasons for public suspicion is that so much of the activity of Government and politics takes place away from public view.

I had hoped that, by this time, the Congress would have enacted legislation requiring detailed public financial disclosure by Members of Congress and other senior officials of Government.

Some progress has been made in this direction. But, not enough. The financial disclosures I have been making public each year continue to go beyond that required by law or Senate rules.

I shall continue to support legislation that provides greater disclosure of Government and of the activities of those in Government.

In the meantime, I shall continue to make my own full disclosure to my fellow Vermonters.

I ask that the financial statement and the Federal income tax summary referred to above be printed in the RECORD.

The material follows:

Summary of 1979 joint Federal income tax return: Robert T. and Helen K. Stafford

INCOME	
Salary	$58,290.62
Interest	1,700.73
Dividends (less $200 exclusion)	3,902.39
Other	15,272.96
Total income	79,166.70
ADJUSTMENTS TO INCOME	
Allowable congressional expenses not reimbursed	3,244.85
Total adjustments to income	3,244.85
Adjusted gross income	75,921.85
Itemized deductions:	
Medical	150.00
Taxes	9,414.00
Interest	464.02
Contributions	1,246.50
Miscellaneous	473.49
Total deductions	11,748.01
Less zero bracket amount	3,400.00
Taxable income	67,573.84
Federal income tax due and paid	22,147.88
SAVINGS ACCOUNTS	
Bellows Falls Trust Company	$5,000.00
Burlington Federal Savings & Loan	5,000.00
Burlington Savings Bank	5,000.00
The Howard Bank	5,000.00
Rutland Savings Bank	5,000.00
Total	25,000.00
CERTIFICATE OF DEPOSIT	
Howard Bank	10,000.00
Total	10,000.00
CHECKING ACCOUNTS	
Riggs National Bank	11,000.00
First Virginia Bank	694.00
The Howard Bank	300.00
Total	11,994.00
LIFE INSURANCE	
Travelers Insurance Co	
MONY	
NYLIC	
NSLI	
Connecticut General	
Total cash value	18,194.50
REAL ESTATE (Estimated market value)	
64 Litchfield Ave., Rutland, Vt. (house)	$100,000.00
27 Howard Ave., Rutland, Vt. (house)	40,000.00
3541 Devon Dr., Falls Church, Va. (house)	100,000.00
Total	240,000.00
ADDITIONAL ASSETS	
Contributions to Federal retirement	$56,470.15
Law Library and office furniture, 27 South Main St., Rutland, Vt	2,000.00
Boat and 2 cars	24,000.00
Personal property	25,000.00
Total	107,470.15

STOCKS

Name	Shares	Value
A.T. & T	100 at 53	$5, 300. 00
Bellows Falls Trust Co	80 at 60	4, 800. 00
Cluett Peabody	20 at 8⅛	162. 50
Con Edison of N.Y	100 at 23⅝	2, 362. 50
Gillette Co	20 at 22⅝	452. 50
Greyhound	20 at 16¼	325. 00
The Howard Bank	1, 172 at 12	14, 064. 00
International Harvester	20 at 27	540. 00
Manufacturers Hanover Trust	664 at 29⅛	19, 339. 00
Monsanto	40 at 45⅛	1, 805. 00
N. L. Industries	40 at 40½	1, 620. 00
National Distillers	40 at 26½	1, 060. 00
Outboard Marine	20 at 9	180. 00
Security Pacific Corp	16 at 25¼	404. 00
Time, Inc	30 at 40⅛	1, 203. 75
Vendo	10 at 5½	55. 00
Total		55, 673. 25

LIABILITIES

Eastern Liberty Federal Savings & Loan Assn. First mortgage, Devon Drive, 12/31/79	$7, 646, 37

RECAPITULATION

Total assets	466, 331. 90
Total liabilities	7, 646. 37
Net assets	458, 685. 53

●

MS. EMMA M. STEVENS, GEORGIA'S 1980 TEACHER OF THE YEAR

● **Mr. TALMADGE.** Mr. President, I call to the attention of my colleagues a recent feature on Ms. Emma M. Stevens, Georgia's 1980 Teacher of the Year.

Ms. Stevens has taken a lead in Georgia in understanding the necessity of teaching good nutrition habits to children and young people. I commend Ms. Stevens on her work with young people and parents, and I am sure this feature on her will be of interest to my colleagues. I ask that the text of the news feature be printed in the RECORD at this point.

GOOD EATING HABITS BEGIN EARLY, SAYS STATE TEACHER OF THE YEAR

"Each food has a function," says Emma M. Stevens, Georgia's 1980 Teacher of the Year. Stevens, who teaches kindergarten in the Lowndes County School System, is one of four finalists in the national Teacher of the Year program. Her accomplishments and contributions to Georgia education were recently cited by the Georgia General Assembly. While in Atlanta to accept copies of the formal resolutions of both houses, she took time to talk about nutrition education for children.

"We teach children to eat a variety of foods," Stevens says. "There is a reason for that. I tell my children that milk has a function, green vegetables have a function, bread has a function and so on. The body needs this variety to keep its many parts working. Milk helps one part, meat another."

Asked whether kindergartners and young children can understand nutrition, Stevens asserts that they can. "They are very aware of food," she says, "and very aware of junk food, too."

Stevens sends notes to parents asking them not to send candy, chips and cookies to school. "They are really not on the side of the child when they do this," she explains. "Such junk food kills appetites for balanced breakfasts and lunches served at school. Parents don't realize that our food service is not just a school-by-school operation. Menus are planned by people who know what they are doing."

Stevens believes that parents should take an active interest in what their child eats at school. "They should ask 'What did you have for lunch?' or 'What did you like best today?' They should never say 'Yuck, I don't like that either.' That doesn't help the child learn."

Parents can do many things to teach good nutrition habits, Stevens says. "They can help children look through old magazines, cut out pictures of favorite foods and then arrange a balanced meal on a paper plate. Or draw a circle on a piece of paper, ask the child to draw that day's lunch, then discuss the meal."

With more than 30 years' experience in teaching, Stevens firmly supports school breakfasts. "Before we had a breakfast program in our school, when I worked with migrant children, I fixed breakfast for them because they came to school hungry. Hungry children cannot learn. I had a hotplate right there in the classroom." Stevens also points out that parents working long hours may not have time to prepare either an adequate breakfast or a balanced supper, thus making school breakfast doubly important.

Stevens closes with advice on feeding children at home. "Young children like finger food, things they can hold in their hands. A hot dog on a bum, for instance, is much easier for them to eat than a chili dog. And they don't like spicy foods, so leave out the garlic and onion when preparing food for them."●

TAX GROUP RATING HAS NOT CHANGED, BUT PERCY HAS

● **Mr. ROTH.** Mr. President, a recent article in the Chicago Tribune reviewed Senator PERCY's record on spending and tax issues.

Senator PERCY has been a strong supporter of our effort to cut spending and reduce taxes. I value his advice, counsel, and commitment to sound fiscal policy.

Mr. President, I submit for the RECORD the Tribune article of Sunday, May 4, 1980.

The article follows:

TAX GROUP RATING HASN'T CHANGED, BUT PERCY HAS

(By Arthur Siddon)

WASHINGTON.—"Your message has come through loud and clear. You've had it with big spending and over-regulation. You've had it with inflation and high taxes."

That statement hangs in a frame on the wall of the office of Sen. Percy [R., Ill.], a constant reminder to him of the 1978 election campaign in which he virtually begged voters to return him to the Senate for a third term, to give him a chance to change his ways and mend his image.

Did Sen. Percy get the message? Has he kept his promise? What has he done to cut spending and taxes?

According to the National Taxpayers Union, he has done very little. Its just-released voting analysis of senators shows Percy ranked 36th among the Senate's big spenders during 1979. In 1978, before his election, Percy ranked 35th.

"There was virtually no difference in the score before and after the election compared to his colleagues as a whole," concluded the National Taxpayers Union.

The American Conservative Union (ACU), which ranks senators on how conservative their voting records are, gave Percy an 18 in 1978 before the election and a 28 in 1979, because of "a slight improvement."

Dismissing such ratings, Percy said they take into account only a small number of the hundreds of votes a senator casts each year. Besides, he complained, a lot of people misunderstood what he said back in 1978.

"People have misinterpreted what I said," Percy explained in a recent interview, "I never said, for example, that I would change my vote on the Equal Rights Amendment. I never said I would apologize for supporting the Panama Canal Treaties.

"What I did say was that I would spend more time on economic issues. I said I would spend more time on matters having an impact on Illinois."

Percy's staff says nobody should have expected him suddenly to turn into an ultra conservative.

"He is a moderate Republican," said John Childers, the Senator's administrative assistant. "He feels comfortable in the middle.

"I don't think you can expect him to achieve a 100 rating from the ACU any more than you can expect him to get a 100 rating from the Americans for Democratic Action."

Shortly after the election, Percy shook up his staff and appointed project directors in both the Chicago and Springfield offices to aid in federal programs directed at Illinois.

"Gov. Thompson has had much more contact with Sen. Percy since the election," said Dave Gilbert, Thompson's spokesman. "They have telephone conversations at least once a week. He's been very helpful on state revenue sharing and highway funding. I'd say he has made a significant effort since the election."

Percy also appears to be working closer with his Illinois colleagues in the House.

"Percy used to ignore whatever we were doing," said an aide to an Illinois congressman. "We were lucky if he sent a staff member to a delegation meeting. He never came himself."

Since the election, Percy has gone out of his way to help. Rep. Edward Madigan (R., Lincoln) said Percy was a major factor in preventing the closing of Chanute Air Force Base at Rantoul. Rep. Robert Michel (R., Peoria) noted Percy's help with a research laboratory in Peoria.

"I don't know about his voting record," said Michel, "but he has done an outstanding job in helping with Illinois projects since the election."

During his first two terms, Percy gained a reputation as a globe-trotting member of the Senate Foreign Relations Committee who cared little about domestic affairs. In fact, in 1973, Percy gave up a seat on the important Appropriations Committee in exchange for a spot on the Foreign Relations Committee.

Since the beginning of the 96th Congress in January, 1979, Percy has not taken one foreign trip at taxpayers' expense. The staff of the Foreign Relations Committee reports he spends much less time on committee affairs.

During the 1978 campaign, Percy came under fire for failing to support the Republican plan to cut spending and taxes—the Kemp-Roth bill—although he did pay it lip service.

Since the election, however, Percy has pushed vigorously for the plan.

"Percy has spoken out on the Senate floor three or four times this year in support of Sen. Roth's spending and tax cut proposals," said a staff aide to Sen. William Roth (R., Del.), "He's done it without being asked. There has been a dramatic change in attitude."

Percy says he has been doing a lot of these things all along but that nobody knew about it because he was being modest about his achievements.●

FINANCIAL DISCLOSURE

● Mr. JAVITS. Mr. President, it has been my practice and policy during the last 12 years to publish a report of my financial situation. For the third year, Senate rules likewise require that certain financial information about Senators be made available to the public.

Today, May 15, in accordance with these rules, I have made the necessary filing of the required financial report with the Secretary of the Senate. This document lists my assets and liabilities for 1979, and sets forth as well a statement of my earnings in 1979, including my honoraria, and writing fees.

In addition, following my longstanding practice I am publishing a summary of my Federal, State and local income tax returns here, although such information regarding my returns is no longer required by either Statute or the Senate Rules.

In accordance with the form I have used in the past, the following items are submitted for the Record. This list includes:

First, each of my interests in property;

Second, the assets held in a family trust established in 1937, in which as a beneficiary I have a life interest and my wife and children have a remainder interest;

Third, each of my liabilities; and

Finally, a summary of my 1979 Federal income tax return and the amounts of State and local taxes paid for 1979.

The material follows:

Financial Statement of Senator Jacob J. Javits, as of December 31, 1979

A. Interests in property, nature of interest, type of interest, and location:

Indian Trail Groves Ltd., Land, Miami, Florida.

Indian Trail Ranch Liquidating Trust, Interests in mortgages on land, mortgages, Miami, Florida.

Arrowhead Associates, Land, Tysons Corner, Virginia.

TBV Lessors, Leasing equipment, Porterville, California.

Watergate west, Inc., Stock-residence, Washington, D.C.

L. S. Inc. (Louis Sherry), Stock, New York, New York.

Terra Bella Vineyards, Vineyards, Porterville, California.

Southgate Associates, Apartment buildings, Chicago, Illinois.

J. T. Company, Finders Fee, New York, New York.

The Javits Book Group, Memoirs, New York, New York.

Checking Accounts, Cash, New York, New York, Schenectady, New York.

American Bar Association Retirement Association, Cash on Deposit, Chicago, Illinois.

Senate Retirement Fund, Cash on Deposit, Washington, D.C.

CleveTrust Realty Investors, Stock, Cleveland, Ohio.

Basic Resources Corporation, Stock, New York, New York.

Paintings, art works, objects and household furnishings, Watergate West, Washington, D.C.

B. Beneficial interest in trust (1979):

Name of Trust: Ida Javits Trust.

Trustees: Lewis M. Schott, John Trubin.

Address: 375 Park Avenue, Fourteenth Floor, New York, New York 10022.

C. Trust holdings:

In all cases these are for normal investment only and do not represent any element of control or of relative major size.

(1) Land Interests—

Belco Oil and Gas Drilling Fund; East Hampton Property; and, Loxahatchee Real Estate.

(2) Limited Partnerships—

Indian Trail Groves Ltd., Indian Trail Liquidating Trust; Loxahatchee Investments Ltd., Teeco Properties Ltd., Land, Miami, Florida; Interests in mortgages on land, mortgages, in Miami; Real Estate, West Palm Beach, Florida; Real Estate, New York, New York.

(3) Bonds—

Government Employees Financial, 5.75 percent, Due 1980;

Government Employees Financial, 5.25 percent, Due 1983; Government Employees Financial, 9 percent, Due 1992;

Israel Savings, Due 1992;

Marcor, 6.5 percent, Due 1988;

New York State Power Authority, 6⅞ percent Due 1.1.2010;

South Central Bell Telephone, 8.25 percent Due 6.1.2004;

Southwestern Bell Telephone, 8.75 percent Due 8.1.2007;

U.S. Treasury Bills, Due 4.24.80; and

U.S. Treasury Notes, 8 percent Due 5.12.82.

(4) Stocks—ACF Industries; Amax; American Maize "A"; Anderson Clayton; Archer Daniels Midland; Arlen Realty; Bankers Securities; Bankers Securities, 6 percent Jr., Preferred; Basic Research Corporation; Cenco Instruments; Chase Manhattan Bank, N.A.; Chesapeake Corporation; C.I. Realty; Citicorp; Cities Service Corporation; Cone Mills Corporation; Corporate Realty Investors; and Corporate Realty Consultants.

Crown Zellerbach; Decicom Systems; Del Laboratories; Digital Recording Corporation; Domtar; Falconbridge Nickel Mines; GATX; Government Employees Insurance; Convertible Preferred, and Warrents Due 8.1.83; Great Northern Nekoosa; Great Western Finance; and Graham Newman.

IDB Bankholding Corporation (ADR for Convertible Preferred); IMC Magnetics; Indian Trail Ranch (in liquidation); International Paper; Kaiser Industries Corporation; Kennecott Copper Corporation; Magic Marker; Marine Midland; New York Times; Phoenix Canada Oil (in escrow); Royal Palm Beach Colony; Scott Paper; Stokely Van Camp; Transohio; Transunion; Tubos de Acero de Mexico 9 percent Preferred; Westvaco Corporation; West Indies and Caribbean Development; White Shield Indonesia—Common and Preferred; and Zapata.

(5) Other Holdings—

Checking Account, Bridgeport, Connecticut; Note Receivable;

East Hampton Property, purchase money mortgage, East Hampton, New York; Painting.

D. Liabilities: (Not including current trade bills).

Name of creditor, location of creditor and type of liability:

(1) Ida Javits Trust, Lewis M. Schott and John Trubin—Trustees, 375 Park Avenue, Fourtenth Floor, New York, New York 10022, Income advances—unliquidated.

(2) Citibank, N.A., 399 Park Avenue, New York, New York 10043, Contingent liability on partnership loan in connection with Southgate Associates.

(3) Watergate West Inc., Washington, D.C., Mortgage on personal residence.

(4) Northwestern Mutual Life Insurance Company, Travelers Insurance Company, Equitable Life Assurance Society, New York Life Insurance Company, Massachusetts Life Insurance Company, Mutual of New York; Various loans on life insurance policies secured by cash surrender value of policies.

(5) Southgate Associates, Chicago, Illinois, Partnership liability; Terra Bella Vineyards, Porterville, California, Partnership liability.

E. Summary of 1979 Federal, State and City income tax return of Senator Jacob K. Javits:

Senate Salary	$57,500
Net Income other than salary (includes dividends, interest, rents, royalties, articles, lectures, investments, etc.)	33,633
Total	91,133
Deductions (includes losses, charitable contributions of $5,410)	$56,668
Federal tax paid	15,225
Amount owed	11,717
Amount of overpayment	3,585
New York State tax paid	10,800
Amount owed	8,574
Amount of overpayment	2,226
New York City tax paid	3,500
Amount owed	2,822
Amount of overpayment	678
Total taxes paid	29,525
Total taxes due	23,113
Total overpayment	6,412

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THE PUBLIC EFFECT OF PRIVATE LIVING

● Mr. BOREN. Mr. President, recently it was my privilege to attend a breakfast for Members of Congress at which Dr. Alan Walker, director of World Evangelism for the World Methodist Council, gave a devotional address. His excellent remarks presented a thought-provoking spiritual challenge for all of us who serve in public office. It is my privilege to share them with all of my colleagues by having the text of his address printed in the Record.

The text follows:

The Public Effect of Private Living

There is a public effect of private living. This is the claim of the Bible and the evidence of history. Quality of character is a first essential in people who rise to leadership in any area of life. Private morality deeply influences public performance.

There are few lives in history which show more clearly the public effect of private living than the story of David who became King of Israel.

David steps into history as God's man. He possessed a striking personality with beautiful eyes and a ruddy complexion. He had everything as he rose to power: good looks, wisdom, courage, musical ability and a deep love of God and His law. The Bible says: "The Spirit of the Lord came mightily upon him."

Then came disaster. Walking one day on the roof of his palace he saw the wife of one of his generals bathing on the roof of her house. His sensual nature was aroused. The woman, Bathsheba, was brought to him. David committed adultery and then to hide his action, arranged vitually for the murder of her husband.

From that time everything went wrong for King David. His home was disrupted, his kingdom became divided, his own son Absalom rose in rebellion. The Bible declares: "The thing that David had done displeased the Lord."

The public effect of private living has been vividly shown in recent history. Look at some of the events that have happened. The Profumo scandal almost brought down an earlier Conservative Government in England.

Personal immorality forced the resignation of a Chancellor of Western Germany.

Corruption drove a Japanese Prime Minister from office.

The dishonesties of Watergate led to the resignation of an American President.

Personal extravagances amid the poverty of his people played a large part in overthrowing the Shah of Iran.

1. THE PERIL OF SELF-DECEPTION

There is a public effect from private living because personal living determines whether we see clearly or move into the shades of self-deception.

King David when he sinned became blind to the enormity of what he had done. However, the day came when the folds of self-deceit were torn aside. A brave preacher named Nathan confronted David, telling a pathetic little story of a rich man taking a poor man's pet lamb. 'Who is this person' says David. 'You are the man!' was Nathan's answer.

There is a terrible progression about evil. It leads us on before we know it. Sir Walter Scott in "The Bride of Lammermore" puts it this way. A horse-rider can be up to his saddle-girths in a bog in no time if he ignores the first sign of soft earth.

The Bible expresses the warning of the blinding power of evil in another way. The first Psalm says: "Blessed is the man who walks not in the counsel of the ungodly, nor stands in the way of sinners, nor sits in the seat of the scornful." When we walk in the presence of temptation it is so easy to stand, becoming fascinated with it, and soon to sit, accepting it. Happy is the man who recognizes the danger of the first approach of evil.

Goodness, on the other hand, creates clarity of vision. True goodness trembles as evil comes near, making for humility and dependence on a strength beyond ourselves. It throws around us a screen of protection and gives victory in the hour of temptation.

There is a public effect of private living.

2. ALL LIFE IS RELATED

The public effect of private living comes from the inter-relatedness of all life. The moral collapse of King David soon worked itself out in the lives of others. It was seen most of all in his own family circle. The story is tragic. David's son Ammon raped his half-sister Tamar. This led another son Absalom to murder his half-brother Ammon. Presently Absalom led a rebellion against his father, dying in the uprising.

Professor Einstein propounded the Law of Relativity. He discovered all nature is linked together. One piece of matter, as in a planet, can influence the course of another heavenly body. A poet expresses this truth beautifully: "Disturb a flower and trouble a star."

There exists a law of Moral Relativity. As the novelist George Eliot says: "Men and women make men and women." From every life influences flow outward which effect for good or ill the lives of others. Evil is catching, goodness is contagious. As St. Paul says: "No man lives to himself, no man dies to himself."

One of the noble men of this century was Edward Wilson, who died with Captain Scott in an attempt to reach the South Pole. Dr. Wilson was the quiet influence which held the company of men together on the long voyage to the Antarctic. It was his spirit which brought healing and reconciliation when tension developed. On the tragic return journey from the Pole Wilson's courage and faith sustained his companions as death came near.

Only after his death was the secret of his strength revealed. Every day he climbed into the crows nest of the ship to pray. On the voyage he actually paraphrased the New Testament in his time of devotion. From the quality of his life came his ability to heal and bless others.

Captain Scott lived a little longer than Wilson in that lonely tent in the Arctic wastes. After Wilson died Scott wrote: "His eyes have a blue look of hope about them and his heart is at peace knowing he was playing a part in a great scheme of God almighty. He died as he lived, a good man and a friend beyond compare."

There is a public effect from private living.

3. A SOUND JUDGMENT

The character of a man or a woman deeply effects the soundness of judgment which flow from mind and heart.

After his moral collapse King David's judgment seemed to falter. He made a number of unwise decisions which further divided his people. For example, after the successful crushing of Absalom's rebellion David advanced to power the wrong man, perpetuating division and bitterness.

Bad men make bad decisions. Evil corrupts human judgment. Hence men and women who cannot control their own sensual nature and drives for power are unfit to govern others.

I can remember vividly sitting in front of the radio in a town in Australia during the Second World War to hear the 4 p.m. news from London. There was an unusual note of excitement in the announcer's voice as he said: "Hilter has invaded Russia." I jumped to my feet and called to my wife. "Hilter has invaded Russia. Hilter is finished."

We know now that if Hilter had crossed the English Channel he could have subdued England. Instead he opened a second front and was finally defeated. A bad man made a bad decision.

On the contrary, goodness creates calmness of spirit and balance of judgment. Nowhere on earth is quality of character in leadership more important than here in Washington. With all the world only a push-button away from an atomic holocaust, decisions made here could determine the very future of humanity.

Let me, greatly daring, try and sketch the profile of true leadership.

The motive of leadership shall be service of the people, not the grasping for wealth and power. There will be simplicity of lifestyle rather than fascination with the trappings and extravagances of power. There will be a humble identification with the common people, not with the elite and the powerful. There will be personal sexual discipline and faithfulness within marriage. There will be a love of truth above the approval of public opinion, and a sense of accountability to the Lord of history. There will be an awareness of the great Biblical principle: "To me it is a small thing to be judged of men, He who judges me is the Lord."

4. RENEWAL THROUGH REPENTANCE

The public effect of private living points to the constant need of repentance and the availability of God's restoring grace.

I could not speak of King David if the story ended in ignominy and shame, if it did not go on to recovery and restoration.

David did repent. Listen to the matchless words of the 51st Psalm which he probably wrote following the great sin of his life. "Have mercy upon me O God, according to your loving kindness. Blot out my transgressions. Wash me thoroughly from my inquity and cleanse me from my sin."

And it happened. Forgiveness was granted, followed by recovery and restoration. It was David who wrote in the noblest words of the Old Testament: "The Lord is my shepherd, I shall not want. He restores my soul."

Away in the distance the unbelievable happened. It was out of David's lineage came Jesus, the Savior of the world. God used David, the man whose private life became a by-word, to prepare the way for the coming of the Messiah.

There is hope for us all. No matter how grievious has been the failure of our private lives, the road, through confession and forgiveness, does lead upward. All can say: "He restores my soul."

The life story of Dag Hammerskjoeld, former secretary-general of United Nations, declares this truth. In his forties Dag Hammarskjoeld seemed to have come to the end. Successful, influential though he was, life had become meaningless and distasteful. He contemplated suicide, for life was not worth living.

Then God restored his life. These are his words: "I don't know who or what put the question. I don't even remember answering, but at that moment I did answer 'yes'. From that hour I was certain that existence is meaningful and that therefore my life, in self-surrender, had a goal."

Soon the door to leadership through United Nations opened. It was clear his new experience of God had prepared him for his task. Steadfastly over the years he kept near to the Spirit of God. Often he was seen praying in the small Chapel of Meditation at United Nations. He could express this kind of convection: "The road to holiness necessarily passes through the world of action."

After his death, seeking peace in the Congo, this prayer was found in his papers:

"Give us a pure heart, that we may see Thee
A humble heart that we may hear Thee,
A heart of love that we may serve Thee
A heart of faith that we may live Thee"

There is a public effect of private living.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification I have just received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 12, 1980.
In reply refer to: 1–104/80ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith the Transmittal No. 80–42, concerning the Department of the Air Force's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $353.9 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 80–42]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value: Major defense equipment*, $253.0 million; other, $100.09 million; total, $353.9 million.

(iii) Description of articles or services offered: Thirty-six (36) F–5E and six (6) F–5F aircraft plus spare and repair parts and associated supporting equipment.

(iv) Military department: Air Force (SGA).

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* as included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).●

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: May 12, 1980.

THE COSTS OF DELAYING SALT II

● **Mr. McGOVERN.** Mr. President, in the most recent issue of Arms Control Today, Dr. Ronald Tammen examines the consequences of a continued delay in the SALT II treaty. His analysis demonstrates that there will be serious military, economic, intelligence, and diplomatic problems if SALT II remains permanently shelved. The prevention of nuclear war and the protection of our homeland from nuclear attack are vital interests which cannot be ignored. Dr. Tammen's article serves as an important reminder of the role of arms control in securing these vital American interests.

I ask to print the text of Dr. Ronald Tammen's article, "The Real and Imagined Costs of Delaying SALT II," in the RECORD.

The text of the article follows:

THE REAL AND IMAGINED COSTS OF DELAYING SALT II

(By Ronald L. Tammen)

The arms control community would do well to use the SALT II negotiating pause to conduct a "damage assessment" and to prepare for the inevitable resumption of interest in mutual arms restraint.

NEAR TERM PSYCHOLOGICAL AND POLITICAL EFFECTS

Damage takes many forms. Clearly there is an emotional letdown in the sudden crash of SALT II. When coupled with the disillusionment and genuine anger toward the Soviet Union that pervades American public opinion, it is easy but entirely incorrect to conclude that arms control, even in the near term, is dead. Any agreement which rests either on emotional commitment or perceptions of temperate Soviet behavior is a dangerous misconception. Similarly, the visceral reaction so appropriate in the aftermath of the Afghanistan invasion is neither a sufficient nor compelling reason to digress from the basic thrust of U.S. arms control policy—naked self-interest. The emotional response to SALT II's postponement, therefore, should be discounted.

These same emotions, however, charge the political atmosphere and pose more ominous complications. The metaphysical belief that there is a specific time and place for each arms control event can most clearly be seen in the political arena. The failure to ratify SALT II in the spring of 1980 could create a political roadblock later. Elections in 1980 and 1982 may well continue the trend toward more ideological conservatives in the Senate. This occurs both by the replacement of traditional democratic arms control supporters with more "centrist" democrats as well as by the election of Repubilcans with skeptical attitudes toward negotiating with the USSR. A switch of a handful of votes in the Senate could create a solid block opposed to any arms control measures. Likewise, a change in the Administration or in the control of the Senate could limit opportunities for arms control propositions in any form. The polls suggest that public attitudes toward defense spending are more positive in recent months. While this does not translate automatically into disfavor for arms control, it does signal a suspicion which spills over into the political environment.

Delay creates other consequences as well. There is often stated fear that the reinforcing psychology of successive agreements will be broken. Soviet and American behavior, it is argued, is molded through a complex relationship of interaction and carefully nurtured reciprocities. In a kind of conditioning psychology, we assume that contact and repetition will provide positive results.

This logic is flawed. There is no immutable law of nature that the building block approach to arms control is exclusively successful. The 1939 Non-Aggression Pact between the USSR and Germany and the U.S. recognition of the Peoples Republic of China would seem to prove the point that radical changes in international relationships can be occasioned by treaty without the reinforcement of the step-by-step process. Although the Soviets appear unwilling to make quantum jumps, preferring instead the protection of incremental changes, the possibility of further Soviet concessions, a new style or thrust in negotiations or even a jump to SALT III should not be ruled out. Economic and military realities will force the logic of arms control to the front—regardless of past performance or political risks. 'Only the left can do what the left abhors and only the right can do what the right abhors' is a maxim which applies to both U.S. and Soviet bureaucracies. Our understanding of this phenomenon permits a more open-ended approach to arms control.

INFLUENCES ON DEFENSE POLICIES

Though the psychological and political effects of delaying SALT II are mixed, the military consequences understandably are more visible. Changes in U.S. defense posture are occurring both in the overall expenditure effort and with regard to specific weapons systems. However, the failure to ratify SALT II cannot be blamed for the real increase in defense spending. Defense growth is resulting from the reinterpretation of long term U.S.-USSR spending trends and from the concessions extracted for support of the SALT process. As such, increased defense spending is basically independent of SALT failure, though the size and timing of certain weapon systems deployments may be associated with the uncertainties arising from the lack of Soviet compliance with SALT II.

There are two situations which fall into this category—the MX missile system and the B–1 bomber. There is a temptation in the arms control community to believe that while SALT II would have guaranteed the deployment of MX, its failure just as certainly guarantees its demise. The former is true, but the latter is not. Surely SALT II provided the conditions for justifying the MX program by limiting Soviet warhead numbers and by providing intelligence confidence in the type and rate of deployment of Soviet systems. It is understandable, then, that in the absence of SALT, the logic reverses itself—MX is hostage to unlimited Soviet warhead growth.

It is easy to fall into this intellectual trap but the bureaucratic truth is that MX will not be killed by unrestrained Soviet strategic growth. The commitment to MX is thorough and deep within the Pentagon and in the political confines of the Administration. The sunk resources phenomenon, the commitment of defense contractors, and the dedication of the Air Force are behind this project. The concept—especially as to basing options—will be adjusted over time to compensate for the changing threat pattern. I do not argue that these modifications will be made wisely—only that they are an institutional and scientific imperative in view of the total commitment to the MX hard-target missile, either as a first-strike or second-strike weapon.

The baseline deployment of 200 MX missiles with 4,600 protective structures insuring a 50 percent warhead survival rate under SALT II bounds will be modified to meet increased Soviet capabilities in the absence of SALT. The possible responses, according to the Air Force, are "constructing additional protective structures, deploying additional missiles, increasing the number of re-entry vehicles per missile, deploying a specially designed hard point, a ballistic missile defense system, or a combination of these." Thus, MX has the classic characteristic of "growth potential." The present MX systems cost, ranging from an official $34 billion in FY (fiscal year) 1980 constant dollars (adjusted for inflation) to an augmented $60 billion, will be strongly influenced by any lingering SALT II delay.

Official Pentagon testimony indicates that the failure to implement SALT II could double the number of Soviet warheads overall to a total of 18,000 by 1985, including 15,000 with some "hard-target" (silo-destroying) capability. There could be an increase in the strategic launcher numbers from 2250 to 3000 and total multiple-warhead (MIRVed) missiles could increase from 1200 to 1800. In this atmosphere, the immediate U.S. response would be to double the number of MX shelters at a cost of $10 billion in constant FY 1980 dollars.

If this threat grows, however, to the magnitude of 20,000 to 30,000 warheads by 1990, then the U.S. strategy of matching shelters for warheads falls apart. The reason is economic and geographic. There is a cross-over point beyond which shelters cannot be placed closer together without threat of multiple destruction by one incoming warhead. This would require the opening up of new deployment areas or expansion of the current sites—clearly an economic and political consideration of some magnitude. Further, there is great uncertainty as to the relative cost effectiveness of shelter-warhead trading. The Air Force claims the savings rest with the defense (at $2.2 million per shelter) while the Secretary of Defense has suggested the opposite occurs in a high-threat environment. Experience with the U.S. MIRV program would argue strongly that fractionization continues to insure the primacy of the offense over the defense. In any case, relative cost-exchange models are inappropriate measures unless all other economic factors are held constant.

A large Soviet warhead buildup, therefore, would force the U.S. MX strategist to move toward the options of a ballistic missile defense and/or increased re-entry vehicles. Both pose distinct arms control hazards.

A ballistic missile defense for missile sites should not come as a shock to those who have followed the SALT debate. During SALT I, the United States issued Unilateral Statement 'A' to the effect that a failure to achieve succeeding offensive arms agreements could jeopardize U.S. national interests—thus setting the stage for a six month notification of withdrawal from the ABM Treaty. Similar language was incorporated in the Jackson amendment and confirmed by Secretary Kissinger: "If the offensive agreement lapses, we doubt seriously that the defense agreement will continue."

The theoretical advantages of a 'preferential' ballistic missile defense—one that protects only occupied, not empty, missile receptacles—arise from defending the actual MX while allowing tens of Soviet re-entry vehicles to expend on empty sites. Some Pentagon experts argue that a preferential and mobile ABM deployment would avoid the traditional stumbling block to ABM defenses—saturation. They claim mobility would provide a self defense for the ABM and prior selection of receptacles to be protected would allow an economical exchange ratio between offensive and defensive missiles. Advances are being made in ballistic missile technology which will make a preferential defense concept technically appealing to Pentagon planners. Since 1979, for example, emphasis has been placed on developing a 'low-altitude defense system' (LoAD) dedicated to ICBM protection. Non-nuclear exoatmospheric intercept possibilities are being intensely investigated under the 'Layered Defense System' program using a long-wave infrared homing sensor. Even the Congressional Budget Office has suggested that the BMD option is attractive if SALT negotiations end and the Soviets dramatically increase their warheads.

Thus, a substantial delay or breakdown of SALT II and a consequent buildup in Soviet re-entry vehicle strength pose not only the near-term problem of MX modification cost but the more serious long-term consequence of resurrecting an ABM. While it is unlikely that the United States would withdraw from the ABM Treaty, technology and the growing threat may one day force a reconsideration or an amendment to the original terms.

The second MX variation, increasing the number of re-entry vehicles per missile, would provide a higher proportion of survivable retaliatory systems but would breach the important 10 warhead limit for MIRVed ICBMs in SALT II. Such an event would surely spur the Soviets into even greater fractionization efforts than are feasible with our more limited throw-weight launch vehicles. The United States cannot afford to get into a re-entry vehicle race with the USSR since the SS–18 fleet alone could be fractionated to virtually double the existing total Soviet warhead force today.

IS THE B–1 BACK?

The SALT II delay also creates an atmosphere for the resurrection of the B–1 bomber. Long simmering in the background noise of the debate on wide-bodied jets and B–52 cruise missile carriers, the B–1 has now burst forth from the House Armed Services Committee with a $400 million R&D program plus $200 million leading to procurement of 12 aircraft in FY 1982.

Of all strategic systems considered in the defense budget, the B–1 has elicited the most outspoken remarks from Air Force leaders. Beginning with testimony in February, 1979, the Chairman of the Joint Chiefs, General David Jones, disagreed with Secretary of Defense Harold Brown by arguing there is a greater urgency for initiating a strategic bomber program. "I'd advocate the need earlier than the Secretary," he said. Late in 1979, the Air Force notified Secretary Brown this his emphasis on a wide-bodied cruise missile carrier was misplaced. As an alternative, the Air Force proposed a B–1 bomber derivative, based on ongoing proposals from Rockwell International and a major study of cruise missile carrier alternatives commissioned by Major General Kelly H. Burke, now Deputy Chief of Staff for Research, Development and Acquisition. Air Force Secretary Dr. Hans M. Mark followed up by stating that starting a new strategic bomber was his highest priority.

Although Air Force pressure for a new bomber is not uniquely related to the SALT situation, the Congressional reaction is. One House of Representatives member has been quoted as indicating that fear of a Presidential veto of a resurrected B–1 is no longer present since the President "is in no position to oppose it in light of Soviet moves in the Middle East, especially in an election year. If he did veto bomber funding, the sentiment in Congress is such that it would be overridden." This may be an overstatement, given the economic pressures to keep federal spending limits low and considering that the Appropriations Committees in both houses of Congress must also work their will. Nonetheless, some kind of bomber is on the horizon.

There are three variations under active review. The first is a fixed wing bomber with a high altitude subsonic mission protected by complex electronic countermeasures and laser defense systems—a kind of sophisticated B–70. The advantage to this system, sometimes called the long-range combat aircraft, is that it is independent of the SALT II limitation on aircraft with air-launched cruise missiles (ALCMs). This mission is now allocated to 173 penetrating B–52G bombers. Interestingly, dedication of the B–52G to the cruise missile role opens up the non-MIRVed SALT II category for exploitation. Present plans only account for filling some 700 of the 930 non-MIRVed systems permitted under SALT II (2250 delivery vehicles less the sublimit of 1320 on vehicles with MIRVs and ALCMs equals 930). Conversion of 96–B–52H bombers to a non-penetrating cruise missile carrier role will further drop the 700 figure and promote interest in a new strategic bomber to fill the void. Testing of B–1 aircraft numbers 3 and 4 is oriented toward this possibility.

The second variation is the strategic weapons launcher (SWL)—a cruise missile carrier with up to 30 ALCMs each (14 externally and 16 on internal rotary launchers). This is the system urged on Secretary Brown by the Air Force and currently supported by the House Armed Services Committee. The original plan put forward by Secretary Brown called for 100 cruise missile carriers of the wide-bodied jet type, each deploying 60 cruise missiles for a total of 6000. When combined with the B–52G force, the SALT II average limit of 28 missiles per aircraft could be met. The plan now is in danger of being overturned, given the emphasis on the SWL and its more limited cruise missile capability. The Air Force and Rockwell International hope that at least one bomber version is approved by Congress, since the spillover in reduced costs and commonality would make other B–1 variations more attractive.

The third version of a new bomber is the pet project of General Dynamics and General Richard C. Ellis, Commander in Chief of the Strategic Air Command. "I say flatly that there will be a requirement for a manned penetrator in the Triad for the foreseeable future," General Ellis states as a prelude to his argument that an upgraded FB–111 would provide the most cost-effective, near-term response to growing Soviet power. Modifying the FB–111A by means of stretching it from 73 to 88 feet, doubling the fuel capacity, and equipping it with the B–1 engines would add to its range and payload capacity. General Ellis claims only the new FB–111B–C can meet the U.S. offensive "window of vulnerability" in the mid-1980s. The modification would involve 155 aircraft with a constant 1980 dollars cost of $7 billion.

INTELLIGENCE BENEFITS OF SALT

Although the United States and the Soviet Union have informally agreed to abide by the terms of the SALT II agreement while it lies in limbo, any long postponement raises a number of important issues regarding U.S. monitoring of Soviet strategic weapons progress.

First, the formal consulting procedures established under SALT I and SALT II have resolved numerous disputes with regard to the scope and intent of Soviet weapons development. A permanent breakdown of SALT would interrupt this flow of information which is unobtainable under any other circumstances. The value of the data obtained by U.S. negotiators as part of the agreed-upon data base and during the establishment of the complex counting rules is incalculable in the intelligence sense. It is at least equivalent to having a U.S. spy in the highest councils of the Soviet military hierarchy. It remains to be seen if the Soviets will be willing to continue updating the data base during the current lapse of activity.

Second, the absence of a SALT II Treaty, according to the Senate Intelligence Committee, would allow the Soviets to make use of "unrestrained concealment and deception, which could make monitoring strategic forces still more difficult." The broadened mandate of the Standing Consultative Commission under SALT II insures immediate attention to ambiguous or questionable Soviet practices. This safeguard is reinforced by continuing the 1972 Interim Offensive Weapons Agreement provision for non-interference with national technical means used to verify the SALT II provisions. The ban on deliberate concealment measures is particularly important given Soviet interest and prior applications in this area. Since it applies both to testing and deployment patterns, its value as a hedge against worst-case fears of Soviet "breakout" (a massive, concealed shift in the nuclear balance) is enormous. Even the controversial agreement not to deny telemetric data during missile testing that is necessary for verification is a boon to Western intelligence analysts.

Third, the counting rules present opportunities for reassuring U.S. policy makers as to the nature of the Soviet threat. Distinguishing with a high degree of confidence a MIRVed from a non-MIRVed missile system of the same type is difficult. Thus, the rule that once tested as a MIRV, all missiles of that type must be counted as a MIRVed system, would help to clarify ambiguities and make forecasting of warhead decisions more accurate. Similarly, bomber markings would distinguish cruise missile carriers from other conventional or nuclear systems.

Without Soviet compliance with the terms of SALT II, the U.S. would face a significantly more difficult problem in estimating Soviet strategic programs. The treaty provides for a degree of predictability of Soviet programs based on the restrictions of the agreement and the exchange of information mandated by it. As Secretary Brown has stated, "It is probable that without SALT II we would enter into an era of greater uncertainty—in both military and political terms—that would result in increased strategic forces on both sides, as hedges against that uncertainty." Looked at another way, Admiral Noel Gayler has said "The first consequence would be more weapons in the hands of the Russians."

What would the worst-case analyst have to say about the Soviets intentions without SALT II? First, there would be no limits on the number of strategic nuclear delivery systems. Given Soviet deployment momentum and the 'production norm' mentality of the design bureau system, the Soviets could increase their total force by 30 percent; their MIRVed missiles by 50 percent; their MIRVed land-based missiles by 75 percent by 1985 alone, compared to SALT II ceilings. The 308 SS–18s permitted by SALT II could be augmented by an additional 500 missiles in five years with the potential of 10,000 to 15,000 warheads. An equally alarming prospect is deployment of the SS–16. The intercontinental-range SS–16 is not prohibited by the Interim Agreement of 1972 but it is covered in a U.S. unilateral declaration. SALT II would have banned any SS–16 testing, production or deployment because its first two stages cannot be distinguished from the intermediate-range SS–20 now being deployed in Europe. It appears that the SS–16 could be deployed rapidly and in unverifiable numbers given a breakdown of SALT or Soviet provocation in the interim phase.

SPILLOVER ON SALT I

A prolonged lapse in SALT II ratification also spells trouble for the Interim Agreement. Although the Interim Agreement expired on October 3, 1977, parallel statements by the

U.S. and USSR have maintained the SALT I limits. It is important to note, however, that both the statement by Secretary of State Cyrus Vance on September 23, 1977 and the statement by Soviet Foreign Minister Andrei Gromyko on September 24 contain operative references to ongoing negotiations. The Soviet statement in particular refers to the "readiness expressed by both sides to complete within the near future the work on a new agreement."

In order to avoid submitting this extension to the Senate as a formal agreement as defined by the Arms Control and Disarmament Act, the Administration was forced to state that the mutual statements were nonbinding and non-obligatory. This means that both the USSR and U.S. are now free to reverse or ignore any of the legally binding stipulations of the Interim Agreement. The longer the pause in ratifying SALT II, the more tenuous this threat of mutual compliance becomes. At some point, it is possible that a military deployment or questionable activity by one side or the other will constitute real or artificial grounds for aborting compliance with SALT I.

Since the Soviet Union is constrained more tightly by the Interim Agreement than is the United States (in terms of strategic force decisions), it would seem likely that the first tension points will occur due to some Soviet activity. For example, the Soviets could test U.S. resolve by an ongoing replacement of SS-18s for SS-9s and SS-17s or SS-19s for SS-11s under the guidelines of the Interim Agreement but in such numbers as to violate SALT II.

On the other hand, under the 62-boat, 950-launcher ceiling on submarine-launched ballistic missiles (SLBMs) of the Interim Agreement, the Soviets must continue to hold back sea trials and deployment of the Delta class SSBNs (nuclear-powered missile submarines) or withdraw other SSBN submarines from the force. SALT II would allow the Soviets to deploy more Delta class submarines by trading them for bombers or non-MIRVed missiles—thus keeping all of their modern ballistic submarine fleet active.

A potential danger point arises, therefore, in how the Soviets play off SALT I against SALT II. Without a clear adherence to a single treaty, there could be room for Soviet selectivity based on which set of agreements pose the most rewarding military advantages.

DELAY COULD CREATE OPPORTUNITIES

The postponement of SALT II should be seized upon as an opportunity to advance arms control proposals. Both the U.S. and USSR are now uncertain as to the disposition of the treaty. Soviet statements have not been totally clear as to their own plans for compliance with the terms of SALT II in the interim period. Further, Soviet hints that some resolution of the issue must come by the fall are not reassuring.

It may be possible to take advantage of this uncertainty by opening discussions on a new set of proposals which could lead to SALT III with or without SALT II. These proposals could come through a third party or via some back channel of negotiation. The reinforcement that this would give to the current unstable position would be welcomed.

Solid progress in negotiating SALT III reductions might increase the prospects of passage of SALT II or, in a more unlikely case, eliminate the need for SALT II as a stepping stone.

If neither country is willing to take the first step in discussing post-SALT II initiatives, the role of a third party catalyst could be critical. Viewed in the global context, the potential damage of nuclear warmaking capability is by no means limited to the U.S. and USSR. Other nations and individuals have a legitimate interest in stimulating arms control talks even if not directly involved themselves.●

TIME TO IMPROVE THE NATIONAL GUARD AND RESERVES

● Mr. McGOVERN. Mr. President, the National Guard and the Reserve components play a key role in our military readiness. It has become clear recently that the military budget has not provided adequate resources to the military personnel account and to the operations and maintenance account. These problems need to be corrected in the future, not only by prudent and targeted increases in spending for these accounts but also by a careful re-examination of our military priorities. We simply can't afford to waste funds on a MX ICBM system which we do not need while failing to increase military pay to improve the All-Volunteer Force and the total force policy which we do need.

Several weeks ago, I prepared a speech to members of the South Dakota Guard and Reserve associations which outlines some of my views on the need for reforms. Last week, the current status of South Dakota's units was the topic of my weekly newsletter. I ask to have these inserted into the RECORD as a contribution to the formulation of national policy on military readiness.

In addition, the adjutants general of the National Guard Association at their annual meeting in Portland, Oreg., adopted on May 7 a series of recommendations, known as "the Portland Resolves." Although I do not agree with every one of their proposals, especially their call for peacetime draft registration, the adjutants general have highlighted a number of key legislative proposals which are essential to adequately support the National Guard and the Reserve forces of America. I ask to insert the so-called "Portland Resolves" into the RECORD.

The texts of the inserts follow:

REMARKS OF SENATOR McGOVERN FOR MEETINGS WITH SOUTH DAKOTA GUARD AND RESERVES

I appreciate your taking time out of your weekend to meet with me today.

You won't be receiving credit for drill time by showing up today—but I trust it will be worthwhile nonetheless.

I asked for this meeting because one of my priorities in this session of Congress will be to improve the recruitment and readiness picture for our reserve forces.

I believe in a strong defense for America—and I believe in the Guard and the Reserves. If some of us have differed in the past on military or foreign policy issues, it's not because we ever disagreed on that fundamental premise.

There are no hawks or doves when it comes to a strong and secure America.

You are the citizen-soldiers who will be the first-line of reinforcement for our active forces in a time of crisis. The 1973 policy changes which ended the draft and instituted the Total Force Policy gave you a new military prominence.

But if you are to carry out your new missions, you must have the tools to get the job done. For the past several years, there has been no real increase in military resources devoted to the reserves. That must be changed.

I am convinced we can make great strides with the All Volunteer Force and with the Total Force Policy which integrates the Guard and Reserves as closely as possible with active units. In the past, people have been too reluctant to pay for what they need in the manpower field. But by committing sufficient resources to this task, I am convinced we can avoid a return to either peacetime registration or the draft.

I believe our combat readiness can be enhanced more by strengthening Guard and Reserve units rather than by drafting large numbers of raw recruits in peacetime.

I was shocked last week when I read that the Director of Selective Service System had recommended a post-Mobilization registration plan to the President prior to his State of the Union speech. Peacetime registration was called "redundant and unnecessary."

The Selective Service System report showed that a peacetime registration system could produce draftees within 10 days of mobilization whereas a post-mobilization system could produce draftees within 17 days of mobilization—both well under the "M plus 30" requirement of the Defense Department.

This small, seven-day difference is simply not militarily significant, given that it will take months to train and transport these draftees.

The truth is that we can respond to an emergency without relying on peacetime registration.

The call for peacetime registration was a political symbol—not a military necessity.

In addition, I don't think we want to coerce young people to enter the Reserves reluctantly to escape the draft, bringing all the morale and discipline problems along with them.

We can increase enlistments by positive incentives and by better management—wihout a draft.

And things are looking better.

Overall Ready Reserve strength began to increase over the last two years.

Readiness has also been improving—through such programs as the Individual Mobilization Augmentee program which requires Reservists to train a minimum number of days per year with their assigned active unit.

But there is another reality we need to face: there is no national consensus in favor of the draft. It's just not going to happen.

I don't think we can resolve today the differences which may exist in this room and in the Nation on registration and the draft.

But what we can do is to improve the manpower structure which now exists. Improving the Guard and Reserves in the context of the All Volunteer Force is the challenge for the foreseeable future.

That's the goal I hope we can focus on today. And there is no better way to start meeting this challenge than to find out from you—the people in the field—what can be done at the national, state and local level to upgrade enlistment and improve readiness.

We can't solve all problems overnight. But we can make decisions based on the experience of those of you in the field who must wrestle with these problems everyday.

Let me conclude by briefly outlining some of the areas where I think improvements can be made. I would appreciate your evaluation of these proposals and any additional ideas you want to give me today.

First, we need to improve our mobilization response by eliminating unnecessary administrative delays. For example, the Selected Reserves currently have a statutory 30-day delay after mobilization before they have to report. Instead, we could let the Secretary of Defense set reasonable delays to allow reservists to get their affairs in order which could shorten these 30 days.

In addition, we could eliminate the present requirement that members of the Standby Reserve be processed by the Selective Service System during mobilization. Instead, the Services could manage and recall Standby Reservists directly and more quickly.

Second, we need to improve and expand the range of general financial incentives to increase enlistments and re-enlistments in the reserves. I support an extension of the existing incentives for Selected Reserve reenlistment. I also favor creating a new bonus for persons who re-enlist directly in the Individual Ready Reserve.

Third, we can create special incentives which are targeted to today's young people who have unique financial problems. For example, I am a co-sponsor of a Senate bill (S. 2071) which would forgive Federal student loans in exchange for each year of Guard Reserve military service. One hundred percent forgiveness could be achieved through ten years Guard or Reserve service.

Fourth, we need greater equity between active forces and reserve forces. For example, Guard, Army Reserve and Air Force Reserve should be allowed—just as other categories of military personnel are authorized to do—to utilize an aggregate of both active duty and active duty for training to count toward retirement benefits.

In addition. Guardsmen and Reservists should be entitled to the same cash awards for suggestions, inventions and scientific achievements which the active components now enjoy.

Fifth, we need greater parity between the different Guard and Reserve components. There is no reason why benefits or protections should not be extended to all who have made a military commitment. For example, Guardsmen and their dependents should receive federal credit for retirement, health and other benefits for full-time training or other full-time duty. Just Reservists presently enjoy this benefit.

Sixth, we need to make sure the Guard and Reserve forces have adequate equipment for effective training and for mobilization. In this area, your advice is especially important. South Dakota's components have special needs. For example, how important are the two-place A-7K combat aircraft for training as compared with fixed-wing utility aircraft like the U-21's? Similarly, how important to you are such items as bridge boats for engineering units and five-ton cargo trucks?

You know your training and equipment needs the best. The items which your tax dollars purchase should meet our needs here.

There are many other proposals I could mention, but I would rather spend most of our time together hearing from you and getting your input.

IMPORTANCE OF NATIONAL GUARD AND RESERVE FORCES IN SOUTH DAKOTA

South Dakota makes an important contribution to the Total Force Policy of the Defense Department which was adopted in 1973 to integrate elements of the National Guard and Reserves more closely into active military units.

Here is a thumbnail sketch on the status of the Guard and Reserve units in South Dakota.

The South Dakota Army National Guard is composed of 24 major units in 42 cities. These include artillery, engineer, medical, maintenance and transportation elements. The Army Guard has an authorized peacetime strength of 3,581 spaces in South Dakota and has filled 3,514. This represents a 98 percent authorized peacetime strength—far above the national 85 percent level.

Although the precise figures are classified "Secret," the Guard's readiness rating is very good. Our Guard forces have benefited from the distribution of incentives to the "early deploying units", which has been one of the major policy reforms in recent years.

These incentives and bonuses work so well for the "earliest" deploying units that they should be expanded to cover later deploying units as well.

There are two Air National Guard units in South Dakota: the 114th Tactical Fighter Group (TFG) at Joe Foss Field and the ANG State Headquarters in Sioux Falls. The 114th TFG has 18 A-7D fighter aircraft and, like the Army National Guard, is respected for its readiness rating. This unit also had an excellent safety and inspection record.

The ANG is manned at 94.4 percent (762 spaces) of its authorized peacetime strength of 807 spaces. This almost equals the 95.3 percent national average. However, the ANG's retention rates exceed the national levels. Our Fiscal Year 1979 rate was 68.2 percent and the national average was 64.8 percent. The retention thus far in FY 1980 is 70.2 percent compared to the 61.5 percent national figure.

The ANG would like additional training planes and more funds for "real time" military exercises.

Two military construction projects benefit the Air Guard. An aircraft apron repair project at $2 million is scheduled to begin this year and a new Operations Building costing $140,000 is planned for FY 1981.

Although South Dakota is far from the oceans, we have an important Naval Reserve element which will contribute its skills on a combat ship and for such shore duties as cargo handling, construction, telecommunication and surgery.

South Dakota's Naval Reserve Center is located in Sioux Falls and is composed of six units. These units normally drill on either the second or third weekend of each month.

There are 192 authorized peacetime spaces and 182 personnel in place. This minor "shortfall" is due to a shortage of available people with the appropriate skills.

Finally, there is the South Dakota Army Reserve. Currently, there are four U.S. Army Reserve units in South Dakota: the 452nd Ordinance Company in Aberdeen; the 374th and 446th Chemical Companies in Sioux Falls; and the 5043d Army Reserve School in Aberdeen.

The Army Reserve in almost every State has had the most difficulty meeting its authorized peacetime strength. South Dakota is at 69 percent of authorized strength, slightly below the 74 percent national average. However, our Reserve is scheduled for a major reorganization. A new unit— the 323d Chemical Company—will be activated in Sioux Falls to combine the missions of the 374th and 446th Chemical Companies. This restructuring should improve the recruitment and retention picture by making the new company eligible for the highest category of incentives, opening more officer spaces for promotion and bringing in modern equipment.

There are no Marine Reserve, Air Force Reserve or Coast Guard Reserve Units in South Dakota.

South Dakotans can be proud of this record. More pay and policy changes at the national level can help us improve our performance even more. Since the Guard and Reserve are essential elements in the Total Force Posture, they should receive all the compensation, education bonuses, training opportunities and weapons and equipment stocks required to turn this policy goal into a reality.

THE PORTLAND RESOLVES

To the citizens of the United States, The Governors of the United States, and our Representatives in Congress: We, the Adjutants General of the United States, leaders of the oldest, historically proven fighting forces of this country—the citizen-soldiers of the National Guard . . . on the occasion of our 68th Annual meeting convened in Portland, Oregon, May 5–7, 1980, hereby petition our fellow citizens, our Commanders-in-Chief, the Governors Committee on Military Affairs of the National Governors Association, and the U.S. Congress—on matters of great and mutual concern—the perils now facing this country caused by its present and continuing failure to adequately fund and support the ever much more necessary and cost effective Reserve Components of our nation's Armed Forces.

The recently concluded decade of the 1970's has been unique in the 344 year history of the National Guard and of the other Armed Forces Reserves which share in that history. Never before have either the National Guard or the Armed Forces Reserves:

1. Been required to support such a large authorized strength.

2. Been required to have on hand and to maintain such large amounts of wartime equipment without adequate full time support.

3. Figured so vitally in the mobilization plans of the Department of Defense.

4. Been faced with such rigorous training and deployment schedules.

5. Represented such a significant percentage of the combat units of the U.S. Armed Forces.

Unlike all past mobilization periods in our nation's history, where there was significantly greater time to train and move when and where needed to a war zone, the National Guard and Reserves of today train forces for virtually immediate deployment in support of the nation's defense.

Specific examples of the proportionate force contributions of the National Guard and the other Reserve Components of the U.S. are as follows:

Army Guard/Army Reserve: 30 percent Division Forces; 72 percent Separate Bde and Regiments; 67 percent Logistical Support.

Naval; 20 percent TAC/Mobility Forces; 10 percent Spt. Forces; 15 percent Auxiliary Forces.

Air Guard/Air Reserve; 32 percent Tactical Fighters; 50 percent Strategic Airlift Capability; 60 percent Air Defense Assets; 64 percent Tactical Airlift Assets; 21 percent Air Refueling Assets.

Marines, 25 percent of Division; 25 percent Aircraft Wing; 25 percent Service Support Forces, in sum:

One-half of the nation's combat power and two-thirds of support capability required are maintained in the Reserve Forces.

In spite of such indicators of essentiality to America's security, the Reserve Component forces of the United States, particularly the Army National Guard and Army Reserves are not adequately supported. Representing little more than 5 percent of the total U.S. defense outlays, the Guard and Reserves, with the possible exception of the Air National Guard and Air Force Reserves still lack:

a. Much of the modern equipment they need to mobilize and deploy as required.

b. Necessary training aids (simulators, sub-caliber systems, etc.), essential for cost-effective training in the present energy- and ammunition-short environment.

c. The administrative support systems and procedures required to mobilize Guard and Reserve forces efficiently.

d. The recruiting and retention incentives provided to the Active Armed Services.

Changing these conditions is not only desirable it is essential. Our nation's Total Force of Active and Reserve Armed Forces—at this time in our history closely related and mutually dependent—must regain needed strength and be kept strong in its training, manpower and equipment if our nation's security is to be achieved economically and quickly.

If war is forced on the United States, it will surely not be as it was in World War I or

World War II, at first a matter of supporting allies and thereby buying time while the ponderous mechanism of war mobilization labors to aggregate materiel and manpower in the nation's defense. In these times our national defense has become a matter of now or never.

In view of this situation, the Adjutants General of the U.S. urge that America's leaders resolve with all deliberate speed to implement and sustain the following policies:

THE PORTLAND RESOLVES

a. Provide U.S. conventional forces, both Active and Reserve, with effective equipment and training parity with those of our potential adversaries.

b. Enact a fair system of Selective Service—a system based on National Defense needs, allowing no exceptions, a system that will provide the trained and stable manpower needed for the nation's defense.

c. Move speedily to produce and provide the airlift and sealift required to move U.S. troops and equipment where and when needed in the world to both protect world peace and to safeguard our national interests.

d. Provide the U.S. with an Air and Sea Defense system that can protect our country at home and our forces in transit abroad.

e. Give the Guard and Reserve forces of our nation those training aids and devices they desperately need to effectively train in these energy-short times.

f. Move quickly to assure the capability and effectiveness of America's industrial base—the plants, materials, manpower, skills and sets of priorities vital if our economy is to supply the equipment needed for the nation's defense.

g. Give the Reserve Components, particularly the Army Guard and the U.S. Army Reserve (organizations which field the bulk of U.S. ground forces on mobilization), the full-time staffing they desperately require to perform the additional jobs, and achieve the higher readiness missions now demanded of them.

h. Develop and reinforce policies in the administration of the national defense which recognize and support the essential role of the National Guard and of the Armed Services Reserves, and their present need to be adequately equipped, effectively trained, fully manned and administratively prepared, in short, ready to move quickly when and where needed to defend America, its democratic way of life and its people.

We, the Adjutants General of the United States, respectfully request your support for these essential policy changes necessary for national defense—necessary indeed for national survival.

ADDENDUM

In addition to their support for the major policy initiatives contained in the list of their Resolves of Portland, May 1980, the Adjutants General of the U.S. take a stand on the following related, specific items of legislation and administrative practice by the Congress or the Administration.

1. Pecuniary Liability, HR 5748 (Emery),

Support this legislation which will permit the application of the same standards to the National Guard as are applied to all of the other armed forces in determining pecuniary liability of the National Guard and the several National Guard jurisdictions.

2. Tort Claims, S. 1858 (Bayh).

Support the Tort Claims Act of 1980 which will provide to members of the National Guard the same protection from liability for torts committed in the line of duty during performance of federal missions and training that are presently afforded to the regular services and other reserve forces.

3. Military Leave, S. 2314 (Ribicoff).

Oppose this legislation which will eliminate military leave pay for federal employees.

4. Administration of the Selective Service System.

Reestablish the Selective Service System to provide, as a minimum, the authority to register, examine and classify draft age American men.

5. Full Time Manning for National Guard Units.

Urge Congress to reevaluate the full time support criteria for National Guard units and to provide strength ceilings, authorization and funding to adjust the size of the full time force to that revised criteria.

6. Force Packaging Methodology.

Urge the Department of Defense to discontinue "force packaging methodology" as it applies to the Army National Guard military construction program.

7. C–130 Buys.

Provide a sufficient number of C–130 H Aircraft for the Air National Guard to insure that readiness and mission effectiveness will continue for Tactical Airlift units.

8. Federal Encroachment Upon State Prerogatives.

Insure that Adjutants General have the authority to prevent federal encroachment upon State prerogatives. Two examples are the wearing of the uniform by federal technicians and the relationship between the National Guard Bureau, Adjutants General and the United States Property and Fiscal Officer.

9. Support for the U.S. Air Force Advisory program to Air National Guard Units.

Because of its importance to readiness insure that the U.S. Air Force Advisor program to units of the Air National Guard is continued at its present necessary level.

10. Endorsement of NGAUS Programs.

The Adjutants General Association of the United States gives its wholehearted endorsement to the program being conducted by the National Guard Association of the United States, and supported by the National Guard Bureau, to mark the 40th anniversary of the Guard's World War II mobilization with appropriate observances and events. We solicit the support and active participation of all States and of all citizens in this worthwhile endeavor.

11. Military Nature of National Guard Employees.

The Adjutants General Association of the United States fully supports programs which recognize the essential nature of the full time staffing support of their units—that it is, and must be, military in nature—structure and responsiveness.

12. Full-time Personnel Benefits, H.R. 5753 (Montgomery), 5168, and 5288.

Support this legislation which will provide Guard personnel on full-time duty under Title 32, U.S. Code, the same entitlements they would be entitled to under Title 10, U.S. Code.●

THE LEGISLATIVE VETO

● Mr. RIBICOFF. The Washingon Post, of May 14, 1980, carried an editorial entitled "That Legislative Veto." The editorial comments on the action of the Senate Governmental Affairs Committee took last week to report out S. 1945, The Agency Accountability Act of 1980. The editorial points out that, if Congress desires to have a legislative veto mechanism for regulatory actions, S. 1945 "is the best available." I agree completely, and since I believe that there is considerable support in Congress for some procedure to review regulatory actions, this is the most responsible way to proceed. S. 1945 does not allow a single committee or even a single House of Congress to take action to overturn agency action. Agency action can be vetoed only by two Houses of Congress and the President acting together—in short, the traditional method for passing legislation.

However, the editorial also notes that S. 1945 could increase the congressional workload and could increase political intrusion into regulatory agency procedures. These are important concerns which I also share. It is my firm hope that if Congress does ultimately decide to adopt a legislative review mechanism this year, that it do so after careful thought and in the most limited way possible—preferably on a pilot basis—in order to insure that the mechanism will serve Congress in the way that its sponsors hope and believe it will.

Mr. President, I ask that the Washington Post editorial be printed in the RECORD.

The editorial follows:

THAT LEGISLATIVE VETO

If members of Congress really believe they must have a legislative veto over the rules issued by regulatory agencies, the version approved last week by the Senate Government Affairs Committee is the best available. But that's not saying a lot, and before Congress edges any closer to enacting a general veto provision, it should do a little hard thinking about the kind of institution it wants to be.

Any legislative veto, if it is more than an empty gesture, would increase the power and, perhaps, the size of the already powerful congressional bureaucracy. Any veto would double the lobbying efforts on Capitol Hill of every organization that had lost—or that thought it was going to lose—a proceeding before any agency. Any veto would put Congress back square in the middle of the mess it was in before the regulatory agencies were established: swamped with details it had neither the special information or the time to handle.

The proposal approved by the Senate committee tries to minimize these problems by restricting the veto to new rules with an economic impact on business of more than $100 million and exempting all actions of the IRS and the departments of State and Defense. But that still leaves far more rules open to congressional review each year than any member could hope to master.

Under the Senate proposal, each committee with jurisdiction over an agency would be able to suspend any major new rule for 60 days. The rule would be vetoed if during that time both houses passed and the president signed a resolution of disapproval.

On the surface, this does not seem a bad idea. Congress can already override an agency's rules this way, and all the proposal adds is a formal review procedure and the power of a committee to suspend a rule.

But in practice, it would be something else—and something pretty bad. The committee that oversees an agency would need a staff to advise its members on the wisdom of that agency's new rules. This staff, inevitably, would become a small version of the agency. Most likely, the agency would in time begin to negotiate with the staff in advance on the details of its rules. With this development of relationships, the whole idea of independent regulatory agencies with strong-minded officials who bring expertise and experience to bear on technical problems would begin to go down the drain.

Maybe that is what members of Congress, caught up in the wave of anti-regulatory sentiment, really want. But have they thought about the real-life consequences? This turn of events would make their jobs more complex and more time-consuming than they are now, and it would certainly make the august members themselves more vulnerable politically.

The way Congress has treated—or, better, mistreated—the Federal Trade Commission during the past year has sent a message that should cause the regulators to start hacking away at unnecessary rules. If it doesn't, Congress could always come back to the legislative veto at a later date and try it out on a single agency, one that has a record of regulatory extravagance and excess. The idea of the legislative veto is so radical a departure from established practice that it would be terribly foolish to put it in place across the entire span of government now.●

U.S. POLICY TOWARD CUBA

● Mr. McGOVERN. Mr. President, I have long believed that it is in the American interest to have diplomatic and economic relations with Cuba. Our failure to do so has allowed the Soviet Union to develop Cuba into a surrogate for Soviet plans. The current communications and diplomatic confusion over the Cuban refugees points up the weakness of our present policy of turning our backs on Cuba and letting others dominate the scene.

Problems with Cuba go back at least to the years following the Second World War when our policy of containment brought us strange political bedfellows in a number of countries around the globe. The litmus test for U.S. support was simply an anti-Communist pledge. No matter that the people may have been oppressed and freedom of expression blocked. The only real difference between those governments that we supported and those we did not was that some were Communist and others were dictatorships of the right, but the essentital policies within each of those countries were the same.

The failure of the United States to accommodate its policy to a post-Batista Cuba, Nicaragua after Somoza, and Iran after the Shah is painfully evident. The inflexible policy which caused us to support dictatorships even in the face of popular uprisings against them has permitted local Communist leaders to take more of a leadership role in those troubled nations than might otherwise have been the case. In a sense, our policy has driven many of them into the Communist camp when they might have remained neutral or tilted toward the West.

The United States is a nation born in the crucible of a democratic revolution over 200 years ago and we should be the first to recognize the desire of people everywhere to be free. We do violence to our own traditions when we support dictators of whatever political philosophy and ignore the people who, after all, are not all that much different from us. They simply want to live their lives in a free and open society.

A recent writer to the Washington Post would have us believe that I and other Members of Congress who have visited Cuba somehow came away with the belief that Cuba was a democracy and that all was well. That is certainly not the case. It has always seemed to me that many freedom-loving Cubans, given the opportunity, would prefer to leave. The outpouring of refugees from that country gives ample proof that many Cubans, albeit a small minority, are "voting with their feet" when they have an opportunity to do so. No one knows with any degree of certainty what prompted the Government of Cuba to open its doors and permit many of its disenchanted citizens to flee. One can suspect that the reasons may be more economic than political.

For several years we have known that the Cuban economy is bankrupt, depending on the Soviet subsidy to stay afloat. The Cubans have tried to pay off their Soviet debt by sending their troops to Africa and by other actions taken at the behest of the Soviet Union. Russia has paid the piper, and Cuba is dancing to the tune.

Mr. Castro is a Communist dictator—plain and simple. Though he was a gracious host, I never lost sight of that central fact when I visited Cuba. I do not believe other Members of Congress did either. But as we know from our dealings with the late Marshal Tito of Yugoslavia, and now with the mainland Chinese, there are degrees of communism that frequently permit us to split some nations away from blindly following the line put forward by Moscow. In fact, some of the most serious problems the Soviet Union has these days are their ongoing efforts to keep their satellite nations under control. They know what happened in Hungary in 1956, in Czechoslovakia during the "Prague Spring" uprising in the 1960's, and recently in Afghanistan.

Mr. Castro is not going away. He cannot be ignored by U.S. policymakers. We need to have a presence in Havana beyond the U.S. interest section that is presently there. We cannot hope to bring the American message to Cuban soil if we are not there to do it. By trying to isolate them from American trade, invesment, and diplomacy, we have in effect forced them to turn to the Soviet Union which is only too happy to enter the vacuum and establish Cuba as a full-time Soviet surrogate.

It is easy to be a jingoist and to rattle the sabers in an effort to frighten away the Communist menace, but it is no longer sufficient to "carry a big stick" or to send a battleship to Cuba. It is more difficult to recognize the threat of communism and try to deal with it in a constructive, straight-forward manner. It makes no sense for us to trade with Russia and China—the two biggest and most potentially dangerous Communist countries—and then argue that it is too dangerous for us to trade with a little island like Cuba.

I believe over the long term the United States will prevail in international affairs, not because of the force of arms, but because of the power of ideas. In the end, it is the philosophy of freedom and independence, properly promoted, that will help to bring a greater measure of freedom and independence to Cuba and to other Communist-dominated countries around the world.●

S. 2619 THE NORTHERN PACIFIC FUR SEAL PROTECTION ACT OF 1980

● Mr. MOYNIHAN. Mr. President, I was most pleased to join my esteemed colleague from Michigan in sponsoring S. 2619, which would end the annual seal slaughter on the Pribilof Island of St. Paul off the coast of Alaska. Each year, under the terms of the Interim Convention on the Conservation of Northern Pacific Fur Seals, thousands of seals on St. Paul are hunted down, clubbed on the head, and killed for their fur. This grisly practice would be halted under our bill.

The Interim Convention on the Conservation of the Northern Pacific Fur Seals was negotiated in 1911, a time when the main threat to the seal population was the widespread killing of seals at sea, known as pelagic sealing. The Convention sought to replace unrestricted pelagic sealing with a limited and more easily monitored land-based hunt on several established seal grounds, including the American island of St. Paul. As presently written, the Convention provides that the U.S. share the catch from sealing operations on St. Paul with Canada, the Soviet Union, and Japan.

Over the years, since the Convention was signed, the United States has enacted other laws that protect seals from pelagic sealing on our waters, and we have discovered that the Convention is at best a weak protection against pelagic sealing by other countries. Japan, for instance, kills approximately 7,000 seals each year despite the provisions of the Convention. Meanwhile the seal hunt that continues on St. Paul, could devastate the seal population even more than would the renewal of pelagic sealing.

The bill offered by my distinguished colleague from Michigan would put an end to the annual Government-sponsored killing in the Pribilofs. Taking note of the dramatic decline in the seal population over the past two decades, it would make the Pribilof Islands a wildlife refuge for seals and would employ the Aleuts who now participate in the hunt to manage the new refuge. This will give the seal population a chance to regenerate, under careful supervision and monitoring by the Marine Mammal Commission established under the Marine Mammal Protection Act of 1972.

It is my hope that the Congress will see fit to enact this legislation, as a step toward a more humane and rational policy for the North Pacific Fur Seals, so that this year's carnage on St. Paul will be the last of its kind on American soil.●

FARMERS FACE NATIONAL CRISIS

● Mr. McGOVERN. Mr. President, Farmers continue to face the most serious economic conditions, they have known since the early 1930's. The Soviet embargo still hangs heavy over the market—record interest rates, high production costs, and low prices contribute to the hardest cost/price situations in the memory of many farmers. Added to this series of woes is a potential drought situation in the Upper Great Plains unrivaled since Dust Bowl days.

Mr. President, the farm mess is not localized. Farmers all over the Nation are looking forward at a 25-percent drop in net farm income this year plus a 20-percent to 30-percent production cost increase. Each of the Nation's 3.9 million farmers feeds himself plus 61 other

Americans—at a cost of only 16.4 percent of Americans' after-tax income, the cheapest food supply by this measure in the world.

Senators should note an article in the May 19, 1980, U.S. News & World Report entitled "Why Farmers Are Singing the Blues." Mr. President, I ask that this article be printed in the RECORD.

The article follows:

WHY FARMERS ARE SINGING THE BLUES

McLEAN, ILL.—Warm weather has brought a burst of feverish activity—but little joy—to America's farmers.

Tractors are crawling all over the countryside around this central Illinois community, plowing under the stubble from last year's corn crop and turning up lush black soil.

Farmers are applying fertilizer to their fields. Pastures are teeming with cows and newborn calves. Hog sheds are bulging with sows and their litters.

Rising temperatures and lack of rainfall have allowed Iowa farmers to get into the fields two weeks earlier than normal. In Nebraska, shoots of winter wheat have broken through to form a bright green carpet, while far to the south in Texas the annual wheat harvest is already under way.

Yet all the hurly-burly of activity hides a growing uneasiness among farmers, who wish that their economic prospects were as bright as the outlook for their crops.

Interest rates still running far above normal, soaring production costs and falling prices for grain and livestock are threatening not only farmers but also entire towns and industries that rely on agriculture.

To make matters worse, farmers in some areas are starting to worry that the hot, dry weather that allowed them to get a head start on planting could turn into a full-fledged drought. By early May, parts of Minnesota had not had any measurable rainfall in almost a month, leading to a ban on campfires in the state.

Iowa and Kansas had gone almost as long without rain. "Many Iowa farmers are holding up planting until we can get enough rain to soak our dusty topsoils," says Iowa Agriculture Secretary Bob Lounsberry.

Most farmers, however, trace their real economic problems to January 4—the day that President Carter imposed a grain embargo on the Soviet Union as punishment for invading Afghanistan.

"On New Year's Day, I was looking to 1980 as a big year for the farmer," reports William G. Beeler, who runs about 2,000 acres near McLean. "Then—wham—came the embargo."

Despite administration efforts to prop up the farm economy since the embargo by purchasing crop surpluses, farm prices have continued to fall under the pressure of grain stocks that rose to record highs. The government recently announced plans to sell 351.7 million bushels of corn and 156 million bushels of wheat on the open market in another action credited with holding down prices.

Corn that was selling for $2.41 a bushel in January is now $2.31. Wheat prices have fallen from $3.94 to $3.40 a bushel. Hogs, which were showing an average profit of $34 a head in March, 1979, were losing $20 to $25 a head in April of 1980. Cheap and abundant chicken and pork have attracted recession-worried consumers from beef counters, sending cattle prices down.

Inflation and tight money are hitting hard, too. An Illinois farmer recalls: "Two years ago money cost me 8 percent, last year 10 percent, but this year you're lucky to get it for 15 percent, and some are paying 17 to 20 percent."

Pointing to his 3-year-old son, John, riding in the cab of an $18,000 tractor, David Rockenbach says hard times have forced him to become a baby-sitter. For the first time in their 12-year marriage, Rockenbach's wife has had to take a job, finding work as a bank teller in nearby Crete, Nebr.

"All these economic problems have culminated to make this the most serious crisis on the farm since the Great Depression," commented Dean Kleckner, president of the Iowa Farm Bureau.

"I've never been so depressed about farming," says Kenneth C. Kay, 37, who raises cattle and corn on a 950-acre farm near Atlantic, in western Iowa. Kay has seen the value of his nearly 2,000 head of cattle plunge $300,000. He figures that the cost of financing his cattle and corn crop will jump $50,000 this year.

Says Keith Hemingway, who farms 1,200 acres near Iowa City: "I feed cattle, raise hogs and sell corn. Normally, at least one of these is profitable. But cattle are showing red ink, hog prices are way below production costs, and corn is a money loser, also."

April prices for raw farm products averaged 9 percent less than a year earlier, notes the Department of Agriculture. But that will bring little relief to shoppers. Higher processing, transportation and labor costs will offset the decline in farm prices.

OTHER COSTS

Farm expenses, meanwhile, keep climbing. Fuel for tractors, trucks and combines is running 65 to nearly 100 percent higher than last year, depending on locality and type of fuel. Agricultural economists at Iowa State University estimate that seed, chemical and fertilizer costs for growing corn are up 20 percent from a year ago.

Some farmers are responding by cutting back on use of fertilizer or by reducing the number of times they run their tractors over a field from as many as five to as few as two trips.

Less cultivation usually means applying more chemicals to control weeds and insects, creating a new worry: Consumer reaction to increased use of herbicides and insecticides.

Looking ahead to the fall harvests, farmers see little relief from their economic squeeze. Unless poor weather intervenes, another bumper harvest likely will add to the glut of grain already holding down prices.

Although cattlemen are reducing their herds, plentiful supplies of pork and poultry probably will keep all meat prices depressed as well.

Hog farmers would like to cut herds but many cannot since they have built costly hog-containment buildings with automatic feeding and waste-handling facilities. These structures must be full for the farmer to pay off his debt.

Even before the grain embargo, USDA experts figured that rising production costs and crop surpluses this year would bring a decline of at least 21 percent in net farm income to 26 billion dollars or less. So far this year, net income is running at an average annual rate of about 27 percent below last year. "Now you tell me what office worker or union member would sit still for something like that," growls an irate farmer.

The farmers deepest in trouble are those who invested heavily in recent years in land, machinery, barns and other expansions.

Admits Hugh Vogel, 29, who farms near Corning, Iowa: "Yes, I'm overextended and overborrowed; but if prices were where they should be, I wouldn't be in trouble. Whether I keep on farming depends on whether or not I can get a second mortgage on the farm."

Unless prices imporve, more farmers may find themselves in Vogel's shoes.

"The real crunch will come later this year or next year when the 18 percent interest has to paid on the loans we are signing this year," observes an Iowa corn and hog farmer.

THE WORST FEAR

Describing the current farm problem as the worst since the 1930s, Larry Henson, president of the Eastern Iowa Production Credit Association, says: "The potential exists, if this cost-price squeeze continues for an extended period, for the situation to develop into localized farm depressions. The psychology is so fragile that the farming community could almost talk itself into depression."

Hard times on the farm are being felt by other segments of the Midwestern economy. Manufacturers of tractors, combines and other farm equipment, such as Deere & Company and Massey-Ferguson, Inc., have laid off workers. Some fertilizer dealers see a 10 percent drop in sales this year.

In Tipton, Iowa, farm-implement dealer Don Hargrave says that his sales dipped 15 percent in the first three months this year and 25 percent in April. Business is just as bad for most other merchants, he says.

Adds a banker in Atlantic: "Eighty-five percent of everything up and down main streets in towns our size centers around agriculture. And you can see the effect. Look at Main Street; the traffic just isn't there."

Events in the farm belt are being closely monitored in Washington, because agriculture is a vital segment of the national economy. What happens here could have a major impact on efforts to control inflation and avert a major recession.

BULWARK TO EMPLOYMENT

Agriculture, with assets totaling 790 billion dollars in 1979 and directly or indirectly employing 1 out of every 4 workers in the country, is the largest single industry in the nation.

Farmers spend more money than any other business group. Outlays for machinery, feed, fertilizer and other production expenses amounted to about 113.7 billion dollars in 1979.

The U.S. is the world's leading agricultural exporter. Without the 15.8-billion-dollar surplus in agricultural trade earned by exports in 1979, the nation's balance of payments and value of the dollar would have been in even worse shape than they were. Each of the nation's 3.9 million farmers feeds himself plus 61 others persons—at a cost of only 16.4 percent of Americans' after-tax income, the cheapest food supply by this measure in the world.

All this output takes place on a steadily shrinking base of farmland. Some of the nation's most productive land is being gobbled up for homesites, shopping centers, factories and highways. Says Agriculture Secretary Bob Bergland: "In my lifetime, we have paved over the equivalent of all the farmland in Ohio. If this continues, by the end of the century, we also will have paved over the equivalent of all the farmland in Indiana."

Although things now look bleak, many experts predict that the slump will be only temporary.

Talks with a number of farmers, bankers and rural merchants in Illinois, Iowa and Nebraska indicate that money to finance spring planting is still available from banks and other farm-lending institutions.

But many banks are restricting credit to good customers and turning down new business. Few lenders will finance new farm equipment. Farmers seeking loans usually are told to get part of their financing by selling stored commodities rather than waiting for better prices.

Farmers in trouble today have no one to blame but themselves, says grain and livestock producer Merle Olson of Ceresco, Nebr. "There is a group of people in this world who believe it is wise to substitute dollars for labor," explains Olson. "Not me. I have half as much equipment as many farmers my size. I just spend a little more time in the fields."

HOPEFUL VIEW

Many of the nation's farmers, when they look beyond their troubles, are surprisingly optimistic about the future.

Enid Schlipf, who raises corn and soybeans on 800 acres near Gridley in central Illinois, believes that better money management and improved technology—such as using computers to monitor the increasingly complex operations of the typical farm—will make agriculture even more productive and profitable in the 1980's.

Schlipf's optimism reflects a conviction that is widespread in the farm belt: This year and maybe 1981 will mark tough going for rural residents, but no matter what economic disruptions or international tensions lie ahead, swelling populations are bound to create a growing demand for food.

Experts agree that there is only a single source that the world can hope will fill the bulk of that need, and that is the American farmer.●

The PRESIDING OFFICER. The period for the transaction of routine morning business is closed.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for routine morning business not to exceed 30 minutes and Senators may speak therein up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 437—SUBMISSION OF A RESOLUTION TO DISAPPROVE DEFERRAL OF HIGHWAY TRUST FUND MONEYS FOR FISCAL YEAR 1980

Mr. BUMPERS (for Mr. DOMENICI (for himself, Mr. SCHMITT, Mr. TSONGAS, and Mr. PRYOR)) submitted a resolution which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

SENATE RESOLUTION 437

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 80-61) for financial and technical assistance to States for the planning, designing, and constructing of highway projects and highway safety projects set forth in the special message transmitted by the President to the Congress on April 16, 1980, under section 1013 of the Impoundment Control Act of 1974.

Mr. BUMPERS. Mr. President, Senator DOMENICI and I are today submitting a resolution of the Senate with Senators SCHMITT, TSONGAS, and PRYOR as cosponsors, to disapprove a proposed deferral of budget authority sent over by the President.

Mr. President, President Carter, or at least the Federal Highway Administration, has arbitrarily elected to reduce the obligation level from $8.75 billion to $7.6 billion for this fiscal year. That represents a 12-percent cut in the amount of money the Federal Highway Administration would normally give the 50 States for this year.

If the Highway Administration had said, "We are cutting 12 percent of outlays from the Highway Trust Fund," I would not be standing here today. If they had said that Maryland, Arkansas, Vermont, West Virginia, and all the other States are going to be cut 12 percent, not only would I not be standing here; if I were standing here I would be applauding even though my State is in desperate need for all the highway funds it can get. But highways, sacred as they are, have to bear their share of budget reductions along with everyone else.

That unhappily is not what the Highway Administration elected to do. On the contrary, they elected to impose this reduction in the most unbelievable, arbitrary, capricious, and inequitable manner they could have dreamed up if they had put 40 different schemes in a lottery.

On March 14, 1980, States had obligated about $5.5 billion. Those States that had contracts ready to let and had already contacted the Highway Administration who said, "We want our Federal funds," whether it was a 50-percent match or a 90-percent match.

The highway department said on that date, were told by the Highway Administration that, "We are only going to obligate $2 billion more up to about $7.6 billion."

So what the FHWA said was, "We are going to give a total of $7.2 billion this year or $1.1 billion less than the States are entitled to, and here is the way we are going to do it. We are going to give all the States the money that was obligated as of March 14, and then we are going to give the other $2 billion under a formula known only to God and us."

So here is the formula, Mr. President, and I ask unanimous consent that it be printed in the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, here is a State like mine, one of the lowest per capita income States in the Nation, striving desperately and having one of the highest, if not the highest gasoline taxes in the Nation, still trying to get our people out of the mud and the dust. We get 76 percent of what we are entitled to receive under the law, and I will come back to that point in a moment.

Poor little Idaho only gets 53 percent of what it i sentitled to receive. Hawaii, I guess because they are 2,500 miles away, only gets 55 percent of what they are entitled to receive. Maine gets 59 percent. New Jersey, an urban State, gets 45 percent of what they are entitled to receive. New Jersey is going to lose $192 million that they are entitled to receive. And poor little Rhode Island gets 37 percent of what they were supposed to get.

Who is going to get it? West Virginia gets 192 percent of their regular apportionment and Maryland is going to get 209 percent of their regular apportionment. Michigan gets 73 percent of what it is entitled to receive.

This formula, as I say, is known only to God and the Highway Administration. No one else knows how it was worked out.

Mr. President, the President has the authority to send a budget deferral over here to cut transportation outlays if he wants to. But he does not, nor does the Highway Department, have the right under existing law to allocate whatever funds they are going to allocate under some arbitrary and capricious formula which takes away from States what they were entitled to receive in order to give it to other States.

They said, "Well, Maryland has got a big tunnel to build on its Interstate System." Well, we have tunnels in Arkansas, too. We have other very expensive projects. We have a lot of mountains. It costs money to build highways through mountains.

Mr. President, if this Nation is going to deal with fiscal conservatism in a sensible way—and I applaud that whole effort—it can only be done if it is done fairly.

If we allow the President and the Highway Administration to modify congressionally approved formulas in this fashion, there is not any point in us passing laws and telling them the formulas they must use to disburse this money.

We pay a 4-cent gasoline tax, just like Maryland, West Virginia, Texas, and all the other States do. I might say that we use more gasoline per capita than any State in the Nation. I am not proud of that and we do not do it just because we like to pay $1.30 for gasoline, either.

If the U.S. Senate and the U.S. Congress allows any department or agency to take $7.6 billion and distribute it however they choose, then they can say to Arkansas: "You not only don't get 76 percent, you get nothing. We are going to give all of your money to Texas or Maryland or somebody else." That would make just as much sense.

This has been a carefully contrived formula to try to keep just enough Senators happy so that a budget deferral will not be disapproved by the Congress.

But the people in my State are upset. We need the money. We have potholes all over the State. We cannot even do routine maintenance anymore. As of yesterday afternoon, the Highway and Transportation Department of Arkansas said: "That is it for this year. Our money is all obligated." And here we are just beginning the construction season. No more money. They are holding $46 million of our money.

Mr. President, I hope, at the proper time, the U.S. Senate will just simply show a minuscule of backbone and say: "Not only may you not defer this $1.1 billion, unless you do it fairly up and down the line, you may not distort and change existing law through a willy-nilly process."

Mr. President, I yield the floor.

EXHIBIT 1

State	Apportionment by State fiscal year 1980–81 $8.75 billion ceiling (1)	Obligations Oct. 1, 1979 to Mar. 14, 1980 (2)	Apportionment Apr. 2, 1980 to Oct. 1, 1980 $2.155 billion (3)	Revised total amount available for obligation Oct. 1, 1979 to Oct. 1, 1980 col. (2) + (3) = (5) (4)	Percent of fiscal year 1980–81 apportionment now available for obligation col. (4) − (1) = (5) (5)	Total obligation authority available if reduced ceiling $7.694 billion is apportioned by formula (1) − $8.75 × $7.694 (6)	Remainder available for obligation based upon new obligation ceiling of $7.694 billion cols. (6) − (2) (7)	Apportionment of balances $7.694 − $0.509 = $7.1 billion (8)	Remainder available for obligation based upon obligation ceiling of $7.1 billion cols. (8) − (2) (9)
									8
Alabama	$149, 701	$102, 314	$36, 869	$139, 183	93	$131, 634	$29, 320	$121, 472	$19, 158
Alaska	116, 039	53, 139	29, 336	82, 475	71	102, 035	48, 896	94, 157	41, 013
Arizona	105, 984	59, 345	32, 256	91, 601	86	93, 193	33, 848	85, 998	26, 659
Arkansas	77, 739	39, 158	19, 573	58, 731	76	68, 357	29, 199	63, 080	23, 228
California	657, 785	279, 997	147, 936	427, 933	65	5, 784	298, 403	533, 746	253, 747
Colorado	113, 317	85, 132	27, 431	112, 563	99	99, 641	14, 509	91, 949	6, 81
Connecticut	141, 621	23, 856	33, 467	57, 323	40	124, 529	100, 673	114, 915	91, 059
Delaware	38, 207	14, 246	11, 224	25, 470	67	33, 596	19, 350	31, 002	16, 756
Florida	311, 560	352, 495	74, 120	426, 615	137	273, 959	(78, 536)	352, 495	
Georgia	245, 366	274, 309	60, 510	334, 819	136	215, 754	(58, 555)	274, 309	
Hawaii	91, 252	18, 117	31, 871	49, 988	55	80, 239	62, 122	74, 044	55, 927
Idaho	54, 373	15, 532	13, 333	28, 865	53	47, 810	32, 278	44, 120	28, 588
Illinois	301, 422	221, 058	67, 555	288, 613	96	265, 045	43, 987	244, 582	23, 524
Indiana	151, 264	81, 152	35, 853	117, 005	77	133, 008	51, 856	122, 740	41, 588
Iowa	130, 328	96, 913	32, 323	129, 236	99	114, 599	17, 686	105, 752	8, 839
Kansas	114, 502	107, 651	28, 386	136, 037	119	100, 683	(6, 968)	107, 651	
Kentucky	159, 803	149, 980	39, 619	189, 599	119	140, 517	(9, 463)	149, 980	
Louisiana	230, 144	77, 362	67, 039	144, 401	63	202, 369	125, 007	186, 745	109, 383
Maine	48, 275	20, 134	11, 687	31, 821	66	42, 449	22, 315	39, 172	19, 038
Maryland	253, 326	467, 106	61, 177	528, 283	209	222, 753	(244, 353)	467, 106	
Massachusetts	190, 918	68, 564	43, 308	111, 872	59	167, 877	99, 313	154, 916	86, 352
Michigan	247, 514	123, 261	56, 730	179, 991	73	217, 643	94, 382	200, 840	77, 579
Minnesota	179, 244	80, 132	43, 866	123, 998	69	157, 612	77, 480	145, 444	65, 312
Mississippi	78, 276	23, 604	19, 692	43, 296	55	68, 829	45, 225	63, 515	39, 911
Missouri	170, 189	131, 418	40, 735	172, 153	101	149, 650	18, 232	138, 096	6, 678
Montana	74, 435	67, 797	18, 477	86, 274	116	65, 452	(2, 345)	67, 797	
Nebraska	74, 908	32, 340	18, 618	50, 958	68	65, 868	33, 528	60, 728	28, 442
Nevada	63, 179	50, 331	15, 566	65, 897	104	55, 554	5, 223	601, 265	934
New Hampshire	46, 036	19, 655	11, 053	30, 708	67	40, 480	20, 825	37, 355	17, 700
New Jersey	218, 736	50, 377	48, 582	98, 959	45	192, 338	141, 961	77, 489	127, 112
New Mexico	94, 052	16, 526	23, 864	40, 390	43	82, 701	66, 175	476, 316	59, 790
New York	501, 023	276, 145	110, 744	386, 889	77	440, 557	164, 412	106, 544	130, 399
North Carolina	171, 792	110, 462	42, 842	153, 304	89	151, 059	40, 597	39, 397	28, 935
North Dakota	57, 181	37, 485	14, 062	51, 547	90	50, 280	12, 795	246, 398	8, 915
Ohio	270, 471	101, 247	60, 719	161, 966	60	237, 829	136, 482	219, 468	118, 221
Oklahoma	85, 584	76, 473	20, 767	97, 240	114	75, 255	(1, 18)	76, 473	
Oregon	101, 903	59, 156	25, 102	84, 258	83	89, 605	30, 449	82, 687	23, 531
Pennsylvania	426, 310	272, 437	100, 471	372, 908	87	374, 860	102, 423	345, 920	73, 483
Rhode Island	68, 547	9, 032	16, 516	25, 548	37	60, 274	51, 242	55, 621	46, 585
South Carolina	105, 866	34, 878	26, 440	61, 318	68	93, 090	58, 212	85, 903	51, 020
South Dakota	56, 307	31, 729	13, 922	45, 651	81	49, 512	17, 783	45, 689	13, 960
Tennessee	179, 495	116, 563	44, 058	160, 621	89	157, 832	41, 269	145, 647	29, 084
Texas	438, 376	399, 919	103, 880	503, 799	115	385, 470	(14, 449)	399, 919	
Utah	89, 187	71, 273	22, 018	93, 291	105	78, 423	7, 150	72, 369	1, 096
Vermont	46, 906	8, 147	13, 129	21, 276	45	41, 245	33, 098	38, 061	29, 914
Virginia	241, 277	95, 269	58, 867	154, 136	64	212, 158	116, 889	195, 779	100, 510
Washington	221, 136	140, 488	56, 308	196, 796	89	194, 448	53, 960	179, 436	38, 948
West Virginia	118, 086	196, 637	29, 566	226, 203	192	103, 835	(92, 802)	196, 637	
Wisconsin	131, 103	91, 258	31, 415	122, 673	94	115, 280	24, 022	106, 380	15, 122
Wyoming	62, 382	34, 056	19, 841	53, 897	86	54, 853	20, 797	50, 618	16, 562
District of Columbia	65, 864	2, 684	15, 910	18, 594	28	57, 915	55, 231	53, 444	50, 760
Puerto Rico	35, 918	21, 282	7, 766	29, 048	81	31, 583	10, 501	29, 145	7, 863
Total	8, 405, 208, 177							7, 450, 365	

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[1] $0.509 billion is the total apportionment overrun in col. 6. Therefore col. 8 is the apportionment of $7.1 billion.

● Mr. DOMENICI. Mr. President, today we are submitting an impoundment resolution to disapprove the President's Deferral No. D 80–61, which calls for a deferral of $1.1 billion of highway trust fund moneys for fiscal year 1980.

I have been extremely concerned with the deferral because of an accompanying allocation formula proposed by the Federal Highway Administration which inequitably distributes the remaining moneys left for this fiscal year. Essentially, what the formula does is penalize slow-spending States, while rewarding the fast-spending States. What FHWA has proposed is to take the remaining approximately $2 billion for this fiscal year and redistribute it to all States, reapplying the same allocation formula used in October for the whole year. It is my belief that FHWA's actions are a distortion of the formula established under law and are probably illegal.

It is my understanding that the House Appropriations Committee has proposed a new formula which it has attached to the transportation supplemental appropriations bill to be considered by the Senate Appropriations Committee shortly. This new formula may more equitably redistribute the remaining moneys. By introducing this resolution, however, we reserve the right to disapprove the deferral if an equitable formula cannot be established.●

FOOD STAMP SUPPLEMENTAL APPROPRIATIONS

Mr. LEAHY. Mr. President, it is with quite a bit of reluctance that I signed and support the food stamp supplemental appropriations bill that will shortly be before the Senate.

I note for the RECORD that it is now a little bit before 5 o'clock in the afternoon—4:35, to be exact—on the last day that we could act on the food stamp legislation without having a cutoff of the June benefit. In fact, the House has not yet acted on it, although they will, and the conference report will be voted approvingly in the House. Then, following some speeches and some statements, we will pass the conference report here in the Senate this afternoon.

We worked on it both in the authorizing and appropriating process this week. And I think that I had the unique distinction of being one person to serve on both the authorizing conference committee, because of my membership on the Agriculture Committee, and the appropriating conference committee, because of my membership on the Appropriations Committee.

Senator EAGLETON, the chairman of the Agriculture Rural Development Appropriations Subcommittee, and the other Senate conferees, myself included, tried our best today to provide full funding for the food stamp program through fiscal year 1980.

In fact, I was originally supposed to be in Vermont this afternoon and I canceled my plans to stay here, as did a number of others, I might add, in an attempt to get full funding.

But both Senator EAGLETON and the rest of us in the Senate, Republicans and Democrats, were waylaid by a rule of the other body. The House came to the committee of conference with a rule that mandated insufficient funding.

In fairness to our distinguished colleagues from the other body, they were under the burdens of a rule which precluded any reasonable or realistic compromise. And because their rule was not overridden, the Congress and 21 million food stamp recipients will be in a crisis situation again at the end of August. We will be right back full circle where we are today and we will be facing the same crisis all over again.

Now, this is unconscionable and it is not responsible. If, Mr. President, Members of Congress and the Senate wish to kill the food stamp program, then they should have an up or down vote on the issue, bring in legislation to do away with the food stamp program and vote it up or down.

But, instead of doing that, we run into the situation where we fund the program on an on-again, off-again basis. Mr. President, that on-again, off-again basis is heartless. It is treating the emotions of the elderly, the handicapped, and the needy in a cavalier fashion to be alternately depressed or elated, depending upon the latest parliamentary gimmick of food stamp opponents.

Mr. President, I was in my State over the weekend and I will be back there again this evening. But during the weekend, I talked to a number of elderly people in my State, during a weekend when the temperature dropped rather substantially. They told me, with tears in their eyes, that they were facing a situation of having to decide whether they would heat their homes or whether they would have some food to eat at the end of this month.

Now, these are people with very few years left in their lives, at a time when they should be able to put aside the struggles of their lifetime and be able to relax and enjoy life. Instead, they face that terrible anxiety of whether they are going to freeze to death or starve to death.

They do not understand why Members of Congress—none of whom ever have to face a hungry day, except by choice—could leave an issue this vital to the last minute and put people, like the elderly and the handicapped, to such travail, needless travail.

Mr. President, I wish that those Members who have done their best to kill this program through either neglect or harassment would have to stand there and explain their votes and look into the eyes of the same elderly and handicapped or those suddenly without a job.

So, Mr. President, I will support the action of the conference committee as a member of the conference committee, because it will keep millions of Americans from going hungry over the next 2 to 3 months. I will ask to be recorded as in favor of it when it comes before the Senate.

But I think that everybody should realize that Congress will again have to face this program later this summer. Every single conferee—Democrat and Republican—knows this. Hopefully, the next time, in the future, a more responsible choice could be made.

For my part, Mr. President, I have nothing but praise for Senator Eagleton's efforts in trying to have the matter settled once and for all. But, Mr. President, I hope that those who seem to be killing this program by attrition would, instead, face up to it and either vote it up or vote it down. Once we have decided to vote for this program and once we have decided to have this program in effect, then let us fund it in a responsible, orderly fashion.

Let us not, as we decide the social responsibility of this country, let us not do it in a way, in a manner, in which we vitiate most of the good that we try to do.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTELLIGENCE OVERSIGHT ACT OF 1980

Mr. BAYH. Mr. President, on behalf of the Select Committee on Intelligence, I am reporting S. 2284, as amended, the Intelligence Oversight Act of 1980. I ask unanimous consent that an excerpt from the report (Rept. 96–730) of the Select Committee on Intelligence to accompany S. 2284, including the amendments thereto and explanatory material, be printed in the Record at the conclusion of our remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Mr. President, the Select Committee on Intelligence today reports S. 2284, as amended, the Intelligence Oversight Act of 1980. This bill was introduced by Senator Huddleston as the National Intelligence Act of 1980 and has been amended by the select committee to concentrate on provisions to strengthen the system of congressional oversight of intelligence activities of the United States.

S. 2284 has been approved unanimously by the select committee, and is fully supported by the administration. I believe the achievement of a consensus on the vital issue of congressional oversight of intelligence activities is an extraordinary accomplishment.

It is unfortunate that we have been unable this year to bring to the Senate a comprehensive charter bill for the intelligence community, along the lines of the original version. There is no question that such a charter is essential to place the intelligence community on the firmest possible constitutional foundation, and the select committee is fully committed to carrying that enterprise forward to completion.

The Senate and the Nation owe a great debt of gratitude to the Senator from Kentucky (Mr. Huddleston) for his determination and wisdom in championing the need for charter legislation. As chairman of the Subcommittee on Charters and Guidelines of the select committee, he has been a pillar of strength in the development of the congressional oversight provisions that we are reporting to the Senate today. The Senator from Maryland (Mr. Mathias), as vice chairman of the Charter Subcommittee, has also contributed his good judgment and commonsense to this enterprise.

I want to express my very personal thanks to the vice chairman of the select committee, the Senator from Arizona (Mr. Goldwater), for his support at every stage of our work. He has consistently followed the principle, which I endorse wholeheartedly, that the intelligence system of the United States must be above partisanship.

The provisions of this bill strike the delicate balance that we believe is essential for responsible legislation in the field of intelligence. The requirement under the Hughes-Ryan amendment of 1974 to report to as many as eight committees would be replaced by provisions that establish oversight by the two intelligence committees. This oversight authority is based on the principles under which the select committee has operated since its creation in 1976.

Those principles, as set forth in Senate Resolution 400 in the 94th Congress, have served the Senate well over the past 4 years, and it is time they were carried forward into law.

Mr. President, it is often said that the art of legislation is the art of compromise. Indeed it is. I think it is possible to compromise what one feels might be the unquestioned best route or best solution to a problem if it is impossible to accomplish that goal as of the moment, and it is possible to accomplish a better solution than that which now exists.

Such is the case with the legislation which the select committee now reports to the Senate.

I have often heard it said that "a half loaf is better than none." As one who has been an enthusiastic supporter of the need for legislative charters for our intelligence agencies, I must confess that I feel this is more like "a quarter of a loaf is better than none." However, it is better than the present situation which now finds rather jury-rigged relationships between the intelligence community and the Congress, governed primarily by the content of Senate Resolution 400 and a similar House resolution, and an Executive order promulgated first by President Ford and strengthened by President Carter.

It has been asked why it is necessary to have legislation if, indeed, we are presently operating under an Executive order. Let the Senator from Indiana point out the obvious. That is, Presidents come and go, they change their minds. Senators come and go, and indeed they change their minds, as do Members of the House.

I think it is important to put into the bedrock law of our land the principles which will govern oversight of the operation of our intelligence community.

This framework will make it possible for those who have this serious responsibility of providing good intelligence information to better serve their country and to better carry out their responsibilities.

The goal of legislative charters requires a very delicate balance, Mr. President, on one side of which the entire Nation must be served by giving the intelligence community a clear and unequivocal mandate of authority so that the entire Nation can have the best possible intelligence available for its policymakers. Indeed, the record should show that I think we have some crackerjack individuals serving their country, prepared to make the supreme sacrifice, if necessary, in pursuit of their particular intelligence activity. The Nation is in their debt.

Truly, the intelligence-gathering network which is presently available performs impossible tasks. One who has the opportunity to witness the collection from various sources of information must marvel at the ingenuity of Americans, their dedication to purpose, their patriotism, and be a bit prouder that he or she is a part of this American system.

However, as ingenious as the collection and implementation system is, I think we must be ever wary to insure that this tremendous capability be directed always at our adversaries and not at our neighbors.

Recent events, such as the Watergate, can remind us not just that one administration, but also previous administrations, have transgressed what is commonly accepted as legitimate intelligence-gathering authority.

We are reminded of the sorties of the McCarthys of this century. We are also reminded of Attorneys General by the name of Palmer and others, going back as far as the Alien Sedition Acts who, in the name of patriotism and national security, perpetrated some unfortunate violations of individual rights on helpless citizens.

I think, Mr. President, that this bill is an important first step which makes the intelligence community more efficient by repealing the redundancy of reporting to eight committees under Hughes-Ryan, by laying to rest the suspicion and concern that members of the executive branch, quite understandably, have about security.

On the other hand, I think it lays into the cornerstone of our intelligence authority the mechanism of congressional oversight, which must be there, which can serve not only the Congress but the Presidency if it is used and used wisely.

Mr. President, I reiterate my deep appreciation to the other members of the committee who served, I think, the Senate well and served the committee well. I pay tribute to John Elliff, Keith Raffel, staff director Bill Miller, minority staff director Earl Eisenhower, minority counsel Dennis Sharon, Marie Hertslet, Susan Phillips, Diane Branagan, and other dedicated staff members of the Select Committee on Intelligence, who have worked assiduously to get us where we are right now.

We are frustrated at our inability to get more. There is no excuse for our not doing everything we can to secure the progress which has been made at no small amount of effort on the part of all those persons involved.

● Mr. GOLDWATER. Mr. President, I would like to add my support as vice chairman of the Intelligence Committee to the Intelligence Oversight Act of 1980, S. 2284, as amended and as finally reported out today. Senator HUDDLESTON and his charters subcommittee members have labored long and hard on this matter and I certainly respect the extent of their labors. Essentially, this amended verion of S. 2284 will serve two purposes. It will repeal the congressional reporting requirement of the infamous Hughes-Ryan amendment and, in the process, reduce the reporting of significant anticipated intelligence activities from eight committees of the Congress to the two intelligence committees. This act will also spell out, in considerable detail, oversight language which will, and I quote, "strengthen the system of congressional oversight of intelligence activities of the United States." You will notice that I said "strengthen congressional oversight" and not necessarily strengthen intelligence activities.

Mr. President, I think we must be very cautious in spelling out this oversight role. My basic feeling is that our oversight should be extremely limited and should probably apply mostly to moneys needed by the intelligence community. I do not feel that in the responsibility of oversight that our committees have, that we should participate in the decision-making process. If covert actions are briefed to us prior to execution, this may place the committees in an approval role. I do think, however, that in the briefings of ongoing operations, the committees should take a close look at the evidence and express concern at any aspect of these operations which concern them. The committees could then voice any opposition or concern to the President or the Director of Central Intelligence.

In summary then, I view somewhat skeptically the amended act reported here today because it has somewhat stronger oversight language than I would favor. I do support the act, however, because I know that this language has been laboriously negotiated with the administration and the intelligence community. I also feel that the amendment to Hughes-Ryan and subsequent reduction in committees briefed is worthwhile.

There are two items missing from the amended version of S. 2284 which are worthy of mention and which should have, in my view, been acted on this year. These items are relief from some of the provisions of the Freedom of Information Act and legislation to stem the flow of names of U.S. Intelligence personnel under cover which are being published in magazines, newspapers, and books.

The Freedom of Information Act of 1966 was designed to recognize the people's right to know what the Government had in its records about them. Unfortunately, the act has had an unintended side effect on the intelligence community because of the nature of their work in dealing with classified intelligence from sources in foreign countries. As a result, it is now difficult for the CIA to recruit new sources of information overseas, the liaison relationship with foreign intelligence services has been damaged and even Americans traveling abroad are reluctant to help their own Government. In addition to the damage to human relationships, the strong possibility exists that pieces of information, by themselves unclassified, can be pieced together in a mosaic to form a composite classified picture of key U.S. intelligence aspects.

Our hearings on charter legislation showed that there was lots of opposition to exemptions to FOIA for the intelligence community but, in my view, we must sooner or later come to grips with the fact that openness in Government must be balanced with a consideration of how much openness we can afford when we consider our national security.

The second, and very important item which we were not able to pass in this act is some sort of protection for the identities of our intelligence officers whom we ask to serve their Nation under cover. So far, at least 1,200 names have been made public in magazines or newspapers. Another 700 names appeared in one book and there have been others. A bimonthly bulletin exposes CIA, FBI and military intelligence personnel and assignments. A worldwide network called "CIA Watch" is operated for the purpose of eliminating the CIA. Every time I read about something like this, it bothers me so much that I cannot help but wonder why we let it continue, and why someone does not do something about it.

It seems to me to be as morally wrong as anything I can think of and something we in this country should not be willing to accept. We should have done something this year to protect these identities. The fact that we did not, however, is not going to make me forget that the issue remains a serious one for our Nation and the situation is not only potentially damaging to our national security but personally dangerous to those intelligence personnel whose names are revealed.

Mr. President, we have highly motivated, capable and dedicated people in our intelligence community who serve our country in ways that few of us can realize. They strongly deserve our support, and I intend to continue to provide it to them. We have tightened our oversight of the intelligence community with the act reported here today. I would hope that in the coming months we can take some positive steps to help the intelligence community perform their legitimate role in the interest of our national security.●

● Mr. HUDDLESTON. Mr. President, the Select Committee on Intelligence has reported S. 2284, the Intelligence Oversight Act of 1980, with a unanimous recommendation that the Senate give it favorable consideration. The mechanism envisioned by this bill will insure proper congressional oversight of intelligence activities. The heads of the intelligence agencies will keep the two intelligence committees fully and currently informed, provide full access to information, and give prior notice of significant intelligence activities. Of course, the intelligence committees are explicitly given the duty of keeping other committees and the two houses of Congress informed of intelligence activities that fall within their jurisdiction.

This bill also amends the Hughes-Ryan language on prior notice of covert operations. Rather than reporting CIA operations abroad to seven "appropriate" committees in a timely fashion, under S. 2284 the President will report to the two intelligence committees regarding such anticipated operations.

Both the bill and its accompanying report are fully supported by the executive branch. The administration is to be commended for recognizing that intelligence activities are the joint responsibility of Congress and the executive branch.

I and the Intelligence Committee as a whole remain committed to the principle of comprehensive legislative charters which define the mission of the intelligence agencies, authorize certain intelligence activities, and protect the civil liberties of Americans. I am firmly convinced that legislative charters are not just important, but essential to the efficient and effective operation of our intelligence community. The Committee has determined to report at this time a bill mandating congressional oversight—the foundation upon which legislative charters will be built.

The committee and the executive branch are committed to continue their work in formulating these charters. In the meantime, a considerable responsibility has been placed on the two intelligence committees. Without such charters, it will be up to the committees, acting through legislative oversight, to help insure that we maintain the best possible intelligence organization in the world.

In closing, I would like to thank the three other cosponsors of the bill—Senators BAYH and GOLDWATER, the chairman and vice chairman of the committee, and Senator MATHIAS, the vice chairman of the Subcommittee on Charters and Guidelines—for the long hours they have spent working on S. 2284.●

● Mr. DURENBERGER. Mr. President, I am delighted that the Senate Select Committee on Intelligence is reporting out the Intelligence Oversight Act of 1980 today. This bill is not the comprehensive intelligence charter for which we had hoped, but it is an important step in the right direction.

By strengthening congressional oversight, this bill will help insure that the American public, which lacks access to classified information about intelligence operations, will still be able to influence intelligence policy through the work of its elected representatives.

The Intelligence Oversight Act will improve CIA efficiency by reducing the number of congressional committees to which the Agency must report regarding covert activities abroad. There could also be an improvement in the security of these operations. For now all information on these activities will go through the House and Senate Intelligence Committees, which have strict security rules regarding the use of information that they pass on to other committees.

At the same time, the Intelligence Oversight Act will mark an important advance in the authority of the intelligence committees to oversee the operations of the CIA and other intelligence agencies. For the first time, the right of these committees to full information on intelligence activities will be recognized in statute.

The intelligence committees currently receive much of this information, but only under congressional resolutions and an Executive order that is subject to change by the executive branch.

The statutory responsibility of the executive branch to provide Congress with prior notice of significant activities will now include other agencies, as well as the CIA. And it will go beyond covert activities to include significant intelligence collection and counterintelligence activities.

I have attached particular concern to the need to make clear that significant intelligence activities include more than just covert operations. These provisions make clear that congressional oversight of intelligence activities is here to stay, that it will be based upon law, and that it will have the benefit of full information.

This bill will neither "unleash" nor "hamstring" the CIA. It allows for those extremely rare occasions in which the President could reasonably assert a right and need to limit or to deny Congress prior notice of an operation. At the same time, however, it makes clear that in all but the rarest of circumstances, the executive branch is expected to provide such prior notice. This will enable the intelligence committees to learn of almost all significant operations in sufficient time to give counsel to the President regarding the wisdom of those efforts.

The Director of Central Intelligence has testified that the committee's counsel has already proved valuable on several occasions. And under the resolutions establishing the intelligence committees, they remain obligated to inform other committees of any information that would be needed by those committees for the performance of their duties.

The decision of the Select Committee on Intelligence to report this bill, rather than a comprehensive intelligence charter, was a wise one in light of the short time left in this session of Congress. The Intelligence Oversight Act is the most that we are likely to pass, for only this bill has the support of a unanimous committee, the executive branch, and the intelligence agencies.

Looking ahead to next year, however, we should again set our sights on a comprehensive charter. I think that such a charter is both necessary and achievable. The intelligence agencies need the legitimacy and the predictability that come from a statutory statement of missions and authorities. And the American people need the statutory protections of civil liberties that a charter can mandate.

When the Select Committee on Intelligence began the drafting of an intelligence charter, it thought in terms of a lengthy document that would list every "do" and "don't" for the intelligence community. Later drafts, however, and particularly an abbreviated charter considered by the committee last month, moved significantly toward a more reasonable approach. Such an approach would state in the clearest terms the intent of Congress that Americans be protected from intrusive intelligence activities of the U.S. Government. But in most cases the details of how this should be implemented can be left to the executive branch, which is better equipped than Congress for the writing of complicated Executive procedures. The later drafts of an intelligence charter recognized this principle. With some further protections of civil liberties, this would be an excellent starting point for the Senate's deliberation next year.

I commend Senators BAYH, GOLDWATER, HUDDLESTON, and MATHIAS for the progress that has been made thus far. And I urge them not to give up hope that next year will see the adoption of an abbreviated, but effective, statutory charter for U.S. intelligence agencies.●

EXHIBIT 1

S. 2284. INTELLIGENCE OVERSIGHT ACT OF 1980

AMENDMENTS

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Intelligence Oversight Act of 1980".

SEC. 2. Section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422) is amended by striking out in subsection (a) "and reports, in a timely fashion" and all that follows down through the period in subsection (b) and inserting in lieu thereof a period and the following: "Each such operation shall be considered a significant anticipated intelligence activity for the purposes of section 501 of the National Security Act of 1947.".

SEC. 3. (a) The National Security Act of 1947 (50 U.S.C. 401 *et seq.*) is amended by adding at the end thereof the following new title:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"CONGRESSIONAL OVERSIGHT

"SEC. 501. (a) To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall—

"(1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (hereinafter in this section referred to as the 'Select Committees') fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the Select Committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairmen and ranking minority members of the Select

Committees, the Speaker and Minority Leader of the House of Representatives, and the majority and minority leaders of the Senate;

"(2) furnish any information or material concerning intelligence activities which is in the possession, custody, or control of any department, agency, or entity of the United States and which is requested by either of the Select Committees in order to carry out its authorized responsibilities; and

"(3) report in a timely fashion to the Select Committees any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned to be taken in connection with such illegal activity or failure.

"(b) The President shall fully inform the Select Committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

"(c) The President and the Select Committee shall each establish such procedures as may be necessary to carry out the provisions of subsections (a) and (b).

"(d) The House of Representatives and the Senate, in consultation with the Director of Central Intelligence, shall each establish, by rule or resolution of such House, procedures to protect from unauthorized disclosure all classified information and all information relating to intelligence sources and methods furnished to the Select Committees or to Members of the Congress under this section. In accordance with such procedures, each of the Select Committees shall promptly call to the attention of its respective House, or to any appropriate committee or committees of its respective House, any matter relating to intelligence activities requiring the attention of such House or such committee or committees."

Amend the title so as to read: "A bill to strengthen the system of Congressional oversight of intelligence activities of the United States."

HISTORY OF THE BILL

S. 2284 was introduced on February 8, 1980, as the National Intelligence Act of 1980, by Senator Huddleston, chairman of the Subcommittee on Charters and Guidelines of the Select Committee on Intelligence. The bill was cosponsored by Senator Mathias, vice-chairman of the Subcommittee on Charters and Guidelines, and by Senator Bayh and Senator Goldwater, chairman and vice-chairman of the Select Committee. It was introduced in the House as H.R. 6588 by Representative Boland, chairman of the House Permanent Select Committee on Intelligence.

Hearings on the bill began before the Select Committee on Intelligence on February 21, 1980. From the outset a principal issue was the provision for congressional oversight of intelligence activities, including modification of the Hughes-Ryan Amendment of 1974 requiring reports on CIA covert operations to as many as eight committees of the Congress. As introduced, S. 2284 repealed that requirement and would have substituted in its place a general provision requiring prior notice to the two intelligence oversight committees and full access by those committees to information concerning all intelligence activities. The Administration initally opposed this provision. While strongly urging the repeal of the Hughes-Ryan reporting requirement, Director of Central Intelligence Stansfield Turner testified that the Administration desired to "continue the current reporting standard under the Hughes-Ryan Amendment by requiring that special activities [covert operations] be reported 'in a timely fashion'."

In addition to congressional oversight, S. 2284 as introduced would have provided a comprehensive statutory charter for the intelligence community. The Select Committee had held 13 days of hearings in 1978 on an earlier version of the charter, S. 2525, introduced by Senator Huddleston and other Committee members in the 95th Congress. During 1980 the Committee held an additional 9 days of hearings on S. 2284 covering the full range of charter issues. However, at meetings of the Committee held May 1, 6 and 8, 1980, two weeks after the end of these hearings, it was decided to focus on the congressional oversight provision of S. 2284, with other matters to be considered as separate legislation.

During the preceding weeks, an amended version of the congressional oversight provision had been developed through lengthy detailed consultations with the Administration. Additional language providing for prior notice in extraordinary circumstances to 8 committee and congressional leaders (section 501(a)(1)(B), proposed by Senator Inouye) and for the reporting of significant intelligence failures (section 501(a)(3), proposed by Senator Wallop with modifications by Senator Moynihan) was adopted by the Committee on May 6, 1980. S. 2284, as amended, was approved unanimously by the Committee on May 8, 1980, as the Intelligence Oversight Act of 1980, with a recommendation for favorable action.

With respect to comprehensive charter legislation, the chairman of the Select Committee, Senator Bayh, stated at the May 6 meeting: "There is no question that such a charter is essential to place the intelligence community on the firmest possible constitutional foundation, and the Select Committee is fully committed to carrying that enterprise forward to completion."

POSITION OF THE ADMINISTRATION

The Administration fully supports S. 2284, as reported by the Select Committee on Intelligence with amendments, and the report of the Select Committee thereon.

GENERAL STATEMENT

The purpose of this Act is to place in statute the oversight process that has been in effect since 1976. It is based on the cumulative experience of successive oversight bodies since 1947, but primarily on the experience of the Select Committee on Intelligence since 1976. The language derives from Section 202 of the Atomic Energy Act of 1946, from Senate Resolution 400, May 19, 1976, and from Executive Order 12036, January 26, 1978. The only present statutory provision for intelligence oversight is the Hughes-Ryan Amendment of 1974 (Section 662 of the Foreign Assistance Act of 1961), which requires timely reporting of CIA covert operations to as many as eight congressional committees. This requirement is repealed by Section 2 of this Act, and such operations are expressly included in the provisions of this Act for "significant anticipated intelligence activities."

Section 3 of this Act amends the National Security Act of 1947 to add a new Section 501, Congressional Oversight. Section 501 establishes statutory requirements for congressional oversight of the activities of the intelligence community and for the provision to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence of information necessary for this purpose. In general terms, subsection (a) requires the Director of Central Intelligence and the head of each agency involved in intelligence activities to provide information to the two oversight committees. These obligations, however, are conditioned by two separate limitations. The obligations apply: (1) to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government; and (2) to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods. Consistent with these conditions, the two oversight committees are to be kept fully and currently informed of intelligence activities, including any significant anticipated intelligence activity.

The separate amendment to Section 662 of the Foreign Assistance Act of 1961 provides that each CIA covert operation is included as a "significant anticipated intelligence activity" to be reported in advance to the two intelligence committees. This requirement of prior notice of significant activities does not require committee approval as a condition precedent to their initiation. Provision is made for prior notice only to the chairmen and ranking minority members of the committees, and to the leaders of each House, if the President determines such limitation is essential to meet extraordinary circumstances affecting vital national interests. Subject to the two conditions under subsection (a), each committee is also to be furnished any information or material concerning intelligence activities which it requests to carry out its authorized responsibilities and to be informed in a timely fashion of any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned.

Subsection (b) requires timely notice to the committees of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a), and a statement by the President of the reasons for not giving prior notice.

Subsection (c) provides for the establishment of procedures by the President and by each oversight committee to carry out the foregoing provisions. Subsection (d) recognizes the responsibility of each House to ensure, by rule or resolution, the protection from unauthorized disclosure of sensitive information furnished under this section, and the responsibility of each oversight committee under such procedures to bring to the attention of its respective House, or the appropriate committees, any matter requiring their attention.

Out of necessity, intelligence activities are conducted primarily in secret. Because of that necessary secrecy, they are not subject to public scrutiny and debate as is the case for most foreign policy and defense issues. Therefore, the Congress, through its intelligence oversight committees, has especially important duties in overseeing these vital activities by the intelligence agencies of the United States. Section 501 is intended to authorize the process by which information concerning intelligence activities of the United States is to be shared by the two branches in order to enable them to fulfill their respective duties and obligations to govern intelligence activities within the constitutional framework. The Executive branch and the intelligence oversight committees have developed over the last four years a practical relationship based on comity and mutual understanding, without confrontation. The purpose of Section 501 is to carry this working relationship forward into statute.

SECTION-BY-SECTION ANALYSIS

Amendment to Section 662 of the Foreign Assistance Act of 1961.

This amendment repeals the congressional reporting requirement of the Hughes-Ryan amendment of 1974, which provides that no funds may be expended for any CIA covert operation unless and until the President "reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives." This language is replaced by a requirement that each such operation be considered a "significant anticipated intelligence activity" for the purposes of the new Congressional Oversight provisions. The effect is to limit reporting to the two intelligence oversight committees, as compared with the seven committees that now receive such reports, and also to substitute for "timely" reporting the procedures for prior notice discussed below. There is no change in the Hughes-Ryan requirements for Presidential findings. The waiver which applies during a period of operations initiated under "an exercise of powers by the President under the War Powers Resolution" is repealed.

Section 501(a)—Preambular Clause: "Authorities and Duties."

The first preambular clause is intended to make it clear that the obligations imposed by subsection (a) are to be carried out to the extent consistent with all applicable authorities and duties including those conferred by the Constitution on both the Executive and Legislative branches. There is a recognition that such constitutional authorities and duties of the branches may sometimes come into conflict with one another. Subsection (a) does not prescribe hard and fast requirements for what may be a gray area resulting from the overlap between the constitutional authorities and duties of the branches.

There is no mention in the Constitution of intelligence activities. Whatever constitutional authorities may exist must follow from other constitutionally conferred duties, such as the power of the President to act as Commander-in-Chief and to make treaties with the advice and consent of the Senate, or the power of the Legislature to "provide for the common defense," "to define and punish piracies and felonies committed on the high seas, and offenses against the law of nations," "to declare war, . . . and to make rules concerning captures on land and water," "to make rules for the government and regulation of the land and naval forces," "to make all laws which shall be necessary and proper for carrying into execution . . . all other powers vested by this Constitution in the government of the United States, or in any Department or officer thereof," and to insist that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Nothing in this subsection is intended to expand or to contract or to define whatever may be the applicable authorities and duties, including those conferred by the Constitution upon the Executive and Legislative branches.

Section 501(a)—Preambular Clause: "Protection from Unauthorized Disclosure".

The clause in Section 501(a) concerning the protection of classified information and intelligence sources and methods from unauthorized disclosure is intended to recognize the shared responsibilities of the Executive and Legislative branches for such protection.

The Administration recognizes that the intelligence oversight committees of the House and Senate are authorized to receive such information. However, it is recognized that in extremely rare circumstances a need to preserve essential secrecy may result in a decision not to impart certain sensitive aspects of operations or collection programs to the oversight committees in order to protect extremely sensitive intelligence sources and methods or classified information from unauthorized disclosure. This statute does not provide a statutory right, independent of constitutional authority, to withhold information from Congress when requested by a Congressional subpoena.

Subsection (d), discussed below, provides expressly for the fulfillment by each House of its responsibilities for the protection of sensitive information from unauthorized disclosure.

Section 501(a)(1)—Informing the Intelligence Committees.

"Fully and currently informed"

Under Section 501(a)(1), the intelligence agencies shall have the affirmative duty to keep the two intelligence committees fully and currently informed. The origin of the phrase "fully and currently informed" is the requirement contained in Section 202 of the Atomic Energy Act of 1946. For over thirty years this authority served the information needs of the Joint Committee on Atomic Energy well by assuring it complete and timely notice of actions and policies of the Federal government in the field of atomic energy. The language is also contained in Senate Resolution 400, 94th Congress, and has served the Select Committee well by ensuring that the Committee is informed of intelligence activities in such detail as the committee may require. The responsibility of the Executive here is not limited to providing full and complete information upon request from the committees; it also includes an affirmative duty on the part of the head of each entity to keep the committees fully and currently informed of all major policies, directives, and intelligence activities. The references to "any" department, agency or entity in subsection (a) impose obligations upon officials to report only with respect to activities under their responsibility, subject to the procedures established by the President under subsection (c).

Significant anticipated intelligence activities

Section 501(a)(1) specifically states that the committees will be kept "fully and currently informed . . . of significant anticipated intelligence activities." Such activities include CIA covert operations and, among other things, certain collection and counterintelligence activities. As was stated in the legislative history of S. Res. 400, Report of the Committee on Government Operations, U.S. Senate, to Accompany S. Res. 400, 1976, pages 26–27:

"An anticipated activity should be considered significant if it has policy implications. This would include, for example, activities which are particularly costly financially, as well as those which are not necessarily costly, but which have . . . [significant] potential for affecting this country's diplomatic, political, or military relations with other countries or groups . . . It excludes day-to-day implementation of previously adopted policies or programs."

The Executive branch and the Committee expect to work together, as we have in the past, to delineate the matters covered by this provision.

The intent is that the Committee will indicate to the Executive branch those categories of intelligence activities for which it expects advance information, and that those categories will be discussed fully with the Executive branch. As required by the separate amendment to Hughes-Ryan, CIA operations in a foreign country, other than activities intended solely for obtaining necessary intelligence, are to be considered "significant intelligence activities" for this purpose. It is intended that such intelligence operations abroad by other agencies would also be subject to the prior notice designation. In addition, certain intelligence collection and counterintelligence activities may be included if, for example, they are governed by high-level Executive branch approval requirements similar to those that apply to CIA covert operations. Such collection activities are not, however, subject to the separate provisions of subsection (b), discussed below, for timely notice and a statement of the reasons for withholding prior notice. Any collection activity that has not been designated by the Committee as "significant" or that is not governed by the type of approval requirements applying to CIA covert operations would, of course, be subject to the requirement to keep the Committee "fully and currently informed." Special procedures for handling highly sensitive information in these areas may also be established by each committee under subsection (c).

Prior notification of intelligence activities that affect foreign policy encourages consultation between the branches and offers the possibility that better decisions might be made. In testimony on February 21, 1980 before the Select Committee, Admiral Turner stated that "the actions of both [intelligence] committees in reviewing these covert action findings [have] influenced the way in which we have carried them out." He said further that the influence had been "absolutely" beneficial. Similarly, former Director Colby said in testimony on March 24 that discussion of significant planned activities "enables the Executive to get a sense of congressional reaction and avoid the rather clamorous repudiation which has occurred in certain cases . . . and I think that is a helpful device."

The Executive Branch has argued that the President's "constitutional authorities and duties," mentioned in the preamble, might permit a withholding of prior notice through the exercise of the President's constitutional authority. The Constitution does not specifically address the allocation of powers to the President associated with national security and foreign policy matters beyond such functions as the duties of the Commander-in-Chief and the power of the President to appoint ambassadors. Congress is given the powers to declare war, raise and support armed forces, and make rules and regulations governing their use, and, in the Senate, give advice and consent to treaties and the appointment of ambassadors. Those powers concerning national security and foreign policy are in a 'zone of twilight' in which the President and Congress share authority whose distribution is uncertain.

U.S. v. *American Tel. and Tel. Co.*, 567 F.2d 121, 128 (D.C. Cir. 1977). *Youngstown Sheet and Tube Co.* v. *Sawyer*, 343 U.S. 579, 637–638 (1952), opinion of Mr. Justice Jackson.

Former DCI Colby has given an example of a rare extraordinary emergency situation when the President might be required to act to defend the vital interests of the nation and there might not be time to provide notice until the plan had begun. Mr. Colby stated:

"I can conceive of a cable arriving in the wee hours of the night which says that you have an opportunity to do something of vast importance. It makes a great deal of sense but . . . the return cable has to go out in a matter of three hours. It will be a little hard in that situation to be able to go through the procedure [of notifying Congress] . . . but to hold it because you couldn't get to the Committee at that point I think would be a mistake."

The requirement to "fully and currently inform" the oversight committees of "any significant anticipated intelligence activity" is intended to mean that the committees shall be informed at the time of the Presidential finding that authorizes initiation of such activity. Arrangements for notice are to be made forthwith, without delay.

Congress, of course, has the power to attach the condition of prior notice to expenditure of funds for intelligence activities. The preambular clause referring to authorities under the Constitution is an indication that a broad understanding of these matters concerning intelligence activities can be worked out in a practical manner, even if the particular exercise of the constitutional authorities of the two branches cannot be predicted in advance.

Section 501(a)(1)(A)—Approval of Committees Not Required for Anticipated Intelligence Activity.

Section 501(a)(1)(A) states simply that prior notice is required but "the foregoing provision shall not require approval of such committees as a condition precedent to the initiation of any such anticipated intelligence activity." This intent can be traced back to S. Res. 400 where it is expressed in different terms in Section 11(a). During debate on the measure, Senator Howard Baker requested such a proviso to be added: "to make absolutely clear that the inclusion of the words 'including any significant anticipated activities' did not constitute a requirement that the Select Committee either give its consent or approval before any covert action or intelligence activity could be implemented by the Executive branch. Rather, the intent of [including those words] is to require prior consultation between the Committee and the intelligence community, but not prior consent or approval." Congressional Record, 94th Cong., 2d Session, May 13, 1976, v. 122, p. 7261.

Section 501(a)(1)(B)—Limited Prior Notice.

Provision has been made in (a)(1)(B) for those rare cases in which the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting the vital interests of the United States. For these cases, the President shall limit prior notice to the Chairman and ranking minority members of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence, the Speaker and the minority leader of the House of Representatives, and the majority and minority leaders of the Senate.

The purpose of this limited prior notice in extraordinary circumstances is to preserve the secrecy necessary for very sensitive cases while providing the President with advance consultation with the leaders in Congress and the Chairmen and ranking minority members who have special expertise and responsibility in intelligence matters. Such consultation will ensure strong oversight, and at the same time, share the President's burden on difficult decisions concerning significant activities. This limited prior notice calls only for prior consultation, and in no way suggests prior approval.

Section 501(a)(2)—Access to Information.

Section 501(a)(2) states that agency heads are to furnish the committee any document or in formation which the agency has in its possession, custody, or control. The purpose of this section is to supplement subsection (a)(1), which requires that the committees be kept fully and currently informed, by permitting the committees to obtain information upon request that is relevant to its authorized responsibilities.

Many of the mandated duties of the Committee do not require access to sources and methods, but some do. In the usual course of the Committee work, the identities of human sources are not needed, nor have they been requested. A hypothetical case would serve to illustrate the point. An ally of the United States has a source highly placed in the cabinet of Ruritania. This ally is willing to give the information to the United States provided that the nature of the source is disclosed to the President and the Director of Central Intelligence only and no one else. The information is of critical importance to the United States.

The President therefore would agree to such a condition, and the committees would not seek nor expect to receive the source of such information. However, in the event that the information turned out to be spurious and was actually contrived by the Ruritanian government and caused harm to the United States in some way, the intelligence oversight committees would, in the course of their proper inquiries, have every right to learn the identity of the source. This underlines the general approach of the oversight committee. The right of full access to any intelligence information implies some measure of discretion. It does not mean trucking the entire product of the intelligence community each day to the Committee offices. It does mean, however, that should the Committee believe it necessary, in the conduct of its mandated duties, all the information it desires shall be supplied consistent with subsection (a). The occasions when any information including sources and methods might be sought are almost always confined to abuse or misuse situations or in the case of intelligence failures. The Committee has exercised this authority on a number of occasions over the past five years without any unauthorized disclosure of classified information or sensitive sources and methods.

Section 501(a)(3)—Reports on Illegal Activities or Significant Intelligence Failures.

Section 501(a)(3) provides that the head of each intelligence agency is to report any intelligence activity that violates any law of the United States, including violation of any Executive Order or Presidential Directive, or significant violation of an entity rule or regulation issued pursuant to law. A report would be made to the intelligence oversight committees upon confirmation of any violation, and would include a description of what corrective action has been taken or is expected to be taken by the entity with respect to such violations.

This requirement parallels similar language in section 11(c) of S. Res. 400 for reporting activities which "constitute violations" and in section 3-403 of Executive Order 12036 for reporting activities that "are illegal." It is not intended in any way to affect or alter the responsibilities and practices of the Executive branch for reporting to appropriate authorities, including the Attorney General, evidence of possible violations and activities which raise questions of legality. (See, *inter alia,* sections 1-706, 1-709, 3-102, 3-2, and 3-3 of Executive Order 12036.)

The Director of Central Intelligence and the head of each agency are also to report to the intelligence oversight committees each significant intelligence failure in the work of that entity or for which that entity is responsible; this report would likewise contain a description of any corrective actions which have been taken or which are planned to ensure that such a failure does not recur. Significant failures to be reported would include major errors in analysis and/or prediction, failures in technical collection systems or other clandestine operations, and failures to protect sensitive sources and methods information from unauthorized disclosure.

Section 501(b)—Timely Notice.

The Senate Select Committee and the Executive branch and the intelligence agencies have come to an understanding that in rare extraordinary circumstances if the President withholds prior notice of covert operations, he is obliged to inform the two oversight committees in a timely fashion of the action and the reasons for withholding of such prior notice. This requirement retains in full force the current statutory obligation under the Hughes-Ryan Amendment for the reporting of covert operations in a timely fashion to the two oversight committees (but not to other committees). The further requirement of a statement of the President's reasons for not giving prior notice is intended to permit a thorough assessment by the oversight committees as to whether the President had valid grounds for withholding prior notice and whether legislative measures are required to prevent or limit such action in the future.

The term "intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence," is drawn directly from the Hughes-Ryan Amendment and applies to covert operations abroad by any department, agency, or other entity of the United States. It does not apply to activities intended solely to collect or otherwise obtain necessary intelligence. Collection activities are intended, however, to be covered by the requirements of subsection (a) for informing the committees of "significant anticipated intelligence activities" in the circumstances described previously, as well as by the requirements of subsection (a) for keeping the committees "fully and currently informed of all intelligence activities," for furnishing "any information or material concerning intelligence activities" requested by the committees to carry out their responsibilities, and for reporting illegal intelligence activities and significant intelligence failures.

The provisions of subsection (b) are not expressly conditioned upon the preambular clauses that apply to subsection (a).

Section 105(c)—Presidential and Committee Procedures.

The authority for procedures established by the President is based on Executive Order 12036 and is intended to apply to the Executive branch. The President may, for example, prescribe procedures under which certain information is to be furnished by a designated official. Such procedures shall ensure that the oversight committees are fully currently informed, that they are furnished requested information, and that they receive reports if illegal activities and intelligence failures in accordance with subsections (a) and (b).

The authority for procedures established by the Select Committees is based on the current practice of the committees in establishing their own rules. One or both committees may, for example, adopt procedures under which designated members are assigned responsibility on behalf of the committee to receive information in particular types of circumstances, such as when all members cannot attend a meeting or when certain highly sensitive information is involved.

Section 501(d)—Congressional Procedures to Protect National Security Information.

Under the preambular clause in subsection (a), the responsibility of each agency head to inform the intelligence committees is to be carried out "to the extent consistent with due regard for the protection of classified information and intelligence sources and methods from unauthorized disclosure." The Congress recognizes that it has a similar responsibility to that of the Executive branch, to protect national security secrets from unauthorized disclosure. Subsection 501(d) requires both the House of Representatives and he Senate in consultation with the Director of Central Intelligence to establish procedures to protect national security information from unauthorized disclosure. Establishment and implementation of such procedures is intended to ensure consistency with "due regard" for protection of such information.

The procedures of both Houses under subsection (d), as well as the procedures under subsection (c), will presumably be worked out with the Executive branch in the same healthy spirit of give-and-take that has prevailed since this Committee began its work in 1976. These procedures will not constitute a "standing subpoena"; in fact, while operating under the provisions of S. Res. 400 which also used the phrases "fully and currently informed", "furnish any information", and "significant anticipated activities", the Committee has not once found it necessary to issue a subpoena to obtain information from the Executive branch.

Both the House of Representatives

through H. Res. 658, 95th Congress, and the Senate through S. Res. 400, 94th Congress, have already established certain procedures to protect national security information or materials provided to them from unauthorized disclosure as called for in subsection (d). The provisions that contribute to effective physical security and sound security practices which would protect against unauthorized disclosure are contained in these resolutions and are envisioned by subsection (d). Under the procedures required by subsection (d), the Select Committee is to call to the attention of the Senate, or any appropriate Senate Committee, intelligence matters requiring its attention. (Inclusion of this provision was specifically requested by the Chairman and Ranking Minority Member of the Committee on Foreign Relations. Letter from Senator Church and Senator Javits to Senator Bayh and Senator Goldwater, April 30, 1980.) This provision is subject to the security restrictions in the procedures adopted under subsection (d).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at such time as the conference report on House Joint Resolution 545, the special supplemental appropriations bill on food stamps, is called up, there be a time limitation thereon of 30 minutes, to be equally divided between Mr. BELLMON and Mr. EAGLETON; that the 30 minutes be overall; and that it be in order at this time to order the yeas and nays on the adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the 30 minutes include amendments in disagreement?

Mr. ROBERT C. BYRD. Yes, overall, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I say that this agreement has been cleared with the distinguished minority leader (Mr. BAKER); Mr. EAGLETON, and Mr. BELLMON, and it is anticipated that, hopefully, the conference report will be ready to be taken up, certainly, at 6 o'clock.

RECESS TO 5:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 6 p.m.

Mr. LEAHY. Reserving the right to object, Mr. President, may I simply ask—I obviously will not object. I would not object to any request of the majority leader. I was wondering if the majority leader would consider recessing subject to the call of the Chair should they come back and report earlier.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 5:30 p.m. today.

Mr. LEAHY. Mr. President, I have no objection.

There being no objection, the Senate, at 4:58 p.m., recessed until 5:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WILLIAMS).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of New Jersey, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTEEN-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand recessed for 15 minutes.

There being no objection, the Senate, at 5:31 p.m., recessed until 5:46 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WILLIAMS).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGENT FOOD STAMP APPROPRIATIONS, 1980 CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on House Joint Resolution 545 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report under a time limitation of 30 minutes to be equally divided between the Senator from Oklahoma and the Senator from Missouri.

(The conference report is printed in the House proceedings of the RECORD of May 15, 1980.)

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, approval of the conference agreement on House Joint Resolution 545 will avert the disaster that would have occurred had we not completed action on this funding measure by midnight today. As of June 1, we can be confident that the elderly and the poor of our country will continue to receive the food stamps upon which they depend so heavily.

This agreement provides an appropriation of $2.556 billion to continue the program probably through July, assuming unemployment does not increase significantly. We have provided specific direction to the Secretary of Agriculture not to cut back benefits unless he determines beyond a reasonable doubt that the program will need more than $9.191 billion to operate the program this year, and we have established that figure as the cap for the program for this fiscal year.

Due to a technical problem in the House rules, we were not able to provide the total appropriation of $3 billion we felt was needed to fully fund this program for the remainder of this fiscal year. I fully expect that the additional funds will be provided to meet this need at the earliest possible opportunity, although I do not relish the thought of fighting this battle once again.

With regard to other Senate amendments, the conferees took the following action:

Dropped the once-a-year cost-of-living indexing, since passage of S. 1309 makes it unnecessary;

S. 1309, when signed by the President, will call for once-a-year cost-of-living indexing rather than what has previously been the twice-a-year process;

Next, we agreed to the assets study required by the Senate, and added a study of certain income to be included in determining eligibility. The second study was added in lieu of a Senate amendment, sometimes referred to as the McClure amendment, that would have changed the law immediately;

Then, we deleted the language that stated this would be the last food stamp appropriation for 1980, but added language stipulating no reduction in benefits until we act on the remaining $446 million deemed necessary to be appropriated by the Senate.

Mr. President, I believe that this was the best possible agreement that could have been worked out, especially considering the constraint under which the House was operating, wherein the basic figure of $2.556 billion was as far as they could go insofar as their parliamentary process was concerned, and so on. Thus, we were locked into a situation from the very beginning in our negotiations, where the House would not and could not budge from that figure. So we had to enter into the best compromise we possibly could under those circumstances, using the basic House figure to start with, but writing in language which permits the Secretary of Agriculture to continue the program on a current benefit basis, without resorting to severe cuts immediately.

We fully anticipate that the additional $44 million will be appropriated, either in the supplemental bill or in some other special urgent supplemental bill so that we can have the total figure of 3.2 billion-some-odd dollars for this program to finance it through the remainder of this fiscal year.

Mr. President, I reserve the remainder of my time.

Mr. BELLMON. Mr. President, I begin by commending the subcommittee chairman (Mr. EAGLETON) for having resolved what had first appeared to be an irresolvable problem.

He exercised great diplomacy, great skill, and tremendous patience in trying to work out a problem that probably should not have existed.

The House seems to have developed a technique on first tying its hands behind its back and then coming to the Senate and saying that we should do it their way or no way. That is how we were for several hours today until this was resolved.

We have, thanks to the work of the chairman, and also members of the staff, Dick Lieberman, Irma Hanneman, Ken Auer, and Stephen Kohashi, finally been able to resolve this problem. It is to their credit, the credit of these very able people, that the food stamp program will be able to continue.

Mr. President, we are completing action today on the urgent supplemental appropriations for the food stamp program in fiscal year 1980. These funds are needed to prevent the imminent termination of the program. Adoption of the conference report concludes our hurried but very thorough consideration of this matter.

We did not have much time, but I assure Members of the Senate that all the various opportunities and channels were thoroughly investigated.

What we are doing today, as unsatisfactory as it is, seemed the best that could be worked out.

I believe that the bill represents the only compromise that was possible under the circumstances. The House, because of its inflexible rules, was unable or unwilling to agree to funding the program at a more realistic level as was proposed by the Senate. The House appropriation of $2.5 billion means that further and almost certainly higher appropriations will be necessary to carry the program through the balance of the year.

When I say "higher" appropriations, I mean higher than would have been the case if we appropriated the full amount needed today.

This is absolutely necessary if we are to fix a total ceiling on the program and avoid this periodic "crisis and appropriation" method of funding of this program.

We have seen happen time after time that the administration will use up the money, come and tell us we have to give them more or that food stamp will be shut off.

It was hoped yesterday when the Senate passed an amendment I proposed that we set a realistic level and give the Secretary of Agriculture plain orders to run the program on that level and not come back and ask for more money.

This is not an entitlement program and could easily be controlled if the House and the Senate would agree to give the Secretary a plain message that we have set a reasonable level and he has to stay within it.

I am pleased, however, that the Senate conferees were able to insist that a limit be specified in the bill. This limit clearly puts the Secretary of Agriculture on notice that a total of $9,191,000,000 is all—I underline "all"—Congress will provide in fiscal 1980. This is the level originally provide in the Senate version of the bill.

By specifying this sum, Congress is requiring the Secretary to finally utilize the provisions of section 18 of the Food Stamp Act, and that is the Lugar amendment, which allows for orderly reductions in benefits in the event of funding shortfalls.

No more than $9,191,000,000 will be spent on food stamps in fiscal year 1980. We now know it, the administration now knows it, the budget planners and the economists now know it—and best of all—the taxpayers now know it, that we are putting a lid on costs of this program.

This demonstrates to those who support balanced budgets and congressional spending disciplines that we can and will establish fixed limits on so called "entitlement" programs. The Federal budget is controllable. Up to now we have lacked only the will, and not the means, of curbing excessive Federal spending. We have succeeded today, but this will require our continuing vigilance, or costs will again go out of control.

I believe that our action on this measure is a modest but important step in meeting our responsibilities under the Constitution in controlling the purse strings of the Federal budget. To be sure, we have a long way to go, but we have made that first small crucial step.

I urge adoption of the conference report.

Again I commend our chairman for the excellent effort he put forth to make this result possible.

Mr. EAGLETON. Mr. President, Senator BELLMON, in his usual way, has been very complimentary to me. I much appreciate it.

The truth is that the ultimate compromise that broke the impasse was fashioned, in a sense, more by him than by me.

So although he gives me credit for the end result, and I appreciate it, he must share in it, in significant measure, himself.

Mr. President, I move the adoption of the conference report.

● Mr. CHILES. Mr. President, I am supporting the emergency supplemental appropriation for the food stamp program, despite serious misgivings about the nature of the conference agreement. My misgivings are so strong that I refused to sign the conference report. We have a real emergency here: millions of elderly people who depend on food stamps would be cut off entirely on June 1 if we do not pass this appropriation. I therefore urged the Budget Committee to invoke the exceptional procedures necessary to allow it to be considered today.

The conferees have appropriated an extra $2.6 billion, but set a limit of $3 billion as the total that can be appropriated this year. We passed $3 billion in the Senate, because all the analysis we have had from the Congressional Budget Office and the Department of Agriculture suggests that costs will be at least $3 billion and probably more. The language of the appropriation bill directs the Secretary not to reduce benefits until the extra costs exceed $3 billion. That says to me that they clearly expect benefits to cost $3 billion. We therefore have to consider the cost of the bill as $3 billion, and get the Congress to set aside another $400 million for another supplemental. I intend to push for that level in conference committee on the revised 1980 budget resolution.

What bothers me even more is setting a firm cap of $9.19 billion on the appropriation without changing any of the benefit provisions. I think we are heading for a train wreck if unemployment goes up and the costs exceed that level. There will be no room in the budget resolution and people will be faced with severe cutbacks in September.

Mr. President, I am also concerned about the phenomenal growth of the food stamp program this year. We are seeing projections of an extra 2 million people coming on the rolls this year and another 2 million more than that in 1981. Spending for food stamps has increased by over $3 billion, or 50 percent this year, and could go up another billion and a half next year. While I have opposed any cutbacks for real needy, the elderly and disabled poor, I think we need to make some reforms that keep food stamps from being provided to people at higher income levels. The bill which recently passed the Congress will save about $550 million a year and remove about half a million nonneedy persons from the program. We will probably have to pass further reforms if we are going to get control of the program and maintain public support for those benefits which are vital to protect the truly needy and poor and elderly.●

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the

Senator from Wisconsin (Mr. NELSON), the Senator from Georgia (Mr. TALMADGE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Oregon (Mr. PACKWOOD), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Vermont (Mr. STAFFORD), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. SIMPSON) would vote "nay."

On this vote, the Senator from Rhode Island (Mr. CHAFEE) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 57, nays 17, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—57

Baucus
Bayh
Bellmon
Bentsen
Bumpers
Burdick
Byrd, Robert C.
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Heinz
Hollings
Huddleston
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nunn
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stevenson
Stewart
Stone
Warner
Weicker
Williams
Young

NAYS—17

Armstrong
Boschwitz
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Laxalt
Lugar
McClure
Proxmire
Stennis
Stevens
Tower
Wallop
Zorinsky

NOT VOTING—25

Baker
Biden
Boren
Bradley
Byrd,
Harry F., Jr.
Cannon
Chafee
Chiles
Cranston
Culver
Hatfield
Heflin
Javits
Kennedy
Leahy
Morgan
Nelson
Packwood
Pell
Pressler
Simpson
Stafford
Talmadge
Thurmond
Tsongas

So the conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. EAGLETON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid resolution, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

: *Provided further*, That the Department of Agriculture is directed to study the effects of regulations which would limit benefits to participants in the food stamp program based upon value of the participants' assets, shall recommend an appropriate level of asset value which would deny or reduce benefits to a participant and analyze the impacts of such a restriction. Appropriate exemptions to this restriction should be considered. The Department is to analyze the administrative burden which this will impose upon the States. The Department is to report to Congress its findings in this matter not later than January 15, 1981: *Provided further*, That the Secretary of Agriculture shall study the impact and advisability of counting, for the purposes of income in determining eligibility: all educational loans on which payment is deferred; grants, fellowships, scholarships, and veteran's educational benefits used for the payment of tuition and mandatory fees at any educational institution of higher learning; and all housing subsidies including, but not limited to payments made by an outside party on behalf of an individual or household. The Department is to report to Congress its findings in this matter not later than January 15, 1981.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid resolution, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Provided further, That notwithstanding any other provision of law, the Secretary of Agriculture shall make the determination on benefit reductions required by section 18 of the Food Stamp Act of 1977, as amended, on the basis of a total appropriation for fiscal year 1980 of $9,191,000,000: *Provided further*, That total appropriations shall not exceed $9,191,000,000 for fiscal year 1980.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House to the amendments of the Senate numbered 3 and 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendments in disagreement were agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a resumption of morning business for not to exceed 10 minutes and that Senators may speak therein during that time.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

SECRETARY MUSKIE AND FOREIGN MINISTER GROMYKO

Mr. HELMS. Mr. President, tomorrow Secretary of State Muskie will be meeting in Vienna with Soviet Foreign Minister Andrei Gromyko. Thus our former colleague will, for the first time, have a chance to meet his opposite number and to have discussions with him about the future of United States-Soviet relations. Secretary Muskie's hope, as he has explained, is to make progress in this relationship; but he has also warned that the progress will depend upon the nature of Soviet policies in the light of what has happened since last December.

But, of course, it is not only what the Soviets have done since December that is important. It is just as necessary to examine what the Soviets say they will do. Americans are a little bit impatient with Soviet theory and doctrine. We tend to say that no one in the Soviet Union believes in ideology any more. But we make a big mistake when we adopt that attitude. If we had followed Soviet pronouncements a little more seriously, we would not have been surprised at Afghanistan.

During the past few weeks, three Soviet spokesmen have delivered addresses intended to show the direction of Soviet policies, particularly with regard to Western Europe and Afghanistan. It is clear from the direction of these speeches that the Soviets are not on the defensive about Afghanistan; on the contrary, they have taken the offensive. Not only do they justify the armed invasion of the Afghans' territory, but they go on to enunciate a new principle. They have now extended the so-called Brezhnev doctrine—once applied only to members of the Socialist bloc—to the whole world.

The address that attracted most of the attention of the Western press seems to have been the first one chronologically. It was made by the Soviet Ambassador to France, S. V. Chervonenko, a full member of the Central Committee of the CPSU since 1961. It was Chervonenko who announced the extension of the Brezhnev doctrine in Paris at the beginning of April.

The "tough" tone of Chervonenko's address could well have been meant to set the proper climate for the brief "working visit" to Paris of Soviet Foreign Minister Gromyko, who came in late April. Gromyko, of course, has been a full member of the Soviet party inner circle, the Politburo, since 1973.

The third speech was by a seldom heard figure, B. N. Ponomarev, the gray eminence of the Kremlin who is the leading ideologist in matters relating to the activities of foreign Communist parties. Born in 1905, Ponomarev is chief of the International Affairs Department of the CPSU Central Committee. He is also chairman of the Foreign Affairs Commission of the Council of Nationalities of the Supreme Soviet. Ponomarev seldom speaks in public, but he is regarded as one of the most powerful forces in foreign policy.

The speech by Ambassador Chervonenko in Paris has startled foreign analysts. Chervonenko said that now any country, in any region "has the full right to choose its friends and allies, and, if it became necessary, to joint with them in repelling the threat of a counterrevolution or foreign intervention." Whereas the Brezhnev doctrine was enunciated in the context of Czechoslovakia and Warsaw Pact members, Chervonenko now made it clear that it applied to every nation.

Actually, the Brezhnev doctrine, and its extension, are merely the application of the principle of "Socialist internationalism," a doctrine so important to the Soviet ideologues that it has been incorporated into the new Soviet Constitution. The aim of Soviet foreign policy, says the 1977 constitution, is "insuring international conditions favorable for building communism in the U.S.S.R. and consolidating the positions of world socialism."

The Soviet conviction is that all the world is their responsibility, politically speaking, since all the world must eventually come under Communist domination. Any obstacle is to be destroyed, if possible, or at least neutralized. Thus Chervonenko strongly contested the notion that the United States had any "vital interests" in the Persian Gulf, since any such vital interests would be an obstacle to complete Soviet domination of the area.

Thus, on Afghanistan, Chervonenko was adamant. He said clearly that there was a threat: "the possible fall of the revolutionary government." He said that the Soviet Union could not permit "another Chile" in that key strategic area. The fact that the Soviet invasion aroused worldwide indignation merely convinced the Soviet Union that more diplomatic activity was necessary.

The speech of Gromyko at the Paris press conference was on the whole less somber but also no less adamant than that of Chervonenko. It was as serenely assertive of the righteousness of the Soviet cause. The whole text of the speech appeared in Pravda for April 26.

He started by stating that "France and the Soviet Union had covered a long and fruitful road in the development of mutual relations." Pursuing the policy of encouraging détente in Europe as a means of separating Europe from America, Gromyko noted that France was for détente as it had been before. France and the U.S.S.R. both admitted the presence of scores of camps in Pakistan in which rebels were trained to fight in Afghanistan. He pointed out that French President Giscard had said that nobody must interfere in the internal affairs of Afghanistan. He praised Giscard for saying that Afghanistan should be a "nonalined country"—a term which Gromyko said he preferred to that of "neutral." He said that the French were also in favor of calling a conference on détente and disarmament, to be followed at some later date by a conference on disarmament in Europe.

Gromyko then laid all the blame for the worsening of the international situation in Europe on the United States, for insisting on rearming and on placing medium range nuclear missiles in Western Europe.

By contrast, he said the situation in Afghanistan had been "artificially blown up," since only "a limited contingent of troops" had been sent in answer to "repeated requests for help" by "the legitimate Government of Afghanistan." He was particularly irked at the presence of training camps for Afghan rebels in Pakistan, and stated categorically that removal of Soviet troops would take place only "when aggression against Afghanistan stops." He said that any talk to the contrary was "a loss of time" and "simply not realistic." He insisted that the removal of Soviet troops would be "the crowning result" of the cessation of aggression.

Speaking in Moscow, Ponomarev—who seems to spend most of his time receiving foreign Communist delegations or visiting foreign Communist headquarters all around the globe—delivered a speech that was something of a general guideline for Communists at home and abroad, where some parties appeared to have been somewhat dismayed at the Afghanistan affair. He obviously spoke also for the benefit of the European Communist parties that were to convene in Paris at the end of April, in order to speak up together "against the danger of war" as he said during his speech.

Ponomarev spoke, of course, of Leninism in general and its glorious realizations in the Soviet Union, but he dealt at length also with the international situation. He informed his audience that the number of Communists in non-Socialist countries had increased by some 1,250,000 * * * 4,250,000 in all, of which more than 800,000 new members are in Western Europe. His speech made it clear that these Communists would be very effective in carrying out the line of Socialist internationalism. Addressing apparently all Communists everywhere he stated that "the voice of Communists must be heard by all who want peace," that is, by all leftist groups and parties.

In order to encourage his hearers abroad to action, Ponomarev laid on capitalism the blame for inflation, unemployment, and spreading terrorism, saying that it was always more an obstacle to "the solution of present problems of humanity." Capitalism-imperialism in particular was responsible for the "hunger and poverty of many peoples." That is why, he added, "class warfare within the imperialist camp and the national liberation movement of peoples grows stronger"—in other words, calling for an increase of the same.

For those who might disregard any form of abstract thought, it should be noted that there is nothing abstract about Marxism-Leninism. It is the most down-to-earth pragmatic set of flexible guidelines on the tactics most effective to use in order to achieve total power. It is only the language which is sometimes misleading, because words familiar to us have unfamiliar meanings. And so when Ponomarev called upon Communists to "fullfill the wishes of Lenin, namely to bring to its conclusion the historic mission of socialism," he was calling for world revolution, which Communists the world over now believe to be close as never before because of the disarray in the free world.

When he asked them to "cooperate with those who really want to avoid a world war, are inclined to take the realities of our times into consideration, are ready to respect the legitimate interests, independence and freedom of each people," he was talking of the carrot to be used with such peoples and individuals as for one reason or other fell into the Communist camp or at least became "nonalined."

Thus it is that he said that the policy of peace of the Soviet Union, which "has no use for war and does not aim at war" has penetrated into the consciousness of peoples and "even of ruling circles of a circle of countries."

As to the situation in Afghanistan, Ponomarev left little doubt as to the decision of the Soviet Union to abide by the Iranian-Soviet Treaty of 1921 in which the Soviet Union committed itself to help the Iranians in case of need. He quoted the words of Lenin said in 1921 to the effect that "Russia will remain forever the first friend of the exalted Afghanistan state for the good of both peoples."

He castigated the strategy of the United States, saying that "it calls for intervention, including armed intervention, wherever peoples take their destiny into their own hands, where foreign oppression and dictates are liquidated." The "right of intervention, of export of counterrevolution," continued Ponomarev, "is now justified openly by the 'vital' interests of America." It was, said Ponomarev, "the colonizing desire to take that which does not belong to colonialism. And when peoples resist such attempts, imperialists begin to threaten with 'global confrontation' and to shake atomic weapons."

Ponomarev thus blamed the danger of war for the world on the aggressive actions of the United States and again stressed that only the Soviet Union could save the world from catastrophe.

And so, Mr. President, the situation is this. Any Soviet act of aggression is actually a defensive act. According to their way of thinking, the dynamics of history is on their side. Any action taken to defend the direction of history is therefore, by definition, a defensive action. On the other hand, any action by the capitalist states to maintain the status quo is an action contrary to the direction of history, in the Communist view. According to their convoluted logic, the defense of freedom by the West is therefore retrograde, and an act of aggression against the future of communism.

Mr. President, let us hope that Secretary Muskie will make progress in his meeting with Gromyko tomorrow. But at the same time, let us be realistic about Soviet intentions and Soviet ambitions.

FOREIGN POLICY

Mr. HELMS. Mr. President last week the Republican National Committee held hearings on the proposed GOP platform for the 1980 election. I was invited to address the panel on the subject of foreign policy, and I was pleased to submit a detailed statement. Mr. President, I ask unanimous consent that my statement before the GOP Platform Committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR JESSE HELMS BEFORE THE GOP PLATFORM COMMITTEE MAY 8, 1980

Mr. Chairman, at this moment in world affairs, the United States is entering into a new course in foreign policy. The tragic, traumatic failure of the U.S. rescue mission in Iran, the spectacular success of the British commando raid on the Iranian embassy in London, the death of Tito, the massive Cuban exodus from Havana—all in the space of a few days—tell us that the challenge of present events is one of the most dramatic that has been encountered in years. Secretary Vance has resigned; Secretary Muskie has been confirmed. The opportunity is here for a dramatic shift in foreign policy to sort out the chaos of the past three years and to begin to remedy it.

I wish Secretary Muskie well. But the American people are now demanding that our policies become effective to restore America's prestige, and to use our power on behalf of our national interests and of world freedom. If President Carter and Secretary Muskie fail to turn our policy around, the Republican Party should stand ready to implement an effective policy, one that institutes bold new reforms in both the content and method of our policy.

The central issue will lie in our handling of the problem of Soviet expansionism and of international communism. I use both advisedly. Soviet expansionism is on arrogant display in Afghanistan; but in the west we are accustomed to downgrade ideology, dismissing it as rhetoric of little consequence. On the other hand, the Soviet theoreticians who plan Soviet expansionism are rooted in doctrine. We cannot understand the one without the other. Indeed, whenever any sector of the world is ruled by communism or socialism of any stripe, and that domination is enlarged, we ought to consider that loss of freedom as a direct threat to our own.

The Soviet Ambassador to Paris (Stepan V. Chervonenko) delivered a speech only three weeks ago that made the threat particularly clear. The Soviet invasion of Czechoslovakia led to the proclamation of the so-called "Brezhnev Doctrine", that the Soviet Union had the right to prevent the rolling back of socialist gains within the Warsaw Pact. But the Soviet Ambassador to Paris now proclaims an extension of the Brezhnev doctrine. He says now that any country, in any region, has the full right to choose its friends and allies, and to ask them to help repel any threat of counter-revolution or foreign intervention.

This, of course, is the explanation of Afghanistan; but it applies also to any country where a self-proclaimed liberation group proclaims itself to be the government. It is noteworthy, for example, that the Nicaraguan Sandinistas recently visited Moscow and signed a party-to-party agreement with the Communist Party of the Soviet Union. Of course, many countries sign agreements with the Soviets on a state-to-state basis. But a party-to-party agreement is an acknowledgement that the Sandinistas are part of the world communist movement. Under the extended Brezhnev doctrine, Nicaragua could come under Soviet "protection".

The Carter Administration has failed to understand the role of doctrine. For a short while after the invasion of Afghanistan, it appeared that there would be a new realism in the Carter program.

This new realism coincided, of course, with the more aggressive role of the Soviet Union in world affairs. The official view, as exemplified by President Carter's State of the Union address, implied that the Soviets had somehow changed. But the truth is that the Soviets have *not* changed. What has happened is that their plans have matured. Let's look at the record:

In August, 1939, the Soviet Union entered into a pact with Nazi Germany just before the outbreak of World War II. This allowed Russia to divide up Poland and occupy Estonia, Latvia and Lithuania.

In November of 1939, the Russians attacked tiny Finland.

In 1948, even before they had an atomic bomb, the Soviets cut off Berlin from the rest of the world.

In November 1956, Russian tanks and troops brutally put down the uprising of the Hungarian people.

In 1962, the Russians stationed strategic nuclear weapons in Cuba and brought the world to the brink of nuclear war.

In August, 1968, they invaded Czechoslovakia.

In August 1968, they invaded Czecho-refined its techniques of expansion by using surrogates such as Cubans and East Germans in Africa and the Middle East.

And now of course, there is Afghanistan.

In its international and geopolitical relationship with the United States and the Free World, the Soviet Union has used a two-pronged offensive.

On one hand, as I have just indicated, they have used the mailed fist as they expanded, particularly over the last 40 years, their domination of nations contiguous to Russia, and they have used surrogates in parts of the world where they believed armed intervention by their own military forces would run an unacceptable risk.

THE USE OF POWER

The views that President Carter expressed in 1977 at Notre Dame are typical of the ideas that have obsessed our foreign policy makers for years. These ideas included the notion that international relations could somehow be democratic, and that if the United States would merely set a good example, we were sure to win the day. Furthermore, there was the belief that the use of power is not only immoral, but irrational. Indeed, penetrating all of our most important policy decisions is the root error that conflict can be "managed" or manipulated by rational analysis, without regard to the power relationships involved.

There is one particularly revealing sentence in the Notre Dame speech that unfrocked the President's naivety. He said:

"In the life of the human spirit, words are action—much more so than many of us may realize who live in countries where freedom of expression is taken for granted."

Although the life of the spirit is very important, the fact is that words are not action. Words can move people to act, but words are not action in themselves. Unfortunately, action requires the use of power, and it is precisely the use of power that drives fear into the hearts of the foreign policy establishment which has run our foreign policy for the last three decades.

That was the problem with the President's failure in Iran. The mission was "fine tuned" to utilize the minimal level of power, and therefore became inadequate. The President seems to believe that talking tough and threatening military action will cause the Soviets to retreat. A State Department spokesman once declared that the Soviet invasion of Afghanistan, for example, was "irrational." But neither reason nor threats will deter superior force.

U.S. DEFENSE PROBLEMS

If we look at the defense problems of the United States, we see that we have to be prepared to do the following:

1. When we note the overwhelming forces which the Soviets have deployed in Europe, we must be prepared to fight large land battles. We are not so prepared. Our manpower is depleted. Our tanks are twenty years out of date, and are not even hardened for chemical or tactical nuclear warfare. Our supporting material has been drawn down to dangerously inadequate levels.

2. When we notice that the Soviets are threatening us in the Middle East, we must be prepared to supply forces at long distances. I need not go into the details of the Iran mission to illustrate our lack of preparation. We do not have the capacity to move more than one division under emergency conditions. We do not have the carriers to station the Indian Ocean, or the task forces to support them. To do so, we had to take carriers from the Pacific and from the Mediterranean, leaving those oceans to the control of the Soviet navy. Because of the task force moved during the Iran crisis, we have had no carrier in the Pacific for months.

3. When we notice that the Soviets have developed a whole new generation of intercontinental ballistic missiles with a throw-weight vastly superior to ours, and are getting the capability to put multiple warheads on each of those heavy missiles, we should have the capability to destroy Soviet missiles in their silos. We have deliberately avoided getting the necessary accuracy to do so. We have built no new generation of missiles since the 60's. And we have entered into a SALT process that will guarantee absolute Soviet superiority within three years. Yet the Soviets have the President so mesmerized that he appears, even yet, to disbelieve the evidence of his senses. He says that he now realizes the Soviet aims, but at the same time he announces that he will unilaterally conform to the terms of the SALT II treaty until the treaty is ratified.

4. When we see the tremendous expansion of the Soviet navy, and the fact that they have built the largest submarine fleet in the world, we see that we need the capacity to destroy Soviet submarines on station. For Soviet submarines can come to our coastline, within range of the majority of our cities, and threaten our population directly. The geography of the Soviet Union does not permit such a reciprocal advantage. Yet our Navy has declined at a rate faster than the Soviet navy has grown. Unfortunately, even if we were to begin today to bring our Navy up to par, we would be unable to have a sufficient number of ships on station, fully manned, to meet the Soviet threat within the decade.

These are just four examples of the deep problems affecting our Nation's defense.

CRITERIA FOR EFFECTIVE FOREIGN POLICY

What should be the goals of American foreign policy? In the past, our policy has been negative. We have shrunk from our responsibilities. We have retreated from the world arena on the grounds that we were establishing an international world order in which every country would have equal power and equal authority. We have defined the national interest in terms of a transition towards a world in which nations ultimately disappear.

We are now gathering in the frightening harvest of that policy. Instead of enjoying international esteem, respect, and friendship, the United States is now a hated symbol to much of the world. Instead of expanding our political and economic influence, the United States has become entangled in a web of interrelationships that have weakened the dollar, encouraged world inflation, destroyed jobs at home, and made friendship with us a policy too dangerous for many countries to pursue. Finally, we have preached freedom and human rights, but more millions of people than ever are the victims of oppressive systems that hamper individual freedom and property ownership.

I would offer three criteria as starting points for a new policy.

First, it should be our aim to project U.S. power and influence throughout the world. The reality of the world is that nations are not equal in importance or dignity; nations occupy a natural hierarchy of values. And while every nation has a right to its freedom and independence, most nations require the support of an outside power to maintain that freedom. The United States must not remain indifferent to the alliances nations make, but we should actively seek to influence their choices and decisions. It is against our tradition to impose our will by force but the very nature of leadership requires that we use our power and prestige to win the hearts of other nations. It is not because we are powerful that we have lost so many friends and caused our alliances to cool; it is because we have not exercised our power that we now enjoy the contempt of so much of the world.

Second. It should be our aim to disentangle the United States from the death-grip of interdependence. We should withdraw from any bilateral or multilateral agreement which limits our freedom of action and policy decision. We should not participate in multilateral assistance or economic institutions which make it difficult to influence those who receive the benefits.' We should always be prepared to withhold U.S. participation when the policies of the institution are contrary to our interest. We should make it clear that the United States has no long term interest in an institution that works against our immediate national interests. In short, we should forthrightly reject the concept of interdependence, and once again proclaim our independence.

Third. It should be our aim to support the traditional values of personal freedom and responsibility against the forces of collectivism. We should make it clear that the battle in the world today is between freedom and socialism. We should use every instrument of power at our command to undermine the forces of socialism, not only in the Third World, but in the socialist bloc as well. We should use every propaganda and economic influence to undermine the intellectual and organizational forces of socialism throughout the world, while at the same time demonstrating the ability of free enterprise and private property to do a superior job of distributing economic and social benefits and protecting human rights. Indeed, we should use all of our diplomatic, intelligence, and military assistance to support those nations which are struggling to fend off Marxist revolution.

We are in the middle of a war for the world, and we have not recognized it. We cannot remain neutral when freedom is at stake. We cannot expect to retain our own freedom if the rest of the world goes socialist. If Western values are to survive, the United States will have to develop the moral and organizational capacity to preserve them.

A CONFLICT FOR OUR LIVES

Unless we recognize that we are in a conflict for our lives and the lives of our children, we will not be able to defend the United States. Leadership in defense and foreign policy does not come from plans or from politics. Plans and politics are the realm of sterile rationalism, while defense relates to the national will.

There is more to man than thinking and planning. If a man, or a nation, is to survive, it is necessary to do something as well. A man's character, or a nation's character, is judged by the ability to respond to duty, to honor, to loyalty, and to the preservation of tradition. Survival depends not on the truth of the mind, but upon the moral truth that lies in the will.

That moral truth is ultimately spiritual. Our nation is built on spiritual values—values that transcend the organization of society, or the distribution of the wealth. I perceive that America is showing clear signs of a spiritual revival. The ultimate freedom rests ultimately in God.

For that reason, the socialist vision of society—a vision that depends upon man-made blueprints for an intellectual utopia—is false and contrary to human nature. It destroys the very basis of human rights. When the President spoke of "the inordinate fear of Communism" three years ago, he failed to recognize that Communism is not just an ideology on a political spectrum, but that any ideological politics is a fundamental distortion of human nature and the heart of the evil that is overtaking the world.

THE WESTERN TRADITION

The American people have grown restless under the concept that material concerns are the stuff of life, and that endless talking and planning can solve our problems. Such approaches to life are not the true American tradition, which is deeply rooted in Western Civilization. After all, we represent a specific ethos, a definable philosophy, and a history which has carried us from Roman and Judean antecedents down through the ages of Christianity. It is a tradition which is more important to us than modern ideologies.

Many of our leadership groups have jettisoned that tradition—but our people cling to it instinctively, even while the glitter and dazzle of modern technology and social engineering are conspiring to tempt them to abandon their heritage. The present crisis has been a long time in the making. Now that we can no longer ignore its danger, we turn to the moral traditions—of courage, honor, and responsibility—which have been so long derided. This is the spiritual rebirth of which I spoke.

We cannot afford to sit in the armchairs of history, and passively contemplate the destruction of both freedom and civilization. I applaud the President for his decision to defend the vital interests of the United States. But we cannot pretend that, having announced we will defend those vital interests, the Soviet Union will retire, cowering. At some point, the challenge which the President has issued must be taken up.

When Alexander Solzhenitsyn spoke at Harvard only two years ago, our national pundits were shocked and disturbed. The New York Times called him "obsessed." The Washington Post said that he was "remote from Western experience," and carried his "concern to an unacceptable extreme." But of course, we knew before those newspapers spoke that prophets are without honor in their own country, even if that country is only adopted temporarily.

But the prophet is not a man who foretells the future. A prophet is one who reads the prevailing signs, the problems that are deeply rooted in present society. He makes manifest that which we do not want to see. Now, only two years later, Solzhenitsyn's vision is not so remote from our experience. Listen to what he said then:

"The fight for our planet, physical and spiritual, a fight of cosmic proportions, is not a vague matter of the future; it has already started.

"The forces of evil have begun their decisive offensive, you can feel their pressure, and yet your screens and publications are full of prescribed smiles and raised glasses. What is the joy about?

"Very well-known representatives of your society, such as George Kennan, say: We cannot apply moral criteria to politics. Thus we mix good and evil, right and wrong and make space for the absolute triumph of absolute evil in the world.

"On the contrary, only moral criteria can help the West against Communism's well-planned world strategy. There are no other criteria."

The failure of America's leaders to apply the moral criteria demanded by Solzhenitsyn has resulted in a paralysis of both will and action. America was led to believe that the world had progressed beyond "an inordinate fear of Communism." We are late in coming to a realization of our problem. We are not prepared. But it is not too late to begin those preparations, to rebuild our military strength, and to recapture the soul of America.

VIEWS ON TAX SEVERANCE LEGISLATION (S. 2695)

Mr. WALLOP. Mr. President, with regard to certain remarks by the Senator from Arkansas concerning severance taxes in the Western States and the bill he introduced yesterday, I wish to make the following statement.

Mr. President, since the Arab oil embargo of 1973, attention has focused on the need to increase domestic energy production. My State of Wyoming has responded with a herculean effort. Coal production has increased dramatically, uranium production has tripled, and thermal generating capacity increased by 50 percent. On top of this, recent discoveries in southwestern Wyoming added hundreds of millions of barrels to the Nation's oil and gas reserves.

This remarkable accomplishment has come about not because of the Federal Government but in spite of it. Federal law has preempted State law in telling us how our mined lands will be reclaimed. Clean air regulations based on regional economic concerns rather than air quality standards has launched our Nation toward an expensive trend in pollution abatement equipment. The number and size of synthetic fuels plants situated in my State will be determined by a synthetic fuels corporation based in Washington. Soon, an Energy Mobilization Board will tell us what energy projects must receive the attention of State regulatory agencies.

Efforts have been launched to run our scarce water out of the State by coal slurry pipeline, to run our independent oil and gas industry out of business by changing the leasing system on Federal lands, and to run our ranchers and farmers off their land by repealing the surface owner consent provisions of the Surface Mining Control and Reclamation Act.

Yesterday, however, the most ludicrous effort to date was launched. Legislation, specifically, S. 2695, was introduced to curtail the ability of coal-producing States to protect themselves from the enormous impact associated with coal production. Specifically, the legislation would set a mandatory ceiling of 12.5 percent on the severance and ad valorem taxes levied by coal-producing States and local communities.

Wyoming's recent mineral boom did not create crowds of people pushing wheelbarrows full of money to the bank. Rather, it produced a sudden influx of people with whom existing State and local governments could not cope. After years of static or declining populations, this drastic increase strained every State, and every local facility and public service. Wyoming's population grew 46 percent in 6 short years. In some communities, the population exploded at a phenomenal 15 percent per year. Nationally, urban planners consider growth rates larger than 4 percent to be uncontrolled and devastatingly taxing to community public services.

To cope with this unprecedented growth, the Wyoming legislature enacted severance taxes to pay for the social and public costs of mineral developmen. These severance taxes are supporting local governments, community colleges, fire protection districts, water and sewer districts, hospital districts, school districts, and road and street projects. Highways, disintegrating under the weight of mineral-laden transportation equipment, must be rebuilt and water development projects must be funded to provide scarce water for new populations, burdened municipalities, agriculture, and a growing mineral industry. Special funds have been set up to build and finance permanent housing for workers presently living in trailers.

Congressional meddling with the ability of States to levy severance taxes on coal production is not only unjust but specious and ill-founded. Sponsors of this measure justify their actions by claiming that it is needed to remove excessive burdens on coal production. Such a proclamation is preposterous. In 1973, Wyoming produced 14 million tons of coal. Yet, by 1979, after the enactment of the severance tax that figure jumped to 72 million tons—a fivefold increase. Production is estimated to double again by 1983 lending little credence to the argument that the tax is an excessive burden.

Furthermore, proponents of this legislation talked about the inflationary, unfair, and burdensome impact on consumers. Again, a preposterous argument. According to the Edison Electric Institute 1978 yearbook, the average residential consumer had a yearly electrical bill of $356. Wyoming's taxes represent approximately $8.92 of that amount. That is 74 cents a month or 2.4 cents a day. If S. 2695 were enacted, and mineral taxes lowered from 17 percent to 12.5 percent the savings would be less than a penny a day.

While Wyoming's 17-percent tax sounds high, it is levied only on the cost of producing coal and not on the delivered price of coal. By the time coal reaches its final destination, its price includes the cost of crushing, screening, oiling, and loading; transportation from mine to the loading area; and railroad shipping charges. Our mineral taxes account for less than 10 percent of the delivered cost of coal or less than 2.5 percent of the ultimate retail cost of electricity to the consumer. Ironically, States such as Arkansas and Washington, which light their homes and industries with coal dug from Wyoming soil, unabashedly levy a gross sales tax on electricity which burdens their citizens far more than the severance taxes of Wyoming or Montana. Arkansas levies a 3-percent tax and Washington a 3.6-percent tax.

Mr. President, I am both angered and overwhelmed by the sheer hypocrisy of this issue. If S. 2695 were enacted it would have saved the consumers of this Nation approximately $75 million in 1979—yet that money is desperately needed to cope with the pressures and demands of energy development in Wyoming and Montana. While the proponents of this severance tax bill piously lead the cause of the burdened consumer, they gleefully urge the enactment of a so-called windfall profit tax on crude oil which burdens that same American consumer to the tune of $27 billion a year.

Have we so quickly forgotten the Federal commitment to the impoverished Appalachian region? From the granite quarries of Vermont to the copper pits of Montana ghost towns stand as stark reminders of the boom-bust nature of natural resource production. It is a history lesson that Wyoming refuses to repeat.

Impediments to coal production comes not from the severance taxes of Montana and Wyoming but from Congress and an administration who has preached coal conversion yet stifled that goal with untold regulatory uncertainties.

Inflationary burdens and high energy costs come not from the pennies per day payed by consumers through severance taxes but from scrubbers, railroad freight rates, and the expense of constructing new facilities. Myopic and shortsighted public policies have fostered the cruel illusion that energy is cheap and abundant and a guaranteed right.

There is a posse on the prowl and they are out to lynch the first stranger they find. Yet the lynching will accomplish nothing. No more coal will be produced and the inconsequential savings would never offset the ill will created by this action.

S. 2695 is ill founded and must be defeated for it tramples on the very concept of the republic. Why not next take a look at limiting State corporate taxes, sales taxes, or any other measure that local or State governments use to raise revenues? After the first victim is strung up, the rest will come easy.

THE NOMINATION OF LYLE GRAMLEY

Mr. SASSER. Mr. President, today the Senate approved the nomination of Lyle Gramley to be a member of the Federal Reserve Board. A number of my colleagues and myself raised considerable questions about this nomination before it was finally approved.

We did not question Mr. Gramley's qualifications. Rather, we questioned the process of selection of Federal Reserve Board members. We questioned the high interest rate policies followed by the Federal Reserve Board that have driven our Nation's economy into chaos. There were legitimate questions for us to raise.

I have opposed and will oppose the policy adopted by the Federal Reserve Board last October to drastically raise the prime rate to fight inflation. Our reliance on this misguided policy is leading our economy into chaos.

The housing industry, for example, has been brought to a standstill because of high interest rates. Nationally, housing starts will be at their lowest levels since World War II. American homebuilders are carrying an inventory of over 300,000 housing units at carrying charges in the vicinity of 20 percent. Homebuilders and contractors are going out of business daily. And the National Association of Homebuilders estimates that perhaps less than 5 percent of the American population can now reasonably afford new housing.

In the farm sector, we find much the same. Farm interest costs are expected to top $14 billion in 1980. And in 1979, American farmers had to obtain 17 percent of all their cash funds by borrowing, compared to just about 5 percent in 1970. And the farmers that can get credit are the lucky ones. The recent $1 billion in emergency agricultural loans released by the administration has been all but committed. Loans made through production credit programs in most States have all but dried up.

With interest rates ranging from 4 to 6 percent over last year's rate, farmers are not making their full spring planting or maintaining their livestock herds. Tennessee farmers, for example, expect to plant 50,000 acres less soybeans this year.

The bill for all of this will be paid by the American consumer in the form of higher food prices in the years to come.

I know, Mr. Chairman, that the Federal Reserve Board recently announced a new program of seasonal credit for small banks to help small businessmen and farmers. But I am afraid the damage has been done. I am afraid that by the time this program takes hold, the farmers and small businessmen that we wish to help will have gone out of business.

So what do we have in our economy today?

Homebuilders cannot afford to borrow. Farmers cannot afford to borrow, and neither can small businessmen. Yet with all these danger signs, Chairman Volcker persists in his mistaken and tragic belief that high interest rates can control inflation.

I commend Senator CULVER, Senator BUMPERS, Senator STEWART, Senator CRANSTON, Senator DURKIN, and others who took the opportunity offered by the Gramley nomination to question the Federal Reserve Board's reliance on high interest rates to fight inflation.

I commend all my colleagues who voted for the resolution offered by Senator CULVER and myself which requests the Banking, Housing and Urban Affairs Committee to take further steps to diversify the membership of the Federal Reserve Board.

In that regard, Mr. President, I will shortly be presenting a study being done by the Congressional Research Service on the membership patterns of the Federal

Reserve Board and its regional banks. I have no doubt that this study will further strengthen the hand of those Senators who have and will continue to fight for more diversity in the membership of the Federal Reserve Board. The day has long past when we can leave full control of the economy to the professional economists.

We need individuals from all walks of life—farmers, small businessmen, and others—to serve in positions of responsibility with the Federal Reserve Board.

I know that Senator PROXMIRE and Senator GARN share my sentiments on this matter.

They were most gracious in hearing our presentations on this issue in committee.

I congratulate Mr. Gramley on his nomination, and I look forward to the time when the Senate has another opportunity to diversify the membership of the Federal Reserve Board and its branches.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with U.S. Coast Guard and going through the nominations on page 2.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to state the nominations.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominees be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations, considered and confirmed en bloc, are as follows:

IN THE COAST GUARD

Richard A. Bauman to be rear admiral.
William P. Kozlovsky to be rear admiral.
Richard P. Cueroni to be rear admiral.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The assistant legislative clerk proceeded to read the nomination of Ralph Earle II, of Pennsylvania, to be Director of the U.S. Arms Control and Disarmament Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. TAX COURT

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Tax Court.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominees be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominees are considered and confirmed en bloc.

The nominees, considered and confirmed en bloc, are as follows:

U.S. TAX COURT

Edna Gaynell Parker, of Virginia, to be a judge of the U.S. Tax Court for a term expiring 15 years after she takes office.

Sheldon V. Ekman, of Connecticut, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that motions to reconsider the votes by which the nominations were confirmed be considered en bloc and that they be laid on the table en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have all the nominees been confirmed and has the motion to reconsider the vote by which all the nominees were confirmed been laid on the table?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 742.

The PRESIDING OFFICER. Without objection, it is so ordered.

GILA RIVER PIMA-MARICOPA INDIAN JUDGMENT FUNDS

The Senate proceeded to consider the bill (S. 2508) to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236–A, 236–B, and 236–E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 3, line 1, after "income" insert "resulting from dockets 236–A and 236–B";

On page 3, line 11, after the period, insert the following:

After the date of enactment of this Act all interest and investment income accrued from dockets 236–A, 236–B, and 236–E shall be advanced quarterly and utilized as provided in this subsection and paragraphs (1) and (2) of subsection (a) of this section.

On page 3, line 19, strike "Indian Community" and insert "tribal governing body";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the funds appropriated on May 4, 1977 (91 Stat. 61), in satisfaction of the judgment granted to the Gila River Pima-Maricopa Indian Community in dockets 236–A and 236–B before the Indian Claims Commission and on April 23, 1979, in docket 236–E before the United States Court of Claims, less attorney fees and litigation expenses, and including all interest and investment income accrued, shall be used and distributed as provided herein.

SEC. 2. (a) The Secretary of the Interior shall invest the principal sum of funds in all dockets pursuant to the provisions of the first section of the Act of June 24, 1938 (25 U.S.C. 162a). The interest and investment income accrued shall be immediately available to the Gila River Indian Community upon the approval by the Secretary of the Interior of the community's plan of operation and budget as set forth in Gila River Indian Community Resolution Numbered GR–100–79, adopted August 1, 1970, as follows:

(1) 50 per centum of such interest and income resulting from dockets 236–A, and 236–B shall be used as operational costs of the Gila River Indian Community; and

(2) 50 per centum of such interest and income resulting from dockets 236–A and 233–B shall be distributed to the seven community districts, prorated on the basis of current population at the time such distributions are made and shall be used for the general district government operations and programs.

(b) All of the accrued interest and income from docket 236–E shall be used as operational costs of the Gila River Indian Community. Thereafter, interest on invested funds shall be advanced quarterly and used as provided in this section. After the date of enactment of this Act all interest and investment income accrued from dockets 236–A, 236–B, and 236–E shall be advanced quarterly and utilized as provided in this subsection and paragraphs (1) and (2) of subsection (a) of this section.

SEC. 3. The Gila River Indian Community may utilize portions of the principal funds referred to in section 2 of this Act in connection with programs proposed by the Gila River tribal governing body on a budgetary basis which has been approved by the Secretary of the Interior.

UP AMENDMENT NO. 1101

Mr. ROBERT C. BYRD. Mr. President, due to an inadvertent error, a sentence that was deleted from the bill during the committee consideration remained in the bill when filed. I ask unanimous consent that a technical amendment to correct this error be considered en bloc with the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendment is agreed to.

The amendment is as follows:

On page 3, lines 9 through 11, strike the sentence beginning with the word "Thereafter" and ending with the word "section".

Mr. STEVENS. Mr. President, the bill has been cleared on the minority side and there is no objection.

The PRESIDING OFFICER. Without objection, the committee amendments, as amended, are agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL OCEAN POLLUTION RESEARCH AND DEVELOPMENT AND MONITORING PLANNING AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 6615.

The Chair laid before the Senate H.R. 6615, an act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out provisions of such act for fiscal years 1981 and 1982, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 743, S. 2687, be indefinitely postponed.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION OF DISAPPROVAL—EDUCATION APPEAL BOARD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on House Concurrent Resolution 318.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 318, a concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the House concurrent resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 318) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REGULATIONS ON ART IN EDUCATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator WILLIAMS, the chairman of the Committee on Labor and Human Resources, I ask unanimous consent that the committee be discharged from further consideration of House Concurrent Resolution 319 and that it be held at the desk subject to further disposition by the Senate.

Mr. STEVENS. Reserving the right to object, is it the Senator's intention to pass that bill this evening?

Mr. ROBERT C. BYRD. No, not today.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now ask the distinguished Senator from Alaska (Mr. STEVENS) if he would have any objection to the Senate proceeding to the immediate consideration of House Concurrent Resolution 319.

Mr. STEVENS. Mr. President, I might say to my good friend there is no objection. That was my inquiry, whether the matter had been cleared by the majority leader for action by the minority.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

The PRESIDING OFFICER. The clerk will report.

The clerk will state the concurrent resolution by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 319) disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 319) was agreed to.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT—S. 1860

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the unanimous-consent agreement entered into on October 4, 1979, with respect to S. 1860, a bill to establish a Federal program to assist innovative small businesses, be modified to provide that the bill as reported by the Committee on Small Business be rereferred to the Committee on Finance solely to consider title III.

The Committee on Small Business has ordered reported the bill with an amendment which strikes title I, relating to the Small Business Administration, title II, which relates to patents, and which the Senate has already approved in S. 414 and S. 2446, and title IV, relating to regulatory reform, which the Committee on Judiciary has ordered reported. Only title III, relating to amendments to the Internal Revenue Code, remains in the bill.

Mr. STEVENS. Mr. President, it is my understanding, that that means that only title III will go to the Finance Committee and that title IV, relating to regulatory reform, will not be before the Finance Committee.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL MONDAY, MAY 19, 1980, AT 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess over until the time previously set for the convening of the Senate on Monday, which is 11:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 6:40 p.m., the Senate recessed until Friday, May 16, 1980, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 15, 1980:

Federal Reserve System

Lyle Elden Gramley, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1980.

In the Coast Guard

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Richard A. Bauman
William P. Kozlovsky
Richard P. Cueroni

U.S. Arms Control and Disarmament Agency

Ralph Earle II, of Pennsylvania, to be Director of the U.S. Arms Control and Disarmament Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

U.S. Tax Court

Edna Gaynell Parker, of Virginia, to be a judge of the U.S. Tax Court for a term expiring 15 years after she takes office.

Sheldon V. Ekman, of Connecticut, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

HOUSE OF REPRESENTATIVES—*Thursday, May 15, 1980*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
May 14, 1980.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, May 15, 1980.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Charles H. Doom, Jr., Southern Baptist Church, Washington, D.C., offered the following prayer:

O God, our Creator and Redeemer, we may not go forth today except Thou dost accompany us with Thy blessing.

We pray Thee that we may hold our liberty in high esteem because Thou hast not dealt so with any nation. We thank Thee for this wonderful country in which we are privileged to live. Inspire all of our people to hold sacred this our glorious heritage. Keep us from strife, and may we live together in unity. Keep us free from jealousy of race or class.

Bless, we pray Thee, all of our leaders—Representatives. Give them Thy wisdom and strength. Be with all those in power. May the horrors of war soon pass forever from the Earth and the Prince of Peace reign. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 545) entitled "A joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. STENNIS, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. SASSER, Mr. MAGNUSON, Mr. LEAHY, Mr. BELLMON, Mr. YOUNG, Mr. MCCLURE, Mr. GARN, and Mr. SCHMITT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2432. An act to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the northern division of the eastern judicial district of Missouri; and

S. 2517. An act to rename certain buildings of the Library of Congress.

THE REVEREND CHARLES H. DOOM, JR.

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, I am highly privileged to introduce and present to my colleagues in the House of Representatives and the learned Chaplain of this Chamber a distinguished member of the clergy in this our Nation's Capital, the Reverend Charles Henry Doom, Jr., pastor of the Southern Baptist Church of Washington, D.C., a church which sits upon a hill not far from this our Capitol Building and overlooks daily in prayer the proceedings in this Chamber.

Reverend Doom is a native of North Carolina but grew up here in the District of Columbia where he also received his religious training at the Washington Baptist Seminary. This young shepherd of men leads his flock along the path of good will and peace among all peoples, and preaches faith and hope in our great Nation's ability to seriously and decisively address the evils of poverty, sickness, and despair.

I respectfully thank the Speaker and the Members of the House for the privilege of presenting him and for your opening your hearts as you have to greet and receive the Reverend Charles Henry Doom, Jr., and the inspired prayer with which he has opened our proceedings today.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 545, SUPPLEMENTAL APPROPRIATIONS FOR FOOD STAMPS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, with Senate amendments thereto, agree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, does the gentleman from Mississippi (Mr. WHITTEN) have any idea when this conference report might be brought to the floor for action, once it is ready?

Mr. WHITTEN. If the gentleman will yield, hopefully we will get it back today but of course we have several matters in disagreement. As the gentleman knows, the Senate has made some changes in the resolution we passed. The only way the situation can be resolved is to go to conference. We hope to go to conference immediately and see what we can work out. I do not know what the possibilities are.

Mr. BAUMAN. The other body has added a half billion dollars to the House amount, has it not?

Mr. WHITTEN. Yes. However, may I say the half billion dollars has been referred to as possibly being required. But the question of how it matches the budget ceiling that the other conferees are in the process of establishing in the Budget Committee conference, and the question of how it would operate, and the question of whether the extra $500 million would have to come out of other items in the supplemental bill, which appears to me to be required, causes quite a problem.

We do hope to work out a solution. Personally, I do not see how we can charge this against items in the appropriations supplemental bill which was under the House budget ceilings as reported by the Appropriation Committee. The clear understanding when we separated the food stamp resolution was that it was in an emergency. We certainly did not agree that the increase would be at the expense of other items that are equally as necessary in the supplemental bill. So we approach the conference with that attitude. But we will try to meet and see what the possibilities are.

Mr. BAUMAN. Further reserving the right to object, I commend the gentleman for the alacrity and spirit with which he is proceeding on this matter, particularly in view of the fact that the Secretary of Agriculture has been issuing daily statements accusing the Congress of favoring people starving in this country, and I think the gentleman refutes that charge.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding. With the other body adding a half billion dollars in round figures to that amount, it would be rather difficult for the conference really to come in with any figure until we finalize action on the budget. Would that not be true? I do not know how we can come in with any figure and know whether we are in or out of the budget figures until the final results of the conference report on the budget.

Mr. WHITTEN. If the gentleman will yield, of course, the possibilities are quite numerous as to what we might do. One would be that this would be held in abeyance until they did agree. The other would be that this item not be counted in the budget ceiling. The purpose of the conference is to expedite the matter. I do not know what we may come back with, but we have to have better information than we have now.

Mr. MYERS of Indiana. We will have to come back with a special rule again.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and, without objection, appoints the following conferees: Messrs. WHITTEN, BURLISON, TRAXLER, ALEXANDER, MCHUGH, NATCHER, HIGHTOWER, JENRETTE, ANDREWS of North Dakota, ROBINSON, MYERS of Indiana, and CONTE.

There was no objection.

MAKING IN ORDER TODAY OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 545, SUPPLEMENTAL APPROPRIATIONS FOR FOOD STAMPS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order today or any day thereafter to consider the conference report and amendments in disagreement on the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, immediately after such conference report is filed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DISCHARGING COMMITTEE ON SCIENCE AND TECHNOLOGY FROM FURTHER CONSIDERATION OF H.R. 4417

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be discharged from further consideration of the bill, H.R. 4417, and in doing so this will not prejudice its jurisdiction in matters appropriately relating to that committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON EDUCATION AND LABOR

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus, and by the authority and direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 669) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 669

Resolved, That the following-named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Education and Labor: Raphael Musto of Pennsylvania.

□ 1010

PARLIAMENTARY INQUIRY

Mr. RHODES. Mr. Chairman, a parliamentary inquiry. Is the gentleman from Washington entitled to any time on this resolution?

The SPEAKER pro tempore. The Chair would respond to the distinguished minority leader that this would be a debatable resolution if debate were desired.

Mr. RHODES. Mr. Speaker, might I ask the gentleman from Washington to take his time for the purpose of answering a question which has absolutely nothing to do with the main part of the resolution?

Mr. FOLEY. Mr. Speaker, I yield myself 5 minutes and I yield to the distinguished minority leader.

Mr. RHODES. I thank the gentleman. Certainly I have no objection to the appointment of the distinguished gentleman from Pennsylvania to the committee the majority caucus has indicated. However, I asked the gentleman to yield for the purpose of inquiring as to whether or not the Democratic Caucus has had the opportunity to peruse and take action on a letter which I addressed to the Speaker and which he, I understand, has referred to the caucus. The subject of the letter, as I believe the gentleman from Washington knows, is the proper division of the standing committee assignments of the House of Representatives, between the majority and minority parties. Since the original divisions were made there has been a substantial change in the membership of the House and the burden of the letter was to the effect that there should be a similar change in the number of members on the standing committees.

Could the gentleman enlighten me as to the probable fate of that letter?

Mr. FOLEY. I would be glad to respond to the distinguished minority leader. The letter which the gentleman directed to the Speaker was, as the gentleman suggests, referred by the Speaker to me as chairman of the Democratic Caucus and was accordingly referred by me to the gentleman from California (Mr. PHILLIP BURTON) who is chairman of the Committee on Study, Organization and Review of the Democratic Caucus, which makes recommendations to the full caucus on matters of this kind, matters relating to the rules and structure of the caucus. I thought it appropriate to refer this matter to that subcommittee.

The gentleman from California (Mr. PHILLIP BURTON) has had the letter under advisement and has scheduled a meeting of the subcommittee to discuss the matter. As soon as that meeting is held I would be able to advise the distinguished minority leader further.

I might say in a preliminary fashion that to my knowledge—and my knowledge does not extend as far as that of the gentleman from Arizona—that major revisions in the ratios of the parties with respect to committees of Congress has not been undertaken during a Congress, but is readjusted at the beginning of the succeeding Congress.

At the beginning of the 96th Congress the ratios between the parties varied, as the gentleman knows, from committee to committee, but the overall ratio was within one-half of 1 percent of the precise ratio of the Members of the two parties to the whole body. That, as the gentleman has suggested, has been changed to a degree as a result of special elections in the filling of vacancies. Whether the precedent should be established to realine the party ratios during a Congress is an issue that to my knowledge has not come before either party or the House, at least in my memory. However, the matter is being given attention and I will assure the gentleman that as soon as some action or recommendation is taken, even by the Subcommittee on Study, Organization and Review, and even prior to any action by the full caucus of the Democratic Party, I will advise the gentleman, through the Speaker and majority leader, of any decision or recommendation.

Mr. RHODES. If the gentleman will yield further, the gentleman's statement is absolutely correct so far as I know. I know of no precedent for such a revision, but I suggest this may be a different situation which should be considered because of the magnitude of Republican gains. I appreciate the action of the gentleman from Washington as chairman of the caucus in referring the matter to the appropriate subcommittee. Knowing the diligence of the gentleman from California (Mr. PHILLIP BURTON) I have great confidence that he will in due course, take the matter up. I am in hopes that he will come up with an equitable decision.

Mr. Speaker, I thank the gentleman from Washington for yielding.

Mr. FOLEY. Mr. Speaker, I thank the distinguished minority leader.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

DEMOCRATIC CAUCUS ACTS TO OPPOSE TAXING SOCIAL SECURITY BENEFITS

Mr. WRIGHT. Mr. Speaker, I take this time to announce to the House that the Democratic Caucus this morning took action by an overwhelming vote to oppose any move from any quarter whatever which would make social security benefits subject to taxation.

The resolution was introduced by the gentleman from Michigan (Mr. ALBOSTA) and the gentleman from New York (Mr. OTTINGER). It was approved on a unanimous Democratic vote of 153 to 0.

We feel very strongly, Mr. Speaker, that the United States has a good faith contractual responsibility to those elder citizens who have served their working years, paid their taxes, worked hard throughout their careers and now in their twilight years are entitled to a dignified retirement. We feel that any attempt to make those benefits taxable would fly directly in the face of that good faith commitment.

Social security is not charity. It is not a gift. It is an earned right. Our Government has established obligation with our older citizens to provide those hard earned—and sometimes too meager—benefits.

Late last year, an advisory council to the Social Security Administration recommended that 50 percent of a person's cash benefits be included as taxable income. It was an unprecedented proposal, flying in the face of nearly a half century of social security practice.

Such a tax would affect 10.4 million benefit recipients.

The Democratic Party in the House today said, "This shall not happen." We directed that our party in the House take whatever actions may be necessary to forbid taxes to be levied against social security benefits.

DEMOCRATIC CAUCUS RESOLVES TO NOT SUPPORT TAXING SOCIAL SECURITY BENEFITS

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I want to express my gratitude to the Democratic Caucus. This morning the Democratic Caucus, by vote of 153 to nothing passed the resolution offered by the gentleman from Michigan (Mr. ALBOSTA) and myself, requesting the Committee on Ways and Means to act promptly on our legislation putting Congress on record against the taxation of social security benefits. That would send a clear message to the American people, particularly to all senior citizens and the disabled, that their benefits under social security will not be subject to tax. It is, of course, important to our working people as well who have been paying in their taxes to social security on the premise which they had a right to rely on the benefits for which they have been paying and that these benefits will not in fact be reduced by taxation.

I hope that my friends on the Republican side of the aisle will join us in this effort. We presently have a clear majority of the House, almost 300 Members of both parties who have joined in cosponsorship of the resolution offered by Mr. ALBOSTA and me. That indicates overwhelming sentiment in the House against taxation of social security benefits and that no effort to tax them could prevail. Since the benefits are now exempt only by virtue of a 1941 Internal Revenue Service ruling, however it is important that the Ways and Means Committee report and the House act affirmatively to prevent a future IRS change of position, particularly in light of the Advisory Committee on Social Security's December recommendation that half of social security benefits be subject to tax.

I hope that Members on both sides of the aisle will importune the Ways and Means Committee to act promptly.

VIEWS ON TAXING SOCIAL SECURITY BENEFITS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. I just want to say to the gentleman from New York (Mr. OTTINGER) that, as one Member, I thoroughly agree with what the Democratic Caucus has done, as I understand it. I congratulate you. I am satisfied that the overwhelming majority of Republicans would join our brethren across the aisle in assuring social security recipients that it is not our intention, either now or when we become the majority party in this Congress, which hopefully will not be too long from now, to do anything to tax social security benefits.

NO TAX ON SOCIAL SECURITY BENEFITS, AND I-24 BRIDGE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I want to compliment our distinguished majority leader, JIM WRIGHT, and the gentleman from New York (Mr. OTTINGER) upon their foresight and efforts to lead the Democratic Party Members of Congress in opposing any proposal to tax social security benefits.

Also, I want to urge the U.S. Department of Transportation to expedite the needed repairs on the Interstate 24 bridge linking Paducah, Ky., and Metropolis, Ill., over the Ohio River.

I-24 is a busy, four-lane artery from Nashville, Tenn., to St. Louis, Mo. I-24 goes through my district from Paducah to Fort Campbell. Ever since last August the new, multimillion-dollar bridge has been closed for repairs.

This morning my father-in-law, Floyd Hall, of Metropolis, Ill., my staff member, Tommy Coil, of Bardwell, Ky., and I met for a breakfast discussion period with Secretary of Transportation Neil Goldschmidt. I discussed with Mr. Goldschmidt the need to expedite the repair work on this bridge. Now all I-24 traffic crossing the Ohio River has to use the old Brookport, Ill., bridge which was recently closed for about 10 hours for repairs on it.

This new, poorly constructed I-24 bridge being closed is an example of our tax dollars not at work, except for more Federal dollars for repairs.

□ 1020

LAW ENFORCEMENT OFFICERS PROTECTION ACT OF 1980

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, on this, occasion of "Police Memorial Day," I am introducing a bill to protect police officers from handgun bullets capable of penetrating bulletproof vests.

The alarming rate of police officers killed or injured in the line of duty each year has resulted in the increased use of bulletproof vests for police protection.

However, there is an entire class of handgun bullets—often referred to as metal- or armor-piercing—which can penetrate these vests. Unfortunately, no official data is available to show conclusively which bullets have this capability or what the risk is to police officers. My bill would address this problem by establishing a Federal study to compile such information and recommend appropriate action to eliminate this serious threat—possibly including a ban on the manufacture of these bullets.

I am introducing this legislation on Police Memorial Day because it is not enough to simply remember those officers who died while protecting the laws of our Nation. We must take effective actions aimed at preventing future deaths. Last year, 158 law enforcement officers were killed in the line of duty and over 40,000 were wounded. We cannot and must not allow this tragedy to persist.

REVOKING PRESIDENT'S AUTHORITY TO IMPOSE OIL IMPORT TAX

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, on March 17. I introduced H.R. 6829, to amend the Trade Expansion Act of 1962 in order to revoke the President's alleged authority to impose any tax or fee on imports of petroleum or petroleum products into the United States without first being authorized to do so by the Congress.

Since that time, a Federal judge has ruled that the President had no such authority. Yet, this House has not acted on my bill, notwithstanding the fact that it has 132 cosponsors.

Today is the first day under the rules on which I could file a discharge petition to bring this bill to the floor. I have done exactly that, and discharge petition No. 11 is at the Clerk's desk. I urge Members to sign it promptly.

DEMOCRATIC CAUCUS CREATES DRAGON, THEN KILLS IT

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I am sorry that our majority leader has seen fit to leave the floor, but If I ever saw a dramatic exhibition of a ploy designed during an election year to attract the old folks, that is the greatest. The Democratic Caucus has come out unanimously, passing a resolution not to put taxes on social security benefits.

Well, big deal. It was President Carter's Commission that came up with this recommendation. It was created by your party. Now, you are disclaiming it. It looks as though you are creating a dragon and then trying to slay it, and take credit.

It is your baby. You control the Congress by a 2-to-1 majority. Kill it. You should not have created it. We have been against it to start with.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 6722, SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1980

Mr. IRELAND. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 6722, the Small Business Motor Fuel Marketer Preservation Act of 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CARTER ADMINISTRATION HAS BAD RECORD ON TAXES

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I, too, was surprised to hear the majority leader talk about the tax on social security benefits. It is obvious that the Republicans have gotten through with their tax cut message. It was a Carter administration Commission that first raised the possibility of taxing social security benefits.

Yet, despite this Democratic talk against new taxes, the Carter administration plans to continue fighting for the 10-cents-a-gallon tax on gasoline. A Federal court has ruled that President Carter does not have the authority to singlehandedly impose such a tax. Yet the administration insists on the tax and plans to appeal the ruling. Mr. Speaker, congressional opinion is obviously negative toward this 10-cent increase in gasoline prices. Yet the Carter administration insists on burdening our economy even further with another inflationary tax. Mr. Speaker, the Carter administration is obviously not in tune with the feelings of the American people when it seeks to place an additional tax on the cost of driving to work.

OIL IMPORT FEE IS ACTUALLY REVENUE-PRODUCING MEASURE

(Mr. EMERY asked and was given permission to address the House for 1 minute).

Mr. EMERY. Mr. Speaker, I want to take this opportunity to call attention to the fact that today, being May 15, is the day that President Carter's $4.62-per-barrel fee on imported crude oil was due to be implemented.

The administration estimates that the fee would result in an extra 10 cents per-gallon of gasoline at the pump and, therefore, would reduce gasoline consumption. In reality, the 10-cents-per-gallon tax would result in less than 1-percent reduction in consumption, while adding $10.5 billion to the Nation's energy bill, or $130 per household. This further translates into a 0.75-percent increase in the Consumer Price Index.

The import fee, then, is actually a revenue-producing measure to help the President to balance the budget without cutting spending, and is therefore a futile effort, since the fee will merely add to the inflation rate. The American people may consider it noteworthy that 82 percent of House Democrats supported the fee and 97 percent of House Republicans opposed it when casting their vote on May 6, 1980, on the Rousselot substitute to House Concurrent Resolution 307, the first budget resolution.

We must all do our part to curb inflation, and opposing this import fee will be an important step in that direction. While conservation is necessary, I question the President's action which is ineffective and inflationary. I urge my colleagues to vote against the fee whenever legislation to prohibit its implementation comes before this body.

LEGISLATION INTRODUCED CALLING FOR SPECIAL MEDAL FOR U.S. OLYMPIC TEAM

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, on this Monday I introduced a bill calling for the minting by the Treasury Department of an appropriate medal to present to the members who qualified for the U.S. Olympic team. The medal is proposed to be stamped in bronze and gold-plated, thus keeping it within the amateur permissible value. The total cost of this proposal, with 3-inch national medals ranking as national medals, will be under $40,000. The big cost, therefore, is the making of the die design working in cooperation with the Olympic Committee, and the award could be presented during the ceremonies that will be held here in Washington at the time the Olympics are being conducted.

The $40,000, the Treasury advises me, will probably be recovered in full by sale of smaller bronze replicas to the public. I urge all Members to cosponsor this legislation.

INCONSISTENT STATEMENT WITH REGARD TO U.S. EXPORTS TO SOUTH AFRICA

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I was recently glancing through the April issue of the State Department Bulletin, which by its own masthead is "the official monthly record of United States foreign policy," when I came upon a statement that is absolutely inconsistent with the policy established in 1978 by the Congress regarding U.S. exports to South Africa.

According to the State Department—

> The United States prohibits direct Export-Import Bank loans to finance U.S. sales and limits trade promotion activities.

It is absolutely true that there is a prohibition against Ex-Im involvement on U.S. sales to the Government of South Africa but there is nothing in the law of this country as defined by the Congress which either prohibits Ex-Im participation on private-sector commercial deals or seeks to limit trade activities between U.S. exporters and companies in South Africa. The fact of the matter is that current law actually seeks to provide official export assistance to American companies which are selling our products to South African firms if they are implementing fair employment policies along the lines of the "Sullivan principles."

This is just the latest example of the efforts of our State Department to circumvent and frustrate the will of the Congress on this particular matter. I strongly urge the crowd at Foggy Bottom to pay closer attention to the actual intent of the Congress and issue a clarification on the lawful terms of our trade policy toward South Africa.

☐ 1030

PRESIDENT SAYS CONGRESS RENEGED ON 10-CENTS-A-GALLON TAX PROPOSAL

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, this morning I had the opportunity to watch some campaigning in the Rose Garden as the President took the occasion to speak to some delegates here on small business matters.

During the course of the remarks, which generally were a rambling defense of the poor economic conditions that we have in this country, I was surprised to hear the President say that the 10-cents-a-gallon gas tax had been imposed by him at the urging of Members of Congress, and that now Members of Congress were instituting lawsuits to block the tax. He said that they were giving in to political pressure to block the tax.

He also said during the remarks that he had an agreement with Members of Congress to balance the budget and now he was seeing disturbing signs that the budget may not in fact be balanced. All this comes from a President who has almost doubled spending and has more than doubled taxes just since 1976. The minority party is fighting taxing and spending, and just this morning we heard the majority party say that they do not want to tax social security.

Mr. Speaker, who urged the President to institute this 10-cent tax?

NICARAGUAN LEADER IN EXILE TO MEET WITH HOUSE MEMBERS

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, I would like to extend an invitation to the Members of Congress to come to room H–137 at 1 o'clock today for a Members-only meeting with a most unusual gentleman from Nicaragua, Senor José Francisco Cardenal.

Last week Senor Cardenal was named the Vice-Chairman of the Council of State, the new Sandinista-controlled group that pretends to be the parliament of that country. I think most of us know that Nicaragua is controlled by the Communists by now.

Senor Cardenal decided that the better part of discretion on his part, out of love for his country, was to seek exile, and the day after he was named Vice-Chairman of the Council of State he flew to Miami with his family. He would like to explain a few things to those Members of the House who do not seem to understand the fact of Communist domination by Cuba and the Soviet Union of his country. The fact that he comes to us under these circumstances lends added weight to what he has to say.

Mr. Speaker, to repeat, that is to take place in room H–137 at 1 o'clock today.

CONFERENCE REPORT ON S. 1309, FOOD STAMP ACT AMENDMENTS OF 1980

Mr. FOLEY. Mr. Speaker, I call up the conference report on the Senate bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 4, 1980.)

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Vermont (Mr. JEFFORDS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 1309, the critically needed Food Stamp Amendments of 1980.

The House voted, by a vote of 320 to 56, in support of this bill as it went to conference on Thursday last. Today is the day on which the Secretary of Agriculture had indicated it might be necessary to notify the Governors of the various States of the need to suspend food stamp operations effective June 1. This bill or this conference report is a key element in meeting that deadline.

Mr. Speaker, not only is S. 1309 primarily a product of this House, coming back with relatively few changes from the manner in which it was passed by the House, but also it is the first witness to the intention of the Committee on Agriculture to comply as soon as possible with the thrust of the reconciliation feature of the House budget resolution. It is in this conference report and in the previous House bill that action is taken which would reduce spending in fiscal year 1980 by $133 million over and above what would otherwise be needed.

This is accounted for by the elimination of the July indexing of the thrifty food plan, the standard deduction, and the excess shelter expense deduction to determine benefits. The savings in fiscal year 1981 are even more substantial, encompassing a minimum of $303 million from indexing of benefits and deductions annually instead of semiannually, $65 million from not updating the poverty line, $60 million from eliminating three out of every four students now on the program, $20 million from lowering the assets ceiling for most households, and between $100 and $200 million in provisions intended to reduce error.

Mr. Speaker, I might just report on the judgments made by the conference committee. The conference committee adopted the changes in the law submitted in the House bill, with four major changes. The conference committee did not adopt the amendment in the House which barred requirements for outreach.

I myself offered an amendment to the amendment offered by the gentleman from California (Mr. SHUMWAY) to that effect, to limit the Federal Government from imposing outreach requirements, but a majority of the conference decided to leave the law as it is presently constituted with respect to outreach programs.

Second, as to the provisions which would have lowered the age at which work reach was required from 12 to 6 years of age, that amendment was not agreed to by the conferees. It was the estimate, I think, that this particular provision would have some $13 million in additional cost in terms of work registration requirements, and that the companion provisions in the AFDC program are accompanied by day care which is not provided in the food stamp program, so that mothers who would be working and required to work would not have facilities for child care as they do under other income support and maintenance programs.

The amendment offered by the gentleman from New York (Mr. PEYSER) authorizing the States to issue stamps and be reimbursed for such efforts for the month of June 1980, which was adopted by the House, was not agreed to by the conferees, and it was eliminated from the conference report as unnecessary, particularly in light of today's action.

Finally, the provision offered by the gentleman from Vermont (Mr. JEFFORDS) known as recoupment was not agreed to. But the conference committee did recommend to the House Committee on Ways and Means and to the Senate Finance Committee that hearings be held on the recoupment issue and the proposal of the gentleman from Vermont prior to May 1, 1981, in order to accommodate any changes that might be made in this regard in the legislation that will be coming up for authorization next year in the food stamp area.

The food stamp bill which was passed in 1977 expires at the end of 1981, and a major review of the program is expected next year.

Another change that is important is the increase in the authorized ceiling for 1980. The House bill provided for $9.191 billion for fiscal year 1980. The conferees increased that to $9.491 billion.

□ 1040

It was their judgment that this was necessary in order to insure that there would be no constriction of the program, no artificial constriction of the program, in the month of September, which is the last month of the fiscal year.

I do not believe that all of this authorization will be needed, but in order to insure, particularly when the Congress might not be in session in the month of August, that the authorization will be sufficient to permit implementation of the program through the balance of the fiscal year 1980, this additional figure of $300 million was added.

The funds which were set by the House as a cap for spending in fiscal year 1981, which is $9.739 billion, has not been changed by the conference committee and is reported back in the conference report exactly as passed by the House amendment.

I think those are the major changes in the conference from the legislation passed by the House.

Again, Mr. Speaker, I would emphasize that this legislation comes about because Congress in 1977 set a ceiling or spending cap for each of the years 1978, 1979, 1980, and 1981 based on assumptions that were made in good faith in 1977, but turned out to be totally inaccurate and irrelevant to the actual economic conditions for those years.

For example—I have said this on the floor before—the ceiling or spending cap was based upon an assumption that food inflation would not exceed 4 percent in the years 1978, 1979, 1980, and 1981, and that the total for the 4 years would see food inflation of no more than 16 percent; whereas, we have had in 1 year food inflation which approached that figure.

Second, there was a misjudgment, a good-faith misjudgment, with respect to the level of unemployment.

As we know, unemployment is now rising and, consequently, additional people seek the use of the food stamp program as they have lost their employment opportunities.

Third, in 1977 there was a decision to eliminate the purchase requirement. That does not give families additional benefits, but removes the requirement that they purchase additional stamps in order to be eligible for bonus stamps. That change was bound to bring into the program people who could not otherwise or felt that they could not otherwise afford to participate, and the judgments that were made, I think, as to how many additional people might come into the program when the change was made effective in 1979 were below the actual impact, particularly in light of the lower than anticipated incomes of those who entered the program.

In addition to that, the actual households that joined the program after 1979 when the purchase requirement was dropped tended to be more rural than urban in character and much poorer than expected. Consequently the benefits of the program were higher because the families were poorer, and that put spending estimates askew.

I might say that this program is one of the few programs that provides assistance to working poor people, not just people who are destitute—it does that as well, for people who are disabled or unable to work—but it also provides some assistance to families that are striving to support themselves as best they can and are working, in which one or more members of the household are employed, and I think that for that reason this program is an extremely important one to maintain. It has done more, I think, to provide essential nutrition for elderly people and for young people, children under 18, than any other program that we have or have had in the past, and whatever the criticisms that are leveled at this program, it has had remarkable success, I think, in providing real nutritional benefits to millions and millions of American households.

No one can calculate the effective value of that in total. We know, from every study that has ever been conducted on child development, that early nutrition value is extremely important in the capacity of children to succeed in school. To become effective members of society today, some school success and educational achievement is necessary.

I am happy that the committee on conference has promptly returned this conference report. I think the Members of Congress can take legitimate satisfaction in the changes that have been made in the program by this bill. I repeat, again, that we have effected changes that will realize savings that otherwise would not be obtained of $133 million in this fiscal year and well over $600 million in fiscal year 1981. We have provided structural changes in the program designed to increase its efficiency, to reduce error, and to eliminate fraud.

Those provisions are the strongest antierror and antiabuse provisions ever incorporated in any bill, to my knowledge, that deals with income security passed by this or any other Congress. Reflecting again the very strong support for this legislation when it was considered by the House last Thursday, I am most hopeful that the House will again by an overwhelming majority, give its support to this conference report.

Last Thursday, May 8, the House voted overwhelmingly in support of this bill as it went to conference by a vote of 320 to 56. The version of S. 1309 that we bring back from conference today is virtually the same as last week's, since out of a grand total of 49 amendments in disagreement, the Senate receded entirely without modification to 33 of the House provisions and to another 8 with amendments offered by the House. Well over five-sixths of the contents of S. 1309 as it is contained in our conference report reflects the views of the House.

Not only is S. 1309 primarily a product of this House, but also it is the first witness to at least one authorizing committee's intent to comply as soon as possible with the thrust of the reconciliation feature of the House budget resolution. S. 1309, in its present form, would reduce spending in fiscal year 1980 by $133 million, accounted for by the elimination of the July indexing of the thrifty food plan, standard deduction, and excess shelter expense deduction that determine benefits. The savings in fiscal year 1981 are even more substantial, encompassing a minimum of $303 million from indexing benefits and deductions annually instead of semiannually, $65 million—a revised figure—from not updating the poverty line, $60 million from eliminating three out of every four impoverished students now on the program, $20 million from lowering the assets ceiling for most households, and between $100 and $200 million in provisions intended to reduce error. The grand total of savings from current law is between $681 million and $781 million. Nearly three-quarters of a billion dollars would be lopped from the program base, while another $122 million in spending originally contained in S. 1309 as reported out of the House Committee on Agriculture would be postponed for at least one fiscal year. This brings the grand total of House-developed reductions to just over $900 million, dramatic evidence of the balanced budgetary good faith of the Committee on Agriculture.

S. 1309 needs to be passed with dispatch. The Senate approved it yesterday. Unless it and a companion supplemental appropriation overriding the as yet unrevised second concurrent resolution on the budget for fiscal year 1980 both become law today the food stamp benefits of over 21 million needy Americans will be seriously jeopardized as of June 1. If the two bills are enacted now, we can avert this crisis produced by the existence of a cap or ceiling on food stamp expenditures imposed by this House and, later, the Congress in 1977 food stamp legislation.

This House is well aware through heavy volumes of despairing phone calls and mail of the necessity to authorize and appropriate additional funds for the food stamp program this year by tonight. We cannot and the recipients cannot and this country cannot afford even 1 day's cutoff of benefits however modest in per person level—average of 37 cents a meal—that prevent hunger and malnutrition. S. 1309 averts such a cutoff, but only if it is enacted.

S. 1309 raises the cap for fiscal year 1980 to $9,491,000,000, a margin we believe to be sufficiently in excess of the Congressional Budget Office's (CBO's) April 22 reestimate for this current fiscal year to avoid having to come back to the House in July, August, or even September to ask this House once again to avoid a food stamp funding crisis.

Removing the cap may not be politically feasible now. The Senate bill did precisely that for both fiscal years. The House conferees did not accept that approach. But forcing a total cutoff of or substantial reduction in benefits by inadequate authorizing today is even less palatable. We need the extra $300 million we added in conference to provide some necessary breathing space for the program in order that it might accommodate the unexpected surge in unemployment in April and the months ahead as well as any other unanticipated economic or social situations that might occur between now and September 30, such as a larger influx of Cuban refugees or disasters or greater pressure on the program by the combined efforts of inflation and recession.

The committee adhered to the House-imposed fiscal year 1981 cap figure of $9,739,276,000 and did not seek to raise it at this juncture, even though CBO's current budget authority estimates evidence $10.766 billion, prior to accounting for the new savings. We need time to reassess the 1981 situation well into the spring of next year when the limits of possible program expenditures will become clearer as unemployment peaks. It is a senseless gesture to insert a new, even higher figure as the cap, when no one knows now how high it may have to go. We would just have to come back another time and reauthorize new 1981 figures.

It is better to do it once and for all at the time when the necessary figure can be more accurately determined. If CBO is correct and outlays average approximately $900 million a month, $9.74 billion would last well into August of 1981, which should allow us sufficient time to act on our reauthorization of the entire program for fiscal years 1982 and beyond and include a revised 1981 figure in that bill or, if necessary, in a separate measure.

I would like to note, however, that our refusal today to increase the $9.74 billion level is not intended to suggest that we will not do so in the future. In fact, it represents the opposite conclusion—that we will attempt to expand it later in 1981 should the need arise and when the need arises. Accordingly, the conferees cautioned the Secretary, and through him, the Office of Management and Budget, not to reduce benefits in accordance with section 18(b) of the act simply because $9.74 billion is less than CBO's or the Department's new estimates of what the program will need in fiscal year 1981; $9.74 billion is not a final figure. Both the House and Senate intend to review its validity in the course of reauthorizing the program during the spring of 1981.

The Secretary cannot find, solely because the $9.74 billion is left untouched today and the fiscal 1981 appropriation remains at that level or lower, that the requirements of participating States will, in fact, exceed appropriated limits. They may or may not exceed those limits, depending upon what action the Congress does or does not take in the spring and summer of 1981. Given our clearly expressed intent—and that of the Senate conferees as well—to review the new cap next year, until that either review is complete or it is obvious that the Congress has run out of time to finish that review before cap-available funds run out, the Secretary has no reason whatever to believe that, under section 18(a)(1) of the act, reductions in the value of allotments issued to eligible households will be necessary under section 18(b). He does have reason to believe, as our conference report makes clear, that reductions are not likely to be necessary if unexpected changes in the state of the economy or the program (since the January 1980 budget estimate) force program costs above the $9.74 billion cap.

At that point, and not significantly in advance of that point, the Congress will take whatever action is necessary to maintain this program's benefits. We intend, therefore, that the Secretary not proceed to reduce any allotments until such a time as there is a clear indication from the Congress itself (in the form of a negative or fund-limiting floor vote in both the House and the Senate) that it will not provide sufficient funding to meet the Department's estimate of the program's full, uncurtailed needs. Unless the Secretary has such clear and convincing evidence that Congress will not act—and the evidence now as witnessed by the conference report is precisely the opposite—he should operate on the assumption of full funding and continue benefits at the statutorily mandated thrifty food plan less 30 percent of household income level.

One major change contained in the conference report from the bill that emerged from the House last week is the dropping of the recoupment provision offered by the gentleman from Vermont (Mr. JEFFORDS). The House conferees voted 7 to 1 to recede to the Senate on this matter in return for language in the statement of managers respectfully urging the House Committee on Ways and Means and the Senate Committee on Finance to conduct, prior to May 1, 1981, full hearings on the matter so that both the Senate and House Agriculture Committees can have the benefit of their deliberations—and, hopefully, conclusions—on the subject before we have to reauthorize the food stamp program.

Our decision to postpone consideration of inclusion of a recoupment feature in the program was based upon strong evidence from the Internal Revenue Service in the Treasury Department, from Chairman ULLMAN, and from the Joint Committee on Taxation that recoupment as it passed the House was administratively infeasible and more of a cost than a savings feature because of the inability to tie it into the refund aspects of the tax system. Even Congressman JEFFORDS has agreed that recoupment in its current form is not "as workable as possible."

The recoupment provision amends the Food Stamp Act to provide that taxpayers with annual incomes above certain levels (the 1981 figure for a four-person family would be about $13,000) would be liable to the Federal Government for an amount representing the value of some or all of the food stamps received during the calendar year. These families could have received food stamps during several months of low income, since food stamp eligibility is based on monthly rather than annual income.

Congressman JEFFORDS originally intended that this liability be calculated and collected on the individual's Federal tax return in the same manner as the income tax, but, because of parliamentary problems, he had to insert additional language which precluded the recoupment provision from being construed to change or affect the Internal Revenue Code. Section 6402(a) of the Code expressly states, referring to overpayments of tax, that the Secretary "shall refund any balance" to the taxpayer. Since the recoupment provision in S. 1309 cannot be construed to change this code section requiring refunds of overpayments of tax, it is clear that tax refunds may not be reduced by repayment liability.

The Joint Committee on Taxation submitted to the conferees the following analysis:

PROBLEMS WITH REPAYMENT PROVISION

1. Because tax refunds cannot be offset by repayment liability, the method for collection of these liabilities is very unclear. In debate on the House floor, Congressman Jeffords stated that the provision is imperfect and not in its most effective form and offered to withdraw it from consideration. It came to a vote only because Congressman Mathis objected its being withdrawn.

2. Even if some way could be found to administer the provision, it could have adverse consequences for administration of the income tax law. Repayment liability would depend on such Code definitions as adjusted gross income, dependency exemptions, filing status, and taxable year. Thus, decisions by some taxpayers as to whether to report income, whether to claim dependency exemptions, and whether to file joint or separate returns might well be affected by the rules for food stamp repayment liability. Because of the provision's potential consequences on tax compliance and tax administration, it would not be enacted without thorough review by the tax-writing committees.

3. If the provision were changed to allow refunds to be offset by repayment liability, which may be the only way to make it workable, then it could have even more serious consequences for tax administration. As the Internal Revenue Service points out in its December 12, 1979, letter to Chairman Foley, taxpayers could largely avoid immediate collection of the liability by reducing income tax witholding (so that they would not be entitled to any refund). Again, careful review by the tax-writing committees would be needed to determine whether the provision's possible detrimental impact on administration of the tax system is offset by budgetary and equity considerations.

4. The provision singles out for recoupment only one transfer payments program, food stamps, while leaving other programs unaffected. If the tax-writing committees were to conclude that recoupment for food stamps is justified, the question would arise whether recoupment should apply with respect to other transfer payments, such as AFDC and SSI. Since the tax-writing committees have jurisdiction over these major transfer payment programs, a comprehensive review of the recoupment concept appears desirable.

5. In addition to the substantive, administrative and interpretive problems summarized above, the recoupment provision also appears to have serious Constitutional defects.

First, the failure to provide any meaningful statutory rules, guidelines, or safeguards with respect to determination and collection of the taxpayer's liability for "excess" food stamp benefits results in an impermissible delegation of legislative functions to administrative agencies, fails to accord due process protection to the individuals on whom this new liability would be imposed, and leaves the agencies without instruction or guidelines as to how the liability is to be collected. Since it appears that the Treasury could not utilize the detailed provisions of the Internal Revenue Code applicable to assessment, notice, administrative appeal, judicial review, and collection of taxes, there would be no statutory specifications authorizing or providing for the determination, assessment, or collection of the liability.

Second, because the provision was added to a bill (S. 1309) which originated in the Senate, the provision violates the Constitutional requirement that "All Bills for raising Revenue shall originate in the House of Representatives * * *" (U.S. Constitution, Art. I, sec. 7, cl. 1). The recoupment provision imposes a liability to make payments to the Federal Government, authorizes the Treasury Department (or Agriculture Department) to collect the liability, and provides for a deposit of the funds in the Treasury. While the liability is not formally designated as a tax, the Constitutional requirement applies broadly to revenue-raising measures, which must originate as "H.R." bills.

The Internal Revenue Service prepared its own analysis of the difficulties of administering the amendment:

POSITION PAPER ON JEFFORDS AMENDMENT TO S. 1309

The Jeffords amendment would amend the Food Stamp Act to require Treasury and Agriculture to promulgate joint regulations providing that, to the extent feasible, any excess food stamp benefits are to be collected by the Secretary of the Treasury in coordination with his responsibilities under other Federal laws, with any balance not collected by Treasury to be collected by Agriculture. The amendment further provides that these joint regulations may provide that excess food stamp benefits shall be offset by any overpayment of a Federal tax to which the individual involved is otherwise entitled. Finally, the amendment provides that nothing in the amendment shall be construed to change or affect in any manner the Internal Revenue Code or any provision of the Code.

Because excess food stamp benefits are not taxes, none of the Internal Revenue Service's extraordinary collection authority under subtitle F of the Code could be brought to bear here. Further, no offset of excess benefits against tax overpayments could be permitted because any such offset would conflict with section 6402 (a).

The effect of the Jeffords amendment, then, would be to simply substitute Treasury (which presumably means the Internal Revenue Service) for Agriculture in pursuing claims for excess food stamp benefits under the Federal Claims Collection Act of 1966 (31 U.S.C. 951–953). There is, of course, nothing to indicate that the Service would have more collection success under the Act than Agriculture has had. In fact, we might be even less successful since this duty necessarily would have a lower priority than tax collection and because the Service, unlike Agriculture, has had no experience under the food stamp program or the Federal Claims Collection Act.

The Federal Claims Collection Act procedures are in many respects similar to those available to private creditors, such as successive written demands for payment, reporting the debt to commercial credit bureaus, personal interviews with the debtor, and compromises of the debt. If these collection efforts are unsuccessful, the agency can refer the claim to the Department of Justice for litigation, the claim to be accompanied by a report on the debtor listing his assets and liabilities and income and deductions. Claims of $600 or less, however, are not to be referred to the Department unless the debtor can clearly pay and the Government can enforce payment.

These procedures obviously are far tamer than those provided the Service by the Internal Revenue Code for collecting taxes. There is absolutely no administrative authority provided to enforce payment. For example, the Act provides no administrative levy and seizure authority to proceed against a debtor's assets such as that contained in the Code. According to Mr. Jeffords' floor statement on his amendment, there are 1,400,000 cases of excess food stamp benefits. It must be remembered that the Service experiences collection problems under the Code, due for the most part to the volume of tax collection cases involved. The Service simply would be unable to absorb an additional 1,400,000 cases under the Federal Claims Collection Act without the most serious consequences for Federal tax administration.

Finally, even if excess food stamp benefits were by statute converted into an internal revenue tax, thus bringing the offset provisions of section 6402 (a) into play, it is highly doubtful that significant improvements in the food stamp program could be effected. To a substantial extent, taxpayers may arrange their affairs so that their withholding and estimated tax payments are less than, equal to, or exceed their tax liability. A substantial number of taxpayers now arrange their affairs so that their withholding and estimated tax payments exceed tax liability. By so doing, they avoid the possibility of reaching the filing date with a balance due the Service.

The food stamp recoupment proposal starts from the assumption that it would not otherwise be cost effective to pursue collection of these obligations. It is not believed that adequate consideration has been given to the probability that many individuals who now arrange their affairs to assure that they are due refunds may change their conduct to avoid possible offsets against those refunds.

Were taxpayers to pursue this course, it is believed that the Service would be faced with exactly the problem the offset proposal seeks to avoid: the need to pursue individuals for collection of small amounts owing. It is believed that such a shift in taxpayer conduct could have a far broader impact on tax administration than the relatively small number of taxpayers that Agriculture believes would actually be the subject of recoupment actions. Such a proposal could have the effect of pushing large numbers of taxpayers, who are now refund filers, into a posture where they owe the Treasury money when they file their returns.

Any such shift would have a serious impact on tax adminstration. Service inventories of unpaid accounts have increased substantially in recent years. Since the average benefits to be "recouped" would be relatively small, it is not believed that it would be appropriate to pursue these delinquencies while not pursuing more productive tax delinquencies, particularly in view of the doubts as to their collectibility. Moreover, any shift in filers to balance due positions would have a serious adverse effect on the Service's collection inventories.

Chairman ULLMAN assured us that he would hold hearings on recoupment and scrutinize it seriously in the context of a broad range of income security programs. Senator DOLE, the ranking Republican on the Senate Finance Committee, and Senator TALMADGE, the second ranking majority member on that committee, both indicated willingness to accommodate looking at the broad impact of recoupment and how it might affect other programs. On this basis, the House agreed to recede, leaving recoupment to be considered more carefully in the future by more appropriate committees in connection with the tax system.

There were three other House floor amendments that were removed in conference. One was a provision for retroactive reimbursement to the States in the event that Federal funds were not available on June 1, which was dropped because it was believed to be unnecessary under the circumstances and violated several House rules.

A second was the expansion of the work registration requirement to encompass women with children between the ages of 6 and 12, to which the Senate refused to recede because it would cost a minimum of $13 million on top of the $70 million already spent by the Department of Labor on work registration to require those women to seek nonexistent 9 to 3 jobs in a period of high unemployment and with day care either unavailable or else inadequately financed by the existing day care deduction.

The third was the provision deleting the requirement that States conduct Outreach, which the Senate conferees also rejected, contending that the $4 million spent annually on Outreach nationwide was a valuable investment that needed to be continued.

The conferees agreed to a series of changes in the system of benefit calculations and deductions that basically postponed any scheduled cost increases or reductions in savings to fiscal year 1982, thereby permitting the House to work its will in the 1981 program reauthorization bill in reconsidering these amendments. Thus, the new, separate dependent care deduction was reduced from $160 to $90 unindexed, effective January 1, 1982, so that it would cost nothing in the intervening 20 months, while the Congress reviewed its impact upon recipients (there is a potential cut in benefits for a small percentage of households that use the current $90 indexed combined dependent care excess shelter expense deduction solely for day care) and upon maximum eligibility ceilings.

At $90 instead of $160, this new deduction, were it to take effect in fiscal year 1981, would be as much as $32 million less than the House bill. Similarly, the threshold on medical deductions for the elderly, blind, and disabled was set at $25 instead of $0 a month, effective January 1, 1982, at a savings of $74 million over the House bill were it to be implemented in 1981.

The Senate conferees softened the 1982 impact of the annualization of the indexation of the thrifty food plan and the standard deduction by persuading us, as Congressman PANETTA had suggested in the House debate, to index them on January 1, 1982, in light not only of the actual changes in the cost of the thrifty food plan and the Consumer Price Index for the intervening months up to the preceding September 30, but also in light of the Secretary's projection of such changes through December 31. The same approach was taken, effective January 1, 1982, as well, to the January adjusting of the excess shelter expense deduction.

While the effective date of these new or expanded deductions and more up-to-date indexations was substantially postponed for another 20 months or so, the conference did accept, effective as soon as the Secretary promulgates final regulations (since no comment period is necessary under the Administrative Procedure Act in these circumstances), the freezing until January 1, 1981, of the current levels of the thrifty food plan, the standard deduction, and the excess shelter expense deduction as well as the refusal to update the 1980 poverty level from essentially June 1979 prices to March 1980 ones and the drop in the assets limitation for eligible households other than one consisting of two or more persons, one of whom is age 60 or over, to $1,500 from $1,750.

The other major House program cutback, that in student eligibility, would also be expected to be implemented as soon as possible through interim final regulations because it is a less mathematically automatic act of program reduction than the others, while the exclusion from income of State and local energy assistance payments would occur prospectively (but before the onset of the 1980-81 hearing season) to avoid the complex, error-creating, retroactive recomputation of benefits.

The House striker provision was retained, although it remains merely a restatement of existing law emphasizing our determination that going on strike is not by any means an automatic ticket to food stamp eligibility, since every single eligibility requirement must still be met. The House intention that increased cost sharing for computerization be restricted to initial capital costs rather than regular operating costs (which would be supported at the 50-percent rather than 75-percent rate) was implemented by deleting the term "leasing" from the increased cost sharing list.

The House intent that States be provided an opportunity to make a showing of good cause for failure to comply with the act, regulations, their State plan, or the Secretary's standards for efficient and effective program administration before being compelled to take corrective action was placed in the law as was the State's access to administrative and judicial review before being punished by the Secretary for noncompliance through withholding matching funds.

Finally, while the alien reporting provision remained in the bill, all of the conferees were in agreement that the Department should try to forestall State or local certification workers from using that mandate as an excuse to unleash racial and/or ethnic prejudices by harassing foreign-looking or sounding program applicants.

Mr. JEFFORDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, I would like to paraphrase to a certain extent the remarks of the ranking minority Member on this side of the aisle. It is unfortunate that this rather important bill came up at a time when there is tremendous pressure and a need for immediate action. Some of the amendments which the minority would like to have seen contained in the bill have been eliminated, primarily because of the pressure. This is unfortunate, but I am hopeful that during the reauthorization and total review of the law next year some of these amendments which were wiped out will be reconsidered.

All three of the minority amendments were removed in conference. The Outreach amendment, which was an attempt at reducing somewhat the number of people coming into the program and at restraining the expansionist efforts of FNS personnel, was removed. The amendment was originally offered by the gentleman from California (Mr. SHUMWAY), and modified by the gentleman from Washington (Mr. FOLEY). The amendment offered by the gentleman from California (Mr. ROUSSELOT), making the age requirement for children, and work registration requirements consistent with the AFDC program, was removed, as was my recoupment amendment, which I will mention in greater detail later.

Also, I would like to point out that the figures for savings that were given to us by CBO I think are somewhat exaggerated. In particular, the amounts shown for savings with respect to retrospective accounting seem greatly exaggerated because, to my knowledge, no State is desirous of availing itself of this option. In addition, the figures assume that all States will adopt retrospective accounting. This would be very difficult for any State which is not computerized, and only half of the States are.

The amount for fiscal sanctions of error rates is also, at least for 1981, probably over-accentuated by a large amount, since an early implementation of this part of the program is not likely.

I would like to point out that the figure for the 1981 authorization is no doubt low, and the CBO estimates are that it will be several hundred million dollars higher than the authorization level which is established in this bill. Since there will be a reauthorization next year, this figure probably will have to be adjusted at that time. I just want to alert the Members to the fact that it is low, with the present downturn in the economy, and it will probably have to be adjusted upward.

Now, with respect to my own amendments, I would like to point out first, that for those States which have cash-out programs for the elderly and disabled, the conference report gives them the option to continue those programs until October 1, 1981.

With respect to recoupment, I would like to express my appreciation for the vote that the House gave this particular amendment. I think it is an important one. It is generally recognized that this program must be brought under control, and recoupment looks forward to the way in which we must manage many of our public assistance programs in the future. We must learn to target limited program funds better, in other words, to those people who are truly needy. Recoupment provided this Congress with an opportunity to make the food stamp program more efficient, equitable, and accountable.

However, as I pointed out at the time of the debate, the rule which was given on S. 1309 prevented me from offering an amendment which could have been easily accepted in conference. It was overly broad, and disallowed any amendment which would not only change the Internal Revenue Code, but "affect" it. This is a very, very extensive prohibition, well beyond what I think was the original intent for rule prohibitions. I would hope that, in the future, the Rules Committee would not provide for such a restrictive rule, because it interferes with the proper efforts of committees to exercise their own jurisdiction.

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Returning to the amendment itself, it was removed in conference. I must say, however, that there is no question but that we have succeeded in focusing attention on this important issue.

The chairman of the conference committee, the gentleman from Georgia (Mr. TALMADGE), pointed out that he had phone calls from almost everyone in the administration expressing concern over the amendment. Moreover, I think it is important that the proposal was debated and finally adopted on the floor of the House, and I think the fact that the chairman of the Committee on Ways and Means has committed himself to holding hearings on recoupment is more meaningful because he knows what the feeling of the House is. In addition, I am encouraged by the language in the report urging hearings on both the House and Senate sides by May 1, 1981.

I have confidence that good hearings will be held prior to that time, and that we will reach a clearer understanding as to how to handle recoupment, not only in the food stamp program but in other social program areas as well.

Also, there is tremendous pressure on the Ways and Means Committee due to the reconciliation language with regard to finding additional means for complying with the budget rules. I think that we will find the committee will hold adequate hearings and that our efforts on the House floor with respect to the recoupment amendment last week were not in vain.

Mr. FOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, the chairman of the committee, the gentleman from Washington (Mr. FOLEY), has explained the bill very well. I just thought I would make a couple of additional points for the Members of the House.

One thing that we did succeed in this bill, as most Members know, was an important accomplishment. The other body wanted to remove the cap entirely, and the House conferees insisted we keep a spending lid on this bill, which we did. We, however, recognized that we had to raise that cap for 1980, which we did by a substantial $300 million, but we kept the cap for 1981 at the same level as the House provided. That is an important oversight tool.

I would point out to Members of this House that there is no way in the world that if inflation continues the way it is that that monetary cap the conferees set for 1981 is going to provide enough money to satisfy the needs of people who need the food stamps to survive next year. I am just warning my colleagues that we will have to be back next year to raise this budget in fiscal 1981 unless, through some miracle of the good Lord or otherwise, we see a substantially reduced unemployment rate and a substantially reduced inflation rate.

I would also point out to my colleagues, even though we did not raise the cap in 1981, we did at the conference committee instruct the Secretary of Agriculture not to reduce or prorate benefits in fiscal year 1981 even if the Secretary foresaw that there would be a limit of funds, because we felt food stamp recipients ought to be assured of the fact that they would have none of their benefits reduced or cut back and that the Congress would in fact honor the commitments made under this program next year, even though we have reason to believe that the amount is not sufficient. Congress will in all likelihood revise the dollar amounts for next year if such increases are needed.

Finally, I might add this point: People ask me why does this program keep increasing and increasing? Part of it is because we have more needy people receiving benefits in light of the troubled economy. But also, one of the reasons is because we in Congress, conservatives as well as liberals, have continually increased benefits through higher deductions, whether it is child care, or medical deductions. It is almost the same problem the Committee on the Budget goes through every year. We are all for a balanced budget, but not in certain specific areas; and every one of us has his own pet deduction on the food stamp program. We want to decrease food stamp spending, in the aggregate, but then we always seem to increase the component parts of the program, making any food stamp spending reduction next to impossible.

All I am pointing out is if we increase the deduction which we have in this bill for medical and child care, care for the elderly, care for battered spouses, those programs and all sorts of things, then we have to expect that the aggregate amount is going to go up, too. There is just no option to deal with it, although I would have to say we in the House can be proud of the fact that we added significant antifraud provisions that were not in the Senate bill whatsoever.

Finally, I would add that it is kind of ironic that we are today considering the defense budget, but, at the same time we in Congress are in fact going to honor our commitment to the working poor and hungry of this Nation by authorizing funds for the food stamp program; while I will vote for the defense budget I believe strongly that we do need to enhance our defense forces, I think that we in good conscience, by authorizing this bill, will at least let the American people know that it is not going to be 100 percent guns over butter, but that we are going to honor this most important right that people have—that is the human right of adequate nourishment.

Mr. Speaker, I yield back the balance of my time.

Mr. JEFFORDS. Mr. Speaker, I yield 6 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, we bring the conference report on S. 1309, the Food Stamp Act Amendments of 1979, to the floor under waiver of the rules by the Committee on Rules of the 3-day requirement.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding.

I would just like to correct the record. The waiver of the 3-day rule was obtained by unanimous consent of the House.

Mr. SYMMS. Mr. Speaker, that is correct. The chairman is most certainly correct on that.

The conference was concluded Monday evening. Unfortunately, it was scheduled for early yesterday afternoon. I was not able to attend because of other prior commitments. However, it is my understanding that the conference report is substantially different from the House bill that went to conference, and the three major amendments added to the bill by the minority on the House floor were deleted.

The Jeffords recoupment amendment which I believe held out the most hope for food stamp reform was dropped in conference.

The gentleman from Vermont (Mr. JEFFORDS) has mentioned earlier the constraints he was under, and I think he was modest about a situation he was in. He was in a catch-22 situation from the very beginning. However, we debated his amendment in the committee for 3 days, but the Committee on Rules refused to provide a rule which would make his amendment in order on the floor. The Committee on Ways and Means refused to hold hearings on the amendment, even though they had a 10-day referral, Mr. Speaker, in which they could have acted on the recoupment proposal.

When the gentleman from Vermont (Mr. JEFFORDS) modified his amendment so as to get it beyond the point of order for consideration on the floor, the opponents of his amendment, including the IRS and others, criticized the amendment because of the deficiencies which were caused by a lack of certain language in the amendment which had to be dropped from the original amendment in order to avoid the point of order.

Had the Committee on Ways and Means done as they should have done and taken up the Jeffords amendment, the gentleman from Vermont (Mr. JEFFORDS) would not have been in this catch-22 situation to have language that was looser than he had wanted in his amendment.

Finally, when the amendment was going to conference, the IRS and the Committee on Ways and Means were sending letters saying that there should be hearings on this issue.

I think sometimes if the American people understood how this Congress really operates, they would be even more outraged than the polls show that they are.

The second amendment that was dropped in conference was offered by the gentleman from California (Mr. SHUMWAY).

Mr. Speaker, this placed modest limitations on the outreach activity of the Food and Nutrition Service. There were reasonable restraints, and if there is any provision in the bill which was generating complaints from State welfare offices, it was the time spent by State administrators devoted to outreach activities.

Mr. Speaker, it is interesting to note that 1 out of 10 Americans is now on the food stamp program, but 1 out of 7 is eligible. Due to the failure of this committee and this House and the conference to accept the amendment of the gentleman from California (Mr. SHUMWAY), it is only a matter of time until we will include more and more eligible nonparticipants. Then it will not be a $10 or $11 billion program. We will be talking about $15 to $20 billion.

I know that some members of the committee say that is a little extravagant, but in 1977, when we debated the reform of this Food Stamp Act here on the floor, I said at that time—and some people said that was an extravagant statement—that this program would very soon be a $10 billion program. At that time I think it was in the $4½–5 billion range. It is now up to $10 billion. I do not know how much further it can go, but I suppose if one took it out to the end and made everyone eligible that we could figure out how much it would cost.

The third amendment was by the gentleman from California (Mr. ROUSSELOT), which would have conformed the Food Stamp Act to the AFDC provisions as it relates to the age of the child, which exempts the parent from work regulation.

□ 1100

In addition to gutting the minority amendments, this conference report postpones the effective date of many of the costly provisions, thus only delaying the dramatic cost burden upon the taxpayers. The cap concept was retained, but the 1980 authorization was raised from $9.2 to $9.5 billion for an increase of $3.3 billion over the original authorization.

Then, despite program growth of this magnitude, the conference decided to prepare a statement on the part of the managers which would have the effect of negating the Lugar-Symms benefit reduction provision which was adopted last year just to deal with such appropriation shortfalls. This was an incredible step for the conference to take, and I think it indicates that there is no willingness or no commitment on the part of this Congress to do anything to restrain this program and to look out for the taxpayers of the United States.

It is interesting to note as we are debating the defense authorization bill, which will come up later today, that a cartoon in a well-read newspaper yesterday showed a picture of the savage Russian bear coming through the door of a restaurant or a bar and two Americans meekly underneath a table. One of them was saying to the other one: "I wonder if this bear will take food stamps?" One wonders if when the President makes accusations about the Middle East and what we are going to do in case of a Russian invasion, if he intends to defend, or stop Russian armor with a wall of food stamps.

I think it is interesting also to note that in this time of crisis that we face, where we rely on the good will of foreign countries for both the gas in the tank and the metal to make the gas tank, and where we do need to keep the sealanes of the world opened, that this country is spending 10 times as much money on the food stamp program as we are on the Navy shipbuilding program. One wonders how long the Republic can survive with that kind of a program as our priority.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Speaker, I rise at this time to congratulate and thank the distinguished chairman of the House Committee on Agriculture for the magnificent job he has done in shepherding this very, very complicated bill through so many levels of legislative consideration. So we are here today with a reasonable bill which guarantees the continuation of the food stamp program through 1980 and through 1981; which guarantees that some 21 million people will receive that nutritional supplement so necessary to feed themselves and their families so that their children can go to school and learn something and they, themselves, can do a day's work. S. 1309 contains the toughest provisions ever passed to deter fraud and abuse in a feeding or income transfer program. The legislation also contains several provisions that would expand much needed benefits to working households with dependents, to elderly and disabled with high medical expenses and to women and their children who temporarily reside in shelters for battered women.

I think our chairman and committee have done a superb job and I want to thank them all for their generous cooperation.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I cannot let the remarks by the gentleman from Idaho (Mr. SYMMS) pass by. If the gentleman from Idaho will give me his attention for a minute, it is true we spend a lot of money on the food stamp program, but we also spend about 16 times as much on the defense budget. I myself certainly have no objection to the defense budget and will vote for the defense authorization, but if there is any fundamental human right in this world, it is the right not to starve to death.

While there are problems with the growth of the food stamp program, and I talked about those a minute ago, I would hate for the gentleman from Idaho to compare this program to the amount of money we spent on the Navy, because if we had a generally unfed population, then all of the defense spending in the world is not worth very much.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. RICHMOND. I yield 1 minute to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I appreciate the comments of my friend from Kansas (Mr. GLICKMAN).

I do not want to see anyone starve to death in this country, nor does the gentleman from Kansas, nor does the gentleman from New York. But the problem is that the liberalizations by the Congress of this program is creating an intolerable situation. What we need is economic growth in this country. We need to give people an opportunity to work.

All we are doing is providing programs to encourage people to take advantage of the evils of the Federal dole, which sooner or later ultimately will lead this country down the drain toward disaster.

I think we ought to give people the food stamps that they need. It is the difference between those who will not work and those who cannot work. Those who cannot work, we certainly want to help. But those who are just taking advantage of the program, we want to eliminate. That is what is happening and that is why the program is expanding and this Congress is doing nothing, Mr. Speaker, absolutely nothing to stop it except appropriating more money. The taxpayers of this country ought to be outraged by what is happening in the food stamp program when 1 out of every 10 people is on food stamps. It is outrageous.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield further?

Mr. RICHMOND. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, there may be some outrage, but I think the full House and the American people ought to know that we have made some significant progress in this bill, at least the House did in trying to bring some order to the food stamp program.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. RICHMOND. I yield to the distinguished chairman of the Committee on Agriculture.

Mr. FOLEY. Mr. Speaker, again I do not want to rehash old arguments. We have heard many of these before in the consideration of the bill by the House. But it is simply not true that this conference report does nothing but appropriate more money. It provides, for example, that States will have additional resources when they lower their error rates. It gives the States the incentives necessary effectively to reduce error. States can receive up to 65 percent of their total administrative costs instead of 50 percent if they will reduce their error below 5 percent.

Those States that fail to take any action to reduce error rates alternatively are penalized and would have to repay a portion of their administrative costs.

This bill also gives the States additional assistance in developing computer programs that will increase their accuracy in food stamp operations. For the first time, to my knowledge, in the food stamp program or any similar program, we authorize the use of Government records for computer analysis to insure that no person is misrepresenting earned or benefit income. Information from tax records and unemployment compensation records of the Government are made available, under very strict confidentiality requirements, and through the Social Security Administration to detect fraud. Photo identification cards are authorized to be used by States in issuing authorization to purchase cards, and States have been authorized to use retrospective accounting in determining income.

We have lowered the assets from $1,750 to $1,500 for all singles and nonelderly couples to further tighten up on the program. We have eliminated 3 out of every 4 students in institutions of higher learning, keeping only those students who are under 18 or over 60 or who are engaged in a work incentive program to take them off of public assistance or who are working half-time or who are heads of households.

This is part of the bill that has been brought to the floor today. We have reduced from twice a year to once a year the adjustment in the index for the thrifty food plan and the standard deduction saving over $300 million a year.

We have, in addition, eliminated a poverty update deduction and postponed an excess shelter expense deduction update that would otherwise have come into effect in July.

The gentleman from Idaho (Mr. SYMMS) cannot correctly state that this committee and this conference have done nothing to tighten up on the food stamp program. What is true is that we are in a growing recession, and this program has always reflected economic conditions. It has reflected economic condition when they have improved.

There were 20 million people virtually receiving food stamps in 1975. That number was reduced by 3 million people in 1976 when the economic recovery occurred.

This program is extraordinarily sensitive in reflecting what is happening to American families in the economic circumstances of the present time. Before we ever see the statistics on unemployment, the food stamp program reflects their trend. It reflects recovery as well, because people by the millions go back into their own personal income support when the economy improves.

We are going to take every step we can to tighten up on this program and to insure that it goes only to people who need and deserve the benefits. But is is a program that helps the working poor. I repeat: It is not a program that deals only with an underclass of those who are totally destitute. It gives some continued assistance and some continued support to those who are willing to seek work and employment.

☐ 1110

Overall we have had—many of us—differences over the food stamp program, but I repeat again what I said on the floor of the House when this bill was considered by the House. About 12 years ago now a survey was conducted in the United States, sponsored by the Field Foundation. That survey looked at a number of States where pockets of poverty existed and found to the shock and chagrin of those who were conducting the survey that hundreds of thousands of Americans were not only going hungry but were suffering from diseases and conditions of malnutrition that were not thought to exist in the United States, such as kwashiorkor, pellagra, infant prematurity, chronic diarrhea, and pneumonia, all directly attributable to the problems of hunger. That led, not a Democratic, but a Republican President, Richard Nixon, to call in 1969, as the first of his official acts in terms of a conference at the White House, a conference on hunger in America. It was one of the proudest achievements, I think, of

President Nixon's first term that that conference resulted in a commitment that hunger should not exist in the United States because people were not able to provide themselves with a decent diet. It was out of that White House conference and that national commitment that this Congress extended and expanded the food stamp program.

About 2 years ago the Field Foundation again conducted a survey, 10 years later than the survey they conducted in the late 1960's, and that survey found in 1978 and 1979 that hardly any evidence existed of the kind of malnutrition that was found only a little more than a decade ago in the same areas that had been examined. It was their judgment that the nutritional improvement in the United States was due overwhelmingly to the food stamp program. It was also their judgment that, in terms of the health of the American people, food stamps expenditures represented the most wisely spent Federal health dollar, not just nutritional dollar, but the best Federal health dollar, that the Federal Government spends.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the distinguished chairman very much for yielding and add that I would concur with the gentleman's point about nutrition and nutritional deficiencies. However, the chairman will also admit that that 10-year period took place under a time frame when the food stamp program was focused on adequate nutritional diet and we did have a purchase requirement. I shudder to think what may be the results 5 years hence if we go back and do the same survey when we know that we have removed those incentives for an adequate nutritious diet for those people who are recipients of the program, because the program does not today reflect an adequate nutritious diet as it did 5 years ago.

Mr. FOLEY. As the gentleman notes, there was at the time a purchase requirement which, I would repeat, did not give any additional benefits in terms of bonus value of food coupons to any family by itself, but it did eliminate, as the gentleman says, the necessity for families to purchase at their own expense certain of the food coupons that they used. It was a difficult decision; it was not an easy decision. It certainly was not an easy decision for me because there were arguments on both sides, such as those that the gentleman has just made, that it encouraged families to put more of their resources into nutrition, as well as arguments on the other side that some of the poorest families did not have the capacity to obtain resources to actually make the purchase which was a precondition to their participation. In any case, we will be reauthorizing this program next year when it expires, and the Committee on Agriculture will have an opportunity to make a judgment at that time regarding the purchase requirement.

With all the criticisms that have been leveled at this program, and there have been many criticisms which we have attempted to deal with in the Committee on Agriculture, it is necessary to realize how strong the evidence is, on the basis of actual surveys in the field, that this program has had extraordinary beneficial consequences for millions and millions of American families. Certainly it is not something that anybody in this Congress should be ashamed of if they have contributed to the survival of children and the elderly and disabled and others who are unable to provide an adequate diet for themselves. When we look at the results and the judgment of the Congress over the years on this program, we can see that an overwhelming number of Members on both sides of the aisle have agreed with the essential judgment that the hungry should be cared for in this country and that those who are in real need should be provided assistance.

Mr. Speaker, what time I have remaining I would like to yield to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. I thank my distinguished chairman.

Mr. Speaker, I would just like to finally thank the members of my subcommittee for the many hours they spent in developing this latest piece of food stamp legislation. I also want to wish Godspeed to our friend and staff director, Dr. Joseph Crapa, who is leaving on Monday to become Deputy Assistant Secretary of Congress for Congressional Relations. I wish him good luck.

Mr. JEFFORDS. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the conference report.

Mr. Speaker, I find it tragic that the House is about to reward the efforts of the Secretary of Agriculture and the House leadership in avoiding any substantive oversight of the food stamp program. A vote in favor of this conference report once again proves that it is the bureaucracy, and not the Congress, that really controls the purse strings of this Government.

Since 1977 there has been a continual problem with the development of the food stamp program. What was once a nutritional supplement has become a massive new welfare empire. It is hard to realize that in 1961 this was a $13.1 million pilot program for some 140,000 people. In 1964 the program was still a modest $30.5 million. Only in fiscal year 1971 did food stamps break the billion dollar barrier, and now we are speeding toward $10 billion.

The problems with the post-1977 food stamp program are many, the primary issue has been the rapid increase in participation since the purchase requirement was removed. In effect, the Congress created a new form of currency for those in the program. In places like Puerto Rico there are reports of food stamps being used to purchase outboard motors and services. Last year the New York Times reported that "food stamp currency" had created a total welfare mentality in parts of the island as people only took work under assumed names so they could continue to receive the Government "script."

More recent incidents further underscore this abuse of the program. In February 1980, the Wall Street Journal reported on a major series of arrests by the FBI of over 50 Arab grocery store owners who had developed a national black market trade in food stamps. The FBI, in testimony before the House Agriculture Committee on February 7, 1980, testified that over $400,000 is food stamps were used to help break the network, implying that millions of dollars worth of food stamps were involved in the black market. What is even more horrifying about this operation is that a number of the groceries had ties to Palestinian groups. The Wall Street Journal reported that initial investigations showed possible evidence that proceeds from the black market were being funneled to PLO operatives.

These few instances of abuse and fraud in the food stamp program further prove the need for this Congress to conduct oversight on this program and address these problems through substantive amendments. Unfortunately, the die had been cast early last year that this would not occur. In the 1977 Food Stamp Act the Congress wisely installed a cap on food stamp expenditures. This was one of the few times the Congress actually prevented a controllable expense from becoming an uncontrollable one.

Subsequent action provided adequate authority in the Secretary of Agriculture to make discretionary benefit reductions so that the value of the allotments issued would not exceed the appropriation. This was further emphasized when the Senate adopted the Lugar amendment on July 23, 1979, to S. 1309. That amendment detailed the methods by which benefits could be scaled down in the face of budgetary constraints.

In most bureaucracies such congressional action would be fair warning to prepare for staying within budget. However, Secretary Bergland opted for a brinksmanship approach. His cavalier stance came out loud and clear in a speech he gave on October 14, 1979, in Kansas City, Mo. In that speech he stated:

> Unfortunately, we could face an even worse crisis this fiscal year. The statutory cap for 1980 gives us only 75 percent of the funds we'll need. This means that if Congress doesn't approve our request for full funding, we'll have to start cutting benefits next spring. We face a particularly treacherous battle here because there is a very real possibility that Congress will attach strings to any additional funding. Those strings are likely to be in the form of regressive amendments that will cut food assistance for some of the poor and seriously complicate program administration.

Secretary Bergland's remarks clearly showed that he felt the bureaucracy was the true formulator of policy and the

Congress was only there to go along. The Secretary even dug deep into the language of an appropriations conference report to find the phrases to circumvent statutory law. The fiscal year 1980 agriculture appropriations stated:

> Timely review and disposition of funding requirements is anticipated upon the enactment of new legislative authorization. In the interim the Department is expected to continue program operations at the current level of benefits.

He also stated, in a December 17, 1979, letter to the Speaker, that he was going to assume the Congress would vote higher food stamp fundings and therefore:

> I have determined that benefit reductions are not necessary at this time.

The stage was therefore set for the brinksmanship we saw last week. Bergland waited until the last moment to call attention to the food stamp cutoff. Special-interest groups that press for increased welfare funding moved to organize the grassroots into a panic. The House leadership held up the food stamp bill, which had been reported in February, from floor consideration until the last possible moment. Even the Congressional Quarterly observed, on May 10, that:

> The strategy proved successful, for the growing sense of panic around the country over the threatened termination of the program carried over into opposition to the amendments.

What was attempted on the House floor last Thursday? A number of Members tried to propose sincere amendments that would reform the food stamp program and save almost enough money, together, to cover the need for additional funds. That is what this so-called oversight Congress was supposed to be all about. That is what was supposed to have been the response to the tax revolt: The reforming of programs to provide services within the boundaries drawn by the taxpayers. Instead, the brinksmanship ploy created a travesty of the oversight process. In less than 7 hours the House roared through 17 amendments and several motions.

Over 2½ hours of that time was spent voting and another hour was spent on the Jeffords amendment. That left an average of 12 minutes per each other amendment. Some amendments were dispatched in less than 3 minutes. I do not think many of my colleagues would consider such a marathon session conducive to rational assessments of individual amendments or the thrust of the overall legislation.

The process of "legislation by panic" was completed when the conferees eliminated all major House amendments that did pass, including the Jeffords recoupment provision, and added in another $300 million for fiscal year 1980. Instead of doing a service to the poor, this action will propagate the bureaucratic empire of Secretary Bergland and provide for additional tax burdens for most Americans. That is no way to conduct the work of this Congress. I hope my colleagues will join me in registering their outrage at how oversight has been circumvented. Please oppose this conference report.

Mr. SYMMS. Mr. Speaker, one of the wonderful things that this House did was raise to nearly $16,000 the money a family of four could earn and still receive stamps—and maybe I overstated my bounds with my distinguished chairman by saying we have done nothing—when there is so much talk about low-income people benefiting from this program, I think it is interesting to note that with the standard deduction, the shelter deduction, the child deduction on earned income, by January 1982, under these so-called reforms this House has done that not including medical deductions, a four-member household will be able to have $15,700 income and still be recipients of food stamps. So I do not think that it is quite fair to call this reform, I mean if that is the kind of reform we are giving here in Congress. I just think the taxpayers of the country need to recognize what it is we are doing. That is the reason the program costs so much money. There are a lot of people in this country who live in rural America who work their 40 to 48 hours a week for wages who are in this $10,000 to $15,000 income category, who are not on the program, and I think that it is those people who are so frustrated and so upset when they go to the stores and watch people buying things with food stamps, when they are going through the grocery store click, click, click, counting every single thing they buy in the grocery store because their budget is so extended. Then they find out somebody else is up in front of them in the line, buying with food stamps and, unfortunately receiving—and I understand it is not legal to do this—and where people are actually getting change up to $10 in greenbacks for food stamps and taking the money and going out and buying something else with it. This is the kind of thing we have brought into this program in the past 3 or 4 years with all this wonderful reform this Congress has given us. That is the point that I think is being overlooked. This destroys the producers incentive to work and ultimately leads to more poverty.

There are two sides to this. In my opinion, this country was built by the incentive-reward system; and that in itself is a humanitarian system—that this Congress is rapidly destroying.

Mr. JEFFORDS. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. I thank the gentleman for yielding. In the process of debating the food stamp program, there is nobody in this Congress that I have talked to who does not support the food stamp program for the nutrition program that it was intended to be. But what a lot of us do not like is a program over a period of 15 years that has gone beyond the purpose of fulfilling the nutritional needs of low-income people in America and changed to an income-transfer program, and going beyond that even to a point of becoming a program of dependency.

The previous recitation by the chairman about this program being totally reflective of the economy of the United States is not totally accurate in this sense, that there has never been a time postrecession when the number of people on food stamps has gone back to prerecession figures. There has always been a long-time growth in this program, so it has become not only a program to reflect the needs of the people in a time of economic recession, but it has also ended up being a program where once people have gotten on, there has not been incentive to get off.

If you have been listening to this debate, you have heard one word crop up more than any other, and that is in regard to the "crisis" environment in which this program is being considered, not only this year 1980, but for the second year in a row. It seems that when the point of raising the cap comes, it always comes at a time when there is a need to pass this legislation forthwith or somebody is not going to have the food that they need. That sort of legislative environment is irresponsible and ought to once and for all be done away with.

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The thing that bothers me the most as we considered at least a dozen amendments on the floor last week, the most responsible of those amendments, the one that was the most difficult for anybody to argue against, because it was recapturing for the taxpayers moneys from those who should not have gotten food stamps, the recoupment amendment of the gentleman from Vermont (Mr. JEFFORDS), that that amendment was thrown out in the conference committee.

Legislating in a crisis environment, Mr. Speaker, works to the advantage of those who desire no change in a particular program.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JEFFORDS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. GRASSLEY. For those in a position of leadership on the other side of the aisle, Mr. Speaker, who have known Mr. JEFFORDS to be a friend of the food stamp program and for those who are in need in this country, ought to have used the crisis environment to get the most responsible amendment that was adopted by this House included in the conference committee and the fact is they did not and to that extent I feel sorry for those who used the crisis environment to change a program of nutrition into a program of dependency and income redistribution.

The longer we wait to legislate changes in this program the more the program is going to become difficult to correct, the more it is going to be a program of dependency, the less it is going to be a program of nutrition. In nutrition and food stamp, legislation ought to be nutrition legislation.

Mr. JEFFORDS. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. I think there is no doubt in this debate that the concerns of the American taxpayer have been heard, and that the taxpayers are concerned about fraud and abuse in not only the food stamp program but in every Federal program. However, I think in all fairness the Agriculture Committee deserves a great deal of credit for the genuinely effective tightening mechanisms which have been incorporated into this bill. For the first time a minimum of 18 different procedures allowing for cross-referencing of income with other benefits such as unemployment compensation, veterans' benefits, social security income have been included in the program. A photo identification system has been provided for population areas where such a program would be effective in reducing program error. An elaborate system of incentives for States to spur a reduction in their error rates has also been outlined in the bill.

A low error rate will mean that the State will get more than the current 50 percent of its administrative costs paid for by the Federal Government. In addition, provisions of S. 1309 raised the Federal percentage of contribution for computerization from 50 percent to 75 percent.

This standardization is designed to cut program error by reducing caseworkers opportunity for mistakes.

Mr. Speaker, I would like to point out that the gentleman who says that in 2 years, in 1982, the average food stamp recipient's income will be $15,000.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. JEFFORDS. Mr. Speaker, I yield the gentlewoman 1 additional minute.

Mrs. HECKLER. I would like to say the projection of the $15,000 salary eligibility level is based on the projection of an inflation rate which I hope this Congress and this country can avoid. One of the reasons that the level of participation in the food stamp program has reached its present point is the 18-percent annualized inflation rate eligibility and a 4-percent annual increase in food prices. Program is further increased by an unemployment rate of over 7 percent. Together these spell record program participation.

Mr. Speaker, there are many in this society who are needy. I have to say for the elderly and the disabled and those who are unable to work that if this program is their hope, I am proud to be a Member of the Congress and a member of the committee that voted in support of the program. I think it has been reformed. Major breakthroughs have been made. But, regular oversight constantly improves the program. As legislators, our goal must be a program that needs no apology, that meets a legitimate need, and that assures the taxpayer of fiscal responsibility.

Mr. JEFFORDS. I yield 2 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Chairman, certainly no one in this body nor anyone in this country wants to see anyone suffer from either malnutrition or from hunger. However, the question I ask is, are we doing everything we can to make sure that the people who are receiving food stamps are truly in need. That is not to say that the committee has not done a reasonable job of improving the program. Surely, we have done a lot toward strengthening this. But could we not have done a little bit more? I ask this question: Is it really fair for the people who are truly in need of food stamps, to put them in the same group, in the same category as those who could accept jobs if they would?

Mr. Speaker, I just picked up the newspaper and counted a number of pages of help wanted in the Washington Post. Look for yourselves.

Mr. Speaker, I ask the question of the committee, next year when we consider the food stamp program authorization, are we going to seriously look at the experience we have had from the so-called work fare programs? Do you recall that 1977 act? We provided for work fare pilot programs around over the country. We have several installed now and the experience has been found, I have been advised, that we have significantly reduced the number of recipients of food stamps. When people requested food stamps found that, rather than get food stamps free if they had no money, if they were able and capable of taking employment, they had to work out the cost of those food stamps, I am advised those roles have been reduced.

Mr. Speaker, are we going to take a look next year to incorporating this into the program?

Mr. RICHMOND. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from New York.

Mr. RICHMOND. I thank the gentleman for yielding. I am happy to say we do have more than six work fare programs in affect right now. We have been promised by the Department that we will have full information on those work fare programs before we start debating the 1982 food stamp legislation. I agree that next year we will have that information on hand. We will be able to give facts and figures on how effective work fair is in connection with employing people on food stamps.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JEFFORDS. Mr. Speaker, I yield the gentleman from Indiana 1 additional minute.

Mr. MYERS of Indiana. Mr. Speaker, I do appreciate the fact we have a few work pilot programs around over the country. I am not very pleased that it took from 1977 until November of last year, I believe, when the first work fare program was put into place and the number we have had since that time has been very, very low.

Mr. Speaker, I think the administration has been moving at a snail's pace. Again, I reiterate, I think every Member certainly wants to help the needy, but are we doing the best job. A vote against this does not mean that we want to deny people the right for a decent life, a decent diet. It means we are disgusted with the snail's pace at which the administration has moved toward cleaning up its act, to make this program more acceptable to the taxpayer who also is suffering.

I know a great many taxpayers, Mr. Speaker, who are not eating fillets. Most of them in fact are not. We are not eating the choice or prime from the meat counter. Taxpayers must be very selective to buy things on sale. There are some teeth we have to put in this program to make it acceptable to the American taxpayer.

A vote no today does not mean we are opposed to helping poor people, but that we want to make this program better and it can and must be made better.

● Mr. GARCIA. Mr. Speaker, today we face the very real prospect of terminating the food stamp program for the remainder of fiscal year 1980. If the program is terminated, the result will once again make victims of the poor, particularly the elderly and children who need this vital program. Shortsighted legislative decisions purporting to control Federal expenditures have been given priority over the very real need for food of 20 million Americans. We are now confronted with dealing on a last-minute, crisis basis with a survival issue which was foreseen over a year ago.

It is both fiscally and morally shortsighted to permit a shortfall in food stamp appropriations as the result of an ill-conceived and poorly estimated cap.

I urge my colleagues to support the immediate passage of S. 1309, the supplemental food stamp appropriations bill. I urge also that the food stamp program not be subjected to these continuing crises—which leave the Nation's poor wondering, agonizingly, whether they and their children will be fed or go hungry in the months ahead.●

● Mr. DASCHLE. Mr. Speaker, I rise in support of the conference report on S. 1309, the Food Stamp Act Amendments of 1979.

The future of this program into the month of June has been in peril, pending congressional action prior to the May 15 deadline.

Mr. Speaker, the public is oftentimes critical of Congress inaction in dealing with the issues before this body. This criticism is often deserved. However, in this situation Congress has moved expeditiously to meet this crisis.

Three areas of congressional action were required prior to the May 15 deadline: Adoption of the fiscal year 1980–81 budget resolutions to allow for higher spending levels for the food stamp program; passage of S. 1309, legislation adjusting the fiscal year 1980–81 expenditure ceilings; and adoption of a supplemental appropriations bill to provide for the additional funds needed in fiscal year 1980.

The conference report on S. 1309 before us today addresses itself to the major problem concerning the viability of the food stamp program. Because of the Nation's high unemployment level, as well as the generally high inflation rate, the expenditure ceiling mandated in earlier legislation would have left the program without funds for the balance of the fiscal year. S. 1309 would increase the expenditure ceilings for these fiscal years to meet the nutritional needs of the handicapped, elderly, and disadvantaged.

Finally, Mr. Speaker, no Member of this body wants to see the benefits of any Federal program, including the food stamp program, to go to those undeserving of the program's benefits. Anybody who receives benefits illegally or fraudulently should be stopped. S. 1309, as passed by the House Agriculture Committee, contains 15 additional antifraud and abuse provisions to insure that these benefits go to those who are truly deserving, the elderly, handicapped, and disadvantaged.

Mr. Speaker, I want to commend the chairman of the Agriculture Committee, Mr. FOLEY, and the ranking member, Mr. WAMPLER, for the leadership they have shown in bringing this conference report before us today, in time to prevent suspension of the food stamp program. This legislation, working in conjunction with the supplemental appropriations legislation currently pending before the conference committee will insure that the elderly, handicapped, and disadvantaged will not bear the burden that would result from the funding lapse.●

Mr. WAMPLER. Mr. Speaker, we bring this conference report to the floor under a "funding crisis" atmosphere which I must confess that I believe to have been largely manufactured by the administration in an election year maneuver, unfortunately has held millions of needy people hostage as the scenario has played its course. While I do not condone this delivery attempt to "stampede" the Congress into action, I do feel this body should act expeditiously on the conference report.

I am not happy with the conference report. The House-Senate conference missed several opportunities for improvement in the food stamp program. It is interesting to note that three of the House floor amendments added to S. 1309 that would have improved the program came from this side of the aisle but they were dropped in conference. The Jeffords recoupment amendment, which I feel has more reform potential than any food stamp issue which has surfaced in recent years, was dropped in conference. The opponents of this amendment, the very ones who had denied Mr. JEFFORDS an opportunity for proper legislative procedure to make his original amendment in order on the floor, were the ones who criticized the amendment because of the deficiencies he would have corrected if given the opportunity.

The Shumway-Foley outreach amendment adopted on the House floor in an effort to squelch the really outrageous expansionist activities being conducted by Food and Nutrition Service personnel was deleted in conference. The constraints placed by this amendment would have dealt equitably with this issue which is causing the State administrators to protest so vigorously and which is an absolute travesty of congressional intent.

The Rousselot amendment provided a parallel work registration requirement for food stamp households that is now in effect in the AFDC program. I was disturbed that USDA representatives at the conference opposed this as noted in the transcript:

> The CHAIRMAN. Mr. Greenstein?
>
> Mr. GREENSTEIN. The administration does not support this. We are recommending that it be removed. We really do not feel it is parallel to the AFDC program because in the AFDC program substantial services and child care and training are provided under the WIN Program to women with children between the ages of 6 and 12.
>
> In addition, in the AFDC program, the women who have child care expenses, they get a child care deduction for the whole amount of the expense which is limited here to $90. No comparable services are provided here. It is also our view that especially as we head into high unemployment that since this provision creates no more jobs, it really just creates more people running through the work registration system, and that, of course, we estimate at $13 million a year in administration by the Department of Labor that will be paid for out of the food stamp account.
>
> So our overall view is that this would not be cost effective. It would add more administrative costs than it would save. We recommend it be removed.

Also, I am concerned over the conference decision to delay the effective date until 1982 of many of the provisions of S. 1309. A simple delay of the effective date of a provision is not a cure for the problem; rather, it is a mere postponement, and I predict that these issues will come back to haunt us.

Despite conference action defeating certain of the minority floor amendments, I feel compelled to support the conference report in order not to hold innocent program recipients hostage in a situation over which they have had no control. It is my hope that in the future this administration will exercise more statesmanship in their efforts to secure congressional action on this program.

In conclusion, I am disappointed that we cannot seem to hold down the spiraling costs of the food stamp program. So in the forthcoming months I will be looking at such solutions to this situation as the possibility of moving the food stamp program over to the new Department of Health and Human Resources. The Congress appears to me to have largely purged the program of its nutritional and food thrusts, and that being the case, it seems to me that perhaps we should be considering the transfer of this program from USDA to the Health and Human Resources.

Mr. JEFFORDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. RICHMOND. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. JEFFORDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 324, nays 80, not voting 28, as follows:

[Roll No. 235]

YEAS—324

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McKay
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Shelby

Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Ullman
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wirth
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—80

Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Burgener
Butler
Campbell
Carney
Cheney
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Edwards, Okla.
English
Erlenborn
Frenzel
Goldwater
Grassley
Grisham
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Hinson
Holt
Ichord
Jeffries
Johnson, Colo.
Kelly
Kindness
Kramer
Lagomarsino
Lewis
Loeffler
Lott
Lungren
McDonald
Marlenee
Michel
Miller, Ohio
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Quayle
Rhodes
Robinson
Roth
Rousselot
Satterfield
Sebelius
Sensenbrenner
Shumway
Shuster
Snyder
Stangeland
Stenholm
Stockman
Stump
Symms
Taylor
Trible
Walker
Whittaker
Wilson, Bob
Winn
Wydler

NOT VOTING—28

Albosta
Anderson, Ill.
Boggs
Breaux
Cleveland
Coelho
Dixon
Downey
Giaimo
Howard
McEwen
McHugh
McKinney
Mathis
Mica
Rangel
Rodino
Rose
Rudd
Steed
Stratton
Thomas
Udall
Van Deerlin
Vander Jagt
Weaver
Wilson, Tex.
Wolpe

□ 1140

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Rudd against.

Mr. Rodino for, with Mr. Thomas against.

Until further notice:

Mr. McKinney with Mr. Anderson of Illinois.

Mrs. Boggs with Mr. McEwen.

Mr. Breaux with Mr. Vander Jagt.

Mr. Downey with Mr. Dixon.

Mr. Giaimo with Mr. Cleveland.

Mr. Rangel with Mr. Steed.

Mr. McHugh with Mr. Charles Wilson of Texas.

Mr. Van Deerlin with Mr. Udall.

Mr. Wolpe with Mr. Mica.

Mr. Coelho with Mr. Albosta.

Mr. Weaver with Mr. Mathis.

Mr. Rose with Mr Stratton.

Mr. MOORHEAD of California and Mr. HINSON changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON NATIONAL PARKS AND INSULAR AFFAIRS OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO MEET TODAY DURING 5-MINUTE RULE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks and Insular Affairs of the Committee on Interior and Insular Affairs be permitted to meet today during proceedings in the House under the 5-minute rule.

This request, Mr. Speaker, has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON EDUCATION AND LABOR

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Education and Labor:

WASHINGTON, D.C.,
May 14, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby resign my position on the Committee on Education and Labor.

Sincerely,

DON BAILEY,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1981

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 2, not voting 46, as follows:

[Roll No. 236]

YEAS—384

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore

Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Cakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rostenkowski
Roth
Rousselot
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Ullman
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Lloyd
Wilson, Bob

NOT VOTING—46

Alexander
Anderson, Ill.
Boggs
Breaux
Burton, John
Carr
Clay
Cleveland
Deckard
Diggs
Dingell
Downey
Duncan, Oreg.
Edgar
Giaimo
Heckler
Holtzman
Howard
Ichord
Jeffords
LaFalce
Lent
McEwen
McHugh
McKinney
Mathis
Mica
Mitchell, Md.
Reuss
Rodino
Rose
Rosenthal
Roybal
Rudd
Steed
Stokes
Stratton
Thomas
Udall
Van Deerlin
Vander Jagt
Weaver
Wilson, C. H.
Wolpe
Wright
Wydler

☐ 1200

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6974, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 14, 1980, title II was open for amendment at any point, and pending was a committee amendment on page 6, lines 19 and 20.

Are there further amendments to this committee amendment?

AMENDMENT OFFERED BY MR. SIMON TO THE COMMITTEE AMENDMENT

Mr. SIMON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON to the committee amendment:

Page 6, line 20, strike out "$7,105,654,000" and insert in lieu thereof "$6,605,654,000".

Page 6, line 20, insert "(1)" after "of which".

Page 6, line 22, insert ", (2) $66,000,000 is authorized only to carry out a study of alternative basing modes for the MX missile system".

Page 20, after line 8, add the following new section:

REPORT TO THE CONGRESS ON ALTERNATIVE BASING MODES MX MISSILE SYSTEM

SEC. 805. No land may be acquired by, and no public lands made available to, the Secretary of Defense for the research, development, or deployment of any part of the MX missile system until the Secretary of Defense has submitted to the Congress a report on alternative basing modes for the MX missile system (including but not limited to split basing modes, modification of the existing Minuteman and Titan systems, deployment of the MX system at sea or on aircraft, defended MX deployment, or backfilling the MPS system initially to reduce substantially the size of the deployment areas).

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Mr. Chairman, I ask unanimous consent that this amendment which I am cosponsoring with my colleague, the gentleman from Utah (Mr. MARRIOTT), which amends this title and adds another section on the end, be considered en bloc so that we can avoid two debates.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. PRICE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The amendments will be considered separately.

The Chair recognizes the gentleman from Illinois (Mr. SIMON) for 5 minutes in support of his amendment.

Mr. SIMON. Mr. Chairman, I offer an amendment at this point, which is cosponsored by my colleague, the gentleman from Utah (Mr. MARRIOTT). We will offer another amendment later on, which will be cosponsored by the two of us.

Mr. Chairman, in order to save time, we will discuss both amendments at the same time because they cover the same thing. I hope we can avoid duplicating debate.

☐ 1210

Basically what my colleague from Utah and I are suggesting is that we take a look at where we are going on the mobile basing mode. We do not knock out the missile. We say go ahead with the missile, but let us make sure we know where we are going.

Mr. ALBOSTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Michigan.

PERSONAL EXPLANATION

Mr. ALBOSTA. Mr. Chairman, I missed the vote on the conference committee report on food stamps. Had I been on the House floor I would have voted "yes."

Mr. SIMON. Mr. Chairman, my one reluctance in offering this amendment is that I have to differ with the dean of my delegation and one of the most respected Members of this House, a man for whom I have the greatest respect, the chairman of the Armed Services Committee (Mr. PRICE).

I would also like to bring to my colleagues' attention at this point a "Dear Colleague" letter sent out by the gentleman from Nevada (Mr. SANTINI) which is an excellent description of the issues that are at hand at this point.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 13, 1980.

DEAR COLLEAGUE: I am writing to urge your support for an amendment to be offered by Representative Paul Simon to the FY 1981 Defense authorization bill. This amendment would reduce funding for research and development of the latest variation on the MX missile "racetrack" or linear basing system.

As you know, I support the MX missile and its continuing development as a countermeasure to the Soviet's increasing ability to obliterate our land based ICBM's. However, I have serious reservations about the Air Force's current land-oriented shell game approach to meeting the threat. Let me share a few of my reservations with you.

1. Just when the Congress was told that the "racetrack" basing mode was the only answer to our defense problems, the Air Force announced a new variation on its shell game theme. I am calling this new basing mode the "drag strip" system. The Department of Defense prefers the more academic term, "linear basing." Whatever term is used, the fact of the matter is DOD is now launching its 30th or so basing concept. How can we believe that this new mode is unquestionably the best when only two weeks ago "racetrack" basing was sacred?

2. The cost of the MX "racetrack" and current variations was called into serious question by a recent Government Accounting Office report. Air Force figures have gone from $30 billion in June, 1979, to $33 billion four months later. GAO extrapolates this amount to a minimum of 50.1 billion dollars. And this cost only represents acquisition of the system. It doesn't include the costs of making warheads, the cost of economic assistance to impacted areas or the cost of operating the system. Costs can and probably will accelerate to over 100 billion dollars.

3. If we could be assured that the proposed land based system would indeed fully meet our defense needs, cost considerations would be important, but not paramount. Unfortunately, the proposed system will not solve our immediate defense needs. The United States' "window of vulnerability" would not be closed by the proposed "drag strip" system until 1990.

4. The current proposal for MX basing is predicated upon a SALT II agreement which has not been approved by Congress and may already have been violated by the Soviets. Verifiability, constraints, and the number of MX missiles to be deployed are tailor-made for a SALT II agreement which doesn't exist.

5. The environmental implications of the current MX "drag strip" proposal are mind-boggling. Apparently, Nevada and Utah were selected because of their geotechnical perfectness. In fact, the Air Force probably viewed us as an easy target because of our limited representation in Congress, our vast federal landholdings, and the perception that the Great Basin desert isn't good for much else anyway. On the contrary, the land in question has great potential for energy and mineral resources, for grazing and for recreational pursuits.

An Air Force Environmental Impact Statement points out that no matter where MX is located in the land-based, shell-game configuration, permanent aesthetic degradation will occur. Yet as of March 25, 1980, the

Secretary of Defense still referred to MX as "minimally intrusive" on the environment and people of the Great Basin. I disagree.

I seek your support of the Simon amendment to replace funds for the current land-based MX drag strip, and I offer you an alternative. The Simon amendment leaves 50 million plus dollars in the budget for research of alternative basing modes. Even more significant is a move by members from a wide spectrum of Congress requesting an Office of Technical Assistance study of a wide variety of alternative basing systems, including the one now favored by DOD. The OTA study would be completed with in six months. At that time, Congress will have better information to make reasoned defense judgments. It is certainly time we had all the alternatives evaluated by people who are not now proponents of any special basing mode.

Your support of the Simon amendment will be a step in the right direction to maximize our defense readiness while making every defense dollar count.

Sincerely,

Jim Santini,
Member of Congress.

PARLIAMENTARY INQUIRY

Mr. ICHORD. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. SIMON. I yield to the gentleman.

Mr. ICHORD. Mr. Chairman, I was not present, as the gentleman well knows, when the amendment was introduced. I understand the gentleman had two amendments and there was objection to considering them en bloc. I do not understand the second amendment. Will the gentleman explain that?

Mr. SIMON. Yes. These two amendments are offered together by my colleague from Utah and myself. The one under consideration right now is the one that knocks out $500 million for the mobile basing mode. It retains $66 million in the mobile basing mode for study, for research as to where we ought to go.

The second amendment relates to the acquisition of and use of public lands for the mobile basing mode.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Utah.

Mr. MARRIOTT. Just for clarification, it is my understanding the amendment the gentleman is discussing now does, in fact, knock out $500 million. In addition to that, it also amends or adds a new section at the end, section 805. That is still part of the same amendment.

Now, the second amendment that I have at the desk would simply give us a new section 805 but in more detail than the one that is before us. So, I want to make sure we understand if that is not the gentleman's understanding.

Mr. SIMON. I would yield to the Parliamentarian and to the Chairman on this point. My understanding is that there was objection to considering this amendment as it was presented because section 805 would apply to another title. Is that correct?

The CHAIRMAN. The gentleman is correct. The Chair will state that only the amendment proposed by the gentleman from Illinois to the committee amendment to title II is before the committee.

Mr. SIMON. Did the gentleman from Utah (Mr. Marriott) understand the Chair's explanation? Section 805, which I asked unanimous consent be considered at the same time, has to be introduced later. I have indicated that the gentleman from Utah and I would be cosponsoring that later but we are going to discuss it en bloc.

Mr. MARRIOTT. Do I understand, then, that section 805 in the gentleman's amendment has now been deleted?

Mr. SIMON. That has been deleted but will be offered by the two of us at another point.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield on that point?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I dislike causing the gentleman to consume his time on a point that seems at this moment extraneous to his present amendment. However, I believe all of us would agree that the purpose of the present amendment would be carried out by the language which will be offered as a new section 805. I have seen the language which appeared in the sheet offered by the gentleman from Illinois (Mr. Simon) and I have seen the language which appeared in a compendium of material in the possession of the gentleman from Utah (Mr. Marriott).

The CHAIRMAN. Time of the gentleman from Illinois has expired.

(At the request of Mr. Wright and by unanimous consent, Mr. Simon was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. Will the gentleman yield further?

Mr. SIMON. I yield to the gentleman.

Mr. WRIGHT. I would ask the gentleman which language is it that will be offered to the later section, section 805? Is it the language that appears on this sheet as it was presented initially by the gentleman from Illinois (Mr. Simon), or is it the other language that is in the possession of the gentleman from Utah (Mr. Marriott)?

Mr. SIMON. I would yield to my colleague from Utah.

Mr. MARRIOTT. It is my understanding and intent that if this language on the Simon amendment is stricken, that then the new amendment, which is in more detail than that, will be the language of my amendment.

Mr. WRIGHT. So if the gentleman will yield further, the gentleman from Utah (Mr. Marriott) will be offering an amendment to section 805 if the amendment presently pending is agreed to?

Mr. MARRIOTT. Whether it is agreed to or not.

Mr. WRIGHT. Whether it is agreed to or not, the gentleman from Utah will be offering the language which I have seen in his possession, not the language which accompanied the present amendment?

Mr. SIMON. My understanding is the intent of the amendment of the gentleman from Utah is precisely the same as this amendment regarding the use of public lands. I believe I am correct in saying that.

Mr. MARRIOTT. I would only say where the Simon amendment, which I support, will strike money; this amendment does not strike any funds. It simply withholds public land until certain conditions are met. That is the difference.

Mr. SIMON. If I may return to the subject at hand, I hope my colleagues will, and I know we get jammed down in these debates and we cover a great many things, but we are talking about the greatest expenditure in the history of this Government with one exception, and that one exception is the interstate highway system. We are talking about the second-most expensive expenditure in the history of this Nation, so we had better be careful and know what we are doing.

I come here as one who a couple of weeks ago voted for registration. I voted for the Trident submarine. Back when this administration was calling for withdrawal of troops in Korea, I supported a motion here to keep the same number of troops in Korea. A year ago I had an amendment to purchase two ships that were under contract to Iran that we could secure at less cost.

I think my stand in this area of defense has been a reasonable one, but we are about to make an expenditure that is so massive that it will affect every program, defense program and other, that we are interested in, no matter what committee we serve on. The GAO says "at least $56 billion." Senator Proxmire is quoted as saying $70 billion. Senator Helms says $100 billion. No one knows what it will cost.

Why should we delay and take another look at this mobile basing system?

First, from a military point of view, and I sit on the Security Task Force of the Budget Committee, I tend to think we get enamored of exotic armaments rather than paying attention to the fundamentals. We have real security needs in the area of personnel, in the area of operation and maintenance. We do not have enough planes for our carriers.

We have security needs that are less obvious. I was just reading the other day that the Voice of America, which broadcasts in half as many languages as Radio Moscow, does not broadcast in Pushto, the language that is used in the area of Afghanistan and Pakistan, while Radio Moscow gets in there regularly. That is a security need. It does not show up in the security budget, but it is a security need.

We have real needs, but we should not get so enamored of something exotic that we ignore the fundamentals. I think that is a real danger.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(By unanimous consent, Mr. Simon was allowed to proceed for 5 additional minutes.)

Mr. SIMON. Mr. Chairman, there is serious question as to whether we should have a mobile system that limits the number of places where we can have missiles. There is no question that our missile system needs substantial improvement.

☐ 1220

There is no disagreement or virtually no disagreement on that. My amendment permits us to go ahead with the missile system. I would refer you to a letter that was sent to me on April 17 by one of the most distinguished military leaders in the history of this Nation, Gen. Maxwell Taylor, who indicates he has some questions about the MX. But then he adds:

> But let us assume that the danger is, indeed, great enough to warrant spending $30 billion or more. To attempt to forestall it, the proponents would still be obliged to prove conclusively that the replacement of silo-based ICBM's should be a land-based system and, further, that the MX in its presently-planned configuration and deployment mode is the best solution. On both of these points I would need to review carefully the technical arguments for and against the MX and the several alternatives which have been advanced from time to time. I would try to listen with detachment to the opposing views but readily confess to a strong bias in favor of a solution which would get any new strategic weapons off America's soil.

He goes on in some detail. There are any great number of military leaders who question the wisdom of this.

What are we talking about? We are talking about making sure that 30 percent of our missiles, our land-based missiles, are secure. The Soviets have 70 percent of their missiles land-based. Inevitably, if we go ahead on something like this, they go ahead on something like this, so we end up being the net loser.

No. 2, we are talking about scattering something on a land mass. It so happens the Soviets have substantially larger amounts of land than we do. Again, if we go ahead, we are the loser.

But perhaps as fundamental as anything, as we are talking about a system of deployment unlike any other major expenditure in defense that we have ever made, that involves no fundamental secret system. It is a fairly routine kind of thing. And if tomorrow we put a shovel into the ground and start, and the Soviets do it the day after, we are going to have environmental suits and other suits that will snarl and delay this system unbelievably. It is safe to predict that the Soviets will not have any environmental suits, and if we put that shovel of dirt, that spade, in the ground tomorrow, and they do it the day after, they will probably be finished with their system far ahead of us.

Security—it is counter to our security interests from the viewpoint of our economy. I am on the budget conference that is meeting right now. This is not a bottomless pit, this economy of ours, in which we can go down and dig up constantly for everything, including defense. If you go ahead with this, let me tell you, Mr. Chairman, and those who are interested in the defense of this Nation, it is going to impact adversely on things that are really fundamental to the defense of this Nation. I think we have to take a good hard look at this.

Since there is a real question about whether SALT II is going to be approved, there is nothing to stop the Soviets from continuing to add to their missile strength. They can take care of every possible hole that we might build here. The GAO report raised very serious, fundamental questions which have not been answered. We also have to recognize what the former head of research at IBM has said, that the probability is that if we go ahead, the Soviets will have the technology to detect where our missiles are before the system is completed.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. SIMON. The charge has been made that if we go ahead with this, this will delay the missile system. It will delay it if we assume automatically it is going to be the kind of mobile-basing mode we have right now. There are people, respected people in the Committee on Armed Services, who believe no matter what we do today, it is never going to be built, and if we are going to be going to a submarine base or some other form, in fact, this amendment will speed the process of getting a new missile rather than retard it.

We provide $66 million for a study. There is $50 million left, I am advised, in the Pentagon for studies, so there is a total of $116 million, ample money for a very thorough study.

I would point out also that a letter has just recently been sent within the last few days by Senator STEVENS of Alaska and the gentleman from Arizona (Mr. UDALL) asking the OTA to make an assessment of the mobile-basing mode. I think we should be having these assessments before we spend huge amounts of money to go ahead. The numbers of people, distinguished military leaders, like Admiral Eckles who had an article in the Christian Science Monitor just the other day; James Kilpatrick, the distinguished columnist, describes this as the Edsel of the Pentagon. The New York Times—I do not have the time to read it, but it has biting criticism of the MX. A fellow named Ronald Reagan, on March 17 talked to the Chicago Council on Foreign Relations and criticized the administration for going ahead with this system and stated we need a faster remedy.

Mr. KEMP. Mr. Chairman, will the gentleman yield? The gentleman has so much time, I wonder if he might share the debate on some of the points he is making.

Mr. SIMON. I will be very pleased to do that when I am through. Finally, I point out that I think it is sensible before we make this second largest expenditure in the history of this Nation that we ask ourselves, is this the prudent way to go ahead? That is what my colleague, the gentleman from Utah (Mr. MARRIOTT) and I are asking us to do.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will yield first to my colleague, the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. The gentleman is reducing the MPS funds by $500 million?

Mr. SIMON. That is correct.

Mr. ICHORD. And he is leaving in $66 million for what he described as studies of alternative-basing methods. I am interested in how he arrives at the figure of $66 million.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ICHORD, and by unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. If the gentleman will yield, how does he arrive at the $66 million figure?

Mr. SIMON. I would be very pleased to respond. Since 1975 the Pentagon has spent roughly $225 million in studies of this whole basing-mode plan.

Mr. ICHORD. How many studies have they had?

Mr. SIMON. There have been, as the gentleman is very much aware, a whole series of studies.

Mr. ICHORD. Thirty of them, in fact, have there not?

Mr. SIMON. That is correct. And you never know what is going to come out next. We just in the last few days all of a sudden switched from a racetrack to a linear method. But, in response to the gentleman's question, there is from the appropriation for fiscal year 1980 about $50 million unexpended for studies. This $66 million plus that $50 million would make it roughly $116 million that would be available for studies, and that seems to me is clearly ample. If the gentleman from Missouri (Mr. ICHORD) or the officials at the Department of Defense suggest that more is needed, I am willing to have an amendment.

Mr. ICHORD. What are we going to study that has not already been studied? That is my question. We have had 30 studies, the gentleman has acknowledged. What are we going to study that we have not already studied?

Mr. SIMON. There have been a great many studies, but obviously when you all of a sudden come up with a new system here, as we did just about 10 days ago, there is some uncertainty. Second, I have had conversations with friends in the Pentagon who have very, very serious questions. I mentioned the questions raised by General Taylor. I think we can build on the base of studies that is there, but I think we should mandate, before we go ahead because the questions are so serious, that we must take a serious look at where we are.

□ 1230

Mr. KEMP. I appreciate my friend yielding.

I wonder what it is the gentleman is trying to accomplish. Is it really just further study? The gentleman has succeeded I think in pointing out that the MX program is debatable. Of course, it is debatable. Every major weapons program has always been debatable as was pointed out by the distinguished chairman, the gentleman from Illinois (Mr. PRICE) yesterday in his closing remarks. Every single major weapons program this country has ever had has been controversial and debatable. So the gentleman has succeeded in making that point and yes, there have been critics of the various basic features but it does not seem to me to make it debatable that our land-based leg of our strategic triad is going to be dangerously vulnerable at some time in the middle 1980's. The gentleman's amendment is certainly going to delay the IOC date for the MX and indeed impede the program to the point of compromise. Is that what the gentleman wants to do? A further delay in this attempt to make our land-based leg of our Triad survivable is not exactly what the gentleman intends, I hope.

Mr. SIMON. If the gentleman assumes that regardless of everything, we want to go head with the present mobile basing mode, that there are not going to be changes in the next 2 weeks or 2 years or the next 10 days, then the gentleman might well be correct. I am not suggesting we get rid of the land basing mode; for example, a split basing mode, part on submarine, part fixed position, has been suggested by some experts as being much sounder for a variety of reasons, from a military point of view as well as fiscal.

Mr. KEMP. We are still going to have our sea launched and air launched legs but it is almost undebatable and unambiguous among most supporters of a strong national defense that there must be an acceleration rather than a delay of that IOC date and the gentleman's amendment is in effect going to slow down that IOC date by at least 2 years, and I think that is a mistake.

The gentleman from Missouri (Mr. Ichord) has pointed out it has been studied and restudied so many times that there now seems to be an emerging consensus that this is the cheapest of the sensible alternatives and that this would require the least amount of land and would provide us the greatest degree of deterrence for a dollar expended. Governor Reagan, I might add, in criticizing previous proposals, was pointing out that the race track method was too expensive and took too much land and has too much of an environmental impact upon the West, but he does support the MX system and his statement should not be used out of context. I personally believe we need the program to be accelerated, not slowed down or killed.

Mr. SIMON. I cannot speak for Governor Reagan and perhaps the gentleman from New York can.

Mr. KEMP. I cannot either, but the gentleman did bring up his name.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Kemp and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. SIMON. If I can just respond, can you think of another major weapons system where the past chairman of the Joint Chief of Staff has said there is serious question whether from a strictly military point of view it is in the best interests of the Nation to go ahead with this? And when you are talking about this kind of an expenditure, it is a military expenditure which cannot be compared with any other military expenditure we have ever made. What I am saying, what the gentleman from Utah is saying, is, let us make sure we know where we are going.

Mr. KEMP. I certainly agree with the gentleman but my point in answer is that it has been studied and restudied, as the gentleman from Missouri has pointed out, for 15 years. There is always some criticism of such projects.

The gentleman pointed out one of the past critics and one of the present critics but there seems to be, at least as far as this Member is concerned, an emerging consensus by those who are deeply concerned about that area in time in which Soviets with their huge land based missiles might have the capability of intimidating the United States, a state of affairs that is not in the best interest of the security of the United States. Preventing such a situation is something that is not going to be assured, I would say to the gentleman from Illinois, by further delaying a decision. We can go ahead with further debate over the land basing mode of the MX, but it seems to me the gentleman's amendment is really going to effectively delay the deterrent that we need in as early a portion of the 1980's as is humanly possible.

Mr. SIMON. If I can respond to the gentleman from New York, I think there are really two areas where there is an emerging consensus. One is we have a major missile problem in this country as far as our land base missiles are concerned. There is no question about that. The gentleman is correct in that.

There is secondly, I think, also, an emerging consensus that the mobile basing mode is not a wise thing and I just suggest, as you read the various publications, that is becoming more and more clear.

The CHAIMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Maguire, and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. MAGUIRE. Will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I want to thank the gentleman for his thoughtful and important amendment, perhaps the most important amendment we will consider on this bill. I want to associate myself with the gentleman. I support his amendment.

The most major mistake in this procurement authorization is the MX missile system. The funds for research and development contained in this bill are $1.6 billion. The total completion costs of the system have already more than doubled and could well exceed $100 billion. I cannot support funds for a system which cannot be shown either to be cost effective or to enhance our national security.

In the absence of SALT II, the MX basing mode will be obsolete before it is built since the Soviets can deploy more warheads to offset the number of shelters in the system. The constant changes in the design of the basing mode are in my estimation evidence of the Pentagon's uncertainty about the system, and the Congress has received very little infortion on the recent change from a racetrack design to a linear system. The MX will not offer even the potential for increased survivability for our ICBM forces until the late 1980's, and the GAO has questioned the Air Force's ability to meet this deployment schedule.

Moreover, given the on-going modernization in other strategic systems, the Trident and the cruise missile systems, the urgency to make basing mode decisions now for our land-based ICBM's is certainly questionable. Indeed, a proposal has recently been offered to deploy an MX-type missile in small submarines, and I believe this alternative has not yet been adequately studied. Surely a submarine-based system would not have the severely adverse socioeconomic and environmental impacts of any of the land-based systems.

The present basing mode could encourage an unprecedented arms race with the Soviet Union without SALT II. Even with SALT II the strategic theory which its advocates advance is faulty. It is presented as a "damage limiting" system which would allow us, after a Soviet first strike, to take out a second wave of Soviet missiles before they are launched. But it could equally well be the case that the existence of this system would encourage the Soviets to launch a second wave earlier, "on warning", thereby assuring more, not less damage to the United States. And the Soviets could misinterpret our intentions as seeking for ourselves a first strike capability, which would destabilize the current deterrent postures of both nations and therefore decrease our national security.

For all of the above reasons I urge support of the Simon amendment.

Mr. SIMON. Mr. Chairman, I yield to my colleague from California (Mr. Dellums).

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding and I certainly would join the previous speaker in associating myself with the remarks of my distinguished colleague.

Yesterday, I offered an amendment to strike the entire amount for the entire system. Today the gentleman offers an amendment to strike the mobile mode, the basic system, the funds for that. I would concur in that judgment. I would simply like to make a few statements in response to the statements made by the distinguished gentleman from New York (Mr. Kemp).

First of all, the gentleman raises a question of vulnerability of our ICBM's, or land base missiles. That in and of itself is debatable but even so it assumes the rather theoretical vulnerability of our ICBM's: First, I think, and I think, no one in their right mind is going to argue on this floor that by the year 1985 the Soviet Union is some way going to attack this country through a nuclear holocaust, and second, the gentleman in the well is saying, and what this gentleman is also agreeing with is that this mobile-launched missile system is not the approach, even if you agree that there is a theoretical vulnerability.

Finally, I would like to respond to the question of this system, this most recent one, being the cheapest. This is the 30th, not the 2d or the 3d, the 30th different system that has been devised and one cannot assert that it is the cheapest. Every study done indicates that you cannot put your finger on the amount of money that this system will cost.

Mr. Chairman, by virtue of the fact that we are not within the confines of SALT II, this means that we are theoretically outside of the arms control environment.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Will the gentleman yield further?

Mr. SIMON. I do yield to the gentleman from California.

Mr. DELLUMS. One cannot attach a cost estimate to this. I challenged all of my colleagues on the floor yesterday to tell me what the outside figure for this system will be. We cannot determine it. The reason we cannot determine the cost is because this system requires that we react to the Soviets and when you add the factor of the capacity of the Soviets to increase warheads, you have no basis upon which to determine how large this system will have to be.

Mr. Chairman, there is a variety of alternatives available to us. Each of them will cost money. It is anticipated this system could cost well in excess of $100 billion. That, in my estimation, is not cheap by any stretch of the imagination.

Mr. KEMP. Mr. Chairman, will the gentleman yield to me?

Mr. SIMON. I will yield very briefly to the gentleman from New York because I have other colleagues to whom I wish to yield.

Mr. KEMP. I appreciate the gentleman's yielding to me. The gentleman from California might not have been listening to my debate because I did not suggest that there is going to be a nuclear holocaust launched by the Soviet Union at all. Indeed, I only suggested that the Soviets could use their power to intimidate the West in diplomacy. The purpose of the MX system is to make invulnerable the land-based leg of our Traid, the purpose of which is to protect our vital interests and to deter war. I do not believe there is going to be a war but I think the best way to prevent war is to have a deterrent that is capable of being credible, survivable and to allow the Soviet Union to recognize there is no incentive for them to go on building up strategic armaments. That is a major purpose of our land-based arm of the Traid. We have deterred this effort for 10 years and I suggest we are making a mistake if we think we can do it with anything less.

Moreover, the combination of survivability and resiliency offered by MPS basing and the BMD option, plus the counterforce flexibility provided by the MX missile, are more than just insurance policies against so-called nightmare threats. In reality, they serve as powerful incentives for the Soviets to engage in a meaningful arms control process and adhere to the terms of agreements that flow from that process. In this way, MX is an especially effective tool to support and enforce arms control rather than a contributor to the arms race.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

□ 1240

Mr. SIMON. Mr. Chairman, I yield to my colleague from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, it is hard to get a handle on what this will cost, but the GAO estimated that the system—that is, the one contemplated by this bill—will cost $54 billion.

Mr. SIMON. If I may correct the gentleman from Ohio, the GAO said "at least $56 billion."

Mr. SEIBERLING. All right. Well, that is in the same ball park.

Mr. SIMON. Yes.

Mr. SEIBERLING. And this system assumes that there is a SALT II ceiling on Soviet and American warheads. The general consensus is that if there is no SALT ceiling, we are talking about a cost probably double, so we are talking about over a hundred billion dollars for this particular basing system.

Now, studies have indicated—and I will get into that when I get my own time—that we could do the small submarine approach with the MX missile mounted on it for less than one-third of the cost of this proposed system, and the small submarine approach is not affected by whether there is SALT or is not SALT because it is an invulnerable system. So, we do need to do what the gentleman's amendment does, and that is have some serious study on other basing modes.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. LLOYD. Mr. Chairman, I thank the gentleman for yielding. I am not really sure that I understand the gentleman's amendment. What he is really doing is cutting out the basing mode, and he is asking for a study on that. Is that correct?

Mr. SIMON. That is correct, but proceeding with the missile itself.

Mr. LLOYD. But proceeding with the missile?

Mr. SIMON. That is correct.

Mr. LLOYD. That is the dilemma I am in. That is quite a bit like buying a car and saying, "I don't like the color of the wheels, but I will get the wheels later." It seems to me that really what the gentleman is saying is, you cannot do it without the basing mode. I do not know that this is the right way, and I agree with what the gentleman has said and I do agree that there are a lot—I am not really hard line that this is the only way to get to heaven, that this is going to be the final deterrent and all those things.

But, I am saying that if indeed we are going to go forward with the weapons system, then we have got to have the basing mode. Either we take the old holes and expand them and put the missiles in them, or do something, but it would see to me that it lacks logic not to have the method of operating them.

Mr. SIMON. I think the fact that the gentleman who is asking questions is on the Armed Services Committee, has serious questions such as, before we make this huge expenditure—again, the second largest in the history of the Nation—we ought to know what we are doing.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent Mr. RHODES was allowed to speak out of order.)

NO REPUBLICAN LEADER FAVORS OIL IMPORT FEE

Mr. RHODES. Mr. Chairman, the UPI reports today that—

> The President has blamed election year politics on pressuring Congress into opposing his oil import fee, and created disturbing signs that a balanced budget may be abandoned. Speaking at a Rose Garden ceremony honoring small business, the President complained that the pressures of a political year are working counter to administration programs.

Citing a 12-percent drop in oil imports, he said:

> The pressures to discontinue this program are tremendous because it does require political courage in the Congress and in the Executive Branch. For instance—

And I am quoting—

> For instance, when the congressional leaders came to see me in the Cabinet Room early in March, they asked me to impose an oil conservation fee amounting to 10 cents a gallon on gasoline. Now, pressures on them have tended to reverse that action. This will undoubtedly result in a much higher level of OPEC oil prices during the coming months.

That is what the President said. I just want to say to my colleagues and to the American people that I do not know who these congressional leaders were who suggested that there should be a 10-cents-a-gallon tax on gasoline. Certainly, there were no Republican leaders involved, and I want to make that very clear. Certainly, I do not know any present House Republican leader who has ever been in favor of using the tax mechanism as a means of lowering the amount of usage of oil and gas. We want to lower the usage, but we also want to increase domestic supplies of oil and gas. In other words, we have much better plans than this.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to respond briefly to the gentleman from Illinois. Let me say first that I agree with most of what he has said, and I certainly share his concern. Having sat through numerous hours of testimony in the R. & D. subcommittee dealing with the subject of the MX, I have to admit that at this point I have reservations as to the basing mode, as does the Department of Defense. They have come up with the solution that will be picked over all other solutions, and that is exactly the reason that the Department of Defense has asked for $400 to $500 million that the gentleman seeks to strike for R. & D., to develop which mode they will ultimately decide upon as the basing mode. The mode that is in the best interests and is most cost effective in this country.

If I might just briefly reflect over why we got to this point, how we came here, and why I think it would be not in the best interests of this country to do away with the money, some time back our defense intelligence community agreed that in the near future our Minuteman silos would be vulnerable. I do not think there is any serious dispute, and the gentleman from Illinois admits that this is the case. There is no serious dispute there. There is some dispute as to when this might be. Earlier estimates say 1982 or 1983. More conservative estimates say 1985 or 1986, or maybe later.

But, this is based on the fact that the Soviets and the United States have approached the concept of ICBM's from two different points of view. We felt that we had the accuracy and navigation, and we could more incisively and decisively target our missiles, and we went to a smaller warhead because we did not need to take out a large area; we had the accuracy. The Soviets, on the other hand, did not feel that they had the accuracy we did, so in order to make sure of killing the target, they built a larger warhead so that they would not have to get as close to the target.

During SALT I, the Soviets, as we have been able to learn, have continually upgraded their accuracy to the point now that we have been able to project about when their accuracy will approach ours, so that they not only have the larger warhead, but they have a greater dependability in accuracy, which will then make it more likely for a direct hit, which means that our hardened silos will not be adequate. It is as that time that we agree they will become vulnerable, so that if we start on the premise that they will be vulnerable some time in the very near future, then we have to come up with, what are you going to do? Are you going to do nothing? How do you protect them?

So, it is for this reason that, as the gentleman from Illinois and others have said, we have had an ongoing study and spent over $200 million in the studies to determine what is best. We have studied over 30 different systems such as underwater submarines, the MPS, the pea-under-the-shell-type thing, launch from wide-bodied aircraft, any number of studies have been made, serious studies by the scientific community. One by one, they have been discarded as not being the most effective to the point where the Department of Defense now has generalized on a mobile land-based system as the third leg of the Triad. And so, at this point the Department of Defense comes forward and says, "Well now, this is the general concept that we want to go forward with."

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I, too, have shared the concern of many as to the change of announced basing modes, whether it be the Airborne, whether it be the MPS, whether it be the racetrack, or whether it be the linear system. In going into this with the experts of the Department of Defense what they tell me—and I think this is the significant point to be made here—is that we are not locking in on a system we are locking in on a concept. But whether it be the racetrack whether it be the oval whether it be the shape of a figure 8 whether it be an hourglass or whether it be a straight linear system this is the thing that will have to be determined in the research and development.

The CHAIRMAN pro tempore (Mr. Murtha). The time of the gentleman from Alabama (Mr. Dickinson) has expired.

(By unanimous consent, Mr. Dickinson was allowed to proceed for 5 additional minutes.)

Mr. DICKINSON. Mr. Chairman, this is the concept that the $500 million is intended to prove. If we do not go forward with the research and development, then we do not have the most definitive or the most cost-effective way of proceeding. What are we doing, then, if we take out R. & D. money but say, "Proceed with the missile?"

This is where the fallacy of it comes in, because those of us who are closely connected with this and who have studied it know that the Department of Defense is proceeding now on a dual track. They are going forward with a basing mode. They are staying on this one track, and they are going forward with the missile itself on another track. It is the intent and design of the present planning to, in 1983, bring the two tracks together and marry them, so to speak, and at that time have the first test firing of the system.

Now, if we only proceed with the missile, then we will not have any valid test in 1983, 1984, or 1985, because we cannot test the total concept. So only by going down the dual track and bringing them together at the end of the research and development phase can we validate what we are trying to prove.

I am also told—and the Department of Defense agrees with this—that if we take out the money for research and development at this time, then the teams that have been put together, all the engineers, the technicians, and so forth, who are in place ready to go forward with this, would no longer have a paycheck. All of the developers and the contractors will have to disband and disperse their teams.

For every 1 day of delay now, we cannot just crank up again in a year and say, "All right, fellows, everybody back on the team. Start off just where we were." For every 1 day of delay it will take 2 days to start up. It is not a question of 1 day to make up for 1 day. If we lose a year, we lose 2 years in getting back to where we were.

So, Mr. Chairman, it is for this reason I would resist the amendment to take out or delete the money for research and development. And that is what it is, strictly research and development, to prove the concept without additional delay, and then in 1983, or approximately during that time period, the Department of Defense will be able to test the concept and will be able to fire it using the basing mode. The only thing we could do otherwise is to take the missile out to Vandenberg in California and fire it straight up, like what is done now with the Minuteman, and we have not proven anything.

So I have reservations as to the basing mode. I think it has to be proven. But to say that we need another study, after they have had over 30 studies and over $200 million spent, is just another way of killing it.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will yield at the conclusion of my remarks.

So I can understand the position of my colleague, the gentleman from California (Mr. Dellums), in supporting this amendment to take out the $500 million. He tried to kill it completely. Some people, "If you can't kill it completely, then kill it a little bit at a time."

That is what we are going to do if we study it for another year. What we have to do is get on with the research and development and prove the concept and not go back to a paper study when we already spent over $200 million over approximately 10 years of study and studied it seriously over 30 concepts. I do not believe we need to study it some more.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank my good friend for yielding.

Mr. Chairman, I am at this point not convinced on either side. I am also not a member of the Committee on Armed Services, so I am a little confused by the statements I am hearing. Perhaps the gentleman can clarify them for me.

If I understand what the gentleman is saying, it is that the $500 million that is in the bill now which the Simon amendment would strike is basically for continued research in this area. Or is it research in the specific development of a plan that has now been formulated?

In other words, is there a set plan that that money is supposed to go to right now?

Mr. DICKINSON. Mr. Chairman, if I understand it correctly, and I think I do, the $500 million that the gentleman from Illinois (Mr. Simon) is seeking to get at is for research and development going to the basing mode, not to the missile itself.

The question is asked, why do we need this much money for the basing mode?

The CHAIRMAN pro tempore. The time of the gentleman from Alabama (Mr. Dickinson) has again expired.

(On request of Mr. Peyser, and by unanimous consent, Mr. Dickinson was allowed to proceed for 3 additional minutes.)

Mr. DICKINSON. Mr. Chairman, to continue, the money for the basing mode is needed, because we have got to develop a transporter that will carry a missile weighing a million pounds.

Then there is some question of the concept in somebody's mind: Do we need a dash capability so it can go 30 miles per hour?

I do not think they do, but that is what they are studying.

How hardened do we need to have the

various "garages?" Do they need to have hardened doors at the end, and do they remove the door and bring it out and fire it? Or do you have the trapdoor, so to speak, where the arm comes up?

All these things have to be studied, and what we are talking about and what the gentleman from Illinois (Mr. Simon) is getting at is the basing mode R. & D. money for a general concept that is not frozen yet, and not for the missile itself.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, my problem, as I see it, is if the Defense Department has not clarified it to the point that the Committee on Armed Services is ready to say, "Yes, we want it; whether it is the linear system or one of the other various systems, that is what we want," if they are not ready yet to say that is where we are going to go with the missile, I do not understand why we are putting the $500 million in it now.

What program is that really going to address? Is that going to the linear program, or is that going to the racetrack? What is it going to do?

Mr. Chairman, that is my question.

Mr. DICKINSON. Mr. Chairman, that is one of the things that is to be proven, I assume. This is from the Department of Defense, and I am speaking now from newspaper accounts.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. In just a moment I will yield.

Mr. Chairman, the Department of Defense picked this loop system as the most advantageous. According to the newspapers, to secure an agreement from Senator Garn, who objected to that, they said, "All right, if it will get your support"—and this is according to the papers again—"it is no big difference to us whether it goes straight or in a loop because the concept is yet to be proven."

There might be some difference in acreage and there might be some difference in money, but it is not substantial, but the concept of the missile itself and the fact that it will be land mobile is fixed in the minds of the representatives of the Department of Defense.

Mr. ICHORD. Mr. Chairman, will the gentleman yield for a further comment on that point?

Mr. DICKINSON. Yes, I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the concept of which the gentleman in the well speaks—and he has been dealing with this particular weapons system for a long time—is the multiple protective shelter concept.

Now, I have heard many Members say time and time again that there has been a change in the basing concept. Let me correct that. There are a lot of misconceptions. There is no change in the basing when you go from the racetrack or the linear or whatever you call it. The change from racetrack to linear basing was no more than an engineering change.

The CHAIRMAN pro tempore. The time of the gentleman from Alabama (Mr. Dickinson) has again expired.

(On request of Mr. Ichord, and by unanimous consent, Mr. Dickinson was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, that is no more of an engineering change than a change from the model T to the model A or from the model A to the V-8. It is no more of a change than an aerodynamic change in the design of an automobile so that it will have less drag.

There was really no change in the basing mode. It all comes within the multiple protective shelter concept.

As far as the breakdown of the $566.6 million, which is R. & D., as the gentleman correctly states, I do have a breakdown of the cost available for the gentleman.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I guess the problem—and it is going to be a problem as long as this amendment is on the floor—is that we still need clarification on what happens to the program if the Simon amendment passes.

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The MX goes ahead, as I understand it. It has no impact on that at all. But the question of where the impact comes is: What is the system that is going to be to convey or to store this missile system? And I guess some of us who do not have an in-depth understanding have to understand that either the $500 million is vital to the program, it cannot go on without it, or perhaps the Simon amendment makes some sense.

Mr. DICKINSON. If I might respond, in the brief time I have left, the point I had tried to make is that this is a simultaneous development. If you go forward with one and kill one, then what you are doing is prolonging the entire R. & D. effort, with a great waste in expense and effort that should not be and which is not necessary.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

Mr. Chairman, I would like to tell the Members what Secretary Perry said this morning before the Appropriations Subcommittee. We asked him a question about the Simon amendment. He said the effect of the Simon amendment is to destroy the MX program, pure and simple. You cannot go ahead with the missile without funding the basing mode. The whole idea of the system is to have a basing mode that will be invulnerable from attack so that our land-based missiles will be in fact invulnerable.

So the effect of the Simon amendment, whether it is intended by the author or not, is to destroy the MX program.

I might point out that the linear approach, as was testified to this morning will save us $2 billion and something like 3,000 miles of road. So the straight-time approach I think has substantive reasons for being supported rather than just political consideration.

Mr. SIMON. Mr. Chairman, if the gentleman will yield, since my name has been mentioned, I appreciate the attitude of the gentleman from Alabama. I do not dispute at all that the missile program must go ahead. There is a question about what the basing mode ought to be. But if we go ahead with the missile, and we can use that in a fixed location, a split basing mode, on submarines, whatever.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. Dickinson) has expired.

(On request of Mr. Simon and by unanimous consent, Mr. Dickinson was allowed to proceed for 1 additional minute.)

Mr. DICKS. If the gentleman will yield, the gentleman, I am sure, is aware that the Defense Department has gone through an exhaustive research of all other possible basing modes under the Stevens amendment. That has been accomplished. And they have come back to the horizontal basing mode as the most preferable, not the racetrack, but the straight ahead, straight line basing mode with horizontal shelters, as being the best option available, and it saves money.

I think what the gentleman has suggested is nothing more than the Stevens amendment and, therefore, is totally redundant at this point. If you are for MX, you have to be against the Simon amendment.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Simon amendment.

Mr. BEDELL. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I rise in opposition to the funding contained in this act for the MX missile program. It is my firm conviction that the expenditure of the billions of dollars needed for full implementation of the MX program would ultimately prove damaging to our national security, not beneficial as its proponents suggest.

Mr. Chairman, I think my colleagues will remember that I was one of the first to voice my objections to the MX concept. On August 8, 1978, I rose on the floor of the House during consideration of the fiscal year 1979 DOD appropriations bill to bring to the attention of my colleagues the inclusion of research and development funds for the so-called multiple aimpoint basing mode system for the MX, more commonly referred to as MAP. At that time, the Air Force was advocating the housing of the MX missile in thousands of additional ICBM silos throughout the West and Midwest. The inevitable comparison was with a giant "shell game" approach, and the objective then, as now, was to achieve a land basing system that would deter the

Soviets from launching a first strike against our land-based ICBM's due to confusion over which of the silos housed the real missile. With the support of dozens of my colleagues, I introduced a resolution calling for the establishment of a high-level commission to carefully evaluate the wisdom of this proposal, and urged the President to reassess the implications of the MAP program.

One of the arguments that was put forth at that time in support of the MAP basing mode was given by Gen. Lew Allen, Jr., the Air Force Chief of Staff, and I must admit I was dumbfounded. In testimony given in support of the MAP deployment, General Allen lauded the program by pointing out that it would deploy a "great sponge" of targets in the United States that would serve to "absorb" the Soviet warheads. It seemed to me then, and certainly seems to me now, that it is in our national interest to pursue a basing mode that would draw the Soviets' attention away from our farmlands and land mass not toward it. That is part of the reason why I introduced the resolution calling for a reassessment of alternative basing modes, and why I would favor a substitute like the submerged underwater mode (SUM).

I am happy to say that the MAP proposal was ultimately shelved. The Pentagon's experts admitted what we who had questioned its effectiveness had been saying all along: while MAP appeared to be sound in theory, in actual practice its implementation would have left the United States billions of dollars poorer, and in a more insecure strategic position than before.

The demise of MAP did not signal the end of the MX, however. Strategic planners went through numerous basing mode proposals, including one in which "racetrack" loops would be employed so that the real missile could be shuttled between scores of silos to evade Soviet warheads. Reports now indicate that this approach has also been abandoned, and that instead the Defense Department will opt for a "loading dock concept," which will supposedly utilize grids of parallel roads to transport the real missile from silo to silo.

Unfortunately, Mr. Chairman, these changes in the basing mode do not reflect a meaningful redesign of the MX missile program that successfully deals with the bottom line reason for my opposition to it, and that of most of my colleagues. Simply stated, the expenditure of billions of taxpayer dollars to build a mobile land-based system of new ICBM's will not achieve its objective, which is to make invulnerable the U.S. ICBM arsenal to a Soviet attack. In fact, I would maintain that, especially given the absence of certain limitations on Soviet ICBM capabilities, the MX system as proposed will worsen our national security, not enhance it.

There are some who accuse those of us who oppose the MX as being "antidefense." Nothing could be further from the truth. In fact, this country's military capability would be greatly enhanced by a decision not to proceed with the MX, since tens of billions of dollars could be then redirected toward the augmentation of other components of our national security position, such as conventional weaponry, military manpower attraction and retention, and the lessening of our dependence upon foreign sources of oil.

Perhaps one of the best responses to those who contend that opposition to the MX is an antidefense position comes from no less a defense champion than retired Gen. Maxwell D. Taylor. In a recent letter to my distinguished colleague from Illinois, PAUL SIMON, General Taylor wrote:

> It is my opinion that the proponents of the MX have not made a convincing case either as to the need for a new weapons system to replace our silo-based ICBMs or as to the claims of the MX as the preferred replacement.

Another retired military man, former Chief of Staff Adm. Thomas Moorer noted that—

> The ICBMs that are fixed in the middle of the country can be targeted 10 years in advance.

Admiral Moorer advocated a shifting from a land basing mode to an underwater basing mode, such as envisioned in the so-called SUM, or submerged underwater mode, approach. Again, these military officers, who have dedicated their professional lives to keeping the United States as strong militarily as it could possibly be, hold the view that the MX is not worthy of support.

Mr. Chairman, the debate today concerning the MX program is sure to be a long and complex one. Many of my colleagues will focus on some of the more technical reasons for opposing the MX, including its susceptibility to Soviet surveillance, its potentially destabilizing effect, its proneness to early obsolescence, and its social and environmental impacts. I believe that all of these issues are important and need to be discussed, but I would like to briefly focus my comments on the cost implications of the proposed MX program.

The Department of Defense estimates that the MX program will cost $33 billion in 1980 dollars. As we know all too well, initial cost estimates for exotic weapon systems almost always prove to be far below what the final costs end up being. Many experts estimate that the MX system will cost well over $50 billion before it is completed. But let us assume conservatively that the MX system will cost $33 billion. This is an enormous amount of money. If we were to spend $33 billion on the Nation's energy problem, we could be well on our way to solving what is truly the biggest threat to our national security today—our dangerous dependence upon foreign sources of oil. It is safe to say, however, that if the MX system could guarantee that it would achieve the deterrence from a Soviet first-strike attack that its proponents claim, that it would perhaps be a good buy. Unfortunately, this is not the case.

One of the basic reasons why the MX cannot assure our land-based ICBM's survivability is that the Soviets can build more warheads with which to destroy our missiles cheaper than we can build more aimpoints, or additional silos to house the dummy missiles. This is a particularly disturbing possibility in light of the current freeze on SALT II, since it was that agreement which would have put a limitation on the number of warheads which the Soviets could put on their missiles. Without the so-called fractionation limitation contained in the treaty, the CIA estimates that the Soviets could possess a missile arsenal in 1985 of as many as 16,000 nuclear warheads. Given the fact that the proposed MX program would result in only an increase of 4,600 hardened silos, it is easy to see that there is no guarantee that the Soviets would be deterred from a first-strike attack against our land-based ICBM's if they were determined to mount such an attack.

If the United States and Soviet Union were to become locked in a race to neutralize the other's land-based ICBM force, and the United States were committed to the MX system, it is likely that we would soon have to face the prospects of turning the continental United States into a giant prairie dog town, with ICBM silos dotting the landscape. This does not seem like wise public policy to me. I would far rather see the billions of dollars that are now being earmarked for the land-based MX spent on alternative ways of responding to the Soviets' warhead accuracy—such as the SUM proposal, or on augmenting our conventional military capabilty, or in attaining an expanded domestic energy production capability and increasing our economic productivity and vitality.

Mr. Chairman, I remember the ABM proposal which was finally put to rest in 1973, just before I came to Congress, but not before this Nation had spent approximately $7 billion pursuing it. The evidence that the ABM system could not do what it was designed to do finally became so overwhelming it resulted in the abandonment of that proposal. I can tell you that my farmers and small businessmen know that we cannot afford to waste $7 billion—much less $38 billion—on a half-completed set of holes that will not do the job they are designed to do. I strongly urge my colleagues to reject the funding contained in this act for the MX system.

Thank you.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the Simon amendment.

I am in full agreement with this whole amendment, but I am particularly interested in deleting the funds for the basing mode and keeping open the study of alternatives. There is a particularly good article on this subject in May's Washington Monthly by Bill Keller which I am placing in the RECORD. But both Mr. Keller and I find it hard to believe that Congress is being asked to accept this almost laughable MX racetrack (or modified racetrack) basing system. Is there no one who can say the Emporer has no clothes on and be listened to? What could be in the better interest of our potential enemies, than to have us spend our defense dollars digging holes in the ground? And I am particularly disturbed by the summary dismissal given the alternative basing proposal called the shallow underwater missile (SUM) system. The SUM proposal places large missiles on small submarines probably, but not necessarily, in our coastal waters. Now this system may certainly not be the answer but I ask my colleagues to consider these difficulties that SUM faces in getting a fair hearing:

First. The Air Force does not want the system. They cannot imagine how they would be charged with the responsibility for this sea-based weapon. Therefore the money that is now being allocated to the Air Force for MX would be reallocated to the Navy. The MX may be a joke but it is not that big a joke to the Air Force.

Second. The Navy does not want the system. The Navy contribution to the triad is the Trident submarine, the funds devoted to this new funny little submarine would compete with Trident funds. It may be all right for the Air Force to offer alternatives to Trident but certainly not the Navy's own family. Also there is the matter of Admiral Rickover—everyone knows that the admiral has vowed that this country will never build another diesel-electric submarine and this weapon system does not make sense if it is nuclear powered.

Third. Industry does not want the system. In order to overcome the stumbling block posed by Admiral Rickover's aversion to diesel submarines the designers of SUM have proposed that we buy the submarines from an existing model being used by the Germans. Not much opportunity for a fat contract there.

So how much of a chance does this system have when it is opposed by industry, the Navy, and the Air Force? Can you imagine any study being commissioned today that would consider this system a viable alternative? Over and above the small likelihood of acceptance we have the active efforts of the Department of Defense against the weapon. They have concocted and published the "Van Dorn effect" as the reason not to even bother our heads about the SUM weapon system. The Van Dorn effect is the mighty wave that would be created by a properly placed underwater explosion. This wave would destroy any submarines located on the continental shelf. I do not want to get into a debate about this effect but I think there are alternative methods of operating SUM that would make it a viable weapon even in the face of this mighty wave.

The important fact is that SUM cannot receive a fair hearing with our present procurement system. I think there is only one way we can get a unbiased opinion of this weapon. We must have a separate strategic command. My dissenting views to the authorization bill called for the formation of this command. Imagine how different would be the approach to this and other strategic system proposals if there were no service rivalry to consider. And the only way we can avoid this rivalry is to gather all strategic interests under one commander.

We surely realize that our strategic posture is the most significant aspect of our national security. We cannot afford to let this security dwindle because of petty rivalries. The proposal for a strategic command is beyond the scope of this discussion, but I think that the Department of Defense and the various services should be put on notice that Congress wants all alternative proposals for an MX basing system to receive a fair hearing, and we are not yet convinced that this has happened. Therefore, I strongly urge the adoption of this amendment.

The Washington Monthly article by Bill Keller, which I referred to in my remarks, is as follows:

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(By Bill Keller)

On March 25, the Defense Department dramatically disclosed in public one of the ghastly secrets of modern nuclear strategy. Testifying before a House subcommittee, Pentagon officials revealed that an enemy could barrage our coastal waters with nuclear warheads timed to explode under the ocean, creating an immense tidal wave. ("I can't tell you how big," a Pentagon PR man later confided in a hushed voice, "but it starts out at a height not unlike that of the Empire State Building.") This great breaker, called the "van Dorn effect" (after the Defense Department scientist who discovered its potential), would destroy all vessels in its path and, incidentally, smash coastal cities into so much driftwood.

It was an uncharacteristic performance for the Pentagon, not an organization famous for its dedication to the public's right to know the latest military secrets. In fact, the van Dorn effect was precisely the sort of secret you might expect the generals to want to keep, on the off chance the Soviets hadn't heard of it. But, as the hearings wore on, it became clear that our top defense planners had come to believe they had little choice but to reveal the secret in all its terrifying details. It was the only sure way to elminate what they perceived as a threat to America's two most expensive nuclear weapons—the Trident submarine and the land-based MX missile. The threat was a new weapon, superior in many ways to anything the Pentagon was building; it was cheaper, more effective, and vulnerable. This was no time to worry about the Russians—Congress was talking about building small submarines.

SUB FOR A HERO

The threat had been present for decades, ever since we began putting our nuclear missiles to sea in subs. Lying in wait under the seas, the submarines could survive any nuclear exchange—for the simple reason that they would be virtually impossible to find—and after the attack they could deliver their warheads to any point in the U.S.S.R.

The logic of the missile-carrying subs had always seemed to lend itself to a philosophy of "small is beautiful," at least to a minority in the defense establishment. They would trot out arguments like Lanchester's Law, which holds that if you have twice as many weapons, they need only to be one fourth as effective. Since the virtue of subs was that they were hard to track down, it followed that many small subs would be preferable to a few large ones. The fact that small submarines are easier to hide (they present smaller profiles to enemy sonar) seemed to strengthen the case. To military laymen—and I am certainly one—the idea has an obvious simplicity and appeal that is almost irresistible.

But it was not an idea that ever held much sway with Admiral Hyman Rickover. Rickover wanted submarines that could range the world, fast and deep, staying submerged for long periods without the need to refuel. That meant nuclear-powered submarines. And once you've decided to build your ship around a nuclear power plant, Rickover argued to a receptive Congress, you might as well go for economies of scale and load the thing to the gunwales. Under Rickover's guiding hand, each generation of subs got bigger, fancier, and fewer; the contracts to build them got less competitive and more expensive. First came Nautilus, then Polaris and Poseidon, and finally the masterpiece of the Rickover mentality, a self-contained, 24-missile, 240-warhead submersible fortress the size of the Washington monument called the Trident. In the early seventies, the decision was made: where there were 41 missile-carrying submarines in service, America's nuclear deterrent would be packed into a dozen of these $1.65 billion monsters.

Meanwhile, as the Navy was committing itself to the Trident, in defiance of Lanchester's Law, the Air Force was running into problems with its leg of the nuclear "triad," the land-based ICBMs. (The third leg of the triad consists of long-range bombers, mostly B–52s.) Soviet missiles were getting accurate enough to "theoretically" destroy the silos containing our Minuteman missiles. The Air Force requested a bigger missile with more warheads known as the MX, so that whatever survived a Soviet attack could deliver a more crushing counterpunch.

There were, of course, those who questioned this widely publicized concept of "Minuteman vulnerability." To over-simplify, they pointed out (a) that what the Soviets can hit in theory, they've never had to hit in practice and probably couldn't, and (b) they could not afford the risk that we'd empty our silos as soon as the attacking missiles appeared on our radar screens, a maneuver called "launch on warning" or "launch or lose." Surprisingly, many military supporters of the MX, including several whom I have interviewed, agree with this critique: no real military need for the MX, except to bolster America's sagging confidence. Back in 1975, Senator John Culver, then a newcomer on the Armed Services Committee, listened to this argument about "psychological insurance" and suggested the Pentagon could save a hell of a lot of money by just hiring a good PR man. Everyone chuckled, and then Congress gave the Pentagon what it wanted. Congress was so impressed with the Russian threat, in fact, that it decreed the new missiles would somehow have to be made invulnerable. The Pentagon's job was to figure out how.

SCREEN DOORS

By 1978, this issue of ICBM invulnerability was the hottest subject in the field of weapons research, and it was chosen as the topic for a three-week summer study session of about 40 academic scientists and Pentagon advisers known as the Jason Group. Among the group's members is an IBM physicist and Harvard professor named Richard Garwin. Garwin is regarded as a little quirky by the military establishment. He once proposed a cheap defense system for missile sites which involved simply blowing up trenches full of ball bearings and scrap metal in the face of onrushing enemy missiles, sort of a *Popular Mechanics* Anti-Ballistic Missile. (The idea did not strike the Pentagon as . . . well sufficiently *military*.) But Garwin is an acknowledged genius in the field of weapons systems, and the Pentagon is willing to pay for his ideas, maintain his access to classified material, and tolerate his creative eccentricities.

The more Garwin and his think-tank colleagues thought about the alternatives to the Minuteman, the more one alternative began to look extremely attractive. It was the alternative that Rickover had vetoed—the small submarine. At the end of the session, the Jason Group sent the Pentagon a secret paper on what they called the "water-based MX." The proposal looked so promising that they chose to spend the next summer's session refining it.

The idea was simple: take a fleet of little diesel-powered, no-frills submarines—say 100 of them. Strap to either side a tube containing a missile. When the tube is released, it bobs to the surface and fires, and the missile is steered to its target by a combination of satellite and on-shore guidance systems. The missile would have all the accuracy and firepower of the MX—it could, in fact, be the same missile—with an added virtue that no land-based system could hope to achieve: the ability to hide in the quarter-of-a-million miles of water close to our shores.

The Jason Group picked out a small German submarine that could be modified for their purposes. About 160 feet long, weighing 450 tons, and carrying a crew of 15, each vessel is one-fortieth the size of a Trident, and would cost around $30 million to build. The group then developed (on paper) the communications and guidance systems it would need. They christened their baby SUM (for Shallow Underwater Mobile) and sent their study to the Pentagon, along with Garwin's arguments that SUM would be far cheaper, would have greater strategic value, and would create none of the environmental problems of the alternatives being considered by the Air Force.

Those alternatives did present quite a contrast to the Jason Group's thinking. Where SUM was simple, the Air Force had proposed, and then discarded, a series of grandiose, complex schemes for making a land-based MX missile a moving target. Eventually they settled on the now-familiar "racetrack" system, in which each missile is to be tucked under the skirts of a huge metal shield-on-wheels and driven around a 15-mile oval of heavy-duty road, pulling up at a series of 23 hardened concrete shelters and secretly depositing the missile in one. The Air Force plans 200 missiles, chugging around 100 racetracks, connected by 10,000 miles of road, and occupying, by conservative estimate, about 8,000 square miles of land in the desert valleys of the American Southwest. As for cost, the Air Force estimates a tidy $37 billion.

The Jason Group wasn't convinced. Richard Garwin felt it was an "open question" whether the SUM system was superior to the Navy's Trident—open, because it had never been thoroughly studied. But he had little doubt that SUM stood up as an alternative to the racetrack MX. In fact, he estimated that it would cost roughly half as much to have 100 little subs as to have 200 racetracks. And the subs (with two missiles each) could be deployed two to three years sooner.

The Air Force, which was making loud public noises about analyzing every possible alternative for the MX, had to give the Jason Group's plan some consideration. But not much. According to an Air Force official who was privy to ICBM planning at the highest levels, the SUM proposal was treated from the start as a nuisance. The Air Force wasn't about to hand over its prestigious leg of the sacred triad to the Navy; nor was it about to embark on a submarine program of its own. The official characterizes the Air Force's basic analysis like this: "Put some of our missiles underwater? You've got to be out of your *mind*."

In the Navy, SUM fared still worse, if that was possible. To an even greater extent than the Air Force, the Navy had already set its course in nuclear warfare—the Trident. ("Admiral Rickover told me in the 1960s that the Navy would never again build a non-nuclear-powered submarine," Garwin recalls.) So among the admirals the little sub sank as if it had screen doors. With the Trident eating up a huge share of the Navy budget, nobody was going to propose *another* strategic submarine. And then there was a more disturbing, unspoken thought: if SUM worked, if the MX missile really could be launched effectively from cheap, undetectable vessels lurking just off U.S. coasts, then who needed the mammoth, globe-girdling Trident? Troubling, indeed, for while by 1979 there were plenty of Navy officers who now wished the Trident program had never been started, none was ready to endorse an alternative that might sink the program in midstream.

"Oh, there were studies," said a former defense official, now a consultant, who was involved in the Pentagon's handling of the issue, "And every one was bullshit. Listen, I've never had a contract yet to study something where I didn't know what the outcome was supposed to be." As Garwin put it, more drily, in a recent paper, "organizations which derive most of their funds in contracts from the United States Air Force or United States Navy are reluctant to imperil their future by accepting modest study contracts whose success may expose to criticism or termination large programs important to their chief sponsors."

COMPARISON SHOPPING

So it was that the small submarine came to be viewed as a threat by the Navy, the Air Force, and the Pentagon. At first, however, it didn't seem like much to worry over. About the only thing it had going for it were the tireless lobbying efforts of Garwin, and the disturbing fact that it can apparently do everything the MX and Trident can do, more effectively, at a fraction of the cost.

There is, for example, the question of missile range. The big advantage of long-range nuclear subs is their ability to maneuver close to their targets. But the same improvements in range and accuracy that allows the Russians to threaten our silos have been applied to our own weapons, to the point where the newest family of Trident missiles will be capable of hitting Moscow from San Francisco Bay. "If the missile gets longer and longer in range, the submarine doesn't need much range at all, does it?" says Michael McGuire, a British expert in maritime and strategic studies (and a small sub advocate), now at the Brookings Institution.

Then there's Lancaster's law. Ever since America plunged into the nuclear sub business, Russia has invested a huge amount of basic research on ways of tracking down and destroying our subs. Most likely, they haven't found a way to catch a Trident yet—at least that's what the experts say—but it stands to reason that we are making the game a whole lot easier for them by having all our underwater nuclear eggs in twelve Trident baskets. When you realize that the Tridents are easier to spot and easier to track than the Poseidon and Polaris subs we have used until now, it's not hard to understand the urgency of the Pentagon's desire to protect the other leg of the nuclear triad, the ICBMs.

Unfortunately for the Pentagon, the Air Force's chosen ICBM strategy, the "racetrack" MX, is so awesomely flawed that even diehard hawks don't like it. It is hard to know where to begin listing its problems. Not counting its (current) $37-billion price tag, they include:

Resources: In a region perennially short of water, the military wants to dig deep wells and suck up 90 billion gallons over the next two decades—but the Pentagon is not sure that much water is there. If it is, much of it will be mixed with concrete (twice the amount poured into Hoover Dam) that is also in short supply. The project demands enough electricity for a new city of 180,000 people, and nobody yet knows where that is to come from either. Environmentalists are worried about damage to the 8,000 square miles of land that will be affected by the project, ranchers are worried about grazing access, and city fathers are concerned about schools and sewers for the 14,000 missile operators and their families. (These groups will have ample opportunity to press their case in the courts—under the nine major and dozens of minor laws controlling federal land use—along with the Shoshone Indians who claim much of the land as their own.) Still, none of these concerns would justify blocking the project if we needed it—if it really did remove the threat of Russian nuclear attack. But it won't.

Arms control: For a project designed to accommodate the SALT II treaty (the shelter lids pop open for easy counting of missiles) the system is an arms controller's nightmare. The point of having 4,600 shelters is that the Soviets would exhaust their arsenal in search of our missiles. But if SALT II falls through, the Soviets can simply build many more warheads, in response to which the Pentagon plans to toss up more shelters, and so on in a wild game of nuclear leapfrog. It's a game *they* win, because they can build warheads faster than we can build shelters, and while they don't have to shoot their warheads at the MX, we can't shoot our shelters at anything.

Vulnerability: The whole fuss is about "ICBM vulnerability," we're told. But the General Accounting Office says it is "an unresolved issue" whether the military can really hide its missiles in this shell-game arrangement. A million pounds of equipment moving around a racetrack gives off noise, radiation, and about 30 other "signatures" that might make it easy for the Russians to pick the right shell. To guard against such detection, the Pentagon may have to cordon off thousands of extra square miles under tight security, which it has promised never to do.

In case the Russians get good at guessing the system is also supposed to allow the missile, on its transporter, to "dash" from shelter to shelter even after the Russians have launched an attack. But Garwin points out that a Russian missile launched from an offhore submarine could hit the transporter (which "dashes" at 30 m.p.h.) before it had gotten even a quarter of the way around the racetrack. This, coupled with the possibility of future technology—such as the "real time" surveillance of racetracks by satellite during a nuclear war—leads Garwin to assert flatly that "by the time the first MX missile is operational in a racetrack configuration, the racetrack will be regarded as more vulnerable than the Minuteman silos are now."

THE HAWKS SQUAWK

These were troubling questions, all right, but not too troubling—because, as long as no one except the Jason Group was seriously proposing SUM as an alternative to the land-based MX, they might never have to be answered. The Pentagon could count on reactions like the one I heard from a senator's defense adviser: "The racetrack is screwy. It's unpopular. It's expensive. But what else is there?" And in the fall of 1979, most of the Senate's "doves," resigned to the need to buy off the critics of SALT with whatever form of MX they wanted, weren't wasting much energy looking for practical alternatives.

The small sub did find one advocate, in Senator Mark Hatfield. From the Pentagon's point of view, Hatfield was a near-ideal choice to be SUM champion. On defense matters, most senators defer to the "experts" on the committees governing military affairs. Occasionally a member of these committees might propose an idea the Pentagon doesn't like and succeed in having it adopted—but such proposals stand little chance if they come from one of the liberal members of the committees, like Gary Hart. They have almost no chance if they come from Mark Hatfield, who is not on the Armed Services Committee, and who is about as close as you'll get in the U.S. Senate to a genuine pacifist.

Still, Hatfield was a member of the Appropriations Committee, through which any money for the racetrack would have to pass. And he was, as they say, doing his homework—collecting material from Garwin, mastering tongue-twisters like "prompt hard target kill capability." The first sign of trouble came when Hatfield made a motion in the Appropriations Committee to strike the MX budget for the year and fund a full-scale study of SUM. The motion failed, but the vote was 15 to 9—too close for comfort, even if Hatfield's support was "soft" and his proposal got only 11 votes from the full Senate when the MX came up on the floor last November. (Instead, the Senate passed an amendment requiring the Air Force to keep its MX options open, which the Air Force has interpreted as meaning only land-based options.)

But there was more danger ahead. It wasn't senators like Hatfield, or the chance that SUM might actually win a surprise vote. It was senators like Paul Laxalt of Nevada and Jake Garn of Utah, and representatives like Utah's Gunn McKay—prominent "hawks" from the Western states where the racetrack complex was to be built. These men could normally be counted on as loyal supporters of Pentagon plans, and, indeed, they were firmly behind the MX missile itself. They were, however, feeling pressure from their constitutents. The residents of Utah and Nevada had believed the Pentagon once before, when it said there was no danger of radiation exposure from aboveground atomic tests in the area. They were more skeptical this time, not so ready to accept a plan that would block off their land, drain their water, and disrupt their communities. It was disconcerting to see Garn lecture Defense Secretary Harold Brown about the erosion of popular support for the racetrack, or to see Laxalt and Garn pledge, in a joint statement, "We are more determined than ever to find an alternative to the racetrack basing mode. . . ."

SUM MEETS IRWIN ALLEN

And so the Pentagon, taking no chances, decided to act swiftly against the small sub threat. Quietly at first, in closed-door briefings, defense officials began telling the appropriate committees about the van Dorn effect. Later, when McKay, as chairman of the House Appropriations military construction subcommittee, decided a hearing was necessary to air the alternatives to the racetrack, the Pentagon decided to go public. William Perry, the Pentagon's undersecretary for research, and Seymour L. Zeiberg, deputy undersecretary for strategic systems, went before the McKay committee and testified in graphic detail, how nuclear explosions in shallow water would ricochet off the ocean floor, creating the vast wave that would demolish any small vessel. "It would simply turn over a submarine and destroy it," said Perry. During a break in the hearings, Zeiberg confided to Washington Post reporter George C. Wilson that the Defense Nuclear Agency "had conducted exhaustive studies on underwater explosions, *studies that the advocates of the coastal submarine did not know about.*" Wilson dutifully reported this information to his readers the next day, in an article headlined "Pentagon Gives a Picture of Tidal Assault on Subs." Later, for some lawmakers, there was a film illustrating the tidal wave's effects with the scale models used to depict similar calamities in disaster movies. As a finishing touch, the Defense Department hinted at an uncirculated report on SUM that had raised questions about its durability and cost.

When I talked with congressmen and their staffs after the tidal wave story had hit the papers, it was clear that the military's gamble had worked. One senator's aide, who had previously been interested in the small submarines, shook his head and muttered, "It's sort of Buck Rogers, but that damn van Dorn effect has got to be reckoned with." Over at the Pentagon, officials seemed as proud of their little revelation as if they had just bagged a brace of Soviet ICBM's.

There was just one potential cloud on the military horizon which is that Garwin and his allies had answers to the doubts the Pentagon was now raising. The van Dorn effect? They had reckoned with that one last summer, when it was still a secret. They had, in fact, read the secret studies that Zeiberg revealed to the *Post*. And their answer had been simple: The van Dorn effect only applies to the shallow waters of the continental shelf. Off the East Coast, this underlip of the North American continent juts out an average of 50 miles, and in some places up to 200 miles. Off the West Coast, where coastal mountains plunge deep into the sea, there is hardly any shelf at all. All that the small submarine needs to do to avoid Russian-made tidal waves is slip out beyond the continental shelf, where even if the Russians decided to sink their arsenal into American waters, they could not hope to destroy more than a fraction of the submarines. And even if you assumed that the subs were "vulnerable" during the time they crossed the shelf going to and from port, they could still spend enough time at sea on their two-week tours of duty to more than match the land-based MX in terms of invulnerability. "In every technical and military respect," declares Kostas Tsipsas, an MIT physicist and Jason Group member, "the van Dorn effect is irrelevant to the small submarines."

As for the uncirculated study which purported to show that an effective SUM would cost as much as the racetrack—Garwin had answers for that one too. For example, the study assumes that the bases for SUM will cost as much as bases for the nuclear Trident, depite the fact that small diesel subs do not need the Trident's deepdraft locks or the elaborate facilities to refit its nuclear power plants. The complex maintenance required by the Trident is the major reason why an estimated 50 percent of all Tridents will be out of commission at any given time (which means, remember, only *six* Tridents at sea)—yet the Pentagon applied the 50-percent figure to SUM's conventional subs, which can be expected to stay at sea for a far higher proportion of their time.

The Air Force knows these things. Perry and Zeiberg, the Pentagon officials who made the March 25 attack on SUM, know them too. Defense officials concede, for example—if pressed—that the van Dorn effect only really applies to the continental shelf. But they are making no great efforts to correct Perry's testimony.

And the van Dorn effect is still the first thing they throw at an inquiring reporter, or anyone else, who expresses some curiosity about SUM. If that doesn't work, of course, they still have ther arguments in reserve. As one lieutenant colonel in the Air Force MX public affairs office summed them up: "Once you get into these small submarines, you have to tell me the Navy's been doing the wrong thing for 30 years."

Mr. ICHORD. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to my chairman.

Mr. ICHORD. Who is going to perform this study that the distinguished gentlewoman mentioned?

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 3 additional minutes.)

Mrs. SCHROEDER. My chairman is retiring. Would the chairman like to do the study? I am almost to the point where I think that the gentleman from Missouri, in his retirement, could probably perform a better study than a lot of them that have been done. But I would like to see a strategic command. I would like to see someone outside the interservice groups that we have gotten into this and the different industries that have gotten into this and I think muddled it up. I think we have a very serious problem. We would like to proceed with the MX. We would like to have a safe basing mode. And we all agree that there may be problems in the future for our land-based mode. But also, when DOD just changed the basing mode again last week, that has got to be an admission that DOD does not have the answer. So let us say that maybe we have nothing but garbage in our prior studies. I think we have got to be at least sophisticated enough to say that. If we spent $200 million on studies and still have not come up with the answers, then we should not condemn doing one more and trying to find someone or some way to do a better job rather than going full speed ahead on last week's decision.

Mr. ICHORD. If the gentlewoman will further yield, I disagree as to the extent of the change. This is not a change from a Minuteman missile to an MX. It is merely a change from the so-called racetrack system to the linear-based system. But we have had the Air Force study it. DOD has had innumerable panels study the basing, the Defense Science Board. I wonder what other board are we going to get to study this. We have had 30 studies thus far.

Mrs. SCHROEDER. The gentleman missed my point, in a way. I agree that we have had a lot of people study it. But I guess what I am trying to say—and I say in my dissenting views in the committee report—is that they are still all studying with a very definite bias. Would the Air Force every really, really look at the shallow, underwater missile system? Do you think they ever really look at that without some kind of bias?

The gentleman may believe that the Air Force would be happy to have diesel submarines. I just find that it would be very hard for them to work through that bias, even though diesel submarines may be a safer mode. My feeling has been that the triad should not be under three separate services, allowing those petty kinds of things to interfere. We need a much more comprehensive view that looks at what is the safest, cheapest, most efficient and most dependable system for the taxpayer and for the country's defense.

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Mr. BEARD of Tennessee. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I am somewhat confused. Have we not already conducted studies regarding the shallow water delivery system, the submarine approach, and the air delivery, and the air delivery? I thought I had seen hundreds of hours of studies already conducted.

Mrs. SCHROEDER. I hope the gentleman reads Bill Keller's article, which I would like to stand here and read if I had more time.

Mr. BEARD of Tennessee. If the gentlewoman will continue to yield, which committee is Bill Keller on?

Mrs. SCHROEDER. He is not a committee person. He is a writer.

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(At the request of Mr. BEARD of Tennessee and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 3 additional minutes.)

Mrs. SCHROEDER. He wrote a summary of the different studies that have been done on the shallow, underwater missile and how many of the ones saying that it would work have been buried. It was a selective process and service bias shows.

Mr. BEARD of Tennessee. If the gentlewoman would yield, who is Bill Keller?

Mrs. SCHROEDER. He is an author, and he is an expert on a lot of the strategic defense issues.

Mr. BEARD of Tennessee. What is his background?

Mrs. SCHROEDER. We are not here discussing that.

Mr. BEARD of Tennessee. I think that the gentlewoman is citing him.

Mrs. SCHROEDER. I am citing him. His article was in the April Washington Monthly article. He uses all the defense jargon. He has been around a long time. I will be more than happy to share the article with the gentleman, but Mr. Keller puts out very carefully this issue really has not been looked at in a comparison-shopping-type mode. It has almost been "sole source" because of the service's positions. The service that has been assigned the land-based mode.

The Air Force, has certain ideas and they have biased the study's outcome. I think that is something we are all aware of. I think we would look foolish if we said we were not aware that there were not some interservice rivalry and some interservice predispositions toward different types of things.

Mr. BEARD of Tennessee. If the gentlewoman would continue to yield, she is aware of the fact that the President instructed the Pentagon to do another study on the air delivery missile system replacing our land-based ICBM. The administration has been very strong in trying to look at the various delivery programs, and they keep coming back to basic delivery mode.

Mrs. SCHROEDER. But they still go back to the same folks who did the previous study. I think that bureaucratically we know when somebody comes down and says that this is the answer, and you also control all of the studies that are going to say whether or not your decision was the proper one, you often tend to slant them in that way. That is one of the most fearful trends I see going in our government, that we contract out these studies; and the people who hire and pay the contractors are the ones whose original decisions are being studied.

It is very rare that one gets a Air Force placed study back saying what the Air Force does not want to hear. I do not think the Air Force wants to hear that the shallow, underwater missile might be viable. Or, have they even looked at the Great Lakes alternative and some of the other things that have been talked about. They do not even seem to be very certain about the things that they have said they believed in, by the number of times they have changed their MPS system. They have changed it four times, I think, in the last year or the last 18 months, which says that even they are not that convinced of their own system. I do not see why we then run out and start committing megabucks to this system that seems to change monthly and say, "Go full speed ahead even though last week you changed your mind once again on the form and how much land and where you are going and all those kinds of things." I think we owe a little more objectivity or a little more certainty before we go ahead with this very expensive system.

Mr. BEARD of Tennessee. If the gentlewoman would continue to yield. The gentlewoman said we need more studies. She states we have not studied the Great Lakes delivery system.

Mrs. SCHROEDER. Thoroughly.

Mr. BEARD of Tennessee. Thoroughly. The Department of Defense studied it. Who does the gentlewoman say we should study it?

Mrs. SCHROEDER. I would like to have a strategic command do it.

Mr. BEARD of Tennessee. We already have a strategic command.

Mrs. SCHROEDER. I mean one that is in total charge of the triad. I think they would be much more objective than the present system where it is delegated.

The CHAIRMAN. The time of the gentlewoman from Colorado has again expired.

(At the request of Mr. BEDELL and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. BEDELL. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I would like to bring up the fact of the studies that have been mentioned so much. Two years ago, I rose on this floor to oppose the MX basing mode, which at that time was the molehill proposal which was going to be a whole lot of holes all over and moving them back and forth. At that time I heard exactly the same argument I am hearing today. I heard the argument that it has already been studied and studied and studied. Why is it that the gentleman is objecting to it and not wanting more study?

Since that time, as the gentlewoman has pointed out, the basing mode has been changed several times, including once just in the last few weeks. It would seem to me that before we spend this much money on a basing mode, that it makes some sense to determine whether we are going to have a Model T Ford or a Model A or a V-8. I grant the gentleman that they are all landbased basing modes, but if we are going to say that it has been studied too much already, then we are saying the same thing we said about 2 years ago when we already found it would have been a bad mistake to have done what we had proposed.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. We keep talking about the changes in the basing modes of just last week. There have been no real changes in the basic or the fundamental mode. We have refined the mode.

Mrs. SCHROEDER. If I could reclaim my time, I do not think the gentleman can say that. I think it was a fairly major change in going from the racetrack to the linear system, from the molehill, or from something else.

I think it is incorrect to characterize this as just kind of a model change. I think these are fairly serious differences requiring different amounts of land, requiring different equipment and everything. Those are very serious.

Mr. BEARD of Tennessee. If the gentlewoman will continue to yield, the reason why they change is because it is going to be cheaper, and we will have fewer environmental problems. It is a refinement process.

Mrs. SCHROEDER. But they may find another one next week that will have even more. In other words, for all the proliferation of studies, I do not think we have an answer and a plan to go with.

The CHAIRMAN. The time of the gentlewoman from Colorado has again expired.

(At the request of Mr. SKELTON and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 1 additional minute.)

Mr. SKELTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Missouri.

Mr. SKELTON. Is the gentlewoman aware of the treaty between Canada and the United States that came out of the 1812 War, which still exists, which prohibits warships in the Great Lakes? Is the gentlewoman aware that that is still in effect?

Mrs. SCHROEDER. I am aware of that, but the gentleman must realize we can change treaties; and the Canadians have been one of our good allies. The Canadians do not have a land-based missile system. I think they would understand if we wanted to use the Great Lakes and found that was a better way to make our land-based missiles survivable. The treaty was to prevent warships pointed at Canada not ships protecting the North American Continent. Canadians are in the same air mass as we are in, and they understand where the atomic fallout would come if North America ever became vulnerable.

Mr. SKELTON. If the gentlewoman would continue to yield, it is my understanding that they have not made that inclination. But the gentlewoman is aware of the existing treaty between the two countries?

Mrs. SCHROEDER. I am aware of that, but I am also aware that the Canadians are a reasonable people. I think things have changed a lot since the 1812 War. I think they would recognize that, if you really looked at that as a certain alternative.

Mr. BEARD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find it incredible that we are seriously debating a further delay to a program which represents our country's last chance to restore strategic parity with the Soviets. For over two decades the United States has visited and revisited more than 35 different missile basing concepts in order to determine the best way to keep the Russians off our doorstep and away from our national interests.

We have had paralysis by analysis to the point where it is almost too late. Now, when we finally have the experts, who have been charged with finding the right solution to our ICBM vulnerability problem, agreeing on a basic program direction, out of the woodwork comes the voices of indecisiveness. In the face of the most awesome military threat this Nation has ever faced, we debate—second-guessing the most carefully studied program in U.S. military history.

The only possible purpose for this proposed deletion of funds is to delay the MX program in spite of the fact that its critics have run out of all factual objections. Perhaps in a year or two these critics can invent some more reasons why not to proceed, or perhaps the delays will have made MX unaffordable, or perhaps the whole thing will have become academic because Soviet foreign policy and military might well be dictating whether or not we can deploy the MX system.

I for one believe it is time to stop this nonsense and begin to play hardball with those who fail to recognize the Soviet challenge. It is time to act decisively toward protecting our national interests.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I believe that the distinguished gentleman from Illinois and some of the other speakers have not realized just what stage this weapons system program is in. It is in the full-scale engineering and development stage. There naturally will be changes such as those which have occurred. I say again there is really not any change in basing. There may be other engineering changes in the future, but we still have 4,600 holes. We still have 200 missiles. We still have 200 clusters. We still have the MPS concept, but there may well be other engineering changes as we are in the stage of development where such changes are made.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Utah.

Mr. MARRIOTT. May I ask the chairman a question, because this really brings us down to the real issue involved here, and that is this: Is the racetrack system cast in concrete? I am not talking about going from racetrack to linear. I am talking about the concept of having a shell game where one hides a missile in the States of Utah and Nevada. Is that in and of itself cast in concrete?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Missouri.

Mr. ICHORD. The multiple protective shelter concept is cast in concrete. A racetrack or a linear base is not necessarily cast in concrete, I would say to the gentleman.

Mr. MARRIOTT. If the gentleman from Tennessee would continue to yield, does the gentleman mean some modification of the shell game is not cast in concrete, but all of the funds that are going to be used in this half-billion dollars we are talking about, that is going to develop the linear or racetrack system, the hardware, the software and all of the other, is it not?

Mr. ICHORD. If the gentleman would continue to yield, the money is to develop but not to construct and build a system at this particular point. There will be no construction in the 1981 fiscal year in any State. I am sure the gentleman's State being a very patriotic State, if the President determines, whoever the President might be, that we need Utah, or if the President determines that we need Missouri, I will be the first one to stand up and offer Missouri if it is needed; and I am sure the gentleman from Utah will do the same thing.

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Mr. MARRIOTT. But the point that I would like to make is this, if, in fact, we vote for the money to go forward with this program, alternative basing modes are eliminated. Is that not the fact? Other than the one the gentleman is now proposing called the shell game, all other options are eliminated.

Mr. BEARD of Tennessee. I would say to the gentleman I would like to ask what other options are we talking about? Are we talking about submarine launched, air launched, what other options?

Mr. MARRIOTT. I would suppose we could argue we are talking about submarine.

Mr. BEARD of Tennessee. But we have that study——

Mr. MARRIOTT. I understand the study. We are talking about improving the existing Minuteman-Titan, replacing those with MX. We are even talking about doing that with an ABM system. What about split basing? There is nothing I see in any of this discussion that the Department of Defense is in fact willing to consider split basing. Right now all of this is in the area of the gentleman from Nevada (Mr. SANTINI) and my area. We have no studies to show that they are going to consider split basing.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Certainly I yield to the gentleman.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding.

The gentleman from Washington talked about the studies that have been done and basically the Defense Department has moved from all of these studies of the race track method toward the types of linear system that would cut down on the costs, cut down on the area and cut down on the problems the gentleman from Utah faces.

Mr. BEARD of Tennessee. Let me quickly state, the gentleman mentioned split basing. Is split basing totally precluded in this study.

Mr. ICHORD. If the gentleman will yield, I do not think that is applicable.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent Mr. BEARD of Tennessee was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman.

Mr. ICHORD. I think if we go ahead, we will rule out such things as the air-launched ICBM. If we go ahead, we will rule out such things as the shallow underwater system because that has already been studied. We are saying 30 studies are enough and we are ready to go forward. There may be minor engineering changes in the future and we are not ruling out split basing. There has not been a decision to locate the missiles in any State. Utah, obviously, is one of the best candidates along with Nevada.

Mr. MARRIOTT. Will the gentleman yield?

Mr. BEARD of Tennessee. I yield.

Mr. MARRIOTT. In response to the gentleman from New York, I have met with the administration, I have met until I am blue in the face in terms of these experts who are giving us the information. They told me yesterday that there would not be a study completed until July or August on split basing.

Now, my concern is we are here and we are going ahead with funding an a basing mode and we have not even resolved whether that entire mode is going to be in Utah/Nevada or some place else. I do not think all of the studies are in. I think studies are in, but I am concerned we are moving ahead with a basing mode without all of the facts.

Mr. KEMP. Will the gentleman yield for another minute?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. KEMP. I think I understand the gentleman's concern, split basing would propose that other areas be used as well as just two States of Utah and Nevada. But I do not see how any of these problems can be resolved other than by going ahead and defeating this amendment. We can still have split basing in the future if that is what is desirable, but we will slow down the program so sharply that it would seriously compromise the goal this country has in terms of having a survivable land-based leg of our strategic Triad.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Washington.

Mr. DICKS. As I understand this, we can put this thing in 10 States. What we are talking about here is the R.D.T. & E. money for a linear MPS system, and this does not limit it to the States of Utah and Nevada.

Mr. MARRIOTT. Will the gentleman yield?

Mr. BEARD of Tennessee. I certainly yield.

Mr. MARRIOTT. But what we are saying, and I am not sure we can guarantee that, by the way, but what we are saying is the linear system is now the system.

Mr. DICKS. Yes.

Mr. KEMP. Yes.

Mr. MARRIOTT. We are saying that, that that is it.

Mr. KEMP. Absolutely.

Mr. MARRIOTT. It is cut and dried.

Mr. KEMP. Yes.

Mr. DICKS. Yes.

Mr. ICHORD. Will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman.

Mr. ICHORD. I do not know how we define a linear system. Let us make sure that we know what we are talking about.

Mr. MARRIOTT. When I define the linear system, as we have now we have taken the racetrack, which was basically a circular system, and straightened it out.

Mr. ICHORD. How about a half circle? I do not know if it is economically feasible, but how about a half circle?

Mr. PRICE. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

This amendment would delay the building of the MX and require further study before Congress approves any request for withdrawal of public lands for deployment of the MX missile system.

I have to confess that I am disturbed by the obviously obstructionist nature of this amendment. I do not see how anyone can read it without recognizing that the amendment is not a serious attempt to get the answers to some difficult issues facing us, but is a device to delay, as long as possible, the deployment of the MX system.

I have dealt with national security matters of this country for a long time. I do not know of any strategic problem—and I have said this for a number of years—more important than replacing the land-based leg of our strategic Triad. I do not know of any defense system, I have never known of any defense system, which has been studied more thoroughly than the question of finding a survivable replacement for the Minuteman.

I am very proud of the fact that I was on the committee that helped to develop the Polaris submarine and then pushed to deploy the nuclear submarine when the Navy itself had doubts. That submarine and its follow-on systems are our first line of defense.

But I am not prepared to say that for the future of this country we should put all our strategic missiles in one basket—that is, the sea-based leg of the Triad. And the most knowledgeable military officers I know, in all services, agree with that.

The land-based leg of the Triad provides survivability and durability in a way that no other system does, and we just simply have to maintain it if we are going to continue to deter nuclear war.

The amendment appears to be based on a desire to restudy all of the potential questions about the MX that could be raised regardless of the present state of the record and notwithstanding the vital national security issues involved.

The amendment seems obviously designed as a delaying tactic.

The extensive requirements of the environmental impact statement will provide additional information needed on the local impact of the system.

But the information needed for a decision on the basing mode has already been provided.

I cannot think of a bigger waste of the taxpayers money at this point than to require a new detailed study of all alternative basing modes for the MX system. One proposal, would you believe, even suggests studying modification of the existing Titan system. We only have 54 Titan missiles; there is no way they could be considered to perform the mission that MX is designed to perform.

Over the past 10 years 30 alternative basing modes have been thoroughly studied by the Air Force, the Department of Defense, the Defense Science Board, and outside experts.

The evidence is conclusive that the MX in a multiple protective structure (MPS) basing mode is the only one that best assures land-based ICBM survivability.

The supporters of this amendment can get all the information and all the studies they want on these systems if they would just like to go back and read our past hearings. It would be very inconsistent for the Congress to call for more studies since the Congress 2 years ago gave the Department of Defense and the administration a directive in law to stop the endless and repetitive review of different alternatives and decide on a basing mode.

I have sat through countless hearings listening to witnesses pro and con on all of the various alternatives that might be deployed, and believe me, we are down to the meat of the coconut. This is the best alternative and the only one that we are sure can meet all of the requirements of a follow-on system.

When you build something this large there are, of course, going to be some problems from time to time, and adjustments will have to be made. We will have to work with the local communities to deal with these problems. This is nothing new. We have experience in it. We have done it and we will do it again.

I do not believe the effect on local communities will be as severe in this case as it was in the case of the Minuteman, simply because there are not that many local communities in the deployment area. We will have to provide impacted area aid to communities where appropriate. As a matter of fact, we have made allowance for such in the military construction authorization bill approved by our committee last week.

Let us keep in mind that most of the land that would be used for deployment of this system is empty valleys. Nobody lives there. Some of it is used for grazing; some mining takes place. These activities could continue.

The question of what is required militarily for the security of the United States is a matter of interest to all Members of Congress, but in terms of committee jurisdiction, that is the prerogative of the Committee on Armed Services.

I am getting a little tired of people assuming we do not have information because they have not taken the time to read the reports and the hearings of our committee. But in any case, that is the jurisdiction of the Armed Services Committee. I invite any member to come and read our reports and hearings—be our guest and save the taxpayers money.

In summary, I think the amendment is unnecessary. It is an obvious delaying tactic which would put this House in a position of turning its back on a crucial decision concerning our national security. And I think it should be dismissed.

I would stress again that we will work with the communities in Nevada, Utah, or any place else where any kind of system has to be built.

Substantial facilities are being built in the States of Georgia and in Washington to deal with the Trident system; they create some problems occasionally for the local communities. Some Federal aid will be required for those communities and I will be prepared to support it. I have fully supported all the requests for impacted area aid relating to the Minuteman and other systems. And our committee has an excellent record of supporting those proposals.

But we can not say that no one is going to have to face some inconveniences, some sacrifices. Systems have to be put some place. I am the strongest supporter of nuclear submarines that I know. But it is sticking your head in the sand to say that you are going to put everything out to sea just so you are not going to be bothered having anything in anybody's back yard. The lands for the proposed deployment of the MX/MPS system are public lands. They are owned by the Government of the United States. They are not farm land, or land that is heavily used, and they are really the most appropriate place to put this system. For example, if the MX/MPS system was deployed in the Nevada/Utah area, approximately 1,950 sheep out of a population of 100,000 and 370 cows out of a population of 300,000 would be displaced.

I think we ought to get on with the job.

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Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I would just like to associate myself with the remarks of the chairman.

Mr. Chairman, I rise in opposition to this amendment which devastates what I believe to be the most important defense need our country has today. We must proceed with the MX missile system—both missile and basing. The survivable basing of MX is the key to its effectiveness—the ability to maintain an adverse exchange ratio of Soviet warheads expended to United States warheads destroyed.

If we today reduce the moneys needed to proceed in engineering development of this critical strategic program, we will telegraph to the world our unwillingness to tackle what could be the very issue which determines the state of our country in the coming years—our willingness to meet the Soviet Union's advances and adventurism with strength. And believe me, strength is the only thing the Soviet Union understands—not talk and more talk, not empty resolutions and jaw boning—but resolve and strength. Peace is only insured by our willingness to step up to the challenge—and through that strength and resolve we maintain a stable environment.

The President, Secretary of Defense, Joint Chiefs, Air Force, all experts in the fields of strategic forces have recommended the MX in the multiple shelter system. We cannot argue with arithmetic—we must counter the Soviets' growing threats, and do so now. No other recommendation amounts to more than a smoke screen to delay or cancel this vital program. Underwater, space borne, et cetera, et cetera—none of these offer the survivability offered by the land-based MX basing concept.

We must proceed—we must deploy this weapon—we must show our resolve and our courage to stand toe-to-toe with the Soviet Union—we must defeat this amendment today and proceed with basing engineering development. To delay provides even more time for the Soviets to exercise the adventurism they perceive is going unchecked.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding. The chairman served during the time when the Polaris submarine was developed.

Mr. PRICE. Yes.

Mr. DICKS. We have heard a lot of discussion here today about the complexity of the MX and the MPS. That whole Polaris system was much more technologically complex, and yet we went through and developed that system. We have refined it with succeeding generations, and our people have been able to handle this. So I really believe when we talk about the MX, it is an evolutionary process from the Minuteman system and, in my view, is not nearly as much of a technical challenge as going to sea was during the 1960's.

Mr. PRICE. I agree with the gentleman completely. I think he has analogized it very well. In the Polaris days everything was new. Now there are many, some new, incidental parts of this, but the concept will not be new.

Mr. Chairman, I yield back the remainder of my time.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, every time an amendment is introduced, most of us try to be objective and consider any inherent wisdom it may have, but regarding the Simon amendment, the proposed deletion of basing funds for the MX program, I must confess, really does not offer any positive points, in my opinion. It does not speed up the program. It does not save money. It may delay spending money which would inevitably mean more cost. It does not reduce uncertainties. It does prolong the period in which our ICBM's will be vulnerable, causing greater world instability.

Mr. Chairman, we have heard a lot of words and new words in this debate yesterday and today. The racetrack is new terminology that we are coming to understand. The strategic bathtub that I spoke of yesterday is a little bit harder to understand, but I want to bring up the bathtub again today because it bears on this point, the point of further delay.

Several years ago I distinctly recall the congressional admonition to the Air Force not to deploy MX in existing Minuteman silos because the only reason for the program was to maintain high survivability. Ever since that time major emphasis has been placed on developing a survivable basing mode.

We have spent two decades looking at more than 35 basing concepts and the recent years of intense effort have culminated in a Presidential decision on the best way for MX to be deployed. That announcement last September, has the backing of the National Security Advisers, the Defense Intelligencia, the Joint Chiefs of Staff, the Secretary of Defense, and numerous scientific advisory boards. Why then would one want to stop the tremendous momentum on the most vital aspect of the program?

Does it save money? I would venture to say that it definitely does not. It is a well-known fact that it costs money to stop and then restart an effort; and when it is restarted, the activity will cost considerably more due to just the effect of inflation. The proposed cut would slip the IOC at least a year causing the program to cost not just $500 million more—but billions more due to the effects of inflation and inefficient development. In my mind, a cut in program funds is a clear deviation from the cheapest, most efficient development path for the urgently needed MX.

Some may claim there are uncertainties in the program (as has the GAO), and that is quite natural for a weapon system with the magnitude of MX. Full scale engineering development is the time that refinements are made to the basic concept, and that is what we have seen so recently. The integral transporter-erector-launcher design has been changed to a separable one. That modification is worth billions in itself. Then we are all familiar with the refinements of shelter layout and spacing which could also reduce cost and be less obtrusive in an environmental sense. Real progress is being made wherein local officials within the proposed deployment areas of Nevada and Utah have acknowledged that Washington has finally listened to them. Do we want to stop this momentum? Further progress will be possible only by further development. It is imperative that funding be continued for the most important pacing facet of this critical national program.

The strategic bathtub was a name given to a graph developed by the Department of Defense which projected our ability compared to Russia's ability to sustain a nuclear attack and to mount an offensive after such an attack. It covered a period of 10 years from 1977 until 1986. It got its nickname because it does resemble an old-fashioned bathtub. The graph starts up here, and goes down, and goes back up here, and covers a 10-year period. Up here in 1977, which is just 3 years ago, we had what was called "essential equivalence" or "rough parity." As somebody explained in the military, that means we have got about a 50-percent chance of surviving.

On this strategic bathtub graph starting in 1977 the curve goes dramatically down until it reaches the bottom where the drain is, and that is 1980—right now. Then we move it slowly back up again so that 7 years from now, if we do all the things that the planners are hoping we are going to do, we will be back up here "essentially equivalent" again. Not ahead of the Russians, but essentially equivalent, in our capability of surviving a nuclear attack.

□ 1340

Now what does it call on us to do, and why are we down here by the drain? We are down here because first of all, the B-1 was canceled in 1977. That was one thing that was very important. Second, we delayed the MX for 3 years. We have been delaying it making these 30 studies we are talking about and with this amendment we are now talking about delaying it even further. The only way we can get back out of this tub is to build the MX, and also to keep on with our present plans to get a strategic weapons launcher, a cruise missile carrier that will carry the new cruise missiles which are going to be coming into the inventory in the next few years. If we do all of these things and we do them on time and we spend the money it is going to take to do it, we might in 7 years time get back up to where we are "essentially equivalent" to the Russians in our capability to withstand attack.

Mr. Chairman, I think we are all in the bathtub. If we delay this MX by 1 more year or 2 more years we are going to be in more than a tub. We are going to be in a deep well, a hole we may well never get out of. Ladies and gentlemen, I think the risk is too great. I think it is imperative we put the money into this program and I urge defeat of the amendment. I am trying to see the logic of the gentleman's amendment and I see no logic.

Mr. Chairman, the amendment allows the development of missiles with no survivable place in which to put them. It delays the initial operating capability. It increases the program cost. It sends a dangerous signal of nonresolve on the part of the United States to counter the Soviet buildup. I rise in strong opposition to the amendment and I urge support to defeat the measure.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the author of the amendment.

Mr. SIMON. I thank the gentleman for yielding. I appreciate the service the gentleman has rendered to this country while serving on the Armed Services Committee. We are going to miss the gentleman in this House now that he is moving toward retirement.

The gentleman touches on two points. One is the need for the missile development and that is not in dispute here.

Mr. Chairman, the second point is whether we have delay.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Simon and by unanimous consent, Mr. Bob Wilson was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman.

Mr. SIMON. Whether we have delay as a result of this amendment is a factor. Incidentally, this could hit Nebraska, Kansas, California, a great many States besides the two that are now presently touched.

We say: Let us take a solid look. A representative from the gentleman's committee spoke in the well just a few minutes ago pointing out the shallowness of some of these studies. In fact this has been pointed out by others here: We are talking about a basing mode system that is not secret and if tomorrow we put a shovel in the ground and the Soviets do it the next day the delay is going to be in the United States. They are going to have the system ahead of us simply because we are going to have environmental suits and all kinds of others things. The Soviets will not have that trouble.

Mr. Chairman, I suggest that the rising tide of questions by people like Gen. Maxwell Taylor ought to be listened to by this body before we launch the second most expensive project in the history of this Nation.

Mr. BOB WILSON. Mr. Chairman, I would say in response to the gentleman that we have to rely on expert opinion. Our committee has listened to the experts. We perhaps did not have General Taylor and he is entitled to his opinion. The preponderance of evidence submitted to our committee indicated that delay is absolutely inconceivable. We can delay no longer. We have delayed already for 3 years. We must continue.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I would like to concur with what the gentleman has said and also with what my chairman has said. It is a matter of judgment on how these operations come out anyway and certainly we do not need any delay in this project our committee feels very strongly that this amendment should be defeated. I thank the gentleman for yielding and commend him for his strong statement against the amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this amendment.

The Armed Services Committee and the Appropriations Subcommittee are not the only committees holding hearings on this question. The Interior Committee's Subcommittee on Public Lands, which I chair and on which the gentleman from Colorado (Mr. Johnson) sits as the ranking minority member, held several days of hearings and classified briefings on this subject. I think we have some understanding about the implications of it.

Mr. Chairman, I voted against Mr. Dellum's amendment yesterday because I felt that to eliminate the MX as one of our options would be very unwise at this time.

Mr. Chairman, the position of Gen. Maxwell Taylor was enunciated in an article he wrote in a publication of the American Enterprise Institute last year in which he pointed out that to allocate this amount of funds to what he considered to be a marginal and far lower priority project, the MX in basing point mode, would be a serious misallocation of military priorities. His position was that the most serious threat to us from Russia is not in strategic weaponry, it is in the Middle East, and that we ought to be allocating our money to develop rapid deployment forces, et cetera, and not putting this tremendous additional drain on our resources. Certainly all that has happened in the Middle East in the last year underscores the wisdom of his advice.

Mr. Chairman, the MX will be like the whistle in the famous story about the Mississippi River steamboat that had a whistle so big that every time it blew, the boat stopped. This proposed MX losing system is going to have that kind of an effect, I am afraid, on our military programs and on our economy.

Mr. Chairman, I just talked on the telephone with Dr. Perry, Deputy Secretary of Defense, who according to the gentleman from Washington (Mr. Dicks), testified that the Simon amendment would kill the MX program.

Dr. Perry said he did not quite say that, he said that he said it would "destroy" the program. Well, that is the same thing. I asked him if he would elaborate. He then said that if we cannot make a commitment now to the land based system, then he would recommend that we not go ahead with the MX missile at all because, he said, he sees no point in developing another missile unless we are going to put it in this particular land based mode. I said how about the submarine mode? He said well in his opinion, within about 20 years the Russians will be able to come up with methods of detecting submarines sufficiently good so that the submarine mode will become vulnerable even if it is a small submarine.

Well, we have also been told by people like Dr. Zeiberg, the resident expert on the MX in the Defense Department, that within 20 years the land based mode could also be vulnerable to Soviet detection methods.

Secretary Brown testified before the Senate last week that if we make the decision now to go ahead with the MX basing system provided for in this authorization bill, that that will mean we are committed to the land-based mode.

Mr. Chairman, I suggest the Defense Department has miserably failed to comply with the Stevens amendment, which is the law right now, which says in effect that the Department of Defense cannot proceed without evaluating carefully the other basing modes. I suggest they have not seriously done that.

Mr. Chairman, when we had our hearings in March, I asked the Defense Department if they had made studies of the shallow underwater submarine approach, and they said yes. I said, "Will you please give us copies of whatever studies you have made?"

They never did. Instead, they came up with a new study which they released in late April of this year.

Mr. Chairman, I would like to elaborate, in a minute, on that particular study.

Mr. Chairman, let me point out a couple of other things. Even with the Simon amendment this bill will still contain over $1 billion for the MX program. That will cover research and development of the missile and will cover the study of alternative basing modes, which is what the Department of Defense is supposed to be doing now. So it is not correct to say that the amendment will wipe out the program.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Seiberling was allowed to proceed for 5 additional minutes.)

Mr. SEIBERLING. Mr. Perry is entitled to his position but I suggest that one of the tragic things that is likely to happen before we get through with this, if we go ahead with the land-based mode, is that it is going to collapse of its own weight.

□ 1350

It is going to cost $100 billion for the simple reason that without SALT we are going to have to double the number of shelters and missiles, and we cannot assume that we are going to get SALT. I certainly hope we do, but we have to assume the worst. Without SALT, the cost of MXMPS is just about four times what it would cost to get the same deterrent capability, with far more invulnerability, by putting MX in the small submarine.

Let me point out another thing which we have not even begun to discuss; that is, the impact on the public lands and their resources and uses, and the way of life they support in the States that will be impacted if we go ahead with this mode. That was the basis on which my subcommittee, which has jurisdiction over the public lands and legislation affecting them, had our hearings. There has been no meaningful coordination between the Defense Department and the various other agencies involved, such as the Forest Service, which has lands that would be impacted; the BLM, on whose lands these would be placed, and on which are being conducted, for example, studies to determine which those lands have oil and gas resources; the Fish and Wildlife Service—this would impact several wildlife refuges; the National Park Service, which is studying part of these lands for a national park; the Department of Energy, in connection with energy resources that might be denied us by these installations; the Department of Housing and Urban Development, which is going to have to pour millions of dollars in to help build cities, streets, and public facilities; EPA, sewer facilities which will be called upon to pay for water pollution controls, et cetera, et cetera.

The Department of Defense is not even going to have its environmental impact statement ready until next November, and yet we are being asked to proceed without knowing what the impact is on the people, the resources, the environment, and on the other departments of the Government.

So, I suggest that it is premature to make that commitment, and yet that is exactly what we will do if the Simon amendment is not passed.

Now, the study, the so-called study of SUM that the Defense Department came up with in the course of responding to our subcommittee's request was negative in its conclusions, based primarily on three subsidiary conclusions, and I would like to just discuss them. First of all, they said that SUM—and that is shallow underwater missile—is unlikely to be cheaper than MX. Considerable technical advances would have to be invoked to make it comparable in cost to the MX, or Trident, systems.

Well, a review by Dr. Sidney Drell, one of the leading experts on this system, states that the Department overestimated the cost of SUM by approximately $10 billion. He said that instead of costing $28 billion—$27.6—which is what the Defense Department estimated, it will come closer to $20 to $21 billion, and that the operating costs are practically equal to the operating costs of the MX land-based program. So, there is a serious issue there.

The second point that DOD's report made was that the SUM was unlikely to be available before the 1990's. I was very interested in the comments of the distinguished chairman of the Armed Services Committee about how we developed the Polaris submarine. The Polaris submarine was developed in less than 4 years from the time the decision was made to go ahead with it, even though we were dealing with completely new technology. Am I correct, Mr. Chairman?

Mr. PRICE. The gentleman is not entirely correct. The Polaris part, the part used by the Navy for the submarine part of it, was developed with the *Nautilus*, and they had a head start.

Mr. SEIBERLING. That is correct, but nevertheless the use of the nuclear propulsion for submarines was relatively in its infancy, even if we include the *Nautilus* in there.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. SEIBERLING was allowed to proceed for 3 additional minutes.)

Mr. SEIBERLING. Now, the third point that the Defense Department report made was that SUM must operate in deep waters as a short-range submarine with no apparent advantage over conventional submarines such as Trident. Therefore, substituting SUM for MX would represent an abandoning of the triad. They cite absolutely no analytical basis for that assertion in their study, and in fact it is not true.

The small submarine of about a thousand tons displacement, with two to four missiles encapsulated alongside which will be released and float up, using existing technology, would require a crew of about 15 people. It would cruise at about 200 feet below the surface, which Dr. Zeiberg agreed was the most invulnerable depth from the standpoint of detection. They would cruise between 100 and 300 miles off the coast, bringing them under an umbrella of U.S. protection. It is not correct to say that this represents abandoning the triad—in fact, it represents adding a new leg to the triad, making it a quadrad, because these small submarines are far less vulnerable to detection than the Trident.

I would just like to make one other point. It has been said today that this would delay the initial operating date for the MX. Well, the fact is that the vulnerability of the Minuteman and Titan is supposed to start around 1985, while the MX racetrack or drag strip—whatever you want to call it—is not expected to be fully deployed until 1989 at the earliest. Privately, Air Force personnel have told me that there is no way they are going to make the initial deployment date. In any event, we are talking of a period of at least 4 years during which we will have, theoretically, this great vulnerability. On this point, the Defense Department says, "Yes, but if we are already building the MX project, that fact will send a signal to the Russians, so they are unlikely to try any attack on our ICBM's during this 4-year gap or "window."

I would just like to point out that we are making a very, very fundamental decision here, and we really do not have sufficient information, and neither does the Defense Department. The Simon amendment is the minimum responsible course we should take, and we ought to be giving it the kind of support it deserves.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to make one point. That is, to suggest that one way of getting a really balanced study of the relative merits of the current basing system, or let us say a system like the SUM, would be for the President to declare that the Air Force would have the jurisdiction, would continue to be responsible for the MX whatever the basing system is. That would remove from the argument the jurisdictional considerations which unfortunately are so powerful, but really have nothing to do with it.

Mr. SEIBERLING. That would be technologically quite compatible, because in the SUM approach the crews will not release the missiles. They will be no more than caretakers for the missiles, just like those people sitting in the silos. The missiles will all be controlled from SAC.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I think it is important to point out that the Soviet Union is developing ASW capability, and if we put even more strategic missiles in, it simply gives them an even greater incentive to move ahead on ASW. That is why I think it is important to continue to have a land-based missile ssytem.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. There are vulnerabilities in the MPS system which I have not even gotten into. By contrast, SUM, with 50 small submarines cruising in waters near our shores at a 200-foot level, submarines that are much quieter—one-tenth the noise profile of the Trident, for example—they are going to be much more difficult to detect and attack than is the Trident itself, even if we assume the Soviets do develop an efficient ASW system. Dr. Zeiberg and Dr. Perry admit that at the moment, as far as they know, the Soviets have no such system.

Mr. DICKS. But they are in the process of developing it. In the MPS system, they have got a system of detecting those missiles that is nowhere near as developed as the capabilities for detecting submarines.

Mr. SEIBERLING. That "ain't necessarily so."

Mr. BINGHAM. Mr. Chairman, will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I rise in support of the Simon amendment to strike $500 million from the defense authorization bill for development of the mobile basing system for the MX intercontinental ballistic missile.

Yesterday, I voted to strike from the bill all funds for the MX and its basing system, and I am distressed but not surprised, that that amendment gathered only 82 votes. Too few Members of this body seem to understand the implications of developing a counterforce weapons system like MX which because of its accuracy would be able to destroy Soviet missiles even in hardened silos. With 200 MX missiles each carrying 10 warheads the United States could threaten the entire Russian ICBM force, which makes up more than 70 percent of its entire strategic arsenal. This inevitably will increase their anxiety in periods of tension and may force them into a hair-trigger, launch-on-warning policy. They could also feel compelled to increase the number of missiles in their arsenal or develop a multiple aim point system themselves. If they choose the latter, we have no assurance that the system they choose would meet U.S. standards for verification, and any remaining hope for the eventual success of strategic arms limitation would be permanently lost.

But for those Members who nonetheless insist on going ahead with a counterforce weapon, I implore you not to rush ahead with MX without examining the alternatives, and feasible alternatives are available. Support is growing for the shallow underwater mobile (SUM) system which would place a few missiles in each of a number of small conventionally powered submarines which would loiter in the 400,000 square miles of waters over the continental shelf. This system would be cheaper, less vulnerable, less disruptive and just as effective as MX and should not be dismissed out of hand just because it would decrease the Air Force's role in strategic defense by putting more missiles to sea.

The fact, I would suggest that the President should give to the Air Force responsibility for development and operation of the MX missile, even if the ultimate decision is made that such missiles should be mounted in and launched from shallow-water submarines. Such collaboration with the Navy is certainly possible. Assuring the Air Force that it would not be excluded from the MX program in the future might well eliminate the basically irrelevant jurisdiction arguments that interfere with rational decisionmaking.

The Pentagon has studied some 35 different ways to base a new ICBM, and the favored alternative seems to change from month to month. Each one runs into such overwhelming problems of environmental damage, cost, verifiability, and vulnerability that it is soon succeeded by another, leading many careful observers to conclude that no such scheme will ever work. I do not believe that the Congress should approve half a billion dollars for such a dubious project which will probably never be built.

And why should it? Supposedly, being able to move our land-based missiles around will make them harder to hit and therefore prevent the U.S.S.R. from attempting a preemptive first strike which could destroy 90 percent of our ICBM's in their silos. This belief that the Russians can wipe out one leg of our strategic triad has become deeply imbedded in the conventional wisdom, but it is a misguided belief. The threat to our ICBM's has been grossly exaggerated. It assumes that the Russians will believe that they can successfully send hundreds of missiles over thousands of miles to target thousands of warheads on targets spread over thousands of square miles, and that everything will operate perfectly.

This worst case analysis assumes that weather conditions will be ideal, that our missile forces are not on alert, that the problem of fratricide will not interfere with succeeding waves of warheads, and indeed, that our missiles won't be fired back before the Russian missiles arrive. These are absurd assumptions. As a recent Newsday editorial put it—

> What American President would leave our ICBMs in their silos when the red phone rings and he's told that 2,000 Soviet missiles will land in half an hour?

In fact, Soviet strategic planners must always assume that the United States, even after a Soviet counterforce strike, would have hundreds of warheads left to launch in retaliation from undestroyed silos as well as thousands more at sea and aboard bombers. As long as a substantial number of our ICBM's, SLBM's and bombers could survive a Russian first strike, the Russians would be totally irrational to launch one. They have never demonstrated irrationality in their major strategic decisions.

Let me make just a few other points against the mobile basing system. As other speakers have pointed out, this system was designed with the expectation that the SALT II limits on launchers and on the number of warheads per missile would be in effect, Without those limits, the Russians would be able to saturate any MX deployment area with warheads, and in response we would have to either increase the number of missiles and shelters or develop and deploy an anti-ballistic missile defense system at stupendous cost.

Do we really want to commit ourselves to building a $50-plus billion weapons system which is likely to be obsolete and ineffective almost at once? Are we really prepared to spend billions to expand that system continuously just to maintain whatever effectiveness it might have? Yet that seems to be the position of the chairman of the Armed Services Committee: a letter he sent to all Members yesterday included the assurance that—

> The MX missile system has inherent resiliency that offers a means of responding successfully to large increases in the threat.

That sounds to me like saying, if this does not work, well then we will make it even bigger. I submit that this whole mobile basing system would be a colossal mistake. I urge my colleagues to support the Simon amendment and stop this program before it goes any further.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 12, 1980.

DEAR COLLEAGUE: Sometime this week, the House will be debating the FY 81 Defense Authorization bill. Included in this bill will be a total of $1.6 billion for the MX missile and its mobile basing mode. Although we appear to be committed, as a nation, to the development of the missile itself, there is considerable concern as to the worthiness and value of the mobile basing mode, enough to warrant taking another close look at alternatives for a basing scheme.

I will be offering an amendment to the authorization bill which would delete $500 million for the mobile basing mode. My amendment will leave $66 million in the budget for further research on an appropriate basing mode for the MX. The one billion dollar authorization contained in the bill for development of the MX missile itself will not be affected.

We have had extensive debate in the House on the value of both the MX and the mobile basing mode. Over the past few months, the opposition to the basing mode has increased substantially. In a recent exchange between Secretary Harold Brown and several members of the Senate Armed Services Committee, the Secretary voiced the Administration's own concerns with proceeding with the race track basing mode and laid out yet another alternative the Department of Defense is considering for storing and moving the MX missile.

You recently received a letter from one of the most distinguished leaders in the history of the nation, General Maxwell Taylor, questioning the military wisdom of proceeding with the mobile basing mode. With that concern shared by many military experts, does it make sense to commit huge amounts of federal money to the most massive military construction project in history? Cost estimates for the total MX program range from $30 billion to $100 billion.

The mobile basing mode, described by the Defense Department as a giant shell game, is seen as an effective deterrent only if the Soviets cannot target enough warheads on the system to hit all the shelters. That, in my mind, is a fairly big if. In building this basing mode, we are in a sense taking a multi-billion dollar gamble that the Soviets will not build the warhead to do just that. They may not. But given the current state of relations between the US and the Soviet Union and the uncertain status of the SALT talks, we must consider the possibility that they may.

In proceeding with the mobile basing mode at this time, we are assuming that the Soviets will react in exactly the manner forecast by our military planners. This is simply too big an assumption for us to take at this time. Particularly when, after paying the enormous cost for construction of the basing mode, we may end up less secure than we already are.

I urge you to vote for my amendment to the Defense Authorization bill to delete the money now included to proceed with the development of the mobile basing mode. We do not impede construction on the missile and we allow for continued research into alternative basing modes over the next year. With so many unanswered economic, strategic and environmental questions on the present choice, to proceed with this basing mode would be foolhardy.

If you have any questions on the amendment please contact Vicki Otten at 5–5201.

Cordially,

PAUL SIMON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 13, 1980.

DEAR COLLEAGUE: Let's set the record straight on the MX:

Charge: The MX will take 12 million acres of land.

Fact: Only 25 square nautical miles of land would be withdrawn from public use. The rest of the deployment area would be open to the public for many uses, and the public would have the opportunity to use the roads built for the project.

Charge: There is insufficient water available to meet the needs of the MX system.

Fact: The MX operational demand would be about 13,000 acre-feet of water annually. This is the requirement spread over a two-state area. Golf courses in the Las Vegas area use 13,000 acre-feet of water annually. The City of Reno uses 43,000 acre-feet annually.

Charge: The GAO has disputed the estimate of the Department of Defense of the cost of the MX budget.

Fact: The GAO did not dispute the DOD cost estimate. It simply restated the cost in terms of then-year dollars, rather than constant dollars.

Charge: The cost of MX is exorbitant and unaffordable.

Fact: The cost of the MX, estimated at $33 billion, is spread over 10 years. By contrast, the cost just for the F–18 aircraft buy between now and the year 1987 is $26 billion. Once in place, the MX is far cheaper to operate than a submarine or a bomber force; it is the least expensive leg of the triad operationally.

Charge: The MX will be constantly shuttling from shelter to shelter.

Fact: An MX missile will be placed in a shelter, will remain there, possibly for several months at a time. It will be moved occasionally at a random schedule to maintain uncertainty of the location.

Charge: There is not enough cement available for the MX system and it will have an adverse impact on the construction industry in the far west.

Fact: The MX system, during its peak year of construction will consume less than 1 percent of the cement that is used in construction programs in the far west today.

Charge: The MX system needs further study.

Fact: Over 35 alternative basing modes have been studied endlessly since 1962. I know of no system which has had more thorough study. The MX based in a horizontal multiple protective shelter is the best solution to vulnerability of our land-based ICBM's. We are down to the meat of the coconut. The request for more study is obviously a delaying tactic.

Charge: The MX system will not be effective in a non-SALT II environment.

Fact: In his letter to me on May 1, 1980, the President said: "While the MX system we are pursuing remains the best choice even without SALT, I believe the SALT process will continue." The MX missile system has inherent resiliency that offers a means of responding successfully to large increases in the threat.

Let's get on with the job of building the MX.

Sincerely,

MELVIN PRICE.

Opposition to the MX Basing Mode Is Widespread: What a Number of Conservatives Are Saying

(N.B. Many of the comments quoted below refer to the MX "racetrack" basing mode A recent change of the basing from circles to straight lines did not change the basic concept of hiding one missile among 23 shelters spaced out over a roadway. Thus the basis for objections to the "racetrack" has not changed in any substantial way.)

REPUBLICAN PRESIDENTIAL CANDIDATE RONALD REAGAN OPPOSES THE MX BASING MODE

"It's not the MX I oppose, it's the missile's racetrack deployment system. It was designed to fit SALT II, because we wanted to make it verifiable by the Soviets. Now that doesn't make sense. We need one of two things: either an offensive weapon that would give us a second-strike capability, so if the Soviets made that first strike we'd still have something to retaliate with, and damage them to the point where they'd never want to make the first strike; or some form of defensive weapon, like the lasers we are experimenting with. Then even if they had superiority in missiles, we could knock them down."

Ronald Reagan interview, Business Week, March 31, 1980.

COLUMNIST JAMES J. KILPATRICK OPPOSES THE MX WEAPON SYSTEM

"Interest suddenly has revived on Capitol Hill in the MX weapon system—and high time. Unless critics of this preposterous venture are wholly mistaken, the MX is the Pentagon's Edsel, a $69 billion lemon with no future trade-in value . . . Surely our planners, with all of outer space to work in, can contrive something better than 4,600 little Maginot pillboxes, out in the Western sands."

Column in the Washington Star, May 6, 1980.

SEN. TED STEVENS OPPOSES THE MX BASING MODE

"I am a strong supporter of the MX missile and intend to do what I can to see that it is deployed promptly. I do, however, have very serious doubts about the basing mode proposed by the President. The system is expensive, cumbersome, of questionable capability and presents serious environmental, social and legal implications which will undoubtedly lead to delay and additional expense. Frankly, it appears to be the worst of the available options and may very well be designed to fail."

Sen. Stevens on the Senate floor, Congressional Record, Nov. 9, 1979.

COMMITTEE ON THE PRESENT DANGER CALLS FOR SLOWING MX DEVELOPMENT

The Committee on the Present Danger on May 9, 1980 released a report calling for the spending of $260 billion more in the military budget over the next six years. At the same time, according to a New York Times account of the report, the Committee "says that the Administration's program for building the MX mobile missile should be slowed in favor of deploying a new version of the Minuteman rocket in a mobile basing system."

Description of report in New York Times, May 11, 1980.

WILLIAM F. BUCKLEY JR. OPPOSES THE MX

"We should advise the Russians that unless they bury their 308 SS–18s—those jobbies that knock out whole states at a time, and make our Minutemen worthless—we will take measures. Not the Disneyland $30 billion sunroofed air-conditioned 1,000 square-mile Arthur Murray studio where we teach our missiles dancing in a hurry so as to fool the SS–18s. But a straightforward anti-missile defense system, for which we have the technology and could, at $10 billion, protect the land-based leg of our famous triad.

Column in the Washington Star, September 26, 1979.

SEN. ERNEST HOLLINGS OPPOSES THE MX BASING MODE

"Supporting the MX missile and supporting the racetrack basing mode are two entirely different things. MX is the right missile, but the racetrack basing is nonsensical extravagence. It is a budget-buster of the first order, and in terms of cost-effectiveness fails miserably to make the grade. I have looked at the matter of costs, and I can say that, without doubt, an MX system with the racetrack basing mode is going to cost the American taxpayer somewhere between $30 billion and $90 billion. If there were no other way to do it, and given the need to do whatever we must to insure the safety of our people, we would be justified in going ahead. But there are other, less costly options."

Sen. Hollings on the Senate floor, Congressional Record, Nov. 9, 1979. When Sen. Hollings successfully presented to the Senate Budget Committee his proposal for increasing the FY 1981 military budget by over $5 billion in April 1980, he at the same time assumed a reduction of $500 million of the $600 million estimated that had been proposed to be spent on the MX basing mode.

RETIRED REAR ADMIRAL HENRY E. ECCLES CALLS FOR ABANDONING THE MX

"The nature and degree to which the MX system would influence Soviet action is purely conjectural. The present situation with both "strategic" and "theatre" weapons is complex and dangerous enough, without spending enormous resources on a project which will further complicate the situation without any assurances of accomplishing its supposed objective."

"Therefore, we should abandon the MX missile system program, continue to depend on the present general system of nuclear weaponry to provide deterrence against nuclear attack, make every effort to reduce nuclear weaponry, and accept an acknowledged risk in so doing."

Eccles statement placed in the Congressional Record, April 2, 1980, by Sen. Claiborne Pell.

SEN. HENRY JACKSON QUESTIONS THE MX BASING MODE

"In arguing for proceeding with the MX missile, I have no intention of supporting the racetrack basing mode that has been discussed—more, one sometime thinks, in the press than among the scientists and engineers who will have to make it work. I have profound reservations about the racetrack basing mode. It strikes me as cumbersome, risky, and expensive. It is a concept developed less by American engineers than by Soviet negotiators, and that troubles me deeply."

Sen. Jackson on the Senate floor, Congressional Record, Nov. 9, 1979.

FORMER DEFENSE INTELLIGENCE AGENCY DIRECTOR GEN. DANIEL GRAHAM OPPOSES THE MX

"I am convinced that if the Senate were to ask any group of military professionals freed from the constraints of the MAD doctrine how best to use $35 to $60 billion to respond to the threat to our deterrent posed by the Soviets, they would never respond with the current proposals for the MX. Such proposals—linear or racetrack, vertical or horizontal, scattered or concentrated in Utah-Nevada—would be discarded. Even the most ardent enthusiasts for offensive forces over defense would discard the current plans because the U.S. deterrent would not be significantly enhanced until the late 1980's—perhaps even later. With the period of maximum danger arising even now, the 10-year lag in response is unacceptable."

Lt. Gen. Graham's testimony May 7, 1980 before the Defense and Military Construction Subcommittee of the Senate Appropriations Committee.

WASHINGTON, D.C., *April 17, 1980.*

Hon. PAUL SIMON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SIMON: In your letter of 11 April, you referred to my views on the MX missile which we discussed briefly in our recent meeting. In amplification I would like to make a more careful statement of my present position regarding this matter.

Thus far, it is my opinion that the proponents of the MX have not made a convincing case either as to the need for a new weapons system to replace our silo-based ICBMs or as to the claims of the MX as the preferred replacement. On these issues, I would need to be convinced that, during the next decade, there is a strong probability that the Soviets will launch a surprise attack upon our ICBMs, despite the risk of incurring a destructive retaliation in response. There must also be reason to believe that such an attack would destroy most of the ICBMs. I am unconvinced on both points and would give a very low probability rating to this threat.

But let us assume that the danger is indeed great enough to warrant expending $30 billion or so to attempt to forestall it. The proponents would still be obliged to prove conclusively that the replacement of the silo-based ICBMs should be a land-based system and, further, that the MX in its presently planned configuration and deployment mode is the best solution.

On both of these points, I would need to review carefully the technical arguments for and against the MX and the several alternatives which have been advanced from time to time. I would try to listen with detachment to the opposing views but readily confess to a strong bias in favor of a solution which would get any new strategic weapons off American soil.

In summary, to support the MX, I would have to be convinced of the authenticity of the threat to our ICBMs and of the unique qualities of the MX as the optimum solution. Thereafter, even if my present skepticism were overcome, I would have to weigh the need for this costly strategic system in comparison to other urgent requirements of the Armed Forces—particularly those of the non-nuclear forces with a direct applicability to the defense of our interests in the Middle East and elsewhere in the troubled Third World.

I have no objection to any publicity you may wish to give to these views in their entirety.

Sincerely yours,
MAXWELL D. TAYLOR,
General, U.S. Army, Retired.

THE NEW LINEAR OR STRAIGHT ROAD MX BASING SYSTEM: WHAT DIFFERENCE DOES IT MAKE

The Pentagon has just changed once more the proposed basing system for the MX missile. Rather than moving around a "racetrack" circle, each missile will move back and forth on a more or less straight roadway. The Pentagon claimed the following advantages for the system:

1. It will require 15 percent–20 percent less land.
2. It will require the use of perhaps 35 valleys rather than 50.
3. It will involve fewer workers.
4. While Secretary of Defense Brown and William Perry claimed in a May 6 morning hearing that the system will save up to $2 billion, by the afternoon, Under Secretary of the Air Force Antonio Chayes was admitting that offsetting costs are likely to negate any potential savings from the new system.

COMMENTS ON THESE SUPPOSED ADVANTAGES

1. The $2 billion savings that was printed in many newspapers disappeared very quickly.

2. The latest in a long list of changed basing mode plans indicates that there is no reason to proceed at full speed. If after all the study the Pentagon is still changing its basing mode, then how are we to be sure that the latest scheme won't be changed also—after the expenditure of many billions of dollars.

3. There is no intrinsic reason why the straight roadways will take less land than the racetracks. The key element in the use of land is the number of MX shelters and the spacing required between each shelter in order to be sure that a direct hit by a Soviet missile on one shelter will not destroy a neighboring shelter. As the number of shelters per missile—23—is not changed by the new system and the spacing is the same, there is likely to be little land savings.

4. A key but unspoken reason for changing basing modes may be the ease in which in the future it will be possible to expand the basing mode. It would be much easier to lengthen each roadway and to add more shelters than it would be to expand a circle.

5. Most importantly, the objections to the basing mode are not changed at all by the slight modification in the Pentagon's plans. After all—

a. The basic concept of hiding one missile among 21 shelters remains the same.

b. The system is still vulnerable to be overwhelmed by Soviet warheads, particularly in the absence of SALT II.

c. The system will still be very expensive, and will rise greatly from the estimated $30 billion plus cost.

d. The system still will not be effective until deployment is almost completed in 1989.

e. The system will still take up a lot of land.

f. The system will still have a tremendous impact on people, water use and the environment in Nevada and Utah.

g. The system could still lead to abrogation of the ABM treaty in the future.

☐ 1400

Mr. EMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this has been one of the most constructive and interesting debates that we have had on military matters for some time. As a member of the Subcommittee on Seapower, I have been exceptionally interested in some of the pros and cons relating to submarine-launched ballistic missiles and their advantages and disadvantages.

I must make the observation that I think all of the discussion about small submarines in shallow water is a smokescreen which is really fairly meaningless. It is true that diesel submarines are a bit more difficult to detect in some ways, and it is also true that they are in general quieter. The trouble is that they have to come up periodically to recharge their batteries, and, of course, that makes them even much more vulnerable than other types of submarines. I do not think there is any way we can argue that a small submarine operating in close with a crew of 15 people, with a few missiles strapped on the outside, is a viable alternative. I do not think that is true.

Now, from what I have seen and from what I have learned in the last few years in the Subcommittee on Seapower, the indications are that this is not an efficient and viable alternative for our land-based missiles, but we may wish to deploy more missiles at sea in systems like our present Trident or Poseidon submarine systems.

I am very interested in the possibility of more closely examining the desirability of putting a slightly greater percentage of our missiles to sea in submarines, and I have not been persuaded by the arguments that a land-based system such as the MX is inherently more survivable than some of our submarine alternatives. I am convinced that if in fact our submarine-based missiles become more vulnerable as the years proceed, that that may come about from technological advances that may make any land-based system more vulnerable as well.

So I do not think we are necessarily talking in terms of one system always being vulnerable and another system never being vulnerable. There are pros and cons to each.

I have never been satisfied that we have spent enough time talking about possible improvements in various submarine basing modes, and I have not been convinced that we have spent enough time examining the importance of increasing our deployment of submarine systems such as the Trident or even going back a few years to the 16-tube Poseidon missile system, which would allow for a greater dependency on what we know is a very survivable basing mode, while at the same time allowing for a little more time to examine alternatives for a survivable land-based system.

At any rate, I would hope that the Committee on Armed Services, the Navy, the Air Force, and any other organizations that are interested in developing more information will take a look at the desirability of putting more submarines to sea in some of these systems. But as I said, I do not particularly like the idea of the small submarine basing mode.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman from Maine (Mr. EMERY) has made a very thoughtful statement.

I would just like to say that I have a copy of the statement of Capt. John E. Draim, U.S. Navy, retired, given before the Senate Defense and Military Construction Subcommittee last week, and I would like to read one of his conclusory statements. He said this:

> In my opinion, properly planned sea-basing options can result in highly survivable and militarily effective strategic systems which bypass most of the problems presented by the race track land-based mode, and can be actually obtained at a lower cost!

Mr. Chairman, I agree with the gentleman from Maine that we really do not know all the key facts, because we have not completely explored the subject and we have not tried to develop a prototype of a small submarine to carry these missiles. But there is a substantial body of expert opinion, by people who think we can develop it. Certainly, we owe it to the people of the country to simultaneously explore the two or three most promising modes before we lock onto the most expensive and socially and environmentally destructive one.

Mr. EMERY. Mr. Chairman, I think there is considerable merit in the gentleman's statement.

I am not interested in delaying the deployment of any kind of a missile system, whether it is on sea or whether it is on land. I do not believe the gentleman from Illinois (Mr. SIMON) and others who have offered this amendment want to delay the improvement of the Triad. Nor do I.

My only concern is that we may be rushing into a basing mode that may in fact not be the answer to all the problems in question.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I am very much taken with what the gentleman has to say, and it is for that reason that I would like to offer a unanimous-consent request.

The CHAIRMAN. The time of the gentleman from Maine (Mr. EMERY) has expired.

(By unanimous consent, Mr. EMERY was allowed to proceed for 3 additional minutes.)

Mr. PEYSER. Mr. Chairman, will the gentleman yield further?

Mr. EMERY. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I would like at this time to offer a unanimous consent request to modify the Simon amendment by simply adding, where it says, "page 6, line 22," "to be completed by May 1, 1981."

That will in effect address everybody's concern and would, I think, immediately say that if the Simon amendment passes. we at least know that this final report and study will be terminated within 1 year and will not drag on and be carried out further.

Mr. Chairman, I make that request in the form of a unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ICHORD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. EMERY. Mr. Chairman, I would like to have the attention of the chairman of the Subcommittee on Research and Development, if I may. I know the gentleman has been very interested in obtaining the most efficient and the most cost-effective of the various basing modes for improving the Triad, and I wonder if he might shed some light on the various pros and cons of placing a few more strategic missiles at sea, as opposed to in a land-based system.

Would the gentleman reflect on some of the arguments he is familiar with on that subject?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the problem, I would state to the distinguished gentleman from Maine (Mr. EMERY), who is a very valuable member of the Committee on Armed Services, is that the experts have advised the Subcommittee on Research and Development that they cannot guarantee the continued survivability of submarines at sea because of the possible progress that could be made in detection techniques. This is my concern.

I think we have to proceed with all three legs of the Triad. We have pretty well destroyed our airplane leg by rejection of the B-1. All of the experts agree that the land-based leg of the Triad will soon be vulnerable, if it is not vulnerable now.

There is the possibility that if we put all of our eggs into the submarine basket, there would be a technological breakthrough and we would be completely exposed.

I would state, in answer to the distinguished gentleman from Ohio, that the so-called float system has been around for 10 years and has been studied by the Navy. It was rejected by the Navy. All of those systems have been studied.

Mr. EMERY. Mr. Chairman, if I may make an additional comment, I know the gentleman from Missouri (Mr. ICHORD) raises a very important and a correct point.

The CHAIRMAN. The time of the gentleman from Maine (Mr. EMERY) has again expired.

(By unanimous consent, Mr. EMERY was allowed to proceed for 3 additional minutes.)

Mr. EMERY. Mr. Chairman, I do not think we can underestimate the possibility that the Soviets may have some sort of a technological breakthrough that could threaten our submarine force, nor do I think we can reject the possibility that some sort of a detection system may exist to locate exactly which hole the MX missile is in.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, there is that possibility, I would state to the gentleman, but to take care of that contingency, this is one of the reasons why we have gone to this particular system. There is a dash capability so that in the event that they develop that technology, we can move the missile and protect it in that way.

Mr. EMERY. But, Mr. Chairman, at the same time, I suggest to the gentleman, even with the dash capability, you still know to a very accurate degree exactly where the missile is. If we are talking of the linear system, if it is 20 miles long or even if it is 50 miles long, you know precisely that the missile is somewhere along that line.

However, a submarine deployed at sea, even if there is a detection problem, it is not going to be spotted at every single point along its route, any more than the MX racetrack or linear system, and it can still move at a much greater latitude than a missile that is constrained on tracks or in some sort of a tunnel.

□ 1410

Mr. ICHORD. Mr. Chairman, will the gentleman yield further?

Mr. EMERY. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, may I inquire of the gentleman as to whether he is arguing that we should not try to make the land-based leg of the Triad survivable?

Mr. EMERY. No. I agree totally with making the land-based leg of the Triad survivable, and I agree that we ought to maintain a Triad, which means not only supporting and improving the land-based missile system, but also some sort of a strategic bomber.

The point that I am trying to make is that we ought not to deemphasize the potential for maintaining an even greater strategic deterrent at sea. And I just want to underscore the point that we ought to proceed with Trident or maybe some other sort of submarine-launched missile system, which I believe, in my own mind, is going to be more valuable to us in the future than many of the land-based alternatives.

Mr. ICHORD. I think we have to continue consideration of submarines, obviously, of course. We do have them under consideration. We are building now the Trident-1 system, and we have under consideration the Trident-2 system.

Mr. EMERY. And the gentleman supports those and has supported them, I know, in the Research and Development Subcommittee, as I do in Seapower.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the author of the amendment.

Mr. SIMON. Mr. Chairman, I think the gentleman from Maine makes an extremely important point, in that you are not moving from one specific point to another specific point in the case of the submarine.

Second, even with the dash capability, we have submarines that can move faster, at a moment's notice, much more rapidly, that in the case of huge missiles to be moved on land.

I commend the gentleman for his stand.

The CHAIRMAN. The time of the gentleman from Maine (Mr. EMERY) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. EMERY was allowed to proceed for 1 additional minute.)

Mr. EMERY. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, there is one other fact that I do not think has been brought out here that is extremely important. In fact, it was one of the key points in my subcommittee's hearings, so far as I am concerned. That is that until about two-thirds to three-fourths of all of the shelters are built and the missiles deployed, we will not have any real deterrent in the MPS system, because the Russians will have sufficient missiles to wipe out practically all of the system, until practically all of the shelters are built and the MX missiles deployed. It is not like a submarine, where the minute you deploy one with missiles on it, you have a deterrent to that extent. Under the MPS, we will have no improvement in our deterrent until we have almost the whole system in being, which means close to the year 1989.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as I said earlier in the debate, I believe the MX-MPS system is an evolutionary system. First of all, we are talking about four basic components. We are talking about building gravel roads, we are talking about horizontal shelters, we are talking about a missile system which is based on the Minuteman system, and we are talking about a transporter erector launcher. This country has demonstrated that it can build all of these things very, very well.

I might point out that the roads that we are talking about are not paved roads but they are graveled roads.

I like what the gentleman from Maine said about developing our submarine capability, and we are moving ahead with the Trident submarine. But I do not think we want to put all of our missiles in one basket. I think we need to keep moving ahead on the MPS system and on the MX system because there is no question about the vulnerability of the existing Minuteman force.

We have had the Stevens amendment. This Congress demanded that we go out and study all of the other basing options. In my view, they have been studied, frankly, to death.

We are vulnerable. We have a period of strategic vulnerability over the next 6 or 7 years. All we are going to do is make that vulnerability worse if we delay this process. We have to move ahead with the basing mode, we have to move ahead with the missile system in conjunction. We have teams of contractors, we have teams of vendors who are committed to contracts. If we stop that process, it will take a great deal of time to put it back together and it will continue the period of time in which we are vulnerable to a Soviet first strike.

I think that we should be congratulating the Department of Defense for coming up with the linear approach to basing mode because it is going to save us $2 billion that we can use for readiness and all of the other urgent requirements of the Department of Defense.

I also want to point out again that even though we have a sea leg force, we have communications difficulties with our submarines that are significant. I think the best part of our land-based system is that we have better communications with it. It is very reliable.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my colleague's yielding, and I heartily concur with his statement, on the basis of command and control decisions alone, the MX system becomes a vital leg of our deterrent.

The gentleman mentioned other problems that would be imposed by eroding the land-based leg of our Triad and relying on sea-based missiles. Not only is it increasingly obvious that the Soviets have upgraded their antisubmarine warfare capability, but it makes their targeting problems much easier if they only have 200 targets as opposed to the problems posed by 4,600 targets. So, in effect, it really is stabilizing to move forward with MX as opposed to destabilizing, as some have suggested.

A vote for this amendment is in effect a vote for the Dellums amendment of yesterday, that is, it really would kill whatever chances we have of moving forward in an expeditious way toward a survivable land-based missile system as a disincentive and deterrent to Soviet strategic capabilities.

Finally, it is going to cost more money to delay this program, and we would be making a big mistake to go this route at this time, given the studies, given the complexities and given the threat that this Nation faces from the land-based intercontinental ballistic missiles of the Soviet Union.

So I strongly appreciate and concur with my colleague's statement.

Mr. DICKS. I appreciate the remarks of the gentleman from New York.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, the gentleman mentioned something in his statement about this window of vulnerability that we are going to face between 1982 and 1989.

Mr. DICKS. We are facing it right now, in my view.

Mr. MARRIOTT. Maybe it will be heavier in 1982 to 1989. But why has not anything been done there? It seems to me that we are afraid of delaying this 6 months or so because of what might not happen in 10 years, but what are we doing between 1982 and 1989, and is not that a bigger problem than a 6-month delay in terms of looking at alternatives?

Mr. DICKS. As the gentleman knows, we are building the Trident submarine, we are going ahead with the air-launched cruise missile system, we are trying to go ahead with an improvement to our land-based missiles.

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

(By unanimous consent, Mr. DICKS was allowed to proceed for 2 additional minutes.)

Mr. DICKS. We are trying to go ahead with all of those things. But even with that, it is pretty clear to all of us that the Minuteman force is vulnerable, and that is why I believe the MX–MPS system is essential, to remove that vulnerability.

I want to say to the gentleman from New York, as Dr. Perry told us this morning, submarines are vulnerable at sea if detected. You can have a barrage attack of nuclear warheads within a 50-mile circle, and you can destroy a submarine at sea. In my view, after listening to all of the evidence, the vulnerability with the MPS system is much less, because the Soviets cannot detect in which shelter the missile is resting. Therefore, you maintain the Triad and you maintain an invulnerable land-based component.

Mr. KEMP. If the gentleman will yield further, as far as putting all of our eggs in a sea-based basket. I would remind the House that sea-launched missiles do not have the accuracy, and, secondly, there is not the capability of sea-launched missiles to deliver the retaliatory force that the MX would have. I would go further to say that it does not pose the deterrent that we must have to protect and promote the peace and freedom of the United States and the free world.

If we do not correct the ICBM deficiency the Soviets can concentrate their efforts to negate our SLBM and air-breathing forces more easily and sooner, thereby increasing the risk of technological surprise and leading to a dangerous gap in deterrence.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I am not averse to a new land-based missile system. We have got all of these Titan II missiles around Wichita, and some argue they are deteriorating rapidly, to be honest with you and a new missile system may be necessary, But you keep talking about the fact that we have got to move ahead with the MX basing mode. What basing mode? It keeps changing all the time.

Mr. DICKS. The gentleman is not quite accurate in that. We have had an MPS system, a multiple protective shelter system. What they have done is, instead of having a loop, now we are going to have a straight line. Do you know why that is important? Because with all of the concern here about a Soviet buildup of missiles and warheads, a straightline system will allow MPS to be expanded if the Soviets attempt to overwhelm the system.

□ 1420

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope that the Members on the floor of the House and the Members back in their offices watching these proceedings on television pay very close attention to the remarks of the distinguished chairman of the Committee on Armed Services, the gentleman from Illinois. MELVIN PRICE.

The chairman of the Committee on Armed Services has been working with weapons systems, nuclear energy, and nuclear weapons systems for a longer period of time than 90 percent of us have been in Congress. He, I know, has studied the matter of increasing the survivability of the land-based leg of our triad for not 15 years, I would state to the gentleman from New York, but it has actually been 21 years that we have been studying methods of how to protect the land-based leg of our Triad.

I ask the Members of this body to follow his leadership. An opponent of the Simon amendment stated that this is a very important amendment. I agree. I think this is the most important vote on defense that the Members will face this year. Many of the Members of this body have come to a recent rude awakening about the imbalance of military capability that now exists between the United States and the Soviet Union.

Let me recap what has happened in the past several years, not only in this administration but in preceding administrations.

First, we had, I would state, very unfortunate Executive action which weakened the air leg of the Triad. It received the help of the Congress. True, the Executive started and stopped on the B–1 bomber, but after all, it was the Congress who acquiesced in the stopping of the B–1 bomber and thus endangered the air leg of our Triad.

Now, do not come back and tell me, "Yes, but we have the air breathing leg of the Triad, the so-called cruise missiles." The cruise missiles, I think, do have the great probability of becoming a viable weapons system, but Members of the House, the cruise missile is not a proven weapons system. It is not yet in the inventory.

So many times we argue about it. We wonder what has happened to us. We are superior technologically, yes, but we are superior in the laboratory, not out there in the field. This is why so many of us on the Committee on Armed Services are greatly concerned.

Yes; we still have a surivable sea-based leg of the Triad with our Polaris systems and our Trident system soon to come, but technology, my friends, is moving very, very fast; and the experts fear—and I share that fear—that in the perhaps very near future the sea-based leg of the Triad could very well become vulnerable.

Here we are dealing with the third leg of the Triad, the ICBM leg of the Triad.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Even the gentleman from Illinois (Mr. Simon) has conceded that in the very near future this leg of the triad will become very vulnerable. Some of the more pessimistic experts—and I happen to share the opinion of those pessimistic experts—feel that the leg has already become vulnerable.

Now, what will be the impact if this House adopts the Simon amendment? I must agree with the distinguished gentleman from Washington (Mr. Dicks), and I must agree with the conclusion stated by Mr. Bill Perry, the Assistant Secretary of Defense, for Research and Development, and for the acquisition of weapons systems.

This amendment, the Simon amendment, if this body adopts it, will kill the MX program. It will not be the Executive doing it. It will not be the Russians doing it. It will be the Congress of the United States who will have to take credit for not protecting the security interests of the United States. We have marched down the road too often on too many weapon systems and then stopped. We spent about $7 billion on the B–70 and B–1 programs and canceled them. We spent better than $370 million on the surface effect ship and then canceled the program. We developed the neutron bomb and then refused to deploy it. Simply stated, we cannot afford such expensive starts and stops. Is there any wonder that we face great danger in the years ahead?

Now, the gentleman has acknowledged that we have also had 30 studies. I ask the gentlewoman in the well, the gentlewoman from Colorado (Mrs. Schroeder), who will continue the studies. We have had the Air Force study, 30 studies altogether. We had several DOD panels study it. We have had the Defense Science Board study various basing concepts. For Heaven's sake, what other group are we going to have study the alternative basing systems?

Now here is the chart, and I ask for the specific attention of the gentleman from Illinois. Here is the chart showing all the studies on alternate basing systems that have been performed since the year 1959, beginning with the rail mobile system. The color orange represents continuing activity.

The color green represents major activity. There was very, very intensive study of the rail mobile system from 1965 through 1967.

Beginning in 1960, we studied a road mobile system. We studied it up until 1969. We skipped 1970 and 1971. We went back to it in 1972, and in 1973, and 1974, we really took a hard look at the rail mobile system and the off-road mobile system. There was very heavy study activity in 1966, 1967, 1968, and 1969.

Now, there are a lot of misconceptions about the engineering changes that have taken place, particularly the change from the race track to the linear basing concept. There has been no change in the MPS system. We are still dealing with the multiple protective shelter system. Under the multiple protective shelter concept, we started studying horizontal shelters intensively in 1967. We studied them up until the middle of 1974.

Someone mentioned pools. We had intensive pool studies from the year 1973 to the year 1978.

By the way, this represents hundreds of millions of dollars that was spent on these studies.

In 1974, we also had major activity for the trench system. In the latter part of 1974 up to 1977, we had continuing studies of vertical shelters, and then we really put in some intensive study in 1977, 1978, and 1979.

Now, they mentioned the SUM system, the Shallow Underwater Missile system. Here, under general ICBM survivability and miscellaneous activity, there was major activity from all the way in 1959 to the year 1979. I am speaking specifically of the shallow underwater missile concept that has been mentioned.

Now, all of this study has concurred, at least 30 studies and the Simon amendment calls for even more studies. I ask, why study it further, why more than 30 studies?

Now let me turn the overlay on the chart and show you what the Soviet Union has been doing while we have done all this studying.

□ 1430

We built the Titan missile and deployed it in 1960.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent Mr. Ichord was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. In 1962 the Russians came along with the SS7 system. In 1963 they deployed the SS8. In 1964 we deployed Minuteman I. In 1966 the Russians deployed the SS7. In 1967 they deployed the SS9.

We came along in 1968 with the Minuteman III. In 1969 the Russians deployed the SS13. Then came the SS16. Then came the SS19 and then the SS17. Then appeared the big baby, the one that really scares the "you-know-what" out of us, the SS18, capable of carrying up to 30 missiles, and one of the reasons for the SALT treaty to limit it to 10.

Let me tell my colleagues they should get down on their knees and hope and pray that the Russians are nice people, because right out here are four more missiles, much farther along than full scale engineering development where we now find the MX system.

And the Simon amendment says we should continue only our studies. This is why I say again: this is the most important vote on defense that we will cast this year.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. KEMP. I certainly agree with the gentleman, this is a vital vote and one which affects the national security as much as anything this body has done in a number of years.

The gentleman very articulately pointed out what the Soviets have been doing while we have been delaying programs and weapons systems that could have helped close any so-called window of opportunity the Soviets might have somewhere between 1980 and 1985. I have always looked on defense expenditures as insurance, you pray you would not need it, but you don't want to be caught without it.

When the gentleman pointed to the Minuteman III system, incidentally some of us did not think we should have shut down the only production line in the free world of a land-based ICBM, but in 1980 dollars the cost of the Minuteman III was $40 billion. The estimate of the MX according to Harold Brown would be $33 billion over the life of its development and deployment, in 1980 dollars. So let us put this cost issue in perspective and make this debate a little less hyperbolic.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(At the request of Mr. Simon and by unanimous consent, Mr. Ichord was allowed to proceed for 1 additional minute.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman.

Mr. DICKS. Mr. Chairman, is it not true on studies already on this issue we have spent $2 billion?

Mr. ICHORD. I think that is just about right. The gentleman is pretty close.

Mr. DICKS. I think the gentleman's chart absolutely is the final bit of proof necessary, I think, to convince anybody who is reasonable that this has been studied to death.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, first just to respond to the gentleman from Washington, I was advised today by the Pentagon that approximately $225 million has been spent on MX research on the basing mode.

Mr. DICKS. If the gentleman will yield, that is only MX, not all of the other systems.

Mr. SIMON. If the gentleman is talking about all of the studies, then that is different.

There are two points that I would respond briefly to my colleague from Missouri, for whom I have the greatest respect. First, it is inaccurate to say this amendment is to kill the MX missile system. We continue to provide $1 billion.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(At the request of Mr. Simon and by unanimous consent, Mr. Ichord was allowed to proceed for 1 additional minute.)

Mr. SIMON. If the gentleman will continue to yield, we continue to provide $1 billion. Second, when we asked for additional studies, the gentleman's colleagues on the committee pointed out earlier in debate that many of these studies have been very, very shallow. I always remember the studies that were made when we used to have hearings by the Illinois highway engineers. First they would draft a plan as to where the highway ought to go. Then those same people would go out and hold hearings, make studies, and surprisingly, they always came back with the conclusion that what they proposed is a good thing. I think there has been that weakness in this as well.

Mr. ICHORD. Let me state to the gentleman that we cannot afford to stop and start, stop and start, and continue this delay business any longer. The gentleman's amendment will delay the MX system 1 year and will add $800 million to $900 million to the total cost of the program. In escalated dollars it will cost an additional $2 billion.

Mr. MARRIOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of this amendment.

I would like to make the following points, if I could:

First of all, I speak on behalf of the people of Utah who are going to bear the brunt of this program, along with the District of the gentleman from Nevada (Mr. SANTINI).

First of all, my voting record speaks for itself in regard to national defense. I sincerely believe that the No. 1 priority of this country is national defense and I am very much alarmed at the trends of the 1970's.

Second, I favor a new ICBM program to replace Minuteman. I voted for the program. I voted against the Dellums amendment, and I am in favor of moving ahead with the program.

Third, I think we have a dire need for a new deterrent against the Soviet Union. I think the old program of mutual assured destruction or MAD is totally losing credibility, and I think we now need to move ahead toward a program of mutually assured survival.

The fourth point I want to make is this system, regardless of what it is, is designed to be, in my district and I think that makes it closer to home for me than most of my colleagues.

The issue today is not the MX missile; it is not how far we are lagging behind the Soviet Union, which we all are aware of. The issue is where and how this new missile will be deployed.

The amendment I support is a commonsense amendment. Its passage will guarantee the credibility of the program. It will put to rest once and for all the issue in the minds of those who have some concerns.

I have had generals march in my office one after the other for the last 2 weeks, all defense experts, and half of them think this is a terrible system. We do not seem to have any consensus that what we are doing is the best of the alternatives.

Now, if I thought this would cause delay, if I could have the attention of the subcommittee chairman for a minute, it is not my intent as a supporter of this amendment to cause any delay, and if I thought I was helping those who were antidefense people, or those who were unilateral disarmament people, I would back off. But what I sincerely believe is that we need another 4, 5, or 6 months to weigh the alternatives, clear the air, and assure the people of America that we have really got our heads on before we move forward to cast into concrete this particular basing mode.

It is interesting to me that while the committee here says that we have cast the system in concrete, the administration is leading me to believe that is not the case, they are still studying serious options. First of all, we in Utah have a few concerns about the racetrack. Can it survive? How many warheads will the Soviet Union have in the year 1990? If they are going to have the capability of 13,000 or 14,000 warheads, it seems to me we ought to reevaluate the situation.

We were led to believe in the last 6 months that the best system was the racetrack system. Overnight we changed to the linear system. I think it is a better system; there is no question about that. But has it really been studied enough?

Third, and the thing that bothers us in Utah most of all, is this business about split basing. We were led to believe by the administration that we would not have any basing mode shoved down our throats until we had resolved the issue of split basing. Now the committee tells me this thing is cut and dried, and we are going to go in Utah and Nevada. They say Texas might be an option, New Mexico is out, California is out, Wyoming is out, Montana is out, but we are going to put together the basing mode without any concern for our interests in split basing.

☐ 1440

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. I think there was a misunderstanding. I heard no member of the committee tell the gentleman from Utah that Utah and Nevada had been settled upon. There is still the possibility that this could be partially located in west Texas. It could also be partially located in Arizona and in New Mexico.

Mr. MARRIOTT. It is my understanding from information I have from the administration that every option is out except the possibility of west Texas.

Mr. ICHORD. I think the gentleman is misadvised.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MARRIOTT was allowed to proceed for 5 additional minutes.)

Mr. MARRIOTT. To continue on, then, our main concern here is, why are we going ahead with the system without the split-basing mode resolved? There is a fourth option that we are concerned about. We are getting a lot of feedback on this. The fourth option is, has a study been taken in terms of modifying and upgrading the present Minuteman and Titan system to replace those? Have any studies been taken about for a new active defense system and new early warning system? And have we ruled out the option of launching under attack? It seems to me when all the smoke clears, maybe we ought to restudy that scenario.

As far as the submarines go, I am not convinced that is a viable alternative, I am also not sure that complete studies have been done either. There are other aspects of the racetrack or linear system that also concern us.

No. 1, what about the economic and social impact of the program on the States affected? What about the environmental impact? We have seen the written plan that we have been promised that would spell out the impact to Utah and Nevada and then show us what the solutions are to deal with that impact. Also, it seems to us that we really have not addressed the strategic window issue at all.

Mr. SKELTON. Will the gentleman yield at that point?

Mr. MARRIOTT. I will be delighted to yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding. I have been listening to the gentleman's comments. Let me ask the gentleman this: Would the fact that the split-basing-mode problem that he mentioned be solved cure his objection to the MX system in Utah?

Mr. MARRIOTT. I do not totally object to the MX system in Utah.

Mr. SKELTON. All right.

Mr. MARRIOTT. But I would say this, if we could be convinced that the linear system now was not just a window dressing for the racetrack old MX—which is being opposed in Utah 3 to 1 right now in terms of the constituents—and if we could believe that split basing was in fact an option, a real viable option, and the study is not going to be out on that until July or August, I think we would be more happy to accept part of this program.

Mr. SKELTON. The gentleman's objection is not to placing ICBM's in Utah; is that correct?

Mr. MARRIOTT. No.

Mr. SKELTON. All right. I would like to mention along that same line that in my district I have 150 Minutemen with two ICBM's in it. When they went in, there was no environmental impact statement. The only problem was how much should the farmer be paid for his land. Incidentally, this is some of the finest land in America, and you hardly notice the silos now. The only time missiles are ever mentioned is probably when SKELTON mentions them talking about civil defense. But they are accepted. There is no objection to their being there because they are part of the landscape. They are part of the physical being. I certainly hope that the gentleman is not opposing this because it happens to be in his district.

Mr. MARRIOTT. I think the State of Utah probably does more for national defense than any State I could possibly think of. Also we are going to be called upon to handle the energy problems. We have the oil shale, the tar sands, the coal, and all the rest. You are putting MX on top of all of that. We are bearing a big portion of the Nation's security system in our State on the part of this already and will do more, so we do not oppose it; we just do not think we have been fairly dealt with by the administration. We think we have been hoodwinked. We do not think enough information has come forth. All we are asking is why do you not give us some facts and level with us before you cast this thing in concrete?

Mr. SKELTON. I might say this in response to the gentleman, that the gentleman's State has had far more information and far more studies than my State in the middle 1960's had when the 150 Minutemen were put in there, and in comparison he has had much more information than the farmers and the small-town folks in rural Missouri when the Minuteman program was put in. So he is far ahead of the Missourians at this point before one missile was ever sunk into the ground.

Mr. MARRIOTT. I would disagree with that. The gentleman is talking about 150 missile sites; we are talking about 4,500 missile sites.

Mr. SKELTON. The gentleman is talking about 200 missiles, though.

Mr. MARRIOTT. Yes, but 4,500 missile sites.

Mr. SKELTON. In all deference to the gentleman, he does not have the finest farm land in America in that area which we have in western Missouri.

Mr. MARRIOTT. No, but we do have a lot of mineral deposits and a lot of other things that are important to our national security.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MARRIOTT was allowed to proceed for 2 additional minutes.)

Mr. MARRIOTT. What we are saying is that if the longrun and shortrun benefits of this system are best for the country, if it is a deterrent, if it is survivable, if we have the information, we are with the committee 100 percent. But I ask my colleagues, whether they are hawks or doves, or pronuclear or antinuclear, or Republicans or Democrats, or liberals or conservatives, to at least consider a pause for 4 or 5 months. I do not buy the idea that we are going to kill the program. If it will not stand the scrutiny, maybe it ought to be killed anyway. But my point is if in fact we pause for a few months to get our bearings on this, to get more answers to vital questions, why can we not come back with a supplemental and move ahead? That is all I am asking. I am not trying to kill the program. I support defense. I support the MX. I think, though, that the basing mode needs a little more study.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. The Public Lands Subcommittee has done something that the Committee on Armed Services unfortunately did not do. We held field hearings in Nevada and Utah, and when you go out in the field, you find out a lot of things that are very interesting. For example, one of the things we found out is that in Utah where they plan to put some of these drag strip racetrack sites, the Shoshone Indians claim to own that land under a treaty with the United States and have a lawsuit already pending asserting those claims. Nobody has the faintest idea what it is going to cost the U.S. taxpayers if it turns out that in fact they do own that land. That is just one of the myriads of environmental, social, and other aspects of this that neither the Department of Defense nor the Committee on Armed Services have explored. So the gentleman makes an absolutely valid point. We ought to at least know what we are doing before we make this final decision.

Mr. MARRIOTT. I thank the gentleman.

Mr. McKAY. Mr. Chairman, I move to strike the last word, and I rise to oppose the amendment.

Several days ago I joined my fellow Congressman from Utah, DAN MARRIOTT, in a resolution which called on the administration to satisfy congressional concerns about the proposed MX basing mode. Our intention was to assure that this country ended up with the best possible strategic defense and at the same time to protect the interests of States which would be impacted by the system.

I endorse those principles and I am and have been working to see that they are ultimately embodied in appropriate legislation. The amendment we are presently considering, however, is not appropriate. At best it is a misguided strategy for implementing the good intentions of a few of its proponents. At worst it is but another assault on this country's efforts to construct an adequate defense for itself.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I will be glad to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding. I would like to commend the gentleman on his statement and particularly his reference to this amendment as undermining our ability to develop an adequate and appropriate defense system. I recently heard a Soviet representative to an international conference talk about this very debate, the one that is going on here in the House of Representatives today. He said to a group of Europeans:

> You people are crazy. You are letting yourselves become a nuclear launching pad for the United States by accepting theater nuclear-force weapons, while some people in Nevada and Utah and the Southwestern United States will not take part and play that role.

We are talking about developing a strategic nuclear response to a Soviet threat—Soviets who have demonstrated the willingness to use force where necessary. I suggest to you that the courageous position taken by my colleague, the gentleman from Utah (Mr. McKAY), is the correct one and I commend him for it.

□ 1450

Mr. McKAY. I thank the gentleman very much.

Mr. Chairman, I might say that the amendment aims at opposing not only the MX basing scheme but the missile itself, and a strong defense posture for our country. I will have no part of it and I urge my colleagues to reject identification with it.

The coalition dedicated to this amendment is the wrong coalition. It is an assortment of various ideologies which includes groups whose primary goal has been to defeat every major defense program that has come down the pike from day one.

Mr. Chairman, the present international climate is too uncertain. The ambitions and the tactics of the Soviets are too obvious and our own vulnerability is too apparent for us to long delay.

Now, the proponents of the amendment have covered their trail. They innocently urge that $1 billion is preserved to develop the missiles. But this is nothing more than a camouflage for the ludicrous notion that Congress can pour huge sums into a new weapon system without developing a means to use it. Missiles, no matter how new and sophisticated will not deter the Soviets if they are sitting on a shelf. If a need for a missile is urgent, and almost all of us agree that that is so, surely the need for a system to launch it is urgent as well. Otherwise, we may end up with bullets and no guns.

I have no more to gain from the advance of the MX than any other American. If anything I have more to lose. If MX is deployed, my own State will in all likelihood be one of the most seriously affected. Many of my immediate friends and neighbors will have to make the adjustments necessary to accommodate the portion of the system which ends up in the State of Utah. We are not unaccustomed to that. When World War II hit there were several military bases that were dropped on us. We presently have the development of several of the missile systems within the State at the present time. No one has been more concerned about nor taken more steps to protect their interests than have I, and will continue to do as chairman of the Military Construction Appropriations Subcommittee. We have heard testimony after testimony and the evidence is loud, but I will not take steps which may jeopardize the national security to avoid convenience to self, nor will I intentionally cause unnecessary delays now to avoid making a tough decision.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McKAY was allowed to proceed for 5 additional minutes.)

Mr. McKAY. Some proponents of the amendment argue if we study this thing for 6 months more we may come up with magic answers. Well, 6 months will almost get us past November and we could study it. We could study it to death, and that is what some people want.

Mr. Chairman, I suggest that any corporation at some point has designers and technicians who say, "Well, if you can just give me a little more time I can study this again and come up with a new system, with a new automobile."

Every year the president of that company has to say, "I have no time for additional studies. I have to put a product on the market today, or in October," so the money factor and time factor play on it until you have to make a decision of some kind. You cannot play it out forever and we are at that point with MX.

Now, let me say, Mr. Chairman, that the MX is not a perfect system. I do not think we will ever have the perfect system. That is why we move from Bomarc to Titan to Minuteman and now to MX. They buy us time until the next one comes along. Our own scientists are in laboratories at present working on new improvements and ideas. We have to buy that time and not leave ourselves subject to blackmail. MX is not immune from changes and improvements which are part of normal evolution and design, anymore than the Space Shuttle has been. For the Space Shuttle we built a launching system at Vandenberg Air Force Base a few years ago. When NASA was developing that system we had to tear part of it down and start over because it was necessary to accommodate the thrust augmentation that had to come for the military mission that the military finally had to have. We can expect there will be some modification of these things at times. That is part of it. Every system we have had has had some minor modifications.

As often happens, Mr. Chairman, people have become so infatuated with finding flaws that they can do little else. In advancing their own programs and interests, they find satisfaction in tearing everyone else's down. I remember standing in this House one day when Mike McCormack was in here defending nuclear energy. We were quoting Dr. X and Dr. Y as being against it. Mike stood here in the well and said, "I would like to go through these doctors." One was a doctor of philosophy, one was a doctor of English, one was a doctor of something else. They had gathered articles and they were selling the articles for profit. It had nothing to do with whether it was good or bad. We had some of that going on in this case.

I have heard MX criticized because it is too large, because it is too expensive, because it is too complicated. I even heard some argue that it is too effective, that it will cause the Soviet Union too much worry and concern. Good. It is large, it is expensive, and it is complicated, but it may come as news to some that whatever program we choose to use to correct the trends toward the dangers of Soviet strategic superiority, we will have all those so-called flaws. It is impossible to escape them.

Mr. Chairman, it might come as a shock to some that testimony before our committee indicated that if you put the cost of the Minuteman in the same year dollars that you put Minuteman, that MX will likely cost $10 billion less in equivalence. So we are talking about different things around here.

No one ever argued that MX was best because it was perfect. It is simply superior to alternatives at this point in time, including the sum so many seem to be taken up with these days. We can opt for one of the alternatives. Perhaps we can do so at less economic or social or political expense. But we would be settling for an inferior solution at this time in history.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McKay was allowed to proceed for 2 additional minutes.)

Mr. McKAY. We have had studies. Over 35 studies. The evidence has been presented to our committee. We have come to this conclusion that we must move. Like the budget resolution there is always another solution, there is always another time and you cannot postpone forever.

As chairman of that committee, I have worked and I will work to see that all interests are protected as much as is possible and still maintain the national defense.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to congratulate the gentleman from Utah for what I consider not only a very accurate statement but also a very courageous statement considering the difficulties the gentleman faces in his own State. I can say no one has worked harder in the House, trying to deal with the problems of the impact of this program on the States and the gentleman in the well.

Mr. Chairman, as chairman of the Military Construction Subcommittee of the Committee on Appropriations the gentleman has done a superb job in trying to handle the problems of local community impact.

Mr. McKAY. Mr. Chairman, the gentleman also knows that we tried to do the same thing when the Trident missile hit the gentleman's State and the problems that faced them about impact and we intend to do that with any other State in this country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McKay was allowed to proceed for 1 additional minute.)

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Washington, commending my chairman of the Military Construction Subcommittee of the Committee on Appropriations.

Mr. Chairman, I know how long and hard the gentleman from Utah has wrestled with this question./I am privileged, Mr. Chairman, to sit next to the gentleman in that subcommittee. I know the hours we have spent on this subject. I know something, too, Mr. Chairman, of the feelings and concerns in the gentleman's own State of Utah, that central valley where it is proposed to deploy this system.

□ 1500

I want to say to my chairman that never have I admired him more than I do at this moment, when he has courageously and forthrightly set forth his views. Yes, he has concern, of course, for his area, as all of us have concerns when in our areas we have complex missile systems, and of necessity make, we must say so, target areas in our own districts; I too share that with my chairman from the State of Utah, having a SAC base in my own district.

I simply want again to say that I admire my chairman for what I think was an excellent, forthright statement on this subject.

Mr. McKAY. Mr. Chairman, I ask my colleagues to vote for the authorization and to defeat this amendment. We must act, not simply stall. Accepting this amendment would jeopardize our national security and it will certainly erode the confidence our allies and fellow citizens have in our ability to respond decisively to even the most serious problems this country faces.

As chairman of the Military Construction Subcommittee of the Committee on Appropriations, it is my intent to see that every item is taken care of for the protection of the citizens who must bear this burden regardless of the State it is in.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the "biggest project in the history of mankind," is the description some of our good friends from Air Force and Department of Defense have given to this proposed missile system. Given the magnitude of the system and the expectation of cost, it seems to me extraordinarily appropriate that if this legislative body ever devoted itself energetically to its constitutional responsibility to examine need for a defense system and best expenditure of our tax dollars, this is certainly the time.

Obviously, as the Representative from the State of Nevada, where 65 percent of the system will be located, I feel acutely tuned in to the questions and concerns that others have raised. But, it seems to me that it does little to enhance the virtues of the question-and-answer exchanges and the sincere expressions coming from all perspectives of this issue, to suggest that anyone having the audacity to question the veracity of the figure assertions somehow is engaged in intimate communications with Communists in the hallway, or are out to undermine and destroy the capacity of this Nation to defend itself. I think those snide allusions are too defensive. Such tactics subtract from a prior consideration of the fundamental questions related to the missile system.

No. 1, is it appropriate to support this type of missile defense system? After many hours of debate and discussion, I have come down on the side that it is appropriate to support this system.

But, I think there are two other fundamental questions that deserve earnest consideration. These questions should be segregated.

Question No. 2: Is it the proper basing mode?

Question No. 3: Should the basing be split?

Now, I know that I am compelled in part by the reality, that with all the good and noble defenders of both country, Constitution, and flag that serve in this body, if I do not get out and defend Nevada, nobody else is going to assume that responsibility in this House. I recognize there are larger national commitments here as well.

Are there reasons to be dubious or skeptical? Are there reasons to support the Simon amendment? I think there are, and I think they are compelling, and in the abstract, logical system of evaluation they would be supported.

Let me share some of those questions with the Members. Congress was recently told some weeks ago that the racetrack system—some of you fellow Members of the House will recall an amendment I postulated in the fall suggesting split basing—at that time I was told—I was told that the racetrack system is the only way we save our Nation and its people. Without that system, our Nation would be brought to its knees. I was surprised 2 weeks ago with a newspaper headline, "Racetrack System Is Dead." Later, I find that we have a "linear system."

Well, it is in reality a drag strip system and we replaced a racetrack with drag strip. Now, we have 60 or 70 or 80 miles of roadway across 20 to 30 valleys in the State of Nevada, inducing, I can envision, enthusiastic drag strippers from southern California coming up on the weekends to drag race across the middle of our State.

But empathize for a moment with me. Would you feel if you were in my shoes and representing my congressional district, that you derive a great deal of security and confidence, that the Department of Defense and the U.S. Air Force has all the missile facts and figures and knows what direction we are moving in when you realize that today we have drag strip when 2 weeks before we had the racetrack? Some time ago we were looking at a vertical system. That was the primary system under consideration. Then we considered the trench system. That was the preferred launching mode. Next came racetrack and the drag strip.

Little wonder most Utahans and Nevadans are skeptical about what is going to happen. When it comes to national defense commitments, I do not think that Nevadans and Utahans have to take a back seat to any State or region of this country.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

(By unanimous consent Mr. SANTINI was allowed to proceed for 5 additional minutes.)

Mr. SANTINI. Is there reason for Nevadans to have questions and concerns? Let us examine the recent history of the cost estimates for this missile system, in 1979—who can forget—in 1979 the cost estimate was $30 billion. Four months later, it was $33 billion. Then the General Accounting Office says on February 29, 1980, that with an inflation adjustment, the cost is at least $56 billion. The DOD acknowledged in last month's House appropriations hearing that the cost with inflation is $52 billion.

Finally, last week we are told that with the new drag strip system will save $2 billion of $50 billion. Stay tuned for the next exciting installment.

Now, maybe the Comptroller General's team are notorious fellow travelers who are committeed to undermining the defense of our Nation. Or, maybe they are conscientious fact-and-figure gatherers who have some very basic reservations about the fact and figure accuracy of the MX missile proposal. Now we in Nevada and Utah certainly have a solid premise for confidence and commitment that all the facts and figures are well founded and our Nation really knows what we are doing and where we are going. And certainly nobody should dare raise possible questions about the validity of the facts or accuracy of the information on which we are proceeding.

I think the Simon amendment deserves support, and I think the Comptroller General's language is probably a very effective basis on which the Simon amendment should be given that support. The General Accounting Office, and I quote:

> Recognizes that as the development of the MX progresses, many uncertainties will be resolved. This does not, however, prevent the need at the very beginning of full-scale development for a complete disclosure of program uncertainties—

To interject how dare they so state? How dare they suggest that there are uncertainties in this program? I quote:

> Of program uncertainties and the potential impact on cost, schedule, and performance goals. (See pages 29 and 30.)

To further cite the fellow travelers from the Comptroller General's Office:

> Assure that the high cost of the MX system is adequately analyzed in the context of the overall DOD budget to determine if it is affordable and whether any other major weapons system programs would have to be terminated or delayed.

I believe these GAO conclusions represent the essence of the Simon amendment. I believe that the conclusion contained in the GAO report compel adoption of the Simon amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must say, after the gentleman who preceded me in the well, who spoke with such eloquence and feeling, I was hesitant to speak.

I would like to say to the chairman of the Armed Services Committee, whom I hold in a very high respect, that it is very seldom that I have ever taken the floor in opposition to the Armed Services Committee.

□ 1510

Incidentally, I voted for the B-1 bomber. I have supported defense programs in the past very actively.

I came to the floor today unconvinced as to which way I should be going, dealing with the Simon amendment. I truly did not know what the implications of it were or what the total picture would be if the Simon amendment passed.

It seems to me, on listening to this debate, that we either are in the role of absolutely going ahead and committing ourselves to the now new system of the linear based program or we are going nowhere, because it has been said that if we do not take the program that is now being advanced by the Department of Defense, we are killing the MX system. On listening to the debate, I am not convinced of that. I am not convinced that some Member like myself who has supported the MX system and voted for the MX system is taking an action that will kill the MX system by supporting the gentleman from Illinois (Mr. SIMON) on his amendment.

What I have heard in the debate are serious questions raised as to the validity of the present plan of the Department of Defense.

Mr. Chairman, I asked unanimous consent before to simply tie into the Simon amendment a date period, and that modification would have said that no later than May 1, 1981, would we again have to act on this situation.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Chairman, I wish to speak to the gentleman's reference to the earlier contention that to support this amendment will kill the missile system.

I do not think that support of this amendment has anything remotely to do with killing the system. This conclusion is supported with the basic evidence that in the fall of last year 87 U.S. Senators said in substance exactly what the Simon amendment says. That number included Senators who are not notorious hawks and notorious doves. Those Senators did not kill the system in the fall of last year because they compelled the examination of alternative basing mode. They did not kill the system any more than we would by compelling more examination of the facts as we can through the Simon amendment.

Mr. Chairman, I would hope that no Member of this House would be influenced by those kinds of gross overstatements, because I think it mischaracterizes the consequences of the amendment. It is an exaggeration in the context of the action of the U.S. Senate.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for his comment.

Mr. Chairman, I would simply like to go on to say that with regard to the American public who are deeply concerned on this issue as well, I think they are committed to the fact that we must move ahead in the missile race, if you will, to maintain our equality and, hopefully, our superiority. But I do not think they are convinced, based on what has been happening over the last 6 months and on the reports of the Department of Defense on this situation, that we are now ready to make this major commitment when it does not have to be made today.

Mr. Chairman, that is what I have come out with in this debate on the floor. The commitment does not have to be made today, and it will not affect the MX missile at all.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I would just like to clear up one point as to the remarks made by the gentleman from Nevada (Mr. SANTINI) in referring to the action on the Simon amendment and comparing it to the past Senate action.

There is one big difference. In the Senate action taken by those "hawks" and "doves," they did not remove any of the funding level nor did they preclude the Department of Defense from continuing onstream as to developing a system. The Senate action had nothing to do with the money. The Simon amendment is removing a great deal of money for the purpose of further refinement of the MX delivery system.

Mr. PEYSER. Mr. Chairman, I thank the gentleman.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Chairman, this $500 million or half-a-billion-dollar amendment does in substance, I would assert, exactly what the Senate did. They appropriated more money to study the alternative basing mode.

We are improving this legislative vehicle by saying we should study alternative basing modes but withdraw the funding for proceeding forward with the drag strip system that was just dreamed up 2 weeks ago. At least it was announced 2 weeks ago, and it was not general public knowledge until 2 weeks ago.

Mr. Chairman, that seems to me to be a more reasonable way to proceed than to simply sign off and say, "Here we are with our modified basing mode. Let's go forward."

Mr. PEYSER. Mr. Chairman, I thank the gentleman from Nevada (Mr. Santini).

Mr. Chairman, there is one more comment I would like to make. It was in 1974—and it happened then that the gentleman sitting in the chair of the House right now was sitting here—that we were about to "kill" NATO. There was a very strong move in this House, and in fact the leadership felt that we were suddenly going to vote to cut the funds drastically in the NATO program. It was at this point that I offered an amendment on the floor of the House, and I said, "Let's go for one year, and let's study what the implications of cutting NATO forces would be, and then we can let the House act."

The House voted and overwhelmingly passed my amendment at that time, and I think that nobody regrets today having passed that amendment, letting NATO continue and be strengthened instead of being killed.

The CHAIRMAN. The time of the gentleman from New York (Mr. Peyser) has again expired.

(By unanimous consent, Mr. Peyser was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, all I am suggesting is that today, if the unanimous-consent request that I had made previously would be accepted, the modification which would limit to May 1, 1981, this effort on the Simon amendment, we could again accomplish that objective I do not believe that I can offer that unanimous-consent request again under the rules, but if I have to, I will offer it as an amendment at the proper time.

It is too bad that we cannot do that, and in lieu of that, this Simon amendment must be passed right now in the first vote in its present form to give the American public and to give our Defense Department the opportunity of doing what is right.

Mr. LUJAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Simon amendment. I must say, first of all, that I did not vote for the Dellums amendment yesterday because I felt that we ought to continue the development of the MX missile. It is the basing mode that I think we ought to oppose.

When I first heard about this quite some time ago, I really could not believe that this country was offering such a system, and that it would be seriously considered. I thought back to the times when we used to go to the carnival and there used to be a pea under a shell; then somebody would move the three shells around, and you had to see if you could find that pea under one of those shells.

With the electronic systems that we have today, I am sure that someone could devise a way that you could always find where that "pea" was.

I really was surprised at this. I never thought we would ever seriously consider it. There is proof today that not enough consideration has been given to this system anyway. With all the changes that we have seen to date, as late as 2 weeks ago, the whole system was changed again from a racetrack to a drag strip, so I just believe that we will see some more changes as we go along.

Mr. Chairman, if we go ahead and start putting a half billion dollars into this project, today it is not going to fly anyway.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield at this point for just 1 minute?

Mr. LUJAN. I yield to the gentleman from Iowa.

Mr. GLICKMAN. Mr. Chairman, I think the gentleman from New Mexico (Mr. Lujan) is making a very excellent point. The commonsense of the American people is beginning to tell them that the MX system just might be a boondoggle. Primarily, it is because of the basing system, the basing mode. Something in the commonsense of Americans is telling them that the facts and figures coming out of the Pentagon regarding how the MX system is deployed may not be very credible.

What concerns me is that I believe we do need a new missile system to replace the aging Titans and Minutemen. But if the American people perceive the MX system to be an absurd missile system, that missile will never be deployed in any capacity, even if the Simon amendment loses today.

So, Mr. Chairman, I think to give the MX system some degree of credibility and restore some commonsense to the nature of the program, the Simon amendment ought to be adopted. Otherwise, public support of the program will continue to deteriorate, with good justification.

Mr. LUJAN. Mr. Chairman, I think it should be, and I thank the gentleman for his comments.

If that was my first impression when I heard about it, it is probably the impression of most everybody in this country.

Let me make just one other point. It has been intimated here that those of us from the Western States do not like this basing mode because it would end up in one of the Western States.

☐ 1520

Now, that could not be any further from the truth. All of the Members from those States who have spoken, myself included, welcome any kind of a system that would be to increase the security of this Nation. We are not selfish in that respect. We think we have an obligation to go along for the national security of this country.

But when it is such an obviously deficient system, we cannot just lay back and say, "Well, go ahead and do it because the military wants to do it." Whether people want to admit it or not, there are alternatives. We can look at submarines, we can look at airplanes. We can put three of these in every congressional district and put some bushes over them and hide them so that the Russians would not know where they were, and it probably would be just as effective as this system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Simon) to the committee amendment.

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SIMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 152, noes 250, not voting 30, as follows:

[Roll No. 237]

AYES—152

Abdnor
Addabbo
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bingham
Boland
Bonior
Bonker
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Coughlin
Daschle
Dellums
Derwinski
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Fenwick
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Gephardt
Glickman
Goldwater
Goodling
Grassley
Gray
Green
Hall, Ohio
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Horton
Hughes
Jacobs
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Leach, Iowa
Lehman
Leland
Long, Md.
Lowry
Lujan
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Paul
Pease
Peyser
Porter
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Roe
Rosenthal
Roybal
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Spellman
St Germain
Stack
Stark
Stokes
Studds
Swift
Synar
Thompson
Ullman
Vanik
Vento
Walgren
Waxman
Weiss
Williams, Mont.
Wirth
Yates
Yatron
Young, Mo.

NOES—250

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Bouquard
Bowen
Brademas
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Conable
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Flippo
Foley
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hefner
Heftel
Hillis
Holland
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Martin
Michel
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Oakar
Pashayan
Patten
Patterson
Pepper
Perkins
Petri
Pickle
Preyer
Price
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rostenkowski
Roth
Rousselot
Royer
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stump
Symms
Tauke
Taylor
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—30

Anderson, Ill.
Bolling
Boner
Breaux
Cavanaugh
Cleveland
Coleman
Conte
Diggs
Garcia
Giaimo
Hightower
Hinson
Howard
Lee
Lent
Mathis
Mica
Rodino
Rose
Rudd
Solarz
Steed
Stratton
Thomas
Udall
Van Deerlin
Weaver
Wolpe
Wydler

☐ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Breaux against.
Mr. Wolpe for, with Mr. Stratton against.
Mr. Diggs for, with Mr. Solarz against.
Mr. Garcia for, with Mr. Steed against.

Mr. DANIEL B. CRANE and Mr. FOLEY changed their votes from "aye" to "no."

Mr. BINGHAM changed his vote from "no" to "aye."

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WRIGHT AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. WRIGHT. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

☐ 1540

The Clerk read as follows:

Amendment offered by Mr. WRIGHT as a substitute for the committee amendment: Page 6, line 19, strike out "$7,144,800,000" and insert in lieu thereof "$7,115,654,000".

Mr. WRIGHT. Mr. Chairman, the purpose of this amendment is to add $10 million in research and development funds to initiate useful modifications to our entire series of F–111 aircraft. Some such modifications are needed to expand the lifetime of these excellent aircraft and promote and protect the investment we already have made in them. Others could expand the useful roles of these splendid weapons systems.

With these funds the Department of Defense will investigate new avionics subsystems, propulsion systems, and airframe improvements that will be beneficial not only to the United States and to our fleet of F–111's, but also to those that have been procured by our allies.

The need for this particular modification amendment was brought to my attention by the gentleman from Missouri (Mr. ICHORD), who recently led a delegation to the Pacific area of the world to investigate the readiness of U.S. forces and to discuss with our allies our mutual needs in maintaining a high level of readiness.

The Australians advised Mr. ICHORD of their urgent requirement to upgrade the F–111 fleet in order to continue to support any contingencies that might arise in that region of the world. This is the main weapons system upon which we and our allies depend in the Southwest Pacific. The Australians were extremely concerned over an apparent recent decision to cancel the F–111 avionics improvement program.

Mr. Chairman, I anticipate that our F–111 series of aircraft will remain in the active inventory for many years to come. It is imperative that we make whatever modifications are necessary to insure their combat capability and the safety of the young men who fly them since the F–111 is the most modern and most versatile weapons system that we have in our strategic and tactical arsenals.

I am advised that there is no objection from the committee to this amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I would state the ranking minority member of the R. & D. Subcommittee was not able to make that trip, but the ranking member of the full committee (Mr. BOB WILSON) was on that trip. The gentleman is correct. The Australians did complain and, as the gentleman states, I think that complaint is well founded.

I do wholeheartedly agree with the distinguished majority leader in the need to prolong the life of the F–111 aircraft. The gentleman from Michigan (Mr. CARR) earlier in the debate and in debate yesterday expressed his concern over the apparent neglect of the administration and the Congress to insure that the hardware that we have out there in the field is operational and ready. This is one occasion I find myself in agreement with the gentleman from Michigan (Mr. CARR). We should do all that we can to make the F–111 ready and able.

So I would concur in the amendment of the gentleman and accept, as far as I personally am concerned, the amendment of the gentleman.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I am familiar in a general manner and general way of speaking with the subject matter. As a matter of fact, I just toured the General Dynamics facility 2 weeks ago and discussed the F–111, the FB–111, and any number of subjects dealing with that general airplane.

As I understand the agreement, when we sold the 24 F–111's to the Australians, it was part of the package that we would continue the R. & D. We have a great number of F–111's. It would not be feasible in the least for the Australians to do the total R. & D. package and the update for just the ones that they have bought. We agreed to do this. We had money in last year to do it. This money, for some reason, was eliminated.

This is really just in keeping with an agreement. It is not earmarked for the planes sold to Australia, but would inure to the benefit of the entire F–111 fleet. I think it is a proper thing to do. I think we need to do it.

Speaking for myself, I certainly would be glad to accept the amendment.

Mr. PRICE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, on behalf of the committee I will accept the amendment and take it to conference.

● Mr. SYMMS. Mr. Chairman, I wish to commend the gentleman from Texas (Mr. WRIGHT) for offering his amendment to the Department of Defense Authorization Act of 1981 to provide an additional $10 million for research and development on the avionics of the F–111A aircraft to lengthen the useful lifetime of this system. I am in full support of this amendment, as there is a great need for modifications on this aircraft and these additional funds will be used for a study to determine the most effective way to improve the avionics on this aircraft.

The F–111A is stationed in my home State of Idaho at the Mountain Home

Air Force Base, and I am extremely proud of the 366th Tactical Fighter Wing of the Air Force and its commander Col. Von Christianson. Colonel Christianson, from Downey, Idaho, is a true war hero from the Vietnam era. I am pleased that we are providing the Air Force with this additional funding, and I thank the gentleman from Texas for offering this important amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT) as a substitute for the committee amendment.

The amendment offered as a substitute for the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 23, strike out "$1,314,802,000" and insert in lieu thereof "$1,328,802,000".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will designate title III.

Title III reads as follows:

TITLE III—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 301. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1981, as follows:

(1) The Army, 775,800.
(2) The Navy, 537,456.
(3) The Marine Corps, 185,200.
(4) The Air Force, 564,500.

The CHAIRMAN. Are there any amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

TITLE IV—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS

SEC. 401. (a) For fiscal year 1981, the Selected Reserve of the reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 371,300.
(2) The Army Reserve, 204,500.
(3) The Naval Reserve, 87,400.
(4) The Marine Corps Reserve, 33,700.
(5) The Air National Guard of the United States, 94,300.
(6) The Air Force Reserve, 58,800.
(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths prescribed in subsection (a), the reserve components of the Armed Forces are authorized, as of September 30, 1981, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 10,159.
(2) The Army Reserve, 5,400.
(3) The Naval Reserve, 208.
(4) The Marine Corps Reserve, 67.
(5) The Air National Guard of the United States, 3,207.
(6) The Air Force Reserve, 698.

(c) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty having any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

EXTENSION OF RESERVE RECRUITMENT INCENTIVES

SEC. 402. (a) Section 2135 of title 10, United States Code, relating to the educational assistance program for enlisted Reserves, is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1985".

(b) Section 308b(g) of title 37, United States Code, relating to reenlistment bonuses for members of the Selected Reserve, is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1985".

(c) Section 308c(f) of title 37, United States Code, relating to bonuses for enlistment in the Selected Reserve, is amended by striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1985".

The CHAIRMAN. Are there any amendments to title IV?

If not, the Clerk will designate title V.

Title V reads as follows:

TITLE V—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTH

SEC. 501. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1981, of 727,800.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established under section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

(e) (1) If any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1981 in the Budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) to the extent necessary to continue the performance of such functions by Department of Defense personnel, but the total number of additional civilian personnel authorized to be employed under this subsection may not exceed 9,000.

(2) The authority of the Secretary of Defense under this subsection to authorize the employment of civilian personnel in excess of the number authorized by subsection (a) is in addition to the authority of the Secretary under subsection (d).

INCREASE IN NUMBER BY WHICH AUTHORIZED CIVILIAN PERSONNEL END STRENGTH FOR FISCAL YEAR 1980 MAY BE INCREASED

SEC. 502. Section 501(d) of the Department of Defense Authorization Act, 1980 (Public Law 96–107; 93 Stat. 809), is amended by striking out "1¼ percent" and inserting in lieu thereof "2 percent".

EXCLUSION OF PERSONNEL IN INDUSTRIALLY-FUNDED ACTIVITIES FROM CIVILIAN END STRENGTH

SEC. 503. Civilian personnel employed in industrially-funded activities of the Department of Defense shall not be counted against the strength for civilian personnel for fiscal year 1981 prescribed in section 501(a).

The CHAIRMAN. Are there any amendments to title V?

If not, the Clerk will designate title VI.

Title VI reads as follows:

TITLE VI—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1981, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 72,018.
(2) The Navy, 64,545.
(3) The Marine Corps, 21,393.
(4) The Air Force, 46,238.
(5) The Army National Guard of the United States, 14,016.
(6) The Army Reserve, 9,348.
(7) The Naval Reserve, 953.
(8) The Marine Corps Reserve, 3,144.
(9) The Air National Guard of the United States, 1,930.
(10) The Air Force Reserve, 1,139.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1981 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

The CHAIRMAN. Are there any amendments to title VI?

If not, the Clerk will designate title VII.

Title VII reads as follows:

TITLE VII—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is hereby authorized to be appropriated for fiscal year 1981 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $167,000,000.

AUTHORIZATION TO ACQUIRE CERTAIN LEASED REAL PROPERTY AT THE FEDERAL EMERGENCY MANAGEMENT AGENCY FACILITY AT OLNEY, MARYLAND

SEC. 702. Effective October 1, 1980, the Director of the Federal Emergency Management Agency is authorized to acquire, in accordance with the provisions of section 201(h) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2281(h)), fee title to those parcels of real property which are currently leased by such agency at the facility of such agency in Olney, Maryland, which (1) are used as a site for a communications antenna, or (2) contain the water wells for such facility.

PILOT PROGRAM TO STUDY DESIGN AND CONSTRUCTION OF BUILDINGS TO MINIMIZE EFFECTS OF NUCLEAR EXPLOSIONS

SEC. 703. (a) The Director of the Federal Emergency Management Agency shall establish a pilot program of designing and constructing buildings to enhance the ability of the buildings to withstand nuclear explosions and to minimize the damage to such buildings caused by a nuclear explosion. Such program shall include the designing and constructing of at least two building projects chosen by the Director so that the buildings in the projects will be able to better withstand nuclear explosions and so that any damage to the buildings in the project caused by a nuclear explosion will be minimized.

(b) The Director of the Federal Emergency Management Agency shall submit a report to the Senate and the House of Representatives not later than April 1, 1981, on the establishment under subsection (a) of the pilot program.

(c) Of the sums authorized to be appropriated under section 701, $400,000 shall be available to carry out the pilot program established pursuant to subsection (a).

(d) This section shall take effect on October 1, 1980.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: On page 16, immediately after line 8 insert the following new section:

SEC. 704. The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 through 2297), is amended—

(1) by adding after title IV the following new title:

"TITLE V—ENHANCED PROGRAM FOR THE 1980'S

"FINDINGS AND DETERMINATIONS

"SEC. 501. (a) The Congress finds that—

"(1) a program providing for relocating the population of the larger United States cities, and other risk areas, during a period of strategic warning resulting from an international crisis can be highly effective in reducing losses, and cost less than alternative programs;

"(2) the present civil defense program is inadequate; and

"(3) a new civil defense program can be developed immediately which, with only a modest increase in resource allocation, can enhance the civil defense capability of the United States.

"(b) The Congress determines that a new civil defense program should be implemented—

"(1) to significantly enhance the survivability of the American people and its leadership in the event of nuclear war and thereby to improve the basis for eventual recovery and to reduce the vulnerability to a major attack;

"(2) to enhance deterrence and stability, to contribute to perceptions of the overall strategic balance and crisis stability, and to reduce the possibility that the United States could be coerced by an enemy in times of increased tension;

"(3) to not suggest any change in the United States policy of relying on strategic nuclear forces as the preponderant factor in maintaining deterrence; and

"(4) to include planning for population relocation during times of international crisis which are adaptable to deal with natural disasters and other peacetime emergencies.

"PROGRAM ELEMENTS

"SEC. 502. To carry out section 501, the President shall develop and implement a civil defense program which includes—

"(1) nuclear civil protection planning for rapid population relocation during times of international crises;

"(2) nuclear civil protection planning for inplace protection during times of international crises;

"(3) a survey of the shelter inherent in existing facilities;

"(4) planning for the development of additional crisis shelter, of capabilities for shelter management, of the marking and stocking of shelters, and of ventilation kits for shelters;

"(5) the development of emergency evacuation plans in areas where nuclear powerplants are located;

"(6) the improvement of warning systems;

"(7) the improvement of systems and capabilities for the direction and control of emergency operations by civil governments at all levels, including development of a distributed survivable network of emergency operating centers;

"(8) the improvement of radiological defense capabilities;

"(9) the improvement of emergency public information and training programs and capabilities;

"(10) the development of plans for post-attack or postdisaster economic recovery;

"(11) the improvement of systems and capabilities for building stockpiles of food, medicine, and other essential life-support materials;

"(12) the improvement of and training in self-help nuclear war survival skills;

"(13) research and development; and

"(14) the development of such other systems and capabilities as are necessary to realize the maximum lifesaving potential of the civil defense program.

"ADMINISTRATIVE PROVISIONS

"SEC. 503. The powers contained in titles II and IV of this Act shall be used in developing and implementing section 502."; and

(2) by adding at the end of the table of contents the following:

"TITLE V—ENHANCED PROGRAM FOR THE 1980'S

"Sec. 501. Findings and determinations.

"Sec. 502. Program elements.

"Sec. 503. Administrative provisions.".

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, I rise in support of my amendment to enhance civil defense in our country. This amendment establishes for the first time, a comprehensive program and plan for civil defense. It recognizes that the present system is inadequate, and that a better direction be given to the program. It ranges from proper plans for population relocations to a complete shelter survey, including adequate training, better communications, and workable warning systems. One element of the amendment specifies training in nuclear survival skills, as has been studied at length at the Oak Ridge National Laboratories. Further, it includes population protection related to national disasters and Three Mile Island nuclear type accidents. I urge its passage.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. Yes, I yield to the gentleman from Michigan.

Mr. NEDZI. Mr. Chairman, I know the Members are anxious to conclude debate as rapidly as possible. This is an amendment which I have had the opportunity to study on a number of occasions. It has the approval of the Federal Management Agency, and on behalf of the subcommittee which has jurisdiction over the matter, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. SKELTON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VII?

If not, the Clerk will designate title VIII.

☐ 1550

Title VIII reads as follows:

TITLE VIII—GENERAL PROVISIONS

INCREASES IN DOLLAR CEILINGS FOR INDEPENDENT RESEARCH AND DEVELOPMENT COSTS AND BID AND PROPOSAL COSTS

SEC. 801. Section 203 of Public Law 91–441 (84 Stat. 906; 10 U.S.C. 2358 note) is amended—

(1) by striking out "$2,000,000" and "$250,000" in subsection (a)(1) and inserting in lieu thereof "$4,000,000" and "$500,000", respectively; and

(2) by adding at the end of such section the following new subsection:

"(f) On October 1, 1983, and once every three years thereafter, the Secretary of Defense may, based upon economic indexes that the Secretary has selected, adjust the amounts in subsections (a)(1) of this section in accordance with economic changes reflected in those indexes.".

REQUIREMENT OF ANNUAL AUTHORIZATION OF APPROPRIATIONS FOR OPERATION AND MAINTENANCE

SEC. 802. (a) Section 138(a) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of clause (5);

(2) by inserting "or" at the end of clause (6); and

(3) by inserting after clause (6) the following new clause:

"(7) the operation and maintenance of any armed force or of the activities and agencies of the Department of Defense (other than the military departments);".

(b) The amendments made by subsection (a) shall apply with respect to funds appropriated for fiscal years beginning after September 30, 1981.

REPEAL OF REQUIREMENT FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE

SEC. 803. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2) and striking out "paragraphs (1) and (2)" in such paragraph and inserting in lieu thereof "paragraph (1)".

STRENGTHENING OF RESTRICTIONS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 804. (a) No commercial or industrial type function of the Department of Defense that on October 1, 1980, is being performed by Department of Defense personnel may be converted to performance by a private contractor—

(1) to circumvent any civilian personnel ceiling; or

(2) unless the Secretary of Defense provides to the Congress in a timely manner—

(A) notification of any decision to study such commercial or industrial type function for possible performance by a private contractor;

(B) a certification that the Government calculation for the cost of performance of such function by Department of Defense personnel is based on an estimate of the most efficient and cost effective organization for performance of such function by Department of Defense personnel; and

(C) a report, to be submitted with the certification required by subparagraph (B), showing—

(i) the potential economic effect on employees affected, and the potential economic effect on the local community and Federal Government if more than 50 employees are involved, of contracting for performance of such function;

(ii) the effect of contracting for performance of such function on the military mission of such function; and

(iii) the amount of the bid accepted for the performance of such function by the private contractor whose bid is accepted and the cost of performance of such function by Department of Defense personnel, together with costs and expenditures which the Government will incur because of the contract.

(b) If, after completion of the studies required for completion of the certification and report required by subparagraphs (B) and (C) of subsection (a)(2), a decision is made to convert to contractor performance, the Secretary of Defense shall notify Congress of such decision.

(c) The Secretary of Defense shall submit a written report to the Congress by February 1 of each fiscal year describing the extent to which commercial and industrial type functions were performed by Department of Defense contractors during the preceding fiscal year. The Secretary shall include in each such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel, and the percentage of such functions that will be performed by private contractors, during the fiscal year during which the report is submitted.

(d) This section shall take effect on October 1, 1980.

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN: Page 18, line 17, insert the following:

"(B) a copy of a cost comparison of in-house and contractor costs for the function in question which demonstrates that a conversion from in-house to contractor services will result in a cost savings over the life of the contract.

Page 18, line 17, redesignate "(B)" to "(C)".

Page 18, line 23, redesignate "(C)" to "(D)".

Page 19, line 19, redesignate "(B) and (C)" to "(C) and (D)".

Page 19, line 22, insert the following:

"(c) In the case of any conversion to contractor performance of any function to which subsection (a) applies, any employee who has received a reduction in force notice as a result of such conversion may file suit in a United States District Court which shall have jurisdiction to hear the employee's complaint and provide corrective action or enjoin, through the issuance of temporary or other appropriate relief, any conversion to contractor performance described in subsection (a) if there is reasonable evidence presented that the cost comparison did not comply with the requirements of such subsection, or that the provisions of any other applicable law or regulation related to the conversion of a government function to contractor performance has been violated, and that, absent injunctive relief, the plaintiff's continued employment with the Government would be adversely affected or the Government's continued capability to perform the function through its own personnel would be seriously disrupted by such conversion."

Page 19, line 22, redesignate "(c)" to "(d)".

Page 20, line 8, redesignate "(d)" to "(e)".

Mr. KAZEN. Mr. Chairman, the purpose of the amendment I offer is to perfect the statutory safeguards against the abuses of contracting out that this Congress enacted last year with the passage of section 806(a) of the Defense Authorization Act of 1979.

The amendment which I propose would continue the provisions of section 806 passed last year while reinforcing and perfecting the committee's intent, as reflected by section 804 of this year's authorization, to assure that contracting out is based upon sound, fiscal considerations—considerations which protect the taxpayers' interest and help assure fiscal responsibility. The language which I would add to last year's provisions would accomplish two things.

First, it would require that cost comparisons, which last year's law required be conducted prior to any decisions on contracting out, be continued and now be based expressly upon costs incurred over the life of the contract. This would clarify our previous intent by insuring that like cost periods are compared for both in-house and contractor services. This amendment is not intended to favor either in-house performance or contractor performance. It is designed simply to favor taxpayer and fiscal responsibility and to assure that governmental efficiency and effectiveness are the determining factors for contracting out purposes.

Second, the proposed amendment would provide a mechanism for enforcing the provisions of this section. The provision is offered in recognition of the fact that previously U.S. district courts have refrained from assuming jurisdiction to review contracting out actions taken by Federal agencies on the theory that such actions were merely a matter of in-house administration. This new provision, would allow those adversely affected to remedy a violation of section 804 at no cost to the taxpayer by obtaining corrective or injunctive relief in U.S. district court. Absent such a provision, I fear that the work which we began last year through enactment of section 806 and improved this year through this bill will lack teeth. Self-policing, or policing by this Congress, of contracting costs—which have been approximated, governmentwide, as between $110 and $150 billion annually—has become an insurmountable task.

Authorizing affected parties to seek corrective or injunctive relief would provide an effective mechanism to assure compliance with the mandate of this Congress. This amendment will further protect taxpayer and fiscal responsibility without the necessity for creating a new Federal bureaucracy to enforce this act. At the same time, the provision for judicial action could, and I submit will, save the taxpayer untold millions of dollars by authorizing our court system to enforce the act by enjoining its violations either before they go into effect or shortly thereafter.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Chairman, I have examined the amendment and have had our subcommittee chairman examine the amendment. It is an amendment we would be glad to take to conference. We will accept the amendment.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for yielding and I rise only to second and strongly endorse the amendment of the gentleman. The amendment has tremendous significance to many of us who represent areas that are very much affected. I also want to add that I think one of the big considerations is the question of military pay and the distinguished chairman of this committee has promised hearings by the subcommittee on that subject matter.

I compliment my colleague from Texas and join him in support of his amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I rise in support of the gentleman's amendment. I think it is a thoughtful approach and I hope the House will adopt it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VIII?

AMENDMENT OFFERED TO MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 20, after line 8, add the following new section:

REDUCTION IN THE NUMBER OF STUDENTS REQUIRED TO BE IN A UNIT OF THE JUNIOR RESERVE OFFICERS' TRAINING CORPS FOR THE UNIT TO BE MAINTAINED

SEC. 805. Section 2031 of title 10, United States Code, is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) No unit may be established at an institution unless the unit contains at least 1100 physically fit students who are at least 14 years of age and are citizens or nationals of the United States on the date on which the unit is established.

"(2) No unit may be maintained at an institution unless—

"(A) the number of physically fit students in such unit who are at least 14 years of age and are citizens or nationals of the United States is not less than (i) 10 percent of the number of students enrolled in the institution who are at least 14 years of age, or (ii) 100, whichever is less: and

"(B) the unit meets such other requirements (in addition to the requirements prescribed by subsection (c)) as may be established by the Secretary of the military department concerned.";

(3) by striking out paragraph (1) of subsection (c) (as redesignated by paragraph (1) of this section); and

(4) by redesignating paragraphs (2), (3), and (4) of subsection (c) (as redesignated by paragraph (1) of this section) as paragraphs (1), (2), and (3), respectively.

Mr. SOLOMON. This amendment is designed to maintain the excellent junior ROTC program presently in existence thoughout the high schools in America. These programs are not only designed to develop pride, character and patriotism in our youngsters but also to develop interest in military careers of armed services.

However, due to declining enrollments in many of our private schools and rural public schools, many of these established units have had trouble maintaining enrollments of 100 or more students in these individual programs. My amendment changes the existing standard to 100 or more students or 10 percent of the number of students enrolled in the institution who are 14 years of age.

First, at a time when we are trying to attract qualified young men and women to careers in the military service, it makes little sense to deny them the opportunity to participate in junior ROTC programs. If, for example, 70 schools nationwide are forced out of the program each year, it means that anywhere from 3,500 to 7,000 students of high-school age will be denied access to military-style programs which might encourage them to enlist in the Armed Forces at some future date.

Second, it costs more money to initiate a junior ROTC program than it does to maintain one. DOD has advised me that the cost of instituting a junior ROTC program is $75,000. The cost of maintaining one is about $25,000.

Third, the current eligibility requirement creates a regional imbalance in the program. The vast majority of the programs which are being closed down are in the Northeastern United States. There is a waiting list among schools which are located largely in the South. It has always been my impression that DOD has tried to maintain a regional balance in the program, which is largely being destroyed.

Gentlemen, we need to continue these programs and I urge your support for my amendment.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Chairman, I have had an opportunity to examine the amendment. I see nothing in it that would cause me to raise any objection at this point. We will be glad to accept it with the understanding we will work out any details that might arise in conference with the Senate.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, we have had an opportunity to examine the amendment and will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was agreed to.

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AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 20, after line 8, add the following new title:

TITLE IX—ARMED FORCES EDUCATIONAL ASSISTANCE PROGRAM

EDUCATIONAL ASSISTANCE PROGRAM FOR PERSONS ENLISTING OR REENLISTING IN THE ARMED FORCES FOR SERVICE ON ACTIVE DUTY

SEC. 901. (a) Subtitle A of title 10, United States Code, is amended by inserting after chapter 106 the following new chapter:

"CHAPTER 107—EDUCATION ASSISTANCE FOR PERSONS ENLISTING FOR ACTIVE DUTY

"Sec.
"2141. Education assistance program: establishment.
"2142. Educational assistance program: eligibility.
"2143. Educational assistance: amount.
"2144. Subsistence allowance.
"2145. Adjustment's of amount of educational assistance and of subsistence allowance.
"2146. Right of member upon subsequent reenlistment to lump-sum payment in lieu of educational assistance.
"2147. Right of member after reenlisting to transfer entitlement to spouse or dependent children.
"2148. Duration of entitlement.
"2149. Applications for educational assistance
"2150. Reports to Congress.
"2151. Educational asistance program: establishment.

"(a) To encourage enlistments and reenlistments for service on active duty in the Armed Forces, the Secretary of each military department may establish a program in accordance with this chapter to provide educational assistance to persons enlisting or reenlisting in an armed force under his jurisdiction. The costs of any such program shall be borne by the Department of Defense, and a person participating in any such program may not be required to make any contribution to the program.

"(b) The Secretary of Defense shall prescribe regulations for the administration of this chapter. Such regulations shall take account of the differences among the several armed forces.

"(c) In this chapter, 'enlistment' means original enlistment or reenlistment.

"§ 2142. Educational assistance program: eligibility

"(a)(1) A program of educational assistance established under this chapter shall provide that any person enlisting or reenlisting in an armed force under the jurisdiction of the Secretary of the military department concerned who meets the eligibility requirements established by the Secretary in accordance with subsection (b) shall, subject to paragraph (3), become entitled to educational assistance under section 2143 of this title at the time of such enlistment.

"(2) The period of educational assistance to which such a person becomes entitled is one standard academic year (or the equivalent) for each year of the enlistment of such person, up to a maximum of four years. However, if the person is discharged or otherwise released from active duty after completing two years of the term of such enlistment but before completing the full time of such enlistment (or before completing four years of such term, in the case of an enlistment of more than four years), then the period of educational assistance to which the person is entitled is one standard academic year (or the equivalent) for each year of active service of such person during such term. For the purposes of the preceding sentence, a portion of a year of active service shall be rounded to the nearest month and shall be prorated to a standard academic year.

"(3)(A) A member who is discharged or otherwise released from active duty before completing two years of active service or under other than honorable conditions is not entitled to educational assistance under this chapter.

"(B) Entitlement to educational assistance under this chapter may not be used until a member has completed two years of active service.

"(b) In establishing requirements for eligibility for an educational assistance program under this chapter, the Secretary concerned shall limit eligibility to persons who—

"(1) enlist or reenlist for service on active duty as a member of the Army, Navy, Air Force, or Marine Corps after September 30, 1980, and before October 1, 1981;

"(2) are graduates from a secondary school; and

"(3) meet such other requirements as the Secretary may consider appropriate for the purposes of this chapter and the needs of the armed forces.

"§ 2143. Educational assistance: amount

"(a) Subject to subsection (b), an educational assistance program established under section 2141 of this title shall provide for payment by the Secretary concerned of educational expenses incurred for instruction at an accredited institution by a person entitled to such assistance under this chapter. Expenses for which payment may be made under this section include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or laboratory instruction. Payments under this section shall be limited to those educational expenses normally incurred by students at the institution involved.

"(b)(1) The Secretary concerned shall establish the amount of educational assistance for a standard academic year (or the equivalent) to which a person becomes entitled under this chapter at the time of an enlistment described in section 2142 of this title. Depending on the needs of the service, different amounts may be established for different categories of persons or enlistments. The amount of educational assistance to which any person is entitled shall be adjusted in accordance with section 2145 of this title.

"(2) The amount of educational assistance which may be provided to any person for a standard academic year (or the equivalent) may not exceed $1,200, adjusted in accordance with section 2145 of this title.

"(c) In this section, 'accredited institution' means a civilian college or university or a trade, technical, or vocational school in the United States (including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands) that provides education at the postsecondary level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Secretary of Education.

"§ 2144. Subsistence allowance

"(a) Subject to subsection (b), a person entitled to educational assistance under this chapter is entitled to receive a monthly subsistance allowance during any period for which educational assistance is provided such person. The amount of a subsistance allowance under this section is $300 per month, adjusted in accordance with section 2145 of this title, in the case of a person pursuing a course of instruction on a full-time basis and is one-half of such amount (as so adjusted) in the case of a person pursuing a course of instruction on less than a full-time basis.

"(b) The number of months for which a subsistence allowance may be provided to any person under this section is computed on the basis of nine months for each standard academic year of educational assistance to which such person is entitled.

"(c) For purposes of subsection (a), a person shall be considered to be pursuing a course of instruction on a fulltime basis if the person is enrolled in twelve or more semester hours of instruction (or the equivalent, as determined by the Secretary concerned).

"§ 2145. Adjustments of amount of educational assistance and of subsistence allowance

"(a) Once each year, the Secretary of Defense shall adjust the amount of educational assistance which may be provided to any person in any standard academic year under section 2143 of this title, and the amount of the subsistence allowance authorized under section 2144 of this title for pursuit of a course of instruction on a full-time basis, in a manner consistent with the change over the preceding twelve-month period in the average actual cost of attendance at public institutions of higher education.

"(b) In this section, 'actual cost of attendance' means the actual cost of attendance as determined by the Secretary of Education pursuant to section 411(a)(2)(B)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a)(2)(B)(iv)).

"§ 2146. Right of member upon subsequent reenlistment to lump-sum payment in lieu of educational assistance

"(a) A member who is entitled to educational assistance under this chapter and who reenlists at the end of the enlistment which established such entitlement may, at the time of such reenlistment, elect to receive a lump-sum payment computed under subsection (b) in lieu of receiving such educational assistance. An election to receive such a lump-sum payment is irrevocable.

"(b) The amount of a lump-sum payment under subsection (a) is 60 percent of the sum of—

"(1) the product of (A) the rate for educational assistance under section 2143(b) of this title applicable to such member which is in effect at the time of such reenlistment, and (B) the number of standard academic years of entitlement of such member to such assistance; and

"(2) the product of (A) the rate for the subsistence allowance authorized under section 2144 of this title for pursuit of a course of instruction on a full-time basis at the time of such reenlistment, and (B) the number of months of entitlement of such member to such allowance.

"§ 2147. Right of member after reenlisting to transfer entitlement to spouse or dependent children

"(a)(1) A person who is entitled to educational assistance under section 2142 of this title and who reenlisted in an armed force at any time after the end of the enlistment which established such entitlement may at any time after such reenlistment elect to transfer all or any part of such entitlement to the spouse or dependent child of such person. Any transfer under the preceding sentence may be revoked at any time by the person making the transfer.

"(2) If a person described in paragraph (1) dies before making an election authorized by such paragraph but has never made an election not to transfer such entitlement, any unused entitlement of such person shall be automatically transferred to such person's surviving spouse or (if there is no eligible surviving spouse) to such person's dependent children. A surviving spouse to whom entitlement to educational assistance is transferred under this paragraph may elect to transfer such entitlement to the dependent children of the person whose service established such entitlement.

"(3) Any transfer of entitlement under this subsection shall be made in accordance with regulations prescribed by the Secretary of the military department concerned.

"(b) A spouse or surviving spouse or a dependent child to whom entitlement is transferred under subsection (a) is entitled to educational assistance under this chapter in the same manner and at the same rate as the person from whom the entitlement was transferred.

"(c) The total amount of educational assistance available to a person entitled to educational assistance under section 2142 of this title and to the person's spouse, surviving spouse, and dependent children is the amount of educational assistance to which the person is entitled. If more than one person is being provided educational assistance for the same period by virtue of the entitlement of the same person, the subsistence allowance authorized by section 2144 of this title shall be divided in such manner as the person may specify or (if the person fails to specify) as the Secretary concerned may prescribe.

"(d) In this section:

"(1) 'Dependent child' has the meaning given the term 'dependent' in section 1072 (2)(E) of this title.

"(2) 'Surviving spouse' means a widow or widower who is not remarried.

"§ 2148. Duration of entitlement

"The entitlement of any person to educational assistance under this chapter expires at the end of the ten-year period beginning on the date of the retirement or discharge or other separation from active duty of the person upon whose service such entitlement is based. In the case of a member entitled to educational assistance under this chapter who dies while on active duty and whose entitlement is transferred to a spouse or dependent child, such entitlement expires at the end of the ten-year period beginning on the date of such member's death.

"§ 2149. Applications for educational assistance

"To receive educational assistance benefits under this chapter, a person entitled to such assistance to the Secretary concerned of this title shall submit an application for such assistance to the Secretary concerned in such form and manner as the Secretary concerned may prescribe.

"§ 2150. Reports to Congress

"The Secretary of Defense shall submit a report to the Congress every three months concerning the operation of the program established by this chapter.".

(b) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 106 the following new item:

"107. Educational assistance for persons enlisting for active duty_ 2141".

(c) The first report under section 2150 of title 10, United States Code, as added by subsection (a), shall be submitted before January 1, 1981.

INCREASE IN AMOUNT AUTHORIZED FOR EDUCATIONAL ASSISTANCE PROGRAM FOR ENLISTED MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE

SEC. 902. (a) Section 2131(c) of title 10, United States Code, relating to educational assistance for enlisted members of the Selected Reserve of the Ready Reserve, is amended by striking out "$500" and "$2,000" and inserting in lieu thereof "$1,000" and "$4,000", respectively.

(b) The amendments made by subsection (a) shall take effect on October 1, 1980.

Mr. WHITE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Chairman, the amendment I am offering has been approved by the full House Armed Services Committee for presentation at this point.

The amendment creates a new title IX in H.R. 6974 that will provide authority for a test of an educational assistance program to assist Active Force recruiting and retention.

As has been stated before, all four of the services missed their recruiting goals at the end of fiscal year 1979. Today the Army is achieving the numbers it wants, but only 37 percent of the males recruited are high school graduates. The Marine Corps is 2,000 short of its recruiting goal and the Navy has achieved its recruiting goal in only 6 of the last 43 months.

The reason for the unusual procedure of offering this program as an amendment to the authorization bill is the necessity of providing something to assist recruiting and retention and principally to permit a test of such an educational assistance program as soon as possible. Something needs to be done quickly.

Recruiting in the services has been on a downhill slide, in quality terms in particular, since early 1977. The Congress terminated the GI educational benefits on December 31, 1976. As a substitute for the GI bill, the veterans' educational assistance program (VEAP) was created as a contributory program. The program offered today is not intended as a substitute for the VEAP program because that is available to all. This program is to be used selectively to assist recruiting in critical skill areas.

I am convinced that providing educational assistance is the key to making service in the military attractive. The program outlined in this amendment is not an entitlement for educational assistance for everyone because the cost of such a program would be prohibitive—nor could such a program be passed at this time. This educational assistance program would be within the discretion of the Secretary of the service concerned to use to attract enlistees into hard-to-fill critical skills.

An individual offered this plan would have to complete stated periods of service before he would become eligible for the assistance. The assistance provided would be up to $1,200 a year to cover tuition and fees and other related expenses, plus up to $300 a month for subsistence. The subsistence would only be paid for 9 months of any academic year and an individual could earn no more than 4 years' eligibility for assistance under this program.

To insure that such a program is not a disincentive to reenlistment, the legislation provides an option to someone who has earned eligibility for educational assistance and is considering whether to reenlist. If the individual decides to reenlist, he has a choice of receiving a lump sum cash payment at the time of reenlistment of 60 percent of the total amount of assistance to which he is eligible, or to retain his eligibility for this educational assistance for his own use or transfer it to a spouse or dependent for their use.

The authority provided is only for a 1-year period in order to permit a test. The test can be performed within the funding appropriated for the Department of Defense for fiscal year 1981. If the services choose to reprogram funds from additional sources, that can be addressed. But a reasonable test program can be conducted involving 1,000 enlistees and costing no more than $10 million over a 6-year period.

The committee has also included a provision to current law on the reserve educational assistance program. That program, which was initiated by the Congress, has not worked well apparently because the amounts offered are too low. For that reason, the committee also recommends increasing the maximum entitlement from $500 per year to $1,000.

Mr. Chairman, I am including hereafter for the RECORD an explanation of each of the provisions in this amendment.

I urge the Members of the House to support this committee amendment.

The material follows:

EXPLANATION OF COMMITTEE AMENDMENT ON EDUCATIONAL ASSISTANCE PROGRAM

In an effort to more fully discuss this amendment as no legislative report has been filed on it, following is a brief explanation of each of the provisions of the program.

Section 2141 of the new chapter 107 that would be created in title 10, United States Code, would authorize the Secretary of each military department to establish a program for educational assistance for persons enlisting or reenlisting in the Armed Forces. The program would be established under regulations prescribed by the Secretary of Defense taking into account the fact that each of the services have unique requirements which may call for different approaches to the program.

It should be clear that this section would not establish an entitlement, rather the Secretary of each service may establish the program as he considers appropriate.

Section 2142 outlines eligibility criteria. Once eligible for the program, an individual would be entitled to one standard academic year, or its equivalent, of educational assistance for each year of his enlistment completed, not to exceed a maximum of four years. However, an individual would not be eligible for any entitlement unless he completes at least two years of his term of enlistment.

Individuals discharged or released under other than honorable conditions would not be entitled to educational assistance no matter how much service they complete.

The legislation would establish three criteria for eligibilty for the program.

The individual must enlist or reenlist on active duty after September 30, 1980 and before October 1, 1981.

The enlistee must be a high school graduate.

The enlistee must meet such other requirements as the Secretary of the service concerned establishes. In general, it is expected that criteria, such as critical skills—in particular combat skills, would be established as a predicate for eligibility. However, if the Secretary considers it appropriate, some other criteria may be established.

Section 2143 outlines the amount of educational assistance an individual would receive. An individual could receive up to $1,200 per academic year to cover educational expenses, such as tuition, fees, books, etc. This amount could be used to pay expenses at colleges and universities, or trade, technical, and vocational schools that provide post secondary education and are accredited.

Section 2144 provides that an eligible person would also receive up to $300 per month for a nine-month period out of each academic year as a subsistence allowance. A person pursuing education on a part-time basis (i.e. enrolled in less than 12 semester hours of instruction or the equivalent) would receive up to one-half of that amount.

Section 2145 would require adjustment of the amount of educational assistance and subsistence provided consistent with the change in the average actual cost of attendance at public institutions. The adjustment would occur each year based on the change over the preceding year. The adjustment in the actual cost of attendance would be determined by the Secretary of Education under an existing procedure in the Higher Education Act of 1965.

Sections 2146 and 2147 would attempt to insure that this program does not act as a disincentive to retention.

Section 2146 would establish the right of a member who has become entitled to assistance, if he reenlists, to receive a lump sum payment at the time of his reenlistment in the amount of 60 percent of the maximum entitlement to which he is eligible.

Section 2147 would provide an additional option for an eligible member who reenlists by also permitting the person to elect to retain his entitlement to the program or transfer it to a spouse or dependent child. The amount of the entitlement, although transferred to more than one individual, would not exceed the maximum entitlement earned by the eligible member. If the individual dies before accomplishing such transfer, any unused entitlement would be automatically transferred to the person's surviving spouse or to eligible dependents.

Section 2148 would provide that the entitlement to assistance earned by a member remains in existence for 10 years after his retirement, discharge, or separation from active duty, or for 10 years after the date of his death, if he dies while on active duty.

Section 2149 would require the eligible individual to submit an application to the Secretary concerned in order to receive educational benefits.

Under section 2150, the Secretary of Defense would be required to submit quarterly reports to the Congress concerning the operation of the program.

Section 902 would amend existing authority in section 2131 of title 10, United States Code, relating to the educational assistance program for enlisted members of the Selected Reserve. The current limits under the program of $500 per year and a $2,000 maximum are amended to permit the educational assistance to be offered in an amount up to $1,000 per year, but not to exceed a $4,000 maximum. The new limits would be effective on October 1, 1980.

COST OF THE EDUCATIONAL ASSISTANCE PROGRAM FOR THE ACTIVE FORCES

Because the program would be discretionary, the costs associated with it would depend on the number of enlistees to which it is offered. However, if the test program involved 1,000 enlistees, the cost would not exceed $10 million over the life of the program.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I serve as the ranking member on this subcommittee, and I rise in support of the amendment. But, Mr. Chairman, as a member of the Committee on Veterans' Affairs, I want to make certain that we are not establishing an open-ended new education program for peacetime veterans that would overlap the program the Veterans' Affairs Committee has already established for such veterans.

As I understand from the gentleman in the well, this amendment is designed as a test program for 1 year, and will expire on September 30, 1981, the same date the post-Vietnam era veterans educational assistance program expires.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. MONTGOMERY and by unanimous consent, Mr. WHITE was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. That is the so-called VEEY program where we now have a 5-year program. We will have a study at the end of that 5 years. What is the gentleman's feelings on that situation?

Mr. WHITE. Well, we are only seeking a pilot program to be strictly within the discretion of the Secretary of Defense. We are trying to see whether it will work in a very narrow spectrum. We are not trying to conflict at all with any ongoing veterans program. This is strictly in the Defense Department in an effort to try to make the all-volunteer system work.

Mr. MONTGOMERY. Let me ask the gentleman one more question. Those who do enlist during the 12-month period may receive the benefits derived for 30 years from now following their retirement or discharge from the service. Therefore, is it intended that the Veterans' Administration administer the program? This program will go for 30 years. Does the gentleman expect the Defense Department or the service departments to establish another management system to administer the program for this limited number of persons?

Mr. WHITE. This could be done by Executive order, but since the Veterans' Administration has the expertise, I would think it would be more appropriate for the Veterans' Administration to administer the program eventually.

Mr. MONTGOMERY. I do not think it would make sense at all for the Department of Defense to have to administer this program. It should be administered by the Veterans' Administration. Do we have the assurance of the gentleman?

Mr. WHITE. I agree with the gentleman entirely that it should be administered by the Veterans' Administration.

Mr. MONTGOMERY. I thank the gentleman.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman for yielding. I salute him for his leadership in what I think is a very good suggestion to test this program. I think it has great possibilities and great merit.

Mr. Chairman, the All-Volunteer Force needs another ingredient, another drawing card if it is to ever meet the manpower requirements of our Armed Forces. I am convinced that providing educational assistance as a recruiting tool could make service in the military more attractive and that it could attract more of those mentally capable of higher education. In short, it could provide the quality enlistee that we so badly need to operate the sophisticated equipment of our Armed Forces.

The wish of every father and mother in the United States is that their sons and daughters will have a better life than they have had. The country has grown and prospered on this upward mobility. All parents know that education is fundamental to a better life for their children.

Our committee has proposed a 1-year test of a program which would provide the youth of our Nation with an opportunity to gain a higher education and a better way of life through a tour of duty with our Armed Forces. Yes, it is a linkage between service to the country and the opportunity for a better education. I like to think of it as an earned educational assistance program. The enlistee would serve a satisfactory tour of duty in the Army, Navy, Air Force, or Marine Corps and during that service he or she would be earning the right to a substantial educational assistance to be provided by Uncle Sam at the end of a satisfactory tour of duty.

We are not altruistic in proposing this educational assistance program. Far from it; we expect to get better people who are motivated to do a better job for the service. This idea is based on the supposition that people who are motivated to improve their way of life are also motivated to do a better job in all of their endeavors. We are proposing it simply as a recruiting tool. It is hoped that many high school graduates will turn to an enlistment in one of the armed services as a means to gain a college education. Would it not be much more satisfying and meaningful for a youngster to earn his or her own right to a higher education through service in the Armed Forces?

And if you do not think it costs big money to send a child to college, ask your colleague next to you who has two or three children just entering college.

You ask about the cost of such a program. The Census Bureau estimated some years ago that because of the higher earning power after the attainment of a higher education, for each dollar spent on this kind of an educational program $3 in taxes would be returned to the Treasury. The tremendous increase in human capability of those so educated could well result in greater technical and scientific programs for the United States. It would be my hope that those young persons exposed to sophisticated equipment while in the service would become interested in what makes the equipment tick and elect to study in the basic scientific and technical fields so necessary to the development of our military hardware. It would not only improve the quality and increase the quantity of our Armed Forces, but it would be an investment in the future of America. If the United States is to maintain its position of world leadership, it must have trained, qualified people to stay ahead.

Mr. Chairman, I believe that this form of linkage between service to our country and education is one way we can cut down on the ever-increasing expenditure for public welfare. With the critical need for highly trained people, this country can hardly afford not to recruit into the service and then train high potential people. I believe, Mr. Chairman, that this 1-year test might just prove that we can get enough voluntary enlistments without the necessity of some new draft legislation. Certainly it is worth the 1-year try.

I wonder how many of my fellow Members of Congress would not be here today if it had not been for educational assistance resulting from service in the Armed Forces.

Mr. Chairman, we are in deep trouble with the All-Volunteer Force, and I urge my fellow Members to seriously consider this proposal and support this test program.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I wish to commend my colleague, Mr. WHITE, and members of the Committee on Armed Services for introducing this innovative recruitment proposal. I strongly support it. I also wish to again lend my support to the loan cancellation feature in educational incentives, which was proposed by my colleague, Mr. PETRI, last year, that may be offered to recruits in the All-Volunteer Force.

Providing college-educated young people with an incentive to join in the defense of their country, either in the Reserves or the active military through cancellation of federally financed or guaranteed student loans, is certainly as important as offering enlistees an opportunity for an education after military service.

In my capacity as a member of the Committee on Foreign Affairs, I am well aware of the great need to attract high quality enlistees who are in a position to make the Armed Forces a part-time or full-time job, either during or after their college studies.

We all know that the prestige and importance of our Armed Forces have suffered greatly in the eyes of many Americans, especially those of college age. If this program is allowed to continue for more than 1 year, it can help to reverse the downward spiral in the quality of armed service recruits.

Let us not forget our commitment to this measure which was passed here just a few short months ago.

With regard to the bill itself, I am gravely concerned about the state of America's defense preparedness. The Soviet threat in Asia, the Middle East and even in our own hemisphere reaching out from Cuba, makes me wonder if the United States could meet the challenge of an actual confrontation.

Reliable reports indicate the Soviets spend $35 to $50 billion more per year on military-related programs than we do. The Soviets maintain a significant advantage over the United States in manpower, in conventional weapons such as tanks, combat aircraft and helicopters, and particularly in missiles and atomic submarines.

Past Carter administration decisions have led directly to the overall decline in U.S. military readiness. The decision to cancel the B-1 bomber, the veto of the Nimitz-class nuclear carrier and the cancellation of the neutron bomb, along with delays in the Trident, MX and cruise missile programs have all contributed to the shocking state of U.S. military inferiority. Had such actions been reciprocated by the U.S.S.R. that would be one thing. However, that has certainly not been the case. I asked the Presidium of the Supreme Soviet how the U.S.S.R. was going to reciprocate. The answer was, "We don't believe in unilateral disarmament."

Last fall, and especially after the invasion of Afghanistan, we were led to believe there would be significant increases in America's defense spending. But the President actually came to Congress with a defense budget that only promises not to make any additional cuts in defense spending; he has done nothing to seek a shift in the United States-Soviet imbalance.

Fortunately, the Armed Services Committee has provided for $6.2 billion more than the administration requested. Although even that falls short of the amount needed to rebuild America's military superiority, it does, at least, start us in the right direction.

I would like to call attention to three areas that are particularly important to our defense effort: First, increase funding for the Navy; second, greater attention to operations and maintenance requirements, and third, compensation and pay incentives.

It is essential that the United States have a Navy that is global in reach—capable of operating in more than one theater of conflict. To do that we must have more ships and better ships. The minimum force level necessary is generally regarded as 550 ships. To reach that level we will have to add 18 to 25 ships per year over the next 5 years. This year's recommendation provides for the construction of 20 new vessels, reactivation of 2 vessels from our inactive fleet—the battleship *New Jersey* and the aircraft carrier *Oriskany*—and long lead-time funding for 5 new vessels. That is the minimum we must have this year if we are to preserve our security and maintain our international commitments.

Vessels are not the only area where the Navy has been suffering. This administration has allowed the Navy to lose more planes through attrition than it replaced with new ones last year. Its proposal for this year did the same thing until the Armed Services Committee redressed that irresponsible attempt to show a budget savings on paper.

Although we still do not know what happened in the aborted rescue attempt in Iran, one thing remains clear: the need to give more attention to the operations and maintenance portion of the defense budget. The defense bill this year calls for annual authorizations for operations and maintenance beginning in fiscal year 1982. In that way, at least, specific attention can be directed to that area, which in the past has been a victim of budget cuts.

With all the focus on procurement and research and development, I believe it is important not to lose sight of the single most significant component of America's defense: that is American manpower. The failure to recruit sufficient numbers of new personnel and to retain existing trained personnel is really the single most important problem facing our military.

Without a long-term commitment to provide the incentives needed to retain competent, highly motivated Americans to serve in our Armed Forces, we will not be able to count on the kind of military force that is vital for America's defense. The committee calls attention to the importance of this component in our military program, and I strongly endorse the efforts of my colleague from Texas (Mr. WHITE) to improve those incentives.

If the Congress should fail to adequately provide additional defense resources, the United States will have to pay the consequences during the rest of this decade. As large as this authorization for procurement and research and development is, some $53 billion, it is noteworthy to point out that the interest on the national debt for fiscal year 1981 will exceed $72 billion. I urge my colleagues to support the increased authorizations for America's defense and security.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I rise in support of Mr. WHITE's amendment to H.R. 6974 and concur in the statement as presented by the distinguished gentleman from Texas.

Mr. Chairman, as you know, the All-Volunteer Force has experienced severe difficulties in recruiting and retaining adequate numbers of individuals who are qualified to perform specific military duties. All of the military services missed their enlistment quotas last year. Our military manpower shortages are one of the most serious deficiencies in our defense posture today. This shortage impacts directly on our ability to meet any national emergency or even to manage effectively the Defense Establishment. We cannot have the hope of any realistic deterrent capability until we face the military manpower problem forthrightly or, more importantly, we cannot carry out those missions that the American people expect of their military establishment. These shortages and the lack of an effective, viable system to correct them severely damages our credibility with our allies, our adversaries and the uncommitted third world countries.

In time of war or a national emergency, the draft would, of course, become essential, and few would object to it, but in peacetime, the All-Volunteer Force, if it can be made to work, offers the best course for meeting the Nation's defense needs. I, too, am convinced that providing educational assistance for both active duty enlistees and reenlistees could make the military more attractive as an alternative employment option for a broader cross section of American society. The evidence presented by the time tested incentive vehicle—the GI bill—cannot be ignored. We need to attract the people into the military who want to earn an education—these are the ones who want to improve themselves and will benefit the military. Why does this matter? Go visit any military unit today and the question answers itself. The large gangs of ablebodied seamen who hauled mooring lines and manned the gun turrets during WW II are gone—replaced by fire control technicians, sonar operators, avionics repair specialists. The avoidance of further miscalculations, misunderstandings, and worse, is going to require that educational opportunities and the Armed Forces, once again, take up with one another.

It is clear, Mr. Chairman, that the All-Volunteer Force can be made to work. I believe that this 1-year test of educational assistance will provide us with the basic answers to our present manpower shortages and if adopted could alleviate the possible short-fall of recruits which has been projected for the 1980's.

Mr. WHITE. I thank the gentleman.

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I wish to applaud the House Armed Services Committee for its proposal to increase military recruiting incentives. It is a laudable goal to attract recruits who want an education and then to help provide them with one upon their leaving the military. But we must also attract a higher quality recruit in the first place and not just produce a higher quality veteran. Recruiting incentives should include strong and workable programs to attract members of our society who already have tools that will benefit our fighting forces. Modern weapons and tactics require trained and educated recruits.

Six months ago, this House overwhelmingly passed an amendment to the reauthorization of the Higher Education Act which would do just that—attract enlistees with some higher education. It provided an important and honorable way for those with federally financed or guaranteed student loans to serve the country in return for the country's service to them by canceling a portion of outstanding loans in exchange for certain types of enlisted service. It was designed also, to bring a better cross-section of society to the enlisted ranks. Student groups, university groups, and military associations all supported the measure.

Since the House adopted the idea, the President, too, has endorsed it and Robert Pirie, the Assistant Secretary of Defense for Manpower and Reserve Affairs, has testified before both House and Senate committees that with this incentive—

> The Service will benefit from the cost-effective addition of highly motivated and highly qualified young people who may have otherwise sought alternative civilian opportunities.

And that—

> It would be better for the Armed Forces than the old GI Bill in that it would offer educational assistance for education which has already taken place.

It is likely that the other body will consider a program in their version of the defense authorization which is similar to that passed by the House last fall. My purpose today, is to remind the House of its commitment to this idea.

Several critical features are worth

mentioning now. Since the device is particularly suited to attracting and retaining enlistees who already have some higher education. I think it is important to offer loan cancellation only for outstanding or concurrent loans and not for loans incurred subsequent to military service. Also, the multiyear nature of the House proposal should be part of any loan cancellation program.

The timing of the fiscal year and the multiyear obligations which the Department of Defense will incur through such a program make it essential that the idea be tested over several school years. A key element of the measure is that if it does not work the cost will be minimal.

Finally, let me remind my colleagues that we face critical shortages not only in the Active Forces but also in the Selected Reserves which include the National Guard. The Reserves are our first backup to any armed conflict. We recognized this last fall when the proposal passed and we must not neglect it now. A vital part of any loan cancellation program is the provision including the Selected Reserves.

Whether for or against registration Congress should enact these measures to upgrade and strengthen the volunteer force.

□ 1610

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I just want to congratulate the gentleman from Wisconsin (Mr. PETRI). He is a new Member here, and he has come up with a new and fresh idea that is going to hit very hard at the key part of the problem we have in our services. This approach addresses the problem of the hemorrhaging of our talent and our failure to bring in people who have been in colleges and infuse our services with the high quality of people that is so necessary to make our defense posture credible.

So, Mr. Chairman, I congratulate the gentleman for his work, and I think it is good that the administration has now agreed with the gentleman's position.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The amendment was agreed to.

Mr. WOLFF. Mr. Chairman, I ask unanimous consent to return to title VIII in order that I may offer an amendment for the Civil Air Patrol which was printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wolff: Page 20, after line 8, add the following new section:

PROVISION OF ADDITIONAL FUEL AND LUBRICANTS TO CIVIL AIR PATROL AND REIMBURSEMENT FOR CERTAIN MAINTENANCE EXPENSES

SEC. 805. Section 9441(b) of title 10, United States Code, relating to support of the Civil Air Patrol by the Air Force, is amended—

(1) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof the following: ", including unit capability testing missions and training missions;";

(2) by striking out "and" at the end of paragraph (6);

(3) by striking out the period at the end of paragraph (7) and inserting "; and" in lieu thereof; and

(4) by adding at the end thereof the following new paragraph:

"(8) authorize the payment of aircraft maintenance expenses relating to operational missions, unit capability testing missions, and training missions.".

LIABILITY OF CIVIL AIR PATROL

SEC. 806. Section 9441(c) of title 10, United States Code, is amended by striking out the period and inserting in lieu thereof the following: ", and for purposes of determining the civil liability of the Civil Air Patrol with respect to such missions, the Civil Air Patrol shall be deemed an instrumentality of the United States."

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, as a member of the Civil Air Patrol who flew antisubmarine coastal patrol during World War II, I am very much aware of the heroic service it provided the Nation during those dark days. Today, as commander of its Congressional Squadron, I am very much aware of its continued public service to the Nation. The fact is that this volunteer, nonprofit, public service organization flies 80 percent of all official Air Force search and rescue missions conducted in the United States. These volunteers give unselfishly of their time, money, and resources—often at great risk to their own lives. Indeed, for many thousands alive today, the Civil Air Patrol's service has meant the difference between life and death.

The Civil Air Patrol, by flying these distress missions, saves the United States an estimated $15 to $17 million per year. Yet, despite this official Air Force Auxiliary mission, these emergency service operations are paid for out of membership dues and, in many cases, out of the pockets of the aircrews who are laying their lives on the line. The Air Force reimburses only for fuel and oil used on actual search and rescue missions. All other costs, which includes maintenance, insurance, and other support costs are borne by the Civil Air Patrol. Rising costs due to inflation threaten the very survival of the Civil Air Patrol. With the current economic situation, the CAP may have to standdown from its heroic emergency mission, thus leaving the Nation without a most vital resource.

Because this situation cannot be allowed to continue, I am proposing the following amendments to the Department of Defense authorization bill. I am pleased to be joined in this effort by my distinguished colleague, Mr. STRATTON, whose assistance and support are greatly appreciated. The first designates the Civil Air Patrol an instrumentality of the U.S. Government when fulfilling a noncombat mission for the Air Force. This would protect the Civil Air Patrol from legal costs resulting from claims against the CAP incurred on official Air Force missions. As the official Air Force Auxiliary, the Civil Air Patrol is truly acting on behalf of the U.S. Government. This provision has been publicly supported by the Air Force and would not involve any cost to the Government.

The second provision would allow the Secretary of the Air Force to provide the Civil Air Patrol with fuel and lubricants as they are needed to carry out official missions. This would allow the CAP to be reimbursed for training exercises and unit capability tests in addition to the present reimbursement for actual emergency missions. The CAP needs to train year round in order to safely and swiftly perform its missions. Considering that they save the Government $15 to $17 million a year, the estimated $100,000 for their training fuel is very little to pay.

Finally, the last provision would authorize the Secretary to reimburse the Civil Air Patrol for aircraft maintenance costs incurred during actual search and rescue missions and for training and unit capability testing missions. Currently, the CAP pays for this expense. I find it incredible that they must pay for maintenance when flying official emergency service missions for the Air Force. This is a staggering burden for a volunteer organization, but it would only cost the Government about $400,000 annually.

Overall, this amendment will cost the Government only about $500,000 annually, while assuring the Nation of a resource that saves many times that amount. But more important than the money will be the hundreds of lives the Civil Air Patrol will save because of the action we take here today.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from New York (Mr. WOLFF) for offering his amendment.

As some of the Members may remember, over the Easter recess a civilian aircraft crashed and one of my secretaries who was aboard was killed. Congressman JACK EDWARDS' secretary was also on board and was killed. It was a real tragedy, and the Civil Air Patrol immediately went out and searched the wreckage, as they do in so many instances.

Mr. Chairman, the Civil Air Patrol performs a very real public service, and I think the gentleman's amendment is commendable. Speaking for this side of the aisle, we are very pleased to accept it.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I would like to commend the gentleman from New York (Mr. WOLFF), the leader of the Congressional Squadron of the Civil

Air Patrol, for bringing this important amendment to our attention. I wish to salute him and all the members of the Civil Air Patrol for the remarkable work they do for this country and for the people who are lost and their families.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

Mr. PANETTA. Mr. Chairman, I ask unanimous consent to return to title VIII for the purposes of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 20, after line 8, add the following new section:

RETROACTIVE PAY EQUALIZATION FOR WORLD WAR II PHILIPPINE SCOUTS

SEC. 805. (a) Subject to subsection (d), the Secretary of the Army shall pay in a lump sum to each person who served as a Philippine Scout during the period beginning on December 7, 1941, and ending on December 30, 1946, an amount equal to the difference between (1) the total amount of basic pay such person would have received for his military service during such period if the rates of basic pay of the Philippine Scouts had been the same as the rates of basic pay during such period for other members of the Army of the United States of corresponding grades and length of service, and (2) the total amount of such basic pay actually received by such person.

(b) In the event a person entitled to a payment under subsection (a) is deceased, such payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

(c) The retired pay of each former Philippine Scout shall be computed for periods beginning after September 30, 1980, on the basis of the rates of pay prescribed for other members of the Army of the United States of corresponding grades and length of service.

(d) The authority of the Secretary of the Army to make payments under this section is subject to the availability of appropriated funds for that purpose.

(e) This section shall take effect on October 1, 1980.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, my amendment is simple in its content, yet quite profound in its importance. The amendment simply authorizes equal pay for equal risk for veterans of the World War II Philippine Scouts who fought so bravely as part of the U.S. Army. These were not foreign soldiers; they were an integral part of our Army. The service they provided at Bataan and Corregidor was critical to the American effort against Japan in Asia.

The importance of equalizing the pay of these soldiers should be obvious. Despite their membership in the U.S. Army, the Scouts received less than one-half the basic pay of other members of the U.S. Army of corresponding grades and lengths of service. The Scouts received less pay because they were Filipino—and for no other reason. If this House rejects this amendment today, it will send a very unfortunate signal to the world. Rejection of my amendment would signify an expedient commitment to equality on the part of the United States. Rejection would lend credence to critics of the United States who claim that our commitment to justice and equality is half-hearted. I for one do not believe the United States should perpetuate a policy of discrimination. Adopting my amendment, on the other hand, would symbolize a true commitment on the part of the United States to wipe the slate clean by redressing wrongs committed against the Philippine Scouts.

Prior to World War II, of course, the Philippines were an American territory. When General MacArthur began to fashion our strategy against Japan in the South Pacific, the Philippines became a key element. MacArthur recruited Filipinos into the Philippine Scouts as part of the U.S. Army. In recruiting the Scouts, MacArthur said:

> War is the great equalizer of men. Every member of my command shall receive equal pay and allowances based on the United States Army pay scale regardless of nationality.

Despite that clear promise, however, the Scouts received less than half what they deserved.

General MacArthur described the Scouts as "excellent * * * completely professional, loyal, and devoted." The Scouts were an elite group with a high esprit de corps in which membership was considered an honor by Filipinos and the strictest standards were followed in selection. It was the continued resistance of the Philippine Scouts on Bataan that denied the Japanese an essential base for the projected thrust to the South Pacific. Their protracted defense of the Philippine Islands against incredible odds allowed the United States time to recover from the first blows of the war and begin to send in supplies and reinforcements.

According to recent Department of Army figures, there are only 282 Philippine Scouts currently receiving disability and regular retired pay. Increasing their benefits as proposed by my amendment would cost another $494,000. Doubling the pay Philippine Scout veterans would cost an estimated $8,736,000, again according to Department of Army figures. I think it is clear that the cost of my amendment is minimal compared to the sacrifice of life and limb made by the Scouts in the battle against the Japanese in World War II. Many of the Scouts have moved to the United States and have become citizens, yet they receive only half the benefits of their American GI counterparts. Passage of this amendment will send a clear signal to Filipino-Americans and to the people throughout the world that our commitment to justice is not parochial or expedient, but rather that it is fundamental to our conception of human rights and fairness for all. I urge my colleagues to support this amendment.

□ 1620

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend my colleague in the well, the gentleman from California (Mr. PANETTA), and applaud him for his leadership in this very important oversight and very important injustice as it relates to our Filipino community. I urge the adoption of the gentleman's amendment.

Mr. PANETTA. I thank the gentleman for his remarks.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman in the well for his leadership and foresight on this amendment. I have had the opportunity in past years to walk the same paths trod by the Americans and the Filipinos for whom the gentleman speaks on the island of Corregidor. Their valor was parallel to the valor of the Americans who were there. I commend the gentleman and I wish him well on his amendment.

Mr. PANETTA. I thank the gentleman for his remarks.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, does the gentleman have any figures as to what this would cost, and can the gentleman explain to us why this does not come under the Veterans' Administration?

Mr. PANETTA. Yes. As I understand it, this is a pay issue that involves retroactive pay. Therefore, it is within the confines of the Armed Services Committee. It requires authorizing legislation. The approximate price, as I understand it, for ability to repay these soldiers is about $8 million.

Mr. DICKINSON. Does this include dependents of those who have died in the meantime? Who will receive the benefits?

Mr. PANETTA. My amendment would also make appropriate survival and retirement benefits available to the Scouts.

Mr. DICKINSON. That is included in the $8 million?

Mr. PANETTA. That is right.

Mr. DICKINSON. Mr. Chairman, I have a recollection that this has come up several times before, and I do not remember its final disposition. Perhaps the other gentleman from Alabama (Mr. NICHOLS) can remember.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment by the gentleman from California (Mr. PANETTA) to authorize retroactive pay to Philippine Scouts.

Philippine nationals who volunteered for service in the Philippine Scouts were paid at rates one-half the amount received by U.S. Army enlisted members. There was no problem in attracting sufficient numbers of volunteers into the Philippine Scouts at that time.

Further, the rates of pay offered members of the Philippine Scouts were comparable to the rates of pay received by civilian laborers in the Philippines at that time—even though the rates received by the Philippine Scouts were less than the pay received by Army enlisted personnel. The Philippine Scouts served only in the Philippines, whereas Army enlisted personnel, of course, had worldwide assignments and had to maintain, in many cases, a standard of living in the United States for their dependents.

The treatment of the Philippine Scouts when they served alongside the U.S. soldier in the Philippines is no different than the treatment of foreign nationals who, today, serve beside our forces overseas. Generally speaking, the pay and compensation system offered foreign nationals is similar to that which is found for related jobs in the local foreign economy. Foreign nationals are paid according to local wage systems—not according to U.S. systems. In many instances, this is a result of an agreement between the United States and foreign governments.

When these Philippine Scouts served during World War II—in the Philippines—they were paid according to local wage rates. This was sufficient to satisfy the members of the Philippine Scouts at the time and to recruit sufficient numbers. It, also, prevented the disruption of the local economy—a concern of considerable importance at the time.

Were we to pay all foreign nationals, today or in the past, the same as U.S. personnel alongside whom they work, we would be, in some countries, significantly overpaying these foreign nationals—compared to what would have to be paid to recruit sufficient numbers and quality. In other countries, we would be unable to attract sufficient workers from the local economy if paid under the U.S. wage system.

There was no inequity perceived, at the time, by the Philippine Scouts, and no inequity exists today.

The Department of Defense submitted an unfavorable report on a bill similar to the amendment proposed by the gentleman from California and has consistently opposed enactment in the past.

I do not, by my opposition, to the gentleman's amendment wish in any way to diminish the value of the contribution of the Philippine Scouts to this Nation. Their dedication and commitment is unquestioned.

However, Mr. Chairman, I ask that the amendment be rejected.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate the gentleman's yielding, and I support what he has said. I also oppose the amendment.

Speaking from the standpoint of Veterans' Affairs and speaking for the Veterans' Administration, this country has done a good job in trying to help protect the Philippine Scouts. Any Filipino Scout who can prove that he was in the service has been given retirement and has been given veterans' benefits to the full amount. In fact, after 1945 any Filipino who could come in and say that he was connected in some way with the American forces, we have given him one-half the benefits under the Veterans' Administration. So we feel that we have done an excellent job trying to take care of the Filipino and his family, and I certainly hope that this amendment will be defeated.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I appreciate the rationale behind the amendment offered by the gentleman from California (Mr. PANETTA) and I also appreciate the contribution these brave Philippine soldiers made during World War II. At first I was highly sympathetic to the idea. But upon closer examinations, I do not believe that any inequity exists.

The chairman of our subcommittee, the gentleman from Alabama (Mr. NICHOLS), pointed out that the Scouts were paid according to local pay scales and according to local cost of living. This is our policy in the United States. This is how we treat foreign nationals when they work with our services. We have situations, for example, where foreign nationals are paid more than our soldiers because the local pay scales are higher. I am referring to Japan especially.

I am afaid, also, Mr. Chairman, that acceptance of this amendment might well lead to a costly, expensive and dangerous precedent. We used Philippine Scouts also prior to World War II. I understand we used them between the years of 1901 to 1941. And then, too, if this policy of equal pay for equal service were extended to the civilian sector, it would cause great disruption, a lot of money, a great deal of expense, and also it would create an administrative nightmare.

I would urge my colleagues to vote against the amendment.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I think there are two basic distinctions here. One is the fact that, in recruiting the Philippine Scouts, General MacArthur at the time made the commitment that they would receive equal pay for equal sacrifice.

The second point is that in 1946 the Government, in fact, recognized the discrimination by equalizing the pay for the Philippine Scouts, simply failed to provide retroactive payment for the period during the war. It was during the war that they actually made the sacrifices, that they were part of the U.S. Army, and that they were standing by the commitment that General MacArthur made.

I think it is only fair at this point to understand that they in fact have been discriminated against and we should try to equalize that situation.

Mr. MITCHELL of New York. Mr. Chairman, I would say, in response to my friend, the gentleman from California, that there is no documentation that General MacArthur ever made the promise of equal pay for equal risk. If he did make the promise, he had no authority whatsoever to do it. And then, too, our system just does not work that way. If it worked that way, a private would get paid more than a general. Equal pay for equal risk just is not compatible with the way we fight wars. So, I do not feel that that is a meritorious argument either.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I think the gentleman made a very good point, that acceptance of this amendment would start a very, very bad precedent, because I know for a fact that this is just the beginning. After this, if they are successful, we will have numerous other requests made for hospital benefits, for new buildings in the Philippines, for all types of things which are really not warranted based upon what we did as a nation to protect the Philippines.

I think the opposition of the chairman of the Subcommittee on Compensation, the gentleman from New York, and the ranking minority member are valid arguments and they should be observed by the Members of the House.

Mr. MITCHELL of New York. I thank the gentleman for his contribution.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I would like to point out that it does matter whether General MacArthur said, "You will get equal pay for equal risk" between privates, not between generals and privates. I think that we should understand that we do not have many friends left in the world. There are not many people who want to fight with us. There are not many people who think we appreciate people who do fight with us. I think that those Scouts who fought equally with those who were being paid regular Army wages and those who were later compensated in benefits demonstrated that an obligation was created for those Filipino fighters. We demonstrated the fact that there was an obligation because we tried to equalize benefits after the fact.

What we are talking about is equalizing pay during the time of risk, and I think it only makes commonsense that we do this.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman makes eminent sense. I want to associate myself with all of his remarks. Any of us who have gone out to visit those Pacific bases, after you leave Ulsan in

Korea, you realize, until you get all the way around to Diego Garcia on the other side of the world, that we only have one full-time installation left, Clark Air Force Base. And the advertising value in the headlines alone in these Philippine papers expressing this respect for these heroic Scouts would be worth the small amount of money that is involved here.

Mr. Chairman, I hope this committee will exercise its good judgment to retroactively reward those heroes who fought and died alongside our men in what was at the time the most vicious conflict the world has seen since the Middle Ages.

☐ 1630

Mr. HEFTEL. If the gentleman would yield further, I would like to thank my colleague and say that in the last 6 months, when I had an opportunity to visit the Philippines and to speak with citizens and members of the Government, the one comment they made repeatedly is, "We would like to be your friend. We do not know if you understand what that means. We do not understand if you know what Clark Air Force base means. We wish that you showed the kind of appreciation for us that we think we deserve."

Thank you.

Mr. SHUMWAY. Mr. Chairman, I move to strike the requisite number of words and I rise in strong support of the amendment to authorize pay and benefits for members and survivors of members of the Philippine Scouts.

The Philippine Scouts were made a part of the U.S. Army in the 1930's to help defend the South Pacific against totalitarian domination. It was the continued resistance of the Philippine Scouts on the island of Bataan that prevented our enemies from establishing an essential base for their projected thrust to the South Pacific. Against incredible odds, the Scouts provided a defense that allowed the United States time to recover from the initial blow of the war and begin to send in supplies and reinforcements.

Although the Scouts have been praised repeatedly by U.S. military leaders for their professionalism, loyalty, and devotion, they have never received just compensation in the form of pay and benefits. Many of these men live in the United States and are now citizens, but receive only half the benefits of other retirees with comparable length and grades of service.

I support Mr. PANETTA's amendment as a necessary first step toward insuring the rectification of this injustice. I urge my colleagues to join in support of this amendment.

● Mr. ANDERSON of California. Mr. Chairman, I rise in support of the amendment offered by my California colleague (Mr. PANETTA) which is designed to eliminate the injustice which currently exists to the Philippine Scouts who fought under the U.S. flag during World War II.

Of the 12,000 Philippine Scouts who fought to preserve the democratic way of life for the United States during this war, only 282 of these men now receive regular and disability retired pay from the Department of the Army. Many of these men are now citizens of the United States, and along with their spouses and children, make many contributions to our society. But they have not received equal treatment from our Government when compared to the American GI.

This amendment would provide a lump sum payment to the Philippine Scouts or their survivors equal to the difference between the pay they received, and that received by American GI's of comparable grades and lengths of service.

Many of us in Congress served our country during World War II and those who were stationed in the Philippine Islands, I am sure, know what a significant role these men played in helping the United States achieve victory in the South Pacific. I realize that we in Congress have been hard pressed to balance the budget, but the cost of this amendment is minimal compared to the services these Scouts contributed to our country, when we most needed them. I am not asking you to give these men or their survivors a hand-out, only a hand, which they so rightfully earned.●

Mr. PRITCHARD. Mr. Chairman, I rise in support of this amendment. I think there are probably others in this House who served in the South Pacific, as I did, and fought with the Scouts. It is a matter of equity. We promised it to them, at a time when we are doing everything we can to retain friends in the Pacific, this amendment should be passed, and I want to commend the Congressman from California for attempting to right this wrong.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with the gentleman's comments and with the proposal by our colleague from California (Mr. PANETTA). I think this is a just cause and that we ought to vote in favor of this proposal.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I will be very brief. It looks like we are getting an opinion here that we have not done anything for the Filipinos or the Scouts. I have just returned from a veterans' trip out there. We have a wonderful hospital. We are going to keep the veterans' office open. We have got a number of people and their families under veterans' benefits. We are doing an excellent job. This should not be confused with taking care of Filipino Scouts. We have well taken care of them. I do not think anyone can prove that they came close to the Americans in helping them. We have put them under veterans' programs and taken care of them. I would certainly hope this amendment would be defeated.

Mr. PRITCHARD. I would say that we have a disagreement, and I feel that this amendment should be passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PANETTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 115, noes 253, not voting 64, as follows:

[Roll No. 238]

AYES—115

Anderson, Calif.
AuCoin
Baldus
Barnes
Bennett
Bingham
Boggs
Bonior
Brown, Calif.
Buchanan
Burton, Phillip
Carney
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conyers
Crane, Daniel
Crane, Philip
Daniel, R. W.
de la Garza
Deckard
Dellums
Derwinski
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Emery
Fazio
Fenwick
Ferraro
Florio
Forsythe
Gephardt
Gilman
Glickman
Gonzalez
Gray
Green
Guyer
Harris
Hawkins
Heftel
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Kemp
Kildee
Kostmayer
LaFalce
Lagomarsino
Leland
Levitas
Lewis
Livingston
Lloyd
Lowry
Lujan
McCloskey
McDonald
Maguire
Markey
Marlenee
Matsui
Mavroules
Miller, Ohio
Mineta
Murphy, Pa.
Myers, Pa.
Nolan
Nowak
Oakar
Oberstar
Panetta
Pashayan
Pepper
Petri
Porter
Pritchard
Rangel
Richmond
Rinaldo
Roe
Rosenthal
Rousselot
Roybal
Royer
Sabo
Santini
Schroeder
Sensenbrenner
Shumway
Simon
Skelton
Smith, Iowa
Solarz
Stanton
Stokes
Swift
Thompson
Vento
Walgren
Waxman
Weiss
Whitehurst
Wilson, Bob
Wilson, Tex.
Wolff
Zablocki

NOES—253

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Bolling
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carr
Carter
Chappell
Clinger
Collins, Tex.
Conte
Corocran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dickinson
Dicks
Dingell
Dodd
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Gaydos
Gibbons
Gingrich
Ginn
Goodling
Gore
Gradison
Gramm
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Hillis
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde

Ichord
Ireland
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kindness
Kogovsek
Kramer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Loeffler
Long, La.
Long, Md.
Lott
Lundine
Lungren
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Marks
Marriott
Martin
Mattox
Mazzoli
Michel
Mikulski
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Musto
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Obey
Patten
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Ritter
Roberts
Robinson
Rostenkowski
Roth
Runnels
Russo
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stenholm
Stewart
Stockman
Studds
Stump
Synar
Tauke
Taylor
Traxler
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wright
Wyatt
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—64

Anderson, Ill.
Ashbrook
Aspin
Bauman
Boner
Breaux
Brown, Ohio
Cheney
Cleveland
Coleman
Conable
Dannemeyer
Derrick
Devine
Diggs
Early
Edwards, Ala.
Fuqua
Garcia
Giaimo
Goldwater
Grassley
Grisham
Harkin
Hightower
Hinson
Hollenbeck
Holtzman
Howard
Johnson, Colo.
Lee
Lent
Luken
McClory
Madigan
Mathis
Mica
Miller, Calif.
Mitchell, Md.
Moakley
Mottl
Neal
Ottinger
Patterson
Rodino
Rose
Rudd
St Germain
Stark
Steed
Stratton
Symms
Thomas
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Weaver
Williams, Mont.
Wolpe
Wydler
Yates
Young, Alaska

☐ 1650

Mr. YOUNG of Missouri and Mr. DODD changed their votes from "aye" to "no."

Messrs. STOKES, DANIEL B. CRANE, and LIVINGSTON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ABDNOR. Mr. Chairman, last weekend I took time out of my schedule to visit Ellsworth Air Force Base, one of the Nation's largest Strategic Air Command bases located in my district.

It is the home of some 30 B-52 bombers, about 6,000 Air Force personnel, and 165 Minuteman missile sites spread around 13,000 square miles of western South Dakota rangeland.

After listening to an Air Force briefing there, talking to the airmen and women, and inspecting the facilities, I am concerned that in our preoccupation with sophisticated new weaponry, we are neglecting some of the basics essential to our national defense.

I am talking primarily about two areas of military spending: Basic pay and operation and maintenance.

I was informed that the 26 SAC bases in this country are in desperate need of more than $100 million in building repairs and $25 million in runway maintenance.

At Ellsworth I saw crumbling runways that cannot stand up to the load of 244-ton B-52's. On hot summer days, pieces of the cracked runways are sucked into the jet engines as the aircraft await takeoff.

The B-52's are so old that some parts have to be handmade. The manufacturers have long since gone out of business.

Those who place their faith in the theory of mutual assured destruction (MAD) might well ponder the fact that this front line of our Nation's missile defense experienced about 775 hours—more than 32 days—of downtime last year because the base's repair trucks were in such bad shape they could not reach the Minuteman sites.

It just seems to me that if the Pentagon does not commit more of its funds to maintenance of our existing defense installations and equipment, rather than concentrating on exotic new weaponry, it may be too late to build those systems.

One wonders whether this policy of deferred maintenance, which by all reports is rampant throughout our military establishment, may have been the indirect cause of the helicopter failures in the Iranian rescue mission last month.

As for pay, my party talked to a young woman, a private, whose base salary is $500 a month, before taxes and social security. Her take home pay makes her eligible for food stamps as, indeed, thousands of our military families are dependent. Thousands more are still too proud to apply.

It is no wonder the All-Volunteer Military is in trouble. It is no wonder the retention rate is down, quality of recruits is declining and the Reserve Forces are suffering. It is no wonder we have ships tied up in drydock because they lack the skilled personnel to operate sophisticated equipment.

If we want a first-class military, I do not believe we are going to get it by offering them welfare status in the lower ranks.

So I hope that we will take action to improve military pay and benefits and our oversight committees should insist that the military establishment set some priorities in the operation and maintenance area.

● Mr. HAGEDORN. Mr. Chairman, I rise in strong support of H.R. 6974, Department of Defense authorizations for fiscal year 1981. This legislation authorizes a total of $53.1 billion for DOD in fiscal year 1981, an increase of more than $11.7 billion over fiscal year 1980 and $6.2 billion more than was requested by the administration.

Mr. Chairman, our Nation is at a crucial time in its history. The decisions we make today will dictate our position in the world in the future. If we want to regain our position as the strongest nation on the Earth, if we want to regain our superiority in the defense area, then it is essential that we take the extraordinary steps called for in this legislation.

Over recent years, our real military needs have been forced to take a back seat to spending in the area of social programs. I personally believe that our defense requirements have been permitted to slip too far and we now find ourselves with a backlog of requirements that are essential to national defense and security. All of these requirements are urgent in these perilous times, when the world is becoming more dangerous each day. This backlog is the result of claims that necessary defense equipment was "unaffordable" in years past. Well, we have finally reached the point where we must increase spending in this area to meet our real defense needs.

Mr. Chairman, I believe the legislation before us today takes a step in that direction. It presents Members of Congress with an opportunity to begin to rectify a problem that has been building over the last decade. As the committee report aptly stated, "The question before the 96th Congress is not 'whether we can afford what we need for defense?' The question is 'whether we can afford not to buy what we need for defense at reasonable rates?"

Briefly, Mr. Chairman, this bill authorizes $36.3 billion for procurement; $16.7 billion for research, development, test and evaluation; and $167 million for civil defense. Major programs funded by the bill include $16.8 billion for much-needed Navy shipbuilding and $7.2 billion for missile procurement.

Whether or not the increase in military spending proposed by this legislation will insure our military superiority over the Soviets in years to come is not the proper question. What these increases will do is allow us to work toward overcoming a condition which would put us in the unacceptable position of military inferiority. The events of the last 6 months alone should put us on notice of our dramatic needs in the defense area. The takeover of the U.S. Embassy in Iran and the subsequent aborted rescue attempt, the Soviet invasion of Afghanistan, and our continuing interests in the security of the Middle East all serve to highlight this point.

There are those who will characterize this increase in military spending as "reactionary" and "alarmist." But it is really an acknowledgment of our neglect for our real military needs over the last decade.

I urge my colleagues to help halt the erosion of our defense capabilities by supporting H.R. 6974.●

● Mr. NICHOLS. Mr. Chairman, the House Armed Services Committee is today proposing to the House an authorization package to provide adequate defense capabilities for these United States. Defense expenditures are expensive, we all recognize that fact, but I believe we also realize that to be unprepared if our adversaries decided to test our military strength would be far more costly.

In an attempt to reduce some of these costs to the American taxpayer, the Congress directed the Department of the Army to develop an armored air defense gun system to protect our improved front line tank forces as well as our personnel.

Presently this responsibility is assigned to the 20-mm Vulcan Gatling gun, a system that adequately served our military during the Vietnam era. With the advances of the Soviet Union in aircraft and helicopter weapons, the Vulcan system can no longer escort our front line forces and provide sufficient air defense in such areas as range, accuracy, foul weather and firepower. This creates a serious void in our defense system leaving our troops susceptible to devastating enemy air attacks.

The DIVAD system, funded in this authorization bill, meets the congressional mandate of immediate production capability, and cost effectiveness by utilizing to the maximum extent possible off-the-shelf components.

For reasons unrelated to the program, the Army proposed a reduction in the scheduled DIVAD authorization and this request is very nearly reflected in the authorization bill we debate today. The Department of Defense had proposed an additional cut in the DIVAD program but this proposal was strongly opposed by the committee.

The development of the DIVAD system is predicated on the use of low-risk technology which may be applied to existing armored vehicles. The resulting accelerated DIVAD program development will provide a low-cost air defense system capable of defending positions vulnerable to enemy air attacks.

I believe this system is important to our modern military. I would urge my colleagues to be mindful of this important air defense system and continue to support the programs development.●

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, had come to no resolution thereon.

PERMISSION FOR SUPPLEMENTAL, ADDITIONAL, MINORITY, OR DISSENTING VIEWS TO COMMITTEE REPORT AND H.R. 7235 TO BE PRINTED WITH COMMITTEE REPORT TO BE FILED BY FRIDAY NEXT

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that any supplemental, additional, minority, or dissenting views to the report of the Committee on Interstate and Foreign Commerce on H.R. 7235, which are filed within 3 days after the bill was reported, shall be printed with the report of the committee, which must be filed by noon on Friday to comply with the Budget Act.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 545, SUPPLEMENTAL APPROPRIATIONS FOR FOOD STAMPS

Mr. WHITTEN submitted the following conference report and statement on the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

CONFERENCE REPORT (H. REPT. No. 96–957)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 5.

The committee of conference report in disagreement amendments numbered 3 and 4.

JAMIE L. WHITTEN,
BILL D. BURLISON,
BOB TRAXLER,
BILL ALEXANDER,
MATTHEW F. MCHUGH,
WILLIAM H. NATCHER,
JOHN W. JENRETTE, Jr.,
MARK ANDREWS,
J. K. ROBINSON,
JOHN T. MYERS,
SILVIO O. CONTE,
Managers on the Part of the House.

TOM EAGLETON,
ROBERT C. BYRD,
BIRCH BAYH,
QUENTIN N. BURDICK,
WARREN G. MAGNUSON,
PAT LEAHY,
HENRY BELLMON,
MILTON R. YOUNG,
HARRISON H. SCHMITT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1: Appropriates $2,556,174,000 as proposed by the House instead of $3,002,400,000 as proposed by the Senate.

Amendment No. 2: Deletes language proposed by the Senate which would make the inflation adjustment of benefits an annual one, rather than semi-annual. The conferees note that a similar provision has been incorporated in the conference agreement on the authorizing legislation.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That the Department of Agriculture is directed to study the effects of regulations which would limit benefits to the participants in the food stamp program based upon value of the participants' assets, shall recommend an appropriate level of asset value which would deny or reduce benefits to a participant and analyze the impacts of such a restriction. Appropriate exemptions to this restriction should be considered. The Department is to analyze the administrative burden which this will impose upon the States. The Department is to report to Congress its findings in this matter not later than January 15, 1981: *Provided further*, That the Secretary of Agriculture shall study the impact and advisability of counting, for the purposes of income in determining eligibility: all educational loans on which payment is deferred; grants, fellowships, scholarships, and veteran's educational benefits used for the payment of tuition and mandatory fees at any educational institution of higher learning; and all housing subsidies including, but not limited to, payments made by an outside party on behalf of an individual or household. The Department is to report to Congress its findings in this matter not later than January 15, 1981.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Department shall submit to Congress an interim report in regard to both of these matters no later than September 15, 1980.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: "*Provided further*, That notwithstanding any other provision of law, the Secretary of Agriculture shall make the determination on benefit reductions required by section 18 of the Food Stamp Act of 1977, as amended, on the basis of a total appropriation for fiscal year 1980 of $9,191,000,000: *Provided further*, That total appropriations shall not exceed $9,191,000,000 for fiscal year 1980.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Department is to operate the program through the month of August without reducing benefits to eligible persons, assuming that the $2,556,174,000 appropriated in the resolution is sufficient funding to carry through August. The determination under section 18 shall take into consideration the additional appropriation contemplated within the $9,191,000,000 figure.

Amendment No. 5: Deletes language proposed by the Senate which would have included in income for determining recipient eligibility certain payments, grants, benefits, subsidies and other income sources. A study in this regard is directed in connection with amendment number three.

Jamie L. Whitten,
Bill D. Burlison,
Bob Traxler,
Bill Alexander,
Matthew F. McHugh,
William H. Natcher,
John W. Jenrette, Jr.,
Mark Andrews,
J. K. Robinson,
John T. Myers,
Silvio O. Conte,
Managers on the Part of the House.
Tom Eagleton,
Robert C. Byrd,
Birch Bayh,
Quentin N. Burdick,
Warren G. Magnuson,
Pat Leahy,
Henry Bellmon,
Milton R. Young,
Harrison H. Schmitt,
Managers on the Part of the Senate.

Mr. WHITTEN. Mr. Speaker, pursuant to the unanimous-consent request granted earlier today, I call up the conference report on the joint resolution (H.J. Res. 545) making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

The Clerk read the title of the joint resolution.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can we find out if this is the last item for the day, Mr. Speaker?

The SPEAKER. The Chair will respond in the affirmative.

Mr. ROUSSELOT. Mr. Speaker, I appreciate knowing that, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi (Mr. Whitten) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. Conte) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. Whitten).

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are calling up the conference report on the emergency resolution to provide funds for the food stamp program. The House promptly passed this resolution just 2 days ago. The Senate increased the amount that was in the House bill by some $446,226,000. We can all see that there may be increased demands for food stamps because of the eligibility of those who are unemployed.

In the other body five amendments were added to the resolution we sent to them on an emergency basis. The emergency situation had prompted the House to take food stamp funding out of the regular supplemental appropriations bill and to bring it up separately. We felt an obligation on our side to hold the conference agreement to the amount the House had included because to do otherwise would be to break faith with the other programs in the supplemental appropriations bill which have not yet come to the House floor for consideration. That bill includes funding which is needed just as urgently as the matter before us today.

Mr. Speaker, the Senate not only added additional funds but also added four other amendments, the general nature of which were to write into the bill certain legislative requirements of somewhat unclear, but possibly substantial, impact. We were able, however, to reach agreement on the House figure as the appropriated amount.

We also agreed that, in figuring how to handle this program, the Secretary of Agriculture should take into consideration not only the amount appropriated but also the amount contemplated in the Senate version of the resoltuion as necessary to meet the need.

However, I repeat again, we did not appropriate that Senate amount in this bill. We also were able to get our colleagues on the other side to change the legislative requirements they had included in the resolution into studies rather than mandatory changes in eligibility. In providing that these matters be studied, we will be able to know the facts before we take special action. Primarily, that has to do with counting as income student loans, scholarship, veterans benefits, and housing subsidies in determining eligibility of people and also determining eligibility based on their assets.

Mr. Speaker, your conferees did insist that this be a study with reports to the Congress so we will know all the facts before we deal with these proposals.

I do say that in my opinion there was not a truly dissenting vote on the conference. We are in essential agreement. I hope, Mr. Speaker, that the supplemental appropriations bill will be brought up very soon because the programs in that bill are just as much of an emergency as is the measure we have before us today. That would leave it where the Committee on the Budget, in setting its ceiling, will be able to see what we face. We have in this agreement, however, not in any way jeopardized the amounts carried in the various sections of the supplemental appropriations bill, which included this program until we pulled it out in order to expedite its consideration.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is critical that this body act today on the conference agreement just reached by the House and Senate conferees on the urgent food stamp supplemental appropriation (H.J. Res. 545).

We have brought to the floor, as quickly as possible, a good conference agreement which includes the House figure of $2,556 million in additional funding for the food stamp program for fiscal 1980.

Let me restate just how urgent this matter is. This program is facing a critical deadline today. More than 21 million Americans depend on these benefits to provide them with assistance in purchasing a minimal daily diet. More than 3.2 million Americans over the age of 65 will not know where their next meal is coming from unless we act now.

As I have warned before, if the program is disrupted on June 1—even if it is revived later on—it will cause considerable hardship and social chaos for millions of needy Americans.

This body has gone to considerable lengths to assure that the needy people of this Nation will receive these life-sustaining benefits on time. We wrestled in full committee with waivers of the budget ceilings, and we took the extreme step of separating the food stamp program out from the fiscal year 1980 supplemental in order to put it on a fast track. Then, Chairman Whitten and I went to the Rules Committee and argued for the emergency nature of this critical measure. In responsible fashion, the House acted promptly and sent a sound bill to the Senate.

While the Senate originally added several amendments, we have come from conference with a good, sound agreement that I believe all of us can support.

The Senate agreed to the House figure of $2,556 million while assuring that the Secretary administer the program without reducing benefits to eligible persons through August 1980.

The agreement further states that total appropriations for the food stamp program for fiscal 1980 shall not exceed $9,191 million—the amount currently estimated to be needed for the program through September 1980. This figure would allow room for additional appropriations, if they become necessary before September 30, 1980, amounting to $446 million. Obviously, the budget ceiling yet to be decided on would have to accommodate any further appropriations for this program.

The conference agreement also provides for the Department of Agriculture to conduct two studies. One on the effects of regulations limiting benefits to participants based upon value of the participants assets. And, a second on the impact of counting, for purposes of income in determining eligibility: Educational loans, grants, fellowships, veterans' educational benefits and all housing subsidies. The reports on these studies are to be delivered to the Congress not later than January 15, 1981.

Again, let me urge your support of this urgent matter. It is a good conference agreement which leaves intact the House dollar figure and the House principle not to exceed the House proposed budget ceiling.

□ 1700

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I thank the gentleman for his excellent explanation of the conference report. In the report, as I understand it in serving as a member of the conference committee with the distinguished gentleman, there is very little difference between this conference report and the way this bill left the House. The money amount is the same, is that correct?

Mr. CONTE. Exactly the same.

Mr. TRAXLER. I would ask the gentleman, in view of that fact, what would be the gentleman's best guess as to when we will run out of food stamp money in 1980? What is the gentleman's time frame?

Mr. CONTE. I think, as I said on the floor the other day and said in conference today, I thought September 1. We made that provision in the conference that we could go up to that figure of $446 million either through the second supplemental, which will be following on the heels of this, or through some other procedure.

Mr. TRAXLER. Would the gentleman say that it is probable, then, we will run out of food stamp money about mid-August? Would that be fair?

Mr. CONTE. I would say mid-August, September 1.

Mr. TRAXLER. So it would be the same scene, the same actors, the same stage probably at the end of July; we will be enacting our third supplemental food stamp appropriation bill.

Mr. CONTE. We could be in September, but we could be taking care of it right following on the heels of this bill with a second supplemental if we can cut something else out of that second supplemental in order not to exceed the budget limit.

The other point I want to make is, I just slid over those two studies, but those were actually provisions that the Senate put in which were very, very damaging, I thought, to the elderly people, housing, college students, and we were able to eliminate those and put them in a study.

Mr. TRAXLER. Mr. Speaker, I join with the gentleman in urging passage of the conference report.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I do not think anyone can say when the Department will run out of funds, if at all, because the economy could turn up. Maybe it is not likely to do that, but it could turn up and there will be less demand for food stamps.

But, the important thing is, the Secretary of Agriculture now is required by this amendment offered today to start leveling off, level the number of food stamps that he is dishing out because he is on notice now that he has to allocate the program through the remaining months, and he knows what the ceiling is. He is surely not going to cut out the needy people, but he can start watching more closely who is getting them, and hopefully take off those who do not need them and put the program on a paying basis.

This is important. I think we have at least put a cap on it. Earlier today we heard the argument that we need a cap. This supplemental appropriation bill puts a cap on it which I think is the most important part of the bill.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I know this is not really the responsibility of the Appropriations Committee, but what assurance do we have that someplace down the line, like say in Puerto Rico, where they are using food stamps as another form of currency, it has become so prelavent, as I understand it, that it is another form of currency. Is that not correct?

Mr. CONTE. I do not know if that is correct. I have not been in Puerto Rico.

Mr. ROUSSELOT. We will have to get the gentleman down there for some reason, but my understanding is that in many places in the country this is now used as money.

I do not know whether they have any shooting blinds down there or not.

But, my understanding is that there are many places in this country where food stamps are now used as another form of currency, and I wonder if we are ever going to begin to control this.

Mr. CONTE. I think the gentleman has made a very valid point, and the two studies that are provided for in this conference which the Department of Agriculture will have to make and report to the Congress by January 15——

Mr. ROUSSELOT. January 15, 1981?

Mr. CONTE. Of 1981, studying the assets of people, the qualifications and all, I think those studies will direct themselves to the question that the gentleman from California is asking.

Mr. ROUSSELOT. I thank the gentleman.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as a member of the Appropriations Committee, I reluctantly rise in support of House Joint Resolution 545, supplemental appropriations for food. I realize that unless these emergency funds go through, the truly poor—those who deserve and require help—will be harmed by a possible program suspension. While I support this stopgap measure, I have grave concerns about the overall program.

The food stamp program has become the Nation's largest, most expensive welfare program and is completely out of control. Unless we do something now to bring it back to its original purpose—to provide nutritional assistance to the poor—the program will collapse beneath its own weight.

How this program has grown is a classic study of noble intentions superseding logical, prudent administration. The cost of the food stamp program has increased 31,700 percent since 1964 when 442,359 beneficiaries drew $36 million worth of stamps. The number of food stamp beneficiaries today is close to 22 million people, a 5,511-percent growth since 1964. The eligibility standards are so broad and program mismanagement so rampant that one in four Americans is eligible for food stamps. If the over 50 million eligible people would choose to draw food stamps, the current estimated $10.6 billion program cost could easily mushroom to over $26 billion a year. In addition, no one seems to know for sure how much mismanagement there is but one estimate places the error rate at $1.4 billion.

Today, the average food stamp household participates in three assistance programs: 13 percent of the households have monthly incomes above the poverty line. In fact, it is possible that a family of four with a gross annual income of $13,138 can receive food stamps. S. 1309 which cleared the House last week would raise that gross income limit to $17,928; 29 percent of the households own their homes and 36 percent own their cars, 3.6 percent of the food stamp caseload is comprised of students and strikers.

The shift to nationwide, uniform eligibility standards and away from State control has been a primary cause for the cost explosion. The program no longer has the effective administration and flexibility to meet the individual needs of people.

There are people who need food stamps. They are the truly poor who through no fault of their own cannot provide themselves and their families nutritionally sound diets. But because the program is so out of control, the poor do not get all they should while the taxpayers are burdened by more than they can handle.

The program has not worked as intended. I regret that the House did not adopt needed reforms during its consideration last week of the authorization bill. Someday soon the Congress will have to come back and perform radical surgery if the program is to survive.

Mr. JENRETTE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from South Carolina.

Mr. JENRETTE. Mr. Speaker, I thank the gentleman for yielding. Having the pleasure of serving with the gentleman from Massachusetts and our chairman on the conference committee, I would like to ask the gentleman if he feels, as I do, that the conference report is sending a message to the Secretary that we intend to do some of the things that the gentleman from California just questioned. If there is another segment of currency, I think we have sent a message that we want to cut that out. We want to help the needy, not the greedy, not the lazy. The workfare program that the authorizing committee put in the bill for next year, along with what we did today, is sending that message. Would the gentleman agree?

Mr. CONTE. I certainly agree with the gentleman. It is right in the conference report, and they are going to have to come back with that report, that investigation, and let the Congress know what they found out.

Mr. JENRETTE. I thank the gentleman.

● Mr. OBERSTAR. Mr. Speaker, last week, this House overwhelming approved S. 1309, the Food Stamp Act Amendments of 1979. I was proud to join with my colleagues in voting to raise the ceiling for this program to $9.49 billion for fiscal year 1980 and $9.7 billion for fiscal year 1981.

Our responsibility for providing the most economically disadvantaged of our society with a minimum level of subsistence does not end with this vote, however. S. 1309 alone cannot protect the 21.7 million people who currently receive food stamp benefits from certain malnutrition and probable starvation after May 15, the date when funding for this vital feeding program runs out.

Today, we take up House Joint Resolution 545, the supplemental food stamp appropriation bill, whose passage will insure that the poor, the elderly, and needy children under 18 years of age will continue to receive their benefits through the end of the fiscal year.

If we fail to approve this $2.6 billion measure, the Secretary of Agriculture will be forced to order the States to terminate their food stamp programs. In Minnesota alone, over 140,000 people will not know where their next meal is coming from, should this suspension go into effect.

This drastic and unnecessary step can be avoided if we act now. Let us not add to the unreasonable suffering that inflation, unemployment, and poverty have already inflicted on our most vulnerable population.

A letter which I received just this week from a mother in Duluth, Minn., highlights the urgency of this situation:

> I am very worried about the welfare of my children. They need all the nutrition they can get to feed their little bodies. They are our next generation and they need a good start on life. There is no way that I or any other AFDC mother can absorb the high cost of food in our budget. We only receive enough to live on plus the food stamps. If the food stamp program does not receive adequate funding, we will be forced to choose between paying our bills and starving. I just don't see how we can possibly live if we do not receive these benefits for even one month, let alone, any longer.

We now have the opportunity to prevent further physical and emotional hardship to those who have been hit hardest by the present state of our economy. The food stamp program has proven to be one of this Nation's principal weapons against hunger. We can demonstrate our commitment to the effective and continuous operation of this program by supporting this emergency legislation today.●

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 316, nays 36, not voting 80, as follows:

[Roll No. 239]

YEAS—316

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Gaydos
Gephardt
Gibbons
Gingrich
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hillis
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stewart
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Vander Jagt
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—36

Archer
Badham
Carney
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dickinson
Dornan
Edwards, Okla.
English
Evans, Ind.
Hagedorn
Hall, Tex.
Ichord
Jeffries
Kelly
Kramer
Lagomarsino
Lewis
Loeffler
Lungren
McDonald
Marlenee
Paul
Roth
Rousselot
Satterfield
Sensenbrenner
Shumway
Shuster
Stenholm
Stockman
Stump
Wilson, Bob

NOT VOTING—80

Abdnor
Anderson, Ill.
Ashbrook
Aspin
Barnard
Bauman
Boland
Boner
Breaux
Brown, Calif.
Brown, Ohio
Burton, John
Cheney
Chisholm
Cleveland
Coleman
Conable
Cotter
Dannemeyer
Derrick
Devine
Dicks
Diggs
Dixon
Early
Edwards, Ala.
Fazio
Fish
Fuqua
Garcia
Giaimo
Goldwater
Grassley
Grisham
Hanley
Hansen
Hightower
Hinson
Holland
Holtzman
Howard
Hutto
Johnson, Colo.
LaFalce
Leach, La.
Lee
Lent
Luken
McClory
Mathis
Mica
Miller, Calif.
Mitchell, Md.
Moakley
Mottl
Ottinger
Patterson
Rodino
Rose
Rudd
Sawyer
St Germain
Stark
Steed
Stratton
Symms
Thomas
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Weaver
Williams, Mont.
Wilson, C. H.
Wolpe
Wydler
Yates
Young, Alaska
Zeferetti

☐ 1720

The Clerk announced the following pairs:

On this vote:

Mr. Hanley for, with Mr. Ashbrook against.

Mr. Moakley for, with Mr. Devine against.

Mr. Coleman for, with Mr. Hansen against.

Mr. McClory for, with Mr. Johnson of Colorado against.
Mr. Sawyer for, with Mr. Rudd against.
Mr. Rodino for, with Mr. Symms against.

Until further notice:

Mr. Boland with Mr. Abdnor.
Mr. Cotter with Mr. Fish.
Mr. Breaux with Mr. Thomas.
Mr. John L. Burton with Mr. Wydler.
Mrs. Chisholm with Mr. Young of Alaska.
Mr. Early with Mr. Goldwater.
Mr. Fazio with Mr. Grassley.
Mr. Giaimo with Mr. Brown of Ohio.
Mr. Fuqua with Mr. Hinson.
Mr. Howard with Mr. Cheney.
Mr. LaFalce with Mr. Conable.
Mr. Udall with Mr. Dannemeyer.
Mr. Stark with Mr. Dixon.
Mr. St Germain with Mr. Edwards of Alabama.
Mr. Mottl with Mr. Lent.
Mr. Van Deerlin with Mr. Lee.
Mr. Mitchell of Maryland with Mr. Leach of Louisiana.
Mr. Zeferetti with Mr. Volkmer.
Mr. Yates with Mr. Williams of Montana.
Mr. Wolpe with Mr. Grisham.
Mr. Charles H. Wilson of California with Mr. Garcia.
Mr. Hightower with Mr. Holland.
Mr. Rose with Ms. Holtzman.
Mr. Patterson with Mr. Derrick.
Mr. Steed with Mr. Diggs.
Mr. Stratton with Mr. Hutto.
Mr. Ullman with Mr. Mica.
Mr. Vanik with Mr. Miller of California.
Mr. Luken with Mr. Anderson of Illinois.
Mr. Barnard with Mr. Aspin.
Mr. Boner with Mr. Bauman.
Mr. Brown of California with Mr. Dicks.
Mr. Mathis with Mr. Ottinger.
Mr. Weaver with Mr. Cleveland.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 3: Page 1, line 16, after "operations" insert ": *Provided further*, That the Department of Agriculture is directed to study the effects of regulations which would limit benefits to participants in the food stamp program based upon value of the participants' assets, shall recommend an appropriate level of asset value which would deny or reduce benefits to a participant and analyze the impacts of such a restriction. Appropriate exemptions to this restriction should be considered. The Department is to analyze the administrative burden which this will impose upon the States. The Department is to report to Congress its findings in this matter not later than September 1, 1980.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

": *Provided further*, That the Department of Agriculture is directed to study the effects of regulations which would limit benefits to participants in the food stamp program based upon value of the participants' assets, shall recommend an appropriate level of asset value which would deny or reduce benefits to a participant and analyze the impacts of such a restriction. Appropriate exemptions to this restriction should be considered. The Department is to analyze the administrative burden which this will impose upon the States. The Department is to report to Congress its findings in this matter not later than January 15, 1981: *Provided further*, That the Secretary of Agriculture shall study the impact and advisability of counting, for the purposes of income in determining eligibility: all educational loans on which payment is deferred; grants, fellowships, scholarships, and veteran's education benefits used for the payment of tuition and mandatory fees at any educational institution of higher learning; and all housing subsidies including, but not limited to payments made by an outside party on behalf of an individual or household. The Department is to report to Congress its findings in this matter not later than January 15, 1981.".

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The motion was agreed to.

The SPEAKER. The Clerk will report the second amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 4: Page 1, line 16, after "operations" insert ": *Provided further*, That no further appropriations will be made for the food stamp program in fiscal year 1980. The sum provided herein substantially exceeds previous estimates of program needs and fully utilizes projections of budget authority and outlays remaining within the Congressional budget ceiling for this purpose. The Secretary of Agriculture is therefore directed to utilize those procedures authorized in section 18 of the Food Stamp Act of 1977, as amended, to assure that program costs do not exceed available funds and to avoid unnecessary disruptions or substantial reduction in benefits under the program.".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"*Provided further*, That notwithstanding any other provision of law, the Secretary of Agriculture shall make the determination on benefit reductions required by section 18 of the Food Stamp Act of 1977, as amended, on the basis of a total appropriation for fiscal year 1980 of $9,191,000,000: *Provided further*, That total appropriations shall not exceed $9,191,000,000 for fiscal year 1980.".

The SPEAKER. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I just voted in the conference report for a level of something in excess of $8 billion for the food stamp program. It was a figure of $300 million or $400 million less than that cited here in the disagreeing amendment.

Now, in what position does that put me when I vote for a figure of about $8.6 billion, but then I find here a figure in excess of that, aggregating $9.1 billion?

Would the chairman be good enough to tell me just where we are now in this program?

Mr. WHITTEN. Mr. Speaker. may I say to my colleague, the gentleman from Illinois, that the amount of money appropriated in this resolution is exactly $2,556,174,000. No more. The additional amount that is mentioned is the amount that the Senate estimated would be needed and upon which the Secretary may base his assumptions. That additional amount is not included in this resolution.

The figure that the gentleman has read includes the $6.2 billion that has already been appropriated and the $2.5 billion which we are providing in this resolution, plus that additional amount which the Senate has estimated will be needed, and which we agree may have to be spent, but is not appropriated here.

So the gentleman is reading the total on which the Secretary of Agriculture shall base his monthly allocation under section 18 of the Food Stamp Act. This resolution does not include all of that amount. It includes $2,556,174,000, the same as was included in the resolution originally passed by the House.

The other amount is a total upon which the Secretary may base his estimate of funds which may become available for fiscal year 1980 so that he can plan programs operating accordingly.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his explanation. I think, in sum and substance, what is going to happen is that this higher figure which is cited by way of this disagreeing amendment is the overall figure which we are really going to be spending for food stamps for this fiscal year.

□ 1730

Mr. WHITTEN. May I say, some of the gentleman's colleagues insisted on putting this figure here.

Mr. MYERS of Indiana. Mr. Speaker, would the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. The reason we are here today is we have never had a cap on this before in an appropriation. We have always given the Secretary of Agriculture a blank check. Now we have got this cap. We have to start making plans. It is new procedure, I guess. I can understand why people would not understand, but without this cap, it is open-ended. We just come back every 2 or 3 months and appropriate more money. This puts a cap on it. It is very necessary.

Mr. WHITTEN. The cap could set in motion certain other provisions of law, and is included as a guide to the Secretary.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Do I understand my colleague from Illinois then that he voted on a different figure, but we have a higher figure? Is that right?

Mr. WHITTEN. When the gentleman words it that way, may I say we agreed on an appropriation of $2,556,174,000, but recognized that an even higher amount may become necessary. We mention both figures, but only appropriate the amount of $2.5 billion.

Mr. ROUSSELOT. If the gentleman would yield further, so this is a program that is clearly just out of control, but we have made it out of control more? Is that correct?

Mr. WHITTEN. As I said earlier, $6.2 billion of this amount has already been appropriated.

Mr. ROUSSELOT. If the gentleman would yield further, it is only a billion dollars here and a billion dollars there. I guess it does not really matter. When you have got an out-of-control welfare program, I guess you just let it go out of control.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I guess the gentleman would prefer what the other body had, which was wide open. We got it compromised and got a cap. It does not seem to be appreciated by this body, but it is the first time I have ever voted for an appropriation bill for food stamps and authorizations because it has been under control, but it is the first step toward putting a cap on it. I voted on it. I am proud of the fact that we have got a cap on it.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on House Joint Resolution 545 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON S. 662, INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. GONZALEZ submitted the following conference report and statement on the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund:

CONFERENCE REPORT (H. REPT. No. 96–974)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

SEC. 101. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended—

(1) by redesignating section 29 as section 28; and

(2) by adding at the end thereof the following new section:

"SEC. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978 and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto, and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (A) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank, of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in, and (B) to contribute to the Fund for Special Operations $630,000,000; except that any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) $2,474,287,189 for the United States subscription of the capital stock of the Bank, and (2) $630,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

"(1) shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments; and

"(2) shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any country which is not a member of the Bank.".

SEC. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other countries which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through multilateral incentives, administered by the Inter-American Development Bank, to private investment in such resources. The President shall report his findings to the Congress not later than September 30, 1980, together with such recommendations as he considers appropriate.

TITLE II—ASIAN DEVELOPMENT BANK

SEC. 201. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 24. (a) The United States Governor of the Bank is authorized to contribute on behalf of the United States $378,250,000 to the Asian Development Fund, a special fund of the Bank, except that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $378,250,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

"(1) shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments; and

"(2) shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"SEC. 25. It is the sense of the Congress that it is the policy of the United States that Taiwan (before January 1, 1979, known as the Republic of China) shall be permitted to retain membership in the Asian Development Bank and that the United States Executive Director of the Bank shall notify the Bank that a serious review of future United States participation, including any future payments to the Asian Development Fund, would ensue if Taiwan were expelled from the Bank.".

TITLE III—AFRICAN DEVELOPMENT FUND

SEC. 301. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended—

(1) by redesignating section 212 as section 211; and

(2) by adding at the end thereof the following new section:

"SEC. 212. (a) The United States Governor of the Fund is authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund, except that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated, without fiscal year limitation, $125,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

"(1) shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments; and

"(2) shall take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

SEC. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to the Secretary of the Treasury, the Secretary of State, and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

TITLE V—HUMAN RIGHTS REPORTING

SEC. 501. (a) Section 701 of the Act of October 3, 1977 (Public Law 95–118; 22 U.S.C. 262g), is amended in subsection (c)—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary of the Treasury shall report quarterly on all loans considered by the Boards of Executive Directors of the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans considered by the Boards of Executive Directors of such institutions and shall specify with respect to each such loan—

"(i) the institution involved;

"(ii) the date of final action;

"(iii) the borrower;

"(iv) the amount;

"(v) the project or program;

"(vi) the vote of the United States Government;

"(vii) the reason for United States Government opposition, if any;

"(viii) the final disposition of the loan; and

"(ix) if the United States Government opposed the loan, whether the loan meets basic human needs.

"(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to the Congress of the National Advisory Council on International Monetary and Financial Policies.".

(b) Such section is further amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committee on Foreign Relations of the Senate, in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance for reasons regarding human rights. Each such report shall include—

"(A) the reasons for such opposition;

"(B) all policy considerations taken into account in reaching the decision to oppose such loan, financial assistance, or technical assistance;

"(C) a description of the human rights conditions in the country involved;

"(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

"(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

"(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.".

(c) Title VII of the Act of October 3, 1977, is amended by adding at the end thereof the following new section:

"SEC. 705. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund, to consult with the other Governors of those institutions concerning adoption of an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.".

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

SEC. 601. The Congress finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter, and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste, and other "noncommercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land; and

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal, and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

SEC. 602. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable resources, including hydropower, biomass, solar photovoltaic, and solar thermal;

(5) to support an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses, and assessments to include consideration of the supply of, demand for, and possible uses of renewable resources; and

(7) to coordinate with the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable resource" means any energy resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury, in consultation with the Director of the United States International Development Cooperation Agency, shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

And the House agree to the same.

HENRY S. REUSS,
HENRY GONZALEZ,
JOHN J. LAFALCE,
J. W. STANTON,
HENRY J. HYDE,
Managers on the Part of the House.

FRANK CHURCH,
JOHN GLENN,
PAUL SARBANES,
JACOB JAVITS,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

The House amendment provides for an authorization of $1,649,900,000 for the United States subscription to the capital stock of the Inter-American Development Bank. The Senate bill provided for an authorization of $2,749,207,988 for that purpose. The Senate recedes to the House with an amendment authorizing $2,474,287,189 for the United States subscription.

The House amendment provided for an authorization of $600,000,000 for the United States share of the increase in the resources of the Fund for Special Operations. The Senate bill provided for an authorization of $700,000,000 for that purpose. The Senate recedes to the House with an amendment authorizing $630,000,000 for the United States subscription.

For the purpose of keeping the cost of participation in the Inter-American Development Bank to a minimum, the conferees agreed that the Secretary of the Treasury should pay the amounts required for U.S. subscriptions to the paid-in capital of the Bank by letter of credit in four annual installments. The Secretary of the Treasury is instructed to obtain a certification from the Bank that drawdowns of the letters of credit will be deferred until the funds are needed by the Bank.

The House amendment required the Secretary of the Treasury to obtain a certification from the Bank that it would not drawdown the United States contributions to the Fund for Special Operations before they are needed. The conferees agreed that this change in procedure will prevent the institutions from maintaining dollar balances in excess of their needs, thereby reducing the outlays from the U.S. Treasury for fiscal year 1980 and succeeding fiscal years. The Senate recedes to the House. The Secretary of the Treasury is directed to apportion the funds authorized by this bill for the Inter-American Development Bank over the Replenishment period in a manner that will cause the least possible disruption for the institution.

The House amendment provided that none of the funds authorized under this section may be used for any form of assistance to a nation that is not a member of the Bank. The Senate bill contained no similar provision. The Senate recedes to the House with the understanding that this amendment would not limit the authority of the Bank to lend to the Caribbean Development Bank under Article III, Section 1, of the Articles of Agreement of the Inter-American Development Bank.

The House amendment required the President to evaluate a proposal for joint action by members of the Bank to increase exploration and exploitation of energy and mineral resources of the Western Hemisphere through investment insurance administered by the Bank and through other methods. The amendment also required the President to submit a report and recommendations on this matter by September 30, 1980. The Senate bill contained no similar provision. The Senate recedes to the House with an amendment that deletes the reference to investment insurance.

TITLE II—ASIAN DEVELOPMENT BANK

The House amendment provided for an authorization of $180,000,000 for the United States share of the increase in the resources of the Asian Development Fund. The Senate bill provided for an authorization of $445,000,000 for that purpose. The Senate recedes to the House with an amendment authorizing $378,250,000 for the United States subscription.

The House amendment required the Secretary of the Treasury to obtain a certification from the Bank that it will not drawdown the United States contribution to the Fund before they are needed. The Senate bill contained no similar provision. The Senate recedes to the House. The Secretary of the Treasury is directed to apportion the funds authorized by this bill for the Asian Development Fund over the Replenishment period in the manner that will cause the least possible disruption for the institution.

The House amendment authorized the United States to contribute up to $100,000,000 to a special refugee fund to be administered by the Bank and authorized $100,000,000 in appropriations for that purpose. The House amendment also required the President to encourage other countries to support the establishment of the fund. The Senate bill contained no similar provisions. The House recedes to the Senate with the understanding that the authorizing committees intend to hold hearings to study the feasibility of having the multilateral development banks assist member countries of first asylum for refugees and to aid in the permanent resettlement of refugees in third countries in South and Southeast Asia. The Executive Branch is directed to study this issue.

The House amendment provided that the United States may not make any contribution to the Asian Development Fund if Taiwan is excluded from membership in the Asian Development Bank. The Senate bill contained no similar provision. The Senate recedes to the House with an amendment reaffirming the position of the Congress as set forth in the Taiwan Relations Act which provides for the protection of Taiwan's interests in the Asian Development Bank, and expressing the sense of Congress that future U.S. participation would be threatened if Taiwan were ever to be expelled from the Bank.

TITLE III—AFRICAN DEVELOPMENT FUND

The House amendment required the Secretary of the Treasury to obtain a certification from the Fund that it will not drawdown the United States contributions to the Fund before they are needed. The Senate bill contained no similar provision. The Senate recedes to the House.

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

The House amendment required the Secretary of the Treasury to instruct the United States executive directors of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund to assure that information relating to export opportunities is communicated to the Secretaries of State and Commerce. The amendment also required the information be broadly disseminated to large and small businesses. The Senate bill contained no similar provisions. The Senate recedes to the House.

TITLE V—HUMAN RIGHTS REPORTING

The House bill contained a committee amendment which required the Secretary of the Treasury to report on loans made by the multilateral development banks and any United States actions taken on human rights grounds with respect to those loans. The bill was amended on the House Floor to require the United States to propose amendments to the articles of agreement of the multilateral development banks that would establish human rights standards to be considered in connection with each application for assistance from those institutions. The Senate bill contained no similar provisions. The Senate recedes to the House on the Committee amendment and recedes on subsection (c) with an amendment directing the U.S. Governor of the Banks to consult with the other governors of the Banks concerning adoption of an amendment to the articles of agreement to establish human rights standards for assistance.

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

The House amendment required the United States to encourage the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank to promote the development of renewable energy resources. The Senate bill contained no similar provisions. The Senate recedes to the House with technical amendments.

Henry S. Reuss,
Henry Gonzalez,
John J. LaFalce,
J. W. Stanton,
Henry J. Hyde,
Managers on the Part of the House.

Frank Church,
John Glenn,
Paul Sarbanes,
Jacob Javits,
Richard G. Lugar,
Managers on the Part of the Senate.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6412, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION SUPPLEMENTAL 1980 AUTHORIZATION FOR RESEARCH AND DEVELOPMENT

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–98) on the resolution (H. Res. 670) providing for consideration of the bill (H.R. 6412) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6846, JUSTICE DEPARTMENT APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1981

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–981) on the resolution (H. Res. 671) providing for consideration of the bill (H.R. 6846) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6413, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1981

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–982) on the resolution (H. Res. 672) providing for consideration of the bill (H.R. 6413) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to proceed for 1 minutes for the purpose of inquiring of the distinguished majority leader the program for next week.

Mr. WRIGHT. Mr. Speaker, if my friend, the acting minority leader, would yield, I would say that we have a very busy week scheduled for next week.

It is our plan that when we adjourn today we will adjourn to meet at noon on Monday.

The program for next week is as follows:

On Monday, May 19, the House will meet at noon. We will consider 17 bills under suspension of the rules. The reason for that is that it is our plan to be in recess to observe the Memorial Day period on the subsequent Monday and Tuesday, and the next time for suspensions will not occur until June 2. Therefore, we would hope to be able to complete the consideration of all these 17 bills. All recorded votes will be postponed until Tuesday, June 20, 1980. The House will consider the following 17 bills under suspension of the rules:

H.R. 7102, Veterans' Administration Health Care Personnel Act;

H.R. 3, omnibus national parks;

H.R. 7217, Hawaiian parks;

H.R. 4975, Irvine Coast National Urban Park;

H.R. 7330, omnibus insular areas;

H.R. 7105, youth hostels;

H.R. 5837, Merit Systems Protection Board retirement appeals expense authorization;

H.R. 7191, Snug Harbor Wildlife Refuge;

H.R. 6310, Atlantic Tunafish Convention Act;

H.R. 5679, Tinicum National Environmental Center;

H. Res. 644, pertaining to Soviet compliance with Convention on Biological and Toxin Weapons;

H. Con. Res. 329, Congress' concern over Cambodian peoples' plight and peaceful resolution of Kampuchean conflict;

H.R. 6395, postemployment restrictions for Consumer Product Safety Commission employees;

H. Con. Res. 332, disapprove certain regulations under ESEA Act (elementary/secondary education);

S. Con. Res. 91, disapprove certain HEW regulations;

H.R. 6940, Infant Formula Act of 1980; and

H.R. 5391, Internal Revenue Code amendments to chapter 42.

On Tuesday, June 20, the House will meet at 11 a.m., to receive former Members of Congress. This is an annual occurrence which we would hope to observe on next Tuesday. Following that, recorded votes on bills debated on Monday, May 19, will be taken.

Then we would take up a privileged resolution, House Resolution 655, to disapprove proposed FERC regulations on incremental pricing of natural gas.

Following that, we would have the conference report on H.R. 2313, the FTC Improvement Act of 1980, and then return to the defense authorizations. We would hope to be able to finish them expeditiously. And I am advised that there are only one or two amendments remaining.

Having completed that bill, we would go to H.R. 3904, the Multiemployer Pension Plan Amendments Act of 1979, with a modified rule and 3 hours of general debate.

H.R. 5200, the Fair Housing Amendments Act of 1980. This comes under an open rule, with 2 hours of debate.

On Wednesday, we would meet at noon and at 10 a.m. on Thursday.

One of the first orders expected to be brought to our attention is House Resolution 660, in the matter of CHARLES H. WILSON;

H.R. 6942, International Security and Development Cooperation Act of 1979, under an open rule with 1 hour of debate;

H.R. 4046, Antitrust Collateral Estoppel Act;

H.R. 4048, awards of prejudgment interest in antitrust litigation;

H.R. 2255, insurance activities of bank holding companies.

Each of the last four would be under an open rule with 1 hour of general debate.

The House would not be in session on Friday next.

At the close of business on Thursday, we would be adjourned until noon on Wednesday, May 28, for the Memorial Day district work period.

The House will adjourn by 5:30 on all days except Wednesday.

Conference reports may be brought up at any time.

Mr. MICHEL. Mr. Speaker, might I inquire if that 5:30 p.m. adjournment time on Thursday is secure, because obviously Members will be having to make plane reservations and be at least reasonably confident that they will be out by that hour or earlier?

Mr. WRIGHT. Mr. Speaker, if the gentleman would yield, let us just commit ourselves jointly to that proposition and have an agreement among ourselves right now that that is all we are going to do.

Mr. MICHEL. Mr. Speaker, I thank the majority leader.

On Tuesday, since we are going to be receiving the former Members at 11 a.m., how long a proceeding would that be? Will it be an hour?

Mr. WRIGHT. Mr. Speaker, presumably it would take 1 hour or thereabouts, and in the past, it has not taken more than that.

Mr. MICHEL. Would those votes, if there are to be any on the suspensions that are considered on Monday, be voted on first as the order of business then on Tuesday?

Mr. WRIGHT. Mr. Speaker, after coming back into session, after having welcomed and received former Members, I expect to ask unanimous consent that it be in order for the Speaker to declare a recess for the purpose of receiving the former Members. Then we would come back into session and take first the votes or any bills held over from Monday on which recorded votes had been ordered.

□ 1740

Mr. MICHEL. One final question. On the conference report on the FTC there is a rule on that waiving all points of order, is there not?

Mr. WRIGHT. It is my understanding that is correct.

Mr. MICHEL. I thank the majority leader.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding. There has been discussion about the Nicaraguan aid and special rule to allow that to go to conference. Does the majority leader know if there is any scheduling on that?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. WRIGHT. I would say to the gentleman I have no knowledge of it at this time.

Mr. ROUSSELOT. And to the best of his knowledge there will be nothing up next week on that?

Mr. WRIGHT. I have no knowledge of it at this time. If a motion were made to go to conference, that motion would be in order, of course.

Mr. ROUSSELOT. My understanding is it requires a special rule.

Mr. WRIGHT. I am not aware of any rule.

Mr. ROUSSELOT. Is it the intention of the leadership to bring that up?

Mr. WRIGHT. I am not aware there has been any further rule requested.

Mr. ROUSSELOT. I believe that is correct. But it is not anticipated then that that is very likely to come up?

Mr. WRIGHT. At this moment I cannot anticipate it. I am not going to foreclose that possibility, however, I think it unlikely.

I have just been advised that we will also need to adopt a rule on the FTC conference report first before we can take that up.

Mr. ROUSSELOT. And that answers the gentleman from Illinois' (Mr. MICHEL) question.

Then to the best of the knowledge of the majority leader, it is not very likely that the Nicaraguan special rule will come up?

Mr. WRIGHT. Well, no. I just must say I think it very unfortunate that we have by our delay so long, perhaps allowed the enemies of democracy and the enemies of the United States and Nicaragua to have a field day at our expense. I think we ought to be in there fighting tooth and nail with the Communists for the minds, hearts, and allegiance of the people in Nicaragua. The gentleman knows that is my conviction and that is my personal feeling.

Mr. ROUSSELOT. Of course we have not had much to do in this country with their taking over.

Mr. WRIGHT. Well, that is exactly right.

Mr. ROUSSELOT. We certainly do not run the Sandinistas.

Mr. WRIGHT. If the gentleman wants to debate Nicaragua, I suggest he wait until the appropriate time.

Mr. ROUSSELOT. I thank the gentleman.

Mr. MICHEL. Might I inquire of the majority leader if there is any possibility of a budget resolution conference report coming up next week?

Mr. WRIGHT. I would hope so.

Mr. MICHEL. That is a possibility?

Mr. WRIGHT. It is a possibility and I hope very much it would be a likelihood. But I am not at this time prepared to suggest that it is likely.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, I thank my colleague for yielding. This week we had a supplemental appropriation bill which we were told had some funds that were very vitally needed to continue Government functioning. That was taken off the schedule and I notice that it is not on the schedule for next week. It also contained some deferrals and some rescissions on which the time clock is running against us now and the opportunity for Congress to act is going to run out soon unless we take action on this particular bill. What has happened to the supplemental?

Mr. WRIGHT. If the gentleman will

yield, I think the answer to that is we have decided we should wait and see what happens on the budget resolution so that the supplemental can conform itself to the will of the House and the other body in the budget resolution.

Mr. MYERS of Indiana. It is not on the program, so the leadership must think that the budget will not be up next week. Meantime we are going to lose our right to act upon the deferrals and the rescissions.

Mr. WRIGHT. I should not want to deny the gentleman that right. But I think we have to take things in an orderly sequence. Under the budget law I believe that it is proper to await the adoption of the budget resolution in order that we may know what the feelings are the House and the other body have established so that the supplemental appropriation bill does not breach those feelings. I think it is conceivable the Appropriations Committee may be in a position of wanting to take the bill back to the committee and make some of the adjustments to which the gentleman refers.

Mr. MYERS of Indiana. I was going to suggest that we have fast tracked the food stamps and broken that away from the other bill, so possibly we will have in conference an opportunity to work on the deferrals and the rescissions and we should also fast track the deferrals and rescissions for this other supplemental so the Congress will have an opportunity to exercise its rights under the Budget Control Act.

Mr. WRIGHT. If the gentleman can help me figure out a way to fast track that budget conference committee report I would be so much obliged to him because it would please me no end.

Mr. MYERS of Indiana. The gentleman knows how to do it. We just did it a few moments ago, so really it does not need any help in that respect. But, really, it is not on this program and I think the following week some of the rescissions and deferrals will run out on time. So that is what is concerning me, that we will not have the opportunity to work on it.

Mr. WRIGHT. It is a matter of concern to me as well and I hope that we are able to finish our budget and give some guidance that the House may adequately follow in establishing the right pattern for that supplemental appropriation bill. I hope we do not run out of time and we are striving toward that end.

All of this simply underlines the first thing I said, which is we have a busy week ahead of us.

Mr. MICHEL. I thank the gentleman and yield back the balance of my time.

ADJOURNMENT TO MONDAY, MAY 19, 1980

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 20, 1980

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House convenes on Tuesday, May 20, 1980, it convene at 11 a.m.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, MAY 21, 1980

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House convenes on Wednesday, May 21, 1980, it convene at 12 noon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, May 19, 1980, the Clerk be authorized to receive messages from the Senate and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TUESDAY, MAY 20, 1980

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that on Tuesday, May 20, 1980, it may be in order for the Speaker to declare a recess, subject to the call of the Chair, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce on Tuesday, May 20, 1980, the Chair will take 1-minute speeches after the reception for former Members. In other words, the Chair would like to go right into the House, recess the House for 1 hour, and then at the reestablishment of the House we would take the 1-minute speeches.

AUTHORIZING SECRETARY OF COMMERCE TO SELL TWO OBSOLETE VESSELS TO COAST LINE CO.

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4088) to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert:

Notwithstanding any other provisions of law, the Secretary of Commerce is authorized, within two years after the date of enactment of this Act (A) to sell, subject to such conditions as he deems are appropriate in the national interest, the five obsolete vessels, *Arcturus*, *Hyades*, *Pictor*, *Procyon*, and *Zelima*, for the purpose of conversion and operation in the fisheries of the United States, and the two obsolete vessels, *Private George Peters* and *Resolute*, for the purpose of conversion and operation in the fisheries or the domestic commerce of the United States, after due advertisement and upon competitive bids, to the highest bidder: *Provided*, That the Secretary shall not sell the vessels for less than their scrap value in the domestic market, and (B) to allow obsolete vessels previously sold from the reserve fleet to be converted and operated in the fisheries of the United States: *Provided*, That (1) any conversion work shall be performed in the United States; (2) the vessels shall be documented and operated under the laws of the United States; (3) if the vessels are scrapped, they shall be scrapped in the domestic market; and (4) purchasers must be citizens of the United States as defined in section 2 of the Shipping Act of 1916, as amended (46 U.S.C. 802).

The Clerk read the House amendment to the Senate amendment, as follows:

Number the first paragraph inserted by the Senate amendment as "(a)" and add a new paragraph as follows:

(b) That the Act entitled "An Act to authorize the employment of certain foreign citizens on the vessel *Seafreeze Atlantic*, Official Number 517242", approved December 15, 1975 (Public Law 94–150, Stat. 307), is amended—

(1) by striking out "*Seafreeze Atlantic*, Official Number 517242 (hereafter referred to in this Act as the '*Seafreeze Atlantic*')," in the first section and inserting in lieu thereof "*Arctic Trawler*, formerly the *Seafreeze Atlantic*, Official Number 517242 (hereafter referred to in this Act as the '*Arctic Trawler*'),";

(2) by striking out "*Seafreeze Atlantic*" each place it appears in sections 2, 3, and 4 and inserting in lieu thereof "*Arctic Trawler*"; and

(3) by striking out "four-year period" each place it appears in sections 2 and 3 and inserting in lieu thereof "six-year period".

Mr. MURPHY of New York. Mr. Speaker, H.R. 4088 as introduced would have authorized the Secretary of Commerce to sell, to a specific buyer, two named vessels, the *Private George Peters* and the *Resolute*. As passed by the House, March 24, 1980, these vessels were authorized to be sold by competitive bid subject to certain conditions.

On August 2, 1979, a bill, H.R. 3094, was favorably considered on the Private Calendar, to authorize the sale of five named obsolete vessels to a named buyer. The Senate, in S. 1656, the National Fishery Development Act, among other things considered the sale of the vessels provided for in H.R. 3094, but in passing its bill, changed the terms of sale of the five vessels to competitive bid.

S. 1656 and H.R. 3094 have each passed in their respective House, but have not be considered for action by the opposite body of the Congress.

The Senate in amending H.R. 4088, has retained all the conditions imposed by the Houses on vessel sales, but has added to those vessels which were previously considered in H.R. 3094 and S. 1656.

The Senate's amendment is sound and I urge my colleagues to join me in concurring with their actions.

The amendment we ask your support for would extend for 2 years the authority, granted by the Congress in Public Law 94-150, to allow the vessel the *Arctic Trawler*—formerly the *Seafreeze Atlantic*—to employ a certain percentage of foreign seamen until such time as American technicians can be adequately trained to man this vessel. The *Arctic Trawler* is a high technology fish processing vessel whose addition to our fleet is vital to the future of our fishing and maritime industries.

I ask your support for H.R. 4088 as amended by the Senate and amended by the addition we propose today.

● Mr. PRITCHARD. Mr. Speaker, this amendment to H.R. 4088 is simply an extension of an existing act—Public Law 94-150—which authorized employment of certain foreign citizens—up to 60 percent—on the vessel *Seafreeze Atlantic*, and it is this act which my amendment, the text of H.R. 6061, would amend to extend this authority for 2 additional years.

The intent of the original act and 2-year extension is to permit foreign citizens with special technical expertise aboard the vessel until such time that this special expertise can be transferred to U.S. citizens. The special expertise required to operate this vessel specifically involved the use of German and Norwegian trawl gear and processing equipment. This equipment is of a scale larger than most U.S. fishermen have had experience with. Therefore, allowing the use of some foreign technicians aboard this vessel for a limited period of time could benefit greatly the viability of this large-scale fishing operation.

In addition, the more rapidly this predominantly foreign technology is transferred to U.S. fishermen, the more rapidly the U.S. development of its underutilized species can occur. Some of the best foreign technology for large-scale fishing operations on underutilized fisheries has been developed in foreign countries, and the more rapidly our fishermen are trained to use this technology, the more quickly we will be able to develop these species ourselves, and improve our overall balance of trade in fisheries.

The history of the *Seafreeze Atlantic* is replete with mismanagement, resulting in past poorly planned fishing operations, which never resulted in the full use of this advanced, large-scale vessel. At this time, some very innovative Seattle fishermen have purchased this vessel and plan to employ it in the North Pacific fisheries which are currently underutilized. They intend to invest roughly $6 million to recondition the vessel for the harvesting and processing of bottom fish of a quality that would be competitive in the world market. This is a major opportunity for U.S. fishermen to develop this important resource, and I feel that this amendment would be helpful in providing some of the requisite foreign expertise on a short-term basis.●

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE SUPPLEMENTAL TO COMMITTEE REPORT 96-935, PART 1

Mr. MURPHY of New York. Mr. Speaker, as chairman of the Merchant Marine and Fisheries Committee, I ask unanimous consent to file a supplemental to the Committee on Merchant Marine and Fisheries' Report 96-935, part 1, in order to include the additional views of Representative BRIAN DONNELLY, of Massachusetts, which were inadvertently omitted at the filing of the report on May 9, 1980.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

IN TRIBUTE TO PHILADELPHIA'S FINEST

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I would like to join today with many of my colleagues in paying tribute to the memory of the Nation's law enforcement officers killed in the line of duty.

As we are all well aware, Mr. Speaker, by the very nature of his work, the police officer always bases the possibility of danger and death. Fortunately, it is not a minute-to-minute reality. For many officers, many months, even years, can go by without being exposed to real danger or the prospect of having to fire their gun at a suspect. Yet, they never know when violence may strike. The possibility, especially for the officer on the street, is always there.

Too often, the message "officer down, code 3" assist officer is broadcast over the police radio frequency. Too often, this chilling signal ends in the tragic death or serious injury for one of the many thousand men and women in every community who "serve and protect." Too often, we, the citizens of these communities, fail to appreciate the quality of our police protection until reminded of the fact when an officer falls in the line of duty.

These men and women in blue are called upon to deal with some of the most life-threatening and heart-rending of human relationships. Whether they help search for a lost child, direct automobile traffic, or intervene as social workers in the quarrels and disputes of spouses, lovers, and neighbors, they are also the first to discover the tragic consequences that result when the most extreme and violent of human passions explodes against another.

In Philadelphia, Mr. Speaker, four fine, bright, courageous men were killed in the line of duty in the last 2 years. These men leave behind families, friends, and colleagues for whom the memory will never match the vitality and joy of their living. These four men I would like to honor today in this Chamber. They are:

Police Officer James J. Ramp, killed in the line of duty on August 8, 1978;

Police Officer Artis Norris, killed in the line of duty on July 11, 1979;

Police Sergeant Wilfred Doyle, killed in the line of duty on December 21, 1979; and

Police Officer William Washington, killed in the line of duty on January 16, 1980.

Mr. Speaker, in tribute to these fallen men, I think it appropriate that we remember that we can do better ourselves. We can do better to instill in our children respect for the law; to instill the belief that the peaceful resolution of conflict is a most cherished of values. The job of a police officer is neither easy nor glamorous, but it is necessary. It will remain necessary so long as we fail to respect ourselves and our neighbors.

THE STREAM OF CUBAN REFUGEES

The SPEAKER pro tempore (Mr. ANTHONY). Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the stream of refugees fleeing from Cuba to the

United States is forcing this Congress to develop a refugee immigration policy which recognizes two important, yet contradictory responsibilities. On the one hand, we are confronted with the compelling humanitarian responsibility to provide support for people fleeing from political repression. On the other, we have the responsibility to maintain the social order and minimize the economic social, and political burdens resulting from an "open arms" immigration policy.

More than 35,000 Cuban refugees have arrived in the United States during the last 3 weeks. Current estimates indicate that arrivals will continue at the rate of 3,000 to 4,000 people per day. Over 40 percent of the newly arriving refugees already have relatives in the Miami area. Most have been trying for years to escape the shackles of Castro's communism and to reunite with other members of their families. The desire of the Cubans to come to the United States is a great tribute to our country. We are still perceived as the land of freedom and opportunity, characteristics that should make us all proud. The mass exodus of refugees vividly demonstrates to the world the ineffectiveness of communism and the doctrine's inability to solve Cuba's problems.

However, we must recognize reality and admit that we cannot accept all the people of the world who wish to come to the United States and at the same time maintain our social order. As the number of Cuban refugees grows—estimates of the total number eventually coming to the United States range from 50,000 to 1 million—we will be confronted by increasing demands for a fair, equitable, immigration policy.

Americans who are unemployed and over-taxed will react with increasing bitterness against Government immigration policies and the refugees themselves. People from around the world who have been denied access to the United States will resent America's open arms policy toward the Cubans. The refugees themselves will feel betrayed as the resources of our Government prove inadequate to provide the anticipated "good life."

The administration's present policy is disorganized and confused; moreover, it reflects little planning for the future. I believe that Congress should act immediately—before a greater crisis envelops us—to adopt a policy relating to the Cuban refugee issue that is based on compassion and commonsense.

First, we must develop plans to limit and screen the number of Cuban arrivals, just like we do with immigrants of other nationalities. In doing so, we must recognize the difference between political refugees fleeing oppression and economic refugees seeking the "good life." The former should have preference over the latter.

Second, we must bring order to the current crisis by restricting the free flow of private American vessels to and from Cuba.

Third, we must "internationalize" the issue by asking our Latin American friends and our European allies to share in our humanitarian cause by providing political sanctuary to those Cubans who are persecuted, just like many nations did in helping the Cambodian and Vietnamese "boat people."

I welcome the Cubans who are already here. I hope those who are politically oppressed will be freed so that they can come to this country. And I trust that we in this Congress will develop an immigration policy which meets our responsibilities to our Nation and the people of the world.●

LEGAL SERVICES CORPORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 15 minutes.

● Mr. GRASSLEY. Mr. Speaker, the federally funded Legal Services Corporation seems to have strayed far from what Congress had in mind when it gave birth to the organization in 1974. Many observers argue now that LSC has abandoned its original purpose to provide equal access to the courts for the Nation's poor. The organization has, instead, given chase to social activism and law reform.

It is apparent that there is a pervasive feeling among many Legal Services Corporation attorneys that their rightful function is to spawn social reform. An Appropriations Committee investigation in 1979 concluded that lobbying, advocacy and social activism have become the self-appointed duties of many of the participating lawyers. As the report itself states:

> There are strong proponents of legal services being a movement toward social justice, believing they should not only vigorously pursue impact cases and administrative and legislative advocacy in the interest of poor persons, but should attack poverty itself.

I would like to share with my colleagues a situation in Fort Dodge, Iowa, where it appears that the Legal Services Corporation has deviated far from its legal mandate and those activities which may be lawfully pursued with Federal moneys.

I mention this to illustrate what is taking place and because my efforts to resolve the situation through conventional channels have, to date, been resisted by LSC personnel in Iowa and Washington, D.C.

It has been alleged that the staff employed by the Fort Dodge office of LSC of Iowa are in the process of organizing a welfare rights unit or organization. A member of my congressional staff was advised by a staff attorney for the Fort Dodge office, that, indeed, this was the case. Moreover, my staff aide was told this group would monitor the voting records of Members of Congress and that people receiving public assistance would be told how their representatives had voted on welfare issues. Pointed reference was made to my votes as a Member of the U.S. House of Representatives.

In a letter of February 28, I requested a complete accounting with respect to this particular welfare rights organization. I asked very specific questions which required very simple answers. To date, I have received unsatisfactory responses from the State central office director and no written response, whatsoever, from the staff attorney, himself.

In spite of two letters to the Fort Dodge staff attorney, he apparently has chosen to ignore my correspondence. Now, I would think that a graduate of law school and practicing attorney would be sufficiently literate to reply to a congressional inquiry. Such nonresponsiveness to a Member of Congress about the activities of a federally funded program brings serious questions to mind both of the intent of the attorneys in the Fort Dodge office and the oversight of local projects by the central State office.

When my efforts to elicit information from LSC employees in Iowa met with defensive resistance, I requested the LSC headquarters, here in Washington, to check into the matter. My staff has been informed that staff from an LSC regional office were dispatched to investigate the situation and that some field visits had been made on April 21. However, I have not, as of this time, been informed of the results of that investigation. Moreover, when my staff contacted the LSC headquarters in Washington, he was told that the report would not be given to me until some time in the indeterminate future.

My hunch is that the Legal Services Corporation does not want whatever information has been gathered—and at this point I have no way of knowing whether this report will be an in-depth review or a cursory skim intended to get a troublesome Congressman off their back—released until their reauthorization (H.R. 6386) has cleared the Congress, or at least the House of Representatives.

My interest in this matter should not be construed as manifesting a hostility toward those traditional services which poor and indigent citizens may need from time to time. Nor am I taking issue with the question of providing legal assistance to the poor. But I am concerned that the $169,000 in Federal moneys received by the Fort Dodge Legal Service Corp. office are spent properly.

I am also very concerned about similar organizing and lobbying efforts taking place in other LSC office throughout, not only the State of Iowa, but other States as well.

The reason I bring this to the attention of my colleagues at this time is because the reauthorization legislation for the Legal Services Corporation, which was ordered reported by the House Judiciary Committee on April 16, will be brought to the floor of the House soon.

The bill extends the life of the Legal Services Corporation for 3 years and will cost $1.2 billion. Congress should judge how well its mandate is being followed at this time of budget tightening.

Reports of overspending, lack of management controls and bad management practices on the part of LSC-funded projects have surfaced. A General Accounting Office report (November 6, 1978, HRD–78–164) cited poor coordination with other local providers of legal services and the lack of legal needs assessments being undertaken to establish service priorities.

Legal Service Corporation projects

continue to provide legal service to illegal aliens in spite of congressional prohibition of such activity. The Appropriations Committee investigation found that the LSC engages in frequent lobbying. A LSC-funded project in Michigan filed an amicus curiae brief in support of the provision of State funds for non-therapeutic abortions. A Washington-based affiliate is lobbying with national, State, and local groups for liberal tax reform. Nine registered lobbyists were uncovered on staff attorney rosters in various California LSC offices.

Many, if not all, of the LSC projects are largely concerned with bringing about radical social change. They have been effective in advocating leftist causes, primarily because individual projects may devote unlimited resources to a few key cases. Although authorization and appropriation statutes presently in force prohibit political activity, the LSC engages in unlimited lobbying activities due to a loophole in the authorizing legislation which permits lobbying as a means of representing eligible clients.

This eagerness for social activism is best expressed in the words of two attorneys in an article appearing in the LSC Clearing House magazine. These attorneys are staff members of two federally funded legal service corporations—the Western Center on Law and Poverty in Los Angeles and the National Law Program in Santa Monica. These corporations received $1 million and $576,000, respectively, in Federal moneys for fiscal year 1979. Alan Rader and Dorothy Lang speak on their efforts to aid the poor in obtaining economic and political power vis-a-vis the Government structure:

> For redistribution of wealth between classes to go beyond particular individuals and, in fact, affect the number of people in the next generation who will have to live in poverty, it must be accompanied by a redistribution of the power which wealth both follows and creates . . .
>
> To lobby local governments we will have to learn, for a beginning, the demographics of local politicians' districts, their campaign contributors, their voting records, their staff assistants, the social service facilities and agencies within their districts and the labor, church and civic groups within their districts. . . .
>
> We are going to have to learn how to help clients who wish to conduct the mass letter-writing, postcard-sending and buttonholing campaigns that other interest groups have used.

Rader and Lang urge that legal services' "lobbying will have to become more pointed."

Mr. Speaker, the pervasiveness of this problem was brought home to me yesterday afternoon when I was contacted by another Iowan, who resides in Waukon. Without going into the specifics of the situation, suffice it to say that he relayed to me information which raises grave questions as to the activities of LSC attorneys and individuals who hold themselves out as LSC representatives. It seems that those in the employ of LSC possess an uncanny knack for getting into trouble and outraging the sensibilities of citizens with whom they come in contact. I intend to vigorously pursue this most recent allegation of improper conduct.

Surely, the Members of Congress should have profound misgivings about legal aid services that use the poor to impose through the courts some fanciful, textbook view of social justice. Surely, it is the height of arrogance for lawyers to insist that their own formal processes are more appropriate in ways to chart social policy than the give and take of democratic politics.

Legal Services Corporation attorneys have demonstrated their arrogance time and time again since the corporation's establishment. Local projects have been administered without regard to community needs and values. Congressional prohibitions against lobbying and the representation of illegal aliens have been completely ignored.

Indeed, a good case could be made for not funding the LSC at all.●

FLIGHT ATTENDANTS—50TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, in a bold experiment 50 years ago, eight young nurses were hired to become the world's first airline stewardesses for a predecessor of United Airlines, Boeing Air Transport. They launched a career, which has become an integral part of commercial airline service. Today more than 124,000 flight attendants—women and men—are employed by airlines around the world.

The airline industry had begun to attract larger numbers of passengers in 1929 as bigger, more comfortable and more efficient airplanes were put into service. Steve Stimpson. BAT's San Francisco district manager, had begun to consider hiring male couriers to relieve copilots of inflight passenger duties. Then Ellen Church, a nurse and aviatrix, came to him seeking work in the exciting new industry, preferably as a pilot.

From their talks, the concept of stewardesses evolved. Stimpson's initial request was tersely rejected, but he persisted. A dubious William A. "Pat" Patterson then assistant to the president of Boeing Air Transport, with encouragement from his wife, secured approval for a 3-month test. On May 15, 1930, Ellen Church and seven other nurses began work as stewardesses on BAT flights between San Francisco and Chicago.

In the past 50 years the profession of flight attendant has grown without a backward step. From simple beginnings with responsibility for modest food service and comforting and reassuring passengers, flight attendants themselves have been instrumental in expanding the scope of the job to include passenger safety in all types of emergencies in addition to comfort and service.

Today we should salute all of the women and men who have been a part of developing this profession—the pioneers of a half century ago, those who played a vital role in the growth of a great industry, and those who work today and consistently meet or exceed people's expectations of service.●

● Mr. REGULA. Mr. Speaker, I would like to join my distinguished colleague, Mr. ROSTENKOWSKI of Illinois, in recognizing the 50th anniversary of the hiring of the first flight attendants by United Airlines.

May 15, 1930, United Airlines hired eight flight attendants, all women and nurses. At that time air travel was dangerous. The first attendants performed a variety of duties such as helping to refuel the aircraft, caring for sick passengers, cleaning the airplane, and reminding passengers not to throw cigarettes out the windows.

This profession, pioneered by women, now includes men and women. From the original eight attendants it has grown to include 8,700 United Airlines personnel and 124,000 airline employees worldwide.●

RAILROAD SAFETY: THE FEDERAL GOVERNMENT HAS ABDICATED ITS RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, as you know, from time to time I have addressed the House to discuss my serious concerns about the safety of our railroad network. I have been looking into this problem for some time now. My investigation regarding the Government's response to our Nation's deteriorating rail system and dramatic increase in rail accidents has made me more and more apprehensive. Today I will continue my discussion by outlining some of my concerns about our Government's rail safety activities.

The Federal Railroad Administration (FRA) is charged with administering and enforcing Federal laws and related regulations designed to promote the safety of our railroads. Under the Rail Safety Act of 1970, the FRA exercises jurisdiction over all areas of rail safety such as track maintenance and inspection standards and equipment standards. It administers and enforces regulations resulting from railroad safety legislation for locomotives, signals, hours of service, transportation of explosives and other hazardous materials. The FRA is also charged with the enforcement of laws and regulations regarding the reporting and investigation of railroad accidents.

According to statistics compiled by the Federal Railroad Administration, rail failure was the largest single cause of train accidents in 1978. Track defects have been the largest single cause of train accidents since 1964, and the FRA's own linear regression trend based on current data indicates that accidents caused by rail failure will continue to skyrocket with over 5,000 accidents occurring in 1981.

The FRA's track inspection system is, at best, inadequate. The FRA employs only 80 track inspectors, and nearly half of them have only recently been hired. FRA officials have the goal of inspecting all main line track in the United States—about 100,000 miles—once every 2 or 3 years, and secondary and branch lines every 3 to 5 years. However, according to FRA officials, "that is still a dream." Many of the FRA's safety inspectors complain that they are not given priorities for their work and often end up investigating trivial cases when their time would be better used investigating more serious safety violations.

In fact, under the Government's current rail safety system, the FRA must rely primarily on information supplied to them by railroad companies. The FRA spot checks company records and tracks, and then sends out inspectors to see if the company has responded adequately to problems. I understand that the FRA's safety inspectors are all former railroad employees as a result of FRA regulations requiring several years of safety inspection experience. And I understand that FRA inspectors are prohibited from inspecting the track of their former employers only for 1 year.

Consequently, the potential for conflict of interest is alarming. In fact, the general counsel of the FRA has reported that nearly one-third of the FRA's safety inspectors have retained their seniority rights with railroad unions while working for the Federal Government. I understand the desire of those FRA inspectors to retain their seniority in the event that they decide to return to work with a railroad, and something should be worked out. However, this potential conflict of interest seems to indicate that the FRA presently entrusts its responsibilities in this area to the railroad industry.

The total blame for the problems of unsafe trackage, however, cannot be placed entirely on the FRA. Congress has mandated that the FRA must investigate divergent concerns, such as railroad employee's complaints about excessive overtime. While this is certainly a legitimate safety concern, the flood of complaints which the FRA is required to investigate means that the FRA is unable to spend sufficient time on more serious safety violations such as defective track and the improper handling of hazardous material. In fact, I understand that many serious safety violation cases are shelved for months because of a shortage of clerical help at the FRA.

The National Transportation Safety Board (NTSB) has criticized the FRA for several years now, citing poor organization, vague and unenforceable track safety standards, and a reluctance to impose improved safety standards for railroad cars carrying hazardous materials. An NTSB study published in 1974 concluded that accelerated detection of rail defects offers the most immediate potential for controlling the number of train accidents. However, the NTSB found that the FRA's track standards were attempting to control rail failure through design and maintenance specifications for other track components, instead of the rail itself. The NTSB concluded:

> The standard will not result in the testing of any more rail than was accomplished before its adoption, nor will it deter train accidents resulting from rail failures.

Recent reports seem to indicate that some railroad companies have ignored Federal regulations that require immediate action in response to track safety problems. The NTSB has investigated numerous accidents caused by lax track maintenance and inspection policies of various railroad companies.

In fact, NTSB officials are even having difficulty getting railroads to report accidents within a reasonable time period. To correct this problem, the NTSB recently proposed new regulations to improve the rule for notification of railroad accidents (Federal Register: March 6, 1980). It is possible that some railroad companies may be delaying their reports of accidents long enough to thwart effective NTSB investigations. That could be an effective way of covering up any evidence of gross neglect or deferred maintenance of tracks by the railroad. Any conscious policy along those lines would certainly cast a shadow on corporate responsibility.

Despite their problems, the FRA found over 100,000 track defects in 1979 and filed over 400 violation reports. A violation report is filed, however, only when a serious violation of law is found that the railroad company refuses to correct. One FRA official said privately that they did not come down too hard on the railroads to fix all defective track fearing the railroads would go bankrupt. While the FRA may do as good a job as they can give the competing pressures on time and resources and the statutory restrictions within which they must operate, more effective congressional oversight is urgently needed. The ineffectiveness of the agency is alarming, and the potential for catastrophe is frightening. We must begin to seriously consider this issue without undue delay. The need for reform is urgent. Thousands of lives, the safety of railroad workers, and the effective movement of commerce in this country depend on it.●

EXPORT TRADING COMPANY HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, I am pleased to announce that the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, will conduct hearings next week on an issue affecting U.S. export trade. On Thursday, May 22, the subcommittee will begin a series of hearings on various legislative proposals to encourage the formation of export trading companies and export associations. Two bills are pending before the subcommittee: H.R. 5061 and H.R. 7230. The subcommittee will continue hearings on this and related legislative proposals during May and early June.

The initial hearings will be at 2 p.m. in room 2200, Rayburn House Office Building, Washington, D.C. Members or others who might wish to comment on the issues surrounding U.S. trading companies should contact the subcommittee (Roger Majak, staff director, 225-3246).

KEITH GOLDHAMMER, DEAN OF EDUCATION, MICHIGAN STATE UNIVERSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, as you know, my congressional district, the Sixth District of Michigan, is an educationally intensive one. Our most prestigious school, and our largest one, is Michigan State University—also one of the largest schools in the world. MSU has had an excellent record in this House for outstanding performance in those programs which, through research and training, directly affect the future of this great country.

There is no college at MSU more in the forefront of that performance than the College of Education, and there is no person more in the vanguard of leadership than its retiring dean, Dr. Keith Goldhammer.

I have known Keith Goldhammer for my entire service in the House, and from day one, he has provided me with invaluable advice on education matters, background on programs of mutual interest between the Federal Government and MSU and educated me on the importance of the Federal-academic relationship.

During his 8 years as dean of education at Michigan State University, Keith Goldhammer has led the college into the thick of the fray in battling the crises and problems confronting American education.

His professional career while at MSU has involved him in a wide spectrum of leadership activities centering on the major educational problems of our time. His vital concern for the educational problems of urban centers led to his appointment by the U.S. district Federal court to the Monitoring Commission on the Desegregation of Detroit Public Schools from 1977–79, and by the Governor of Michigan and mayor of Detroit to the Urban Education Task Force of the PTA, 1978 to present time.

His determination and concern for the dissemination and utilization of new knowledge developed through research led to his appointment as consultant and evaluator of NIE's educational dissemination project, 1971–72.

His service on the editorial advisory boards of the Journal of Career Education, Journal of Teacher Education, and the Foreign Policy Association reflect his concern for the dissemination of new knowledge, its infusion into the curricula, and improved professional dialog.

His concern for career education led to his service on the evaluation panel of experience-based career education programs for NIE.

His realization that the challenges to the education of the young know no national boundaries led to his active support of the many facets of our international involvement—both for what we could learn and what we could teach as faculty. The "internationalization" of the programs and faculty of the college has been a dream of Keith Goldhammer's.

For the character and quality of educational leadership in America, Keith Goldhammer has made personal commitments of time and energy. As a member of the leadership advisory group to the Michigan State Superintendent of Public Instruction, of the pro-action institute advisory board, of the AACTE Convention Planning Committee, the 1978 AACTE nominating committee and as a member of the Michigan Career Education Commission, he has contributed his leadership talents.

On two occasions Keith Goldhammer has been called upon to appear before the Subcommittee on Elementary, Secondary and Vocational Education of the House Committee on Education and Labor. Chairman CARL PERKINS cited the need "to engage in the art of future studies" as a means of fulfilling the subcommittee's responsibility for "foresight" activities. Goldhammer testified on "An Agenda for Education for the Next Generation" and in February 1980 on "An Agenda for Secondary Education for the Next Decade."

Keith Goldhammer received the B.A. from Reed College and the M.A. and Ph. D. from the University of Oregon. He has served as a high school teacher and principal, school superintendent, professor, director of research, visiting scholar and college dean in his career spanning 40 years in professional education. A prolific researcher, writer, and speaker, his role as educational administrator and leader has brought him national and international recognition.

It is with great regret that I note Keith Goldhammer's retirement as dean, but commend his academic and public record to you my colleagues, with affection and the fondest hopes for the years ahead for Keith.●

OUR WATCHWORD IS SECURITY: SPEECH ON THE PRESERVATION OF PEACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 30 minutes.

Mr. SKELTON. Mr. Speaker, recent events in Iran have diverted our attention from the continuing warfare in Afghanistan. Without for a moment minimizing the situation in Iran, I suggest that it is Afghanistan which should be in the forefront of our concern.

The Soviet invasion of that land has rendered unexpected service to this Nation. It has sensitized the Persian Gulf countries once again to the Soviet threat and enraged Moslems about the treatment their Afghan brothers are receiving at the hands of the Soviets. Further the NATO countries have been forced to recognize where the defensive line must be drawn in the Persian Gulf.

Soviet actions will undoubtedly be aimed at destabilizing the Middle East, fomenting unrest here, supporting dissident activities there, always taking advantage of existing tensions. The situation will call for American leadership—patience and restraint, yes and also firmness and resolution: qualities which must be rooted in strength.

Truly, the Afghan crisis marks a historic watershed in our relations with the Soviet Union.

Historical analogies are always inexact and may therefore be misleading. Yet only the most foolish would conceive and execute foreign policy unmindful and heedless of the lessons which the past affords. For this reason I have been drawn to those words of warning spoken by Winston Churchill in the decade of the thirties, words whose prophetic character would be vindicated in history's most terrible war.

In March of 1939—a few days after the Germans, in flagrant violation of the Munich agreement, had occupied the remaining territory of Czechoslovakia—Churchill rose in Commons and spoke of the great peril which, long foreseen, was now an ominous reality: Germany, rearmed, aggressive, and confident of success. Within 6 months time, the Nazi armies would strike and overwhelm Poland. On the eve of the Second World War, then, with Britain and France humiliated and unable to act, Churchill recalled the words of General Weygand in France, spoken the week before at the 21st anniversary of the last great German assault in 1918.

Speaking of Marshal Foch, named Supreme Allied Commander in the midst of that terrible battle, Weygand said:

> If Foch had been with us today, he would not have spent his time deploring what had been lost. He would have said, "Do not yield another yard."

To which Churchill added that those words:

> May well be our guide . . . at this stage in our journey which, though encompassed by unmeasured perils, is sustained by solid confidence and not uncheered by hope.

True in 1918, true in 1939, and true today in 1980 as our country finds itself also encompassed by unmeasured perils whose nuclear dimensions far exceed the destructive warfare of the past.

"Do not yield another yard." It is the counsel not of despair, but of clear-eyed, resolute will. Let us develop that will so we may preserve the peace—that peace which, in the final analysis, will only be as secure as American strength.

Throughout these speeches, I have emphasized the nature of the threat which Soviet power and Soviet purpose hold for the United States. I have called attention to the growing imbalance in our respective military defenses and the consequences thereof. We need to evaluate our total strategy, first making better use of what we now have and then increasing our armaments wherever necessary. "Put not your trust in princes," is the advice of the Psalmist who reminds us not to rely on any foreign policy or national defense based upon simple trust.

In 1946, George F. Kennan, in a telegram sent from Moscow to Washington, made this observation:

> (The Soviet Union) is highly sensitive to the logic of force. . . . For this reason, it can easily withdraw—and usually does—when strong resistance is encountered at any point.

He added:

> If the adversary has sufficient force and makes clear his readiness to use it, he rarely has to do so.

The world has changed in the past three decades. The balance of power is less clearly in our favor. Little wonder the Soviet leadership has chosen to take a hard-line move into Afghanistan—a blatant and increasingly brutal violation of the right of peoples to self-determination—while the West, specifically the United States, has been preoccupied with other matters—the Iranian crisis, the problems centered in the Israeli-Palestinian conflict, and the heightened sensitivity of Islamic nations to the need for oil by industrialized states.

The peril is evident. We have at least begun to address ourselves to our areas of weakness in military defense. We have at last begun to rally the will of our leadership in behalf of our interests abroad. Sufficient force and the readiness to use it—our assurance of confidence and some measure of hope for the peace.

The United States is the first world power in history to maintain large-scale armed forces without some form of conscription. We must ask whether that extraordinary policy is proving to be successful. Is our readiness sufficient to meet the possible crises we may have to face? Whether or not the draft should be restored, we must encourage the upbuilding of our defenses. Our immediate need is to develop trained forces. Registration is a vital step in that direction.

For one thing, our Reserves are well below strength—185,000 short of our goal. Yet our Reserves are, as Major General DeWitt Smith has said, "the alternative to nuclear war." They will determine if we are to avoid the choice of surrendering or resorting to nuclear war in the first hours of a major conflict.

Our Active Army has also fallen short of its recruiting goals—some 10,000 short at present. Some have estimated that if both Reserves and active troops were all called up we would be short by 270,000. There is little doubt that the deterrent impact of our Army has been greatly impaired.

Moreover, enlisted ranks are no longer broadly representative of our society. The loosening of standards has created internal problems—too much turbulence, too few men, too little equipment.

Last month, during a demonstration against conscription, the slogan "there is nothing worth dying for" was widely acclaimed. To which we can only observe that where there is nothing worth dying for, there is likely to be little or nothing worth living for. The "me" era of our recent past must give way to a new sense of patriotism, a concern for the survival of America. We in America have much that is worth living for—and we want to maintain it both for ourselves and for our posterity. Indeed, this Nation remains the last best hope of freedom—as witness the influx of refugees each day from lands that have fallen under brutal tyrannies. That exodus of refugees—Afghans, Vietnamese, Cambodians, Cubans—tells us much about the nature of communism in practice. It is no accident that the Soviets have increased their pressure upon the dissidents in their midst even as they are dispatching their troops to Afghanistan.

I have quoted repeatedly from Winston Churchill's speeches in the thirties because they seem to me remarkably pertinent for our day. Far-seeing then, they are no less so now; though the nations are changed, the principles endure. The Great War of 1914–18 came about because of an imbalance of power. So with the second war. It need not be the case with a possible third, provided we are determined to preserve our strength and to use it with restraint and with intelligence.

Let me close with Mr. Churchill's somber peroration to his speech in October 1938, that speech which struck an unwelcome note in the midst of then popular enthusiasm for Munich:

> The people should know that there has been gross neglect and deficiency in our defenses; they should know that we have sustained a defeat without a war, the consequences of which will travel far with us along our road; they should know that we have passed an awful milestone in our history, when the whole equilibrium of Europe has been deranged, and that the terrible words have for the time being been pronounced against the Western democracies. "Thou are weighed in the balance and found wanting." And do not suppose that this is the end. This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless by a supreme recovery of moral health and martial vigour, we arise again and take our stand for freedom as in the olden time.

For America in 1980, this is not—or need not be—"the beginning of the reckoning." May we come to see this critical time as the beginning of our awakening, painful and unpleasant in many respects yet also bracing and renewing. The late Bishop Sheen once suggested that we ought to raise a statue of duty, perhaps on the west coast, to match the familiar Statue of Liberty in the East and to serve as a reminder that true liberty depends upon the commitment of our people to the duties of responsible citizenship. For liberty to flourish, there must be security for the individual and for the Nation.

In the great phrase of William Pitt the Elder, "our watchword must be security." Only then may we hope to keep the peace in a troubled world.

□ 1800

IN SUPPORT OF THE SIMON AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, I rise in support of the amendment offered by my colleague from Illinois (Mr. SIMON). The amendment would delete $500 million from the research and development budget of the Air Force for the MX missile mobile basing mode, while leaving intact the $1.1 billion requested for the development of the MX missile itself.

Yesterday, I voted against the amendment to the Department of Defense authorization bill offered by Mr. DELLUMS which would have deleted the entire $1.6 billion for development of the MX missile and its basing mode. While I am not convinced of the necessity of building a new intercontinental ballistic missile regardless of how it is based, I felt that it would not be prudent to stop all research and development work on the missile before the issue of a proper basing configuration can be resolved, and for that reason I opposed the Dellums amendment.

However, during the course of the debate on the MX missile basing system, it has become obvious that a great deal of confusion still exists in the Defense Department itself over the proper basing of this missile. Just last week, the Air Force publicly abandoned its so-called racetrack basing system and began advocating a linear basing system. Yet only 1 week after this latest change, we in the House are being asked to blindly approve this system. It is instructive to remember that it was not too long ago that the Defense Department was advocating a hidden trench basing mode and then the multiple aim point, or MAP, mode and later the multiple protective shelter, or MPS, system. It appears that every 3 or 4 months the Defense Department changes the way in which it wants to base the MX.

The Simon amendment makes a great deal of sense because it simply delays the decision on the basing mode and allocates $66 million for further study into other basing ideas. The amendment also prohibits the use of Federal land for the basing of the MX missile until the results of the study have been reported back to Congress.

I am deeply concerned over the entire concept of deploying a mobile, land-based ICBM. When the MX missile system was first proposed, the administration assumed that the SALT II treaty would be ratified and in effect. Because the SALT II treaty limits the number of warheads the Soviets can deploy on their largest ICBM's, under SALT II we could be reasonably assured of building more MX launch points than the Soviets could deploy warheads.

However, with the future of SALT II uncertain, a land-based MX system may be obsolete before it is built. All the Soviet Union would have to do to overcome a land-based MX system is to commit more warheads to overcoming the system than the number of launch points the system has.

I am also concerned that not enough thought has gone into alternative methods for deploying the MX missile if we in fact decide it is needed. Several respected defense analysts, including Sidney Drell and Richard Garwin, have proposed deploying the MX missile on small nonnuclear submarines which would patrol near the U.S. coastline. This concept, known as SUM for shallow underwater mobile, has not received sufficient study in my view. Such a system might well be far less vulnerable to a Soviet first strike, and therefore more strategically stabilizing, than any conceivable land-based system. In any case, whatever the particular merits of the SUM concept might be, it is clear that the basing system most recently proposed by the Air Force will not serve as a credible nuclear deterrent.

The exceptionally high cost of the current MX deployment scheme, variously estimated between $33 billion and $60 billion, should give us pause before we forge blindly ahead. Considering the track record of most major weapons systems, it is almost certain that the final cost of the MX system will be considerably above even the $60 billion estimate.

The Simon amendment will not kill the MX missile itself. It will simply allow us to fully consider and eventually select a sensible basing system for this new generation ICBM if we decide our national security requires it.

I urge my colleagues to support this amendment.●

THE EXPORT TRADING COMPANY ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I am introducing today legislation to promote the formation and operation of export trading companies, the Export Trading Company Promotion Act of 1980. The purpose is to expand the availability of international trade services to American producers and, in the long run, help to reverse dangerous trends in our export performance.

On many occasions, I have documented for my colleagues the plight of the United States in the international marketplace and the distressing picture of our worsening trade balance. While there has been slight improvement recently in the balance of trade, the overall trends remain substantially unchanged:

We continue to run a trade deficit, last year in excess of $25 billion.

Our share of world markets has dropped over the last decade from over 21 percent to around 12 percent—while the total value of world exports climbed by almost $1 billion.

Growth in American productivity continues to decline, expanding by only 1.7

percent in 1977 and by only 0.8 of 1 percent the following year.

The answer to reversing these trends is manifold and includes a number of small but important actions by the Congress. Last year, for example, we approved the Multilateral Trade Agreements Act and opened the way for expanded trade with the People's Republic of China. And the fight for increased funding for the Eximbank continues.

However, the legislation I introduce today is bolder, and a more impelling step to mobilize the productive and commercial resources of the country for one end: export.

If there is one piece of evidence that underscores the need for bold action, it is this: Less than 10 percent of all manufacturing companies in the United States are involved in export trade, slightly more than 30,000 firms. What about the other 280,000 companies?

One way to encourage more of these firms to enter the international market is through export trading companies—a form of which is used quite successfully by Japan, for example, to build its international trade volume to unprecedented heights. The 10 top trading conglomerates in Japan are responsible for approximately 60 percent of that country's exports.

Recognizing that trading companies can play a critical role in expanding our share of world markets, what, one might ask, impedes their formation and why is legislation necessary?

The answer rests in part with Federal laws and regulation and in part with the structure of enterprise and our traditional ways of doing business. Even though financing has long been recognized as a frequent stumbling block for fledgling exporters, U.S. banks are prevented from offering most export trading services. Also uncertainties over our antitrust laws discourages cooperation among U.S. producers in the export field.

The Export Trading Company Promotion Act of 1980 seeks to surmount these barriers. Under the bill, an export trading company is defined as a U.S. company organized for the purpose of: First, exporting goods or services produced in the United States; and second, facilitating the export of goods or services produced in the United States by another, unaffiliated company or person.

The key provisions of the AuCoin trading company bill include a provision to allow bank participation in a trading company and an exemption from U.S. antitrust laws under the Webb-Pomerene Act.

The banking provisions of this bill will provide this much-needed assistance. To prevent a bank from giving special treatment to its trading company subsidiary, the bill includes a prohibition against preferential lending. Also bank ownership is limited to 5 percent of capital and surplus in no more than 50 percent of the trading company without approval of the appropriate Federal banking agency.

Also, the bill extends to export trading companies the protection of the Webb-Pomerene Act. This law allows competing firms to form an association exclusively for export purposes, granting them qualified exemption from antitrust laws. They may provide informational services to their members, as well as buy and sell abroad.

To further encourage the formation of export trading companies, the legislation provides for start-up assistance and inventory guarantees from the U.S. Export-Import Bank and qualifies trading companies for income tax differals as Domestic International Sales Corporations.

Also, the bill would amend subchapter S of the Internal Revenue Code, which permits corporations of 15 or fewer shareholders to pass through certain losses to their shareholders. The bill would allow export trading companies to qualify under subchapter S if owned by small business corporations as defined by the Code.

Finally, it requires that the U.S. Trade Representative review the effect of the law after 5 years and report to Congress.

To show how this legislation would encourage expanded exports, we might look at the hypothetical case of ABC Manufacturing, a small company that makes a line of blood sampling equipment for medical laboratories. ABC has a healthy market for its product in the United States, but prospects are not bright for that market to continue to expand at past rates of growth. What to do?

One place the firm can turn to is the international market. But the company has no expertise in marketing overseas, let alone handling the somewhat more complicated problems with shipping internationally. Moreover, which overseas market should the company explore first as a likely prospect for penetration?

In this situation, the firm, under the Export Trading Company Promotion Act, can turn to an export trading company and seek to purchase its marketing and export services directly.

The trading company, through its expertise in international markets and network of overseas offices, undertakes to find the customers—in this case a hospital in Sri Lanka. It handles the orders and ships the product. Because the trading company is partly owned by a bank, it can also provide financing for the transactions. Because the trading company is also building a hospital in Peru, it will be able to sell the firm's laboratory equipment as part of the total construction package. By being able to tap an overseas sales and distribution network as well as financing and shipping assistance, the firm has made additional sales that otherwise would be difficult on its own, or would not be made at all.

In this case, the firm sells abroad as a subcontractor or supplier to a larger effort. But the legislation would also allow ABC Manufacturing to buy into a trading company in direct partnership with a bank or other firms. As customer or owner, ABC's possibilities for different kinds of transactions are seemingly endless—and all would expand the company's sales, not to mention American exports.

Mr. Speaker, this is a necessarily simplified example of how American firms can take advantage of this legislation. Moreover, I have no illusion that the Export Trading Company Promotion Act will resolve all of our trade woes. But it will help significantly and I call upon my colleagues to give this measure sincere and early consideration.

Already, the Senate Banking Committee has approved similar legislation, sponsored by Senator ADLAI STEVENSON. My bill closely parallels the Stevenson proposal.

I am delighted to see a growing interest by Members of the House in trading company legislation and pleased that two other proposals on this subject have been introduced. Given the provisions of the bill which touch the jurisdiction of at least four committees, I am hopeful that every effort will be made to assure adequate but expeditious consideration and that those most keenly interested in trading company legislation will form a common front to move this vital piece of legislation ahead.

THE PLIGHT OF ALEXANDER PARITSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I am pleased to join my colleague, Mr. MAGUIRE, and others in participating in "The Spirit of Helsinki, Vigil 1980," in an effort to improve emigration for Soviet Jews.

Today I would like to discuss the case of Alexander Paritsky, his wife and two daughters, who live in Kharkov in the U.S.S.R. Paritsky has been accused of various anti-Soviet crimes which could produce stiff penalties if brought to trial.

Paritsky, a Ph. D., is a specialist in ocean electronics who lost his job when he applied to emigrate from the U.S.S.R. in 1976. He now works long hours as an elevator repairman.

Primary among his alleged crimes is the contention that he staged an anti-Soviet demonstration at the monument commemorating the murder of 30,000 Kharkov Jews by the Fascists in 1941 and 1942. Paritsky says that he, his wife Paulina, and a friend did visit the monument privately, but when they tried to place flowers there they were turned away and forced to place the bouquet on the grave hill 10 meters away.

Paritsky has been told that the Kharkov prosecutor is considering whether to charge him with slandering the Soviet Union in his contacts with foreigners and taking part in other unnamed anti-Soviet demonstrations.

Alexander's brother went to live in Tel Aviv in 1977. There are only two Jewish families left now in Kharkov. Almost 30 families were released between January and June of 1978. In August 1978, he was told his family would not be able to leave until 1981. Now, that is in doubt because he has been threatened with prosecution by the Soviet authorities.

Certainly it would be in the spirit of the Helsinki Conference for the Soviets to review this case. I urge my colleagues to be continually aware of human rights violations, not only in the Soviet Union but wherever they exist.●

CHEMICAL WASTE DISPOSAL—1 YEAR LATER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, I would like to commend the work of the Interstate and Foreign Commerce Committee and especially Representative FLORIO's Subcommittee on Transportation and Commerce for reporting out legislation that would, if passed, begin the process of solving the enormous task of inventorying and cleaning up hazardous waste sites.

Although I am pleased to see this legislation moving forward, it is crucial that we insist on adequate funding of the so-called Superfund, effective liability provisions, and an equitable funding formula which reflects the responsibility of those who created the problem in the first place.

It distresses me that we have been so slow to respond to such a widespread and devastating problem. We cannot claim ignorance; I feel safe in asserting that there is probably not a single Member of Congress that can claim not to have at least one, if not numerous disposal sites in his or her district which contain highly dangerous chemical wastes. We need a systematic approach, or we will continually be surprised with Love Canals, Elizabeth, N.J.'s, Valley of the Drums, and countless other as yet unnamed and unidentified time bombs. In my own district, this past winter, we had to declare a state of emergency when the pervasive rains we experienced caused overflow of toxic chemicals at the poorly contained Stringfellow Acid Pits. These are problems that can be avoided and predicted if the proper precautions are taken. As the two articles below from the respected Science magazine so poignantly indicate, we knew the danger inherent in the Elizabeth, N.J., site which just recently exploded. And yet we have no efficient and systematic method of dealing with situations such as these.

I urge my colleagues to review this subject, and I commend these articles from Science magazine as testimony to the urgent need for legislation. We cannot allow this problem to continue yet another year.

The articles follow:

[From Science Magazine, May 25, 1979]

TOXIC WASTE DISPOSAL A GROWING PROBLEM

The highly publicized leakage of toxic wastes from industrial landfills such as the Love Canal area in Niagara Falls is only part of the story of toxic wastes. Legal dumpsites gone awry, tragic as they may be for the individuals involved, may not be the most serious problem with disposal of hazardous wastes. Illegally dumped wastes and incomplete and unsecured dump sites throughout the country represent a far more severe hazard, both because they are so numerous and because people who live near them are generally unaware of their existence.

It has become almost commonplace for investigators to find drums of chemicals of unknown ancestry hidden in abandoned warehouses, stored on small lots in rundown sections of cities, stashed under elevated roadways or in open fields beside them, poured onto the ground on vacant lots or rented farms, or simply dumped into municipal sewers and private wells. A substantial number of otherwise adequate industrial landfills have also been inadequately secured so that their integrity is highly questionable.

Hazardous materials at such sites can produce fires and explosions, contaminate ground and surface water, pollute the air, accumulate in the food chain, and produce poisoning, birth defects, and tumors. EPA has documented more than 400 cases of damage to health and the environment due to improper management of hazardous wastes, and that is but the tip of the iceberg; many times that number could undoubtedly be documented if EPA did not have such extremely limited manpower. EPA has been given broad new authority to regulate hazardous waste disposal under the 1976 Resource Conservation and Recovery Act (RCRA), but critics argue that the agency has been slow to wield that authority. EPA officials, in turn, argue that great care must be taken in promulgating regulations for hazardous waste disposal because the subject is so different from anything that the agency has dealt with in the past. RCRA, furthermore, is oriented primarily toward regulation of new wastes and waste disposal sites and gives EPA only limited power to deal with existing situations.

Hazardous wastes—defined by EPA as those that are ignitable, corrosive, reactive, or toxic—account for 10 to 15 percent of all industrial wastes, or about 35 million metric tons per year. The total has been growing by about 3 percent annually. About 12 million metric tons of hazardous wastes are produced by the chemical industry itself, but significant amounts are produced by virtually every type of industry.

Some of the solid waste is recycled, some is burned, and some is dumped at sea (although that option will no longer be permitted after 1981), but most of it is simply buried in one of what seem to be innumerable landfills. There are now some 18,500 sites for disposal of municipal solid wastes, 23,000 for disposal of sewage sludge, and more than 100,000 for industrial wastes; uncounted others have already been closed. About 75 percent of hazardous wastes are disposed of on the property of the companies that generate them; the remainder is handled by waste disposal companies. Only 10 percent of all hazardous wastes are disposed of in a manner consistent with proposed federal regulations, according to EPA estimates. Nearly 50 percent is disposed of by lagooning in unlined surface impoundments, 30 percent in nonsecure landfills, and about 10 percent by dumping into sewers, spreading on roads, injection into deep wells, and incineration under uncontrolled conditions.

There is no clear indication how many of these sites are dangerous. A recent report prepared for EPA by Fred C. Hart Associates, however, estimated that potentially significant health and environmental problems may exist at anywhere from 1,200 to 34,000 sites across the country. Health problems, including "illnesses, injuries, poisoning cases, and deaths," were found at 232 sites studied by the Hart team in detail. They also found that 75 percent of all landfill sites are in areas "particularly susceptible to contamination problems"—in wetlands, on floodplains, and over major aquifers. The study estimated that it would cost more than $44 billion to eliminate totally the potential health dangers associated with the sites.

The haphazard management of dump sites must be considered especially astonishing in view of the potential longevity of many of the wastes. It is true that some of the more reactive chemicals will be degraded after a few months or a few weeks of storage. But the more stable materials, such as PCB's, may retain their chemical identity—and their toxicity—for decades, perhaps for centuries. Still other toxic materials are permanent hazards—a cadmium atom or a beryllium atom will remain that forever. From this perspective, the much-bruited half-lives of radioactive wastes from nuclear power plants seem almost transient. The volume of nuclear wastes also seems small in comparison. Only about 5000 metric tons of nuclear waste have been accumulated since the beginning of the nuclear era, four orders of magnitude less than the amount of toxic wastes generated in 1 year.

The design of most of the landfills now in use is not inherently bad. In essence, the approach is to construct an impoundment such that any liquids contained within cannot get out and external waters such as rain and groundwater cannot get in.

Far more threatening to life and the environment, however, are those chemicals that don't make it into secure landfills. Many of the activities of midnight dumpers, gypsy haulers, and some small companies border on the incredible.

For example:

William J. Carracino, president of Chemical Control Corporation of Elizabeth, New Jersey, and other officers of the company have been convicted of, among other things, emptying a tank truck containing chemical wastes into Elizabeth Creek and into a sewer that leads into Newark Bay; abandoning drums of chemical wastes at various locations; and saturating dry garbage with toxic chemical wastes and hauling the contaminated garbage to landfills intended only for municipal garbage.

Salisbury Laboratories, which produces veterinary pharmaceuticals at a plant in Charles City, Iowa, has been dumping chemical wastes, principally arsenic, onto a 7-acre site since 1953, EPA says. Arsenic from the site is now being leached into the nearby Cedar River. The estimated cost of digging up the landfill and moving it is $30 million. The total worth of the company itself is only $5 million.

EPA's only authority to deal with such existing situations, says Steffen Plehn, deputy assistant administrator of EPA for solid wastes, comes under the "imminent hazard" provision of RCRA. The agency can act only if there is an immediate danger to public health, he says, and such a danger is often difficult to prove.

Critics such as A. Blakeman Early of Environmental Action and Leslie Dachs of the Environmental Defense Fund, however, argue that EPA has been reluctant to use its authority because top administrators at the agency have had no clear conception of how existing problems should be handled and because they have been more interested in developing regulations for the future. At the very least, such groups argue, inactive dump sites should be identified and the owners of the sites should have to meet at least minimum requirements for site security, monitoring, and postclosure care. Particular attention should be paid, Dachs says, to those existing facilities that would close down shortly before the proposed regulations take effect, and would thereby under the currently proposed rules be freed of future responsibility for the sites.

Plehan readily admits that the pressures of correcting errors committed in the past while at the same time trying to prevent future ones has often seemed to be beyond the resources of the agency, but he notes that the agency was specifically directed by Congress to address future storage problems. In the aftermath of Love Canal and other highly publicized discoveries of hazardous dump sites, however, EPA has had little choice but to become more vigorous in its attack on errors of the past.

State governments are also beginning to move into the vacuum created by lack of EPA action. New Jersey has been in court trying to force Ventron Corp., a subsidiary of Thiokol Corp. of Beverly, Massachusetts, and Velsicol Chemical Corp. of Chicago, former owners of the plant near Berry's Creek that produced the mercury, to pay for the cleanup. Late in February, Michigan filed a multimillion dollar lawsuit against Hooker Chemical Corporation in an effort to make the firm clean up wastes from its pesticide manufacturing plant in Montague. Chlorinated hydrocarbons from the dump, Michigan contends, have contaminated some private water wells and are seeping toward nearby White Lake. These states and others are said to be contemplating similar suits to force cleanup of other disposal sites, and some sources within the chemical industry speculate that the industry may be facing an onslaught of lawsuits unlike any ever seen before.

Congress may also take action against existing sites. At a February meeting of the Manufacturing Chemists Association, Representative James J. Florio (D–N.J.), chairman of the House Subcommittee on Transportation and Commerce—which has jurisdiction over RCRA—told the group that he will "convene hearings, summon witnesses . . ., and present a Congressional proposal" for cleaning up and minimizing the danger from inactive dump sites.

Congress may also act to provide funds for cleaning up abandoned sites. One proposal favored by EPA, environmental groups, and some members of Congress would create a "superfund" from taxes on petroleum products and chemicals. In one proposal, refineries would be charged up to 3 cents per barrel of oil received, chemical-processing facilities would be charged as much as 60 cents for each barrel of refined petroleum products used (or for an equivalent quantity of natural gas), and companies that ship materials such as arsenic, mercury, and chlorine would be charged as much as $5 per ton. Other proposals would place taxes on companies that dispose of hazardous wastes. In any case, the fund would grow at a rate of $300 to $400 million per year until it reached $6 billion. The fund would be used, however, only if the cost of cleanup could not be recovered through lawsuits and other resources.

As pressing as the problems of existing hazards may be, it is perhaps even more important to ensure that future hazardous wastes are handled in an acceptable manner. To that end, EPA has during the past year proposed seven major sets of regulations and guidelines for disposal of hazardous wastes. These cover: definition of hazardous wastes; standards of operation for generators and transporters of such wastes; standards for storage, treatment, and disposal facilities; a permit system for companies that transport, treat, store, and dispose of hazardous wastes; guidelines for development of hazardous waste programs by states; and establishment of a notification system for wastes.

The heart of the program involves what is known as "cradle-to-grave" monitoring of hazardous wastes. Any company that produces more than 100 kilograms of hazardous wastes per month will be required to provide manifests for all hazardous materials that are to be disposed of offsite. Any company that transports the waste must carry the manifest with the wastes, get it signed at the disposal site, and send a copy back to the generator. The company that disposes of the wastes must do the same. In this fashion, the waste generator will be able to follow the progress of the material to ensure that it is properly disposed of, and EPA will be able to monitor the whole operation. Critics such as George Kush of the National Solid Wastes Management Association, however, argue that this proposed rule is too lenient, and that it should be extended to cover all companies that dispose of wastes offsite.

Other provisions of the new regulations require operators of disposal sites to monitor them continuously during their operation and for 20 years after the sites are closed. The operators must also assume liability for as much as $10 million in damages for any incident resulting from operation of the site. Regulations covering this type of financial liability are a new concept for both EPA and the federal government, Plehn says, and the deliberations involved in creating them were part of the reason it took so long to issue the regulations.

A coalition of environmental groups had filed suit in federal court seeking speedier implementation, but the judge ruled that EPA had been proceeding in good faith and as fast as practicable. Meanwhile, some 41 states have sought, and are expected to receive, interim authority to conduct their own hazardous wastes programs under a section of RCRA that allows EPA to delegate much of its authority. A few have already enacted their own laws. New Jersey, California, and Illinois, for example, already operate manifest systems for hazardous wastes, and New Mexico is expected to begin one soon. New York and Michigan are also considering construction of state-operated disposal facilities, and New York recently established a commission to select sites for landfills.

Regulations in other states are generally less stringent, however, and that is creating problems for both the states and the industries.

The states are thus pushing for EPA to accelerate implementation of its hazardous wastes regulations. Industry has the same goal because it would like to operate under uniform laws throughout the country. Legitimate waste disposal companies favor the new regulations, and would like even stronger ones, because the laws can only increase their business. All three groups would like to see EPA extend its authority even further in some cases; in particular, they would like the agency to take some of the heat off local governments by giving its imprimatur to new landfill sites. About the only groups that think the new regulations are too restrictive are the midnight dumpers and the gypsy haulers.

[From Science Magazine, May 9, 1980]

EPA Announces Toxic Waste Controls

Officials of the Environmental Protection Agency (EPA) intended to use the dramatic backdrop of a recent toxic chemical mishap to announce on 30 April their final regulations for the safe disposal of hazardous chemical wastes. In a publicity stunt to be envied by other bureaucrats, EPA officials were to present the regulations amid the smoldering remains of the Chemical Control Corporation waste dump in Elizabeth, N.J., where a toxic chemical fire erupted on 21 April.

EPA officials said the fire points up the need for more swift and diligent efforts to clean up waste dumps. During the blaze, toxic liquid metals, carcinogens, and environmental contaminants from 20,000 chemical drums spewed into the air and spilled into nearby water. Residents and schoolchildren from surrounding towns and nearby Staten Island, N.Y., were asked to stay indoors and fishing was suspended in portions of the Hudson River and New York harbor. Several dozen firemen experienced acute effects of chemical exposure.

EPA officials had predicted the mishap in an internal report written after a visit to the dump site in November 1978. "Our staff people consider this to be a very hazardous situation," the internal report says. "The potential is there at any time for serious public health and environmental problems including explosions, fires, and violent reactions—any of which could conceivably release toxic fumes."

The report said that "action must be taken to prevent a calamity," Shortly afterward, New Jersey authorities began removing 8500 drums of toxic chemicals whose presence would have worsened the recent blaze, including drums of nitroglycerine, picric acid, cyanide, and mustard gas. No one has yet determined how the fire began, although spontaneous chemical explosions had occurred at the site before. The EPA's inspection had revealed that many of the drums on the site were rusted open and leaking their contents.

EPA officials said the new regulations would prevent the operation of a waste site similar to Chemical Control's. Specifically, the regulations identify 400 hazardous products and chemicals and 89 chemical processes that will require more careful disposal in the future. Other chemicals will be added to the list by EPA, and manufacturers must add to it as well if the chemical they produce are ignitable, corrosive, reactive, or toxic. (Toxic chemicals are defined as those covered by the Safe Drinking Water Act, a total of only 14 chemicals so far.)

Some of the final rules are tougher than what EPA had initially proposed for public comment. Disposal site operators will be responsible for the wastes for 30 years after a site is closed, not 20. Groundwater monitoring will be required around all disposal sites, not just new ones. All liquid disposal in landfill sites is barred pending further EPA study.

Other provisions are weaker than what the agency had proposed. EPA decided not to attempt controls on chemical evaporation from surface disposal tanks, despite recognition by one official that it is a big problem. "We just don't have the technical capability to monitor and control it," says Steffen Plehn, EPA's assistant administrator for solid wastes. The agency also decided that industry lacks the capability to monitor directly the leaching of chemicals from a disposal facility. Finally, the agency broadened the regulations' exemptions enough to leave out such minor waste generators as painters, plumbers, electricians, and gasoline stations.

Environmentalists have criticized an exemption permitted for facilities that simply recycle waste by reselling it to industrial clients. They claim that the owners of disposal sites will escape the regulations through assertions that resales will occur sometime in the future; in the meantime, wastes might be unsafely stored, and monitoring of groundwater would not be required. EPA says the exemption is necessary to induce more of the industry to resell and reuse its waste, instead of just burying it.—R. Jeffrey Smith

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PROFESSIONAL ANALYSIS OF OSHA—THE NEED FOR REFORM

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANSEN. Mr. Speaker, in a very short time our colleagues in the Senate will be considering legislation to reform the Occupational Safety and Health Act of 1970. OSHA's record over the past 10 years clearly reflects the need for this long-overdue legislation.

Several months ago I asked Mr. Robert Rader, an attorney from Dallas, Tex., who is one of the most nationally prominent and successful attorneys dealing with the OSHA law to analyze the impact and effect of the OSHA law and suggest possible areas where reform is necessary. The following analysis is a concise and extremely beneficial background on the impact of OSHA for the last 10 years. Mr. Rader's suggested reforms offer the keen insights of a true professional who has dealt with the impact of the application of the law since its inception. I highly commend it to my colleagues as necessary reading in the field of OSHA reform. The article follows:

OSHA—PAST, PRESENT AND FUTURE THE NEED FOR CLARIFICATION

(By Robert E. Rader, Jr.)

INTRODUCTION

The Occupational Safety and Health Act of 1970 is probably the most controversial piece of legislation enacted in the last quarter of a century.

OSHA coverage is comprehensive. It includes virtually every employer in the country. No other piece of federal legislation so extensively involves itself in the affairs of American private industry. As one Senator has observed, OSHA applies to "every business affecting commerce in the entire United States, ranging anywhere from a big steel company to a shoe shine shop." (116 Cong. Rec. 36,509, 1970, remarks of Senator Dominick). The Secretary of Labor has estimated that the Act covers nearly six million workplaces.

OSHA's arrogant and arbitrary actions have incurred the enmity of employers and businessmen nationwide, and have aroused the concern of legislators, courts and commentators. The problems created by the agency's manner of enforcement could be alleviated by amendments to the Act that clarify the agency's authority and the intent of Congress.

The following is a discussion of the practical legal problems that have arisen under enforcement of the Act, and proposed amendments to the Act which would alleviate many of those problems in a manner that conforms to judicial precedent and the intent of Congress.

I. OSHA INSPECTION PRIOR TO MARSHALL V. BARLOW'S INC.

A. Background—The constitutional warrant requirement

The legislative history of the Occupational Safety and Health Act indicates that Congress was aware OSHA inspections would have to be conducted in accordance with "applicable constitutional protection." (Remarks of Congressman Steiger, 116 Cong. Rec. 38709 (1970). This intent was bolstered by the Secretary of Labor's original construction of the statute, as evidenced by the requirement of an "inspection warrant" found in the initial Compliance Operations Manual.[1]

However, after a couple of years of "getting the program off the ground", OSHA became infatuated with its own authority, and began to assert the right to compel warrantless inspections unfettered by the prerequisites of the Fourth Amendment.

OSHA's highhanded inspection tactics—in complete disregard of the Constitution, the intent of Congress, the Act itself, and OSHA's own regulations—placed employers in the position of being forced to either waive their legal right to a warrant, or to seek protection of their rights in court. This unfortunate situation imposed a terrible burden and cost on employers. It also resulted in the needless expenditure of governmental administrative and judicial resources.

Significantly, numerous state and federal courts nationwide, from 1974 to 1978, *uniformly* upheld the employers' Fourth Amendment warrant rights and rebuked OSHA for its illegal and oppressive tactics.

Following is a synopsis of that litigation, culminating in the Supreme Court's decision in *Marshall v. Barlow's Inc.*

B. Warrant litigation

In January, 1976 in *Brennan v. Gibsons Products Inc. of Plano* a three-judge court for the Eastern District of Texas held that OSHA may not compel an objected-to inspection without a search warrant. The Court stated that to construe the law to authorize warrantless inspections would render it unconstitutional.[2]

In April, 1976, in *Usery v. Rupp Forge* the Northern District of Ohio also held search warrants are constitutionally required for OSHA inspections.

On August 19, 1976 another three-judge panel in Albuquerque ruled in *Dunlop v. Hertzler Enterprises* that OSHA is required by the Fourth Amendment to secure a search warrant based on probable cause. In that case the OSHA Area Director had personally met with Bruce Hertzler and advised him that the law authorized warrantless inspections. When Hertzler asked "what about my constitutional rights" the Area Director reportedly answered "I don't give a damn about your constitutional rights. As far as I'm concerned you don't have any because you are in business." Hertzler refused to be intimidated, so OSHA secured a warrant, showing as probable cause only that Hertzler was covered by the Act and would not let them in. The court threw out the warrant because it was not based on probable cause as was required by the constitution.

Only a few days later the Circuit Court of Franklin, Kentucky disallowed as unconstitutional a warrantless inspection by the Kentucky state OSHA. The style of this case is *James R. Yocum, Commissioner of Labor v. Burnette Tractor Company, Inc.*

In September a Maryland Circuit Court disallowed a warrantless boiler inspection in *Epstein v. Fitzwater Furniture* on Fourth Amendment grounds.

On November 1 the Oregon Circuit Court held warrantless inspections under the Oregon state OSHA unconstitutional. There the inspectors had gotten a search warrant based on a provision in the Oregon statute for "Administrative Inspection Warrants" which required only a showing that the contemplated inspection was "routine". The court held that that portion of the statute "which allows search warrants to be issued on the basis of routine inspections (instead of probable cause) is unconstitutional." The name of the case is *State of Oregon ex rel Accident Prevention Division of the Workmans Compensation Board v. Keith R. Foster dba Keith Mfg. Co.*

Similar reasoning was employed by the three-judge federal court in *Barlow's Inc. v. Usery*, decided December 30, 1976. There the court reaffirmed that warrants are constitutionally required for OSHA inspections—but held that since the statute did not specifically provide for warrants based on probable cause, the law was unconstitutional.

The next month, on January 10, 1977, the Northern District of Georgia ruled again in *Usery v. The Centrif-Air Machine Co.* that warrants are required to compel objected-to OSHA inspections.

On January 19 a Utah District Court in *Baird v. State of Utah et al* held the entire Utah state OSHA statute unconstitutional on various constitutional grounds—including violation of the Fourth Amendment. In so ruling, the Judge stated that the unlimited scope of OSHA inspections and "the possibilities of unannounced, uninvited and compelled intrusions into the lives of all concerned staggers the imagination." Well stated. Particularly in view of the fact that OSHA purports to cover more than 6 million workplaces.

The next day a New Mexico District Court disallowed a warrantless OSHA inspection in *State, ex rel New Mexico Environmental Improvement Agency v. Albuquerque Publishing Company* on the same constitutional grounds.

At the same time an Alaska Superior Court held the Alaska state OSHA statute unconstitutional insofar as it "approves the concept of search without warrant of business establishments covered by the Statute." *State of Alaska, Department of Labor, Division of Occupational Safety and Health v. General Home Repair and Roofing, and Glenn Smart.*

On March 24, 1977 a California Court held Cal/OSHA unconstitutional in *People of the State of California v. Melvin Salwasser.* There the state of California sought to prosecute Salwasser *criminally* for failure to honor an inspection warrant which was not based on probable cause. The Court held the charge "unconstitutional on its face in that the warrantless searches demanded by the statute do not comply with the constitution.

Two weeks later on April 5, in *Dravo Corporation v. Marshall*, the Western District of Pennsylvania confirmed that the Occupational Safety and Health Act does not authorize warrantless OSHA searches, and that the U.S. District Courts have jurisdiction to quash an invalid OSHAA warrant.

On April 12 the U.S. District Court for the Northern District of Illinois held that even an employee complaint does not suffice to vitiate the Fourth Amendment's warrant requirement. *In Re Gilbert & Bennett Manufacturing Co.*

In May, the U.S. District Court for Rhode Island affirmed employers' constitutional rights to a warrant in *Marshall v. Beam Truck and Body Inc.*, and *In Re Worksite Inspection of Alfred Calcagni & Sons Inc.*

Also, on May 27 the Kentucky Court of Appeals affirmed the ruling in *Yocum v. Burnette Tractor* that warrantless OSHA inspections are unconstitutional.

The following month, June, saw a flurry of administrative and court litigation regarding the North Carolina state OSHA plan in *State of North Carolina v. Butler* (Randolph County District Court) and *Butler v. North Carolina* (U.S. Dist. Ct, M.D. NC). Thanks to the courage and finances of Mr. Butler, the right to a warrant based on probable cause as a prerequisite to OSHA searches was affirmed in North Carolina; however, this particular litigation presaged many of the troublesome issues concerning exhaustion of administrative remedies, criminal penalties and probable cause currently pending in the "post-*Barlow's*" cases.

Also, on June 27, the Supreme Court for the State of Alaska held that "without judicial review far too much discretion is lodged in the [OSHA] official in the field" and "that authority to inspect and search one's business premises should be evidenced by a warrant." *Woods & Rhode Inc. v. State of Alaska, Department of Labor.*

On July 11 the federal court in Southern California held in *Marshall v. Great Lakes Dredge & Dock Company* that OSHA did *not* have "a kind of walk-in authority to make inspections at any and all times," but must obtain a valid warrant.

The next day, the federal court in Wisconsin affirmed an employer's right to a warrant as a prerequisite to an OSHA search in *Marshall v. Chromalloy American Corp.*[3]

Two weeks later on July 26 the U.S. District Court for the Northern District of Alabama upheld an employer's right to an OSHA warrant based on *particularized* probable cause. *Marshall v. Shellcast.*

On September 9 another federal court in Wisconsin affirmed the right to a warrant for an OSHA inspection, and noted that any war-

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Footnotes at end of article.

rant based on a specified complaint must be limited in scope to the complained-of item. *In Re Inspection of Northwest Airlines Inc.*

On September 20 the U.S. District Court for the Southern District of Illinois in the case of *Norris v. U.S. Department of Labor* interpreted § 8(a) of the Act to require the Secretary to seek an inspection warrant where the OSHA inspectors are refused entry, and held that the district court has jurisdiction to quash a warrant not based on sufficient probable cause.

Shortly thereafter, on October 13 in federal court in Virginia the right to a warrant was again upheld in *Reynolds Metals* v. *Secretary of Labor.*

The next day U.S. District Judge Young, Northern District of Ohio, in *Hayes-Albion Corporation* v. *Marshall* agreed with the other court decisions that a warrant is required for administrative searches under OSHA.

At almost exactly the same time U.S. District Judge Churchill in Michigan enjoined OSHA from coercing an inspection without a valid warrant based on probable cause in *Weyerhaeuser* v. *Reizen.*

The federal court in Chicago was next to affirm an employer's right to a warrant as a prerequisite to an OSHA inspection on October 27, in *In Re Chicago Magnet Wire Corp.*

On December 8 the U.S. District Court in New York construed the OSHA Act "in a manner consistent with its legislative purpose and which avoids constitutional infirmity, as requiring the Secretary to obtain a search warrant based on probable cause prior to conducting a nonconsensual inspection." *Lockport Non-Ferrous Castings, Inc.* v. *Marshall.*

On December 22 in *Lifeguard Industries Inc.* the federal court in Southern Ohio admonished that the OSHA Act "should not be read as dispensing with a warrant procedure."

Thereafter, on January 10, 1978 the Northern District of Ohio in *Marshall* v. *Multicast Corporation* confirmed that "the conclusion is nearly inescapable that Congress *expected* OSHA and the courts to supply a warrant procedure. **The compulsion is bolstered by OSHA's initial approach to § 8(a) inspections, which appears to have proceeded on the assumption that a warrant would be required in the absence of consent. See *President's Report on Occupational Safety and Health*, p. 24 (1972)."

On February 16 another federal court in Illinois, in *S. F. Kennedy Industries, Inc.* reaffirmed the constitutional right to a warrant, based on probable cause, and suitably limited in scope, before OSHA may inspect an employer's premises.

This substantial, costly litigation concerning the validity of warrantless OSHA searches was climaxed by the Supreme Court's decision in *Marshall* v. *Barlow's Inc.* There the Supreme Court held that the Fourth Amendment prohibited warrantless OSHA inspections, and clearly repudiated OSHA's grab for power.

In any event, the more than four-year court struggle by employers against OSHA was vindicated in *Barlow's*—but at a terrible cost, to employers, employees and tax-payers. It is ironic that this tremendous cost was incurred to compel OSHA to adhere to what surely was the intent of Congress in the first place.

II. OSHA INSPECTIONS AFTER MARSHALL V. BARLOW'S INC.

A. OSHA's post-Barlow's tactics

Rebuffed in its attempts to compel warrantless inspections by the Supreme Court in *Barlow's*, OSHA has taken the position that the administrative warrants intended by *Barlow's* must be easily obtained and unlimited in scope. Indeed, OSHA has contended that the magistrate issuing the warrant may not question OSHA's determination to search—but must "rubber stamp" the warrant request.

To support its position, OSHA has distorted certain language in the *Barlow's* opinion concerning "administrative probable cause"—and conveniently overlooked the clear meaning of *Barlow's*, particularly as it was quickly applied by the Supreme Court in the subsequent case of *Michigan v. Tyler.*

In short, OSHA's continuing failure to abide by the Act itself, the intent of Congress, the rulings of the Supreme Court and even OSHA's own regulations, has created a situation very similar to the early pre-*Barlow's* period. Employers have again been forced into the position of having to choose whether to waive their vital legal rights—or to take up the fight in court.

Unless the Congress acts quickly, the same senseless expenditure of resources by employers, courts and government personnel will be repeated.

B. The current issues before the courts

Benjamin Mintz of the Labor Solicitor's Office addressed the July 23, 1979 meeting of the National Advisory Committee on Occupational Safety and Health in Washington and summarized the issues pending in the Courts as being:

(1) Whether OSHA can obtain a warrant without notifying the employer;

(2) The probable cause showing required to obtain an OSHA warrant;

(3) Whether an employee complaint about a specific area or hazard entitles OSHA to make an unlimited inspection; and

(4) Whether evidence obtained under an invalid warrant must be suppressed.

In other words, the issues currently being litigated concern (1) *ex parte* warrants, (2) administrative probable cause, (3) scope of complaint inspections, and (4) the authority of the OSHA Review Commission to rule on the constitutionality of warrants issued by U.S. District Courts.

(1) Ex Parte Warrants

(a) The problem

OSHA's original regulations at 29 CFR 1903.4 called for a warrant whenever entry was refused. In an effort to avoid the necessity of showing probable cause, OSHA deleted reference to a "warrant," and the present regulation calls for a "compulsory process" procedure, affording notice and hearing to the employer.

The *Barlow's* court specifically noted that the procedure under § 1903.4 affords notice to the employer whose premises were sought to be inspected and recognized the due process axiom that an agency is bound by its own regulations.

Subsequent cases such as *Cerro Metal Products v. Marshall* and *Fleck Industries v. Marshall* in Pennsylvania, and *Mosher Steel Company v. Marshall* in Texas have agreed that unless and until OSHA properly changes its regulation in the manner required by the Administrative Procedure Act, it must give notice to employers and afford opportunity for hearing at the time the warrant is applied for.

The problem is that OSHA flatly *refuses* to abide by its own regulation, and continues to request warrants *ex parte.*

(b) The solution

To resolve this problem, and also to prevent OSHA from trying to amend its regulation to provide for *ex parte* warrants, Congress should amend the Act to provide for a hearing at the time the warrant is applied for.

There is strong historical, legal and legislative precedent for the policy of providing for a hearing at the time the warrant is applied for. In addition, such hearings would resolve many of the difficulties in determining whether adequate probable cause exists for issuing a warrant, and would prevent the all-too-frequent harassment of employers. Such a hearing would promote safety and more efficient administration of the Act, because it would force the agency to give priority to genuine safety hazards and would foreclose in advance a great deal of litigation on probable cause and due process issues.

From a legal standpoint, the courts have long held that an individual is entitled to a fair judicial determination of his Fourth Amendment rights without suffering the risk of a penalty for merely seeking such a determination.

Illustrative is the procedure followed in respect to administrative subpoenas to which the Supreme Court makes favorable reference in *See* v. *Seattle*, 378 U.S. 541 (1967). If an administrative agency subpoenas books or records, the agency itself may not force compliance by the levy of a fine or imprisonment. Nor is it the practice for the agency to bring criminal or contempt charges in court for refusal to comply. Rather, the agency petitions the court for an order forcing compliance, which results in an adversary proceeding at which objections by the affected individual or company may be interposed. Fourth Amendment claims may be raised at this time, and thus the person affected may obtain in advance judicial determination of his right of privacy without the risk of punishment for merely being unsuccessful in his challenge.

The Congress might well give careful attention to the English law and practice to which a passing reference was made by the Supreme Court in *Frank* v. *Maryland*, 359 U.S. 360. The Public Health Act of 1936 provides that, in the event the occupant will not allow the inspector to enter, the inspector may seek a warrant, but the justice may not issue the warrant unless it is established "that notice of the intention to apply for a warrant has been given to the occupier." Insofar as can be determined, it is the practice to give this notice in writing and to specify the precise date and time when the application will be made. Once notified, the occupant may appear in court at the time of the application and may present evidence to show that there are no grounds for issuance of the warrant.

Legal scholars[4] have long felt that provision for an adversary proceeding in *advance* of administrative inspections is far superior to the *ex parte* warrant approach. When an *ex parte* warrant is sought, the employer is not notified so that he may appear and assert his constitutional rights in advance of the search. The search proceeds on the basis of the magistrate's approval in *ex parte* proceedings, and if the person aggrieved thereby later proves on a motion to suppress that the warrant was improperly issued the evidence obtained is excluded. This is admittedly a crude way to handle the problem, as the exclusionary rule comes into play only after the unconstitutional invasion of privacy has occurred. It also results in a substantial amount of post-inspection litigation.

There is no need to rely on this inferior procedure since a hearing in advance of inspection can be held without risk to the government interests being pursued. Moreover, *such hearings would substantially eliminate post-inspection litigation!* Cases brought to quash an invalid warrant, such as *Weyerhaeuser v. Marshall* (Wisconsin) and *Mosher Steel v. Marshall* (Texas), or to enjoin abusive and harassing inspections such as *Continental Can v. Marshall* (Illinois) would be foreclosed. This continuing complicated and costly litigation would no longer be necessary to uphold the rights of employers, because of the provision for a hearing at the time of the warrant application.

In sum, the inherent problems of *ex parte* warrants will continue to exist until either OSHA abides by its own regulations, or Congress Amends the Occupational Safety and Health Act. The following amendment would

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Footnotes at end of article.

alleviate present legal and administrative difficulties, at great savings to employers, employees and taxpayers:

Section 8 of the Act is amended by adding a new subsection (h) which provides

(h) In the event the employer will not allow the Secretary or his representative to enter, the Secretary may seek a warrant, but the judicial officer may not issue the warrant unless it is established that notice of the intention to apply for a warrant has been given to the employer in writing, specifying the precise date and time when the warrant application will be made. Once notified, the employer may appear in court at the time of the application and may present evidence to show that there are no grounds for issuance of the warrant. (Taken from England's Public Health Act of 1936).

(2) Administrative Probable Cause

(a) The problem

In *Marshall v. Barlow's, Inc.* the Supreme Court declared that Section 8(a) of the Occupational Safety and Health Act was unconstitutional insofar as it authorized nonconcensual inspections of an employer's establishment absent a judicially issued warrant. The Court held that probable cause sufficient for an administrative search warrant could be established either by (1) presenting specific evidence of an existing violation on the premises to be inspected (the criminal law standard), or (2) showing that reasonable legislative or administrative standards for conducting an inspection are satisfied with respect to a particular establishment—i.e. that a specific business has been chosen for an OSHA search on the basis of a general administrative plan, derived from neutral sources.

"Probable cause in the criminal law sense is not required. For purposes of an administrative search such as this, probable cause justifying the issuance of a warrant may be based not only on specific evidence of an existing violation but also on a showing that "reasonable legislative or administrative standards for conducting an . . . inspection are satisfied with respect to a particular [establishment.]" 436 U.S.

The Supreme Court's concern in *Barlow's*, and in such earlier cases as *Camara* v. *Municipal Court* and *See* v. *Seattle*, was that the question of "when to search" and "whom to search" should *not* be left to the discretion of the executive and administrative officers, particularly those in the field.

Thus, under the test laid down in *Barlow's* probable cause for an administrative inspection warrant may be based either on the criminal "specific evidence" test *or* on a reasonable administrative inspection program *based on neutral criteria and developed prior to the incident of the inspection.*

Where the criminal probable cause test is met—i.e. *specific* and *reliable* evidence of an *existing* violation—there is no discretion or discrimination involved in showing cause to issue a warrant for an inspection. The problem arises in defining and meeting the second test, commonly referred to as "administrative probable cause".

The Courts are currently wrestling with defining and applying "administrative probable cause" to issue warrants for OSHA inspections in two contexts: "programmatic" inspections, and "complaint" inspections.

1. Programmatic Inspections

Programmed inspections (formerly called General Schedule) are those which are "planned" by OSHA's regional offices, based on OSHA's determination that a particular business or industry warrants inspection. Although OSHA has formulated some impressive appearing program directives setting forth the scheduling system for programmed inspections, the hard fact is that a large percentage of such inspections are "scheduled" by compliance officers pulling names out of telephone directories at random.[5]

In actual practice, then, the Courts must determine in an application for a warrant to conduct a "general schedule" or "programmed" inspection, whether OSHA has just picked an employer at random "out of the hat", or whether the decision to inspect that particular employer was indeed based on a reasonable administrative inspection program, based on neutral criteria, and developed prior to the incident of the inspection.

In *Reynolds Metals Company v. Secretary of Labor* (U.S. District Court, Virginia, 1977) for example, OSHA provided the Court with a twelve paragraph affidavit showing: (1) the proposed inspection was a general schedule inspection and no higher priority inspections were pending; (2) the Reynolds Bristol plant had never been inspected by OSHA; (3) the Bristol plant appeared on the "Worst-First" list (based on accident/injury rates); (4) the Bristol plant was ranked 20th out of 34 industries on the Roanoke Field Office's "Worst-First" list; and (5) OSHA officers had already inspected the nineteen SIC's preceding the 20th ranked metal-can manufacturing industry of which the Bristol facility was a part. Judge Turk evaluated this evidence and concluded that the prior absence of inspection of the Bristol plant, together with what he perceived as a "rational and non-discriminatory" plan of inspection, established probable cause for an inspection warrant. Furthermore, the evidence persuaded him that the plan had not been applied in an arbitrary or discriminating manner.

Unlike the situation in *Reynolds Metals*, however, a large percentage of OSHA's "programmed" inspections are not the result of a pre-established reasonable plan, based on neutral criteria. Rather, the decision of "who to search" and "when to search" in most instances is made arbitrarily by the local OSHA officials. This arbitrary selection of employers (a) contravenes the Fourth Amendment and the *Barlow's* decision, (b) results in harassment of employers, (c) diverts OSHA's resources which could otherwise be directed toward genuine workplace hazards, and (d) guarantees a large volume of litigation with the attendant expenditure of government and private resources. (See, e.g., *Marshall v. Weyerhaeuser Company*, U.S. District Court, New Jersey, 1978).

One reason OSHA has been generally unsuccessful in presenting a reasonable inspection program to the courts is because the agency has yet to promulgate such a program in accordance with the notice, hearing and comment procedures mandated by the Administrative Procedures Act, 5 USC § 551 *et seq.*

The purpose of such rule-making hearings is, of course, to educate the agency and to obtain maximum information. It envisions input from the expertise developed in the industry that is to be regulated. See *South Terminal Corp. v. E.P.A.*, 504 F. 2d 646, (1st Cir, 1974). Those interested in the rule-making process—the industries themselves subject to inspection—are the best source of information and criteria that can be utilized to develop the rules (inspection programs) and to avoid the arbitrary and unconstitutional aspects of OSHA inspection programs.

Indeed, no inspection plan devised by OSHA will be legal unless it is promulgated under the rule-making procedures of the APA.

OSHA's attitude, of course, is that they do not care to follow the APA procedures, or to be educated by anyone. As a consequence of OSHA's failure to follow the due process requirements of rule-making under the APA, there continues to be an arbitrary implementation of administrative plans and programs which violate the Fifth Amendment and ignore the mandate of the Fourth Amendment against unreasonable searches and seizures.[6]

2. Complaint Inspections

OSHA categorizes complaints as being "formal" or "informal".[7] A formal complaint is one that meets the requirements of Section 8(f) of the Act (29 USC § 657(f)) and the regulations at 29 CFR § 1903.11—that is, made in writing by a present employee, or employee representative, specifying the alleged violation with reasonable particularly, and signed by the complainant.

Informal complaints, on the other hand, are all complaints not meeting the formality requirements of 29 CFR § 1903.11. These may be telephone complaints, anonymous complaints, complaints from persons who are not employees and the like. In actual practice, such complaints are often made anonymously by competitors seeking a competitive advantage, by disgruntled ex-employes seeking revenge, or by unions seeking leverage at the bargaining table.

In short, informal complaints are inherently unreliable—a fact recognized by OSHA's own regulations.[8] OSHA's Field Operations Manual describes the handling of these complaints as "admittedly difficult" and because of the obvious potential for abuse, Chapter VI, § E of the Manual directs that such "other than formal" complaints be scheduled under the "general programmed inspection authority" set forth in Chapter IV. In other words, these informal complaints are not assigned the priority of complaints meeting the formality requirements of 29 CFR § 1903.11, but revert instead into the general schedule or random category of inspections.

As might be expected, the courts have had little difficulty in finding that *formal* complaints meet the "specific evidence" test, set forth in *Barlow's*, for probable cause to issue an OSHA inspection warrant. This is because a *formal* complaint is made by a current employee, under threat of criminal sanctions for false statements (29 USC § 666(g)), and constitutes written, signed, reliable, specific evidence of a currently existing violation.

Predictably, most of the current litigation concerns inspections and/or requests for warrants based on an alleged informal complaint.[9] This litigation has established that the problem pertaining to informal complaint inspections is twofold.

(a) Such complaints are inherently unreliable, and provide an obvious potential for abuse by competitors, disgruntled employees, ex-employees, and unions.[10]

(b) OSHA officials often use an "alleged" complaint as the basis for seeking entry to harass an employer whom OSHA considers to be recalcitrant.

Much of the current litigation arises because employers are, understandably, reluctant to have OSHA inspectors running willy-nilly about their plants every time the employer has a dispute with the union or an employee, or because OSHA does not like his attitude.[11]

From a legal standpoint, the problem is compounded by the fact that OSHA does not follow up on all informal complaints.[12] Under OSHA Program Directive #200–69, the greenest compliance officers are allowed to schedule investigations of any kind of complaint, anonymous or otherwise, based on—not a neutral inspection program—but their own arbitrary evaluation. In essence, the choice of which informal complaints to investigate and which ones not to investigate is left entirely to the OSHA officials in the field—in direct contravention of *Barlow's* requirement that the question of "who to search" and "when to search" should not be left to the arbitrary discretion of OSHA officials, but must be based on pre-established neutral criteria.

For these reasons, inspections based on alleged informal complaints have engen-

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Footnotes at end of article.

dered more litigation than any other aspect of current enforcement under the statute. In requesting warrants based on informal complaints, OSHA maintains that informal complaints satisfy the "specific evidence" test set forth by *Barlow's* in the same manner as formal complaints. The courts, however, have been generally reluctant to hold that these inherently unreliable, sometimes fictitious complaints, standing alone, constitute probable cause for the issuance of a warrant to conduct an OSHA inspection.[13] Particularly in view of OSHA's unfettered and arbitrary discretion in choosing which of such complaints they will investigate.

Rather, the courts have required OSHA to describe its program for responding to such complaints, and show why the particular place to be inspected falls within that program. In short, since OSHA does not respond to every informal complaint, the Courts require OSHA to show how they decide which informal complaints to investigate. *In Re Northwest Airlines, Inc.*, 587 F. 2d 12 (7th Cir. 1978). *In Re Urick Foundry*, 7 BNA-OSHA 1497 (W.D. Pa. 1979). This has been difficult for OSHA to do, since—as in the case of general schedule inspections—they have no pre-established neutral program for investigating informal complaints, and apparently have no intention of formulating such a program.

As a consequence of these problems, more and more employers are going to court to contest OSHA's decision to inspect pursuant to an informal complaint.

(b) The solution

1. Programmatic Inspections

The solution is simple. The Act should be amended to require establishment under the APA rule-making procedures of an inspection program for general schedule inspections. To comply with judicial precedent, and to make Congress' intent clear, the amendment should also provide that such inspection program be directed toward the most hazardous workplaces first, as determined by reliable, neutral criteria. Proposed language for such an amendment is as follows:

Section 8(f) is amended by inserting a new subsection (1) and renumbering the present subsections as (2) and (3), the new inserted subsection to read as follows:

> In order to carry out the purposes of this chapter the Secretary shall conduct both general, comprehensive workplace inspections, and special inspections as provided in subsection (2) of this subsection. In making such comprehensive or general inspections, the Secretary shall first formulate and promulgate a reasonable program of inspection insuring that priority is given to the most hazardous workplaces, as determined from reliable, neutral criteria.

Section 8(g)(2) of the Act is amended by adding the following provision:

> All such rules and regulations pertaining to the manner or method for selecting the employer's establishment to be inspected, shall be promulgated by rule in accordance with the provisions of Chapter 5 of Title 5.

2. Complaint Inspections

The problems inherent in inspections triggered by complaints were foreseen by Congress when the Act was passed. The following discussion in the Senate on October 13, 1970 is particularly enlightening:

"Mr. SAXBE. Imagine also the question that is raised as to harassment. If the employee wants to be a harassing agent, of course he can send in a complaint every day, and then the Secretary would have to determine whether it is genuine. In other words, is he crying wolf and, therefore not entitled to an inspector, or *is it genuine*? But it would pose a terrific problem for the Secretary to determine if he should send a man in there.

"Suppose he did not send a man in there and serious injury resulted from an accident that resulted from faulty equipment, or from failure to follow proper safety practices.

"These are areas of discussion.

"While I personally favor the response required in the committee bill, *when a man puts in writing that safety hazards exist* and that the Secretary, or a regional officer of the Labor Department feel they are of sufficient interest to assign an inspector, I think that is good. I think he should go. It is going to take more inspectors.

"But I think this matter should be fully discussed. I doubt if we could even clear up that point in the short time we are going to have available in the morning.

Mr. DOMINICK. Mr. President, will the Senator yield for a question?

"Mr. SAXBE. I yield.

* * * * *

"Mr. DOMINICK. It would seem to me—and would it not so seem to the Senator from Ohio?—that this also opens the door for . . . a good deal of harassment, if there were a real labor-employer series of bitter disagreements going on from time to time in a particular plant or in a particular business.

"Mr. SAXBE. Yes; and this could be an element that would prevent a settlement of disputes."

(Reported in Committee Print, Legislative History of the Occupational Safety and Health Act of 1970, Senate Subcommittee on Labor, p. 399.)

The Act in its final form adopted Senator Saxbe's view, and authorizes special inspections pursuant to formal complaints—i.e. those that are in writing, made by a current employee, or employee representative, *describe the hazard with some particularity*, and *are signed under penalty of law*. 29 USC § 657(f), § 666(g). These requirements were a result of Congress' specific recognition that many complaints would not be "genuine". Congress therefore authorized OSHA to accord priority *only* to those complaints meeting the formality requirements of the statute.

Indeed, OSHA's contemporaneous interpretation of the statute, as set forth in Chapter VI of the Field Operations Manual, concedes this to be the case.

The problem is that OSHA refuses to abide by the clear intent of the statute and by its own regulations, and continues to utilize the flimsiest of "complaints"[14] as grounds for selection of employers for inspection. Congress can prevent continuing abuses of authority and harassment by OSHA, force OSHA to focus on the most serious safety hazards, eliminate the need for continuing litigation, and clarify Congress' original intent, with the following amendment.

Section 8(f)(1)[15] is amended to add the following sentence:

> No complaint or request for inspection shall serve as the basis for a special inspection unless it meets all the requirements set forth in this subsection.

(c) Effect of proposed amendments

Adoption of the amendments proposed above in subsection (b) will force OSHA to comply with the clear intent of Congress and with the legal and constitutional principles established by the courts. These amendments would guarantee that the establishments that most need inspection would in fact be the establishments inspected. Finally, these amendments would do away with a great deal of current and future litigation, which, in all probability, will result in the same outcome, insofar as enforcement of the Act is concerned.

Footnotes at end of article.

(3) Scope of Complaint Inspections

(a) Background

The proper scope of inspections predicated on a complaint is also a hotly contested issue. In the standard fact situation the OSHA inspector shows up at the employer's establishment to conduct an inspection and advises the employer there has been a complaint. In most cases the employer is perfectly willing for the OSHA inspector to enter and check out the alleged complaint. The OSHA inspector, however, states that his inspection will not be limited to the complained-of items, but will be a general, or "wall-to-wall" search. Upon hearing this the employer's reaction usually is that a wall-to-wall search is, under the circumstances, completely unreasonable, and the OSHA inspector is turned away.

The OSHA inspector then obtains a warrant from the local magistrate. The inspector cites the employee complaint as probable cause for issuance of the warrant. However, the "boiler plate" warrant is not limited to the complained of items, but authorizes a wall-to-wall search.

When OSHA presents the warrant to the employer, the employer often refuses to honor it on the grounds it is unconstitutionally broad.

(b) The problem

Simply stated, the problem is that OSHA flatly refuses to abide by the Constitution. In an unbroken line of cases the United States Supreme Court has long held that general warrants of this type are prohibited by the Fourth Amendment. (See e.g., *Stanford* v. *Texas*, 379 U.S. 476 (1965); *Marcus* v. *Search Warrant of Property at 104 East Tenth Street, Kansas City, Missouri, et al*, 367 U.S. 717 (1961); *Marron* v. *United States*, 275 U.S. 192 (1927). In *Marron*, Justice Butler stated in no uncertain terms that:

> General searches have long been deemed to violate fundamental rights. It is plain that the [Fourth] Amendment forbids them . . . The requirement that warrants shall particularly describe the things to be seized makes general searches under them impossible and prevents the seizure of one thing under a warrant describing another. As to what is to be taken, *nothing is left to the discretion of the officer executing the warrant*.

Michigan v. *Tyler*, 436 U.S. 499 (1978) is the last word from the Supreme Court on the scope of administrative inspection warrants. In that case, firemen and arson detectives returned to a fire scene in a commercial establishment to search for evidence of arson after the fire had been extinguished. The Court pointed to two possible bases or probable cause as it had in *Marshall* v. *Barlow's*, *supra*. A search could be based on an administrative plan or be responsive to a particular event, i.e., a fire. This reiterated the holding of *Barlow's* that an inspection could be based on a neutral plan or a specific event, i.e., "specific evidence of an existing violation". In *Barlow's*, the inspection was programmatic and therefore the Court did not elaborate on the proper scope of an inspection conducted in response to a specific event, such as an employee complaint. In *Michigan* v. *Tyler*, the inspection was responsive to an event. The Court held that in such a case the inquiry of the issuing magistrate must be more particularized to satisfy the reasonableness requirement of the Fourth Amendment. The Court held:

"The magistrate's duty to assure that the proposed search will be reasonable, a determination that requires inquiry into the need for the intrusion on the one hand, and the threat of disruption to the occupant on the other. For routine building inspections, a reasonable balance between these competing concerns is usually achieved by broad or administrative guidelines specifying the purpose, frequency, scope and manner of conducting the inspections. *In the context of investigatory fire searches, which are not programmatic but are responsive to individual events, a more particularized inquiry may be necessary.* The number of prior entries, *the scope of search,* the time of day when it is proposed to be made, the lapse of time since the fire, the continued use of the building, and the owner's efforts to secure it against intruders might all be relevant factors. Even though a fire victim's privacy must normally yield to the vital social objective of ascertaining the cause of the fire, the magistrate can perform the important function of preventing harassment *by keeping that invasion to a minimum.* See *See v. Seattle,* 387 U.S. at 544–545; *United States v. Chadwick,* 433 U.S. 1, 9; *Marshall v. Barlow's Inc., ante,* at 323." 436 U.S. at 323. (Emphasis added)

Yet in direct contrast to these constitutional principles, OSHA's standard, boiler plate, form warrant purports to authorize its inspectors to

(1) review records required by Title 29, United States Code, Section 657(c) and regulations promulgated pursuant thereto, and to review other records which (the compliance officers decide) are directly related to the purposes of the inspection;

(2) question privately any employer, owner, operator, agent or employee;

(3) inspect all (in the compliance officer's discretion) pertinent conditions, structures, machines, apparatus, devices, equipment and materials.

This "broad form" warrant has been uniformly *rejected* by the Courts in cases of *Northwest Airlines,* 437 F. Supp. 533 (F.D. Wis, 1977) aff'd 587 F. 2d 12 (7th Cir, 1978), *Whittaker Corp. v. OSHA,* 6 OSHC 1492 (M.D. Pa, 1978) appeal dismissed by Third Circuit, 1979, *Central Mine Equipment Co.,* 7 OSHC 1185 (E.D. Mo, 1979), *Blocksom v. Marshall,* 582 F. 2d 1122, (7th Cir, 1978) (quoting *Barlow's Inc.* regarding limitation of warrants as to documents). *Marshall v. North American Car Co.* CCH OSHD ¶23,725 (1979). Recently the Western District of Louisiana in *Marshall v. Pool Offshore Company,* 7 OSHC 1179 (March 23, 1979) flatly stated that

"The 'boiler plate' forms employed [by OSHA] are far too broad and exceed both statutory and regulatory limitations. Each warrant grants authority '. . . to review records required by Title 29, United States Code. Section 657(c) and regulations promulgated pursuant thereto, and to review other records which are directly related to the purposes of the inspection, all as authorized by the provisions of 29 USC Section 657 and regulations . . .' The Court in *Barlow's Inc.,* supra, addressed this very point. See 98 S. Ct. 1816, at page 1826, n. 22. The language contained in the warrants tracks the Secretary's regulation, 29 CFR § 1903.3, which is overly broad. The compliance officer is also empowered to question any employer found on the rig, together with other named persons, and to inspect all pertinent conditions, structures, machines, apparatus, devices, equipment, and materials thereon. In our view, to comply with the standards set by the Court, much more specificity regarding the records desired is required, the inspection should be limited to Pool and its employees and equipment, and no other employer who might be on the platform at the time or that the employer's equipment be subjected to the inspection unless named in the document." 7 OSHC at 1181.

Thus, although, the Fourth Amendment mandates that search warrants must *particularly* describe the place to be searched and the person or thing to be seized, the "boiler plate" or form search warrant used by OSHA, in obvious contravention of the Fourth Amendment's requirements, contains no particular description of the areas of an employer's plant which are to be searched by the OSHA investigators and is not limited to any alleged complaint. OSHA's form warrant merely quotes the investigatory provision contained in Section 8(a) of the Act and gives the broadest discretion to the OSHA investigators and leaves to their individual judgments the areas of an employer's plant to be investigated, the time and length of the investigation, and the documents to be examined.

Not only has OSHA's broad form warrant failed to pass constitutional muster in the courts, it clearly contravenes the intent of Congress. It is obvious that Congress intended there be two different types of searches and that the scope of the two different types of searches or inspections would be different. One is a general premises-wide search under § 8(a) of the Act—i.e., "programmatic" or "general schedule." The other is a more limited inspection in the case of an employee complaint under § 8(f) of the Act. Congress intended the complaint inspection be much narrower in scope.

"If upon receipt of such notification (of existing violations) the Secretary determines there are reasonable grounds to believe that such violation or danger exists, he shall make *a special* inspection in accordance with the provisions of this section as soon as practicable, *to determine if such violation or danger exists.*" (Emphasis added) 29 USC 657 (f)

The quoted language of § 8(f) clearly shows that in the case of an employee complaint,[16] OSHA shall make a *special* inspection to determine if *such violation or danger exists.* The statutory language clearly speaks to a limited inspection to verify or refute the allegations of specific existing violations, and does not condone or authorize a wall-to-wall exploratory search.

Unfortunately, OSHA has decided it will not be bound by either the Fourth Amendment or the intent of Congress, and continues to attempt to compel general, wall-to-wall inspections in the case of inspections triggered by complaints.

Since a general search under such circumstances is patently unreasonable, and since court precedent clearly so holds, employers will continue to resist this unconstitutional and unauthorized behavior.

(c) The solution

Rather than subject employers, employees, and the courts to this continuing, time-consuming and costly litigation, with the attendant misappropriation of OSHA's resources, Congress should amend § 8(f) of the Act to clarify the scope of special inspections, and thereby force OSHA to comply with the intent of Congress and the Constitution.

Section 8(f)(1) [17] is amended by amending the next to last sentence of that subsection to read as follows:

If upon receipt of such notification the Secretary determines there are reasonable grounds to believe that such violation or danger exists, he shall make a special, limited inspection in accordance with the provisions of this section as soon as practicable, for the purpose of determining whether such violation or danger exists.

(4) The Authority of the OSHA Review Commission to Rule on the Constitutionality of Warrants Issued by U.S. District Courts.

(a) Background

Many times OSHA compels an inspection by means of a warrant that has been improperly issued by a U.S. Magistrate. The employer, afraid he will be held in contempt if he does not honor the court's order (warrant), allows the inspection, under protest. Then, after the inspection, the employer brings an action in federal court to quash the warrant as being unconstitutionally issued, to suppress the evidence obtained by OSHA during the illegal search, and to enjoin administrative prosecution before the OSHA Review Commission on any citations arising from the illegal search. Normally the Secretary of Labor and the OSHA Review Commission are named as defendants in such an action. *Weyerhaeuser* v. *Marshall* in Wisconsin, and *Baldwin Metals Company* v. *Marshall* in Texas are typical cases.

Once an action has been instituted, the Review Commission invariably contends that the federal court that issued the warrant has no jurisdiction to determine the constitutional validity of that warrant; rather, the employer must first exhaust his administrative remedies before the Review Commission.

In other words, once the employer allows OSHA in the door he has submitted to the administrative proceeding and has no recourse to the courts—even where constitutional issues are involved.

Indeed, the Review Commission now takes the position that *it* has the jurisdiction and authority to decide whether the court's warrant was issued on a sufficient showing of probable cause or is constitutionally overbroad, and to quash the court's warrant and suppress the evidence obtained thereunder. In short, the Review Commission now says that *it has the power to determine whether a United States District Court has acted in a constitutional manner in issuing its warrant!*

The Review Commission's newly formulated position that it may now grade the papers of the federal district courts is set fourth in its recent decision in *Chromalloy American Corp.,* CCH OSHD. ¶23,707 (July 17, 1979).

"In its *Barlow's* decision, the Supreme Court held that safety and health inspections conducted pursuant to 29 USC § 657(a), unless consented to, must be conducted with a warrant in order to be constitutionally valid. 98 S. Ct. at 1827. The *Barlow's* decision, therefore, by deciding the threshold issue involving the constitutionality of the Act, enabled the Commission to decide questions concerning the validity of individual inspection warrants. In other words, this intervening change in the law placed the Commission in a posture where it is now clearly competent to address the inspection warrant issues."

By its decision in Barlow's Inc., the Supreme Court clearly did *not* bestow on the Review Commission either the authority to determine constitutional probable cause questions or to review the constitutionality of the acts of the United States District Courts.

This lack of authority has, until very recently, been consistently admitted by the Commission. In *Electrocast Steel Foundry, Inc.,* 6 BNA–OSHC 1562 (1978), for example, the Review Commission flatly stated

"Initially we note that it is not within our authority to rule on the validity of a search warrant issued by a U.S. Magistrate."

The Review Commission has also conceded this to be true in a number of other, post-*Barlow's* cases, such as *Weyerhaeuser v. Marshall* (Wisconsin) and *Mosher Steel Company v. Marshall* (Texas). As recently as June 29, 1979, the Minnesota OSHA Review Board concluded in *Malone v. Burlington Northern, Inc.,* CCH–OSHD ¶ 23.657, that

"The administrative expertise of the Review Board is limited to application of the Act. The Board has no expertise regarding issues of probable cause. Such questions are within the particular and exclusive expertise of the judiciary, and we do not presume to tread on that unfamiliar territory."

This very recent change of position by the Review Commission is a calculated power grab by that agency. The clever, insidious argument that in *Barlow's* the Supreme Court gave the Review Commission the

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Footnotes at end of article.

guidance it needed to determine constitutional warrant questions apparently originates with Robert Gombar, new General Counsel to the Review Commission.[18]

According to this argument, if the agency decided the warrant issued by a U.S. District Court was not based on sufficient probable cause, the agency *could quash the Court's warrant!* The Review Commission thus seeks to invert the posture of courts and administrative agencies and arrogate to itself the power to review federal Court actions. It is a bold attempt to appropriate to itself pure judicial authority, in clear violation of the constitutional separation of powers.[19]

Most of the courts have quite correctly repudiated the Review Commission and have held that the courts have inherent jurisdiction to review the constitutional sufficiency or legality of their own orders (warrants). See, e.g. *Weyerhaeuser v. Marshall,* 592 F. 2d 373 (7th Cir, 1979), *Morris v. United States Department of Labor,* 439 F. Supp. 1014 (S.D. Ill, 1977), *Hayes-Albion v. Marshall* 5 BNA–OSHC 1968 (N.D. Ohio, 1977), *Blocksom v. Marshall,* 582 F. 2d 1122 (7th Cir, 1978). *Dravo Corporation v. Marshall,* 5 BNA–OSHC 2057 (W.D. Pa, 1977) aff'd 578 F. 2d 1373 (3rd Cir, 1978), *Baldwin Metals Co. v. Marshall,* 7 BNA–OSHC 1403 (N.D. Tex, 1979), *Mosher Steel Company v. Marshall,* CCH–OSHD ¶23,630 (1979).

In *Hayes-Albion v. Marshall* the court held:

"No significant interest would be served by requiring plaintiff to exhaust its administrative remedies. *The expertise of the Occupational Safety and Health Review Commission* with regard to assuring this nation's workers with safe and healthful working conditions under the authority granted in the Occupational Safety and Health Act *would not aid in the judicial determination of the constitutionality of the administrative search and seizure in this case.* See *Barlow's Inc. v. Usery,* supra, at 439; *Downen v. Warner,* supra, at 643." (Emphasis added).

5 OSHC at 1969

And in *Morris v. Department of Labor:*

"Further, since the attack here is on the warrant issued by this Court through its magistrate, I find that this Court must retain the power to determine the legality of its process just as it must retain jurisdiction to enforce its process by contempt if necessary.

439 F. Supp. at 1018

In short, the constitutional separation of powers prohibits the Review Commission, an executive agency, from reviewing the probable cause and other warrant-related determinations of the courts. The courts have inherent power to review the constitutionality of their own warrants.

(b) The problem

Again, the problem stems from the Review Commission's outright refusal to abide by the constitution. Heartened by a maverick case in Pennsylvania (*Babcock and Wilcox Co.* v. *Marshall,* W.D. Pa. 1979 [20]) the Commission continues to doggedly assert its right to determine constitutional warrant questions. The result has been a tremendous increase and fragmentation of warrant litigation.

In the typical situation where an employer has admitted OSHA under protest and then filed an action to quash the warrant and suppress the illegally obtained evidence, the Review Commission asserts that the employer should *not* have submitted to the court's warrant, and that by doing so, the employer has waived his right to have that court review the legality of its own warrant.

In other words, the only way for an employer to preserve his right to a day in district court is to deliberately risk being held in contempt of court!

This, of course, has forced law-abiding businessmen into a position where they must deliberately disregard the orders of federal district courts to preserve their constitutional rights. Predictably, the result has been an ever increasing number of contempt/show cause proceedings in the courts.

Moreover, in those cases where the courts have preliminarily enjoined OSHA from further administrative proceedings pending the court's resolution of the question of the validity of the warrant, OSHA has appealed that preliminary injunction order without waiting for a decision on the entire case. The case is therefore fragmented, with part of the case being considered by the appellate courts, and part retained by the district court.

Succinctly stated, in their eagerness to prevent employers from having their day in court, OSHA has caused a real mess in the courts! They have also encouraged—indeed required—the disobeyance of federal court orders; have placed an unfair and intolerable burden on employers; and contributed to the already excessive workload of the courts; all to the detriment of safety in the workplace.

(c) The solution

The problem will ultimately, of course, be resolved by the United States Supreme Court. It is a certainty that will take several years—and will again result in a repudiation of OSHA's high-handed attempts to circumvent the constitution. The Congress, however, can and should quickly alleviate the situation by amending the act to more clearly delineate the Review Commission's authority.

The legislative history of the Act reveals Congress' intent that the sole purpose of the OSHA Review Commission is to adjudge alleged violations of health and safety standards.[21] The Congress plainly did not contemplate that the Review Commission would have jurisdiction to review acts of the federal district courts.

Therefore, to insure compliance with the constitution and the intent of Congress, the following amendment should be adopted.

Section 12(i) of the Act (29 USC § 611(i)) is hereby amended by adding the following sentence to the end of that subsection:

Any such report or order shall be limited to the determination of violations of health and safety standards alleged by the Secretary, and the appropriate abatement dates and penalties, in accordance with § 17(i) (29 USC § 666(i)).

III. THE USE OF OSHA'S EVIDENCE IN PRIVATE LITIGATION

A. Background—The intent of Congress

In passing the Occupational Safety and Health Act of 1970, Congress clearly did not intend to create a new *private* cause of action against employers for violations of OSHA's safety standards.

Thus, Section 4(b)(4) provides:

"Nothing in this chapter shall be construed to supersede or in any manner affect any workmen's compensation law or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties or liabilities of employers and employees under any law with respect to injuries, diseases, or death of employees arising out of, or in the course of, employment." 29 USC § 653 (b)(4)

Federal courts in the Fourth, Fifth and Sixth Circuits and several state courts have followed the clear intent of Congress and ruled that the Act itself does not create a private cause of action,[22] and that an OSHA violation does not give rise to a private suit for damages.

It follows, from the actual language and the legislative history of § 4(b)(4), that Congress did not envision that an OSHA finding of a violation of a standard promulgated under § 6 (29 USC § 655) of the Act would be used as evidence against an employer in a private lawsuit.[23]

In other words, a finding by the OSHA Review Commission that an employer has violated an OSHA standard should not be admissible as evidence of negligence against the employer in a private lawsuit.

B. The problem

Unfortunately, however, some courts have held that OSHA standards are admissible to establish the standard of care an employer should follow—and have admitted violations of OSHA standards as evidence of negligence in a variety of private suits by employees, independent contractors and other, third parties, against employers. See *Schroeder v. C. F. Braun & Co., et al,* (7th Cir. 1974) OSHD ¶19,064; *Dan Dunn dba Dan Dunn Roofing Co. v. Judge Brines, Jr.,* (Ark Sup Ct, 1976) OSHD ¶20,834; *Disabatino Brothers Inc. v. Dominick Baio and Anna P. Baio v. Rankin Development Co. Inc.* (Dela Sup Ct, 1978) OSHD ¶21,229.

Some courts have even gone so far as to hold violation of an OSHA standard is admissible as evidence of negligence *per se!* See *Bayne v. Todd Shipyards Corp.* (Wash Sup Ct, 1977) OSHD ¶22.213; *Karl Bachner and William G. Jones dba Bachner-Northwest v. Kenneth Rich and Mary Rich* (Alaska Sup Ct, 1976) OSHD ¶20,970; *Godfrey Arthur v. Flota Mercante Gran Centro Americana S. A. and National Cargo Bureau Inc.* (5th Cir, 1973) OSHD ¶16,979.

There are very strong policy reasons to suggest Congress did not intend that an OSHA finding of violation would be used as evidence of negligence by private litigants. Most obvious, as attested by § 4(b)(4), is that Congress did not wish to foster or encourage private litigation. Secondly, and more important from the standpoint of administration of the Act, such admissibility of OSHA findings as evidence of negligence in private civil suits, would force employers to contest all OSHA citations and would discourage settlement and speedy abatement of alleged violations.[24]

Another policy reason—which could not be foreseen by Congress—is that the OSHA standards promulgated under § 6 of the Act often have little relation to safety.[25] Therefore, a finding by the Review Commission that a particular standard has been violated should not properly be evidence of negligence when violations of that standard may not constitute a safety hazard.[26]

This problem is perhaps best illustrated by an actual case history. During the recent construction of a hospital, a subcontractor was installing decorative two inch thick concrete facial covers on the exposed concrete pillars that supported the second floor. These three-sided covers were hoisted into position and fitted around the pillars. They were held in place by welding steel joints imbedded on the inside of the cover to another steel joint imbedded in the pillar itself. This is the standard industry method for installing these pillar covers. The contractor had installed 240 of the 250 covers when the weld on the last one failed, and the cover fell and crushed a man. OSHA cited the contractor/employer for a violation of the "general duty" clause (§ 5(a)(1) of the Act, 29 USC § 654(a)(1))[27] alleging the method of installing the covers was unsafe. OSHA's citation did not specify either an abatement date or a method of abatement. The employer duly contested the citation.

In the meantime, the deceased heirs filed a wrongful death tort action against the employer in state court. Although the employer was willing for economic reasons to settle the OSHA citation and pay the fine, he dared not do so for fear that that "finding" [28] would be used as an admission against him in the state court action.

Eventually, after the employer had incurred approximately $1,500 in attorney's

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Footnotes at end of article.

fees preparing for trial of the OSHA citation, OSHA withdrew its citation and conceded it should never have been issued.[29]

As this typical example shows, if OSHA standards are the "standard of care" an employer must follow, and if an OSHA violation is admissible evidence of negligence in a private lawsuit, an employer may be *forced* to contest an OSHA citation he would otherwise settle. In addition, and perhaps more significant, the employer *will not abate* the violation for fear the very act of abatement may constitute an admission of wrongdoing in the private lawsuit. Assuming, *arguendo*, that the violation is a genuine safety hazard, the admissibility of the OSHA violation in the private suit will thus have the effect of retarding the swift abatement of safety hazards under the Act!

It is inconceivable that Congress could have intended this result.

C. The solution

Congress routinely establishes the rules of evidence in the federal courts. It would therefore be a simple matter to amend § 4(b) (4) by adding the following sentence:

"Neither the finding of a violation, nor the abatement of an alleged violation under this Act, or the standards promulgated under this Act, shall be admissible as evidence of employer negligence in any private litigation."

This amendment would further the purposes of the Act, because employers would no longer risk liability to private litigants for compliance under the Act. And by reducing the number of contested cases, this amendment would free OSHA personnel to apply the law more effectively.

IV. THE ACT SHOULD PROPERLY BE DIRECTED ONLY TOWARD UNSAFE WORKPLACES

A. Background—The intent of Congress

The Congressional Record is replete with the comments of Senators and Congressmen expressing their concern for safety in the workplace. The legislative history of the Occupational Safety and Health Act of 1970 makes it abundantly clear that the standards and enforcement procedures established by the Act *are to be directed toward genuine safety hazards in the workplace.*[30]

For instance, in its statement of findings and declaration of purpose (29 USC § 651) Congress

(a) ". . . finds that personal injuries and illnesses arising out of work situations impose a substantial burden upon . . . interstate commerce in terms of lost production, wage loss, medical expenses, and disability compensation payments.

(b) The Congress declares it to be its purpose and policy . . . to assure so far as possible . . . safe and healthful working conditions . . .

(1) by encouraging employers and employees . . . to *reduce the number of occupational safety and health hazards* at their places of employment. . . ." (Emphasis added)

The manifest purpose of the Act is to assure safe and healthful working conditions. *Accu-Namics Inc.* v. *OSHRC*, 515 F. 2d 828 (5th Cir, 1975) cert. den. 425 U.S. 903. Its goal "is to eliminate *dangerous conditions* in the workplace." *Cape and Vineyard Div. of New Bedford Gas* v. *OSHRC*, 512 F. 2d 1148 (1st Cir, 1975). In passing the Act "Congress intended to require employers to eliminate all foreseeable and preventable *hazards*." *California Stevedore & Ballast Co.* v. *OSHRC*, 517 F. 2d 986 (9th Cir, 1975).

Thus, the standards to be promulgated under § 6 (29 U.S.C. § 655) of the Act are to be directed toward *genuine hazards* in the workplace. If a standard does "not result in improved safety or health" it is not to be promulgated, 29 U.S.C. § 655(a).

Further, Congress plainly intended such standards would be technologically and economically *feasible*. For example, during presentation of the bill to the Senate, Senator Williams, one of its co-authors stated.

"Another thing that is very important is the criteria for standards. The Committee bill requires that standards shall be those that most adequately and feasibly assure on the basis of the best available evidence that no employee will suffer impairment of health or functional capacity. I caused the words 'and feasibly' to be introduced. I thought it was important that they be inserted and the committee adopted that point of view." *Cong. Rec.*—Senate, Nov. 16, 1970.

In short, the standards are to require elimination of genuine safety hazards to the extent it is technologically and economically feasible. Congress did not intend to penalize employers for workplace conditions that do not create a hazard, or to force them to comply with standards that are not feasible.

B. The problem

In actual practice, OSHA routinely ignores both of these criteria for enforcement of standards under the Act.

Citations against employers are continuously upheld on the basis—not that a hazard exists—but that the standard has been violated. Violation of many standards has come to be a *per se* offense regardless of the presence or absence of a hazard. *Crescent Wharf and Warehouse Co.*, OSHD ¶ 15,047 (1972). Indeed, in many cases the OSHA Review Commission tactitly concedes there is no hazard, but upholds the citation anyway. See e.g. *Greyhound Lines Inc.*, 5 OSHC 1132 (1977), *National Rolling Mills Co.*, OSHD ¶ 21,114 (R.C., 1976), *Lee Way Motor Freight Inc.*, OSHD ¶ 17,693 (1974).

As the Commission stated in *Concrete Construction Corporation*, 4 OSHC 1133 (1976), "the employer's special duty to comply with § 5(a)(2) is not dependent on whether a failure to comply with a standard has or has not been the causative agent of injuries . . . the inquiry . . . should [be] directed to the question of *Whether or not the employer complied with the standard.*" (emphasis added).

Moreover, while OSHA concedes economic and technological feasibility must be shown to sustain a violation under § 5(a)(1) (the "general duty" clause) of the Act, the agency does not consider feasibility to be a legitimate criteria for enforcing the specific standards promulgated under § 5(a)(2) of the Act. OSHA's position is exemplified by the language in *Buckeye Industries, Inc.*, 3 OSHC 1837 (1975). There the Review Commission in reversing the Administrative Law Judge below, stated

"The Judge vacated the citation on the ground that the Secretary had failed to prove that it was 'mechanically possible' for guards to be placed upon the machines and that if the guards were installed they would not themselves create hazards to employees. * * * We hold that the Secretary need not show that it is possible for guards to be placed upon machines; * * * We also agree with the Secretary's contention that he need not show that guards would not themselves create a hazard to employees. * * * [The standard] imposes an affirmative duty on the employer to guard the machine in a manner that does not create a separate hazard to employees. * * * If a guard presents a separate hazard there would be a breach of the [employer's] duty . . . * * * We do not consider it encumbent upon the Secretary to demonstrate what the employer should have done to comply with [the standard]. * * * An employer's own abilities may be relied upon to devise suitable ways to conform to the requirements of a standard."

In other words, OSHA need not show how compliance with a standard may be effected—or even whether compliance is feasible.

C. The solution

OSHA's present arbitrary and unreasonable enforcement of the Act—without regard for whether an actual hazard or a feasible method of compliance exists—can be remedied by the following amendment.

Section 10 of the Act is amended by adding a subsection (d) which provides that:

In all hearings before the Commission pursuant to a contested citation, the Secretary shall have the burden of proving by a preponderance of the evidence (a) the existence of a violation, (b) that such violation constitutes a genuine hazard to the safety and health of the affected employees, and (c) that a technically and economically feasible method of compliance exists.

D. Effect of the proposed amendment

This amendment would effectuate the plain intent of Congress that enforcement under the Act be directed toward elimination of genuine safety hazards to the extent it is technologically and economically feasible. It would also prevent OSHA from forcing employers to engage in meaningless acts which do not increase safety, at great expense, and from penalizing employers for failing to comply with standards that are not feasible.

V. CONCLUSION

In passing the Occupational Safety and Health Act of 1970, Congress expressed its desire to reduce hazards in the workplace.

The Occupational Safety and Health Administration has not been measurably successful; rather, OSHA has been uniformly criticized by legislators, businessmen, courts, labor leaders, employees and commentators for its highhanded and ineffective efforts.

The amendments proposed here will compel OSHA to direct its efforts toward reducing genuine workplace hazards in a more reasonable and efficient manner—thus more effectively accomplishing the intent of Congress and the Act.

FOOTNOTES

[1] For an excellent discussion to this same effect see *Marshall v. Multicast Corporation*, —— F. Supp. ——, CCH OSHD ¶ 22,667 at p. 27,348 (M.D. Ohio, Jan. 19, 1978).

[2] It is a further indication of the Department of Labor's complete disdain for the law and constitution, that after the *Gibson* decision OSHA issued a statement that it would give each of its inspectors a blank pad of warrants to be filled out on the spot!

[3] Petition for Certiorari is presently pending before the U.S. Supreme Court in this case.

[4] See e.g., LaFave, "Administrative Searches And The Fourth Amendment: The Camara and See cases," 1967 Supreme Court Review.

[5] See e.g., OSHA Instruction CPL 2.25 dated Dec. 6, 1978, p. 9, § 4(c) which authorizes OSHA to choose employers to be inspected from "manufacturing directories, Dodge Reports, commercial telephone listings, local knowledge, etc." Testimony of Compliance Officers establishes that many employers are "selected" because they are "on the way home" or because the Compliance Officer was "passing by." This, of course, is one reason why OSHA has been so ineffective—the agency often ignores known, genuine hazards, and instead "programs" an inspection because it is "on the way home".

[6] There is substantial judicial precedent for the proposition that OSHA's inspection program must be adopted pursuant to the procedures mandated by the APA. See *South Terminal Corp.* v. *E.P.A.*, supra, *American Express Co.* v. *U.S.*, 472 F. 2d 1050, 1055 (3rd Cir 1973), *U.S.* v. *Article of Hazardous Substances*, 444 F. Supp 1260, 1268 (M.D. N.C., 1978). That specific issue is presently pending before the Ninth Circuit in *In Re Stoddard Lumber Company, Inc.* In previous cases OSHA has withdrawn its warrant request rather than allow the courts to rule on whether OSHA's inspection programs are required to be passed via the APA rule-making procedure. See, e.g. *In Re Metal Bellow Corp.* v. *Marshall*, (1st Cir, 1978). The legis-

lative history of the Act also implies Congress' intent that OSHA's inspection procedures would be passed under the APA.

[7] See OSHA Field Operations Manual, Chapters IV and VI, January 1979.

[8] A fact also recognized by an April 9, 1979 General Accounting Office Report (HRD–79–48) entitled "How Effective are OSHA's Complaint Procedures?" See 1979 BNA OSHA Rep. 1674.

[9] Typical cases are *In Re Northwest Airlines* 587 F. 2d 12, (7th Cir, 1978); *Central Mine Equipment Company* (E.D. Mo, 1979); *Marshall* v. *Trinity Industries Inc.* (W.D. Okla, 1979); *Baldwin Metals Co.* v. *Marshall* (N.D. Tex, 1979).

[10] Unions readily admit that they use complaints and the threat of complaints to OSHA to force employers to gain leverage in contract negotiations.

[11] Two cases in point are *Dravo Corporation v. Marshall* 5 BNA–OSHC 2057 (24 inspections) and *Weyerhaeuser v. Marshall,* 452 F. Supp. 1375 (which was the result of an admitted nationwide harassment campaign by OSHA to "get" Weyerhaeuser on its corrigator machines. See *Business Week,* February 13, 1978, at p. 40J).

[12] Unlike formal complaints, where OSHA is required by the statute to investigate unless the complaint is frivolous on its face.

[13] A recent case on point is *Marshall v. Horn Seed Company* (W.D. Okla., 1979) 7 BNA–OSHC 1182.

[14] A prime example is the recent case of an unsigned complaint by a relative of a former employee that the temperature in the plant was "too cold".

[15] If Section 8(f) is amended by inserting a new subsection (1), then this section will be renumbered as subsection (2).

[16] As stated above, § 8(f) refers to *formal* complaints. The Act itself does not recognize informal complaints.

[17] If the other amendments proposed herein are adopted, this section will be renumbered § 8(f) (2).

[18] Mr. Gombar seems to have little concern for constitutional and due process rights. For example, he was instrumental in drafting new "simplified" rules of procedure for the Review Commission which *inter alia,* effectively deprive unsuspecting employers of their discovery rights against the government.

[19] It is interesting to note that even the Secretary of Labor differs with the Review Commission (i.e. Mr. Gombar) on this critical issue. For example, in a recent brief in *Baldwin Metals Co., Inc.* v. *Marshall,* in Dallas, the Secretary states:

"... We note that Commission authority to review the district court's issuance of a warrant is far from clear. Since the Commission is not a court created by Article III of the Constitution, such review *may constitute an invasion of the court's dominion by the executive branch.*" (Emphasis added)

[20] OSHA also relies on a First Circuit case styled, *In Re Quality Products* to support their exhaustion argument; however that case, although generally puzzling in its reasoning, specifically states that the Review Commission does *not* have the authority to determine constitutional warrant questions.

[21] See, e.g., Cong. Record, Senate, Oct. 8, 1970, and Nov. 16, 1970; Con. Record, House, Nov. 23, 1970. See also generally "Legislative History of the Occupational Safety and Health Act of 1970," Committee print prepared by the Senate Subcommittee on Labor, at pp. 441, 982, 1015.

[22] See, e.g. *Russell v. Bartley, et al* (6th Cir, 1974) OSHD ¶ 17,506; *Jeter v. St. Regis Paper Co., et al,* (5th Cir, 1975) OSHD ¶ 19,298; *Byrd v. Fieldcrest Mills Inc., et al,* (4th Cir, 1974) OSHD ¶ 17,873; *Knight v. Burns Kirkley and Williams Construction Co., Inc.,* (Sup Ct, Ala, 1976) OSHD ¶ 20,876; *Otto, et al v. Specialties Inc.,* (N.D. Miss, 1974) OSHD ¶ 19,497.

[23] For the legislative history of § 4(b)(4), see 1970 U.S. Code Congressional and Administrative News, p. 5177 et seq; see generally "Legislative History of the Occupational Safety and Health Act of 1970," committee print prepared by the Senate Subcommittee on Labor.

[24] As a practical matter, many cases are settled for economic reasons. It is usually cheaper for the employer to pay the penalty proposed by OSHA than it is to contest an invalid citation. However, when faced with the prospect of exposure to future private lawsuits, employers are forced to contest the OSHA citation regardless of the cost. Otherwise, the effect would be to admit liability to the private litigant.

[25] As evidenced by OSHA's recent revocation of nearly *one thousand* so-called safety standards. See *Federal Register* for October 24, 1978 (43 *F.R.* 49726) and November 7, 1978 (43 *F.R.* 51759).

[26] A finding of a violation is not dependent on the existence of a genuine safety hazard. As discussed in detail in Section IV, *infra,* OSHA citations are routinely upheld upon a showing that the employer is not in compliance with a specific standard—regardless of the existence of a hazard. See, e.g. *National Rolling Mills Co.,* OSHD ¶ 21,114, 1976 where the Review Commission held that the Secretary is required only to provide noncompliance with the terms of the standard. The Commission there states that the standard "assumes the existence of a hazard."

[27] The general duty clause is cited when no specific standard is applicable.

[28] The first condition imposed by OSHA in any settlement is that the employer withdraw his notice of contest, thereby admitting to the violation. This settlement agreement then becomes the final order or finding of the Review Commission.

[29] This is a favorite tactic of OSHA. They cite the employer, *knowing* the citation is invalid, in hopes the employer will pay the fine rather than incur the greater expense of contesting the citation. If the employer does contest OSHA tries to "settle"—and if unable to do so will then withdraw its citation. In the meantime, of course, the employer must either submit to this extortion or pay the high costs of defending against the citation.

[30] See, e.g. comments of Senator Saxbe, *supra.*●

SALINA, N.Y., CONSTITUENT OUTLINES OIL COMPANY RIPOFFS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, since the days of the Teapot Dome Scandal, the petroleum industry seems to have replaced the 19th-century railroad robber barons as America's foremost economic villain. Recent newspaper accounts of the industry's current profits make it clear that consumers of petroleum products are being robbed blind.

It bothers me that much of the Nation seems to have become anesthetized to the ever-increasing gouging we see daily at the gas pump. However, while our Department of Energy and Council on Wage and Price Stability continue to sleep, oblivious to the daily depredations of the Seven Sisters, tempers are rising and resistance is growing out in the heartland.

Lest the balmy spring days of the Nation's Capital lull us into a false sense of complacency about the outrage brewing in the hustings, I wish to share with you the letter I received from the Honorable Darrell W. Weston, supervisor of the town of Salina, Onondaga County, N.Y. Supervisor Weston is one of the most respected public officials in our area, a man not given to wild rhetoric. His commentary on the modern oil industry follies is thoughtful, but at the same time it accurately reflects the feelings of the people toward the industry, feelings of frustration and rage. Mr. Weston's letter follows:

Town of Salina,
Liverpool, N.Y., April 17, 1980.

Hon. James M. Hanley,
Congressman, 32d District,
Cannon Office Building,
Washington, D.C.

Dear Jim: We are being ripped off by the oil companies. I don't know about you, but I, like millions of other Americans, am getting tired and fed up with it. Again, like millions of Americans, I believe that the oil companies tend to blame oil source countries such as the Arab countries. This is a subterfuge. It was recently reported that Exxon, now the largest corporation in the United States, reaped profits of approximately four billion dollars in 1979, an increase of 169 percent. This means that their profits were approximately 1.84 billion. Most of the other oil companies have reported huge profits in the hundreds of millions of dollars which represent increases that baffles the imagination.

Recently it was reported that the nation's top oil executives have received more than $700,000 in salary and cash bonuses last year. The highest paid executive was Robert O. Anderson, chairman and chief executive of Atlantic Richfield Company who earned $1,246,797 in cash and cash equivalents. The second highest paid oil executive was Rawleigh Warner, Jr., chairman of Mobil Corporation who earned $1,187,055 in salary and bonuses. The article goes on and on.

These huge profits and salaries are the direct result of inflationary price increases in gasoline over the past two years that exceeds 217 percent. We have been told that the reason for the high prices can be blamed to the shortage of oil and, therefore, the need for huge cash reserves by the oil companies is necessary to enable them to continue their research and drilling operations for more oil wells, which they claim is very costly.

It appears to me that most of this money is not being used for research or to find new sources of oil. To substantiate my statement, millions of dollars are being poured into executive salaries, recently a 3.65 billion dollar takeover of California's Belridge Oil Company by Shell Oil Company; Montana's Crow Indian Tribe unanimously approved a long term coal sale to Shell Oil Company worth at least 29 million dollars; Sun Company, Inc. recent offer to the Seagram Company, Ltd. of Montreal of 2.3 billion dollars in cash for its oil and natural gas properties in the United States. It is also my understanding that the major oil companies own most of the coal source reserves in the United States. It is obvious that these huge profits are being spent on high salaries and business diversification.

Recently Michael D. Baskin, Mobil's district manager in Central New York lashed out at President Carter's windfall profits tax, and I quote, "for its failure to induce oil companies to develop new fuel sources and said it may inhibit future development and exploration of domestic oil sources. Funds for these purposes will now flow to the federal coffers". My comments in the previous paragraphs substantiate that Mr. Baskin's comments are one big joke, especially since his employer, Mobil Oil Corporation reported profits of 2.01 billion dollars and revenues of 47.9 billion dollars for 1979.

According to a recent report from United States Senator Daniel P. Moynihan and I quote, "the Senate voted to limit the tax to only a few major oil companies by letting so-called "independent" oil producers sell up to 1,000 barrels of oil a day before taxes are imposed. One Senator called independent producers "small businessmen". One of these so-called "independent producers" is an OPEC oil country, Abu Dhabi, which earns $15.1 billion a year from oil. Assistant Treasury Secretary Donald C. Lubick stated that this company could be classified as an "independent producer". Mr. Lubick further stated that with a 1,000 barrels a day, a man and his corporation would be entitled to (exempt about $21 million a year in earnings from tax).

It appears that the rich are going to become richer. Now there are proposals for increasing the price of gasoline with an additional ten cents a gallon tax. Also, many elected officials as well as oil companies are suggesting that the price will reach $1.50 per gallon before summer and perhaps $2.00 a gallon by the end of the year. In my opinion, they are just trying to prepare the public for continued gouging by the oil companies.

I recall the days when we waited in line to purchase gasoline. Doesn't it seem strange that those lines have disappeared since the price of gasoline has increased by leaps and bounds? These huge price increases wind up penalizing middle income groups, low income groups and people on fixed incomes, such as senior citizens. Other by-products of oil are increasing at alarming rates also. Instead of preparing the public for huge price increases, we should be pushing for a cut in gasoline prices. In my opinion, an investigation of the oil companies and this price gouging is long overdue. It is time that our elected officials in Washington took appropriate action to force gasoline prices and oil prices down to reasonable levels.

Sincerely,

Darrell W. Weston,
Supervisor.●

L. FRANK BAUM

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, I rise to honor the memory of Lyman Frank Baum, a man whose writings have touched the hearts of generations of children the world over. Baum was born 124 years ago today in Chittenango, N.Y., within my district.

With the pride of locality at its fullest, the modern-day residents of Chittenango have honored Mr. Baum with an annual celebration marked by a children's parade on the preceding Saturday and by a cake and ice cream party at the library on the birthday anniversary itself. Mayor "Bud" Housman and village officials have already announced plans for a bigger and more elaborate celebration next year, capped off by the official dedication of "The Yellow Brick Road" which will parallel the main street of the community.

While many towns can claim him as a resident at one time or other, only one can claim to be the birthplace of this celebrated American author. As I think about the tranquility and quality of life in the small towns of central New York, I have to believe that the closing dialog of the Judy Garland characterized "Dorothy" was a bit of recall by Baum of his early years in Chittenango. Certainly, of such villages it can be said with assurance that "it's happiest right in my own back yard."

Baum is best known as the author of "The Wonderful Wizard of Oz." In that book and others about Oz that followed, Baum created a wonderland that has never ceased to delight the young and the young at heart. His depth of humor, sense of character, and imaginative storytelling have had few equals among writers of fantasy.

Moreover, in the Land of Oz, Baum created a uniquely American fairyland. For the first time, an American writer of fairy stories wrote about scarecrows, mechanical devices, and great cities that the modern American child understood.

Gone from Baum's stories were the stereotyped genie, dwarf, and fairy that were central to the tales of Andersen and the Brothers Grimm. Gone, too, from Baum's stories were the horrible and blood curdling incidents described by his European predecessors.

Since its publication in 1900, "The Wizard" has become ingrained in American popular culture. It has been the basis for countless dramatic and musical productions including four feature films, two Broadway musicals, cartoons, records, and television shows. It has never been out of print in 80 years.

The 1939 MGM film version of "The Wizard" starring Judy Garland has become a film classic. It has been estimated that this film has been viewed by more people than any dramatic production in history.

Baum's characters have become American icons: The Scarecrow, Tin Woodman, Cowardly Lion, and Wicked Witch are instantly recognized symbols.

In addition, "The Wizard" has been translated into every major language in the world, and has sold more copies than any other book by an American children's author.

Baum's own life was as interesting as his characters. In addition to New York, Baum lived in Kansas, Illinois, and California. During various times, he was a newspaper editor, magazine publisher, crockery salesman, manufacturer of axle grease, actor, playwright, and general store owner.

It was not until Baum was 43 that he wrote his first successful children's book. During his prolific career as an author, Baum wrote no fewer than 60 tales for children. However, it will always be for the 14 books about Oz that Baum will be most loved.

Today, Baum is remembered by a dedicated group of Oz enthusiasts who are members of the International Wizard of Oz Club. The club, now in its 23d year, publishes the "Baum Bugle," a journal of Oz. It also reprints little-known Baum writings, and conducts regional conventions.

More important, the memory of L. Frank Baum will always be kept alive by the legions of children who year after year discover for themselves the fabulous, fantastical world of Oz through the pages of "The Wonderful Wizard of Oz" and its sequels.●

GENERAL LEAVE

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Illinois (Mr. Rostenkowski).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEAVE OF ABSENCE

Mr. Breaux (at the request of Mr. Wright), for today, on account of official business.

Mr. Giaimo (at the request of Mr. Wright), for today, on account of medical reasons.

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Bauman (at the request of Mr. Rhodes), from 4 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Snowe) to revise and extend their remarks and to include extraneous material:)

Mr. Tauke, for 5 minutes, today.

Mr. Grassley, for 15 minutes, today.

(The following Members (at the request of Mr. Skelton) to revise and extend their remarks and include extraneous material:)

Mr. Rostenkowski, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Glickman, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Carr, for 5 minutes, today.

Mr. Skelton, for 30 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Levitas, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. Snowe) and to include extraneous matter:)

Mr. Brown of Ohio.

Mr. McKinney

Mr. Rinaldo.

Mr. Bob Wilson.

Mr. Lagomarsino.

Mr. Collins of Texas in three instances.

Mr. Rousselot.

Mr. Paul.

Mr. Hansen in two instances.

Mr. Gilman.

Mr. Grassley.

Mr. Symms.

Mr. Hollenbeck.

Mr. Quayle.

Mr. Dornan.

(The following Members (at the request of Mr. SKELTON) and to include extraneous matter:)

Mr. DELLUMS.
Mr. SABO.
Mr. STOKES.
Mr. MINETA.
Mr. WOLFF in two instances.
Mr. SEIBERLING in 10 instances.
Mr. MCCORMACK.
Mr. RATCHFORD.
Mr. ROE.
Mr. CORMAN in five instances.
Mr. OTTINGER.
Mr. OBERSTAR.
Mr. BENJAMIN.
Mr. ALBOSTA.
Mr. CONYERS.
Mr. EDGAR.
Mr. ZABLOCKI.
Mr. RANGEL.
Mr. PEYSER.
Mr. MURPHY of Pennsylvania.
Mr. WALGREN.
Mr. FROST.
Mr. GRAY in two instances.
Mr. MCDONALD.
Mr. HOLLAND.
Ms. FERRARO.
Mr. ADDABBO.
Ms. OAKAR.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2432. An act to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the northern division of the eastern judicial district of Missouri; to the Committee on the Judiciary; and

S. 2517. An act to rename certain buildings of the Library of Congress; to the Committee on House Administration.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on the House Administration, reported that that committee did on May 13, 1980, present to the President, for his approval, bills of the House of the following title:

H.R. 10. An act to authorize actions for redress in cases involving deprivation of rights of institutionalized persons secured or protected by the Constitution or laws of the United States;

H.R. 3928. An act to amend the Act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, N. Mex.;

H.R. 5673. An act to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; and

H.R. 6839. An act to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 6 minutes p.m.), under its previous order, the House adjourned until Monday, May 19, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4384. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Corporation's 1979 annual report, pursuant to section 508 (a) of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

4385. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended March 31, 1980, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

4386. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–182, "To amend the District of Columbia Code to include cooperative loans under the requirements pertaining to residential mortgage loans in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4387. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–183, "To order the closing of a public alley abutting on lots 167, 141, 142, and 143 in Square 4058, between Morse Street, N.E., and Bladensburg Road, N.E. (S.O. 78–290) (Ward 5)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4388. A letter from the Chairman Council of the District of Columbia transmitting a copy of District of Columbia Act 3–184, "To extend the legal effectiveness of documents not published in the District of Columbia Municipal Regulations," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4389. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–187, "To establish minimum requirements for the elimination of architectural barriers to the physically handicapped in newly-constructed, altered, and converted public buildings in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4390. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–188, "To provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4391. A letter from the Secretaries of the Interior and Agriculture, transmitting the 1978 annual report of the Youth Conservation Corps, pursuant to section 5 of Public Law 92–597; to the Committee on Education and Labor.

4392. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report on changes in the previously-submitted list of arms sales proposals considered eligible for approval during fiscal year 1980, pursuant to section 25(d) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

4393. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission will be unable to render a final decision in Docket No. 37301, Restricted Transit, Trans-Continental Shipments of Oils, within the specified 7-month time period, pursuant to 49 U.S.C. 10707; to the Committee on Interstate and Foreign Commerce.

4394. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Marysville, Kans., in response to a resolution of the House Committee on Public Works adopted October 10, 1974 (H. Doc. No. 96–313); to the Committee on Public Works and Transportation and ordered to be printed.

4395. A letter from the Comptroller General of the United States, transmitting a report on improvements needed by Federal agencies in the acquisition of private lands by condemnation (CED–80–54, May 14, 1980); jointly, to the Committees on Government Operations, the Judiciary, and Public Works and Transportation.

4396. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for the fiscal year 1982; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 2759. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; with amendment (Rept. No. 96–411, Pt. 4). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 4717. A bill to amend title 5, United States Code, to provide for adjustments to Federal personnel ceilings based upon the extent that Federal functions are contracted out, to provide that performance in administering personnel ceilings and contracting-out requirements are taken into account in evaluating the performance of Federal executives and managers, and for other purposes; with amendment (Rept. No. 96–729, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 6635. A bill to authorize the establishment of a food security reserve of wheat, and for other related purposes (Rept. No. 96–966, pt. 1). And ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6627. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1981 and fiscal year 1982, and for other purposes; with amendment (Rept. No. 96–967, pt. 1). And ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6627. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1981 and fiscal year 1982, and for other purposes; with amendment (Rept. No. 96–967, pt. 2). And ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7126. A bill to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such Act, and for other purposes; with amendment (Rept. No. 96–968). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 6888. A bill to amend section 106 of the Civil Rights Act of 1957 to authorize appropriations for the Commission on Civil Rights for the fiscal year 1981. (Rept. No. 96-969). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 7305. A bill to authorize additional appropriations for fiscal years 1980 and 1981 for the Department of State and the Board for International Broadcasting, and for other purposes (Rept. No. 96-971). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 6777. A bill to increase the authorization for the Council on Wage and Price Stability, to extend the duration of such Council, and for other purposes; with amendment (Rept. No. 96-972). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of Conference. Conference Report on House Joint Resolution 545 (Rept. No. 96-973). Ordered to be printed.

Mr. GONZALEZ: Committee of Conference. Conference Report on S. 662 (Rept. 96-974). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6629. A bill to amend the Indian Health Care Improvement Act (90 Stat. 1400) to reauthorize appropriations for the various programs therein; with amendment (Rept. No. 96-975, Pt. 1). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. S. 885. An act to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; with amendment (Rept. No. 96-976, Pt. 1). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7299. A bill to revise and improve the Federal programs of assistance for the provision of mental health services, and for other purposes; with amendment (Rept. No. 96-977). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7203. A bill to amend the Public Health Service Act to revise and extend the programs for the National Health Service Corps and to revise and extend the program of assistance under titles VII and VIII of such Act for the education of health professions personnel, and for other purposes; with amendment (Rept. No. 96-978). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 7262. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; with amendment (Rept. No. 96-979). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 670. Resolution providing for the consideration of H.R. 6410, a bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development (Rept. No. 96-980). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 671. Resolution providing for the consideration of H.R. 6846, a bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes (Rept. No. 96-981). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 672. Resolution providing for the consideration of H.R. 6413, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 96-982). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6667. A bill to amend the Federal Water Pollution Control Act relating to authorization extensions and industrial cost recovery; with amendment (Rept. No. 96-983). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7238. A bill to authorize appropriations for fiscal year 1981 for part A of title IV of the Comprehensive Employment and Training Act (Rept. No. 96-984). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6796. A bill to amend and extend title VII of the Comprehensive Employment and Training Act; with amendment (Rept. No. 96-985). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6115. A bill to amend the General Education Provisions Act to extend the authorization of appropriations for the National Institute of Education for five fiscal years; with amendment (Rept. No. 96-986). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7330. A bill to authorize appropriations for certain insular areas of the United States, and for other purposes; with amendment (Rept. No. 96-987). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 7191. A bill to establish the Snug Harbor National Wildlife Refuge; with amendment (Rept. No. 96-988). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5340. A bill to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes; with amendment (Rept. No. 96-989). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Standards of Official Conduct. Study and Analysis of the Voting Anomalities in the House of Representatives on May 14 and July 30, 1979 (Rept. No. 96-991). Referred to the House Calendar.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 6790. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; with amendment (Rept. No. 96-992, Pt. 1). Ordered to be printed.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 6790. A bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes; with amendment (Rept. No. 96-992, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the clerk for printing, and bills referred as follows:

Mr. STRATTON: Committee on Armed Services. H.R. 7252. A bill to authorize appropriations for fiscal year 1981 for conservation, exploration, development and use of the naval petroleum reserves and naval oil shale reserves, and for other purposes; referred to the Committee on Interstate and Foreign Commerce for a period ending not later than June 27, 1980, for consideration of such provisions of the bill as fall within that committee's jurisdiction pursuant to clause 1(1), Rule XI (Rept. No. 96-970, Pt. 1.)

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6628. To authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; with amendment, referred to the Committee on Interstate and Foreign Commerce for a period ending not later than June 20, 1980, for consideration of such portions of the bill and amendment as fall within that committee's jurisdiction pursuant to clause 1(1), Rule X (Rept. No. 96-990, Pt. 1.)

SUBSEQUENT ACTION ON BILLS SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 4660. A bill to amend the Small Business Act, and an act to amend the Small Business Act (Public Law 94-305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements to the Committee on the Judiciary extended for an additional period ending not later than May 28, 1980.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCoin:

H.R. 7364. A bill to encourage exports by facilitating the formation and operation of export trading companies and the expansion of export trade services generally; jointly, to the Committees on Banking, Finance and Urban Affairs, Foreign Affairs, the Judiciary, and Ways and Means.

By Mr. BENJAMIN:

H.R. 7365. A bill to prohibit the importation into the United States of the products of any foreign country during any period in which certain export controls are in effect with respect to that country; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Ottinger, Mr. Lederer, and Mr. Rangel):

H.R. 7366. A bill to authorize the Secretary of the Treasury to conduct a study of handgun bullets manufactured in or imported into the United States, to determine which bullets have the capacity to penetrate bulletproof vests commonly used by law enforcement officers; to the Committee on the Judiciary.

By Mr. BUCHANAN (for himself and Mr. Lott):

H.R. 7367. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain travel expenses of individuals on temporary work assignments; to the Committee on Ways and Means.

By Mr. FROST:

H.R. 7368. A bill to provide for making payments to certain citizens and nationals of the United States held hostage in Iran, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GRASSLEY:

H.R. 7369. A bill to amend the Internal Revenue Code of 1954 to encourage land conservation expenditures by allowing an income tax credit for such expenditures; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 7370. A bill to amend title 5, United States Code, to make Inauguration Day a legal public holiday; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.R. 7371. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right; to the Committee on Ways and Means.

By Ms. OAKAR (for herself and Mr. Pepper):

H.R. 7372. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse shall automatically inherit the deceased spouse's earnings credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

H.R. 7373. A bill to amend title II of the Social Security Act to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits; to the Committee on Ways and Means.

H.R. 7374. A bill to amend title II of the Social Security Act to provide that a husband and wife may elect to split their earnings for social security purposes upon the retirement of either or both of them, or upon their divorce, and to equalize the benefits payable to a retired worker and his or her spouse (on such worker's wage record) if they have not so elected; to the Committee on Ways and Means.

H.R. 7375. A bill to amend title II of the Social Security Act to provide that a divorced spouse may qualify for benefits on the basis of a marriage which lasted for as few as 5 years (instead of only on the basis of a marriage which lasted for 10 or more years as at present) in the case of certain late-life divorces; to the Committee on Ways and Means.

H.R. 7376. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse or surviving divorced spouse shall automatically inherit the deceased spouse's earnings credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 7377. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

By Mr. SABO (for himself, Mr. Beilenson, Mr. Coelho, Mr. Fazio, Mr. Frost, Mr. Kogovsek, Mr. Porter, and Mr. Vento):

H.R. 7378. A bill to amend the Internal Revenue Code of 1954 to provide for nonrecognition of gain of the sale of the principal residence of the taxpayer where the taxpayer's cost of purchasing the new residence is not more than $100,000 less than the taxpayer's adjusted sales price of the old residence, and to extend the rollover period to 60 months; to the Committee on Ways and Means.

By Mr. GRASSEY:

H. Con. Res. 339. Concurrent resolution expressing the sense of the Congress that the executive and legislative branches of the Federal Government should strive to enable the thousands of Cuban refugees to be ambassadors for freedom for the benefit of the Western Hemisphere; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

466. By the SPEAKER: Memorial of the House of Representatives of the State of Delaware, relative to Cuban refugees; to the Committee on the Judiciary.

467. Also, memorial of the Legislature of the State of California, relative to temporary removal of immigration quota restrictions for victims of the Azorean earthquake; to the Committee on the Judiciary.

468. Also, memorial of the Legislature of the State of California, relative to allocation of title XX funds; to the Committee on Ways and Means.

469. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to radioactive waste disposal; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

470. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to emergency response in cases of nuclear accidents; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

471. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to a nuclear protection insurance program; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. YOUNG of Alaska introduced a bill (H.R. 7379) to provide that the shipping vessel *Kailua* have the right to engage in coastwise trade, which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[*Omitted from the Record on May 14, 1980*]

H.J. Res. 242: Mr. Murphy of Illinois and Mr. Ginn.

H.J. Res. 508: Mr. Waxman.

[*Submitted May 15*]

H.R. 2291: Mr. McClory.

H.R. 3105: Mr. Cheney.

H.R. 3697: Mr. Walgren.

H.R. 4509: Mr. Murphy of New York.

H.R. 4646: Mr. Lowry.

H.R. 4717: Mr. Hance.

H.R. 4958: Mr. Clinger, Mr. Fish, Mr. Cleveland, Mr. Bedell, and Mr. Stangeland.

H.R. 5103: Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Hanley, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Luken, Mr. Ireland, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Bereuter, and Mrs. Spellman.

H.R. 5399: Mr. Hubbard.

H.R. 5475: Mr. Rousselot.

H.R. 5607: Mr. Dingell, Mr. St Germain, Mr. Luken, Mr. Ireland, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Hall of Ohio, Mr. Bereuter, Mrs. Spellman, Mr. Fithian, Mr. Weaver, Mr. Anderson of California, Mr. Bailey, Mr. Bowen, Mr. Edgar, Mr. Broomfield, Mrs. Snowe, Mr. Quayle, Mr. Tauke, Mr. Beard of Rhode Island, Mr. Marriott, and Mr. Porter.

H.R. 5610: Mrs. Bouquard, Mr. Carney, Mr. Edwards of Oklahoma, and Mr. Satterfield.

H.R. 5612: Mr. Smith of Iowa, Mr. Steed, Mr. Corman, Mr. St Germain, Mr. Hanley, Mr. LaFalce, Mr. Richmond, Mr. Nolan, Mr. Nowak, Mr. Luken, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, and Mrs. Spellman.

H.R. 5643: Mr. Bailey, Mr. Hillis, Mr. Dickinson, Mr. Boner of Tennessee, Mr. Young of Missouri, Mr. Jeffries, Mr. Leach of Louisiana, Mr. Alexander, Mr. Watkins, Mr. Davis of South Carolina, Mr. Bevill, Mr. Synar, Mr. Nichols, Mr. Martin, Mr. Murtha, Mr. Musto, Mr. Harris, Mr. Robert W. Daniel, Jr., Mr. Rose, Mr. Corcoran, and Mr. Clinger.

H.R. 5802: Mr. Campbell and Mr. Ashbrook.

H.R. 6215: Mr. Goldwater.

H.R. 6336: Mr. McClory, Mr. Fish, Mr. Butler, Mr. Hughes, Mr. Hyde, Mr. Sawyer, Mr. Volkmer, Mr. Sensenbrenner, Mr. Lungren, and Mr. Synar.

H.R. 6380: Mr. Bingham and Mr. Matsui.

H.R. 6398: Mr. Atkinson, Mr. Lederer, Mr. Murphy of Pennsylvania, Mr. Moorhead of Pennsylvania, Mr. Downey, Mr. Bingham, Mr. Garcia, Mr. Stokes, and Mr. Corrada.

H.R. 6429: Mr. Corman, Mr. St Germain, Mr. Hanley, Mr. Richmond, and Mr. Nolan.

H.R. 6514: Mr. Won Pat, Mr. Simon, Mr. Lederer, Mr. Yatron, Mr. Kogovsek, and Mrs. Byron.

H.R. 6545: Mr. Kramer.

H.R. 6626: Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Hanley, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Nolan, Mr. Nowak, Mr. Luken, Mr. Ireland, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. McDade, Mrs. Snowe, Mr. Quayle, and Mr. Marriott.

H.R. 6635: Mr. Fithian and Mr. Moffett.

H.R. 6671: Mr. Hughes.

H.R. 6725: Mr. Abdnor.

H.R. 6829: Mr. Grisham, Mr. Leach of Iowa, Mr. Philip M. Crane, Mr. Petri, Mr. Robert W. Daniel, Jr., Mr. Sensenbrenner, Mr. Hansen, Mr. Hammerschmidt, and Mr. Royer.

H.R. 6936: Mr. Collins of Texas.

H.R. 6979: Mr. Emery, Mr. Trible, Mr. Dingell, Mr. Bonker, Mr. Donnelly, Mr. Stack, Mr. Lent, Mr. D'Amours, Mr. Bonior of Michigan, and Mr. Anderson of California.

H.R. 7202: Mr. Andrews of North Dakota, Mr. Murphy of Pennsylvania, Mr. Jenrette, Mr. Kogovsek, Mr. Duncan of Tennessee, Mr. Charles Wilson of Texas, Mr. Hinson, Mr. Albosta, Mr. Garcia, Mr. Lowry, and Mr. Edwards of Oklahoma.

H.R. 7250: Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Hanley, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Luken, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mr. Bereuter, Mrs. Spellman, Mr. Conte, Mr. Whitten, Mrs. Snowe, and Mr. Quayle.

H.R. 7259: Mr. Steed, Mr. Corman, Mr. Addabbo, Mr. St Germain, Mr. Mitchell of Maryland, Mr. Hanley, Mr. LaFalce, Mr. Bedell, Mr. Richmond, Mr. Baldus, Mr. Nolan, Mr. Nowak, Mr. Luken, Mr. Kildee, Mr. Evans of Georgia, Mr. Barnard, Mr. Leach of Louisiana, Mr. Hall of Ohio, Mr. Bereuter, Mrs. Spellman, Mr. Conte, Mr. Stanton, Mrs. Snowe, Mr. Quayle, and Mr. Tauke.

H.R. 7288: Mr. Hanley, Mr. Luken, Mr. Broomfield, Mrs. Snowe, Mr. Quayle, and Mr. Tauke.

H.R. 7289: Mr. Hanley, Mr. LaFalce, Mr. Luken, Mrs. Snowe, Mr. Quayle, Mr. Tauke, and Mr. Beard of Rhode Island.

H.R. 7297: Mr. Hanley, Mr. Luken, Mrs. Snowe, Mr. Quayle, and Mr. Tauke.

H.R. 7298: Mr. Hanley, Mr. Luken, Mrs. Snowe, Mr. Quayle, and Mr. Tauke.

H.R. 7300: Mr. Marlenee, Mr. Collins of Texas, Mr. Rahall, Mr. Whitehurst, Mr. Stanton, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Leach of Louisiana, Mr. Grisham, and Mr. Hall of Texas.

H.R. 7309: Mr. Murphy of Pennsylvania, Mr. Addabbo, Mr. Reuss, Mr. Whitehurst, Mr. Mazzoli, Mr. Ichord, Mr. Gibbons, Mr. Pickle, Mr. Coelho, Mr. Scheuer, Mrs. Fenwick, Mr. Montgomery, Mr. Brown of Ohio, Mr. Bennett, Mr. Bevill, and Mrs. Spellman.

H.R. 7332: Mr. Traxler.

H.J. Res. 504: Mr. Royer.

H.J. Res. 505: Mr. Bafalis.

H. Con. Res. 57: Mr. Miller of Ohio, Mr. Green, Mr. Campbell, Mr. Erlenborn, and Mr. Dannemeyer.

H. Con. Res. 225: Mr. Murphy of New York.

H. Con Res. 304: Mr. Hinson.

PETITIONS, ETC.

Under clause 1 of rule XXII,

352. The SPEAKER presented a petition of the Northeastern Association of State Departments of Agriculture, Concord, New Hampshire, relative to the proposed closing of the U.S. Fish and Wildlife Service, Delaware Field Station at the University of Delaware, which was referred to the Committee on Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5200

By Mr. HALL of Texas:

—Page 4, strike out line 9 and all that follows through line 17 on page 5 and insert in lieu thereof the following:

(2) by inserting "and (e)" after "subsection (c)" in subsection (b); and

(3) by adding at the end of subsection (a) the following new paragraph:

"(3) After the date of the enactment of the Fair Housing Amendments Act of 1980, to all dwellings except as exempted by subsection (b)."

—Page 24, line 20, strike out "executed" and insert "entered into" in lieu thereof.

Page 24, beginning in line 22, strike out "the charge filed under this title," and insert in lieu thereof "such order, and no respondent shall be penalized for entering into any such contract of sale, encumbrance, or lease.".

EXTENSIONS OF REMARKS

CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORT: GREENE COUNTY-MAD RIVER TOWNSHIP

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. BROWN of Ohio. Mr. Speaker, the issue of how to encourage Americans to save more to provide additional capital for investment was the topic of study by the Greene County-Mad River Township Committee of this year's Congressional Youth Advisory Council, which I sponsor. I would like to share the committee's recommendations with my colleagues in the House.

Following is the report of the Greene County-Mad River Township Committee:

GREENE COUNTY-MAD RIVER TOWNSHIP CYAC COMMITTEE

SAVINGS INCENTIVES

The rate of personal savings in the United States is at its lowest point in thirty years, currently at a rate of 3.3 percent—the lowest of all major industrialized countries. Not only is this level of savings the lowest, but it is also declining while savings rates in other countries are on the rise. Why does a country with one of the highest per capita incomes in the world not have a much higher savings rate?

For one thing, most other nations encourage private savings, especially by the small saver; however, a disincentive to save exists in our nation. For instance:

In West Germany, married couples may receive tax-free a cash grant of 14 percent of the amount invested in qualified securities (up to about $26,000).

In Japan, interest on savings deposits up to $14,000 is tax-free.

In France, a division is made between interest income and taxable income, for taxation purposes.

Great Britain also offers incentives in tax-free interest up to $135, and in National Savings Certificates up to $2300.

INFLATION FACTORS

Inflation in the United States is now running at an annual rate of over 18.5 per cent, and for most people, it just does not pay to save. At a savings and loan, the 5.5 per cent return on a passbook savings account results in a 13.5 per cent net loss. Another contributing factor in the declining savings rate is reflected in present tax laws. The Internal Revenue Code is structured so that an individual is taxed on his earnings. If he chooses to save "after-tax dollars," the interest received on these savings is taxed again, hence—double taxation. In addition, this individual's incentive to save is further discouraged since he is able to deduct interest charges paid throughout the year on consumer purchases on his tax return.

A number of bills have been introduced in Congress during the past year concerning tax incentives. The bill in the House of Representatives, and a similar proposal in the Senate, which seems to have the best chances for passage, leans toward an initial $100-200 (joint return) interest exclusion for the saver.

However, these types of tax incentives are costly, have only a minimal effect on capital formation, and do not provide enough of an incentive for the average taxpayer to save. He will still lose money as a result of inflation.

All of the savings incentives proposals that have been introduced have been made on the assumption that savings are possible. Many lower-income people, at the present inflation rate, simply do not have any money to save. The incentives being proposed give the middle class a slight break, while excluding the poor and providing more loopholes for the wealthy. A proposal is necessary that will benefit all workers in the United States.

COMPLEXITY IS PROBLEM

Another problem with many savings incentives is their complexity. If the average consumer does not understand how he can benefit through the savings plan, he will not save. The ideal incentive will be a simple, direct idea that benefits all economic classes. Such a proposal has not yet been devised.

There are also valid reasons to believe that savings incentives will not have a noticeable positive effect on the economy. Presumably, savings incentives would draw money from the spending part of the economy (recall that inflation is caused by too much money chasing too few goods and services), and make it available to the producing part of the economy.

As the consumer puts money away, this not only reduces his cash on hand, but also provides more money to banks to lend towards productive investments. This means that the prime lending rate would go down, as, if the lending institution had more money, it would be more willing to lend it out on the risk of a productive investment.

However, there is a question as to whether or not savings incentives will cause enough savings to make any noticeable effect on the market economy. Because savings incentives appear as a tax break, they would, unless tremendously effective, reduce revenue through taxation, and this revenue would have to be made up somewhere, in just as large a bite on the taxpayer as before he saved. Therefore, while this committee supports savings in general as a means of: contributing to capital investments; providing greater productive capability; and providing new jobs, which would raise the nation's standard of living, we do not feel that savings incentives would be effective enough to substantially increase savings.

Several alternatives to savings incentives in the formation of capital were considered by the group, which chose these as most viable:

PRODUCTIVE INVESTMENT OF SOCIAL SECURITY FUNDS

Under the present social security system, the payment of social security benefits is a "pay-as-you-go" operation, drawing the needed benefits directly from the taxpayers. Thus, as the social security system expands, it places a greater burden on the taxpayer.

As long as inflation keeps increasing the demands on the social security system, this constant increasing in taxes to meet recipient requirements can only continue, taking more out of the worker's pockets.

The proposal deals with changing the way social security benefit requirements are met. If instead of drawing directly from the taxpayer, a reserve fund was instituted to meet these requirements, the fund could be invested in a productive way. Eventually the returns from the investments could be used in covering future increases in recipient requirements and in paying social security benefits, and social security taxes would be put into the fund instead of being paid directly to the recipients.

Except for an increase in social security taxes while the fund is being accumulated, this would have the overall effect of lowering social security taxes. In addition, the invested fund would be forming capital and strengthening the economy.

Thus, this proposed alternative to savings incentives would not only cut the drain on taxpayers' paychecks, but would be anti-inflationary in that the social security funds would be forming capital through productive investment.

TAX INDEXING

As a part of the general plan to reduce taxes, to increase savings, and to make tax policy more equitable, tax indexing has been proposed. Rising incomes, trying to keep up with the cost of living, push taxpayers into higher tax brackets. Today's average worker, though, has had no real increase in spendable income since 1965; still his rising income has forced him into higher tax brackets.

Under the current tax code, tax revenues rise about 16 percent every time prices rise by 10 percent. Indexing would hold government revenues to 10 percent increases when prices rose 10 percent. This prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost of living increase.

ELIMINATION OF INTEREST CEILINGS

The committee supports the recent passage of legislation eliminating federal restrictions on the amount of interest paid on savings accounts.

Under the bill, lending institutions would be free to pay savers whatever they want, within six years (current law limits a passbook saver to 5.5 percent interest at a commercial bank).

SAVINGS INCENTIVES: GREENE COUNTY-MAD RIVER TOWNSHIP RESOLUTIONS

While this committee supports savings as a method of controlling inflation, we do not feel savings incentives are a practical method of achieving a rate of capital formation that would appreciably improve current economic trends.

PRODUCTIVE INVESTMENT OF SOCIAL SECURITY FUNDS

Resolved, that the present method of payment of social security benefits be revised by investing social security payments productivity in the American economy; and that social security benefits be paid off the revenues from these funds.

The resolution was defeated on a show of hands vote following debate.

TAX INDEXING

Resolved, that the tax code be revised such that tax brackets more equitably reflect real income by increasing all fixed dollar amounts in the income tax tables by the percent that the Consumer Price Index rose in the corresponding time.

The resolution was approved by a standing vote following amendment to insert the word "Regional" before "Consumer Price Index * * *" and adding the sentence "A regional consumer price index method would be established in order to carry out this proposal."●

IN HONOR OF ARMED FORCES WEEK

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. MATSUI. Mr. Speaker, it is most fitting, particularly in this time of international turmoil and upheaval, that we as a Nation take the time to honor the men and women of the Armed Forces who have dedicated themselves to the defense of our country.

All too often we lose sight of the commitment and sacrifice demanded of those who serve in the military. Armed Forces Week should stand as a reminder of the selflessness, valor, and courage of all who have defended our great Nation in time of war and in time of peace.

We owe a tremendous debt to those who have served before and those who serve now. If we are to continue as a world leader we must not allow ourselves to underestimate the value of maintaining a strong, viable defense posture. We must focus our emphasis on attracting and retaining exceptionally qualified and highly skilled men and women. It is time for Congress and our Nation to recognize this need, and to act accordingly.

Let us take time this week not only to pay tribute to our men and women in uniform, but to reaffirm our support and commitment to the well-being of those for whom our Nation asks so much.●

THE HAITIAN EXCEPTION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. GINGRICH. Mr. Speaker, in the editorial section of the Washington Post, I read an article which expressed my concerns about the Haitian refugee plight. Andrew F. Brimmer, author of the editorial, has clearly pointed out the unfair treatment Haitian nationals have received when they have applied for political refugee status here in the United States. I have included the text of the editorial below. It looks like time has run out for many of the people of Haiti.

[From the Washington Post, May 8, 1980]

THE HAITIAN EXCEPTION

(By Andrew F. Brimmer)

I have been deeply concerned by what appears to be a serious disparity in treatment between Cuban refugees—who have been welcomed to the United States with "open arms"—and Haitian refugees—to whom the door may be slammed shut unless there is timely action by President Carter.

The president should use his present authority (which expires on May 15) to grant political refugee status on a group basis to Haitian nationals who have fled to the United States seeking asylum.

I understand that 10,000 to 13,000 Haitians have come to the United States since 1972. Of that number, apparently no more than 100 to 200 (there is some discrepancy as to the exact figure) have been granted political refugee status. Within the same period, hundreds of thousands of Cubans and Indochinese have been admitted en masse as refugees.

This disparity in treatment appears to be based on arbitrary and unfair considerations. I am told that each individual Haitian has been required to prove—often under conditions depriving him of due process—that he was politically active at home and was in fear of persecution by his government. Persons who cannot prove that they were individual targets of government persecution are considered mere "economic" refugees, comparable to persons who cross the Mexican border seeking work in the United States.

This approach runs counter to the readily available facts. There is ample evidence of serious human-rights violations in Haiti. The Department of State's annual reports on human-rights conditions throughout the world have described the torture, prison conditions and other human-rights violations now occurring in Haiti. Cognizant of the serious problems in Haiti, the Senate Foreign Relations Committee voted in May 1979 to cancel $18.4 million in American aid to the Haitian government.

Given these facts, I see no logical basis on which to conclude that the average Haitian refugee's fear of persecution is materially different from the average Cuban's fear of persecution. Further, statements by Cuban nationals quoted in the press—and some of which I have seen personally in U.S. television interviews—clearly show that many Cubans have fled their country seeking economic improvement, not basically because they were individual targets of political persecution.

At the same time, we cannot be insensitive to the fact that the present policy, while probably not intentionally racist, does place upon the Haitians (who are mainly black) a heavy burden of proof not placed upon Cubans (who are mainly white). So far, the Immigration and Naturalization Service has provided no reasonable explanation for this difference. In the absence of such an explanation, our policy had acquired a patina of racism that ought to be erased promptly.

The facts, as well as the policy considerations, clearly point to the need for the president to exercise his authority to regularize the status of Haitians now present in the United States. Such a step is the only promising—and equitable—solution to this problem. The urgent need for action is underscored by reliable reports of starvation and disease among Haitians now in Florida.

Now that President Carter has declared the state of Florida a disaster area because of the burden imposed by the inflow of refugees, the federal government assistance that will be made available should be shared by the Haitians as well as by the Cubans.

We must not abandon the Haitians to the almost certainly dismal fate that former Haitian officials have described in sworn testimony to be awaiting any Haitians deported back to that country. To shut our eyes and to close our gates to the real human need that is before us would be fundamentally inconsistent with traditions going back to the founding of our nation.●

A TRIBUTE TO WILLIAM E. AUGUSTUS

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. RUSSO. Mr. Speaker, today I would like to take a moment to acknowledge the retirement of a fine teacher and outstanding school superintendent in the Third Congressional District.

Mr. William E. Augustus, superintendent of district 205, Thornton Township high schools, will be retiring this June after 12 years in this position. He will be greatly missed.

He first came to district 205 in 1965 to be principal of Thornridge High School in Dolton, Ill. He brought with him impressive credentials and the kind of talent for teaching that is not always reflected on a résumé. He had served for 14 years in the Aurora, Ill. schools as teacher, dean of boys, and junior high school principal. He did his practice teaching in Rockford after receiving his B.S. at Illinois State University, where he majored in physical education and social science.

It is not possible to gage the far-reaching influence and impact of the educator, but we can know that Mr. Augustus in his years of teaching and administering a school system has touched the lives of countless young people—inspired them, challenged them, taught them. He has seen to the structure of their educational system as well, serving as a superintendent who could work with precision, foresight and skill, enabling the teachers and students alike to draw full advantage from the educational process.

Men such as Mr. Augustus provide us with our country's best defense—the training of our young people. But he also served directly in that defense as well from 1943-45 when he served as a radioman-navigator in the Air Force in the European theater of war. He has served his community in civic and professional organizations, including leadership of the United Fund and president of the Illinois Junior High School Association. He has chaired several North Central Association Evaluation teams.

I know how proud his wife Annette, son Jeff, and daughter Amy must be. And when his family, friends, and coworkers gather for his retirement dinner I can imagine the good wishes and expressions of goodwill that will be extended to Mr. Augustus. I want to join with those saying "thank you" for a job well done and I know my colleagues join with me in commending Mr. Augustus and wishing him a happy and fruitful retirement.●

A TRIBUTE TO ERNEST AND ELEANOR GOLDBLUM AND THE SOLOMON SCHECHTER SCHOOL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. OTTINGER. Mr. Speaker, on May 25, the Solomon Schechter School of Westchester will honor Mr. and Mrs. Ernest Goldblum. On this occasion it gives me great pleasure to applaud my longtime friends for their extraordinary contributions to the school, the quality of life for all Jewish people, and the cause of freedom and justice everywhere.

Both Ernie and Eleanor Goldblum have unselfishly dedicated themselves to religious, educational, and issues of social concern to the Jewish community. Ernie Goldblum is a member of the board of directors of the Solomon Schechter School and has been actively involved in its growth and development. This unique learning institution provides an alternative program of quality education which embraces a full curriculum of general studies combined with a comprehensive program of Judaic studies. Classes are offered for those of nursery school age through the eighth grade. The Solomon Schechter School enjoys a reputation for innovative methods and high academic achievement which has drawn students from communities throughout Westchester to the school.

Among Ernie Goldblum's other impressive accomplishments, he is the vice president of the Jewish Community Center of Harrison. He has also served as its men's club president for four terms and was honored with its special award for community service and human relations.

The B'nai Brith Lodge of Harrison has also paid tribute to him; conferring upon him its annual Brotherhood Award and the ADL Torch of Liberty Award. As vice president of the Westchester Jewish Conference he has been honored by the State of Israel for endeavors on its behalf.

Ernie Goldblum's ceaseless humanitarian efforts to address the plight of Soviet Jews is exceptionally noteworthy, and he deserves special commendation for his accomplishments. I have had numerous opportunities to work with him on this issue and can personally attest to his effectiveness as an advocate for Soviet Jewry and the remarkable impact he has had in furthering this cause. He is a past president of the Westchester Conference on Soviet Jewry and is honorary chairman of the Greater New York Conference on Soviet Jewry. Through his able leadership countless Soviet Jews have had the chance to find freedom and opportunity in Israel and the United States.

Eleanor Goldblum has also played an active role in the Westchester Jewish community. Her commitment to enriching Jewish life in Harrison, is demonstrated by her active involvement with the sisterhood of the Jewish Community Center and as a life member and charter member of the Harrison Hadassah. Her efforts reach well beyond the Harrison community. She is a member of the Tri-County B'nai Brith as well as the American Jewish Committee and the American Jewish Congress.

The Goldblums are especially proud of their daughter and son-in-law, Sue and Les Benjamin, and their three grandchildren who attend the Solomon Schechter School.

I am pleased to honor this very special couple who are inspiring symbols of the richness and fullness of Jewish life, and I extend to them my warmest congratulations.●

A TRIBUTE TO JULIETTE DUNHAM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. DELLUMS. Mr. Speaker, I wish to take this opportunity to extend my sincere congratulations and best wishes to Ms. Juliette Dunham, on the occasion of her retirement from teaching.

Ms. Dunham is by all accounts an outstanding and creative teacher. She has finished up a career in science and education by teaching these past 15 years at the Skyline High School in the Oakland Public School System. As a person who had many varied job opportunities, it is a testament to her commitment to education as a positive social goal that she has finished a distinguished career teaching in the public school system.

Ms. Dunham has received numerous grants from the National Science Foundation and has had extensive graduate experiences: including work at the Pratt Institute in Brooklyn, Oxford University in England, and the University of Leningrad in the U.S.S.R. Notwithstanding these honors, she has devoted herself to her students and to their education. Her willingness to commit herself to her classroom and to her students in their extracurricular activities has earned her the praise of the Oakland mayor and city council as well as the Skyline High committee for excellence in education.

It is with great pleasure that I join with these individuals and groups in thanking Ms. Dunham for her years of dedicated teaching and her tireless encouragement to her students.●

FINANCIAL STATEMENT

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. RATCHFORD. Mr. Speaker, as I have done every year since 1971, when I was a member of the Connecticut Legislature, I am today disclosing a statement of my net worth and an accounting of income and taxes paid for calendar year 1979. While I realize this disclosure goes beyond what is required by law, I feel that such an accounting is a responsibility of public office.

The following is a statement of assets, liabilities, and capital as of April 23, 1980, and a statement of income and taxes paid for tax year 1979. This statement covers WILLIAM R. RATCHFORD and wife, Barbara J. Ratchford:

STATEMENT OF INCOME AND NET WORTH

	In dollars
1979 income:	
William R. Ratchford:	
Salary, U.S. House of Representatives	52,915.86
Partnership share, law firm, Papazoglou, Ratchford, and Garamella [1]	10,996.21
Barbara Ratchford:	
Salary, Danbury Board of Education	19,947.00
Salary, Danbury Board of Education	1,120.00
Barbara and William R. Ratchford: Rental income, summer home, Nantucket, MA	1,171.61
Barbara, William, and Ratchford sons: Interest income, savings accounts	187.05
Total income	86,337.73
1979 Federal income taxes, joint return	23,235.90
ASSETS	
Cash:	
Checking Account—Danbury Banking and Trust (William and Barbara)	645.01
Savings Account—Danbury Banking and Trust (William and Barbara)	102.73
Savings Account—Danbury Banking and Trust (Barbara and Scott)	132.10
Savings Account—Danbury Banking and Trust (Barbara and Brian)	342.84
Savings Account—Danbury Banking and Trust (Barbara and Shaun)	229.78
Savings Account—Wright Patman Federal Credit Union (William)	32.73
Share draft account—Wright Patman Federal Credit Union (William)	413.01
Automobile: 1979 Chevrolet Blazer	6,200.00
Household furnishings:	
Danbury home, 2 Johnson Drive, Danbury, CT	10,000.00
Nantucket summer home, Nantucket, MA	7,500.00
Other:	
Teacher's retirement—Barbara Ratchford	9,251.88
Congressional retirement fund—William Ratchford	4,233.27
Real Estate:	
Home at 2 Johnson Drive, Danbury, CT	75,000.00
Summer home, Nantucket, MA	85,000.00
Total all assets	199,083.35
LIABILITIES	
Mortgages:	
Danbury home—Danbury Savings and Loan	44,035.09
Nantucket summer home—Nantucket Savings Bank	43,122.75
Notes Payable:	
Wright Patman Federal Credit Union, Washington, D.C	4,777.39
Union Trust, Danbury, CT	6,920.20
City Trust, Danbury, CT	1,434.70
Danbury Savings and Loan, Danbury, CT	7,818.93
Commercial Credit, Danbury, CT	3,711.12
Total all liabilities	111,820.18
Total net worth	87,263.17

[1] Law firm dissolved in January, 1977. Fees are from 1979 settlements of partnership cases at the time of dissolution.●

MORE ON NICARAGUAN AID

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. LAGOMARSINO. Mr. Speaker, my position in opposition to the Carter administration proposal to send $75 million to the Sandinista government of Nicaragua is well known.

For those of my colleagues who have not yet made up their minds on this issue—or who are having second thoughts about their previous support—I commend the following FBIS—Foreign Broadcast Information Service—account of a speech recently delivered in Nicaragua by Alfonso Robelo, former member of the Nicaragua junta.

The account follows:

ROBELO REJECTS CAPITALISM, COMMUNISM FOR NICARAGUA

We are fighting to eradicate forever the exploitation of man by man, but we are also fighting to see that this exploitation is not replaced with man's enslavement by the state. [applause]

We are struggling to suppress the injustices of capitalism which, exploiting the majorities, has kept them mired in misery. Equally, we are openly against the regime of terror that communism imposes on the people it oppresses, subjecting them to a state that [remainder of sentence covered by applause].

In order to change the unjust structures of the past, one cannot violate the inalienable rights of man, regardless of his social, economic or political position. The MDN respects all ideologies, but it also demands respect for its own way of thinking.

We are not blind [applause] or insensitive to the unjust conditions that affect most of our brother peasants and workers. We are firmly committed to the defense of their interests, because they are the oppressed majority of the people. [applause, shouts of "Robelo"]

We of the MDN are anti-imperialist. We oppose the hateful interference by the powerful in our sovereign life, regardless of where it comes from. [applause] We are against the U.S. intervention that sullied our past, and we will fight to see that it is never repeated. Similarly, today, publicly and openly, we say that in addition to the danger of intervention from the north, there are signs of Soviet intervention in Nicaragua [prolonged applause, shouts of "Robelo"]—Soviet interference directed by an excessively large [desproporcionada] Soviet diplomatic mission in our country.

We condemn U.S. intervention, but we also vigorously reject the idea of becoming a new Afghanistan. We are against the maneuvers of the CIA, just as we are against the claw of the Russian KGB which threaten Nicaragua.

We are neither on the side of capitalism or of communism. [applause] We are in favor of democratic socialism. We did not accept Somoza's criminal dictatorship in the past, and we will not accept the totalitarian dictatorship of the Marxist-Leninists. [applause]

How can there be democracy if a single political organization has an iron control of television, of the only newspaper that is circulating and on most of the radio stations? [applause] How can democracy be built if in the ministries and government offices indoctrination is monopolized by doctrines that are openly communist? [applause]

For me to have remained in the junta would have gone against my conscience as a Christian and a Nicaraguan. To have remained in the junta would have been to play the sad role of accomplice to the totalitarian future that some Nicaraguans want for our country. [applause, chanting of "Robelo"]

That is why we withdrew from the political posts we held in the government. This withdrawal by our party caused a serious national crisis, which still exists. [shouts of "This is true"] A positive result of this crisis has been talks between the private sector and the government that have led to promises which, if converted into effective reality, would alleviate the heavy climate of uncertainty the country is experiencing.

Only on the basis of real actions will the government be able to recover the confidence that has been lost. Only on the basis of sincerity could we return to the solid unity that joined all the sectors of our people on the long-desired day of their liberation, that memorable 19 July 1979. [applause]

We are moving forward in a worthy struggle like the ones underway in other democratic countries, like the one underway here, very close to us, in neighboring Costa Rica. [applause] We are going to embark on a civic struggle without quarter, without any steps backward, to make it possible for Nicaraguans to choose our national and municipal authorities by secret ballot, in the first free elections in our history. [applause] [chanting of "elections"]

As of now we demand that the present government junta fulfill its promise made on 12 July 1979, before the peoples and governments of America, to schedule elections within a short time. In those elections we will be able to determine what the Nicaraguan people really want—a democratic path to a free Nicaragua, or a sad, gloomy society typical of a totalitarian regime. [applause, chanting of "elections"]

Enough of being forced to belong to one particular political, professional or labor organization, because that is a violation of the sacred right of freedom. [applause, shouts]

Enough of promoting hatred in a country which wants no more wars or fratricidal struggles, but rather peace and love among all Nicaraguans. [applause]

Enough attempts to monopolize a revolution which has only one owner—you, the people of Nicaragua. [applause, shouts] Enough of confusing the interests of the fatherland with those of a single political party. Enough of flirting dangerously with communist powers, which seek only their own interests of world domination. [applause] Enough of confusing the heroic people of this land of Sandino, in an attempt to convert them into a manipulated mass. [applause]

Enough of attacking national unity by demanding that we all submit to the dictates of a single belief. [applause] Enough of showing disrespect for our allies in the struggle for liberation, without whose valuable participation the triumph over the genocidal one would not have been possible. [applause]

Today we are seeking the true unity of all the people, a unity in which all Nicaraguans will participate and in which differences of opinion will be respected, a unity that our party, the MDN, will always promote and defend. [applause]●

HON. CHARLES VANIK—A MAN WITH PRINCIPLES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. STOKES. Mr. Speaker, thank you for allowing me to take this time to insert an article in the CONGRESSIONAL RECORD on one of our most revered Members of Congress and a wise statesman—Hon. CHARLES VANIK. As you know, Congressman VANIK will retire from Congress at the end of this term.

But, my intention here today is not to bid CHARLIE VANIK farewell. That would be premature. I think that he has a lot more wisdom to share with us and a lot more battles on issues of principle to fight before his term in office is over. Rather, I want to share with my colleagues some of the infallible wisdom and perceptions of the Washington legislative scene that probably only a man of CHARLIE VANIK's high principle could convey.

I am sure that we all agree that the pace and pressures on Capitol Hill are potentially mind boggling. We are constantly faced with critical legislative problems that take an extraordinary amount of time from both our families and our constituents. Further, we are constantly bombarded with requests and information from various lobbying organizations and special interest groups. Often, there seems to be no humanly way possible to keep all of these demands and commitments in balance. Then, there is the question of whether these demands lessen or blur our objectivity and legislative goals.

Well, Mr. Speaker, I am pleased to inform my colleagues that CHARLIE VANIK has spoken straight from the hip as only he can do, on these issues. These appraisals provide good food for thought as we wind down the last quarter of the 96th Congress.

Therefore, Mr. Speaker, I enter an article in the RECORD on Hon. CHARLES VANIK which appeared in the May 11, 1980, issue of the Cleveland Plain Dealer.

VANIK DEPLORES LACK OF COURAGE

(By Thomas J. Brazaitis)

WASHINGTON.—Looking back at his career in Congress, Rep. Charles A. Vanik, D-22, Euclid, said there is something missing that was there when he was first elected more than 25 years ago—courage.

Today's Congress is spineless, Vanik said in an interview.

At most, 100 or 125 of the 435 members of the House of Representatives put the good of the country ahead of their own survival, he said.

The others are yes men, pandering for provincial interests or for the lobbyists whose campaign contributions are a form of legalized bribery, he said.

He considers the lure of money to be the root of evil in Congress.

Ironically, Vanik's own stand against accepting campaign contributions has forced him to compromise his conscience, notably when he uncharacteristically voted last year for an amendment to ban busing to desegregate schools.

"Most of my colleagues are living beyond their means," said Vanik, who is retiring at the end of this year. "They have no more control of their personal expenditures than they do of their government expenditures.

"They've got to run two homes. They've got the same problem everybody else has trying to educate their children. Some of them are living very close to the line on their budgets."

Enter the lobbyists with their open wallets and blank checks.

"Its a tremendous temptation to live off others," Vanik said. "We get all kinds of temptations. As recently as this year I was offered a condominium at the Winter Olympics by one of our very responsible companies. I was shocked that they should even make the offer.

"I think Congress today is much more influenced by lobbyists than it was 10 or 15 years ago," Vanik said. "Every night there are five or six fund-raisers going on here in Washington. When I came here, it would have been sinful to have a Washington fund-raiser."

Washington fund-raisers are attended by lobbyists, who write checks for anywhere from $100 to $1,000. A typical fund-raiser brings in $10,000 or more.

"I have a high regard for my colleagues," Vanik said. "They are good men and women. But their ideologies are contaminated in the process of accepting contributions. They can find good and logical reasons to support their contributors' positions."

Vanik has not accepted a dime for his last three campaigns, but even such integrity exacts its price.

When Rep. Ronald M. Mottl, D-23, of Parma, forced a vote on the anti-busing amendment, Vanik voted for it to keep from having to raise the money to defend himself if he had voted against it, he said.

"I was just buying time," Vanik said. "I felt, what the hell, can I afford to get into a situation where I might have to raise $100,000 because I say this today.

"I got into some real problems running without money because sometimes I had to weigh a position I would like to take against the cost of defending it.

"At the time I was thinking about running and I was thinking of the cost of defending a courageous position that was unpopular," Vanik said. "The people who benefit by your position, you don't see them afterward. They get what they want and they're gone. Then you find yourself out there with your conscience and no resources."

Vanik, who estimated no more than 12% of the people in the 22d District would have approved of a pro-busing vote, said his vote for the Mottl amendment was the lesser of two evils. Having to raise tens of thousands of dollars to defend a pro-busing vote would have compromised him even more.

Vanik was interviewed in his office in the Rayburn House Office Building, where a huge picture window provides a breathtaking view of the Capitol. In the pecking order of the House, offices with a view of the Capitol are awarded to the most senior members.

"When you become the most effective in this job, when you reach, as I have, the epitome of your usefulness, you do so at the price of failing to keep up local communications," Vanik said.

"I have people angry at me because I missed their father's wake. I had to miss a very important friend's father's wake because the night I could have done it was the night we had an important decision on the windfall profits tax. I even forgot to call my friend.

"Those are injuries that are never healed."

The cumulative effect of neglecting the needs of the district to concentrate on the needs of the nation has been called the Fulbright Syndrome, after Sen. J. William Fulbright, the Arkansas Democrat who was known and respected around the world, but was defeated by the folks back home who felt slighted.

"With me, it was a case of whether I wanted to refurbish my political base by being on the scene on an almost weekly, hourly basis back home and also of raising money, which I've lost the art of doing," Vanik said with a sigh.

"In my history, I defeated two people who overstayed their time—Bob Crosser and Frances Bolton—and I made up my mind many years ago I would not let that happen to me," Vanik said.

"Many of my colleagues are shuffling around here in bed slippers. I see them leaving here either being carried out as invalids or as political invalids in which they are shattered and torn apart by the exigencies of political campaigning."

In the background while Vanik talked, a color television with the sound turned low monitored a debate taking place on the House floor.

Twice during the interview, a beeper signaled a vote was to take place. Vanik excused himself as nonchalantly as if he were going to the refrigerator for a beer, walked over to the Capitol, cast his vote with a computerized card and returned, saying, "Where were we?"

Vanik shared his lunch—hot dogs on rye bread with spicy mustard and instant vegetable noodle soup—with his interviewer.

His tastes in food (simple), clothes (black suit, white shirt, black bow tie) and cars ("I'm happy if it goes when I want it to go and stops when I want it to stop") have not changed much since the January day in 1955 that Vanik took the oath of office. But everything else has.

When Vanik was a rookie in Congress, Dwight D. Eisenhower was president, the Korean War was over, the country was in prosperous times, and Speaker of the House Sam Rayburn ruled with an iron fist.

"Committee chairmen were very powerful figures," Vanik said. "I remember one occasion when the third-ranking member of the committee asked the chairman of the Armed Services Committee, Carl Vinson, if he could ask a question. And Carl Vinson just gaveled him down and said, 'I'll ask the questions.' "

Like the reforms that sowed the seeds of corruption in campaign contributions, the democratization of Congress has given birth to chaos, Vanik said.

Unlike Rayburn, House Speaker Thomas P. (Tip) O'Neill, Jr., D-Mass., has very little control over the House, Vanik said.

"He's the speaker," Vanik said. "He's beloved. He sets the calendar. But he has not been able to really impose much policy."

Vanik is the same age as O'Neill—67—and might have been speaker himself, he said, had he run for Congress when he first thought about it in 1946, rather than waiting until 1954, when he was 41.

Vanik was raised in the Broadway-E. 55th St. neighborhood. His grandparents were Czechoslovakian immigrants. His father ran a butcher shop. His mother was a seamstress. Young Vanik used to deliver meat to his father's customers in a wagon.

"My father was more than the neighborhood butcher," Vanik said. "He was the neighborhood counselor, justice of the peace, arbiter of conflicts. He was a leader in his neighborhood."

At 25, fresh out of law school, Vanik was elected to the Cleveland City Council, the youngest councilman until Dennis J. Kucinich came along years later.

Two years later, the man he had beaten, Joe Dolejs, knocked Vanik out of office. Vanik said he thought he had done a brilliant job as a councilman, but Dolejs campaigned hard and beat him by 200 votes. It was a lesson he never forgot.

Vanik served in the Ohio Senate and on the Cleveland Board of Education simultaneously before joining the Navy after Pearl Harbor. He met and married Betty Best, a Navy nurse, and returned to Cleveland, where he was elected a municipal judge.

Vanik ran unsuccessfully for mayor in 1951. He won the 21st District congressional seat in 1954 and, when that district became predominantly black, switched to the 22d District, defeating Frances P. Bolton in 1968.

As a member of the tax-writing House Ways and Means Committee, Vanik built a national reputation by exposing multinational corporations for not paying their fair share of U.S. income taxes.

He and Sen. Henry M. Jackson, D-Wash., co-sponsored the Jackson-Vanik amendment which linked the willingness of the United States to trade with certain foreign countries to their emigration policies.

He was a prime mover in getting a federal office building for downtown Cleveland and sowed the seeds for the Cuyahoga Valley National Recreation Area, a project carried to fruition by Rep. John F. Seiberling, D-14, of Akron.

But Vanik said he thinks he may be remembered longest for having brought hundreds of young men and women into politics. He said more than 600 have worked for him at various times as paid staff or volunteers and others have heard him speak ("Get involved—run against me, if you want to, but get involved").

Many of those who have worked with him or heard him have themselves run for office, including his son, John, 25, who is running for the seat in the Ohio House being vacated by Dennis Eckart, Vanik's chosen successor.

Vanik said he had thought about running for the state job himself, but was glad to yield to his son. If John is elected, Vanik said the people will get two for the price of one.

"One of the things that I'm doing now is repenting, in a sense, for the neglect of our children," Vanik said. "No one neglects their family more than a political person. I have John, of course, who I am trying to make up to. And I have a very fragile relationship with my daughter, Phyllis, who is 32."

Vanik said he intends to move back to Cleveland to practice law and to be available as a political consultant to his son and others.

Of this year's presidential race, Vanik said, "I've said that 15 months of a four-year term is lost in a political campaign. A lot of the president's decisions are things he had to do with his eye on his competiors.

"I think what we're getting are good marathon runners rather than brains and courage," Vanik said. "It's an endurance contest.

"I'm very disturbed about the choices. It's a Hobson's choice. There's so very little difference between the two candidates. I go to my people and they're not satisfied with either Carter or Reagan.

"It's going to be very difficult for Carter," Vanik said. "With as much unhappiness as there is about the trend of the country and the Carter administration, I think the prospects are very grave in Ohio. And if we lose Ohio, it's not likely we can win the country."

With American hostages being held in Iran, Soviet troops in Afghanistan, inflation, interest rates and unemployment running rampant at home, Vanik was asked whether these are the worst of times.

"Oh, no," he said. "I'm a veteran of the Great Depression. I have seen much worse times. I see all kinds of exciting opportunities on the horizon today.

"I wish I were 18. I wish I were starting over."●

THINKING ABOUT CHEMICAL WARFARE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

THINKING ABOUT CHEMICAL WARFARE

(By James J. Kilpatrick)

Missouri's Congressman Richard Ichord has embarked upon a one-man crusade for a cause that civilized people will find abhorrent: He is determined to restore at least some U.S. capacity for chemical warfare.

We do not live in a civilized world. It follows, therefore, that the objections of civilized people cannot be controlling in this area. The best way to avoid the horrors of chemical warfare, in Ichord's view, is to be prepared to wage it; and the most certain way to invite subjection to poison gas is to continue our present policies of we-are-holier-than-thou.

In an article prepared for Reader's Digest last fall, Ichord sketched an ominous picture of sudden Soviet aggression in Europe. Our tanks rumble into defensive action; troop carriers move toward engagement; pilots run toward their waiting aircraft. And nothing happens. Members of the tank crews slump in their seats, dead. The carriers spin off the road; the pilots drop on the tarmac.

"There had been no smell, no ominous cloud, not a sign that the shells and bombs detonated in the surprise barrage had contained Soman, a deadly nerve gas. Masked and goggled troops of the Red army and its satellite forces now move quickly to take advantage of the deadly, invisible miasma of their own making. And while the United States, fearful of massive Soviet retaliation, held back its nuclear weapons, it became clear that Western Europe—its industrial and military infrastructure left largely intact for the conquerors' uses—was falling."

Since Ichord drafted that nightmare scenario nine months ago, his grim imaginings have taken on a fresh reality: Soviet forces actually have engaged in chemical warfare in Afghanistan. The Soviet Union has small concern for "civilization." Its chemical warfare forces were estimated last summer at 80,000 to 100,000 officers and men. At 40 different sites in Eastern Europe they train constantly in the obscene art of using poisonous gas.

Today, says Ichord, the Soviets exceed the United States by 35-to-1 in chemical units, 14-to-1 in chemical stockpiles, and 14-to-1 in production facilities. "Their offensive chemical capability dwarfs ours to the point that they would be throwing away a possibly decisive advantage by not using chemical weapons."

These revelations are not new. After Germany made use of mustard gas in World War I, the U.S. plunged into research, development and stockpiling of chemical weapons. When World War II came along, the Western allies were able to warn the Nazis that any use of chemical weapons would be met with fearful retaliation in kind. The deterrent worked.

After World War II, our effort slacked off. The Soviets by contrast, began to produce and stockpile immense reserves of Tabun, a colorless and odorless nerve gas. Reacting to the threat in the 1950s, we once again set about building a deterrent.

But in the hysterical reaction that followed the collapse in Vietnam, public opinion turned violently against the whole idea. We scrapped our chemical arsenal; Congress forbade the Defense Department to develop chemical weapons. Almost nothing remains today of a deterrent capacity.

This is a folly—it is most dangerous folly—and Ichord is precisely right in his effort to remedy the situation. He is supporting the Pentagon's plea for $22 million in the 1981 budget to provide for new construction and equipment at the Pine Bluff, Ark., Arsenal.

This modest sum would permit the army to assemble artillery shells containing a chemical, harmless in itself, that becomes deadly when mixed in flight with a second chemical. This binary process is intended absolutely to prevent catastrophic accident. The program is prudent, responsible, expensive—and indispensable.

The Missourian has a hard task ahead. Such is the horror that attaches to chemical and biological warfare that both Congress and the Carter administration are reluctant to do what has to be done. Ichord will have to shepherd three bills through six subcommittees in the House alone. But there comes a time in a barbarian world when it is simply insane to pretend that our strength is as the strength of 10 because our hearts are pure. The Soviets do not wage war by Galahad's rules.●

FINANCIAL STATEMENT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. KOSTMAYER. Mr. Speaker, as a believer in complete financial disclosure by all public officials and candidates for public office, I am once again submitting a list of my personal assets and liabilities as of December 31, 1979, as well as taxes paid in 1979.

PERSONAL ASSETS, LIABILITIES, AND 1979 TAXES

(In dollars)

Assets:	
Cash in personal checking accounts	1,044.01
Cash in savings accounts	5,708.23
Certificate of deposit (face value)	10,000.00
U.S. Congressional retirement fund (contributed cost)	13,267.01
Mortgage escrow account	481.84
1972 Chevrolet Malibu	1,000.00
Furnishings and personal property	7,000.00
Condominium, Washington, D.C.	65,000.00
Cash in charity fund	308.21
Total assets	103,809.30
Liabilities:	
Mortgage on condominium in Washington, D.C.	34,340.40
Outstanding bills, approximate (credit card, revolving charges, etc.)	4,000.00
Total liabilities	38,340.40
Net worth	65,468.90
Income and tax information 1979:	
Gross income	58,445.70
Taxes:	
Federal	16,732.70
Pennsylvania	1,341.23
Washington, D.C.	354.66
Total taxes	18,428.59

Note.—Contributions from Charity Fund in 1979 totaled $1,000.●

TRIBUTE TO FRANCIS J. LEDERER

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. MURPHY of Pennsylvania. Mr. Speaker, I appreciate this opportunity to bring to the attention of the House the public service of a fine Pennsylvanian.

Francis J. Lederer of Philadelphia was recently honored by the Prisoners' Family Welfare Association with its annual Humanitarian Award. This was given to Fran for his many years of devoted service to the community and especially the justice system as he served as chief county detective of Philadelphia for some time. Throughout his career, Fran has gained a reputation for helping people. He has always thought of the other guy.

I believe it would be beneficial to us and the rest of the country to read the remarks made by president Judge James C. Crumlish in presenting this award to Fran Lederer. I present them here for inclusion in the RECORD:

You all know of and by your presence bear testimony of the varied contributions of our honoree to the affairs of the Prisoners Family Welfare Association. And so it is fitting that we come together to present him with token acknowledgement of our appreciation.

Chaucer, speaking in his muses wrote: "In truth he is an uncommon man"—indeed this is Francis Lederer. One might ask as we review his appearance on the public scene what kind of man is this, this man whose complex achievements reach into and influence the daily lives of so many people and yet is recognized only by those whose ambitions, have been thwarted by disappointment and abandonment are revived by his counsel. This man who passionately and stubbornly shuns attention and acclamation.

The litany of his contributions to this world beset by despair, selfishness and callous disregard of our brothers needs, displays uncommon, unordinary perception of fraternal responsibility. Duty calls him and he serves; he asks not the reason nor the identity of the seeker; if his help and his helpers, and, they are legion, can make one's life just a little less disappointing, a little less depressing, a little less despairing, he is modestly content. He meets every challenge purposefully, persistently, and vigorously. Could it be that the French Philosopher De Grellet was thinking of a Fran Lederer when he wrote:

"I expect to pass this way but once; and any good therefore that I can do, or any kindness that I can show to my fellow creature, let me do it now, let me not defer or neglect, for I shall not pass this way again * * *."

My friends in my commonway I have the honor to present to my long time close friend and confidant, a truly uncommon man—Francis J. Lederer.●

FOOD STAMPS: THE PROGRAM AND THE PROBLEMS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. McKINNEY. Mr. Speaker, on Thursday, May 8, the House considered legislation vital to the continuation of food stamp benefits, S. 1309. I have consistently supported programs designed to aid those whose income level cannot provide a nutritionally sound diet. The Food Stamp Act Amendments of 1980 will provide a necessary extension of benefits to those most in need of assistance. However, while some of the cost-saving amendments adopted by the House may streamline the increasingly unmanageable scope of the program, others could have an injurious effect on the poorest of the program's recipients. Still, I commend my colleagues for their prompt and compassionate action in approving S. 1309, to avoid the threat of a June 1 cessation of food stamps.

The House measure will raise the funding levels for fiscal years 1980 and 1981, and, pending passage of additional appropriations, provide continued food stamp benefits to over 33,000 recipients in Connecticut's Fourth District alone, and 20 million individuals nationwide. Efforts to reduce Government spending and eliminate chronic budget deficits do not, in my view, contradict the goals of this bill. The food stamp program has been and should remain a firm commitment to feed those most affected by economic downturn. That responsiveness, while undeniably costly, permits food stamps to soften the blow of cyclical recession and prevent even further hardship. That is an important and valuable function of the food stamp program that I believe is worth the price, even in a budget that must remain in balance.

My support for this additional funding is not without reservation, however, there is alarming evidence that the food stamp program is growing beyond manageable limits; 1 in every 11 persons in the United States now receives benefits. Only 16 years ago, at the inception of the program, that figure was 1 in 435. Rising food costs and high inflation have contributed to this vast increase in participation. Furthermore, with increased participation, the incidence of fraud and abuse has grown. All of these elements demand administrative reform, as well as a streamlining of the program to insure that its intended purpose in serving the needy is achieved.

Several amendments to S. 1309 will advance that goal. Other amendments, passed by the House, will not. One necessary step toward insuring efficient use of food stamp funds is the elimination of benefits to students—unless they are over 65, under 18, working part-time, disabled, or the head of a household. This amendment was offered by my colleague from Washington, Representative Thomas S. Foley, Democrat, Washington. Although students may be technically eligible for benefits, as they have little or no earned income while in school, the fact that their income is sufficient to allow them to attend often expensive colleges and universities suggests little need for a subsidy of their food costs by the taxpayer. The Foley amendment also sought to decrease to $1,500 the maximum liquid assets which a household may have while remaining eligible for benefits. I support this approach. It will result in a savings of $20 million to the program by better defining eligibility, while not excluding the poorest recipients from participation. However, the amendment further contained wording which disregards an upward adjustment of the poverty level to determine benefits levels. This proposal ignores the unfortunate but realistic need to periodically raise the income ceiling for poverty-based Federal assistance.

Suffering from that same misconception is an amendment offered by Representative Leon E. Panetta, Democrat, California. It proposed an annualization of cost of living adjustments (COLA's) for food stamps benefits. Benefits are currently adjusted twice yearly, barely keeping pace with inflation and the resultant loss in purchasing power which occurred months earlier. COLA's, whether for food stamps, salaries, or retirment benefits, are a reaction to, rather than a remedy for, the problem of inflation. Those on fixed incomes and dependent on Federal assistance should not be forced to pay for the administration's inability to curb inflation. Annualizing COLA's will only inflict additional hardship on food stamps recipients, further eroding their ability to obtain a nutritious diet. Representative Panetta's amendment also deferred the expansion of deductions for medical expenses and care of a dependent, contained in the bill. I supported the measures to reduce the threshold level for the medical deductions from $35 to $10 per month, and its subsequent elimination entirely. As the Senate version of the bill contains no such provision reducing or eliminating the threshold level, I would support a compromise figure of $25 per month for the medical deduction. However, the deferral of enactment of this provision until 1982 is unfortunate. The elderly and disabled are least able to absorb a change of this nature in their benefits, as their fixed income makes them more susceptible to inflationary pressures.

Last year's legislation revising the Food Stamp Act of 1977, H.R. 4057, was an effort by Congress to remedy the shortcomings of earlier food stamp legislation. The Food Stamp Act Amendments of 1980 seek to accomplish the same goal. These are laudable efforts, and demonstrate the difficulty of crafting a program which fairly, yet efficiently, serves the nutritionally disadvantaged. However, I believe that the failure of the provision providing a cushion of 5 percent in fiscal year 1980 and 10 percent in fiscal year 1981 over the funding caps will again leave us to address a shortfall of funds for food stamps next year. Although the 1980 funding ceiling was raised to $9.1 billion, instead of the proposed $8.7 billion, the elimination of the 10 percent cushion for 1981 could result in drastic cutbacks in benefits. The Congressional Budget Office estimates that the food stamp program, even assuming cost-saving measures adopted, will require $10.3 billion in 1981. S. 1309 authorizes only $9.7 billion.

Offsetting these frugal but ill-conceived measures are several judicious actions taken by the House. An amendment offered by Representative Thomas E. Coleman, Republican, Missouri, which sought to eliminate the duplication between the food stamp program and the free school lunch program, was soundly rejected. Initially, this proposal appeared workable, but closer inspection revealed that the change would be difficult to administer. The measure would exacerbate the demands on already overburdened administrative departments, thereby increasing paperwork, and heightening the chance for the very abuse which we are seeking to eliminate. Further, as I have stated, the value of food stamps benefits is barely sufficient to provide three nutritional meals per day. Reducing them by the cost of a school lunch would be ill-advised. I was therefore pleased that this amendment was not adopted by the House. The health of growing children was served by its rejection. In addition, I concur in the House's decision to reject an amendment offered by Representative Steven D. Symms, Republican, Idaho, which would have reinstated the purchase requirement for food stamps, first eliminated in 1977. If forced to pay even a minimal amount to obtain food stamps, eligible individuals with the lowest income would be forced out of the program, or would manage to participate only sporadically. Again, it would be those most in need of benefits who would suffer due to this cost-saving proposal. Finally, a measure in S. 1309 directing a study of the Consumer Price Index

(CPI) as an index for inflation for food stamps benefits is a proposal which I have supported for some time. As an average of all prices, the CPI may not be the most suitable method of adjusting food stamps benefits for inflation. It does not take into account the fact that energy and food costs constitute a greater than usual portion of low income budgets. Perhaps with a more accurate reflection of the effects on inflation, food stamps recipients will not suffer when ever-increasing food prices and higher participation rates threaten to dismantle the entire program.

Mr. Speaker, I reiterate my support for continued funding of the food stamp program. S. 1309 will allay the fears of millions of food stamp recipients by raising funding levels for the program. However, care must be taken to insure that the poorest beneficiaries do not absorb cutbacks due to cost-saving provisions, while less-deserving recipients enjoy continued benefits. Several of the amendments adopted by the House protect the rights of the poor in this regard; others do not. It was unfortunate that I was unable to vote on S. 1309. However, the record is clear, and my position in support of this emergency measure was put before the House. I have been and will remain a dedicated supporter of an efficient food stamp program.●

ECONOMIC SANCTIONS AGAINST IRAN

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ZABLOCKI. Mr. Speaker, in order to keep the Members of the House fully informed on the legal aspects of the economic sanctions on Iran, I am enclosing the following letter to the Speaker explaining the fulfillment of the responsibilities of the Committee on Foreign Affairs under the International Emergency Economic Powers Act.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 9, 1980.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On November 14, 1979, the President declared a national emergency and, pursuant to that declaration, invoked the emergency powers of the International Emergency Economic Powers Act to deal with the situation in Iran.

The National Emergencies Act provides that at the end of each six-month period after the declaration of a national emergency, the Congress shall consider a vote on a concurrent resolution to determine whether that emergency shall be terminated. However, there is no requirement in the law that such a resolution be introduced nor does the Act provide for further action in the event of failure of the Congress to consider such a resolution. In fact, it is the judgment of the Committee on Foreign Affairs that the emergency still exists and that no action should be taken to terminate it. It is further the understanding of the Committee that failure to act will not terminate the emergency.

The Subcommittees on International Economic Policy and Trade and Europe and the Middle East have held oversight hearings on the use of authorities of the International Emergency Economic Powers Act to deal with the situation in Iran, and you can be assured that the Committee will continue to keep the situation under close scrutiny.

With your concurrence, I will insert this letter into the Congressional Record for the benefit of the Members of the House.

With best wishes, I am

Sincerely yours,

CLEMENT J. ZABLOCKI,
Chairman.●

TRIBUTE TO STATE OF ISRAEL

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ALBOSTA. Mr. Speaker, I rise this afternoon to offer a special tribute.

The Congress of the United States is well aware of today's significance; it is the anniversary of the declaration of the Jewish State of Israel. On this day, in 1948, the British Government officially terminated its United Nations mandate over the region known as Palestine. The Jewish State of Israel was then proclaimed by the National Council at Tel Aviv. Only hours later President Truman gave de facto recognition to the new nation. De jure recognition soon followed.

There have since been many speeches in Congress about Israel and its people. My comments, I said, would be special—and in a sense they will indeed be that. For I intend these few remarks to reflect my hopes, and my hopes today concern Israel's future, not its tormented past.

The year of 1977 brought new initiatives in the search, even struggle, for peace in the Middle East. Among these initiatives was the assigning to a top priority in our foreign policy the resolution of the Arab-Israeli crisis. The Camp David accords ended with the announcement of two frameworks, one for the peace treaty between Egypt and Israel and the other for a multilateral treaty focusing on the West Bank and Gaza Strip. All of us in this Chamber today undoubtedly share the hope that these frameworks will soon be embodied in a subsequent and final treaty. After nearly 30 years of stalemate, we can now see concrete progress toward peace through negotiation.

Over the years America's support for Israel's security and well-being has been made quite clear. Most recently, we made a national commitment to the negotiating process laid out at Camp David. I encourage my colleagues to continue U.S. forthrightness in stating our policy toward Israel. Peace in the Middle East is, after all, in the interest of the United States, as well as the interests of Israel and Israel's neighbors. America has vital needs for the oil markets of the Middle East—a place where Israel's political stability and pledge to democracy are unique. A strong U.S. alinement with Israel is our best weapon against Soviet aggression.

However persistent the ultimate danger of war sometimes appears for the Middle East, I am confident today, as the Jewish republic enters its 33d year, that the deeds of all peoples in that region will correspond with their frequent utterances of the desire for peace. In that vein, I should like to quote a past Israeli Foreign Minister, Yigal Allon, who, when signing a trade pact with the leader of another gallant nation, Ireland's Foreign Minister Garret Fitzgerald, so inspiringly observed:

> . . . It may be utopian today, but we are sure that the day will come when the states of the Middle East will live in peace, will trade freely with each other and exchange their knowledge and technology for the mutual advantage of all their population.

The seed for this dream was planted long ago. As the prophet Micah stated:

> And many nations shall come, and say, Come, and let us go up to the mountain of the Lord, and to the house of the God of Jacob; and he will teach us of his ways, and we will walk in His paths: for the law shall go forth of Zion, and the word of the Lord from Jerusalem.
>
> And He shall judge among many people, and rebuke strong nations afar off; and they shall beat their swords into plowshares, and their spears into pruninghooks: nation shall not lift up a sword against nation, neither shall they learn war any more.

Mr. Speaker, if the decisions of this body are designed to move us toward that goal, then, assuredly, Israel's best days are yet to come.●

IMPORTS FROM SOVIET UNION

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. BENJAMIN. Mr. Speaker, I rise today to again request my colleagues' attention to the issue of allowing the importation of goods from a country, while an embargo is placed on the exportation of goods to that country.

In reviewing this situation, apart from the current matter concerning importing automobiles from the Soviet Union while our automobile industry is already depressed, we are refusing to accept Soviet dollars and jobs but are willing to send U.S. dollars and jobs to the Soviet Union. From a strictly economic standpoint, this is an absurd arrangement and if the political ramifications are considered; that is, the proposed boycott of the Olympics and grain embargo, absurd is a vastly inadequate adjective.

I am introducing legislation today which would prohibit the importation into the United States of products of any foreign country during any period in which certain export controls are in effect with respect to that country.

If the President should determine that it is in the interest of our national security to disallow the exportation of products to a certain country, how can it be in the national interest to continue importing goods from that same country?

My esteemed colleague Congressman BILL FRENZEL, a well known supporter of free trade policies, introduced legislation on April 17 which would vastly increase the duty on anhydrous ammonia imported from the Soviet Union.

My esteemed colleague Congressman SAM STRATTON has recently introduced legislation which would prohibit the importation of automobiles from the Soviet Union.

While I support both of these legislative proposals, I believe that we should not restrict our scope to particular products, but make a policy statement which would clarify our trade policy in general.

We cannot continue to support the Soviet Union's economy, while denying our farmers, manufacturers, and economy in general the use of the Soviet market, and indeed we do not want to maintain a policy such as we have fallen into.

I would sincerely appreciate the support of my colleagues in insuring that this legislation will receive expeditious review and consideration. Thank you.●

TRIBUTE TO ARTHUR LEVITT

HON. MARIO BIAGGI

OF NEW YORK

Thursday, May 15, 1980

IN THE HOUSE OF REPRESENTATIVES

● Mr. BIAGGI. Mr. Speaker, the citizens of New York State were stunned by the passing of one of its most beloved public servants, Arthur Levitt, who for 24 years served as New York State comptroller.

Arthur Levitt blended the highest standards of integrity with effectiveness and they were the mainstays of one of the most remarkable political careers in the State of New York. Arthur Levitt would practically win his elections by acclamation—amassing some of the largest pluralities ever achieved in a major political race. The voters of New York State did not attach him with a party label although he was a registered and loyal Democrat. Voters from both parties as well as independents supported Arthur Levitt time and time again.

As the New York Times described Arthur Levitt "under him the office—comptroller—became an aggressive auditor not only of State and local money but also of the way government did its job."

Arthur Levitt liked to be referred to as "colonel," a title he earned in World War II service with the Judge Advocate General's Corps.

Arthur Levitt was born on June 28, 1900. He attended Columbia University and Columbia Law School graduating in 1924. From that prestigious beginning, he then turned to a legal career in Brooklyn as well as an active role in the civic and charitable affairs of the borough.

Arthur Levitt's first political assignment was as campaign manager for Assemblyman Steingut in a primary election. He then served on the New York City School Board being elected president in 1954.

In 1954 he began his career as comptroller and over the next two decades was a dominant force in State fiscal affairs. He was a watchdog over the taxpayers dollar and also developed a number of important management techniques into government.

Yet Arthur Levitt will best be remembered as a man of integrity and leadership. His legacy will endure for years to come. I extend my condolences to his wife Dorothy and his son Arthur, Jr., presently president of the American Stock Exchange.●

ACID RAIN

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. EDGAR. Mr. Speaker, I am very concerned about the growing problem of acid rain in our country and in my home State of Pennsylvania. The Philadelphia Inquirer contained an article on Thursday which describes this problem. I submit this informative article for the RECORD:

RAIN THAT CAN KILL—COMPLIMENTS OF THE MIDWEST

(By Roger Cohn)

Only 20 years ago, Pebble Run was regarded by savvy fishermen as one of the best trout systems in the highlands of Pennsylvania's Allegheny Plateau.

It is a picture-book mountain stream—a bubbling brook of sparkling clear waters, winding its way through forests of oak where deer and wild turkey abound. In spring, mountain laurel speckles its banks with soft hues of pink and white.

But the brook trout that once thrived in the creek's cold, pristine waters are no more. Pebble Run is dying. It is being killed by acid rain.

"If something isn't done about acid rain, I'm afraid that trout populations may be gone from many of our mountain streams in Pennsylvania by the end of this century," said Fred W. Johnson, water resources coordinator for the Pennsylvania Fish Commission. "Our mountain streams are degrading at an alarming rate. And it's not from development or from people moving in—it's from acid rain."

Pennsylvania's rain is the most acidic in the country and among the most acidic in the world, state officials now believe. The problem here is caused primarily by the smokestacks of Midwestern power plants, which belch out pollutants that are transformed in the atmosphere into sulfuric and nitric acids.

Some of the acid rain's effects on the environment have already been well documented. It has been blamed for wiping out all fish life in 15,000 lakes in Scandinavia and in more than 100 lakes in the Adirondack Mountains of New York. But scientists are just beginning to study the extent to which acid rain may be poisoning the air, contaminating drinking water, stunting forest growth or reducing agricultural crop yields.

Nowhere is the impact of acid rain potentially more devastating than in Pennsylvania.

Federal monitoring stations have found that the average rainfall in the western part of the state is 100 times more acidic than normal. One storm monitored in Allgeheny National Forest in 1978 had an acidity more than 1,000 times greater than normal—10 times more acidic than vinegar—and was one of the most acidic rainfalls ever recorded anywhere on earth.

"We in Pennsylvania are getting more acid rain than any other place in the country," said Wick Havens, chief of air-quality analysis for the State Department of Environmental Resources (DER).

Scientists do not yet fully understand what chemical reactions in the atmosphere produce acid rain. But they do know that it originates mostly from coal-fired power plants and other industrial sources that emit sulfur oxide gases into the air. Nitrogen oxides, created primarily by auto emissions, are also a source of the problem.

When these sulfur and nitrogen oxides are carried long distances by the wind, chemical reactions, partly activated by sunlight, change them into sulfate and nitrate particles. Under certain weather conditions, these particles dissolve to form dilute sulfuric and nitric acid, which falls to the earth as acid rain, often hundreds of miles from the original source.

"We're not talking about something that's going to burn through your umbrella," Havens said. "But the rain is an acid, a dilute acid."

Ironically, environmental laws passed during the last decade have apparently made the problem worse.

To comply with new regulations, many power plants installed taller stacks. These stacks did not reduce sulfur emissions but simply dispersed them over a wider area.

In addition, new pollution-control devices, while dramatically reducing fly ash emissions, may also have increased the acidity of rainfall. Scientists now say that the fly ash may have acted as a buffer, neutralizing the rain's acid content.

Pennyslvania's own pollution sources, while substantial, are not the primary cause of the high acidity of its rainfall. Most of the acid originates from power plants in the Midwest that burn high-sulfur coal. Prevailing winds then carry the sulfur particles east into Pennsylvania.

During the last decade, Pennsylvania has made great progress in reducing sulfur emissions from its own power plants. Yet while Pennsylvania now limits emissions to a maximum of four pounds of sulfur dioxide (SO_2) per million BTUs of energy produced, Ohio and Illinois allow maximums of more than nine pounds of SO_2.

Each of six major Duquesne Light Co. coal-fired plants located near Pittsburgh has maximum emissions of 0.6 pounds of SO_2. But each of six power plants located less than 20 miles away in Ohio and West

Virginia emits maximums ranging from 4.5 to 9.02 pounds of SO_2. The sulfur particles from these plants, three of which are operated by Ohio Edison, blow into western and north-central Pennsylvania.

Even if all industry in western Pennsylvania were shut down, DER officials contend, that part of the state still could not meet federal air-quality standards. The SO_2 pollution coming from the Midwest would be more than sufficient to violate the existing regulations.

In the last two years Pennsylvania has filed two lawsuits against the U.S. Environmental Protection Agency (EPA), objecting to the agency's plans to raise the allowable level of sulfur emissions from power plants in Ohio and West Virginia.

In both cases, the State attorney general's office argued that the EPA failed to adequately consider the effects of interstate pollution in designing its air standards. Neither case has yet gone to trial.

Officials in Ohio and Illinois argue that the harmful effects of acid rain have not yet been proven and say they want to continue to burn the high-sulfur coal that is mined in their States. They say that transporting low-sulfur coal from the West or installing equipment to reduce sulfur emissions would put local miners out of work and would increase the cost of electricity for consumers.

The effects of the burning of high-sulfur coal in Midwestern States are felt far beyond Pennsylvania. The acid rain that has been linked to the deaths of fish in the Adirondacks and to the reduction of forest growth in New Hampshire and Vermont is also believed to have originated from sulfur emissions in the Midwest.

"Ohio seems to take a 'the-hell-with-you' attitude," said Johnson, of the Pennsylvania Fish Commission. "But we're inheriting a problem that they're causing."

Johnson, along with scientists at Pennsylvania State University, fears that one of the most imminent effects of acid rain in Pennsylvania may be the increasing acidity of streams and the resulting loss of fish populations.

Last year, Johnson conducted a sampling of mountain streams in the State and found that 16 of the 23 streams tested had increased in acidity in recent years.

A five-month Penn State study of 314 streams last year found that 34 percent showed an increase in acidity—most to levels considered marginal for the growth and a reproduction of trout and other fish. In many cases, fish populations had decreased significantly. In several cases, including Pebble Run in Elk County, all fish life had apparently been wiped out.

Scientists believe that the once-pristine mountain streams of central and northern Pennsylvania, where the bedrock consists of sandstone and shale, may be suffering the most devastating damage from acid rain. At lower elevations, they point out, the highly alkaline limestone bedrock acts as a buffer and neutralizes the acid.

Although the effects of acid rain may first appear in mountain streams, acid rain is pelting all of Pennsylvania and, in fact, the entire Northeast. And its possible effects on humans and their environment are only beginning to be understood.

Largely because of the carbon dioxide that exists naturally in the air, normal rain is slightly acidic. But Philadelphia's average rainfall has been recorded as roughly 40 times more acidic than normal. In New Jersey's Pine Barrens, rainfalls with more than 100 times the normal acidity have been measured.

A study by assistant professor Arthur Johnson, a geologist at the University of Pennsylvania, has linked acid rain to a decline in the growth rate of trees in the Pine Barrens over the last 25 years. During that period the acidity of headwater streams in the Pine Barrens has been found to have increased significantly.

It has long been known that acid rain causes marble buildings and statues to deteriorate. A recent study indicated that such rain also may contribute to the development of respiratory diseases, including chronic bronchitis and emphysema.

Another Penn State study showed that acid rain may be responsible for unsafe levels of lead in drinking water obtained from cisterns. An estimated 10,000 people in Pennsylvania, most of whom live in areas where the ground water has been contaminated, depend on rooftop cisterns to collect rain for their drinking water.

The study indicated that the acid rain collected in cisterns dissolved the solder joints in household plumbing, thus releasing excessive amounts of lead into the water.

"Right now, we don't know all the ways that it may be affecting us," said Havens, of DER. "But we do know that we in Pennsylvania are in the eye of the acid rainstorm."●

CONGRESSMAN FROST GOES BEYOND THE FINANCIAL DISCLOSURE REQUIRED BY LAW

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. FROST. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a balance sheet and income statement for my wife, Valerie, and me for the year 1979.

Because the required financial disclosure of the House does not go into much detail, I am voluntarily providing this additional information.

The financial statement follows:

BALANCE SHEET: MARTIN AND VALERIE FROST

[As of 31 December 1979]

	In dollars
Assets:	
House and lot, 1910 Kessler Parkway, Dallas, Tex	65,000.00
House and lot, 8508 Riverside Road, Alexandria, Va	85,000.00
Note receivable from Shaw's of San Antonio, Tex	9,843.80
Home furnishings and other personal effects	10,000.00
Savings, Wright Patman Federal Credit Union	1,811.91
Checking accounts	1,434.61
Retirement—U.S. Congress	4,233.23
Subtotal	177,323.55
Automobiles:	
1979 Chevrolet Chevette	4,800.00
1976 Ford Granada	2,800.00
1971 AMC Gremlin	300.00
Subtotal	7,900.00
Stocks and bonds:	
4 shares IBM	268.00
12 shares Ensearch	396.00
U.S. Savings Bonds	300.00
Subtotal	964.00
Total assets	186,187.55
Liabilities:	
Mortgages:	
Trinity Mortgage Co. of Dallas (Dallas residence)	33,989.94
National Homes Acceptance Corp. (Alexandria residence)	74,353.50
Subtotal	108,343.44
Installment loans:	
First National Bank of Dallas	12,048.00
Wright Patman Federal Credit Union	5,314.54
Oak Cliff Bank (automobile)	4,778.50
Open charge accounts (balances)	1,500.00
Subtotal	23,641.04
Total liabilities	131,984.48
Total net worth	54,203.07
1979 income statement (actual):	
Congressional salary	[1] 52,915.86
Rental from Dallas residence	5,200.00
Interest from note receivable	775.13
Honorariums	225.00
Interest and dividends	172.07
Total	59,288.06

[1] 1979 Congressional salary represents only 11 months as salary for December was not received until January 1980.●

CONGRESSMAN JACK WYDLER ON U.S. NUCLEAR EXPORT POLICIES

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. McCORMACK. Mr. Speaker, Congressman JACK WYDLER, the ranking minority member on the House Committee on Science and Technology, addressed the Nuclear Power Assembly here in Washington, D.C., on May 8.

In his comments, Congressman WYDLER drew upon his personal experiences in visiting the heads of foreign nations in Europe, the Far East, and South America. His incisive analysis of the tragic impact of America's unrealistic nuclear export policies is worthy of serious and sober consideration by every Member.

The time is coming in the near future when the Congress must make a more realistic appraisal of these well-intentioned but totally self-defeating policies. I urge the Members to read these comments by Congressman WYDLER to obtain a much better understanding of this all-important subject:

MR. WYDLER'S ADDRESS BEFORE THE NUCLEAR POWER ASSEMBLY

THE NUCLEAR NONPROLIFERATION POLICY—TIME FOR A CHANGE

This morning I want to discuss the topic that has received my close attention for the past 3 years—that is, the U.S. nuclear nonproliferation policy and its effects. Since our Committee first became involved in the breeder reactor controversy 3 years ago this March, I have been keenly interested in this policy and the manner in which it has been implemented. I have also been concerned about the role of the Congress in this sensitive area; particularly, the value of the Nuclear Nonproliferation Act as a guide for the Administration policy and its implementation.

I have visited more than 15 countries in the past 3 years and discussed international nuclear energy development and related energy issues. I have not found one iota of evidence that the Carter policy has had any positive effect. Everywhere I have visited I have discovered serious drawbacks of the policy and the manner in which it has been implemented. In brief, my conclusions are that the Carter "policy of denial" has cost us dearly in both industrial commerce and the friendship of other nations.

The most serious flaw in the Administration approach is that they have tried to apply an inflexible, misguided policy in a unilateral fashion with no distinction between their treatment of friend or foe. As a result, all are suspected of being capable of making a political decision to manufacture nuclear weapons. Thus, we say we must deny them the materials and technology except on our terms. As it turns out, of course, our terms require an admission on the part of the other nation that they are a "nuclear have-not", a point of view that is flatly rejected by nations such as Argentina and Brazil. Further, this policy is based on the false premise that we have control of nuclear material and technology which has not been the case for more than a decade.

I have submitted individually or co-authored six oversight reports with an emphasis on international nuclear development in the past 3 years. Two more are in preparation which I will submit to the Congress in the next month or so. I think it is worthwhile to look at the findings and recommendations from these reports today since they are strikingly applicable. The sad thing is that it has taken the Administration so long to even admit that the non-proliferation policy has shortcomings.

From my report on "Soviet Nuclear Development", April, 1978, contained in an April 4 letter to the President:

"It is no exaggeration to say that we are on the verge of an 'Atomic Sputnik' in terms of our nuclear policy vis-a-vis the Soviets. They are rapidly moving to build breeder reactor plants and deploy light water nuclear power plants so as to put us clearly in second place in the nuclear league."

"The Russians have no intention of slowing their already ambitious breeder program. They have been operating a 350 megawatt plant on the Caspian Sea; this 'Clinch River' plant has been on line for over 3 years. They plan to complete and begin operation of a 600 megawatt plant in 1980. Thus within the next several years they will have accumulated operating experience of 6-8 years on two different breeder plant designs. Mr. Morozov (Deputy Chairman of the Soviet State Committee for Atomic Energy) told me that design of a 1,600 megawatt plant is about to begin and construction will start in the next few years. The Soviets expect that it will take only 7 years to build this commercial-sized plant."

"The Soviets clearly recognize the urgency of pursuing the breeder option based on world uranium reserves, common sense economics and the need for some degree of energy independence from fossil fuels. However, their goals for nuclear power go beyond the generation of electricity. The Soviets intend to satisfy one-third of all their energy requirements for heat and electricity thru nuclear power by the end of the century. They feel so confident about this that they are promising Eastern European nations all the electricity that these countries will require for future decades. The ambitious building program for atomic plants in the Ukraine is dramatic evidence of this commitment. I think you will agree that our own program pales beside the Soviets despite our clear need and technological edge. It is freightening to speculate on the degree of control of the world market they might achieve by implementing this program."

From Oversight Report of Energy Development and Aerospace Technology in the Pacific Basin, after visits to Japan and the Philippines:

"It is clear, Mr. Chairman, that the peace and security of the Pacific Basin are intimately tied to the stability of energy supply for the nations of the Far East. This was brought home to me forcefully in my discussions with the Emperor and Prime Minister of Japan as well as in conversations with President Marcos of the Philippines. Furthermore, discussions with the Japanese convinced me that we are headed for a worldwide "nuclear energy showdown" within the next few years. Despite the clear need of the Japanese for this clean source of energy, antinuclear groups from the U.S. have stimulated the opposition of local governments and has thus delayed the deployment of even their nuclear plants.

"The negative Austrian referendum, the recent slim survival of the Swedish government, and the possibility of a West German vote on nuclear are further indications of the worldwide efforts of this 'no-growth' movement. I believe it is tragic that our present U.S. nuclear policy remains ambivalent at best and gives our friends no choice but to view us as an unreliable nuclear partner. Our leadership is badly needed as the 'all-or-nothing' showdowns nears on the choice of an expanded use of nuclear fission versus a greater dependence on Arab oil."

"The Japanese feel that institutional arrangements and technical fixes can be accomplished to safeguard nuclear fuel throughout reprocessing and at breeder reactor plants."

"The Japanese feel that the greatest impact of the American nuclear non-proliferation policy will be felt by Japan alone because nuclear reprocessing and breeder reactors represent their 'lifeline' and they have a binding nuclear energy agreement with the United States."

I believe that the negative results of the non-proliferation policy are well understood, and I wrote more than 2 years ago in the findings From my European Oversight Report of December, 1977:

"This country's radical change in policy toward the development of nuclear energy and peaceful export of nuclear technology has raised grave doubts among our friends. We are losing credibility with these nations and losing business in the export of peaceful applications of nuclear energy as well.

"Our reneging on past nuclear commitments not only means that this country's technological capability will be wasted but also leaves open the market to nations who may not share our concerns about the peaceful uses of the atom.

"We are destroying our image as good neighbors and raising serious questions in the international community about whether we honor the traditional American view of the 'sanctity of contracts'."

I would like to be able to say that the nuclear non-proliferation act has played a positive role as a congressional guide to Administration policy. I regret that I cannot.

First of all, the bill was adopted without extensive debate or controversy and was not subject to adequate scrutiny by either body. The Administration has interpreted the NNPA in a terribly rigid manner, such that we have offended many friendly nations by reneging on past commitments and forcing them to renegotiate contracts. This seems to me utterly contradictory to the time-honored American way of doing business, and has, as I pointed out over two years ago, put other nations in the state of "Quiet Rage" as a result of dealing with us on nuclear matters. I should point out also that our unreliability as a nuclear supplier leads to loss of other business as well.

In Yugoslavia, Spain, Argentina, Brazil and Japan, I have heard the same litany. Nations who want to be treated as friends have been alienated by the Administration's approach and their inflexible and unfortunate interpretation of congressional intent. Our Science and Technology Committee saw the bankruptcy of this policy as early as the summer of 1977, when we visited Western Europe. The officials of the French Atomic Energy Commission and the International Atomic Energy Agency were stunned by the U.S. withdrawal in breeder technology, a choice which has clearly put us in second place in the nuclear league. The other nations on the forefront of breeder technology have since smiled quietly and gone full-speed-ahead on their own breeder programs. France and the Soviet Union have now accumulated more large plant operating experience than the U.S. and are on the threshold of irreversibly out-distancing us in advanced nuclear technology. Only a strong breeder base technology program has kept our nuclear capability together in the face of the stalemate of the Clinch River Breeder Reactor Project. Yet, the Administration has now reneged on their commitment to funding this program.

Despite the Administration's continued opposition to Clinch River and their recent reneg on the promise to fully fund the base program, we have tried another avenue of compromise with the President. When I visited England last summer I had discussions with Dr. Walter Marshall, the No. 2 man in the British Atomic Energy Agency. As a result of those discussions, I decided to put support for a Committee Amendment to fund a joint U.S./U.K. Plant Design Study to demonstrate breeder technology. The British are, of course, very anxious to be involved in a cooperative project which can lower the funding requirements and at the same time make available the tremendous capability of U.S. component manufacturers and advanced system design teams.

On the other hand, the first joint plant need not necessarily be in the U.S. although I am sure our industry would prefer it that way. So this funding of up to $15 million for joint design activity is intended to once again offer the White House an out after all their unfortunate rhetoric and the President's own personal antipathy for building Clinch River projects.

I recently returned from South America and, upon my return, I wrote to the President of my findings and recommendations with respect to U.S. nuclear policy in South America. It is indeed a microcosm of failure and bankruptcy of the Carter approach and the ultimate in counterproductivity. We have, in our own hemisphere, just as around the world, alienated our friends. In fact, we have virtually killed the "good neighbor" policy of Franklin Delano Roosevelt and provided an entry for Soviet Technology and policy influence into the Southern part of the Western hemisphere.

I also learned that our policy of denial of military technology coupled with an overzealous and naive administration desire to impress our human rights on other nations has further widened the breach between us and our South American neighbors. The nuclear nonproliferation policy seems to me an unfortunate but logical extension of the Administration myopic view that by not selling weapons and defense systems to other countries we can prevent them from having any. This, coupled with the Administration's overwhelming desire to make other countries into its own image in terms of their internal policies, has led to bitter diplomatic exchanges and only the most patient U.S. Ambassadors can prevent the damage from being irreversible.

I have talked to foreign government officials, U.S. Ambassadors, diplomatic staff, State Department people in Washington, and representatives of U.S. and foreign industries. All the results are in—

The policy is an abject failure. We must rather return to treating other nations as real nuclear partners by attempting to achieve bilateral agreements which are mutually acceptable. Also, we must prove ourselves a reliable partner by supplying nuclear materials and technology on a case-by-case basis. Such an approach would call for treating Argentina, for example, differently than Pakistan.

This is the only reasonable way in which we can retain any influence over the nuclear policy of other nations. Otherwise, they will, as so many have done in the past few years, obtain the materials and technology elsewhere, and finally, become completely independent of us and our influence will be lost.

I urge you to work for this kind of change. It isn't too late yet but it is the 11th hour and our nation's nuclear future is at stake!●

NATIONAL NURSING HOME WEEK

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. PEYSER. Mr. Speaker, since this is National Nursing Home Week, it is appropriate that we honor our Nation's 1.3 million nursing home residents, the licensed facilities, and the employees who care for them. It is estimated that there is an average of 10,000 persons in each congressional district who depend directly on nursing homes for care or a living. Let us be reminded that love is ageless. There are no age limits on the need for love or the ability to give it.

Today the plight of the elderly should be of great concern to the Congress. Senior citizens are the group that is hardest hit by the present double-digit inflation, since they must live on a fixed income. A large majority of this group are people who have been small savers over the years. They do not have the funds in savings accounts that enable them to take advantage of the high-interest rates that are available to those who have substantial accumulations of money. Today's spiraling inflation erodes the interest which is earned on the modest savings of most senior citizens, and this interest is further penalized by being subject to taxation.

Throughout my years in Congress, I have actively pursued ways to ease the financial burden for older Americans. In January, I introduced legislation to amend the Internal Revenue Code to exclude $500 of interest on savings from the gross income of each individual who has attained the age of 65. Last December, I sponsored a resolution declaring the sense of Congress that social security benefits remain tax exempt, despite a recommendation by the Advisory Council on Social Security that half of social security benefits be taxed. This tax would have been an unacceptable hardship on social security recipients who are now struggling to make ends meet. In February, I joined with the New York congressional delegation in urging HEW to suspend implementation of the Health Care Financing Administration limits on medicaid reimbursement for skilled nursing facilities. These limits would have been extremely detrimental for the elderly of our State who require high-quality skilled nursing services in an institutional setting.

In acknowledging the commendable work accomplished by America's nursing homes this week, let us be aware of the contributions, past and present, of our Nation's senior citizens, who are a vital part of our society and our heritage.●

TAX POLICY—HOUSING

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. SABO. Mr. Speaker, today I am introducing a bill to remedy what I consider to be a serious flaw in our tax policy as it relates to housing. Existing tax law provides that capital gains taxes on the sale of a home can be deferred only if the seller meets two conditions. First, he must buy a more expensive home than the one he sells, and second, he must do so within 18 months of the sale of his other home.

I think this type of tax law has certain negative effects which should not be allowed to continue. The most important of these effects involves efficient use of our Nation's existing housing stock. I have long felt that we should have public policies which encourage middle-aged couples whose children have left home to move into smaller housing. Such policies would free up larger family homes for young couples with growing families who need more space and would put couples who no longer need that space into more energy efficient homes. Yet our current tax laws penalize middle-aged people if they sell their large family home to buy a smaller, less expensive house.

The second problem involves mobility. Any person who must move today has a very difficult time buying a home which is more expensive than his present home unless he also experiences a substantial rise in income. This problem occurs at any time when mortgage interest rates are unusually high.

My bill works to alleviate these problems in the following way. First this bill provides that the capital gains experienced on the sale of a home may be deferred even if the seller buys a less expensive home than he sold. The second part of the bill allows an individual 30 months to reinvest in another home rather than the current limitation of 18 months.

While I recognize that these changes will not encourage people to "buy down," they will remove the penalty for buying down that is in our existing law. In my judgment this represents an important first step in bringing our tax policy in line with contemporary housing reality.●

DEMOCRATIC CAUCUS OPPOSES TAXATION OF SOCIAL SECURITY BENEFITS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. OTTINGER. Mr. Speaker, I am delighted to announce to the House that this morning the Democratic caucus, by a vote of 153 to 0, passed the Ottinger-Albosta resolution which requests the Ways and Means Committee begin action on measures reaffirming the fact that social security benefits remain tax exempt.

The resolution considered today is one of the most important issues facing the Congress and the country—the proposed taxation of social security benefits. This proposal has traumatized not only the 35 million social security recipients who already are being wiped out by inflation, but also the millions of American workers who are contributing to the social security program and justifiably counting on the benefits for which they have been paying.

Since the Advisory Council's recommendations were published in December, I have been deluged with mail from senior citizens alarmed at the prospect of having one-half of their social security benefits taxed. Social security is the single most important source of income for the largest number of older Americans. We owe it to them to resoundingly reject the Advisory Council's recommendation. I am extremely pleased that almost 300 Members of Congress have lent their support to measures opposing the taxation of social security benefits. In addition, the American Association of Retired Persons and National Association of Retired Teachers, the National Council of Senior Citizens, the Disabled American Veterans, the Gray Panthers, and the Veterans of Foreign Wars have joined the fight to prevent the taxation of benefits.

Social security benefits have been tax free from the start of the program. Taxing these benefits now would be a major break with the faith of the workers in this country. These workers have paid their social security taxes for 10, 20, 30, or 40 years and now are facing the possibility of being taxed again—and the social security tax is already the most regressive impost we have. How can we expect American workers to continue to support the social security system if we renege on the promise of the benefits for which they have paid?

Taxing one-half of social security payments would mean an average increased tax burden of $350 for almost half of the social security recipients. I find this tax proposal particularly appalling at a time when those on fixed incomes are staggering under the burdens of inflation, struggling to make ends meet.

Taxing benefits would be tantamount to reducing benefits and this is not consistent with our past efforts to try to protect the elderly from the devastating effects of inflation. To give with one hand and take away with the other is a cruel hoax on the disabled, retirees, and survivors.

The Ottinger-Albosta resolution asked the caucus to go on record as a matter of party policy that either the Albosta bill or the Ottinger bill—both opposing the taxation of social security benefits—be considered and approved by the Ways and Means Committee. I hope that the Ways and Means Committee will now act promptly to report out our measures so that the House may go officially on record opposing the taxation of social security benefits.●

LAW ENFORCEMENT OFFICERS' PROTECTION ACT OF 1980

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. BIAGGI. Mr. Speaker, on this, the occasion of Police Memorial Day, I am introducing a bill, along with my colleague from New York, Mr. RICHARD OTTINGER, to protect police officers from handgun bullets that can penetrate bulletproof vests.

As a former member of the New York City Police Department for 23 years, I recognize that the protection of our Nation's law enforcement officers is essential if we are to continue to have a highly qualified crime prevention force. The legislation I offer today, entitled "Law Enforcement Officers' Protection Act of 1980," is designed to achieve this extremely important goal.

A brief history of this issue reveals that the alarming rate of police officers killed or injured in the line of duty each year has resulted in the increased use of bulletproof vests for police protection. Consequently, the number of firearm related deaths among law enforcement officers between 1975 and 1978 decreased by 28 percent.

However, last summer I was informed by the New York City Patrolmen's Benevolent Association that:

> * * * the greater New York area is becoming a dumping ground for a new powerful bullet that can tear through bulletproof vests * * *. These bullets should be outlawed * * * in order to protect the lives of police officers * * *.

Based on a thorough and lengthy followup investigation into this matter, I determined that there is an entire class of bullets—often referred to as metal- or armor-piercing—which can penetrate bulletproof vests. Furthermore, most of these bullets are available to the public on a nationwide basis. Unfortunately, no official data has been collected to show conclusively which bullets have this capability or what the risk is to police officers.

The legislation I offer today would address this problem by establishing a Federal study to compile such information and recommend appropriate action to eliminate this serious threat—possibly including a ban on the manufacturing of these bullets.

Specifically, this bill would authorize the Secretary of the Treasury to conduct a study to determine:

First, the capacity of bulletproof vests to withstand handgun bullets;

Second, which handgun bullets currently available to the public through importation, manufacture, sale, or other transfer can penetrate those bulletproof vests commonly used by law enforcement officers; and

Third, the effectiveness of current law in restricting the public availability and use of such bullets.

Presently, about 17 manufacturers of soft body armor are now producing units commercially for sale to an increasing number of U.S. law enforcement organizations. Most, if not all, soft body armor available today is made of differing numbers of layers of Kevlar, a synthetic—aramid—fiber produced by the Du Pont Co. In addition to the number of layers of Kevlar used, the weaving and other processes used in the production of the final protective vest affects the strength of the product.

Today's soft armor apparently can protect against the large majority of bullet threats facing law enforcement officers. According to representatives of soft body armor apparel manufacturers, about 250 law enforcement officers have been protected from death or injury by using bulletproof vests between 1975 and 1978. Although this information cannot be absolutely confirmed, it should be noted that the number of firearm-related deaths among law enforcement officers during that same period of time decreased by 28 percent.

Adding to this encouraging information is the fact that earlier in this Congress, legislation was approved that allows Law Enforcement Assistance Administration (LEAA) funds to be used by law enforcement agencies to purchase bulletproof vests.

However, throughout my investigation into this issue, I communicated with numerous recognized experts in the field of ballistics and firearms from both the private and public sector. The consensus was there are a number of armor-piercing and some non-armor-piercing handgun bullets that are capable of penetrating commonly used bulletproof vests. Generally, it was agreed, these bullets are constructed of steel-jacketed lead or hard metal alloys; they are often pointed in shape rather than being flat, rounded, or hollow-pointed; and they are classified as "high velocity." Unfortunately, while their seems to be a real danger for police officers, there is just no official data to support this claim.

Simply stated, the Law Enforcement Officers' Protection Act of 1980 seeks to provide answers where there are questions. Ultimately, it will help to prevent deaths and serious injury to those courageous men and women who are willing to risk their lives for others.

Whenever legislation of this nature is proposed, there is a concern registered about how it relates to the highly emotional issue of gun control. Let me put those concerns to rest. This legislation does not, in any way, contradict my longstanding opposition to gun control. Rather, the problem to be addressed is gun abuse. Earlier this Congress, I sponsored legislation imposing mandatory minimum penalties for those persons convicted of using guns in the commission of a crime. Here again, my objective is crime reduction, with a special emphasis on protecting the lives of our law enforcement officers.

Mr. Speaker, I am introducing this legislation on Police Memorial Day because it is not enough to simply remember those officers who died while protecting the laws of our Nation. We must take effective actions aimed at preventing future deaths. Last year, 158 law enforcement officers were killed in the line of duty and over 40,000 were wounded. We cannot and must not allow this tragedy to persist. I urge that my colleagues join me in this important cause.●

THE RAMAPO VALLEY CHORUS

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. HOLLENBECK. Mr. Speaker, it gives me great pleasure to take this opportunity to acknowledge the accomplishments of the Ramapo Valley Chapter of Sweet Adelines, Inc. As an international nonprofit women's organization dedicated to teaching and singing four-part harmony, barbershop style, Sweet Adelines, Inc. seeks to promote an awareness and appreciation of this American musical tradition. Total membership throughout the United States and the world currently exceeds 31,000.

The Ramapo Valley Chapter has demonstrated a professional caliber and high level of musical excitement that has received worldwide recognition. The caliber of their performances have won them numerous awards including top honors at the International Sweet Adeline Chorus competition in St. Louis last November. In order to qualify for the competition, they had to win the Greater New York Region No. 15 championships against 21 other competitors.

Long recognized for their show-stopping performances, the Ramapo Valley Adeline Chorus is a pacesetter in the development of this American musical style. Under the direction of Renee Craig, their staging, costuming, and choreography enhance their commanding sound to provide entertainment with style and flair.

Since their charter in 1964, the Ramapo Valley Chorus has traveled thousands of miles, performing in concert halls around the world. These included performances in New York's Carnegie Hall, Waldorf-Astoria, the Royal Albert Hall in London as well as a BBC television appearance. The club continues to pursue an active schedule of public appearances in an effort to promote worthwhile projects. The State of New Jersey is indeed fortunate to have such a capable and dedicated group of performers and I urge my colleagues to join me in honoring their past and future accomplishments.●

OLDER AMERICANS MONTH

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. WOLFF. Mr. Speaker, this month of May 1980 is Older Americans Month. During this month, Americans will increase their awareness and sensitivity toward the growing population of senior citizens.

In 1941, the population of Americans age 65 and over represented only 7 percent of the entire population of the United States. In 1970, the percentage reached a full 10 percent. By the year 2020, almost 16 percent of the population will be of age 65 and older, almost 40 million people. This remarkable demographic change is the result of the increased longevity and decreased fertility of Americans; as our population grows older, our institutions must be molded to accommodate it. Our society has been historically youth oriented. America's youth culture manifested itself in our perception of our heroes, our Government, commerce, and the world at large. As a result, youth was considered the prime of life, and as one got older, the flower of youth withered into the wrinkle of old age. Unlike other more mature cultures, ours was prone to discard the aged as useless; a norm of respect for the potential contributions of the elderly to society never developed here, as it has in China.

All this can and must be changed. We must come to realize that the contributions of the elderly to our society is invaluable. With age does not automatically comes senility, as many young people prefer to believe; with age comes experience and wisdom. I have no doubt that our society can use a shot of wisdom.

Here on Capitol Hill, significant steps have been taken in the right direction. I have been at the forefront of the fight for the rights of senior citizens during my 16 years in Congress; during that time, I have initiated substantial progress. I have sponsored and cosponsored more than 25 pieces of legislation which address the needs of our senior citizens, including medicare, a comprehensive nutrition program, numerous upgradings of the social security system, and more. Just this spring, I introduced H.R. 6701, a bill which would provide that all limits on home health care visits be removed as a criteria for medicare reimbursement, and to provide coverage for services furnished in outpatient facilities and elderly day care centers. The Claude Pepper internship program, which I am proud to have cosponsored, provides the elderly with an opportunity to serve as congressional interns—to share with us the wealth of their experience and knowledge.

On the community level, senior centers, nutrition projects, and other aging network programs must be promoted, improved when necessary, and maintained. The aging population is the fastest growing segment of our population; comprehensive community programs and services must be established in the future to help older Americans maximize their potential contribution to our society. Our culture's historic dynamism will thus be enhanced—reinforced by the ideas of an increasingly active population of older Americans.●

TRIBUTE TO ANGELO ALI

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. WALGREN. Mr. Speaker, I rise today to pay special tribute to the humanitarian contributions made to Sharpsburg and the greater Pittsburgh community by the late Angelo Ali.

Mr. Ali gave over 40 years of dedicated public service to his community. His career included 20 years as a member of the Sharpsburg School District as well as work on behalf of the chamber of commerce, Rotary, and Little League. Throughout these activities Mr. Ali impressed those who knew him with his energy, warmth, and concern for those in need of help.

In the last 12 years of his life Mr. Ali helped establish the Northern Area Multi-Service Center of Allegheny County. As its first president, Mr. Ali nurtured this organization from its very beginning in 1968 into a major organization that provides social services for the elderly and mentally retarded. In addition, the center provides transportation for families in need as well as community recreation. The contribution of the center to the Pittsburgh community reflects the commitment and dedication of Angelo Ali.

Mr. Speaker, it is rare when an individual leaves behind a truly long-lasting legacy for his fellow man. Angelo Ali leaves with us a continuing commitment to work on behalf of our own community. Pittsburgh is a better place because of the contributions of Angelo Ali.●

TRIBUTE TO MERL F. SLOAN

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, the vice president of student personnel and assistant superintendent of El Camino College in Torrance, Calif., has announced his retirement to be effective June 30, 1980. This is truly an occasion to be marked, as Mr. Sloan has held these positions since El Camino College's inception in 1947. I would like to take this opportunity to honor Mr. Sloan.

Merl Sloan has been a longtime resident of southern California, having moved there from his home State of South Dakota in 1937. He received a B.S. from Northern State Teachers College in Aberdeen, S. Dak., 1935, and an M.S. from the University of Southern California, in 1938. He began his 45 years of service as a mathematics teacher—first, at Elk Point High School, 1935-37, and, then, at Leuzinger High School, 1938-41. In 1941, he assumed the position of vice principal/dean of boys at Leuzinger High School and consequently, in 1941, moved to El Camino College where he has worked since.

During his 45-year distinguished career in education, Merl Sloan has been president of the California Deans of Men Association, college representative to the Metropolitan Athletic Conference, member of the founding faculty of El Camino College, and member of the Hawthorne Kiwanis Club, among others. His projects have ranged from getting El Camino College off the ground to completing the

$4 million student services center at the college which opened in 1977.

If there is one word which describes Merl Sloan's life's work, that word is dedication. His dedication is well known—not only at El Camino College, but throughout Greater Los Angeles. I'm told that Mr. Sloan's car is usually the first one in the staff parking lot and that it is rare to see his seat at football games ever vacant. Further, vacations have been sandwiched between semesters and he has probably set some sort of school record for his accumulation of unused sick leave.

Yes; this is truly a remarkable man. Over his career, he has had the opportunity to influence profoundly the lives of many thousands of students who have passed through his classes and at El Camino College, I am certain that this opportunity was not lost. These same students will undoubtedly tell you what a fine man Merl Sloan is and how their lives would not be the same had they not had the opportunity to meet him. Certainly, El Camino College would not be what it is today had it not been for Merl Sloan. He has been a guiding force since its inception and will remain so even in retirement.

The college and the community will have a public celebration of Merl Sloan's dedication to education on Thursday, May 22, at Los Verdes Country Club in Rancho Palos Verdes. I know I join in the countless others in a heartfelt "Thank you, Merl, for a job well done" and in wishing him all the best in his future endeavors.●

NATIONAL NURSING HOME WEEK

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. SYMMS. Mr. Speaker, this is an extremely important week in Idaho and in all of the other 50 States because this is the week that we, in Congress, have the opportunity to honor and recognize the contributions the nursing home industry has provided to our communities and to realize their potential for the future.

This week is a time when we should recognize the benefits of tapping the knowledge and experience of our senior citizens and recognize the valuable resource our society has in the life experiences of our older Americans.

This week is also a time in which we should begin to further our plans for making use of that valuable resource and not only initiate plans and programs as to how we might provide assistance to the senior citizens but also create programs in which our older Americans can remain contributing members to the society in which they live.●

FOOD STAMPS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. FISHER. Mr. Speaker, on Thursday, May 8, 1980, the House passed S. 1309—the Food Stamp Act Amendments of 1980. I am pleased to say that I, along with a large majority of my colleagues, supported this much needed legislation. As we are all aware, had the Congress not acted in time, the food stamp program would have completely shut down, causing deprivation for the low-income elderly, disabled, children, and unemployed Americans. The program would have run out of money on June 1, 1980, because the spending ceiling set in 1977 did not account for higher than anticipated costs for food, higher unemployment, and new participants. To let the program stop abruptly would have indeed been a shameful, if not a cruel, thing to do, especially in light of the basic need for the program and several successes it has registered recently. For instance, according to the Secretary of Agriculture, the food stamp program has done a great deal to relieve the high rates of nutritional deficiency among the poor which existed merely 10 years ago. In northern Virginia alone the program aids some 29,000 people.

For the most part, the program is one that works. It does what it sets out to do: improve the health and well-being of the poor. There have been cases, however, which point to fraud and abuse in the program. In answer to this problem, the Food Stamp Act Amendments of 1980 (S. 1309) offer several strong measures to reduce fraud and error in the program, some of which I will mention here. In order to stop paying benefits to ineligible persons, the States will now be allowed to computer match information supplied by applicants against Social Security Administration data. The Federal Government will share the costs of computer systems with the States. Those States which are very successful in reducing error rates will receive increased Federal cost sharing. These are just a few of the 22 antifraud and abuse amendments contained in S. 1309.

The Food Stamp Act Amendments is a good, solid, well-balanced piece of legislation which will clear the way for this worthy and deserving Federal entitlement program to continue and will also do much to curb fraud and abuse within the program.●

DISSENTING VIEWS ON H.R. 7244

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. PAUL. Mr. Speaker, once again your committee has recommended pouring billions of tax dollars down an international rathole, bringing to approximately $16.5 billion the total amount of wealth we have taken from the American people and given to the International Monetary Fund. The approximately $5.5 billion increase in our quota is the largest single increase in history, and it occurs at a most dangerous point in the history of the international monetary system.

BAILING OUT THE BANKS

In his appearances before the Senate and House Banking Committees on this bill, Federal Reserve Governor Henry C. Wallich had some disturbing things to say about the purposes of this massive increase in our quota. Many of these statements are allusions to the desperate condition that seems to exist and be worsening in repayments of loans by developing countries to large American, Japanese, and European banks.

> 1. In an environment of increased international financial strains and of increased sensitivity of the U.S. economy to developments abroad, the United States also benefits indirectly from the IMF's efforts to alleviate such strains. In many instances, without temporary financial assistance from the IMF, countries would be forced to take severe adjustment actions that could have a disruptive effect on the international economy.
>
> 2. The strengthening of the financial position of the Fund resulting from the increase in Fund quotas is an essential element in preparing for the strains that may well develop on the international financial system in the next year or two.
>
> 3. Given the expected increases in demands for balance of payments financing, as well as the large external indebtedness that many countries already have with commercial banks, the IMF should be in a position to meet a larger proportion of the immediate financing needs of its members in the coming years than it has assumed recently. A strengthening of the Fund's financial position by an increase in members' quotas would increase the likelihood that more countries would come under the Fund's conditional lending umbrella.
>
> 4. The letter from the chairman of the subcommittee inviting the Board to testify has accurately pointed to the dilemma facing the international financial system: a high level of lending by banks to developing countries could lead to excessive risk concentrations at banks * * *.
>
> 5. Between the end of 1974 and the end of 1979, outstanding claims of banks from all countries on non-oil developing countries increased on average about $20 billion per year.
>
> 6. The rapid expansion in lending by foreign banks has caused some concern among foreign regulatory authorities. The German and British authorities have begun to require banks in those countries to maintain detailed records on a consolidated basis including, as a minimum, lending by their

> head offices and foreign branches. Since last fall, Japanese banks have been constrained by a request from the Ministry of Finance to limit their international lending.
>
> 7. Weighing all these factors is indeed complex, but, on balance, I would conclude that the general risks are somewhat greater in 1980 and 1981 than in 1974 and 1975. The situation clearly varies greatly from country to country. Recent history has taught us that the positions of some countries can improve dramatically in a short period of time. Unfortunately, in other cases, the external situation has deteriorated rapidly over time, either as a consequence of financial mismanagement or because of external (and sometimes internal) events over which the country has little control.

These warnings and allusions to impending crises cast some light on the perceived necessity for this massive infusion of American tax dollars into the IMF. The money will apparently be needed to bail out some banks that have made risky loans to the socialist governments of developing countries.

WORLDWIDE INFLATION

Even since World War II, the IMF has permitted and encouraged worldwide inflation. This has been done through providing reserves to facilitate international payments problems. One of the reasons given for passage of this bill is that it will enable the IMF to handle the large imbalances of payments that now exist and are expected to persist into the forseeable future. The developing nations, like the developed nations, have to face reality. There is no free lunch. An increase of international liquidity merely serves as another source of price inflation. It is true that recipient nations can buy goods and services in the international markets at yesterday's prices, thereby gaining in relationship to those who have not yet gained access to the fiat money, but this only can be paid for by those who must restrict their purchases in the face of higher prices.

By creating added liquidity, the IMF can indeed redistribute wealth, but it cannot create new wealth. The net trade imbalances of the nations that import more than they export can be met by gifts of new liquidity of IMF reserves, at least for as long as such reserves are honored by the producing nations. But this is simply a giveaway program.

In effect, it steals resources from one group of citizens and gives them to another group.

The transfer of resources from one nation to another makes the IMF just one more foreign aid bureaucracy. The wealth of middle-class citizens of the nations of the West will wind up subsidizing the grossly inefficient programs of the elitist, socialist, envious, and bureaucratized Third World nations. The middle classes of the West will have to support the educated elite of the less-developed nations. We will rob from the middle class to finance the powerful, only we will do it across borders.

What we have seen again and again during the past 30 years is that the guilt-ridden voters of the West—unnecessarily guilt-ridden—have allowed their governments to transfer their hard-earned resources to the state planning bureaucracies of the Third World. Government-to-government aid strengthens the economics of socialism. This kind of aid is nothing less than a weapon—a weapon used by Western-educated socialist bureaucrats in the Third World to suppress economic freedom in their own countries.

Because of the testimony taken by the subcommittee two amendments were incorporated into this bill regarding the social programs of nations which borrow from the IMF. The first would encourage the IMF not to impose conditions on its loans that would adversely affect the socialist programs of the borrowing governments. It seems that the conditions that the IMF has imposed in the past have curtailed the attempts of those governments to provide material security for their subjects, and the committee feels that these welfare programs should not suffer because of the irresponsible policies of the government.

Important as this amendment is, the second amendment would encourage the World Bank to coordinate its lending activities with those of the IMF so that borrowing governments may receive funds sufficient to repay their loans to the banks and also maintain the welfare programs at home. Working in tandem, the IMF and the World Bank would become the main vehicle for the international redistribution of wealth. Much of that wealth, of course, will be redistributed from the American people to large bankers via Third World governments. It will not be the first time that poor Peter will have been robbed to pay wealthy Paul. If the IMF is successful in its proposed policies, we will see even greater disruption of international economic cooperation. The IMF may have failed in its attempt to create a world of price-controlled stability; it will not fail in its attempt to subsidize uncertainty-producing socialist regimes in the Third World and large banks in the First World.

Should anyone believe that the United States needs the IMF to achieve its supposed goals of monetary reliability, price stability, and economic growth, let him consider this fact: Switzerland has never belonged to the IMF, does not suffer from price inflation, and did not contribute its gold reserves only to see its gold sold off to finance the financial follies of the Third World socialists.

We could learn a lesson from the Swiss experience, and I hope we do. I urge my colleagues to reject this bill.●

S. 1309, FOOD STAMP AMENDMENTS

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ALBOSTA. Mr. Speaker, today the House of Representatives passed the conference report to accompany S. 1309, the Food Stamp Act Amendments of 1980. I was with constituents and was unable to make it to the floor in time to cast my affirmative vote for its passage.

I want to make it clear to my colleagues that I would have voted in favor of the conference report. As a supporter of the House-passed version of the food stamp bill, I was pleased that the conferees acted quickly on this matter, as the future of the food stamp program was dependant on speedy action on this legislation.

I was also pleased with the many reforms made to the food stamp program. I am confident that the program will now more effectively direct benefits to those who so desperately need them. At the same time, however, the amendments made to the program remove the opportunities for waste and abuse that currently plague the food stamp program and cost the taxpayers millions of dollars.●

THE BAY OF PEANUTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. HANSEN. Mr. Speaker, as a close observer of the Iranian situation, I found a recent editorial in the Panama City, Fla., News Herald very enlightening and highly commend it to the attention of my colleagues. The article entitled "The Bay of Peanuts" offers a concise and interesting analysis of the entire Iranian crisis and merits consideration.

The article follows:

THE BAY OF PEANUTS

> The fiasco in Iran continues to expose the grotesque weakness of the United States and its president. Since the taking of the American hostages in Tehran on Nov. 4 this country has been humiliated as never before. Now after six months of dishonor an unsuccessful rescue mission dramatizes the substance, or lack thereof, of the Carter Presidency.
>
> It is time the nation asks who is responsible for the hostage situation. The answer is unavoidable: President James Earl Carter. Since assuming the Presidency this man has presented to the world an image of a weak and vacillating America. In the case of the hostages, Carter was repeatedly warned that the embassy staff was vulnerable and he did nothing to bolster the embassy's defense or to evacuate the staff before admitting the shah to this country for medical treatment. This was a mistake. A bad one.

Carter's leadership during this crisis has been embarrassingly flaccid. Within 30 days, if not sooner, after the taking of the hostages this nation's allies should have been brought into the peaceful effort to pressure the Iranians. Even now the allies are hesitant, undoubtedly because of the lack of trust they have in President Carter.

The question is why it took so long before Carter was willing to permit such a military attempt. Carter's inclination against military solutions to problems is commendable, but in this case his vacillation has given the United States the worst of both worlds. Just at a time when America's allies were deciding to cooperate in peaceful economic pressure against Iran, President Carter approves a military action. It is not likely that he consulted with these allies before ordering the raid so, considering the timing, they may be justifiably upset.

Problems like the one this nation now faces in Iran are inherent in the massive involvement of the United States government in foreign countries. If political leaders decide on a policy then they should at least have options available when things go wrong. It appears that President Carter was unprepared for this crisis; he has demonstrated a pitiful lack of leadership since it happened.

Carter must take responsibility not only for the failure of the rescue attempt, which is excusable, but also for the way this crisis has developed in general. The way he has handled the overall job has been a disgrace.●

WILL AMERICA JOIN EUROPE IN BUILDING PEACE AND PROSPERITY IN SOUTHERN AFRICA?

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. GRAY. Mr. Speaker, Zimbabwe represents a rare success story of the peaceful and democratic settlement of disputes in a world torn by conflict and turmoil. The following article by European Parliament member Robert Jackson in the European communities' magazine Europe should be must reading for all who are concerned about Zimbabwe's continued peaceful development, and indeed, the future prospects for stability and peaceful change in the rest of southern Africa—Namibia, and South Africa. Mr. Jackson grew up in Zimbabwe and was a special adviser to former Governor, Lord Soames, who guided Zimbabwe through its difficult transition.

Jackson's message is that the West, Europe in particular, has a rare opportunity to help achieve a degree of stability in an important part of the Third World that is vital to Western economic interests. He sees an "opportunity to influence the future development of a pivotal country in a region of fundamental importance for the Western economy," and that "in a world where so many Western positions are in flux, Europe thus has the chance to show that it has its own distinctive part to play in securing the strength of the West." The goal: "a new organization of the south-central African black states, joined together in a close association with the European Community." This certainly is a goal that the United States can, and should support by complimenting Europe's efforts with our own generous commitment to the reconstruction aid to Zimbabwe to build, in the process, a positive and dynamic example of north-south cooperation between developed and developing worlds. Jackson's message is a timely one, and I recommend it to my colleagues.

The message follows:

THE ZIMBABWE SOLUTION—BRITAIN'S TRIUMPH, EUROPE'S OPPORTUNITY

The circumstances of the Rhodesian election were a triumph for Britain. And they have given Europe—and the West—an opportunity it would be folly to miss. Britain's purpose in Rhodesia was to obtain agreement on an independence constitution; to bring about a ceasefire and to separate the warring armies; to preside impartially over an election in which all the parties could seek and test their popular support; and to transfer power to an elected government in conditions of reconciliation, peace, and stability. The triumph lies in the successful accomplishment against great odds of each objective as it came into view. The opportunity lies in the scope this fact gives the West to influence Robert Mugabe's new Government as it takes over the reins of power in Zimbabwe.

That Mugabe might be the victor was always inherent in the concept of an open election in Rhodesia, but there was never any peaceful alternative to such an election. Certainly a unilateral British recognition of the Smith-Muzorewa internal settlement—in which Britain would not have been accompanied either by the Europeans or the Americans or the Commonwealth—could not have brought about an end to the war. And if the war had continued, a point would soon have been reached where white support for it would have cracked. They would have left; and guerrilla leaders—by that time hardened in their revolutionary zeal and Communist commitment—would have inherited the vacuum.

Instead, the election did what it alone could do: It brought about a political solution to the war. The "armed struggle" was halted in its tracks, and the gathering force of revolutionary ideas were at least partially deflected into a constitutional process. The new Zimbabwe is born, not out of a Maoist protracted war, but out of an orderly devolution of power from the British Crown.

Already the fruits of this radical shift in perspective are to be seen: Deep antagonisms have been reduced and former enemies brought together. There are two whites in the Cabinet; the crucial agriculture portfolio is held by the leader of the white National Farmers' Union. Even more important, Joshua Nkomo and his party are represented in a broadly based government. White civil servants and black ministers, who only four months ago were fighting in the bush, are working constructively together amid discussions about how to keep the whites in the service of the new state.

On the military side, the Rhodesian army and police are cooperating with the ZANLA (Mugabe) and ZIPRA (Nkomo) armies in the guerrilla assembly places. Elements of the guerrilla forces are training with Rhodesian weapons, so that together with the Rhodesians they can constitute a new Zimbabwean army. On Independence Day—April 17, with Prince Charles in attendance—only four months after the ceasefire, these forces paraded as one. And General Peter Walls, the leader of the Rhodesian resistance to the guerrilla war, now presides over the amalgamation of the armies at the suggestion of the chief guerrilla leader.

In some extraordinary way, by venturing onto the battlefield equipped only with a referee's whistle, Britian was able to transform the nature of the game in Rhodesia. Certainly, the British presence was extremely modest, and there was a real risk in taking responsibility without power. On the ground there were no more than 1,200 British and Commonwealth (Australia, New Zealand, Fiji, and Kenya) forces in liaison with the Rhodesian Security Forces and the guerrilla armies. At Government House there were never more than 40 people—the Governor, his political staff, and military and police advisers. Spread about the country were just over 100 British election supervisors, reinforced over the three-day election period by some 600 British bobbies—police constables whisked straight from their beats in towns and villages all over Britain and told to keep an eye on the polling stations in tribal Zimbabwe.

That the presence of a British referee made such a difference is not only the result of the balance of forces that had emerged in the region by the middle of 1979—the stalemate on the battlefield, the growing disenchantment of Mozambique, Zambia, and South Africa with the war—but is also the consequence of British traditions that go deep in Rhodesia. Beneath the hard line on both sides, there has been a hankering for constitutionalism for a statehood brought about by lawful process.

The guerrilla war in Rhodesia differed fundamentally from that in Portuguese Africa and indeed, from that in Vietnam or Algeria. The Rhodesian struggle was never, as in Mozambique, a conflict between incompatible ideologies—African nationalism against integration with the European metropolis, Fascism against Marxism. Rather, the war in Rhodesia began after the parliamentary road to African political advance was blocked by the white settler's Unilateral Declaration of Independence (UDI) in 1965. And all along the war was generally regarded by the Africans themselves as a means of unblocking that road—by forcing Britain back on the stage. The war was thus a means to a constitutional end, not an alternative to it. The armed struggle was not directed against the system; it was a struggle to make a basically liberal system deliver self-rule and citizenship for all.

This is the context in which Mugabe's Marxism and that of his followers must be viewed. It is not the Marxism of men who have known no alternative to the revolution, although it might have become so. It is not the philosophy of men hardened and drilled behind the Iron Curtain. For most of them it has been, as for Mugabe himself, more a matter of London University external degrees studied in prison than of years passed at the Whampoa Military Academy or in KGB training schools. Allowing for the fact that Zimbabwe's path to independence has been a longer and more difficult one, the flavor is not very different from that of the ruling philosophies in Britain's other former African colonies.

Nevertheless, Zimbabwe is different. As it comes to independence, peace and stability are poised on a knife edge. The need to satisfy black expectations has to be balanced against both the need and Mugabe's genuine desire to accommodate white interests. On the land and in the townships, there are pent-up feelings that the new Government may neglect at its peril. Over the whole scene looms the shadow of the recent war and the extreme difficulty of constructing a unified military power that will neither seem threatening to any of the three sections of the community with armed force—the whites, the Shona, the Matabele—nor be capable of taking the reins into its own hands.

This is where the West's—and in particular, Europe's—opportunity in Zimbabwe lies. Through Britain's efforts the West enjoys a large measure of goodwill, and the principles for which the West stood in Rhodesia for 15 years since UDI have been powerfully vindicated. Its services and ideas are in demand. There is no doubt that the West can play a decisive part in helping the new Government keep its balance during the formative period of the new state. By so doing, the West cannot only complete the honorable discharge of the West's responsibilities but also ensure that the new Zimbabwe carries on with a system orientated toward Western values.

African governments crave national freedom from external control. And they are prepared to be highly pragmatic in their pursuit of this purpose. The new Government of Zimbabwe will be no different in this respect. For the present Mugabe's main objective is to get himself securely in the saddle while seeing to it that—by accommodating the whites—he retains a horse worth riding. He has thus not only to conciliate white opinion within Rhodesia but also to allow South Africa time to adjust to the shock of seeing the "radicals" installed in Salisbury. So much is pure pragmatism; and it is to be expected that, when he feels able, Mugabe will begin to work toward the reduction of Zimbabwe's ties of dependence on the outside world.

But pragmatism means working with facts. And the facts are that Zimbabwe has to live in the world and its own region as it exists. While the new Government will doubtless try to reduce dependence by diversifying it—Eastern missions will burgeon in Zimbabwe's capital, as in other African countries—nevertheless Zimbabwe must continue to look to the West. In part this will be because it is the natural orientation of the economically predominant white element in the new society. And in part it will be because of the proximity of South Africa.

The only effective international counterweight to South Africa from Zimbabwe's point of view must be the West—and especially Europe. This is of course true in a political sense. But perhaps more important, it is also true in the economic sphere. Zimbabwe has the second strongest economy in Black Africa, after Nigeria. At present it is essentially dependent on the South African economy, and unless there is to be severe disruption, it will remain in this position for some time to come. However, the country does have the potential to develop a new role as the focal point of a new economic organization of the south-central African black states, joined together in a close association with the European Community. Europe offers Zimbabwe its only feasible alternative to economic dependence on South Africa.

If the South Africans themselves are wise, they will not seek to resist this trend, even though it must mean a reduction of their economic scope in central Africa. They cannot impose a continuing economic hegemony by force; and if they try to do so they will run the risk of driving the Zimbabweans to more radical courses.

The ball is in the European Community's court. Europeans have the opportunity to influence the future development of the pivotal country in a region of fundamental importance for the Western economy. The Community must hasten to welcome the new Zimbabwe into the Lomé Convention, in spite of any trading problems this might pose in certain sectors (e.g., Zimbabwean flue-cured tobacco is competitive with Italy's). And Europe must set a generous aid program for reconstruction and development. In a world where so many Western positions are in flux, Europe thus has the chance to show that it has its own distinctive part to play in securing the strength of the West.●

THE PRESENTATION TO HON. THOMAS P. O'NEILL, SPEAKER OF THE HOUSE, OF THE RESOLUTION OF GRATITUDE BY THE CONGRESSIONAL SENIOR CITIZEN INTERN CLASS OF 1980

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ROE. Mr. Speaker, today it is my great honor to present to you a resolution signed by members of the Congressional Senior Citizen Intern Class of 1980, in which they express their gratitude to the Members of the House for the opportunity to participate in this worthwhile program.

One of the noble qualities of our form of government, Mr. Speaker, is its openness. Few countries on this Earth give so many of their citizens the opportunity to view firsthand their government in action, and to my knowledge only the United States has a program whereby senior citizens become active participants in their country's national legislative body for an extended period.

Mr. Speaker, we have learned as much from our senior citizens as they have learned from us. It is an excellent experience for all concerned and I look forward to our next class.

The formal resolution, as signed, is as follows:

RESOLUTION

The Congressional Senior Citizen Intern Class of May 1980, whose members represent millions of older Americans throughout the United States, appreciate the valuable and varied program on matters of concern to seniors, which will enable us to share information and to work for a better life for all citizens in their later years.

The Congressional Senior Citizens Intern Class of May 1980 does hereby express its gratitude to the Members of the House of Representatives who, through their interest and support, have made our participation in this program possible.

NAME, STATE, AND SPONSOR

Ernest K. Gackenbach, Pennsylvania, Willaim Clinger.

Jane M. Gackenbach, Pennsylvania, William Clinger.

Dorothy E. Bechtel, Ohio, Tom Kindness.

Rev. & Mrs. Lotus Troyer, Illinois, Madigan.

Fred Baughman, Michigan, Sawyer.

Lloyd W. Mosely, Michigan, Sawyer.

Joseph Boza, New York, Ferraro.

Claire N. Blumenthal, New York, Green.

Sam Applebaum, New Jersey, M. Rinaldo.

Saul and Edith Parker, New York, Peyser.

Lois V. Hamer, California, Corman.

James W. Hawkins, New York, H. Fish Jr.

Catherine Hawkins, New York, H. Fish Jr.

Ann & Harry Smith, Massachusetts, Mavroulles.

Stephen S. Grant, California, Panetta.

Evelyn J. Ostrow, Florida, Daniel Mica.

Harriet Hazinski, Ohio, Tony Hall.

Col. & Mrs. M.E. Rogat, Florida, Skip.

Alice M. Egan, New York.

Harold Lazaroff, New Rochelle, New York.

Mr. & Mrs. Gordon W. Lehman, Orville, Ohio.

Sylvan L. Nussbaum, 423 Oberli Berne, Indiana.

Frank Pumerville, Richmond, Indiana, Phil Sharp.

Mae Dale, Anorka, Minnesota, Rep. Oberstar.

Nathaniel B. Ferguson, Fredericksburg, Virginia.

Betty D. Stahl, Illinois, Cong. Derwinski.

Beele C. Weiss, New Jersey, Cong. M. Fenewick.

Sid Shleffar, California, Congressman Panetta.

W.R. Dixon, Louisiana, Claude Buddy Leach.

Florence Harvey, Minnesota, Rep. Vento.

Samuel W. Harvey, Minnesota, Rep. Vento.

L.A. Teale, Pennsylvania, Rep. Kostmayer.

Oscar A. Oksol, South Dakota, Rep. Daschle.

Agnes M. Johnson, Minnesota, Rep. Sabo.

Ann Mosler, California, Wayne Grisham.

George R. Mosler, California, Cong. Wayne Grisham.

William D. Mower, Pennsylvania, Rep. Schulze.

Jean Twadell Bates, Pennsylvania, Rep. Kostmayer.

Anne H. Fabrick, California, Senator S.I. Hayakawa.

Frank M. Bodin, California, Congressman Norman Shumway.

Bob Rowland, California, Senator Cranston.

Arthur V. Miller, Florida, Rep. Lehman.

Verna Eastham, State of Washington, Cong. Joel Pritchard.

Grace K. Williams, Oregon, Sen. Packwood.

Rebecca Shreiver, New Jersey, Cong. Hughes.

Edith V. Waters, Califorina, Rep. Coelho.

Ann Pittner, Ohio, Cong. Ron Mottl.

Virsey Renick, Oklahoma, Rep. Wes Watkins.

Betty Warren, Alaska, Rep. Don Young.

Edward LaSalle, Illinois, Rep. Tom Railsback.

Gracey M. Robertson, Wisconsin, Rep. Bob Kastenmeier.

Evelyn R. Ecker, Wisconsin, Congressman Roth.

Mrs. Frank J. Heck, New Jersey. Cong. Roe.

John F. Hawkins, New Jersey, Andrew Maguire.

Agnes M. Johnson, Minnesota, Martin Sabo.

Lucile Barnett, California, Augustus F. Hawkins.

Eugene Zoppo, New Jersey, Roe.●

PROPOSED SOCIAL SECURITY LEGISLATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday May 15, 1980

● Ms. OAKAR. Mr. Speaker, today I am reintroducing six bills which serve to correct the social security system in terms of its inequities toward women. The changes in the bills are somewhat minor and attempt to individually and comprehensively deal with one of the most important domestic issues facing the 1980's. These bills represent the culmination of work done by the Select Committee on Aging's Task Force on the Social Security System and its treatment of women, which I had the pleasure of serving as chairperson. A brief summary of the bill follows and naturally I am encouraging my colleagues in joining Congressman CLAUDE PEPPER and myself as cosponsors:

NEW SOCIAL SECURITY LEGISLATION PROPOSED

1. Mandatory Earnings Sharing—The combined earnings of a husband and wife during their marriage shall be divided equally between them for purposes of determining eligibility for, and the amount of, old age and disability benefits. The bill maintains the current treatment for, among others, children's benefits, requiring that all earnings be credited to the wage earner for the purpose of calculating those benefits. If the combined benefits of an individual and his or her spouse would be greater without application of earnings sharing, they are entitled to the benefits they would receive without regard to this section.

2. Voluntary Earnings Splitting—A husband and wife may elect to split their earnings for social security purposes upon retirement of either or both of them, or within two years of their divorce, to the extent that their earnings occurred during their marriage. The bill also provides for equalization of benefits between a married or divorced couple where they did not elect to split their earnings. Under those circumstances, the husband's old age insurance benefit is reduced from 100% to 75% of the primary insurance amount while the wife's old age benefit is equal to 75% of her husband's primary insurance amount.

3. Inheritance of Earnings Credits by Surviving Spouse or Surviving Divorced Spouse—When a spouse dies, the surviving spouse or surviving divorced spouse automatically "inherits" the deceased spouse's earnings credits to the extent that the credits were earned during their marriage. The couple must have been married to each other for a continuous period of at least five years immediately prior to the spouse's death or the date the divorce became final. Where the decreased spouse has other survivors entitled to benefits on his account, for purposes of those individuals, SSA will treat his or her earnings as if the inheritance had not occurred.

4. Transition Benefit—This bill provides for payment of a "transitional benefit" to the widow or widower of an insured individual upon the wage earner's death, if the spouse is at least 50 years old at the time of the wage earner's death and not otherwise immediately eligible for benefits. The benefits would be available only for the month on which the death occurred and the next three months. The benefit would be 71.5% of the wage earner's primary insurance amount (PIA) or, if the spouse's own primary insurance amount is higher, 71.5% of that amount.

5. Disabled Widows/Widowers Under Sixty—Where a disabled spouse is entitled to benefits before becoming sixty years old, the amount of the benefit shall not be less than 71.5% of the deceased spouse's primary insurance amount, under which the provision is the amount he or she would be entitled to at age sixty.

6. Divorced Spouse of a Late Marriage—In the case of certain "late life divorces", a divorced spouse may qualify for benefits on the basis of a marriage which lasted five years or more. (Currently, to receive benefits, the divorced claimant must have been married to the wage earner for at least ten years.) This provision applies only where the marriage existed for at least five years after the younger spouse reached age 50.●

CHARLES T. MANATT: A MAN FOR ALL SEASONS

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. CORMAN. Mr. Speaker, it is not an uncommon endeavor for us, particularly in difficult and complex times, to seek out a man for all seasons. Although we have determined that these gifted individuals are few and far between, there is a contemporary of ours who deserves serious consideration for the bestowal of that auspicious title.

No matter what the season or how trying and inclement it may be, Charles T. Manatt has been called upon by many people to do lots of things mainly because he does whatever he is called upon to do so very well.

The extent of his success encompasses the length and breadth of our Nation. In 1965 Chuck Manatt was a partner in a three-man law firm in Van Nuys, Calif. In 1980 he leads an 80-man firm with offices in Los Angeles and Washington, D.C.

As a politician, Chuck Manatt first paid his dues as a member and then president of the Iowa Democratic Youth Organization. After graduating from the University of Iowa and moving to California the name Manatt soon became synonymous with his party and success. He became chairman of the California Democratic organization and in 1980 undertook the demanding role of finance chairman of the party's national committee.

Eight years ago California's banking industry gained a strong advocate and an energetic competitor. While trying to resolve one of his client's banking problems, Chuck Manatt decided that the best way to handle the problem and to please his client would be to open up his own bank. This he did and will soon celebrate his seventh successful year of pleased clients and growing accounts. On May 18, 1980, Charles T. Manatt will also celebrate his anniversary as chairman of the California Bankers Association. On the same date the association will welcome Chuck's successor as chairman, Raymong S. Dezember of Bakersfield. The association can take pride in having had Chuck as president and in knowing that Mr. Dezember will be a worthy successor.

Finally, we come to view the most valued portion of every man's life. Suffice it to say that we may look admiringly and perhaps even enviably at this busy man's top priority—his family. For Chuck Manatt's family, his lovely wife and their three children are a priority which is never challenged and is always honored. Here truly is a modern man for all seasons.●

SENIOR CITIZENS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. GRASSLEY. Mr. Speaker, the month of May is Older Americans Month. I think it important to take a few minutes to discuss how Americans view the role of senior citizens in our society.

There are over 24 million Americans over the age of 65 with another 5,000 people added to the roles daily. This is the fastest growing segment of our society.

It has been said that one develops a sense of self-worth and self-concept based on the perceptions of how others see you. In the case of the elderly, stereotyping of their habits and activity level by the media has formed the basis for many myths and erroneous assumptions about the elderly. The elderly, who are already an isolated segment of our society, tend to become even more isloated because to a great extent the only elderly people that one normally comes into contact with on a personal level are seldom-seen relatives and those encountered on the television or in motion pictures. The end result is that media stereotyping of the elderly has an unusually strong impact on public perceptions of the elderly and the dignity and self-esteem that the elderly have for themselves.

Congressman CLAUDE PEPPER chairman of the House Select Committee on Aging, on which I have the honor of serving as the ranking minority member, stated at a recent hearing on media stereotyping of the elderly that "too often, the elderly are depicted as stumbling, bumbling, senile old fools, objects of derision." He went on to say that "negative characterizations of the aged of America as unemployable, senile, infirm, myopic, deaf, constipated, toothless, asexual, and generally worthless provide younger people with poor role models."

I think it is important that during Older Americans Month we examine our own views to see what our perceptions are of the elderly. Perhaps we might find that subconsciously we have been brainwashed into believing the media stereotypes of the elderly.

At times like these, Mr. Speaker, America can ill afford to waste the good counsel and valuable experience of the elderly. I submit that it is time to bring the elderly back into the mainstream of American society. Other cultures revere their elderly, but Americans perceive old age as something to be feared. Growing old should not be an affliction. Dignity must be restored to the elderly of America.●

VOTER REGISTRATION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. MINETA. Mr. Speaker, I would like to take this opportunity to call your attention to the efforts of a group of business people in my district who have been working on their own initiative to increase voter registration and participation in the political process.

I am speaking of the Santa Clara Valley Chapter of the National Electrical Contractors Association (NECA). NECA is a national organization which represents firms in the electrical contracting industry. The Santa Clara Valley Chapter is located in San Jose.

NECA's project is aimed at encouraging members of the electrical contracting industry, as well as other local citizens, to register and vote, and to participate fully in the political process. The most visible part of this effort was the distribution of the T-shirt which carries the slogan "Shock a Politician—Register and Vote."

The T-shirts were distributed within the industry, and were also publicly presented to political leaders on the local, State, and National level. But this was only one part of a larger effort which the NECA chapter coordinated.

The organization of electrical contractors, along with other business and civic groups in Santa Clara County, are all extremely concerned about the jobs-housing imbalance in the county. The Santa Clara Valley Chapter of NECA took the initiative to gather together other segments of the business community also concerned about the issue, and formed a political action group called Citizens for Housing and Economic Stability.

Headed by a board of directors composed of civil engineers, realtors, building trades members, and representatives of financial and title companies, the group is working to encourage everyone involved in development and related industries to actively participate in local elections.

President of the Santa Clara Valley Chapter of NECA Victor Giacalone says the group is anxious to improve the local political climate toward the business and economic needs of the community. By encouraging voter participation, the group has been working within the boundaries of the political system to make its voice heard by political decisionmakers. In the process, local citizens are learning about the importance of being full participants in the political process.

The American political system was designed to function most effectively with the active participation of its citizens. If local political leaders are not cognizant of how the voters feel about various issues, they will be unable to make the wisest decisions about where to direct future policy.

I would like to take this opportunity to commend the Santa Clara Valley Chapter of NECA for its enthusiasm and leadership in conducting a voter registration drive which can only benefit Santa Clara County by educating its citizens on the importance of being a part of the political process.●

THE CONSUMER FRAUD ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. GILMAN. Mr. Speaker, I have previously introduced H.R. 4676, the Consumer Fraud Act, a bill that would strike a serious blow against consumer fraud in America.

The bill has four main elements:

First, it would define consumer fraud.

Second, consumer fraud would constitute grounds for cancellation of a contract between a consumer or small businessman and a seller. If a consumer suffered a loss as the result of a fraud, he could recover treble damages from the responsible party.

Third, State attorneys general could sue, as parens patriae of the citizens of their State, to enjoin the continuation of an consumer fraud, and to recover damages, which may be distributed to damaged parties under the direction of the court. The Attorney General of the United States could also bring suit to enjoin consumer fraud.

Fourth, consumer fraud would be a Federal crime, which either the U.S. Justice Department or State attorneys general could prosecute in State or Federal court.

I have proposed this legislation in response to the incredible volume of consumer frauds now being perpetrated on the American people. It is time to develop an effective tool for protecting the consumer—the varied, flexible responses of H.R. 4676.

Mr. Speaker, I ask that the text of H.R. 4676 be printed in the RECORD at this point and I invite my colleagues to join in cosponsoring this measure:

H.R. 4676

A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Consumer Fraud Act of 1979".

DEFINITIONS

SEC. 2. For purposes of this Act:

(1) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside such State;

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A); and

(C) within the District of Columbia or within any territory or possession of the United States.

(2) The term "consumer" means any individual who is offered or supplied any goods or services for personal, family, or household purposes, and any small business concern which is offered or supplied any goods or services for use in connection with the business of such concern.

(3) The term "goods" means personal and real property, but such term does not include securities or interests in securities.

(4) The term "organization" means an entity, other than a government, established or organized for any purpose, and includes a corporation, company, association, firm, partnership, joint stock company, foundation, institution, trust, estate, society, union, club, church, and any other association of persons.

(5) The term "sale" means any transfer of goods or services in exchange for anything of value.

(6) The term "services" means any benefit resulting from the labor, skill, or time of another person or from the use of property, including labor, professional service, transportation, telephone, mail, other public service, electricity, gas, other public utility service, banking, accommodations in hotels, restaurants, or other places, admission to exhibitions, performances, or other places, and the use of property owned by another person.

(7) The term "small business concern" shall have the meaning given it in section 3 of the Small Business Act (15 U.S.C. 632).

(8) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and any other territory or possession of the United States.

(9) The term "State attorney general" means the chief legal officer of a State, or any other person authorized by State law to bring actions under section 4 or section 5. Such term includes the Corporation Counsel of the District of Columbia. Such term does not include any person employed or retained—

(A) for a contingency fee based on a percentage of the monetary relief awarded in the action involved; or

(B) on any other contingency fee basis, unless, in the case of actions brought under section 4(a)(1), the amount of the award of a reasonable attorney fee to a prevailing plaintiff is determined by the court under section 4(d)(1).

(10) The term "statement" means any representation in any form of advertising, any oral or visual presentation, or any other representation, presentation, or conduct which is communicated to consumers.

(11) The term "supplier" means any person who is in the business of making goods or services available to consumers.

(12) The term "unfair consumer practice" means any of the following:

(A) offering or advertising goods or services for sale to a consumer and not selling such goods or services as so offered or advertised, or without ability to supply reasonably expectable public demands, unless the offer or advertisement clearly and conspicuously discloses the limitation;

(B) making false or misleading statements with respect to goods or services which are offered for sale or sold to a consumer with respect to—

(i) the need for such goods or services;

(ii) the need for repair or replacement of such goods or services;

(iii) rights, privileges, or remedies, in connection with the purchase of such goods or services;

(iv) prior ownership of such goods or services;

(v) the grade, age, quality, style, standard, or model of such goods or services; or

(vi) price of quality comparisons with similar goods or services offered for sale to consumers by the same or another supplier;

(C) making a statement that goods or services offered for sale, or sold to consumers, have sponsorship, approval, origin, safety or performance characteristics, ingredients or components, uses, features, benefits, or qualities which the goods or services do not have;

(D) accepting consideration for goods or services and failing to deliver such goods or perform such services as promised or failing to return or refund deposits or advance payments for goods or services which are not rendered in absence of any default or breach of obligation on the part of the consumer making such deposits or advance payments;

(E) using physical force, threat of physical force, tortious threats or harassment, or misrepresentation of law in the course of a sale or attempted sale to a consumer of goods or services or in the course of collection of the purchase price or any portion of the purchase price of goods and services from a consumer;

(F) making a statement that goods are original or new if such goods are deteriorated, altered, reconditioned, reclaimed, or otherwise used; or

(G) making any false or misleading statement with respect to the reasons for, existence of, or amount of, any price reduction in connection with the sale of any goods or services.

SANCTIONS RELATING TO UNFAIR CONSUMER PRACTICES

SEC. 3. (a) Any contract or agreement in commerce which provides for the purchase of goods or services and which results from a transaction involving an unfair consumer practice by a supplier may be voided by the affected consumer.

(b) Any person who induces a consumer to enter into a contract or agreement pursuant to or in furtherance of an unfair consumer practice shall be liable to such consumer in an amount equal to 300 per centum of the damage or loss sustained, together with an amount equal to the cost of any legal action required (incuding a reasonable attorney fee). Such amount may be recovered in a civil action in an appropriate district court of the United States or in any State court of competent jurisdiction.

(c) The district courts of the United States may have jurisdiction of any action brought under this section without regard to the citizenship of the parties or the amount in controversy. An action under this section may be brought not later than three years after the date on which the unfair consumer practice was discovered or reasonably should have been discovered.

ACTIONS BY STATE ATTORNEYS GENERAL

SEC. 4. (a)(1) Any State attorney general may bring a civil action in the name of the State, as parens patriae on behalf of consumers residing in the State, in any district court of the United States having jurisdiction over the defendant or in any State court of competent jurisdiction, to secure monetary relief as provided for in this section for any damage or loss—

(A) which is sustained by such consumers by reason of any unfair consumer practice; and

(B) with respect to which an action may be brought by any injured party under section 3.

(2) An action under this section may be brought not later than three years after the date on which the unfair consumer practice was discovered or reasonably should have been discovered.

(3) The court shall exclude from the amount of monetary relief awarded in any action brought under paragraph (1) any amount of monetary relief which—

(A) duplicates amounts which have been awarded for the same damage or loss; or

(B) is properly allocable to consumers who have excluded their claims in accordance with subsection (b)(2).

(4) The court shall award to the State as monetary relief an amount equal to 300 per centum of the total damage or loss sustained, together with an amount equal to the cost of the action (including a reasonable attorney fee).

(b)(1) In any action brought under subsection (a)(1), the State attorney general shall, at such times, in such manner, and with such content, as the court may direct, cause notice of such action to be given by publication. If the court finds that notice by publication would deny due process of law to any person, the court may direct further notice to any such person according to the circumstances of the case.

(2) Any person on whose behalf an action is brought under subsection (a)(1) may elect to exclude from adjudication the portion of the State claim for monetary relief attributable to such person by filing notice of such election with the court not later than the end of the period specified in the notice given under paragraph (1).

(3) The final judgment in any action brought under subsection (a)(1) shall be res judicata as to any claim based upon an unfair consumer practice under this Act by any person on behalf of whom such action was brought and who fails to give the notice specified in paragraph (2) before the end of the period specified in the notice given under paragraph (1).

(c) Any action brought under subsection (a)(1) may not be dismissed or compromised without the approval of the court. Notice of any proposed dismissal or compromise shall be given in such manner as the court directs.

(d) In any action brought under subsection (a)(1)—

(1) the amount of any attorney fee to the prevailing plaintiff shall be determined by the court; and

(2) the court may, in its discretion, award a reasonable attorney fee to a defendant upon a finding that the State attorney general has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

(e) Any monetary relief recovered in any action brought under subsection (a)(1) shall—

(1) be distributed in such manner as the district court in its discretion may authorize; or

(2) be deemed a civil penalty by the court and deposited with the State as general revenues;

subject to the requirement that any distribution procedure adopted by the court shall afford each person involved a reasonable opportunity to secure his appropriate portion of the net monetary relief.

INJUNCTIVE RELIEF

SEC. 5. The Attorney General of the United States, the appropriate United States attorney, or the State attorney general of any State in which a prohibited act or practice occurred (as parens patriae of the people of such State, after notifying the Attorney General of the United States) may, upon a finding that any person is engaged or is about to engage in any act or practice which constitutes an unfair consumer practice, bring an action in the appropriate district court of the United States, or in any State court of competent jurisdiction, to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such courts may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

AMENDMENTS TO TITLE 18, UNITED STATES CODE

SEC. 6. (a) Chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1344. Unfair consumer practices

"(a)(1) Whoever, in connection with the sale, attempted sale, or distribution of goods or services to a consumer, or in connection with the collection or attempted collection of the purchase price or any portion of the purchase price of goods or services by the use of any means or instrumentality of transportation or communication in commerce including the use of the mails, willfully or negligently engages in an unfair consumer practice, shall be fined not more than $100,000 if an individual, or not more than $500,000 if an organization, or imprisoned for not more than three years, or both.

"(2) For purposes of this subsection, the terms 'commerce', 'consumer', 'goods', 'organization', 'sale', 'services', and 'unfair consumer practice' have the meanings given them in section 2 of the Consumer Fraud Act of 1979.

"(b)(1) Each State attorney general shall have authority to bring an action, in the name of the United States, in an appropriate district court of the United States or in any State court of competent jurisdiction to enforce the provisions of this section.

"(2) In any case in which a State attorney general brings an action under paragraph (1), the State attorney general shall give notice of the commencement of such action to the United States by—

"(A) submitting a copy of the complaint involved to the Attorney General of the United States (by registered mail or certified mail) and to the United States attorney for the district in which such action is commenced; and

"(B) submitting a written disclosure of any evidence or information in his possession which is material to the effective prosecution of such action, to such United

States attorney or by registered mail or certified mail to the Attorney General.

"(3)(A) The Attorney General may enter an appearance in any action brought under paragraph (1) during the forty-five-day period following the receipt of notice under paragraph (2). The State attorney general involved may prosecute such action if the Attorney General fails to enter such an appearance before the end of such period, or notifies the court in writing during such period that the Attorney General will not enter such an appearance.

"(B) If the Attorney General enters an appearance in an action in accordance with subparagraph (A), then the action shall be prosecuted by or under the direction of the Attorney General. The Attorney General shall not be bound by any action taken by the State attorney general involved, and may proceed in such action as if such action had been commenced by the Attorney General.

"(C) If the Attorney General fails to prosecute an action with due diligence during the six-month period following the entry of an appearance by the Attorney General in accordance with subparagraph (A), or during such additional period as the court after notice may allow, then such action may be prosecuted by the State attorney general involved in accordance with paragraph (1).

"(4) For purposes of this subsection, the term 'State attorney general' means the chief legal officer of a State, or any other person authorized by State law to bring actions under this subsection.".

(b) The table of sections for chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1344. Unfair consumer practices.".●

AVIATION PIONEERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ANDERSON of California. Mr. Speaker, today, the 15th of May, is being observed as the "50th Anniversary of Flight Attendants." I know that many Members of this body do not recall firsthand what it was like flying commercially 50 years ago. I do not either, although I had been up in airplanes in the early twenties, and I did fly commercially not too long after the fledgling airlines began providing flight attendants for the safety and comfort of their passengers. And, as chairman of the Aviation Subcommittee, I have had occasion to come into contact on various matters with representatives of this body of aviation pioneers. They did not pilot the planes, but they certainly were aviation pioneers just the same.

I am told that among the criteria for employment by some airlines as flight attendants in those early days are several that would shock us today. The attendants had to be female, white, under 5'4" in height, and be registered nurses. We have come, I am glad to say, a long way from those early times, and those standards for determining job suitability obviously have no relevancy today. But from these early pioneers, we have seen the modern airline industry develop. We see the flight attendants today—of both sexes, and of all colors and ethnic background, handling a mass of customers on flights which are frequently crowded and unfortunately uncomfortable for passengers and attendants alike.

They effectively and efficiently deal with such things as passengers who have had too much to drink, the man who has a sudden heart attack, or the young child that needs a bottle warmed before settling down to a long flight. Regardless of what they are asked to do within reason, I have found most of the flight attendants on all aircraft of the American airline industry to be almost universally courteous, helpful, and competent. I wonder if one of the early attendants on a DC-2 would have believed it possible that one of her successors would, in not too many years, be performing similar duties on a monstrous machine carrying over 400 passengers and flying nonstop across oceans and continents at around 8 miles a minute.

Fifty years is a short time in history's span, but a very long time in a new industry such as aviation. And with the growth of aviation we have seen the growth of the airline flight attendants. Today, I wish to publicly recognize them for the contribution they make to our traveling public and, in fact, to our society as a whole. To those who flew in the early days and are now retired and who have their own clubs to reminisce in, I wish them the best of luck. And to those who are flying today, may I wish you Godspeed and safe landings in the future.●

THE SOVIET INVASION OF AFGHANISTAN

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. QUAYLE. Mr. Speaker, I commend to my colleagues' attention the following study, written by James A. Phillips, and published by the Heritage Foundation, a nonpartisan public policy research organization based in Washington, D.C.

Mr. Phillips, a Heritage policy analyst specializing in Middle Eastern affairs, earned his M.A. and M.A.L.D. degrees from the Fletcher School of Law and Diplomacy. He was chosen to be the Heritage Foundation's 1979 congressional fellow for national security affairs, and was a research fellow in 1978 for the Foreign Affairs and National Defense Division of the Congressional Research Service.

The following excerpts are taken from a Heritage backgrounder, "The Soviet Invasion of Afghanistan." They deal with the strategic implications of the Soviet invasion, and with the security threats to Iran and Pakistan.

AFGHANISTAN'S STRATEGIC IMPORTANCE

Although Afghanistan is a remote, obscure country which ranks among the poorest nations in the world, its strategic location endows it with a high degree of geopolitical importance. Afganistan has long been a major crossroads of Asia astride major north-south and east-west land routes; its control of the Khyber and Bolan Passes has historically made it the gateway which links Russia with the Indian subcontinent and the Middle East with the Orient. As a buffer state which was itself a manifestation of the general equilibrium of regional power, Afghanistan has served as a barometer of the balance of power in the central Asian area. For this reason, more than a few observers were disturbed when it became a Soviet satellite in 1978.

In recent years, the Kremlin's incentives for expanding its influence to the south have been significantly enhanced by the growing importance of Middle Eastern, especially Persian Gulf, oil in the Western economic system. Seen from the vantage point of the Persian Gulf, the single most important energy-surplus region in the world, the Soviet intervention in Afghanistan constitutes one part of a giant pincer movement designed to encircle gulf oil reserves. The Kremlin already has established a military presence in Ethiopia and South Yemen; now that the Iranians are no longer willing or able to underwrite Oman's security, Sultan Qabus faces the growing danger that the Dhofar insurgency will flare up once more, this time with greater material support from the Soviets' stalking horse on the Arabian Peninsula—South Yemen.

At the other end of the pincer, the Soviet invasion of Afghanistan constitutes a flanking movement which opens up the flat, permeable eastern border of Iran to potential Soviet military pressures. More importantly, it extends Soviet influence to within 350 miles of the Arabian Sea. The Soviets have occupied most important Afghan airbases, fortified them with surface-to-air missile batteries and are equipping them with modern command and control facilities. The Soviet intervention has in effect moved Soviet aircraft 500 miles closer to the vital sealanes of communiation (SLOC's) which function as the oil lifeline of the industrial West. In fact, Soviet planes based in southwest Afghanistan are now situated closer to the strategic Straits of Hormuz (through which pass 40 percent of Western oil imports) than if they were based in Tehran. Using these bases Soviet aircraft could reach the chokepoint at the mouth of the Persian Gulf and remain on station there for at least 30 minutes. Clearly, Soviet access to Afghan airbases significantly upgrades the Kremlin's ability to block, or even sever, the petroleum jugular vein of the West and greatly enhances the Soviet ability to neutralize American naval power in the Arabian Sea.

SECURITY THREATS TO IRAN AND PAKISTAN

In addition to providing a platform from which Soviet air power could be brought to bear on the crucial Persian Gulf SLOC's, a pro-Soviet Afghanistan provides an excellent fulcrum which amplifies Russian diplomatic leverage over both Iran and Pakistan. Both states have had troubles in the past with ethnic separatist movements and are likely to run into more such problems in the future. Kabul would be in an excellent position to incite and support such movements given its close proximity to strongholds of ethnic separatism along the peripheries of both states and the presence within Afghanistan of Pushtun and Baluchi tribesmen who remain in close contact with their kin across the permeable, often unguarded, border.

The recent history of Afghan meddling in Iranian affairs, the large number of Afghan expatriates already living in Iran (500,000) and the historically close working relationship which has existed between Afghanistan's Khalq Party and the pro-Soviet Iranian Tudeh Party, have caused more than a few observers to fear that the Afghans may well become Soviet surrogates in the increasingly likely event that Iran is plunged into a civil war. If the Karmal regime can establish unshakeable control over Afghanistan, the Afghans may be destined to become, on a much reduced scale, the "Cubans of Asia."

In any event, even if Karmal never establishes complete control over his own country the potential threat of Afghan support for ethnic insurgents and pro-Soviet leftists in Iran and Pakistan has made both countries vulnerable to Soviet pressures and sensitive to Soviet cajoling. According to Soviet ideology, changes in the correlation of forces precipitate political changes and opportunities. The Afghan coup and Iranian revolution have definitely altered the correlation of forces in the region and it is only a matter of time before Moscow exploits these pivotal events to the utmost. As the shadow of Soviet power lengthens over the Indian subcontinent and Persian Gulf without any concrete U.S. response, individual states will become increasingly tempted to reach their own accommodations with Moscow. In this connection, it is particularly significant to note the transfer last winter of Pakistan's most able diplomat from Washington to Moscow, and the disintegration last spring of the symbolic, albeit defunct, CENTO alliance.

A sense of declining American willingness to react to farflung Soviet gambits and proxy operations (as evidenced by the events in Angola and the Horn of Africa), combined with America's demonstrated ability to turn its back on regional allies for a wide variety of reasons (as evidenced by the arms embargo against Pakistan in 1965, the arms embargo against Turkey in 1976, the not so benign neglect of the Kurds in 1975 and the fall of the Shah in 1979) and the widespread perception of burgeoning Soviet influence in strategically located states of Ethiopia, South Yemen, and Afghanistan have undermined the "Northern Tier." Having witnessed the dissolution of the protective barrier to the north and having become increasingly exposed to Soviet proxy pressures on the periphery of the Arabian Peninsula, the elites of the pro-Western Persian Gulf states may reorient their foreign policies, and even more ominously, their energy policies, in order to insure internal security, unless the United States manifests a strong and ironclad commitment to protect them from Soviet political, subversive, proxy, and military pressures.●

SMALL BUSINESS WEEK

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. FISHER. Mr. Speaker, the 10th District of Virginia, far more than most, has experienced tremendous growth in the number of small businesses over the last few years. Small business entrepreneurs, not corporate giants, occupy many of the new multistory office buildings throughout the district. They not only are bringing jobs closer to where people live, but also are constantly revitalizing the Nation's economy. The close association members of the small business community have with their product or service can provide us with a level of innovation that has never been duplicated in any other kind of economic system.

My office has been extensively involved with small business and their problems over the past years. I have helped resolve long overdue contract payments from Federal agencies to small business suppliers. In one case, almost $290,000 in past due billings were finally resolved just in time to prevent the bankruptcy of the corporation. My office has been involved in numerous contract disputes with Federal agencies; problems which have ranged from the bid process to contract award. In an effort to keep small businesses aware of Federal grant and loan programs, I have circulated material about energy research grants and am sponsoring a Federal contracting conference which will be held this summer.

Over the long run it is important to make every effort to encourage small businesses to survive and flourish. As we mark Small Business Week, I pledge to continue working for appropriate, direct Government aid to foster small business, to assist in the cutting and removal of redtape that hinders efficient operation, and to take other actions necessary to the vitality of small business in the 10th District of Virginia and throughout the United States.●

ISRAELI INDEPENDENCE DAY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. DORNAN. Mr. Speaker, in light of recent events in the Middle East and this Nation's constant interest in that vital region, it is perhaps more important than ever before for us to note the 32d anniversary of Israeli independence that will be marked today, May 15. This occasion will not only be celebrated in Israel, but will also be noted by both friends and foes alike throughout the world.

Much has been said and written about the special relationship between the United States and Israel. Often this discussion has been flavored in terms of American material support. This dollars and cents analysis is much too simple and glosses over the truly substantive aspects of the American-Israeli relationship.

To be sure, sentiment weighs heavily in our dealings with Israel. Thirty-two years ago this month, President Harry S. Truman gave American diplomatic recognition to the fledgling Jewish state, moments after its independence was proclaimed. We have seldom had to reflect about the sagacity of the President's decision. In the years since 1948, Israel has remained a strong force for stability in an area of the world that teems with intrigue, diplomatic duplicity, and constant change. Other nations in the Middle East at different times have served in the role of ally or adversary. Not so Israel, always an unwavering friend.

Our friendship with Israel rests in the common culture and close historical and spiritual relations that bind the Jewish people with the United States. These ties antedate the founding of our Republic. Common values, common mores, and common goals have bound our two peoples in the deepest historical sense.

Our Puritan forefathers saw in the New World the kind of a zion that Gov. John Winthrop termed, "a city on a hill." The majestic language of the Old Testament scriptures formed an essential element of the rhetoric of the American Revolution. Benjamin Franklin designed a seal for the United States that depicted Pharoah's armies being drowned in the Red Sea as the Israelites fled for freedom to the Promised Land. Indeed, inscribed on the Liberty Bell in Philadelphia is the ancient Hebrew proclamation: "Proclaim liberty throughout the land, and to all of the inhabitants thereof."

Yet, there is another kind of historical context that links the American people with the Israelis. Our Nation, termed by Abraham Lincoln as "the last, best hope for mankind," is a land of immigrants. At times we have been negligent in our commitment to honoring the symbols associated with the Statue of Liberty, but on balance, we have been good in opening our shores to the oppressed.

This is where the Israelis have followed our example. Immediately after emerging victorious in their war for independence, the Israelis began to absorb 2 million refugees from all over the world. These were the oppressed survivors of Hitler's death camps and hundreds of thousands of refugees from North Africa and Arabia who were exiled from their homelands. It was remarkable how a nation as small as Israel, managed to integrate the number of refugees it did in the small amount of time it took. This is especially notable when compared with the shocking neglect accorded those persons who fled Israeli soil upon the urgings of the Governments of Jordan, Syria, Egypt, and Saudi Arabia in 1948.

It is sometimes argued that the sensitive problem of the Palestinians is related to Israel. But one is struck with a deafening silence on this issue when the West Bank was under Jordanian control from 1948 to 1967. The issue of the Palestinians must be equitably resolved. But it is also an issue seized by the enemies of Israel, particularly the PLO, not for peaceful resolution, but for Israel's ultimate destruction. The Soviet-trained PLO massacred Israeli athletes at the Munich Olympics 8 years ago and has engaged in other countless acts of terrorism since then.

Aside from cultural and historical ties, there are links based upon political reality. Without question, Israel receives a large amount of support from the United States each year. This support, military or otherwise, has been one of the best foreign policy investments for our Nation since World War II. We poured aid into Vietnam, into Western Europe, Asia, Latin America, and Africa. And yet, nowhere can we point to a single country that has not only fought Soviet allies, but also turned over to our military all captured Russian military technology, including on one occasion, a complete Mig fighter. The long record of Israeli military intelligence sharing its findings with the United States is distinguished and has helped in shaping the defense of the West.

And there is still another aspect of the relationship between America and Israel. How often have we heard our allies, most of whom have received substantial financial assistance from us since 1945, asking what will we do for them? Of course their defense is a burden that we help them to bear since America is the leader of the free world. Yet, during the Vietnam war and in other crises, such as the current imposition of sanctions on Iran, our Western Allies are less than courageous in their support for our policies. I do not intend to explain the merits of either their case or ours, but suffice it to say, the type of criticisms we have for others cannot be directed against Israel. When Afghanistan was invaded in December, and we looked to secure a military presence in the Middle East, it was the Israelis who came forth, offering us the use of port facilities in Haifa. This, I submit, is a true ally in every sense of the word.

As one who has visited Israel and has had the opportunity to meet her people, I can only offer the most hearty greetings on this happy occasion of her independence. I found Israel to be an open and free society, a country full of optimism and a people with high spirit. Despite over three decades of continual warfare, the people of Israel have built a stable society, based on justice and a respect for human rights.

Israel's strength and perseverence is marvelous. Dr. Theodor Herzl told the first Zionist Congress meeting in Basle in 1896, that "if you will it, it is no dream." He predicted that 50 years would be needed to make a Jewish state become a reality. Certainly during the depths of World War II, at a time when one-third of the Jewish people were being massacred, no one could foresee that out of the ashes of the Nazi defeat, would emerge the Jewish state. Israel's birth in 1948 came half a century after Herzl's prediction.

The optimism surrounding Israel's 32d anniversary of national independence, the opening of diplomatic relations between her and Egypt this past year, does not diminish our anxiety over the situation in the Middle East. The Soviet invasion of Afghanistan, the continuing crisis in Iran, and the uncertainty throughout the Persian Gulf, all point to Israel as a central figure in this part of the globe. I have already touched upon sentiment, but in the harsh realities of politics, this is a factor that all too often is overlooked. America must never waver in her commitment to Israel, especially in these troubled times. We must encourage our friends in the region, most notably Jordan and Saudi Arabia to join the Camp David accords in realizing that lasting peace. It is the only way to bring about regional stability and to thwart Soviet adventurism.

To our Israeli friends, America's good will and continuing friendship are this Nation's contribution to this 32d anniversary celebration. May the people of Israel continue to prosper and build for the day when peace will reign along all of her borders. With the help of men of good will everywhere, may that day soon dawn. ●

FINANCIAL REPORT OF THE CONGRESSIONAL TEXTILE CAUCUS QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. HOLLAND. Mr. Speaker, the Steering Committee of the Congressional Textile Caucus has had the opportunity to review the quarterly financial statement for the period ending March 31, 1980.

I am, therefore, taking the opportunity to submit the statement for insertion in the CONGRESSIONAL RECORD so that all Members of Congress may review it:

QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE

[For the period ending Mar. 31, 1980]

	In dollars
Statement of expenses:	
Telephone	26.64
Do	26.62
Do	26.68
Total	79.94
House office supply	24.95
Do	29.52
Total	54.47
Congressional Quarterly	315.00
Daily News Record	45.00
Total expenses	494.41
Fund balance December 1979	6,231.45
Total dues depoists this quarter	5,900.00
Total dividends	101.24
Total balance before expenses	12,232.69
Less total expenses	494.41
Balance March 31, 1980	11,738.28

●

CUTBACKS HURT

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. ADDABBO. Mr. Speaker, when the foundations of our society begin to crumble, there are those among us who must take heed and respond. I have been totally immersed in an effort to forestall the demise of one major innercity voluntary hospital upon which most of my constituents are largely dependent.

This institution's financial plight is a result of providing necessary medical services to a large population of working poor and undocumented aliens who do not qualify for medicaid and who have no other means of paying for their care. Can we really afford to close our eyes to this problem, and by default, allow our hospitals to become just like the working poor that they serve?

The combination of unreimbursed care, the general tightening of the credit market, and the overall cash drain on our health care facilities may constitute a mortal blow.

While I am obviously concerned about my own congressional district and the delivery of health services therein, I am absolutely alarmed to learn from the following New York Times article by Ronald Sullivan, that this problem is spreading. The devastating results are totally unacceptable and must be addressed through coordinated efforts at all levels of government.

I request unanimous consent to place the following news article into the CONGRESSIONAL RECORD:

CARE AT MANY HOSPITALS HIT SHARPLY BY CUTBACKS

(By Ronald Sullivan)

Because Bellevue Hospital Center's psychiatric hospital no longer has enough nurses, staff members say troublesome patients must often be oversedated with Thorazine to keep them from hurting themselves and others.

At Lincoln Hospital in the South Bronx, staff members say, patients with heart-monitoring equipment still attached to them are sometimes bumped out of overcrowded intensive-care units to make room for patients who are more critically ill.

In the busy emergency room at St. Luke's-Roosevelt Hospital Center, a nurse practitioner, Karen McDonald, says she barters with ambulance crews for scarce lifesaving equipment that the hospital is no longer able to purchase on credit. "They'll have something I need, and I'll have something they want," she said. "I'll trade anything I can get my hands on if I think it will save a life."

After five years of growing financial pressure on New York City's hospitals, staff physicians and nurses say that the quality of patient care has fallen dangerously low both at municipal and at many private voluntary hospitals.

City and state hospital officials deny charges by some doctors that lives are being endangered. But they agree that problems of staffing, basic supplies and even cleanliness have brought on what a federally financed report recently called "an atmosphere of crisis." The problems are worst in poor neighborhoods, where "triage," once a battlefield word, has become a part of the hospital lexicon.

"Hospitals in New York," said Dr. John Eric Jacoby, assistant director of medical and professional affairs for the State Department of Health, "no matter what their size and no matter who is operating them, have one thing in common—financial constraints are visibly cutting into their ability to maintain a consistent level of quality."

The city's developing fiscal problems in the early 1970's brought an end to the easier days of the late 1960's, when Federal largess produced by the introduction of Medicaid and Medicare funds made everything seem possible. Earlier, in 1966, a study of the municipal hospitals by The New York Times had revealed serious problems, particularly in charity-ward care, but the new Federal aid alleviated those problems for a time.

Governor Carey began cutting back state-administered Medicaid funds when he took office in 1975, saying that the "days of wine and roses" were over in New York. Those funds, along with Medicare, account for about 60 percent of the income of the private voluntary hospitals and nearly all the income of the city's municipal system.

In 1978, Mayor Koch, inheriting a city in fiscal crisis, began a program of cutting back the municipal hospital system, which he regards as underutilized and inefficient. His most controversial proposals—closing Sydeham and Metropolitan Hospitals in Harlem—have brought angry protests from black and Hispanic leaders. But the Mayor says he is trying to make the best use of increasingly limited resources.

Some state and city hospital officials say the fiscal retrenchment has cut waste and duplication, and they defend the cuts and restraints. They say they know of no patient who has died as a result of them.

The Mayor says he is "obviously concerned." But he says his goal is "to deliver the best medical care at the least possible cost." A spokesman for the Governor said the State kept "humane considerations foremost" and emphasized that hospital waste hurt patients and taxpayers alike.

25 HOSPITALS CLOSED SINCE 1976

Mr. Koch's proposal to close some hospitals was partly based on an estimate that New York City had a costly excess of 2,500 or more hospital beds. However, in a report released in February, the New York City Health Systems Agency revised its estimate, saying that only 1,000 beds should be eliminated immediately.

The group, a federally financed planning agency, said the problem of excess beds was "relatively small."

"Our findings do eliminate the myth that reducing excess capacity is the panacea for the system," the report said.

All told, 25 hospitals with a total of 4,000 beds in the city have been forced to close since 1976. Most were proprietary hospitals—small profit-making facilities—or private voluntary ones that went bankrupt caring for Medicaid patients and large numbers of working poor and illegal aliens who could not afford Blue Cross and were not poor enough to qualify for Medicaid.

The attrition has left the city with 88 hospitals and 37,000 beds.

Throughout the city, hospital floors that were once brightly polished are losing their sheen, and some are even dirty. When equipment breaks down, there is often no replacement. In many hospitals—in intensive-care units, employee dining rooms, laundries, nursing stations and operating scrub-up rooms—morale is low, and tempers are short.

"Hospitals have gone bankrupt," said Dr. Jacoby of the state's Health Department. "Hospital administrations have been corrupted into poor practices. Hospitals have cut back on maintenance and housekeeping services. The phrase 'hospital clean' no longer has meaning in New York today."

"Basic components of care are neglected or left undone entirely," he said, "because the reduced staff of nurses and other workers cannot perform all necessary tasks. If someone leaves, the job remains undone."

NATION'S ONLY MUNICIPAL SYSTEM

New York City's hospitals cannot be directly compared to those elsewhere, because New York has the nation's only municipal hospital system—other cities rely either on private voluntary hospitals or a single city hospital. Even so, an official of the nationwide association of hospitals echoed the concern of local hospital aides. "New York City's problem is the worst example of a nationwide fiscal crisis," said the official, Sidney Lewine, director of the American Hospital Association's Center for Urban Hospitals.

According to the Greater New York Hospital Association, which includes both voluntary and municipal hospitals as members, voluntary hospitals in the city lost $115 million in 1977, $124 million in 1978 and an estimated $150 million last year. The association also says that state Medicaid payments are now $200 million in arrears, cutting off the flow of cash in many hospitals.

All told, the private voluntary hospitals spend $3 billion a year, while the annual budget of the municipal system is $1.2 billion, nearly $700 million of it city tax-levy funds.

Dr. S. David Pomrinse, the hospital association's president, said he did not believe that medical care had suffered appreciably. But he said the cuts meant "that the roof doesn't get repaired, supplies run out and cleaning is given short shrift."

If the cuts and fiscal restraints continued, he said, hospitals will have difficulty attracting top graduates of medical schools.

Union officials say they have lost thousands of jobs in voluntary hospitals in the last four years. In Manhattan, they count 400 lost at Montefiore Hospital and Medical Center in the Bronx and 100 at Mount Sinai; in Brooklyn, nearly 300 at Maimonides Medical Center and nearly 300 at the Jewish Hospital and Medical Center.

In its February report citing a "crisis" atmosphere, the New York City Health Systems Agency said that many hospitals in the city were dangerously run down and estimated that at least $3 billion in capital improvements were required to make them comply with state safety regulations.

SOME HOSPITALS DOING WELL

Thus far, the city's prestigious teaching hospitals, which have made Manhattan the world's medical capital, have not suffered the worst effects of the budget cuts.

The Columbia-Presbyterian Medical Center, in Washington Heights, is using its endowment to cover losses, a practice that its officials say is threatening its financial stability. At Lenox Hill Hospital on East 77th Street, which has hardly any Medicaid patients, the fiscal crisis is not evident.

At Mount Sinai Hospital, at Fifth Avenue and 100th Street, which is also in better financial condition than most other hospitals, operating-room nurses staged a "sickout" in December, contending that they were understaffed and stretched to the breaking point.

In many hospitals, the cuts have primarily affected housekeeping and equipment.

One Hospital in Brooklyn, for example, is pumping sludge to fire its boilers because it does not have the cash on hand for C.O.D. oil deliveries. In another hospital cited by the hospital association, the operating rooms ran out of large surgical bandages and had to use sanitary napkins instead.

At St. Luke's, at Amsterdam Avenue and 114th Street, one of the city's more highly regarded teaching hospitals, relatives and friends of patients had to bring in bathroom tissue recently when the hospital ran out of it—the hospital did not have the cash to pay for it and vendors would no longer deliver there on credit. There are sometimes no disposable diapers for nursery infants, so the nurses bring in their own.

Rhodine Burgess, an assistant plant engineer at St. Luke's, said two of his four boilers needed repair work that the hospital could not afford.

Joanne Johnson, a senior social worker in pediatrics, said there was not enough staff to counsel families of children with terminal illnesses. "Your morale goes first," she said. "I can see what's needed, but I can't give it by myself."

At Bellevue, a nurse's aide said, slowly shaking her head: "I can't do for the patients like I used to. The hospital is always running out of ammonia, and I can't get their rooms clean, and there's nobody to help me turn patients in their beds."

Bellevue's nurses are often too harried to respond to patient calls. Cutbacks in administrative and clerical staffs have resulted in long delays in clinics and at admission and discharge windows.

Vera James, head nurse in Bellevue's neurology service, said the number of her patients had doubled in the last few years, with no increase in staff. "On weekends," she said, "we have aides changing dressings and suctioning patients." Elizabeth Eng, head nurse of the medical intensive care unit, said, "Three-quarters of our patients are unconscious, and things have to be done for them right away." In recent years, the ratio of patients to nurses was two to one. Now, she said, it is often three or four to one—"an intolerable ratio," she said.

"Things get done, but the level of frustration at the end of a day is excruciating," she said. "We never have time to spend with patients, we never have any time for meetings to see what we're doing, we have nurses who are burning out."

Linda McCahill, a nursing supervisor at Bellevue's psychiatric hospital, said, that she was critically understaffed. Some units with 40 patients, she added, often have no duty nurses at night or on weekends, so many patients are routinely oversedated with Thorazine "for their own safety and the safety of the unit."

Betty Kauffman, Bellevue's director of nursing, said the hospital had only two-thirds of the nurses it needed. She said that part of the problem was an overall shortage of nurses in a city where municipal hospitals were forced to pay them less.

Elsewhere, hospital staff and officials say they fear that the cuts in services go beyond patient comfort and jeopardize their recovery.

Rafael Gomez, a diabetic patient at Harlem Hospital Center, said there were never enough nurses and rarely enough aides. Turning his eyes toward an incontinent patient in the next bed, he lowered his voice and said, "He has to lay in his excrement for hours sometimes because there's no one to clean him."

BEYOND THE BREAKING POINT

At Brooklyn Jewish, a student nurse, close to tears, said: "I never have five minutes to chat with patients, I don't ever know any of them on my floor. Everyone's rude because we are all stretched beyond the breaking point."

A former administrator there said: "There is the dreadful feeling of being in a MASH operation. People simply are getting worn down and there's no time for creativity or research—just survival."

The Committee of Interns and Residents, the organization that represents most of the young physicians who work full time in municipal and voluntary hospitals, staged a one-day walkout last year, contending that the cuts were endangering patients.

Dr. Jonathan House, the organization's president and a resident in internal medicine at Harlem Hospital Center, said a lack of equipment and support staff was having "devasting" effects on patients. "If someone misses a temperature," he said "they may be missing the first stages of meningitis. Renal dialysis requires highly expert nursing, but we don't.

"But it isn't just medical things," he said. "I remember when there was this elderly woman with pneumonia on my floor. It was cold and we had run out of blankets—I'm not kidding, out of blankets.

"Well, this man who was visiting her came up to the nurse's station and asked for a blanket for her because she was cold. I told him we didn't have one. He came back later and asked for one again and I told him we didn't have any, not even one, that he'd have to bring one from home. By this time, I'm getting angry, and the guy looks at me as if I'm crazy—he couldn't believe that a hospital could run out of blankets."

"You know something? He was right, we are crazy."●

TRIBUTE TO BISHOP FRANCIS J. MUGAVERO

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to express my respect and admiration for Bishop Francis J. Mugavero of the Diocese of Brooklyn who will celebrate his 40th year in the priesthood this weekend.

I know what a joyous occasion this is for the bishop, and I am certain that it is equally as joyous for the people whom he serves. With an undying compassion for the poor and the needy, the bishop has inspired many programs to aid the elderly, the less fortunate, and those who have come to our city from other countries, looking for understanding and support. Bishop Mugavero is rich in spirit and he is capable of sharing this spiritual wealth with others.

I am sure that my colleagues from New York are familiar with the bishop and his fine reputation, and I know that all of my distinguished colleagues appreciate the dedication and integrity of such a man. Bishop Mugavero shows an understanding of all the people he serves, and a realistic approach to religion. Too often practicality is allowed to interfere with our spiritual lives, but this is a man who incorporates practicality into religion. A recent article in the New York Times referred to Bishop Mugavero as a "comsummate optimist. * * * A resurrection bishop" and indeed, he has brought new vitality and strength to the people of the Diocese of Brooklyn.

I am proud to be a part of Bishop Mugavero's congregation, and wish him a hearty congratulations on his 40th anniversary.●

TRIBUTE TO DR. ERNEST H. SMITH

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, recently the greater south Los Angeles area had the opportunity to pay tribute to a man who has provided the area with community service rarely seen in one lifetime. I am speaking of Dr. Ernest H. Smith.

Dr. Smith has unselfishly dedicated his time and professional expertise to further the comprehensive sickle cell education, screening, and counseling in the Compton, Enterprise, and Willowbrook communities within the 31st Congressional District of California, which I am proud to serve.

As medical director for the Compton Sickle Cell Education and Detection Center, his efforts have already profoundly affected the welfare of hundreds of people who will be forever indebted.

Such accolade is not without documentation. A leader in the community for over a decade, Dr. Smith has overseen such projects as the King-Drew Headstart program, school health programs in the Compton Unified School District, summer youth employment, and gang violence prevention. Additionally, Dr. Smith has involved himself with the development and growth of Afro-American cultural studies through various speaking engagements throughout greater Los Angeles.

While I truly regret that my work in the House of Representatives did not permit me to attend Dr. Smith's testimonial dinner so that I might have honored him personally, I am sure that the tribute bestowed upon him was truly indicated by those present at the dinner. I salute Dr. Ernest H. Smith for his truly excellent contributions to the community and the 31st Congressional District of California.●

RECONCEPTUALIZING ECONOMICS AS A HUMAN SCIENCE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1980

● Mr. CONYERS. Mr. Speaker, today we are witnessing the unfolding of an economic policy that attempts to put out fires, but lacks any concept of priorities, balanced growth, long-range planning, coordination across sectors, and the basic human purposes that an economy is supposed to serve. Policies are made in the most outrageously ad hoc and haphazard fashion. The policy of decontrolling domestic oil prices fans inflation and undermines growth. The profits of the big oil companies occur at the expense of the crippling of the auto industry. High-interests rates attract foreign investors, but bring housing construction to a halt. Huge loans to silver speculators such as the Hunt brothers are readily approved by the Federal Reserve Board, while the Chrysler Corp., farmers, homebuilders, and small businessmen, whose enterprises are far more central to production, go begging for credit. The broader impacts and social costs of economic policy are rarely considered.

The economist, Hazel Henderson, is one of a growing number of forward-looking young economists who understand that the old economic rules no longer work, are increasingly damaging as time goes on, and jeopardize the human purposes they are supposed to serve. Founder of the Princeton Center for Alternative Futures and author of "Creating Alternative Futures," Hazel Henderson was recently interviewed by Omni magazine, May, 1980, a publication that has won the reputation for tackling the increasingly tough problems that confront our society. I urge my colleagues to read the following Omni interview with Mrs. Henderson.

The interview follows:

"If someone had put me in Economics 1, I might never have fought my way out," Hazel Henderson once said. And the world might never have gained one of its most original thinkers in that "dismal science" economics, particularly as it relates to science and public policy. Without benefit of formal education beyond high school, Henderson is recognized for her unconventional views and illuminating ideas. Her appointments to several prestigious organizations include the congressional Office of Technology Assessment (OTA), where as a member of the Advisory Council she helps draft studies on a wide variety of future-related issues—solar technologies, for example, or the effects of nuclear war. Much in demand as a lecturer and writer, she roams the globe, attending conferences and spreading her vision of a new economics.

A native of England, Henderson came to the United States some 20 years ago, married, and began to raise a family in New York City. A power plant across the street prompted her first involvement with environmental issues. She became a founding member of Citizens for Clean Air. Later she worked with Ralph Nader and Campaign GM to bring consumer accountability to the largest automaker.

Henderson decided to focus her energies on economic issues and began writing for publications including Harvard Business Review, Saturday Review, and The Futurist. She and her husband, Carter Henderson, moved to Princeton, New Jersey, where they established the Princeton Center for Alternative Futures, an informal conference center, operating out of their home, which has been described as a "mom-and-pop think tank."

In addition to her duties with OTA, Henderson has been a director of the Council of Economic Priorities and the Worldwatch Institute and a member of President Carter's Economic Task Force. She is the author of Creating Alternative Futures (Berkeley Publishing), a collection of her essays, and The Politics of Reconceptualization (to be published in September by Anchor/Doubleday Press).

Omni editor Eric Rosen spoke with Henderson; as in most conversations these days, the first topic was energy.

Omni: For more than a decade you've been warning that we are coming to the end of the cheap-energy era. What kind of economy and technology do we need for the era to come?

Henderson: We need to shift to a renewable-resource economy, which implies a shift from our single-minded concentration on physics and engineering to an emphasis on the biosciences and ecosciences. Our goal should be to develop processes with greater thermodynamic efficiency and to align them with long-term ecosystem efficiency. We still have a lot to learn about that.

Omni: What do you mean by thermodynamic and ecosystem efficiency?

Henderson: Our current machines and manufacturing processes grew in an energy-inefficient way because we had cheap petroleum. Our electrical generating system, for example, produce a lot of what we defined as "waste heat." So we've built cooling towers to get rid of it. That's a thermodynamic obscenity: spending extra energy and material to get rid of energy produced in the wrong way. Now we have to develop cogeneration schemes to make use of the low-pressure steam or hot water that we once could afford to waste.

Ecosystem efficiency combines thermodynamic analysis with bioscience. If you're seeking ecosystem efficiency, you don't pave over a salt marsh—one of the most productive ecosystems on the plant—for an airport, and meanwhile keep adding oil-based fertilizer to hype the productivity of your farmland.

Omni: What should we look for in new technologies?

Henderson: We should be developing lots of small, rather humble technologies that will give the system a lot more flexibility. That's the trade-off we see in evolution: Success comes from increasing *adaptability* instead of being set in past *adaptations.* The industrial mind-set on which the old economics was built is unsuitable for the new view of bioproductivity, whose basic principles are diversity and redundancy.

Omni: But aren't the renewable-resource sectors following the traditional pattern, too? Every analysis of solar cells, for example, counts on mass production to bring prices down, market subsidies to encourage the big companies to get into the field, and so on.

Henderson: There will be some of both. We have to go beyond either/or logic; it's going to be both/and. Much good new science and technology are being subsidized almost unwittingly by the old system.

James Yen, a researcher of Grumman, for example, has developed what's called a tornado wind machine, which extracts energy from a vertical spiral of heated air. Maybe it could be installed instead of cooling towers at power plants. Anyway, while Yen was developing the idea, it didn't fit into Grumman's policies, and the corporate structure worked to reject it.

There are many "human enzymes" in the old system, trying to figure out how to redeploy themselves. There are enough crannies in the system, enough entrepreneurial spirit, enough free information, so that people are beginning to make the changes we need, but the changes are small and local. So they're difficult to identify as a new pattern. They don't show up as the old GNP type of economic growth. I'm sure that much of the renewable-resource sector will, in fact, be derailed, distorted, taken over to serve old institutional needs, and be burdened by costly overhead. We'll see both.

Omni: How do these "human enzymes" communicate with each other?

Henderson: By either/or logic, it's a paradox. The old dinosaur institutions have developed the incredible high-technology communication system, computer networks, data banks. And inside the dinosaurs are the "enzymes," networking around obstacles and communicating laterally. It reminds me in some ways of a jungle-drum system, in some ways of the "committees of correspondence" that preceded the American Revolution.

The same technology that makes it possible for a multinational corporation, for example, to sell its patent medicines in many countries makes it possible for consumer groups to get in touch across national boundaries and say, "Beware of this product; they may be about to dump it on you."

Omni: Can everyone be as adaptable as the "human enzymes"? Isn't the stress of change going to be too much for a lot of people?

Henderson: No, I think most people have no particular stake in the old systems; the real difficulty is for the dinosaur institutions that are rigidified around old technologies and strategies of energy and material use that can't be sustained. It's those sectors, and the people employed there, who feel the stress.

Omni: Is the Chrysler "bail-out" an example of that?

Henderson: Yes, I think it's quite typical of what we can expect. We shouldn't bail out the institution and all the stockholders, investors, and managers who enjoyed the ride up. They got their dividends and stock options; we don't have to underwrite their losses.

We should subsidize the redeployment of the workers, who are fairly blameless, into renewable-resource sectors of the economy. As far as I can see, it's more efficient both socially and economically to support them generously until they're redeployed, or until the Chrysler board has people on it who can turn the company toward production of buses and rapid transit systems.

Omni: Do we need a crisis to knock us over the head?

Henderson: Obviously, we don't need a systemic crisis, in which everything goes to pot all at once. In such a case people simply freak. They can't deal with it. But small, subsystem crises have social learning experience built into them, especially if we encourage public dialogue, such as we have had over the Chrysler question.

Omni: How has our experience with OPEC been a lesson?

Henderson: I think it was the only shock that could make us realize how far out of line with the rest of the world our energy consumption has been. At the outset OPEC was vilified as a dreadful cartel. Now some of us realize that it was the best thing that could have happened to help us adapt. Now that the cartel has broken on the up side and there's petroleum selling at forty dollars a barrel on the spot market, we're going to be praying for OPEC to hold the line. We may even realize how much of the OPEC price increase has been simply an attempt to compensate for the dollar's declining value.

Omni: What are some of the ill effects of our current economic thinking?

Henderson: The two billion six hundred million dollars in claims against Hooker Chemical for what happened at Love Canal, or the millions of dollars that taxpayers are going to have to pay to clean up the Three Mile Island reactor. With conventional economics, we've been hiding costs in the environment or in the social system, as ill health or as risks to the health of future generations. Now those hidden costs are coming back to haunt us, and there's no place to hide them anymore.

Omni: Will paying those costs impoverish other sectors of the economy?

Henderson: Yes, inasmuch as they are past-due bills, no longer deferrable. The first thing that companies tend to do in these cases is to go for the "add-on" technology—to build cooling towers when they're no longer allowed to heat up the nearest river. For each such trade-off, it's going to take a case-by-case decision between starting from scratch with a new process and adding on to an existing process.

Omni: Should the costs be borne by the public or by the private sector?

Henderson: Inevitably both are going to have to pay. There's tremendous resistance in this country to even quantifying social costs, for example, the annual sixty billion dollar cost of alcohol and tobacco abuse. We don't hire people to do it. But in Great Britain, for instance, where the taxpayer foots the whole bill through the National Health Service, many economists are hired to find out who's causing what costs.

Omni: What will those costs do to our national productivity?

Henderson: We should get economists to be much clearer when they throw the word productivity around. Traditionally they've defined it as labor productivity, per capita productivity. The whole development of industrialism was to increase the individual worker's productivity by increasing the amount of capital investment and energy per worker.

But on the social side of the picture, many other workers were shaken out of the system altogether, and their productivity fell below zero. They were on the welfare rolls, pushed onto the social-cost side of the system.

If you equate productivity with individual workers' productivity and ignore the social costs, then it's no wonder that everyone in Washington is saying, "We must increase our productivity by adding more capital to industrial processes." They've gone inappropriately from microproductivity to macroproductivity across the whole system.

Omni: The demand for increased productivity is often accompanied by insistence on deregulation. Are they connected?

Henderson: The real trade-off is between technologies that create great social and environmental costs, and thus require regulation to control their impact, and more harmonious technologies that don't require regulation in the first place. Nuclear power requires a massive federal bureaucracy for safety, policing, and waste storage. Local solar and wind power, alternatively, may involve local zoning regulation, but there's no need for Washington to oversee them.

Again, you have to look ahead to foresee the trade-offs. Deregulation of the airlines lowered air fares, but what are the social costs? Small cities lost major-airline service and were left with idle facilities, while airports like Atlanta's became bottlenecks with overloaded traffic controls. There were more accidents on small local carriers. Even if you're flying on a trunk route, you're likely to wind up in an overcrowded flying cattle car. All the new competition has also overextended airlines financially.

Omni: You make a strong case for looking ahead at the consequences of social decisions. But isn't it possible that too much caution can keep you from taking advantage of an opportunity at the right time?

Henderson: Of course. Just as the fusion-energy people are saying that we must have more money for fusion right now or else the energy won't be coming onstream in time, the solar-energy people are saying that if we don't push photovoltaic-cell development right now, we won't get the benefits of that technology in time. They're all lining up and presenting their data. But the answers aren't in the data. You can't get social directions or moral prescriptions from the data.

You can tell when you're reaching a historical watershed, because you find yourself going beyond the technical questions to right and wrong, good and bad. Why are we doing this? For whom? What are the implications for our children and our grandchildren? For a long time we thought we could push away the philosophical and moral questions, or wrap them up in economic technique and mathematics. We thought cost-benefit analysis could tell us that the greatest good for the greatest number would be served by building a given nuclear-power plant, for instance.

In a period like this one, however, all the technological debates become politicized, and people become aware—my golly!—that the basic level of politics is knowledge itself: how we define problems, what constitutes a problem, what constitutes proof. It's very basic stuff.

Omni: Are we too splintered a society to be able to get down to debate on that level?

Henderson: No, because those are the realities of moral choice that all of us deal with all the time. We know that our activities visit certain costs on those people. If I do something to further my ends, my husband has to forgo something he might like to do.

I think that in the Eighties we're going to see more and more of what I call "the politics of reconceptualization." We're going to have to peel back all the mystifications of technique, all the flurry of data, all of the baroque elaboration of subdisciplines—the toxicologists tracing various illnesses back to various substances, tracing the costs of x dollars back to Y Corporation—and get down to some eternal human questions that all of us are very qualified to talk about.

Omni: That calls into question all the merits ascribed to expertise and objectivity, doesn't it?

Henderson: Look at the uses of expertise in Washington today: the interest groups fighting "information wars," hiring intellectual mercenaries and building up their computer firepower.

The question of objectivity cuts deeper. We have a three-hundred-year tradition of enormous success in manipulating the world, based on the premise that human beings can abstract themselves from their situation—a species embedded in an ecological system, like all other species—long enough to map and manipulate the world. That will continue to be a successful method whenever you want to manipulate the forces of nature and make something happen. And we still need to do an awful lot of it—to step back and trace the thermodynamic efficiency of the technologies we use, and so on. But we can't let the success of that method hypnotize us into using it as a total philosophy. It won't tell us what kind of future we want.

Omni: The Apollo photographs of the earth gave many people a strong sense of the global system, a realization that we are animals embedded in a finite ecological system. Why hasn't that realization sunk in?

Henderson: Because of the academic lag all the intellectual investments that have to be written off. People have to recycle themselves, which means letting go of old models: And many of them are trying to extract the last amount out of their intellectual investments, their old textbooks, and so on before they finally amortize them and move on.

Moreover, we have a vastly overbuilt and overcapitalized educational plant in this country. There are far more colleges than we can ever use, and the potential for using them in real-time education is great. We can take obsolete disciplines that require complete restructing, such as economics, and begin to replace them with the kind of skills that people need to manage lifestyle changes and personal growth.

We have everything we need sitting there, waiting to be redesigned and rehabilitated. The question is, How fast can we create a debate all through the society, where there is already an experiential understanding that something new has to be done? So many people are already far ahead of those committed to the old structures that it's like the dinosaur again. The brain is the last to learn what's happening.

Omni: What should we call the new era?

Henderson: It's the Solar Age. People are already calling it that, but they don't realize its full dimensions. Most think it means flat plate collectors on the roof; they have forgotten that the sun is the only source of energy on this planet. And it's driving everything, including the economy. You can't even have a combustion process without those chemical exchanges occurring in the atmosphere.

Omni: Will we be able to change our cost-benefit analyses accordingly? Can we include those biological ideas you've spoken about?

Henderson: We have to. Until a few years ago my big dream was to incorporate into economic theory all of these important new ideas of bioproductivity and the real physical measures of efficency from thermodynamics. Take the concept of diminishing returns—an idea developed in early economics. Now that concept fits very well with biological concepts of productivity where you see S curves dealing with growth, maturity, and decline. Up to a certain point you could take a piece of land and add fertilizers to it and increase its productivity, and then at some point, if you kept on adding that one additional input, you would reach a level where additional increments wouldn't raise the productivity of the land any further. And in fact additional inputs over an optimum level would begin decreasing the productivity.

Omni: Where are we on the S curve?

Henderson: We shouldn't take that highly aggregated view: that the whole system is going to hell and we're going off the curve. Instead, we should look for what is new, what's growing, and what has real potential. Those can go on a new S curve, but in a completely different place.

Omni: Will we have a multieconomic phoenix rising from the ashes of Keynes and his theories?

Henderson: Yes, I think so. The main body of traditional economic theory can help with quantifying all of our social costs. But it will finally bog down when the understanding dawns that all economics was ever concerned with was the monetized sector. Economists were hypnotized by this abstraction called an economy, while there is really no such thing as an economy; there's a sociotechnical system embedded in an ecosystem.

Omni: How will problems affecting the industrial nations affect the Third World?

Henderson: The Third World has been caught in the same debate between capitalism and Marxism that has occupied the Northern Hemisphere over the last several decades. They have two very clear examples: the apparent—almost hypnotic—successes of the West, and the Marxist way, which clearly points out the anomalies of the Western way of life. Most Third World leaders now seem to be talking of a third type of approach, perhaps something like Sweden, which has a very ingenious mix of private enterprises and public controls. They are looking to pick and choose the best from both worlds—to see where the rubber really hits the road—and create something that fits into their own cultures.

Omni: Could technology assessment help us cross the barriers we've been talking about? Turn everything around, so to speak, and plant the seeds to let the flowers bloom?

Henderson: I think that it has enormous potential. I've been on the Advisory Council of the Office of Technology Assessment ever since it began six years ago. I saw that technology assessment use an integrated, interdisciplinary approach, with economics only one part of a much larger patterning of problems. There was tremendous potential for remapping the situation in such a way that we could come up with all kinds of innovative policy alternatives. Today policymakers are stuck with using old maps to define the "problems" in the same old way, which means they are going to keep redoubling their efforts to do the old thing that already failed. The alternative is to put on a different pair of disciplinary spectacles and see a new pattern and reconceptualize the problem—or even discover that it isn't the problem at all.

The Office of Technology Assessment is one of the few governmental agencies where that questioning and the reconceptualizing have been institutionalized. One of the ways that I tried to open OTA's conceptual approach was to insist that persons and groups in society affected by various technological choices—but not necessarily benefiting from them—be included as representatives on the advisory panels for such studies, along with persons possessing the more traditional kinds of expertise. Yet this information on impacts requires a very real sort of expertise; it is social feedback, or anticipatory social "feed-forward."

This "early warning" creates a better definition of the problem. I justified the inclusion of people who don't have orthodox degrees, such as consumer and labor representatives and environmentalists. Their experience is vital to securing a definition of the problems.

Omni: Will these people have less of a sense of isolation from the people defining the problems?

Henderson: Yes. You see what happens is the people from the traditional disciplines the physicists and the engineers and the economists who normally have been involved, have been isolated and have a sense of unreality of how these technological ideas really impact on human beings in real situations.

Omni: Would it be mainly because they're not quantifying the things we've spoken of like bioproductivity?

Henderson: Right. Those old disciplines are too specialized and do not include the second- and third-order consequences. We had a terrible problem when OTA started in that so many of the contractors who came in were just putting old wine into new bottles. They would come in and swear on a stack of Bibles that they knew how to make technology assessments. But when you really unraveled it and you examined their assumptions, you'd find that what they were talking about was technological and economic feasibility, which is very different. That's not technology assessment at all.

It's very unscientific to look at a problem and then jump to a methodological conclusion, or not even to think about the method that you're going to use. There is no justification to using cost/benefit analysis merely because that's the thing that you happen to be trained in. A good technology assessment examines real world problems case by case and says, "First, there's the technological feasibility and first-order consequences of going in this direction. Then there are the second-order problems when a technology diffuses: What happens when it is used in an institutional framework of commercialization? What kind of problems does that create?"

You need to synthesize the answers to these questions, and whatever environmental, health, and safety impacts there may be, using four or five different models and methods. That's one reason why the advisory panel should incorporate people with all kinds of viewpoints and biases. Some will have a physics bias; some an environmental and some an economic or social perspective. We've learned that there is no such thing as "objective" science or value-free technology.●

SENATE—*Friday, May 16, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God our Father, who has watched over this Nation from the beginning until now and hast made us stewards of Thy great gifts, grant us the wisdom and the will to use what Thou hast given us for the betterment of mankind. Let Thy blessing be upon us in this place as we offer the toil of our minds, our hands, and our hearts in service to this Nation. Encompass us with Thy spirit. Be with us in our coming in and our going out. Preserve us from unrelieved weariness, from taut emotions, from numbed nerves, from easy despair and from doing less than our best. Reinforce all human strength by the greater energy of Thy spirit that, being assisted by divine grace, we may, in some way be instruments for bringing a measure of Thy kingdom on Earth.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 16, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE MOSCOW OLYMPICS

Mr. ROBERT C. BYRD. Mr. President, we have today a story of contrasts. I find it tragically revealing.

On the one hand, we have the West German Olympic Committee which has voted 59 to 40 to boycott the Moscow Olympics this summer. Earlier this year, the West German Parliament voted 446 to 8 to support the boycott movement.

This represents a strong statement of principle and determination by the West German people. I commend their courage, as well as their values.

On the other side, we have the action taken by the French Olympic Committee which voted 22 to 0 to attend the Moscow Olympics. During this debate, the French Government has remained strangely quiet, saying that sports and politics should not mix.

I find this view deplorable because it is at best naive, and at worst, self-serving.

I am amazed that France, a nation that was itself once occupied by a foreign power, will not now demonstrate its outrage over the occupation and domination of another nation by a foreign power.

The French protest that international sports and politics should be kept separate. We cannot kid ourselves. Politics, in one form or another—and in 1936 in its most contemptible form—has intruded into virtually every Olympic game.

It would be nice if we lived in such a perfect world where international sports competition was kept in a bubble, isolated from the injustices and aggressions of certain countries.

But we do not live in such a world. We do live in a world where schoolchildren—boys and girls—are gunned down—murdered—on the streets of Kabul by "brave" Soviet soldiers. These children will never have the chance to participate in any Olympic game.

This, to me, Mr. President, transcends international sports and international politics. I find such horror stories an affront to human dignity and the freedom of all mankind.

There are now about 35 nations whose Olympic committees have said they will not attend the Moscow Olympics. The governments of 25 additional nations have pledged their support for the Olympic boycott.

In the wake of the West German decision, a number of important Olympic committees will be voting: Today, Turkey's committee will decide; on Monday, the Dutch and Swedish committees will decide; on Tuesday, it will be the Italian committee; on Wednesday, the Japanese committee, and on Thursday, the Australian committee.

There are 9 days left until the filing deadline for participation in the Moscow Olympics. These are 9 days the world will watch.

Will the undecided nations go the way of West Germany and the United States; or will they go the way of France?

Unless one wants to reward the Soviet's enslavement of the people of Afghanistan, the Soviet massacre of Afghan citizens, of Afghan soldiers, and of Afghan children, there can only be one right answer.

Mr. President, I yield to the distinguished minority whip, the acting leader.

Mr. STEVENS. Mr. President, I am grateful to my friend.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

ALASKA'S OIL WEALTH

Mr. STEVENS. Mr. President, recently, Alaska has been the focus of attention over the amount of revenue residents have received as a result of the wealth derived from the development of oil in my State. Many Members may not realize it, but 1 out of every 6 gallons of oil produced in this country comes from Alaska, and we are proud of the contribution we are making to our national energy supply. As a matter of fact, we would very much like to have the chance to look for more oil and gas to provide more assistance to our fellow citizens in the lower 48 in reducing our dependence on foreign sources of oil.

This morning, I would like to comment upon the criticism we have been subjected to because of the money Alaska has received from the sale of our oil.

Many people do not realize that the major oil discovery in Alaska was on State lands at Prudhoe Bay. Mr. President, Alaska has been a State for only 21 years. Before that, we were a territory of the United States for over 90 years. During territorial days, we were largely ignored by the Federal Government which was charged with the responsibility of building roads and airports, docks and ports, and all the facili-

● **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

ties we need. As a State, we have been treated somewhat better but we still lack much in the way of highways, airports, harbors, and other public works. The revenue we now are receiving makes up in some ways for the years of being ignored that we suffered through.

Furthermore, I do not think most Americans realize that Alaskans pay the highest per household Federal taxes in the Nation. In 1979, the average Alaskan family paid $12,143 in Federal taxes. The average family burden on the next closest State was only $7,049 per household, over $5,000 less than in Alaska.

Alaska sales taxes have also been the highest in the Nation. In 1978 Alaskans paid $1,383.23 per capita in sales taxes. The next highest State tax per capita was $843.21, again, more than $500 less per capita in sales taxes.

We have had, in terms of the allocation of the Federal tax burden by State per capita, also, the highest per capita payment.

We have paid, as No. 1 individual per capita taxpayers in the country, in 1978, $3,355 per capita. The next highest, incidentally, was the District of Columbia with $2,418.

Alaskans have paid their share and more in the hard years both to the State and Federal Government.

Because of the funds now available my State has started an innovative program to make dividends payable to our residents. This will insure that the people who have struggled through the hard years before statehood and the lean years since will be compensated for their support of our State and our territory.

It is also a way to let people throughout the rest of the country become aware that we do have these State funds and that they are being distributed to those who supported our State for so long. It is a way that we can allow, as Alaskans, individuals in our State to decide what we should do with the funds that come to our State government.

Alaska is the only State that determined that all subsurface rights on lands that came through State ownership should remain the property of the State.

This means that the royalties from the development of subsurface rights will be paid to the State treasury. We are, in fact, a corporate State.

But lastly it is a way to allow the individual to decide what they need. We have decided that our government should not always pretend to know what is best for all Alaskans. We believe Alaskans should have the opportunity to make the decision as to how to spend the moneys that come to our State treasury.

We believe that the best way to do this is to have the funds flow from the State treasury to individual Alaskans and let them make the decision.

We also have created, and the Senate should know this, a new Alaska permanent fund. That permanent fund will take 25 percent of all the moneys received from the development of subsurface resources and invest the moneys for future returns to Alaskans who come after those of us who now have the privilege of enjoying our State.

Mr. President, I ask unanimous consent that an editorial from the Seattle Times, which goes into this, and is entitled "Alaskans Get to Spend Some of Own Oil Money," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALASKANS GET TO SPEND SOME OF OWN OIL MONEY

Alaska has a problem the other 49 states can envy. For the immediate future, the problem is what to do with more than $3 billion in surplus funds for the fiscal year ending June 30, 1981. Projected over the next 20 years, the problem is what to do with nearly $100 billion.

What's happening, of course, is that the 49th state finally is beginning to cash in on royalties and production taxes from the Prudhoe Bay oil bonanza. As one might imagine, the Legislature in Juneau has been besieged by constituents seeking money for pet projects.

The state's first Prudhoe Bay windfall—$900 million in 1969 from oil-field leases—went mostly to public-works projects. Subsequent oil revenues of less than $1 billion a year have been pumped into various government services.

But last week the Legislature voted to do something different with a sizable chunk of that oil revenue—something that many government bureaucrats everywhere would regard as highly irregular. The lawmakers voted to put part of the money—amounting to $405 million this year—into the pockets of the state's 400,000 residents.

The distribution formula includes abolishing the state income tax for most people, and refunding last year's income-tax payment for everybody. In addition, residents are being given $50 for each year they've lived in Alaska since 1959, when statehood began. That means a 21-year resident will receive $1,050 this year.

The $50 base dividend is expected to increase because it is tied to earnings by a state trust fund fed by the oil revenues. As revenues increase, the trust builds and the dividend grows.

"Some people call this socialism," says Alaska's Republican governor, Jay Hammond. "But it really is very conservative. It doesn't take from the rich and give to the poor. We're taking wealth that belongs to the people and making sure that at least some of it is funneled through their pockets, instead of through their elected representatives."

We say hurrah. Some Alaskans may not make the wisest use of their personal bonanza. But it's their money, isn't it? We congratulate the Juneau decision-makers for at least a partial departure from the pervasive notion that the government knows what's best for everybody.

AIR TRAVEL IN ALASKA

Mr. STEVENS. Mr. President, one of the greatest problems in Alaska is reliable, year-round transportation. Alaska has relatively few roads and air travel is the most important mode of transportation. However, air travel in Alaska is very different than in most of the "lower 48."

Most of the day to day transportation is provided by commuter and air taxi operators who fly approximately 1,700 airplanes over 390,000 square miles of frozen tundra. This way of travel is not only unique because of the vast distances, but is also very difficult because of the often hostile weather conditions. However, as many of the pilots and residents of the villages will point out; "the only alternative is the dog-sled." For this reason, it is absolutely crucial that Alaska have a safe and reliable aviation system. There is no one more familiar with the many problems involved than Congressman DON YOUNG.

Congressman DON YOUNG is a longtime resident of Fort Yukon, one of Alaska's "bush" villages and a former riverboat captain. The only year-round service to Fort Yukon is by air. DON has done a tremendous job in bringing out the problems faced by Alaskan commuters and air taxi operators. Many of these problems arise because Alaska is often lumped in with the rest of the United States when considering aviation concerns. Unfortunately, this just does not make sense.

Recently, Commuter Air devoted quite a bit of their March issue to the difficulties faced by Alaskan commuter and air taxi operators. The feature article is a commentary by Congressman YOUNG which points out some of the many difficulties. I believe that my colleagues will find this article extremely interesting and informative and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FAA HAS PLENTY OF WORK TO DO

(By Congressman DON YOUNG)

Alaska is quite simply the most aviation-oriented place in the United States. In the lower 48 states, automobiles are the normal mode of transportation; in Alaska, aircraft is the name of the game.

Having no appreciable system of roads, there are many villages where individuals who have never experienced a ride in an automobile have traveled extensively by air. The distances in Alaska are great; the weather conditions sometimes impossible. It is obvious that needs for air travel are uniquely pressing.

Given this information, let's examine Alaska's relationship with the FAA to demonstrate a "worst case" application of the rules to the realities of life in the 49th state.

The FAA's primary duty is to regulate air travel, allowing the best possible level of safety to be enjoyed by carriers and passengers alike. As a regulator in Alaska, it serves to facilitate consistent and safe travel, to teach operators ways to increase their levels of safety and, in the event that non-compliance occurs, to take punitive action against those who do not live up to safety standards.

The crime is that the FAA, for a number of reasons, seems to be derelict in its facilitation and teaching roles, and seems much more concerned with its punitive role.

As an ex-teacher, I realize that you don't rap a student on the knuckles for illiteracy before you teach him how to read. Yet, in a number of cases, this is precisely what happens in aviation enforcement. Carriers are fined for infractions they are not aware of, rules are broken because they are not understood and worst of all, safety suffers because of the lack of understanding and the non-adherence by the carriers who point to "another FAA reg." Many rules which are fine for the lower 48 states are ridiculous when applied to Alaska. The FAA must design the rules to fit the realities.

I've flown with many carriers in Alaska, some better than others. But in all my flying, I have yet to come across an operator who would jeopardize his business knowingly by not complying with a regulation shown to be in his best interest. Yet, almost all operators perceive the FAA in a different light than we would like them to be perceived.

The FAA is seen as having two sides: the first, as a proponent of largely unrealistic regulations with no realistic application to operations; and second, as an organization which is steadily declining in esteem, due to a seeming lack of commitment to Alaska by the FAA office in Washington.

In the first case, the operator is confronted with an entirely new set of operating guidelines which alter the basic complexion of his operation. In Fairbanks, at the FAA General Aviation District Office, there are six operations inspectors and two maintenance inspectors to serve 1,720 aircraft spread over an area of 320,000 square miles, or an area roughly the size of Texas and Michigan. combined.

At the same office, there is only one copy of the new FAR 135 Regs. available, which is lent to whomever finds it interesting. Under these conditions, knowledge of, not to mention compliance with, the regulation is realistically impossible.

Furthermore, many of the regulations which apply well in the lower 48 do not apply in Alaska. A case in point: FAR 135s requirements that pilots who operate multi-engine aircraft attain an air transport pilot's rating is probably fine for B–727 pilots in the lower 48. In Alaska, where costs for multi-engine aircraft run close to $300 per hour, and where the average ATP-rated pilot would not be flying anything close to a 727, these rules do not address the realities.

The second view the average Alaskan operator has of the FAA is that FAA seems to be quick to criticize the operator for violations of the rules, while all of the economic cues from Washington seem to indicate the FAA itself is not concerned with safety in Alaska. I have personally seen the weather reporting for air travel purposes go from bad to worse during the last 20 years. Manned observations have been replaced with chronically deficient remote systems, leaving flying treacherous, at best.

The FAA's own personnel turn over at a rate of 30 percent per year in Alaska, directly due to a lack of sensitivity on the part of Washington FAA to the personnel problems inherent in any high-cost-of-living area. In addition, morale is kept low by the lack of adequate equipment and relatively poor working conditions.

Pilots who are aware of FAA's operations are very likely to sympathize with the local officials, noting it would be hard to work for an organization which does not seem to care about its employees.

Evidence of this stems from examining the radar sites in Alaska. The FAA operates only three radar installations there: one at Anchorage, one further north at Fairbanks and one still further north at Prudhoe Bay. The first two installations have operating ranges of 150-mile radii; the last has a 200-mile radius capability.

This, obviously, does not cover the state. All three installations are equipped with Korean war-vintage broad-band radar systems, with no possible computer applications. Where this type of equipment is used in the lower 48 as backup equipment only, in Alaska, we have no backup equipment: If the system fails, luck is the only recourse.

As for navigational aids, we are severely deficient, to the point where many operators consider it quite a thrill to think that the FAA has purchased a new wind sock for their home airport. Communications are sometimes so poor that it is possible a controller could observe an impending mid-air collision for 30 minutes before either aircraft could be alerted through existing lines of communication.

These are just some of the deficiencies operators must deal with on a day-to-day basis. The FAA treats its Alaskan personnel as second-class citizens, and harps on them to enforce regulations totally foreign to a realistic appraisal of the Alaskan situation.

FAA personnel are poorly compensated for working with outdated equipment in severe and unknown weather conditions. Operators recognize that while the FAA accuses them of violating superfluous regulations which increase their costs tremendously, the FAA itself is grossly negligent in its own spending priorities.

The FAA today sits upon a nest egg (the $4.5-billion trust fund) which far exceeds the limits of Congress' intent, and yet fails to purchase minimum equipment for its three Alaskan radar centers.

The FAA could go a long way towards improving air safety by looking right in its own back yard. It could bring the existing radar centers up to standard with new equipment. It could alter its treatment of its Alaskan employees to maintain a consistency in operations and effect an increase in morale. It could adopt regulations to recognize the Alaskan experience so that a floatplane operator is not required by law to weigh his passengers before takeoff from a body of water. And, finally, it could direct its efforts away from the punitive aspects of its duties, and direct them instead towards assisting and explaining safety regulations to the operators.

The history of Alaska has been shaped by the airplane, and will continue to be shaped by it, if the FAA allows. Alaska is in many ways vastly different from the rest of the U.S. That is why many prefer to live there. And, Alaskans are citizens who deserve the same dedication to safety from the FAA as the rest of the country.

The FAA can work with operators to improve safety and make Alaska a better place to fly, or it can stumble along blindly on its present course, dragging its feet and the transportation system of Alaska along with it.

FAA must be willing to accept constructive criticism on Alaskan positions. Working in the proper manner, it can help the carriers add another important word to the state slogan, "North to the future safely."

AIR SERVICE IN SMALL-TO-MEDIUM-SIZED CITIES

Mr. ROBERT C. BYRD. Mr. President, today, I want to voice my concerns over the future direction of air service in small-to-medium-sized cities.

I literally raised my eyebrows last week when I read of the decision by the Civil Aeronautics Board to grant airlines broad authority to increase all air fares. That same decision by the CAB gives airlines carte blanche to raise fares on flights covering less than 200 miles. I am more than concerned over the implications of this latest directive. I am apprehensive of what this decision may portend for the future of air transportation in my home State of West Virginia.

This decision by the CAB evolved from authority granted under the Air Transportation Regulatory Act of 1978. Congress enacted that piece of legislation after being told of the many benefits airline deregulation would bring to air travelers.

I was one of those who listened to the siren song.

We were told that removal of restraints governing air transportation would bring about freer competition among the airlines, resulting in more efficient service and possibly reduced fares.

But now, more than a year later, let us look at the realities of what has occurred since deregulation took effect. The Nation has lost 9,000 airline seats per week at small-to-medium-sized community airports. West Virginia has suffered a loss of 3,000 seats per week and a 7.5 percent decline in the number of passengers served.

The result of deregulation in West Virginia has been a deterioration in airline service. Today, fewer West Virgina markets receive single-plane service than before deregulation. Fewer flights are operated—fewer carriers operate—but air fares are considerably higher in West Virginia than before deregulation.

In sum, the realities of airline deregulation have been far different from the rosy picture painted before Congress prior to enactment of the legislation. I have been disappointed. And now I have reason to worry about future air fares as a result of the recent decision by the CAB.

Air fares already have risen substantially in West Virginia following deregulation. For me to fly to Charleston, the capital of my home State, it costs $156 round trip from Washington, D.C.

Mr. President, I believe that represents more than a 100-percent increase over the fare prior to deregulation. It would certainly represent anywhere from a 75-percent increase to more than a 100-percent increase over the fare prior to deregulation.

Unfortunately, that is not an isolated example. A round trip fare from Clarksburg, an industrialized city in the northern part of the State, to the Nation's Capital runs $128—a 46-percent increase over the fare prior to deregulation.

And round trip air travel from Huntington, one of our largest cities on the western side of the State, to Washington, D.C., costs $184—a 61-percent increase over the fare prior to deregulation.

The fare from Charleston, the State capital, to Morgantown, the State's educational center, is up 58 percent following deregulation. And from Charleston to Pittsburgh—a point where many West Virginia travelers make connections—is up 77 percent following deregulation.

With these figures in mind, it is obvious why I am concerned over the CAB's decision to give airlines full freedom to raise fares.

I am aware of the need of the airlines to adequately cover their costs and to make a fair profit. I am also aware of the need of our West Virginia communities to have access to adequate air service—at reasonable rates. This is essential for nurturing the economic growth and development of our towns and cities, especially in the rural areas. Airline service influences the decisions by private industry to locate or expand their facilities in our State. It governs the travel patterns of our citizens. And it affects the amount of educational and cultural exchanges between West Virginians and others. Our State—and the communities within our State—cannot be isolated.

Although I have cited the consequences of airline deregulation on West Virginia communities, I have no doubt that many, many small to medium-sized communities across the Nation are in the same dilemma. We cannot permit skyrocketing air fares to push these communities—or their citizens—out of the airline market.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield

Mr. STEVENS. Mr. President, I commend the Senator from West Virginia for making that statement. I am preparing a bill to abolish the CAB as a result of its recent actions.

I also supported the legislation to which the Senator from West Virginia refers, after we were assured that the CAB would review any increase in excess of 5 percent or a decrease of 10 percent, in order to assure that there continued to be Federal oversight of airline fares.

This decision amounts to an abdication of the authority that Congress preserved for the CAB to protect the airline passengers, and I do not believe there is much reason to have the CAB any more if that is what they are going to do. We actually would be better off with no regulatory body, if they are going to announce in advance that they will authorize any increase so long as it does not exceed 30 percent.

I tell the Senator that, as I read their decision, it does not even say 30 percent a year. It says 30 percent each time. It can be raised 30 percent this month and another 30 percent next month. It is a complete abdication of their authority and responsibility.

I was a member of that committee at the time the bill was passed. It was a controversial bill, as the Senator will recall. We finally worked it out on the basis that we could increase competition and the advantages to airline passengers as a result.

I come from a State where air transportation is practically the only transportation, and it worries me greatly that the CAB has taken this action. I think they should reconsider it. If they do not, we should consider seriously doing away with the CAB.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 747 and 748.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ACQUISITION OF CERTAIN PROPERTY IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2134) to provide for the acquisition of certain property in square 758 in the District of Columbia as an addition to the grounds of the United States Supreme Court Building, which had been reported from the Committee on Environment and Public Works with an amendment on page 3, line 5, strike "section" and insert "Act".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Architect of the Capitol is authorized to acquire on behalf of the United States by purchase, condemnation, transfer, or otherwise, as an addition to the grounds of the United States Supreme Court Building, all privately owned real property contained in lots 2, 3, 800, 801, and 802 in square 758 in the District of Columbia, as such lots appear on the records in the office of the Surveyor of the District of Columbia as of the date of the enactment of this Act.

SEC. 2. The acquisition of real property under this Act shall be conducted in accordance with the Act entitled "Uniform Relocation Assistance and Land Acquisition Policies Act of 1970", Public Law 91–646, approved January 2, 1971, and any proceeding for condemnation brought in its course shall be conducted in accordance with the Act entitled "An Act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929 (16 D.C. Code, secs. 1351–1368).

SEC. 3. Upon acquisition of such real property by the Architect of the Capitol, on behalf of the United States, such property shall become a part of the grounds of the United States Supreme Court Building and shall be subject to all of the provisions of the Act of May 7, 1934 (40 U.S.C. 13a through 13p), as amended.

SEC. 4. The Architect of the Capitol is authorized to enter into contracts and to make expenditures for grading and paving and such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this Act.

SEC. 5. There is hereby authorized to be appropriated the sum of $645,000 for fiscal year 1981 for the purpose of carrying out the provisions of this Act, said appropriation to remain available until expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOSEPH M. MONTOYA FEDERAL BUILDING AND COURTHOUSE

The Senate proceeded to consider the bill (H.R. 5259) to name a certain Federal building in Santa Fe, N. Mex., the "Joseph M. Montoya Federal Building and U.S. Courthouse."

UP AMENDMENT NO. 1102

(Purpose: To amend Public Law 94–587)

Mr. STEVENS. Mr. President, on behalf of the Senator from Maryland (Mr. MATHIAS) I send to the desk an amendment which is a technical amendment to the Water Resources Development Act of 1979 which would permit construction of a water diversion weir in the Potomac Rver.

The water diversion structure, which which was authorized in the Omnibus Rivers and Harbors Act of 1976, would be an underwater low-rise diversion structure of approximately 5 feet in height from the Potomac River bed. Its purpose is to raise the Potomac's water level sufficiently to assure an adequate regional water supply during periods of low water flow.

During the final hours of the 49th Congress, in the course of the House-Senate conference on the Omnibus Rivers and Harbors Act, an amendment was added by the House to condition the weir's construction on an absence of conflict "with a report of the Secretary of the Army, acting through the Chief of Engineers, submitted pursuant to section 85 of the Water Resources Development Act of 1974."

That law required the Chief of the Corps of Engineers to "make a full and complete * * * study of the future resource needs of the Washington metropolitan area, including but not limited to the adequacy of present and future uses, the effect water pricing policies and use restrictions may have on future demand, the feasibility of utilizing water from the Potomac River, all possible water impoundment sites, natural and recharged ground water supply, waste water reclamation and the effect such projects will have on fish, wildlife, and present beneficial uses * * *"

Given the comprehensive nature of such a study, the corps estimates, at the earliest, it will not be completed until 1983.

The vagaries of the weather and the resulting Potomac River levels, however, dictate that we cannot afford to wait until 1983 to begin to do something about the possibility of a water shortage in the Washington metropolitan area. In both 1973 and 1974, water consumption in the region exceeded the Washington Suburban Sanitary Commission's capacity to withdraw water from the river during low flow periods. Again, in the summer of 1977, we in the Washington region experienced a severe water shortage. Rationing of nonessential uses was imposed and government agencies and businesses were forced to shut down. This experience, unfortunately, is likely to become a trend in water shortages for the Washington region, particularly in the summer months.

This amendment will enable us to avert a very possible emergency situation regarding water supply. It permits the Corps of Engineers to issue a permit for the construction of a weir in the Potomac River at the point at which the Washington Suburban Sanitary Commission's water intake pipe is located. This authorization will not cost the Federal Government anything and, to the best of my knowledge, is unopposed.

The Washington Suburban Sanitary Commission has been most patient in waiting for a permit from the Army Corps of Engineers to construct the weir. As the chairman of the Environment and Public Works Committee knows, I have introduced an authorization for this purpose in both the 94th and 95th Congresses.

The Suburban Sanitary Commission had proceeded since February of last year on good faith that the water resources bill, which contains this authorization, would have been acted upon by now. It had, therefore, included the weir in a larger construction contract to replace the present Potomac River water intake pipe. That contract called for construction of the weir to take place in October of last year. When no water resources bill was enacted by that time, a 6-month extension was negotiated with the contractor. That 6-month extension expired April 11. No further extensions are possible without an added cost to the WSSC of $1.5 to $3 million. Those costs exceed the construction cost of the weir itself.

Any further delay will mean the present construction site at the C&O Canal and the river's edge, which is already torn up, will have to be restored and then torn up again later.

This amendment to the Water Resources Development Act, which I believe is acceptable to the chairman and ranking member of the Environment and Public Works Committee, will not solve the much larger problem of water supply for the Washington region. It will, however, enable us to avert a very possible emergency situation this summer.

The weir will simply permit the withdrawal by local affected jurisdictions of their respective shares of Potomac River water. Those shares of water are governed by a "low flow allocation agreement" between the Army Corps of Engineers, the District of Columbia, the States of Maryland and Virginia, and the Washington Suburban Sanitary Commission. The agreement is a model of regional intergovernmental cooperation in place and working.

Finally, I point out that the weir will be constructed in a location and in such a fashion that water sport enthusiasts such as canoeists and kayakers, can continue to use the river.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for Mr. MATHIAS, proposes an unprinted amendment numbered 1102.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . Section 181(a)(2) of the Act of October 22, 1976 (Public Law 94–587; 90 Stat. 2939, 2940), is amended by striking out "(A)" and by striking out ", and (B)" and all that follows down through and including the period at the end thereof and inserting in lieu thereof a period.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF DEFENSE PRODUCTION ACT OF 1950—SENATE JOINT RESOLUTION 175

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PROXMIRE, I send to the desk a joint resolution and ask that it be stated.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 175) to extend the expiration date of the Defense Production Act of 1950.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PROXMIRE, I ask unanimous consent that the resolution be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its immediate consideration; and, without objection, the joint resolution will be considered to have been read twice.

Mr. ROBERT C. BYRD. Mr. President, this resolution has been cleared by the chairman and ranking minority member of the Committee on Banking, Housing and Urban Affairs. It extends the Defense Production Act for 3 additional months until August 27, 1980. A longer term extension of the act is contained in S. 932 which is still in conference. It now appears that final action on S. 932 will not be completed prior to the expiration of the Defense Production Act on May 27.

Mr. STEVENS. Mr. President, I am delighted to see this resolution, which has the complete support of the minority in the Senate, to bring about the extension of this very important act, in order that it might be completely reviewed by Congress; and I hope it will be extended for a definite period of years by this Congress.

The joint resolution (S.J. Res. 175) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. RES. 175

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166 (a)) is amended by striking out "May 27, 1980" and inserting in lieu thereof "August 27, 1980".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL ELECTION COMMISSION AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2648.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2648) entitled "An Act to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That the second sentence of section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1977," and by inserting after "1978" the following: ", and $9,400,000 (of which not more than $400,000 are authorized to be appropriated for the national clearinghouse function described in section 311(c)(10)) for the fiscal year ending September 30, 1981".

Amend the title so as to read: "An Act to authorize appropriations for the Federal Election Commission for fiscal year 1981.".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments of the House.

Mr. STEVENS. Mr. President, this has been cleared, and we have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to exceed an hour and a half, and that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, from time to time, I have been taking the floor to discuss the United States Senate—its history, its customs, its traditions, and its rules.

Most recently, I have spoken of the offices of majority and minority leaders and the offices of majority and minority whips. From time to time, I will allude further to those offices.

SECRETARY OF THE DEMOCRATIC CONFERENCE

Today, I continue by speaking about the Secretary of the Democratic Conference, but to explain his duties most fully, I should first describe the Democratic conference itself or "caucus," as it was once known. It was known as the Democratic Caucus until 1925.

Observers from other nations might expect to find our party conferences in the Senate to be instruments for dictating party voting on the floor, as is true in many parliamentary bodies. But here the party conferences are not and have never been regimented organizations demanding strict party loyalty. Senators have always acted as individuals in their voting and they have resisted any deliberate imposition of a party line, no matter how much easier that might make the work of the majority leaders and the minority leaders.

Party caucuses, or conferences as they are commonly referred to today, however, are old institutions. They are as old as the political parties themselves. In the early 19th century, these congressional caucuses chose Presidential candidates. And indeed it was through these caucuses that a very shrewd and capable Senator named Martin Van Buren advanced the candidacy of Andrew Jackson and helped to launch the Democratic Party. It was in opposition caucuses that such Senators as Henry Clay and Daniel Webster built the Whig Party, the forerunner of the Republican Party.

Historically within the Senate, the caucuses served organizational functions. They chose candidates for President pro tempore, Secretary of the Senate, Sergeant at Arms, party secretaries, and Chaplain, and they also decided the distribution of committee assignments among the party members.

Caucus members discussed legislative programs and strategies, especially when the party held a majority. But although many attempts were made to bind caucus members to vote according to the determination of a two-thirds majority of the caucus, they were never successful in imposing this rule. As one historian of the 19th century Senate has written:

> No caucus or informal committee determined general political policies, or designated specific measures, or enforced discipline, or looked after desired legislation.

This does not mean that the caucuses did not play a significant role, either for aiding the majority in setting its priorities—and this in an age when Presidents rarely presented legislative programs—and for the minority in determining how best to stay together and to make their opposition felt.

The first Senate office building is today designated the Richard B. Russell Senate Office Building, and incidentally when I first came to Washington, served in the House of Representatives and later came to the Senate, that building was referred to as the Old Senate Office Building. When the late Senator Richard B. Russell had passed on, I introduced a resolution, as a member of the Senate Committee on Rules and Administration, to change the name of that building from the so-called Old Senate Office Building, old because there were then two Senate Office Buildings, and they were distinguished one from the other by one being called the "old" and one the "new."

The resolution was taken up in the Rules Committee and the minority on the committee, while willing to have the old Senate office building named in honor of Senator Richard B. Russell, wanted the new Senate office building to be named after a Republican, and the name of the late Everett McKinley Dirksen was proposed. The committee approved both names for the old and new Senate office buildings, respectively, and the Senate quickly gave its approval.

So much for that. The Richard B. Russell Senate Office Building was the first Senate office building that was opened. That was in the year 1909, and the most magnificent room—Room 318—was set aside as the party caucus room and that is still what it is today, the caucus room. That is an indication of the significance of the caucuses in the early days.

One of the towering figures in the history of the Democratic caucus was Senator Arthur Gorman, of Maryland, whose portrait hangs outside this Chamber. Gorman was an effective and popular leader, despite the fact that he served as caucus chairman and floor leader mostly during an age when the Democrats were in the minority in the Senate, and often a very small minority. Much of Senator Gorman's influence came from his service on committees within the caucus, namely the Steering Committee—which was previously the Committee on Committees—which assigned party members to committees. My colleagues today understand how significant in a Senator's career one's assignments to committees can be.

The caucus chose four officers—chairman, vice chairman, secretary, and whip. As I have earlier mentioned in my talks on party leadership, the caucus chairman and vice chairman were also the floor leaders, as was the whip, in the days before the designation of the majority and minority leaders.

The records of the Democratic Conference date back to 1903, and the earliest of these records show Tennessee's stormy Senator, Edward Carmack, as the Secretary of the Conference. Senator Carmack was a former newspaper editor known for his searing wit and vituperation both in his editorials and in his debates on the Senate floor.

He was also the leader of the Prohibitionist movement in Tennessee, a passion which eventually cost him his life. Just two years after his defeat for reelection in 1906, while he was leading the crusade to ban the sale of alcoholic beverages in Tennessee, one of his opponents shot him dead on the streets of Nashville, where he is now memorialized by a statue on the capitol grounds.

The post of caucus secretary that Senator Carmack held was in many respects similar to the post that is held today by the very distinguished senior Senator from Hawaii, Mr. DANIEL INOUYE.

The members of the Democratic Caucus, which included all Democrats in the Senate, elected the Secretary to notify members of caucus meetings, to record the minutes of the meetings, to preserve the minutes of the meetings, to supervise calling the roll to establish a quorum, to tabulate votes in the caucus, and to prepare and send out resolutions of the caucus such as resolutions in sympathy respecting a deceased Member.

These largely housekeeping tasks were made more palatable for the Secretary by his inclusion in the caucus' chief committees, the Steering Committee and, later, in the Policy Committee. When the Legislative Reorganization Act of 1946 created the party Policy Committees, the Secretary of the Democratic Conference, as I say, was invited to attend Democratic Policy Committee meetings, although he was not a statutory member and not entitled to vote.

The post of Secretary was, therefore, most inviting to junior members of the party who lacked the seniority to otherwise be included in these decisionmaking bodies. Indeed, one common characteristic among many of the conference secretaries, is that they became Secretary very early in their senatorial careers, often shortly after joining the Senate.

Mr. President, some very distinguished Senators have held the post of Democratic Conference Secretary.

Most famous to us is Senator Hugo Black of Alabama, who was Secretary of the Conference from 1927 until 1937 when he left the Senate to join the Supreme Court, and there he became one of the great defenders of civil liberties and, particularly, First Amendment rights.

Hugo Black's career on the Supreme Court was so distinguished and so well-known that it tends to obscure his outstanding record in the United States Senate, to which he was elected in 1926.

He left his mark in legislation creating the Tennessee Valley Authority, the

Public Utility Holding Company Act, and the Wages and Hours Act. He was especially successful as an investigator. Senator Black's investigations into the merchant marine, aviation subsidies, and abusive lobbying practices made him a household name long before President Roosevelt appointed him to the Supreme Court in 1937.

A lesser known, certainly a lesser remembered, perhaps, but no less distinguished, Senator was Robert L. Owen, one of the first Senators from the State of Oklahoma, who served as Conference Secretary from 1907 to 1911. He was the first chairman of the Senate Banking and Currency Committee, and he was cosponsor of the bill that created the Federal Reserve Board in 1913. He helped enact the Federal Farm Loan bill in 1916, but he is most remembered in the history books as the author of the Keating-Owen Act of 1916 outlawing child labor.

The list of Democratic Conference Secretaries goes on to include Willard Saulsbury of Delaware, who became President Pro Tempore of the Senate; Brien McMahon of Connecticut, who made his mark as the first chairman of the Joint Atomic Energy Committee; Thomas C. Hennings of Missouri, who is remembered for his courageous stands against McCarthyism in the 1950's; and, on a lighter note, Senator Josh Lee of Oklahoma, who enjoyed a successful career on the lecture and vaudeville circuit after leaving the Senate, and was known as a "teller of tall tales," and as author of "How to Hold an Audience Without a Rope." It might make good reading for some of us who are in today's Senate.

In recent years, the post has been held by Senator George Smathers of Florida, Frank Moss of Utah, and, as I said earlier today, by DANIEL INOUYE of Hawaii. From 1967 to 1971 I held that post before becoming the Democratic whip. Insofar as I can ascertain from the records, I am the only Senator who has ever served in all of the three offices; Secretary of the Democratic Conference; majority whip; and majority leader.

In a contest in 1967 among former Senator Joseph Clark of Pennsylvania, former Senator Fred Harris of Oklahoma, and myself, the Democrats in the Caucus chose me to be Secretary of the Democratic Conference, and I was reelected in 1969 unanimously by the Conference.

It would be a mistake, as some commentators have done, to dismiss this post as "honorific." During my service as Secretary of the Democratic Conference, I worked closely with Mr. Mansfield, who was majority leader at that time; and it was during those four years when I served as Secretary of the Democratic Conference that I was able to learn a great deal about the rules and precedents of the United States Senate.

The Secretaries of the Democratic Conference have helped their fellow Democrats to schedule bills for debate and count noses on important issues. It is an office that is important to the Democratic Party in the Senate and to the leadership.

The Secretary of the Democratic Conference not only sits in on the meetings of the Democratic Policy Committee and the Democratic Steering Committee and is always present at the Democratic Party conferences, but he also goes with the other Members of the leadership to the White House for leadership meetings with the President.

The record of the post, and the men who have held it, speaks for itself.

Mr. President, in my hand I hold the list of names of Senators who, beginning in 1903 to the present day, have held the office of the Secretary of the Democratic Conference.

I note with interest that another West Virginian, Senator William W. Chilton, was Secretary of the Democratic Conference during the years 1911 to 1913.

Mr. President, I ask unanimous consent that the list of Secretaries of the Democratic Conference be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SECRETARIES OF THE DEMOCRATIC CONFERENCE

Edward W. Carmack (Tennessee), 1903 to 1907.

Robert L. Owen (Oklahoma), 1907 to 1911.

William W. Chilton (West Virginia), 1911 to 1913.

Willard Saulsbury (Delaware), 1913 to 1917 (Ken Pittman served as acting secretary, 1916 to 1917).

William King (Utah), 1917 to 1927.

Hugo Black (Alabama), 1927 to 1937.

Josh Lee (Oklahoma), 1937 to 1942.

Francis T. Maloney (Connecticut), 1943 to 1945.

Brien McMahon (Connecticut), 1945 to 1952.

Thomas C. Hennings (Missouri), 1953 to 1960.

George Smathers (Florida), 1960 to 1966.

ROBERT C. BYRD (West Virginia), 1967 to 1971.

Frank Moss (Utah), 1971 to 1976.

DANIEL INOUYE (Hawaii), 1977 to present.

5-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 11:54 a.m., recessed until 11:59 a.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

THE UNITED STATES SENATE

THE PRESIDENT PRO TEMPORE

Mr. ROBERT C. BYRD. Mr. President, I wish to discuss now the history of the Office of the Senate President Pro Tempore.

Rule I of the Standing Rules of the Senate, reads as follows:

RULE I

APPOINTMENT OF A SENATOR TO THE CHAIR

1. In the absence of the Vice President, the Senate shall choose a President pro tempore.

2. In the absence of the Vice President, and pending the election of a President pro tempore, the Secretary of the Senate, or in his absence the Assistant Secretary, shall perform the duties of the Chair.

3. The President pro tempore shall have the right to name in open Senate, or, if absent, in writing, a Senator to perform the duties of the Chair; but such substitution shall not extend beyond an adjournment, except by unanimous consent.

4. In event of a vacancy in the office of the Vice President, or whenever the powers and duties of the President shall devolve on the Vice President, the President pro tempore shall have the right to name, in writing, a Senator to perform the duties of the Chair during his absence; and the Senator so named shall have the right to name in open session, or in writing, if absent, a Senator to perform the duties of the Chair, but such substitution shall not extend beyond adjournment, except by unanimous consent.

So, Mr. President, in the very first rule of the Standing Rules of the Senate we see reference to this ancient office, the Office of the President Pro Tempore—ancient in the annals of the United States Senate.

Article 1, section 3, of the Constitution declares,

> The Senate shall choose their other Officers, and also a President pro tempore, in the absence of the Vice President, or when he shall exercise the Office of President of the United States.

Here, the Office of President pro tempore is mentioned in the Constitution of the United States, the organic document on which the pillars of this Republic rest.

What does pro tempore mean? It is a Latin term meaning "for the time being; temporarily." The abbreviation is pro tem.

Aside, Mr. President, from the Vice President's designation as President of the Senate, the President pro tempore is the only position in that body, insofar as the United States Senate is concerned, who is explicitly named in the Constitution.

The first act of the first Senate, when a number of Senators sufficient to constitute a quorum finally appeared on April 8, 1789, was to read the credentials of those present and order them filed.

The second act was to ballot for a President of the Senate "for the sole purpose of opening and counting the votes for President of the United States."

John Langdon, of New Hampshire, received the honor, and he proceeded to perform the task set for him.

The election of John Adams as Vice President, and, therefore, as President of the Senate having been authenticated, but Mr. Adams, the Vice President, being absent, the Senate immediately proceeded by ballot to the choice of a President of their body, Pro Tempore.

Langdon was once more chosen. Evidently he continued to preside until the Vice President appeared in the Chamber on April 21, 1789.

When Adams took the chair, Langdon's service as Pro Tempore came to an end.

For a period of some 101 years thereafter, the Senate acted upon the theory that a President Pro Tempore could be chosen only in the absence of the Vice President, and that the tenure of a President Pro Tempore expired when next the Vice President resumed his duties in the Senate. It was, therefore, necessary for the Senate to elect a President Pro Tempore each time the Vice President failed to appear at the beginning of a daily session.

Not surprisingly, until that interpretation was put aside in 1890, the Senate elected Presidents pro tempore on no fewer than 163 occasions. The record was set in the 42nd Congress when 10 such elections were held—all for the same man.

From 1789 to 1890, Presidents pro tempore usually served no more than a few consecutive days before the Vice President returned to displace them. This, of course, meant that the term of the President pro tempore was short and uncertain, and it gave to the office a random character fatal to a position of leadership. A few men, however, did enjoy relatively long, continuous tenures because of the death, extended illness, or chronic absenteeism of some Vice President, or because of vacancies following the death of a President. During the period 1789 to 1801, 14 different Senators occupied the office.

Equally significant was the fact that in choosing a President pro tempore, the Senators had no intention of naming a field marshal for a legislative campaign. Many of the men named to the post, although obviously popular with their colleagues, were not recognized leaders.

John Langdon of New Hampshire, who was the first person elected to the office, as I have said earlier, was a wealthy merchant, an affable patriot, and former Governor of the State of New Hampshire. He was first elected to the office for the sole purpose of counting the electoral votes for President and Vice President. He apparently received this recognition not because he was looked to for leadership but because of his contributions to the Revolutionary cause and his gracious and sociable manner. He appeared to good advantage in the presiding officer's chair, where he was described by one observer as "attentive, prompt, and impartial." His services apparently satisfied his colleagues, who reelected him in 1792 and again in 1793.

Even more striking than Langdon's repeated election was the choice of Richard Henry Lee of Virginia in 1792 and Henry Tazewell, also of Virginia, on two separate occasions in 1795. Lee had been an ardent opponent of the Constitution in the Virginia Ratifying Convention and, in 1792, was closely identified with the States rights' school, which was so bitterly critical of the fiscal program approved by the Senate majority. However, he was a member of a distinguished Virginia family and, in June 1776, had introduced a motion that led to the Declaration of Independence. Thereafter, he had long and arduously served in the patriot cause in the Continental Congress.

Henry Tazewell, when first elected President pro tempore on February 20, 1795, had served in the Senate less than 2 months. Moreover, he was a stout Republican in a Chamber predominantly Federalist. But he was dignified and genial, and one authority described him as perhaps the most popular Virginian of his day. That was an appellation of no small moment, considering the caliber of the rivals for that honor. Such qualities apparently carried great weight in selecting Presidents pro tempore in that day.

Others of the early Presidents pro tempore were recognized leaders of the Senate's Federalist majority. There were men like William Bradford of Rhode Island, who, although of Federalist persuasion, had taken a fairly inconspicuous part in the work of the Senate. On the other hand, outstanding Federalist leaders like Ellsworth and King and Cabot and Strong were not elected to the office.

So, the observer who tries to follow the reasoning of these early Senators in their choice of Presidents pro tempore must confess himself baffled, because men of such divergent experience, prestige, seniority, and political orientation were named during a period when the same party never failed to command a Senate majority.

The post was not particularly sought after. Senator Izard of South Carolina declined the office in 1792. Livermore declined the office in 1795. Bingham considered it a "mixed blessing" because it interfered with his personal business affairs. Yet, the office carried enough prestige to impel Senator Wingate of New Hampshire, in 1792, to vote for his colleague, John Langdon, "for the honor of the State."

The Senate's casual attitude toward the office is especially surprising in view of the fact that Congress, by an act of 1792, provided that, in the event of a vacancy in both the presidency and vice presidency of the United States, the President pro tempore of the Senate and, after him, the Speaker of the House, would succeed to the Chief Magistracy of the Nation.

At the time this act was under consideration in the Congress, an effort was made by the House to substitute the Secretary of State for the Senate's President pro tempore, in order to preserve the separation of powers between the executive and the legislative branches, but when the Senate refused to accept this substitution, the House finally receded from its amendment.

So, until 1886, the Senate's President pro tempore remained second in line for the presidency.

In 1801, when the Presidential election was referred to the House of Representatives due to the Electoral College deadlock between Jefferson and Burr, there was some talk of the Federalists, who then had a majority in the House, preventing the election of a President by refusing to break the tie vote, thus leaving a vacancy in both the Presidency and the Vice Presidency and making the Senate President pro tempore the President of the United States.

No less a personage than President Adams pronounced the scheme perfectly legal. He said, "I know of no more danger of a political convulsion, if a President pro tempore of the Senate, or a Secretary of State, or a Speaker of the House should be made President by Congress than if Mr. Jefferson or Mr. Burr is declared such. The President would be as legal in one case as in either of the others."

But the proposal probably did not have a great deal of support. Few Federalists had the temerity to publicly espouse it. Alexander Hamilton strongly opposed it. It was also publicly doomed to failure because many Republicans would prefer Burr to a Federalist President pro tempore of the Senate.

The Republicans, for their part, threatened armed revolt if such usurpation were attempted. For example, Jefferson was quoted as stating that, "one and all, the day such an act was passed, the Middle States would arm, and no such usurpation should be submitted to."

As it turned out, no such desperate measures were needed, since the House Federalists relented sufficiently to allow Jefferson to be elected President.

On February 28, 1801, Jefferson, in a very courteous farewell to the body over which he had presided for 4 years, announced that he was retiring from the Senate Chair a few days early for the express purpose of giving the Senate the usual opportunity of electing a President pro tempore—who would be second in the line for the Presidency.

During the years 1811 to 1825, John Gaillard of South Carolina and, to a lesser degree, James Barbour of Virginia served as Presidents pro tempore for long, continuous periods due to the death in office of two Vice Presidents and the absenteeism of a third.

Presidents pro tempore held the chair for some 3½ years after Vice President Tyler became President in April 1841: Samuel L. Southard of New Jersey, for the remainder of 1841; Willie P. Mangum of North Carolina, until the inauguration of the next Vice President, George M. Dallas, in 1845.

Similarly, William R. King of Alabama, who had extensive experience in the chair during the late 1830's and early 1840's, held it continuously from mid 1850 through late 1852 after Vice President Fillmore succeeded in the Presidency upon Zachary Taylor's death.

Senator Benjamin F. Wade of Ohio enjoyed a long term as President pro tempore while Andrew Johnson was President; as did Senator George F. Edmunds of Vermont under President Arthur; and John J. Ingalls of Kansas after Vice President Hendricks died.

For some 80 years, the Senate was not quite clear about several subsidiary questions concerning the President pro tempore's tenure. These were raised in concrete form in 1876 and led to a careful study of the subject by the Committee on Privileges and Elections.

After extensive debate on the committee's report, the Senate adopted several clarifying resolutions. It decided, first, that the tenure of a President pro tempore elected at one session continued without interruption through a recess and into the next session until the Vice President appeared.

It decided also, that the death of a Vice President did not automatically vacate the office of the President pro tempore if one had been properly chosen.

It decided, finally, that the Senate could replace a President pro tempore at any time it chose to do so.

All of these questions were of more than mere internal interest, for this was the period when the Senate's President pro tempore, by the act of March 1, 1792, stood next in line to the Vice President as successor to the office of the President of the United States.

If both the President and Vice President were to die, or otherwise become unable to exercise the powers of the Presidency at a time when the Senate was officially absent from the Capital city, and if that body had not chosen a President pro tempore to hold the office during the recess, then the Speaker of the House, under the law, would "act as President of the United States. . . ."

Moreover, considering the transportation that was available in those days, it might take weeks before enough Senators could reassemble and choose a President pro tempore.

Prudence—prudence—dictated, therefore, that the Senate should elect someone to hold that office during the recesses after sine die adjournments. Because the Senate at that time acted upon the theory that it could not choose a President pro tempore in the presence of a Vice President, it quickly became the custom after 1792 for the Vice President to withdraw from the Chamber shortly before the end of a session so that Senators might "legally" elect one of their own to the position. Such withdrawals were matters of courtesy rather than of law, and, while most Vice Presidents adhered to the custom, a few, inevitably, did not, usually because of critical political circumstances.

For example, Vice President Gerry refused to vacate the Chair in 1813 when President Madison was seriously ill and the Administration's enemies controlled the Senate.

Similarly, Vice President Dallas refused to retire at the end of the special session of 1845.

In March 1881, the casting vote of the Vice President was necessary to secure for the Republicans the organization of the Senate. Under those circumstances, their ability to elect a President pro tempore was so uncertain that Vice President Arthur, like Gerry in 1813, "sat the session out," and Congress adjourned on May 20 with no one beyond the Vice President in the line of succession.

Four years later, Vice President Hendricks continued to occupy the chair until the end of the short session, April 2, thus preventing the Republicans, then in majority, from choosing a President pro tempore.

When both the President pro tempore and the Speaker of the House were removed from the line of succession by the act of January 19, 1886, the necessity for such maneuvers as these was eliminated.

The Senate simplified the whole matter of the President pro tempore's tenure when it adopted a resolution originally introduced by Senator William M. Evarts of New York. As accepted by the Senate on March 12, 1890, the resolution read:

> Resolved, That it is competent for the Senate to elect a President pro tempore, who shall hold the office during the pleasure of the Senate and until another is elected, and shall execute the duties thereof during all future absences of the Vice President until the Senate otherwise order.

That resolution is still in effect as of today. Under its terms, a President pro tempore, once elected, holds the post continuously, whether or not the Vice President is absent; although, of course, he may not preside over the Senate unless the Vice President steps down from the chair.

The tenure of the President pro tempore ends upon the expiration of the term for which he was elected Senator, a precedent dating back at least to 1841. He may, of course, resign, or the Senate may elect another in his stead, at its pleasure.

The usual practice of the Senate has been to elect as its President pro tempore a candidate of the major party, almost invariably by a straight party vote. Most often, that President pro tempore has continued to serve in the post so long as his party remains in the majority.

On a few occasions, the majority party has experienced great difficulty in electing its candidate. Late in 1881, for example, Democrats in the Senate refused to permit the administering of the oath of office to several Republicans waiting to be sworn in as Senators. By that refusal, the Democrats maintained a narrow majority of the votes in the Chamber, sufficient for them to elect one of their own, Delaware's Thomas F. Bayard, as President pro tempore.

Even after the missing Republicans had been sworn into office, the Senate stood equally divided between the two major parties. An arrangement was thereupon worked out whereby an independent Senator, David Davis, of Illinois, was elected to replace Bayard as President pro tempore.

Republicans nominally held a majority of seats in the Senate in 1911, when William P. Frye, who was elected in 1896 and served as President pro tempore during eight Congresses, resigned because of ill health. This resignation occurred at a time when "insurgency" which had recently curbed the powers of the Speaker of the House, had invaded the Senate. The result was that the balance of power was held by seven so-called "progressives" in the Republican Party who refused to vote for the regular Republican candidate for President pro tempore, and their defection prevented a valid election.

While neither the Constitution nor the rules explicitly excludes election of a President pro tempore by a plurality, the invariable practice of the Senate has been to assume that a majority vote is required for his election or removal.

As George H. Haynes has stated in his classical two-volume work on the Senate:

> After fifteen ballots, distributed through five days, compromise became necessary to enable business to go forward. Upon motion of a Republican leader, a Democrat was unanimously elected President pro tempore for a single day, and thereafter for the rest of the session, ending August 26, 1912, Presidents pro tempore were elected for brief, designated periods, Senator Bacon, Democrat, alternating with four Republicans, some of whom served for but a single day. In the short session which ended that Sixty-second Congress, this alternating arrangement was continued, Bacon, Democrat, and Gallinger, Republican, each serving a fortnight at a time. From April 7, 1913, to March, 1933, but four men held the position.

Mr. President, an interesting record of the deliberations that occurred during those days, from Thursday, May 11, 1911, to and including Saturday, August 12, 1911, is found in the volume entitled "Elections of Presidents of the Senate pro tempore 1789–1911," pages 223–243. The book was compiled by Henry H. Gilfry, Chief Clerk of the United States Senate.

I ask unanimous consent that the events of those pages be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Thursday, May 11, 1911 (Journal, pp. 60–62).

ELECTION OF A PRESIDENT OF THE SENATE PRO TEMPORE

On motion by Mr. Cullom, that the Senate proceed to the election of a President of the Senate pro tempore.

The motion was agreed to.

The Senate proceeded to the election of a President of the Senate pro tempore, and

Mr. Cullom nominated Mr. Gallinger, a Senator from the State of New Hampshire;

Mr. Martin of Virginia nominated Mr. Bacon, a Senator from the State of Georgia; and

Mr. La Follette nominated Mr. Clapp, a Senator from the State of Minnesota.

Whereupon,

The Presiding Officer (Mr. Lodge in the chair) directed the roll to be called,

When,

The whole number of votes was found to be 73, of which 37 make a majority. Mr. Gallinger had 32, Mr. Bacon had 35, Mr. Clapp had 4, Mr. Bristow had 1, and Mr. Tillman had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McLean, Nelson, Nixon, Oliver, Page, Penrose, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of

Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Clapp voted for Mr. Bristow.

Mr. Bacon voted for Mr. Tillman.

There was consequently no choice.

So,

The Presiding Officer directed the roll to be called.

When,

The whole number of votes was found to be 74, of which 38 make a majority. Mr. Gallinger had 32, Mr. Bacon had 35, Mr. Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McLean, Nelson, Nixon, Oliver, Page, Penrose, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

The Presiding Officer (Mr. Lodge in the chair) called the attention of the Senate to the fact that, having been called to the chair by the Vice President before the Senate had proceeded to the election of a President of the Senate pro tempore, he did not under clause 2 of Rule I of the Senate have the right to occupy the chair at this time.

On motion by Mr. Bailey, and by unanimous consent.

Ordered, That clause 2 of Rule I of the standing rules of the Senate be suspended. and that the present occupant of the chair should preside during the election of a President of the Senate pro tempore.

The question being the election of a President of the Senate pro tempore,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 74, of which 38 make a majority. Mr. Gallinger had 32, Mr. Bacon had 35, Mr. Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McLean, Nelson, Nixon, Oliver, Page, Penrose, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Before the announcement of the result of the vote,

Mr. Heyburn called the attention of the Chair to the fact that there were Senators present and not voting, and named Mr. Dixon and Mr. McCumber, and asked that under Rule XII of the Senate they be required to assign their reasons for declining to vote;

Whereupon,

The Presiding Officer directed the names of Mr. Dixon and Mr. McCumber to be called; and

Mr. Dixon and Mr. McCumber having declined to vote and having assigned their reasons therefor,

The Presiding Officer submitted the question to the Senate: Shall the Senators, for the reasons assigned by them, be excused from voting?

It was determined in the affirmative.

So the Senators were excused from voting.

The question being the election of a President of the Senate pro tempore,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 74, of which 38 make a majority. Mr. Gallinger had 32, Mr. Bacon had 35, Mr. Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McLean, Nelson, Nixon, Oliver, Page, Penrose, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

The question being the election of a President of the Senate pro tempore,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 74, of which 38 make a majority. Mr. Gallinger had 32, Mr. Bacon had 35, Mr. Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Baily, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

QUESTIONS OF ORDER

Mr. Stone raised a question of order, viz, that a Senator having received a plurality vote should be declared elected President of the Senate pro tempore.

The Presiding Officer overruled the question of order and decided that under the Constiution of the United States, in the absence of any provision to the contrary, all officers of both Houses must be elected by a majority; and in the practice of the House, where there have been contests very frequently, a majority vote has been and is required.

Mr. Stone raised a further question of order, viz, that the hour of 4 o'clock having arrived, it was the duty of the Presiding Officer to lay before the Senate the unfinished business.

The Presiding Officer overruled the question of order, and decided that the business before the Senate was privileged and could not be interrupted by the unfinished business, or in any other way, except by the Senate laying aside the business before it or by adjourning or going into executive session, and that the present Presiding Officer occupied his position under a suspension of Rule I by the unanimous consent of the Senate, therefore during his occupancy of the chair no business is in order except that of choosing a President pro tempore.

ELECTION OF PRESIDENT OF THE SENATE PRO TEMPORE

The question being the election of a President of the Senate pro tempore,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 74, of which 38 make a majority. Mr. Gallinger had 32. Mr. Bacon had 35, Mr. Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

So,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 72, of which 37 make a majority. Mr. Gallinger had 31, Mr. Bacon had 34, Mr.

Clapp had 4, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, Lorimer, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bryan, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Owen, Paynter, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Gronna, La Follette, and Poindexter.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

See also proceedings in the Congressional Record, pages 1184–1189.

Mr. Root. I object to the Senator from Idaho being excused from voting and ask that the rule of the Senate, Rule XII, be enforced.

Mr. Bailey. Mr. President, I suggest that this is not a case within the rule of excusing a Senator from voting, but the vote is withheld in pursuance of a pair, a practice long sanctioned by the Senate; and in such a case a Senator does not need to be excused from voting.

The Presiding Officer. The Chair thinks that as a pair is a reason for not voting under the rule, excusing a Senator from voting should be submitted to the Senate after the roll call and before the result is announced.

Mr. Bailey. That makes it about as broad as it is long. If a pair is a sufficient reason for not voting, the announcement of the pair, of course, is a statement of the reason, the only difference being that the reason must be approved by the Senate. By the long, uniform, and unbroken practice of the Senate, a Senator is permitted to pair. And suppose a Senator were absent, either sick or upon the public business, and his pair sat here, obliged by every fair sense of obligation to respect that pair, does the Senate think it would have the power to compel him to break it?

Mr. President, the Senate could enter that kind of an order against me and I would defy it to the point of expulsion. If I had given a Senator my word that I would protect him in his absence, the Senate could not compel me to either break it or withdraw it.

I think the Senate will hesitate long before it will assert its right to settle a question of that kind for one of its Members. I think the rule was intended where wholly apart from a pair a Senator asks to be excused. The Senator from New Hampshire [Mr. Gallinger] on the first roll call this afternoon asked to be excused upon the ground that he had an interest in the matter. My own opinion is that it is not such an interest as would have disqualified him. I think the Senator from New Hampshire and my friend from Georgia are a little oversensitive about this matter. If I had been in the position of either, I would have voted for myself as the nominee of my party. I have done it, and I believe that every time a vote is taken a man ought to support his party's nominee.

But I waive that. I state it only as one of the questions which the Senate might decide, as to whether it was a good excuse, because that rests in the judgment of a Senator. But whether or not a Senator shall keep his pair rests with the conscience of the Senator, and I do not acknowledge the right of the Senate to decide that sort of a question for me.

The Presiding Officer. The Chair will state that under the rule this question must be decided after the conclusion of the roll call. Debate is now out of order.

Mr. Root. Mr. President, I ask leave to say one word with reference to the observations of the Senator from Texas.

The Presiding Officer. If there is no objection, the Senator from New York will proceed.

Mr. Root. Mr. President, I shall be quite content if the Senate determines to excuse the Senator from Idaho. I do not wish to permit the pairing of two Republican Senators——

Mr. Bailey. Oh, but they are different kinds. [Laughter.]

Mr. Root. I do not wish the pairing of two Republican Senators, which has the effect of withdrawing two votes in opposition to the Democratic candidate to go sub silentio; and I make this objection in order that it shall be understood that the effect of this proceeding is to destroy two Republican votes and defeat the candidate of the Republican caucus and, if effective, to elect a Democratic President pro tempore of the Senate.

Mr. La Follette. Mr. President——

The Presiding Officer. The Chair must reiterate that this debate is proceeding by unanimous consent. If there is no objection, the Chair will recognize the Senator from Wisconsin.

Mr. La Follette. Mr. President, if the Senate shall determine to make the precedent which the Senator from New York [Mr. Root] seeks to raise here, it may take notice now that such a precedent will return many times to plague it hereafter.

I do not recognize, sir, the right of any Senator here, directly or indirectly, to make against me the criticism that I am voting against my party because that vote is against the action of members of this Senate regarding the public business in a secret meeting held in some place outside this Chamber. I deny the right of any secret caucus held outside of the Senate Chamber behind closed doors, with no reporters present, to dispose of the public business or anything which may exercise an important or controlling influence upon the public business.

I regard the election of a President pro tempore of this great body as of great importance in the conduct of its business. It is of tremendous importance at times, Mr. President, in determining what measures shall pass this body. I do not propose to be read out of the Republican Party because I cannot conscientiously support some man whom a number of my party associates have agreed upon in a secret meeting as their choice for President pro tempore of the Senate.

The Presiding Officer. The Secretary will call the roll.

Mr. Borah. Mr. President——

The Presiding Officer. It is the duty of the Chair to call the attention of the Senator to the stringency of the rule. The Chair has relaxed it.

"Rule XII.

"1. When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate; and no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote. No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent."

Mr. Bailey. Mr. President, in view of the fact that everybody except the Senator immediately concerned has had a say, I think the Chair ought to read that rule after that Senator has finished.

The Presiding Officer. The Chair merely sought to do what he deemed it his duty to do—to call the attention of the Senate to the stringency of the rule.

Mr. Bailey. The Chair is well within his right and his duty, but I think the rule ought to be read after the Senator from Idaho [Mr. Borah], whose right to be excused from voting is challenged, has been heard.

Mr. Borah and Mr. Heyburn addressed the Chair.

The Presiding Officer. The junior Senator from Idaho.

Mr. Borah. Mr. President, I only want to say a word. This is the first time since I have been in the Senate that I have ever consented to pair at all, because I am not very much in favor of the practice or the principle. However, there were circumstances connected with this matter which I thought justified me in making this pair, and I regard it as purely a matter of conscience between the Senator from California [Mr. Works] and myself. I think the Senator from New York [Mr. Root] drifted aside from the question when he suggested that it was the result of an understanding or an effort by this process to do indirectly what we would not do directly—that is, to elect a member of the Democratic Party as President pro tempore of the Senate.

I cast my vote in accordance with what I believe to be the best interests of the organization of which I am an humble member, and I am not seeking in any way by this process to relieve myself of direct action. I am perfectly content in all matters which relate merely to the organization of my party to abide by the majority vote in caucus. If I am inside of the caucus I feel that I am competent to determine what I ought to do without the advice, aid, or suggestion of anyone else. The caucus having acted upon this matter, I was perfectly content to cast my vote for the caucus nominee, and my action was not taken with the design of embarassing the party nor giving an advantage to the opposition party, but to accommodate a Senator who had to be absent and who could not avoid being absent. For that reason I consented to vote, as I have, by pair. It was purely to accommodate an absent Senator. I do not do business here or elsewhere by indirection.

Mr. Smoot. Mr. President——

Mr. Cullom. Regular order!

The Presiding Officer. The Senator from Utah.

Mr. Smoot. Mr. President, if there is no objection, I should like to say just a word so that there will be no misunderstanding in relation to the statement in regard to the secret meeting. I think it ought to be understood that a Republican caucus was regularly called and there was not a member of the Republican Party but received notice to attend that caucus. That could only be called a secret meeting in the same way that the caucus of the Democratic Party or of any other party holding a meeting for the determination of questions of this sort.

The Presiding Officer. The Secretary will resume the calling of the roll.

The Secretary resumed the calling of the roll.

Mr. Dixon (when his name was called). I again announce my pair with the senior Senator from Iowa [Mr. Cummins].

Mr. Heyburn. I object to the excuse of the Senator on that ground.

The Presiding Officer. The question will be decided after the roll call shall have been concluded.

Mr. Heyburn. I think, Mr. President, the rule provides that when an objection is made the question shall be decided at the time by a vote without debate. I refer to Rule XII.

The PRESIDING OFFICER. The Senator from Montana [Mr. Dixon] has declined to vote on the call of his name and has assigned his reason, which is a pair. The question before the Senate is, Shall the Senator for the reason assigned by him be excused from voting? Those in favor of the motion——

Mr. CULBERSON. Mr. President, I call attention to paragraph 2 of Rule XII: "which shall be decided without debate; and these proceedings shall be had after the roll call and before the result is announced."

The PRESIDING OFFICER. That was the impression of the Chair. The Chair thinks the Senator from Texas [Mr. Culberson] is right. The Senator from Idaho [Mr. Heyburn] suggested that this question should be decided now, but the Chair thinks the Senator from Texas is correct, and that the question must be decided after the conclusion of the roll call. The Secretary will resume the calling of the roll.

The Secretary resumed the calling of the roll.

Mr. KENYON (when his name was called). I make the same announcement I have previously made as to my pair with the senior Senator from Oregon [Mr. Bourne].

Mr. MCCUMBER (when his name was called). I restate my previous announcement as to my pair, and withhold my vote.

Mr. HEYBURN. I object in that case to the withholding of the vote of the Senator.

Mr. PERKINS (when his name was called). I again announce my general pair with the junior Senator from North Carolina [Mr. Overman]. If he were present, he would vote for the Senator from Georgia [Mr. Bacon], and if I were at liberty to vote I should vote for the Senator from New Hampshire [Mr. Gallinger].

The roll call was concluded.

Mr. HEYBURN. Now, Mr. President, before the vote is announced, the question is——

The PRESIDING OFFICER. The Chair was about to put that question. Objection having been made to two Senators withholding their votes—the Senator from Montana [Mr. Dixon] and the Senator from North Dakota [Mr. McCumber]—under the rule of the Senate each of those Senators is entitled to assign his reasons for declining to vote, and, having assigned them, it becomes the duty of the Chair to put the question to the Senate, which shall be decided without debate.

Mr. BAILEY. Mr. President, I submit as a point of order, that the question of pairs is not within either the spirit or the letter of that rule, and that the rule does not apply to the case where a Senator announces his pair.

The PRESIDING OFFICER. The Chair is of opinion that pairs are not recognized by the rules anywhere, and that they are only a reason for not voting.

Mr. BAILEY. But, Mr. President, while not recognized by the rules, they are recognized by the uniform practice of the Senate and become as much a part of the rules as if they were expressly written in them.

Now, Mr. President, I want to make just this suggestion: If it is within the power of the majority present in the Chamber to compel a Senator to vote notwithstanding his pair, then, if you succeed in electing a President pro tempore—which looks very doubtful now, as we are enjoying the novel and delightful sensation of seeing a Democratic candidate run ahead in the Senate—but if you should succeed in electing a President pro tempore, when we found you down at lunch the day after to-morrow, we could depose him and elect one of our own. We could pass the word about the Senate Chamber on the Democratic side for them all to remain here, and we could then release all of our Senators who announced their pairs and compel them to vote, and, having a majority, we could refuse to release the Senators on the other side.

The purpose of a pair is not wholly to serve the convenience of Senators. It is broader and more important than that. It was to preserve that relation between the parties which the people had established by their elections; it was to provide against a contingency where a larger number of the majority party happen to be sick or absent, whether engaged upon their personal affairs or public business—under such circumstances they still might seek and obtain pairs with the minority and thus preserve the right of the majority to control the proceedings of the Senate.

Mr. HEYBURN. Mr. President, I interpose a question of order. I believe under the rule that no option is given with reference to debate, and the rule says that we must first vote upon this, and that other proceedings may follow the vote.

Mr. BAILEY. I understand that, and I think, Mr. President, on the question itself, as to the sufficiency of the reason, debate would be precluded; but I am not raising the question as to the sufficiency of the reason, I am raising the question that, under the practice of the Senate, the sufficiency of the reason is not a matter for the Senate's determination, and I submit that point. If it were that a Senator would say, "I am interested" or "I am not qualified," or should assign any other reason for not voting, which the Senate could determine for itself, then the rule would apply; but my contention is that the pair having been recognized immemorially in the Senate, until it has become a part of the Senate's procedure, is a matter for each Senator's own conscience and not for the Senate to determine.

Let me make this one suggestion, and then I will yield the floor. Suppose a Senator, despite his pair, should vote and announce to the Senate and to the world that he voted because he found that his single vote would be decisive of the question, will any Senator contend that we would have the power to reject that vote? No, sir. The rules of the Senate leave it to each Senator, and if it be left to the Senator in one instance, when he seeks to violate his faith to a fellow Senator, it must be left to him in the other instance to keep that faith. The very reason that our rules are silent with reference to pairs is that it was expected and intended to leave that question to Senators to decide for themselves.

Mr. HEYBURN. Mr. President, I understand that I had the recognition of the Chair, and I desire——

The PRESIDING OFFICER. The Senator from Texas [Mr. Bailey] rose to a point of order.

Mr. HEYBURN. Well, I had risen to a point of order.

The PRESIDING OFFICER. The Chair understood that the Senator's proposition was to proceed under the rule, and the Senator from Texas has raised a point of order.

Mr. HEYBURN. I do not desire to interfere with the Senator holding the floor——

Mr. BAILEY. Mr. President, the Senator from Nebraska [Mr. Hitchcock] has called my attention to an instance where it was expressly decided on June 20, 1860—and, of course, the rules no more recognized the pair then than they do now—that a Senator may refuse to answer to his name when called to vote when he is paired with another Senator. There is also another decision on that same question, and, as I understand, to the same effect.

I should dislike more than I can express to see the Senate of the United States assume the power to determine for one of its Members whether he would keep his promise to a brother and absent Senator. I would not heedlessly defy the Senate, but I say, without one moment's hesitation, that should the Senate order me to vote contrary to my pair I would refuse to obey its order, even if my refusal provoked my expulsion, for no majority can determine for an honorable man whether he will keep his word.

Mr. HEYBURN. Mr. President, I do not know whether the Senate has finished the consideration of the point of order.

The PRESIDING OFFICER. The Senator from Texas, as the Chair understands, has raised a point of order.

Mr. HEYBURN. I was on the floor, and had been recognized when he raised the point of order.

The PRESIDING OFFICER. Certainly. The Senator from Texas raised a point of order, which amounts to saying that an objection can not be made to a Senator withholding his vote when he is paired, and that the proceedings under paragraph 2 of Rule XII can not take place.

Mr. BAILEY. They are not applicable.

The PRESIDING OFFICER. And that they are not applicable—the Chair will rule on that point at the proper time, but is ready to hear discussion, of course.

Mr. MCCUMBER. Mr. President, I desire to make a parliamentary inquiry, which is whether at this time any Senator can give any additional reason for withholding his vote other than the statement of the pair before the question is passed upon. It seems to me that he can, and I wish to say a word upon that point.

Mr. HEYBURN. Mr. President, I yield the floor.

The PRESIDING OFFICER. In the opinion of the Chair a Senator can state his reasons in any way he pleases.

Mr. MCCUMBER. The object of the pair is to balance the strength of the political parties upon anything that is made a political question; and even though it were in the power of the Senate to compel a Senator to vote upon the question, any Senator who has a pair with a Senator on the opposite side on a question of this kind would be compelled, in order to maintain the balance between the parties, to vote, not for his choice, but to vote for someone else; and if my pair, who would vote for the Senator from Georgia [Mr. Bacon], were not present, and could not vote for him, and I should be compelled to vote, I would not vote for the choice of my own caucus nominee. But in order to maintain that balance I should vote for some other Republican. So nothing would be gained by it; and I would give that as another reason for maintaining my pair.

Mr. CULLOM. I move that when the Senate adjourns to-day it be to meet on Monday next.

Mr. BACON. We can not hear, Mr. President.

Mr. CULLOM. Mr. President——

Mr. CULBERSON. I rise to a question of order.

The PRESIDING OFFICER. So much has intervened that the Chair overlooked the fact that the result of the roll call had not been announced, and nothing is in order except the determination of the objection raised against two Senators who declined to vote. The Senator from North Dakota [Mr. McCumber] has stated his reasons. The Senator from Montana [Mr. Dixon] has stated his. On the point of order raised by the Senator from Texas [Mr. Bailey] the Chair is unable, although he agrees entirely with the Senator from Texas as to the usage and as to the character of a pair, to see that under the rule a pair has any existence except as a reason for not voting, and therefore the Chair puts the question: Shall the Senator from Montana, for the reasons assigned by him, be excused from voting? [Putting the question.] The ayes have it, and the Senator from Montana is excused from voting.

The Chair will put the same question as to the Senator from North Dakota, if it is desired. Shall the Senator from North Dakota be excused from voting for the reasons assigned? [Putting the question.] The ayes have it, and the Senator from North Dakota is excused.

The Secretary will announce——

Mr. Heyburn. Mr. President——

The Presiding Officer. The Secretary will announce the result.

Mr. Heyburn. Well, Mr. President——

The Presiding Officer. The rule says "any further proceedings in reference thereto shall be after such announcement."

The Presiding Officer. Seventy-four Senators have voted; necessary to a choice, 38. The Senator from Georgia [Mr. Bacon] has 35; the Senator from New Hampshire [Mr. Gallinger], 32; the Senator from Minnesota [Mr. Clapp], 4; the Senator from Massachusetts [Mr. Lodge], 1; the Senator from South Carolina [Mr. Tillman], 1; and the Senator from Kansas [Mr. Bristow], 1.

Mr. Heyburn. Mr. President, under no circumstances would I assert or support any position that contemplated any Member of this House or any man violating a contract within the terms of the contract that he had made. This is not the first time during my service here that this question has been before the Senate. At one time there was a very deep feeling—how deep I can not say at this time—because of certain remarks that I made in the Senate. About that time a question was coming on for a vote. The usual procedure was taken. The Assistant Doorkeeper on this side applied to probably the Assistant Doorkeeper or whoever has charge of the pairs on the other side, and a pair was refused me because of having made that speech, and then I objected to the pairs, and the Senate sustained me.

Now, I have been giving some attention to this rule. Every man who makes a pair makes it subject to two conditions—first, he makes it subject to the conditions of maintaining a quorum in the body. The Chair may order a pair broken to make a quorum. Again, a Member makes it subject to the will of the Senate as to whether or not public business shall be suspended because of all of the Senators or enough of them being paired to defeat the transaction of public business. Now, those are conditions that are just as much a part of a pair as though they had been written upon the face of an instrument.

I raised this objection to-day because it is evident that there is a cabal here that intends to defeat the performance of a public duty by the Senate. It has been boasted here that there are but two parties in the Senate. Men have stood upon the floor here recently and frequently asserted that they belonged to this or that party, regardless of their vote. In all legislative bodies in this country, of whatever political faith, the caucus is the meeting of the members of one or the other of the parties for the purpose of determining the course of that party upon political questions, and when you talk of a question of honor, there is the pressure of honor upon every man who claims to belong to the party which has held the caucus on political questions. His denial of it lessens it not one whit. His staying out of the caucus is staying out of the party. Whenever you break down those rules you have broken down all that may possibly maintain a party organization.

I did not object to the pair of either the Senator from North Dakota or the Senator from Montana for any personal reasons. I divided the honors. One of them was paired with a Democrat and one of them with somebody else. [Laughter.]

I do not propose to shirk this question. It is a delicate one, and far from a pleasant question to raise. But if a man is going to belong to a party and stand with its organization, he must be governed by the rules of a majority of that party when they meet for the purpose—the express and avowed purpose—of determining what that policy shall be. A casual meeting, a poll of men, would not bind him, but if he is not bound by that caucus, he is not a member of the party that holds it. We may just as well be a little bid candid about this question. I raised it because, if we are going to transact public business, we must have the action of every Senator who is present; and it does not involve the question suggested by the Senator from Texas as to the honor, because the yielding of the pair is qualified, when the pair is agreed upon, by those two provisions, one of them frequently exercised, the other less frequently. Conditions such as exist here to-day do not in the providence of God often exist.

Mr. President, I say that much in support of my action in challenging these pairs. Having had a previous experience here as to the quality, character, and efficiency of a pair, I felt that this was a proper occasion to illustrate the fact that pairs are not always regarded as a matter of right or of sacred character.

Mr. Cullom. I move that when the Senate adjourns today it be to meet on Monday next.

Mr. Davis. Mr. President——

Mr. Gallinger. The motion is not debatable.

The Presiding Officer. The question is on agreeing to the motion of the Senator from Illinois that when the Senate adjourns today it adjourn to meet on Monday next. [Putting the question.] The ayes appear to have it.

Mr. Culberson. I ask the Chair to call for the negative votes.

The Presiding Officer. The Chair thought he had done so.

Mr. Culberson. Not very distinctly, I think.

The Presiding Officer (again putting the question). The ayes appear to have it.

Mr. Culberson. I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. Smith of South Carolina (when his name was called). Has the junior Senator from Delaware [Mr. Richardson] voted?

The Presiding Officer. The Chair is informed that he has not voted.

Mr. Smith of South Carolina. Then with great fear and trepidation I announce that I have a general pair with him, and withhold my vote. I hope it will not precipitate discussion.

The roll call was concluded.

Mr. Perkins (after having voted in the affirmative). I desire to withdraw my vote because of my pair with the junior Senator from North Carolina [Mr. Overman].

The result was announced—yeas 35, nays 42.

So Mr. Cullom's motion was rejected.

Mr. Dixon. I now renew my motion that the Senate do now adjourn.

The motion was not agreed to.

The Presiding Officer. The Senate will proceed to take another ballot for President pro tempore.

The Secretary proceeded to call the roll.

Mr. Borah (when his name was called). I again announce my pair with the junior Senator from California [Mr. Works]. If he were present, I would vote for Senator Gallinger and he would vote for Senator Clapp.

Mr. Dixon (when his name was called). I again announce my pair with the senior Senator from Iowa [Mr. Cummins]. If he were present, I would vote for Senator Gallinger.

Mr. Kenyon (when his name was called). I announce the same pair as on the former ballot.

Mr. McCumber (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. Percy] to the junior Senator from Delaware [Mr. Richardson] and vote for Mr. Gallinger.

Mr. Perkins (when his name was called). I again announce my pair with the junior Senator from North Carolina [Mr. Overman]. If he were present, he would vote for Senator Bacon and I would vote for Senator Gallinger.

Mr. Smith of South Carolina (when his name was called). I transfer my pair with the junior Senator from Delaware [Mr. Richardson] to the senior Senator from Mississippi [Mr. Percy] and vote. I vote for Mr. Bacon.

The roll call was concluded.

Mr. Johnston of Alabama. I wish to state that my colleague [Mr. Bankhead] on all these votes for President pro tempore stands paired with the senior Senator from Maine [Mr. Frye].

The Presiding Officer. Seventy-four Senators have voted; necessary to a choice, 38. The Senator from Georgia [Mr. Bacon] has received 35 votes; the Senator from New Hampshire [Mr. Gallinger] has received 32 votes; the Senator from Minnesota [Mr. Clapp] has received 4 votes; the Senator from Massachusetts [Mr. Lodge], 1; the Senator from South Carolina [Mr. Tillman], 1; and the Senator from Kansas [Mr. Bristow], 1.

Mr. Stone. A parliamentary inquiry, Mr. President. Did I understand the Chair to rule that under the Constitution of the United States a President pro tempore could not be elected by a plurality vote?

The Presiding Officer. The Chair is very clearly of opinion that under the Constitution of the United States, in the absence of any provision to the contrary, all officers of both Houses must be elected by a majority; and in the practice of the House, where there have been contests very frequently, a majority vote has been and is required.

Mr. Stone. I wish to ask another question, Mr. President. It is whether at this point, the hour of 4 o'clock having arrived it is proper, notwithstanding the pending business, to lay the unfinished business before the Senate.

The Presiding Officer. The Chair is inclined to believe that the matter in which the Senate is engaged is a privileged matter and, being engaged in a roll call, it could not be interrupted even by the unfinished business.

Mr. Culberson. Mr. President, the Constitution of the United States, I beg leave to say in opposition to the announcement of the Chair a momemt ago, contains no provision with reference to the vote by which a President pro tempore of the Senate may be elected. If the Chair would kindly cite me to a provision of the Constitution of the United States to that effect, I would be glad to see it.

The Presiding Officer. The Chair is aware that there is no provision in the Constitution of the United States in so many words requiring a majority vote for the election of a President pro tempore, neither is there a provision requiring it for a Speaker of the House. It makes the same provision for the officers of both Houses, and in the opinion of the Chair it is the contemplation of the Constitution that a majority should be required for the election of all officers.

Mr. Culberson. The Constitution of the United States expressly provides that each House of Congress, the Senate and the House of Representatives, may make rules for their government, but there is nothing in the Constitution nor in the rules of the Senate that provides by what vote the President pro tempore shall be elected.

Jefferson's Manual, which, while it is argumentative and persuasive, is not a part of the rules of the Senate, at page 134 of the manual, if the Chair desires to examine it, recites that in the absence of anything to the contrary the majority rule shall prevail. As there is nothing in the rules of the Senate proper or in the Constitution of the United States which declares by what vote officers of the Senate shall be elected, either a President pro tempore or any other officer of the Senate, I give it as my opinion for whatever it may be worth that it is within the province of the Senate at this time to determine by what vote a President pro tempore shall be elected.

I merely make that statement because I did not want the statement of the Chair to go unchallenged, at least to the extent of my dissent from it.

Mr. BAILEY. Mr. President, supplementing what my colleague has said, I agree with the Chair that the same rule applies to the election of a President pro tempore of the Senate that applies to the election of a Speaker of the House; and unless I am mistaken it has been expressly decided that the House may choose a Speaker by a plurality vote. Without being positive, I venture to say that the youngest man ever elected Speaker of the House, Hon. Howell Cobb, of Georgia, was elected by a plurality vote.

Mr. HEYBURN. Mr. President, we have adopted Jefferson's Manual as a part of the rules of this body. It is provided at page 134 of the Senate Manual:

"The voice of the majority decides."

If any Senator will turn to that page——

Mr. BAILEY. Nobody questions that, in the absence of the rule——

Mr. HEYBURN. There is no absence.

Mr. BAILEY. The Senate could adopt a rule at this moment to choose the President pro tempore by a plurality vote.

Mr. HEYBURN. But that exception is not in the rule.

Mr. CULBERSON. I call the attention of the Senate to Jefferson's Manual, at page 134, from which the Senator from Idaho reads, but I do not believe the Senate has ever even adopted that or Jefferson's Manual as a part of the rules of the Senate.

Mr. HEYBURN. The Senator will admit that Jefferson's Manual provides specifically, without any exceptions or provisos, that the voice of the majority decides. There is no proviso in that section; there is no alternative.

Mr. BAILEY. It simply states a general rule, which may be modified at the pleasure of the Senate.

Mr. CULBERSON. Unless otherwise provided.

Mr. HEYBURN. It states a rule which we have adopted. We have adopted it, and unless some motion is made——

Mr. BAILEY. How, when, and where did we adopt the majority rule? I understand the Chair has held, and I think properly, that in the absence of any provision to the contrary it requires a majority vote to elect; but I have no doubt that it is within our power to supersede that requirement and provide that a President pro tempore may be chosen by a plurality.

Mr. HEYBURN. Mr. President, the affirmative is the other way. There is no alternative or conditional provision attached to this requirement, and it being a part of the rules of this body we can not amend our rules on the floor, because we have provided the manner in which the rules may be amended.

Mr. STONE. Mr. President, I make the point for the decision of the Chair that we have been proceeding here for two weeks, it may be more, with the business of the Senate without a President pro tempore, the Senator from Maine [Mr. Frye] having resigned from that office. His resignation was laid before the Senate, and it was peremptory. We have been transacting business.

My friend from Texas [Mr. Bailey] says to me, aside, that we elect a President pro tempore, and the necessity for electing one arises only in the absence of the Vice President; but Mr. President, we have gone on here, I know, in the transaction of the business of the Senate in the absence of the Vice President. Since the resignation of the Senator from Maine was laid before the Senate I have seen, and you have seen, other Senators occupying the chair and called to the chair by the Vice President, either personally or by a written request that he would take the chair.

Now, sir, is it to be said that the entire business of this session is to be locked up and that nothing can be done until a President pro tempore is chosen? The contest that has developed here to-day might run on indefinitely for weeks and months. I put it to the Chair whether it is not within the province of the Vice President, following the precedent already set and the practice of the Senate already observed, to call a Senator to the chair as he called the Senator from Massachusetts, who now occupies the chair, to that position, and that we can go on with the business of the Senate; hence, that it is the duty of the Chair to lay before the Senate the unfinished business, which is the joint resolution amending the Constitution for the direct election of Senators by the people.

I do not believe that that important measure or any other important measure ought to be indefinitely delayed by a contest of this kind, which may be protracted for months and perhaps through the whole Congress. I ask the Chair to rule whether it is not the province and duty of the Chair to lay the unfinished business before the Senate.

Mr. HEYBURN. Mr. President, does not the rule that we may take up nothing while a vote is pending apply until this question is laid aside by the Senate? Are we not now, in legislative contemplation, engaged in voting upon this question until we have either determined it or it has been laid aside? I think that interpretation is borne out by the rule, and that it is not in order to interrupt the voting upon this question. We may lay it aside, then we are at liberty to take up another matter, but I think until we do lay it aside that we must continue with it. I ask that the regular business be proceeded with.

The PRESIDING OFFICER. The Chair will say that what the Chair understood to be the point of order was raised on the question of a majority vote and also on the question of the unfinished business.

The Chair will restate his position on the unfinished business. The Chair is inclined to think that this business now before the Senate is privileged, but there can be no doubt that the Senate is engaged in voting. The Chair does not think that can be interrupted by the unfinished business or in any other way except by the Senate laying aside the business before it or by adjourning or going into executive session. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BORAH (when his name was called). I make the same announcement that I have heretofore made.

Mr. MCCUMBER (when his name was called). I again announce my pair, and transfer the same to the junior Senator from Delaware [Mr. Richardson], and vote. I vote for the Senator from New Hampshire [Mr. Gallinger].

Mr. PERKINS (when his name was called). I again announce my pair with the senior Senator from North Carolina [Mr. Overman].

Mr. SMITH of South Carolina (when his name was called). I again announce my pair with the junior Senator from Delaware [Mr. Richardson], and the transfer of that pair to the senior Senator from Mississippi [Mr. Percy], so I will vote. I vote for the Senator from Georgia [Mr. Bacon].

The roll call having been concluded, it resulted as follows:

The PRESIDING OFFICER. Seventy-four Senators have voted; 38 votes are necessary to a choice. The Senator from Georgia [Mr. Bacon] has received 35 votes; the Senator from New Hampshire [Mr. Gallinger], 32; the Senator from Minnesota [Mr. Clapp], 4; the Senator from Massachusetts [Mr. Lodge], 1; the Senator from South Carolina [Mr. Tillman], 1; the Senator from Kansas [Mr. Bristow], 1; and there has been no choice.

Thet Chair desires to call the attention of the Senator from Missouri [Mr. Stone] to another point in regard to the unfinished business. This point has been brought to the attention of the Chair by the chairman of the Judiciary Committee, the Senator from Wyoming [Mr. Clark]. The present Presiding Officer is occupying his position by the action of the Senate in suspending by unanimous consent clause 2 of Rule I. He therefore is occupying the place which the rules design for the occupancy at this time of the Secretary of the Senate. It is perfectly obvious that the Secretary of the Senate, if now presiding over the proceedings of the Senate, could not carry on the business, for the rule explicitly says he is to preside only "pending the election of a President pro tempore." Therefore, as the Chair is occupying the position of the Secretary of the Senate and is not President pro tempore or holding the place by virtue of the appointment of the Vice President, it seems to him perfectly clear that during his occupancy of the chair no business is in order except that of choosing a President pro tempore.

The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BORAH (when his name was called). I again announce my pair with the Senator from California [Mr. Works].

Mr. MCCUMBER (when his name was called). As previously stated, I am paired with the Senator from Mississippi [Mr. Percy]. I transfer that pair, as on the previous vote, to the Senator from Delware [Mr. Richardson] and vote. I vote for the Senator from New Hampshire [Mr. Gallinger].

Mr. PERKINS (when his name was called). I again announce my general pair with the junior Senator from North Carolina [Mr. Overman].

Mr. SMITH of South Carolina (when his name was called). Under the arrangement stated by the Senator from North Dakota [Mr. McCumber], the junior Senator from Delaware [Mr. Richardson], with whom I am paired, stands paired with the senior Senator from Mississippi [Mr. Percy], which leaves me at liberty to vote. I vote for the Senator from Georgia [Mr. Bacon].

Mr. TAYLOR (when his name was called). I am paired with the junior Senator from Kentucky [Mr. Bradley], who was compelled to leave the Senate on account of illness.

The roll call having been concluded,

The PRESIDING OFFICER. Seventy-two Senators have voted; 37 are necessary for a choice. The Senator from Georgia [Mr. BACON] has 34 votes; the Senator from New Hampshire [Mr. Gallinger] 31; the Senator from Minnesota [Mr. Clapp] 4; the Senator from Kansas [Mr. Bristow] 1; the Senator from Massachusetts [Mr. Lodge] 1; and the Senator from South Carolina [Mr. Tillman] 1. There is no choice. The Secretary will again call the roll.

ADJOURNMENT TO MONDAY (JOURNAL ENTRY, P. 62).

On motion by Mr. La Follette, that the Senate adjourn to Monday next,

Mr. Heyburn raised two questions of order, viz., first, that presumably the Secretary of the Senate is in the chair and that he can not pass upon or submit a motion; and, second, that the two motions can not be consolidated; that the Senate must first lay aside the business in which it is engaged—the question of the election of a President pro tempore—before it can do any legislative business whatever.

The Presiding Officer overruled the question of order, and decided that it is within the power of the present Presiding Officer to put a motion to adjourn, in order to end the proceedings, provided an election of President pro tempore has not been effected, and as to the second branch there is no question but what the Senate can adjourn to a day certain, as it is the second privileged motion.

The question being on the motion to adjourn to Monday next,

The motion was agreed to; and at 4 o'clock and 43 minutes p.m.,

The Senate adjourned.

ADJOURNMENT TO MONDAY (CONGRESSIONAL RECORD, P. 1189).

Mr. La Follette. Mr. President, I move that the Senate adjourn to meet on Monday next at 2 o'clock.

The Presiding Officer. The Senator from Wisconsin moves the the Senate adjourn until Monday next at 2 o'clock.

Mr. Heyburn. Mr. President, I rise to two points of order. First, presumably the Secretary of the Senate is in the Chair, and he can not pass upon or submit a motion. He is not a legislative officer; second, the two motions can not be consolidated. There must first be a motion that when we adjourn, it be to the time named, and that must be separate and distinct from the motion to adjourn. I think we must first lay aside the business in which the Senate is now engaged, the question of the election of a President pro tempore, before we can do any legislative business whatever.

The Presiding Officer. The Chair is obliged to overrule both points of order. The Chair thinks it is perfectly clear that if the Secretary of the Senate were holding the place which the present Presiding Officer now holds, it would be within his power to put a motion to adjourn, otherwise it would never be possible to bring the proceedings to an end. He must be able to put some motion in order to end the proceedings, provided an election of President pro tempore has not been effected.

As to the second point, there is no sort of question—in fact, it is the second privileged motion—that the Senate can adjourn to a day certain.

Mr. Heyburn. Mr. President, if I may be pardoned for being a little insistent, I think that the orderly proceeding would be, first, that a motion should be acted upon laying aside the special order, the proceedings under which are only conducted with some one else than a Member of this body in the chair. It is entirely convenient to proceed in that way, and we can not make the Senator from Massachusetts the Secretary of the Senate by unanimous consent or otherwise.

The Presiding Officer. The Chair is of opinion that he has been placed in his present position by the unanimous vote of the Senate. He is also clear that a motion to adjourn is always in order, and he therefore puts the motion of the Senator from Wisconsin, which is that the Senate adjourn until Monday next at 2 o'clock. The question is on that motion.

The motion was agreed to; and (at 4 o'clock and 43 minutes p.m.) the Senate adjourned until Monday, May 15, 1911, at 2 o'clock p.m.

Monday, May 15, 1911 (Journal, p. 65).

ELECTION OF A PRESIDENT OF THE SENATE PRO TEMPORE

On motion by Mr. Cullom, that the Senate proceed to the election of a President of the Senate pro tempore,

The motion was agreed to, and

On motion by Mr. Shively, and by unanimous consent,

Ordered, That clause 2 of Rule 1 of the standing rules of the Senate be suspended and that the present occupant of the chair, preside during the proceedings connected with the election of a President of the Senate pro tempore.

Whereupon,

The Presiding Officer (Mr. Lodge in the chair) directed the roll to be called;

When,

The whole number of votes was found to be 76, of which 39 make a majority. Mr. Gallinger had 33, Mr. Bacon had 33, Mr. Clapp had 7, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Borah, Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, Dixon, du Pont, Gamble, Heyburn, Jones, Kenyon, Lippitt, McLean, Nelson, Nixon, Oliver, Page, Penrose, Perkins, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Chilton, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Whereupon,

The Presiding Officer directed the roll to be called;

When,

The whole number of votes was found to be 76, of which 39 make a majority. Mr. Gallinger had 33, Mr. Bacon had 33, Mr. Clapp had 7, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Borah, Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, Dixon, du Pont, Gamble, Heyburn, Jones, Kenyon, Lippitt, McLean, Nelson, Nixon, Oliver, Page, Penrose, Perkins, Richardson, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Chilton, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Proceedings in the Congressional Record, page 1204, as follows:

The Presiding Officer. The Senate will proceed to the election of a President pro tempore.

The Chair desires to say, before action is taken, that on Thursday last the Senate, by unanimous consent, suspended clause 2 of Rule I, which provides that the Secretary shall take the chair pending the election of a President pro tempore, and continued in the chair its present occupant. Whether that action was intended to be continuous, covering all proceedings connected with the election of a President pro tempore, or was for that day only, it is not for the Chair to determine. It is for the Senate to determine that question before we proceed further.

Mr. Shively. I ask unanimous consent that clause 2 of Rule I be suspended and that the senior Senator from Massachusetts [Mr. Lodge] occupy the chair during the proceedings to elect a President pro tempore.

The Presiding Officer. The Senator from Indiana moves that the present occupant of the chair continue to occupy it during the proceedings——

Mr. Shively. If the Chair please, I made no motion. I asked unanimous consent.

The Presiding Officer. The Senator from Indiana asks unanimous consent that clause 2 of Rule I be suspended, and that the present occupant of the chair continue to occupy it during the proceedings connected with the election of a President pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Tuesday, May 16, 1911 (Journal, p. 67).

ELECTION OF PRESIDENT PRO TEMPORE

On motion by Mr. Culberson,

Ordered, That Senate Report No. 3, Forty-fourth Congress, being the report of Mr. Morton from the Committee on Privileges and Elections under date of January 6, 1876, relating to the tenure of office of the President pro tempore of the Senate; also the proceedings of the Senate of March 12, 1890, on the subject of the resolution reported from the Committee on Privileges and Elections relating to the election of a President of the Senate pro tempore, be printed as one document.

* * * * *

ELECTION OF A PRESIDENT OF THE SENATE PRO TEMPORE.

On motion by Mr. Cullom, that the Senate proceed to the election of a President of the Senate pro tempore,

The motion was agreed to;

Whereupon,

The Presiding Officer assumed the chair and directed the roll to be called;

When,

The whole number of votes was found to be 68, of which 35 make a majority. Mr. Gallinger had 29, Mr. Bacon had 30, Mr. Clapp had 7, Mr. Tillman had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Heyburn, Jones, Kenyon, Lippitt, McLean, Nelson, Oliver, Page, Penrose, Perkins, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnston of Alabama, Kern, Lea, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Rayner, Reed, Shively, Simmons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice;

Whereupon,

The Presiding Officer directed the roll to be called;

When,

The whole number of votes was found to be 69, of which 35 make a majority. Mr. Gallinger had 29, Mr. Bacon had 31, Mr. Clapp had 7, Mr. Tillman had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, du Pont, Gamble, Heyburn, Jones, Kenyon, Lippitt, McLean, Nelson, Oliver, Page, Penrose, Perkins, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Rayner, Reed, Shively, Simons, Smith of Maryland, Smith of South Carolina, Stone, Swanson, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Wednesday, May 17, 1911 (Journal, p. 70).

ELECTION OF A PRESIDENT OF THE SENATE PRO TEMPORE.

On motion by Mr. Heyburn, that the Senate proceed to the election of a President of the Senate, pro tempore,

The motion was agreed to;

Whereupon,

The Presiding Officer assumed the chair and directed the roll to be called;

When,

The whole number of votes was found to be 71, of which 36 make a majority. Mr. Gallinger had 30, Mr. Bacon had 32, Mr. Clapp had 7, Mr. Tillman had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Brown, Burnham, Burton, Clark of Wyoming, Crane, Curtis, Dillingham, Dixon, du Pont, Heyburn, Jones, Lippitt, Lodge, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Perkins, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Clarke of Arkansas, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Stone, Swanson, Taylor, Terrell, Thornton, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Whereupon,

The Presiding Officer directed the roll to be called,

When,

The whole number of votes was found to be 70, of which 36 make a majority. Mr. Gallinger had 29, Mr. Bacon had 32, Mr. Clapp had 7, Mr. Tillman had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Brown, Burnham, Burton, Clark of Wyoming, Crane, Curtis, Dillingham, du Pont, Heyburn, Jones, Lippitt, Lodge, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Perkins, Root, Smith of Michigan, Smoot, Sutherland, Townsend, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Bankhead, Bryan, Chamberlain, Clarke of Arkansas, Culberson, Fletcher, Foster, Gore, Hitchcock, Johnson of Maine, Johnston of Alabama, Kern, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, O'Gorman, Overman, Pomerene, Rayner, Reed, Shively, Simmons, Smith of Maryland, Stone, Swanson, Taylor, Terrell, Thornton, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Monday, June 5, 1911 (Journal, p. 85.)

VICE PRESIDENT ABSENT—PRESIDENT PRO TEMPORE

The Vice President being absent, the Secretary called the Senate to order.

Mr. Lodge raised a question as to the presence of a quorum;

Whereupon,

The Secretary directed the roll to be called;

When,

Fifty-seven Senators answered to their names,

A quorum being present.

The Senate proceeded to the election of a President of the Senate pro tempore;

Whereupon,

The Secretary directed the roll to be called;

When,

The whole number of votes was found to be 63, of which 32 made a majority. Mr. Gallinger had 27, Mr. Bacon had 25, Mr. Clapp had 8, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Cullom, Curtis, Dixon, Gamble, Heyburn, Jones, Lodge, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Root, Smith of Michigan, Smoot, Stephenson, Sutherland, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnston of Alabama, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, Pomerene, Rayner, Simmons, Smith of South Carolina, Stone, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bourne, Bristow, Crawford, Cummins, Gronna, La Follette, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Whereupon,

The Secretary directed the roll to be called,

When,

The whole number of votes was found to be 64, of which 33 make a majority. Mr. Gallinger had 27, Mr. Bacon had 26, Mr. Clapp had 8, Mr. Tillman had 1, Mr. Bristow had 1, and Mr. Lodge had 1.

Those who voted for Mr. Gallinger are,

Messrs. Bradley, Brandegee, Briggs, Burnham, Burton, Clark of Wyoming, Cullom, Curtis, Dixon, Gamble, Heyburn, Jones, Lodge, McCumber, McLean, Nelson, Nixon, Oliver, Page, Penrose, Root, Smith of Michigan, Smoot, Stephenson, Sutherland, Warren, and Wetmore.

Those who voted for Mr. Bacon are,

Messrs. Bailey, Chamberlain, Chilton, Culberson, Davis, Fletcher, Foster, Gore, Hitchcock, Johnston of Alabama, Lea, Martin of Virginia, Martine of New Jersey, Myers, Newlands, Pomerene, Raynor, Reed, Simmons, Smith of South Carolina, Stone, Taylor, Terrell, Thornton, Watson, and Williams.

Those who voted for Mr. Clapp are,

Messrs. Bourne, Bristow, Crawford, Cummins, Gronna, La Follete, Poindexter, and Works.

Mr. Bacon voted for Mr. Tillman.

Mr. Clapp voted for Mr. Bristow.

Mr. Gallinger voted for Mr. Lodge.

There was consequently no choice.

Senate adjourned.

Saturday, August 12, 1911 (Journal, p. 169).

PRESIDENT OF THE SENATE PRO TEMPORE.

On motion by Mr. Smoot,

Ordered, That Augustus O. Bacon, a Senator from the State of Georgia, be, and he hereby is, elected President of the Senate pro tempore, to hold and perform the duties of said office during the absence of the Vice President on Monday next, August 14, 1911.

On motion by Mr. Smoot, at 2 o'clock and 41 minutes p.m.,

The Senate adjourned.

Monday, August 14, 1911 (Journal, p. 170).

VICE PRESIDENT ABSENT.

Under the designation by the Senate yesterday, Mr. Bacon assumed the chair.

SIXTY-SECOND CONGRESS, SECOND SESSION

Monday, December 4, 1911 (Journal, p. 4).

PRESIDENT PRO TEMPORE.

On motion by Mr. Gallinger,

Ordered, That Charles Curtis, a Senator from the State of Kansas, be elected President of the Senate pro tempore to serve until Tuesday, December 12, 1911.

ADJOURNMENT.

On motion by Mr. Cullom, at 12 o'clock and 17 minutes p.m., the Senate adjourned.

Mr. ROBERT C. BYRD. Mr. President, while for the most part the parties have tended to put forward men with long senatorial service as their candidates for President pro tempore, there have been some notable exceptions. Senator Moses of New Hampshire ranked only 15th among Senate Republicans when he was elected President pro tempore in 1925, and Senator Cummins of Iowa ranked only 12th when he was first chosen in 1919. Even more astonishing were the records of David R. Atchison of Missouri, elected President pro tempore in 1846 before he completed half his first term as a Senator, and Willard Saulsbury of Delaware, who was also still in his first term when the Senate elevated him to the post on December 14, 1916.

Usually, however, the Presidents pro tempore have been very senior Senators indeed; men, in the 19th Century, like William P. Frye of Maine, John J. Ingalls of Kansas, Allen G. Thurman of Ohio, and Henry B. Anthony of Rhode Island. That tradition has continued in this century, with the exceptions that I have noted, until by midcentury the Senate was habitually electing as its President pro tempore the most senior Senator of the majority party. The four men who held the office immediately prior to 1945 ranked either fourth or fifth in their respective parties when first chosen. Of the five Presidents pro tempore since 1945, only one has been anything less than the most senior man in his party, and that was Senator Vandenberg of Michigan who was the second ranking Republican in the Senate at the time of his election in 1947.

In alluding to the deadlock that occurred in 1911 for the office of President pro tempore, I might also refer to a deadlock similar to that of 1911 which occurred at the opening of the 68th Congress, December 3, 1923.

"The position of President pro tempore was held by the whilom 'insurgent,' Cummins," according to Haynes, "who at the same time under the seniority rule would continue as chairman of the Committee on Interstate Commerce. A long struggle ensued over that single committee chairmanship, the Progressives refusing to vote for Cummins, although on the choice of the other officers they voted for the regular Republican nominees. To the question, 'Why do we not proceed to the election of the President pro tempore?' the Republican leader replied that that officer continued to hold office 'during the pleasure of the Senate' just as Senator Frye, without reelection, had continued to hold that office through successive Congresses. This was not challenged and Cummins continued to hold the office until the expiration of his term as Senator."

In his Volume I, *Senate of the United States,* Mr. George H. Haynes also refers to the situation in which Senator Moses had for 6 years held the position of the President pro tempore and before the convening of Congress in 1931 it was evident that an effort would be made to displace him. Mr. Haynes states:

> "It was the minority leader who smilingly called for the election of a President pro tempore. The first ballot showed that the Democratic nominee led Moses by a plurality of 10. The deadlock continued for a month. Insurgents would not vote for Moses, nor would they vote for a Democrat. Yet, it was their contention that the election of President pro tempore was highly privileged, and could not be displaced as the Senate's 'unfinished business' by a mere majority vote. After futile balloting had continued for nearly a month, a Democrat made the motion that the Senate proceed to the consideration of the proposed 'Lame Duck' Amendment. Norris at once made the point of order that this motion was out of order, 'because the effect of it would be to displace as the business before the Senate the election of a President pro tempore, which is a privileged matter.'
>
> "The Vice President declared: 'there are only three questions mentioned in the Senate rules which are to be proceeded with until disposed of. . . . Any other matter, by necessary implication, could be displaced at any time by a majority vote of the Senate by simply agreeing to a motion to take up any particular matter or measure. The Chair overrules the point of order.'
>
> "To a parliamentary inquiry, whether if the pending motion should be carried, the President pro tempore could continue in office, the Vice-President replied: 'He will . . . Under the resolution of 1890, . . . the President pro tempore serves until his successor is elected.'
>
> "The chair's ruling upon the point of order was sustained by a 3-to-1 vote; the 'Lame Duck' Amendment, which had been stalled behind the 'unfinished business', was immediately debated and brought to a vote—and Moses continued to serve as President pro tempore to the end of that Congress, without further question."

Presidents pro tempore have occasionally enjoyed the privilege of appointing the membership of the Senate's standing committees at the beginning of a session. This was made indirectly possible by rule in the period December 1823–April 1826. Another rule gave him the power directly from December 1828 to December 1833. Several times during this latter period, the rule was partially suspended so that the Senate could elect the President pro tempore to a chairmanship. The President pro tempore also evidently appointed the committees in 1838, 1841, 1843, and 1863. On some occasions, he has been specifically authorized to fill vacancies on committees.

As a presiding officer, the powers and prerogatives of the President pro tempore historically have been very little different from those of the Vice President. One notable exception involves the privilege of appointing a substitute to perform the duties of the Chair. From 1820 until the early 1880's, the Senate operated under a rule stating, in part, that "the presiding officer shall have the right to name a Senator to perform the duties of the Chair, but such substitution shall not extend beyond an adjournment."

Mr. President, that rule was subsequently amended so as to restrict the privilege solely to the President pro tempore. Moreover, the Senate had many times previously honored the request of a President pro tempore that another Senator take his place for a day or longer, while denying the same privilege to the Vice President.

For a rather pointed example of the Senate's refusal to accept a direct substitution made by the Vice President, one may cite the incident of January 11, 1847, when the Senate ignored a letter from Vice President Dallas designating Senator Atchison to preside for that day, defeated a resolution appointing Atchison President pro tempore, and then proceeded to elect Atchison to the post by ballot.

In 1902, the Rules were further amended so that during a vacancy in the office of Vice President the President pro tempore might name in writing a Senator to perform the duties of the chair for an unspecified time.

Usually the President pro tempore has designated members of his own party to replace him in the chair, but not always. In one notable exception, President pro tempore Hayden, a Democrat, appointed Senator George D. Aiken of Vermont, a Republican, to preside.

Under the Constitution, the Vice President may cast a vote in the Senate only when that body is equally divided. Evidently some question arose in the early 1790's as to whether or not a President pro tempore retained his vote while he was performing the duties of his office. The question was quickly settled on April 17, 1792, when the Senate adopted a resolution stating that he retained "his right to vote upon all questions." He cannot, however, vote to break a tie if he has already voted on the question.

By the Act of March 19, 1816, the President pro tempore was accorded a larger salary than that allotted to other Senators, but only when there was no Vice President.

In 1818, the law was amended to read that the President pro tempore was to receive additional compensation for each day he presided over the Senate, whether or not the office of Vice President was vacated. In 1845, and again in 1854, there being no Vice President, the Senate adopted resolutions to the effect that the Presidents pro tempore then in office were to receive compensation equal to that established by law for the Vice President. That practice was converted into law by the act of August 16, 1856.

Mr. President, I shall have more to say at a later date with respect to the office of the President pro tempore of the Senate, and also with respect to other officers of the Senate.

Mr. President, I ask unanimous consent that I may be permitted to insert in the RECORD a table stating the names of Presidents pro tempore and the Congress in which each served, the State from which each Senator came, and the date on which each Senator was elected to serve as President pro tempore.

These will range from the first President pro tempore, John Langdon, of New Hampshire, elected April 6, 1789, to Senator WARREN MAGNUSON, who was elected to serve as President pro tempore on January 15, 1979, and who is currently serving in that office.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PRESIDENTS PRO TEMPORE OF THE SENATE FROM THE FIRST CONGRESS TO BEGINNING OF FIRST SESSION OF THE NINETY-SIXTH CONGRESS

[In earlier years the appointment or election of a President pro tempore was held by the Senate to be for the occasion only, so that more than one appears in several sessions and in others none were chosen. Since Mar. 12, 1980, however, they have served until "the Senate otherwise ordered."]

On Mar. 12, 1890 the Senate agreed to the following:

Resolved, That it is competent for the Senate to elect a President pro tempore, who shall hold the office during the pleasure of the Senate and until another is elected, and shall execute the duties thereof during all future absences of the Vice President until the Senate otherwise order. (S. Jour. 165, 51–1, Mar. 12, 1890.)

Congress	Name of President pro tempore	State	Elected
First	John Langdon	New Hampshire	Apr. 6, 1789.
Second	Richard Henry Lee	Virginia	Apr. 18, 1792.
Do	John Langdon	New Hampshire	Nov. 5, 1792. Mar. 1, 1793.
Third	Ralph Izard[1]	South Carolina	May 31, 1794.
Do	Henry Tazewell	Virginia	Feb. 20, 1795.
Fourth	do	do	Dec. 7, 1795.
Do	Samuel Livermore	New Hampshire	May 6, 1796.
Do	William Bingham	Pennsylvania	Feb. 16, 1797.
Fifth	William Bradford	Rhode Island	July 6, 1797.
Do	Jacob Read	South Carolina	Nov. 22, 1797.
Do	Theodore Sedgwick	Massachusetts	June 27, 1798.
Do	John Laurance	New York	Dec. 6, 1798.
Do	James Ross	Pennsylvania	Mar. 1, 1799.
Sixth	Samuel Livermore	New Hampshire	Dec. 2, 1799.
Do	Uriah Tracy	Connecticut	May 14, 1800.
Do	John E. Howard	Maryland	Nov. 21, 1800.
Do	James Hillhouse	Connecticut	Feb. 28, 1801.
Seventh	Abraham Baldwin	Georgia	Dec. 7, 1801. Apr. 17, 1802.
Do	Stephen R. Bradley	Vermont	Dec. 14, 1802. Feb. 25, 1803. Mar. 2, 1803.
Eighth	John Brown	Kentucky	Oct. 17, 1803. Jan. 23, 1804.
Do	Jesse Franklin	North Carolina	Mar. 10, 1804.
Do	Joseph Anderson	Tennessee	Jan. 15, 1805. Feb. 28, 1805. Mar. 2, 1805.
Ninth	Samuel Smith	Maryland	Dec. 2, 1805. Mar. 18, 1806. Mar. 2, 1807.
Tenth	do	do	Apr. 16, 1808.
Do	Stephen R. Bradley	Vermont	Dec. 28, 1808.
Do	John Milledge	Georgia	Jan. 30, 1809.
Eleventh	Andrew Gregg	Pennsylvania	June 26, 1809.
Do	John Gaillard	South Carolina	Feb. 28, 1810. Reelected Apr. 17, 1810.
Do	John Pope	Kentucky	Feb. 23, 1811.
Twelfth	William H. Crawford	Georgia	Mar. 24, 1812.
Thirteenth	Joseph B. Varnum	Massachusetts	Dec. 6, 1813.
Do	John Gaillard	South Carolina	Apr. 18, 1814. Nov. 25, 1814 upon the death of Vice President Elbridge Gerry.[2]
Fourteenth	do	do	
Fifteenth	do.[3]	do	Mar. 6, 1817. Mar. 31, 1818.
Do	James Barbour	Virginia	Feb. 15, 1819.
Sixteenth	do	do	
Do	John Gaillard	South Carolina	Jan. 25, 1820.
Seventeenth	do	do	Feb. 1, 1822. Feb. 19, 1823.
Eighteenth	do	do	May 21, 1824.
Nineteenth	do.[4]	do	Mar. 9, 1825.
Do	Nathaniel Macon	North Carolina	May 20, 1826. Jan. 2, 1827. Mar. 2, 1827.

PRESIDENTS PRO TEMPORE OF THE SENATE FROM THE FIRST CONGRESS TO BEGINNING OF FIRST SESSION OF THE NINETY-SIXTH CONGRESS—Continued

Congress	Name of President pro tempore	State	Elected
Twentieth	Samuel Smith [5]	Maryland	May 15, 1828.
Twenty-first	do	do	Mar. 13, 1829.[4]
			May 29, 1830.
			Mar. 1, 1831.[6]
Twenty-second	Littleton W. Tazewell	Virginia	July 9, 1832.
Do	Hugh L. White	Tennessee	Dec. 3, 1832.
Twenty-third	do	do	
Do	George Poindexter	Mississippi	June 28, 1834.
Do	John Tyler	Virginia	Mar. 3, 1835.
Twenty-fourth	William R. King	Alabama	July 1, 1836.
			Jan. 28, 1837.
Twenty-fifth	do	do	Mar. 7, 1837.[4]
			Oct. 13, 1837.
			July 2, 1838.
			Feb. 25, 1839.
Twenty-sixth	do.[7]	do	
			July 3, 1840.
			Mar. 3, 1841.
Twenty-seventh	William R. King [4]	Alabama	Mar. 4, 1841.
Do	Sameul L. Southhard [8]	New Jersey	Mar. 11, 1841.
Do	Willie P. Mangum	North Carolina	May 31, 1842.
Twenty-eighth	do	do	
Twenty-ninth	Ambrose H. Sevier [9]	Arkansas	Dec. 27, 1845.
Do	David R. Atchison	Missouri	Aug. 8, 1846.
			Jan. 11, 1847.
			Mar. 3, 1847.
Thirtieth	do	do	Feb. 2, 1848.
			June 1, 1848.
			June 26, 1848.
			July 29, 1848.
			Dec. 26, 1848.
			Mar. 2, 1849.
Thirty-first	do.[4]	do	Mar. 5, 1849.
			Mar. 16, 1849.
Do	William R. King	Alabama	May 6, 1850.
			July 11, 1850.
Thirty-second	do.[10]	do	
Do	David R. Atchison	Missouri	Dec. 20, 1852.
Thirty-third	do.[4]	do	Mar. 4, 1853.
Do	Lewis Cass [11]	Michigan	Dec. 4, 1854.
Do	Jesse D. Bright	Indiana	Dec. 5, 1854.
Thirty-fourth	do.[12]	do	June 11, 1856.
Do	Charles E. Stuart [13]	Michigan	June 9, 1856.
Do	James M. Mason [14]	Virginia	Jan. 6, 1857.
Thirty-fifth	do.[4]	do	Mar. 4, 1857.
Do	Thomas J. Rusk [4]	Texas	Mar. 14, 1857.
Do	Benjamin Fitzpatrick	Alabama	Dec. 7, 1857.
			Mar. 29, 1858.
			June 14, 1858.
			Jan. 25, 1859.
Thirty-sixth	do	do	Mar. 9, 1859.[4]
			Dec. 19, 1859.
			Feb. 20, 1860.[4]
			June 26, 1860.
Do	Jesse D. Bright	Indiana	June 12, 1860.
Do	Solomon Foot	Vermont	Feb. 16, 1861.
Thirty-seventh	do	do	Mar. 23, 1861.
			July 18, 1861.
			Jan. 15, 1862.
			Mar. 31, 1862.
			June 19, 1862.
			Feb. 18, 1863.
Thirty-eighth	do	do	Mar. 4, 1863.[4]
			Dec. 18, 1863.
			Feb. 23, 1864.
			Apr. 11, 1864.
Do	Daniel Clark	New Hampshire	Apr. 26, 1864.
			Feb. 9, 1865.
Thirty-ninth	Lafayette S. Foster [15]	Connecticut	Mar. 7, 1865.
Do	Benjamin F. Wade	Ohio	Mar. 2, 1867.
Fortieth	do	do	
Forty-first	Henry B. Anthony	Rhode Island	Mar. 23, 1869.
			Apr. 9, 1869.
			May 28, 1870.
			July 1, 1870.
			July 14, 1870.
Forty-second	do	do	Mar. 10, 1871.
			Apr. 17, 1871.
			May 23, 1871.[4]
			Dec. 21, 1871.
			Feb. 23, 1872.
			June 8, 1872.
Do	do	do	Dec. 4, 1872.
			Dec. 13, 1872.
			Dec. 20, 1872.
			Jan. 24, 1873.
Forty-third	Matthew H. Carpenter	Wisconsin	Mar. 12, 1873.[4]
			Mar. 26, 1873.[4]
			Dec. 11, 1873.
			Dec. 23, 1874.
Do	Henry B. Anthony	Rhode Island	Jan. 25, 1875.
			Feb. 15, 1875.
Forty-fourth	Thomas W. Ferry	Michigan	Mar. 9, 1875.[4]
			Mar. 19, 1875.[4]
			Dec. 20, 1875.
Forty-fifth	do	do	Mar. 5, 1877.[4]
			Feb. 26, 1878.
			Apr. 17, 1878.
			Mar. 3, 1879.
Forty-sixth	Allen G. Thurman	Ohio	Apr. 15, 1879.
			Apr. 7, 1880.
			May 6, 1880.
Forty-seventh	Thomas F. Bayard	Delaware	Oct. 10, 1881.[4]
Do	David Davis [16]	Illinois	Oct. 13, 1881.
Do	George F. Edmunds	Vermont	Mar. 3, 1883.
Forty-eighth	do.[17]	do	Jan. 14, 1884.
Forty-ninth	John Sherman [18]	Ohio	Dec. 7, 1885.
Do	John J. Ingalls	Kansas	Feb. 25, 1887.
Fiftieth	do	do	
Fifty-first	do	do	Mar. 7, 1889.[4]
			Apr. 2, 1889.[4]
			Feb. 28, 1890.
			Apr. 3, 1890.[11]
Do	Charles F. Manderson	Nebraska	Mar. 2, 1891.
Fifty-second	do	do	
Fifty-third	do.[20]	do	
Do	Isham G. Harris [4]	Tennessee	Mar. 22, 1893.
Do	Matt W. Ransom [21]	North Carolina	Jan. 7, 1895.
Do	Isham G. Harris	Tennessee	Jan. 10, 1895.
Fifty-fourth	William P. Frye	Maine	Feb. 7, 1896.
Fifty-fifth	do	do	
Fifty-sixth	do	do	
Fifty-seventh	do	do	Mar. 7, 1901.[4]
Fifty-eighth	do	do	
Fifty-ninth	do	do	
Sixtieth	do	do	Dec. 5, 1907.
Sixty-first	do	do	
Sixty-second	do.[22]	do	
Do	Charles Curtis [23]	Kansas	Dec. 4, 1911.
Do	Augustus O. Bacon [24]	Georgia	Jan. 15, 1912.
Do	Jacob H. Gallinger [25]	New Hampshire	Feb. 12, 1912.
Do	Henry Cabot Lodge [26]	Massachusetts	Mar. 25, 1912.
Do	Frank B. Brandegee [27]	Connecticut	May 25, 1912.
Sixty-third	James P. Clarke	Arkansas	Mar. 13, 1913.[4]
Sixty-fourth	do.[28]	do	Dec. 6, 1915.
Sixty-fourth	Willard Saulsbury	Delaware	Dec. 14, 1916.
Sixty-fifth	do	do	
Sixty-sixth	Albert B. Cummins	Iowa	May 19, 1919.
Sixty-seventh	do	do	Mar. 7, 1921.[4]
Sixty-eighth	do	do	
Sixty-ninth	do	do	
Do	George H. Moses	New Hampshire	Mar. 6, 1925.[4]
Seventieth	do	do	Dec. 15, 1927.
Seventy-first	do	do	
Seventy-second	do	do	
Seventy-third	Key Pittman	Nevada	Mar. 9, 1933.
Seventy-fourth	do	do	Jan. 7, 1935.
Seventy-fifth	do	do	
Seventy-sixth	do.[29]	do	
Do	William H. King	Utah	Nov. 19, 1940.
Seventy-seventh	Pat Harrison [30]	Mississippi	Jan. 6, 1941.
Do	Carter Glass	Virginia	July 10, 1941.
Seventy-eighth	do	do	Jan. 5, 1943.
Seventy-ninth	Kenneth McKellar	Tennessee	Jan. 6, 1945.
Eightieth	Arthur H. Vandenberg	Michigan	Jan. 4, 1947.
Eighty-first	Kenneth McKellar	Tennessee	Jan. 3, 1949.
Eighty-second	do	do	
Eighty-third	Styles Bridges	New Hampshire	Jan. 3, 1953.
Eighty-fourth	Walter F. George	Georgia	Jan. 5, 1955.
Eighty-fifth	Carl Hayden	Arizona	Jan. 3, 1957.
Eighty-sixth	do	do	
Eighty-seventh	do	do	
Eighty-eighth	do	do	
Eighty-ninth	do	do	
Ninetieth	do	do	
Ninety-first	Richard B. Russell [31]	Georgia	Jan. 3, 1969.
Ninety-second	do	do	
Do	Allen J. Ellender [32]	Louisiana	Jan. 22, 1971.
Do	James O. Eastland	Mississippi	July 28, 1972.
Ninety-third	do	do	
Ninety-fourth	do	do	
Ninety-fifth	do	do	
Ninety-sixth	Warren G. Magnuson	Washington	Jan. 15, 1979.

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[1] Samuel Livermore was elected Feb. 20, 1795, but declined.

[2] Vice President Gerry died in preceding Congress.

[3] Continuing from preceding session; elected Mar. 6, 1817 (special session of the Senate).

[4] Special session of the Senate.

[5] Nathaniel Macon, of North Carolina, was first elected on the same day, but declined to serve.

[6] Littleton W. Tazewell, of Virginia, was first elected, but declined to serve.

[7] Continuing from preceding session.

[8] Special session of the Senate. Resigned as President pro tempore May 31, 1842.

[9] Served as President pro tempore 1 day, under designation by the Vice President.

[10] Resigned as President pro tempore Dec. 20, 1852.

[11] For 1 day only.

[12] Continued from preceding Congress.

[13] Served June 5, 1856; resigned June 11, 1856.

[14] Served Jan. 5, 1856.

[15] Special session of the Senate. Elected "to serve in the absence of the Vice President" and served until Mar. 2, 1867.

[16] Special session of the Senate. Resigned Mar. 3, 1883.

[17] Reelected.

[18] Resigned, effective Feb. 26, 1887.

[19] Resigned as President pro tempore, effective Mar. 2. 1891.

[20] Resigned as President pro tempore Mar. 22, 1893.

[21] Resigned as President pro tempore Jan. 10, 1895.

[22] Resigned as President pro tempore Apr. 27, 1911.

[23] Elected to serve Dec. 4 to 12, 1911.

[24] Elected to serve Jan. 15 to 17, Mar. 11 and 12, Apr. 8, May 10, May 30 to June 3, June 13 to July 5, Aug. 1 to 10, and Aug. 27 to Dec. 15, 1912; Jan. 5 to 18 and Feb. 2 to 15, 1913.

[25] Elected to serve Feb. 12 to 14, Apr. 26 and 27, May 7, July 6 to 31, Aug. 12 to 26, 1912; Dec. 16, 1912, to Jan. 4, 1913; Jan. 19 to Feb. 1 and Feb. 16 to Mar. 3, 1913.

[26] Elected to serve Mar. 25 and 26, 1912.

[27] Elected to serve May 25, 1912.

[28] Died Oct. 1, 1916.

[29] Died Nov. 10, 1940.

[30] Died June 22, 1941.

[31] Died Jan. 21, 1971.

[32] Died July 27, 1972.

Mr. ROBERT C. BYRD. Mr. President, does the able Senator from Hawaii wish the floor?

Mr. MATSUNAGA. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MATSUNAGA. I wish to commend the distinguished majority leader for his professional lectures he has been delivering on the Senate floor.

It was a week ago today, I believe, that the distinguished majority leader lectured on the office of the majority whip. Today he has given us indeed a very much needed lesson on the office of President pro tempore.

But it would appear to me that the term "pro tempore" after the word "President" would seem to indicate an anachronism in our system, which was intended originally to create three separate and equal branches of Government. We have presiding over the Senate a member of the executive branch of our system of Government.

How would the majority leader feel—and I have discussed this matter with him once before—about carrying forward the actual intent of the founders of this country, in creating three separate and equal branches of Government, by a constitutional amendment providing for the election of a President of the Senate in place of the Vice President and making the elected Member of the Senate preside over the Senate?

Mr. ROBERT C. BYRD. I think the present system works very well. I personally would prefer it to that which has been suggested by the distinguished Senator who is, fortunately, the chief deputy whip in the Senate.

I think it provides a very proper nexus between the executive and the legislative, and on a future occasion I will be talking more about this aspect of the office of Vice President and the office of the Senate President pro tempore.

Mr. MATSUNAGA. Mr. President, if the distinguished majority leader will yield further, from what little I have been able to read and discover about the basis for making the Vice President the Presiding Officer of the Senate, the office of Vice President at one time was looked upon as a position which would be occupied by one destined for political obscurity in the shadow of the President In order to give the Vice President something to do, because of his lack of things to do as a member of the executive branch, the framers of our Constitution assigned to him as part of his duties the function of presiding over the Senate.

If it were intended that the Vice President constitute a liaison element between the executive and the legislative branch, one would conclude that, perhaps, the framers of our Constitution would have also created a position of liaison between the Congress and the third branch of Government, the judiciary. This, as the distinguished Majority Leader knows, was purposefully omitted to preserve the independence and equality of the separate branches.

It is my strong belief that designating the Vice President, the second highest official in the Executive Branch, to preside over the Senate, an equal body to the House of Representatives, of the Legislative Branch, poses an anachronism in our system which ought to be removed. This anachronism will raise very serious problems in the Legislative process when the elected President and Vice President are of one political party and the majority of the Senate is of another political party. We would then have a Vice President of one party presiding over a Senate controlled by another party.

As the Senator from West Virginia well knows, recognition by the Chair of a Senator seeking the floor is a very important aspect of carrying out the program of the majority party. As it has happened from time to time, when the proper Senator is not recognized at the proper time, because of the intentional refusal on the part of the Presiding Officer to recognize that Senator, we run into extreme parliamentary difficulties.

I must apologize for not having alerted the majority leader to my intention to engage him in a colloquy on this matter. Truly, I had not intended to do so. But listening to his comments I could not help but rush to the floor to raise a few questions because of my deep interest in removing an anachronism from our federal system of government. I do hope that during the time that I am a Member of the United States Senate I will have been successfully instrumental in doing so.

Mr. ROBERT C. BYRD. May I say that the distinguished Senator from Hawaii is to be admired for his interest in this regard. I have no doubt that he will be instrumental in pursuing the measure which he has been advocating for some time and, just as he has been instrumental in many progressive achievements that have become a part of our history, he will continue to be so.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 11:06 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1309. An act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reduction in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal years 1980 and 1981 food stamp programs; and for other purposes; and

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. EXON).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 16, 1980, he presented to the President of the United States the following enrolled bill:

S. 1309. An act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal years 1980 and 1981 food stamp programs; and for other purposes.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of May 14, 1980, the following reports of committees were submitted on May 15, 1980, during the recess:

By Mr. MOYNIHAN, from the Committee on Environment and Public Works, with an amendment:

S. 2080. A bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes (Rept. No. 96–771).

By Mr. MOYNIHAN, from the Committee on Environment and Public Works, with amendments:

S. 1639. A bill to amend the Water Resources Planning Act of 1965 (Public Law 89–80; 79 Stat. 244 as amended) (Rept. No. 96–772).

S. 1640. A bill to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes (Rept. No. 96–773).

S. 1641. A bill authorizing the Secretary of the Army, acting through the Chief of Engineers, to plan, design, and construct small hydroelectric power projects not specifically authorized by the Congress (Rept. No. 96–774).

By Mr. MOYNIHAN, from the Committee on Environment and Public Works, without amendment:

S. 2729. An original bill to authorize certain emergency repairs at the National Visitor Center in the District of Columbia (Rept. No. 96–775).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment and an amendment to the title:

H.R 826. An act to amend title 39, United States Code, to provide that the United States Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970 (together with minority views) (Rept. No. 96–776).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 2527. A bill to provide for the submission of a plan of rationalization of rail properties of the Consolidated Rail Corporation, and for other purposes (Rept. No. 96–777).

S. 1393. A bill to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) to extend authorizations for appropriations, and for other purposes (Rept. No. 96-778).

S. 2489. A bill to authorize appropriations for the Coast Guard for fiscal years 1981 and 1982, and for other purposes (Rept. No. 96-779).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 438. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2489. Referred to the Committee on the Budget.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 535. A bill to regulate commerce by providing for the safe transportation of nuclear waste and radioactive nuclear reactor fuel, and for other purposes (Rept. No. 96-780).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1250. A bill to promote United States technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes (together with additional views) (Rept. No. 96-781).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 1391. A bill to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1981 and 1982 (Rept. No. 96-782).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2622. A bill to improve coastal zone management in the United States, and for other purposes (Rept. No. 96-783).

S. 2530. A bill to improve the fairness and equity of the protection provided to railroad employees under title V of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) (Rept. No. 96-784).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2730. An original bill to amend the Federal Railroad Safety Act of 1970 and other rail safety acts to extend authorization for appropriations, and for other purposes (Rept. No. 96-785).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MOYNIHAN (from the Committee on Environment and Public Works):

S. 2729. A bill to authorize certain emergency repairs at the National Visitor Center in the District of Columbia. Original bill reported during the recess and placed on the calendar.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 2730. A bill to amend the Federal Railroad Safety Act of 1970 and other rail safety acts to extend authorization for appropriations, and for other purposes. Original bill reported during the recess and placed on the calendar.

By Mr. BAUCUS:

S. 2731. A bill to direct the Department of Agriculture to conduct a study on the feasibility of implementing a demonstration project on rural transportation cooperatives; to the Committee on Commerce, Science, and Transportation.

By Mr. PACKWOOD:

S. 2732. A bill to direct that a clinical investigation of the safety and efficacy of dimethyl sulfoxide as a drug to be used by persons with arthritis be conducted through the National Institute of Arthritis, Metabolism and Digestive Diseases; to the Committee on Labor and Human Resources.

By Mr. ROBERT C. BYRD (for Mr. PROXMIRE):

S.J. Res. 175. A joint resolution to extend the expiration date of the Defense Production Act of 1950. Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 2731. A bill to direct the Department of Agriculture to conduct a study on the feasibility of implementing a demonstration project on rural transportation cooperatives; to the Committee on Commerce, Science, and Transportation.

● Mr. BAUCUS. Mr. President, today I am introducing a bill to direct the Department of Agriculture to undertake a feasibility study leading to the implementation of a demonstration project of rural transportation cooperatives. For some time now I have been increasingly concerned about the fragile condition of our Nation's rural transportation network. We must begin to look seriously at providing alternatives to the limited options available to rural areas in transportation. The concept of a rural transportation cooperative reflects one such alternative. I believe this concept contains some very exciting potential for revitalizing our rural transportation system.

Mr. President, the problems that afflict rural transportation have been documented. We need not dwell upon them at length here. These problems span the entire spectrum of transportation services—from diminishing alternatives in the transporting of people to severe limitations in our capacity to transport goods and natural resources.

Two years ago Congress established the Rural Transportation Advisory Task Force in recognition of the continuing importance of the needs and problems of rural transportation. This past January, the task force released its final report with recommendations to Congress for improving rural transportation.

One of the recommendations of the task force addressed the concept of a rural transportation cooperative. The task force recommended the implementation of a federally assisted pilot demonstration of a rural transportation cooperative concept.

The cooperative concept has enjoyed a long and innovative history in rural America. Rural areas have imaginatively utilized the cooperative concept to overcome a host of barriers—including credit, supply, energy, and communications—endemic to the rural economy and community. Rural areas—characterized as they are by vast distances and sparse populations—have had to be creative in obtaining vital services. Free-market, competitive forces often just do not exist in rural areas.

The idea of a demonstration rural transportation cooperative project, as recommended by the Rural Transportation Advisory Task Force, is an excellent one. I believe that rural transportation cooperatives, like the rural electric cooperative established in the 1930's, hold great promise for innovation and creativity in providing basic essential services in rural areas.

However, I believe that a feasibility study leading to a demonstration project should be undertaken first. To insure the best possible demonstration project, a number of questions first need to be addressed, questions that the task force did not address, questions that a feasibility study could examine in detail. For instance: Which agencies within the administration should assist in the formation of cooperative organizations? What should be the continuing role of the Federal Government concerning technical and financial assistance? What legislative initiatives, if any, need to be considered to implement a demonstration project? How would a transportation cooperative coordinate its services and interact with already existing providers of transportation? What financial arrangements need to be looked at? These are just a few of the many questions that I believe need to be examined more fully before a pilot program is implemented.

Mr. President, I strongly urge my colleagues to support my bill. We must begin to construct alternatives to strengthen our increasingly fragile rural transportation network. As the Rural Transportation Advisory Task Force concluded, there is an urgent need for major improvements in our transportation system.

Mr. President, I anticipate that a feasibility study, such as the one I have outlined, could be completed in less than 1 year at a minimum of expense. I believe, too, that the Office of Transportation in the Department of Agriculture is the agency best suited to undertake this study. Again, Mr. President, I urge favorable and expeditious consideration of my proposal.●

By Mr. PACKWOOD:

S. 2732. A bill to direct that a clinical investigation of the safety and efficacy of dimethyl sulfoxide as a drug to be used by persons with arthritis be conducted through the National Institute of Arthritis, Metabolism and Digestive Diseases; to the Committee on Labor and Human Resources.

DSMO ACT OF 1980

● Mr. PACKWOOD. Mr. President, I am introducing legislation today that would require the Secretary of Health and Human Services to conduct a clinical investigation of the safety and efficacy of dimethyl sulfoxide otherwise known as DMSO.

The Food and Drug Administration has known about DMSO for many years Dr. Stanely Jacob, from the University of Oregon has pioneered the research behind DMSO and continues to do so. Dr. Jacob's research found that DMSO can help control pain caused by: First scleroderma, a debilitating disease; second, arthritis, bursitis, and rheumatism; and third, acute brain and spinal cord injuries. Yet, despite these dramatic breakthroughs in Dr. Jacob's work, the FDA has only approved the use of DMSO for treatment of bladder disease.

There are over 300,000 persons in the United States who are afflicted by scleroderma, and at least 80 percent of all seniors suffer from some form of arthritis. DMSO could help these people.

The legislation I am introducing today is designed to require the Secretary of HHS to conduct a thorough investigation of DMSO as it pertains to arthritis, and report back to Congress within 1 year. This study should lay to rest once and for all, any arguments about DMSO. I think DMSO is an effective drug and should be legalized. I believe that this study will demonstrate that which I believe to be true.●

ADDITIONAL COSPONSORS

S. 2226

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2226, a bill to amend the Internal Revenue Code of 1954 to increase the zero bracket amount for heads of households the same level as that for married individuals filing a joint return.

SENATE JOINT RESOLUTION 147

At the request of Mr. DOLE, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of Senate Joint Resolution 147, a joint resolution to designate the third week of September as "National Cystic Fibrosis Week."

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. CHAFEE, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of Senate Concurrent Resolution 92, a concurrent resolution declaring that the Congress does not favor the withholding of income tax on interest and dividend payments.

SENATE RESOLUTION 422

At the request of Mr. DOLE, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of Senate Resolution 422, a resolution to proclaim National Circle K Week.

SENATE RESOLUTION 438—ORIGINAL RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT REPORTED DURING RECESS

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution during the recess, which was referred to the Committee on the Budget:

S. RES. 438

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2489. Such waiver is necessary to permit consideration of an additional fiscal year 1980 authorization of appropriations for the United States Coast Guard which was not reported on or before May 15, 1979, as required by section 402(a) of the Congressional Budget Act of 1974.

Specifically S. 2489 would increase the fiscal year 1980 authorization for the operating expenses of the Coast Guard by $15,000,000. This additional authorization is necessary to permit a fiscal year 1980 supplemental appropriation for the United States Coast Guard to cover the rapidly increasing costs of fuel which were not foreseen in preparing the Coast Guard's fiscal year 1980 budget. In November of 1979, the Coast Guard's principal supplier of fuel, the Defense Fuel Supply Center, raised fuel prices by 31 percent. Then in February of 1980 the Defense Fuel Supply Center more than doubled its price for fuel. As a result the President has requested fiscal year 1980 supplemental appropriations totalling $29.1 million for the Coast Guard to partially offset the increased cost of fuel. Unless the suppelmentals are granted, the Coast Guard will be forced to curtail severely its activities during the fourth quarter of fiscal year 1980. Thus this waiver is necessary to allow consideration of the supplementals required to enable the Coast Guard to fulfill its many important responsibilities.

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from California (Mr. CRANSTON), who is chairman of the Committee on Veterans' Affairs, I would like to announce, for the information of the Senate and the public, the hearing schedule of the committee for the month of May.

On Wednesday, May 21, beginning at 9 a.m., in room 412 of the Russell Senate Office Building, the committee will be conducting a hearing on Vietnam veterans readjustment experiences and oversight of Veterans' Administration programs intended to provide readjustment assistance to Vietnam veterans, primarily focusing on oversight of the readjustment counseling program authorized under the Veterans' Health Care Amendments of 1979 (Public Law 96–22). Participants will include representatives of the Veterans' Administration, VA Vet Centers, veterans service organizations, and individuals concerned with Vietnam-era veterans readjustment.

Questions regarding this hearing should be directed to Molly Milligan of the committee staff at (202) 224–9126.

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from California (Mr. CRANSTON), who serves as chairman of the Subcommittee on Child and Human Development, I would like to inform my colleagues that the oversight hearing scheduled by the subcommittee for May 22 on the topic of infant mortality and preventable birth defects has been postponed until further notice.

SUBCOMMITTEES ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

● Mr. EAGLETON. Mr. President, the Subcommittees on Governmental Efficiency and the District of Columbia and on Federal Spending Practices and Open Government will hold a joint hearing concerning the recent annual report of the Department of Energy Inspector General and S. 1548, legislation designed to place the Inspectors General at Energy and HEW under the same statute covering the other Inspector General offices. The hearing will take place on May 21 at 10 a.m. in 3302 Dirksen Senate Office Building.●

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, a change in scheduling of a public hearing before the Select Committee on Indian Affairs.

A hearing, scheduled for May 20, 1980, has been changed to May 22, 1980, beginning at 10 a.m., in room 1318 Dirksen Senate Office Building. Testimony is invited regarding S. 2513, a bill to provide a program for an "Operation Bootstrap" for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities, and for other purposes.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Select Committee on Indian Affairs.

A hearing is scheduled for July 29, 1980, beginning at 10 a.m., in room 6226 of the Dirksen Senate Office Building. Testimony is invited regarding S. 2166, a bill to promote the development of Native American culture and art.

For further information regarding this hearing you may wish to contact Max Richtman of the committee staff on extension 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C., 20510.

ADDITIONAL STATEMENTS

FOOD STAMP PROGRAM

● Mr. STENNIS. Mr. President, I voted against the resolution which would have provided a supplemental appropriation for fiscal year 1980 or more than $3 billion for the food stamp program, which would mean a total outlay in fiscal year 1980 of about $9.2 billion for this program. I also voted against the supplemental appropriation conference report which provided $2.55 billion for this purpose.

I want to make it clear, Mr. President, that my votes were not based on a lack of concern for the poor and indigent. I certainly believe that their very legitimate need for food stamp assistance should be met. My opposition to the supplemental appropriation is based upon my strong conviction that the food stamp program is the subject of fraud and abuse, that its eligibility provisions are too liberal, and that it affords benefits to persons who should not receive them, as a result of which the cost of the program is exploding at a rate which is absolutely unacceptable.

Mr. President, the food stamp program was originally intended for the very poor. Now, however, about 21 million

Americans participate in it—approximately 1 out of every 10 Americans. Reliable estimates are that one out of seven Americans would participate if all who are eligible applied for it.

Mr. President, the runaway growth of this program is literally staggering. The food stamp program originated as a pilot or experiment in 1961, and I understand that the cost was less than $6 million. In 1965, the cost was only $35 million. In 1975, only 5 years ago, the expenditures reached $4.7 billion, and the cost for fiscal year 1980 is estimated, as I have said, at $9.2 billion. The number of recipients of food stamps has risen from 4.3 million in 1970 to about 21 million today.

Let me say again, Mr. President, that I sympathize very much with the truly needy and indigent. I certainly do not want to see Americans starve. I certainly do not want to see our people undernourished. I am entirely willing to provide food stamp assistance to those who have a real and genuine need.

What has happened with this program, Mr. President, as with many others, is that it has been expanded and liberalized to the point that the growth is absolutely astounding. In addition, there is a great amount of fraud and abuse in the program, and many persons are receiving food stamps who are not eligible for them. This costs the taxpayers additional hundreds of millions—even billions—of dollars. I have joined every effort to tighten up this law, but we fail to get a majority to stand firm and bring about a needed reform.

I know that there are those, Mr. President, who favor further liberalization and expansion of this program. They will not willingly make the appropriate cuts which are absolutely necessary if we are to get this program under control. In fact, Mr. President, if the liberalized eligibility criteria provided by S. 1309, the supplemental food stamp authorization bill, which the Senate has already agreed to, are implemented a family of four with an income of $14,878 a year will nonetheless be eligible for food stamps. Those who are making $16,000 a year have a legitimate right to object strongly and vehemently to paying taxes to put food on the table for those making almost $15,000 a year. I have never voted for such an arrangement and do not intend to.

Mr. President, the Congress should attack this problem as rapidly and as vigorously as possible. The Congress urgently needs to enact remedial legislation which, to the extent possible, will eliminate or at least reduce fraud, cheating, and other abuses, will tighten and restrict eligibility, will bring the program under better control, and will otherwise contribute to the efficient administration of the program and reduce the cost of it. I feel certain that many Members share these objectives and committees will act to achieve them as expeditiously as possible. I can assure them that they will have my wholehearted support in such an effort. I believe we are giving millions who are not truly needy a free ride and I, for one, am extremely anxious to do something about it.●

"I WAS JUST INFURIATED"

● Mr. DURENBERGER. Mr. President, I want to call to the attention of my colleagues an article in this morning's Washington Post by Karlyn Barker titled "'I was Just Infuriated': Quoted Price of $140 for Abortion Billed to Insurance Firm as $410."

The article describes a common, even prevalent problem: Patients are billed one price if they pay themselves, and a much higher price if insurance pays.

Max Fine, of the Committee for National Health Insurance, is quoted as saying that—

> Inflationary billing and reimbursements happen all the time. Health insurance is inflationary, and when a third party pays, people don't argue about the costs. . . . When you have insurance, the cost is double.

While Mr. Fine and I disagree on the solution, it is clear that we agree on the problem. I believe that the solution is not further Government involvement, further Government regulation, but is competition.

Ms. Barker's article vividly illustrates what a number of us have been saying recently: "Without competitive influences, the costs of health care are enormously inflated."

We have received a great deal of favorable comment on our Health Incentives Reform Act of 1970, S. 1968, which I have sponsored along with Senators BOREN and HEINZ. But I must express disappointment with the reaction of some businesses, whose support I most expect.

Employers are paying the price. They pay the premiums which then are doled out, as in this case, to providers charging 300 percent more when "insurance pays." "Insurance" does not pay, the employers pay.

I was honestly amazed to receive a letter from a major business organization executive saying, in part, that "business and industrial organizations throughout the country are already meeting the substantial costs of health care services." The point is, businesses are paying far more than necessary; they are contributing to a system that ignores free enterprise and by its very nature escalates health costs.

I recommend the following Washington Post article to readers of the RECORD. It illustrates beautifully the dangerous irrationality of our current health insurance system.

The article follows:

"I WAS JUST INFURIATED"—QUOTED PRICE OF $140 FOR ABORTION BILLED TO INSURANCE FIRM AS $410

(By Karlyn Barker)

When a Fairfax County housewife, already the mother of four, recently decided to have an abortion, she contacted a Washington area abortion service and was told the cost would be $140.

The woman, like millions of other Americans, had medical insurance. After the abortion, the doctor sent her insurance carrier, Prudential, a bill for $410.

"I was just infuriated when I realized what had happened," said the woman, Stephanie Covington, 32, who received a copy from the insurance company of the check it had sent to Dr. De Dinh Tran, the physician who performed the operation at the Abortion and Complete Family Planning Services office located in the Skyline Plaza in Falls Church.

Covington's experience is repeated in clinics and doctor's offices around the country, according to health and insurance experts. They warn that the practice of charging a higher fee for patients with insurance coverage is a major reason for soaring insurance premiums and medical costs.

"It is a classic problem," said Sidney Wolfe, director of the consumer-oriented Health Research Group. "Some surgeons actually brag about how they charge more to insurance-covered patients. And there's nothing illegal about it."

Although Wolfe cited another case of an abortion clinic in Baltimore that charges Blue Shield $350 and noninsured patients $165, he said that abortions are by no means the only medical services that operate under two-price systems.

Because insurance companies pay claims based on the prevailing rate that doctors charge in a particular geographical region, "there's a built-in incentive to raise fees, and the cost keeps going up and up," Wolfe complained.

In the Washington area, for example, insurance firms regard $450 as the average cost of an abortion. That figure is based on a sampling of abortion fees charged by physicians and makes no distinction between abortions performed in clinics and those performed in a doctor's private office.

Thus, according to a Prudential spokesman, the firm did not balk when it received a bill for $410 from Dr. Tran.

"If we had known he was quoting a price of $140, that's all he would have gotten," said Clifford Hoch, Jr., a Prudential vice president. "But if an individual health care provider has no ethics, he can charge whatever he wants up to the usual and customary limit before we'll raise any questions."

Covington and Dr. Wolfe argued that the Prudential reimbursement was all the more galling because most abortions performed in the first trimester of a pregnancy are relatively inexpensive.

"The highest price I was ever quoted over the phone was $175," said Covington, echoing Wolfe's statement that a $350 to $450 insurance reimbursement is "way out of line" with what regular clinics charge.

At the Falls Church facility Dr. Tran and his office assistant, Ngoc Tsi, said abortion costs there depend on a patient's ability to pay and on the method of payment.

"If you bring cash, it's $140," Tsi told another person who called the office. "If we bill, it's more." She said the regular cost of an abortion is $350 "unless the person is poor and cannot afford to pay."

She and Dr. Tran denied they had billed Covington or other patients more than $140 just because they had insurance. The $140, they said, "was just a deposit."

Covington said the woman who answered the phone at the office never asked for any fee higher than $140 and never asked about her ability to pay.

"I called twice, and both times they told me to bring a check for $140," she recalled. "They never mentioned any other amount or suggested it was a deposit—if they had, I would have gone to where I could get the abortion for $175."

Although Covington found Dr. Tran's Falls Church office listed in the telephone book under the name, Abortion and Complete Family Planning Services, the Vietnamese physician said yesterday that he rarely performs such operations. He said his specialties are acupuncture, obstetrics and family planning, which he has practiced since coming to the United States 10 years ago.

Since abortion clinics must be licensed by the state, a Virginia health official said he is checking into Dr. Tran's practice to see if he is operating an abortion clinic rather than an office service as Tran claims. If the state decides the doctor is operating a clinic out of his office, which Tran denies, Tran could encounter additional difficulties: he is not a board certified gynecologist, and state law requires that abortion clinics have a certified specialist on their staffs.

Covington said her suspicions were first aroused when she showed up at Tran's office and was told they would keep her check while they processed the insurance forms. The woman filling out the forms began to include several additional charges for laboratory tests until Covington told her none had been performed, Covington said.

The only unusual aspect of her case, Covington said, was her need for a special shot to counteract an Rh negative blood condition. Even then, she was told the shot would cost $25 but later discovered Prudential had been billed $60. This brought the total bill to $410.

Prudential paid $335.50, a fixed percentage of the final bill, according to the terms of Covington's policy.

Covington, whose husband notified the insurance company of the discrepancy, said she felt those who operate the clinic are taking advantage of the situation.

"Besides," she added, "if the billing system is really legitimate, why didn't I get a bill for the difference between what they charged and what Prudential paid?" Her original check for $140 was returned to her, and she said she never has been asked to pay the remaining amount of the $410 billed to the company.

"They probably figured I'd never say anything about it," said Covington, who was six weeks pregnant when she had the abortion.

According to Prudential's Hoch, "more often that not, if an individual doesn't have to pay anything, they never tell you anything. We send out copies of the bill to make them aware of it, but it's rare that it's brought to our attention."

The insurance company says it is investigating the case and will be contacting Dr. Tran.

Max Fine, executive director of the Committee for National Health Insurance, said inflationary billing and reimbursements "happen all the time. Health insurance is inflationary, and when a third party pays, people don't argue about the costs."

Arguing that insurance benefits should be prenegotiated so that doctors and hospitals would be encouraged to hold costs down, Fine said the present insurance system—subsidized by business and industry—keeps driving costs up.

"When you have insurance, the cost is double," he said. "Chrysler in this country pays $2,500 per worker for health benefits, but Chrysler in Canada pays one-third that."●

ORDER TO PROCEED TO CONSIDERATION OF H.R. 6081 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the swearing in of the new Senator, the Senate proceed to the consideration of Calendar Order No. 654, H.R. 6081, an act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

Mr. STEVENS. Mr. President, reserving to object, and I shall not object, it is my understanding there is no time agreement on that.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to, and at 1:01 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2:22 p.m., when called to order by the Presiding Officer (Mr. BAUCUS).

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE I, 96TH CONGRESS, 2d SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Convention with the Republic of Cyprus, signed at Nicosia on March 26, 1980 (Executive I, 96th Congress, second session), transmitted to the Senate today by the President of the United States, and ask that it be considered as having been read the first time, that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention between the Government of the United States of America and the Government of the Republic of Cyprus for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, together with a related exchange of notes, signed at Nicosia on March 26, 1980. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention generally follows the pattern of the United States model income tax convention, with certain departures to accommodate aspects of Cypriot law. In addition, special provisions included in the Convention assure that any concessions granted by the United States accrue to the benefit only of residents of Cyprus and not to third country residents.

The Convention also provides that the business profits of a resident of one country may be taxed by the other only if they are attributable to a permanent establishment in the other country. In addition, an individual who is a resident of one state may be taxed by the other state on income from personal services performed in the other if certain tests are met relating to the nature of his preference in that other country.

I recommend that the Senate give early and favorable consideration to the Convention and advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *May 16, 1980.*

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday at 11:30 a.m. I ask unanimous consent that the swearing in of the new Senator from Maine precede the recognition of the two leaders, if circumstances at that time should direct.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It can be either way. The swearing in may precede the recognition of the two leaders, or vice versa.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there then be a period for the transaction of routine morning business, not to extend beyond 12 o'clock meridian, with Senators permitted to speak during that period up to 2 minutes each, and that at 12 noon the Senate then proceed with the order that has already been entered, which was entered earlier today, for the consideration of the Nicaragua legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MAY 19, 1980, AT 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11:30 a.m. on Monday next.

The motion was agreed to; and the Senate, at 2:27 p.m., recessed until Monday, May 19, 1980, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 16, 1980:

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Roscoe Robinson, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

IN THE NAVY

Vice Adm. Robert B. Baldwin, U.S. Navy (age 57), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. James H. Doyle, Jr., U.S. Navy (age 55), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE NAVY

Vice Adm. Charles H. Griffiths, U.S. Navy, (age 58) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Robert Y. Kaufman, U.S. Navy, (age 56) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. John H. Nicholson, U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Gordon R. Nagler, U.S. Navy.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Steven A. White, U.S. Navy.

Rear Adm. John S. Jenkins, Judge Advocate General's Corps, U.S. Navy, to be Judge Advocate General of the Navy with the rank of rear admiral, for a term of 4 years pursuant to title 10, United States Code, section 5148 (b) and (c).

Rear Adm. Thomas J. Hughes, Jr., U.S. Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years pursuant to title 10, United States Code, section 5064.

IN THE AIR FORCE

The following-named Air Force cadets to be permanent ensigns in the line of the U.S. Navy, subject to qualification therefor as provided by law:

Joseph M. Sample
Alvin D. Sears

IN THE MARINE CORPS

The following-named male officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5769:

Paul R. Aadnesen
Michael C. Abajian
William G. Adamaitis
John L. Adkinson, Jr.
John H. Admire
Allan A. Algoso, Jr.
Jose G. Alonzo
Granville R. Amos
Charles W. Anderson
Denis J. Anderson, Jr.
Lee H. Anderson
Joseph U. Arroyo
John P. Aymond, Jr.
Lorenzo R. Bancells
Barry V. Banks
William L. Barba
Charles E. Barnett
James B. Barr
William E. Bartels, Jr.
Merrill L. Bartlett
Dennis D. Beckman
Raymond H. Bednarsky
Robert A. Beeler
Thomas M. Beldon
Michael C. Bell
Rudy W. Bernard
Richard J. Blanchfield
Carl R. Bledsoe
Andrew J. Blenkle
Donald E. Bonsper
Thomas A. Bowditch
John T. Boyer
Randolph H. Brinkley
John F. Brosnan, Jr.
Neil J. Bross
Donald P. Brown
Roland J. Brunelle
Kenneth T. Brunsvold
John D. Buckelew
Raymond M. Burns
John G. Burns
Jerry R. Cadick
William L. Cadieux
David L. Caldon
Charles M. Calhoon
Wallace L. Campbell
Jack R. Campbell, Jr.
Ray G. Canada
William D. Carr, Jr.
John R. Carswell II
Thomas W. Carter III
Hubert L. Causey
Charles W. Cheatham
John A. Cirie
Philip C. Cisneros
John R. Clickener
William H. Climo Jr.
Michael H. Collier
Joseph P. Colly
George M. Connell
David C. Corbett
Ronald J. Coulter
Thomas N. Cox
Merle L. Crabb
Thomas P. Craig, Jr.
Arthur O. Cravets
John D. Cummings
Gary J. Cummins
Jack W. Cunningham
Ronald J. Curtis
Reid E. Dahart
William M. Dale
Ronald M. Damura
Walter E. Daniell
John J. David
Douglas M. Davidson
William A. Davidson III
Charles R. Davis
Peter K. Davis
Stephen M. Day
Walter S. Deforest
Conrad A. Delateur Jr.
Gerald L. Dereberry
James A. Derrico Jr.
Kenneth W. Dewey
Bruce H. Dewoolfson Jr.
William J. Dibello
Gary D. Dockendorff
Richard E. Donaghy
Robert J. Dougal
David Douglas III
James J. Doyle Jr.
John B. Dudley III
Thomas M. Early
Edgar J. Easton Jr.
Thomas R. Edmunds
Larry M. Edwards
William E. Egen
Sidney A. Eilertson
George K. Eubanks
Leroy B. Evans
John P. Farrel
Mark F. Felske
George I. Felt, Jr.
Raymond W. Fesperman
Dennis M. Finnance
William C. Fite
Dennis R. Fitz
Donald F. Fix
Joseph G. Flynn
Walter H. Flynn, Jr.
Philip A. Forbes
William R. Ford
William A. Forney
David E. Foss
Donald R. Frank
Paul A. Fratarcangelo
Dennis B. Fryrear
Randolph A. Gangle
David P. Garner
Dixon B. Garner
Jerald B. Gartman
Charles L. George
Jerry R. German
Wayne M. Gibbons
Walter M. Gibbs
Woody F. Gilliland
Roger H. Gingrich, Jr.
John T. Gipson
James P. Gleason
Robert E. Godwin
Humberto Gonzalez
Jerome E. Goodrich
John H. Grant
Donald A. Gressly
Richard H. Griffin
Gordon H. Gunniss
Clarence L. Guthrie, Jr.
David I. Habermacher Jr.
Samuel T. Hall
James C. Hallman II
James W. Hardy
Joe M. Hargrove
Robert L. Harrison
Richard T. Harry
James G. Hart
Eric E. Hastings
Orville E. Hay
Stanley E. Haynes
William E. Healy
Hans R. Heinz
Phillip R. Hemming
Roger M. Henry
James E. Henshaw
Dennis B. Herbert
Leslie B. Herman
Donnie H. Hester
Milton J. Hester
Francis E. Heuring
David A. Higley
Steven M. Hinds
Howard M. Hoffman
Marvin T. Hopgood, Jr.
David Howe
Merlin R. Huckemeyer
Stanley P. Huey, Jr.
Robert A. Hughes
Charles H. Ingraham, Jr.
Thomas R. Irvine
Grant G. Jacobsen
James W. Jacobson
Roger M. Jaroch
Gordon R. Jefferson
Gerald O. Jenson
Robert J. Johnson, Jr.
Paul S. Johnston
John N. Jolley, Jr.
Virgil W. Jones, Jr.
David A. Jones
Fred L. Jones
Gerald W. Jones
Thomas L. Jones
Louis S. Jumbercotta, Jr.
John F. Juul
Patrick J. Kahler
Richard J. Kalata
William M. Kay
James H. Kean
Arthur J. Keener
Robert F. Kehres
Thomas W. Kelly
Norman G. Kerr
Robert E. Kiah, Jr.
Lynn J. Kimball
Kenneth J. Kiriacopoulos
Robert H. Kirkpatrick Jr.
Edward J. Kline
John E. Knight, Jr.
David E. Knop
Lawrence C. Kutchma
Alexander E. Lancaster
Shelton F. Lankford
Robert L. Larkin
James H. Lavelle
William F. Lawlor, III
Walker M. Lazar
Charles D. Lea
Harry E. Lee, III
Jay C. Lillie
Stephen E. Lindblom
David B. Littell
Junior D. Littlejohn
James L. Lucas
Brice R. Luedtke
Herbert G. Lyles
Bertie D. Lynch
Douglas C. Maccaskill
Rudolph J. Maikis
Robert M. Mallard
Michael G. Malone
John M. Maloney
David P. Martin
Edward G. Massman
Robert L. Matlosz
Frederick H. Matthys, Jr.
Robert E. Mattingly
Patrick J. McCann
James E. McClenahan, Jr.
Daryl S. McClung, Jr.
Stephen R. McComb
John J. McDermott
Thomas C. McDonald
John C. McGee
John P. McMahon
Thomas H. Meurer
Gary G. Meyers
Perry W. Miles, III
Donald J. Miller, Jr.
Gerald L. Miller
George J. Miske
Stuart J. Mock
John R. Moore
William O. Moore, Jr.
Joseph G. Morra
Joseph J. Morrisey III
Michael J. Moss
Joseph F. Mullane, Jr.
James E. Murphy
James W. Murphy
William F. Murphy
John D. Murray
James M. Mutter
Lonnie M. Myers
Richard I. Neal
David W. Nelson
Ronald S. Neubauer
Robert G. Nunnally
Ronald C. Oates
Donald J. O'Connor
George W. O'Dell
Thomas F. O'Malley, Jr.
Kevin P. O'Mara
Edward P. O'Neill
Vincent E. O'Neill
James M. O'Rourke, Jr.
Fred Palka
Paul A. Pankey
William A. Parker
David N. Pedersen
James P. Pennell
Jack F. Perry
Kenneth B. Petersen
Robert L. Peterson
William E. Phelps
John D. Phillips
Arthur J. Picone, Jr.
Ido E. Pistelli
William E. Platz
Gerald J. Polyascko
Corbett G. Pool
Michael E. Popelka
Stephen P. Porcari, Jr.
Harry P. Porth, Jr.
David G. Pound
James M. Puckett
Charles J. Pyle
Robert H. Railey
Don T. Reed
Henry L. Reed
Robert E. Reedhill, Jr.
Claude W. Reinke
Robert R. Renier
Larry D. Richards
David A. Richwine
Clarence C. Riner III
James P. Riordan
Joseph W. Robben, Jr.
Lawrence R. Robillard
Gary H. Robinson
George R. Robison
Richard J. Rochford
Bob B. Rodgers
Thomas J. Romanetz
Herbert G. Roser
George A. Ross
Peter R. Rounseville
Glenn W. Russell, Jr.
Victor M. Russillo
Kenneth S. Russom
Bernard R. Rusthoven
Edward M. Rynne
William J. Sambito
Durward T. Savage
Don F. Schafer, Jr.
Thomas A. Scheib
Edward C. Schriber
Ernst U. Schultes
Bruce A. Schwanda
Richard E. Schwartz
Thomas E. Schwartz
James E. Secrist
Vytautas S. Senkus
Merlyn A. Sexton
William C. Shaver
Stanford E. Sheaffer
John D. Shinnick
Michael F. Shisler
Raul A. Sifuentes
Gordon F. Smith
Ronald L. Smith
Stephen K. Smith
Frank R. Soderstrom
William R. Spicer
Robert C. Springer
Ray L. Springfield
Michael A. Stankosky
Gregory C. Steele
Thomas W. Steele
Eugene A. Steffen
Louis C. Stengel III
Joseph D. Stewart
Raymond A. Stewart, Jr.
Charles R. Stichter II
William A. Stickney
Roy J. Stocking, Jr.
James F. Stodola
Edward G. Stuckrath, Jr.
Robert J. Sullivan
Russell H. Sutton
Charles T. Sweeney
Jerry K. Taylor
Robert O. Tilley
Anthony P. Tokarz
Robert E. Tschan
Phillip E. Tucker
Frank L. Turner
Charles G. Tyrian, Jr.
Gary R. Vangysel
Robert A. Vanhouten, Jr.
George M. Vanorden
Richard H. Voigt
James A. Vollendorf
John M. Wagner
Alfred J. Walke
Earl P. Wallis
George H. Walls, Jr.
Larry L. Weeks
Edwin W. Welch
Daniel T. Wellman, Jr.
Ronald R. Welpott
Robert F. Wemheuer
William D. Wester
David L. White
Harold B. Wilber
John K. Williams
Monroe F. Williamson
Robert T. Willis
Gordon R. Willson
Jeffrey A. Wilson
Mansel M. Wood
Lance P. Woodburn
John A. Woodhead III
Robert E. Yeend
Paul D. Young
Anthony C. Zinni
Lawrence M. Zipsir

The following-named male officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, Section 5769:

Gary H. Fors
William J. Gwaltney
Thomas W. Kaugher, J
Antonio Scenna

The following-named women officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, Section 5771:

Harriet T. Conway
Dolores R. Gresham
Lillian Hagener
Janice C. Scott
Ruth D. Woidyla

HOUSE OF REPRESENTATIVES—*Monday, May 19, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Lord, we place before You the petitions of our hearts, and ask that Your grace touch all we do or say. For the needy and those stricken by violence and discord, we pray for peace, for those forgotten and who do not know the security of home or nation, we pray for support. We remember the hostages and their families, that they will know Your presence, and may Your Spirit, unlimited by place or circumstance, touch all people who look to You for the perspective of life, even life eternal. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolutions of the House of the following titles:

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes;

H. Con. Res. 318. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act; and

H. Con. Res. 319. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5259. An act to name a certain Federal building in Santa Fe, N. Mex., the "Joseph M. Montoya Federal Building and U.S. Courthouse."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2648. An act to authorize funds to carry out the Federal Election Campaign Act of 1971 for the fiscal year ending September 30, 1981.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 598. An act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws;

S. 2134. An act to provide for the acquisition of certain property in square 758 in the District of Columbia as an addition to the grounds of the U.S. Supreme Court Building;

S. 2508. An act to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236-A, 236-B, and 236-E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes; and

S.J. Res. 175. Joint resolution to extend the expiration date of the Defense Production Act of 1950.

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET DURING 5-MINUTE RULE ON MAY 20, MAY 21, AND MAY 22, 1980

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to meet during the 5-minute rule on May 20, May 21, and May 22, 1980.

Mr. Speaker, the minority has been consulted and has approved this request.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from Massachusetts tell us what the purpose of this request is?

Mr. DRINAN. Yes. Mr. Speaker, if the gentleman will yield, the criminal code revision is a very important undertaking, and there are two or three other matters, including the Government regulation, also under consideration.

Mr. BAUMAN. Mr. Speaker, I would say to the gentleman from Massachusetts that the gentleman from Wisconsin (Mr. SENSENBRENNER) and several other minority members indicated to some of us several times in recent weeks that they object to the sitting during sessions. I have received no indication at all from them that they have changed their view.

Mr. DRINAN. Mr. Speaker, I have spoken this morning with the gentleman from Illinois (Mr. McCLORY), the ranking minority member of the committee, and also with the gentleman from Ohio (Mr. KINDNESS), who is the ranking minority member of my Subcommittee on Criminal Justice, and they approve of my request.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I would say that the gentlemen I mentioned have not changed their view, and unfortunately it takes 10 Members to object to the sitting of the committee.

If that is the case and there are not 10 Members here, I would be constrained to object to this request because this is legislative business and in my opinion it requires a quorum. Therefore, I would move a call of the House unless the gentleman wants to withdraw his request.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Speaker, I talked with the gentleman from Wisconsin (Mr. SENSENBRENNER), and I do think that a compromise or an accommodation is possible so that his objection will be met. We worked out a rule which will be in operation during the conduct of the business of this week, and I would hope the gentleman from Wisconsin would be satisfied with the accommodation.

Mr. BAUMAN. Mr. Speaker, could the gentleman from Massachusetts (Mr. DRINAN) withdraw his request until the gentleman from Maryland has occasion to talk with the gentleman from Wisconsin (Mr. SENSENBRENNER)?

The SPEAKER. The Chair will state that the gentleman from Maryland is in this position: That it requires 10 Members to stand for an objection. If not, then the Chair could in his discretion recognize the gentleman for the purpose of moving a call of the House.

The Chair feels certain that the gentleman from Massachusetts (Mr. DRINAN) does not want to do that at this time, and perhaps he would withhold his request until tomorrow.

Mr. DRINAN. Mr. Speaker, I withdraw my unanimous-consent request.

INTRODUCTION OF AMENDMENT TO GIVE HOSTILE FIRE PAY TO "NIMITZ" TASK FORCE PERSONNEL

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, tomorrow I intend to submit an amendment to the defense authorization bill which will allow the payment of a bonus to the officers and crew of those ships that have been required to spend abnormal periods of time in the Persian Gulf Fleet in response to our crisis in Iran.

This amendment will authorize the payment of hostile fire pay to personnel attached to ships that spend more than 84 consecutive days (12 weeks) at sea during peacetime operations. When the *Nimitz* task group returns to Norfolk this weekend they will have been at sea continuously for 144 days. The *Coral Sea* task group was at sea for 103 days.

This bonus will not cost a lot of money because the level of hostile fire pay is presently $65 a month, and it will only apply to the crews of about eight ships. The total cost will be approximately $8 million.

Several members of the Armed Services Committee visited these ships during the Easter recess. We were all impressed with the dedication shown by these crews, and how willing they were to make any sacrifice in order to help their comrades in Iran.

I wish we could provide a bonus for all the men and women who are taking part in this effort; however, this proposal will allow us to recognize the unusual effort that some members of our All-Volunteer Force have been required to give during these "peacetime" operations.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 15, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted May 15, 1980, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate agree to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate and that the Senate agree to the amendments of the House of Representatives to the amendments of the Senate numbered 3 and 4 to the joint resolution (H.J. Res. 545) entitled "Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.".

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By THOMAS E. LADD,
Assistant to the Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted the Speaker on Thursday, May 15, 1980, the Speaker did on Friday, May 16, 1980, sign the following enrolled bills:

S. 1309. An act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for fiscal years 1980 and 1981 food stamp programs; and for other purposes; and

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) or rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the "yeas" and "nays" are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 20, 1980.

VETERANS' ADMINISTRATION HEALTH-CARE PERSONNEL ACT OF 1980

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7102) to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Administration Health-Care Personnel Act of 1980".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—PHYSICIANS AND DENTISTS PAY COMPARABILITY

PERMANENT AUTHORITY FOR PHYSICIANS AND DENTISTS COMPARABILITY PAY

SEC. 101. Section 6(a) of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (38 U.S.C. 4118 note) relating to the expiration of authority to enter into special pay agreements, is amended by striking out "(1)" and by striking out paragraph (2).

HEALTH CARE PROFESSIONALS EXEMPTED FROM SENIOR EXECUTIVE SERVICE

SEC. 102. (a) Section 4101 is amended by adding at the end thereof the following new subsection:

"(e) Physicians, dentists, nurses, and other health-care professionals employed by the Department of Medicine and Surgery and appointed under section 4103, 4104(1), or 4114 of this chapter and persons appointed under section 4103(a)(8) of this chapter are not subject to the provisions of subchapter II of chapter 31 of title 5, subchapter VIII of chapter 33 of such title, subchapter V of chapter 35 of such title, subchapter II of chapter 43 of such title, section 4507 of such title, subchapter VIII of chapter 53 of such title, subchapter V of chapter 75 of such title, and section 413 of the Civil Service Reform Act of 1978.".

(b) Section 4103(a) is amended by redesignating clause (8) as clause (9) and by inserting after clause (7) the following new clause (8):

"(8) Such directors of hospitals, domiciliaries, medical centers, and outpatient facilities as may be appointed by the Administrator upon the recommendation of the Chief Medical Director.".

(c) Section 4114 is amended by adding at the end thereof the following new subsection:

"(g) Part-time appointments under this section shall be made without regard to the provisions of chapter 34 of title 5.".

REVISION OF SPECIAL PAY FOR PHYSICIANS AND DENTISTS

SEC. 103. (a) Subsection (a) of section 4118, relating to special pay for physicians and dentists, is amended—

(1) by striking out "$13,500" and "$6,750" in paragraph (1) and inserting in lieu thereof "$22,000" and "$11,000", respectively; and

(2) in paragraph (2)—

(A) by striking out "Special" and inserting in lieu thereof "(A) Except as provided in subparagraph (B) of this paragraph, special"

(B) by redesignating clauses (A), (B), and (C) of such paragraph as clauses (i), (ii), and (iii), respectively; and

(C) by adding at the end of such paragraph the following new subparagraph:

"(B) Special pay may be paid under this section to a physician or dentist who is a reemployed annuitant if such physician or dentist was automatically separated before September 30, 1978, under section 8335(a) of title 5, as in effect before such date, for having become 70 years of age.".

(b) Subsection (b) of such section is amended—

(1) by striking out "$5,000" both places it appears and inserting in lieu thereof "$6.900"; and

(2) by striking out "$2,500" both places it appears and inserting in lieu thereof "$3,450".

(c) Subsections (c) and (d) of such section are amended to read as follows:

"(c)(1) In the case of eligible full-time physicians and eligible full-time dentists appointed under this chapter, the Administrator shall provide, in addition to the primary special pay provided for in subsection (b)(2) of this section and in accordance with regulations prescribed pursuant to subsection (a) of this section, incentive special pay of no more than $15,100 to any eligible physician or $7,550 to any eligible dentist. In prescribing regulations to carry out this paragraph, the Administrator shall take into account only the following factors and may pay no more than the following per annum amounts of incentive special pay to any full-time physician eligible therefor and no more than one-half the following per annum amounts to any full-time dentist eligible therefor (except that a dentist may be paid the full amount specified in clauses (A)(iii), (C), and (D) of this paragraph):

"(A)(i) For full-time status, $6,000.

"(ii) For tenure of service within the Department of Medicine and Surgery—

"(I) of more than the probationary period or three years (whichever is the lesser) but less than seven years, $1,350; and

"(II) of more than seven years, $2,700.

"(iii) For service in a scarce medical or dental specialty, $3,400.

"(B) For service—

"(i) as a Service Chief not in a scarce medical or dental specialty (or in a comparable position as determined by the Chief Medical Director), $11,800,

"(ii) as a Service Chief in a scarce medical or dental specialty (or in a comparable position as determined by the Chief Medical Director), $13,800,

"(iii) as a Chief of Staff or in an Executive Grade, $13,800, "(iv) as a Deputy Service Director, $14,200,

"(v) in a Director Grade, $14,500.

"(vi) as a Service Director, $14,500,

"(vii) as a Deputy Assistant Chief Medical Director, $15,200, and

"(viii) as an Associate Deputy Chief Medical Director or Assistant Chief Medical Director, $15,800.

"(C) For general or first board certification $2,000 or for specialty or secondary board certification, $2,500.

"(D) For service in certain remote geographic locations having a scarcity of qualified physicians or dentists (as determined by the Chief Medical Director), $3,400.

"(2) In the case of eligible part-time physicians and eligibile part-time dentists appointed under this chapter, the Administrator shall provide, in addition to the primary special pay provided for in subsection (b)(3) of this section and in accordance with regulations prescribed pursuant to subsection (a) of this section, incentive special pay of no more than $8,500 to any eligible physician or $4,250 to any eligible dentist. In prescribing regulations to carry out this paragraph, the Administrator shall take into account only the following factors and may pay no more than a proportional amount of the following per annum amounts of incentive special pay to any part-time physicians eligible therefor and no more than a proportional amount of one-half the following per annum amounts to any part-time dentist eligible therefor (except that a dentist may be paid a proportional amount of the full amount specified in clauses (A)(iii), and (C), and (D) of this paragraph), which proportional amount shall be calculated on the basis of the proportion which the part-time employment in the Department of Medicine and Surgery of such physicians or dentist bears to full-time employment:

"(A)(i) For full-time status, $2,000.

"(ii) For tenure of service within the Department of Medicine and Surgery—

"(I) of more than the probationary period or three years (whichever is the lesser) but less than seven years, $1,000; and

"(II) of more than seven years, $2,000.

"(iii) For service in a scarce medical or dental specialty, $2,000.

"(B) For service—

"(i) as a Service Chief not in a scarce medical or dental specialty (or in a comparable position as determined by the Chief Medical Director), $5,500,

"(ii) as a Service Chief in a scarce medical or dental specialty (or in a comparable position as determined by the Chief Medical Director), $7,000, and

"(iii) as a Chief of Staff or in an Executive Grade, $7,000.

"(C) For general or first board certification, $1,000 or for specialty or secondary board certification, $1,250.

"(D) For service in certain remote geographic locations having a scarcity of qualified physicians or dentists (as determined by the Chief Medical Director), $2,000.

"(3) A physician or dentists may not be provided special pay under both clauses (A) and (B) of pargraph (1) or (2) (whichever is applicable) of this subsection.

"(d) In determining—

"(1) the total amount of special pay provided under this section to any physician or dentist for the purpose of determining the applicability to the special pay of such physician or dentist of the limitation specified in subsection (a) of this section on the total amount of such special pay; and

"(2) the total amount of incentive special pay provided under subsection (c) of this section to any physician or dentist for the purpose of determining the applicability to the incentive special pay of such physician or dentst of the limitation specified in such subsection on the total amount of such incentive special pay; there will be excluded any special pay provided to such physician or dentist under subsection (c)(1)(C) or (c)(2)(C) of this section for certification and any special pay provided under subsection (c)(1)(D) or (c)(2)(D) of this section for service in a remote geographic location.".

(d) Subsection (e)(1) of such section is amended by striking out the third sentence thereof.

(e)(1) Subsection (f) of such section is amended—

(A) by striking out "Any" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, any"; and

(B) by adding at the end thereof the following new paragraph:

"(2) Additional competition provided as special pay under this section shall be considered as basic pay for the purposes of chapter 83 of title 5 in the case of an employee who is or was a physician or dentist employed in the Department of Medicine and Surgery of the Veterans' Administration and whose employment as a physician or dentist in such Department has been or was on a full-time basis for not less than 15 years.".

(2) The amendments made by paragraph (1) shall apply to annuities under subchapter III of chapter 83 of title 5, United States Code, beginning on or after September 30, 1980.

(f) Such section is further amended by adding at the end thereof the following new subsection:

"(g) A physician or dentist serving a period of obligated service pursuant to subchapter IV of this chapter is not eligible for primary special pay or incentive special pay under this section during the first three years of such obligated service and thereafter is eligible for such pay only in one-half the amount which would otherwise be applicable to such physician or dentist.".

(g) The amendments made by subsections (a), (b), (c), and (d) shall apply with respect to pay periods beginning after September 30, 1980.

RATES OF PAY FOR PHYSICIANS, DENTISTS, AND NURSES TO BE ESTABLISHED TO CONSIDER FULLY PROFESSIONAL QUALIFICATIONS AND RESPONSIBILITIES

SEC. 104. (a) Subchapter I of chapter 73 is amended by adding at the end thereof the following new section:

"§ 4119. Rates for pay for physicians, dentists, and nurses

"Notwithstanding section 5301 of title 5, the rates of pay for physicians, dentists, and nurses employed in the Department of Medicine and Surgery under this subchapter shall be established to consider fully the professional qualifications and the professional responsibilities of such physicians, dentists, and nurses.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4118 the following new item:

"4119. Rates of pay for physicians, dentists, and nurses.".

TITLE II—VETERANS' ADMINISTRATION HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

ESTABLISHMENT OF HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

SEC. 201. (a)(1) Chapter 73 is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Veterans' Administration Health Professional Scholarship Program

"§ 4141. Establishment of program; duration

"(a) There is hereby established a program to be known as the Veterans' Administration Health Professional Scholarship Program (hereinafter in this subchapter referred to as the 'Scholarship Program') to assist in providing an adequate supply of trained health-care personnel for the Veterans' Administration and for the Nation.

"(b) The Administrator may not furnish scholarships to new participants in the Scholarship Program after the last day of the tenth fiscal year beginning after the first such scholarship is approved by the Administrator.

"§ 4142. Eligibility; application; written contract

"(a) To be eligible to participate in the Scholarship Program, an individual must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student (A) in an accredited (as determined by the Administrator) educational institution in a State, and (B) in a course of study or program offered by such an institution and approved by the Administrator, leading to a degree in medicine, osteopathy, dentistry, podiatry, optometry, or nursing or leading to training as a physician assistant or expanded-function dental auxiliary;

"(2) submit an application to the Administrator for participation in the Scholarship Program; and

"(3) sign and submit to the Administrator, at the time of submittal of such application, a written contract (described in subsection (e) of this section) to accept payment of a scholarship and to serve (in accordance with this subchapter) a period of obligated service as provided in section 4143 of this title.

"(b)(1) In distributing application forms and contract forms to individuals desiring to participate in the Scholarship Program, the Administrator shall include with such forms—

"(A) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Administrator, including in the summary a clear explanation of the damages to which the United States is entitled under section 4144 of this title if the individual breaches the contract; and

"(B) such other information as may be necessary regarding the individual's prospective participation in the Scholarship Program and service in the Department of Medicine and Surgery.

"(2) The Administrator shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Scholarship Program on a date sufficiently early to ensure that such individuals have adequate time to prepare and submit such forms.

"(c) In selecting applicants for acceptance in the Scholarship Program, the Administrator shall give priority, in the following order, to—

"(1) the applications of individuals who have previously received scholarships under the Scholarship Program; and

"(2) applications of individuals made in a course of study or program described in subsection (a)(1)(B) of this section.

"(d)(1) An individual becomes a participant in the Scholarship Program only upon the Administrator's approval of the individual's application submitted under subsection (a)(2) of this section and the Administrator's acceptance of the contract signed by the individual under subsection (a)(3) of this section.

"(2) The Administrator shall provide written notice to an individual promptly upon approval of the individual's participation in the Scholarship Program.

"(e) The written contract (referred to in this subchapter) between the Administrator and an individual shall contain—

"(1) an agreement that—

"(A) subject to paragraph (2) of this subsection, the Administrator agrees (i) to provide the individual with a scholarship (described in subsection (f) of this section) of from one to four school years during which period the individual is pursuing a course of study described in subsection (a)(1)(B) of this section, and (ii) to afford the individual the opportunity for employment in the Department of Medicine and Surgery (subject to the availability of appropriated funds and other qualifications established in accordance with section 4105 of this title); and

"(B) subject to paragraph (2) of this subsection, the individual agrees—

"(i) to accept such a scholarship;

"(ii) to maintain enrollment and attendance in a course of study described in subsection (a)(1)(B) of this section until the individual completes the course of study;

"(iii) while enrolled in such course of study, to maintain an acceptable level of academic standing (as prescribed under regulations prescribed by the Administrator);

"(iv) to serve in the Department of Medicine and Surgery for a period of time (hereinafter in this subchapter referred to as the 'period of obligated service') equal to the greater of—

"(I) one calendar year for each school year for which the individual was provided a scholarship Program, or

"(II) two calendar years; and

"(v) serve, when the individual's period of obligated service is deferred, any additional period of obligated service prescribed in section 4143(b)(4)(B) of this title.

"(2) a provision that any financial obligation of the United States arising out of a contract entered into under this subchapter, and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for scholarships under this subchapter;

"(3) a statement of damages to which the United States is entitled under this subchapter for the individual's breach of the contract: and

"(4) such other statements of the rights and liabilities of the Administrator and of the individual as may be appropriate and consistent with the provisions of this subchapter.

"(f)(1) A scholarship provided to a student for a school year under a written contract under the Scholarship Program shall consist of—

"(A) payment to, or (in accordance with paragraph (2) of this subsection) on behalf of, the student of the amount of—

"(i) the tuition of the student in such school year; and

"(ii) other reasonable educational expenses, including fees, books, and laboratory expenses; and

"(B) payment to the student of a stipend of not in excess of $485 per month (adjusted in accordance with the paragraph (3) of this subsection) for each of the 12 consecutive months beginning with the first month of such school year.

"(2) The Administrator may contract with an educational institution in which a participant in the Scholarship Program is enrolled for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph (1)(A) of this subsection. Payment to such an educational institution may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529).

"(3) The amount of the monthly stipend, specified in paragraph (1)(B) of this subsection and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Administrator for each school year ending in a fiscal year beginning after September 30, 1980, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends.

"(g) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Administrator under this section shall not be considered employees of the Federal Government and shall not be counted against any employment ceiling affecting the Department of Medicine and Surgery while such individuals are undergoing academic training, prior to engaging in deferred internship, residency, or other advanced clinical training.

"(h) The Administrator shall report to Congress not later than March 1 of each year—

"(1) the number of students receiving scholarships under the Scholarship Program and the number of students enrolled in each type of health profession training;

"(2) the educational institutions providing such training;

"(3) the number of applications filed under this section in the school year beginning in such year and the total number of such applications filed for all years in which this program has been in existence; and

"(4) the amount of tuition paid in the aggregate and at each educational institution for the school year beginning in such year and for prior school years.

"(i) The Administrator shall prescribe regulations to carry out the purposes of the Scholarship Program.

"§ 4143. Obligated service

"(a) Each individual who has entered into a written contract with the Administrator under section 4142 of this title shall provide service in the full-time clinical practice of such individual's profession or in another health care position, in an assignment or location as determined by the Administrator, as an employee of the Veterans' Administration for the period of obligated service provided in such contract.

"(b)(1) The Administrator shall notify each individual required to provide service under the Scholarship Program, not later than 60 days prior to the date described in paragraph (3) of this subsection, of the date described in such paragraph for the beginning of such individual's period of obligated service.

"(2) The Administrator shall appoint each individual, as soon as possible after the date described in paragraph (3) of this subsection.

"(3)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, optometry, or podiatry, the date for the beginning of the individual's period of obligated service is the date upon which the individual becomes licensed to practice medicine, osteopathy, dentistry, optometry, or podiatry, as the case may be, in a State, except that the Administrator may, at the request of such individual, defer such date, until the end of the period of time required for the individual to complete an internship or residency or other advanced clinical training. No such period of internship or residency or other advanced clinical training shall be accounted toward satisfying a period of obligated service under this subchapter.

"(B) With respect to an individual receiving a degree from a school of nursing, the date for the beginning of the individual's period of obligated service is the date the individual becomes registered as a graduate nurse in a State.

"(C) With respect to an individual receiving a degree from an institution other than a school of medicine, osteopathy, dentistry, optometry, podiatry, or nursing, the date for the beginning of the individual's period of obligated service is the date upon which the individual completes the academic training leading to such degree.

"(4) Any individual whose period of obligated service is deferred under paragraph (3)(A) of this subsection—

"(A) shall be required to undertake internship or residency or other advanced clinical training in an accredited program in an educational institution which has an affiliation agreement with the Veterans' Administration which provides that all or part of the internship or residency or other advanced clinical training will be undertaken in a Veterans' Administration health care facility; and

"(B) shall incur an additional period of obligated service—

"(i) at the rate of one-half of a calendar year for each of internship or residency or other advanced clinical training (or a proportionate ratio thereof), if the internship, residency, or advanced clinical training is in a medical or dental specialty necessary to meet the health care requirements of the Veterans' Administration (as determined under regulations prescribed by the Administrator); or

"(ii) at the rate of three-quarters of a calendar year for each year of internship or residency or other advanced clinical training (or a proportionate ratio thereof), if the internship, residency, or advanced clinical training is not in a medical or dental specialty necessary to meet the health care requirements of the Veterans' Administration (as determined under regulations prescribed by the Administrator).

"(c) An individual shall be considered to have begun serving a period of obligated service on the date such individual is appointed under this chapter as an employee in the Department of Medicine and Surgery.

"§ 4144. Breach of contract; liability; waiver

"(a) An individual (other than an individual described in subsection (b) of this section) who has entered into a written contract with the Administrator under section 4142 of this title and who fails to accept payment, or instructs the educational institution in which the individual is enrolled not to accept payment, in whole or in part, of a scholarship under such contract, shall, in addition to any service or other obligation or liability under the contract, be liable to the United States for the amount of $1,500 as liquidated damages.

"(b) An individual who has entered into a written contract with the Administrator under section 4142 of this title and who—

"(1) fails to maintain an acceptable level of academic standing in the educational institution in which the individual is enrolled (such level determined by the educational institution under regulations of the Administrator);

"(2) is dismissed from such educational institution for disciplinary reasons;

"(3) voluntarily terminates the training in such an educational institution for which the individual is provided a scholarship under such contract, before the completion of such training; or

"(4) fails to become licensed to practice medicine, osteopathy, dentistry, podiatry, or optometry in a State, or fails to become registered as a graduate nurse in a State, during a period of time prescribed under regulations of the Administrator;

in lieu of any service obligation arising under such contract, shall be liable to the United States for the amount which has been paid to the individual, or on the individual's behalf, under the contract.

"(c) If an individual breaches the written contract by failing (for any reason) to complete such individual's period of obligated service, the United States shall be entitled to recover from the individual an amount determined in accordance with the following formula:

in which 'A' is the amount the United States is entitled to

$$A=3\phi\left(\frac{t-s}{t}\right)$$

recover; 'ϕ' is the sum of the amounts paid under this subchapter or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States; 't' is the total number of months in the individual's period of obligated service, including any additional period of obligated service in accordance with section 4143(b)(4)(B) of this subchapter; and 's' is the number of months of such period served by the individual in accordance with section 4143 of this title. Any amount of damages which the United States is entitled to recover under this section will, within the one-year period beginning on the date of the breach of the written contract, be paid to the United States.

"(d)(1) Any obligation of an individual under the Scholarship Program (or a contract thereunder) for service or payment of damages shall be canceled upon the death of the individual.

"(2) The Administrator shall, by regulation, provide for the waiver or suspension of any obligation of service or payment by an individual under the Scholarship Program (or a contract thereunder) whenever compliance by the individual is impossible due to circumstances beyond the control of the individual or whenever the Administrator determines that the waiver or suspension of compliance would be in the best interest of the Veterans' Administration.

"(3) Any obligation of an individual under the Scholarship Program (or a contract thereunder) for payment of damages may not be released by a discharge in bankruptcy under title 11 before the expiration of the five-year period beginning on the first date that payment of such damages is due.

"§ 4145. Exemption of scholarship payments from taxation

"Notwithstanding any other law, any payment to, or on behalf of, an individual for tuition, education expenses, or stipend under this subchapter shall be exempt from taxation.

"§ 4146. Program subject to availability of appropriations

"The authority of the Administrator to enter into contracts or to make payments under this subchapter is effective for any fiscal year only to the extent that appropriated funds are available for such purposes.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"SUBCHAPTER IV—VETERANS' ADMINISTRATION HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

"Sec.
"4141. Establishment of program; duration.
"4142. Eligibility; application; written contract.
"4143. Obligated service.
"4144. Breach of contract; liability; waiver.
"4145. Exemption of scholarship payments from taxation.
"4146. Program subject to availability of appropriations.".

(b) Effective October 1, 1980, there are authorized to be appropriated such sums as may be necessary to carry out the program established by the amendments made by subsection (a).

TITLE III—MISCELLANEOUS AMENDMENTS

STANDARDS FOR PRESUMPTION OF INABILITY TO DEFRAY MEDICAL EXPENSES

SEC. 301. (a) Section 622 is amended to read as follows:

"§ 622. Evidence of inability to defray necessary expenses

"For the purposes of sections 610(a)(1)(B), 610(b)(2), 624(c), and 632(a)(2) of this title, the fact that a person is—

"(1) eligible to receive medical assistance under a State plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

"(2) a veteran with a service-connected disability; or

"(3) in receipt of pension under any law administered by the Veterans' Administration;

shall be accepted as sufficient evidence of such person's inability to defray necessary expenses.".

(b) The item relating to such section in the table of sections at the beginning of chapter 17 of such title is amended to read as follows:

"622. Evidence of inability to defray necessary expenses.".

HEALTH MANPOWER ADVISORY COMMITTEES

SEC. 302. Section 4112(b) is amended by inserting after the second sentence the following new sentence: "Each such advisory committee shall be guided in its actions by the principles stated in Veterans' Administration Policy Memorandum No. 2, dated January 30, 1946.".

MANAGEMENT OF REAL PROPERTY

SEC. 303. (a) Section 5022(a) is amended by inserting "(1)" after "(a)" and by adding at the end thereof the following new paragraph:

"(2) The Administrator may not enter into any of the following transactions concerning any real property owned by the United States and administered by the Veterans' Administration which has an estimated value in excess of $50,000 until after the expiration of 30 days from the date upon which a report of the facts concerning the proposed transaction is submitted to the Committees on Veterans' Affairs of the Senate and House of Representatives:

"(A) A transfer of real property to another Federal agency or to a State (or any political subdivision of a State).

"(B) A report to a disposal agency of excess real property.

A statement in an instrument of conveyance, including a lease, that the requirements of this paragraph have been met, or that the conveyance is not subject to this paragraph, is conclusive.".

(b) Section 5070 is amended by striking out subsection (e) and redesignating subsections (f)(g), and (h) as subsections (e), (f), and (g), respectively.

NUMBER OF BEDS PER THOUSAND VETERANS POPULATION REQUIRED TO PROVIDE ADEQUATE NURSING HOME CARE IN STATE HOME FACILITIES

SEC. 304. Section 5034(1) is amended by striking out "two and one-half" and inserting in lieu thereof "four".

REPEAL OF REQUIREMENT THAT RECIPIENTS OF HEALTH CARE PERSONNEL TRAINING GRANTS MUST INCREASE NUMBER OF INDIVIDUALS RECEIVING TRAINING

SEC. 305. Section 5093(b)(1) is amended by striking out "and will result" and all that follows through "training at such institution".

EXTENSION OF TIME FOR SUBMISSION OF REPORT ON HOSPITAL CARE AND MEDICAL SERVICES FURNISHED IN THE COMMONWEALTH OF PUERTO RICO AND IN THE VIRGIN ISLANDS

SEC. 306. Section 8 of the Veterans' Administration Programs Extension Act of 1978 (Public Law 95–520; 92 Stat. 1820) is amended by striking out "February 1, 1980" and inserting in lieu thereof "February 1, 1981".

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my remarks will be very brief regarding the reported bill because the very able chairman of our Subcommittee on Medical Facilities and Benefits, the distinguished gentleman from Virginia (Mr. SATTERFIELD) is the committee expert in health matters and will explain the bill. I do want to thank him and the ranking minority member of the full Committee, my good friend, JOHN PAUL HAMMERSCHMIDT, for drafting a measure which I believe is going to relieve, to a substantial degree, VA's problems relating to the recruitment and retention of high quality, fulltime physicians and dentists. Both of these gentlemen have devoted much time and energy to bringing this bill before the House.

Mr. Speaker, I am also pleased that the scholarship program I proposed earlier this year is contained in the reported bill. Not only is the VA having difficulty in recruiting physicians, the Agency is constantly faced with an ever-increasing number of good, young physicians leaving the Department after a short period of time.

The Agency is unable to recruit at almost any cost the numbers of needed physicians who are qualified in pathology, radiology, and other critical specialties.

The Department of Medicine and Surgery now spends in excess of $15 million per year in contracting out for these services. Should the scholarship program become law, the cost of these services should be reduced substantially.

I am convinced the scholarship program proposed in this bill will help solve those problems. It will also be cost effective.

The Veterans' Administration has projected that over a 20-year period the Agency should realize net savings of more than $130 million should the proposal be fully implemented.

Mr. Speaker, as the gentleman from Virginia will explain later, this is a cost-savings proposal. Section 301 of the reported bill, when implemented, will result in reduced Federal outlays amounting to about $109 million in fiscal year 1981. Members of the House should take note that this provision of the bill is recommended by the committee as an alternative to the administration's third-party reimbursement proposal. The committee report accompanying the bill fully explains the intent of the committee; therefore, I will not dwell on it at this time.

Should titles I and II be fully implemented, it would require $54 million in budget authority and $52.5 million in outlays in fiscal year 1981. However, with the cost-savings proposal contained in section 301 of the bill, the net savings would be about $55 million during the same fiscal year.

Mr. Speaker, it has been suggested that the President may veto the bill, at the request of the Office of Management and Budget. I would hope this will not be the case. I am certain this course of action will not be recommended by the Administrator. Because of his awareness of the recruitment and retention problems the Chief Medical Director is faced with, he would never suggest, as OMB has, that there is an ample supply of physicians on the open market that makes the proposed legislation unnecessary.

I trust the President will be properly advised on the merits of this legislation. If he is, then I think he will sign the bill and the Agency can begin to recruit, and hopefully retain, many of the top physicians now completing their medical education and beginning to practice medicine.

I strongly support the bill and I hope it is adopted unanimously by the House.

I now yield such time as he may consume to the distinguished gentleman from Virginia (Mr. SATTERFIELD), who will control the time.

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Mr. SATTERFIELD. Mr. Speaker, H.R. 7102, the Veterans' Administration Health Care Personnel Act of 1980, consists of three titles. The first deals with physicians' and dentists' pay comparability. The second would establish a VA health professional scholarship program, and the third includes miscellaneous medical amendments, one of which will make it possible for the VA to determine the actual financial need of a non-service-connected veteran who seeks admission to a VA hospital.

I would remind my colleagues that we enacted the VA physicians' and dentists' pay legislation 5 years ago in order to effectively deal with a serious problem regarding the recruitment and retention of VA physicians and dentists. At that time it was anticipated that OMB would move forward with a permanent program applicable to all federally employed doctors and dentists. However, OMB has not responded and we have had to extend this law each year.

During the 2 years following enactment of this law the VA retention and recruitment problem improved enormously. Since then, however, because of inflation and other factors, we are faced again with the original recruitment and retention problem which compelled us to act originally.

Title I of H.R. 7102 will make the law permanent, utilizing the employment structure and methodology contained in title 38, United States Code. Compensation comparability with other federally employed health care professionals, including the compensation provided to Department of Defense doctors in H.R. 6982 recently reported by the Committee on Armed Services, would be achieved through increases in combined primary special pay and incentive special pay from a maximum of $13,500 to $22,000. Emphasis is on full-time employment in the Department of Medicine and Surgery, with lesser benefits to the physicians who are employed on a part-time basis.

The Congressional Budget Office estimates that the cost of this title would be $40 million.

Title II would establish a new 10-year program for VA medical scholarships for physicians and nurses. The scholarship recipients would be authorized to receive scholarships for a period of up to 4 years with a provision that they would serve in the VA system 1 year for each year they receive such a scholarship, with a further provision that should their entry into service with the VA be delayed because of graduate studies, they would obligate themselves to serve an additional one-half year in the VA for each year of such a delay.

This program would provide a maximum of 6 years' service by physicians and 4 years by nurses, with the hope and anticipation that the salary provisions contained in title I will provide an incentive to these doctors and nurses to remain in the VA system.

I wish to point out that this scholarship program tracks very closely with the scholarship program now functioning under the Public Health Service Act. Scholarships for physicians would total $19,320 per year and $6,500 for nurses.

It is anticipated that this program would produce 100 physicians and 150 nurses each year, with a total of 400 new physicians and 600 new nurses in the VA medical system during the program years.

Significantly, this program would serve best those areas of critical shortage in the VA such as radiologists, pathologists, anesthesiologists, et cetera, who are difficult to recruit and at the same time provide physicians and nurses in geographic areas where there is a critical shortage of each.

The most important aspect of this provision is that it would reduce the practice of contracting out for physicians in scarce specialties and in remote geographic areas. For example, in 1979, the cost of contracting out was approximately $18 million. For 1980, the cost is estimated to be $21.5 million. This provision would also act to reduce or eliminate the large dependence upon foreign educated doctors by the VA system who, as of February 1979, comprised 37.9 percent of full-time and 24.6 part-time physicians.

The cost of this program in fiscal year 1981 would be $12.4 million. However, at the end of 8 years there would be savings of over $2 million as a direct result of this program.

However, the total cost savings of the scholarship program during its existence is estimated to be $130 million. Moreover this would represent a natural logical extension of the existing VA training program which is conducted through 104 affiliated medical schools.

With one exception the miscellaneous provisions contained in title III are minor and include a provision to insure adherence to established VA policy concerning the relationship between medical school dean's committees and affiliated VA hospitals; a requirement to report to both the Senate and House Veterans' Affairs Committees facts concerning proposed transfers to excess VA real property; elimination of the Administrator's authority to enter into long-term leases; and an increase in the State nursing home bed ratio from 2½ to 4 per 1,000 veterans in a State so as to provide more State nursing home beds for veterans.

The most important provision in title III deals with non-service-connected veterans who seek admittance to a VA hospital.

As you know, a non-service-connected veteran may be admitted to a VA hospital on two conditions: First, that a bed is available; and second, that the veteran does not possess the financial capability to provide the needed care in the private sector. Under existing law, when a non-service-connected veteran executes an oath that he or she is unable to defray medical expenses, the Veterans' Administration is prohibited from looking beyond that oath or to attempt to question the veteran's financial need.

This bill would eliminate that prohibition and permit the VA to take into consideration, on a case-by-case basis, the financial assets of the veteran including his or her right to benefits which might permit or provide the needed treatment in the private sector. In that regard the VA would take into consideration the nature of the condition for which treatment is requested in determining whether health insurance is sufficient to provide full treatment.

For example, if a veteran has high-option Blue Cross-Blue Shield insurance coverage and desires treatment for a minor disability or illness, the Administrator would probably determine that the veteran is able to obtain and pay for the treatment in the private sector. However, if treatment is sought for an illness requiring expensive treatment, which would not be fully covered by health insurance and where treatment would exhaust all of his financial resources as in the case of terminal cancer, the Administrator could determine that the veteran is eligible for VA treatment. Veterans who are service-connected, veterans who are eligible for medicaid, veterans who receive VA pension benefits and veterans over 65 years of age would meet the financial needs test by operation of law.

For many years, the administration has proposed legislation which would place VA hospitals in the position of obtaining third-party payments for medical treatment of veterans. The members of our committee believe this provision offers a realistic and best approach to this problem. It would utilize the existence of health insurance in a way which lends itself more properly to the purpose of veterans' benefits—"to care for those who have borne the battle," and it does so in a way which is in consonance with existing law assuring medical treatment in a hospital to non-service-connected veterans with financial need.

It is estimated that this provision would save the Federal Government approximately $109 million per year.

The significance of H.R. 7102 is that we have a comprehensive bill which will not cost the Federal Government additional moneys. Indeed, estimates by the Congressional Budget Office indicate that the total savings of this bill would be $55 million.

The committee gave careful consideration to this legislation and was unanimous in its affirmative vote to report it to the House.

Mr. Speaker, in order that the Members of the House may be more specifically apprised of the various provisions of H.R. 7102, I include pertinent excerpts from House Report 96–958 at this point in the Record.

Section-by-Section Analysis of H.R. 7102, Veterans Administration Health Care Personnel Act of 1980

The first section of this measure provides that it may be cited as the "Veterans' Administration Health Care Personnel Act of 1980", and that amendments or repeals mentioned therein are to be considered to be made to sections or provisions of title 38, United States Code, except as otherwise expressly provided.

TITLE I—PHYSICIAN AND DENTIST PAY COMPARABILITY

Section 101 of the bill would amend section 6(a) of Public Law 94–123, the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, by eliminating the expiration of the current authority to enter into special pay agreements, thereby making that authority permanent. The purpose of this amendment is to eliminate the need for subsequent legislation to extend the VA's existing special pay authority.

Section 102 of the bill would add a new subsection (e) to Section 4101 of title 38 which would exclude Department of Medicine and Surgery (DM&S) employees appointed under sections 4103, 4104(1), and 4114 of title 38, United States Code, from the Senior Executive Service (SES), an institution established by recent enactment of the Civil Service Reform Act of 1978 (Pub. L. No. 95–454). Also exempted from the provisions of the SES by this section of the bill would be the position of director of a hospital, domiciliary facility, or center. In addition, this section of the bill would exclude part-time DM&S employees from the provisions of chapter 34 of title 5, the current codification of the Federal Employees Part-Time Career Employment Act of 1978 (Pub. L. No. 95–437).

Section 103 of this measure would amend the current section 4118 of title 38 relating to special pay for DM&S physicians and dentists, to increase the amounts of special pay authorized for certain purposes and to make numerous other modifications to the existing special pay benefit schedule. Specifically, section 103 would:

Increase the total amount of special pay authorized to be paid to eligible DM&S physicians and dentists to $22,000 and $11,000, respectively;

Modify the prohibition on payment of special pay to a reemployed annuitant to permit such payment to such an individual if he or she were involuntarily separated under prior Federal law requiring mandatory retirement at age 70;

Increase the total amount of primary special pay authorized to be paid to eligible DM&S physicians and dentists to $6,900 and $3,450 respectively (primary pay for part-time physicians and dentists would continue to be calculated on the basis of the proportion which the part-time employment in the DM&S of such physician or dentist bears to full-time employment);

Establish two schedules setting forth levels of incentive special pay, one for eligible full-time physicians and dentists, the other for part-time physicians and dentists. The incentive special pay authorized to be paid an eligible full-time dentist would continue to be no more than one-half that allowed for full-time physicians, except that a full-time dentist would be authorized the full amount payable for a scarce dental specialty, board certification, or service in a remote geographic location, if appropriate. Therefore, the maximum amounts of incentive special pay authorized full-time DM&S physicians and dentists would be $15,100 and $7,550, respectively. The amount of incentive special pay would depend upon the following factors: Full-time employment status (physicians $6,000 and dentists $3,000), tenure within DM&S, scarcity of a medical or dental specialty ($3,400), and increased professional or administrative responsibilities; and

Authorize extra amounts of incentive special pay for board certification ($2,000 to eligible full-time physicians and dentists for primary board certification, or $2,500 to such individuals for secondary board certification) and for service in remote geographic locations having a scarcity of qualified physicians or dentists, as determined by the Chief Medical Director ($3,400).

Moreover, section 103 of the bill would generally retain at current levels the incentive special pay schedule for part-time DM&S physicians and dentists. However, additional incentive special pay amounts of $1,000 and $1,250 would be authorized eligible part-time physicians and dentists for board certifications (primary or secondary, respectively) and $2,000 for such individuals based upon service in certain remote geographic locations. Incentive special pay received by eligible part-time DM&S physicians or dentists would continue to be a proportional amount calculated on the basis of the proportion which the part-time employment in the DM&S bears to full-time employment. The incentive special pay received by a full-time or part-time DM&S physician or dentist for either board certification or for duty in a remote geographic location would be excluded from the applicable maximum amounts of special pay or incentive special pay.

Section 103 would also authorize the consideration of special pay as basic pay for civil service retirement purposes in the case of physicians and dentists who have been employed in the DM&S on a full-time basis for not less than 15 years. This consideration would be effective with respect to civil service retirement annuities beginning on or after September 30 1980.

Under the provisions of section 103, a VA scholarship recipient serving a period of obligated service would be ineligible for special pay of any kind during the first three years of obligated service and, thereafter, would be eligible therefor only for one-half the amount to which such individual would be otherwise eligible.

The provisions of section 103 would be applicable with respect to pay periods beginning in fiscal year 1981 (after September 30, 1980).

Section 104 of the bill would allow the rates of pay for DM&S physicians, dentists, and nurses to be established based upon a full consideration of the professional qualifications and responsibilities of such individuals, notwithstanding the provisions of section 5301 of title 5.

TITLE II—VETERANS ADMINISTRATION HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Section 201(a) of the bill would amend chapter 73 of title 38 by adding thereto a new subchapter IV. This new subchapter would create the Veterans Administration Health Personnel Scholarship Program.

The first section of the proposed new subchapter (section 4141) would establish the Scholarship Program "to assist in providing an adequate supply of trained health care personnel for the Veterans' Administration and the Nation." The main purpose of the bill would be to enhance the Veterans Administration's ability to recruit and retain physicians, dentists, and certain other health care professionals. An incidental effect of the bill would be to increase the number of health professionals nationwide. Scholarships to new participants in this program would not be furnished after the last day of the tenth fiscal year following the fiscal year in which the program is initiated. The date of initiation of the program would be the date the first scholarship is approved by the Administrator.

Subsection (a) of the proposed section 4142 would set out the requirements for eligibility for acceptance and continued participation in the Scholarship Program. Those requirements would be that an applicant: (1) be accepted for enrollment, or be enrolled, as a full-time student (a) in an accredited (as determined by the Administrator) educational institution in a State, and (b) in a course of study or program, offered by such institution and approved by the Administrator, leading to a degree in medicine, osteopathy, dentistry, podiatry, optometry, or nursing, or leading to training as a physician assistant or expanded-function dental auxiliary; (2) submit an application to participate in the Scholarship Program; and (3) sign and submit to the Administrator, at the time of submittal of such application, a written contract to accept payment of a scholarship and to serve a period of obligated service.

Section 4142(b) would direct the Administration to provide application and contract forms to those individuals desiring to participate in the Scholarship Program, including with such forms a fair summary of the rights and liabilities of individuals whose applications are approved and such other information as may be necessary for them to understand their prospective participation in the program and their service in the DM&S.

Proposed section 4142(c) would require the Administration to give initial priority in acceptance of applicants for participation in the Scholarshp Program to those individuals who have previously received such scholarships, and, subsequently, to those individuals who enroll in a course of study or program described in the proposed subsection (a)(1)(B).

The proposed section 4142(d) would specify that individuals become participants in the Scholarship Program only upon the Administrator's approval of their applications and acceptance of the written contracts submitted by the applicants.

The contents of the written contract would be specified in a proposed section 4142(e). Those contents would include an agreement that (contingent uoon funds being appropriated for the Scholarship Program) the VA would agree to afford the individual concerned the opportunity for employment to fulfill a period of obligated service in return for the receipt by such individual of a scholarship of from one to four years. The scholarship recipient would agree in the contract to the following: to accept the scholarship; to maintain enrollment in a course of study (as described in 38 U.S.C. § 4142(a)(1)(B)) until completion of the course; to maintain an acceptable level of academic standing; to serve a period of obligated service equal to the greater of one calendar year for each school year for which the individual was provided a scholarship, or two calendar years; and, to serve any additional period of obligated service, when obligated service is deferred pursuant to 38 U.S.C. § 4143(b)(3). In addition, the written contract would have to contain a statement of damages to which the United States would be entitled should the control be breached, and such other statements of the rights and liabilities of the parties to the contract which are consistent with the provisions of subchapter IV.

The proposed section 4142(f) would provide that a participant's scholarship would consist of payment to, or on behalf of, the student: (1) tuition; (2) other reasonable educational expenses (including fees, books, and laboratory expenses); and (3) a stipend of no more than $485 per month for each of the 12 consecutive months beginning with the first month of the school year. This subsection would authorize the Administrator to contract with an educational institution in which a participant is enrolled: to pay to such institution directly the amounts of tuition and other reasonable educational expenses of a participant; and; payment to such institution would be without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. § 529) which prohibits certain advances of public monies. Moreover, the amount of monthly stipend would be increased (effective in FY 1981) annually by the percentage of the annual cost-of-living adjustment in the salaries of Federal employees under the General Schedule.

The proposed section 4142(g) would provide that, notwithstanding any other provision of the law, persons undergoing academic training under the Scholarship Program (prior to engaging in deferred internship, residency, or other advanced clinical training) would not be considered Federal employees nor would they be counted against any employment ceiling affecting the DM&S.

The proposed section 4142(h) would require the Administrator to report to Congress on March 1 of each year:

(1) The number of students receiving scholarships under the Scholarship Program, and the number of students enrolled in each type of health profession training;

(2) The schools at which such students are receiving their training;

(3) The number of applications filed under this section in the current and prior academic years; and

(4) The amount of tuition paid in the aggregate and at each school for the current and prior academic years.

The Administrator would be allowed to issue regulations and delegate authority, as necessary, to carry out the Scholarship Program under authority of new section 4142(i).

The new section 4143(a) would provide that each participant in the Scholarship Program be required to serve in full-time clinical practice of such individual's profession or in another health care position, in an assignment or location determined by the Administrator or designee, as an employee of the DM&S for the period of obligated service as provided in such individual's written contract.

Subsection (b) of the proposed new section 4143 would require that the Administrator provide each participant in the Scholarship Program with at least 60 days' notice of the opportunity to serve the requisite period of obligated service. This 60-day notice would have to precede the date upon which a participant becomes licensed to practice medicine, osteopathy, dentistry, optometry, or podiatry, or becomes registered as a graduate nurse, or, if the individual is pursuing a degree from an institution other than a school of medicine, osteopathy, dentistry, optometry, podiatry, or nursing, the date such individual completes the academic training leading to such degree. With respect to a person receiving a degree from a school of medicine, osteopathy, dentistry, optometry, or podiatry, the Administrator would be able to defer the beginning of obligated service for the period of time required for the participant to complete internship, residency or other advanced clinical training. No period of deferred internship, residency or other advanced clinical training would be counted toward satisfying a period of obligated service. Any person whose period of obligated service is deferred would be required to undertake internship, residency or advanced clincal training in an accredited educational institution which has an affiliation agreement with the VA, would incur additional obligated service at the rate of one-half of a calendar year for each year of deferred service, or proportionate ratio thereof, so long as the internship, residency or advanced clinical training is in a medical or dental specialty necessary to meet the health care requirements of the VA. In the event that the specialty does not meet the VA's health care requirements, the additional period of obligated service would be at the rate of three-quarters of a calendar year for each year of deferred obligated service, or proportionate ratio thereof.

The proposed section 4143(c) would provide that the period of obligated service would begin on the date a participant in the Scholarship Program is appointed as an employee of the DM&S.

Proposed section 4144 would address numerous issues relating to breaches of contracts under the Scholarship Program. Under subsection (a) of this new section, any individual entering into a written contract and then failing to accept payment of a scholarship would be liable to the United States for the amount of $1,500 as liquidated damages, in addition to any service obligation under that contract. Proposed section 4144 (b) would make an individual liable for the amount (including stipends) paid under the contract, in lieu of any service obligation, if such individual fails to maintain an acceptable level of academic standing, is dismissed from the educational institution for disciplinary reasons, voluntarily terminates the training prior to its completion, or fails to become licensed to practice medicine, osteopathy, dentistry, podiatry, or optometry in a State, or fails to become registered as a graduate nurse in a State, during a period of time prescribed under regulations issued by the Administrator.

Proposed section 4144(c) would specify a formula by which the United States would be entitled to recover damages in the event that a participant breaches the written contract by failing either to begin or to complete an applicable period of obligated service.

Subsection (d)(1) of the proposed section 4144 would allow for the cancellation of any obligation under the Scholarship Program upon the death of a participant. By virtue of section 4144(d)(2), the Administrator would be able to waive or suspend any obligation under the Scholarship Program by regulation, whenever compliance by the individual is deemed impossible due to circumstances beyond the control of the individual or whenever the Administrator determines that the waiver or suspension of compliance would be in the best interest of the Veterans Administration. As an example of the latter situation, a determination could be made to waive the obligated service of a VA scholarship recipient with a specialty which does not meet the VA's health care needs (e.g., pediatrics or obstetrics). In such a case, the Administrator could elect to waive the obligated service to the VA and transfer the obligated service of such an individual to another Federal Government health care agency (such as the Public Health Service or Department of Defense) in return for the services of a health care profesisonal whose specialty does meet the health care needs of the VA.

The proposed section 4144(d)(3) would allow for a discharge in bankruptcy under title 11 of the United States Code to release a scholarship participant's obligation, but only if such discharge in bankruptcy was granted after the expiration of the five-year period beginning on the first date that payment of such damages was due.

Section 4145 of the proposed new subchapter would, notwithstanding any other provision of law, exempt from taxation any payments to, or on behalf of, a participant for tuition, reasonable education expenses, or monthly stipend under the Scholarship Program.

The proposed section 4146 would make the Administrator's authority to make payments under the Scholarship Program effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

Section 201(b) of the bill would authorize, effective October 1, 1980, the appropriation of such sums as may be necessary to carry out the Scholarship Program.

TITLE III—MISCELLANEOUS AMENDMENTS

Section 301 of the bill would amend section 622 of title 38. This amendment would establish as sufficient evidence of a veteran's inability to defray necessary expenses the fact that the veteran is eligible to receive medical assistance under title XIX of the Social Security Act (Grants to States for Medical Assistance), or that the veteran has a service-connected disability or is in receipt of a non-service-connected pension. This change of law will modify the existing statement-under-oath requirement as to an applicant's inability to defray necessary expenses.

Section 302 of the bill would amend section 4112 of title 38, relating to the advisory committees required to be established in those situations where the Administrator has an agreement with schools of medicine (i.e., "Dean's" committees). This amendment would add a sentence thereto advising that each such committee must be guided in its actions by the principles enunciated in Veterans Administration Policy Memorandum No. 2, dated January 30, 1946. The general division of responsibility set forth in that VA Policy Memorandum was to the effect that the VA would retain full responsibility for the care of patients, including professional treatment, and the school of medicine associated with the VA hospital would accept responsibility for all graduate education and training.

Section 303 of the measure would amend section 5022 of title 38, relating to the VA's management of certain real property. This section would require the Administrator to submit a factual report to the House and Senate Committees on Veterans' Affairs prior to the transfer or disposal of real property valued in excess of $50,000, owned by the United States and administered by the VA. Only after the expiration of 30 days following the submission of such a report could such a transaction be entered into by the Administrator. This section would also amend section 5070 of title 38 by eliminating the Administrator's authority to lease to any eligible institution such land, buildings and equipment under the control of the Administrator as is deemed necessary and appropriate.

Section 304 of the bill would increase from two and one-half to four the number of beds per thousand veteran population required to provide adequate nursing home care in State home facilities under existing section 5034(1) of title 38.

Section 305 of the bill would repeal the requirement under existing law (38 U.S.C. § 5093(b)(1)) that recipients of health care personnel training grants substantially increase the number of individuals receiving training.

Section 306 of the bill would amend section 8 of Public Law 95-520, the Veterans Administration Programs Extension Act of 1978, by extending from February 1, 1980, to February 1, 1981, the deadline for submission of a report on hospital care and medical services furnished in the Commonwealth of Puerto Rico and in the Virgin Islands.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7102, the Veterans' Administration Health-Care Personnel Act of 1980. I cannot emphasize strongly enough to my colleagues how important this legislation is to the preservation of the Veterans' Administration hospital system.

I would like to compliment Mr. ROBERTS the distinguished chairman of the full committee for his efforts on this legislation, particularly for his leading role in developing the scholarship program contained in title II of this bill. And I would particularly like to congratulate Mr. SATTERFIELD the distinguished chairman of the Subcommittee on Medical Facilities and Benefits for his persistence and long-held concern in coming up with a permanent, equitable pay system for our VA physicians.

Mr. Speaker, the Veterans' Administration hospital system is in serious trouble, and is in danger of becoming overrun with part-time and foreign-trained physicians. Ten years ago, one VA physician out of 10 was a part-time employee. Today, 40 percent are part-time. Additionally, 38 percent of the physicians serving our veterans are foreign medical school graduates. How ironic it must be for many of our veterans to have given so much, and then to be treated in hospitals that are diminishing in quality every year at the very time these veterans need them most.

The legislation before the House today takes a large step forward in addressing the needs of our veterans, and in beginning the journey back toward making the VA hospital system second to none in quality of care for those who have served us in times of need. First, it creates a fair, permanent pay system that is competitive with other Federal physician pay scales. Both of these points are essential, Mr. Speaker. A permanent pay system offers a stability that is not now present, and discourages resignations. A fair pay system is, of course, essential.

Second, Mr. Speaker, the legislation establishes a scholarship program for health professionals that will in the long run pay for itself. I cannot imagine a finer proposal. The program will allow the system to plan its manpower needs for doctors and nurses, and will provide the VA medical system with a continuing flow of young, motivated professionals. In addition, it will enable the Veterans' Administration to cease its expensive contracting-out policies in specialized areas.

Finally, Mr. Speaker, title III of the bill will result in an immediate cost savings through a closer screening of those who utilize the VA hospital system. In the first year alone, $109 million would be saved, as was mentioned earlier.

I should point out that the administration opposes this legislation. However, the Committee on Veterans' Affairs waited for 3 years, Mr. Speaker, for the administration to come forward with its own bill, and it is imperative that legislation be passed this session. The administration has given us little alternative but to design our own programs, and I am confident, following the endorsement of the many, many VA employees who have written me in recent months, that this legislation is both needed and appropriate.

I urge my colleagues to support it as well.

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Mr. Speaker, I yield 3 minutes to the distinguished senior minority member of the committee, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, first I wish to commend the distinguished chairman of the full committee, the chairman of the subcommittee, and my esteemed colleague from Arkansas, the ranking member of both the full committee and this subcommittee, for the vision and excellent work that went into this important piece of legislation. I might say it is hard to believe, but the net budgetary impact for fiscal year 1981 is minus $55 million.

I say "important legislation" because although the stated purpose of the bill is to promote the recruitment and retention of health care professionals in the Veterans' Administration by various incentives, the ultimate beneficiaries of the legislation will be annually more than 2 million veterans in need of medical care and attention and a limited number of dependents and survivors of veterans who suffered service-connected disabilities.

The importance can best be documented by reading from many letters I have received. For example:

> Throughout the years our residents who enter the private sector of medical practice start at a higher level of compensation than we receive. On numerous occasions these residents have asked, "Why do you stay with the VA?" That, of course is a very personal and difficult decision to share with others, much less define.

Another letter said, in part—

> All in all, it is increasingly difficult for my altruistic self to suppress a cynical self—the feeling that, "You've been 'had'."
>
> I certainly have no regrets for my service to the VA, our sick veterans or my Government. However, I'm convinced you can not attract people of high caliber to enter and remain within the VA without improving the compensation. Further, the disparity in compensation between different government services is decisive.

A third letter concluded—

> There are other concerns within the VA such as the dwindling research support, continuing efforts to cut personnel and the make-up of the Deans Committee at university-affiliated VA hospitals. However, I think the major first hurdle is adequate physician compensation.

Clearly, if we are to continue to provide a first-class medical care system for these veterans, their dependents and survivors, the VA must be able to recruit and retain an adequate staff of first-class physicans, dentists, nurses, and other health care professionals.

This is the problem which faces us now and which H.R. 7102 is designed to meet. Its enactment hopefully would reverse staffing lost trends among full-time physicians in the VA and assure the recruitment of young people in the health care professions by providing scholarship grants to them in exchange for service in VA facilities.

Mr. Speaker, I know of nothing more important in veterans' legislation than to assure first-class health care in the VA hospital system.

This legislation is most necessary for that purpose. Therefore, I urge the support of all our colleagues for its passage.

Mr. SATTERFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this legislation, and I would like to commend the gentleman from Virginia for the work that he has done in bringing this professional pay bill in effect before this committee.

I would also like to say that, the genleman from Texas (Mr. ROBERTS), the chairman of this committee, has had a lot to do with working out the educational incentives that are in this bill to attract not only potential doctors to go into VA systems, but also to attract nurses to be trained, and certainly in the long run this will save the VA money and also give us a quality that we have now and a quality that we will have to continue to have in the professional field working for the Veterans' Administration.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to a Member who has always been a very active supporter of veterans' affairs, the distinguished gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I join in support of the legislation pending before us, the Veterans' Administration Health-Care Personnel Act, which as we all know is designed to promote the recruitment and the retention of physicians, dentists, nurses and other health-care personnel for the Veterans' Administration. But in particular I wanted to commend the chairman, the gentleman from Texas (Mr. ROBERTS), and the gentleman from Virginia (Mr. SATTERFIELD), both of whom will be retiring at the end of this particular session of Congress, for the kind of work that they have done on a continuing basis, working in cooperation with our distinguished minority members to provide committee initiatives to address problems that we cannot seem to get anything in the way of support for from the administration.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. SATTERFIELD. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

The SPEAKER pro tempore (Mr. PATTERSON). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 7102, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

OMNIBUS NATIONAL PARKS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3, to amend the act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Park and Recreation Act of 1980."

DEFINITION

SEC. 2. As used in this Act, except as otherwise specifically provided, the term "Secretary" means the Secretary of the Interior.

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Sec. 509. Overmountain Victory Trail.
Sec. 510. Theodore Roosevelt Inaugural National Historic Site.
Sec. 511. Rogers C. B. Morton commemoration.
Sec. 512. Falls of Ohio study.
Sec. 513. Upper Missouri River.
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Sec. 515. Gerald Ford study.
Sec. 516. George Meany study.
Sec. 517. Man in Space historical study.
Sec. 518. Benjamin Franklin National Memorial.
Sec. 519. Limitation on authorizations.

TITLE I—ESTABLISHMENT OF NEW AREAS

JAMES A. GARFIELD NATIONAL HISTORIC SITE

SEC. 101. (a) In order to assist in the preservation of certain historically significant properties associated with the life of James A. Garfield known as "Lawnfield", and located at 1059 Mentor Avenue, Mentor, Ohio, the Secretary is authorized, in accordance with subsection 2(e) of the Act of August 2, 1935 (49 Stat. 666) to enter into a cooperative agreement with Western Reserve Historical Society pursuant to which the Secretary may assist in the protection, restoration, maintenance, operation, and interpretation of such properties, and to establish the same as the James A. Garfield National Historic Site by publication of notice to that effect in the Federal Register.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not to exceed $250,000 for development.

GEORGIA O'KEEFFE NATIONAL HISTORIC SITE

SEC. 102. (a) In order to preserve for the benefit and enjoyment of present and future generations significant properties associated with the life and cultural achievements of Georgia O'Keeffe, the Secretary may acquire—

(1) by donation, the site and structures comprising the home and studio situated at Abiquiu, New Mexico, and

(2) by purchase, donation, or exchange not to exceed one acre of detached land for offsite support facilities which the Secretary of the Interior deems necessary for the purposes of this section.

The Secretary may also accept the donation of furnishings and other personal property in connection with the site.

(b) When the site, structures, and other properties authorized for acquisition under subsection (a) have been transferred to the United States, the Secretary shall establish the Georgia O'Keeffe National Historic Site by publication of notice to that effect in the Federal Register. The national historic site established pursuant to this section shall be administered by the Secretary in accordance with this section and the provisions of law generally applicable to the administration of units of the national park system, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7).

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, not to exceed $40,000 for acquisition and $100,000 for development.

SALINAS NATIONAL MONUMENT

SEC. 103. (a) In order to set apart and preserve for the benefit and enjoyment of the American people the ruins of prehistoric Indian pueblos and associated seventeenth century Franciscan Spanish mission ruins, the Secretary is authorized to acquire by donation, or purchase with donated or appropriated funds, or otherwise, not to exceed four hundred and sixty-six acres of land in the State of New Mexico which, in addition to the lands now comprising Gran Quivira National Monument, shall be designated as the Salinas National Monument. The Secretary is further authorized to acquire, in or near the town of Mountainair, such additional lands as may be necessary for an administrative site for the monument.

(b) Gran Quivira National Monument is hereby abolished as such, and any funds available for purposes of the monument shall be available for purposes of the Salinas National Monument.

(c) The Secretary shall administer and protect the monument in accordance with the provisions of this section and the provisions of law generally applicable to the administration of units of the national park system, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461-467). The Secretary is encouraged to transfer to the employment of the National Park Service such personnel associated with the administration of the State-owned lands as are interested in and qualified for such transfer, as such State lands are acquired by the Secretary.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $1,140,000 for acquisition and $500,000 for development.

WOMEN'S RIGHTS NATIONAL HISTORICAL PARK

SEC. 104. (a) The Congress finds that—

(1) The Women's Rights Convention held at the Wesleyan Methodist Chapel in Seneca Falls, New York, in 1848 is an event of major importance in the history of the United States because it marks the formal beginning of the struggle of women for their equal rights.

(2) The Declaration of Sentiments approved by the 1848 Women's Rights Convention is a document of enduring relevance, which expresses the goal that equality and justice should be extended to all people without regard to sex.

(3) There are nine sites located in Seneca Falls and Waterloo, New York, associated with the nineteenth century women's rights movement which should be recognized, preserved, and interpreted for the benefit of the public.

(b) It is the purpose of this section to preserve and interpret for the education, inspiration, and benefit of present and future generations the nationally significant historical and cultural sites and structures associated with the struggle for equal rights for women and to cooperate with State and local entities to preserve the character and historic setting of such sites and structures.

(c) To carry out the purpose of this section there is hereby established the Women's Rights National Historical Park (hereinafter in this section referred to as the "park"). The park shall consist initially of the following designated sites in Seneca Falls and Waterloo, New York:

(1) Stanton House, 32 Washington Street, Seneca Falls;

(2) dwelling, 30 Washington Street, Seneca Falls;

(3) dwelling, 34 Washington Street, Seneca Falls;

(4) lot, 26-28 Washington Street, Seneca Falls;

(5) former Wesleyan Chapel, 126 Fall Street, Seneca Falls;

(6) theater, 128 Fall Street, Seneca Falls;

(7) Bloomer House, 53 East Bayard Street, Seneca Falls;

(8) McClintock House, 16 East Williams Street, Waterloo; and

(9) Hunt House, 401 East Main Street, Waterloo.

(d) In addition to the foregoing sites, the Secretary is authorized, with the concurrence of the owners, to designate, by publication of notice to that effect in the Federal Register, other sites in the United States which he determines illustrate the development of the struggle for women's rights in the nineteenth century, and sites so designated shall thereupon become part of the park.

(e) The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange, lands and interests therein within sites designated as part of the park, except that the Secretary may not acquire the fee simple title to the land comprising the sites designated in paragraphs (7) through (9) of subsection (c) or any sites designated pursuant to subsection (d). Lands and interests therein owned by a State or political subdivision thereof may be acquired only by donation.

(f) The Secretary is authorized to enter into cooperative agreements with the owners of properties designated as part of the park, pursuant to which the Secretary may mark, interpret, improve, restore, and provide technical assistance with respect to the preservation and interpretation of such properties. Such agreements shall contain, but need not be limited to, provisions that the Secretary shall have the right of access at reasonable times to public portions of the property for interpretive and other purposes, and that no changes or alterations shall be made in the property except by mutual agreement.

(g) The Secretary shall encourage State and local governmental agencies to develop and implement plans for the preservation and rehabilitation of sites designated as part of the park and their immediate environs, in order to preserve the historic character of the setting in which such sites are located. The Secretary may provide technical and financial assistance to such agencies in the development and implementation of such plans, but financial assistance may not exceed 50 per centum of the cost thereof.

(h) The Secretary shall administer the park in accordance with the provisions of this section and the provisions of law generally applicable to the administration of units of the national park system, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461-7).

(i)(1) There is hereby established the Women's Rights National Historical Park Advisory Commission (hereinafter referred to as the "Commission"). The Commission shall consist of eleven members, each appointed by the Secretary for a term of five years as follows:

(A) One member appointed from recommendations submitted by the Elizabeth Cady Stanton Foundation;

(B) One member appointed from recommendations submitted by the Women's Hall of Fame;

(C) Two members appointed from recommendations submitted by the Governor of New York;

(D) One member appointed from recommendation submitted by the village of Seneca Falls;

(E) One member appointed from recommendations submitted by the town of Seneca Falls; and

(F) Five members appointed by the Secretary, at least one of whom shall represent an institution of higher learning and at least two of whom shall represent national women's rights organizations.

(2) The Secretary shall designate one member to be the Chair of the Commission. Any vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(3) Members of the Commission shall serve without compensation as such, but the Secretary may pay the expenses reasonably incurred by the Commission and its members in carrying out their responsibilities under this section upon presentation of vouchers signed by the Chair of the Commission.

(4) The function of the Commission shall be to advise the Secretary with respect to matters relating to the administration of the park and the carrying out of the provisions of this section. The Secretary shall consult with the Commission from time to time with respect to his responsibilities and authorities under this section.

(5) The Commssion shall terminate ten years from the effective date of this section.

(j) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $490,000 for acquisition, and $500,000 for development.

CHACO CULTURE NATIONAL HISTORICAL PARK

SEC. 105. (a) In order to provide for the adequate physical and aesthetic protection and to facilitate the proper interpretation of archeological sites in the Chaco area of the San Juan Basin of New Mexico having exceptional value in commemorating the history and prehistory of the region, there is hereby established the Chaco Culture National Historical Park (hereinafter in this section referred to as the "Park"). The Park shall consist of the lands, waters, and interests therein within the boundary generally depicted on the map entitled "Proposed Chaco Culture National Historical Park," numbered 310-80,032-A, and dated August 1979, together with such additional lands, waters, and interests therein as may be designated by the Secretary in furtherance of the purposes of this section. The map described in this section shall be on file and available for public inspection in the local and Washington, District of Columbia, offices of the National Park Service, Department of the Interior.

(b) Within the boundaries of the Park, the secretary is authorized to acquire lands waters, and interests therein by donation purchase with donated or appropriated funds, or exchange, except that property owned by the State of New Mexico or any political subdivision thereof, or property held in trust for the benefit of any Indian tribe or for the benefit of any individual member thereof, may be acquired only with the consent of such owner or beneficial owner, as the case may be. The governing body of the appropriate Indian tribe is authorized to convey the beneficial interest in any such property designated as part of the Park to the Secretary, subject to such terms and conditions as it deems necessary and which are consistent with the purposes of this section. Lands, waters, and interests therein within the boundary of the Park as described on the map referenced in subsection (a) of this section, and which are owned by the United States (exclusive of lands held in trust for the benefit of any Indian tribe or for the benefit of any individual member thereof), are hereby transferred to the administrative jurisdiction of the National Park Service. In the establishment and adjustment of boundaries for the Park, the Secretary shall recognize two categories of units:

(1) Research Units, whose principal purpose shall be for the protection of cultural resources for scientific and research purposes, and

(2) Visitor Use and Interpretation Units, whose dual purpose shall be—

(A) for the protection of cultural resources for scientific and research purposes, and

(B) for interpretation, use, and appreciation by visitors.

Boundaries for category 2 units shall be located with adequate consideration given for buffering against adverse impacts on the units. Federal lands, waters, and interests therein formerly within the Chaco Canyon National Monument and not included within the Park shall be available for use by the Secretary to acquire non-Federal property within the Park by exchange, and any such Federal property not so exchanged shall be administered by the Secretary in accordance with the Federal Land Policy and Management Act of 1976.

(c) In furtherance of the purposes of this section, the Secretary is authorized to designate, by publication of notice thereof in the Federal Register, sites within the region containing historic, archeological, and cultural resources which are related to the history and prehistory of the region and which are necessary or appropriate for protection and interpretation for the inspiration, education, and benefit of the public as part of the Park, and upon such publication such sites shall thereby become a part of the Park. Not less than thirty days prior to such publication in the Federal Register, the Secretary shall notify, in writing, the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, of his intention to so designate any additional site. The Secretary may acquire property within such sites, and property he deems necessary for public access thereto, in the manner set forth in subsection (b), and he may enter into cooperative agreements with the owner, including the beneficial owner, of property within such sites pursuant to which the Secretary may in whole or in part protect, preserve, maintain, or administer such property regardless of whether title thereto is in the United States. Any such agreement shall contain, but need not be limited to, provisions to assure that—

(1) the Secretary shall have a right of access at all reasonable times to appropriate portions of the property for the purpose of cultural resources protection and conducting research, and

(2) no changes or alterations shall be made or allowed with respect to the cultural resources on the property without the written consent of the Secretary.

Nothing in this section shall be deemed to prevent the continuation of livestock grazing on properties which are the subject of cooperative agreements. Property acquired pursuant to this section, and property which is the subject of a cooperative agreement entered into pursuant to this subsection within sites designated pursuant to this subsection, shall be administered by the Secretary as part of the Park, subject to the laws and regulations applicable thereto, and subject to the terms of the appropriate cooperative agreement, if any. Notwithstanding any other provision of this section, those separate and noncontinuous sites or outliers indicated on the map referred to in subsection (a) of this section and any site or outlier authorized for designation by subsections (a) and (c) shall not become a part of the Park unless and until the aforementioned two Congressional committees each consent to the inclusion of each such site or outlier in writing.

(d) The Secretary shall administer the Park in accordance with the provisions of this section and the provisions of law generally applicable to the administration of units of the national park system, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7). The Chaco Canyon National Monument and the Aztec Ruins National Monument are hereby abolished, as such, and any funds available for the purposes of such monuments shall be available for the purposes of the Park.

(e)(1) There is hereby established the Chaco Culture National Historical Park Advisory Commission (hereinafter referred to as the "Commission"). The Commission shall consist of eight members, five of whom shall be appointed by the Secretary for terms of three years as follows:

(A) one member appointed from recommendations submitted by the Governor of New Mexico;

(B) one member appointed from recommendations submitted by the Commissioners of San Juan County, New Mexico;

(C) one member appointed from recommendations submitted by the Commissioners of McKinley County, New Mexico; and

(D) two members appointed by the Secretary, both of whom shall have professional expertise related to the cultural purposes of the Park, and one of whom shall be the Chairman of the Commission.

In addition to the foregoing members, the Chairmen of the Navajo Tribal Council, the All-Indian Pueblo Council, and the Ute Tribal Council shall be ex-officio members of the Commission.

(2) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made. Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses of Commission members reasonably incurred by them in carrying out their responsibilities under this section upon presentation of vouchers signed by the Chair of the Commission.

(3) The Secretary shall consult with the Commission from time to time with respect to the administration of the Park, including sites authorized for addition to the Park by subsection (c).

(4) The Commission shall terminate ten years from the effective date of this section.

(f) Consistent with and in furtherance of the purposes of the Division of Cultural Research of the Southwest Cultural Resources Center, operated by the National Park Service, the Secretary is authorized to continue and expand such research and data gathering activities as may be appropriate to further the purposes of the Park and knowledge of the Chaco culture. The Secretary shall submit in writing within six months of the effective date of this section, to the committees referred to in subsection (c) of this section a plan for the continued operational program of the Division. The Secretary is authorized and encouraged to establish a committee composed of professional archeologists and others with related professional expertise to advise him in matters related to the surveying, excavation, curation, interpretation, protection, and management of the cultural resources of the Park.

(g) The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking with respect to the lands and waters adjacent or related to the Park, and the head of any Federal agency having authority to license or permit any undertaking with respect to such lands and waters, shall, prior to the approval of the expenditure of any Federal funds on such undertaking, or prior to the issuance of any license or permit, as the case may be, afford the Secretary a reasonable opportunity to comment in writing with regard to such undertaking and its effect upon the park, and shall give due consideration to any comments made by the Secretary and to the effect of such undertaking on the purposes for which the Park is established.

(h) Notwithstanding any other provision of law or of this section of this Act, information pertaining to the location and archeological and cultural resource contents of sites which are, or are proposed to become, a part of the park, may not be made available by the Secretary if, in his discretion, such divulgence might jeopardize the welfare and integrity of such sites.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $11,000,000 for acquisition and $500,000 for development.

MARTIN LUTHER KING, JUNIOR, NATIONAL HISTORIC SITE

SEC. 106. (a) In order to protect and interpret for the benefit, inspiration, and education of present and future generations the places where Martin Luther King, Junior, was born, where he lived, worked, and worshipped, and where he is buried, there is hereby established the Martin Luther King, Junior, National Historic Site in the State of Georgia. The national historic site shall consist of that real property in the city of Atlanta, Georgia, within the boundary generally depicted on the map entitled "Martin Luther King, Junior, National Historic Site Boundary Map," numbered NASM/SERO/20,109–C, and dated May 1980, together with the property known as 234 Sunset Avenue, Northwest. The map referred to in this subsection shall be on file and available for public inspection in the local and Washington, District of Columbia offices of the National Park Service, Department of the Interior.

(b) In furtherance of the purposes of this section, there is hereby established the Martin Luther King, Junior, Preservation District, which shall consist of the area identified as "Preservation District" in the map referred to in subsection (a) of this section.

(c) The Secretary shall administer the Martin Luther King, Junior, National Historic Site and Preservation District in accordance with the provisions of this section, and the provisions of law generally applicable to national historic sites, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7).

(d)(1) Within the national historic site the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, transfer, or exchange, lands and interests therein, except that property owned by the State of Georgia or any political subdivision thereof may be acquired only by donation.

(2) Notwithstanding the acquisition authority contained in paragraph (1), any lands or interests therein which are owned wholly or in part, by the widow of Martin Luther King, Junior, or by the Martin Luther King, Junior, Center for Social Change, shall be acquired only with the consent of the owner thereof, except that—

(A) the Secretary may acquire such property in accordance with the provisions of this section if he determines that the property is undergoing or is about to undergo a change in use which is inconsistent with the purposes of this section, and

(B) with respect to properties owned by the Center for Social Change, the Secretary shall have the first right of refusal to purchase such property for a purchase price not exceeding the fair market value of such property on the date it is offered for sale.

(3) Property may be acquired pursuant to this section subject to such conditions and reservations as in the judgment of the Secretary are not inconsistent with the purposes of this section and the administration of the national historic site, including, in the event that the burial site of Martin Luther King, Junior, is acquired, the condition that his widow may be interred therein.

(4) Any and all legal or equitable title, interests or encumbrances, if any, held by the Department of Housing and Urban Development in the property designated "Parcel A" on the map referenced in section 106(a) are hereby conveyed to the Secretary to be administered in accordance with the purposes of this section.

(5) Structural space requirements of the National Park Service to meet its administrative, operational and interpretive functions for the national historic site and preservation

district shall, to the maximum extent feasible without displacing residents, be met within the district through the adaptive use of existing structures.

(e) Within the national historic site, the Secretary may convey a freehold or leasehold interest in any property, for such sums as he deems appropriate, and subject to such terms and conditions and reservations as will assure the use of the property in a manner which is, in the judgment of the Secretary, consistent with the purposes of this section and the administration of the national historic site. The Secretary shall offer the last owner or tenant of record a reasonable opportunity to purchase or lease, as appropriate, the property proposed to be conveyed prior to any conveyance under this paragraph, and in the case of a lease to such tenant of record, the initial rental charge shall not be substantially more than the last rent paid by the tenant for that property, with any future increases not to exceed the general escalation of rental rates in the surrounding area.

(f) The Secretary may enter into cooperative agreements with the owners of properties of historical or cultural significance as determined by the Secretary, pursuant to which the Secretary may mark, interpret, improve, restore, and provide technical assistance with respect to the preservation and interpretation of such properties. Such agreements shall contain, but need not be limited to, provisions that the Secretary shall have the right of access at reasonable times to public portions of the property for interpretive and other purposes, and that no changes or alterations shall be made in the property except by mutual agreement. The authorities in this paragraph shall also be available to the Secretary with respect to properties within the Martin Luther King, Junior, Preservation District.

(g) The Secretary may, in carrying out his authorities with respect to the interpretation of properties within the national historic site and the preservation district, accept the services and assistance, with or without reimbursement therefor, of qualified persons and entities to the extent he deems necessary and appropriate. Funds appropriated for the purposes of this section may be expended for the improvement, restoration, and maintenance of properties in which the Secretary has acquired a leasehold interest.

(h) Notwithstanding any other provision of law, the Secretary shall give first preference to the Martin Luther King, Junior, Center for Social Change with respect to any contract for a concession to sell books, postcards, tapes, or similar types of appropriate mementos related to the purposes of this section, on facilities operated and maintained by the Secretary within the historic site: *Provided*, That agreement can be reached on terms and conditions accceptable to the Secretary.

(i) The Secretary is authorized to take only such actions within and upon the grounds of the Ebenezer Baptist Church as will directly support appropriate public visitation to and within the church in accordance with the purposes of this section, or which will assist in the maintenance or preservation of those portions of said church which are directly related to the purposes of this section.

(j)(1) There is hereby established the Martin Luther King, Junior, National Historic Site Advisory Commission (hereinafter referred to in this section as the "Commission"). The Commission shall consist of thirteen members, nine of whom shall be appointed by the Secretary as follows:

(A) three members appointed for terms of three years from recommendations submitted by the governing body of the Martin Luther King, Junior, Center for Social Change;

(B) two members appointed for terms of four years from recommendations submitted by the Governor of the State of Georgia, one of whom shall have professional expertise in historic preservation matters;

(C) two members appointed for terms of five years from recommendations submitted by the mayor of the city of Atlanta, Georgia, one of whom shall represent the economic and cultural interests of the Sweet Auburn Historic District;

(D) one member appointed for a term of five years from recommendations submitted by the governing body of the Ebenezer Baptist Church;

(E) the Chairman of the Atlanta Urban Design Commission and one additional member from the Commission to be chosen by the Commission; and

(F) one member, appointed for a term of five years by the Secretary, who shall chair the Commission. In addition to the foregoing members, Mrs. Coretta Scott King, or such other appropriate family member as may be designated by the immediate family of Martin Luther King, Junior, and the Director of the National Park Service shall be ex officio members of the Commission.

(2) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made. Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses of Commission members reasonably incurred by them in carrying out their responsibilities under this section upon presentation of vouchers signed by the chair of the Commission. Necessary administrative services and expenses shall be provided to the Commission by the Department of the Interior.

(k) The function of the Commission shall be to:

(1) advise the Secretary with respect to the formulation and execution of plans for and the overall administration of the national historic site and the preservation district, including advice with respect to the consummation of cooperative agreements, the interpretation of properties, and the use and appreciation of the national historic site and the preservation district by the public.

(2) prepare a generalized impact area plan for a one-mile radius outside the District which shall examine overall community development goals, plans, and efforts within that area, including historic preservation, transportation, parking, housing, urban revitalization, and parks and recreation functions, in order to maximize beneficial relationships between these goals, plans, and efforts and the district herein established.

(3) prepare, on the basis of the findings and recommendations of the impact area plan required by section 106(K)(2), a detailed development Plan for the neighborhoods and outlying commercial areas immediately outside the district for such development, conservation, preservation, rehabilitation activities and transportation, parking, and land use planning as would complement and enhance the District and the purposes for which the District is established.

(l) The Secretary is directed to provide the appropriate planning agency of the city of Atlanta an amount of the local planning funds authorized by section 106(O) sufficient for that agency to provide such staff and technical assistance to the Advisory Commission as are required for it to develop the plans required by section 106(K)(2) and section 106(K)(3). Such plans, prepared in full coordination with and opportunities for participation by, all relevant public agencies and private groups, shall be delivered to the Secretary in a timely fashion for use in preparing the general management plan for the district.

(m) The Commission shall terminate ten years from the effective date of this section.

(n) Notwithstanding any other provision of law, no fees shall be charged for entrance or admission to the national historic site or the preservation district.

(o) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $1,000,000 for development, $100,000 for local planning, and $3,500,000 for the acquisition of lands and interests therein.

(p)(1) In order to better integrate the east and west portions of the Martin Luther King, Junior Preservation District, the Federal Highway Administration, in cooperation with the Georgia Department of Transportation, is hereby directed to insure that any design and reconstruction of the North Interstate 85 and Interstate 75 Expressway over Auburn and Edgewood Avenues in the city of Atlanta, Georgia, and the interchange at Edgewood Avenue, shall minimize the adverse impacts on the preservation district.

(2) In carrying out the provisions of subsection (p)(1), the Federal Highway Administration shall require that, where feasible, any major change required for the Auburn Avenue overpass results in a design which permits a wider distance between overpass support structure and the disposition of understructure development rights for appropriate business or recreation uses.

(q) Plans for the construction, exterior renovation, or demolition of any structure or change in land use within the District of the National Park Service or any Federal agency must be submitted to the Atlanta Urban Design Commission in a timely fashion for its review and comment.

MARY M'LEOD BETHUNE NATIONAL HISTORIC SITE

SEC. 107. (a) The Secretary is authorized to designate the former home of Mary McLeod Bethune located on the Bethune-Cookman College campus in Daytona Beach, Florida, as the Mary McLeod Bethune National Historic Site.

(b) The national historic site established pursuant to this section shall be administered by the Secretary in accordance with this section and the provisions of law generally applicable to administration of national historic sites, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7) as a memorial to Mary McLeod Bethune. The Secretary is authorized directly or by means of cooperative agreements with the Mary McLeod Bethune Foundation to preserve, interpret, restore, adopt for public use, and provide technical assistance for the Mary McLeod Bethune National Historic Site in accordance with the provisions of this section.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $100,000 for the acquisition of lands and interests therein.

GENERAL MANAGEMENT PLANS

SEC. 108. Within three complete fiscal years from the effective date of this Act, the Secretary shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, comprehensive general management plans for the areas established pursuant to this title, pursuant to the provisions of section 12(b) of the Act of August 18, 1970 (84 Stat. 825; 16 U.S.C. 1a–1 et seq.). In the case of the area established in section 106, such plan shall also include the preservation district established in section 106(b).

TITLE II—MINOR BOUNDARY CHANGES

BIG BEND NATIONAL PARK

SEC. 201. The boundary of the Big Bend National Park in the State of Texas is hereby revised to include the lands and interests therein within the area generally depicted on the map entitled "Big Bend National Park Boundary Additions," numbered 155/80,019 and dated May 1980 which shall be on file and available for public inspection in the local and Washington, District of Columbia. Offices of the National Park Service, Department of the Interior. The Secretary is authorized to acquire the lands and interests therein added to the park by this section by donation, purchase with donated or appropriated funds, or exchange, except that lands and interests therein owned by the State of Texas or any political subdivision thereof may be acquired only by donation or exchange. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $1,500,000 for the acquisition of lands and interests therein.

MOUND CITY GROUP NATIONAL MONUMENT

SEC. 202. (a) In order to preserve in public ownership certain prehistoric archeological resources of outstanding significance for the benefit and education of the people of the United States, the boundary of Mound City Group National Monumental, Ohio, is revised to include lands within the area generally depicted as "Parcel X" on the map entitled "Hopeton Earthworks Study Area", numbered 353/40,025B, and dated May 1980, and within the area generally depicted as "Revised Monument Boundary" on the map entitled "Transfer of Jurisdiction, Mound City Group National Monument", numbered 353/40,001A, and dated March 1978, which maps shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior. With respect to the lands within "Parcel X" above, the lands may be acquired only in fee and shall be limited to the mound area depicted on the above reference map plus such other lands immediately adjacent to the mounds so as to assure adequate access and protection to the area: *Provided*, That the total area acquired in fee shall not exceed one hundred and fifty acres. Access to lands in the vicinity of the mounds by existing roadways shall in no manner be encumbered by Federal acquisition or by the administration of the monument.

(b) Within the boundary of the national monument, the Secretary is authorized to acquire lands and waters by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange. Notwithstanding any other provision of law to the contrary, Federal lands in the vicinity of the monument which are determined to be surplus to the needs of the United States shall upon the request of the Secretary be transferred to the Secretary for use by him in acquiring lands within the monument by exchange.

(c) The Secretary shall, in consultation with interested organizations and individuals, investigate other sites in the region which contain archeological data illustrating the prehistoric Hopewellian civilization that flourished in the eastern United States, and as a part of this investigation he shall identify those sites which he determines should be protected as part of the Mound City Group National Monument. Not later than two complete fiscal years from the effective date of this section, the Secretary shall transmit a report of his investigation to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, together with his recommendations for such further legislation as may be appropriate.

(d) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, not to exceed $1,000,000 for the acquisition of lands and waters and not to exceed $100,000 for the development of facilities and the conduct of archeological investigations on the properties acquired pursuant to this section.

LYNDON B. JOHNSON NATIONAL HISTORICAL PARK

SEC. 203. The Act entitled "An Act to establish the Lyndon B. Johnson National Historic Site," approved December 2, 1969 (83 Stat. 274) is amended—

(1) in the first section, by changing "by donation or by purchase with donated funds" to "by donation or by purchase with donated or appropriated funds" and by changing "drawing entitled 'Lyndon B. Johnson National Historic Site Boundary Map,' numbered NHS–LBJ–20,000 and dated September 1969" to "drawings entitled 'Boundary Map, Lyndon B. Johnson National Historical Park,' numbered 447–40,008B and 447–40,000A, and dated January 1980";

(2) in section 3, by changing "not more than $680,000 to provide for the development of" to "such sums as may be necessary to carry out the provisions of this Act, but not more than $4,100,000 for development and not more than $1,400,000 for the acquisition of lands and interests therein for"; and

(3) by changing "National Historic Site" wherever it appears to "National Historical Park".

PALO ALTO NATIONAL BATTLEFIELD

SEC. 204. (a) Section 506 of the National Parks and Recreation Act of 1978 (92 Stat. 3467), authorizing the establishment of the Palo Alto Battlefield National Historic Site, is amended by deleting the first and second sentences of subsection (b) and inserting in lieu thereof the following: "The boundary of the National Historic Site, which is hereby redesignated as the Palo Alto National Battlefield, shall be as generally depicted on the map entitled 'Recommended Boundary, Palo Alto Battlefield National Historic Site, Brownsville, Texas,' numbered 469/40,003, and dated January 1980, which shall be on file and available for public inspection in the local and Washington, District of Columbia, offices of the National Park Service, Department of the Interior. The Secretary is authorized to acquire lands and interests therein within the boundary of the historic site by donation, purchase with donated or appropriated funds, or exchange."

(b) Subsection (c) of such section 506 is amended to read as follows:

"(c) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not more than $8,425,000 for the acquisition of lands and interests therein, and not more than $3,000,000 for the development of facilities."

GRANT-KOHRS RANCH NATIONAL HISTORIC SITE

SEC. 205. The Act entitled "An Act to authorize the establishment of the Grant-Kohrs Ranch National Historic Site in the State of Montana, and for other purposes," approved August 25, 1972 (86 Stat. 632) is amended—

(1) by inserting the following after the period in the first section: "The boundary of the National Historic Site shall be as generally depicted on the map entitled, 'Boundary Map, Grant-Kohrs Ranch National Historic Site,' numbered 451–80–013, and dated January 25, 1980, which shall be on file and available for public inspection in the local and Washington, District of Columbia, offices of the National Park Service, Department of the Interior."; and

(2) by striking out "$752,000" and "$2,075,000" in section 4 and inserting in lieu thereof "$1,100,000" and "$7,818,000," respectively.

RICHMOND NATIONAL BATTLEFIELD PARK

SEC. 206. (a) In order to properly recognize and interpret the role of black soldiers in the Civil War and to commemorate a decisive battle in which fourteen medals of honor were awarded, the Secretary is authorized to acquire 201 acres of land in Henrico County, Virginia, as depicted on a map entitled "Proposed Richmond National Battlefield Park Expansion" numbered RCH–80,006 and dated April 1980, for addition to the Richmond National Battlefield Park.

(b) The Secretary shall administer the property acquired pursuant to subsection (a) of this section as part of the Richmond National Battlefield Park in accordance with this section and the provisions of law generally applicable to national historic sites, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7).

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $2,600,000 for acquisition.

GOLDEN GATE NATIONAL RECREATION AREA

SEC. 207. The Act of October 27, 1972 (86 Stat. 1299; 16 U.S.C. 460bb) is amended as follows:

(1) in subsection 2(a), at the end thereof, add the following: "For the purposes of this Act, the southern end of the town of Marshall shall be considered to be the Marshall Boat Works. The following additional lands are also hereby included within the boundaries of the recreation area: Marin County Assessor's parcel numbered 119–040, 04, 119–040–05, 119–040–18, 166–202–03, 166–010–06, 166–010–07, 166–010–24, 166–010–25, 119–240–19, 166–010–10, 166–010–22, 119–240–03, 119–240–51, 119–240–52, 119–240–54, 166–010–12, 166–010–13, and 119–235–10. The recreation area shall also include the lands and waters in San Mateo County generally depicted on the map entitled 'Sweeney Ridge Addition, Golden Gate National Recreation Area', numbered NRA GG–80,000–A, and dated May 1980.";

(2) strike out "map" in section 2(b) and substitute "maps";

(3) by adding "Point Montara," after "Point Diablo," in section 3(g);

(4) add the following at the end of section 3(h): "That property known as the Pillar Point Military Reservation, under the jurisdiction of the Secretary of Defense, shall be transferred to the administrative jurisdiction of the Secretary at such time as the property, or any portion thereof, becomes excess to the needs of the Department of Defense.";

(5) add at the end of section 3 the following:

"(p) With reference to those lands known as the San Francisco water department property shown on map numbered NRA GG–80,000–A, the Secretary shall administer such land in accordance with the provisions of the documents entitled 'Grant of Scenic Easement', and 'Grant of Scenic and Recreation Easement', both executed on January 15, 1969, between the city and county of San Francisco and the United States, including such amendments to the subject document as may be agreed to by the affected parties subsequent to the date of enactment of this subsection. The Secretary is authorized to seek appropriate agreements needed to establish a trail within this property and connecting with a suitable beach unit under the jurisdiction of the Secretary.";

(6) in subsection 5(b), change "seventeen" to "eighteen", change "three" to "five" and add at the end thereof: "Provided, That the terms of those members who have been either appointed or reappointed subsequent to January 1, 1979, shall be extended so as to expire not before June 1, 1985.";

(7) insert a comma and the phrase "San Mateo," after "Marin" in section 5(e); and

(8) in subsection 5(g), change "ten" to "twenty".

MONOCACY NATIONAL BATTLEFIELD

SEC. 208. (a) The Act entitled "An Act to establish a National Military Park at the battlefield of Monocacy, Maryland" approved June 21, 1934 (48 Stat. 1198) is amended by revising the first section thereof to read as follows:

"That in order to commemorate the Battle of Monocacy, Maryland, and to preserve for historical purposes the breastworks, earthworks, walls, or other defenses or shelters used by the armies therein, the battlefield at Monocacy in the State of Maryland is hereby established as the Monocacy National Battlefield. The battlefield shall comprise the area within the boundary generally depicted on the map entitled 'Monocacy National Battlefield,' numbered 894/40,001A, and dated April 1980, which shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior."

(b) In addition to other funds available for purposes of the park referred to in subsection (a), there is authorized to be appropriated up to an additional $725,000 for acquisition of lands and interests in lands and $1,250,000 for development.

BOSTON NATIONAL HISTORICAL PARK

SEC. 209. The Boston National Historical Park Act of 1974 (88 Stat. 1184) is amended by inserting the following after the first sentence of subsection 2(d): "As used in this section, the Charlestown Navy Yard shall also include the properties known as the Ropewalk and Tar House and the Chain Forge and Round House, designated on such map as buildings numbered 58, 60, and 105."

PINNACLES NATIONAL MONUMENT

SEC. 210. Subsection 4(b) of the Act entitled "An Act to designate certain lands within units of the National Park System as wilderness; to revise the boundaries of certain of those units; and for other purposes," approved October 20, 1976 (90 Stat. 2692, 2694), is amended by revising the proviso to the first sentence in paragraph (2) to read as follows: "Provided, however, That, except for not more than approximately three and thirty-five one-hundredths acres designated herein as wilderness and approximately eleven and thirteen one-hundredths acres designated herein as potential wilderness additions, which may be excluded pursuant to an exchange consummated in accordance with paragraph (3) of this subsection, lands designated as wilderness pursuant to this Act may not be excluded from the monument."

GOLDEN SPIKE NATIONAL HISTORIC SITE

SEC. 211. (a) Section 1 of the Act entitled "An Act to authorize the Secretary of the Interior to acquire lands for, and to develop, operate, and maintain, the Golden Spike National Historic Site", approved July 30, 1965 (79 Stat. 426) is amended by striking out "Proposed Golden Spike National Historic Site, Utah, prepared by the National Park Service, Southwest Region, dated February 1963" and inserting in lieu thereof "Boundary Map, Golden Spike National Historic Site, Utah, numbered 431–80,026, and dated December 6, 1978".

(b) Section 3 of such Act is amended by striking out "$5,422,000, as may be necessary for the acquisition of land and interests in land and for the development" and inserting in lieu thereof "$348,000 for the acquisition of land and interests in land and $5,324,000 for development".

(c) Within two years from the effective date of this section, the Secretary shall complete and submit, in writing, to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a report on the feasibility of providing passenger rail service from the city of Ogden, Utah, to the Golden Spike National Historic Site. Said report shall include an assessment of existing rail facilities and rolling stock, additional development as might be required, as well as alternatives with respective costs for the operation of passenger rail service. There is hereby authorized to be apporpriated not to exceed $100,000 to carry out the provisions of this subsection.

STONES RIVER NATIONAL BATTLEFIELD

SEC. 212. The Act entitled, "An Act to revise the boundary and change the name of the Stones River National Military Park, Tennessee, and for other purposes", approved April 22, 1960 (74 Stat. 82) is amended—

(1) by striking out "not to exceed seven acres" in the first section and inserting in lieu thereof "not to exceed two hundred and seventy acres"; and

(2) by adding the following new section at the end thereof:

"SEC. 4. For the purpose of acquiring lands and interests in lands authorized to be acquired by action of the Ninety-sixth Congress, there is authorized to be appropriated not to exceed $4,500,000.".

HARPERS FERRY NATIONAL HISTORICAL PARK

SEC. 213. The Act of June 30, 1944 (58 Stat. 645; 16 U.S.C. 450bb) is amended by:

(1) changing "'Boundary Map, Harpers Ferry National Historical Park' numbered 385–80,021A and dated April 1979" to "'Boundary Map, Harpers Ferry National Historical Park', numbered 385–80,021B and dated April 1980" and changing "two thousand, four hundred and seventy-five acres" to "three thousand acres" in section 1; and

(2) changing "$1,600,000" to "$2,500,000" in section 4.

TITLE III—ACQUISITION AND DEVELOPMENT CEILING INCREASES

BIG THICKET NATIONAL PRESERVE

SEC. 301. Section 6 of the Act of October 11, 1974 (88 Stat. 1254; 16 U.S.C. 698), is amended by adding the following at the end thereof: "In addition to the amounts appropriated through fiscal year 1980 for the acquisition of lands and interests in lands, and in addition to any other amounts which are available through section 7(a)(3) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 987; 16 U.S.C. 4601), there is hereby authorized to be appropriated not to exceed $8,400,000 for acquisition.".

CORONADO NATIONAL MEMORIAL

SEC. 302. Section 301 of the National Parks and Recreation Act of 1978 (92 Stat. 3467, 3473) is amended by striking out "$1,410,000" in paragraph (4) and inserting in lieu thereof "$2,875,000".

HAMILTON GRANGE NATIONAL MEMORIAL

SEC. 303. Section 3 of the Joint Resolution of April 27, 1962 (76 Stat. 57) is amended by changing "$460,000" to "$960,000".

ROGER WILLIAMS NATIONAL MEMORIAL

SEC. 304. Section 4 of the Act of October 22, 1965 (79 Stat. 1069) entitled "An Act to provide for the establishment of the Roger Williams National Memorial in the city of Providence, Rhode Island, and for other purposes" is amended to read as follows:

"SEC. 4. There are hereby authorized to be appropriated not more than $146,000 for the acquisition of lands and interests in land and not more than $1,862,000 for the development of the Roger Williams National Memorial, as provided in this Act.".

TITLE IV—GENERAL ADMINISTRATIVE AUTHORITIES

AMENDMENTS TO REPORTING REQUIREMENT

SEC. 401. Section 8 of the Act entitled "An Act to improve the administration of the national park system by the Secretary of the Interior, and to clarify the authorities applicable to the system, and for other purposes", approved August 18, 1970 (84 Stat. 825; U.S.C. 1a–1 et seq.), is amended as follows—

(1) at the end of the second sentence, insert the following new sentence: "Each such report shall indicate and elaborate on the theme(s) which the area represents as indicated in the National Park System Plan."; and

(2) at the end of the fifth sentence, insert the following new sentence: "Accompanying the annual listing of areas shall be a synopsis, for each report previously submitted, of the current and changed condition of the resource integrity of the area and other relevant factors, compiled as a result of continual periodic monitoring and embracing the period since the previous such submission or initial report submission one year earlier.".

LAND AND WATER CONSERVATION FUND ACT

SEC. 402. The Land and Water Conservation Fund Act of 1965 (78 Stat. 987; 16 U.S.C. 460*l*), is amended—

(1) by striking the last sentence of section 3;

(2) in subsection 4(a) by deleting the second sentence of paragraph (2) and substituting the following: "A 'single visit' means a more or less continuous stay within a designated area. Payment of a single visit admission fee shall authorize exits from and reentries to a single designated area for a period of from one to fifteen days, such period to be defined for each designated area by the administering Secretary based upon a determination of the period of time reasonably and ordinarily necessary for such a single visit.";

(3) by adding at the end of section 4(a) the following new paragraph:

"(5) The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit to any citizen of, or person domiciled in, the United States, if such citizen or person applies for such permit, and is blind or permanently disabled. Such procedures shall assure that such permit shall be issued only to persons who have been medically determined to be blind or permanently disabled for purposes of receiving benefits under Federal law as a result of said blindness or permanent disability as determined by the Secretaries. Such permit shall be nontransferable, shall be issued without charge, and shall entitle the permittee and any person accompanying him in a single, private, noncommercial vehicle, or alternatively, the permittee and his spouse and children accompanying him where entry to the area is by any means other than private, noncommercial vehicle, to general admission into any area designated pursuant to this subsection.";

(4) by amending the last sentence of section 4(b) to read as follows: "Any Golden Age Passport permittee, or permittee under paragraph (5) of subsection (a) of this section, shall be entitled upon presentation of such permit to utilize such special recreation facilities at a rate of 50 per centum of the established use fee.";

(5) in section 5, change "Ninety-fifth Congress" to "Ninety-sixth Congress";

(6) in section 7(a), within the paragraph numbered (3), change "Ninety-fifth Congress, or, in the case of national recreation areas, prior to the convening of the Ninety-sixth Congress" to "Ninety-sixth Congress";

(7) in section 7(c), change "January 1, 1965; and (ii) acquire by donation, purchase with donated funds," to "January 1, 1961; and (ii) acquire by donation, purchase with donated or appropriated funds,"; and

(8) by revising the last sentence of sec-

tion 10 to read as follows: "The Secretary may expend not more than $1,000,000 or 1 per centum of the amount appropriated from the Fund for Federal purposes in each fiscal year, whichever is greater, to acquire such options in that year.".

TITLE V—MISCELLANEOUS PROVISIONS

REGIONAL OFFICE STUDY

SEC. 501. The National Park Service shall conduct a comprehensive cost effectiveness study of the operations of each of its nine regional offices. Such study shall include an analysis of and proposals for reducing costs without closing down the operations of any regional office. Such study shall be presented to the appropriate committees of Congress as part of the proposed fiscal year 1982 budget. The Park Service is hereby prohibited from curtailing the current level of operations in any of its regional offices until October 1, 1981.

LOWELL NATIONAL HISTORICAL PARK

SEC. 502. Title III of the Act entitled "An Act to provide for the establishment of the Lowell National Historical Park in the Commonwealth of Massachusetts, and for other purposes"; approved June 5, 1978 (92 Stat. 290; 16 U.S.C. 410cc et seq.), is amended by adding at the end thereof the following new section:

"USE OF FUNDS

"SEC. 307. (a) Any revenues or other assets acquired by the Commission by donation, the lease or sale of property or fees for services shall be available to the Commission, without fiscal year limitation, to be used for any function of the Commission authorized under this Act. The Commission shall keep financial records fully disclosing the amount and source of revenues and other assets acquired by the Commission, and shall keep such other financial records as the Secretary may prescribe.

"(b) The Secretary shall require audits of the financial records of the Commission to be conducted not less frequently than once each year in order to ensure that revenues and other assets of the Commission are being used in a manner authorized under this Act.".

GATEWAY NATIONAL RECREATION AREA

SEC. 503. The Act of October 27, 1972 (86 Stat. 1308), is amended—

(1) in subsection 3(b) by deleting the word "constructed" and by adding at the end thereof: "To inform the public of the contributions of Representative Ryan to the creation of the recreation area, the Secretary shall provide such signs, markers, maps, interpretive materials, literature, and programs as he deems appropriate. Not later than December 31, 1980, the Secretary shall take such additional actions as he deems appropriate to recognize and commemorate the contributions of Representative Ryan to the recreation area."; and

(2) in subsection 4(b), by changing "eleven members" in the first sentence to "fifteen members" and by changing "three members" in paragraph (5) to "seven members".

CUYAHOGA VALLEY NATIONAL RECREATION AREA

SEC. 504. (a) The Act entitled "An Act to provide for the establishment of the Cuyahoga Valley National Recreation Area", approved December 27, 1974 (88 Stat. 1784), is amended by inserting the following new subsections at the end of section 4:

"(g) (1) Whenever any land within the recreation area is acquired for purposes of this Act, if, immediately before its acquisition—

"(A) a mobile home was located on such land,

"(B) such mobile home was owned by an individual and occupied by said individual as a principal place of residence and was so owned and occupied by said individual on May 1, 1980, and

"(C) such land was owned by a person other than the individual referred to in subparagraph (B),

the Secretary may enter into a nonassignable lease providing for the continued use by such individual of such land for such purposes. In carrying out this subsection, the Secretary shall use the authority set forth in paragraph (2) to enter into a leasing and management contract unless he determines, after consultation with residents of mobile homes within the recreation area, that the use of such authority would not be compatible with the well-being of such residents or would not protect the interests of the United States.

"(2) The Secretary may enter into a contract with any person to carry out the leasing arrangements described in paragraph (1) and to manage the land subject to such leasing arrangements. The contract shall contain such terms and conditions as the Secretary deems necessary or appropriate to protect the interest of the United States and to protect the well-being of the residents of the land managed pursuant to such contract. Any person who, immediately prior to its acquisition by the Secretary, owned land to be leased by the Secretary under this subsection shall be entitled to a right of first refusal to enter into a contract under this paragraph. If such person does not enter into such a contract with the Secretary, the Secretary may enter into such a contract with any individual described in paragraph (1) (B). If no such individual enters into such a contract with the Secretary, the Secretary may enter into such a contract with any other appropriate person.

"(3) Whenever the Secretary has entered into a contract described in paragraph (2), he may provide, under such contract, for the leasing of land described in paragraph (1) to individuals other than the individuals referred to in paragraph (1)(B), but no such lease may be entered into under this paragraph unless the Secretary has first offered to lease such land to the individuals referred to in paragraph (1)(B).

"(4) A lease entered into under this subsection may provide for the use by the lessee of the land subject to such lease for any specified period of time acceptable to the lessee, but no lease entered into by the Secretary under this subsection may permit the use of such land by a lessee beyond the date 15 years after the original effective date of this Act.

"(5) Any lease entered into under this subsection may require the lessee to assume all or a portion of the cost of maintenance of the leased premises and the utility services associated with such premises. The Secretary shall have no responsibility to install additional facilities to ensure that mobile homes remaining within the recreation area pursuant to this subsection comply with any Federal or State law relating to utilities or water quality.

"(6) The lessee of any property leased under this subsection shall be permitted, pursuant to such lease, to make reasonable improvements to such property.

"(7) In managing any land leased under this subsection, and before entering into any management contract under paragraph (2), the Secretary shall take into account the views of the occupants of the mobile homes to which this subsection applies.

"(8) The Secretary may enter into leases under this subsection without regard to any requirements (including requirements relating to competitive bidding) under any law (other than this subsection) or rule of law applicable to the leasing of Federal property. The Secretary may enter into a contract under paragraph (2) with any person who, immediately prior to its acquisition by the Secretary, owned land to be leased by the Secretary under this subsection without regard to any requirements (including requirements relating to competitive bidding) under any law (other than this subsection) or rule of law applicable to contracts with the United States.".

(b) Section 2 of such Act is amended by adding the following new subsection at the end thereof:

"(h) Following the acquisition by the Secretary of any land on which there is located a mobile home described in section 4(g) (1), if the owner-occupant of such mobile home referred to in section 4(g) (1) (B) elects to move to any dwelling outside the recreation area before the expiration of the 15-year period beginning on the original effective date of this Act, such owner-occupant shall be deemed to be eligible for additional payments under section 203 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 in the same manner and to the same extent as if such mobile home were real property acquired by the Secretary. For purposes of applying the provisions of such section 203, 'a comparable replacement dwelling' shall include a mobile home or any other dwelling of comparable value to the mobile home located on the land from which such owner-occupant elects to move.".

(c) The first sentence of section 4(f) of such Act is amended by inserting "or at the request of the Cuyahoga Valley Communities Council" before the words "assist and consult" and by striking out "in establishing zoning laws" and inserting in lieu thereof "or with the appropriate members or officers of the Cuyahoga Valley Communities Council in establishing or coordinating zoning laws".

(d) Section 6(a) of such Act is amended by adding the following at the end thereof: "Effective October 1, 1981, in addition to other amounts authorized to be appropriated for such purposes (including amounts authorized under Public Law 96-203 or under any other provisions of law), there is further authorized $12,000,000 to be appropriated for the acquisition of lands and interests in lands.".

MOORES CREEK NATIONAL BATTLEFIELD

SEC. 505. The area formerly known as "Moores Creek National Military Park", established pursuant to the Act of June 2, 1926 (44 Stat. 684), shall henceforth be known as the "Moores Creek National Battlefield".

SAN ANTONIO MISSIONS NATIONAL HISTORICAL PARK

SEC. 506. Section 201(e)(1) of the Act entitled "An Act to amend the Pennsylvania Avenue Development Corporation Act of 1972; to provide for the establishment of the San Antonio Missions National Historical Park; and for other purposes", approved November 10, 1978 (92 Stat. 3635), is amended—

(1) by changing "seven members" in the first sentence to "eleven members", and

(2) by changing "two members" in paragraph (F) to "six members".

FOLGER LIBRARY, CORCORAN GALLERY, AND ARENA STAGE

SEC. 507. Pursuant to section 2(e) of the Act of August 21, 1935 (49 Stat. 666), the Secretary may provide financial assistance for the maintenance and protection of the Folger Library and the Corcoran Gallery of Art and the Arena Stage. No assistance shall be provided to the Arena Stage unless and until it is entered in the National Register of Historic Places. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

KEITH SEBELIUS LAKE

SEC. 508. The water impounded by the Norton Dam, a component of the Almena Unit of the Pick-Sloan Missouri River Basin project, in the State of Kansas, constructed under the general authority of the Act of July 24, 1946 (60 Stat. 641 et seq.) is hereby designated and hereafter shall be known as the "Keith Sebelius Lake". Any law, regulation, record, map, or other document of the United States referring to the waters impounded by the Norton Dam unit of this project shall be held to refer to the "Keith Sebelius Lake", and any future regulations, records, maps, or other documents of the United States, in reference to these waters, shall bear the name "Keith Sebelius Lake".

OVERMOUNTAIN VICTORY TRAIL

SEC. 509. The National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by inserting the following new paragraph at the end of section 5(a):

"(9) The Overmountain Victory National Historic Trail, a system totaling approximately two hundred seventy-two miles of trail with routes from the mustering point near Abingdon, Virginia, to Sycamore Shoals (near Elizabethton, Tennessee); from Sycamore Shoals to Quaker Meadows (near Morganton, North Carolina); from the mustering point in Surry County, North Carolina, to Quaker Meadows; and from Quaker Meadows to Kings Mountain, South Carolina, as depicted on the map identified as Map 3—Historic Features—1780 in the draft study report entitled "Overmountain Victory Trail" dated December 1979. The map shall be on file and available for public inspection in the Office of the Director, National Park Service, Washington, District of Columbia. The trail shall be administered by the Secretary of the Interior.".

THEODORE ROOSEVELT INAUGURAL NATIONAL HISTORIC SITE

SEC. 510. The first two sections of the Act entitled "An Act to provide for the acquisition and preservation of the real property known as the Ansley Wilcox House in Buffalo New York, as a national historic site", approved November 2, 1966 (Public Law 89-708), are amended to read as follows: "That, notwithstanding any other provision of law, the Secretary of the Interior shall acquire on behalf of the United States the real property described in section 3 of this Act, known as the Ansley Wilcox House, which real property is of national historic significance as the place in which Theodore Roosevelt took the oath of office as President of the United States on September 14, 1901, following the assassination of President William McKinley. Such property is hereby designated as the Theodore Roosevelt Inaugural Natonal Historic Site.

"SEC. 2. (a) Notwithstanding any other provision of law, the property referred to in the first section of this Act shall be administered by the Secretary of the Interior, acting through the National Park Service, in accordance with this section and provisions of law generally applicable to units of the national park system, including the Act entitled 'An Act to establish a National Park Service, and for other purposes', approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), and the provisions of the Act entitled 'An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance and for other purposes', approved August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–7)

"(b) The Secretary of the Interior shall enter into cooperative agreements with the Theodore Roosevelt Inaugural Site Foundation or other qualified public or private entities for the operation, maintenance, management, development, and interpretation of the Theodore Roosevelt Inaugural National Historic Site.

"(c) Notwithstanding any other provision of law, the Department of the Interior share in any fiscal year of the annual operating costs of the Theodore Roosevelt Inaugural National Historic Site shall not exceed two-thirds of such operating cost."

ROGERS C. B. MORTON RECOGNITION

SEC. 511. The Secretary is authorized to commemorate, at Assateague Island National Seashore, Maryland, the contributions of Rogers C. B. Morton, as a Member of Congress, and later as Secretary of the Interior, toward the development of the Seashore and to conservation in general. Such commemoration shall be in the form of an appropriate plaque or monument, suitably located, or may subsequently take the form of dedication of a suitable structure. Within one year of the effective date of this section, the Secretary shall inform, in writing, the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, as to actions he has taken to implement the provisions of this section.

FALLS OF OHIO STUDY

SEC. 512. The Secretary shall conduct a study to determine appropriate measures to protect and interpret for the benefit and education of the public the Falls of the Ohio, including a three-hundred-million-year-old fossilized coral reef which is exposed along the Ohio River in the vicinity of Louisville, Kentucky, and Jeffersonville, Indiana. The Secretary shall, in the course of the study, consult with and seek the advice of, appropriate scientific organizations and representatives of interested municipal, State, and other Federal agencies. Not later than two complete fiscal years from the effective date of this section, the Secretary shall transmit a report of the study, including the estimated costs of alternative measures that may be undertaken to protect and interpret the resources of the area for the public, to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, together with his recommendations for such further legislation as may be appropriate.

UPPER MISSOURI RIVER

SEC. 513. Section 3(a) of the Wild and Scenic Rivers Act is amended in paragraph (22) by changing "which may be established" in the eighth sentence to "which shall be established".

METROPOLITAN AREA RIVER CORRIDOR COMMISSION

SEC. 514. (a) The Congress finds that the Mississippi, Saint Croix, and Minnesota River corridors that traverse the metropolitan area of Saint Paul and Minneapolis—

(1) have played important roles in the development of the region;

(2) represent a significant historical resource, worthy of preservation as an educational benefit for present and future generations;

(3) represent a significant recreational resource, which would benefit a large population in the immediate vicinity; and

(4) are a continuing vital economic resource for the area.

(b) There is hereby established the Metropolitan Area River Corridor Commission (hereinafter referred to as the "Commission") to consider the resources of the Mississippi, Saint Croix, and Minnesota River corridors in the Saint Paul and Minneapolis metropolitan area and to make recommendations to the President and to Congress as to the policy which would maximize the educational and recreational benefits of the corridor in a manner compatible, as far as practicable, with the economic utilization of the resource.

(c) The Commission shall consist of 11 members, as follows:

(1) The Secretary, who shall serve as Chairman of the Commission.

(2) The Secretaries of Housing and Urban Development, Commerce, Transportation, and the Army, or their representatives.

(3) Six remaining members appointed by the Secretary.

The Secretary shall consider the recommendations of the Governor, the Metropolitan Council, and the Chairman of the Mississippi River Basin Commission for these positions and shall seek to include on the Commission representatives of the present and potential users of the resources of the river.

(d) All members of the Commission shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Commission.

(e) Financial and administrative services (including those relating to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided for the Commission by the General Services Administration, for which payments shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of the General Services Administration. The regulations of the Department of the Interior for the collection of indebtedness of personnel resulting from erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds shall apply to appropriations for the Commission. The Commission shall not be required to prescribe such regulations.

(f) The Commission shall have power to appoint and fix the compensation of such additional personnel as may be necessary to carry out its duties without regard to the provisions of the civil service laws and the Classification Act of 1949.

(g) The Commission may also procure, without regard to the civil service laws and the Classification Act of 1949, temporary and intermittent services to the same extent as is authorized for the executive departments by section 15 of the Administrative Expenses Act of 1946, but at rates not to exceed $100 per diem for individuals.

(h) The members of the Commission specified in paragraph (1) and paragraph (2) of subsection (c) shall provide the Commission, on a reimbursable basis, with such facilities and services under their jurisdiction and control as may be needed by the Commission to carry out its duties to the extent that such facilities and services are requested by the Commission and are otherwise available for that purpose. To the extent of available appropriations, the Commission may obtain, by purchase, rental, donation, or otherwise, such additional property, facilities, and services as may be needed to carry out its duties. Upon the termination of the Commission all property, personal and real, and unexpended funds shall be transferred to the Secretary.

(i) The Commission shall submit a plan to the President and the Congress within two complete fiscal years after the effective date of this Act. This plan shall contain, but not be limited to, findings with respect to the historic, cultural, commercial, educational, recreational, scenic, and natural values of the resources involved and recommendations for the preservation and utilization of those resources.

(j) In the development of the plan, the Commission shall, to the extent practicable—

(1) review and utilize existing studies on the resource;

(2) consider existing uses and development of the resource; and

(3) encourage public participation.

(k) There are hereby authorized to be appropriated $300,000 for the preparation of the plan authorized by this section.

GERALD R. FORD STUDY

SEC. 515. The Secretary is authorized to review and study sites and structures associated with the life and work of former

President Gerald R. Ford, and to submit in accordance with the provisions of section 120 of Public Law 96–199, a report of his study, together with his recommendation as to the most appropriate site for designation as a national historic site in commemoration of former President Ford. The Secretary shall, in conducting his review and formulating his recommendation under this section, consult with, and give due regard to the advice and recommendations of, former President Ford.

GEORGE MEANY STUDY

SEC. 516. In order to provide for the appropriate commemoration of George Meany, past president of the American Federation of Labor and Congress of Industrial Relations, and his contributions on behalf of the working people of the United States, the Secretary is authorized to investigate sites associated with the life and work of George Meany and to submit, within two complete fiscal years from the effective date of this Act, a report thereon to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The Secretary shall consult with representatives of the family of George Meany and the President of the American Federation of Labor and Congress of Industrial Relations as a part of his investigation.

MAN IN SPACE HISTORICAL STUDY

SEC. 517. The Secretary shall conduct, in consultation with the National Aeronautics and Space Administration, the Department of Defense, and any other entities considered by the Secretary to be appropriate, a study of locations and events associated with the historical theme of Man in Space. The purpose of such study shall be to identify the possible locations, components, and features of a new unit of the national park system commemorative to this theme, with special emphasis to be placed on the internationally historic event of the first human contact with the surface of the moon. The study shall investigate practical methodologies to permanently safeguard from change the locations, structures, and at least symbolic instrumentation features associated with this theme, and to display and interpret these for visitor appreciation. Governmental entities controlling these locations, structures, and features are hereby requested to preserve them from destruction or change during the study and congressional review period insofar as is possible. A comprehensive report derived from this study, including potential action alternatives, shall be submitted to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate no later than one complete fiscal year after the effective date of this section.

BENJAMIN FRANKLIN NATIONAL MEMORIAL

SEC. 518. The joint resolution entitled "Joint Resolution to designate Benjamin Franklin Memorial Hall at the Franklin Institute, Philadelphia, Pennsylvania, as the Benjamin Franklin National Memorial", approved October 25, 1972 (86 Stat. 1164), is amended by adding at the end the following new section:

SEC. 3. There is authorized to be appropriated to the Secretary of the Interior the sum of $350,000 to assist the Franklin Institute of Philadelphia, Pennsylvania, in renovating and refurbishing the Benjamin Franklin National Memorial.".

LIMITATION ON AUTHORIZATIONS

SEC. 519. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1980. Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

Amend the title so as to read: "A bill to provide, with respect to the national park system: for the establishment of new units; for adjustments in boundaries; for increases in appropriation authorizations for land acquisition and development; and for other purposes.".

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 3, as reported by the Committee on Interior and Insular Affairs, would, first, establish 7 new units of the national park system; second, adjust the boundaries of 13 additional areas; third, increase acquisition of development limitations at 4 other park areas; fourth, amend certain generic acts, principally the Land and Water Conservation Fund Act of 1965; and fifth, accomplish some 18 additional items, including directing the study of certain areas as potential units of the national park system, the designation of the Overmountain Victory National Historic Trail, and the authorization of assistance in renovating the Benjamin Franklin National Memorial.

H.R. 3, as amended, represents the efforts of the committee to review and process a diverse variety of issues relating to national parks and recreation programs which have been identified during the 96th Congress. As in previous Congresses, an omnibus bill incorporating several titles has been drafted and reviewed by the committee in order to effectively deal with the wide array of items which have been included in the amendment.

In December of 1979, the Subcommittee on National Parks and Insular Affairs conducted hearings on the new areas studies which had been submitted by the National Park Service. Title I of H.R. 3, as amended, is a direct outgrowth of those hearings, as the committee developed language which would include several of these areas into the national park system.

The Martin Luther King, Jr., National Historic Site proposal was separately studied by the agency, and the administration recommended enactment of this measure in a transmittal to the Congress in April 1980. The subcommittee conducted separate hearings on this item during this past month.

Title II includes a number of changes in the boundaries of existing units of the national park system. The changes at Mound City Group National Monument were considered as a result of the studies which were examined in the December hearings. Other expansions, such as those at Monocacy and Palo Alto National Battlefields, are a result of planning directed by the Congress when these areas were first authorized. These various adjustments serve to better protect existing park resources at various units around the country. Title III, in a similar vein, raises acquisition or development ceilings at four additional areas to permit existing programs to go forward.

Title IV includes amendments to the Land and Water Conservation Fund Act which would establish a program, similar to that existing for senior citizens, to permit blind and disabled persons to have free entrance to all areas in the national park system, as well as to receive a 50-percent reduction in charges for special uses such as camping. Other amendments to the act include a redefinition of single visit admissions to permit visitors staying outside a park to reenter the area, an increase in the flexibility of the Secretary to purchase limited options, and several other amendments previously passed by the House by this Congress.

Title V incorporates a variety of provisions, several of which direct certain studies to be performed. The National Park Service would conduct a review of sites which would commemorate the life and contributions of Gerald Ford, and would similarly review sites associated with the late George Meany. Studies would also be made of the Falls of the Ohio, located on the Kentucky-Indiana border, and of sites associated with the manned spaceflight efforts of the Nation. Other sections of title V include provisions of separate bills which have been introduced to accomplish such diverse purposes as to provide assistance for the renovation of the Benjamin Franklin National Memorial in Philadelphia and to rename the Ansley Wilcox property as the Theodore Roosevelt Inaugural National Historic Site.

In sum, H.R. 3 acts on the studies and reports which have been requested by both the committee and the Congress in previous years, and gives further direction to the executive branch in reviewing additional matters for the future consideration of the Congress.

Mr. Speaker, I would like to take this opportunity to commend those persons whose diligent efforts have enabled us to bring this bill to the floor today. If I may briefly mention Members of Congress in the order as their measures appear in H.R. 3:

Representative BILL STANTON has introduced H.R. 4668, to establish the James Garfield National Historic Site in Ohio. This has been incorporated as section 101 of the committee amendment.

Representative MANUEL LUJAN has led the way with H.R. 6773, establishing the Georgia O'Keeffe National Historic Site (an item long advocated by Representative SIDNEY YATES), and H.R. 5962, establishing the Salinas National Monument. These have been included as sections 102 and 103, respectively.

Our colleague on the committee, Representative Jonathan Bingham, is the author of H.R. 6407, to establish the Women's Rights National Historic Park. He was joined in this effort by Representative Gary Lee and other Members of this House. This proposal is included as section 104 of the committee amendment.

Representative Harold Runnels has worked within the committee process to make the inclusion of section 105, establishing the Chaco Culture National Historical Park, acceptable.

Section 106 of the measure, establishing the Martin Luther King, Jr., National Historic Site, has benefited from bipartisan support in the Georgia delegation, including among others Representatives Wyche Fowler and Newt Gingrich.

Coauthors of the Proposal

Mrs. Chisholm, Mr. Clay, Mrs. Collins, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Evans of the Virgin Islands, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gray, Mr. Hawkins, Mr. Leland, Mr. Mitchell of Maryland. Mr. Rangel, Mr. Stewart, Mr. Stokes, Mr. Robert Garcia, Mr. John Burton, Mr. Eckhardt, Mr. Weiss, Mr. Edwards, Mr. Stark, Mr. Miller, Mr. Fowler, Mr. Markey, Mr. Vento, Mr. Bingham, Mr. Won Pat, Mr. Kostmayer, Mr. Rahall, Mr. Patterson, Mr. Kogovsek, Mr. Carr, Mr. Udall, Mr. Cheney, Mr. Bereuter, and Mr. Whittaker.

Section 202, expanding the Mound City Group National Monument, was worked out with Representative William Harsha.

In title II, Members making particular contributions include Representatives J. J. Pickle, Bob Eckhardt, and Tom Loeffler whose long interest in the Lyndon B. Johnson National Historic Site is furthered in section 203. Representative Beverly Byron continues her good work in historic preservation, as shown by the expansion of the Monocacy National Battlefield in section 208.

The Speaker and Representative Joe Moakley continue to improve the Boston National Historical Park with the inclusion of additional historic buildings in the Charlestown Navy Yard, as evidenced by section 209.

Representative Leon Panetta has accomplished a worthwhile boundary adjustment in section 210, dealing with the Pinnacles National Monument.

Representative Gunn McKay has worked to improve our bill text in section 211, which will better protect the Golden Spike National Historic Site in Utah.

In title III, Representative Bob Eckhardt's diligent efforts to protect the remarkable Big Thicket in Texas have resulted in an increase in the land acquisition ceiling for this national preserve. Representatives Ed Beard and Fernand St Germain have been concerned with providing a full authorization for needed restoration and landscaping at the Roger Williams National Memorial, included as section 304.

In section 302, the adjustment to the acquisition ceiling at Coronado National Memorial is an example of the ongoing interest of the Chair of our committee, Representative Morris K. Udall, to see that this area is fully protected.

In title IV, the efforts of Representative Tony Coelho to improve the lot of the visitor who must pay an entrance fee for certain national park system units are reflected in section 402. This same section also establishes a free entrance permit program for blind and disabled visitors to our national park system. Representative Lamar Gudger of our committee has had a longstanding interest in this issue, and Representative Bill Lehman has introduced this issue as H.R. 526.

In title V, Representative Douglas Bereuter is the author, joining with John Cavanaugh, of section 501, requiring a proper evaluation of the regional offices of the National Park Service.

Representative James Shannon has worked for the improvement in the Lowell National Historical Park Act included in section 502.

Representatives Ted Weiss and Jonathan Bingham have collaborated in section 503 to increase the membership of the Gateway National Recreation Area and in the effort to see that our former, beloved colleague receive the recognition he so richly deserves for his decisive leadership in establishing the Gateway NRA.

Representative John Seiberling has authored the amendment to the Cuyahoga Valley National Recreation Area Act in section 504, which will improve the situation of certain affected residents in the area.

Representative Abraham Kazen has had included section 506, which would expand the Advisory Commission for San Antonio Missions National Historical Park.

Representatives James Broyhill and Lamar Gudger have worked with their entire North Carolina delegation to incorporate the designation of the Overmountain Victory National Historical Trail in section 509.

Representative Henry Nowak has authored H.R. 6025 to improve the status of the Theodore Roosevelt Inaugural National Historic Site, included here as section 510.

Representative Bob Bauman has taken the lead in section 510 to recognize the contributions of the late Rogers C. B. Morton at Assateague National Seashore.

Representatives Romano Mazzoli and Lee Hamilton have cooperated in H.R. 6644, and section 512 includes a study of the Falls of the Ohio River to lay the groundwork for the preservation of this important feature.

Representative Bruce Vento has acted to insure the homework will be done to protect the important river corridors in the Twin Cities area in section 514.

Finally, Representative Bill Gray and our colleague on the committee, Representative Peter Kostmayer, as well as Ray Lederer, have worked together to see that renovation of the Benjamin Franklin National Memorial can be carried out through section 518.

Mr. Speaker, I would also like to call attention to the special efforts made by those people who are not generally visible in this process, but who make enormous contributions to our efforts.

In the office of the legislative counsel, Pope Barrow has assisted this committee in countless legislative efforts. In this case, in particular, a complex bill such as H.R. 3 simply could not have been processed and reported in an expeditious manner without the personal efforts by Betty Gibson and Renate Kowalski of the same office.

Linda Gordon and Stowe Boyd of our Interior and Insular Affairs Committee staff gave invaluable aid in preparing the committee report in a timely manner.

There are those persons in the National Park Service whose particular staff efforts here have assisted the committee in a difficult time frame. Mike Lambe, Eldon Reyer, Art Eck, Terry Wood, Mike Finley and Patricia Jacubec are representatives of those committee people in the National Park Service who are in themselves a unique and important national resource.

Mr. Speaker, may I point out a special contribution to section 106 of this legislation, which establishes the Martin Luther King, Jr., National Historic Site. The enactment by the Congress of a Martin Luther King, Jr., National Historic Site will be one of several important legacies to the National Park Service and people of this Nation of former National Park Service Director William J. Whalen.

Mr. Whalen's personal commitment to the discussion with the King family and Center for Social Change in the development of this legislation was an important factor why the committee has the honor and privilege of bringing this legislation before the House today.

Also, Mr. Speaker, I have a personal and continuing interest in section 207, which adds lands to the Golden Gate National Recreation Area. The additional parcels of property in Marin County represent the continuing and laudable efforts of local landowners and other citizens to insure the continued protection of this superb scenic and recreation resource.

The properties included in this bill include the following willing sellers and the approximate acreage: Harold Genazzi—500 acres—Martinelli—259.48 acres—Coli—2 acres—and McFadden—335 acres—The inclusion of these important parcels essentially round out the Lagunitas Loop area and protect the view sheds of both GGNRA and the Point Reyes units of the National Park System.

Regarding the extension of GGNRA in San Mateo County, it should be clear that nothing in this act be construed in any way so as to change or limit the right of the city and county of San Francisco's water department to operate and protect its watershed lands nor in any way abrogate rights of the San Francisco Water Department granted in any prior Federal, State, or local codes nor in the referenced easements of January 15, 1969.

Mr. Speaker, I commend my many colleagues who have contributed to the bill in its current form, and I urge their support today in approving this measure in the House of Representatives.

☐ 1230

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the bill now under consideration, H.R. 3. It is an omnibus measure with five different titles. The great majority of items deal with the National Park Service and units of the national park system.

Mr. SEBELIUS, the ranking minority member of the Subcommittee on National Parks and Insular Affairs, which produced this bill, could not be here today, so I am standing in for him on this bill.

There are too many items in the bill to attempt to comment on each, so I will single out only a few, and reference them by section number:

Section 105. The new Chaco Culture National Historical Park in New Mexico represents an expansion of the existing Chaco Canyon and Aztec Ruins National Monuments, combined with about 31 other relatively small detached sites. This new historical park will better protect the archeological resources of a fascinating story that is just now beginning to unfold as to the prehistoric life of the native people of this part of the San Juan Basin.

Much of the pattern of early travel and living has been detected by fairly recent photo imagery. While many thousands of dwelling sites are known to exist in the basin, only 31 are identified by this bill for preservation purposes to help tell the story of the Chacoan culture.

Much of the San Juan Basin is currently under intensive siege for energy development—coal, uranium, gas, and oil. Many, if not most, of the cultural artifacts of the region will be destroyed or adversely impacted by this exploration and development. The sites represented by this bill represent less than 0.2 percent of the San Juan Basin. It is extremely important and timely that this section of the bill become law so that the best representative samples of these cultural artifacts will be protected for the education and enlightment of future generations.

Section 106. The committee recognizes the difficulty the National Park Service seems to have had over a long time period in getting general management plans completed. Nevertheless, the Service must put statutorily mandated new plans in a first-priority position, and must submit them to the committees on a more timely basis. The past record of timely submission of general management plans, pursuant to statutory requirements, is quite dismal.

Section 508. I particularly wish to bring to the attention of my colleagues this section of the bill which names the lake portion of the Norton Dam and Reservoir in Kansas as the "Keith Sebelius Lake." As I know all of you are aware, KEITH has recently announced he will be retiring from our ranks at the end of this session. Thus, I am honored and pleased to express my support of this effort to recognize KEITH's contributions to the establishment of this facility, as well as to the fields of conservation and recreation. KEITH served in a number of capacities in seeing the reservoir and irrigation district through from its first stages to its completion. As attorney for the irrigation district, he helped to get the district incorporated before the dam itself had even been built. KEITH also acted as city attorney for Norton in getting water from the facility committed to the city for its water supply. In conjunction with his other duties, KEITH served on a number of committees, associations and boards concerned with water resources in this northwest area of Kansas, including the Republican River Valley Conservation Association, and as vice president of the Kansas Reclamation Association. Thus, it is most fitting that the lake unit of this facility be named for the man who so tirelessly worked toward its completion. I know my colleagues will want to join me in lending their support to this provision in H.R. 3, naming this lake located near KEITH's birthplace of Almena and hometown of Norton, the "Keith Sebelius Lake."

Section 511. Language was incorporated into the bill, at the request of Congressman ROBERT E. BAUMAN of Maryland, to instruct the Secretary of the Interior to devise a suitable memorial plaque or monument to, or name a structure for, the late Rogers C. B. Morton at the Assateague Island National Seashore in Maryland.

Morton, a Member of Congress from Maryland's First Congressional District from 1963 to 1971, was a member of the House Interior and Insular Affairs Committee, and was an author of the 1965 legislation which created the Assateague Island National Seashore. He later served the Nation as national chairman of the Republic Party from 1969 to 1971, as Secretary of the Interior from 1971 to 1975, and as Secretary of Commerce from 1975 to 1976.

Mr. Speaker, there are a number of studies in the bill relative to possible potential new units for the national park system. All of these studies should be funded from a source other than that appropriated for "section 8" new area studies. The Congress specifically intended section 8 studies to derive from professional evaluations initialed by the National Park Service as to which resources were the most meritorious for possible addition to the system. Obviously, study candidates initiated from the Congress may not have the professional merit or height of priority which should evolve from careful professional evaluation in consultation with the National Park System plan. Therefore, congressionally manadated studies, while they are a time priority as dictated by law, should not interfere with the studies conducted under section 8 criteria, which procedure was also separately directed by the Congress and was, in fact, set up and intended to purposefully operate free and unfettered by any outside influence and interference, even from the Congress itself.

Mr. Speaker, I shall conclude with this point, and urge my colleagues to support the adoption of this bill.

Mr. SPEAKER, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I would like to point out to my colleagues one provision of H.R. 3 which represents a humble but sincere effort to honor a former colleague, statesman and national servant, the late Rogers C. B. Morton of Maryland.

Section 511 of the bill authorizes the Department of the Interior to create a memorial to Rog Morton at Assateague Island National Seashore in Maryland, a beautiful stretch of God's country which Rog helped preserve. After consultation with his widow, Ann, I proposed this section of the bill to remind the thousands of visitors to that lovely seashore of Rog's lifelong love for our Nation's natural beauty.

Rog was born in Louisville, Ky., and before moving to Maryland's Eastern Shore to make his home he traveled all over the United States. From his boyhood days on, he saw firsthand our country's natural wealth, and he developed an undying wish to see it preserved for later generations. With his wife, the former Ann Jones, in 1950 Rog settled on a 1,000 acre farm near Maryland's Chesapeake Bay, where he developed a thriving cattle business. He was also active in numerous businesses and other interests. But Rog was not content to simply sit back and enjoy his own little stretch of paradise. A warm and friendly man, he wanted to share his love of our country with everyone, and began a long career of public service.

He was first elected to represent the First Congressional District of Maryland in 1962, and during his 9 years in Congress Rog spoke out forcefully for environmental protection. He sponsored much environmental legislation, bills to strengthen antipollution laws, and legislation to create more national parks and recreational areas. It was during this time that he drafted the basic legislation which created the Assateague Island National Seashore in 1965. It was my good fortune to be associated with him during this period, both as a congressional aide and campaign assistant.

Then, in 1971, he was tapped by President Nixon to become the Nation's 40th Secretary of the Interior. Rog promised to push for a cleaner environment, and immediately went to work to do just that. He later completed his distinguished public career as Secretary of Commerce, retiring from public life in 1976. He returned to the shore where he went into the boatbuilding business.

Rog was beloved by his numerous friends and colleagues in Congress and wherever he served, but his most rewarding association was with the many thousands of people and the land he represented so well and loved so much. His passing last year has left us all poorer. It is fitting that Congress should keep his memory, his ideals, and his example alive, though, and my proposal to commemorate Rog and his work with a memorial at Assateague Island is one small way we can do this. I urge my colleagues to support this proposal.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend the gentleman from Maryland (Mr. BAUMAN,) for his persistence on this matter to the end that we feel our former distinguished colleague, who also served as a very distinguished Secretary of the Interior, be given this modest but long overdue recognition of his efforts.

Mr. BAUMAN. I thank the gentleman for his cooperation in this matter.

Mr. LAGOMARSINO. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I believe we have a responsibility to place in perspective that which is contained in this legislation. Therefore, I want to take some time to present some of my views on this legislation.

Mr. Speaker, H.R. 3 as reported from the Interior Committee, if enacted, will establish 7 new national park units, will adjust the boundaries of 13 existing areas, will increase acquisition or development limitations at 4 other park areas and will make several changes in basic park-related acts and National Park Service policies.

Many of these projects are worthwhile and need to be accomplished. However, the overall impact on the land and water conservation fund concerns me a great deal. The bill, as reported, adds approximately $54 million in new obligations to the land and water conservation fund and another $20 million in spending which must be appropriated from the General Treasury.

The current backlog in the fund at the end of fiscal year 1980 will be $839,826,000. If the proposed rescissions are approved this figure will go up by an additional $58 million, making the total backlog in the fund $897,826,000. I would like to emphasize the fact that this is money that the Congress has already obligated itself to spend for the acquisition of park and recreational lands.

I believe we should be directing our efforts at reducing the backlog and meeting our already existing obligations before we consider new land acquisitions.

As time goes by and the backlog grows older, the costs continue to rise at a very rapid rate as the value of the land and property escalates. The administration has also requested a 70-percent reduction in the original fiscal year 1981 budget request for the land and water conservation fund, further delaying the time these obligations will be paid and raising the ultimate price.

The Redwood National Park expansion area is a good example of what I am describing. The lands were acquired by "legislative taking" which means the title reverted to the Federal Government on the day the bill was signed into law. Yet the lands have not yet been fully paid for and are a part of the backlog in the land and water conservation fund.

To be precise, the park expansion was estimated to cost $359 million, $300 million of which has been paid for land acquisition. The remainder, $59 million is a part of the backlog.

This figure is misleading as it does not take into consideration the rapidly escalating cost of the land. The Interior Appropriations Subcommittee recently heard testimony from administration witnesses that the actual cost of the park expansion area would be far greater than originally estimated. A figure of $600 million was suggested as a possibility, not the $359 million originally predicted.

In other words, the backlog in the land and water conservation fund should realistically be increased to reflect this higher price tag for the park lands.

In light of our expressed desire to produce a balanced budget, I believe we should be biting the bullet in all categories and not adding to our spending obligations.

Mr. PHILLIP BURTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the chairman of the subcommittee for yielding. I want to commend him and the ranking minority member for their work on H.R. 3. I serve on the subcommittee and almost all of the issues involved have been covered at hearings. Obviously minor adjustments and some changes have not received all of the focus that would have been desirable. But I think it is important in 1980 that we do go forth with legislation that addresses itself to some of the crucial national natural resources that we have in this country.

I think this is, indeed, a modest effort. Obviously if I had had my way, and others would have had their way, this bill would have included additional commitments above and beyond what are included at this particular point. So, indeed, it is a compromise which tilts toward the reality of the fiscal resources available in both the land and water conservation fund and in terms of the Federal budget.

A particular note of interest, are some of the studies that have been included. I personally felt the study, for instance, that affects the area I represent, the Metropolitan Rivers Corridor Study, is an important initiative because it will permit the various political subdivisions, the State and national resources which exist in that area to come together into one comprehensive plan with oversight, and with input from the National, State, and local levels. So I think it is the type of initiative that characterizes this particular bill.

I am also very pleased with the study that has been indicated with regard to a fitting memorial for our recent late and great labor leader George Meany, as well as other individuals. And, of course, I am pleased to see that we are taking some pains to recognize the contribution of the ranking minority member, who has provided significant service on our committee and to this Congress, KEITH SEBELIUS.

I thank the chairman for yielding.

☐ 1240

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. LAGOMARSINO. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYER).

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield at this point?

Mr. ROYER. I yield to the gentleman.

Mr. PHILLIP BURTON. I would like to specifically commend our distinguished colleague, the gentleman from California (Mr. ROYER) for his very effective leadership in one of the important sections of the bill dealing with Sweeney Ridge and some of the units of the locally owned-and-operated park system in his county of San Mateo. Without the gentleman's diligence and effort in this respect, I do suspect this matter would have been contentious, and it perhaps would not have been possible, to achieve this southern extension of the GGNRA.

Mr. ROYER. I thank the gentleman very much.

Mr. Speaker, I certainly want to commend the distinguished chairman not only for his efforts with this bill but also because of the very fine cooperation we have received pertaining to the section particularly concerning the Golden Gate National Recreation Area. I am certainly convinced that the extension is a very unique one in our county in that it will provide the urban parks and recreation necessary, I think, to take care of the people within our district. The unique thing about this extension is the fact that less than 5 percent of the property is privately owned. It is a transfer of public lands. I think it will give the area an excellent opportunity to maintain and develop parks that might not have been possible without this legislation. I commend the gentleman and relinquish the remainder of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana, (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Speaker, I thank my colleague for yielding. I rise neither to support nor to necessarily oppose this particular legislation because I am not quite sure what is in it. I have read it and tried to find a report from the committee, of which I understand there is not a printing yet. It is rather reluctantly that I am standing here today because when I read all the programs and all the projects, I see a great many in here for friends and former friends of many of us, and it is not easy.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. Certainly, I will yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding. I might help the gentleman. We did file the papers, I am not aware whether or not the report has been printed, but I can eliminate, I think, most of your concerns on this matter. If the gentleman will recall, last year we enacted a bill about this time for $1.4 billion. This particular bill is under $100 million, or about 6 or 7 percent, perhaps, or 8 percent of the item enacted last year. Our committee has decided that rather than having about 30 or 40 separate and distinct bills that carry with them mostly technical or clarifying amendments, the processes of the House are much better served on a bipartisan basis where staff as well as Members on both sides decide which of these amendments are needed, some of which are the result of unanticipated problems arising out of previous legislation, some of which permit the donation of a square lot, for example, to round out an area, some of which recognized the contribution of others in terms of this national park and recreation jurisdiction. I would only note, perhaps as best understood, the enormous quantitative difference for this bill. We had no such bill last year. We had one bill the year before for $1.4 million. This bill is under $100 million, and the annual land and water authorization is some $900 million. We low-keyed, if you will, our effort in the first session of this Congress, as well as in this one, because of the large bill we passed 2 years ago. I hope that gives the gentleman some sense, at least, of fiscal perspective of the effort.

Mr. MYERS of Indiana. I thank the chairman for his comments. One of the several questions I have is how much money was really provided for, because I find it rather difficult to add the figures up. In several instances it gives the Secretary the right to enter into contracts. It says "such money as may be required." This is rather broad.

Mr. PHILLIP BURTON. If the gentleman will yield, the Congressional Budget Office has indicated it is under $100 million. And if it were not, it would not have qualified for a suspension, I might note.

The SPEAKER pro tempore (Mr. MONTGOMERY). The time of the gentleman has expired.

Mr. PHILLIP BURTON. I yield 3 additional minutes to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman. The gentleman says under $100 million?

Mr. PHILLIP BURTON. Yes.

Mr. MYERS of Indiana. There are several in here that are kind of open-ended. "Such moneys as may be required," it says. Then in section 402 it provides for a revolving fund. Is there any limit as to how much that might be?

Mr. PHILLIP BURTON. Section 402 is the land and water fund. The changes we make in land and water are that we provide a single-visit limit on entrance fees where you cannot be charged more than once during the continuous stay in a unit of the National Park System, and for the blind and the crippled to be given the same treatment as the elderly. But section 402 carries with it no expenditure beyond that very limited income reduction.

Mr. MYERS of Indiana. There are other sections that do provide for contract authority and for such moneys as may be necessary, and so forth, language. The gentleman says under $100 million.

Mr. PHILLIP BURTON. That is right.

Mr. MYERS of Indiana. Do we not have a specific figure?

Mr. PHILLIP BURTON. That is about $98.6 million.

Mr. MYERS of Indiana. What impact is this going to have on our budget?

Mr. PHILLIP BURTON. We already have authorized a $900 million annual land and water conservation fund, and that was done some time ago. The amount of legislation we process this year if we take a look at the Federal side, which is presumably half of that amount, more or less, about $450 million a year which reflects some of the receipts of the offshore oil drilling, that combines to some $900 million for this whole Congress. Including this bill, the House authorized less than $300 million, probably closer to under $200 million. As a matter of fact, if this bill becomes law and you take the other items we passed this entire Congress, the total amount is under $200 million—to date—of the $900 million roughly per annum made available from the receipts of the offshore oil royalties for land acquisition. So we have been extraordinarily mindful of the new budget realities this year.

Mr. MYERS of Indiana. This year?

Mr. PHILLIP BURTON. This Congress.

Mr. MYERS of Indiana. But there are eight new areas established by this bill. There are 13 boundary changes, I suppose none of which restrict or reduce the size. There are four acquisition and development ceiling increases. There are 19 miscellaneous provisions, all of which will require more money and almost, I guess, unpredictable amounts of money would be required in the future. This is what concerns me.

Mr. PHILLIP BURTON. No, no, no, no. That is simply not true. What we have done in the acquisition and development ceilings in all respects is our committee has put caps on the development ceiling wherever that matter has been processed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PHILLIP BURTON. I yield 5 additional minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. I yield to the chairman.

Mr. PHILLIP BURTON. I think this is important. In the case of Big Thicket, though, they needed $28 million. We cut the amount down to $18 million. These are units already established where the price of the land has increased, because neither this administration nor previous administrations have fully funded the program. The property owners have the land in the perimeters of the park; yet we have not provided adequate funding, and to delay the opportunity to increase the authorization merely postpones the date when these landowners waiting to sell their land can get their money, hence, Big Thicket, which is the biggest cost item in the bill. The Roger Williams is an amount in the couple of hundred thousand dollar range for acquisition. The Coronado item is $1.4 million fixed, and that about says it. The biggest ticket item in the bill is the Big Thicket item of $18 million. There is a ceiling already there on authorization, and if we do not increase it, we cannot acquire the land, that is set aside for this park, and the current property owners who want to sell cannot sell because the authorization is not there. We have already authorized an amount equal to $900 million annually, of which approximately half, $450 million, is available for Federal land acquisition.

☐ 1250

Last year we put on the statute books less than $100 million of what presumably could be $540 million and this year it is almost nothing. In this bill it is less than $100 million. These costs, I might note, are not just costs of acquisition and development, they are also costs for operation and maintenance as you will read, as in the congressional budget, imposed in that cost estimate.

Mr. MYERS of Indiana. Mr. Speaker, I appreciate the chairman's comments and I am sure the members of the committee are very much aware of what is in the bill but what concerns me is this: Why was this very complicated, very large bill, very expansive, one covering a lot of districts in the country, come up under suspension where we do not have the opportunity to discuss it or to even offer amendments?

Mr. PHILLIP BURTON. If the gentleman will yield, I will be very frank in this respect. It is because we did not want this bill Christmas treed. We turned down innumerable Members who wanted to add expensive items. We rejected them. In order to keep the cost contained, we are putting the item on suspension.

The gentleman knows, it is a very difficult thing. The gentleman is on the Subcommittee of the Committee on Appropriations dealing with public works. It is very difficult to say no to a Member, as the gentleman knows. The easiest way to say no is to preclude sweeteners and add-ons and Christmas treeing by putting the item on suspension.

Mr. MYERS of Indiana. Mr. Speaker, I think everyone of us would like to avoid Christmas treeing our bills as we bring them before us. Certainly, the Energy and Water Subcommittee of the Committee on Appropriations, dealing with that very complicated, very expansive appropriations bill, would like to do the same thing, but in fairness, we believe our bill is strong enough to stand on its own two feet, that we do not have to protect it under this device or even a closed rule. I think there is so much in this bill that it should not come under suspension. I do not know enough about it to know whether to support the bill or oppose. That is why I question it.

Mr. PHILLIP BURTON. Mr. Speaker, I guess one would have to observe the final vote of our committee membership which I suspect is likely to be unanimous on it.

Mr. MYERS of Indiana. It will not be unanimous.

Mr. PHILLIP BURTON. At any rate I appreciate the gentleman's concern. We did try to keep this manageable and I believe we have.

Mr. MYERS of Indiana. Again in closing, I think the Members would like to know more about what is in here. The report is not out. The impact on the budget which should be included is required by our rules on the report. We do not have that report out.

It seems to me this is not the proper way to legislate.

About 2 weeks, the New York Times editorialized against our appropriations bill on energy and water, the fact that we did appropriate money for water projects, calling them porkbarrels.

Mr. PHILLIP BURTON. Mr. Speaker, I have a distinct feeling that several billion dollar item perhaps generated some of the gentleman's concern about this less than $100 million item.

Mr. MYERS of Indiana. Well, I do not know. I am concerned about the issues brought up by the New York Times. If you use the same criteria in examining this legislation as was used by them in examining the energy and water appropriation bill, we would find the same problem. It is brought to the floor without adequate discussion. Touching a few people. Special interest projects. Things like this. This is the criticism of the New York Times.

I have yet to see the New York Times, the very, very conservative organ, editorializing against this bill and I doubt if they will.

The SPEAKER pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MYERS of Indiana was allowed to proceed for 3 additional minutes.)

Mr. MYERS of Indiana. I yield further to the gentleman from California.

Mr. PHILLIP BURTON. If in my wildest dreams I could have a bill that authorized or appropriated the magnificent sums by way of investment in the public works bill, I would be willing to take to the floor and even to suffer the slings and arrows that might be inflicted upon me for rejecting further sweetening amendments. Incredibly, this bill amounts to about 2 percent or thereabouts of the efforts that the gentleman has been concerned with over his great number of very effective years in the House, so we are not quite in the same ballpark. I wish we were in the same league but I suspect we are in the three I league whereas the gentleman is talking about the World Series. I wish we were in the World Series.

Mr. MYERS of Indiana. Here again, I am not necessarily being critical because after reading the bill and without seeing the report accompanying it we do not know enough. This is where I am more critical of procedure more than I am the legislation itself, because I do not know. When we bring our bill before us as the gentleman knows we have adequate time, we have already marked it up in subcommittee, it has been in full committee several weeks later and everyone has an opportunity to examine the legislation and know what is in it.

Mr. PHILLIP BURTON. Mr. Speaker, I am not quite sure how the Energy and Water Subcommittee of the Subcommittee on Appropriation operates. I do not recall having asked for more than $3 million over my nine terms in the Congress from that committee so I am not fully privy to their deliberations but I am sure the gentleman's representations are accurate. I am sure the subcommittee thoughtfully works its will just as in this instance we have tried to.

Mr. MYERS of Indiana. I appreciate the gentleman's comment. Again, my criticism is not necessarily against the projects because I do not know enough about them. I must admit I have no way of finding out about them. I am critical of the procedures used. I think bills like this that are as complicated and as wide reaching as they are should come under a rule so we have the opportunity to further examine; 40 minutes on a $100 million bill is not enough and covering so many projects. I think it should be given more time. I appreciate the attempt of the gentleman to clarify it. The gentleman has done a good job, I am sure. I know more about it than I did, but I would like to know more.

Mr. PHILLIP BURTON. Mr. Speaker, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding. I rise in strong support of H.R. 3 and I would like to begin by commending the chairman for his efforts, his diligence and skill in bringing H.R. 3 to the floor.

I would also like to give special mention to section 508 which provides well-deserved recognition and tribute, to the ranking minority member of the National Parks Subcommittee, the gentleman from Kansas (Mr. SEBELIUS). The gentleman from Kansas is, of course, a truly outstanding Member of this body and a person upon whom I have relied for a great deal of advice in the areas of agriculture, natural resources, and interior affairs. I think section 508 is certainly a small but fitting tribute to the large and outstanding service he has rendered the National Parks Subcommittee and this body.

Finally, Mr. Speaker, I would like to mention my support for section 501, an amendment this gentleman proposed.

Mr. Speaker, I offered the amendment to prevent for at least 1 year the closing of any of the regional offices of the National Park Service. My concern was prompted by reports that the Park Service intends to close its Midwest Regional Office in Omaha, Nebr.

While I count myself to be among the most frugal Members of Congress when it comes to the issues of Federal spending and balancing the budget, I am concerned that we go through this painful process in a deliberate and fair manner.

Having visited the National Park Service office in Omaha earlier this year and having been very familiar with the high quality of their staff and its product, I was very concerned when reports came to me in mid-March indicating that the National Park Service was considering the closing of its Midwest Regional Office located in Omaha, Nebr.—serving a 10-State area as the only National Park Service office between Philadelphia and Denver. That concern was certainly reinforced when I learned how little analysis went into the decision.

For an office that has served a useful purpose for over 40 years and whose approximately 133 employees have fulfilled their obligations in an effective manner, I would certainly think that a thorough study must be made to justify its closing. Needless to say, I was shocked to learn that no such study had been made. Indeed, the last study of such a proposed change, in 1975, came to the exact opposite conclusion—that the Midwest Regional Office should be maintained in Omaha or possibly even expanded.

To the best of my knowledge the Park Service did not conduct a study on alternative ways to save money in the operation of its regional office, and they did not conduct a study on realinements of the regions or responsibilities necessary in order to achieve the best, most cost effective service and the least disruption in programs and service to the citizens of that vast region of the Central United States. Yet, they project no disruption in service and estimate a savings of $1 million in the first year and $2 million in subsequent years after closedown and transfer costs are paid.

Surely, there has to be a more thoughtful and equitable approach to achieve budgetary savings within the administration of the Park Service. That is why I, as a member of the National Parks Subcommittee of the Interior Committee, successfully offered an amendment to omnibus parks bill (H.R. 3).

The text of the amendment is as follows:

> The National Park Service shall conduct a comprehensive cost/effectiveness study of the operations of each of its nine regional offices. Such study shall include an analysis of and proposals for reducing costs without closing down the operations of any regional office. Such study shall be presented to the appropriate committees of Congress as part of the proposed fiscal year 1982 budget; therefore, the Park Service is hereby prohibited from curtailing the current level of operations in any of its regional offices until October 1, 1981.

The amendment clearly sends a message to the administration and the Appropriations Committees of the Congress that we will not tolerate any arbitrary decisions to change the National Park Service regional office structure without a thorough rational basis for such a decision. It further shows a desire on the part of the authorizing committee that alternative methods for reducing administrative costs be explored before implementing a premature decision to close a regional office.

Mr. Speaker, I applaud this action by the Interior Committee and urge adoption of the pending bill.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I will be pleased to yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker,

I would like to commend the gentleman in two particular instances. One instance, perhaps for the edification of some of our colleagues who do not serve on the committee, the gentleman from Nebraska along with his colleagues and more particularly the gentleman from Nebraska (Mr. Cavanaugh) were confronted with almost immediate closure of the regional office. We decided that in this partnership arrangement the Congress should be consulted before there be such precipitous action and we dealt with that in section 501.

Also, Mr. Speaker, the gentleman brought to our attention the section 513, which makes two of the many, many items that have been discussed in this bill, that we authorize the setting up of a commission for the Missouri River, an area where both the farmers and the environmentalist and everybody last year decided that they wanted to go down, tentatively, a wild and scenic river route. The administration refused to appoint the commission. So now, several sections says, "We authorize you to do it; you did not; now we are going to tell you to do it, because we want local input." That is a section that may cost $80,000 but it is a section of the bill brought to our attention by the gentleman from Nebraska and we are very pleased with this inclusion.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman from California, the distinguished chairman of the subcommittee, for his kind remarks and especially for the assistance he rendered to us on the matter of the regional office located in Omaha, an office which serves a very large area between the Philadelphia and Denver regional offices. I do appreciate that assistance.

Mr. Speaker, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

● Mr. LEE. Mr. Speaker, the omnibus parks bill we are considering today contains language authorizing the creation of the Women's Rights National Historic Park in my congressional district in Upstate New York.

Seneca Falls, N.Y., in the beautiful Finger Lakes resort area, is the birthplace of the Women's Rights movement. The Women's Rights Historic District will encompass those structures which will preserve for future generations the nationally-significant historical and cultural sites associated with the formal beginning of the struggle of our women for their equal rights.

The support for this park is extensive. Our proposal was cosponsored by the majority of the New York congressional delegation and by members of the Congresswomen's Caucus. Organized local community support for the park is unanimous, and the enthusiasm of the citizens of Seneca Falls and Waterloo, N.Y., has spilled over to local redevelopment efforts. I am proud to say that this is truly a case where Federal seed money will work as intended, with the Federal contribution multiplied many times over in terms of local participation.

I am immensely pleased the committee has included this meritorious proposal for consideration before the full House of Representatives today, and I would ask the support of my colleagues for H.R. 3.●

● Mr. NOWAK. Mr. Speaker, I would like to express my support for H.R. 3, the omnibus national parks bill, and commend the gentleman from California, the distinguished chairman of the Subcommittee on National Parks and Insular Affairs, for his leadership.

In particular, I would like to thank the gentleman for his support of section 510 of the bill, which would authorize the Department of the Interior to assist in meeting the annual operating and maintenance costs of the Theodore Roosevelt Inaugural National Historic Site in Buffalo, N.Y. The site is the former Wilcox Mansion, where Theodore Roosevelt in 1901 took the oath of office as President of the United States after the assassination of President William McKinley.

This property has been part of the National Park Service since a 1966 law authorized Federal funds for its acquisition and restoration as a national historic site. However, it has not been eligible for Federal operating and maintenance assistance. Since it opened to the public in 1971, the site—located in the congressional district I am privileged to represent—has been supported by a variety of non-Federal sources, including admission fees and private and local government contributions.

We in the Buffalo area are proud of the strong local support that has been sustained for the Theodore Roosevelt Inaugural National Historic Site.

Section 510 of H.R. 3, however, seeks to put this site on equal footing with other components of the National Park Service. This language would enable the Department of the Interior to provide up to two-thirds of the annual costs of operating/maintaining the site in Buffalo. This would result in a cost-sharing arrangement and continued local operation of the site under a cooperative agreement with the National Park Service.

This was underscored by Leslie G. Foschio, president of the Theodore Roosevelt Inaugural Site Foundation which operates the Buffalo facility, who wrote:

> We understand the language of the bill to allow the National Park Service to share with the Foundation the total costs for the annual operation, maintenance, management, development, and interpretation of the Site * * *. The Foundation's trustees believe this legislation will strike a proper balance between an appropriate amount of direct federal operating and maintenance assistance from the National Park Service and at the same time preserve the local support and autonomy which has been the hallmark of the Inaugural Site since its inception.

At this point in the Record, I would like to insert the complete text of a recent communication I received from Mr. Foschio:

> May 15, 1980.
>
> Hon. Henry J. Nowak,
> *Member of Congress, Longworth House Office Building, Room 1514, Washington, D.C.*
>
> Dear Congressman Nowak: Thank you for providing an opportunity to offer, on behalf of the Theodore Roosevelt Inaugural Site Foundation and its members, our strong support for your proposed legislation authorizing a cooperative agreement between the Foundation and the National Park Service for the preservation, maintenance and operation of the Theodore Roosevelt Inaugural National Historic Site, otherwise known as the Ansley Wilcox Mansion in Buffalo, New York.
>
> This bill will culminate over ten years of dedicated effort on the part of many local public spirited citizens and others throughout the country who have labored to preserve this historic site as a national monument to the memory, life and presidency of Theodore Roosevelt. Special efforts have provided the local funds needed to make the site available to the public and to improve its historic significance. The Inaugural Site is regularly visited by many tourists and local citizens, including students and senior citizens. It also provides a source for important historical research in the life of Theodore Roosevelt. In 1979, for example, the Site was visited by approximately 13,000 such visitors, plus an additional 7,000 who attended various functions and events at the Site. The Foundation's operation expenses for the Site cover numerous activities and responsibilities for the Site such as basic utilities, insurance, security costs, curator and administrative coordination of rentals and other public events, initiating and scheduling cultural and other education activities, historic research and interpretation, special projects relating to the historic significance of the Site and providing daily maintenance services consistent with the needs of the building and grounds.
>
> A classic example of 19th century American Victorian architecture, the mansion has accumulated a number of physical rehabilitation needs and improvements. Most of these have already been met through local private efforts. However, continued day-to-day maintenance of the building and grounds of the Site, including public safety improvements, and other capital expenditures which will necessarily arise, given the physical character of the Site.
>
> The Foundation has also recently commenced applying for special grants to enhance the historical interpretation and significance of the Inaugural Site and will, accordingly, need resources to satisfy any applicable matching fund requirements associated with these special programs.
>
> We understand the language of the bill to allow the National Park Service to share with the Foundation the total costs for the annual operation, maintenance, management, development, and interpretation of the Site of which the items described above are examples, as well as those items which may reasonably be expected to arise in the future.
>
> The Foundation's trustees believe this legislation will strike a proper balance between an appropriate amount of direct federal operating and maintenance assistance from the National Park Service and at the same time preserve the local support and autonomy which has been the hallmark of the Inaugural Site since its inception.
>
> We believe that an important part of our national heritage will be thereby enhanced and the legislation will help to insure that the Inaugural Site, one of the most significant landmarks in the life of President Theodore Roosevelt, will be preserved for the benefit of our nation and the Buffalo community.
>
> Sincerely,
>
> Leslie G. Foschio,
> *President.*

Mr. Speaker, enactment of this provision would establish limited Federal assistance for what has proven to be an historically significant site, which has had and will continue to have sustained local support to insure its preservation for future generations of Americans.

Mr. Speaker, I, therefore, strongly urge passage of H.R. 3.●

● Mr. ROYER. Mr. Speaker, I would like to commend my California colleague, Mr. PHILLIP BURTON, chairman of the Subcommittee on National Parks and Insular Affairs, for his assistance and cooperation in helping to extend the Golden Gate National Recreation Area into San Mateo County.

This bill provides that certain public lands under the jurisdiction of the State of California, the cities of Pacifica and Daly City, and the county of San Mateo be included within the authorized boundaries of the GGNRA. The measure further provides that some 1,100 acres of Sweeney Ridge in Pacifica also be made part of the recreation area.

But the key provision of this bill is that which allows local governing bodies the option of retaining maintenance and operating responsibilities for their parks or dedicating them to the National Park Service; it authorizes the Federal Government to acquire the lands as gifts only when offered by the respective local governing jurisdictions. Existing contracts governing use of these lands are protected, but local parties to these contracts retain the right to amend them in any way at any time.

I am pleased that Mr. BURTON and I have successfully forged a working partnership in concert with our local officials to add unspoiled and pristine areas in both our counties to this great recreation area.

Most of the land already is in public ownership, but this legislation connects contiguous parcels, adds a small amount of private acreage and gives north San Mateo County a well-deserved share of parklands and open space. Most importantly, though, this bill preserves and enhances close-in recreation and park opportunities in the county at a time when local government revenue sources are uncertain and county residents cannot afford to travel long distances to enjoy our larger national parks.●

● Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 3, particularly as it pertains to two Texas projects, the L. B. J. National Historical Park and the Big Thicket National Preserve.

The bill would greatly expand the park area and fund improvements for the Lyndon B. Johnson National Historic Site.

As many of you know, much of the L. B. J. ranch where President Johnson lived and areas in nearby Johnson City are owned by the Federal Government. Not only are these areas tourist attractions, but they also serve as fitting historic areas and a memorial to our friend, the former President. President and Mrs. Johnson have donated many of the areas now under Federal supervision. Mrs. Johnson intends to donate even more areas.

However, Mrs. Johnson does not own all the lands needed for a viable park. Funds from this bill would go for further purchases, in accordance with the park master plan. The legislation would expand the size of the park areas from 256 acres to include 1,498 acres; 385 acres of that figure would be purchased. The extra land is needed to compliment the historic structures and connect them in a more organized manner.

The bill would also increase the appropriation ceiling for development at the park from $180,000 to $4,100,000; $500,000 of this money is urgently needed to prevent erosion on the banks of the Pedernales River on the L. B. J. ranch. Other funds will be used to improve roads and parking, remodel a visitor center, restore the farm house of the former President's father and other exhibit improvements.

Finally, the bill authorizes a name change. Through the years, we have seen this beautiful central Texas hill country park expand, as more land was donated and further improvements made. The area includes the L. B. J. ranch, the Johnson settlement, and the Junction school and cemetery. But the lands encompass several areas and several historic themes. Because of this rich mixture and because of the expansion, the bill would designate the entire area as the Lyndon B. Johnson National Historical Park. This new designation indicates the beauty of the park, the historic significance and monumental achievements of the Johnson family.

Mr. Speaker, let me also say a word about the Big Thicket National Preserve. As you know, the Congress has authorized acquisition of land in this unique natural area of East Texas, known as the biological crossroads of the Western Hemisphere.

Because of inflation, however, land acquisition has proceeded more slowly and at a higher price than first anticipated. So this section of the bill, similar to legislation introduced by my colleagues BOB ECKHARDT and CHARLES WILSON, which I cosponsored, would raise the authorization ceiling for land acquisition. Property owners are quite willing to sell their land to the Federal Government. Everyone agrees on what needs to be done. We just need additional funds to make this wonderful park area a reality, and to prevent development in these pristine areas.●

● Mr. BINGHAM. Mr. Speaker, I am pleased to rise in support of H.R. 3, the Omnibus National Parks bill, which will establish seven new national park units, adjust the boundaries of 13 existing areas, increase acquisition ceilings at 4 other areas, and make several basic changes in National Park Service policies. Personally, I am most pleased about the inclusion in this omnibus bill of my own bill (H.R. 6407) to establish a Women's Rights National Park.

The chairman of the Subcommittee on National Parks and Insular Affairs, PHIL BURTON, deserves the plaudits of every Member of Congress for his hard work in putting together this omnibus bill. Future generations will have PHIL to thank for saving so many national treasures during his tenure as chairman of the subcommittee. From the Redwood Forests to the New York Island, and in so many places in between, PHIL BURTON has been there working to preserve the best of this Nation's parks and historic areas. I am especially grateful to PHIL for his invaluable help in securing the passage of my bills to create the Eleanor Roosevelt National Historic Site, to raise the authorization levels for the Ellis Island National Monument, and to authorize the Women's Rights National Park. He also played a key role in the enactment of the urban park and recreation recovery program which finally brought the Interior Department to our Nation's cities in a major way.

Enactment of the omnibus bill will add the Women's Rights National Historic Park to that small roster of park sites commemorating the lives and achievements of American women. Only the Eleanor Roosevelt, Clara Barton, and Maggie Walker sites currently memorialize the lives of American women. No park or monument site deals with the special problems and achievements of American women—or with the struggle of women to achieve full equality with men.

Establishment of the Women's Rights National Historic Park will begin to remedy this omission. Seneca Falls, N.Y., was the site of the 1848 Women's Rights Convention which began the organized struggle for women's rights in this country. It was at that convention that feminists, under the leadership of Elizabeth Cady Stanton, adopted the declaration of sentiments, based on the Declaration of Independence, which declared that "all men and women are created equal." It called for the right of women to control property she earned or inherited; equal access to education; and equal access to the professions. The declaration also called for the reform of divorce laws, the right of women to child custody, and the end of the double standard of morality. Most controversial was the convention's call for women's suffrage. Even some of the activists thought that pushing for the vote was a bit extreme, and one of the leading feminists, Lucretia Mott, a Quaker, warned Stanton to drop that plank. "Why, Lizzie," she said, "thee will make us look ridiculous."

Mott was not far off. The press had a field day with the Seneca Falls convention. It was ridiculed and lampooned throughout the country. But the women's movement, under the leadership of Stanton and Susan B. Anthony, was undaunted. Stanton responded to the ridicule and derision with the statement that—

"It is a settled maxim with me that the existing public sentiment on any subject is wrong."

She persevered, and by the late 20th century much—but not all—of the 1848 agenda was either law or custom. Women today, in the newly energized movement, are still fighting for the rest of the program.

Establishment of the Women's Rights Historical Park in Seneca Falls will commemorate the great events which took place in 1848 in Seneca Falls and will also remind women and men that the struggle for equality is far from over. I look forward to speedy enactment of this bill.●

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion of the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill (H.R. 3) as amended.

The question was taken.

Mr. MYERS of Indiana. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

☐ 1300

HAWAIIAN PARKS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7217) to enact certain provisions relative to units of the National Parks System in the State of Hawaii, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. In order to provide for the preservation of the unique nationally and internationally significant cultural, historic, educational and scenic resources of the Kalaupapa settlement on the island of Molokai in the State of Hawaii, there is hereby established the Kalaupapa National Historical Park (hereinafter referred to as the "park").

SEC. 102. The Congress declares the following to constitute the principal purposes of the park:

(1) to preserve and interpret the Kalaupapa settlement for the education and inspiration of present and future generations;

(2) to provide a well-maintained community in which the Kalaupapa leprosy patients are guaranteed that they may remain at Kalaupapa as long as they wish; to protect the current lifestyle of these patients and their individual privacy; to research, preserve, and maintain the present character of the community; to research, preserve, and maintain important historic structures, traditional Hawaiian sites, cultural values, and natural features; and to provide for limited visitation by the general public; and

(3) to provide that the preservation and interpretation of the settlement be managed and performed by patients and Native Hawaiians to the extent practical, and that training opportunities be provided such persons in management and interpretation of the settlement's cultural, historical, educational, and scenic resources.

SEC. 103. The boundaries the park shall include the lands, waters, and interests therein within the area generally depicted on the map entitled "Boundary Map, Kalaupapa National Historical Park", numbered P07-80024, and dated May 1980, which shall be on file and available for public inspection in the local and Washington, D.C. offices of the National Park Service, Department of the Interior. The Secretary of the Interior (hereinafter referred to as the "Secretary") may make minor revisions in the boundary of the park by publication of a revised boundary map or other description to that effect in the Federal Register.

SEC. 104. (a) Within the boundary of the park, the Secretary is authorized to acquire those lands owned by the State of Hawaii or any political subdivision thereof only by donation or exchange, and only with the consent of the owner. Any such exchange shall be accomplished in accordance with the provisions of sections 5(b) and (c) of the Act approved July 15, 1968 (82 Stat. 354). Any property conveyed to the State or a political subdivision thereof in exchange for property within the park which is held in trust for the benefit of Native Hawaiians, as defined in the Hawaiian Homes Commission Act of 1920 shall, as a matter of Federal law, be held by the grantee subect to an equitable estate of the same class and degree as encumbers the property within the preserve; and "available lands" defined in section 203 of the Hawaiian Homes Commission Act may be exchanged in accordance with section 204 of said Act. The vesting of title in the United States to property within the park shall operate to extinguish any such equitable estate with respect to property acquired by exchange within the park.

(b) The Secretary is authorized to acquire privately-owned lands within the boundary of the park by donation, purchase with donated or appropriated funds, or exchange.

(c) The Secretary is authorized to acquire by any of the foregoing methods except condemnation, lands, waters, and interests therein outside the boundary of the park and outside the boundaries of any other unit of the National Park System but within the State of Hawaii, and to convey the same to the Department of Hawaiian Home Lands in exchange for lands, waters, and interests therein within the park owned by that Department. Any such exchange shall be accomplished in accordance with the provisions defined in subsection (a) of this section.

SEC. 105. (a) The Secretary shall administer the park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), the Act of August 21, 1935 (49 Stat. 666), and the provisions of this Act.

(b)(1) With the approval of the owner thereof, the Secretary may undertake critical or emergency stabilization of utilities and historic structures, develop and occupy temporary office space, and conduct interim interpretive and visitor services on non-Federal property within the park.

(2) The Secretary shall seek and may enter into cooperative agreements with the owner or owners of property within the park pursuant to which the Secretary may preserve, protect, maintain, construct, reconstruct, develop, improve, and interpret sites, facilities, and resources of historic, natural, architectural and cultural significance. Such agreements shall be of not less than 20 years duration, may be extended and amended by mutual agreement, and shall include, without limitation, provisions that the Secretary shall have the right of access at reasonable times to public portions of the property for interpretive and other purposes, and that no changes or alterations shall be made in the property except by mutual agreement. Each such agreement shall also provide that the owner shall be liable to the United States in an amount equal to the fair market value of any capital improvements made to or placed upon the property in the event the agreement is terminated prior to its natural expiration, or any extension thereof, by the owner, such value to be determined as of the date of such termination, or, at the election of the Secretary, that the Secretary be permitted to remove such capital improvements within a reasonable time of such termination. Upon the expiration of such agreement, the improvements thereon shall become the property of the owner, unless the United States desires to remove such capital improvements and restore the property to its natural state within a reasonable time for such expiration.

(3) Except for emergency, temporary, and interim activities as authorized in paragraph (1) of this subsection, no funds appropriated pursuant to this Act shall be expended on non-Federal property unless such expenditure is pursuant to a cooperative agreement with the owner.

(4) The Secretary may stabilize and rehabilitate structures and other properties used for religious or sectarian purposes only if such properties constitute a substantial and integral part of the historical fabric of the Kalaupapa Settlement, and only to the extent necessary and appropriate to interpret adequately the nationally significant historical features and events of the Settlement for the benefit of the public.

SEC. 106. The following provisions are made with respect to the special needs of the leprosy patients residing in the Kalaupapa Settlement—

(1) So long as the patients may direct, the Secretary shall not permit public visitation to the Settlement in excess of one hundred persons in any one day.

(2) Health care for the patients shall continue to be provided by the State of Hawaii, with assistance from Federal programs other than those authorized herein.

(3) Notwithstanding any other provision of law, the Secretary shall provide patients a first right of refusal to provide revenue-producing visitor services, including such services as providing food, accommodations, transportation, tours, and guides.

(4) Patients shall continue to have the right to take and utilize fish and wildlife resources without regard to Federal fish and game laws and regulations.

(5) Patients shall continue to have the right to take and utilize plant and other natural resources for traditional purposes in accordance with applicable State and Federal laws.

SEC. 107. The following provisions are made with respect to additional needs of the leprosy patients and Native Hawaiians for employment and training. (The term "Native Hawaiian" as used in this title, means a descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to the year 1778.)—

(1) Notwithstanding any other provision of law, the Secretary shall give first preference to qualified patients and Native Hawaiians in making appointments to positions established for the administration of the preserve, and the appointment of patients and Native Hawaiians shall be without regard to any provision of the Federal civil service laws giving an employment preference to any other class of applicant and without regard to any numerical limitation on personnel otherwise applicable.

(2) The Secretary shall provide training opportunities for patients and Native Hawaiians to develop skills necessary to qualify for the provision of visitor services and for appointment to positions referred to in paragraph (1).

SEC. 108. (a) There is hereby established the Kalaupapa National Historical Park Advisory Commission (hereinafter referred to as the "Commission"), which shall consist of eleven members each appointed by the Secretary for a term of five years as follows:

(1) seven members who shall be present or former patients, elected by the patient community; and

(2) four members appointed from recommendations submitted by the Governor of Hawaii, at least one of whom shall be a native Hawaiian.

(b) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(c) A member of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act on vouchers signed by the Chairman.

(d) The Secretary shall consult with and seek the advice of the Commission with respect to the development and operation of the park including training programs. The Commission shall, in addition, advise the Secretary concerning public visitation to the park, and such advice with respect to numbers of visitors shall be binding upon the Secretary if the Commission certifies to him that such advice is based on a referendum, held under the auspices of the Commission, of all patients on the official Kalaupapa Registry.

(e) The Commission shall expire 25 years from the date of enactment of this Act.

SEC. 109. At such time when there is no longer a resident patient community at Kalaupapa, the Secretary shall reevaluate the policies governing the management, administration, and public use of the park in order to identify any changes deemed to be appropriate.

SEC. 110. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title but not to exceed $2,500,000 for acquisition of lands and interests in lands and $1,000,000 for development.

TITLE II

SEC. 201. (a) The Act entitled "An Act to designate and establish that portion of the Hawaii National Park on the Island of Maui, in the State of Hawaii, as the Haleakala National Park, and for other purposes", approved September 13, 1960 (74 Stat. 881; 16 U.S.C. 396b and following), is amended by—

(1) striking out section 2 thereof;

(2) inserting the following after the period in the first sentence of the first section thereof: "The boundary of the park shall be as generally depicted on the map entitled 'Boundary Map, Haleakala National Park', numbered 162–80,023, and dated March 1980, which shall be on file and available for public inspection in the local and Washington, D.C. offices of the National Park Service, Department of the Interior."; and

(3) inserting the following at the end of the first section thereof: "Notwithstanding any other provision of law, the Secretary of the Interior may acquire lands, waters, and interests therein within the boundary of the park by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange except that any property owned by the State of Hawaii or any political subdivision thereof may be acquired only by donation or exchange. In addition to sums appropriated before the date of the enactment of this sentence, there is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."

(b) The Act entitled "An Act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes", approved September 22, 1961 (75 Stat. 577; 16 U.S.C. 391d), is amended by inserting the following at the end thereof: "The boundary of the park shall be as generally depicted on the map entitled 'Boundary Map, Hawaii Volcanoes National Park', numbered 124–80,049, and dated March 1980, which shall be on file and available for public inspection in the local and Washington, D.C., offices of the National Park Service, Department of the Interior. Notwithstanding any other provision of law, the Secretary of the Interior may acquire lands, waters, and interests therein within the boundary of the park by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange, except that any property owned by the State of Hawaii or any political subdivision thereof may be acquired only by donation or exchange. In addition to sums appropriated before the date of the enactment of this sentence, there is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act."

(c) Section 505 of the National Parks and Recreation Act of 1978 (92 Stat. 3467, 3499) is amended by striking out "$25,000,000" in subsection (g) and inserting in lieu thereof "$30,000,000".

(d) The first section of the Act entitled "An Act to add certain lands on the island of Hawaii to the Hawaii National Park, and for other purposes", approved June 20, 1938 (52 Stat. 781; 16 U.S.C. 291b and following), is amended by changing the semicolon in the second paragraph numbered "15." to a period and deleting the remainder of the section.

(e) The Act entitled "An Act to authorize the establishment of the City of Refuge National Historical Park in the Territory of Hawaii, and for other purposes," approved July 26, 1955 (69 Stat. 376; 16 U.S.C. 397) is amended by striking out the matter in the first section under the headings "PARCEL 1," "PARCEL 2," and "PARCEL 3," including the headings themselves, and inserting in lieu thereof the following: "All that area within the boundary generally depicted on the map entitled 'Boundary Map, Pu'uhonau o Honaunau National Historical Park,' numbered 415–80,010, and dated March 1980, which shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior.".

SEC. 202. Notwithstanding any other provision of law, no fee may be charged for entrance or admission to any unit of the national park system in the State of Hawaii.

SEC. 203. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1980. Notwithstanding any other provisions of this Act, authority to enter into contracts to incur obligations or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7217 establishes the Kalaupapa National Historical Park, a truly unique addition to the National Park System.

This legislation is a direct result of the dedicated efforts of the Kalaupapa National Historical Park Advisory Commission. The Commission, chaired by the Reverend David K. Kaupu of the Kamehameha Schools in Honolulu, with the cooperation of Mr. Robert Barrel, Pacific Area Director of the National Park Service, Mr. Ron Mortimore, park planner and Mr. Robert Fletcher of the Hawaiian Division of Parks, are to be commended for their diligent efforts, and creative approach in dealing with the unusual problems regarding the Kalaupapa settlement.

I would like to comment now on the items in this bill. Title I would: First, establish Kalaupapa National Historical Park; second, authorize the Secretary to acquire lands within the park by donation or exchange; lands may be purchased outside the park for purposes of exchange with the Department of Hawaiian Home Lands; third, authorize the interim activities and direct the Secretary to enter into cooperative agreements for the preservation, protection, maintenance and interpretation of sites and resources on non-Federal property; fourth, provide for the protection and maintenance of the patient's current lifestyle; fifth, direct the Secretary to grant the patients first preference in providing visitor services, and grant first preference to patients and native Hawaiians for appointments to positions established for the administration of the park, regardless of Civil Service laws; sixth, establish the Kalaupapa National Historical Park Advisory Commission; seventh, direct the Secretary to reevaluate policies governing the management, administration and public use of the park at such time as there is no resident population; and eighth, authorize funds to carry out the purposes of the act.

Title II would: First, authorize new boundary as depicted on "Boundary Map, Haleakala National Park." The new boundary includes the lands authorized in the 1976 act, together with some additional lands; second, authorize a new boundary as depicted on a map entitled "Boundary Map, Hawaii Volcanoes National Park." The effect of the new boundary is to encompass existing Federal lands administered as a part of the park, to exclude 4,032 acres of non-Federal land, and to add some other land to the park; third, amend the authorization (Public Law 96–65) for Koloko-Honokohau National Park; fourth, authorize a new boundary as depicted on a map entitled "Boundary Map, Puuhonau o Honaunau National Historical Park." It should be noted that this authorization is not intended to interfere with the existing negotiations regarding boat launching facilities in the vicinity of the park; fifth, prohibit the collection of an entrance or admission fee in any unit of the national park system in Hawaii.

Our distinguished colleagues, Messrs. AKAKA and HEFTEL, have been most diligent in pursuing this matter, and their leadership is to be highly commended. I urge its adoption.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the bill now under consideration, H.R. 7217. This bill establishes the new Kalaupapa National Historical Park on the Island of Molokai in the State of Hawaii.

This sizable tract of land has served for many years as a location for persons afflicted with leprosy. It still serves in that capacity today as an institution operated by the State of Hawaii, but the number of patients there is declining.

It is a very beautiful area. Its designation as a unit of our National Park System will permit the present institutional arrangements to continue to function, and the patients will be able to live there the rest of their lives if they so choose.

Public visitation will probably be significantly limited for many years to come, but at a time that the area ceases to be used as an institutional area for leprosy patients, the area will offer a most interesting historical story, along with spectacular scenery.

The remainder of the bill provides for much needed boundary adjustments at other existing national park system areas in Hawaii. All of these boundary additions are to be acquired in fee. The National Park Service should put a particularly urgent priority on all of these acquisitions, as land prices in Hawaii appear to be escalating much more rapidly than in most other parts of the United States.

Mr. Speaker, I urge the adoption of this bill by my colleagues.

● Mr. HEFTEL. Mr. Speaker, I rise today in support of H.R. 7217, which would establish the Kalaupapa National Historical Park by adding the Kalaupapa Settlement to the National Park System. In 1976, Congress established the Kalaupapa National Historical Park Advisory Commission. The purpose was to determine the feasibility and desirability of establishing a master plan for the establishment of a unit of the National Park System, in order to preserve and interpret the Kalaupapa Settlement. The Commission found that there is, in fact, a need to protect and preserve the settlement. I am pleased to be a cosponsor of this legislation which would implement the findings of the Commission, and preserve for all time, as a National Historical Park, Kalaupapa Settlement.

Since 1866, an isolated peninsula on one of the more remote islands of the Hawaiian chain has served as a leper colony. The colony was established to contain the victims of this horrible disease which had reached epidemic proportions in the islands. The peninsula, called Kalaupapa, on the island of Molokai, was chosen by the leaders of the Kingdom of Hawaii to be the site for the leper colony because of its physical isolation; its steep cliffs on one side, and rocky shores on the other. The horror of leprosy is well known, as is the dramatic story of the assistance given to the exiles by Father Damien DeVeuster, whose statue stands in a corridor of this Capitol Building. Today, modern drugs and scientific knowledge have brought leprosy under control. Isolation is no longer required. Although there remains a resident population in Kalaupapa, the median age of which is over 55, no new cases are admitted. No longer a place of mystery and fear, Kalaupapa Settlement is more a monument of the victory in honor of a battle humanity fought against disease.

This bill will provide certain rights and protection to the remaining patients. Equally important, it will preserve the rugged beauty of this coast. Additionally, interpretive centers describing the settlement's cultural, historical, educational, and scenic resources will be provided to further instruct those who visit the site.

The Kalaupapa Settlement is a national treasure and a monument to man's fight against disease. I commend my colleague, Chairman BURTON, for introducing this worthy proposal, and urge my colleagues to join with me in giving their favorable consideration to this legislation.●

● Mr. AKAKA. Mr. Speaker, I am pleased that H.R. 7217, to establish the Kalaupapa National Historical Preserve, is before the House for consideration. Through the able leadership of my distinguished colleague, Congressman PHILLIP BURTON, this bill has progressed smoothly through the House. I want to extend my sincere gratitude to him for his efforts.

The provisions to establish the Kalaupapa National Historical Preserve were drafted and submitted by the Kalaupapa National Historical Park Advisory Commission authorized by Public Law 54–518. The Commission worked in conjunction with the National Park Service and held meetings with Palaupapa patients, public agencies, and the general public. They are to be commended for their thorough investigation and study of how to administer and manage Kalaupapa now and in the future. The Commission was sensitive to the human needs of the patients and the cultural, the historical, the archeological, and the environmental importance of Kalaupapa.

Kalaupapa is valuable not only as a regional resource but notable as a place of international historical significance. Throughout the world the name Kalaupapa is synonymous with the courage of Father Damien and the Hawaiians, who, exposed to the diseases of other civilizations, came to die in such an isolated place.

Kalaupapa is also noted for its flora and fauna. Three birds, the Molokai thrush, the Molokai creeper, and the Iwa, all considered endangered species, make their home in the valleys of Kalaupapa. Other rare species of birds, although not endangered, share the area. Of course, the isolation of Kalaupapa and the lack of people enhances the chance of survival for these animals. The natural barriers of Kalaupapa will continue to insure the survival of the plants and animals, the preservation of the historical aspects of Kalawao and the lifestyle of the community.

The food that has come from Kalaupapa will continue, and we will be all the more rich for having preserved this area for the coming generations of the world.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 7217, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

IRVINE COAST NATIONAL URBAN PARK

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4975) to establish the Orange Coast National Urban Park, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide for public outdoor recreation use and enjoyment of the Irvin Coast-Laguna area of California, and to protect the area's unique ecology and topography, its watershed vegetation, and other natural and cultural resources, there is hereby established the Orange Coast National Urban Park (hereinafter in this Act referred to as the "park").

SECTION 1. The park shall consist of the lands and interests in lands within the boundary generally depicted on the map entitled "Boundary Map, Irvine Coast National Urban Park," numbered 20,064B, and dated May, 1980, and the accompanying inset map, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. Except as otherwise provided in this Act, it is the intention of the Congress that all the property within the park be acquired by December 31, 1984, and accordingly, any lands, or interests therein not acquired by that date shall no longer be deemed included in the park. The Secretary of the Interior (hereinafter refered to as the "Secretary") is authorized, with respect to the property acquired pursuant to this Act, (1) to convey the property to the State of California or any political subdivision thereof, subject to such terms, conditions, and reversionary provisions as will assure preservation of the property for public park or open-space purposes, and (2) to enter into an agreement with the State or a politcal subdivision thereof pursuant to which the State or such political subdivision shall administer, protect, and manage the property for public park or open-space purposes.

SEC. 3. Except as otherwise provided in this Act, the Secretary is authorized to acquire lands and interests therein within the boundaries of the park by donation, purchase with donated or appropriated funds, or exchange, or otherwise, which authority is expressly conditioned upon the following events occurring within the time periods indicated:

(a) On or before June 30, 1981, the California Coastal Commission shall have approved and certified, and the County of Orange shall have accepted, a Local Coastal Program (as defined in the California Coastal Act of 1976), for the entire area identified as the "Irvine Coastal Area" on the map referred to in Section 2 of this Act, which Local Coastal Program shall provide, among other things, for a watershed management program for the area identified on such map as "Los Trancos Canyon."

(b) On or before June 30, 1981, the County of Orange and the owner of record of the area identified as "Area C" on such map shall have entered into an agreement, and the California Coastal Commission shall have approved such agreement, containing among other things an irrevocable offer to donate the entirety of "Area C" to the Secretary, the State of California or to a political subdivision thereof, which donation may be in phases and conditioned upon performance by the County of Orange of its obligations under such agreement, provided, however, that the Secretary may, at his sole discretion, waive the foregoing condition.

(c) On or before December 31, 1980, the owner of record of the area identified on such map as "Moro Ridge" shall have conveyed said area to the State of California or to a political subdivision thereof, provided, however, that the Secretary may, at his sole discretion, waive the foregoing condition.

(d) On or before December 31, 1981, the State of California shall have exercised its right to acquire the area identified as "State Expansion Area" on such map, provided, however, that the Secretary may, at his sole discretion, waive the foregoing condition.

(e) The Secretary shall use all due diligence to acquire from the owner of record of the areas identified on such map as "Muddy Canyon," "Laurel Canyon," and the "Frontal Slopes of Wishbone Hill" a right to acquire said lands by purchase under the threat of condemnation, in a form acceptable to the Secretary. This right shall remain in effect until December 31, 1984. In the event said right is exercised on or before October 1, 1981, the total purchase price shall be $32,000,000, or the fair market value, whichever is less. In the event said right is exercised after October 1, 1981, said total purchase price shall be increased monthly in pro rata increments at the simple rate of 10 per centum per annum. Such right to acquire shall be in favor of the United States of America or such other public entity as the Secretary may designate and shall be assignable at any time by the Secretary, for consideration he deems in his descretion to be adequate, to the State of California or any political subdivision thereof or such other non-profit, tax-exempt organization as the Secretary shall, in his discretion, deem appropriate; provided, however, that any such assignment shall only be for park and/or open-space purposes.

In the event the total purchase price, as adjusted in accordance with the preceding formula, exceeds the total sum of $37,000,000, the Secretary, in his sole discretion, may either:

(1) Delete from the areas to be purchased under the option the entire area shown on such map as the "Frontal Slopes of Wishbone Hill," in which case the total purchase price shall be recomputed on the basis of an original purchase price of $16,000,000 or the fair market value, whichever is less, instead of $32,000,000, subject to the adjustment provided above; and/or

(2) Assign all his rights, which shall be severable for this purpose only, to the State of California, or to a political subdivision thereof, to purchase the "Frontal Slopes of Wishbone Hill" for a total purchase price recomputed on the basis of an original purchase price of $16,000,000, or the fair market value, whichever is less, subject to the adjustment provided above.

SEC. 4. With respect to the area identified on the map referred to in section 2 of this Act as "Sycamore Hills/Laguna Beach," the Secretary shall acquire said area, or any part thereof, from funds first appropriated for acquisition of the lands identified on the map referred to in section 2 of this Act.

SEC. 5. (a) In carrying out his authorities under this Act, the Secretary shall expeditiously take such actions as may be necessary to convey and transfer for purposes of the proposed San Joaquin Hills transportation corridor (as designated on the general plan of the County of Orange, California) and the proposed Sand Canyon Road as identified on the map referred to in Section 2 of this Act, such rights-of-way through the park as may be necessary for the establishment of such corridor and/or road. Such actions may also include the establishment by the Secretary of such conditions for the protection and utilization of the park as will facilitate the construction of such corridor and such road, the issuance of any certification required under the Act of August 27, 1958 (23 U.S.C. 317), for the transfer of lands within the park to the State highway department, or its nominee, and any combination of the foregoing actions and other action which the Secretary is required to take as a condition to the construction of such portions of the proposed corridor, and road.

(b) In exercising his authorities under regulations and applicable provisions of law (including, but not limited to, section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)); and section 15(a) of the Act of September 13, 1966 (23 U.S.C. 138); and section 2(a)(1) of the Act of September 8, 1966 (49 U.S.C. 1610)), the Secretary of Transportation shall expeditiously take the actions required under such regulations and applicable provisions of law in such manner as will facilitate, to the maximum extent practicable, the construction of so much of the transportation corridor and road referred to in subsection (a) of this section as is within the boundaries of the park or as otherwise affects the park.

SEC. 6. There are hereby authorized to be appropriated $38,000,000 and such additional sums as may be required to fulfill the provisions of Section 3(e) for acquisition of lands and interests therein pursuant to this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. BADHAM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. BADHAM) will be recognized for 20 minutes.)

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

(Mr. PHILLIP BURTON asked and was given permission to revise and extend his remarks.)

Mr. PHILLIP BURTON. Designed to protect a very beautiful area, the Irvine coast, Orange County area, and represents a couple of years' of untiring effort by and leadership of our distinguished colleague from California (Mr. PATTERSON).

Mr. Speaker, H.R. 4975 calls for the establishment of the Orange Coast National Urban Park. The lands encompassing the Irvine coast and adjacent areas to be included in the National Urban Park are situated in Orange County, Calif., approxmiately 30 miles southwest of the city of Los Angeles. Approximately 10 million people live and work within a 2-hour drive of the park.

The Irvine coast area envisioned for national park and open space purposes consists of approximately 11,000 acres, 2,400 of which is currently owned by the State of California for use as a State park. Additionally, it is contemplated that an additional 400 acres will be added to the State owned lands in the near future. The planned future acquisitions by the State are delineated as "State Expansion Area" on the detailed inset map which accompanies H.R. 4975. There is still some disagreements we the so-called "Laguna parcels"—but this item can be clarified during the balance of deliberations on the bill.

The entire area has long been recognized as a significant resource worthy of protection from urban encroachment. The cities of Newport Beach and Laguna Beach, as well as the county of Orange have worked diligently with the landowners to preserve the area. Additionally, the California State Coastal Commission, the California Coastal Conservancy, and the Department of Parks and Recreation of the State of California, recognizing the uniqueness and value of the Irvine coast lands, have identified the area as having the highest priority for preservation as open space in southern California.

Mr. Speaker, Representatives JERRY PATTERSON and BOB BADHAM have combined forces here to make this bill possible. Without their efforts, we would not be able to consider this bill today.

Mr. Speaker, at this time I would like to yield 5 minutes to the distinguished gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. Mr. Speaker, the Irvine coast area in southern California for more than two decades, has been a prime target for preservation of prime open space lands. It has been held in highest esteem by environmental groups, by the very landowners who own the property, by the county government, by the State government; and more recently, after enactment of the California Coastal Commission, by the California Coastal Commission.

In the omnibus parks bill of 1979, the National Parks Service was mandated to study the establishment of a park. That National Parks Service study showed that there were several nationally significant features, among them being valuable and beautiful seacoast, archeological and paleontological resources, some of the finest known in North America; and that there were rare and endangered species of plants and animals including the American golden eagle. The gentleman on the other side of the aisle, Mr. BADHAM, who is managing the bill on that side, participated with me in the Subcommittee on National Parks in the field hearing on August 9, 1979. That hearing, and a subsequent hearing of the National Parks Subcommittee on May 9, 1980, produced the legislation before us, which was unanimously reported on a voice vote of the full committee on May 14, 1980.

There is strong bipartisan support in all of southern California for this bill, and I will spend just a moment on the features of it that I think are worth mentioning. H.R. 4975 represents the cooperative effort for preservation of the supremely beautiful land area within the State of California and in the county of Orange, which is one of the fastest growing areas of the United States. Last year, the State of California acquired 2,400 acres in this vicinity for $38 million, and an additional 400 acres will be given to the State by the major landowners, the Irvine Co.

Federal involvement in the bill provides for matching funds of $38 million, and it will complete a total of 9,100, approximately, new acres to be acquired by purchase and donation. The total park acreage then, including the State acquisition area, will be just under 12,000 acres. It is anticipated that the State would manage the park.

The Irvine Co., and the Aliso Viejo Co., are the two major landowners. They have become full participants. They agree with the full terms of the bill.

H.R. 4975 provides the best of both worlds in allowing some 12,000 acres to come within the purview of the national parks system, and provides an agreed upon compensation to the landowners at less than fair market value, which will be of considerate benefit to the taxpayers.

Mr. Speaker, I would like to compliment my colleague and coauthor of the bill, Mr. BADHAM. This park will be in his congressional district. However, the accessibility of that park is so great that it includes persons from as far north as Santa Barbara and as far south as San Diego within the 2 hour drive. Approximately 10 million people will be able to reach the park.

Mr. Speaker, I urge the adoption of H.R. 4975.

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Mr. BADHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am indeed a happy and enthusiastic supporter of H.R. 4975.

This is a concept which has come through somewhat of a rocky course in its history since it was proposed. Originally it was proposed by my friend and colleague, the gentleman from California (Mr. PATTERSON), as a huge project that almost knew no bounds. There was a study proposed that was to be a multimillion-dollar study as to whether or not this area in another Member's district and on somebody else's land should become a national park.

Quite naturally, I objected to this procedure, and as a result some negotiations, some ground rules, and some limits were put on the study. The price of the study was greatly reduced, and I favored that because the land had been studied greatly. Over a 1- or 2-year period, after negotiations with the various landowners, mostly private but some public, an agreement and a compromise has come through now which I think will be adequate and good for everybody concerned.

As my colleague said, this will be an area that will invite participation and view by literally millions of people in the surrounding area. This land might have not been in a form that would be usable or put to an understandable use in the future without some sort of an agreement.

Mr. Speaker, I feel that one thing that has been of great moment is the fact that the people of this country will obtain a park and some park land out of moneys that are earmarked in special water, conservation, and land resource funds for the purpose of acquiring park lands. The people who have previously owned the property as private parties will be able to utilize that land without harassment and hampering regulations by the various commissions and bureaus that have to determine when anybody may or may not develop land so that it can be used by people who want areas in which to live. These compromises have been brought about.

I recall with great pride some years ago when in the State Legislature of California we arranged for the offer to purchase at 50 percent of its appraised value the coastal strip adjacent to this area that is now parkland. The price was agreed on, and it was a price so low that it is almost ridiculous to speak about. But it was turned down. It was turned down by some environmentalists who thought the price was too high and that the land should be given away, and it was turned down by the property owner's board of directors because they thought the price was too low. Such is not the case today, because California has purchased a good portion of it, and the Federal Government, through H.R. 4975, will purchase a big part of it.

But the landowners will be able to use their land. They will be able to own land, dedicate land, and sell land, and the public will be able to utilize the land. The land will be preserved.

Mr. Speaker, I would just like to call the attention of this body to some words that were printed in the report which I think are significant, and I quote from the report as follows:

> In addition to its value as an open space resource, the area contains several nationally significant resources as identified by the National Park Service in its report to Congress in 1979 on the feasibility of establishing a National Urban Park in the Irvine Coast area. The shoreline, with its white sandy beaches, craggy headlands, steep cliffs, marine terraces, sea caves, and prolific marine life remains much the same as Richard Henry Dana described the area over 140 years ago in his book, Two Years Before the Mast.
>
> The coastal shelf, inland canyons, hills and mountains contain several nationally significant paleontological and archeological resources, including former Indian village sites, spectacular fossil remains. The fossil records of this area, in fact, represent one of the most significant Middle Miocene to Lower Pliocene stratigraphic sections in North America.
>
> In addition to the significant archeological and paleontological resources, the area contains two plant resources federally recognized as endangered and five rare and endangered birds whose range includes portions of the proposed park area. Among the endangered birds is positive identification of the area as a habitat for the American Golden Eagle.

Mr. Speaker, I highly recommend to the Members the adoption of H.R. 4975 as a great step forward for the preservation of open spaces for the people of the State of California and the United States of America.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. PHILLIP BURTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 4975, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended; the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OMNIBUS INSULAR AREAS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7330) to authorize appropriations for certain insular areas of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 7330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMERICAN SAMOA

SEC. 101. Notwithstanding any other provision of law and subject to valid existing rights, all right, title, and interest of the Government of the United States in personal property situated in American Samoa that is not used by Federal agencies in their operations is hereby transferred, without reimbursement, to the American Samoa government.

TITLE II—GUAM

SEC. 201. (a) Section 3 and section 5 of the Act entitled "An Act to provide for the rehabilitation of Guam, and for other purposes" (Public Law 88–170; 77 Stat. 302) are hereby repealed.

(b) The Act entitled "An Act to provide for the rehabilitation of Guam, and for other purposes" is amended by adding at the end thereof the following new section:

"SEC. 7. The government of Guam shall not be liable to the United States on and after the effective date of this section for repayment of any amount appropriated under this Act which was not repaid to the United States before such date.".

TITLE III—NORTHERN MARIANA ISLANDS

SEC. 301. (a) For grants to the government of the Northern Mariana Islands for the rehabilitation, upgrading, and construction of public facilities, there is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") $10,000,000 for fiscal year 1981 and thereafter, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1980 price levels as indicated by engineering cost indexes applicable to the types of construction involved.

(b) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a) hereof.

(c) Grants provided pursuant to this Act and not obligated or expended by the government of the Northern Mariana Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(d) Authorizations of moneys to be appropriated under this section shall be effective on October 1, 1980.

TITLE IV—TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 401. Section 101 of the Act of March 12, 1980 (94 Stat. 84), is amended by changing the commas after "program" and "system" to semicolons; by deleting the word "and" after "system"; and by inserting after "Ponape;" the following: "for expenditure by grant or contract for the installation, operation, and maintenance of communications systems that will aid internal and external communications; and, after consultation with the Secretary of Energy, for developing the use of renewable sources of energy;".

SEC. 402. There is hereby authorized to be appropriated to the Secretary of the Interior an amount equal to 50 per centum of such sums as may be necessary to satisfy all adjudicated claims and final awards made before the date of the enactment of this Act by the Micronesian Claims Commission under title I of the Micronesian Claims Act of 1971 (85 Stat. 96; 50 U.S.C. App. 2108 et seq.), to be used by the Secretary for the payment of such awards.

SEC. 403. Notwithstanding any other provision of law and subject to valid existing rights, all right, title, and interest of the Government of the United States in personal property situated in the Trust Territory of the Pacific Islands and of the government of the Trust Territory of the Pacific Islands in personal property wherever located that is not used by Federal agencies of the Government or the Trust Territory of the Pacific Islands in their operations is hereby transferred, without reimbursement, to the governments of the Northern Mariana Islands, Palau, the Marshall Islands or the Federated States of Micronesia according to a list of distribution established by the government of the Trust Territory of the Pacific Islands in consultation with the recipient governments within ninety days after enactment of this section. If no government exists in Palau at the time of enactment of this section that is capable of receiving title to such property in its own name, the government of the Trust Territory of the Pacific Islands shall hold such property in trust for such government in Palau until such government is established.

TITLE V—VIRGIN ISLANDS

SEC. 501. Notwithstanding any other provision of law, parcels 2 and 22 (Estate Upper Bethlehem, Saint Croix, United States Virgin Islands) and parcels 3A and 23 (Fredensborg and Upper Bethlehem, Saint Croix, United States Virgin Islands) and parcel 24 (Estate Body Slob and Upper Bethlehem, Saint Croix, United States Virgin Islands) are hereby transferred, without any cost to the Virgin Islands government, to the Virgin Islands government.

TITLE VI—MISCELLANEOUS

SEC. 601. GENERAL TECHNICAL ASSISTANCE.—(a) The Secretary of the Interior is authorized to extend to the governments of American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands, and their agencies and instrumentalities, with or without reimbursement, technical assistance on subjects within the responsibility of the respective territorial governments. Such assistance may be provided by the Secretary of the Interior through members of his staff, reimbursements to other departments or agencies of the Federal Government under the Economy Act (31 U.S.C. 686), grants to or cooperative agreements with such governments, agreements with Federal agencies or agencies of State or local governments, or the employment of private individuals, partnerships, or corporations. Technical assistance may include research, planning assistance, studies, and demonstration projects.

(b) The Secretary of the Interior is further authorized to provide technical assistance to, and maintenance of agricultural plantings and physical facilities for, the peoples from Enewetak Atoll and Bikini Atoll, as well as for the purchase of food and equipment and for the transportation of such food, equipment and persons as he deems necessary and appropriate until such areas produce sufficient food to fully sustain the residents after resettlement.

(c) The Secretary of Agriculture is authorized to extend, in his discretion, programs administered by the Department of Agriculture to Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, and American Samoa (hereinafter called the territories). Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to waive or modify any statutory requirements relating to the provision of assistance under such programs when he deems it necessary in order to adapt the programs to the needs of the respective territory. Such programs shall be carried out in cooperation with the respective governments of the territories and shall be covered by a memorandum of understanding between the respective territorial government and the Department of Agriculture. Any sums appropriated pursuant to this paragraph shall be allocated to the agencies of the Department of Agriculture concerned with the administration of programs in the territories.

(d) There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 602. Title V of the Act of October 15, 1977, entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (91 Stat. 1159) shall be amended as follows: At the end of subsection (d) strike the sentence beginning with "Notwithstanding any other provision of law" and ending with "or the Northern Mariana Islands." and substitute the following sentence: "Notwithstanding any other provision of law, in the case of American Samoa and the Northern Mariana Islands any department or agency shall waive any requirements for local matching funds (including inkind contributions) required by law to be provided by American Samoa or the Northern Mariana Islands.".

SEC. 603. In the event that a political union is effected at a future time between the Territory of Guam and the Commonwealth of the Northern Mariana Islands, the Federal Government and each of its agencies is authorized and directed to assure that—

(i) there will be no diminution of any rights or entitlements otherwise eligible to said territory and Commonwealth in effect on the effective date of such union,

(ii) there will be no adverse effect on any funds which have been or may hereafter be authorized or appropriated for said territory or Commonwealth, as of the effective date of such union, or

(iii) no action is taken that would in any manner discourage such unification.

Whenever any discrepancy exists or arises between the benefits available for either said territory or Commonwealth under any policies or programs authorized by law (including, but not limited to, any formulas for matching grants-in-aid or comparable programs or benefits), the most favorable terms available to either said territory or Commonwealth shall be deemed applicable to said unified area after the effective date of unification.

SEC. 604. Notwithstanding any other provision of law to the contrary, funds appropriated under the Emergency School Aid Act for fiscal year 1980 which are available for use in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, the Trust Territory of the Pacific Islands, and the Virgin Islands shall be available in such areas for the purposes set forth in section 702 of the Emergency School Aid Act as such section was in effect immediately before September 30, 1979.

SEC. 605. There is hereby authorized to be appropriated to the Secretary of the Interior not to exceed $3,000,000 to be expended after consultation with the Secretary of Energy, for developing the use of renewable sources of energy in the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands by—

(1) surveying existing sources and uses of energy;

(2) estimating future energy needs to the year 2020;

(3) assessing, in depth, the potential of renewable energy sources, including solar, wind, hydropower, ocean current and tidal, biogas biofuel, geothermal and ocean thermal energy conversion;

(4) demonstrating those renewable energy technologies that are determined to be most cost effective;

(5) drafting a plan for long-term energy development in such territories making use of those renewable energy technologies successfully demonstrated under paragraph (4) of this section and other technologies based on other sources of energy.

SEC. 606. Amend Section 22 of the Water Resources Development Act of 1974 (Public Law 93–251) by adding at the end thereof the following:

"(c) For the purposes of this section, the term 'State' means the several States of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands."

SEC. 607. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1980.

SEC. 608. Authority to enter into contracts, to incure obligations, or to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriations Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. EVANS of the Virgin Islands. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from the Virgin Islands (Mr. EVANS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before us today is the annual authorization bill, H.R. 7330, for the insular areas of American Samoa, Guam, Northern Mariana Islands, Trust Territory of the Pacific Islands (TTPI), and the Virgin Islands.

The bill, which authorizes about $30 million for fiscal 1981, is a very modest one by comparison with those of past years. This is mainly because the last bill contained an open-ended authorization for the TTPI so we no longer need to annually authorize money to run the government out there.

Included in H.R. 7330 is language that transfers title of personal U.S. property, not in Federal use, to the Governments of American Samoa, the Northern Mariana Islands, Palau, the Marshalls, and the Federated States of Micronesia. This property, considered excess, consists of such items as typewriters, generators, refrigeration equipment, shop tools, and other such things. Since the transfer of this property is already underway in the trust territory, passage of this provision will greatly facilitate the entire procedure.

Title II of the bill relieves the Government of Guam of its indebtedness to the United States pursuant to the 1963 rehabilitation loan act which provided Guam with money to rebuild due to both typhoon and World War II damage. Approximately $16 million is outstanding at this time and with passage of H.R.

7330 would be forgiven. We believe it is time to erase this debt incurred through no fault of its own. Inclusion of this provision was pursued by Tony Won Pat, the delegate from Guam. It is due to his persistence that we added this section to the bill.

For the Northern Mariana Islands, a government that is new and working diligently to create a climate attractive to businesses, we have authorized $10 million to enable them to improve and expand their harbor facilities. Not only will this encourage businesses to invest out there but tourism will be greatly aided. Tourist ships will dock in Saipan once the proper facilities are built.

The reason the Northern Mariana Islands is the only area getting CIP money is because they are the only insular area where the IRS will be collecting taxes per the Governor's request.

Despite the fact that Public Law 96-205 contained an open-ended open year authorization for the Trust Territory of the Pacific Islands (TTPI), we are including language to authorize communications systems to be built in the TTPI. With the termination of the trusteeship likely to take place sometime in the next few years, it is imperative that the United States install as quickly as possible communications systems that will enable the Micronesians not only to communicate with one another but also to communicate with the outside world. From our viewpoint, this is strategically essential as well as commercially important for the Micronesians.

We are also authorizing an energy resources study not only for the TTPI but for all the other insular areas as well. The soaring cost of oil and gas and shortages of them out in these areas leads us to conclude that alternate sources of energy must be identified and used and this study will enable this to happen.

Once again we include a provision to authorize the United States to pay 50 percent of the title I claims owed Micronesians since World War II. Only $12 million would be paid by us if the Senate would see its way this year to allowing this section to remain in the bill. We sincerely believe that we must accept our responsibility for paying off this debt before the trusteesship is ever terminated.

Title V directs the U.S. Government to turn over to the Virgin Island government certain parcels of land on St. Croix. The parcels equal 247 acres and the Virgin Islands government to date has paid $2.3 million of the $2.8 million so the cost of forgiving the rest of this debt will be very low and the Virgin Islands needs all the land for a national guard armory.

A program of general technical assistance to be provided by the Secretary of the Interior at the request of any of the governments of the insular areas is authorized in H.R. 7330. We envision seeing included in this program money to fund the temporary transfer of Federal employees to any of these areas for the purpose of giving technical assistance and also to fund the temporary transfer of employees from these areas to the Federal Government in order for them to gain administrative expertise. Such a transfer would be for no longer than a 2-year period.

Additionally, we are waiving all matching requirements for American Samoa and the Northern Mariana Islands. With the signing of Public Law 96-205 into law, we eliminated about 90 to 95 percent of the matching required for these areas and with this provision we will have eliminated all matching requirements. Since these two governments operate primarily on Federal funds, it is foolish to require them to match Federal money with Federal money.

And lastly we have included a section that addresses itself to the future union of Guam and the Northern Mariana Islands. It was in the late 19th century that these two areas were divided, and hopefully some day they will be rejoined. In order to remove any possible stumbling blocks to reunification, we have made it clear that the most favorable benefits would apply if such a union took place.

And there you have it. We urge our colleagues to approve this measure and pass it on to our friends in the Senate.

Mr. EVANS of the Virgin Islands. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7330, which represents the committee's continuing effort to alleviate the manyfold problems confronting the Territories.

This is a very modest bill, one which takes into consideration the severe budgetary constraints under which we operate. It does not meet the entire needs of the territories, but it goes a good way in doing so.

This bill includes two measures which were passed by the House last year but were deleted in the Senate-House deliberations. One is the authorization for the 50-percent payment for the Micronesian war claims, and the second is the transfer of five parcels of land to the Government of the Virgin Islands. I might add here that this is land for the Virgin Islands, part of which has been paid for already and which is urgently needed for the construction of an armory for the National Guard.

The bill further transfers U.S. personal property, not in Federal use, to the respective governments of American Samoa, the Northern Marianas, and Micronesia. This is essentially an administrative procedure since the property is already in use by those governments and is surplus to Federal needs.

Two sections of the bill are modifications of Public Law 96-205. One section forgives a 1963 Federal loan for Guam's World War II and typhoon damages. The other section eliminates matching funds for Federal programs for American Samoa and the Northern Marianas.

Mr. Speaker, we may recall that an integrated effort on the part of the Governors of Hawaii and the Pacific Territories was initiated last February to promote economic development in the Pacific Basin. The subcommittee not only agrees with this heartily but wishes to extend it to the Americans living in the Caribbean.

In consonance with that, this bill now includes $10 million to upgrade port facilities in the Northern Marianas; up-to-date communications systems in the Trust Territory of the Pacific Islands; Federal technical assistance for all of the territories; a territory-wide development for renewable energy sources; and in contemplation of an eventual union between Guam and the Northern Marianas, assurance that in such an event the most favorable Federal benefits would apply.

As I said earlier, Mr. Speaker, this is a very, very modest bill. It does not cost much money, and I certainly wish at this point to solicit the support of my colleagues so that we may pass this bill unanimously.

□ 1320

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Clausen).

Mr. CLAUSEN. Mr. Speaker, I rise in support of the legislation pending before us, H.R. 7330, and I certainly want to commend the two managers of the legislation for presenting it here today, the gentleman from California (Mr. Phillip Burton) and the gentleman from the Virgin Islands (Mr. Evans). It represents, as has been stated, our committee's continuing effort to alleviate the manifold problems confronting Americans living in the so-called insular areas.

This authorization provides for modern telecommunications in the Trust Territory of the Pacific Islands; territorial-wide development of renewable sources of energy; and Federal technical assistance for the territorial governments, which is very important as they move under direction of upgrading and building their institutions commensurate with their desires and toward establishing a higher standard of living.

Moreover, $10 million is authorized for port development in the Northern Mariana Islands. This is vital to the stimulation of economic activity in America's newest commonwealth. The main commercial port dates from the immediate post-World War II era when the prewar Japanese port was reconstructed by the U.S. Navy; since then, no major renovation has been undertaken.

Also, Rota, the southernmost island in the Northern Marianas chain, is in dire need of port development. Therefore, approximately one-third of this authorization should be earmarked for infrastructure improvement on that island.

The committee has also authorized the development of a modern communication system in the Trust Territory of the Pacific Islands. I would like to add my strong personal endorsement to the report language which requests the Secretary of the Interior to be guided by the Buy America Act in drawing up the provisions of implementing contracts and grants.

I would like to commend the territorial delegates—Mr. Evans of the Virgin Islands and Mr. Won Pat of Guam—for providing invaluable assistance in drawing up the provisions of H.R. 7330. As in past territorial legislation, the contribution of the congressional delegates is essential in fulfilling our committee's obligations toward the people of the offshore areas.

Only through the urgings of Mr. Evans and Mr. Won Pat has it been possible to respond effectively to growing territorial needs. The bill also takes into consideration the very serious budget constraints that we are operating under, as all of the Members are familiar with.

A special relationship exists between America's insular areas and the Subcommittee on National Parks and Insular Affairs. Over the years, the members of the subcommittee have followed closely social and economic development in the territories, with growing respect and admiration for the political maturity demonstrated by their residents. Bipartisanship lies at the heart of this special relationship; and we stand ready to cooperate now and in the future in building responsible territorial institutions, responsive to the will of all Americans living in the offshore areas.

I have worked closely with our subcommittee chairman and other members of the committee, as well as with the Pacific Basin Development Council, territorial Governors and legislators in formulating this legislation, which represents a balance of interests when taken in conjunction with Public Law 96-205, the U.S. Insular Appropriation Authorization. H.R. 7330 is part of a coordinated effort to stimulate and sustain the well-being of all citizens residing in the offshore areas; therefore, I urge its unanimous passage.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 7330.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, I yield back the balance of my time.

Mr. EVANS of the Virgin Islands. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 7330. The territorial authorization bill before us is a followup to Public Law 96-205, the U.S. Insular Appropriation Authorization, which was enacted into law March 12, 1980. This bill includes two measures, which were passed by the House last year but deleted in deliberations with the Senate; namely, the transfer of five parcels of land under Federal mortgage to the Virgin Islands Government, and the authorization of 50 percent on outstanding Micronesian war claims.

Mr. Speaker, I wish to take this opportunity to commend the subcommittee chairman (Mr. Burton) and to commend my colleague, Delegate Melvin Evans of the Virgin Islands, for his work on this bill and for the excellent job he does in representing his constituents.

The bill further transfers U.S. personal property, not in Federal use, to the respective governments of American Samoa, the Northern Marianas and Micronesia. This transfer is largely administrative in nature since most of the property in question is in use by the territorial governments and is surplus to Federal needs.

Two sections of the bill are modifications of Public Law 96-205. One section forgives a 1963 Federal loan for Guam's World War II and typhoon damages. The other section eliminates matching funds for Federal programs for American Samoa and the Northern Marianas.

Mr. Speaker, you may recall that an integrated effort on the part of the Governors of Hawaii and the Pacific Territories was initiated last February to promote economic development in the Pacific Basin. Our subcommittee chairman, Mr. Phillip Burton; our ranking minority member, Mr. Clausen; Mr. Won Pat, and I are members of the Advisory Committee to that Pacific Basin Development Council. We enthusiastically support the effort to coordinate the economic development of Americans living in the Pacific offshore areas and have included the following authorizations to stimulate their growth:

The sum of $10 million to upgrade port facilities in the Northern Marianas;

Up-to-date communication systems in the Trust Territory of the Pacific Islands;

Federal technical assistance for all the territorial governments;

Territorywide development for renewable energy sources; and

In contemplation of an eventual union between Guam and the Northern Marianas, assurance that the most favorable Federal benefits will apply.

H.R. 7330 also provides a continuing authorization for the peoples of Bikini and Enewetak atolls in order to provide for the transportation of food, equipment and persons and the maintenance and upkeep of facilities and agricultural plantings during the period of resettlement and rehabilitation. The hardship imposed upon the Marshallese because of U.S. nuclear testing in the Pacific is a U.S. responsibility; and the committee believes that ameliorative efforts of the U.S. Government should remain under the auspices of a Federal agency.

In particular, I wish to call my colleagues' attention to section 401 which authorizes the Secretary of the Interior to install, operate and maintain, by grant or contract, communication systems for the Trust Territory of the Pacific Islands. The governments of Palau, the Marshall Islands and the Federated States of Micronesia need as expeditiously as possible improved communications systems. At the present time, they are dependent upon unreliable high frequency radio communications which are subject to interference and numerous outages. The availability of reliable commercial satellites in the Pacific provides a means for easily interconnecting these governments by telephone, telex, television, and data link—not only to each other but to the U.S. mainland and other countries throughout the world. Of course, modern communication systems require meticulous maintenance and competent operators. That is why the Secretary has been directed to maintain and operate the systems until the Micronesians have been sufficiently trained to take over the responsibility.

Considering the strategic nature of communications, the state of the U.S. economy and the desirability of an integrated American communications network in the Pacific, communication systems in the Trust Territory should be of American manufacture. Accordingly, the committee believes that in negotiating the communication contract or grant documents, the Secretary of the Interior should abide by the provisions of the Buy America Act.

Section 401, as well as section 605, authorizes the Secretary of the Interior to develop the use of renewable sources of energy in the insular areas. Nowhere is the energy crisis more severe than in America's offshore areas. The only practical solution for alleviating the dependency upon petroleum products is to locate and put to use alternative energy sources. In conjunction with the Department of Energy and the National Center for Appropriate Technology, the Secretary should survey all potentials and initiate, without further delay, energy projects using off-the-shelf items, wherever available, to reduce the plight of America's insular areas.

Mr. Speaker, considering the needs of America's insular areas, this is prudent and just legislation. I ask the unanimous support of my colleagues in passing H.R. 7330.

● Mr. WON PAT. Mr. Speaker, in this time of inflation and budget reductions, it is with enthusiastic optimism that I urge the passage of H.R. 7330, the territorial omnibus bill, for it contains a number of features that will soften the severity of proposed budget cuts which are certain to impact on the struggling economies of the territories.

I am grateful to have the opportunity to work with the Insular Affairs Subcommittee chairman, Phil Burton and Representatives Don Clausen and Bob Lagomarsino in the drafting of this bill. The people of the territories are fortunate to have the benefit of this bipartisan effort within the Interior and Insular Affairs Committee.

As for Guam, I can truthfully say that the Federal Rehabilitation Loan granted after our most disastrous typhoon of 1962 served as the catalyst for the progress Guam has made in building a more viable economy. We have been paying off the loan faithfully for the past 17 years but still owe nearly $17 million. In the face of certain cuts in Federal funds, the writing off of this obligation will come as a blessing to hard-pressed local government budget officials.

As chairman of the Pacific Affairs Subcommittee, I am extremely pleased that the bill picked up two features that we both have recommended that will have a profound impact on all the territories including the Trust Territory of the Pacific Islands. One is the authorization for a comprehensive study of renewable sources of energy to be followed by the development of a plan for long-term implementation of such resources as wind machines, solar hydroelectric and ocean tidal systems holds out great hope that we may someday lessen our complete dependence on high-priced petroleum products produced from foreign oil.

The trust territory, which will soon split into three separate jurisdictions under a compact of free association with the United States, is slated to receive a satellite communications system to replace the antiquated and inadequate system it now has. Communications with the outside world and with one another is vital to their future in that vast isolated area which will always be of strategic interest to the United States.

I would particularly like to recognize the efforts of Representatives CLAUSEN and LAGOMARSINO, both minority members of the Pacific Affairs Subcommittee, in developing these two important features of the bill.

Finally I would like to point out that section 603 endorses any future reunification between Guam and the Northern Mariana Islands by assuring both entites they will continue to share in the Federal programs to the same extent they have done so separately over the years in the event of such reunification. Congress is clearly signaling our people that they will have the full support of the Federal Government if and when they resume reunification talks. I am proud of this historic statement which is a reversal of official U.S. policy in previous years. ●

Mr. EVANS of the Virgin Islands. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 7330, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL HOSTEL SYSTEM ACT OF 1980

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7105) entitled: "National Hostel System Act of 1980."

The Clerk read as follows:

H.R. 7105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "National Hostel System Act of 1980".

SEC. 2. (a) The Congress finds that—

(1) hostels provide inexpensive overnight accommodations for hikers, bicyclists, canoeists, and other travelers of all ages;

(2) hostels offer a practical means to facilitate visits to and enhance the enjoyment of our Nation's scenic and outdoor recreation resources, historic features and cultural achievements in both rural and highly developed areas of the United States;

(3) for more than sixty years, travelers throughout the world have enjoyed and appreciated the value of hostels;

(4) forty-nine foreign countries have hostel systems which receive various forms of governmental assistance;

(5) no Federal programs exist to support the development of a system of hostels in the United States; and

(6) only one national, nonprofit organization, "American Youth Hostels, Incorporated", has established a procedure for the development and management of a national system of hostels.

(b) It is the purpose of this Act to provide for the preparation of a plan to guide the development and implementation of a national hostel system, to encourage the development of hostels by State and local governmental agencies and private, nonprofit organizations, and to encourage the operation thereof by private, nonprofit organizations.

SEC. 3. (a) The National Hostel System Study Commission (hereinafter in this Act referred to as the "commission") established under section 4 of this Act, shall transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a plan for a national hostel system. Such plan shall be completed no later than two complete fiscal years following the effective date of this Act. The plan shall be as comprehensive as the Commission deems appropriate, but as a minimum shall include—

(1) a comprehensive statement of objectives and purposes for a national hostel system to be developed under such plan;

(2) a nationwide inventory of existing privately and publicly owned and/or operated hostels, with assessments of positive and negative features of their location and current operation from which shall be drawn conclusions as to how additional hostels might be better planned, and how existing ones might be incorporated into the national system;

(3) a survey and an assessment of the current and potential market demand for hosteling in the United States;

(4) an assessment of the current and potential travel and facility-use customs of Americans and their likely proclivity to utilize a public or nonprofit private hostel system;

(5) a discussion of the types of areas and specific geographic locations throughout the Nation which appear to be conducive to and practical for the location of hostels in both the short-range and long-range future;

(6) a discussion of the types of facilities which appear to offer practical solutions to the provision of hostels, such as new construction and the renovation and adaptation of existing facilities and structures;

(7) an analysis of the possible options for private and public financing of the construction, renovation, adaptation and operation of public and private nonprofit hostels;

(8) a thorough evaluation of the feasibility and suitability of using the resources available through appropriate employment programs, such as the Young Adult Conservation Corps and the Comprehensive Employment and Training Act program, for developing elements of a national hostel system;

(9) an evaluation of various approaches for the optimum management and coordination of a national hostel system:

(10) the identification of future roles and functions for all levels of government, affected organizations, and the private sector in the development and operation of a national hostel system;

(11) the exploration of possibilities of affiliating and coordinating efforts with both national and international organizations with similar objectives, such as the American Youth Hostels, Incorporated, the YMCA, the International Youth Hostel Federation, and the Federation of International Youth Travel Organizations;

(12) minimum facility and operational standards for hostels;

(13) recommendations for legislative language needed to statutorily support full implementation of a National Hostel System Plan;

(14) consideration of, but not be constrained to, the routes of existing or planned national, State, interstate or local riding, hiking, and bicycling trails and routes of recreational water travel, to include subsystems linking urban areas with Federal, State, and local lands and facilities administered for recreation or other leisure time activities;

(15) priority preference for the adaptive use of suitable existing structures as hostels, where practicable, including those structures which are listed on, or are eligible for listing on, the National Register of Historic Places;

(16) a provision, where practicable, and where not inconsistent with written management plans and objectives, for the use of suitable existing structures or the construction of new structures on Federal lands for hostel purposes;

(17) a description of the recommended functions and composition of a National Hostel System Advisory Council, whose purpose would be to replace the Commission and to continually advise the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") on the implementation of a National Hostel System Plan; and

(18) those elements proposed by the Secretary which the Commission deems to be appropriate.

(b) The Commission shall provide for full public participation during the development of the plan.

(c) The Commission shall insure that assistance in preparing the plan is sought from groups and organizations which have a demonstrated knowledge and expertise in hostel use, development, and management.

(d) Every six months after the effective date of this Act, and until the plan is submitted to the aforementioned committees of the Congress, the Commission shall submit to such committees a brief and comprehensive written status report on the progress being made toward the completion of a National Hostel System Plan.

(e) (1) The Commission shall transmit the proposed National Hostel System Plan to the Secretary for purposes of review and comment. Within thirty calendar days after receipt of the plan, the Secretary shall submit written comments and recommendations to the Commission.

(2) Within sixty days after submission of the plan to the Secretary, the Commission shall publish notice in the Federal Register of the availability to the public, for review and comment, of both the proposed National Hostel System Plan, and any comments and recommendations on the plan received from the Secretary. Sixty calendar days shall be permitted for such public review and comment period.

(3) Within thirty days after the completion of the review procedures indicated in paragraphs (1) and (2) of subsection (e) of this section, the Commission shall incorporate into the plan such comments and recommendations as it deems to be appropriate. The Commission shall submit the plan, concurrently with the Secretary's and the public's comments and recommendations, to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.

SEC. 4. (a) There is hereby established a National Hostel System Study Commission whose purpose it shall be to prepare, and to submit to the Congress, a National Hostel System Plan, and to perform such other functions as are set forth in this Act. The Secretary shall make available to the Commission from the funds authorized to be appropriated under section 9, such sums as he deems necessary for the Commission to carry out its functions under this Act.

(b) The Commission shall consist of seventeen members, all of whom are to be appointed by the Secretary no later than ninety days after the date of the enactment of this Act. One member shall represent American Youth Hostels, Incorporated, and eight additional members shall possess as credentials for such appointment a current professional working expertise in their respective areas of interest or concern. The following interests, and other as appropriate, shall be represented by Commission members: hiking, bicycling, recreational travel by water, ski touring, youth, senior citizens, and historic preservation. In addition, a representative of each of the following entities shall serve as a member of the Commission: United States Department of the Interior, United States Department of Agriculture, United States Department of Transportation, United States Department of Housing and Urban Development, President's Council on Physical Fitness and Sports, two State governments having an active hostel program, and one private nonprofit organization active in the provision of low-cost overnight accommodations for travelers. The Chairperson of the Commission shall be appointed by the Secretary. Members of the Commission shall serve without compensation. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code. The Commission is authorized to pay other expenses reasonably incurred by the Commission members and staff in carrying out their responsibilities upon certification by the Chairperson.

(c) Notwithstanding any other provision of law, the Chairperson of the Commission is authorized to appoint and fix the compensation of not more than three staff members to assist the Commission in carrying out its responsibilities. Such staff members shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-13 of the General Schedule under section 5332 of such title.

(d) The Commission may enter into contracts and cooperative agreements involving the expenditure of appropriated funds for such technical and professional services and expertise as the Commission deems necessary and appropriate to assist in the preparation of the plan. Upon the request of the Commission, the Secretary shall detail to the Commission, on a reimbursable basis, such personnel of the Department of the Interior as may be necessary to assist the Commission in entering into contracts or cooperative agreements under this subsection.

(e) At the request of the Commission, the head of any Federal agency shall detail to the Commission, on a reimbursable basis, such personnel of that agency as may be necessary to assist the Commission.

(f) The Commission shall terminate one year after the date of submission of a National Hostel System Plan as provided in section 3 of this Act.

SEC. 5. (a) Before the expiration of the two complete fiscal year periods referred to in section 3(a), the Secretary may make grants to States, units of local government, and private, nonprofit organizations to defray the costs of improvements in, or renovations of, structures and facilities for hostel purposes and for such demonstration projects as the Secretary may deem to be relevant and desirable to test and demonstrate ideas associated with the preparation of a National Hostel System Plan. Such grants may be made only for projects approved by the Commission. No grant for any building, facility, or demonstration project may be made under this section in an amount which exceeds $200,000.

(b) Each applicant for a grant under this section shall submit a written application in the manner prescribed by the Secretary. Each such application shall include, but not be limited to, the following—

(1) a plan for the proposed improvement, renovation, or demonstration, including cost estimates;

(2) proof of ownership of, or leasehold of at least twenty-five years on, the relevant structure, facilities and associated land;

(3) assurances that the improvement, renovation, or demonstration and operation of the hostel will meet the applicable requirements (including licensing requirements) of Federal, State, and local law;

(4) proof that the applicant is (A) an agency or instrumentality of a State or local government or (B) a private, nonprofit organization; and

(5) assurances acceptable to the Secretary that the applicant will meet or exceed such minimal operational standards as are established by the Secretary. In establishing such standards, the Secretary is urged to consider adopting, with minimum or no changes, those standards which are used by recognized hostel organizations.

(c) Grants under this section may be made for any project only if the Secretary determines that the application meets the requirements of subsection (b) of this section and that the project will carry out the purposes of this Act.

(d) The Secretary shall stipulate such fiscal and program control and fund accounting procedures as the Secretary may deem necessary to assure proper disbursement of, and accounting for, Federal funds provided under the provisions of this Act (including funds provided to the Commission under this Act).

SEC. 6. Notwithstanding any provision of the Federal Property and Administrative Services Act of 1949 (4 U.S.C. 483) or any rule, regulation, or policy established thereunder, upon the request of the Secretary, any structure (including appropriate lands and access thereto) declared excess by any Federal agency shall be transferred to the Secretary to carry out the purposes of this Act.

SEC. 7 (a) Effective not later than four years from the effective date of this Act, the Secretary shall ensure that the Statewide Comprehensive Outdoor Recreation Plan for each State, developed pursuant to the Land and Water Conservation Fund Act, shall address the potential and plans for the location and development of hostels in a manner consistent with the plan developed pursuant to section 3 of this Act.

(b) Upon the application of any agency or instrumentality of a State or local government or any private nonprofit organization, the head of any Federal agency is authorized to lease any structures and land to such applicant, without charge, for hostel purposes if the Secretary has certified to the head of such Federal agency that the applicant meets the standards of the National Hostel System Plan. The Secretary shall issue such certifications for purposes of this subsection in accordance with such rules and regulations as he shall promulgate. Structures and land may be leased under this subsection without regard to any other provision of law, including provisions of law relating to concessions policy and competitive bidding.

SEC. 8 (a) Nothing in this Act or in any other provision of Federal law, or in any rule or regulation prescribed under Federal law, shall be construed to prohibit the operator of any hostel to which this Act applies from imposing reduced fees to any person based upon such person's membership in American Youth Hostels, Incorporated, or an international affiliate thereof.

(b) Nothing in this Act shall be construed to require (or permit) the development of hostels on federally owned or controlled lands in a manner inconsistent with otherwise applicable provisions of law, rules, regulations, or written management objectives and plans.

(c) Each department and agency of the Federal Government shall cooperate to the fullest extent possible with the Commission and the Secretary in supplying information, data and other assistance in furtherance of the purposes of this Act.

SEC. 9. There is authorized to be appropriated to the Secretary for the purposes of this Act not to exceed $5,100,000 such sums to remain available until expended. Authorizations of money to be appropriated under this Act shall be effective on October 1, 1980. Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts. No funds shall be obligated or expended for grants in accordance with this Act before February 1, 1981.

SEC. 10. For purposes of this Act, the term—

(1) "Hostel" means an inexpensive, self-service and supervised overnight facility. Such term includes the land upon which such a facility is situated.

(2) "Structure" means a building, barn, cabin, cottage, or any other facility which is suitable for use as a hostel.

(3) "State" means any State of the United States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) "Local government" means any city, county, town, township, parish, village, or other political subdivision of a State which is a general purpose unit of local government. Such term also includes any special park and recreation district authorized under State law.

(5) "Private, nonprofit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from Nebraska (Mr. BEREUTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 7105 is legislation to provide for the development of a plan to encourage the orderly establishment of hostels in the United States.

I would like to commend our colleague, RICHARD NOLAN, for bringing this long-neglected problem to our attention and I would particularly note the efforts and diligence of DOUGLAS BEREUTER, the Nebraska member of our subcommittee, on working out the many complex problems associated with the legislation.

I am pleased to say that the cooperative effort of our committee members has permitted us to structure a creative, valid solution to an unsual and difficult problem. While I suspect the entrenched bueaucracy within the executive branch may resist this new approach to problem solving, I believe the American people will, in the end, benefit a great deal.

The legislation establishes a citizen commission, appointed by the Secretary of the Interior, to provide a plan for a "National Hostel System" to the Congress within 3 years of enactment. While the affected Federal agencies are given ample opportunity for input into the plan, citizen groups and organizations with expertise in the hostel business will be primarily responsible. In addition, the Commission will recommend to the Secretary of the Interior certain grants be made for hostel improvements during the planning process in the nature of demonstration projects.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7105, the "Youth Hostel" bill. I would like to begin by offering a special word of appreciation to the gentleman from California (Mr. PHILLIP BURTON), chairman of the Subcommittee on National Parks and Insular Affairs, for providing me with an opportunity to play a role in the bill's development. I also would like to offer a special note of appreciation to the staff of both the majority and minority and to my own staff for their diligence in assisting me in the crafting of this legislative product.

It was a special interest of mine to see if we could adopt an additional concept to the youth hostel proposal—the employment of young people in renovation and construction of hostel buildings and related facilities—that caused the gentleman from California (Mr. PHILLIP BURTON) to provide me with the opportunity to hold further hearings and to make additional recommendations with respect to this bill.

Those recommendations are now embodied in the text of H.R. 7105. I think the bill, as reported from the Committee on Interior and Insular Affairs, is a good bill—one that provides clear direction to the executive branch as to what we would like to have included in the hostel plan while recognizing the Federal role is only one of serving as a catalyst to ongoing efforts by the private sector and involved citizens.

Much of the European community has long recognized the benefits of hostel systems in providing the necessary links for travel and education of international visitors and particular students.

The respective national governments of European nations have provided as much as whole or half subsidies to their hostel systems. This bill proposes a much more modest approach, which will be just as important, I believe, in gaining us the economic, tourism, and educational benefits of a national youth hostel system.

First, the hostel bill is designed to give our national hostel system the degree of governmental recognition and support it needs to start operating. Existing in-place hostels are already acting as a stimulus to travel from abroad to this country, attracting dollars which will aid our economy. Once an overall system is developed, there will be greater opportunity for showing the greatness of our Nation's natural resources and heritage and the accomplishments of our citizenry to both domestic and foreign visitors.

In the process of attaining a goal of a national youth hostel system, the bill also realizes much-needed opportunity for youth and adult employment and the adaptive use of appropriate historical structures. Maximum use is made of existing expertise as we have been assured that the bill creates a National Youth Hostel Study Commission which realistically can do much of the ground work and make recommendations germane to a successful system plan. The responsibilities of this commission can be shouldered by persons with vision who are well acquainted with the problems involved and committed to their solution. Their work and the advisory duties would thereafter be carried on by a National Hostel System Advisory Council which would work closely with the Secretary of the Interior in the implementation of a system plan.

I believe, Mr. Speaker, this bill is capable of producing many long-term economic and educational benefits for our Nation through, the efforts of the private sector with an assist from Government, through only a small investment.

I urge the adoption of this bill by the full House of Representatives.

Mr. Speaker, section 1 establishes the short title for the act.

Section 2 acknowledges the potential role of hostels as inexpensive accommodations for enhancing visits to and the enjoyment of our Nation's scenic and outdoor recreation resources, historic features, and cultural achievements. Notes that while many other countries have successful government-assisted hostel programs, no Federal programs exist to support the development of a system of hostels in the United States.

Establishes that the purpose of the act is to provide for the preparation of a national hostel system plan, and to encourage the development and operation of hostels.

Section 3 requires the newly established National Hostel System Study Commission to prepare a plan for a national hostel system and to submit it to specified congressional committees within 2 complete fiscal years. This section also lists numerous provisions which are to be addressed in the plan.

Requires the Commission to provide for full public participation during the plan's development.

Directs the Commission to seek assistance in preparing the plan from groups and organizations knowledgeable about hostels.

Requires the Commission to submit a written status report every 6 months to specified committees of the Congress regarding progress being made toward the completion of the plan.

Establishes the process by which the plan will be submitted to the specified committees of the Congress, including provisions for review and comment by the Secretary of the Interior and by the public.

Section 4 establishes a National Hostel System Study Commission and defines its purpose.

Establishes the size and composition of the Commission, and identifies compensable expenses.

Authorizes the chairperson of the Commission to appoint a three-member staff to assist the Commission in carrying out its responsibilities.

Authorizes the Commission to enter into contracts and cooperative agreements for technical and professional services, and requires the Secretary of the Interior to detail technical personnel to the Commission at the Commission's request.

Requires the head of any Federal agency to detail personnel to the Comsion at its request.

Sets an expiration date for the Commission at 1 year after the date of submission of the national hostel system plan.

Section 5 allows the Secretary of the Interior to make grants, subject to the approval of the Commission, to public or private nonprofit organizations for hostel improvement and demonstration projects. Single grants may not exceed $200,000.

Establishes the minimum criteria for grant applicants.

Requires that grants be made only for projects which will carry out the purposes of this act.

Requires the Secretary of the Interior to utilize adequate control and accounting procedures for funds authorized by this act.

Section 6 permits any structure declared excess by any Federal agency to be transferred to the Secretary of the Interior for carrying out the purposes of this act.

Section 7 directs that within 4 years the Secretary of the Interior must assure that each State's comprehensive outdoor recreation plan address the potential for hostel system development consistent with the plan which will be developed in accordance with this act.

Authorizes the head of any Federal agency to lease structures and land for hostel purposes to applicants certified as qualified by the Secretary of the Interior.

Section 8 assures that this act does not prevent any hostel operation from allowing reduced fees for members of official hostel organizations.

Assures that nothing in this act will require actions on federally owned or controlled lands that would be inconsistent with existing laws, regulations or management plans.

Requires all Federal departments and agencies to cooperate fully with the Commission and the Secretary of the Interior for the purposes of this act.

Section 9 authorizes up to $5,100,000 to be used for purposes of this act, effective October 1, 1980. No obligations for payments may be incurred until funds are appropriated. No funds shall be obligated for grants prior to February 1, 1981.

Section 10 defines terms used in this act.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I rise in support of H.R. 7105 and to commend my colleague from Nebraska (Mr. BEREU-

TER) for the tremendous amount of time and effort he has put into perfecting this legislation.

He has clearly demonstrated an exceptional ability in managing the subcommittee hearings and played a major leadership role in the drafting and advancement of the bill.

The bill recognizes that hostels provide a unique opportunity for low cost travel in a very leisurely and relaxing manner and should be encouraged as a way of increasing visitation by Americans and foreign travelers to historic and scenic parks and recreational areas. Many hostels users travel by bicycle, hike along existing trails or intersperse their travels with other forms of low cost transportation.

The United States has over 200 existing hostels provided primarily by local nonprofit organizations. There is not, however, any overall plan which would allow the traveler to develop a programed trip regionally or nationally. The purpose of this legislation is to direct the development of such a plan.

The bill as originally introduced did not spell out the specifics of the plan and it was doubtful that it would have been done in a comprehensive fashion. Therefore, our colleague (Mr. BEREUTER) worked with our committee staff to include in the legislation a clear outline of the details of the plan.

The original bill also provided for a far-reaching grant program which many of us felt was premature.

The legislation before us today contains a more scaled down grant program. The grants are subject to the approval of the National Hostel System Study Commission, the drafters of the plan, and the priority of the grants are limited to projects "determined by criteria which will best assist the development of the plan." A single grant may not exceed $200,000.

With these improvements in the legislation and limitations placed on the grant program, I believe the bill merits our support.

Mr. BEREUTER. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO.)

Mr. LAGOMARSINO. Mr. Speaker, the principal purpose of this bill, H.R. 7105, is to prepare a plan for the development of a system of hostels for the United States.

Mr. BEREUTER is due great appreciation for his invaluable and innovative contributions to this legislation.

Hostels are a popular, educational, and enjoyable way of overnighting in many foreign countries. The United States does have a very small number of hostels, nearly all of which are operated by private, nonprofit groups. Many of them are affiliated with American Youth Hostels, Inc., a private, nonprofit organization which coordinates hostels and their activities in the United States.

The principal purpose of this bill is not to set up or expand the current hostel inventory, but rather to prepare a plan for the development of a more extensive system of hostels for America.

The bill lists a significant number of key considerations which are to be explored in the preparation of the plan.

The preparation of a plan such as this would quite unquestionably fall within the province of the Heritage Conservation and Recreation Service (HCRS), an agency of the U.S. Department of the Interior. No single agency should be better equipped or constitute a more logical place for such a study to be conducted.

However, due to the administration's negative position on the initial bill, and due to the seemingly indifferent and disinterested attitude of key departmental people toward this subject, the bill was majorly changed to avoid HCRS's direct involvement, and a new temporary Commission is to be established to conduct this planning effort.

It will be very important for this Commission to be appointed rapidly, and for the work to get promptly underway, in order to meet the tight 2-year submission deadline. All of the Commission members, and staff alike, will need to be well experienced in their field of contribution, or else the proper job will not get done adequately. There are a great number of elements of the plan which will be very demanding of both time and expertise in order for the elements to be properly addressed.

Mr. Speaker, I believe this plan preparation could be a most exciting undertaking. The Secretary of the Interior will still be involved in this entire effort, in a number of ways, and the committee expects that the Secretary will provide full and strong support to the entire project, beginning with the prompt and careful appointment of the Commission members, the request for full funding, suggestions for input into the planning process, providing adequate funds for the grant program, and reviewing the final product. It is in his best interests to do so, as any final plan adopted by the Congress will most surely be given to the Secretary of the Interior for implementation.

Mr. Speaker, I support this bill, and urge my colleagues to do likewise by voting for its adoption.

Mr. BEREUTER. Mr. Speaker, I want to thank the gentleman from California for his comments.

A final note of appreciation from this side of the aisle, I think, is due to the gentleman from Minnesota (Mr. NOLAN), who brought us this innovative idea in the first place. We appreciate his insight and very special efforts.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 7105.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

● Mr. NOLAN. Mr. Speaker, I rise in support of H.R. 7105, the National Hostel System Act of 1980. This legislation is offered today in the nature of a substitute to my original bill, the National Youth Hostel Act of 1979.

H.R. 7105 represents a culmination of 4 years of meetings and consultations with American Youth Hostels, Inc., and numerous similar organizations such as the league of American Wheelmen, Bikecentennial, and Boys Clubs of America all sharing the common goal of establishing a national system of hostels. H.R. 7105 is the culmination of well over a dozen drafts and redrafts; the purpose of each being the same but with the intention of addressing the diverse needs of each facet of an immensely broad hostel system constituency.

I would like to commend my distinguished colleague, Mr. BEREUTER, for his intense interest, enthusiasm and energies in the drafting of this legislation. I know he had devoted great deal of time and effort to this legislation for which I am thankful. I wish to also express my thanks to Chairman BURTON, my friend and colleague from Minnesota (Mr. VENTO) and the subcommittee staff for their participation in this legislation.

The National Hostel System Act of 1980 lays a solid foundation for a nationwide system of hostels. A hostel is a relatively inexpensive, dormitory-style supervised overnight lodging facility. Hostels are especially prevalent across Europe with some nations boasting well over 600 such facilities within their borders. Nearly 50 nations now have hostel systems.

It is the intent of this legislation to establish a National Hostel System Study Commission for the purposes of preparing a national hostel system plan. The Study Commission shall consider such factors as existing hostel facilities and their locations; an assessment of the demand for hostel facilities; the identification of locations conducive to hostel development such as national parks, historic sites, recreation sites, and so forth; minimum standards for management; and an assessment of the applicability and feasibility of incorporating existing State and Federal employment programs such as the Young Adult Conservation Corps, the Comprehensive Employment and Training Act program and summer youth programs. The Commission will also examine the role of the Federal Government in such a system.

Upon completion of the national hostel system plan, the Commission shall resolve itself into an advisory capacity to assist the Secretary of the Interior in implementing the plan. Implementation shall consist of the awarding of grants and loans to States, local units of local government and private, nonprofit organizations for the purposes of improving or renovating existing structures to be used as hostels. Sufficient safeguards have been incorporated into this legislation for the protection of the Federal investment.

I appreciate the consideration of the National Hostel System Act of 1980 by this distinguished body and sincerely hope national hostel development will proceed soundly and progressively.

Thank you, Mr. Speaker.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 7105.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

MERIT SYSTEMS PROTECTION BOARD RETIREMENT APPEALS EXPENSE AUTHORIZATION

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 5837, to authorize payment from the Civil Service Retirement and Disability Fund for the expenses of retirement appeals.

The Clerk read as follows:

H.R. 5837

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 8348 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and by inserting in lieu thereof "; and", and

(3) by adding the following new paragraph:

"(3) is made available, subject to such annual limitation as the Congress may prescribe, for any expenses incurred by the Merit Systems Protection Board in the administration of appeals authorized under section 8347(d) of this title.".

SEC. 2. The amendments made by the first section of this Act shall take effect on the later of—

(1) October 1, 1980, or

(2) the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 20 minutes, and the gentleman from Illinois (Mr. CORCORAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the sole purpose of H.R. 5837 is to make the civil service retirement and disability fund available for any expenses incurred by the merit systems protection board in the administration of appeals authorized under the civil service retirement law. The bill was introduced at the request of the administration.

Prior to the enactment of the Civil Service Reform Act of 1978, civil service retirement appeals were handled by the Federal Employees Appeals Authority and the Appeals Review Board. Since both of these appeal authorities were part of the former Civil Service Commission, the setoff of their retirement appeals expenses against the retirement fund was deemed appropriate under the provisions of section 8348(a)(2) of title 5.

In 1978, when the former Civil Service Commission was reorganized into the Office of Personnel Management and the Merit Systems Protection Board, the responsibility for retirement appeals was vested in the MSPB. However, the Civil Service Reform Act of 1978 did not provide authority for the MSPB to charge the retirement fund for the expenses of administering retirement appeals.

Since the MSPB presently lacks statutory authority to charge the retirement fund for the expenses of retirement appeals, it has been necessary for the Congress to appropriate funds to MSPB for this purpose. For the current fiscal year, $255,000 was appropriated for these expenses. However, since the existing law does not authorize appropriations for this purpose, future appropriations may be subject to a point of order. Therefore, immediate consideration of this legislation is imperative.

Enactment of H.R. 5837 will not result in any additional cost to the Government.

The committee urges passage of this bill and I strongly urge my colleagues to support it.

□ 1340

Mr. CORCORAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5837 corrects an oversight in current law and enables the Merit Systems Protection Board to charge the civil service retirement and disability fund for the costs incurred in administering retirement appeals.

Prior to the Civil Service Reform Act of 1978, the Civil Service Commission interpreted the statutes as providing the authority to charge the retirement and disability fund for such costs. However, in the reform, the Civil Service Commission was abolished and replaced by the Merit Systems Protection Board and the Office of Personnel Management. The Merit Systems Protection Board was given the duty of administering retirement appeals, but it was not given the authority to draw on the retirement and disability fund to pay the costs of such appeals. In the past, therefore, Congress has appropriated funds for this purpose. However, since the Merit Systems Protection Board lacks statutory authority for such appropriations, future appropriations may be subject to a point of order.

H.R. 5837 would authorize the Merit Systems Protection Board to pay the costs of administering retirement appeals from the retirement and disability fund. The legislation should incur no additional costs, and it will resolve the unintended financing problem currently faced by the Merit Systems Protection Board. I urge my colleagues to support this legislation.

Mrs. SPELLMAN. Mr. Speaker, I thank the gentleman for his comments.

GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 5837.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mr. CORCORAN. Mr. Speaker, I have no additional requests for time, and yield back the balance of my time.

● Mr. DERWINSKI. Mr. Speaker, H.R. 5837 is housekeeping legislation providing authority for the Merit Systems Protection Board to charge the civil service retirement fund for the costs of administering retirement appeals.

Prior to the Civil Service Reform Act, the administration of appeals was performed by the Civil Service Commission and the cost charged against the retirement fund.

The Civil Service Act of 1978 abolished the Civil Service Commission and placed responsibility for retirement appeals in the newly created Merit Systems Protection Board, but inadvertently did not provide authority for it to charge the retirement fund for their expenses. As a result, the Congress has had to appropriate funds to the MSPB for this purpose. But, since the law does not authorize appropriations for this purpose, future appropriations may be subject to a point of order.

This bill rectifies the problem.

Mr. Speaker, this legislation was requested by the administration, and will not result in any additional costs.●

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill, H.R. 5837.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SNUG HARBOR WILDLIFE REFUGE

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7191) to establish the Snug Harbor National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 7191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if—

(1) the property known as Sailors' Snug Harbor, consisting of approximately eighty acres and located in the city of New York, is donated to the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") by the city of New York; and

(2) the Secretary and the city of New York and the Snug Harbor Cultural Center, Incorporated, enter into mutually satisfactory cooperative agreements of the kind described in section 3;

the Secretary shall designate Sailors' Snug Harbor as the Snug Harbor National Wildlife Refuge (hereinafter referred to in this Act as the "refuge").

SEC. 2. Except as may be provided for in cooperative agreements referred to in paragraph (2) of the first section of this Act, the refuge shall be administered in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966. The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 3. The Secretary and the city of New York and the Snug Harbor Cultural Center Incorporated, shall endeavor to enter into cooperative agreements regarding the respective functions each such party will undertake with respect to the refuge; except that the Secretary shall be responsible for the protection of, and the provision of technical assistance with respect to, the refuge, as well as for costs incurred in the operation and maintenance for the refuge.

Sec. 4. For purposes of section 401 of the Act of June 15, 1935 (commonly known as the "Refuge Revenue Sharing Act"), the refuge may not be considered to be, nor treated as, a fee area within the meaning of subsection (g) (2) of such section 401.

Sec. 5. Nothing in this Act may be construed as affecting in any manner, or to any extent, the eligibility (as in effect on the day before the date of the enactment of this Act) of the city of New York, the Snug Harbor Cultural Center, Incorporated, or the State of New York, under any Federal law for funds or other assistance for use in the restoration or preservation of historic recreational projects and programs, within the area included in the refuge.

Sec. 6. There are authorized to be appropriated to the Department of the Interior not to exceed $1,750,000 for purposes of carrying out this Act during the period covering fiscal years 1981, 1982, and 1983; except that no part of any funds appropriated pursuant to this section may be expended for the restoration or preservation of any building within the refuge.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. Murphy) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. Forsythe) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7191 would designate Sailors Snug Harbor in the State of New York as the Snug Harbor National Wildlife Refuge.

Sailors Snug Harbor was established in the early 19th century by Richard Robert Randall, a sea captain and son of a privateer. Captain Randall bequeathed this property to a trust for the express purpose of caring for retired merchant seamen. The complex consists of 26 buildings and other structures which were built between 1830 and 1900, and a number of docks that front on the river. For more than a century the facility fulfilled its purpose, closing its doors to its charges only under the pressure of diminished financial resources.

Snug Harbor is located in one of the most beautiful settings in all of New York City. Its lush grounds and buildings designed in Greek Revival style sit overlooking the Kill van Kull River and New York Harbor.

Snug Harbor was owned and operated privately until the early 1970's when it was purchased by the city of New York for $9.8 million. It has functioned as a community environmental, educational, and cultural center since 1976, operating largely with State and private financing that has been deficient in amounts.

Of the 80 acres proposed for inclusion in the refuge, 36 acres consist of grass and scattered trees, 16 acres of woods, 8 acres of marsh and old pasture, and the remainder in two lakes. Various exotic species of plantlife thrive on the property having been brought there by the well-traveled seamen who lived at or visited Sailors Snug Harbor. The two lakes are relatively shallow, being impoundments of the main stream which courses the entire property and empties into Kill van Kull River, a main waterway of New York Harbor. Also on the property are large populations of gray squirrel, rabbit, and raccoon as well as populations of egrets, herons, pheasants, mourning doves, and various species of ducks.

Sailors Snug Harbor is operated by Snug Harbor Cultural Center Inc., which has a permit from the city of New York to use, occupy, operate, and maintain the harbor for public use. It contains structures of national significance, is recognized as a national historic district, and is also listed as a State landmark. Recently, the State of New York made a grant of $4.5 million to be applied to the cost of restoring these landmark buildings. In the past, rehabilitation and program development have been carried out with a combination of private funds, community development grants, and Federal matching funds. Operation and maintenance costs had been provided by the State but were terminated last year.

The city of New York would like to donate this entire complex to the Federal Government upon the condition that the Federal Government take care of the day-to-day expenses, such as operation and maintenance. Administrative and policymaking responsibility in general would remain with the existing cultural center. All repairs and rehabilitation work would be coordinated by the cultural board with assistance from the State, the city of New York, public and private organizations, and grants from Federal programs.

The New York Legislature recently approved this plan and is gradually making available funds for repairs and rehabilitation of the buildings from the $4.5 million recently appropriated.

H.R. 7191 is designed to implement this plan.

Briefly explained, H.R. 7191 would designate Sailors Snug Harbor as the Snug Harbor National Wildlife Refuge. It would be administered in accordance with the provisions of the National Wildlife Refuge System Administration Act, except as provided in the cooperative agreements to be entered into by the Secretary, the city, and the cultural center, which would clearly spell out the functions to be carried out by each party.

Among other things, the agreements would make it clear that the Secretary would be responsible for the protection of and providing technical assistance to the refuge, and for costs incurred in the operation and maintenance of the refuge.

The bill would authorize to be appropriated for this purpose $1,750,000 over a 3-year period covering fiscal years 1981, 1982, and 1983. In view of the costs to be assumed by the Federal Government when title is transferred to the Secretary, the legislation would exempt the Secretary from having to pay to the county or other local taxing authority payments in lieu of taxes that would be required to be paid under the Refuge Revenue Sharing Act. Also, the bill would make it clear that nothing in the legislation would affect the eligibility of the city, the cultural center, or the State from obtaining funds under any Federal law for use in restoration or preservation of the historic buildings or in carrying out development or recreation project programs on the refuge.

Finally, Sailors Snug Harbor would not be designated as a refuge until title to the property is donated to the Secretary and the Secretary, and the city, and the cultural center have entered into mutually satisfactory cooperative agreements pertaining to the operation and administration of the refuge.

Mr. Speaker, H.R. 7191 has the unanimous support of the Committee on Merchant Marine and Fisheries and I urge its prompt passage. Also, I urge my colleagues to visit Snug Harbor when you have occasion to visit New York City. Your time and effort will be well rewarded by the pleasure of your stay.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

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Mr. Speaker, the gentleman from New York (Mr. Murphy) has completely described this legislation. It is a unique wildlife refuge in an urban area. It is the kind of thing we must be more interested in, in the future. As a matter of fact, the two refuges we are dealing with today are both urban refuges, and they do bring to those in the inner city an opportunity to enjoy and learn respect for our wildlife and the protection of it.

Mr. Speaker, I have no requests for time. I urge support of the bill and yield back the remainder of my time.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy) that the House suspend the rules and pass the bill, H.R. 7191, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TINICUM NATIONAL ENVIRONMENTAL CENTER

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5679) to provide for additional authorization for appropriations for the Tinicum National Environmental Center, as amended.

The Clerk read as follows:

H.R. 5679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of June 30, 1972, entitled "An Act to provide for the establishment of the Tinicum National Environmental Center in the Commonwealth of Pennsylvania, and for other purposes" (86 Stat. 391; U.S.C. 668dd, note) as amended, is further amended to read as follows:

"Sec. 7. There are authorized to be appropriated, $11,000,000 for acquisition of the Tinicum Environmental Center and $8,500,000 to carry out the development projects on the Center.".

Sec. 2. This Act shall take effect on October 1, 1980.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. MURPHY) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Tinicum National Environmental Center, which was established in 1972, is unique in that it marked the creation of the first urban area of this sort, which allows the city dweller the opportunity to relate to wildlife and learn how various species of wildlife, flora, and fauna interrelate in an ecosystem. This concept, of course, extraordinarily enriches the quality of life of an urban dweller like me and those of us that reside in similar areas of our country.

This Center is located in the Boston to Washington megalopolitan corridor. More specifically, it lies at the southwest edge of the city of Philadelphia and adjacent to the Philadelphia International Airport. Through attrition from railroads, highways, the airport disposal sites, and residential and industrial sites the original 5,700 arces of the Tinicum tidal marsh had been reduced to roughly 500 acres by 1968. Today more than half of the remaining 1968 tidal marsh area has been destroyed. The establishment of this Center in 1972 has resulted in the preservation of the last true tidal marshland in the Commonwealth of Pennsylvania.

The Center provides a haven for thousands of migratory waterfowl and shore birds. At least 119 kinds of waterfowl and shore birds and 177 species of land birds are known to frequent Tinicum. The marsh also supports a great variety of mammals including mink, weasel, otter, fox, raccoon, and groundhog.

The 1972 act authorized to be appropriated $2,250,000 to carry out its purposes. The act was amended in 1976 and 1977 to add additional funds in the amount of $8.85 million bringing the total amount authorized to $11.1 million.

Mr. Speaker, H.R. 5679 would increase the funding authorization an additional $8.5 million. These additional funds would be earmarked for habitat improvement and the construction of an environmental education facility, a visitor contact station, maintenance building and pedestrian facilities.

H.R. 5679 is strongly supported by the Department of the Interior, and it has the unanimous support of the Committee on Merchant Marine and Fisheries. We have been advised by the Department that the funds authorized to be appropriated by this legislation will provide the balance of the funds necessary for acquisition of all the remaining lands within the Center and for the development of the Center.

I urge my colleagues to support its prompt passage.

At this time I would like to yield to the distinguished gentleman from Pennsylvania (Mr. EDGAR) such time as he may consume.

Mr. EDGAR. Mr. Speaker, I rise in strong support of H.R. 5679, an act to expand the Tinicum National Environmental Center. Mr. Speaker, I would like to commend the gentleman from New York (Mr. MURPHY) and the gentleman from New Jersey (Mr. FORSYTHE) for their foresight in working to save one of the last remaining tidal marshes in Pennsylvania and, in fact, in the United States.

Mr. Speaker, I appreciate the opportunity to speak today on behalf of the Tinicum National Environmental Center.

The administration has requested additional funding in the budget of the Department of the Interior's U.S. Fish and Wildlife Service for the Tinicum National Environmental Center, which is located in Delaware County, Pa., adjacent to the city of Philadelphia.

Tinicum, you may recall, is the first national environmnetal Center in the United States. The legislation creating the Center, Public Law 92-326, was enacted in 1972, and has been amended in both the 94th and 95th Congresses to provide for additions to the Center to construct environmental educational Center facilities and to make necessary improvements to the land.

The additional funding being requested today is necessary due to increasing land and construction costs and will allow the Fish and Wildlife Service to finalize the purchase of the land from its current owners. The heart of the Center still remains to be purchased and is critical to the ecology of the area. While part of this property is marshland, there is another section of high ground which will serve as an essential buffer between the marshes and the industrialized area adjacent to them. It is this high ground property with its easy access to the city of Philadelphia, to the airport nearby, to major highways, and to other developed areas, that has become more costly than originally anticipated.

Historically, several thousand acres of Tinicum were inhabited by wildlife of all sorts. By 1960, only 900 acres of marshland remained. Of this area, only 200 acres remained in their natural state. Unfortunately, some of the acreage to be included in the Center was abused in years previous to enactment of the legislation. A great deal of work remains to be undertaken by the Fish and Wildlife Service to restore some of the land to its original pristine condition, including the development of canoe trails and landings, and the construction of fishing docks, rest areas, observation platforms, and comfort stations. Parking lots will have to be added. Much of the Center will be cleaned of debris which has accumulated. The bank along the highway needs stabilization. Water management may be undertaken. Footpaths and bridges will be constructed. These, and other, projects will make the Center more attractive to its visitors, and must be undertaken in a way which will interfere as little as possible with the natural inhabitants of the refuge.

The administration has recognized the great pressure in urban areas to expand industrial development into natural areas and has urged instead a commitment to the development of environmental centers near our people. Some 80,000 people live within a half mile of the Tinicum National Environmental Center and over 5 million people live in the immediate urban area near it. The citizens in this area need a place for solitude and rest, a place where people and wildlife—in some cases species endangered in Pennsylvania—can find a refuge. One of Tinicum's greatest assets is its potential for an urban wildlife habitat.

My friends and neighbors in Delaware County have worked tirelessly to secure funds to support the acquisition and improvement of the Tinicum Center. They have been successful in collecting over $113,000 from the county government, other local governments in and near the area, organizations like the League of Women Voters, and all types of local citizens. Even children in the elementary schools have contributed their nickels and dimes, and senior citizens have contributed from their meager social security incomes. This sum was presented to the Fish and Wildlife Service at a ceremony in Delaware County on January 18 of this year.

The Tinicum National Environmental Center is the last remaining freshwater tidal marsh in Pennsylvania. It is important that these additional funds be authorized to implement the master plan which has recently been submitted to develop, restore, and preserve the center.

I strongly urge my colleagues to support this request.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 5679.

Mr. Speaker, the purpose of H.R. 5679 is to provide an additional authorization of appropriations for the Tinicum National Environmental Center in southwest Philadelphia. The legislation will authorize an additional $8.4 million to complete the acquisition of, and carry out development activities on, the 1,200-acre marsh.

At one time the Tinicum marsh covered several thousand acres and was utilized by waterfowl and other wildlife for feeding and nesting. However, because much of this marsh habitat was converted for industry, home sites, roads, and waste disposal, by the early 1960's most of the wildlife habitat had been destroyed.

In 1972 Congress enacted legislation to establish the Tinicum National Environmental Center because of its potential for urban wildlife habitat, the opportunity for wildlife interpretation and education, and high quality outdoor recreation. That law and subsequent amendments authorized a total of $11.1 million to carry out the act.

Previous estimates made during the initial planning process and subsequent authorizations were inadequate to meet the costs of both acquisition and development activities. Due to the escalating land values and the addition of buffer lands to the concept plan, the Department of the Interior has obligated nearly the entire amount of the existing authorization of $11.1 million for acquisition. Although the Department requested an open-ended authorization for development projects at the Center, they were unable to provide reliable estimates as to what those costs would be. Consequently, the committee provided an additional authorization of $8.4 million which will allow the Fish and Wildlife Service to restore certain areas as well as begin construction of the environmental education building, visitor contact station, and maintenance and pedestrian facilities.

Mr. Speaker, today over 177 species of land birds and 119 species of waterfowl and wading birds are known to occur in the area. White-tailed deer, mink, weasels, otters, fox, and other small mammals as well as 10 species of fish utilize the marsh habitat. The legislation will provide an additional $8.4 million over the existing authorization of $11.1 million for acquisition and development of the Tinicum National Environmental Center. I urge my colleagues to join me in supporting H.R. 5679 so we can begin to realize the value of this urban refuge area for environmental and educational purposes.

Mr. Speaker, I have no further request for time.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 5679.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

● Mr. BREAUX. Mr. Speaker, H.R. 5679 is legislation to authorize $8.4 million for the Tinicum National Environmental Center which is located outside of Philadelphia.

The Tinicum National Environmental Center is one of the new urban national wildlife refuges established in the United States. The Congress originally established this area in 1972 in an effort to preserve the last tidal wetland in the Commonwealth of Pennsylvania. Over the years, the acreage of the Tinicum Marsh had been substantially reduced by the construction of railroads, highways, and the adjacent international airport. In 1968, only 523 acres of the original 5,000-acre marsh remain.

The act establishing the center was amended in both the 94th and 95th Congresses to expand the boundaries of the center and to increase the authorization level.

At this point, all of the funds for the acquisition of the area have been appropriated. The legislation before us today proposes the authorization of $8.4 million to the U.S. Fish and Wildlife Service so that they can continue their restoration efforts on the marsh and begin to take advantage of the marsh's unique setting for environmental education activities. The additional funds will be utilized for the construction of an environmental education and visitor contact station, maintenance facilities, and marsh restoration and water development activities.

The Tinicum Center represents an experiment by the U.S. Fish and Wildlife Service in providing wildlife refuge facilities adjacent to our urban population centers. Traditionally, wildlife refuges have been established in rural parts of the country—regions noted by particularly high concentrations of wildlife. The aim has been to set aside those areas that are most critical to the perpetuation of the wildlife resources of this Nation.

In recent years, there has been an increasing realization that in focusing our acquisition efforts on rural areas, we have failed to respond to the need for outdoor wildlife experiences close to the urban centers of the Nation. The Tinicum National Environmental Center is a recognition that the National Wildlife Refuge System is intended to serve man in addition to conserving the wildlife resources of this Nation. We have learned in the course of the Tinicum experience, however, that this effort is not always an easy one. It is much more expensive, for example, to take a marsh that has been substantially altered by development activities and restore it, than it is to acquire a wholly undisturbed marsh far from any population center. We have been very cautious in approving urban refuges and have decided to proceed at an orderly pace in the development of the Tinicum Center.

The projects authorized in this legislation represent about one-half of those recommended by the administration. We do not believe that it is appropriate to fund these additional projects at this time until the committee has had a further opportunity to review the effectiveness of the existing program.●

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 5679, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2382) to provide for additional authorization for appropriations for the Tinicum National Environmental Center, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of June 30, 1972, entitled "An Act to provide for the establishment of the Tinicum National Environmental Center in the Commonwealth of Pennsylvania, and for other purposes" (86 Stat. 391; 16 U.S.C. 668dd, note), as amended, is further amended to read as follows:

"SEC. 7. There are authorized to be appropriated, $19,500,000 (of which $8,400,000 shall be available beginning October 1, 1980) for acquisition of the Tinicum Environmental Center, for construction of environmental educational center facilities, and for other development projects on the Center, to remain available until September 30, 1985.

"SEC. 8. The Administrator of the Environmental Protection Agency, in consultation and cooperation with the Fish and Wildlife Service, is directed to investigate potential environmental health hazards resulting from the Folcroft landfill, within the authorized boundary of the Tinicum National Environmental Center, and to develop alternative recommendations as to how such hazards, if any, might best be addressed in order to protect the refuge and the general public.".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill, S. 2382, and to insert in lieu thereof the provisions of H.R. 5679, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 5679, was laid on the table.

PERTAINING TO SOVIET COMPLIANCE WITH CONVENTION ON BIOLOGICAL AND TOXIN WEAPONS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 644) with respect to compliance of the Soviet Union with the Convention on Prohibition of Biological Weapons.

The Clerk read as follows:

H. RES. 644

Whereas the United States and the Union of Soviet Socialist Republics are parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 10, 1972;

Whereas Article I of the Convention prohibits each Party to the Convention from developing, producing, stockpiling, or otherwise acquiring or retaining certain microbial or other biological agents or toxins or certain weapons, equipment or means of delivery designed to use such agents or toxins; and

Whereas on March 17, 1980, the Government of the United States inquired of the Government of the Union of Soviet Socialist Republics as to the nature of an outbreak of pulmonary anthrax near the city of Sverdlovsk, Union of Soviet Socialist Republics, during April 1979 and has not received a satisfactory reply: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President should—

(1) urge and request the Government of the Union of Soviet Socialist Republics promptly to exchange such scientific data as may be necessary to resolve any dispute regarding the nature of the outbreak of pulmonary anthrax near Sverdlovsk, Union of Soviet Socialist Republics, as provided by Article V of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological and Toxin Weapons and on their Destruction; and

(2) undertake consultative and cooperative measures through appropriate international procedures, as provided by Article V of the Convention, or, if necessary, lodge a complaint with the Security Council of the United Nations, as provided by Article VI of the Convention, if the Government of the Union of Soviet Socialist Republic fails to make available such data.

SEC. 2. The Clerk of the House shall transmit a copy of this resolution to the President with the request that such copy be further transmitted to the Government of the Union of Soviet Socialist Republics.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 644, a resolution regarding the Soviet observance of the 1975 Biological Weapons Convention prohibiting biological warfare.

The introduction of this resolution was prompted by information which became available to us earlier this year about a disease outbreak in Sverdlovsk in the spring of 1979. That information raised questions as to whether or not biological agents were present in quantities greater than those permitted by the convention for peaceful purposes.

On April 24 of this year the Subcommittee on International Security and Scientific Affairs, which I chair, held a hearing jointly with the Subcommittee on Asian and Pacific Affairs, chaired by my colleague from New York (Mr. WOLFF). During that hearing we learned about various ongoing negotiations which the executive branch is pursuing in an effort to address and hopefully resolve this issue.

House Resolution 644 is complementary to the efforts of the administration to responsibly resolve this issue. The resolution also reinforces articles V and VI of the convention setting forth procedures for negotiations to resolve any problems as to adherence to the convention.

House Resolution 644: First, encourages the Soviet Union to provide the necessary scientific data to answer outstanding questions regarding the incident at Sverdlovsk; and second, calls upon the administration to pursue consultation and cooperative measures in various appropriate international forums should the Soviet Union fail to supply such data to our Government.

On May 8 the Committee on Foreign Affairs, which I chair, reported by unanimous voice vote House Resolution 644. The Committee on Foreign Affairs views this resolution as a prudent and responsible approach toward encouraging the Soviets to cooperate in resolving what first must be viewed as a humanitarian concern to all peoples of the world. In this respect, as the administration pursues its ongoing negotiations with the Soviets, an acceptable procedure for both countries might be to have some international health organization, such as the World Health Organization or the International Committee of the Red Cross, conduct a thorough, impartial and independent investigation into this incident.

Ultimately, it is our hope that the U.S.S.R. will recognize the genuine humanitarian interest of the House in resolving this issue and will cooperate in our mutual interests to facilitate the achievement of complete elimination of bacteriological and biological agents from the arsenals of all countries.

I urge my colleagues to support this important resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I am pleased to rise in support of House Resolution 644, offered by my chairman, the gentleman from Wisconsin, because I strongly believe that negotiations leading to a total ban on chemical and biological warfare are the best and most desirable course of action to pursue. None of the alternatives seem to me to be acceptable to civilized societies seeking to maintain peace in the world.

Thus, I urge the House to adopt House Resolution 644, which would help institutionalize the negotiating process regarding a goal I am sure we all share—a viable, permanent, ban on the production and implementation of biological weapons of war.

The Subcommittee on Asian and Pacific Affairs and the Subcommittee on International Security and Scientific Affairs recently conducted a joint hearing on the twin issues of chemical and biological warfare. Specifically, we looked at the latest evidence on the charges that the people of Laos, Cambodia, and Afghanistan have been subjected to chemical warfare attack.

In sum, we heard that while there is virtual certainty that nonlethal chemical weapons have been used in Laos and Cambodia, conclusive evidence on lethal chemical weapons in those countries, and conclusive evidence of any sort on Afghanistan, does not exist. Further, conclusive evidence may be impossible to obtain for a variety of reasons.

It is this continuing state of uncertainty over the use of lethal chemical weapons in Afghanistan, Cambodia, and Laos which underscores the necessity of maintaining the ability of the United States and the Soviet Union to honestly settle the controversy over what happened last spring in Sverdlovsk.

If, as has been charged, an accident occurred involving military applications of biological weapons, then very serious international legal and humanitarian issues are involved.

If, on the other hand, there is a nonmilitary or, at least, a nonthreatening explanation for the accident at Sverdlovsk, then certainly it is in the interest of the Soviet Union to cooperate with the United States—to uphold the terms of the biological warfare convention.

House Resolution 644 is designed to underline the concerns of the Congress and the American people regarding biological warfare, and I urge the House to support this and to thank Mr. Leach of Iowa for his foresight in introducing the legislation.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution we have before us today is of vital importance to our national and international security. In particular, the legislation expresses the sense of Congress concerning compliance of the Soviet Union with the Convention on Prohibition of Biological Weapons, which prohibits signatories—including the Soviet Union—from the development and stockpiling of biological agents. Moreover, the resolution calls upon the administration to pursue consultative measures in various international forums should the Soviet Union fail to supply the proper scientific data.

The Department of State, in a review conference of the biological weapons treaty, has recently discussed with the Soviet Union the seriousness of a possible biological incident in the Soviet city of Sverdlovsk which contains military facilities and is closed to Americans. Information which became available to our Government about an anthrax outbreak in Sverdlovsk in the spring of 1979 raises several questions as to whether biological agents were present in quantities greater than those permitted by the convention for peaceful purposes. Thus far, the Soviet Union has inadequately responded to our questioning in regard to this matter. As a result, I would urge the administration to forcefully press the Soviets on the Sverdlovsk incident before the United Nations and the World Health Organization. The United States, as well as the international community, expects a fully factual and responsible explanation in regard to Sverdlovsk.

Accordingly, I urge my colleagues to support the legislation before us today in order that we may better resolve this very disturbing biological incident.

Mr. Speaker, I now yield 2 minutes to the sponsor of the legislation, the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Speaker, I rise to associate myself with the remarks of the gentlemen from Wisconsin, New York, and Michigan.

This resolution expresses the sense of the House that the Soviet Union should be urged to provide a satisfactory scientific explanation of the outbreak of anthrax in the city of Sverdlovsk in April 1979. Our Senate colleagues passed an identically worded resolution last Wednesday.

Under the 1972 Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxic Weapons and on Their Destruction, which I helped to draft and negotiate, each party agreed not to develop, produce, stockpile, or otherwise acquire or retain biological agents for military purposes. Our own Government moved quickly after the convention was ratified to assure our implementation obligations.

Credible information exists that some kind of accident, involving an explosion, occurred in a military facility in Sverdlovsk in April of last year and that sizable numbers of deaths from anthrax were related to the incident.

The State Department raised the Sverdlovsk accident twice with the Soviet Government in March. The Soviet explanation that an outbreak of gastric anthrax took place as the result of poor handling of meat is contradictory to our information which indicates that the outbreak involved pulmonary anthrax, is contracted by breathing airborne spores and not by eating infected meat. A fuller and adequate Soviet response is required to end the current suspicion that there may have been a serious violation of the 1972 convention.

This resolution properly supports the request of the administration for consultation with the Soviet Union, as provided in article V of the Convention. However, 6 weeks have passed with no sign of a positive change in the Soviet attitude. Perhaps Moscow believes the issue will go away with the passage of time. It will not. Continued failure to reveal the facts can only have deep and adverse consequences for the confidence of the West in negotiating with the Soviets on a wide range of issues. If a satisfactory Soviet response is not forthcoming in the near future, then we should not hesitate to lodge a complaint with the United Nations Security Council as envisaged in article VI of the Biological Weapons Convention.

Of grave concern are the possible implications of the accident and the Soviet nonresponse for our ability to negotiate arms control agreements with the Soviet Union in the future. If the reports of the incident are true, the future of arms control is in question. Both the chemical warfare treaty under discussion for much of the past decade and any future SALT agreement require verification procedures. The Biological Convention, because of the nature of the materials involved, lacks effective verification. If we doubt Soviet good faith as a result of the Sverdlovsk incident, we are likely to become more strict in our verification requirements in other areas.

It should be stressed that the Soviet Union has not been charged with a violation of the convention. However, as a party to the convention, the United States has a right to consult and the Soviets a duty to provide this country and the rest of the world with an adequate explanation.

In conclusion, I would like to refer to the growing evidence of lethal chemical warfare in Indochina and Afghanistan. The injunctions of international law and morality against the use of such weapons of mass destruction are strong. That they have been used in these remote strife-torn countries is extremely worrisome. Usage of lethal chemicals in warfare should cease, and the reports from Afghanistan and Indochina should be fully investigated by an international commission.

Last week, the House Armed Services Committee approved funds to begin construction of a binary weapons plant capable of producing a new generation of chemical weapon. The plant will take several years to build and there has been no decision to actually produce and deploy binary chemical weapons. However, this development underlines the fact that unless the momentum to control chemical and biological warfare is restored, a new round of the arms race will almost certainly ensue. The implications of this for the security of Europe and the United States in the event of major conflict can only be described as grave.

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Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I want to commend the Committee on Foreign Affairs and its distinguished chairman and ranking minority member and others associated with the resolution. But, I also wanted to recall for the record that the House passed a resolution dealing with the use of chemical warfare in Cambodia some months ago—last fall, I believe it was—at which time we called upon the Soviet Union and international organizations to end the use by the Soviets and their clients of chemical warfare against the people of Cambodia. Now, we are dealing with another resolution, with particular reference to the Sverdlovsk incident, and since we passed the last resolution the Soviets have used, additionally chemical warfare against the people of Afghanistan.

Our resolutions do not seem to have any impact. That is not to say that they should not be passed, but I do repeat, that these events underscore once again the basic lack of respect for humanity that communism entails. That human beings are expendable is inherent in Communist doctrine, and I hope that some day people in our State Department and in the White House will understand that and act accordingly.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the resolution (H. Res. 644).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

CONGRESS CONCERN OVER CAMBODIAN PEOPLE'S PLIGHT AND PEACEFUL RESOLUTION OF KAMPUCHEAN CONFLICT

Mr. WOLFF. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 329) expressing the deep concern of the Congress over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 329

Whereas war and starvation continue to pose grave threats to the very existence of the people of Kampuchea, their heritage and culture:

Whereas the occupation of Kampuchea by Vietnamese forces has helped to create and maintain these threats and to hamper relief efforts;

Whereas even greater food shortages in the coming months can be expected to exacerbate the already critical food situation in Kampuchea;

Whereas the unrest in Kampuchea has forced many residents to flee their homes;

Whereas continued hostilities in Kampuchea and foreign intervention threaten the stability of the entire region;

Whereas the United Nations has called for the withdrawal of all foreign troops from Kampuchea and for in international conference on Kampuchea; and

Whereas the just concluded session of the United Nations Human Rights Commission has strongly condemned the deprivation of food and medicine, the gross and flagrant violation of basic human rights, and the presence of foreign forces in Kampuchea: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) strongly supports continued humanitarian assistance for the people of Kampuchea;

(2) calls upon the President to pledge United States support and urge the assistance of other nations;

(3) reiterates its call for the convening of an international conference on Kampuchea aimed at ending the fighting and bringing about the establishment of a representative government in Kampuchea;

(4) calls for the immediate withdrawal of all foreign forces from Kampuchea, and end to foreign interference in the internal affairs of that country, and a new government acceptable to the people of Kampuchea; and

(5) urges the President, through the United States Permanent Representative to the United Nations, to support action by the United Nations on behalf of protecting the fundamental human rights of the people of Kampuchea.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. WOLFF) will be recognized for 20 minutes, and the gentleman from Ohio, (Mr. GUYER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 329, expressing the deep concern of the Congress over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea.

The resolution was ordered favorably reported by the committee on May 8, by a voice vote. House Concurrent Resolution 329 is a further expression by the Congress of its very genuine concern for the circumstances of the Cambodian people. This struggling country is ridden by famine, lack of medicine, human rights violations, strife within its borders, and the destabilizing effect of a foreign troop presence.

The purpose of the House Concurrent Resolution 329, now before the House, is directed toward alleviating these conditions, and enunciates the following points:

First. Supports a continued multilateral humanitarian assistance for the Cambodians;

Second. It underscores the previous congressional call for an international conference on Kampuchea, aimed at ending the conflict and permitting a representative government;

Third. It calls for an immediate withdrawal of foreign troops and intervention; and

Fourth. Through the United Nations, urges the safeguarding of human rights of the Cambodian citizens.

The world community has responded well to the critical humanitarian needs of the Kampucheans—and these efforts have temporarily forestalled pandemic famine there. However, a continuation of massive aid will be essential to sustain the Kampuchean population.

Mr. Speaker, before concluding I would like to commend our colleagues, the women of the House, who with Mrs. HECKLER originally introduced this resolution shortly after they made a trip to Cambodia and saw for themselves the conditions that existed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Foreign Affairs Committee.

Mr. ZABLOCKI. Mr. Speaker, I wish to associate myself with the remarks of our colleague, the gentleman from New York (Mr. WOLFF), the chairman of the Subcommittee on Asian-Pacific Affairs, on House Concurrent Resolution 329, expressing the deep concern of the Congress over the plight of the Kampuchean people. I would also like to commend my colleague on the Subcommittee on Asian-Pacific Affairs, the ranking minority member, Mr. TENNYSON GUYER of Ohio; and certainly the gentlewoman from Massachusetts Mrs. MARGARET HECKLER and all those who are deeply concerned in the fate of the people of Kampuchea.

The resolution deserves the support, the unanimous support, of all our Members, Mr. Speaker. I hope that House Concurrent Resolution 329 will be overwhelmingly, if not unanimously, adopted.

Mr. WOLFF. Mr. Speaker, I yield such time as he may require to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I, too, want to congratulate the gentleman from New York and the chairman of the committee, and the ranking minority member, for bringing this resolution to the floor.

I think, and I wish at this time that we could do more than just express our deep concern, but it is of great importance that we as Members of Congress do this, because the plight of the Cambodian people today, the refugees, is increasingly growing worse, and not better. The situation that exists with the government in Thailand trying to supply and feed these people is getting worse, and not better. The ability to deliver supplies to these people who are literally starving to death—men, women, and children—not only in the refugee camps but in Cambodia itself, is one that is beyond description, we just cannot comprehend the deaths and difficulties that these people are facing.

It is certainly my hope that through resolutions like this that we can do more to reach out and to get other nations of the world to reach out and join in this effort to help these people.

□ 1420

Mr. GUYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 329 and concur in the remarks offered by my distinguished colleague, the Honorable LESTER L. WOLFF, who chairs the Subcommittee on Asian and Pacific Affairs. As the ranking Republican on that subcommittee, I heartily commend our colleagues, Mrs. HECKLER, and all the other gentleladies who made the arduous trip to Thailand and the Cambodian frontier to see for themselves the circumstances of the Cambodian people. Thus our good friend, Mrs. HECKLER, brought to this body the original resolution, House Concurrent Resolution 310, calling for an expression of congressional concern over the plight of the Cambodian people. That resolution is before us now in a slightly modified form, and I urge you to support it. I should note that it passed the subcommittee and full Foreign Affairs Committee with no objections.

The Subcommittee on Asian and Pacific Affairs has been watching the situation in Cambodia with horror ever since the first reports began to come out of the atrocities which the Pol Pot regime was committing against its own people—a situation so bad it was called autogenicide, or racial suicide. We watched with a mixture of elation and concern when the Vietnamese forces supporting their puppet, Heng Samrin, rolled across Cambodia and all but crushed the Pol Pot regime. And now we view with frustrated revulsion as word comes of continued starvation and fighting, while hundreds of thousands of Cambodian people seek some flimsy refuge just inside Thailand.

This country has responded to the humanitarian challenge—we have contributed heavily to the international relief effort which has poured tons of rice and other foodstuffs, as well as medicine, into Southeast Asia for Cambodian relief. Some of that food gets through, especially that which is distributed in Thailand along the Cambodian border, where it is carried back into Cambodia by thousands of individuals who move back and forth for that purpose.

However, there can be no complete and effective relief and rehabilitation effort in Cambodia as long as the political situation remains unresolved. There is still a need for a basic political solution to the problems in Indochina, especially in Cambodia. And for that reason I urge the support of this measure, which among other things calls for an international conference on Cambodia. Such conferences can help, and we dare not leave any avenues unexplored if we are to be responsible to our conscience. There will be a conference in just a week or so in Geneva. I only pray that it begins to bring the Vietnamese and their various opponents to some semblance of political sanity, so that their battle to the last Cambodian may cease before it is too late.

Again, I commend my colleagues for their efforts in bringing this to the floor of the House of Representatives, and urge all of us to vote for it.

● Mr. BROOMFIELD. Mr. Speaker, I support House Concurrent Resolution 329 as an indication of the continued concern of this body and this country for the Cambodian people. I especially want to commend our colleague MARGARET HECKLER and our colleague from the House Foreign Affairs Committee MILLICENT FENWICK who, with several gentleladies, visited the scene of so much suffering and came back to share with us their impressions of the situation. It is as a direct result of their visit that we have this measure before us today.

Since 1975 the people of Cambodia have been victimized so cruelly that we must liken it to Nazi Germany in the 1930's in order to comprehend the enormity of the tragedy. First, the Pol Pot regime seemed bent on performing national suicide in pursuit of an ideal of socialism free from any Western or foreign influence. Now the Heng Samrin regime has become bogged down in an attempt to establish Vietnamese control, and people still flee to Thailand from a country which is no longer their own.

I share the concern of my colleagues that all the humanitarian efforts we can muster will only result in a trickle of foodstuffs to the people who so desperately need it, as long as Vietnamese political ambitions prevail over humanitarian and compassionate considerations. This resolution calls for a series of measures, including both humanitarian and political. While we must press ahead on the humanitarian line, there is also a need for international efforts to stop the fighting and disorder in Cambodia. I want to urge the administration to press for an international settlement which will free Cambodia and its people from the horrors of Vietnamese aggression. They have suffered long enough.

It is time the world told the Vietnamese that they have worn out their welcome and used up any good will they might have gained for deposing Pol Pot. We will do our share in rebuilding Cambodia, and probably more than we should, but not for the benefit of a Hanoi dominated puppet.

Mr. Speaker, I urge my colleagues to support this resolution.●

Mr. GUYER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. Heckler).

Mrs. HECKLER. Mr. Speaker, I would like to express my very deep appreciation to the Committee on Foreign Affairs of the House and particularly to its subcommittee on Asian and Pacific Affairs led by the distinguished gentleman from New York (Mr. Wolff), and the able ranking minority member, the gentleman from Ohio, Mr. Tennyson Guyer, for their continued interest, concern, sensitivity, and leadership on behalf of the Cambodian people.

As cochairman of the Congresswoman's Caucus, I traveled to Cambodia in November of last year. The expression, "To see it is to believe it," aptly describes the most horrible, shocking, saddening sights one could—in a lifetime perceive or experience.

There were some breakthroughs in the delivery of food to the starving in Cambodia which were achieved by the Congresswomen's visit. The port of Kompong Som was opened for further shipments of food by barge to the people; air drops to the Phnom Penh Airport were accelerated. Nonetheless, distribution of food to the starving people of Cambodia was not enthusiastically and uniformly implemented by the current government. The food was unfortunately distributed according to the political advocacy and political support of the people involved.

This House resolution speaks to the question of food, and the question of humanitarian assistance which is even more desperately needed today than it was when we visited Cambodia.

But the central fact about food shipments must never be forgotten—even if we were to distribute all the food available, even if we made unlimited humanitarian and food assistance available, we would not resolve the fundamental problem because there is an underlying political and diplomatic chess game being acted out in Cambodia, and the Cambodian people are its innocent pawns. That is why this House Concurrent Resolution 329 and its parent House Concurrent Resolution 310 which I authored calls for an international conference to consider and hopefully achieve a political settlement.

What is at stake here is not merely the question of famine, the question of hunger, the question of death itself, all of which are avoidable in the nation of Kampuchea; we have also the question of the involvement of the foreign superpowers, one of which—the Soviet Union—supports the Vietnamese, who in turn support the puppet government currently in control of the government in Kampuchea. And the other—the People's Republic of China—which supports the Pol Pot regime. The chess players are those superpowers, and until the major political and diplomatic questions involving this sad and tragic event are brought to an international session where all can speak and address the problems of the future of the nation of Kampuchea, unless and until that is done, there will be no resolution of the problem.

I am certainly aware that passage of a resolution by this distinguished body will not in itself resolve the problems of the people of Cambodia. But without our words and fervor; with our silence, the country and its people could ultimately be doomed. The culture, the heritage of the Cambodian people is at risk today. Only an international conference, combined with humanitarian assistance from our country and the international community, can resolve the problem.

It is mandatory that the House act favorably on this resolution; its place on the calendar is timely indeed because in the next few weeks a Geneva conference will be convened at which this issue can be addressed. At that pledging conference our words can help to bring about action for people who are so desperately in need.

I would hope that the conscience of the world will be sufficiently aroused to press upon the superpowers a change in policy which would allow the people of this nation to be free—to govern their own destiny. Our affirmative action today will send a message to Geneva and to the world that the chess game, in which innocent, starving people of the nation of Kampuchea are the pawns, will end. Their rights and their existence should not be further undermined but will instead be addressed in a manner which provides a resolution of the problem.

I would hope that the United States will advance a strong position at the conference table which will follow and echo the leadership of the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs. I would pray that such a plea for mercy will not fall on deaf ears because silence cannot be tolerated in this Cambodian crisis. The Cambodian people are living through a nightmare which is politically motivated; it must be politically resolved. And soon.

The Speaker, I ask this House to support this resolution.

Mr. WOLFF. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER. I would be happy to yield to the distinguished gentleman from New York.

Mr. WOLFF. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I want to commend the gentlewoman for the leadership she has shown in this effort and in other humanitarian concerns on an international level, as well as on a domestic level.

Mrs. HECKLER. Mr. Speaker, I thank the gentleman from New York (Mr. Wolff) for his kind remarks.

I think it is obvious that the trip to Cambodia left an indelible impression of horror on my mind. I would like to say to the gentleman that it is his sustained interest and leadership, and that of the gentleman from Ohio (Mr. Guyer), which makes it possible for us to use a legislative vehicle with alacrity and sensitivity to provide a possible answer in this situation.

In thanking the gentleman for his compliment, Mr. Speaker, I wish to say to the gentleman from New York and to my colleague, the gentleman from Ohio: I return it tenfold for the leadership they have given on this issue which tests the conscience, commitment and concern of all of us and the citizens we represent.

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Mr. GUYER. Mr. Speaker, I certainly want to commend the gentlewoman, not only for her courageous journey and compelling report, but for the very fiery concern that she expressed so well and eloquently.

I now yield 2 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, I rise in support of the resolution.

House Concurrent Resolution 329 expresses the deep concern of the Congress over the condition of the people of Cambodia, those people who have suffered immeasurably from indigenous Communist oppression, from famine, from invasion by Communist Vietnam and from civil war. The resolution seeks support for humanitarian aid for the long-suffering remnants of the Cambodian people and calls upon other nations to join us in helping them. It seeks also to end the fighting in that tortured country.

American awareness of the horrendous misery inflicted upon the Cambodian people was slow to awaken because of, among other things, a press, largely quiescent in the early period. When eventually it burst to the fore, the Cambodian holocaust burned its images into the mind of the world.

The administration's highly vocal human rights rhetoric has been directed more toward our friends and allies for their paler violations. Cambodia, apparently, was too much to comprehend. Even for this confused administration.

This resolution calls on the President for pledges of U.S. support and for efforts to stimulate United Nations action to protect human rights in this benighted country. It is worthy of support and I know that support will be strong.

The fundamental evil of communism can be seen in Kampuchea. Where are the voices of the liberal cabal which undercut our efforts to keep Indochina free.

Mr. GUYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Speaker, I take this time, as I did when the resolution dealing with the plight of the Cambodian people was before the House last winter. I want to echo the remarks of the gentleman from Illinois (Mr. Derwinski). The reason that the people of Cambodia are starving and dying is because of communism. It is no mystery to anyone who watched the Communist takeover of South Vietnam, aided and abetted by a great many Americans who opposed our activities there, that this was going to happen, and many of us predicted that this would be the outcome in much of Southeast Asia.

Communists have no regard for humanity, as I mentioned a few moments ago in relation to the resolution dealing with chemical warfare, and it is indeed not only distressing, but hardly surprising that the liberal establishment in this country never opened their mouths to talk about the plight of these people, with a very few exceptions, and those exceptional people are to be commended.

Now we do not see the hand wringing that went on in opposition to the fight against communism in Vietnam. Silence from the liberals greets the death and destruction of so many thousands and thousands of innocent people.

Ho Chi Minh brought us to this day, he and the others who imposed communism in Vietnam, and yet he was idolized by a great many political leaders in this country on the left and on campuses and in fashionable drawing rooms all over this country only a few years ago. Many of the people who idolized Ho Chi Minh now serve our Government in the Carter administration. It should be no surprise to them that this has happened. It has happened, and this resolution may in some way spur the world community to react to communism.

Some of us warned about this, and we continue to warn about communisms' progress in Cuba and in Nicaragua, even as the Carter administration seeks to give aid to the country of Nicaragua where communism is subjecting another people to slavery.

Communism is all of a piece. History very carefully tells us what communism intends to do in the world, and the sooner we learn its true nature, the better; before this happens to our own country.

Mr. GUYER. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I urge the expeditious passage of this resolution.

Mr. WOLFF. Mr. Speaker, consistent with the statement that we have just heard, the dominoes continue to fall.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I would like to address the gentleman from Maryland and the gentlewoman from Massachusetts for just a moment.

Mr. Speaker, the gentleman from Maryland made some perceptive remarks about the failure of the Communist economic system because of the cruelty and the oppression of those regimes. I think we can go even further than that. Most Communist regimes are very cruel and very repressive. There are a few where the human rights aberrations and the human rights oppression is not quite so bad, a Communist country like Tanzania, under the leadership of one of the more thoughtful and enlightened and perhaps well meaning chiefs of state in all of Africa, Mr. Julius Neyerere. I would say that this is perhaps one of the more enlightened Communist regimes in the world, and yet the economy there is just as much a basket case as it is in Cuba where, after two decades of communism, people are fleeing that beautiful and sad little island because there literally is not enough to eat, because they literally cannot make a living, cannot survive.

I think this shows the total dysfunction of the Communist economic system, whether the state be a harsh and cruel repressive state a la Cambodia, or perhaps not quite so bad, but still a cruel and repressive state as we find in Cuba, or even in a comparatively enlightened state such as we have in Tanzania, with one of the most enlightened, thoughtful and even intellectually advanced leaders of the developing world, Mr. Neyerere. I think it does show the total bankruptcy of the Communist economic organization.

You find, as you study what the Russians are doing and what the Chinese are doing, they are moving away from it. Just recently in the press we read about how the Chinese are now encouraging little, private entrepreneurial setups of just a few families to make, manufacture, and grow things and sell them on the private market. In Russia they had a dual market for the 10 years since I have been going there. One official market sells things manufactured by the state, and the unofficial market, which is widely known and totally accepted, sells things that they make and raise on their own initiatives.

The Communist system of economic organization has proved to be an utter disaster wherever it has been in effect.

I was very touched by the remarks of the gentlewoman from Massachusetts. I had the pleasure and the privilege of going with Chairman WOLFF to visit French Indochina last August, along with the distinguished minority member. We visited the refugees, the Cambodian refugees in Hong Kong, we visited Vietnam, we spoke to the chiefs of state there in that tight, little, rigid, extremist, authoritarian government, and then we visited with more of the refugees in Thailand.

I am impressed by the fact that the gentlewoman from Massachusetts could describe what we saw. To me, our experience in meeting those people was of such a soul-searing nature, a heart-rending nature, that the experience is almost indescribable.

I would hope that over a period of a few years every single Member of this House could get over there and see for themselves the pity, the agony, the horror of what has been imposed on the people of French Indochina. I assure my colleagues that it is not a pleasant experience. It is an experience that will leave a stamp on you for the rest of your life. It is an experience that shows the outer parameters of the conceivable possibilities of man's inhumanity to man. But as legislators of a country of 220 million people, the leaders of the free world, a country that has been more compassionate than any other in the history of civilization in giving of ourselves and in giving of our substance to those less fortunate than we are, I think each of us ought to be exposed as to what the other end of the spectrum can show: the outer limits of man's indecency, inhumanity, and cruelty.

It is an experience I will never forget. While I cannot say it was pleasant, it certainly was not a fun experience, it was not fun and games, it was a deeply depressing, saddening experience. I have the feeling that I would not have missed it. I am not sure I want to do it again, but I would not have missed it.

I thank my colleague, the gentlewoman from Massachusetts, for her beautiful description.

Let me finally pay my respects to my colleague, the gentleman from New York (Mr. WOLFF), who has led these missions on several occasions, who has been the point man in the Congress for laying out for us these horrible happenings, the role of America, the mission of this country. He has made these repeated trips which, I repeat, are not pleasant, which are soul-searing, but has provided the leadership and the strength to bring us over there and to show us the realities over there. I think all of us in this House owe him a deep measure of thanks.

Mr. WOLFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for his kind remarks. I might say that an international conference on Cambodia has been scheduled for May 26 and 27 in Geneva. At the last Geneva conference in July on the Indochina boat people, we learned that the Vietnamese are amenable to the pressures of public and world opinion. The Geneva conference brought the tragedy of these boat people to the world's attention. It remains to be seen if another Geneva conference can achieve positive results for the land people of that hapless country.

☐ 1440

I am hopeful that the Secretary General will lend the same type of support to this conference that he lent to the last.

● Ms. MIKULSKI. Mr. Speaker, I am pleased to speak today in favor of Congresswoman HECKLER's House Concurrent Resolution 329. This legislation, among its goals, urges continued support for humanitarian assistance for the people of Kampuchea and reiterates Congress earlier call for the convening of an international conference on Kampuchea to end the fighting and aid the refugees.

I am stunned and gravely concerned about the tragedy which has befallen the Kampuchean people. Since 1971, 4 million Kampucheans have died as a result of the violence in Indochina—half of that nation's population. Those Kampucheans still alive are suffering from famine, war, disease, and malnutrition. I am particularly disturbed that the level of hunger and death within the next several months could sharply increase—even to the level which existed last fall. Within several weeks, the crops from the spring harvest will be depleted. At that time, if enormous new amounts of food have not arrived, the results will be disastrous. We are seeing the destruction of a whole people while much of the world stands by doing nothing.

The civilized world, in particular the United States, has a moral obligation to save the Kampuchean people from extinction. Our Government must pledge its support and urge the support of other nations during the international conference this month in Geneva. America must continue to accept adequate numbers of refugees for resettlement. Our Government must act to protect the well-being of those Kampucheans both in Kampuchea and along the Thai border by preventing any forced repatriation of refugees.

I am strongly in support of Congresswoman HECKLER's resolution because I believe that it describes the vital goals which our Nation must pursue in helping to bring about an end to the Kampuchean nightmare. It is my great hope that the House and subsequently the Senate will approve this resolution in time to help end the Kampuchean nightmare before further tragedy occurs.●

Mr. WOLFF. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. WOLFF) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 329).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DISAPPROVE CERTAIN REGULATIONS UNDER ESEA ACT

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 332) disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965.

The Clerk read as follows:

H. CON. RES. 332

Whereas the Commissioner of Education on April 24, 1980, submitted to the President of the Senate and the Speaker of the House of Representatives final regulations pertaining to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965, pursuant to the Commissioner's duty under section 431 of the General Education Provisions Act, and

Whereas the Congress, in the exercise of its authority under article I of the Constitution and in accordance with the procedure established by that section of the General Education Provisions Act for the safeguarding of that authority, has reviewed such regulations and finds certain of them inconsistent with the Act from which they must derive their authority: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the final regulations submitted to the Congress on April 24, 1980, pertaining to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965, are disapproved by the Congress on the grounds of their inconsistency with the Act from which they derive their authority, and are returned to the Commissioner of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. PERKINS) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the concurrent resolution before the House today would disapprove the final regulations for the law-related education program authorized in part G of title III of the Elementary and Secondary Education Act. These regulations were submitted to Congress by the Commissioner of Education and published in the Federal Register on April 24, 1980.

Mr. Speaker, the committee is recommending disapproval of these regulations because they represent a clear instance of overregulation on the part of the executive branch.

The law-related education program is a small program which authorizes grants to State and local educational agencies and other public and private nonprofit agencies to provide programs of education to equip nonlawyers with knowledge and skills pertaining to the law and the legal system. This new program was created in Public Law 95-561, the Education Amandments of 1978.

It is most unfortunate that the first set of regulations for the administration of this program are inconsistent with the law, excessively detailed, and add on many requirements not authorized in the statute. These regulations are quite important because they will govern the law-related education programs for the next 4 years. I do not think that the program will get off to a very good start with regulations of this sort.

Let me give a few examples of the most blatant inconsistencies.

First, the regulations mandate a complex set of requirements for the matching of Federal funds with State and local funds. In general, these cost-sharing requirements call for a declining Federal share and an increasing State and local share for each project. The law does not require any matching of Federal funds. The committee believes this provision violates the law and would prohibit poor areas from participating in these programs.

Second, the regulations state that no grantee can be funded for more than 4 years under the act. The law does not limit the length of participation in the program in any way.

Third, the regulations create four distinct categories of grants: Program initiation grants, program implementation grants, technical assistance grants, and innovative project grants. Each category in the regulations has its own separate requirements, its own competition for funds, and its own reservation of funds. Thus, the regulations force potential grantees to apply for a single type of grant and severely limit the types of activities to be supported with that grant.

None of these categories, requirements, or reservations of funds are in the law. The statute merely authorizes grants in general and lists seven examples of authorized activities that can be carried out with these grants. Thus, the regulations restrict the program in ways not intended by Congress.

Mr. Speaker, I want all the Members to be aware that I gave the Office of Education ample notice of my concerns about these provisions in the regulations. The proposed regulations were published last June. They contained all the questionable provisions discussed above. Following their publication, I wrote the Assistant Secretary for Education, informing her of my concerns and questions about these regulations, including the problems for which we are now seeking disapproval.

The Commissioner of Education answered by letter prior to publication of the final regulations. However, I was dismayed to learn that the provisions discussed about were not going to be changed in the final regulations, despite my comments.

Mr. Speaker, the reason the committee has been bringing up these resolutions of disapproval is simply because we do not wish to see this practice of regulation-writers rewriting the law continued. As we all know, the American people are greatly concerned about excessive government regulations. The General Education Provisions Act gives Congress the authority to exercise oversight over all education regulations. I think we would not be doing our job if we did not exercise this authority when it becomes necessary to do so.

In summary, the committee feels that the law-related education regulations contain several provisions which exceed the law. In addition, the regulations are excessively detailed. I would like to note that while the law itself is only about 375 words in length, these regulations are approximately 4,400 words long. Thus the regulations for this small program are 12 times as long as the authorizing statute.

I urge the Members to join with me in protesting this sort of excessive use of regulatory power.

Mr. Speaker, at this time I yield such time as he may consume to my distinguished colleague, the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

One of the comments I want to make at this time is that to my knowledge this is one of the first times and one of the first committees that has really acted within the scope of the law to take on the type of regulations that agencies seem to be prone to put out and do something about it.

I want to compliment the chairman of the Committee on Education and Labor, CARL PERKINS, for taking this initiative early this year and last year to start studying these regulations and to see not only their inconsistencies with the law that we are enacting in the Congress, but the excessive use of verbiage and of conflicting statements that so often make the law so impossible to carry out.

Mr. Speaker, I want to say at this time that we are starting what I hope is going to be a trend among all committees in looking at these regulations and then doing something about them to take the burdens off our citizens who we are trying to enact good legislation for.

Mr. PERKINS. Let me thank my distinguished colleague from New York for his contribution.

Mr. Speaker, I have no further requests for time.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

I rise to urge the House to follow the leadership of the gentleman from Kentucky (Mr. PERKINS), the distinguished chairman of the Committee on Education and Labor, in passing House Concurrent Resolution 332, to disapprove the final regulations for the law-related education programs authorized by the Education Amendments of 1978.

Once again, we have a prime example of legislation by regulation. This case is very similar to the arts in education regulations which the House voted to disapprove last week.

As the chairman has said, the law itself is 375 words long and requires less than a page of text. The regulations, which the great bureaucracy has built from that law, contain 4,400 words and take up 10 pages. Most of these words in the regulations were required because, as the chairman said, the executive branch added to the law, as created by Congress, all sorts of provisions we did not place in that law at all.

For example, the requirement for State and local matching funds to the Federal funds was added even though we had no matching requirement in the law. Mr. Speaker, when we intend a matching requirement, Congress certainly knows how to write it in the legislation. We have done it in many programs, but we did not do so in this one. It also took a lot of words in the regulations to spell out their somewhat complicated declining Federal support version of a matching fund requirement.

The regulations provide for a 4-year limit on participation by individual grantees which we did not require in the law. Four separate grant categories were created by regulation, each of which has its own requirements, its own competition for funds, and its own reservation of funds.

Mr. Speaker, this is clearly legislation by regulation.

I would, too, Mr. Speaker, underline the timing of these particular regulations. The Department of Education has come forward with about 19 of these proposed final regulations since April 1. First, I want to make clear that the final regulations we consider here today were proposed by the Secretary of Health, Education, and Welfare. It is the new Secretary, at a time of transition, who will have to live with the problems created by the violation of the statutory authority and the subsequent disapproval by the Congress.

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Second, I would like to point out that these regulations were proposed at, due to the May 15 Budget Act deadline, our busiest time in the authorizing committee. The chairman and staff are to be particularly commended, therefore, for doing their homework to identify those regulations that went beyond and I believe, were in conflict with the law, and in giving leadership to ask the House to disapprove them.

Mr. Speaker, I strongly urge the House to support our committee and that Congress does its job of legislating by saying no to this additional case of legislation by regulation.

Mr. Speaker, I yield back the balance of my time.

Mr. PERKINS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 332).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONSUMER PRODUCT SAFETY COMMISSION POST-EMPLOYMENT RULES

Mr. SCHEUER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6395) to amend the Consumer Product Safety Act to modify certain postemployment restrictions applicable to officers and employees of the Consumer Product Safety Commission.

The Clerk read as follows:

H.R. 6395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(g)(2) of the Consumer Product Safety Act (15 U.S.C. 2053(g)(2)) is amended by striking out the last sentence thereof.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. SCHEUER) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. DEVINE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6395 would amend the Consumer Product Safety Act to eliminate certain postemployment restrictions applicable to Consumer Product Safety Commission (CPSC) personnel.

This legislation is noncontroversial and was unanimously reported by the Committee on Interstate and Foreign Commerce.

Currently, CPSC employees are subject both to the Governmentwide post-employment restrictions of the Ethics in Government Act, and to section 4(g)(2) of the Consumer Product Safety Act.

Section 4(g)(2), passed in 1972, was one of the earliest attempts to deal with the problem of former employees making unfair use of prior public service for personal gain.

However, 8 years experience under section 4(g)(2) has shown it to be inequitable and ineffective.

Moreover, with the passage of the Ethics in Government Act, the provision has become unnecessary.

Section 4(g)(2) is inequitable because it prevents commission personnel above GS–14 from accepting employment for a period of 1 year from any of the 1.5 million manufacturers subject to CPSC regulation, regardless of the nature of the work to be performed.

For example, an accountant at the Commission without regulatory responsibility cannot work for a manufacturer regulated by the Commission.

Similarly, a CPSC attorney could not represent a regulated manufacturer, even in a securities or tax matter.

Unlike the Ethics in Government Act, the CPSC provision does not focus on the relationship between the employee's post-Government work and his prior public service.

In addition, the provision is ineffective.

Section 4(g)(2) does not reach a number of potential post-Government employment conflicts of interest.

For example, a CPSC scientist below GS–14 is not prohibited by section 4(g)(2) from working for a regulated manufacturer on the same matter for which he had primary responsibility while at the Commission.

Equally troubling is the provision's harmful effect upon CPSC's personnel recruitment program.

Commission Chairman Susan King testified that the agency has had difficulty attracting high caliber technical staff because of section 4(g)(2).

Finally, section 4(g)(2) is unnecessary because the Ethics in Government Act of 1978, which represents a more thoughtful approach, addresses all facets of the post-employment conflict of interest problem without the drawbacks of section 4(g)(2).

The Ethics in Government Act prohibits all former employees, not just GS–14's and above, from making communications to their former agency on any matter in which the former employee was significantly involved.

In sum, H.R. 6395 would eliminate section 4(g)(2) because it is inequitable and ineffective, as well as unnecessary with the recent passage of the Ethics in Government Act.

I urge my colleagues to support this legislation.

Mr. Speaker, there being no more requests for time, I yield back the balance of my time.

Mr. DEVINE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to express my support for this bill lifting the postemployment restrictions presently imposed on Consumer Product Safety Commission employees. By so doing, it would leave in place the postemployment restrictions imposed by the more recently enacted Ethics in Government Act.

As I understand it, employees of the Commission must presently comply with two sets of postemployment restrictions: one imposed by section 4(g)(2) of the Consumer Product Safety Act, and the other imposed by the more recent Ethics in Government Act.

Our hearing on this bill produced no justifiable reason CPSC employees should have to comply with two sets of restrictions. Other agency employees certainly do not.

Furthermore, as CPSC Chairman King testified before the subcommittee, this section represents one of the first attempts by Congress to draft restrictions on employment following Government service. As such, it has proved to be overly broad, inequitable, and ineffective. It had also proved to be unnecessary in light of the recent passage of the Ethics in Government Act. Finally, the provision is making it difficult to hire highly qualified professionals because they know it would restrict their future employment opportunities.

The approach taken in the Ethics in Government Act is a later and more thoughtful approach to postemployment restrictions. The Ethics in Government Act focuses on the relationship between the work performed while in Government and the work to be done in the new job. The act's prohibitions apply when the former employee's involvement in a particular matter at the Commission could coincide with a later opportunity to represent a client or company before the Commission on the same matter.

I would like to conclude by again stating my support of the bill. It will clearly remedy an inequitable situation.

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Mr. SCHEUER. Mr. Speaker, I have no further requests for time, and yield back the remainder of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from New York (Mr. SCHEUER) that the House suspend the rules and pass the bill, H.R. 6395.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CHESAPEAKE BAY RESEARCH COORDINATON ACT OF 1980

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 4417) to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chesapeake Bay Research Coordination Act of 1979".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) The Congress finds that—

(1) the Chesapeake Bay area is one of the greatest national resources in the United States of America, continuously serving the people of Maryland, Virginia, and the other States as an abundant source of seafood, recreation, beauty, and enjoyment;

(2) the Chesapeake Bay area serves as one of the world's major waterways, each year carrying millions of tons of waterborne shipping to and from all parts of the globe;

(3) the productivity and beauty of the Chesapeake Bay area in recent years has been diminished and threatened by water pollution, shoreline erosion, and excessive sedimentation;

(4) numerous Federal agencies have initiated and supported research projects to study, manage, enhance, protect, preserve, or restore the resources of the Chesapeake Bay area; and

(5) the various research projects relating to the Chesapeake Bay area could be more effectively coordinated in order to obtain maximum benefits.

(b) The purposes of this Act are—

(1) to provide for the rational and effective planning and coordination of federally supported research aimed at increasing fundamental knowledge in support of wise management of the Chesapeake Bay system;

(2) to identify key resource management information needs to specify a coherent program of research that will respond to these needs;

(3) to identify the needs and priorities for such additional research projects as are required for the improvement of fundamental knowledge about the Chesapeake Bay;

(4) to assure a comprehensive and balanced approach to federally supported research on the Chesapeake Bay;

(5) to encourage the utilization of the results and findings of research projects, and of other relevant information, in the management decisionmaking processes which impact on the Chesapeake Bay; and

(6) to foster public understanding of the role of the Chesapeake Bay as a unique national resource, the greatest natural ecological entity of its kind in the United States.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Chesapeake Bay area" means the waters of the Chesapeake Bay (including the tributaries to the extent of Chesapeake Bay tidal action), the lands within and under such waters, and the wetlands adjacent to such waters;

(2) the term "research" means the endeavor to discover, develop, and verify knowledge and a careful and critical inquiry or examination in seeking facts or principles;

(3) the term "research effort" means the aggregate of all research projects in the Chesapeake Bay area;

(4) the term "research project" means any research or study for the purpose of promoting the understanding, the improved management, and the protection of the marine or coastal related resources of the Chesapeake Bay area (including those relating to water quality, coastal zone management, navigation, shoreline erosion, fisheries, shellfish, and wildlife) which is funded in whole or in part by any department, agency, or independent establishment of the Federal Government;

(5) the term "Secretary" means the Secretary of Commerce; and

(6) the term "Administrator" means the Administrator of the Environmental Protection Agency.

SEC. 4. OFFICE FOR CHESAPEAKE BAY RESEARCH, PLANNING, AND COORDINATION.

(a)(1) There is established in the Department of Commerce an independent establishment known as the Office for Chesapeake Bay Research, Planning, and Coordination (hereafter referred to in this Act as the "Office").

(2)(A) The Office shall be headed by a Director who shall be appointed by the President in consulation with the Secretary, the Administrator, the Secretary of the Army, and the Secretary of the Interior, and who has knowledge and experience, in research efforts on the Chesapeake Bay. There shall also be in the Office a Deputy Director who shall be appointed by the Secretary. The Deputy Director shall perform such functions as the Director may from time to time prescribe.

(B) Before making any appointment under subparagraph (A), the President shall seek the recommendations of the Governor of Maryland and the Governor of Virginia with respect to individuals who are qualified to serve as the Director and Deputy Director.

(3) The Director may appoint such additional personnel for the Office as he deems desirable, and as is provided for under this Act.

(b) The Office, after consultation with the Chesapeake Bay Research Board, shall—

(1) ensure the existence of a Chesapeake Research Exchange for the purpose of facilitating the rapid identification, acquisition, retrieval, dissemination, and use of information concerning all research which is ongoing, completed, or for which funds have been requested, and which is conducted in or affects the Chesapeake Bay area;

(2) review and evaluate, on a periodic basis, and in a manner consistent with an acceptable scientific peer review process, the research effort—

(A) to ascertain the extent, if any, to which any research project for which funds have been requested complies with the research plan established by the Research Board;

(B) to make recommendations to the Federal department, agency, or independent commission from which funds have been requested for a research project on the relationship of that project to the research effort; and

(C) to make recommendations to the Reseach Board on possible revisions to the research plan;

(3) identify the need for, and the priority of, additional research projects which could be of benefit to such area;

(4) establish an effective mechanism for coordinating the research projects with the research of State and local government agencies for the purpose of achieving maximum utilization of available funds and resources to benefit the Chesapeake Bay area;

(5) remain cognizant of ongoing research projects and assist in the dissemination of the results and findings of such projects;

(6) conduct periodic meetings with representatives of the departments, agencies, and independent establishments of the Federal Government having responsibility for the administration of research programs in the Chesapeake Bay area, representatives of appropriate State, regional, and local agencies, and representatives of the scientific community, in order to obtain and exchange information relating to such programs;

(7) determine existing Federal and State programs on the Chesapeake Bay and annually update this inventory;

(8) plan and conduct a conference on Chesapeake Bay affairs at least once every two years;

(9) submit an annual report to the Congress and to the Secretary within the period of one year after the members of the Research Board are appointed with respect to the administration of this subsection, together with any recommendations for improving the research effort or other related activities; and

(10) perform such other activities as are consistent with the purposes of this Act.

(c) The Office may—

(1) recommend to the appropriate Federal, State, and local government agencies improved methods for the carrying out, in an orderly, efficient, and balanced manner their activities relating to the development, use, and conservation of the resources of the Chesapeake Bay areas;

(2) consider the need for, and desirability of, public works and improvements relating to the water resources in the Chesapeake Bay area or any portion thereof;

(3) consider means of improving and maintaining the fisheries of the Chesapeake Bay area; and

(4) recommend means of improving the environmental quality of the Chesapeake Bay area.

(d) (1) The Secretary shall make available, without reimbursement, to the Office such administrative services and temporary staff as may be reasonably required by the Office to enable it to carry out its functions under this Act.

(2) The Office may request from any department, agency, or independent establishment of the Federal Government (A) any information concerning grants made by such department, agency, or establishment for research in the Chesapeake Bay area, and (B) any other assistance or information which the Office deems necessary to enable it to carry out its functions under this Act. Each such department, agency, or independent establishment shall furnish, with or without reimbursement, to the Office any such assistance or information so requested consistent with other Federal law.

SEC. 5. CHESAPEAKE BAY RESEARCH BOARD.

(a) There is established a committee to be known as the Chesapeake Bay Research Board (hereafter referred to in this section as the "Board").

(b) (1) The Board shall consist of—

(A) two members selected by the Governor of Virginia;

(B) two members selected by the Governor of Maryland;

(C) eleven members selected by the Secretary, in consultation with the Administrator, the Secretary of the Army, and the Secretary of the Interior, from among individuals who, by reason of their knowledge and experience, are qualified to perform the functions of the Board; and

(D) the Director of the Office, who shall serve ex officio as a nonvoting member.

(2) Before selecting members under paragraph (1) (C), the Secretary shall seek the recommendations of the Governor of Maryland and the Governor of Virginia with respect to individuals who are qualified to serve as members of the Board and shall insure that the interests of State and local government, industry, the public, and the scientific and environmental communities are represented.

(c) The Chairman of the Board shall be elected annually by the membership of such Board.

(d) The Board shall—

(1) develop a Chesapeake Bay Research Plan consistent with the missions and interests of appropriate agencies and States, and update this program annually to reflect changing priorities in Federal and State management needs;

(2) advise the Director of the Office with respect to the carrying out of the duties and responsibilities set forth in this Act; and

(3) review, evaluate, and comment upon the annual report submitted pursuant to section 4(b) (9) and provide any comments or recommendations which it may have for improving the effectiveness of the Office (with such review and evaluation and any such comments and recommendations being submitted as an appendix to such annual report).

(e) Members of the Board (other than those who are employees of the Federal Government) may, while engaged in business for the Board, receive compensation for travel expenses and per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Office to carry out the purposes of this Act the sum of $500,000 for each of the three fiscal years ending on September 30, 1980, September 30, 1981, and September 30, 1982.

SEC. 7. RELATIONSHIP OF ACT TO EXISTING FEDERAL, STATE, AND LOCAL POWERS.

(a) Nothing contained in this Act shall be construed to affect the jurisdiction, powers, or prerogatives of any exitsing department, agency, or officer of the Federal Government or of any State or local government.

(b) In administering this Act and in submitting the annual report pursuant to section 4(b) (9) the Secretary, the Office, and the Research Board shall make such recommendations as may appear appropriate with respect to any existing laws which may affect or be involved in the research effort.

SEC. 8. TERMINATION.

This Act and the authority conferred by this Act shall terminate three years after the date of its enactment. At such time the Secretary, in consultation with the Administrator, shall submit to the Congress an evaluation of the effectiveness of the Office and of this Act. In the preparation of such report, comments shall be solicited from Federal agencies, the Governors of Maryland and Virginia, and the research institutions, industries, and environmental and citizen's groups concerned with the Chesapeake Bay.

COMMITTEE AMENDMENT

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chesapeake Bay Research Coordination Act of 1980".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) The Congress finds that—

(1) the Chesapeake Bay area is one of the greatest national resources in the United States of America, continuously serving the people of Maryland, Virginia, and the other States as an abundant source of seafood, recreation, beauty, and enjoyment;

(2) the Chesapeake Bay area serves as one of the world's major waterways, each year carrying millions of tons of waterborne shipping to and from all parts of the globe;

(3) the productivity and beauty of the Chesapeake Bay area in recent years has been diminished and threatened by water pollution, shoreline erosion, and excessive sedimentation;

(4) numerous Federal agencies have initiated and supported research projects to study, manage, enhance, protect, preserve, or restore the resources of the Chesapeake Bay area; and

(5) the various research projects relating to the Chesapeake Bay area could be more effectively coordinated in order to obtain maximum benefits.

(b) The purposes of this Act are—

(1) to provide for the rational and effective coordination of federally conducted and supported research aimed at increasing fundamental knowledge in support of wise management of the Chesapeake Bay system;

(2) to identify key resource management information needs and specify a coherent program of research that will respond to these needs;

(3) to identify the needs and priorities for such additional research projects as are required for the improvement of fundamental knowledge about the Chesapeake Bay;

(4) to assure a comprehensive and balanced approach to federally conducted and supported research on the Chesapeake Bay;

(5) to encourage the utilization of the results and findings of research projects, and of other relevant information, in the management decisionmaking processes which impact on the Chesapeake Bay; and

(6) to foster public understanding of the role of the Chesapeake Bay as a unique national resource, the greatest natural ecological entity of its kind in the United States.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) The term "Chesapeake Bay area" means the waters of the Chesapeake Bay (including the tributaries to the extent of Chesapeake Bay tidal action), the lands within and under such waters, and the wetlands adjacent to such waters.

(2) The term "research" means the endeavor to discover, develop, and verify knowledge and a careful and critical inquiry or examination in seeking facts or principles.

(3) The term "research program" means any research in the Chesapeake Bay area for the purpose of promoting the understanding, the improved management, and the protection of the marine or coastal related resources (including those relating to water quality, coastal zone management, navigation, shoreline erosion, fisheries, shellfish, and wildlife) which are funded in whole or in part by any department, agency, or independent establishment of the Federal Government.

(4) The term "Secretary" means the Secretary of Commerce.

SEC. 4. OFFICE FOR CHESAPEAKE BAY RESEARCH COORDINATION.

(a) (1) The Secretary shall establish in the Department of Commerce a separate office known as the Office for Chesapeake Bay Research Coordination (hereafter referred to in this Act as the "office").

(2) (A) The Office shall be headed by a Director who has knowledge and experience in research efforts on the Cheapeake Bay, and who shall be appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency, the Secretary of the Army, the Secretary of the

Interior, and the Secretary of the Smithsonian Institution.

(B) Before making any appointment under subparagraph (A), the Secretary shall seek the recommendations of the Governor of Maryland and the Governor of Virginia with respect to individuals who are qualified to serve as the Director.

(3) The Director may appoint such personnel for the Office as he deems desirable, and as is provided for under this Act.

(b) The Office, after consultation with the Chesapeake Bay Research Board, shall—

(1) ensure the existence of a Chesapeake Research Exchange for the purpose of facilitating the rapid identification, acquisition, retrieval, dissemination, and use of information concerning all research which is ongoing, completed, or for which funds have been requested, and which is conducted in or affects the Chesapeake Bay area;

(2) review and evaluate, on a periodic basis, the Federal research programs pertaining to the Chesapeake Bay, and ascertain the extent to which the research programs are consistent with the Chesapeake Bay Research Plan established by the Research Board established under section 5;

(3) make recommendations to the Federal departments, agencies, and independent commissions on the relationship of their programs to such Research Plan; and

(4) make recommendations to the Research Board on possible revisions to such Research Plan.

(c) The Office shall work with the Research Board to—

(1) identify the need for, and the priority of, research programs which could benefit the management of the resources of the Chesapeake Bay;

(2) establish an effective mechanism for the purpose of achieving maximum utilization of available funds and resources to benefit the Chesapeake Bay area;

(3) remain cognizant of ongoing research projects and assist in the dissemination of the results and findings of research programs.

(4) conduct periodic meetings with representatives of the departments, agencies, and independent establishments of the Federal Government having responsibility for the administration of research programs in the Chesapeake Bay area, representative of appropriate State, regional, and local agencies, and representatives of the scientific community, in order to obtain and exchange information relating to such programs;

(5) determine existing Federal and State programs relating to the Chesapeake Bay and annually update this inventory;

(6) plan and conduct a conference on Chesapeake Bay affairs at least once every two years;

(7) prepare for the Secretary, the Governors, and the Congress an annual report on research programs, current and planned, pertaining to the Chesapeake Bay; which report shall note the cost, expected results, and implications for management agencies; and

(8) perform such other activities as are consistent with the purposes of this Act.

(d) (1) The Secretary shall make available to the office such administrative services and temporary staff as may be reasonably required by the Office to enable it to carry out its functions under this Act.

(2) The Office may request from any department, agency, or independent establishment of the Federal Government (A) any information concerning grants made by such department, agency, or establishment for research in the Chesapeake Bay area, and (B) any other assistance or information which the Office deems necessary to enable it to carry out its functions under this Act. Each such department, agency, or independent establishment shall furnish, with or without reimbursement, to the Office any such assistance or information so requested consistent with other Federal law.

Sec. 5. Chesapeake Bay Research Board.

(a) There is established a committee to be known as the Chesapeake Bay Research Board (hereafter referred to in this section as the "Board").

(b) (1) The Board shall consist of—

(A) four members selected by the Governor of Virginia;

(B) four members selected by the Governor of Maryland;

(C) seven members selected by the Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of the Army, the Secretary of the Interior, and the Secretary of the Smithsonian Institution.

(2) The Secretary, the Governor of Maryland, and the Governor of Virginia shall ensure that the Board is comprised of individuals who are qualified to perform the functions of the Board and who represent the interests of Federal, State, and local government, industry, the public, and the scientific and environmental communities.

(c) The Chairman of the Board shall be elected annually by the membership of such Board.

(d) The Board shall—

(1) develop a Chesapeake Bay Research Plan consistent with the missions and interests of appropriate agencies and States, and update this program biennially to reflect changing priorities in Federal and State management needs; and

(2) review, evaluate, and comment upon the annual report submitted pursuant to section 4(c) (6) and provide any comments or recommendations which it may have for improving the effectiveness of the Office (with such review and evaluation and any such comments and recommendations being submitted as an appendix to such annual report).

(e) Members of the Board (other than those who are employees of the Federal and State Governments) may, while engaged in business for the Board, receive compensation for travel expenses and per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

Sec. 6. Authorization of Appropriations.

There are authorized to be appropriated to the Office to carry out the purposes of this Act the sum of $500,000 for each of the three fiscal years ending on September 30, 1981, September 30, 1982, and September 30, 1983.

Sec. 7. Relationship of Act to Existing Federal, State, and Local Powers.

(a) Nothing contained in this Act shall be construed to affect the jurisdiction, powers, or prerogatives of any existing department, agency, or officer of the Federal Government or of any State or local government.

(b) For purposes of administering this Act (including the preparation of an annual report pursuant to section 4(c) (7)) the Office shall solicit from the Secretary, the Governors, and the Research Board any recommendations that may be appropriate with respect to any existing law which may affect or be involved in the research effort.

Sec. 8. Termination.

This Act and the authority conferred by this Act shall terminate three years after the date of its enactment. At such time the Secretary, in consultation with the Administrator, shall submit to the Congress an evaluation of the effectiveness of the Office and of this Act. In the preparation of such report, comments shall be solicited from Federal agencies, the Governors of Maryland and Virginia, and the research institutions, industries, and environmental and citizen's groups concerned with the Chesapeake Bay.

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with and that it be printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. Murphy) for 1 hour.

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the floor today H.R. 4417, the Chesapeake Bay Research Coordination Act of 1980.

The purpose of this bill is to protect and preserve Chesapeake Bay and its surrounding area by coordinating research currently conducted by a number of Federal agencies.

The bill would accomplish the goal of research coordination through the creation of two separate, but complimentary entities: The Office for Chesapeake Bay Research Coordination, and the Chesapeake Bay Research Board.

The Office would be set up as an independent Office within the Department of Commerce. The Office would be responsible for setting up a clearinghouse of information on related ongoing research programs.

The Board would consist of members selected by the Governors of Maryland and Virginia and members selected by the Secretary of Commerce. The purpose of the Board is to develop a Chesapeake Bay research plan and to advise the Director of the Office concerning the responsibilities of the Office.

H.R. 4417 carries a total authorization of $1.5 million, which includes $500,000 for each of the next 3 fiscal years.

Mr. Speaker, I urge my colleagues to support the intent of this coordination act which protects the Chesapeake Bay—one of the largest estuaries in the world.

Mr Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to express my appreciation to the gentleman from New York (Mr. Murphy) and the gentleman from Massachusetts (Mr. Studds) for their support for this legislation which is in our jurisdiction. It is the culmination of several years' work on my part and other members of the Maryland delegation and will go a long way toward, we hope, meeting many of the problems that have confronted the Chesapeake Bay and the citizens who live on its shores.

Mr. Speaker, I rise in support of H.R. 4417, the Cheasapeake Bay Research Coordination Act of 1980. This is a bill which I have spent considerable time in developing during the last 5 years and we have now achieved a consensus between the States of Maryland and Virginia on the substance of this legislation.

The basic purpose of the bill is to improve the coordination of research conducted in the Chesapeake Bay, and it is intended to provide broader participation in the development of priorities for research activities. The legislation would establish a clearinghouse, called the Chesapeake Bay Research Exchange, which would collect, store, and disseminate research information about the bay.

The bill also calls for the establishment of an Office for Chesapeake Bay Research Coordination, which in concert with the Chesapeake Bay research board is required to develop a Chesapeake Bay research plan. This plan is required to be updated biennially and is intended to establish specific needs and priorities for Chesapeake Bay research. The Chesapeake Bay Research Board is composed of 15 members, four of which are selected by the Governor of Maryland, four of which are selected by the Governor of Virginia, and seven of which are selected by the Secretary of Commerce. This board is designed to reflect the interests of the Federal, State, and local governments as well as industry and the scientific and environmental communities.

H.R. 4417 is authorized at a level of $500,000 for fiscal years 1981, 1982, and 1983, and the bill contains a sunset provision which calls for the termination of its authority 3 years after the date of enactment.

Mr. Speaker, as we consider this important legislation I would remiss in not mentioning the great contribution made to this legislation by the Secretary of Natural Resources of Maryland, Jim Coulter and his staff. They have labored many hours in offering constructive suggestions and changes, as well as negotiating with the officials of the Commonwealth of Virginia in order to achieve a consensus on this matter. I also want to thank the Secretary of Commerce and Resources of Virginia, Maurice B. Rowe, and his staff for their advice and assistance. I must also thank Dr. Peter E. Wagner, chairman of the board of the Chesapeake Research Consortium, for his comments and suggestions and for the important support he provided to this bill.

At the conclusion of my remarks I will include copies of a joint statement of the officials of Maryland and Virginia in support of the bill, as well as a statement by the Consortium.

I also want to thank the distinguished gentleman from New York (Mr. MURPHY) and the distinguished gentleman from Massachusetts (Mr. STUDDS) for their help and understanding in bringing this bill to the floor. I also wish to thank the gentleman from Florida (Mr. FUQUA) and the gentleman from New York (Mr. AMBRO) for their assistance when the bill was before their Committee on Science and Technology.

I also want to thank the gentleladies from Maryland, Mrs. MARJORIE HOLT and Ms. BARBARA MIKULSKI who joined me as cosponsors of this important legislation for the bay area and its residents. I believe the support these distinguished Members have lent to this bill is a good illustration of its merits.

The problems, however, which lead to introduction of this legislation remain. There are still over 60 Federal, State, and local agencies conducting research on the Chesapeake Bay without an overall coordinating mechanism or guiding hand. Federal dollars are still being wasted as a result of the duplication of effort that stems from this disorganization, but more importantly perhaps, taxpayer's dollars are being wasted because they are presently being poured into a system that is not leading to the solutions for the problems that confront the Chesapeake Bay. As an illustration of this system and how it is floundering in a sea of Federal dollars, I would like to point out that there are presently some 18 data bases containing information data on the dynamic activities of the Chesapeake. At the hearings on this bill we heard from Dr. Eugene Cronin, who is the Executive Director of the Chesapeake Research Consortium.

Dr. Cronin is a well respected scientist in the bay community and I would like to quote Dr. Cronin on the subject of these data bases, from a paper he presented to the International Codata Conference in Palermo, Italy in 1978. Dr. Cronin said that, "The data files and data bases in the Cheapeake Bav region are among the most completely documented in the world." However, he noted, "Because of the existing diversity and stubborn independence of management and research entities, there is no universally accepted and applied system for storage, retrieval and analysis of the data related to the Chesapeake Bay."

Many of these data bases are rapidly becoming outdated because they are not being maintained. This situation results in a condition in which many efforts to measure, record, and study the activities of the bay must begin again from scratch. That is part of the reason why we have 18 data bases to record many of the same figures. The Environmental Protection Agency has recently proposed the creation of the 19th data base for the bay to store the results of their current study.

If the EPA, or anyone else for that matter, were to develop an overall data management svstem, it might resemble the "Management Resources Bank" that was proposed in the same study that resulted in the creation of the Chesapeake Research Consortium in 1971. The National Science Foundation allocated some $1.4 million to the development of this Management Resources Bank in 1973 and between 1970 and 1973, $4.7 million was awarded in research grants to develop, among other things, a "data bank for storage and retrieval of information on matters that would assist in the management of the Bay." Unfortunately, no such Management Resources Bank exists and there is no data base that performs the functions outlined in the NSF grant description. What Dr. Cronin described as the "existing diversity and stubborn independence of management and research entities" has proven itself to be very expensive indeed.

The result of this confusion means simply that dangerous trends remain unabated. The once plentiful rockfish is becoming increasingly difficult to find in the Chesapeake, the oyster harvest has been in a steady decline and crab production has been notoriously unstable in the waters that previously have known only abundance. Entire communities on Smith Island and Tangier Island are threatened by an erosion that many believe is the direct result of the decline in aquatic vegetation. Yet the causes of these various phenomena remain a mystery.

This disorder in the research effort perpetuates ignorance. Because there is no design or order to the research grants that are handed out by many Federal agencies, there has been little or no progress in extending basic research by an academic discipline toward information that can be of use to management and policy decisionmakers.

This progression, or sequence of research steps, never has taken place in Chesapeake Bay research and that is much of the reason why we still lack the answers to so many questions. But this lack is not because no one knew of the need to establish a sequence of research.

In 1973, the National Science Foundation funded a research project entitled, "A Method of Applying Research to Environmental Planning and Management: A case study of issues important to the Chesapeake Bay Region." This study was conducted at a cost of $73,000 and among its conclusions were the following:

> A critical problem today is the gap between research and the use of research results for planning and management decisions. This is a communications gap between research scientists and users (planners and decision-makers.) This gap is not the fault of either the researcher or the user. It results because of the unrecognized, ill-perceived, or ill-defined series of steps required to link basic knowledge with decision-making. The research community states that projects they propose are relevant and will provide basic information for societal problems. This situation exists because there are several steps between understanding what is occurring in the environment (phenomenon and processes) and how this information will be used for decisions.

This study, which has been collecting dust since 1973, goes further to propose the establishment of a "research plan" that will insure the production of useful information for practical solutions. This is the plan that is incorporated in H.R. 4417 and the bill is designed to formulate that "research plan" and to make recommendations on the funding of Bay research projects by all Federal departments or agencies.

The bill will establish an Office of Chesapeake Bay Research Coordination as an independent office within the Department of Commerce. As the Members are well aware, the National Oceanographic and Atmospheric Administration is also housed in the Department of Commerce and has been designated to be the lead agency for the Ocean Pollution Monitoring Act. The gentleman from California, GEORGE BROWN, suggested last year that the office established by this bill could become a model for other regional research efforts addressed by the

Ocean Pollution and Monitoring Act. The bill contains sunset language that would end this agency if it should prove unsatisfactory.

The Office of Chesapeake Bay Research Coordination established by this bill will have several primary functions. It will conduct an inventory of the past research effort, to determine what has been accomplished. It will develop the "Research Plan" that will set out the sequence of needed research and it will review the ongoing research activities funded by the Federal Government to insure that the money being spent will contribute to the solutions the Chesapeake Bay so desperately needs.

The Office also will have the responsibility for identifying those areas where more research may be needed. This will insure that the problems that confront the bay will come to the attention of the Congress where, hopefully, action will result. In the past erratic funding for certain research has caused a chronic discontinuity of Federal attention. This condition has been called "impulse funding" by some and has resulted in a haphazard response to the serious problems and conditions confronting the Bay.

I want to emphasize that there are adequate safeguards in this legislation to insure that the legitimate rights of the States will not be usurped by the creation of this Office. A "Chesapeake Bay Research Board" will be established within this Office to provide the expertise necessary to make the proper decisions on these technical matters. The Governors of Maryland and Virginia are given the power to appoint four members each directly to this 15 member board. The Secretary of Commerce will appoint the other members of the board, but the Secretary is directed to insure that the interests of State and local government, industry, the public, and the scientific community are represented. The primary purpose of this bill is to insure that Federal dollars are well spent; not necessarily to expand the present Federal role.

I would also say there is little reason to believe that this bill is a threat to the research scientists who have devoted their lives to the study of the bay, its nature and problems. Diversity need not be eliminated through coordination. A stable continuity of direction and funding will benefit the scientific community by allowing them to devote their attention to their primary calling of research rather than forcing them to divert so much of their attention to politics.

Mr. Speaker, there is no single answer to the many problems that afflict the Chesapeake. Sound research policies will do little good if they are not followed by sound management. But there can be no rational management effort without the necessary tools in the form of accurate, timely information concerning the bay.

Our first and foremost consideration is the welfare of this vital natural and national resource and the people who use and enjoy it. The fact remains that the bay faces problems for reasons that continue to allude understanding. This is so despite the millions of dollars spent on research and the lives that have been devoted to unlocking these mysteries.

No one has disputed that this research presently lacks coordination or that coordination is necessary if the fruits of any research project are to be realized. I am not interested in creating another Federal office for its own sake, and I have said in the past that if anyone can demonstrate that this coordination function is being carried out already I would withdraw this legislation. The fact is that there is no coordination of the overall effort. This legislation is needed to promote that very coordination. I have heard it said that "coordination is very much like heaven; everybody wants to get there but not just yet." Well, that may be true, but I believe that as it relates to the problems of the Chesapeake Bay, we cannot wait, and I urge my colleagues to give this bill their favorable consideration.

Mr. Speaker, this bill passed the House in the 95th Congress and the other body failed to act on it. It has been improved in this Congress, and a consensus has been achieved between the two States, as mentioned earlier. This is important legislation which needs to be passed in order to improve the effectiveness and the coordination of our Federal research efforts in the Chesapeake Bay. This is a very important ecosystem and, by better coordination of the research, we can achieve wiser use and management of the bay.

Thank you, Mr. Speaker.

The documents referred to follow:

JOINT POSITION PAPER STATE OF MARYLAND AND COMMONWEALTH OF VIRGINIA ON H.R. 4417—THE CHESAPEAKE BAY RESEARCH COORDINATION ACT OF 1979—FEBBRURY 1980

Maryland and Virginia are pleased to offer further comments on the Chesapeake Bay Research Coordination Act of 1979. We are particularly pleased to note that these comments represent a joint position of both states. We wish to compliment Congressman Bauman for his dedication to our shared, priceless resource—the Chesapeake Bay. We are very impressed with his work and grateful for the cooperation he has helped foster between Virginia and Maryland.

Maryland and Virginia welcome the opportunity to support a principal purpose of the bill, to require federal agencies to coordinate their Cheapeake Bay research efforts. At times Federal agencies conducting or supporting research in the Chesapeake Bay appear to be competing with each other. Therefore, we agree that compulsory coordination of federal agency research programs on the Chesapeake Bay is needed. We also agree that the authority of effect this coordination should be established in an offce within the Deaprtment of Commerce, although that office would have fewer authorities and responsibilities than those proposed in H.R. 4417.

Because Chesapeake Bay lies entirely within the boundaries of the Commonwealth of Virginia and the State of Maryland, it would seem that interstate coordination of Chesapeake Bay affairs could be handled through simple and direct bi-state relationships. However, management of Chesapeake Bay affairs is made difficult by two factors that lie beyond the direct control of Virginia and Maryland. The first of these factors is the influence of actions of other states on the major river tributaries to the Bay. Maryland's and Virginia's response to this problem is to foster and participate in interstate organizations and agreements, some of which are federally supported.

The second factor is the federal presence. It is the primary reason for our support of H.R. 4417's principal purpose, because it has such a profound effect on Chesapeake Bay affairs. The problem is complicated because the federal presence exists in the form of several major independent federal agencies. Each agency performs its separate actions according to its mandates of law, regulation and budget. From the state viewpoint, the federal presence is manifested as a number of single purpose units. In numerous instances, Congress as given these single purpose units of fedreal government authorities that preempt or are eoual to, but are hardly ever subservient to the authority of the state. In the case of federal research on the Bay, the intent of Congress would seem to be better served if these separable federal agencies were required to coordinate their research programs rather than being allowed to act independently.

As a general rule, federal agencies active in Bay research appear to establish good machinery for internal coordination, but do much more poorly in coordinating their actions with one another. Quite simply, agencies appear unwilling to subject themselves to the purview of other agencies.

We believe it is absolutely essential that a means to coordinate federal research and federally supported research on the Bay be Congressionally mandated. The office in which the authority to coordinate will reside will have to be cognizant of research being managed and/or carried out by state, local, and private interests. Its authority to influence the direction of research programs once they are underway should be confined to federally conducted research. Once the research programs are approved, the office should not be authorized to interfere with research funded by federal agencies but carried out by the states through such programs as water pollution control, wetlands management, or coastal zone management.

There is another need, equally as important. The research must help the intended beneficiaries—the Bay users—and therefore they should have more to say about the research itself. An inter-state institution, such as our Bi-State Working Committee of executive agencies, could work with the many, well-organized Bay interest groups to define their research priorities. These priorities, in turn, would become guidelines for federal and state agencies and scientific institutions conducting research. The results of the research and its implications for Bay users and for those who must decide how the Bay can be used must be made clear to these people. Both the states and the federal government can improve their efforts to explain the implications of research findings to the decision-makers. We must do a better job of selecting research that is needed and of telling people how they can use it.

Over the past year, Virginia and Maryland have been taking historic steps towards close cooperation in managing the uses of the Chesapeake Bay. This joint position paper is but one example of our close working relationship. Legislators and representatives from both states have been working since 1978 to improve the institutional means by which we share responsibility for the Bay. On the executive side, Governor Dalton and Governor Hughes signed an agreement in August 1979 pledging the cooperation of the operational agencies in both states. This has resulted in the Bi-State Working Committee of Maryland and Virginia agencies, refered to previously. This Committee is working out ways in which many activities of the states can be consistent and complementary.

Virginia and Maryland stress that the states ought to have an equal voice with the federal government in deciding what to pursue in Bay research. Any arrangement by with federal research programs are decided or coordinated should be a genuine state-federal partnership.

The states are not without obligations, for we are premising much of our case on the belief that the states can be the driving force behind better coordination and use of Bay research. It would be entirely appropriate for the Congress to have the states give an accounting of how they have organized to set research priorities and what they are doing to see that the results are made available—in clear, usable form—to Bay users and decision makers. Maryland and Virginia themselves need to define Bay issues periodically, set forth the resulting research needs report on state-conducted Bay research funded by the federal government, and describe the implications of research findings to Bay users. The forum for getting this done can be our Bi-State Working Committee. It is a matter that we shall take up shortly.

Congressman Bauman and his staff have indicated their willingness to consider amendments and revisions to the bill. We would be happy to work with him and his staff, subcommittee staff, and other interested parties from Maryland and Virginia to assist in any way possible.

Again, we express our appreciation to Congressman Bauman for his efforts in Chesapeake Bay affairs and for his consideration of our interests.

Maurice B. Rowe,
Secretary of Commerce and Resources,
Commonwealth of Virginia.
James B. Coulter,
Secretary of Natural Resources.
State of Maryland.

April 22, 1980.

Hon. Robert E. Bauman,
House of Representatives,
Rayburn Building, Washington, D.C.

Dear Congressman Bauman: The attached statement was approved by majority vote of the Board of Trustees of the Chesapeake Research Consortium. It should be recognized that the position represents only the Consortium itself and not necessarily the opinion of any member institution. Official positions of the University of Maryland, the Johns Hopkins University, the College of William and Mary, and the Smithsonian Institution were neither given nor sought.

Please do not hesitate to contact us for further information, should you so desire.

Sincerely,

Peter E. Wagner,
Chairman of the Board.

STATEMENT

April 22, 1980.

The Board of Trustees of the Chesapeake Research Consortium has reviewed H.R. 4417, the Chesapeake Bay Research Coordination Act of 1979; the Maryland-Virginia Joint Position Paper on H.R. 4417 dated February, 1980; and the markup of H.R. 4417 which accompanied the Position Paper.

The Board views this legislation as a constructive effort to bring about a desirable coordination of federally conducted supported research programs on the Chesapeake Bay.

We are pleased to endorse H.R. 4417 with the modifications suggested in the Joint Position Paper, and with the stipulation that the Smithsonian Institution be added to the list of federal agencies consulted by the Secretary of Commerce prior to the appointment of the Director of the proposed Office for Chesapeake Bay Research Coordination.

Mr. MURPHY of New York. Mr. Speaker, I now yield such time as he may consume to the gentleman from Massachusetts (Mr. Studds), chairman of the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries.

Mr. STUDDS. I thank the gentleman for yielding.

Mr. Speaker, H.R. 4417, the Chesapeake Bay Research Coordination Act is to a large extent the same bill that passed the House last Congress. It is designed to coordinate Federal research efforts in the Chesapeake Bay area.

Numerous Federal offices and agencies are currently involved in conducting research on various issues concerning Chesapeake Bay. Each one, however, has its own legislative mandate and deals with a specific area or problem. To date, little if any coordination of research efforts has occurred. Because the bay is one of the world's largest estuaries—and compared to the oceans a relatively shallow body of water with restricted circulation—multiple, sometimes conflicting uses of its waters can cause extreme problems. This is especially true because the area surrounding the bay is heavily populated and stream or river pollution from municipalities or industries even several hundred miles away can adversely affect the bay. This bill would help develop a coordinated Federal policy toward Chesapeake Bay research programs and enable the Government to check problems before they become disasters.

Mr. Speaker, I will also call the attention of the Members to the remarkable fact that on matters of major substance, particularly those affecting the sanctity of the marine environment, the gentleman from Maryland (Mr. Bauman) and the gentleman from Massachusetts are almost invariably on the same line, and I think the House ought to take a deep breath and note with wonder that a major proposition offered by the gentleman from Maryland (Mr. Bauman) will pass this body unanimously. May that always be the case, and on matters such as this may we always see eye to eye. I congratulate the gentleman from Maryland (Mr. Bauman), and I thank the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Speaker, I move the previous question on the committee amendment and on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE BIG SUR AREA BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Panetta) is recognized for 10 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation to establish a partnership between local citizens and county, State, and Federal Government in an effort to preserve and protect the important and unique qualities of the Big Sur area along California's central coast.

This legislation marks the culmination of over 2 years of work with the citizens of Big Sur, the affected local, State, and Federal agencies, local groups, and a number of interested parties. It is largely based on recommendations from the Big Sur Citizens Advisory Committee formed to advise Monterey County on a local coastal program. In addition, it reflects literally hundreds of comments which I have received on draft legislation which I prepared and circulated to concerned agencies, groups, and citizens over the last 2 weeks. In the end, I believe the proposal represents a unique legislative approach to a truly unique area.

The Big Sur coast is an outstanding area of scenic beauty, of spectacular views, of magnificent and undeveloped coastline, and of independent and self-reliant people and communities. All of these qualities constitute the special character of what we know as the Big Sur area. And in seeking to protect and preserve this area, we must balance all of these important values that make Big Sur what it is today.

There is really no question but that this remarkable and unique area must be preserved. Regardless of differences in the approach, there is no disagreement among the residents or visitors to this area but that they want Big Sur to stay the way it is. And so do we all. But there are forces at play today which make preservation of Big Sur as it is difficult to achieve. There is increasing development of homes and residences. There are over 3 million visitors to Big Sur annually that strain the capacity of the two-lane coastal highway and increase commercial pressures on the area. There is a lack of sufficient resources to provide adequate natural and scenic protection. These trends promise not only to detract from the scenic attributes of the area, but additionally threaten to alter the rural, independent character of the communities there. No one wants the unique qualities of Big Sur marred in any way. Neither is there a desire to apply any kind of rubber stamp approach that does not speak to the special needs of this area.

To effectively preserve and protect Big Sur, there must be comprehensive planning, effective management, and appropriate financial assistance and enforcement to implement such planning and management. By the very fact that there exists a mix of jurisdictions between the local, State, and Federal Governments in this area, there is a need to coordinate such planning and management. If standards conflict, if resources management differs, if property owners or residents face varying rules and regulations from different levels of government, then the residents and citizens of Big Sur itself will pay a heavy price for lack of coordination. In addition, in the effort to protect scenic easements and watershed, in an effort to identify and preserve those natural resources and areas worthy of special protection, adequate financing and compensation for landowners and residents will be necessary. With limited funds at both the State and local levels of government, both county and State agencies have stated that they do not have adequate resources and additional financing will be necessary if planning efforts are to be effective.

My legislation follows several basic precepts: Involvement of the citizens of Big Sur in the planning processes for the region; the retention of existing jurisdictional authorities at the State and county levels; coordinated management among the various governmental agencies exercising management authority in Big Sur; and limitations on Federal acquisition powers with an emphasis on assistance to local agencies and nonacquisition efforts to retain the land as it exists today.

To accomplish these goals, the legislation does the following:

First. It establishes a Big Sur Area Council consisting of representatives of State, local, and Federal Governments with a predominance of resident members. The council's duties would include the development of a comprehensive management plan for the area, reviewing and monitoring the implementation of the plan by agencies with the Big Sur area, and recommendations to the Secretary of Agriculture as to revision and enforcement of the plan.

Second. The comprehensive management plan is based on local planning efforts with a land use component that shall be the local coastal program developed by Monterey and San Luis Obispo Counties. In addition, the plan provides for a coordination program, a community resources protection program, a highway transportation program, and a public use component. The plan describes those areas of critical interest, including view-shed areas and important ecological areas, which should be protected, and enumerates the manner in which a variety of different land protection mechanisms at every level of government will be used to preserve these areas. The plan will also identify areas which have already been committed to substantial residential or commercial development to be exempted from acquisition by the Secretary.

The council will recommend the plan to the Secretary and he will have the opportunity either to adopt the plan as submitted, or amend the plan and return it to the council. The council can respond to the Secretary's amendments and he will then incorporate the council's recommendations into a final plan for the area.

Third. In those areas outside of the national forest or other areas stated by the plan, State and local government shall have responsibility for implementation of State and local regulation. In the other areas, the Forest Service shall have the responsibility for implementation of the plan. The Secretary is authorized to acquire or make grants and assistance available to State and local government to acquire interests in land. The Secretary additionally is authorized to lease back lands purchased in the area, contract with private or public agencies for land acquisitions and convey properties which he has acquired to local or State governments subject to a 25-percent cost reimbursement and such other conditions as the Secretary deems necessary to carry out the purposes of the act. The Secretary may further make direct grants to the State and local governments, or other private or public entities, for land acquisitions in the area subject to the same 25-percent cost sharing requirement.

Fourth. The Secretary shall have no authority to acquire any private property by condemnation within the Big Sur area, except where land uses are substantially incompatible with the management plan or where the plan itself provides for public access.

I have incorporated this broad range of options for land protection as well as a cost-sharing requirement for participating public and private agencies, in order to provide the most cost-effective approach to protecting the national interest in the area. Existing land use regulatory powers at the State and local level are intended to be used to the fullest extent in order to limit the role of the Federal Government to providing limited assistance to complete the task of preserving this valuable resource.

We have the opportunity today to effect a memorable achievement not only for those who wish to seek the qualities of the Big Sur area protected for future generations, but also for those who are interested in seeing a balance of local, State and Federal Government maintained in the protection of nationally significant areas. By adopting an approach to land protection which incorporates the work of State and county governments, and provides the opportunity for meaningful input into the planning process by local residents, this magnificent Big Sur area can be preserved with a minimum of Federal financing and a maximum of local cooperation. This legislation presents an exciting challenge to the people and the Congress to develop a unique partnership that will preserve and protect the Big Sur for its citizens and for the Nation.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House of Representatives for a vote on Wednesday, May 14. Had I been present, I would have voted "no" on rollcall No. 233, an amendment to the Department of Defense authorization bill which sought to delete the $200 million Air Force procurement authorization for the strategic weapon launcher.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BROWN of California (at the request of Mr. WRIGHT), for this week, on account of a death in the family.

Mr. MCKINNEY (at the request of Mr. MICHEL), from May 19 through June 6, 1980, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MURPHY of New York) to revise and extend their remarks and include extraneous material:)

Mr. REUSS, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. PANETTA, for 10 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. OBERSTAR, for 60 minutes, on May 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WHITTAKER) and to include extraneous matter:)

Mr. RINALDO.

Mr. LAGOMARSINO.

Mr. HOPKINS.

(The following Members (at the request of Mr. MURPHY of New York) and to include extraneous matter:)

Mr. STARK.

Mr. ASPIN.

Mr. OTTINGER.

Mr. GRAY in two instances.

Mr. COELHO.

Mr. MAZZOLI in two instances.

Mr. PANETTA.

Mr. HOWARD.

Mr. OBERSTAR.

Mr. MURPHY of Illinois.

Mr. WAXMAN.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DRINAN.

Mr. RANGEL.

Mr. SOLARZ.

Ms. MIKULSKI.

Mr. BONIOR of Michigan.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 598. An act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary;

S. 2134. An act to provide for the acquisition of certain property in square 758 in the District of Columbia as an addition to the grounds of the U.S. Supreme Court Building; to the Committee on Public Works and Transportation; and

S. 2508. An act to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236-A, 236-B, and 236-E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1309. An act to amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal years 1980 and 1981 food stamp programs; and for other purposes; and

S. 2648. An act to authorize appropriations for the Federal Election Commission for fiscal year 1981.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal years 1981 and 1982, and for other purposes; and

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 16, 1980, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

ADJOURNMENT

Mr. MURPHY of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 20, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4397. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a quarterly report as of March 31, 1980, on the Selected Reserve recruiting and retention incentive programs, pursuant to 10 U.S.C. 2134, 37 U.S.C. 308b, and 37 U.S.C. 308c; to the Committee on Armed Services.

4398. A letter from the Chairman, District of Columbia Law Revision Commission; transmitting the fifth annual report of the Commission, pursuant to section 4(a) of Public Law 93-379; to the Committee on the District of Columbia.

4399. A letter from the Secretary of Education, transmitting proposed final regulations for the basic skills and educational proficiency program, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4400. A letter from the Secretary of Education, transmitting proposed final regulations for the Indian Education Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4401. A letter from the Acting Secretary of Education, transmitting proposed final regulations for the Emergency School Aid Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4402. A letter from the Acting Director, Community Services Administration, transmitting a draft of proposed legislation to extend for 3 additional years the authorization of titles I, II, IV, VI, VII, and IX of the Economic Opportunity Act of 1964, and for other purposes; to the Committee on Education and Labor.

4403. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense equipment to various European countries, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

4404. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Israel (Transmittal No. MC-23-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4405. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Morris D. Busby and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4406. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by James E. Goodby, Ambassador-designate to Finland, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4407. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by William C. Harrop, Ambassador-designate to Kenya and the Republic of Seychelles, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4408. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by C. William Kontos, Ambassador-designate to Sudan, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4409. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Phillip R. Trimble, Ambassador-designate to Nepal, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4410. A letter from the Director, Defense Security Assistance Agency, transmitting a report on training requirements for fiscal year 1980 under the international military education and training program scheduled to be conducted outside the United States, pursuant to section 542 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4411. A letter from the Secretary of Commerce, transmitting an addendum to the previously-submitted report (Executive Communication No. 3543) on the restrictions imposed on the export to the Soviet Union of phosphate rock, phosphatic fertilizers and phosphoric acid in response to the Soviet invasion of Afghanistan, pursuant to section 6(e) of Public Law 96-72; to the Committee on Foreign Affairs.

4412. A letter from the Assistant Attorney General (Antitrust Division), transmitting a report covering calendar year 1978 on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

4413. A letter from the Comptroller General of the United States, transmitting a report on existing arrangements for the use of multiplex technology (LCD-80-53, May 14, 1980); to the Committees on Government Operations.

4414. A letter from the Comptroller General of the United States, transmitting a report on the impact of the Revenue Sharing program's audit requirements on State and local governments (GGD-80-35, May 16, 1980); to the Committee on Government Operations.

4415. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Shoshone Irrigation District of Powell, Park County, Wyo., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the Act; to the Committee on Interior and Insular Affairs.

4416. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1979 on Primary Care Research and Demonstration Projects, pursuant to section 340(e) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

4417. A letter from the Secretary of Commerce, transmitting a report on the study of public works investment in the United States, pursuant to section 110 of Public Law 95-28; to the Committee on Public Works and Transportation.

4418. A letter from the Secretary of Transportation, transmitting a report on the effect of the Airline Deregulation Act on the level of air safety during calendar year 1979, pursuant to section 107(b) of the Federal Aviation Act of 1958 as amended (92 Stat. 1709); to the Committee on Public Works and Transportation.

4419. A letter from the Comptroller General of the United States, transmitting a report on the joint Air Force/Navy alternate engine program (PSAD-80-40, May 9, 1980); jointly, to the Committees on Government Operations, and Armed Services.

4420. A letter from the Comptroller General of the United States, transmitting a report on the recovery of minerals from industrial wastes (EMD-80-45, May 15, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

4421. A letter from the Acting Comptroller General of the United States, transmitting a report on the need for better protection from fraud for investors in privately placed securities (FGMSD-80-56, May 14, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

4422. A letter from the Comptroller General of the United States, transmitting a report on the Interstate Commerce Commission's enforcement program (CED-80-57, May 19, 1980), jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committee were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted May 16, 1980*]

Mr JOHNSON of California: Committee on Public Works and Transportation. H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs, and for other purposes; with amendment (Rept. No. 96-172, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. Supplemental report on H.R. 6899 (Rept. No. 96-935, Pt. 2). Ordered to be printed.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 7103. A bill to amend the Hazardous Materials Transportation Act and the Independent Safety Board Act of 1974 to authorize additional appropriations, and for other purposes; with amendment (Rept. No. 96-942, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7114. A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and the fire prevention and control program, and for other purposes; with amendment (Rept. No. 96-951, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 4417. A bill to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes; with amendment (Rept. No. 96-993). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6154. A bill to regulate commerce, promote energy self-sufficiency, and protect the environment, by establishing procedures for the location, construction, and operation of ocean thermal energy conversion facilities and plantships to produce electricity and energy-intensive products off the coasts of the United States; to amend the Merchant Marine Act, 1936, to make available certain financial assistance for construction and operation of such facilities and plantships; and for other purposes; with amendment (Rept. No. 96-994). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 7141. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; with amendment (Rept. No. 96-995). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 6386. A bill to authorize appropriations for the Legal Services Corporation for fiscal years 1981, 1982, and 1983; with amendment (Rept. No. 96-996). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7036. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to national research institutes, and for other purposes; with amendment (Rept. No. 96-997). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7297. A bill to amend the Small Business Investment Act of 1958 to provide for the investment of temporarily unneeded funds, to modify the authority of the Small Business Administration regarding financing, and to statutorily establish the eligibility of Asian Pacific Americans to participate in programs under section 8(a) of the Small Business Act (Rept. No. 96-998). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 7115. A bill to authorize appropriations for activities of the National Science Foundation for fiscal year 1981, and for other purposes (Rept. No. 96-999). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7259. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration. (Rept. No. 96-1000). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7289. A bill to amend the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee debentures issued by certain State or local development companies. (Rept. No. 96-1001). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7250. A bill to provide management and technical assistance to small business concerns (Rept. No. 96-1002). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7288. A bill to amend the Small Business Act to improve procurement opportunities for small business concerns; with amendment (Rept. No. 96-1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 5612. A bill to amend section 8(a) of the Small Business Act; with amendment (Rept. No. 96-1004). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 6429. A bill entitled "Small Business Equal Access to Justice Act"; with amendment (Rept. No. 96-1005, Pt. 1). Ordered to be printed.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 5607. A bill to assist innovative small businesses by strengthening their role in federally funded research and development and by fostering their information and growth in the economy, and to encourage investment in small businesses; with amendment (Rept. No. 96-1006, Pt. 1). Ordered to be printed.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 7298. A bill to facilitate the operations of the office of the Chief Counsel for Advocacy of the Small Business Administration; with amendment (Rept. No. 96-1007, Pt. 1). Ordered to be printed.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 5103. A bill to provide for better access to the Federal courts for small businesses and others with small to moderate size claims, to expand the duties of the Office of Advocacy of the Small Business Administration, and for other purposes; with amendment (Rept. No. 96-1008, Pt. 1). Ordered to be printed.

Mr. NEDZI: Committee on Armed Services. H.R. 7301. A bill to authorize certain construction at military installations for fiscal year 1981, and for other purposes; with amendment (Rept. No. 96-1009). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4975. A bill to establish the Orange Coast National Urban Park, and for other purposes; with amendment (Rept. No. 96-1010). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6666. A bill to revise the laws relating to the Coast Guard Reserve; with amendment (Rept. No. 96-1011). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6979. A bill to improve coastal management in the United States, and for other purposes; with amendment (Rept. No. 96-1012). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7321. A bill to establish a national tourism policy, a Cabinet-level coordinating council, and a board to develop and formulate a marketing and implementing plan to carry out the national tourism policy and a promotional program to further enhance travel to the United States by foreign visitors; with amendment (Rept. No. 96-1013). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7320. A bill to authorize appropriations for the United States Railway Association for fiscal year 1981. (Rept No. 96-1014). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 6811. A bill to provide for increased U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes. (Rept. No. 96-1015). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7020. A bill to amend the Solid Waste Disposal Act to provide authorities to respond to releases of hazardous waste from inactive hazardous waste sites which endanger public health and the environment, to establish a Hazardous Waste Response Fund to be funded by a system of fees, to establish prohibitions and requirements concerning inactive hazardous waste sites, to provide for liability of persons responsible for releases of hazardous waste at such sites, and for other purposes; with amendment (Rept. No. 90–1016). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6310. A bill to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1975; with amendment (Rept. No. 96–1017). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 7244. A bill to amend the Bretton Woods Agreements Act to authorize consent to an increase in the United States quota in the International Monetary Fund, and for other purposes; with amendment (Rept. No. 96–1018). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7217. A bill to enact certain provisions relative to units of the National Park System in the State of Hawaii, and for other purposes; with amendment (Rept. No. 96–1019). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 7018. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act until September 30, 1981; with amendment (Rept. No. 96–1020). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 7072. A bill to amend sections 5702 and 5704 of title 5, United States Code, to increase the maximum rates for per diem and actual subsistence expenses and mileage allowances of Government employees on official travel, and for other purposes; with amendment (Rept. No. 96–1021). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7336. A bill to amend the Energy Policy and Conservation Act to provide for adequate supplies of helium for future energy efficiency and conservation purposes, and for other purposes; with amendment (Rept. No. 96–1022, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7306. A bill to provide for the orderly disposal of certain Federal lands in Nevada and for the acquisition of certain other lands in the Lake Tahoe Basin, and for other purposes (Rept. No. 96–1023). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3. A bill to amend the Act to Establish the Golden Gate National Recreation Area in the State of California, and for other purposes; with amendment (Rept. No. 96–1024). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7104. A bill to amend the Federal Safety Act of 1970 to authorize additional appropriations, and for other purposes; with amendment (Rept. No. 96–1025). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. S. 2475. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency", to exempt very low volume automobile manufacturers from certain requirements of the act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the act, and for other purposes; with amendment (Rept. No. 96–1026). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7105. A bill entitled: "National Hostel System Act of 1980" (Rept. No. 96–1027, Pt.1). Ordered to be printed.

Mr. FOLEY: Committee on Agriculture. H.R. 7264. A bill to strengthen farm market prices and farm income by providing a fair and equitable long-term producer storage program for wheat and feed grains; with amendment (Rept. No. 96–1029). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor: H.R. 27. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to extend the authorizations of appropriations contained in such Acts; with amendment (Rept. No. 96–1030). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. House Concurrent Resolution 332. Resolution disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965 (Rept. No. 96–1032). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. H.R. 4536. A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program; with amendment (Rept. No. 96–1033, Pt. 1). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 6711. A bill to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes; with amendment (Rept. No. 96–1034). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 19, 1980*]

Mr. REUSS: Committee on Banking, Finance, and Urban Affairs. Supplemental Report on H.R. 7262 (Rept. No. 96–979, Pt. 2). Referred to the Committee of the Whole House on the State of the Union

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report on the activity of the Committee on Interstate and Foreign Commerce, House of Representatives, for the 1st session, 96th Congress (Rept. No. 96–1036). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[*Submitted May 16, 1980*]

Mr. FOLEY: Committee on Agriculture. H.R. 7121. A bill entitled "Soybean Emergency Act of 1980". Referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344 (Rept. No. 96–1031, Pt. 1). Ordered to be printed.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 6626. A bill to consolidate and modify the terms of the Small Business Administration programs under sections 7(a), 7(e), 7(h), 7(i), and 7(l) of the Small Business Act and sections 501 and 502 of the Small Business Investment Act of 1958, to exempt Small Business Administration loans from the environmental impact requirements of the National Environmental Policy Act of 1969, and to limit the annual amount of Small Business Administration loans, guarantees, and other obligations or commitments to the extent or amounts provided in appropriation Acts. With amendment, referred to the Committee on Merchant Marine and Fisheries for a period ending not later than June 27, 1980, for consideration of such provisions of section 102(b) of said bill and setion 106 of said amendment as fall within the jurisdiction of that committee under cl.1(n), rule X. (Report No. 96–1028, Pt. 1) and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PANETTA:

H.R. 7380. A bill to establish the Big Sur Coast Area in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. CONABLE:

H.R. 7381. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of and the deduction of contributions to, education savings accounts and housing savings accounts; to the Committee on Ways and Means.

By Mr. CORMAN (for himself and Mr. Frenzel):

H.R. 7382. A bill to amend the Internal Revenue Code of 1954 relating to certain dividends received by life insurance companies; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 7383. A bill to provide for reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MITCHELL of Maryland (for himself, Mr. Clay, Mrs. Chisholm, Mr. Diggs, Mr. Evans of the Virgin Islands, Mr. Leland, Mr. Rangel, and Mr. Stokes):

H.R. 7384. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of government thereof, may be sued under the provisions of such section; to establish rules of liability with respect to such States, municipalities, and agencies or units of government thereof; and for other purposes; to the Committee on the Judiciary.

By Mr. MOORHEAD of Pennsylvania:

H.R. 7385. A bill to authorize the Secretary of the Interior to transfer certain land and facilities used by the Bureau of Mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. Breaux, and Mr. Forsythe) (by request):

H.R. 7386. A bill to amend title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 et seq.) to establish the Snake River Birds of Prey National Conservation Area, Idaho; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. UDALL (by request):

H.R. 7387. A bill to eliminate the assessment of certain fees assessed by the Secretary of the Interior in connection with the probate of estates of Indians; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII,

472. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the Federal fuel tax; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Vander Jagt.

H.R. 1297: Mr. Young of Missouri.

H.R. 5033: Mr. Roybal.

H.R. 5499: Mr. Brodhead and Mr. Garcia.

H.R. 5610: Mr. Goldwater, Mr. Sabo, Mr. Seiberling, and Mr. Grisham.

H.R. 6171: Mr. Smith of Iowa, Mr. Duncan of Tennessee, Mr. Kildee, Mr. Fowler, Mr. Bevill, Mr. Barnard, Mr. Dougherty, Mr. Martin, and Mr. Goldwater.

H.R. 6894: Mr. Drinan, Mr. Mitchell of Maryland, Mr. Lagomarsino, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Pepper, Mr. Rangel, Mr. Rodino, Mr. Zeferetti, Mr. Stokes, Mr. Garcia, Mr. Lederer, Mr. Gray, Mr. Yatron, Mr. Downey, and Mr. Scheuer.

H.R. 6969: Mr. Bennett, Mr. Nichols, Mr. Montgomery, Mr. Whitehurst, Mr. Duncan of Tennessee, Mr. Mollohan, Mr. McDonald, Mr. Findley, Mr. Ichord, Mr. Wyatt, Mr. Hutto, and Mr. Erdahl.

H.R. 7093: Mr. Railsback.

H.R. 7157: Mr. Kemp.

H.R. 7218: Ms. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Evans of the Virgin Islands, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gray, Mr. Hawkins, Mr. Leland, Mr. Mitchell of Maryland, Mr. Rangel, Mr. Stewart, Mr. Stokes, Mr. Garcia, Mr. John L. Burton, Mr. Eckhardt, Mr. Weiss, Mr. Edwards of California, Mr. Stark, Mr. Miller of California, Mr. Fowler, Mr. Markey, Mr. Vento, Mr. Bingham, Mr. Won Pat, Mr. Kostmayer, Mr. Rahall, Mr. Patterson, Mr. Kogovsek, Mr. Carr, Mr. Udall, Mr. Cheney, Mr. Bereuter, and Mr. Whittaker.

H.J. Res. 451: Mr. Moffett.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

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353. By the SPEAKER: Petition of the City Council, Philadelphia, Pa., relative to appropriations for Urban Gardening programs; to the Committee on Appropriations.

354. Also, petition of the City Council, New York, N.Y., relative to Federal assistance for free public libraries; to the Committee on Education and Labor.

355. Also, petition of the General Conference of the United Methodist Church, Indianapolis, Ind., relative to redress for the denial of due process to Japanese Americans during World War II; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5200

By Mr. HYDE:

—On page 8, line 12, after "805,", insert "(a)".

On page 8, line 21, strike out the close quotation mark and the period which follows.

On page 8, immediately after line 21, insert the following:

"(b) Notwithstanding any other provisions of this title, it is not unlawful for a person engaged in the business of appraising real property to take into consideration or to report to the person for whom the appraisal is being performed all factors shown by documentation to be relevant to the appraiser's estimate of the value of the property: *Provided*, That such factors are not used by the appraiser to discriminate against any person for the purpose of denying rights guaranteed by this title."

H.R. 6974

By Mr. MARRIOTT:

—At the end of the bill, add the following new title:

TITLE X—RESPONSES TO MX/MPS SYSTEM IMPACT BY THE SECRETARY OF DEFENSE

Sec. 1001. No land may be acquired by, and no public land made available to, the Secretary of Defense for the deployment of any part of the MX/MPS system until the Secretary of Defense has provided the Congress and the States affected with the following—

(1) a detailed report setting forth the specific social, economic, and environmental impacts of the MX/MPS system on the people, lands, and resources affected, and detailing the amount of public land to be partially or completely closed to any or all public use, and setting forth any circumstances which would require the use of area security, rather than point security, for the system;

(2) a complete written plan which details the methods of addressing the social, economic, and environmental impacts of the MX/MPS system so as to minimize the negative effects of such impacts, and including specific steps that can be taken to eliminate delays in delivering necessary impact aid funds to affected States, counties, and communities;

(3) a thorough study of the feasibility of basing parts of the MX/MPS system in more than two States, so as to minimize the social, economic, and environmental impacts on any single State.

By Mrs. SCHROEDER:

—At the end of the bill, add the following new title:

TITLE X—BONUS SEA PAY

BONUS SEA PAY FOR EXTENDED SEA DUTY

Sec. 1001. (a)(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

"§ 305b. Special pay: extended sea duty

"(a) A member of a uniformed service who is entitled to basic pay and who serves a period of sea duty of not less than 84 consecutive days may be paid special pay for extended sea duty under this section for any month during which any part of such sea duty occurs. The rate of special pay under this section may not exceed the rate of special pay for duty subject to hostile fire in effect under section 310 of this title at the time the sea duty is performed.

"(b) Special pay under this section is in addition to any other pay and allowances to which a member is entitled, except that a member may not be paid special pay under this section and under section 310 of this title for the same month.

"(c) The President shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

"305b. Special pay: extended sea duty.".

(b) Section 305b of title 37, United States Code, as added by subsection (a), shall apply to sea duty beginning after November 1, 1979.

SENATE—*Monday, May 19, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the Vice President (Mr. MONDALE).

PRAYER

The Right Reverend John M. Allin, presiding bishop of the Protestant Episcopal Church in the United States of America, offered the following prayer:

Let us pray:

Holy Spirit of God, only source of justice and peace, whose power is love, quicken our senses, stimulate our minds, cleanse our lives, so that our human wills respond to Thy divine will and that, through mercy and forgiveness, the loving relations offered by Thee will be shared increasingly in justice and peace among all races of people on Earth.

Help us, we beseech Thee, to pray and to serve for the deliverance of all who suffer hunger, deprivation, injustice, and oppression.

Use our talents and resources as individuals and as a Nation to enable the healthy growth and fulfillment of every human being, so that each can offer acceptable gifts and services beneficial to wholesome life.

In thanksgiving for the opportunity to offer our best to Thee in the service of others, accept our prayers in the name of the Saviour and Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The VICE PRESIDENT. The Chair recognizes the Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATOR FROM MAINE

The VICE PRESIDENT laid before the Senate the certificate of appointment of Mr. GEORGE J. MITCHELL as a Senator from the State of Maine.

The VICE PRESIDENT. Without objection, the certificate of appointment will be read.

The legislative clerk read as follows:

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Maine, I, Joseph E. Brennan, the governor of Maine do hereby appoint George J. Mitchell a Senator from Maine to represent Maine in the Senate of the United States until the vacancy therein caused by the resignation of Edmund S. Muskie, is filled by election as provided by law.

Witness: His excellency our governor, Joseph E. Brennan, and our seal hereto affixed at Augusta, Maine this seventeenth day of May, in the year of our Lord 1980.

JOSEPH E. BRENNAN,
Governor.

The VICE PRESIDENT. If the Senator-designate will present himself at the desk, the oath of office will be administered to him.

Mr. MITCHELL of Maine, escorted by Mr. COHEN, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President, and he subscribed to the oath in the official oath book.

[Applause, Senators rising].

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 11:35, recessed until 11:40 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

MAJORITY PARTY APPOINTMENTS TO STANDING COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a Senate resolution and ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 439

A resolution (S. Res. 439) making certain Majority Party appointments to standing committees.

Resolved, That Senator Mitchell of Maine be, and he is hereby, assigned as a member of the following committees:

Budget, Environment and Public Works, Banking, Housing, and Urban Affairs, vice Paul E. Tsongas, resigned.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 439) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

EUROPEAN COMMUNITY SANCTIONS AGAINST IRAN

Mr. ROBERT C. BYRD. Mr. President, at meetings over the weekend in Naples, the members of the European Community decided to impose limited economic sanctions on Iran in response to the seizure of the American hostages. No contracts for goods or services signed after November 4, 1979, will be honored between the European Community nations and Iran.

The January 13, 1980, United Nations Security Council resolution would have resulted in the imposition of full economic sanctions; the Soviet Union vetoed this resolution. Under the U.N. formula, economic sanctions would involve abrogation of all existing contracts, including those signed before November 4, 1979. At the European Community meeting on April 22, 1980, the E.C. nations left the impression that they would impose these full sanctions in the absence of "decisive progress" toward freeing the hostages. Therefore, the European Community decision to impose only partial sanctions is a cause for some disappointment.

Iran faces mounting internal problems. Economic difficulties are growing, ethnic separatism is increasing, the Soviet military presence on Iran's borders is ever more threatening. The hostage issue has been a major distraction, preventing the Iranian Government from concentrating its energies on problems that are more increasingly urgent. American policy is not intended to hasten the disintegration of Iran: No nation can benefit from Iran's disintegration except the Soviet Union. American policy is intended to convince the Iranian Government that the hostages should be freed. The sanctions imposed by the European Community nations should reinforce this point.

The newly elected Iranian Parliament will convene at the end of this month. The Ayatollah Khomeini has repeatedly said that the Parliament will decide the hostage issue. The Parliament will best serve Iran's interests by moving quickly to free the hostages so that Iran can confront its other problems without this distraction.

RECOGNITION OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin, if he wishes me to yield to him.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank my good friend.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE NEED TO SEE CLEARLY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a recent editorial subtitled "An Obituary for Cambodia" might have been more properly titled "An Obituary for Moral Man."

Man's intellectual history spells out moral philosophy to guide our behavior. Yet man's history abounds with example after example of deeds that not only deny that moral guidance but trample it in disgust underfoot.

True, only a small portion of humanity ever commits these heinous crimes. But the rest of us are implicated in the deeds by their mere existence in human history.

That implication turns to indictment when we fail to speak out against these atrocities. Jean Lacouture, an influential French journalist, perhaps feels that complicity more strongly than most. As he observes:

> This feeling of urgency, of the moral obligation to speak for the Cambodian people, reduced now to slavery in the name of "Revolution," is not inspired solely by shame. As far as self-criticism goes, it is both feeble and useless to claim that we were misled, cheated, thus becoming the unwitting vehicles for mendacious and criminal propaganda, naive spokesmen for Tyranny-in-the-name-of-Freedom. Such claims could only be justified if, in making them, we sought and found release—if, with our vision newly cleansed, unencumbered and sharpened, we firmly resolved to see the world differently after the terrible Cambodian misunderstanding.

Lacouture's self-incrimination reminds me so vividly of the world's reaction to the revelation of Nazi horrors in Germany. The parallels are too obvious to have to be drawn. What I want to ask is why did we need yet another parallel instance of genocide in our time to draw these lessons from?

Did we need yet another example so that we can intellectualize on the horrors man is capable of committing? We did not need this latest instance to remind us. We certainly do not need another.

Lacouture speaks of the only possible way to rationalize these acts in Cambodia: if with cleansed, unencumbered and sharpened vision we saw the world differently. What I want to know is how many times does our vision need cleansing? How many time do we need to have our cataracts removed? How many times must we have our rose-colored perceptions stripped away? Not only stripped away but trampled contemptuously.

Nazi horrors shocked us, but did we see clearly? Apparently not. We have still done nothing to prevent genocide.

Genocide is not an isolated instance. We have an obligation to ourselves and to future generations to understand that. And not only to understand that, but to act on that understanding. We must act now to prevent genocide.

The Senate can act. We can ratify the Genocide Convention. This convention recognizes that outrages against humanity do occur—outrages that need the formal censure of the entire world.

The Genocide Convention is a highly visible symbol of our commitment to preventing genocide. Genocide—that most heinous crime that denies an entire group its most basic right, the right to live. The Genocide Convention expresses our hope that genocide never again occur. But it does more than simply express that hope; it pledges our actions to prevent genocide.

I urge my colleagues to join with me in that pledge. I call on my colleagues to ratify the Genocide Convention.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

MEMORIAL SERVICE FOR CAPT. CHARLES McMILLAN

Mr. BAKER. Mr. President, this past Sunday it was my privilege to attend a memorial service for Capt. Charles McMillan, of Corryton, Tenn., who gave his life in the service of his country during the aborted rescue mission to recover the American hostages in Iran.

I spoke at that service of Captain McMillan's courage, his devotion to duty, his representation of what is best about America and Americans.

In a final tribute to this gallant officer, Mr. President, I ask unanimous consent that the text of my remarks at the memorial service at the Union Baptist Church in Knoxville be inserted in the Record at this point.

There being no objection, the tribute was ordered to be printed in the Record, as follows:

Tribute to Capt. Charles T. McMillan

> Mr. and Mrs. McMillan, Congressman Duncan, fellow Tennesseans.
>
> I am deeply saddened and, yet, deeply proud to be with you today to honor Air Force Captain Charles T. McMillan.
>
> I did not know Captain McMillan. But I have known many men like him during the course of my life. They were the men in the forests of Europe, on the beaches of Normandy, in the waters of the Pacific, in the hills of Korea, and in the jungles of Vietnam.
>
> They were, and remain, the best the United States has to offer the world.
>
> They were, and remain, the embodiment of the very finest thread of the American fabric.
>
> From generation to generation, throughout the course of this nation's history, valiant young men like Captain McMillan have stepped forward to serve their country in its times of peril.
>
> We owe them a very great debt.
>
> Sadly, it is a debt we have failed to acknowledge all too often in recent years.
>
> But that is not the case with Captain McMillan and the seven brave men who gave their lives with him in Iran.
>
> All the people of this nation, indeed, all the people of the Free World, are as one in their admiration of those eight courageous Americans.
>
> And they are as one in their sympathy for the loved ones and the friends who remain behind.
>
> There is no higher tribute that we, as Americans, can afford to Captain McMillan than to say that he died in the service of his country.
>
> There is no higher tribute that we, as human beings, can afford to Captain McMillan than to say that he sacrificed his life to save the lives and win the freedom of others.
>
> There is no more courageous act.
>
> There is no greater sacrifice.
>
> There is no higher calling.
>
> And although our fifty-three (53) countrymen remain hostage in Iran, the bravery and sacrifice of Captain McMillan and his comrades was not in vain.
>
> For in their effort, they demonstrated to all the world that we remain a people determined to protect our citizens from terrorism and domination; that we remain a people of compassion for those held in bondage and oppression; that we remain a citadel of strength, of freedom, of hope; that we remain, America.
>
> The people of the world should see this and they should take heart.
>
> I believe they do.
>
> I believe that, for as surely as they see a saddened, weary and angry America, they also see an America of young men and women whose devotion to God and country is unwavering, whose dedication to freedom and justice is unalterable.
>
> Mr. and Mrs. McMillan, your son was such an American. By his actions and his sacrifice, he honored himself. He honored you. He honored his country.
>
> And just as we shall not forget our obligation to those 53 Americans still prisoners in Iran, we shall not forget our debt to Captain McMillan.
>
> I pray that is some measure of solace to you in your time of grief.
>
> Thank you and may God bless you.

CONGRATULATIONS TO SENATOR MITCHELL

Mr. BAKER. Mr. President, I take this opportunity to congratulate our new colleague from Maine (Mr. Mitchell) on his formal oath taking upon joining the Senate and his appointment to committees.

I wish him well in his senatorial career. We look forward to working with him.

DEATH OF ROBIN CRANSTON

Mr. BAKER. Mr. President, it was with great sadness that I learned this weekend of the death of Robin Cranston, the eldest son of our distinguished colleague from California, Senator Alan Cranston.

Robin, only 32 years of age, died Friday evening of injuries sustained in an automobile accident the previous weekend.

Senator Cranston spent much of this past week at his son's bedside, as did Robin's younger brother, Kim.

The loss of one so young, so vital, with so very much still to give, is an incomprehensible tragedy for the Cranston family.

I know I speak for us all in extending our prayers and heartfelt condolences to Senator Cranston and his family.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

Mr. BAKER. Mr. President, I have no need for the remainder of my time. I yield such time as I may have remaining to the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank the Senator.

THE CHRYSLER AID PLAN

Mr. HARRY F. BYRD, JR. Mr. President, on May 10, the Chrysler Loan Guarantee Board announced approval of commitment of $1.5 billion in Federal loan guarantees to assist Chrysler Corp., of which $500 million may be issued at once.

The Board's action is subject to review by the Congress. Under the provision of Public Law 96-185, which authorized Federal guarantees, the financing plan advanced by the administration will take effect unless specifically disapproved by the Congress within 15 days of the formal submission of the plan to the congressional committees having jurisdiction. This review period will expire on May 27.

Tomorrow morning the Senate Committee on Banking, Housing, and Urban Affairs will conduct a hearing to review the loan guarantee plan advanced by the Board.

The chairman of the committee, the Senator from Wisconsin (Mr. PROXMIRE), stated on May 12 that the hearing will call into question the details of the plan and its conformance with the requirements in the law for "reasonable reassurance" of repayment of the $1.5 billion in federally guaranteed loans.

This is appropriate, and indeed necessary.

During consideration of the legislation which authorized the Chrysler loan guarantees last year, I spoke at some length and in considerable detail in opposition to the bill. And while a number of improvements were made in the legislation during its course through the Congress, on final passage I could not support it.

Many of those Representatives and Senators who argued in favor of the legislation stressed the provisions written into it to protect the taxpayers from potential loss of $1.5 billion. Chief among these provisions were requirements that there be "reasonable assurance of repayment" of guaranteed loans and that financing plans be found to be "realistic and feasible."

For my own part, I found these requirements inadequate, because the terms used were not closely defined and enormous flexibility was given the Loan Guarantee Board in meeting the standards of the act.

Moreover, although the law set forth targets for a total of $1.43 billion in non-Federal assistance to Chrysler, it also included a subsection permitting the Board to modify the required amounts of such private sector support "as necessary."

In effect, the law simply made available $1.5 billion in Federal loan guarantees under any plan the Board recommended—as long as the total of private assistance reached $1.43 billion, and as long as Congress did not veto the plan.

The plan submitted to Congress would appear to demonstrate the unwisdom of such broad flexibility. From the Treasury Department's description of the plan, issued May 10, it is apparent that not one dime of new credit has been extended to Chrysler by any financial institution, domestic or foreign. Instead, there have been $642 million in concessions and deferrals deemed by the Board to be the "economic equivalent" of new credits.

The Board also has counted as income from disposition of Chrysler assets a sum of $250 million deemed to be a minimum market value of Chrysler Financial Corp., for which there is no buyer. Similarly, it counted $171 million from disposal of "surplus real estate"—again with no firm purchase offer.

In these and other areas, the Board has repeatedly stretched its discretionary authority to the very limit, if indeed it has not exceeded it. One target required in the law is $50 million to be raised by sale of additional equity securities. The Board has not merely "modified" this requirement—it has abolished it. There is to be no new equity financing under the plan presented to Congress.

Besides binding the requirements of the act, the Board has proceeded on some highly questionable economic assumptions.

In summary, the Board is telling us that even though the economy is heading into a recession; even though automobile sales are in a deep trough; even though imports are a serious challenge, especially in the small car field; and even though Chrysler's market share is running below projection, it is safe to put at risk $1.5 billion of the taxpayers' money on this faltering corporation.

Specifically, these questions should be considered closely by the Banking Committee and the Senate:

A consultant's letter to the Board affirms that Chrysler's loss estimates for 1980 have increased from an original level of $436 million to $746 million. Some analysts have predicted the loss will reach $1.2 billion in 1980. If the loss figure remains on the high side, will not the firm have to draw down the loan guarantee at a pace faster than that projected in the operating plan? If so, will the plan still be "realistic and feasible"?

Treasury staff economic assumptions for the aggregate economy were based on forecasts of the leading private models as of February, showing a mild recession; Chrysler assumptions in its 1980 profit budget show the CPI growing at an average of 10.5 percent. If the private forecasts for the economy as a whole are correct—and they are higher than Chrysler's—and the private forecasts are assumed to be on the low side, what assurance can the Board make that Chrysler's operating plan can succeed in a less favorable environment than that assumed?

In December, Chrysler forecast an increase from its 1979 level of 9 percent of the car and truck market to 10.5 percent in 1980 and over 11 percent in 1981. The 1980 market share has now been reduced from 10.5 percent to 9.5 percent without corresponding adjustments in the 1981 projection. At the end of April, Chrysler's share of the car market (excluding trucks) was at 9.8 percent—considerably below the earlier projection. The trend for Chrysler seems to be dropping, not rising. Should this trendline continue, what are the prospects for the viability of the operating plan in the 1981, 1982, and 1983 model years?

In the May 1-10, 1980 period alone, it is reported that Chrysler's sales were off by 56.9 percent from the 1979 level. Should this trend not be reversed by the new cash rebate program of the firm, what assurances will we have that an infusion of taxpayer funds will either turn around the trend in declining market share, or bring the firm into a profitable position in 1981?

The Treasury staff notes that Chrysler appears to be estimating the same trend for its sales as the trend for sales by General Motors and Ford. In light of past performance of the firm, is this a valid projection?

The staff noted that Chrysler may be overestimating the future size of the U.S. auto market in 1981 and 1982 with a partial offsetting underestimate in 1983 and concludes, "if the private forecasters prove to be correct, Chrysler faces a significant revenue and profit loss in 1981 and 1982 with a partially offsetting increase in 1983." Is this the type of market estimating that the taxpayer should accept for exposing $1.5 billion in loan guarantees?

With respect to revenues and costs and the pricing decisions that will have to be made by Chrysler, the staff points out that "in the subcompact market, the price leader has historically been Toyota, not General Motors. This represents Toyota's specialization and concentration in this end of the market. The Japanese producer may price to increase its share which would restrict the profit potential for this end of the market.

The staff downgrades this concern by stating that such pricing action by the price leader would have a deleterious effect on Chrysler's Omni-Horizon cars but not on the projected K-cars. Is it reasonable to assume that foreign competitors will price themselves into a retreat from their growing penetration of the U.S. market?

Almost in answer to that question, the staff tells us that to the extent that GM holds its prices below the levels forecast by Chrysler, or due to import car competition, or other factors, Chrysler may not be able to increase its margins as planned. "This will be particularly true by 1983 when the supply of small, fuel-efficient cars is expected to be much larger," according to the Treasury staff.

The historic pricing policy of all domestic auto makers vis-a-vis small cars is that they earn a proportionately smaller share of the total corporate contribution to profits. According to the staff study, "this is the result of low retail prices caused by stiff import competition." The industry's response to this situation, at least in the past few years, has been to increase prices on smaller cars more than on larger cars, as well as by marketing more luxurious compacts which can demand a higher price.

In the light of this, will Chrysler be in a position to meet and beat foreign and domestic price competition? If the operation plan is a valid picture of the firm's future, will not the price of Chrysler's compacts and subcompacts have to increase in nearly direct proportion to the degree that such cars replace mid-size and full-sized cars?

All these legal and economic issues must be scrutinized carefully.

It appears to this Senator that the board has given far more weight to Chrysler's financial plight than to the protection of the taxpayers' money.

If that is correct, the proposal of the board should be rejected.

Mr. President, I ask unanimous consent that an article from Business Week of May 26, 1980, captioned "How Far Can Chrysler Stretch Its First Aid?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How Far Can Chrysler Stretch Its First Aid?

Chrysler Corp. heaved a sigh of relief on May 10 when federal officials approved $1.5 billion in U.S. loan guarantees that the sinking No. 3 auto maker has desperately sought for the past 10 months. But the continued erosion of the domestic car market and Chrysler's thin 8.8% share in particular, have made the massive aid package look less like a bailout than a Band-Aid. Indeed, many observers expect that the company will either have to come back to Washington for more cash next year or face bankruptcy. "I'll be amazed if they don't go through the entire $1.5 billion in five quarters," concludes Richard L. Haydon, auto analyst at Goldman, Sachs & Co.

Part of the problem, analysts point out, is the way the federal aid package is structured. To allow Chrysler to meet its requirements of raising $2 billion in matching funds, the three-man loan guarantee board, led by Treasury Secretary G. William Miller, agreed to count large amounts of "soft" funding such as interest deferrals by banks and hypothetical sales of assets for which there are currently no buyers—such as Chrysler Financial Corp., the company's credit subsidiary. Without that flexible interpretation of the law passed last December by Congress, compliance would have been nearly impossible. But the result is that virtually all of the "new" money available to Chrysler for refurbishing its product lines and plants will come from government backing by Washington, several states, and Canada.

NEGATIVE CAPITAL

The government help alone may not be sufficient to cover both a second straight year of billion-dollar losses in 1980 and Chrysler's five-year capital spending program—even though that has been pared to $11 billion from $13.6 billion. The company has been operating with negative working capital since early this year. And Wall Street analysts dispute government projections that Chrysler will be back in the black with a positive cash flow next year. "I call these political numbers," says auto analyst David B. Healy of Drexel Burnham Lambert Inc., who sees continued red ink through 1983.

Even if the loan board's prediction—that Chrysler will accumulate $600 million in profits from 1981 to 1983 and use only $1.1 billion of the guarantees—turns out to be accurate, the company clearly will be but a shadow of the old Chrysler. Treasury officials say Chrysler has agreed to scale back to an annual assembly capacity of 1.6 million cars and trucks by 1983. That compares with its recent capacity of 2.2 million units. At least one more of Chrysler's nine assembly plants would thus have to be mothballed, plus the closing of its Missouri truck plant, announced May 12.

Component plants may be cut even deeper. Despite the precedent-setting election of United Auto Workers President Douglas A. Fraser to Chrysler's board of directors on May 13, UAW officials privately concede they will be lucky to maintain the current level of 60,400 hourly Chrysler jobs in the U.S.-two-thirds of the level a year ago.

With federal aid at hand, Chrysler's do-or-die strategy is to simplify its product lineup. The key to this will be the fall debut of a new line of fuel-efficient, front-wheel-drive cars, called the Dodge Aries and the Plymouth Reliant. Future Chrysler models would be spinoffs of this K-car design. "Our car will be competitive in both price and product," Chairman Lee A. Iacocca declared at the company's annual meeting. "Our future depends on it."

THE K-CAR

Despite rumored delays, company officials insist that the K-car program is "fully on schedule." One federal study confirms that fact but says the program has used up all its buffer time. Particularly crucial to Chrysler's stated hopes for a fourth-quarter profit this year is a smooth startup of four-cylinder engine production for the K-car at Chrysler's refitted Trenton (Mich.) plant. The company must sell a hefty 500,000 of its 1981-model K-cars and hold its losses to $500 million over a three-year period in order to reap many of its bank concessions. An onslaught of small cars from both domestic and foreign producers threatens Chrysler with brutal price competition in the next few years, casting a cloud over the company's ultimate survival. This gloom has added to a malaise among middle management, which has been decimated by white-collar layoffs and forced retirements. Edwin C. Zimmermann, for example, manager of the Trenton plant, has been hired away by International Harvester Co.

Defections of key people, in fact, could hurt Chrysler's chances of recovery as much as its financial difficulties. "Lee's done everything right at the top level," says Eugene E. Jennings, professor of management at Michigan State University. "But his team has failed to go to the center of gravity to gain the loyalty and commitment of people who really make things work."

Mr. PROXMIRE. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I want to thank the Senator from Virginia for this very helpful statement.

The fact is, as he pointed out, the Banking Committee does begin hearings tomorrow on the Chrysler loan guarantee.

The Senator is correct, on the basis of what evidence we have so far. We want to give the board an opportunity to state their case, but it seems Chrysler did not comply with some of the requirements the Senator from Virginia properly listed.

The fact is that $1.5 billion of the taxpayers' money is at stake here. We should do all we can to require that the legislation be lived up to and that the taxpayer is protected.

Beyond that, of course, we have to recognize what a remarkable precedent we set in this case. Here is a firm that is not a defense contractor. Here is a firm which received $1.5 billion in guarantees, the only firm in the history of this country that has received that. Under those circumstances, we should see that the very moderate requirements we have provided—that an additional $1.43 billion of additional capital be provided—should be secured.

So I am happy that the Senator from Virginia has called this matter to the attention of the Senate. He has done it in his usual thoughtful, careful, accurate, and responsible way. It is not a pleasant thing to do, because of the pressure from the UAW, from the dealers, from the banks, and from the others who have a stake in this matter. The Senator from Virginia, as he often does, is standing on the floor of the Senate and defending the taxpayer, and he certainly deserves our thanks.

Mr. HARRY F. BYRD, JR. I thank the Senator from Wisconsin. I am delighted that his committee will be holding hearings on this matter.

As the Senator from Wisconsin mentioned a moment ago, it is appropriate that those who are responsible for approving the loan have an opportunity to present their case to the committee. I hope the situation is better than it appears at the moment. In any case, I think it is appropriate that the Banking Committee hold hearings.

I think the Senate and the country are very fortunate to have Senator Proxmire as the chairman of the committee.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 12 noon, with statements therein limited to 2 minutes each.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Pursuant to the previous order, morning business is closed.

SPECIAL CENTRAL AMERICAN ASSISTANCE ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 6081, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6081) to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

The Senate proceeded to the consideration of the bill.

The PRESIDING OFFICER (Mr. Ford). The Senator from Nebraska, is recognized.

Mr. ZORINSKY. Mr. President, the

Senate faces two major considerations regarding the issue of aid to Nicaragua. The first is procedural and the second substantive. For purposes of clarification, I want to discuss them separately, recognizing however, that the two are necessarily intertwined.

Turning first to the procedure consideration, I submit, in view of the situation now confronting the Senate, that the best course of action is to follow the old adage which advises, "Don't get mad—get even." As anyone in public life knows, it is not always the easiest advice to follow, but it is frequently the best, particularly if there is any interest in avoiding the time-honored but silly practice of "cutting off your nose to spite your face."

I recognize such an interest in this case, but I also recognize there is plenty to be mad about:

First, the House of Representatives has completely disregarded the Senate version of the Nicaraguan aid bill, despite the fact that that bill was initially approved on an 11 to 1 vote by the Foreign Relations Committee and subsequently endorsed 55 to 34 by the full Senate. In plain and simple language, the House has chosen to ignore the Senate's position.

Second, the House of Representatives has moved ahead and passed its own bill—a bill which, even modestly, can only be described as a legislative wreck. First the opponents on the House side tried to stall the bill to death; then they tried to amend it to death; and finally they tried to vote it to death. Though the opponents ultimately failed to deliver the fatal blow, their efforts were not without success. Indeed, after the legislative shoot-out had finally ended on the other side, there was barely enough "life" left in the old wreck for it to get over to our side.

Third, the House of Representatives has, to put it mildly, indicated by its treatment of this legislation that it is unable to deal with it seriously. Accordingly, any effort at this juncture to pursue the matter on the House side and attempt to proceed to conference must be viewed as risky at best and foolhardy at worst.

Yes; Mr. President, there is plenty to be mad about, and with all due respect, I think I have as much reason to be mad as anyone.

As chairman of the Western Hemisphere Affairs Subcommittee, I took a stand on the Nicaragua issue early last year and called for the ouster of the Somoza regime. Following the revolution and the Sandinista victory, I went to Nicaragua; I spoke with the leaders and new government and conveyed to them many of the concerns that were evident at that time. Subsequently, I encouraged the President and the administration to proceed with reconstruction assistance to the Nicaraguan Government. In December of last year, I chaired 2 days of hearings on the administration's supplemental aid package for Nicaragua and, in January, at the request of the chairman of the Foreign Relations Committee, I managed the bill on this side of the aisle.

Despite my involvement in this matter, being mad about the turn of events will not do much good. But getting even will. And the way to get even is for the Senate to adopt the House version and send it on to the President for his signature.

With this in mind, Mr. President, let me make it clear that I do not support this legislation because of any false conceptions about the aid program. It is not a panacea for the economic woes, real or imagined, of any developing nation. And as my record shows, I normally jump at the opportunity to vote against aid legislation.

Nor do I support aid to Nicaragua in order to curry favor with the White House, the State Department, or any other group in this town. That is not my style. And the fact of the matter is the White House and our star-studded diplomats at the State Department know better than to put the welcome mat out for me.

And one other point, I do not support aid to Nicaragua because I am convinced that with it, the new Nicaraguan Government will emulate the United States, lick our boots or do our bidding. That will not happen either. Nor should it. Remember, it is only the Somozas of this world who can be bought.

No; Mr. President, my support for the supplemental aid request for Nicaragua is based on "none of the above." Rather I support this proposal because I want the United States to be in a strong position to compete in Nicaragua—to compete against the Cubans, the Soviets, the Somoza types, and anybody else who would attempt to influence the new Government and direct its national character.

Let us face it, competition is the name of the game. But it costs money—the taxpayers' money—to compete and to stay in the game. And that is what this aid bill is all about. Somoza and the National Guard destroyed everything they could get their hands on before they were forced to leave Nicaragua. They burned, pillaged, and bombed. And, not surprisingly, they left an empty till.

Very clearly, Mr. President, the new Nicaraguan Government needs support. But more importantly, the Nicaraguan private sector needs support. The Nicaraguan agricultural sector needs support. The Nicaraguan educational sector needs support. Yes; the hard truth is the Nicaraguan people desperately need support.

And they will get it. They will get it from us and our Western allies or they will get if from the Soviet Union, Cuba, and other Communist nations. Or they will get it from the Soviet Union, Cuba, "there," as they are doing now. But given the magnitude of the need for assistance, a great deal more is required. And the question this country must face is whether it wants to compete or whether it wants to toss in its cards and walk away from the game.

This is the question—is the United States prepared to compete in the Nicaraguan case, or is it prepared to sit on its hands and do nothing more than rant and rave about the Cuban presence in Nicaragua? Do we wish to suck our thumbs and sit it out, or do we wish to stay in the game and play to win?

So far, this Congress has done an awful lot of ranting and raving and thumbsucking—and not much more.

I do not have much sympathy, Mr. President, for the ranters and ravers and the thumbsuckers. That is not what this country is all about—but you could not prove it by what this Government has done on the Nicaraguan aid issue. The fact is it has done very little compared to what it promised.

The new Government of Nicaragua came to power on July 19, 1979. Shortly thereafter, this Government promised supplemental aid and assistance. Based on my own conversation last August with the President, I know this promise had his personal endorsement and stamp of approval. That promise has not been fulfilled. The word of the United States has not been kept. Some 10 months later, still no authorization bill. Some 10 months later, still no appropriations bill. Some 10 months later, still no legislation from Capitol Hill.

As a result of this delay, Nicaraguan Government officials have been shopping elsewhere for assistance. Moscow has been their latest stop, where according to news accounts, several agreements were signed covering such items as trade, aid, and cultural affairs.

Mr. President, I am sure the opposition will bring to the fore that currently the Soviets have the intentions of opening a huge embassy in Managua, Nicaragua. They ought to come out to 3850 Tunlaw Road N.W., Washington, D.C., where I live, look across the street and see the huge Soviet Embassy. It is probably more of a replica of the Kremlin than any other embassy.

Embassies are built in every capital of every country in this world, including our own country, and certainly our own country has a long history of being a democratic society.

Nevertheless, the fact that Nicaraguan Government officials have been shopping elsewhere for assistance will be used by the opponents of this legislation as proof positive that the leaders of Nicaragua are just what the opponents have claimed all along, a bunch of "Communist wolves" dressed up "in democratic clothes." There they were in Moscow signing agreements with all those Soviet Communist officials. I remember when we were signing agreements concerning the limitation of strategic arms not too long ago. That, of course, is all right for us, but not for the Nicaraguans. If they go to Moscow, what more in the way of evidence does anyone need? The simple answer is "none" followed by, "Let's string them up now."

But the right answer, and the more pragmatic response, begins by recognizing the enormous needs of Nicaragua and the fact that those same Nicaraguan officials who were recently in Moscow came to us first. They did not have to. They could have gone to the Soviets right off the bat, but they did not. They came to Washington. We were first on their list. But for all the good it has done them they could just as well have stopped here last.

That is the long and short of the Moscow business. We have nobody to blame but ourselves. Ironically, those who are most concerned and the most worried about the Nicaraguan Government are the same ones who, by their dilatory tactics, have virtually made sure that sooner or later Nicaragua would seek assistance from Moscow. Yes, the ranters and ravers and the thumb suckers did everything they could short of piloting the plane from Managua to Moscow.

No one should be surprised. It is the old business of the self-fulfilling prophecy. It is cutting off your nose to spite your face. It is masochism foreign policy style.

Indeed, Mr. President. in many respects the supplemental aid bill for Nicaragua epitomizes one of the very basic ills of this Nation, namely, government by inaction, ineptitude, and inconsistency.

It is both a national and an international disgrace. We have done it to ourselves primarily by sabotaging our own system to the point that the word of this Nation is about as good as that of a used car dealer selling Studebakers. Nobody takes it seriously. It just does not count for much any more.

In the particular case of aid to Nicaragua, it does not count for much because the opponents will not abide by the majority will. No help to the new government, they say. Stall the bill, amend it, block it, recommit it, defeat it, but do not let it become enacted into law. Cripple it, maim it, dismember it, do whatever is necessary, but do not let it reach the President's desk for signature.

Despite these efforts, the bill is alive, and we can keep it alive by adopting it and sending it on to the White House. Let us not kid ourselves. This will not be the first legislative wreck that Congress has dumped into the executive junkyard. It happens from time to time. It brings no credit to Congress, but it is a fact of life, and that is what we are faced with at this moment.

At the moment, Mr. President, I should simply ask my colleagues not to lose sight of the basic objective of this legislation, which is to provide the Nicaraguan Government with urgently needed funding for disaster relief and reconstruction assistance. After carefully judging this objective on its merits, the Foreign Relations Committee earlier this year stated the case in these terms:

> All in all, the Committee finds little to quarrel about in the proposed aid package for Nicaragua. As a result of its recent civil conflict, the country is simply in desperate straits. On the human side, the war left 35–40,000 dead; 100,000 wounded; 40,000 orphaned; 250,000 homeless; 35–40 percent unemployed; and 1,000,000 in need of food assistance. On the economic side, war damages, including plants and facilities destroyed, capital flight and production losses, are estimated at almost $2,000,000,000; the national debt is calculated at $1.5 billion, some $662 million falling due this calendar year. Since virtually no money was left in the national treasury, debt renegotiations are scheduled to get underway shortly.
>
> In a nutshell, the short-to-medium term economic outlook is bleak indeed. The funds contained in this bill will undoubtedly help to improve the situation, but the Committee is under no illusions about the magnitude of the problem and the impact $75,000,000 will have. These funds will make a positive and needed contribution to the economic recovery of Nicaragua, but they will not provide a cure-all.
>
> Similarly, the Committee has no illusions about the impact of this measure on the political situation in Nicaragua. It will not guarantee either stability or moderation. But it will help. Moreover, it will indicate our willingness to do business with a revolutionary government in a political situation that remains in flux. It will also indicate our willingness to accept the new government as a nationalist movement—one that is composed of and represents a wide variety of political interests and viewpoints.

Mr. President, I firmly believe these judgments are as valid today as they were earlier. But I also recognize that it is currently fashionable to express growing concern and alarm about the "falling dominoes" of Central America.

Yes, Mr. President, let us face it, the domino theory is back. It has been resurrected from the jungles of Southeast Asia, dressed up in a new set of clothes, and for those with a dim memory, it has been given a new respectability. According to the theory's supporters, Nicaragua has already "fallen." El Salvador is about "to fall." And Guatemala is next in line, followed by Honduras. Unless the United States provides military support and assistance, so say the theoreticians, the game is all but over in Central America.

This argument certainly has its appeal, but it is an appeal that harkens back to an earlier time—

To a time when imperial masters controlled the destiny of the world;

To a time when "gunshot diplomacy" reigned supreme in this hemisphere;

To a time when the "banana republics" of Central America either saluted the United States or faced direct military intervention.

This is the appeal of the domino theory. And there should be no mistake about it—it has a child-like appeal to the past without offering a critical analysis of the present. The fact is, with or without U.S. military assistance and support, "the game" is already over in Central America. The dominoes have fallen. They have fallen to decades of violence and repression; they have fallen to decades of economic deprivation and despair; and they have fallen to decades of political corruption and social injustive. Yes, the dominoes have fallen. We cannot deny it, we cannot ignore it and we cannot prevent it. Nor should we. There is little in the region to command our allegiance or respect. The "players" by and large have been a corrupt and vicious lot—notably more interested in lining their own pockets and living the good life than in developing democratic institutions and improving the standard of living of their people. Somoza epitomized all of this and more. Rather than lament his fall, we should applaud it.

We should applaud it because for the first time in generations Nicaragua has an opportunity to develop an open and free society.

We should applaud it because for the first time in generations Nicaragua has an opportunity to build the kind of political, economic, and social institutions which will meet the needs of its people.

And we should applaud it because for the first time in generations Nicaragua has an opportunity to give real meaning to basic democratic values and to respect for human rights.

Mr. President, I want to emphasize that it is an opportunity for Nicaragua. It is not a guarantee. But so long as the opportunity exists, the United States ought to recognize it, nurture it, and support it. The disaster relief and reconstruction money contained in this bill for Nicaragua will do all of this and it will do more. It will not only evidence our willingness to aid a government in desperate need of assistance, but it will also send a political message to Nicaragua and to the rest of Central America—namely; that U.S. policy toward the region can cope with the past and still be in touch with the future.

Mr. President, this is a very important message. It goes to the heart of the measure we are now considering. I urge its adoption without further delay.

Mr. President, I ask unanimous consent that a summary of H.R. 6081 and how it differs from S. 2012, the Senate-passed bill, be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF H.R. 6081

H.R. 6081, the Special Central American Assistance Act of 1979, contains a number of provisions which are not contained in S. 2012, the Senate-passed version of the legislation. Many of these provisions were added during floor debate on H.R. 6081 last week.

1. Sec. 536 (a) of H.R. 6081 contains a slightly different version of the general policy statement contained in S. 2012. The Senate version is a short policy statement emphasizing that "economic growth, political stability, and the development of free institutions in Central America are important to the national interests of the United States." The Senate version further states that the U.S. should play a constructive role in helping to achieve these goals and that U.S. assistance is necessary.

The House version states that "peaceful and democratic development in Central America is in the interest of the United States . . . that the recent civil strife in Nicaragua has caused great human suffering and disruption to the economy of that country, and that substantial external assistance to Nicaragua is necessary to help alleviate that suffering and promote economic recovery within a peaceful and democratic process."

2. Sec. 536 (b) of the Senate bill earmarks $75 million for Nicaragua and $5 million for Honduras. The House bill does not earmark any of the $80 million requested by the Administration for Central America.

3. The Senate bill contains a Section 3, which authorizes $2 million in FMS credits for the countries of Central America and $1 million in military education and training funds for the same countries. The House bill does not contain this provision.

4. The Senate bill contains a provision requiring the President to report to the Congress not later than 60 days after the date of enactment of appropriations. and

intervals of three months thereafter on assistance for Nicaragua from the United States and other sources, including:

(a) the amount of funds furnished by the United States and expended since the transmittal of the preceding report, or in the case of the first report, since the date of enactment of such appropriations legislation, and the purposes for which such funds were expended;

(b) the amount of funds furnished from sources other than the United States, and purposes for which the funds were expended;

(c) the status of private enterprise and ownership of property in Nicaragua, including information concerning the nationalization or expropriation of property of United States citizens, and specific measures the U.S. Government has taken and intends to take respecting such nationalization or expropriation;

(d) the status of freedom of the press and other communications media in Nicaragua; and

(e) a statement that the Government of Nicaragua has not engaged in a consistent pattern of gross violations of human rights.

Although H.R. 6081 does not contain a similar provision in one section, it does cover most of what is contained in the Senate bill. The following provisions are found in H.R. 6081 which are not contained in S. 2012:

A provision that the Secretary shall report to the Congress each six months on the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

A provision that the President shall take into account the extent to which the Government of Nicaragua has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.

A provision that the President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.

A provision that the President shall encourage the holding of free and open elections in Nicaragua.

A provision that assistance to Nicaragua shall be terminated if that Government engages in a consistent pattern of gross violations of internationally recognized human rights.

A provision that assistance to Nicaragua would be terminated if the President determines the Government of Nicaragua has engaged in a consistent pattern of violations of the right to organize and operate labor unions free from political oppression.

A provision that assistance shall be terminated if the Government of Nicaragua engages in systematic violations of free speech and press.

A provision that before assistance can be provided, the President has to certify that the Government of Nicaragua has not cooperated with or does not harbor any international terrorist organization and is not aiding, abetting, or supporting acts of violence or terrorism in other countries. Assistance cannot be provided, or once provided can be terminated, if the President determines that Nicaragua is in violation of this provision and the outstanding balance of any loan to the Government of Nicaragua shall become immediately due and payable.

A provision that would terminate assistance if the President determines that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any other Latin American ally of the United States.

A provision that none of the funds authorized may be used for assistance for any school or other educational instrumentality which would house, employ or be made available to Cuban personnel.

A provision that at least 60 percent of the loan funds in this bill, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited.

A provision that loan funds contained in this authorization shall be used for the purpose of U.S. goods and services.

A provision that the National School of Agriculture will cooperate in programs with United States institutions of higher education.

A provision that up to one percent of the funds made available to Nicaragua shall be used to make public to the people of Nicaragua the extent of U.S. aid programs to them.

A sense of the Congress resolution that the United States should support those traditionally faithful allies of the U.S. which are responsible members of the Organization of American States, including Guatemala, El Salvador, Costa Rica, Nicaragua, Panama, and Honduras, against terrorism and external subversion.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I would like to join my colleague, the distinguished Senator from Nebraska, in speaking in behalf of immediate and swift passage of H.R. 6081.

The Senator from Nebraska has stated the situation well, both with regard to the substance of the legislation and the parliamentary predicament that we face. I compliment him on his analysis in both counts.

I shall try to carry the argument further by going into the summary which he referenced, which the Chair has granted unanimous consent to be placed in the RECORD, to indicate the departures in H.R. 6081 from Senate bill 2012 that this Chamber considered and passed by a vote of 55 to 34 a few weeks ago.

Very clearly, the Senate bill was a product of the Foreign Relations Committee and, as the Senator from Nebraska pointed out, passed the committee by a vote of 11 to 1. The issues were discussed in the midst of deliberative hearings and great thoughtfulness was given to precisely what moneys should go to Nicaragua and elsewhere in Central America and what audit trails ought to be available. The product of our committee, which was found acceptable by this Chamber in full, we felt, formed the basis of responsible action.

As Senator ZORINSKY has pointed out, the House of Representatives has not seen fit to take up that legislation. In fact, the possibilities for a conference on it appear to be very dim, if not nill.

In truth, the reason we are discussing this bill today is because many of us believe that the foreign policy of this country must be decisive and timely; that, in fact, we must take chances on occasion and, clearly, all of us have indicated there are considerable risks involved in this.

This is legislation considered at length by the Foreign Relations Committee and at length on this floor. So the issues are not new and nothing which appears in any of the bills will strike anyone as novel. The arguments are fairly well known.

But, for the sake of the record, let me point out that H.R. 6081, the bill to be considered today, contains a number of provisions which are not contained in Senate bill 2012, the Senate-passed version of the legislation.

Many of the provisions of H.R. 6081 were added on the House floor in debate. They are the significant departure.

The first point of the summary is that section 536(a) of H.R. 6081, the bill we are discussing today, contains a slightly different version of the general policy statement contained in S. 2012. The Senate version is a short policy statement emphasizing that "economic growth, political stability, and the development of free institutions in Central America are important to the national interests of the United States." The Senate version further states that the United States should play a constructive role in helping to achieve these goals and that U.S. assistance is necessary.

The House version, as we debate today, states that "peaceful and dramatic development in Central America is in the interest of the United States—that the recent civil strife in Nicaragua has caused great human suffering and disruption to the economy of that country, and the substantial external assistance to Nicaragua is necessary to help alleviate that suffering and promote economic recovery within a peaceful and democratic process."

It is not a significant change, one that seems to me could be readily supported by Members of the Senate.

A second point: Section 536(b) of the Senate bill earmarks $75 million for Nicaragua and $5 million for Honduras. The House bill does not earmark any of the $80 million requested by the administration for Central America.

It is literally a bill of foreign assistance for Central America, although the House language does point out the grave difficulties faced by Nicaragua and there is a clear inference that substantial sums would go in that direction.

A third point: The Senate bill contains section 3, which authorizes $2 million in FMS credits for the countries of Central America and $1 million in military education and training funds for the same countries. The House bill does not contain this provision and, in the event we adopt H.R. 6081 today, that provision is effectively deleted.

The fourth point is that the Senate bill contains a provision requiring the President to report to the Congress not later than 60 days after the date of enactment of appropriations, and intervals of 3 months thereafter on assistance for Nicaragua from the United States and other sources, including:

First, the amount of funds furnished by the United States and expended since the transmittal of the preceding report, or in the case of the first report, since the date of enactment of such appropriations legislation, and the purposes for which such funds were expended;

Second, the amount of funds furnished from sources other than the United States, and purposes for which the funds were expended;

Third, the status of private enterprise and ownership of property in Nicaragua, including information concerning the nationalization or expropriation of property of U.S. citizens, and specific measures the U.S. Government has taken and intends to take respecting such nationalization or expropriation;

Fourth, the status of freedom of the press and other communications media in Nicaragua; and

Fifth, a statement that the Government of Nicaragua has not engaged in a consistent pattern of gross violations of human rights.

Mr. President, I mentioned those five provisions because I believe they indicate the degree of concern which the Foreign Relations Committee of the Senate and then this body as a whole had for the expenditure of U.S. taxpayer funds in Nicaragua or other countries of Central America. There were very specific thoughts expressed in our legislation which were important to us.

Although H.R. 6081 does not contain a similar provision in one section, it does cover most of what is contained in the Senate bill.

Furthermore, and this is where the great departure between the two bills comes, the following provisions are found in H.R. 6081, the House bill, which are not contained in the Senate bill. These are very substantial provisions which might have given considerable cause for debate in conference, but which as the Senator from Nebraska has pointed out today, because it is the desire of Senators—and we hope a majority of this body—to bring about an effective change of our foreign aid situation in Central America, these very restrictive provisions adopted by the House would become the law of the land if the President signed it and we pass it today.

The following provisions are found in H.R. 6081 which are not contained in S. 2012:

> A provision that the Secretary of State shall report to the Congress each six months on the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

Mr. President, this means literally the Secretary of State each 6 months must make a report to the Congress on this specific country of Nicaragua in all of the respects that I have just enumerated, as follows:

> A provision that the President shall take into account the extent to which the Government of Nicaragua has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.
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> A provision that the President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.
>
> A provision that the President shall encourage the holding of free and open elections in Nicaragua.
>
> A provision that assistance to Nicaragua shall be terminated if that Government engages in a consistent pattern of gross violations of internationally recognized human rights.
>
> A provision that assistance to Nicaragua would be terminated if the President determines the Government of Nicaragua has engaged in a consistent pattern of violations of the right to organize and operate labor unions free from political oppression.
>
> A provision that assistance shall be terminated if the Government of Nicaragua engages in systematic violations of free speech and press.
>
> A provision that before assistance can be provided, the President has to certify that the Government of Nicaragua has not cooperated with or does not harbor any international terrorist organization and is not aiding, abetting, or supporting acts of violence or terrorism in other countries. Assistance cannot be provided, or once provided can be terminated, if the President determines that Nicaragua is in violation of this provision and the outstanding balance of any loan to the Government of Nicaragua shall become immediately due and payable.
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> A provision that would terminate assistance if the President determines that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any other Latin American ally of the United States.
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> A provision that none of the funds authorized may be used for assistance for any school or other educational instrumentality which would house, employ or be made available to Cuban personnel.
>
> A provision that at least 60 percent of the loan funds in this bill, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited.
>
> A provision that loan funds contained in this authorization shall be used for the purpose of U.S. goods and services.
>
> A provision that the National School of Agriculture will cooperate in programs with United States institutions of higher education.
>
> A provision that up to one percent of the funds made available to Nicaragua shall be used to make public to the people of Nicaragua the extent of U.S. aid programs to them.
>
> A sense of the Congress resolution that the United States should support those traditionally faithful allies of the U.S. which are responsible members of the Organization of American States, including Guatemala, El Salvador, Costa Rica, Nicaragua, Panama, and Honduras, against terrorism and external subversion.

Mr. President, that is a very considerable and rather tightly drawn list of specifications which very clearly reflected the will of the House of Representatives. Support for those provisions, I would suspect, is abundant likewise in the Senate of the United States. A clear reading of this legislation would indicate that if the President of the United States finds that any of a number of human rights or democratic privileges are being violated in Nicaragua, or if Cuban personnel or Soviet personnel injurious to the welfare of Latin America or our own are being harbored, would terminate the aid under one of the restrictive provisions of the House legislation, indeed to indicate that all loans shall become immediately due and payable.

That is very restrictive legislation indeed.

Mr. President, I was a supporter of S. 2012, the version of the bill which the Senate passed several months ago. At that time, I believed there were serious risks in the proposed program of assistance to Central America. I still believe there are very substantial risks in that program.

The nature and future direction of Nicaraguan political institutions was unclear at that time, though it was clear that Marxists were playing a large role in the Government of the country.

I decided that that risk was acceptable and that if we were to have legislation moved toward a broad-based democratic system of government in Nicaragua the alternative—namely, doing nothing to support democratic forces—would have disastrous results.

My doubts about all this have increased as a result of developments during the last few weeks. I think each of us following current events in Nicaragua are aware that two moderate members of the ruling junta have resigned. High officials of the Government of Nicaragua have traveled to Moscow to sign cooperation agreements in economic, scientific, cultural, and possibly military areas. The Cuban presence in Nicaragua is obvious and ominous.

Clearly, the conditions that we hoped to foster several weeks ago seem less likely now than they were when the Senate last considered aid to Nicaragua and whether it might be warranted.

I have had to ask myself seriously, as well as my colleagues, whether this deterioration had gone so far as to undermine the objectives we sought when we last considered the issue and passed S. 2012.

Having thought through my position again, I discussed my doubts as well as my hopes this morning with the U.S. Ambassador to Nicaragua, Mr. Lawrence Pezzullo. He was most informative with regard to the current situation, as he has been forthcoming throughout. Clearly, one of the great strengths that our country has going for us in Nicaragua is the Ambassador of the United States, Lawrence Pezzullo, with all of the expertise and understanding he brings to that complex situation. I still have many doubts about the legislation.

Nevertheless, I continue to believe that the situation in Nicaragua is not hopeless. The country has not yet become a Marxist state. Mr. Robelo, the moderate businessman who resigned from the junta last month, is out in the hustings of Nicaragua, making antigovernment speeches trying to mobilize moderate forces in the country to prevent its drift into Marxist totaliarianism. It is this process of open debate that we need to keep alive.

The events in Cuba have probably strengthened the hand of the moderates in Nicaragua. The spontaneous announcement by thousands of Cubans that they would prefer a country such as Peru for example, over the Marxist paradise that Fidel Castro claimed to have established two decades ago must give serious pause to even the most devoted Marxist.

Consequently, I give my support to H.R. 6081, and I urge that it be passed without amendment.

I urge that it be passed without amendment for the very practical reason that amendment means that the bill would need to go to conference and the chance of its passing conference with the House of Representatives is very dim.

Indeed, I would not be advocating this legislation today if I saw any other course that would lead to a straightforward resolution of this problem, which is a material factor in any success we hope to have in Latin American diplomacy in the near future.

I believe that we produced a better bill in the Senate. With Senator ZORINSKY, Senator JAVITS, Senator CHURCH, and others in the Committee on Foreign Relations, I believe we have fashioned a number of safeguards and straightforward objectives. Nevertheless, as the chairman of the Western Hemisphere Subcommittee, the distinguished Senator from Nebraska, has pointed out, the bill is as it is. It is the only vehicle we have. It is this bill, unamended, or nothing.

I share the doubts of many Members in this body about the drift of the Nicaraguan Government. I wish, along with all others, that we had some different alternatives. But, in fact, we do not.

Let me simply say that many Members of this body, the U.S. Senate, did not like the previous Nicaraguan Government or General Somoza very much, either. For reasons that seemed in the interest of the United States at the time, we provided more than $250 million to Nicaragua during the reign of the Somozas. It was not for the purpose of propping up an unpopular government; it was because we believed that our aid could support the development of the human and economic resources of the country. We believed the prospects for emergence of democratic institutions were better with our aid than without it.

Again, let me assure you that I am aware of the risks of the course I am supporting. The extremist elements in Nicaragua can take our money and continue to march the country into totalitarian Marxism.

That is a very real alternative and some Members of this body may indicate that that is precisely what is likely to occur. To look at the practical political effects of that, in the event that occurs, it will be difficult to explain, not only to voters in the elections of November, but to our colleagues who look to us for reasonable judgment about these matters.

I have no doubt that the political risks involved have immobilized many of our colleagues in the House of Representatives and engendered the situation that we have to date. But, Mr. President, from the standpoint of U.S. foreign policy, I see a much bigger risk on the other side. That other side is doing nothing and allowing the drift to continue without trying to influence events. The possible scenarios are indeed frightening. A totalitarian Marxist government in Nicaragua would have immense capacity for mischief in the rest of Central America. We know of the fragility of the political institutions in Latin America and Central American countries. In particular, we know how terrorism can lead to repression, which can lead to polarization of society into warring factions, and then to a situation where a small group of well-armed, well-disciplined forces can topple a country's institutions.

And if the so-called dominoes were to fall in Central America, do we really think the matter would end there? Is it not more reasonable to assume that a Marxist Central America would produce terrorism and political instability in Mexico? And that might bring the issue right to our own border.

Let me emphasize again that the passage of the bill we are considering today guarantees nothing. There are no guarantees in this bill. It is strictly a matter of critical judgment as to what is the best course to follow. This legislation gives us a seat around the table of competitive discussion in Nicaragua and in other Central American countries.

This legislation states dramatically that we want to influence the future of Nicaragua. It sends a signal to the Nicaraguan leaders that we will cooperate with them to rebuild that war-torn country. It tells them that the United States support efforts to provide relief to their people in a humanitarian way and to make them productive citizens who can participate in a responsive and democratic government.

Most importantly, since the bulk of the funding authorized in this bill is reserved for use by the private sector, it sends a signal to the productive middle class of Nicaragua. It tells them not to abandon the country to the extremists but to stay and rebuild the country.

It gives encouragement to the productive private sector to raise their voices to demand a broad-based national reconstruction effort that incorporates all elements of Nicaraguan society.

If we succeed in sending these messages, we have made a positive contribution to democracy in Nicaragua and other Central American countries.

Mr. President, let me add just this personal word: I am indebted to the Senator from Nebraska (Mr. ZORINSKY) for his personal leadership in attempting to understand the predicament of Nicaragua through his personal observations and, more importantly for me, the provision he has made of forums on Capitol Hill to meet with leaders of Nicaragua. Senator ZORINSKY has brought to many of us opportunities for conversation with members of the ruling junta, with those who are taking a lead in the private enterprise sector of Nicaragua, who, in face-to-face conversation and in personal testimony, have laid before us both the political facts of life and the economic circumstances of that country.

As in all cases of political and economic judgment, we have no guarantee of what the future may hold for any of these persons. But I think that it is significant that in the two resignations that I cited earlier in my speech from the junta by two members of the junta that were perceived in Nicaragua, and, I believe, in the rest of the world, as moderate forces, alarm bells did ring in Nicaragua. The remaining members of the leadership group found it useful and constructive to bring into their ranks two members who have distinctly conservative and moderate credentials.

It is a fact that La Prensa, the leading independent voice of the press in Nicaragua, is now publishing again after the independent-minded editors of that publication suspended publication rather than bow to particular dictates of the junta members or of other ruling factions in Nicaragua at that time.

It is a situation, Mr. President, that is relatively unique as we try to fashion foreign policy for Latin America. As I have cited already, one of the members of the junta who resigned is now in the countryside campaigning against the ruling group.

La Prensa, an independent minded paper that has been at the forefront of the fight for centrist government in Nicaragua during the Somoza time, as well as during the Sandinista time, publishes again, having won a battle for freedom of the press.

That is not a guarantee that voices in the wilderness are going to create a situation that is productive of free elections. It does not guarantee that La Prensa will continue to publish. Opposition to this legislation will come from those who say that, literally, the handwriting is on the wall.

Mr. President, we have to decide today whether we are going to be competitive. As I have indicated, I would rather be competitive than to take a position of simply indicating Nicaragua is lost, El Salvador is lost, the dominoes are falling, and through total immobilization of the legislative process of this Congress, and through lack of coordination with the executive branch, we effectively rendered our policies in Central America null and void. Or, worse still, it was apparent we had no policy, aside merely from continuance of affairs as they are in the world and a fervid wish that things were not as they seemed.

Mr. President, even if the piece of legislation we bring before our colleagues today is imperfect, it is an honest and straightforward attempt by persons who, I believe from goodwill, have decided we need to be around that table, we need to be competitive in Central America, and that this is, by far, the best vehicle to do so.

I conclude simply, Mr. President, by pointing out once again that the parliamentary situation is that in my judgment amendments offered and adopted to this legislation are fatal to the process.

We would not be considering this imperfect instrument if we felt there was any other role for us to play in moving along this legislation. But we are looking at it and we are hopeful that in a generous spirit by adopting all the restrictions and thoughts of our colleagues, in the House of Representatives, a bill that they have passed, that if we are able to pass it and the President finds he is able to sign it, we shall be in the ball game again with regard to the authorization, and, by looking down the trail, toward the appropriation.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, it gives me no comfort to disagree with my good friend from Nebraska or my good friend from Indiana. I do not doubt their sincerity. But in this matter, I believe them to be sincerely wrong. I hope that I will be able to demonstrate that, at least, for the record.

We have precisely four Senators on the floor at this moment, one of them presiding over the Senate. So there is not very much opportunity for Senators to hear the debate on this very crucial matter.

Mr. President, I say at the outset that I had some regret at hearing the disparaging remarks directed to the House of Representatives in connection with this legislation.

I know most of the Members of the House. I do not always agree with them. But it is my belief, Mr. President, that those Members of the House who attempted to improve this piece of legislation were acting in perfectly good faith. I think they, in fact, did improve it. It is not yet a worthy piece of legislation, in the judgment of the Senator from North Carolina, but I pay my respects to the House of Representatives for having done what the Members of the House perceived should be done.

I was very interested in the concluding paragraph of the House committee report of the dissenting view signed by four distinguished Members of the House. I will read it. It says:

> The administration chose to ignore congressional concern in its efforts to oust Somoza. Having helped accomplish that goal, they assumed a responsibility to replace that government with a more representative system. Helping to solidify Sandinista control is not the way to fulfill this responsibility. The administration insisted on opening the door to the chicken coop to expel an unwanted rooster. Now that the fox has used the opportunity to get in, the Congress is being asked to provide a $75 million lock for the door.

That paragraph, Mr. President, summarizes concisely what this bill is about.

In any case, Mr. President, some issues in foreign policy are very complex. Some involve taking risks and making educated guesses about the final outcome. Some issues offer alternatives where one is just as bad as the other.

But it seems to the Senator from North Carolina that this issue has no such complexities.

What we are going to have to decide today is whether the U.S. taxpayers' money is going to be used to support a Communist regime. I use that phrase "Communist regime" advisedly and with careful forethought.

Mr. President, the Sandinistas have revealed their hand for all to see. The people of Nicaragua see it and the people of the United States, I think, see it. What they see is a Communist regime modeled upon the regime of Fidel Castro, systematically suppressing the rights and freedoms of Nicaraguan people.

Mr. President, when we last debated this measure back in January, there were some who argued that the Nicaraguan Government was the scene of a struggle between contending factions and that even the Sandinista movement itself was divided among various Marxist and non-Marxist factions.

The argument we heard then was that we should strengthen the Government so that the non-Marxist elements would be able to prevail.

I rejected that argument in January for two reasons. The first was that the Sandinista government was clearly a "popular front" Communist operation of the sort which is the classic prelude to a total Communist takeover.

Whenever the Communists enter a coalition government, they insist upon controlling the key ministries that set economic policy and that control the police and the military. This gives them the power to shape the government precisely as they choose and to consolidate power, systematically eliminating their opponents.

The second reason I opposed aid to the Sandinista government was that it was perfectly obvious then, and it is perfectly obvious now, that the Communists control the very agencies that would be disbursing this U.S. aid in the nation of Nicaragua. Even if some elements in this Nicaraguan Government may not happen to be Marxist, those in the decision-making areas that will control the use of U.S. aid are clearly Marxist.

What does this mean? Obviously, it means that the $75 million we are talking about in this legislation would go primarily to strengthen the Marxist elements in the government, not the private enterprise elements. Thus, we would see U.S. aid going for Marxist central planning, confiscation of agricultural land and industrial plants, and ensconcing a whole cadre of loyal Communists in high-paying government jobs.

If any assistance were to be given to the private sector, it was plain even in January that the assistance would be used as a lure to entrap businessmen desperate for help, lure them into Marxist planning and control. The giving or withholding of credit and contracts is a powerful tool to force the private sector to give up most of the rights that we normally associate with private enterprise. The argument that U.S. aid will somehow strengthen the non-Communist elements is simply invalid.

Mr. President, when it was clear that U.S. aid was not immediately forthcoming, the Sandinistas dropped this little mask they were wearing. Among others, there have been these developments:

First, the Sandinistas, tolerating no dissent whatsoever, closed down the newspaper of the Trotskyite Sandinista faction and sent the leaders of that faction to jail. This anti-Trotskyite move demonstrated that the pro-Soviet Communists were in control.

So much for freedom of the press.

Second, the Sandinistas suspended the only non-Sandinista newspaper, La Prensa, operated by the Chamorro family. Even before it was suspended, La Prensa was highly censored and is highly censored today.

Sure, it has been allowed to resume publication, but I refer Senators to page 16 of the committee report. There is a fellow named Huberto Ortega, a member of the Directorate and Commander in Chief of the Army, and this is what he said about freedom of the press:

> Journalism has the right to be free, but it does not have the right to attack this process, even indirectly.

Meaning the Sandinistas' control.

Bayardo Arce, another member of the Directorate, repeated this warning by saying—listen to the sophistry:

> We support freedom of the press, but of course the freedom of the press we support will be freedom to support the revolution.

So let us not go off into ecstatic delight that La Prensa is back in publication.

A few weeks ago, I talked to the editor of La Prensa, Pedro Joachim Chamorro, and he told me that he feared for his life if he overstepped what he called "the line" into serious criticism of the government.

Now that La Prensa appears in print again, I just cannot praise that reappearance as a manifestation of freedom of the press, because it simply is not so. The question is, Who is in control? Will it be the same staff with the same policies? Or will it be run by a hand-picked group as a facade to impress outsiders? We know that the regime is in control. That is the reason why the House of Representatives rose up and tried its best to make sense out of an insensitive piece of legislation.

Third. Mrs. Violetto Chamorro, the widow of the well-known martyr of the revolution, Pedro Joachim Chamorro, the older, was forced out of the junta supposedly for reasons of health, and everybody down there knows better than that.

Fourth, Alphonso Robelo, the fifth member of the junta, and supposedly the representative of the private sector, resigned after his efforts to organize political parties and to have meaningful elections were repeatedly rebuffed.

Fifth. In March, the Sandinista leaders took a little trip. They went to Moscow, and they signed a party-to-party agreement with the Communist Party of the Soviet Union.

Mr. President, I have often mentioned in discussions on this floor that many Americans do not understand that the Government of the Soviet Union does not run the Soviet Union. The Communist

Party runs it. So these Sandinistas went over to the Soviet Union and cut a deal with the Communist Party. This party-to-party agreement, of course, was in addition to the State-to-State agreements.

This action is highly significant, because a party-to-party agreement is equivalent to recognition of the Communist Party of Nicaragua. It foreshadows increasing military links with the Soviet Union. It brings Nicaragua under the protection of the Brezhnev Doctrine, as is indicated by the Sandinistas' commitment to Soviet world policy expressed in the joint communique issued in Moscow.

Let us not forget, in our exultation here today, that in the communique the Sandinistas denounced the U.S.-NATO decision to upgrade NATO's nuclear arms, and they have defended the Soviet invasion of Afghanistan.

Yet, we are going to send them $75 million of the taxpayers' money. Not this Senator.

Sixth, a few weeks ago the Sandinistas expanded the Council of State from 33 to 47 members so as to give themselves an absolute majority. Only 2 weeks ago, the Council of State elected Jose Cardenal to the Council and elected him to be one of the three vice presidents. Cardenal is a businessman who was in the United States a few months ago, lobbying for U.S. aid. Where is Mr. Cardenal today—this man who was elected vice president there? He has fled from Nicaragua as an exile. Of course, he has given up his post on the Council of State, and he is begging the United States not to send aid to Nicaragua until the Government of Nicaragua guarantees to protect basic human rights, including the rights of freedom of speech, freedom of elections, and private property.

Mr. President, that is what all this is about on the Senate floor today. Are we really going to send $75 million of the American taxpayers' money to a Communist regime which will have control of that money and which unquestionably will use it further to build that regime?

The Sandinista government is a Communist government, and I reiterate that for the purpose of emphasis. It is a government rapidly consolidating its power in a totalitarian and ruthless manner. The people of Nicaragua realize, too late, that the Communists have led them down the path of revolution. They see now that there are 10,000 Cubans in their country, and those Cubans are hated. The Nicaraguans see that there are 12,000 political prisoners in their jails, with only a handful of show trials to make a pretense at justice.

(Mr. BOREN assumed the chair.)

Mr. HELMS. Mr. President, the Nicaraguans see that the television and the press are completely controlled by Marxist revolutionaries. There are liberation groups working clandestinely, groups made up of some of the same youngsters who formerly worked with the Sandinistas to overthrow the Somoza government.

So that is what is going on down there. And yet we seriously propose in the Senate today to send $75 million to a Communist regime that the people of Nicaragua want to overthrow.

And as they say in North Carolina that does not even make good nonsense.

I wish there were some way to have a referendum among the American people on the expenditure of this $75 million.

My friend said there are no guarantees in this legislation. Oh, yes, there are. The guarantees are that this money will go to a Communist regime. It will not buy 1 inch of freedom for anyone.

So I think we have to confront the inevitable question, Mr. President, that being, what evidence is there that the people of Nicaragua support these Sandinistas?

I submit that there is no evidence. There have been no elections. There has been no public debate. And if we send this $75 million to Nicaragua now, we will be condemning the Nicaraguan people to a Castro-style dictatorship.

How can the United States send aid to set up another Cuba at the very moment when thousands upon thousands of Cubans are struggling to escape to freedom? What kind of upside-down mentality do we have when we propose to use the taxpayers' money to build up communism?

Some reference was made by my friend from Indiana about reaction in November. I believe there will be reaction in November, not only to this, but to other elements of folly in the so-called foreign policy of this country. The American people are going to hold all of us to account, and they should, Mr. President, not only on election day, but on every day when they see that we are aiding a despicable regime that is seeking to destroy in our own hemisphere the very freedoms that are the essence of our way of life.

Mr. President, some time back hearings were held by the Foreign Relations Committee, and I asked Assistant Secretary of State William Bowdler whether he knew before he met with the Sandinista leaders in July 1979 that they had met earlier with Fidel Castro in Havana to plan the strategy for the overthrow of the Somoza regime.

Mr. President, I wish you could have been there and noted the vagueness of Mr. Bowdler on this particular point, particularly because the issue was so significant. The facts are that the Sandinista leadership met with Fidel Castro in March 1979 and at that time Castro counseled them on guerrilla strategy and urged them to form a broad popular front, downplaying their Marxism for a time. This was revealed in a CIA memorandum bearing date of May 2, 1979, and it was discussed in an article in the Chicago Tribune of July 1, and it was printed in full in the RECORD of July 9, 1979. The CIA memorandum reads in part, and let me quote for the record:

> Fidel Castro's recent discussions with FSLN leaders may lead to more active Cuban support to the FSLN. In early March leaders of the three major FSLN factions traveled to Cuba to meet with Castro. The Cuban leader is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation.

Bear in mind, Mr. President, if I may say parenthetically, that this is a strategy session involving Fidel Castro and these Sandinistas to whom it is proposed today to send $75 million of the American taxpayers' money.

But to continue the memorandum:

> As a result of the meeting a unified FSLN directorate was established containing three members from each faction. In return, Castro reportedly promised that Cuba would increase its assistance in the form of money, arms, and ammunition Havana has repeatedly urged leaders of the disparate Sandinista factions to cooperate in a unified effort against Somoza.

And I am continuing the quote:

> The Cubans have urged the Sandinistas to combine their efforts to intensify the guerrilla struggle with a highly pragmatic political approach designed to broaden the FSLN's base of popular support for a movement to oust Somoza. For example, during Castro's meeting with the FSLN leaders in March, he reportedly urged them to play down the Marxist nature of their programs at this point and to offer to join with non-Marxists in forging a broad coalition. FSLN leaders have taken steps to comply with his request.

Of course, Mr. President, that is the strategy that brought in Mrs. Chamorro and Alphonse Robelo into the junta to improve their international image. But the real power remained with the 15-man Sandinista Directorate. The junta was just for show.

How obvious does a situation have to be, Mr. President, for the Senate to understand what it is doing in a matter of this kind?

This CIA memo shows clearly that the U.S. Government was fully aware that the Sandinista movement was under the direct support and assistance of Castro personally; even at the time Secretary Bowdler was meeting with them.

No wonder Secretary Bowdler was so vague in response to my question.

The U.S. Government was aware that Castro ordered the Sandinistas to follow the classic united front, or popular front strategy. The U.S. Government was aware that the Sandinistas accepted Fidel Castro's strategy. And it is now that strategy which has successfully accomplished its purpose and is being dismantled before our eyes, showing clearly that the present Government of Nicaragua is a Communist government.

Yet Secretary Bowdler told the committee, and I am quoting him:

> I was not aware of a meeting of Sandinista leaders with Castro in Havana before the Junta's takeover.

Bowdler met with the Sandinistas in Panama on June 27, 1979. He met with the Sandinista Provisional Government in Costa Rica on June 30 and July 9, 1979. He met with members of the Nicaraguan Government of National Reconstruction in Costa Rica on July 10, 11, 12, 13, 14, 15, 16, and 17, 1979.

Furthermore, Secretary Bowdler says that he routinely saw CIA memoranda during the timespan.

Yet here was a CIA memo of the utmost importance. giving critical information on the makeup of the very people with whom he was negotiating. But Secretary Bowdler said he did not recall being aware that the Sandinista leaders had met with Castro to plan their strategy only 3 or 4 months previously.

I remember my astonishment at his answer, Mr. President.

Perhaps if he had been aware, he would not have been such a zealous advocate of so-called reform and the Sandinista revolution. Perhaps he would not now be supporting sending U.S. taxpayers' money to a Communist government. If Mr. Bowdler did not know that the Sandinistas were a true Communist operation—not just eager revolutionaries—we would not be debating here today whether to support communism in the Western Hemisphere.

Mr. President, I ask unanimous consent that the article from the Chicago Tribune of July 1, 1979, and the CIA memo of May 2, 1979, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"'CUBANS ALL OVER, U.S. NOWHERE' IN CARIBBEAN"

WASHINGTON.—Government leaders from the Caribbean have told American officials that "Cubans are all over the place in the Caribbean," even dating secretaries at a foreign ministers conference in Jamaica to get information and promote Cuban interests.

By contrast, the officials complained that the "United States was nowhere to be found." One asked that the U.S. do more to prevent leftist coups in the area, including organizing a regional coast guard. The U.S. might send more of its warships into the Caribbean, this official said.

These items were relayed to the White House by Robert Pastor, National Security Council expert on Latin America, in a secret memorandum obtained by The Tribune. Pastor, in a report dated June 18, said Henry Forde, foreign minister of Barbados, told him he was "extremely concerned about the expansion of Cuban influence in the Caribbean."

Relaying his talks with Forde, Pastor wrote:

"At a recent foreign ministers' conference in Jamaica, he said that the Cubans took out a large number of rooms in the hotel where all the foreign ministers were staying and even went so far as trying to date the secretaries as a way to get information. They sought interviews with all the foreign ministers."

What worries Forde and other Caribbean leaders is a return by Castro to a policy of exporting revolution there, and a lack of U.S. response. After nearly a decade of directing his attention elsewhere, Castro has once again begun providing arms and advice to leftist guerrillas in Caribbean countries.

Forde told Pastor that Prime Minister Eric Williams of Trinidad and Tobago, and Premier Lee Moore of St. Kitts and Nevis, were concerned, too.

Williams was said to be cutting off aid to Guyana because it had become involved with the leftist movement in Grenada. Williams and Moore were said to be interested in a coast guard "to be a regional strike force to prevent a repetition of the Grenada coup."

According to an assessment by the CIA, Castro has his own domino theory. He believes the eventual fall of the Somoza regime in Nicaragua will have a "ripple effect" throughout Central America and the Caribbean, bringing a wave of leftist governments. Unlike his solo efforts at fomenting revolution in the 1960s, this time Castro intends to work with other Latin governments, using them as intermediaries to deliver arms and making sure Cuban assistance does not differ in kind and quantity from that of other countries.

Castro does not want to risk a confrontation with the U.S., the CIA said. Therefore, the intelligence agency considers it unlikely he will send troops to aid a revolutionary movement.

Castro has concentrated on Nicaragua, using Panamanian air force planes and Costa Rican landing fields to funnel arms to leftist Sandinista guerrillas, hundreds of whom were trained in Cuba. Details of the Nicaragua operation were disclosed last week when The Tribune obtained a secret memorandum prepared by the CIA and distributed to government agencies.

The memo described how Cubans loaded mortars, 50-caliber machine guns, and rifles aboard Panamanian government planes and ferried them to the guerrillas. State Department sources confirmed that the operation continues adding that Cuba is but one supplier of the Sandinistas. One source said the Government of Panama has provided even larger quantities of arms than Cuba.

Castro has been busy in other Latin nations as well. His activities have reached into Jamaica, Guatemala, El Salvador, and nations of the West Indies, including Grenada.

Many Congressmen, especially those concerned with the security of the Panama Canal once it is turned over to Panama, have criticized the Carter administration for withholding from the public details of the Cuban and Panamanian involvement in Nicaragua.

"This administration views Cuba as a potential friend or neutral influence," said Rep. Robert Bauman [R., Md.], a critic of the Panama Canal treaties. "We have done nothing but cover up what Panama has been doing. Why haven't we pressured the Panamanians to stop the Cubans from sending arms through them?"

One high CIA official, who asked not to be identified, said Castro's aid to Nicaraguan leftists exceeds the items cited in the memo, which was dated May 2. This official said, however, that exposing Cuban activities complicates U.S policy in the region.

The U.S. has two main aims right now: to turn over the canal to Panama and to stop Communists from taking over in Nicaragua. In recent days, with Congressional approval of enabling legislation for the Panama Canal treaties virtually assured, the Carter administration for the first time has publicly mentioned Cuban aid to the Sandinista guerrillas, apparently as a way of raising the spectre of a Communist coup in Nicaragua.

The CIA in May summarized Castro's intentions this way:

"The Castro regime apparently concluded by at least last fall that prospects for revolutionary upheaval in Central America over the next decade or so had markedly imoroved largely because of the weakened position of Nicaragua's Somoza and the ripple effect his removal would have on other countries in Central America.

"As a result, Cuba has intensified its attempt to unify insurgent groups not only in Nicaragua—where Cuba has concentrated its efforts—but in Guatemala and El Salvados as well."

In Guatemala, Cuba has maintained close links with the Guerrilla Army of the Poor which is known by its Spanish initials EGP. The CIA said Cuba has limited its support to Guatemalan leftists, insisting that they must first stop fighting among themselves.

"According to a reliable Guatemalan source, on Jan. 12 a Cuban official met in Guatemala with leaders of the EGP, the Rebel Armed Forces [FAR], and the dissident wing of the Guatemalan Communist Party [PGT]," the memo said. "The Cuban official counseled them to coordinate plans of actions, to integrate training of their members, and to make a greater effort to infiltrate labor movements."

The Cubans have stepped up training of EGP guerrillas in Cuba, a practice they have maintained for "some years."

The Cubans have worked to encourage the orthodox faction of the Guatemalan Communist Party [PGT] to lend its support to local insurgent groups, the memo continued.

"The Cubans clearly feel no urgency in promoting revolutionary activity in Guatemala," the memo concluded. "Rather, their efforts seem designed to prepare local insurgent groups for the long haul."

In El Salvador, American intelligence had less specific information, but reported that "the Castro regime's interest has doubtless quickened as it has observed the spiraling violence and growing political polarization there."

One "untested" source told American intelligence officials that about 50 members of the military army of the Popular Liberation Forces [FPL] were receiving four months of training in Cuba. The source said that these guerrillas, 30 of whom have returned to El Salvador, were slated to lead a force of 2,000 newly trained Salvadorians.

"Cuba's willingness to lend support has presumably increased because of the demonstrated willingness of the various guerrilla groups to cooperate in at least an informal alliance," the memo said.

Elsewhere in the region, the NSC's Pastor was told that in the Caribbean, Cuba used small amounts of money "through friendly professors in the University of the West Indies and other institutions to help their groups on each island."

Cuba first concentrated on Jamaica when it began to re-enter the Caribbean theater. It maintains technical assistance to the Manley government.

Cuba has denied reports that 10 Cubans participated in the leftist coup in Grenada.

MEMORANDUM

MAY 2, 1979.

Subject: Cuban Support for Central American Guerrilla Groups.

KEY JUDGMENTS

The Castro regime apparently concluded by at least last fall the prospects for revolutionary upheaval in Central America over the next decade or so had markedly improved largely because of the weakened position of Nicaragua's Samoza and the ripple effect his removal would have on other conutries in Central America. As a result Cuba has intensified its attempts to unify insurgent groups not only in Nicaragua—where Cuba has concentrated its efforts—but in Guatemala and El Salvador as well.

While tailoring the extent of its support to the realities of the situation in each country, Cuba has stepped up its on-island training of guerrillas from each of these countries and—in the case of Nicaragua—has on at least two and probably three occasions supplied arms—for the first time in many years—to the Sandinista National Liberation Front (FSLN). Cuba has also made a concerted effort to persuade leftist movements and parties in the region to increase their assistance to the FSLN and has used these groups to funnel aid to the Sandinistas.

Havana's approach to events in Central America, however, reflects a far more sophisticated and selective revolutionary doctrine than that which guided Cuba's actions during the 1960s. Cuba clearly believes it has a stake in preserving its improving image with many governments in the hemisphere and wants to avoid provoking a U.S. counterresponse. As a result, Cuba has used third country intermediaries to deliver its assistance to the Sandinistas and has taken care that its aid not differ in kind from the material support supplied to the FSLN by several other governments in the region.

While optimistic that trends in Central America favor the left, Havana has counseled patience and has urged its friends to prepare for a protracted struggle, even in Nicaragua. Cuban support, therefore, can be expected to continue to be geared toward helping the Sandinistas and other regional guerrilla groups develop the military and political infrastructure necessary to win a war of attrition, and the widespread grass roots support necessary to consolidate the victory.

Given the low-key approach Cuba has employed in Central America, Havana is likely to do its best to avoid being placed in a situation where it might be called upon to intervene directly with its own military units and thus risk a military confrontation with the U.S.

NICARAGUA

The Cuban Government has long felt a deep enmity toward the Somoza regime in Nicaragua and has looked forward to its ouster not only because of the implications that such an event would have for Nicaragua but for the sake of revolutionary change throughout the region. As Somoza's position appeared to grow shakier last year, Havana intensified its effort to strengthen his opponents by urging unity among the various Sandinista National Liberation Front (FSLN) factions. By early fall Cuba was sufficiently satisfied that this had been accomplished to increase significantly its support to the Sandinistas.

ARMS SUPPLIES

Since last September our information indicates that Cuba has on at least two and probably three occasions supplied arms to the FSLN. On each occasion Havana has limited its own direct involvement by relying on the Panamanian government to transport the arms. Reporting from several sources indicates that in late September Cuba shipped eight crates of arms—including 50-caliber machine guns designed to serve as an anti-aircraft weapon—to Panama via a Panamanian air force plane for later transshipment to FSLN forces in Costa Rica.

In early November Cuba made its second delivery of arms destined for the FSLN. According to a reliable source, during the week of 5–11 November three Panamanian air force planes returned to Panama from Cuba carrying crates that contained AK–47 rifles, 50-caliber machine guns, and hand-held mortars. By the end of the month the Panamanians had flown these arms to Liberia, Costa Rica where they were given to the FSLN.

Circumstantial evidence indicates that the Cubans were involved in the recent reactivation of the Panama-Costa Rican resupply route to the FSLN. Members of the FSLN "General Staff" reportedly stated at a meeting on 13 April that their inventory included an undisclosed number of antitank rockets of Soviet and French manufacture that Cuba had provided via Panama. Although the "General Staff" members did not specify when Cuba had supplied the arms, other information indicates that Panama delivered arms to FSLN forces in Costa Rica about the time of the meeting. Also among the arms Panama delivered in mid-April were mortar rounds that are apparently of Chinese origin; other sources have reported that this type of armament had previously been provided by Cuba, probably via Panama.

ON-ISLAND TRAINING

Training in Cuba of FSLN guerrillas—which has continued at low levels for years—has apparently been on the upswing, especially since January. Early that month a Panamanian emissary reached an agreement with Fidel Castro to send to Cuba FSLN exiles who formerly would have been granted safehaven in Panama. On 10 March a subordinate or Noriega's said that Panama is serving as a bridge to transport FSLN personnel to Cuba where they undergo training before returning to Nicaragua.

Evidence on the total number of FSLN guerrillas who have received training in Cuba is spotty. Members of the FSLN "General Staff" reportedly said on 13 April that Cuba has trained 300 of the FSLN combatants currently in the field. In early April an official of the FSLN Terciario faction reportedly said that half of his faction's regular combatants have received training in Cuba.

ENCOURAGING SUPPORT FOR THE FSLN FROM NEIGHBORING COUNTRIES

A major element in Cuba's approach to the Nicaraguan situation has been its effort to encourage leftist groups in neighboring Central American countries to aid the FSLN. Havana especially wants regional Communist parties to support the Sandinistas. Toward that end the Cubans in early February promoted a meeting in San Jose, Costa Rica that was attended by the Communist parties from the Central American countries as well as from Mexico and Panama. Cuban delegates used the occasion to urge their counterparts to bolster their assistance to the FSLN by creating safehavens in their countries, providing facilities for military training, and supplying arms and other equipment. Plans were also discussed for a follow-up meeting later this spring probably in Havana that would prepare a strategy for assisting revolutionary activity throughout Central America.

In part because of Cuba's urging, Central American leftist groups have for some time been developing support mechanisms responsive to Sandinista needs. For example, late last summer at Havana's direction the Honduran Communist Party established a support apparat that has been responsible for finding sites in Honduras to train FSLN guerrillas. The apparat has relied on sporadic Cuban financial aid to purchase arms, radios, and other equipment for the FSLN, and Honduran Communists have assisted the Sandinistas in border crossings. Since last fall, however—despite frequent prodding by Honduran Communist Party leaders—the Cubans have dragged their feet in providing promised financial aid for the apparat.

Cuba reportedly also funnels assistance to the FSLN through two groups in Costa Rica. A member of the Central Committee of the Costa Rican Communist party—the Popular Vanguard Party—said in early March that Cuba had begun to channel limited financial assistance to the FSLN through his party. The Cubans may also be helping to fund a "Committee of Solidarity with the Sandinista Front" headed by self-professed FSLN member Ernesto Cardenal, a Nicaraguan priest who resides in Costa Rica.

PROMOTING FSLN UNITY

Fidel Castro's recent discussions with FSLN leaders may lead to more active Cuban support to the FSLN. In early March, leaders of the three major FSLN factions traveled to Cuba to meet with Castro. The Cuban leader is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meeting a unified FSLN directorate was established containing three members from each faction. In return, Castro reportedly promised that Cuba would increase its assistance in the form of money, arms, and ammunition. Havana has repeatedly urged leaders of the disparate Sandinista factions to cooperate in a unified effort against Somoza; their failure to do so has been a major deterrent to increased Cuban assistance and will likely continue to be so should the current unity effort falter.

OUTLOOK

The Cuban leadership shares the belief of the Popular Prolonged War and the Proletarian Tendency factions that the Sandinistas are likely to achieve power only after a protracted struggle. When Fidel Castro met in Havana in September with Tomas Borge—leader of the Popular Prolonged War faction—and Eden Pastora—a leading Terciario faction military commander—he reportedly counseled them to refrain from a frontal attack against the National Guard. Instead, he urged them to concentrate on hit-and-run actions and other guerrilla activities.

Castro took a similar position in early December when he reportedly urged two Terciario leaders to abandon plans for a large scale military offensive because he did not believe that the FSLN had the necessary logistical and organizational capability to sustain conventional operations against the Guard. Moreover, in mid-January two diplomats assigned to the Cuban embassy in Panama stated that Cuba no longer believed that the FSLN would be able to topple Somoza before his term expires in 1981.

Cuban support, therefore, is likely to continue to be intended to help the Sandinistas develop the military and political infrastructure necessary to triumph in a war of attrition. The Cubans probably expect that—as was the case with the Batista army—popular sentiment will gradually turn against the National Guard and eventually render it ineffective. To make the FSLN a more potent guerrilla force, Havana can be expected to continue to emphasize the development of safe havens, training sites, and logistics bases in neighboring countries. Cuba is also likely to continue to provide arms and on-island training to FSLN members.

The Cubans have urged the Sandinistas to combine their efforts to intensify the guerrilla struggle with a highly pragmatic political approach designed to broaden the FSLN's base of popular support for a movement to oust Somoza. For example, during Castro's meeting with FSLN leaders in March, he reportedly urged them to play down the Marxist nature of their programs at this point and to offer to join with non-Marxists in forging a broad coalition. FSLN leaders have taken steps to comply with his request.

Given the low-key approach Cuba has pursued regarding the Nicaraguan situation, it is likely that Havana will do its best to avoid being placed in a situation where it might be called upon to intervene directly with Cuban military units. One possible scenario in which Havana might be confronted with such a choice is if the Sandinistas captured a portion of Nicaraguan territory and then—as a "provisional government"—requested Cuba to send troops. The sending of military personnel to Nicaragua by Honduras, El Salvador, or Guatemala would also raise the possibility of Cuban military intervention. In neither of these situations, however, do we believe that Havana would be likely to commit its troops for fear that this action would provoke a US counterresponse.

GUATEMALA

The focus of Cuban attention in Central America has been on Nicaragua, but Cuban contacts with Guatemalan leftists have also increased in recent months. The main thrust of Cuban policy at this point—as it has been for several years—is to encourage the various insurgent groups to join together in a common effort to undermine the government. Havana continues to insist that greater unity be achieved before Cuba undertakes any major increase in its support. Nonetheless, Cuba seems to be laying the groundwork for increasing its assistance to these groups.

Havana's closest links are to the Guerrilla Army of the Poor (EGP), and the Cubans used it as a hub to broaden their ties with other insurgent groups. According to a reliable Guatemalan source, on 12 January a Cuban official met in Guatemala with leaders of the EGP, the Rebel Armed Forces (FAR), and the dissident wing of the Guatemalan

Communist Party (PGT) to urge these three action-oriented groups to unify. The Cuban official counseled them to coordinate plans of actions, to integrate training of their respective members, and to make a greater effort to infiltrate labor movements. Stressing the importance of a united front, he implied that if the three groups improved their level of cooperation then Cuba would provide financial and material assistance.

According to the same Guatemalan source, in later January a follow-up meeting was held in which two Cuban advisers offered to provide training in Cuba for PGT dissidents and FAR members. For some years the Cubans have trained EGP guerrillas in Cuba, and—impressed with that group's initial success in recruiting members of Guatemala Indian population—Havana began early this year to train some of these recruits. The Cubans may also plan to train members of a new guerrilla group, which is located in western Guatemala and led by Rodrigo Asturias, a former FAR member. Asturias reportedly has visited Cuba on several occasions and his group was invited to attend Cuba's revolutionary celebrations in January.

There is some evidence to suggest that the Cubans may be willing to take a more direct role in counseling Guatemalan insurgents. According to a reliable source, in late February representatives of the EGP offered the services of three Cuban "experts" to work in Guatemala with the FAR and PGT dissidents to "coordinate" the assassinations of several government security officials. The source said that some Guatemalan insurgent leaders opposed this plan, and we have no evidence to confirm that the Cubans have attempted to follow through on the reported offer.

The Cubans—to the best of our knowledge—have not been involved in Central America in assisting local groups to carry out political assassinations at least in the recent past. Nonetheless, the Castro regime contends that in some circumstances the use of counterterrorism is a legitimate weapon in the effort to promote the cause of revolution, and it may well believe that the current situation in Guatemala justifies such an approach.

The Cubans have also worked hard to encourage the orthodox faction of the Guatemalan Communist Party (PGT) to lend its support to local insurgent groups. In early January Ricardo Rosales, the Secretary-General of the PGT, visited Cuba where he met with Vice President for Foreign Affairs Carlos Rafael Rodriguez—who speaks for a group within the Cuban leadership that tends to take a softer line on the primacy of guerrilla warfare. Rodriguez blamed divisions among the PGT, the EGP, and the FAR for weakening the Guatemalan revolutionary effort and asked Rosales to coordinate his party's activities with those of the insurgents. Stating that he agreed with the PGT's promotion of the peaceful route to power by organizing the workers and students and by participating in elections, Rodriguez also emphasized to the need for Guatemalan leftists to employ all form of activity to achieve a successful revolution.

The Cubans clearly feel no urgency in promoting revolutionary activity in Guatemala; rather, their efforts seem designed to prepare local insurgent groups for the long haul. At the meeting in Guatemala City in late January the Cubans reportedly urged the EGP, FAR, and PGT dissidents to have patience and not expect immediate progress in the struggle against the government. The nature of Cuban training of Guatemalan guerrillas also reflects a lack of urgency. For example, according to an EGP document captured in January 1978, members of guerrilla teams who are trained in Cuba live and work together for as long as a year before reentering Guatemala, to ensure that they will be able to cooperate effectively once they are in the field.

EL SALVADOR

While Havana has in the past given less attention to El Salvador than to Nicaragua or Guatemala, Cuban activities with Salvadoran insurgents have recently been on the upswing. The Castro regime's interest in El Salvador has doubtless quickened as it has observed the spiraling violence and growing political polarization there, and Cuba's willingness to lend support has presumably increased because of the demonstrated willingness of the various guerrila groups to cooperate in at least an informal alliance.

In February an untested Salvadoran source reported that about 60 members of the military army of the Popular Liberation Forces (FPL)—the group with which Cuba has maintained the closest ties—were in Cuba receiving four months of military and ideological training. The source said that upon returning to El Salvador these guerrillas were slated to serve as leaders for a force of 2,000 newly trained Salvadorans representing the "Popular Militia" of the FPL-dominated Popular Revolutionary Bloc. By late March, half of the FPL guerrillas sent to Cuba had returned home and were working with units of the "Popular Militia."

Cuba has also had links with at least one of the two smaller Salvadoran terrorist groups, the Armed Forces of the National Resistance (FARN). Eduardo Sancho Castaneda—reportedly the FARN's leading strategist—has apparently been his organization's chief conduit to the Cubans. He has maintained regular contact with Cuban officials in Costa Rica and Mexico and has occasionally traveled to Cuba.

For some time the Cubans have also been pushing for greater cooperation between the El Salvadoran Communist Party and the various insurgent groups. For example, in October 1977 Raul Garcia Pelaez—at that time the member of the Secretariat of the Cuban Communist Party in charge of relations with foreign Communist Parties—reportedly said that Cuba was trying to promote the unification of the El Salvador Communist Party and the Popular Liberation Forces and to induce the Communists to adopt a policy of open insurrection against the government. Personal antipathy between the leaders of the FPL and the local Communist Party, as well as disagreements regarding the means and timing of staging a revolution in El Salvador have continued to prevent any meaningful cooperation between these two groups, however.

Mr. HELMS. Mr. President, I feel we ought to have a test vote on this thing. The Foreign Relations Committee has not considered the bill that is before us, and at least two members of the Foreign Relations Committee have said today they do not like this bill.

Therefore, Mr. President, I move that this bill be committed to the Foreign Relations Committee, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. ZORINSKY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, and we will go live, I will say to the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I would like to explain a little further why I have made the motion to commit this bill to the Foreign Relations Committee.

I can begin by saying that just too many issues of grave concern are raised by this legislation for H.R. 6081 to be given final consideration before the Committee on Foreign Relations has a chance to look at it. This bill has not been before the Foreign Relations Committee.

As my good friends, the managers of the bill, Mr. ZORINSKY and Mr. LUGAR, have pointed out, the Senate passed its own bill. Then the House passed its own bill. And we, today, have the House bill before us and the House bill has not really been considered by the Foreign Relations Committee.

That is why I am urging my colleagues to commit this legislation to the Foreign Relations Committee so that the committee can have the opportunity to explore the new and, for some of my distinguished colleagues, critical issues concerning the situation in Nicaragua and El Salvador that have been raised but left unanswered by the Senate's consideration of this legislation earlier this year.

Now, Mr. President, at the risk of being somewhat repetitious, I feel that perhaps a listing of some of these issues, matters that have raised concern in the mind of the Senator from North Carolina, among others, might be in order at this time.

These are issues that the committee may want to address in any further inquiry relating to this legislation. I will go down the list one by one and give each a number.

First. I would like to know exactly how many Cuban nationals are in Nicaragua today.

Second. How many, if any, Cubans are in El Salvador? Even though El Salvador is not covered in this bill, I think it is relevant to examine El Salvador as well.

Third. In what capacity are these Cubans serving in Nicaragua and in El Salvador?

Fourth. How many are so-called military advisers?

Fifth. How many have seen recent service in Angola or the Cuban military service, regardless of the capacity in which they now serve?

Sixth. How many Cubans are assisting

in the operation of the Nicaraguan Interior Ministry and Secret Police?

And, I might add, parenthetically, Mr. President, that this has a distinct bearing on the question of human rights in Nicaragua.

Seventh. Are there any Cubans at military installations in Nicaragua, especially at Esteli, and near Montelemar and in the northern border areas of Nicaragua?

Eighth. Are there Nicaraguan nationals assisting insurgents in El Salvador?

Ninth. Are there Nicaraguan nationals fighting in El Salvador?

Tenth. If so, under whose auspices?

Eleventh. Are there training bases in Nicaragua for insurgents operating in or from first, El Salvador; second, Guatemala; third, Honduras; fourth, Mexico; fifth, Costa Rica; sixth, Panama; seventh, Belize; and eighth, any other Caribbean or Latin American country?

Twelfth. Have the Cubans, the Soviets or any other foreign Communist nation provided the Nicaraguans with any fishing trawlers, or other electronic surveillance equipment?

Thirteenth. What weapons, if any, have been provided insurgents in El Salvador, from Nicaragua, Cuba, the Soviet Union, the Palestinian Liberation Organization, Libya, Algeria, or any foreign Communist nation or organization?

Fourteenth. What weapons have been provided the Government of Nicaragua or the FSLN—meaning the Sandinistas—from the Soviet Union, Cuba, Libya, the PLO, or any other foreign Communist nation or organization?

Fifteenth. How many industries of El Salvador have been confiscated by the government, including agricultural holdings and banks? To what economic effect?

And I also want to know the same thing for Nicaragua, of course, because what is relevant for one is relevant for the other in terms of the U.S. interest and the interest of the free world in Central America.

Sixteenth. Does the United States support a policy of land confiscation, land redistribution, bank expropriation, export industry nationalization?

Seventeenth. What is the status of political prisoners in Nicaragua, especially the reputed 12,000 now in Nicaraguan jails? Ditto for El Salvador, especially the members of the Frente Amplio Nacional (FAN)?

Eighteenth. What is the economic situation in El Salvador since the government nationalized the banks, seized the landholdings and redistributed them, and nationalized the export industry? Has the economic plight of the average El Salvadorian improved? Have critical plantings in the agricultural sector taken place? Is there stability in the banking industry? Is the currency sound and the banking system working? Are exports up or down? Why?

These are all relevant questions. And what fits Nicaragua fits El Salvador and vice versa, and they ought to be viewed in tandem and in concert.

Nineteenth. How many Nicaraguans were killed during the fighting that led to the political and military takeover by the Sandinistas? How many political parties are free to contest elections in Nicaragua? When will free election take place there? Will there be international observers allowed at the elections, if any? Will observers be accorded any official status? Do political parties have free access to the media? Do political parties have free access to potential voters? Are interest groups—labor, business, teachers, workers, farmers, students, et cetera—free to have access to the media and voters? Are unions allowed to organize freely? Do prisoners have the right to habeas corpus? Does the international media have free access to prisons? to farms? to the political process?

Twentieth. What role has the Government of the United States played in the current political situation in El Salvador? Has the Ambassador of the United States to El Salvador advised the Government or El Salvador or any political party there on policy, or attempted in any way to influence political or other events there? Has the Ambassador participated in any way in bringing physical harm to any citizen of El Salvador? Who? Why? What is the proper role of the U.S. Ambassador to El Salvador? To Nicaragua?

Now, I do not want to play 20 questions with the U.S. Senate. But what we are talking about, in a very real sense, is which way is Central America going—all of Latin America, for that matter?

All around the world, we have been playing footsie with Marxist countries while, at the same time, kicking our friends in the teeth. And I think of Taiwan every day, Mr. President, to give just one example.

I think this is just as good a time as any for us to back up and reassess our foreign policy and say to ourselves: "What have we been doing to ourselves and to our friends?"

That is the reason this legislation ought to go to the Foreign Relations Committee, so some questions can be answered, not merely for the members of the committee, but for the people of the United States, because, after all, it is their freedom that we are tampering with and it is their $75 million that we propose to send to a Communist regime in Nicaragua.

It is the judgment of the Senator from North Carolina that, while it may inconvenience some Senators, we ought to take the time to make sure of what we are doing.

Surely, our intelligence services are aware of some of the allegations that have been raised here today. Perhaps it would be best for the Senate, before it takes such a momentous step as conferring legitimacy on the regime in Nicaragua—and on the actions of the U.S. Ambassador to El Salvador, I might say, parenthetically—it would be best for the Senate to step back and take a closer look at the events, in light of more recent history and new information concerning Central America.

And then, if that is done and when that is done, if the Senate wants to go ahead and send $75 million to Nicaragua, be my guest. I will vote against it, unless there have been some indications that the U.S. taxpayer's money is not being poured down a Communist rat hole. If the Senate wants to condone the activities of people like the new U.S. Ambassador to El Salvador, it suits me, just so I have a chance to vote no.

I caution a second look. That is all the the Senator from North Carolina is doing. I do not think it is too much to ask. I think this bill ought to be committed to the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that an article from the May 15, 1980, Miami Herald, by Shirley Christian, a Herald staff writer, captioned "Named to Council, Nicaraguan Flees to Exile in Miami," be printed in the RECORD. That article discusses in detail a man whom I discussed earlier in my comments, Jose Francisco Cardenal. He was to be one of the three vice presidents, yet he decided he did not want any part of it. If Senators do not do anything else, I do hope they will read this article by Shirley Christian in the Miami Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAMED TO COUNCIL, NICARAGUAN FLEES TO EXILE IN MIAMI

(By Shirley Christian)

Ten days ago Jose Francisco Cardenal took one of the 47 seats on Nicaragua's new Council of State in a ceremonious occasion in Managua. He was even elected to be one of the three vice presidents of the quasi-legislative body.

Today, he is an exile.

He left behind his construction business and his home, drove to Costa Rica on Sunday and flew to Miami Tuesday morning.

Cardenal, 41, said he took the drastic step "to give not just an alert but a ring of urgency about the sad situation of Nicaragua, not yet recovered from the bloody insurrection and now moving at high speed toward a totalitarian dictatorship of the extreme left."

Cardenal said that his move was prompted by the pressures put on the private sector to take its seats on the Council of State and by the manner in which he was named a vice president.

Bayardo Arce, a Sandinista commander who was acclaimed president of the council at its first meeting, nominated Cardenal for one of the vice presidencies, apparently in an attempt to appease private enterprise in Nicaragua. However, Cardenal said he had not been consulted in advance about the nomination and election.

"In that moment, I decided to leave," he said.

The six private-enterprise representatives on the Council of State had not agreed until the day before to take their seats. The decision was preceded by 10 days of nonstop negotiations between the private-enterprise umbrella organization, known as COSEP, and representatives of the Sandinista Liberation Front.

The negotiations were an attempt to resolve some of the differences over elections and other aspects of economic and political pluralism that came to the surface when the two non-Marxist members of the Nicaraguan junta—Violeta Barrios de Chamorro and Alfonso Robelo—resigned April 20 and April 22.

Robelo resigned because the Sandinistas forced through the junta a decision to expand the planned size of the Council of State from 33 to 47 members and to give Sandinista groups an absolute majority.

Chamorro resigned for health reason but he also opposed the changes in the Council of State composition. Robelo now is trying to organize his Nicaraguan Democratic Movement as a viable political opposition to the largely Marxist Sandinistas.

Cardenal, as president of the Chamber of Construction, was closely involved in the negotiations between the Sandinista Front and the private sector that are intended to eventually replace Chamorro and Robelo on the five-member junta or restructure it altogether.

The Sandinistas, while insisting that they enjoy the backing of the overwhelming majority of Nicaraguans, want to maintain at least a facade of national unity at this crucial time in Nicaragua's reconstruction. They also consider the cooperation of the private sector, including agricultural men, the key to rebuilding the shattered economy. There is concern in Nicaragua that some of the 8,000 cotton growers will not plant when planting time begins in June unless they feel confident that the government intends to maintain a partially private economy.

As the price for putting private-sector Nicaraguans back on the junta and for taking its seats on the Council of State, COSEP—with Cardenal a part—put a list of demands to the remaining junta members and the Sandinista leaders on April 26.

These included setting a timetable for elections, an expanded habeas corpus law, greater freedom of press and speech, an end to random confiscations and maintaining the Council of State at the original size of 33. The makeup of the council had been agreed upon by the five junta members before the downfall of the Somoza dynasty last July.

Cardenal said that during the negotiations two Sandinista commanders—Jaime Wheelock and Bayardo Arce—threatened "to break heads" if the private-sector Nicaraguans did not come to terms in time for the ceremonial opening of the Council of State on May 4.

The Sandinistas made concessions on some of the points but not all before that date, presenting the private enterprise representatives with the dilemma of whether to take part or not.

Cardenal said a vote was taken the day before by the six organizations that make up COSEP and that a majority favored going along with the junta. He said he voted to stay away until more concessions could be won, but that his organization had agreed that he should abide by the decision of the majority.

Cardenal said he was leaving Nicaragua at a potentially great economic loss. He said that while his construction firm had been idle for the past 11 months the firm was to have signed a government contract this week to build a hospital with financing from the Inter-American Development Bank. He said this would have put the firm in good financial shape.

Mr. HELMS. Mr. President, I yield the floor.

Mr. ZORINSKY. Mr. President, my able colleague from North Carolina has expressed some views that I am sure disturb many of us here in the Senate.

Unfortunately, we, as he expressed eloqently, have no way to forecast the final outcome of the situation unless we are to discard all of our interests in Latin America and create a vacuum in which we allow a prophecy to self-fulfill itself. That prophecy is for Nicaragua to become totally Communist-dominated.

For those concerned about where the tax dollars in the $75 million package are going, let me read from page 5 of the bill, H.R. 6081, line 7:

> That at least 60 per centum of such loan funds, and any local currency generated in connection therewith, shall be used for assistance in the private sector.

On page 6 of the same House bill, line 23, it states:

> Any agreement between the United States and the government of Nicaragua regarding the use of funds authorized to be appropriated under this chapter, made available in the form of loans, shall specifically require that such loan funds shall be used for the purchase of goods or services of U.S. origin.

My calculation reveals that 60 percent of $75 million, or $45 million, will be coming back to the United States of America to purchase goods and services manufactured in this country by Americans. Taxpayers in this country would obtain employment to that extent in order for us to sell these goods and services to the nation of Nicaragua.

It is erroneous to say that we are going to hand over $75 million to the Government of Nicaragua. This will not be one huge lump sum, which, if we are incorrect in our assessment as to the future of that government, we cannot stop from going to the nation of Nicaragua. Instead, disbursements of the aid will take place in three stages with a review of the program preceding each stage.

When I was a businessman prior to seeking this seat in the Senate, I faced this same type of decision. You would look at someone and say, "Should I sell him $20,000 worth of merchandise if in my heart I feel, and due to some past investigations, he may only be able to repay $10,000 of that?"

So what do you do is you set up a first experience with a lesser amount of dollars, even though your total, ultimate commitment may be greater. You see what your experience is with the open account or the balance on the books, so to speak. I do not think there is a businessman in America who has not at one time or another guessed wrong and possibly lost some of his corporate or business funds on account of that lack of judgment. But more have been right and that is what makes the United States of America and the free enterprise system work. We have the ability to make a judgment based on observations of what is happening in a business, or in this instance, with respect to the direction of a new government in Latin America.

In connection with observing what has been happening in Nicaragua, I want to submit some materials for the RECORD. I ask unanimous consent to have printed in the RECORD, Mr. President, an article from the Washington Post dated April 10, 1980, with the headline, "Nicaraguan Junta Bars Communists on Panel." It is datelined Managua, Nicaragua, April 10.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NICARAGUAN JUNTA BARS COMMUNISTS ON PANEL

MANAGUA, NICARAGUA, April 9.—The Communist Party and another leftist group have been excluded from a legislative advisory council to the ruling junta, a junta member said today.

Sergio Ramirez Mercado said the Communists and the Workers' Front, considered to be extreme leftist by the government, would be left out when the council is seated May 4 "because their actions have gone against the law." He did not elaborate.

The advisory group, called the Council of State, will review legislative matters for the junta. Its 33 members have been selected from among half a dozen political groups as well as unions and other organizations.

Ramirez Mercado said "other" groups would replace the two excluded parties on the council, but again did not elaborate.

The government, backed by the Sandinista National Liberation Front, has been at odds with the Communist Party and the Workers' Front in recent weeks and has jailed some of their leaders, saying they were working against the revolution.

Mr. ZORINSKY. I also ask unanimous consent to have another item printed in the RECORD, an article from the Washington Post dated April 16, 1980. The headline reads: "Nicaraguan Communists Arrested."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

26 NICARAGUAN COMMUNISTS ARRESTED

MANAGUA, NICARAGUA.—The justice minister of Nicaragua's Sandinista junta announced that 26 Communist Party members have been arrested and are being investigated on undisclosed charges. Sources close to the Communist Party said police arrested 50 party members last month.

Last week, the junta eliminated communists and members of other leftist groups from a special advisory council on legislative matters, accusing them of "poor conduct."

Mr. ZORINSKY. I also ask unanimous consent that a third item from the Washington Post dated May 5, 1980, with the headline "Sandinistas, Businessmen Said To Reach Accord Ending the Crisis" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SANDINISTAS, BUSINESSMEN SAID TO REACH ACCORD ENDING CRISIS

(By Christopher Dickey)

MANAGUA, May 4.—Nicaragua's revolutionary Sandinista leadership appears to have reached a series of compromises with the nation's private business leaders, effectively ending the worst political crisis here since the revolution in July.

The crisis began last month with the resignation of the only two non-Sandinistas in the five-member governing junta and a strike that shut down Nicaragua's only independent newspaper.

Business leaders initially feared that they might entirely lose their voice in Nicaragua's increasingly leftist government. But the Sandinistas moved quickly to reassure the private sector in a series of meetings.

Well-informed sources say that talks between the Sandinistas and businessmen are continuing, but that the Sandinistas already have met several key demands made by the nation's entrepreneurs.

Early this week the Sandinistas publicly announced an end to the state of emergency that gave the government sweeping powers for the last nine months. They have also initiated a law giving private citizens the right to appeal government action in the courts.

Sources close to the negotiations with the businessmen said that the Sandinistas have agreed to work harder to end illegal confiscations of land and factories by peasant and worker organizations.

A new law guaranteeing freedom of the press, requested by the private sector, is expected to be one of the first acts taken by the newly formed, 47-member Council of State. The council is primarily an advisory body.

A key bargaining point between business leaders and the Sandinistas was the question of when elections for municipal posts and a constitutional assembly will be held. The issue has not been entirely resolved, but usually well informed sources said they expect that on or before the July 19 anniversary of the Sandinista triumph, the Sandinista Front will announce a specific date for municipal elections next year.

During the bargaining sessions, which in recent days have stretched from late afternoon to the small hours of the morning, the private sector indicated it would not participate in the Council of State unless its demands were recognized.

The leader of the National Democratic Movement, businessman Alfonso Robelo, whose resignation from the governing junta on April 22 helped precipitate the crisis, maintains that Sandinista-backed changes in the composition of the council are illegal. The changes raised Sandinista representation from one-third to a majority.

Nicaragua's business organizations backed Robelo and demanded that the council be returned to its earlier form.

Until yesterday, there remained a chance that several of the country's smaller political parties and the six representatives of the Superior Council of Private Enterprise would boycott the Council of State, along with Robelo.

But today at the first meeting of the council, the Superior Council on Private Enterprise sent a complete delegation. Only Robelo's National Democratic Movement definitely refused to participate and the National Democratic Movement had only one council seat.

"I don't think we will ever join," Robelo told a reporter. Speaking of the uncontested elections of all the council's officers today, Robelo said, "You see right there the Sandinistas' absolute majority working. It's not very democratic."

But, democratic or not, the choice of administrative officers also clearly contained another concession to the private sector. The uncontested nomination of a member of the Superior Council on Private Enterprise as one of the three council vice presidents was made by Bayardo Arce, the council's ranking Sandinista and its new president.

The cooperation between the leftist Sandinistas and the private business interests of Nicaragua is widely considered vital to the reconstruction of the nation's nearly bankrupt economy.

The record of the Sandinistas so far suggests that despite the Marxist orientation of many of their leaders, they are considerably more conciliatory toward business than toward leftist extremists who are pushing for more radical socialist policies.

The Nicaraguan Communist Party was not allowed to participate directly in the Council of State. Its affiliated labor organization, the Center for Union Action and Unity, was given one of the 47 seats. When the union attempted to appoint one of its jailed leaders as the delegate, however, the Sandinistas refused to accept or release him. Another delegate was chosen and most of the extreme left-wing leaders in the country still remain imprisoned or in hiding.

Mr. ZORINSKY. Mr. President, I have received some letters in support of the $75 million aid package. One is from the Council of the Americas, a business association of more than 200 U.S. companies with nearly 90 percent of U.S. private investment in Latin America.

I also have a letter received today, from the American Federation of Labor and Congress of Industrial Organizations supporting this aid package.

Mr. President, I want to include, as well, a letter from the National Commander of the VFW, Mr. Howard E. Vander Clute, endorsing the $75 million foreign aid package to Nicaragua. Mr. Vander Clute in his letter on behalf of the Veterans of Foreign Wars of the United States, says:

> Recently, I visited Nicaragua and, based upon this visit and my trust in the judgment and patriotism of the U.S. Country Team in that damaged and volatile country, I hereby recommend that your Committee recommend approval of $75 million in reconstruction aid for Nicaragua.
>
> We cannot "run the film backwards." Perhaps there was, at some point, an alternative to Somoza rule, other than the Sandinistas, that might have been practical earlier. But if there was a lost choice then, I see no choice today.
>
> The young junta may follow the Cuban model; I don't know. But I *do* know we must offer them a real policy choice.
>
> The devastation left in the wake of the revolution is sickening. This I saw with my own eyes and, as a Christian, I can do no less than to urge swift and compassionate American assistance.
>
> I urge prompt passage of the $75 million aid package for Nicaragua.

Also, I have a letter from ASARCO, the American Smelting and Refining Co., in support of the Nicaragua foreign aid package.

Mr. President, this is one of the companies whose holdings the Nicaraguan junta has nationalized. But according to ASARCO, it was done in a highly professional manner and the company received compensation for the action taken by the Nicaraguans. The final paragraph in this letter says:

> I think it is in the interest of the United States to encourage the new government and the Nicaraguan private sector to work together to rebuild the country and its institutions. Approval of aid for Nicaragua would, I believe, encourage the private-sector people to believe that a sound future for their country exists.

There is also a letter from Mr. Glenn Davis of the Philadelphia National Bank in support of aid to Nicaragua.

Mr. President, I ask unanimous consent that all these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COUNCIL OF THE AMERICAS,
May 14, 1980.

Hon. EDWARD ZORINSKY,
U.S. Senate, Washington, D.C.

DEAR SENATOR ZORINSKY: The Council of the Americas, a business association of more than 200 U.S. companies with nearly 90 percent of U.S. private investment in Latin America, strongly urges the passage of the proposed Special Central American Assistance package of 1979. This bill mainly provides for $75 million in U.S. loans and grants to Nicaragua.

The Nicaraguan economy was devastated by the recent civil war, and the banks there lack funds to help restore the economy. This package would extend critically needed economic assistance while providing that approximately 60 percent of that amount be used to help the private sector, including small businesses, farmers and other nongovernmental organizations.

We recognize that some members of the Congress believe that Nicaragua is moving inexorably toward a far left or communist regime, which would be hostile to the United States. There are, however, reasons to believe that such an outcome can be averted. The Nicaraguan government recently has announced that it will make several changes to bring increased democracy to that country. These changes include: the reinstitution of habeas corpus; no further seizure of lands and properties and adjudication of expropriations in civil courts; the re-establishment of free trade unions; the holding of municipal elections in the near future and the subsequent election of delegates to a constitutional assembly; and, finally, the eventual election of national leaders to replace the revolutionary junta now in power.

None of this is to say that there is no risk in providing $75 million in U.S. assistance to Nicaragua. We believe, however, that the risk is well worth taking. To do nothing is to leave the field clear to the Soviets and to their Cuban surrogates in an area of vital interest to our country. Extending the assistance now will increase significantly the chances that the United States can help encourage the establishment of a democratic non-communist regime in Nicaragua.

With very best wishes,
Sincerely yours,
JOHN C. DUNCAN,
Chairman of the Board of Trustees.

AMERICAN FEDERATION OF
LABOR AND CONGRESS OF
INDUSTRIAL ORGANIZATIONS,
Washington, D.C., May 19, 1980.

Hon. FRANK CHURCH,
Chairman, Foreign Relations Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: The AFL–CIO strongly supports Senate concurrence with H.R. 6081, the Special Central American Assistance Act of 1979, which would provide $80 million in supplemental fiscal year 1980 economic assistance on urgent basis for countries in Central America, with the aim of encouraging peaceful and democratic processes of development in that region. The bulk of the funds—$75 million—is earmarked for Nicaragua.

Those Nicaraguans who would destroy the free enterprise system and eliminate free trade unions are opposed to this U.S. assistance. While this loan encompasses certain risks, it is far better than leaving the region to unopposed Marxist exploitation.

The AFL–CIO urges your support of H.R. 6081. With the safeguards now built into the legislation, assuring 60 percent of this loan for the private sector in Nicaragua, we feel that this is one possible measure to bring some democratic stability into an increasingly agitated area of the Americas.

Sincerely,
RAY DENISON,
Director,
Department of Legislation.

U.S. SENATE,
Washington, D.C., February 21, 1980.

Mr. HOWARD E. VANDER CLUTE,
National Commander-in-Chief, Veterans of Foreign Wars of the United States, Washington, D.C.

DEAR MR. VANDER CLUTE: Your recent letter to Congressman Zablocki in support of the Administration's $75 million supplemental aid request for Nicaragua deserves widespread public attention.

As National Commander of the VFW, your stand on this controversial issue makes the case for aid to the new Nicaraguan Government in a way the American people can understand; it slices through the normal bureaucratic jargon and lays it on the line. It is a gutsy, no nonsense kind of statement—the kind of statement of which you and the entire VFW can be justifiably proud.

As one who generally opposes this country's aid program, but one who strongly supports the Nicaraguan aid effort, I am pleased to associate myself with the VFW position. At the risk of sounding self-serving, it is a bold and courageous position. It is a forceful and positive position. But most importantly, it is the proper and correct position for the protection of our national interests.

As a former Army Captain, I salute you!

Sincerely,

Edward Zorinsky,
U.S. Senator.

Veterans of Foreign Wars
of the United States,
February 20, 1980.

Hon. Clement J. Zablocki,
Chairman, Foreign Affairs Committee,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Chairman: Recently I visited Nicaragua and, based upon this visit and my trust in the judgment and patriotism of the U.S. Country Team in that damaged and volatile country, I hereby recommend that your Committee recommend approval of $75 million in reconstruction aid for Nicaragua.

We cannot "run the film backwards." Perhaps there was, at some point, an alternative to Somoza rule, other than the Sandinistas, that might have been practical earlier. But if there was a lost choice then, I see no choice today.

The young junta may follow the Cuban model; I don't know. But I do know we must offer them a real policy choice.

The devastation left in the wake of the revolution is sickening. This I saw with my own eyes and, as a Christian, I can do no less than to urge swift and compassionate American assistance.

I urge prompt passage of the $75 million aid package for Nicaragua.

Please advise me of your intended course of action.

Most sincerely,

Howard E. Vander Clute,
National Commander-in-Chief.

ASARCO,
March 11, 1980.

Hon. Edward Zorinsky,
Chairman, Subcommittee on Western Hemisphere Affairs, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Senator Zorinsky: I am writing to express our hope that Congress will approve the pending legislation to provide aid for Nicaragua. The needs are great. The confidence of the Nicaraguan people in their institutions and their country is evident in that the majority of the private-sector farmers and businessmen have remained in Nicaragua and are doing their part to restore the Nicaraguan economy.

In the debate over this legislation in the Congress, much has been made of the Marxist declarations of certain of the Nicaraguan officials. In our day-to-day contacts with these same officials, we here found them pragmatic in economic matters and correct in meeting commitments which they have made. They appear to be developing their political directions as they go along; the issue is by no means determined at this time.

ASARCO Incorporated has operated in Nicaragua since the middle 1930's as manager of Neptune Mining Company, 53 percent owned by ASARCO. Neptune has gold-mining properties in the eastern part of Nicaragua. The mines were expropriated on November 2, 1979. We have since been in continual contact with members of the Junta and the Minister of Mines on matters of personal security, supplies, transportation, and the like. At the present time, the Government is auditing Neptune's books and making an inventory of its fixed assets in company with a representative of Neptune. This is in preparation for discussions as to compensation to be paid. This is not a pleasant matter, but is going forward in an orderly way.

I think it is in the interest of the United States to encourage the new government and the Nicaraguan private sector to work together to rebuild the country and its institutions. Approval of aid for Nicaragua would, I believe, encourage the private-sector people to believe that a sound future for their country exists.

Yours sincerely,

Charles F. Barber,
Chairman.

The Philadelphia National Bank,
Republic of Panama, February 14, 1980.

Hon. Edward Zorinsky,
Chairman, Subcommittee on Western Hemisphere Affairs, Foreign Relations Committee, U.S. Senate, Washington, D.C.

Dear Senator Zorinsky: As Regional Representative for the Philadelphia National Bank, I am responsible for my bank's business in Nicaragua. I travel frequently to Nicaragua, have made several contacts among my banking peers in the country and with recently installed executives who are managing the country's export sector.

I read with great interest your comments which were published a few months ago in the Miami Herald. It is my opinion that Nicaragua is currently at a crossroads. While the nationalization of the banking sector and export activities serves to protect what precious capital they have, the current power base must recognize the expertise of the private sector as a valuable ingredient in the ultimate success of their "revolution".

Many of the top level executives in the financial community trace their roots to a strong family owned enterprise. Recent conversations with them have revealed that privately they feel that the country will recognize the importance of the private sector in a mixed economy. The United States is in a position to help. Money is a powerful leverage factor and although "Uncle Sam" may be suffering financial pains, the cost of maintaining our sphere of influence has no price.

The President of the Central Bank told me during my last visit to Managua that the $75 million package currently before Congress is vital. Money from any country at this time is welcomed, but coming from the United States would be an extremely positive action. I believe the average Nicaraguan businessman realizes the importance of the United States as an economic and political ally.

They are asking for our help. I personally feel we should give it to them. I am never lacking for options. Should you or one of your staff ever come to Panama, I would enjoy discussing the current economic and political situation in the region.

Respectfully,

Glenn B. Davis III,
Assistant Vice President.

Mr. ZORINSKY. Now I should like, Mr. President, to turn to the subject of the resignation of Jose Cardenal from the Council of State, which the able Senator from North Carolina earlier discussed. Jose Cardenal visited my office this past week with the same message that Senator Helms has received. I listened very intently and very earnestly.

I believe the testimony of such individuals can be a learning experience for those of us on the Foreign Relations Committee who have not had a firsthand experience of this nature in the past.

In order to make an intelligent judgment and to discharge the fiduciary responsibility that is placed upon us in the Senate for the expenditure of the taxpayers' dollars, it is incumbent upon us to hear and to seek out all the facts possible prior to making those judgments on behalf of the American taxpayers.

As I listened to Jose Cardenal, I believed that he spoke with sincerity, honesty, and integrity. But I have also spoken to another member of that same government, who is in the same mold of Jose Cardenal, and who resigned at the same time from the junta, an individual named Alfonso Robelo.

Alfonso Robelo and Jose Cardenal are two men who believe in free enterprise. They left the Nicaraguan Government at approximately the same time. Believing that I needed to explore all the sources available to me, I placed a long-distance call to Alfonso Robelo and spoke to him for an hour on the telephone. He also was sincere in what he told me about the happenings in Nicaragua, the actions of the Sandinistas, and his concern with regard to the direction that the Nicaraguan Government was taking. However, his alternative was different from Jose Cardenal's. He decided to remain in Nicaragua to fight for his beliefs.

We all, in this country, know that there is nothing so unusual about a resignation from the cabinet, from the bureaucracy, from an elective post. All we have to do is keep track of or own news events here in the United States, and we can see ample evidence of people resigning from our own Government. So this should not be a signal that the Government is falling apart or coming apart at the seams. In my personal estimation, no one is irreplaceable in any government or in any business and, many times, an individual can be replaced with someone better.

But it struck me, after speaking with Alfonso Robelo, that he and Jose Cardenal are what this entire debate this afternoon is all about. These men, although parallel in ideology, chose two different paths to respond to the actions of the Government in Nicaragua. One's resolution of the problem was to drop everything in Nicaragua, flee the country, abandon a life's work, and come here and complain about all the problems confronting that nation.

The other one chose the avenue of remaining in Nicaragua and challenging the Sandinistas. In the past 2 weeks, Alfonso Robelo has drawn crowds of up to 12,000 people, with no interference from the Sandinistas, in order to speak against the Sandinistas' actions and their effect on the future of democracy in that country.

It strikes me, Mr. President, that we in this Chamber have the same two philosophies. Should we, as some recommend, run from Nicaragua and abandon it? Should say all hope is lost; it it too late; we must write them off? If we do, the domino theory will begin to take effect. And someday, we shall question ourselves as to why we have a guarded border between Mexico and the United States.

Or should we spend some time, courage, energy, initiative, and pride in the fight for what we believe in? Instead of running away, should we begin a new chapter in Nicaragua by helping the oppressed, the poor—the people of Nicaragua—its private sector, and those who believe in a way of living that we hold dear in our Nation? That is the choice we face in our debate today.

Some say our debate here today is over the question of handling $75 million to a Communist government, as though we have never done business with a Communist government. Not too long ago, I sat in my seat at the end of the aisle over there as the Senate debated the recognition of the People's Republic of China. We debated it at length. We also recently honored the memory of Marshal Tito of Yugoslavia. To say this country shies away from dealing with Communist governments, is, I believe, to totally mislead the people we serve.

Those in this Senate Chamber should keep in mind whom we serve. The bottom line, which too many times we forget, is: is it in the best interest of the United States of America to take this action?

Obviously, we have found it in our best interest in certain areas of the world to deal with Communist governments.

But, Mr. President, I say that not all is lost to Communist control in Nicaragua. I say that if there were no other side in Nicaragua then there would not be people quitting the junta, or resigning from the Council of State. There would not be the need to worry over whether the Sandinistas were evolving some type of military alliance with the Cubans.

Why would they seek a military alliance? It is when they fear they can no longer control the populace of their own country?

If the government is in a position where it cannot control the people in Nicaragua, that indicates to me that the vast majority of people out there are still trying to establish democracy. Hopefully, by our action today, we will contribute to the democratic process, by helping the people of Nicaragua to create a moderate government, rather than abandon them to the certainties of no-choice policy. Generally, we are excellent in concocting for these nations a course of events in which they have no alternative but to go to the Cubans or the Soviet Union.

When the question is asked, how many Cubans are in Nicaragua, how many Cubans are in El Salvador, how many Cubans in Honduras, or Guatemala, we should also ask how we contributed to that presence.

And even though we cannot answer the question of how many Cubans are in the United States of America, we are trying to find out how many Cubans are in another country.

The number of Cubans does not matter. What does matter is whether it is the will of this Nation to compete with Cuba, the Soviet Union and the Marxist influence, or is it the will of this Nation to abandon Latin America to a domino effect, with Nicaragua being that initial token.

(Mr. RIEGLE assumed the chair.)

Mr. ZORINSKY. Mr. President, I would like to read into the RECORD an editorial that will appear in LaPrensa this coming Thursday.

My dear colleague and friend from North Carolina and I both talked to Pedro Joaquin Chamorro, the editor of the LaPrensa newspaper.

The Senator from North Carolina posed the question:

> How far do you go before you become concerned on what you print in La Prensa?

Chamorro's father was assassinated by the Somoza government for saying too much. Now we have another government, and my colleague is making the implication his son will capitulate to the Sandinistas before he upholds the tradition and the honor for which his father before him so gloriously gave his life in the Nicaraguan revolution.

I maintain, more often, like father like son. I do not think that this young man will cave in, but due to the memory of his father, he will continue the family tradition that backs La Prensa.

Mr. President, I read from the editorial that will appear this coming Thursday in La Prensa in Nicaragua:

> For those who believe in freedom of expression in Nicaragua, the reappearance of La Prensa symbolizes more than a victory, rather it represents a positive turn in the Nicaraguan Revolution.
>
> Before the split which closed the newspaper for one month, many sectors of the society had been accusing La Prensa of having become a semi-official organ, thereby betraying its independent, critical, democratic and pluralistic line which it had pursued since its first publication after the triumph of the popular uprising.
>
> In effect, the newspaper found itself internally divided between a group that tried to follow the policies laid down by the Nicaraguan Union of Newspaper Journalists (UPN), a quasi-FSLN union charged with controlling the national press, and a smaller group of journalists who choose to follow a critical, informative line, independent of any state or quasi-state entity. This latter group was supported by La Prensa's Board of Directors which had been concerned for several months with the course the newspaper was taking and by the great deal of criticism La Prensa was receiving because of its gradual loss of independence and journalistic objectivity.
>
> The takeover of the newspaper by its workers coincided with two events of major significance: the resignations of Doña Violeta de Chamorro and Alfonso Robelo. Even though these three events had no relationship with one another, the fact that they occurred at the same time led the country into a severe political crisis and inevitably to wide speculation over the motives behind the resignations.
>
> The final break up between the Union and management of La Prensa came after several weeks of negotiations between the two parties when they reached an arrangement by which 150 of the 210 workers resigned to form their own newspaper: El Nuevo Diario. Javier Chamorro, a member of La Prensa's Board of Directors, also resigned to join a new paper after having signed an agreement by which La Prensa purchased his shares.
>
> Under the terms of the agreement, management will pay its former employees their full fringe benefits amounting to $130,000.00. In addition, La Prensa will supply former employees with a bonus of 118 tons of newsprint worth $60,000.00. This amount, together with $120,000.00 in shares received by Javier Chamorro, will form the capital base for El Nuevo Diario.
>
> La Prensa now faces a new challenge: publishing a high quality newspaper with a largely new staff, while at the same time contributing to the development of a pluralistic and democratic atmosphere in which the Nicaraguan revolution can pursue the democratic course which shaped the revolution from its inception and is its very reason for being.
>
> Without freedom of speech all other freedoms can be violated with impunity; without freedom of speech, the temptation for a dictatorship (of becoming a dictatorship) is irresistable.
>
> La Prensa has become one of the three significant indicators generally used in making a dispassionate and objective analysis of the Nicaraguan situation: freedom of speech, the status of the human rights and the degree of ideological pluralism. With the only two television stations controlled by the FSLN and only 2 or 3 independent radio stations, La Prensa represents an oasis of freedom, an oasis which is intimately linked with the political and economic future of Nicaragua. To maintain the balance between social justice and democratic liberties is the challenge which faces both La Prensa and the Nicaragaun Revolution.
>
> We cannot permit Nicaragua to move from a dictatorship of the right to a totalitarianism of the left. The Nicaraguan Revolution neither can or should be permitted to loose its unique character because of the enthusiasm of some leaders for bankrupted models such as Cuba. This is the challenge which faces La Prensa and if to reach this goal La Prensa must sacrifice its own existence it will be an honor to go down in history defending the ideals for which we have always fought, those for which my father, Pedro Joaquin Chamorro Cardenal gave his life.
>
> Two roads are being opened in the history of Nicaraguan journalism: the birth of El Nuevo Diario and the resurgence of La Prensa after having another stiff blow in its 54 years of existence: takeovers, censorship, two earthquakes, the total destruction of its facilities, the assassination of its Director and now the most profound split brings us to a new phase of La Prensa only ten months after the victory of the popular uprising.

To me, Mr. President, this does not sound like the tone of an individual prepared to capitulate to any directions given him by the Sandinista government. He goes on to say in his editorial:

> La Prensa has confirmed its allegiance to the motto which is printed daily under its banner: "To serve the truth and justice". What stirs the enthusiasm of the 60 workers who have stayed with La Prensa is well captured by what the ex-president of Venezuela, Carlos Andres Perez, said the day he visited La Prensa's semi-devastated facility: "The faith and the spirit in the value of the printed word are embodied in the work of La Prensa."
>
> In 1974 when La Prensa reappeared after a political shut down, a well known Nicaraguan writer and poet, Jose Coronel Urtecho sent my father a memorable telegram which was reproduced ten times its original size and hung in the entrance of La Prensa; it says: Congratulations on reappearance of La Prensa. In the public mind, when La Prensa does not appear it is as if there were no news or as if the news that exists is a lie." Today La Prensa reopens again, with a mission before it, under new circumstances, but with its same enthusiasm, spirit and convictions.

Mr. President, I ask unanimous consent to have the editorial appearing in LaPresna printed in its entirety in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDITORIAL

For those who believe in freedom of expression in Nicaragua, the reappearance of

La Prensa symbolizes more than a victory, rather it represents a positive turn in the Nicaraguan Revolution.

Before the split which closed the newspaper for one month, many sectors of the society had been accusing La Prensa of having become a semi-official organ, thereby betraying its independent, critical, democratic and pluralistic line which it had pursued since its first publication after the triumph of the popular uprising.

In effect, the newspaper found itself internally divided between a group that tried to follow the policies laid down by the Nicaraguan Union of Newspaper Journalists (UPN), a quasi-FSLN union charged with controlling the national press, and a smaller group of journalists who choose to follow a critical, informative line, independent of any state or quasi-state entity. This latter group was supported by La Prensa's Board of Directors which had been concerned for several months with the course the newspaper was taking and by the great deal of criticism La Prensa was receiving because of its gradual loss of independence and journalistic objectivity.

The takeover of the newspaper by its workers coincided with two events of major significance: the resignations of Doña Violeta de Chamorro and Alfonso Robelo. Even though these three events had no relationship with one another, the fact that they occurred at the same time led the country into a severe political crisis and inevitably to wide speculation over the motives behind the resignations.

The final break up between the Union and management of La Prensa came after several weeks of negotiations between the two parties when they reached an arrangement by which 150 of the 210 workers resigned to form their own newspaper: El Nuevo Diario. Javier Chamorro, a member of La Prensa's Board of Directors, also resigned to join a new paper after having signed an agreement by which La Prensa purchased his shares.

Under the terms of the agreement, management will pay its former employees their full fringe benefits amounting to $130,000.00. In addition, La Prensa will supply former employees with a bonus of 118 tons of newsprint worth $60,000.00. This amount, together with $120,000.00 in shares received by Javier Chamorro will form the capital base for El Nuevo Diario.

La Prensa now faces a new challenge: publishing a high quality newspaper with a largely new staff, while at the same time contributing to the development of a pluralistic and democratic atmosphere in which the Nicaraguan revolution can pursue the democratic course which shaped the revolution from its inception and is its very reason for being.

Without freedom of speech all other freedoms can be violated with impunity; without freedom of speech, the temptation for a dictatorship (of becoming a dictatorship) is irresistable.

La Prensa has become one of the three significant indicators generally used in making a dispassionate and objective analysis of the Nicaraguan situation: freedom of speech, the status of the human rights and the degree of ideological pluralism. With the only two television stations controlled by the FSLN and only 2 or 3 independent radio stations, La Prensa represents an oasis of freedom, an oasis which is intimately linked with the political and economic future of Nicaragua. To maintain the balance between social justice and democratic liberties is the challenge which faces both La Prensa and the Nicaraguan Revolution.

We cannot permit Nicaragua to move from a dictatorship of the right to a totalitarianism of the left. The Nicaraguan Revolution neither can or should be permitted to loose its unique character because of the enthusiasm of some leaders for bankrupted models such as Cuba. This is the challenge which faces La Prensa and if to reach this goal La Prensa must sacrifice its own existence it will be an honor to go down in history defending the ideals for which we have always fought, those for which my father, Pedro Joaquin Chamorro Cardenal gave his life.

Two roads are being opened in the history of Nicaraguan journalism: the birth of El Nuevo Diario and the resurgence of La Prensa after having another stiff blow in its 54 years of existence: takeovers, censorship, two earthquakes, the total destruction of its facilities, the assassination of it Director and now the most profound split brings us to a new phase of La Prensa only ten months after the victory of the popular uprising.

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Mr. ZORINSKY. Mr. President, as my able colleague from North Carolina indicated, we have not debated the House bill in the Senate Foreign Relations Committee. We debated a more liberal version of this bill. Inasmuch as our version was less restrictive than the House version that we hope to adopt, I feel that there is no reason to reinvent this wheel, to again spend the taxpayers' time and money to go over the same ground, and to debate the same subject. We can reach a conclusion on the floor of the Senate without a recommitment.

There are two sections of the bill, which, I believe, deserve clarification. The first provision on which I would like to make a clarification is the subsection dealing with cooperation with any international terrorist organization or support of acts of violence or terrorism in other countries. First, let me say that I can think of no more appropriate limitation on our assistance, not only to Nicaragua, but to any other country. We oppose terrorism anywhere and must do our best to discourage it. The one question which has occurred to me, however, is whether this language might be interpreted to cover instances in which a government, in this case the Nicaraguan Government, happens to agree with a political position of a government or international organization such as some of those in the Middle East or Southern Africa, which may, in fact, carry out actions which might be described as terrorism. I think that it is important that we understand that this provision is intended to deal only with direct or indirect support of acts of violence or terrorism and not with questions of possible agreement on particular political positions.

The second is a provision which requires that loan funds be used to purchase goods and services of U.S. origin. It is certainly important that every effort be made to see that our funds are used to maintain and hopefully increase the level of trade between Nicaragua and the United States during this difficult period. In the normal course we would deal with this concern by having the AID Agency work with the Government of Nicaragua to begin, after the date of signing of the loan, to order goods or services from the United States.

However, because of the very grave foreign exchange shortage in Nicaragua it is not feasible to impose all of these requirements on these funds which are needed immediately for emergency needs. Therefore, it is our understanding that arrangements have been negotiated between the two Governments pursuant to which the Government of Nicaragua will undertake to purchase from the United States during this fiscal year goods and services in an amount not less than the total amount of loan funds herein authorized. It does not mean that the dollars made available under this act will be directly used for these purchases because of the emergency situation. However, the intent of Congress will be implemented in that Nicaraguan Central Bank will, in reconciling its documentation, assure that these funds are attributed to imports of good and services from the United States which we are assured will substantially exceed the amount of the loan.

Mr. HELMS. Mr. President, before Senators assume that H.R. 6081 is, in fact, a tightly drawn piece of legislation, I suggest that they examine the loopholes which are large enough to drive a herd of camels, donkeys, and elephants through. I just pick one or two examples:

On page 5, beginning on line 18:

> The President shall report on the implementation of this provision in the report required under subsection (e) of this section.

On line 21:

> (k) The President shall terminate assistance to the Government of Nicaragua under this chapter if he determines and reports to the Congress that Soviet, Cuban, or other foreign cambat military forces are stationed or situated within the borders of Nicaragua . . .

Mr. President, is that not an undue burden to put on a President who could not even verify the presence of Soviet troops in Cuba?

There are all sorts of ways, just by ignoring the situation and failing to see or failing to perceive, that will prevent the implementation of any restriction. This is a very loosely drawn piece of legislation, as a matter of fact.

Let us return for a moment to Jose Cardenal, who was here in Washington last week. It will be recalled that he was to be one of the three vice presidents. He took a look at what was going on in Nicaragua and said, "I can't be a party to this."

Let anybody assume that this man was a lackey for Somoza, let the record show that Cardenal spent 7 months in prison under the Somoza regime because he disagreed with the Somoza administration.

So here is a man obviously concerned about his country and willing to sacrifice everything he has, and he came to this country and to this city last week to plead that we not make a mistake on this thing.

I have here the statement that Cardenal issued while he was here.

I shall read part of it, and I ask unanimous consent for all of the statement to be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered

(See exhibit 1.)

Mr. HELMS. I thank the Chair.

Mr. Cardenal began:

> I leave my country, oppressed by a situation that if it were to consolidate itself, would once again bury us under a terrible dictatorship.

What he is talking about are the Sandinistas, the Marxist regime that is in control of Nicaragua, and make no mistake about that. This is the crowd to whom we are going to send $75 million of the American taxpayers' money and let them decide how it is to be used. Any Senator who does not know how they are going to use the money needs a white cane.

One thing about the Communists is they are consistent. They do not back and fill. They are for communism first, last, and always.

In any case, Mr. Cardenal continued:

> The evident irreversible tendency of the present Nicaraguan regime toward a rigid and abusive Marxist-Leninist system is very clear, and what is more painful yet, social segments involved in production and politics, are cooperating toward the consolidation of that deviation from the legitimate Nicaraguan revolution.

Bear in mind, Mr. President, that Mr. Cardenal was part of this revolution. He was anti-Somoza.

I hope Senators will read all of the statement that I have asked to have printed in the RECORD because this obviously is the heartfelt plea from a Nicaraguan who sees what is happening.

I particularly call attention to the concluding paragraph of his statement. He is saying to us, he is saying to all:

> Let those who are asleep, wake up! May all the naive individuals clear their minds! May corrupt individuals stop their manipulations! Let us save Nicaragua from communism as soon as possible. I waive all the political power that has been offered to me, I waive the financial benefits that I could have obtained, I save my responsibility before God, before history and before my dear Nicaraguan nation.

Mr. President, that establishes the parameters of what we are trying to discuss here today, as I said at the outset, I doubt not the sincerity of anyone who disagrees with me; I just believe him or them to be sincerely wrong. I believe that it would be a travesty for this Senate knowingly to send $75 million of the taxpayers' money to a Communist regime in Nicaragua in the vain hope that somehow this will ameliorate a situation that the Communists are never going to allow to be ameliorated.

Anyone who doubts that the role of communism in this world is to dominate the world needs to read history. They need to sit down and talk with Alexander Solzhenitsyn and others who have tried to warn about the nature of communism, and the fact that the Sandinistas are consorting with the dictator in Cuba, Fidel Castro, and have traveled to Moscow and made a deal with the Communist Party there should be warning enough to us.

EXHIBIT 1

TO ALL NICARAGUANS AND TO THE FREE PEOPLES OF THE WORLD

I leave my country oppressed by a situation that if it were to consolidate itself, would once again bury us under a terrible dictatorship. The evident irreversible tendency of the present Nicaraguan regime towards a rigid and abusive Marxist-Leninist system is very clear, and what is more painful yet, social segments involved in production and politics, are cooperating towards the consolidation of that deviation from the legitimate Nicaraguan revolution. Some of them acting in good faith, with a naive romantic attitude caused by the word "Revolution", other, thinking that they are gaining time, with the hope that unforeseeable events might right the catastrophe, lend themselves to give to the system the cooperation and help that it urgently needs, and others, with fraudulent and criminal premeditation, agree to that job, thinking that they are deceiving the government, wearing "pragmatic" clothes, to take abroad any resources that they might accumulate during that process.

And in that shameful work, those three groups do not stop at anything or anyone, reaching the extreme of using as a shield or instrument their own friends, innocent victims of underhanded maneuvers.

To explain what I have said above I want to denounce, though it be sketchy, all the framework that was set up around the installation of the new Government Council and of which the uppermost organization of private enterprise, COSEP, has been a party and sponsor.

This organization was considered a moderating force in the present revolutionary Sandinist-Communist process, and in the end it resulted into a shameful pander. A few days before, COSEP had expressed publicly that as long as basic corrections were not made in the orientation of the Government, establishing:

1. Unrestricted freedom of the press (promised by Government statute),
2. A protection law sheltering the citizen from governmental abuses,
3. Liberty for labor unions, removing the iron-fisted control of the Marxist-Leninists over the labor movement,
4. Setting of a date for holding elections (promised vaguely in the same Government Statute),
5. Clear separation of the powers of the State that now are mixed and deposited only with the FSLN (Sandinist Libertation Front),
6. Maintaining of the number and proportion in the original structure of the Council that appears in the Fundamental Statute.

COSEP would abstain from forming part of the Government Council (or State Council). COSEP plainly stated this on Friday, May 2nd, in a letter addressed to the Junta. With this apparently firm attitude it drew parties of proven democratic ideology such as the Partido Conservador Demócrata (Democratic Conservative Party), Partido Social Cristiano (Christian-Social Party), and Partido Social Demócrata (Social-Democratic Party), to abstain from participating in the Government Council as long as the conditions demanded by COSEP were not met. It did not include the Movimiento Democratico Nicaraguense (Nicaraguan Democratic Movement) because its position at the last minute, as was explained by our coordinator, in consultation with them, was that they felt that we should participate in the Council and I personally think that this maneuver was aimed at drawing political advantages from discrediting COSEP.

Great was the surprise of the citizenry when they heard of the abrupt decision of COSEP to be present at the Council, but the people did not know that this decision to go was taken without proper consultation by only part of the Presidents of COSEP in a private meeting with members of the Frente and of the Junta. They, better than anyone else, knew that the demands that had been presented were unsolved and they did not see, precisely, that the origin of the crisis was, fundamentally, the lack of credibility in their promises.

Things do not stop there. The undersigned oppressed by this strange decision and weighed down by pressures, had to accept at the last minute to represent COSEP in the Government Council. That Sunday morning, out of discipline and as not to disrupt the unity of my group, more than out of personal conviction, I went believing that this was just a protocol action that would spur the "success" of the talks that had been started. But what filled my cup was that during the preparatory meeting of the Council I was nominated as Vice President of same by the just elected President, mister Bayardo Arce, in a decision without consultation, but backed by the conspiracy of a group of COSEP members with whom they had met before, obtaining the overwhelming approval of the Assembly; thinking that with this they would bind me personally to the victorious force and would give the impression of a definitive agreement with COSEP and that they would in one blow destroy an attempt of civic resistance to the dictatorial outrages of the Government.

Caught between these unusual and abusive circumstances, I have no other way than to denounce such gross appeasing maneuvers, recover my prestige before honest public opinion that with reason enough was confused and frustrated at my supposed attitude of collaboration which I apparently displayed.

But the truth is the total opposite. I strongly reject that I had any knowledge of the criminal conspiracy that was prepared trying to use my clean name of true democrat and hones businessman and have no other option, except the only alternative left to a gentleman who is caught in a trap: "denounce it publicly to save his honor," and thus contribute to prevent that others with well-meaning feelings continue being used by the infernal machinery of international communism that stops at nothing and at no one.

Knowing that my statements and resignation will cause what is usual in the communist countries, a great barrage of insults, lies, and accusations against anyone who dares to do so, and in the hope that at this time the Nicaraguan people are aware of these tactics, I want to let this heroic and suffering people know that I have been an independent business man and that I have made an honest living with my work, that I was not like many other businessmen, indifferent to the future of my Fatherland, and I took up arms, was scourged, persecuted, and spent seven months in jail defending my country. Therefore, I have a record of active participation in the crises that freedom has had in my country. Since Olama and the Mollejones in 1959, till the great strikes led by private enterprise, I was an activist, planner and performer in all these efforts that climaxed with the toppling of Somoza. It never crossed my mind to enjoy opportunities to forget the fate of Nicaragua. Moreover, now my company had been awarded a contract to build a hospital, which meant considerable profits for me that would help me pay debts incurred due to the chaos we had been living in for the last three years. But I leave all this, I set all this aside, when at stake is the duty of sounding the alarm, of an urgent alert, in the fact of the said situation being lived by our poor Nicaragua, still recovering from a bloody war and that, unfortunately, is being led straight and rapidly towards a totalitarian dictatorship of the extreme left.

Let those who are asleep, wake up! May the naive individuals clear their minds! May corrupt individuals stop their manipulations! Let us save Nicaragua from communism as soon as possible. I waive all the political power that has been offered to me, I waive the financial benefits that I could have obtained, I save my responsibility before God, before history and before my dear Nicaraguan nation.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Mr. President, is there any formal agreement as to the time for a vote on the motion by the Senator from North Carolina to commit H.R. 6081 to the Foreign Relations Committee?

The PRESIDING OFFICER. The Chair will advise that there is no agreement as to precise time.

Mr. HELMS. In that case, if the Chair will indulge me, I ask the distinguished manager of the bill, my friend from Nebraska, if it is his pleasure to delay a vote until after 3 p.m. to accommodate Senators who are not yet in town?

Mr. ZORINSKY. That is my intention, and I believe we have the Senator from Minnesota who wishes to make a statement prior to that.

Mr. HELMS. Yes.

Mr. ZORINSKY. So, hopefully, we might be able to extend our debate to that time or call for a quorum.

Mr. HELMS. Very good.

In the interest of saving a little bit of time, I wonder if I might ask my friend if he would be willing for the Senator from North Carolina temporarily to set aside his motion and call up an amendment.

Mr. ZORINSKY. I agree to that.

Mr. HELMS. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ZORINSKY. Does the Senator then have any objection after that amendment for the Senator from Minnesota to seek recognition?

Mr. HELMS. Not at all, and I shall be brief, I say to my friend from Minnesota.

This is an amendment that the lawyers call "res ipsa loquitur." It is an amendment that speaks for itself.

The PRESIDING OFFICER. Will the Senator indicate does he intend to send the amendment to the desk now?

Mr. HELMS. Yes, I certainly am going to do that at this moment.

UP AMENDMENT NO. 1103

(Purpose: To restrict the availability of funds for Nicaragua)

Mr. President, I send an amendment to the desk and ask for its immediate consideration and I hope the clerk will read this with great feeling and emotion because the amendment is just about all the speech that I am going to make. It speaks for itself.

The PRESIDING OFFICER. The Chair will advise that the clerk always reads with a great deal of feeling and emotion.

Mr. HELMS. I agree.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms) proposes an unprinted amendment numbered 1103.

On page 7, line 9, strike out the quotation marks;

At the end of the bill, add the following:

"(1) None of the funds authorized to be appropriated under this Act may be made available until the President determines and so certifies to the Congress that in Nicaragua—

"(1) there is no abridgement of the freedom of speech, or of the press, or of the right of the people peaceably to assemble and to petition the government for a redress of grievances;

"(2) the right of the people of Nicaragua to keep and bear arms has not been infringed;

"(3) no soldier is quartered in any house without the consent of the owner;

"(4) the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures it not violated;

"(5) no person is deprived of life, liberty, or property without due process of law, and no private property is taken for public use without just compensation;

"(6) in all criminal prosecutions, the accused enjoys a speedy and public trial, by an impartial jury, the accused is informed of the charge made against him and is confronted with witnesses against him and has opportunity to obtain witnesses in his favor and counsel for his defense;

"(7) there is the right to a writ of habeas corpus or similar process of law, and no excessive bail is required in any criminal proceeding nor excessive fines imposed nor cruel and unusual punishments inflicted; and

"(8) the right of the citizens of Nicaragua to vote is not denied.".

Mr. HELMS. Mr. President, those familiar with the Bill of Rights will be familiar with this amendment.

As I said when I called up the amendment, it speaks for itself.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, I compliment the Senator from Nebraska on his efforts here today. This is sort of a second time around for him. But I think I noticed not only in the character of his presentation but in the force of that presentation a conviction which I probably cannot adequately convey but which I share.

Mr. President, once again, we face the question of supplemental assistance to the nations of Central America, and specifically to Nicaragua. Once again, the issue is as clear as it was last December, when this bill was first proposed.

Stated simply, we face the choice between the risk of failure and the certainty of failure. I believe that we are all agreed that the political situation in Central America is alarming. The Senator from North Carolina has spoken eloquently as to the alarm.

Many governments in this crucial region face increasing turmoil from within and pressure from without. Cuban and Soviet overtures have ranged from propaganda to assistance to outright support for subversion. If this situation is not checked and eventually reversed, we face the prospect of one, two, or many more Cubas. Such an outcome would be acknowledged by all as a failure of American foreign policy, and the debate today therefore concerns the best means by which to reduce the likelihood of such a failure.

The land bridge of Central America has been described as a two-pointed dagger aimed both north and south. Aside from the crucial importance in its own right of this region to U.S. security, Central America is strategically located between North and South America. It is clearly within our security interests, therefore, to encourage the nations of this region to resist the blandishments of hostile or radical governments and to pursue a course of independence, growth, and, hopefully, of mature judgment.

At the moment, Nicaragua is economically devastated. The earthquake of 1972, the corruption of the Samoza government, and the widespread destruction of the civil war have all combined to reduce the Nicaraguan economy to a shambles. It is from such conditions that radicalism develops.

No nation can tolerate such devastation, and no nation will ignore any opportunity to begin the long process of reconstruction. So long as the conditions of aid do not intrude on Nicaragua's fundamental right to sovereignty, the government will accept assistance from whatever quarter it is offered. To do otherwise is to acquiesce in continued economic collapse, and no government can overlook this. Therefore, the assistance which Nicaragua has accepted from the Soviet Union indicates not that the Sandinista government is set on a course of alliance with the Soviets but rather that the Soviets have succeeded where we have thus far failed. This argument is clearly illustrated by Samuel Chavkin, former Latin American editor of the Overseas News Agency, in an April 23 article in the Los Angeles Times. I, therefore, ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

TARNISH ON U.S. IMAGE WORSENS IN NICARAGUA

(By Samuel Chavkin)

Moscow's decision last month to give aid to the revolutionary government of Nicaragua has resulted in "I-told-you-so" recriminations from some members of Congress. Opponents of the Carter Administration proposal to lend $75 million to that war-ravaged Central American nation new feel justified in contending that Nicaragua will become another Cuba. On the other hand, supporters of the loan bill see the development as a self-fulfilling prophecy resulting from the failure of Congress to help Nicaragua in its hour of need.

From the Nicaraguan viewpoint, acceptance of Soviet aid is neither pro-Russia nor anti-United States. It is simply pro-Nicaragua.

Obviously, the five months of congressional debate and eventual passage of the bill, including several onerous amendments, scarcely made for better relations between Washington and Managua. The shattering blow came early last month with the discovery by Congress that funds for the loan would not be available. It seems that Congress had already exceeded by $10 billion the spending limit it had set for overall foreign assistance for fiscal 1980. Thus, the loan for Nicaragua is effectively dead.

News of this was greeted in Nicaragua with disappointment, anger and charges of deviousness by "U.S. imperialism." Some observers feel that this turn of events may also reinforce doubts among other Latin Americans who have been questioning the integrity of American policies designed to stabilize the tumultuous, tragic conditions in El Salvador, Guatemala and Honduras.

The loss of the $75 million loan will put a serious crimp in Nicaragua's economy, most of which was destroyed by deposed dictator Anastasio Somoza. The Nicaraguans paid dearly with their lives and property to gain freedom from 45 years of Somoza's rule. At least 50,000 people were estimated to have been killed in the fighting. About 150,000 were maimed and wounded, or which 40,000 require continued medical care.

More than 60% of Nicaragua's industry is in shambles. About 200,000 families are homeless, there are 40,000 orphans, and scores of children are dying every day because of a scarcity of drugs and hospital supplies.

Congress' failure to come through with the loan will not only intensify the economic crisis in Nicaragua, it also will dim the opportunity for the United States to remove the tarnish from its image as the main supporter of the Somoza dynasty. For many decades, particularly since the opening of the Panama Canal, American policymakers were committed to keeping firm control of the region, either with the Marines or by means of local strongmen.

Finally, after two years of intense fighting that toppled Somoza, the United States changed course. Soon after Somoza fled to Miami, Washington decided to recognize the new revolutionary regime. It also promised to help it financially.

For its part, the new government put aside its grievances against the United States and concentrated on plans to pull the nation together again. There was every indication that an era of "good feelings" between the countries was in the making.

Last November the Administration introduced the Nicaraguan loan bill, and the Senate passed it. But, in the House, John M. Murphy (D-N.Y.) and Robert E. Bauman (R-Md.) led the fight to defeat the bill, contending that it would help create a new Cuba. On the other hand, Clement J. Zablocki (D-Wis.) and Tom Harkin (D-Iowa), both of whom had visited Nicaragua, argued that the country was moving toward a pluralistic political system. They pointed to the fact that 70 percent of Nicaraguan industry and agriculture was in private hands, and that the 30 percent that was nationalized had belonged to Somoza and his friends.

By a slim margin, the House approved the bill—but with amendments that many believe would make it almost impossible for Nicaragua to accept the loan without losing face. As conservative Henry J. Hyde (R-Ill.) put it, "I think to hamper this bill with demeaning and even insulting conditions to a country that is attempting to struggle to its feet, and attempting to maintain some dignity . . . totally negates any advantage that might accrue . . . by giving them this money." Among the amendments passed by the House: that the Nicaraguan government spend up to 1 percent of the loan ($750,000) to advertise the fact that the loan came from the United States; that the President "not release the funds" until he had certified that Nicaragua is not involved in international terrorism; that loan funds be cut off to any facility, such as schools or hospitals, where Cuban teachers or doctors are employed.

As news of the amendments became known in Managua, the reaction was that of indignation. Jacinto Suarez, vice minister of foreign affairs, said in an interview. "We shall never accept a loan with strings attached. After all, this is not a handout, this is a loan."

The U.S. politicians opposing the loan, he said, contend that "we are not worthy of it because we don't guarantee human rights. But that is exactly what the money is to be used for—to bring about conditions in which the exercise of human rights would be possible. It is to build 10,000 dwellings, to rejuvenate industry and to increase our crops to feed people, and to bring a health program to people who have never seen a nurse or a doctor."

As Nicaraguans make ready to tighten their belts yet another notch, the government continues to develop popular programs. A massive anti-illiteracy campaign is under way. High school and university students and their teachers are teaching the three Rs.

The tone of the country is definitely upbeat, despite the obvious privations and occasional hunger. The government appears to have consolidated its control over the entire country. But the youthful Sandinista army is on the alert all the time. Young men and women, dressed in battle fatigues and armed with light machine guns, are doing guard duty at the airport, at government offices, at main thoroughfares and even at the International Hotel.

The one government facility that probably requires the least security is the national treasury, for Somoza left the new regime only $3 million and a national debt of $1.6 billion.

Mr. DURENBERGER. Today, we have the opportunity to overcome our past neglect. The modest sums being considered here as loans and grants to Nicaragua are a sensible investment in the future of Central America and in our own security. If we do nothing, we insure that Nicaragua will continue to take its lead from those nations which have shown an interest in the country. In short, we guarantee increasing degrees of Soviet and Cuban influence and we face the certainty of failure. If, on the other hand, we offer Nicaragua the modest amount of funding being considered here, we hold out the prospect of a sound economy built upon the private sector, and we insure that the Nicaraguans will face a choice rather than a foreclosure on their future.

Nothing—I repeat, nothing—can guarantee that the Nicaraguan Government will not become a radical regime or a Cuban ally, and that is what makes this whole process so difficult, but such an outcome is a certainty if we do not offer this aid, for we will have abandoned the field to others. Such an outcome is only a risk if we do offer this aid, for we will have worked to undermine the economic conditions of radicalism. The decision facing us, therefore, is similar to that which faced the Congress more than 30 years ago during the debate over the Marshall plan. If we do not help Nicaragua to overcome its current devastation, we insure that hostile governments will. An investment in the Nicaraguan economy is therefore an investment in our own security, and like any investment it is not risk-free.

However, I believe that the risk has been substantially reduced. Last January, the Senate passed its own version of this measure by a vote of 55 to 34. The bill which we consider today has been substantially amended by the House to contain numerous safeguards—many of which were suggested by the Senator from North Carolina at the time—that should reassure skeptics of this investment. Therefore, the bill merits passage today even more than it did last January. Indeed, the most telling evidence of this which I have encountered is a letter to Congressman ZABLOCKI from Mr. Howard E. Vander Clute, the National Commander-in-Chief of the Veterans of Foreign Wars. Mr. Vander Clute wrote to Congressman ZABLOCKI urging passage of H.R. 6081, arguing that to do otherwise was to abandon any concept of choice in American foreign policy as it relates to Central America. I therefore request unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD. as follows:

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
February 20, 1980.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Foreign Affairs Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Recently, I visited Nicaragua and, based upon this visit and my trust in the judgment and patriotism of the U.S. Country Team in that damaged and volatile country, I hereby recommend that your Committee recommend approval of $75 million in reconstruction aid for Nicaragua.

We cannot "run the film backwards." Perhaps there was, at some point, an alternative to Somoza rule, other than the Sandinistas, that might have been practical earlier. But if there was a lost choice then, I see no choice today.

The young junta may follow the Cuban model; I don't know. But I do know we must offer them a real policy choice.

The devastation left in the wake of the revolution is sickening. This I saw with my own eyes and, as a Christian, I can do no less than to urge swift and compassionate American assistance.

I urge prompt passage of the $75 million aid package for Nicaragua.

Please advise me of your intended course of action.

Most sincerely,
HOWARD E. VANDER CLUTE,
National Commander-in-Chief.

Mr. DURENBERGER. Mr. President, I believe that the issue is clear. I therefore urge my colleagues to vote once again for reconstruction assistance for Nicaragua and for other nations in Central America. The longer we delay, the more we invite doubts about our good faith or our judgment. We have faced enough such doubts over the past few years, and our prestige and our policy have suffered as a result. Let us therefore pass this measure now, and add a degree of coherence to our foreign policy.

I thank the Chair and I yield back my time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, during the course of this debate my distinguished colleague from North Carolina has raised a number of questions which have been met, in part, by my distinguished colleague from Nebraska and the very fine speech by my distinguished colleague from Minnesota.

I simply want to underscore a number of points by bringing to the attention of the Senate a very important article that appeared in the Journal of Commerce on Friday, May 16, 1980 by Alan Robinson. It attempts to answer some of the vital questions that are part of this debate.

Let me review those for just a moment because the Senator from North Carolina, when I said there were no guarantees of a course of action, has stated indeed that this is a guarantee of aid to the Communist government of Nicaragua.

The Senator from Nebraska has pointed out that about 60 percent of the aid will be in the form of purchases of American goods and services by private enterprises in Nicaragua, with a very good audit trial of documentation for those purchases. So that, in essence. the bulk of the money is going to stay here in this country, is going to provide the jobs and benefits to American citizens.

Likewise it will be beneficial in that it will strengthen the private enterprise economy in Nicaragua. Indeed, the legislation does provide quite a number of safeguards in terms of an audit trail that will be important to American taxpayers. American taxpayers should be concerned about this situation because the product of our failure of our foreign policy in Latin America is only too clear, with the extraordinary problems faced by our Immigration and Naturalization Service, not only with regard to the problems of Cuba and Florida, but also, citizens from Mexico, Central America, South America coming across our borders. As we try to enumerate these citizens, we try to figure out where we are headed in Latin America.

In short, we are in a way, in a very modest way, today attempting to do something to define a policy. The Senator from North Carolina has raised the question of how can we send aid to set up another Cuba and to build communism.

Clearly, that is not the intent of this body. Clearly, our interest or intent is to move exactly 180 degrees in the other direction, to see whether it is possible, through thoughtful, tailored programs, to do something for the private sector, to do something for private business in Nicaragua that might offer a central course between military dictatorship and an authoritarian Communist government.

This is a quest that has been difficult for this country, but it is a quest that is necessary for us.

Our question today is not are we going to throw money down a Communist rathole, or send aid to set up another Cuba, or send money to build up another Communist state, or to guarantee $75 million of aid to communism. The true question the Senator from North Carolina raised is: Which way are we going in Central America and what have we been doing, he said, to our friends? I think those are the relevant questions.

If today we decide not to send money, under the stipulations that are pretty tight in this bill, to Central America, with most reference, of course, to Nicaragua, it is not really clear what our course of action is at that point. It is no policy to do nothing. It is not a constructive policy to simply hope that the Lord will provide. There has not been a constructive suggestion as to who our friends are in that situation.

I would say that the Senator from Nebraska and I, and others who are attempting to do something constructive here, are at least trying to carve out who we might find as friends in that country. We believe we have identified some people who might do well in the private sector.

I will quote liberally from the article I mentioned in the Journal of Commerce of May 16, 1980.

The article by Mr. Alan Robinson points out:

> The government of Nicaragua, is "definitely not" trying to eliminate the private sector from all economic and political activity. Nor has it the intention of following Cuba on the road to Socialism, Nicaraguan Central Bank president Dr. Arturo J. Cruz said in an interview this week in Mexico City.

Dr. Cruz, as has been mentioned earlier in this debate, is a new member of the five-member junta, the governing body of Nicaragua. So he is an authority. He speaks as one of five who is in charge.

> Dr. Cruz, in Mexico with a financial team to renegotiate part of Nicaragua's public debt, said "it would be a shame" if the U.S. Congress denies Nicaragua the $75 million emergency loan, held up by protracted discussions among the U.S. lawmakers.

To quote from Dr. Cruz:

> The loan would serve the interests of the United States as much as it would ours. It would help us rebuild the country and permit continued U.S. participation in our development. If the United States cuts off Nicaragua, isolates it, then we would have to seek the help we badly need elsewhere.

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ALLEGATIONS NEGATED

There is "absolutely no truth" in allegations that the Sandinista Front is turning Nacaragua to the left, he said. The internal problems caused by the recent resignations from the ruling junta of Violeta Barrios de Chamorro and Alfonso Robelo "Will be resolved soon, of that I'm sure."

Dr. Cruz pointed to evidence of a campaign against the revolution. "For example, the newspaper La Presna Libre in Costa Rica published an interview with a man calling himself Walter Caarlson, who claimed to have made economic studies of Nicaragua for the International Monetary Fund. The story quoted him as saying Nicaragua is broke and cannot pay for the merchandise it gets from Costa Rica. He gave some dark hints about the political situation. I called the IMF and they told me there was no such person working with them. The IMF publicly rejected the story."

NOT ANTI-AMERICAN

Nicaragua is not anti-American, Dr. Cruz stressed. "True, we have some teachers supplied by Cuba for the literacy campaign, but we shall still send our students to study in America. Trade between us proceeds normally, so does air traffic. The United States has had a great cultural influence on us. We have talked to U.S. Congressmen that have visited us and tried to make them understand our problems. Some understanding should be possible. After all, the U.S. embassy in Managua is excellent, well-staffed, efficient Laurence Pezzulo is a most efficient ambassador."

Nicaragua is "in transformation to a more equal and just society and the focus is Pluralist. Naturally the Sandinista Front is the vanguard of the revolution. But I can tell you that many people in top administrative posts are progressive, but in no way radical."

Mr. President, I ask unanimous consent that the article published in the Journal of Commerce be printed in the Record in full.

There being no objection, the article was ordered to be printed in the Record, as follows:

Nicaragua Welcomes Private Sector

(By Alan Robinson)

Mexico City.—The government of Nicaragua is "definitely not" trying to eliminate the private sector from all economic and political activity. Nor has it the intention of following Cuba on the road to Socialism, Nicaraguan Central Bank President Dr. Arturo J. Cruz said in an interview this week in Mexico City.

Dr. Cruz, in Mexico with a financial team to renegotiate part of Nicaragua's public debt, said "it would be a sham" if the U.S. Congress denies Nicaragua the $75 million emergency loan, held up by protracted discussions among the U.S. lawmakers. "The loan would serve the interests of the United States as much as it would ours. It would help us rebuild the country and permit continued U.S. participation in our development. If the United States cuts off Nicaragua, isolates it, then we would have to seek help we badly need elsewhere."

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Mrs. Barrios de Chamorro resigned for reasons of health, "for personal reasons."

Alfonso Robelo disagreed with the structure of the new Council of State, a parlimentary body placed directly beneath the governing junta. There are 47 seats on the council. The Sandinista Front has 24, the other parties 23. "It is not exactly overwhelming, is it? I think what Alfonso wanted was a stronger voice for what he feels is his constituency: the traditional parties and the private sector."

CRUZ'S OWN GROUP

Dr. Cruz said his own group of 12—which in 1977 convinced the private sector that no solution was possible without participation of the Sandinistas—is not on the Council of State. "It's job was done, it no longer had a purpose," he explained. The Nicaraguan Communist Party has also been excluded.

The current talks between the Sandinista Front and the private sector are aimed at convincing business "of the permanence of its participation, of our desire to set up a true mixed economy. We feel the private sector has a crucial role to play."

The first results of the talks were announcements by Sergo Ramirez (a junta spokesman) that municipal elections will be held in 1981 and by Interior Secretary Tomas Borge that national elections are being programmed for 1982 or 1983. Another result was the elimination of the emergency law, dating from the fall of the Anastasio Somoza regime, a law that limited certain rights of the citizen. Under discussion is a law of "amparo" which includes such rights as habeus corpus. "Under such a law the citizen can always appeal against government action," Dr. Cruz said.

The private sector has also asked for an end to expropriations, he revealed.

U.S. ACTION

The United States has already been "very helpful." Aside from medicines and jeeps for the literacy drive, the inter-American Development Bank's fund for special operations approved a "substantial loan." Since the United States is the fund's main contributor, "their representative need only have stayed away from the meeting and we could not have got the loan. There was no veto."

A U.S. Congressional committee re-routed $8.5 million that remained unused by Asian countries, he said. Also about $30 million in loans, approved but not disbursed during the Somoza regime, "were re-validated and re-constituted according to our wishes."

Help has come in from Mexico, Venezuela. Spain, West and East Germany, Holland and Italy (loan negotiations are under way with the latter two nations) and the OPEC Special Fund donated $10 million.

"But enthusiasm is diminishing a bit. At first everyone wanted to help. Perhaps we were a little spoiled," he said.

Heading the negotiating team in Mexico with Dr. Cruz are Finance Minister Joaquin Cuadra Chamorro; Planning Undersecretary Federico Cerdos; International Reconstruction Fund Chief Haroldo Montealegro; and Alfredo Cesar Aguirre, executive secretary of the Nationalized Finance Sector.

NEGOTIATIONS

They are talking with officials of 13 banks, representing an 80-bank consortium which includes the Bank of America, The Royal Bank of Canada, Samwa Bank, First National of Chicago, Lloyds Bank International, Wells Fargo and the Merryl Lynch International Bank.

The team is trying to renegotiate $580 million of the public debt; $240 million that was due in 1979; $240 million that became due in January this year; and $100 million in interest arrears. The total public debt including loans from international institutions and governments is $1.6 billion.

Alfonso Robelo "has chosen to go into opposition and I think that is healthy. I think we should listen to him. He is perfectly free to say what he wants to say. I know Alfonso quite well and I know he would want an agreement. I know he has asked U.S. Congressmen to approve the $75 million loan. When I last saw him, a few days ago, he still had the escort provided for junta members. He doesn't question the revolution."

If the United States turns down the loan, "if it isolates us, then I feel that would be a tragic mistake. All this talk of Cuba and Communism is very much overblown. The loan would serve both our interests. Things could get more radical if we have to look for help elsewhere," Dr. Cruz said.

"Speaking as a private citizen of Nicaragua, I want to see the most cordial relations with the United States," he said.

Mr. LUGAR. Mr. President, I quote from Dr. Cruz not to make a definitive argument in this debate, because Dr. Cruz speaks as one of the five rulings members of junta. He is making a case for pluralism. He is making a case to the United States, Mexico, and others, that the junta has not drifted irrevocably leftward, making a case that there is an invitation for the United States to be a vital part culturally, economically, and politically in this country. But I think it is also fair to say, reading between the lines—and honest men will differ on this situation—that clearly this is a situation that is in flux; it is very competitive.

The Senator from North Carolina may be correct that the results of the Sandinista government there, and all that might follow, could be a move toward the left. I suspect those of us who are arguing for this legislation, imperfect as it may be, are simply saying that if we do not act now, we are going to witness chaos.

I do not know whether it will be of the left or of the right. I am not certain what sort of government will occur in due course in a situation devastated by war, without real hope of the strength and stability this country might give it.

It could well be that the Cuban influence would be weakened if there is difficulty in that country. It may be that the Soviets will give up on Nicaragua in due course, although they appear to be very competitive presently in that situation.

What we are saying today is that we who are supporting the legislation believe we ought to compete. It is not a question of giving away money, pouring it down a rathole and supporting communism.

Quite to the contrary, we believe that if an effective competitive element is to come into play, it had better be on our terms, under the terms of this legislation, drawn now by both Houses, the House and Senate, with the Senate accepting the House terms.

Mr. President, I am hopeful that the Senate will not react favorably to the amendment offered by the distinguished Senator from North Carolina. He clearly offers words that are important to all of us the first 10 amendments of our Constitution, something that we deeply believe in.

But, in all fairness, and with greatest respect for the distinguished Senator from North Carolina, he introduces this amendment, I think, with a certain degree of mischief; the mischief being that if any amendment, any amendment, is added to this legislation, it is dead.

The distinguished Senator from North Carolina knows that and, I suspect, is going to have some good humor at our expense today.

But let us call it as it is. We are at this point simply because the only hope of having any legislation which gets us around the bargaining table in the Nicaraguan competition is the language we have in front of us.

There is no hope the House is going to accept anything else. There is no hope any authorization whatsoever is going to pass.

Mr. HELMS. Will the Senator yield?

Mr. LUGAR. Yes, I am happy to yield to the distinguished Senator from North Carolina.

Mr. HELMS. Is the Senator saying the House of Representatives will not accept an endorsed bill of rights? Is that what he is saying?

Mr. LUGAR. The distinguished Senator knows what I am saying. That is that the House would love to have the bill of rights but does not like this legislation. My objection is, in my opinion it is not going to be amendable, even with the bill of rights.

Mr. HELMS. I assure the Senator that no mischief is intended.

Mr. LUGAR. But good humor.

Mr. HELMS. No, it is not even funny to the Senator. This is a very serious question and we are at the fork in the road. My friend from Indiana knows of my affection and respect for him. I stated that unequivocally Friday evening. But I have to say to the Senator that I cannot believe that he has any real apprehension about the House agreeing with this amendment.

The House may very well have second thoughts about its actions when it approved this bill H.R. 6081 by a very small margin. But that does not justify, in my judgment, our acting summarily and cutting off any consideration on the thing. I hope the Senator will not be too vigorous in his opposition to the amendment. The words in the amendment mean just as much as they do in the Bill of Rights. I would say to my friend. I thank him for yielding.

Mr. PERCY. Will the distinguished Senator yield?

Mr. LUGAR. I will yield in a moment to the distinguished Senator from Illinois.

First, I will reply that, of course, I agree with the Senator, that the House of Representatives would certainly want to entertain the amendment. I suspect that I agree with him also that the possibility, however, of a continuation of this legislation is limited by the vote, the tenuous aspect of it, in the House. I have made a full admission of that. This is not a popular piece of legislation. It is a very difficult piece.

I would simply indicate to the distinguished Senator from North Carolina that this is one reason why the Senate is entertaining this piece. If, in fact, there was a fluid dialog back and forth on this situation, then I suspect that we would be insisting more upon those things that went through our own Foreign Relations Committee at an earlier date.

I have stressed that all the cards are on the table and I think that honesty has prevailed throughout, in very difficult circumstances.

Mr. HELMS. If the Senator will yield further, and I shall only be 1 minute, I will say to my friend from Illinois, I readily confess that I want the Congress to examine this issue very, very carefully. I frankly would like for the House to consider its actions. It may be that what we have here is a confrontation of whether we shall shut off any further consideration or whether not only the Senate but the House, looks at it again. This legislation is not only unpopular, in this Senator's view, it is also unwise. That is the reason I make this fight. I do not make it because I like to stand here on the Senate floor. I would rather be doing something else. As the Senator knows, we have many things to do. But I do feel very strongly about this, and I would hope that I would prevail. I thank the Senator.

Mr. LUGAR. I yield to the distinguished Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague. I hope my distinguished friend from North Carolina will understand and recognize that even though standing alone his amendment may have the goodness of motherhood in favor of it, the very fact that any amendment is attached to this bill would put it back into difficulty in the House and for the reasons given by our distinguished colleague from Indiana, it would cause considerable delay in an already very delicate situation which has taken months now.

I shall cast a vote against such amendments and would like to speak for a few moments about the situation we face.

We are taking a risk here. I look on this as I have looked upon every proposed expenditure of public funds: Is the taxpayer of the United States going to get a return on their investment? You put many investments in the category of high yield, low risk, and you have other expenditures that you put in the category of high risk but potentially high yield. I put this investment in the latter category.

There is no question it is a high risk. There is no question that the forces operating in Nicaragua today which wish to emphasize and strengthen the private sector, that wish to see the extension of the democratic processes in Nicaragua, have a huge stake in this matter.

There are forces on the other side that are trying to exploit the chaos, to exploit the economic conditions that exist in that country to the point where a totalitarian government can take over.

We have seen some encouraging signs in just recent days. Yesterday there was the appointment of two moderate, relatively conservative members of the junta. That is an encouraging sign. But we know this, that the enemies of the democratic process and the enemies of the private sector are hoping against hope that this bill will fail in the U.S. Congress because that would then give them the chance to exploit the situation in that very important country.

They would then say we have walked away—"The United States, your supposed friend, has walked away from the urgent economic situation we have."

There is no one in this Senate who can say that if we authorize this funding, that it is going to guarantee the desired end result. No one can give us that assurance. All we can say is if we do not do it, we greatly strengthen the hands of those who are working to impose a system on the country that is totally contrary to our economic and political interests in the hemisphere.

Foreign policy, like other aspects of our lives, is sometimes a matter of taking risks—and we are taking them—of trying to make the most of realities as they exist. If we do not approve this bill, thereby walking away from Nicaragua—someone could say, "Well, we saved $75 million,"—but we raise the odds tremendously that the climate in Nicaragua will become implacably inimical to our own interests. If we do approve the money we may not come up with a situation which is very satisfactory to us. But we will be bettering the odds that the ultimate outcome will be tolerable.

But I think, as the distinguished floor managers of this bill recognize, there is far more at stake than just Nicaragua. All of us who know the Central American and Caribbean area, all of us who know the volatile nature of societies down there, take into account that if we can pour the treasure that we have into Southeast Asia—thousands of miles from our shores—we had best take a look at what can be done to stabilize the governments and protect our interests in countries in this hemisphere.

El Salvador is in a state of crisis, and a shift toward the extremist left in Nicaragua could push El Salvador over the edge. Honduras is weak, and even the more stable governments in Costa Rica and Guatemala may be affected.

There are certainly, we recognize, unfriendly elements in the Nicaraguan Government, and there are some Communists. But that fact makes it more important than ever that we seek to enhance our own influence and strengthen the very hand of those who are trying to show the wisdom of what we believe is the right policy for that country—a democratic process, and reliance on the private sector to the greatest possible extent. Our failure to act means we simply abandon the area and hand victory by default to the promoters of communism.

Some of this bill's detractors say the jig is already up, Nicaragua has already gone Communist. That is simply not true, according to all the evidence we can get. I attended the staff meeting held this morning with the distinguished U.S. Ambassador to Nicaragua, sitting in as the only Senator in a staff meeting to update my knowledge of events as much as possible. He was also at a lunch I attended with Secretary Muskie today.

I do not believe at all that the show is over and that Nicaragua has definitely gone Communist. Every day, there are developments which indicate that a struggle is going on there. Just yesterday, two distinguished moderate Nicaraguans were named to the junta. I do not think anyone could dispute the fact that Arturo Cruz is a political and economic moderate. He served as head of the Central Bank of Nicaragua until his appointment yesterday as a junta member. He attended school in the United States and is a graduate of the Nicaraguan Military Academy. Mr. Cruz served for several years as an economist with the Inter-American Development Bank in Washington.

Certainly, that appointment must really have turned the hair gray and caused consternation on the part of our rivals and enemies in Nicaragua.

The second appointment was also impressive, I think. Mr. Rafael Cordova, attorney by profession, is a longstanding member of the Conservative party. He founded the Broad Opposition Front in January 1978 to serve as an umbrella organization encompassing almost all the opposition groups in Nicaragua. He was a member of the three-man mediation team which attempted to arrange a peaceful settlement between the Somoza government and the opposition.

Mr. Cordova has held a number of administrative positions in the Conservative party from 1960–70 until joining a splinter group of the party led by his long-time friend, Pedro Joaquin Chamorro. In 1965, he served as president of the Nicaraguan Bar Association.

Those two appointments are very good.

One other thing I want to point out to my distinguished colleague from North Carolina, who is a true, really true, believer in the private enterprise system. Everything he has done throughout his entire private and political life to lessen the impact of the public sector and strengthen the private sector I have heartily applauded. In these moneys we are providing, I think it is very important to point out that the $70 million loan will be disbursed by the Nicaraguan Central Bank. The dollars will then be allocated by the central bank to importers for eligible goods and services. At the same time, upon receipt of the dollars, the central bank will immediately establish a local currency account in the equivalent amount of the disbursement. This local currency will be made available to implementing institutions to finance agreed upon projects. Both the dollars and the local currency will be subject to controls to insure that the private sector receives at least 60 percent of the funds.

Sixty percent of the foreign exchange—dollars—must be allocated by the central bank to private sector individuals and firms. No state enterprise or state farms will be eligible for foreign exchange under this component. The Embassy and the AID mission will maintain frequent contacts with the principal private sector organizations as the dollars are allocated. These organizations will be alert to any systematic abuses as their members apply to the bank for foreign exchange and will advise the Embassy and AID staffs.

For dollars, the following controls will be in force: The foreign exchange will be made available by the Nicaraguan Government to the private sector on a nondiscriminatory basis.

Pending approval of the bill, an initial tranche of $15 million of development assistance will be provided. Before proceeding beyond the initial $15 million the country team will review the use and allocations of the initial $15 million and will certify that the purpose (for example, support of the private sector) and conditions of the assistance are being met. At this point any complaints of the private sector can be formally reviewed with the Government.

After the first review another $40 million will be disbursed and another review will be conducted. At this point the country team will again assure that the purpose and conditions of the assistance are being met and will make certification to this effect. At that point the final $15 million will be disbursed.

The local currency is to be allocated to five programs: Credit (small and medium businesses and firms)—$30 million; public works—$25 million; low-cost housing—$7 million; municipal reconstruction—$6 million; agricultural school of national university—$2 million. The following controls will govern:

Disbursements from the local currency account will be made only on the basis of an activity agreement signed between AID and the Government which includes a description of the activity, the institutional responsibilities, a financial plan, and implementation procedures. The description of the project will include the terms upon which the activity is to be carried out.

Only private individuals or firms will be eligible for the credit program. No State farms or State firms will be eligible. For the agricultural credit, a procedure will be developed to insure that credit is allocated on a nondiscriminatory basis. For industrial credit, reliance will be placed on the private sector organizations to alert AID staff to any discrimination.

Only private individuals will be eligible for housing and home improvement loans. In addition, small contractors will be involved in constructing the floors and foundations.

It is estimated that $4 million of the public works will be undertaken by private contractors. These contractors will be selected using competitive bidding procedures. State owned construction firms will not be eligible. AID will monitor the bidding procedures and the award.

For the agricultural school, facilities will be built by private contractors under a competitive bid process. AID will again monitor the bidding process and the bid award.

In general, AID staff will monitor and evaluate each project activity to insure that the purposes and conditions of the activity agreements are met.

I want to be sure that we will be monitoring these funds, that they will be going to the right place. There is no assurance I or anyone else can give that, a year from now, we will not say, "Well, the investment just did not pay off." That may prove to be true. But I think a year from now, if we found increased chaos and a devastating situation there, we would kick ourselves around the block for not having tried to make a difference—for not having supported the private sector and the democratically-inclined people in Nicaragua and said, "You have a friend and if you will go this route, we will be supportive." We know the Cubans and the Soviets are going to back to the hilt the radical forces that want to subvert yet one more country in this hemisphere.

Mr. HELMS. Will the Senator yield?

Mr. PERCY. Mr. President, I shall yield in a moment. First, with respect to private sector gains in Nicaragua, I'd just like to mention a few additional points:

The Nicaraguan Government appointed Arturo Cruz and Rafael Cordova May 18 to replace Mrs. Chamorro and Alfonso Robelo on the governing junta of Nicaragua.

The Nicaraguan Government and the private sector reached several weeks ago the outlines of an agreement which will substantially contribute to broadening political participation in Nicaragua and to restoring the confidence of the private sector. Negotiations between the private sector and the Government to work out the details of this arrangement are continuing.

Meeting a commitment undertaken during negotiations with the private sector, junta member Sergio Ramirez in his May 4 speech before the Council of State announced that municipal and constituent assembly elections would be held followed by elections for the nation's executive leaders. No time frame for elections was announced, but Ramirez emphasized that this promise is a solid commitment to the Nicaraguan people and that it would be discharged in the near future.

The La Prensa newspaper dispute appears to have been satisfactorily settled, with the Chamorro family retaining full editorial control. The Chamorros expect to resume publication soon.

The private sector is participating in the Council of State.

In response to private sector representations, the Nicaraguan Government has not only agreed to suspend the state of emergency which gave the Government broad legal powers, but has also instituted a law allowing judicial review of Government actions and reinstating the right of habeas corpus.

The Government has agreed to halt property confiscations—a major source of concern to the private sector. Pending confiscations will be reviewed by civil courts.

I commend my distinguished colleagues, the floor managers. I just believe in the philosophy of the bill. Our distinguished colleague from North Carolina does not disagree with the goals; it is just a question of whether we are going to achieve this objective and whether the risk is worthwhile. Good men of honest intentions can differ on that particular judgment.

In this regard, I just hope that when we have to say yea or nay on it, we make the decision that we think this is a risk that the taxpayers of this country should take, that we really cannot afford not to take.

I am happy to yield.

Mr. HELMS. The Senator knows, of course, that the banks have been nationalized in Nicaragua. They are under the control of the Marxist regime we have been talking about. Obviously, the Marxist bankers will distribute the U.S. aid funds in ways to strengthen marxism. This aid will actually give the Marxists greater control over the so-called private sector.

My only argument with the Senator, and I really do not have an argument—we have agreements and we have disagreements; and we are both sincere. But the Senator from North Carolina simply does not understand how it can be successfully contended that we are going somehow to stave off a Communist takeover—which already is a fait accompli—by subsidizing communism by sending the Sandinistas $75 million.

This is the point that nobody—not the Senator from Indiana, not the Senator from Nebraska, not the Senator from Illinois—has explained satisfactorily to this Senator. I wish there were some ray of hope that I could see, to which I could cling. But it simply is not there.

It is very clear, on the other hand that we are proposing to send $75 million for the effective use and control of the Sandinistas. It is demonstrable that they are Marxists, and they will control the ultimate distribution of U.S. taxpayers' funds.

I thank the Senator for yielding.

Mr. PERCY. I thank my distinguished colleague. Of course, as he well knows, we certainly oppose the nationalization of banks. But there are many countries with which we do business that are not Communist which have such a centralized banking system. I think what we would not disagree on at all, the Senator from North Carolina and the Senator from Illinois, is that the basic struggle now going on in Nicaragua is an economic one, and the economic arena is being used as a battleground.

The private sector is literally fighting for its life. Some may say it is just hanging on by its fingernails at this time. But it is still hanging on and it is still fighting and fighting hard.

The dominant elements in the Nicaraguan Government recognize the importance to economic recovery of having a healthy and a reasonably happy private sector. That is all we are saying, that at least these funds—and 60 percent of them, whether through a central bank or not—60 percent must go by the terms of this legislation into the private sector. That serves our interests.

If the private sector can be persuaded—and that is what we are trying to do, persuade them to stay on and defend their cause—then we are already a long way toward the creation of a democratic politicial process. If the private sector collapses, there is no hope for the democratic process to continue.

Mr. HELMS. If the Senator will yield, it is because of the Sandinistas and their control that the private sector is hanging on by its fingernails. That is the problem, I say to the Senator.

This business of saying that we are going to give it to the bank and 60 percent of it must go to the private sector—the Sandinistas decide what is the private sector and who it is that gets that 60 percent. That is the point the Senator from North Carolina is trying to make, that we are handing this to them, the Sandinistas, not to the private sector.

If we could go down there and somehow, build up the private sector without turning over the controls to the Sandinistas, I would probably be more amenable to this piece of legislation. But I cannot see the argument in favor of doing it this way at this time.

I thank the Senator.

Mr. PERCY. Just in brief reply, Mr. President: as a matter of degree, we could all argue whether the United Kingdom is the ideal economic society. I happen to think they are tilted far too much to the public sector. So does Margaret Thatcher. The greatest praise I have for her is that she is trying to tilt it back to the private sector. That is a model we ought to follow in this country.

We have supported many countries whose economic structure was not absolutely to our liking; we backed countries with Marshall Plan aid and that has paid off over and over again for the people of the free world.

Mr. HELMS. But they were not Marxist countries.

Mr. PERCY. Italy was not an ideal society. They were under the same threat of communism and we decided to go in and back Italy. In 1951 I led a delegation of businessmen there under the aegis of our aid agency. Through the years, though it has experienced turmoil, it is still a relatively free country, compared to the Communist country it might have become if we had not gone in to help.

Mr. HELMS. I do not want to argue with the Senator, but those governments were not Marxist, and that is the difference.

To my knowledge, we have not deliberately gone in and tried to help a Marxist government, knowing what we were doing.

We have helped Marxists governments, but not as flagrantly as this.

Mr. ZORINSKY. Mr. President, I would like to clarify one point. The issue has been raised of aid going through a nationalized bank or a banking system that is unlike our own. I thought that for the record I would point out the banks in Egypt have been nationalized and for the last 3 years we have given them $750 million each year.

Would the Senator from North Carolina answer a question?

Mr. HELMS. If I know the answer.

Mr. ZORINSKY. Would the Senator be willing to add to his amendment, which is strikingly similar to the Bill of Rights, the following language: "the countries, the nations, of South Africa, Argentina, and Chile".

Mr. HELMS. I would not object at all. I point out that I know the staff recommended that. But the point is we are not giving any aid to South Africa, or to Chile, or to Argentina. When that comes up, I will be very glad to add it. Yes.

I will ask the Senator a question in return.

Will the Senator accept my amendment if I do add that?

Mr. ZORINSKY. Of course not, because in a moment I will tell the Senator why that amendment was offered, in my estimation.

Mr. HELMS. I beg the Senator's pardon?

Mr. ZORINSKY. In a moment, I will explain why, in my estimation, your amendment to this specific bill was proposed.

I have been here 3 years, and I have not heard of any language similar to the Bill of Rights being added on as an amendment.

Mr. HELMS. I can assure the Senator he will hear it in the future, many times, every time a foreign aid bill comes up before this Senate.

Mr. ZORINSKY. I hope, I say to the Senator, that the votes on all such amendments are the same. I am suce we all have excellent motives and are attempting to do that which we believe to be in the Nation's best interest. But as far as I am concerned, our best interest is that this bill not be amended in any way. Otherwise, it will assure its defeat.

Beyond that, I would like briefly to give a legislative résumé of the situation today, for the record, and for those in the gallery who may be wondering what people in the well are discussing for 3 hours and 15 minutes, and who may not understand the fear of the individual on the left side of the aisle of any amendment to this bill.

I, and my 99 colleagues in the U.S. Senate, took an oath of office at those steps on the right side, by the clerk, that we would swear to uphold the ideals, principles, and laws of the United States of America. We do this on our inauguration into the U.S. Senate. So, certainly, that oath includes the principles being applied as an amendment to this bill. I do not see the right to bear children in this amendment, but it might as well be.

In my estimation, this amendment pretends to test the Americanism of myself and my 99 colleagues. How dare we vote against the Bill of Rights?

Well, I would go on record, suggesting for a tremendous majority in the Senate, that they are in support of the U.S. Bill of Rights, and that a vote on this amendment in no way will reflect their support of the Bill of Rights. It will reflect their opposition to amending this foreign aid bill for Nicaragua.

We must preclude any amendment if we want this bill to become a law. The fact is that when the House bill and the Senate bill differ, conferees are appointed from Members of the House and of the Senate to resolve the differences. This is the way with all our legislation in the Congress of the United States.

In order to preclude having the bill go back to the House because the Senate version is different from the House version, it was the decision of those of us desiring passage of this bill, to adopt the House version and thereby avoid any further delay.

Our goal is to send this bill to the White House immediately for the signature of the President.

Obviously, any amendment offered on the floor of the Senate today, if passed, will amend the House version, and then become different from the version that the Members of the House of Representatives passed over there when they forwarded this bill to us.

So I think one does not have to be a political genius to understand the tacticians that are presenting their amendments to this bill.

I hope the people of America will not judge me, and my colleagues, regarding our support for the Bill of Rights on the basis of the upcoming vote.

I assure the Senator from North Carolina that if he would introduce that as a separate bill I would hold hands with him and sing hallelujah, and vote over and over for the Bill of Rights.

I thank the Chair.

Mr. HELMS. Mr. President, I hope the distinguished Senator from Nebraska will hold hands with me and sing hallelujah now, because the Bill of Rights is the Bill of Rights, and I do not want to be selective in the times I support it. I think we ought to support it all the time.

For the life of me, I cannot see, Mr. President, what infirmity it does to this piece of legislation to spell out what we expect of the people in other countries, the regimes in other countries, which are asking for enormous sums of the taxpayers' money.

We are talking about $75 million, I say again, to go to a Marxist regime.

How that is going to ameliorate the Marxist control in Nicaragua still has not been explained to me, and I do not think it can be satisfactorily explained to anybody.

Mr. President, last Friday, the Evans and Novak column had a very good discussion of the secret party-to-party agreement signed by the Sandinistas and the Communist Party of the Soviet Union, and the long-term implications of that agreement. It obviously is something that cannot be dismissed as just another agreement between the Soviet Union and another country. The key difference is that this is an ideological agreement. A country can sign an agreement with the

Soviet Union without necessarily sharing the Soviet Union's ideological outlook and policy goals.

But a party-to-party agreement indicates, as Evans and Novak point out, a serious commitment. The Soviet Government would be unlikely to sign a party-to-party agreement with a foreign country unless Moscow regarded that country as a reliable-long-term partner, and that gets down to the meat of the coconut.

There are protestations that this is going to help the private sector. How is it going to help the private sector? It is going to a nationalized bank controlled by the Marxist Sandinistas, and you had better believe that nobody is going to get a loan from the bank except those who are faithful to the cause if the Sandinista I cannot believe that any Senator is naive enough to assume otherwise.

So you get full circle back to the point that what we are doing is sending millions of dollars to a Marxist regime in Nicaragua. This Senator says, "No." This Senator says, "Why not let the House of Representatives look at it again?" This Senator says, "Why not tack on the bill of rights as a condition for getting $75 million of the American taxpayers' money?"

Why, why, why do we act in such a vague way? Why do we not just lay it out? That is what I am trying to do.

What is more significant is that the State Department has confirmed the correctness of the interpretation by Evans and Novak last Friday, that this party-to-party agreement between the Sandinistas of Nicaragua and the Soviet Union—or, more aptly, the Communist Party of the Soviet Union—was an ideological agreement, that this was the establishment of a partnership.

On Saturday, the State Department, in the person of spokesman Tom Reston, said that the party-to-party agreement "May signal a Soviet move to expand its influence in Nicaragua." What an understatement. It is notworthy, too, that the State Department confirms that Cuba has agreed to provide military aid to Nicaragua.

So why do we have to wonder whether this creature in Nicaragua is a duck? It has webbed feet, it quacks, and it has feathers. It waddles like a duck, and it is a duck. It is a Communist duck that is going to get $75 million of the American taxpayers' money; and I submit that we are pouring it down the drain, and we are going to make bad matters worse.

I will buy my friend from Indiana and my friend from Nebraska a steak if I am not right. We will look at it in 6 or 8 months from now and see who is right.

For the present, I do not see how anybody can escape the obvious implication of what we are doing.

Mr. President, I ask unanimous consent to have printed in the RECORD the communique issued by the Soviets and the Sandinistas in Moscow, which was printed in Pravda; that, following that, the Evans and Novak column of last Friday and the Reuters article from the Washington Post on Saturday be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEATURES OF AGREEMENTS

MOSCOW, March 22, TASS.—Nicaragua has become the 64th developing country which has decided to use Soviet economic and technical aid for its industrialization. In the course of the visit to the Soviet Union by the government and party delegation from the Republic of Nicaragua, which ends today, the sides signed a trade agreement, a protocol on goods deliveries, an agreement on economic and technical cooperation.

A TASS correspondent was told at the Soviet State Committee for Foreign Economic Relations that the sides agreed to cooperate in developing mining, light and food industries. Joint development of solid minerals on the Nicaraguan territory will become an important contribution to the development of the national economy. Soviet experts will help Nicaragua develop power engineering, transport and communications.

Economic cooperation between the two countries will include elaboration of feasibility reports and designs, technical assistance in building industrial projects, transfer of technology and exchange of scientific and technical documentation. Vocational training of personnel is also envisaged. The Soviet Union agreed to send to Nicaragua experts to render assistance in building and in training national personnel on the spot.

Alongside industry and power engineering, Soviet experts will help develop Nicaraguan agriculture. Foreign trade exchanges between the two countries will be developed. This will be facilitated by the opening of trade missions in both countries.

JOINT COMMUNIQUE

[Joint communique on the 17–22 March visit to the USSR by the delegation of the Government of National Reconstruction and Sandinist National Liberation Front of the Republic of Nicaragua.]

At the invitation of the CPSU Central Committee and the Soviet Government, a delegation of the Government of National Reconstruction and the Santinist National Liberation Front [FSLN] of the Republic of Nicaragua was in the Soviet Union on an official friendly visit 17 to 22 March 1980. It was led by Moises Morales Hassan, member of the Junta of the Government of National Reconstruction; and Tomas Martinez Borge, Henry Hernandez Ruiz and Humberto Saavedra Ortega, members of the FSLN national leadership.

The Nicaraguan delegation laid wreaths at the V.I. Lenin Mausoleum and the Tomb of the Unknown Soldier.

In addition to Moscow, the Nicaraguan visitors made a trip to Leningrad. They acquainted themselves with the life of the Soviet people and their achievements in the various spheres of socioeconomic and cultural construction. Everywhere the Nicaraguan delegation was given a cordial welcome, testifying to the Soviet people's sentiments of sincere friendship and profound respect for revolutionary Nicaragua and the peace-loving Nicaraguan people.

Soviet-Nicaraguan talks took place with the participation of the Soviet side:

A. P. Kirilenko, CPSU Central Committee Politburo member, CPSU Central Committee secretary; B. N. Ponomarev, CPSU Central Committee Politburo candidate member, CPSU Central Committee secretary; I. V. Arkhipov; deputy chairman of the USSR Council of Ministers; and G. M. Korniyenko, USSR first deputy minister of foreign affairs.

On the Nicaraguan side:

Moises Morales Hassan, member of the Junta of the Government of National Reconstruction of the Republic of Nicaragua, and members of the FSLN national leadership Tomas Martinez Borge, minister of internal affairs; Henry Hernandez Ruiz, minister of planning; and Humberto Saavedra Ortega, minister of defense.

During the talks, which passed in an atmosphere of cordiality and mutual understanding, there was a discussion of questions of the development of bilateral relations between the USSR and Nicaragua, and also of international questions of mutual interest to the two sides.

The Soviet side warmly welcomed the victory of the Nicaraguan revolutionary-patriotic forces under the leadership of the FSLN over the Somoa dictatorship.

It was stressed that the overthrow of the dictatorial regime in July 1979 opened up a new stage in the history of the country and created a basis for the implementation of profound social and economic transformations in the interests of the broad laboring masses and other progressive and revolutionary strata of the population, for moving the country ahead and on the path of democracy and progress, and for Nicaragua to carry out a genuinely independent foreign policy.

The Nicaraguan side spoke of the development of revolutionary progress in Nicaragua, of the fulfillment of the program of the Government of National Reconstruction, of the activity of the FSLN and of the tasks being solved by the Nicaraguan people in the construction of the new society.

The Soviet side gave a high appraisal of the efforts of the Government of National Reconstruction of Nicaragua, the FSLN and all the Nicaraguan people to eliminate the consequences of the nearly 50 years of the Somoza dictatorship.

The solidarity of the Soviet people with these efforts aimed at overcoming the destruction, restoring the economy, affirming the democratic basis of life and conducting a policy of nonalinement and of peaceful cooperation with all countries was expressed.

The Nicaraguan representatives were informed about the course of the fulfillment of the decisions of the 25th CPSU Congress, the achievements of the Soviet people in communist construction, the preparation for the celebration of the 110th anniversary of the birth of V. I. Lenin and the foreign policy activity of the CPSU and the Soviet state aimed at preserving the relaxation of international tension and weakening the threat of a nuclear missile war, and at supporting peoples struggling for their liberation.

Both sides agreed to develop bilateral relationships on the basis of a strict observance of the principles of equal rights, sovereignty, mutual respect and noninterference in each other's internal affairs.

The Soviet Union and Nicaragua agreed on practical steps to develop trade exchanges and economic links taking into account the possibilities and the needs of the economies of both countries.

During the visit a trade agreement; a protocol on the establishment of a Soviet trade representation in the Republic of Nicaragua and of a Nicaraguan trade representation in the USSR; a protocol on the supply of goods; an agreement on economic and technical cooperation; an agreement on cultural and scientific cooperation; a consular convention; an agreement on air communications; and an agreement on cooperation in the field of planning were signed between the USSR and Nicaragua.

Those taking part in the talks noted with satisfaction the community of views on the most important international problems. They expressed their concern with the recent worsening of international tension caused by the actions of the most aggressive forces of imperialism and reaction and confirmed their devotion to the cause of the struggle for consolidating peace and the security of the peoples, for the further development of the process of the relaxation of international tension and for supplementing this with military detente and extending it to all areas of the world.

The two sides expressed their conviction that detente corresponds with the vital interests of all people of the world, including those who have freed themselves from colonial and social oppression and have engaged in the construction of a new and independent society.

The Soviet Union and Nicaragua consider that a most important objective of the struggle for the consolidation of peace and international security lies in the elimination from international relations of any practice of hegemonist. They also condemn attempts on the part of some states to dominate others through an arbitrary declaration of whole areas of the world as spheres of their "vital interests" and by direct military, political and economic pressure.

The two sides are also convinced that one of the most topical tasks facing the peoples of the world is the termination of the arms race and the implementation of effective disarmament measures. The two sides have stated in this connection that the NATO decision concerning the production and deployment in West Europe of new U.S. medium-range nuclear missile weapons contradicts the objectives of the policy of detente and of strengthening universal peace and security.

Of great importance in the matter of disarmament is, in the opinion of the two sides, the reinforcement of the guarantees of the security of nonnuclear states and the solution of the question of the nondeployment of nuclear weapons on the territory of those states from which they are absent at present. The two sides confirm their support for the idea of creating nonnuclear zones in various areas of the world, considering them as one of the measures for strengthening the nonproliferation of nuclear weapons, regional military detente and the reduction of the threat of nuclear war. They are in favor of a strict observance of the status of a nonnuclear zone in Latin America.

The Soviet Union and Nicaragua express their determination to seek the speediest possible conclusion of a universal treaty on the renunciation of the use of force in international relations and will make an active contribution in the UN Special Committee toward the reinforcement of the effectiveness of the principle of nonuse of force.

Both sides seek the establishment in the relations between states, both in Latin America and in other areas of the world, of the principles of equality of rights, respect for sovereignty and territorial integrity and the renunciation of the use of force or threat of the use of force. [paragraph continues]

The USSR and Nicaragua resolutely condemn the imperialist policy of interference in the internal affairs of the peoples of Latin America. Both sides take a stand against the maintenance of colonial dominions in the Western Hemisphere. They have resolutely condemned the fascist dictatorship in Chile.

It was noted that the movement of nonalined is an important factor in the struggle for freedom and independence of peoples, against colonialism and racism. This is confirmed by the Sixth Conference of the Heads of States and Governments of Nonalined Countries in Havana—the first summit conference of the nonalined movement to be held on the Latin American Continent. The two sides have expressed their conviction that the nonalined movement will continue to use its great political influence in the interest of peace and international security.

Both sides have resolutely condemned the apartheid and racial discrimination, as well as the neocolonialist maneuvering, of the imperialist circles and racists in the south of Africa. They expressed their solidarity and support for the just struggle of the peoples of the south of Africa for their freedom and independence and for complete and final elimination of colonialism and racism on the African Continent. The Soviet Union and Nicaragua warmly welcome the victory of the patriotic forces of Zimbabwe in their struggle for the freedom and independence of that country.

The two sides expressed their grave anxiety over the dangerous development of the situation in the Near East. They condemned the attempts to foist upon the Arab peoples separatist deals and expressed their support for the need to seek a comprehensive and just settlement. Such a settlement should envisage the withdrawal of Israeli troops from all Arab territories occupied in 1967 and the implementation of the legitimate national rights of the Arab people of Palestine, including their right to self-determination and to the creation of an independent state of their own as well as the assurance of the right of all the states in that area to an independent and secure existence and development.

The Soviet Union and Nicaragua resolutely condemn the campaign of mounting international tension in connection with the events in Afghanistan, which has been launched by the imperialist and reactionary forces and is aimed at subverting the inalienable right of the people of the Democratic Republic of Afghanistan and of other peoples of the world to follow a path of progressive transformation.

The two sides declare their solidarity with the struggle of the Iranian people for the political and economic independence of their country. They resolutely condemn all forms of pressure and threats against the Islamic Republic of Iran.

The Soviet Union and Nicaragua resolutely condemn the policy of whipping up tension in Southeast Asia and demand an end to threats, blackmail and provocations, from whatever source, against the Socialist Republic of Vietnam, the Lao People's Democratic Republic and the People's Republic of Kampuchea, and interference in their internal affairs. The sides declare their support for the just struggle of the people's of Vietnam, Laos and Kampuchea for strengthening their independence, and for the right to build a new life in conditions of peace and security.

The adherence of both sides to the aims and principles of the United Nations was reaffirmed, and their willingness was stressed to foster the consistent implementation of efforts to raise further the effectiveness of the United Nations in maintaining universal peace, strengthening the security of peoples, and developing international cooperation on the basis of strict observance of the UN Charter.

The Soviet Union and Nicaragua advocate restructuring international economic relations on a just and equal basis, securing the sovereignty of all countries over their natural resources, stopping the uncontrolled activities of the transnational corporations, and removing all artificial barriers and discriminations in world trade. The sides consider impermissible the use of economic aid, including aid dispensed through international channels, as a means of political pressure and as a tool to undermine the independence and sovereignty of states.

The Soviet and Nicaraguan representatives discussed questions of friendly ties between the CPSU and the FSLM. They expressed a mutual desire to develop those ties in the nations in world trade. The sides consider interests of further deepening all-around cooperation between the Soviet Union and Nicaragua for the benefit of the Soviet and Nicaraguan people, and for the good of peace and social progress. A plan of ties between the CPSU and the FSLN for 1980–81 was signed.

The Soviet and Nicaraguan sides expressed satisfaction with the results of the first official visit to the Soviet Union of a delegation of the Government of National Reconstruction of Nicaragua and the FSLN, and are confident that the fruitful talks that have been held and the agreements reached are an important contribution to the cause of the further development and strengthening of friendly ties and cooperation between the people of the two countries in the interests of strengthening universal peace and security.

COMMENTARY ON SOVIET SUPPORT

Talks have ended here in Moscow between the delegates of the Soviet Union and Nicaragua. Here is a comment contributed by our observer Leonid Levchenko:

The results of the talks have been recorded in a number of documents which lay a good basis for the further development of bilateral relations. Before the victory of the revolution in Nicaragua there could be no thought of such relations at all. The dictatorial regime of Somoza, an American stooge, has been blocking contacts with the Soviet Union for many decades. Now these barriers have been removed.

The Soviet Union, the country of Vladimir Lenin, the founder of the world's first socialist state, and Nicaragua, the country of Sandino, who symbolizes the people's anti-imperialist revolution, have stated their desire to promote mutually advantageous contacts in trade, economy, culture and other fields.

The Soviet Union, loyal to the principles of solidarity of the peoples who have embarked on the path of independent development, favors the development of friendly and many-sided relations with Nicaragua, relations based on the principles of equality, respect for national sovereignty, mutual benefit and noninterference in the domestic affairs of each other.

The Soviet Union has been steadily pursuing a policy aimed at developing extensive cooperation with all countries. It believes that such a policy is in conformity with the interests of peace. The Soviet people do not conceal the fact that they support the movements fighting for progress, democracy and national independence. They treat members of such movements as their friends. This country has welcomed the victory of the revolution in Nicaragua. It values highly the determination of the patriots of Nicaragua to follow the hard road and defend the revolutionary gains.

A Sandinista Mission to Moscow

(By Rowland Evans and Robert Novak)

A secret agreement between the Soviet Communist Party and the Sandinista Marxist Party of Nicaragua, signed in Moscow in late March, points to major new Soviet intervention and a possible Nicaragua-Cuban military accord in the increasingly hostile Caribbean back yard of the United States.

"The Soviet government would be unlikely to sign a party-to-party agreement with a foreign country unless Moscow regarded that country as a reliable, long-term partner," a leading Latin American authority told us.

The secret agreement between the two ruling parties is regarded by non-communist Latin nations as a dangerous Soviet intrusion into the Central American heartland. It appears aimed at planting Soviet influence and arms smack on the bridge between the Americas, flanked by what used to be the peaceful lake of the Caribbean but what is now becoming an alien sea dominated by the Soviet dependency of Cuba.

What is actually contained in the secret party-to-party agreement is not known here or by the governments of principal Latin American countries. There is reason to suspect, however, that Moscow is encouraging a military link between communist Cuba and the Sandinistas, who toppled Anastasio Somoza's right-wing dictatorship last year. That link would guarantee money. arms and supplies for Nicaragua. If so, Moscow would gain automatic entree to the struggling Sandinista regime through a kindly intermediary—Cuba's Fidel Castro. Without Castro, the Marxist revolution in strategically placed Nicaragua could not have succeeded last summer.

The Soviet plan is to communize Central America and, using that land bridge as a dagger pointing north and south, extend its influence onto the two continents. What is surprising to top policy-makers in the Carter administration is the speed with which this Soviet campaign is progressing, and the increasing boldness of the men in Moscow and their agents in Havana.

U.S. intelligence sources are now certain, for example, that Castro is upgrading his estimated 144 SAM2 anti-aircraft missile sites on Cuba. Now single-stage rockets, the Soviet-made SAM2 is acquiring three new boosters. Some U.S. officials believe the purpose is to provide better air defenses for possible U.S. retaliation against a Soviet-Cuban decision to redeploy nuclear weapons in Cuba some time in the future.

After the 1962 Cuban missile crisis, the Russians promised never again to move offensive nuclear weapons into Cuba. But the Soviet invasion of Afghanistan broke the back of détente and U.S.-Cuban relations are at a new low—poisoned in part by Castro's deadly missionary work in Central America. Castro is clearly preparing for new confrontation with Washington.

He now has at least 2,000 Cuban agents in Nicaragua, including military advisers who control a small training camp at Estell and a fortified air facility at Montelemar. Some U.S. officials claim that although the Sandinista regime is controlled today by pro-Castro Marxists, a political power struggle continues within the revolutionary group.

If so, there was no sign of it during the four-day, late-March Moscow summit between the Sandinistas and two of the highest Soviet leaders, including Politburo member A. P. Kirilenko and Boris Ponomarev, Moscow's chief liaison with foreign Communist parties.

The communique describing that session outlines several routine agreements—widely published here and in Latin America—on consular, trade, air traffic and other relations. The Soviet version of the communique then stated in the next-to-last paragraph: "A plan of ties" between the Soviet Communist Party and the Sandinistas "for 1980–1981 was signed."

It is that bare-boned agreement that U.S. and Latin authorities believe points toward a military arrangement of some kind between Nicaragua and Cuba, with the Soviets as middleman/broker. It was signed by a leading member of the Sandinista junta and by ministers of internal affairs (Nicaragua's top cop), defense and economic planning—the revolutionary regime's high command.

The commitment to Soviet world policy by these four Sandinistas is breathtaking denunciation of the U.S.–NATO decision to upgrade NATO's nuclear arms, defense of the Soviet invasion of Afghanistan (later gently repudiated by a member of the junta) and "renunciation of the use of force"—notwithstanding Afghanistan.

Such rhetoric pales alongside the possibility of a made-in-Moscow military alliance between Cuba and Nicaragua. While President Carter fumes over American hostages in Tehran and laments Afghanistan, aggression of a more ominous character is being practiced in our own back yard.

Soviets Tighten Nicaragua Tie

The signing of an agreement between the Soviet Union and Nicaragua's ruling Sandinista Marxist Party in March may signal a Soviet move to expand its influence in Nicaragua, the State Department said yesterday.

The department also said Cuba had agreed to provide military advisers to help train Nicaragua's armed forces, although the two countries have no formal mutual defense pact.

The comments were made after columnists Rowland Evans and Robert Novak reported that the agreement signed in Moscow "points to major new Soviet intervention and a possible Nicaragua-Cuban military accord."

The columnists said there was reason to suspect that Moscow was encouraging a military link between Cuba and the Sandinistas, who overthrew President Anastasio Somoza last year.

State Department spokesman Tom Reston told reporters that U.S. Ambassador Lawrence Pezzullo had asked military members of the Nicaraguan government whether there was a Cuba-Nicaragua pact.

"They told him that there was no formal mutual defense pact, although Cuba has agreed to provide military advisers to help train the Nicaraguan armed forces," Reston said.

Mr. ZORINSKY. Mr. President, inasmuch as the column of Evans and Novak is being made an issue, I should like to read from it. It appeared in the Washington Post of May 16, 1980.

The communiqué describing that session outlined several routine agreements—widely published here and in Latin America—on consular trade, air traffic and other relations. The Soviet version of the communiqué then stated in the next-to-last paragraph: "A plan of ties" between the Soviet Communist Party and the Sandinistas "for 1980–1981 was signed."

That is as far as this article goes in saying whether there is a military alliance or defense policy established between the two nations, if in fact, there is a military connection.

Mr. President, I would hate to base the future of the United States of America on four words that say "A plan of ties." If that is all the proof given for us to assume that a military alliance does exist, it is not enough.

Second, if a military alliance does exist, it only strengthens what we on the floor have attempted to say here today. If the Sandinistas are saying, "Soviet Union, help us; we have more democracy advocates here in Nicaragua than we care to deal with," that is a vivid proof that this Nation must remain in close contact with Nicaragua and its people and not abandon it to the self-fulfilling prophecy that some here are trying to apply because of "A plan of ties."

Sure, the Soviet Union may have an agreement for air traffic, consular, trade, or other relations. The Soviet Union has agreements with the United States of America, as it has with Communist countries.

So I hope that one article in the newspaper will not sway immediately all those who feel otherwise.

The Senator from North Carolina spoke of a steak dinner. If it is a Nebraska steak, I think that could be a very good reward, either way. But for the Senator from North Carolina to say that the outcome will be known 8 months from now is his first admission that I may be right and he may be wrong, which I think is a step in the right direction.

Mr. HELMS. I was tempted to offer a Peking duck dinner, but I thought better of it. [Laughter.]

Mr. President. will the Senator yield.

Mr. ZORINSKY. I yield.

Mr. HELMS. I ask the Chair if I am correct: Is it not necessary for me to have unanimous consent in order to have the motion to recommit voted on first?

The PRESIDING OFFICER. It is.

Mr. HELMS. In that case, I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so orderd.

Mr. HELMS. Mr. President, the yeas and nays already have been obtained on both.

The PRESIDING OFFICER. The Senator is correct.

Mr. ZORINSKY. Mr. President, do I still have the floor after 1 minute of yielding?

The PRESIDING OFFICER. The Senator does have the floor.

Mr. ZORINSKY. I would like to maintain the floor. I yield whatever time is required to my colleague from New Hampshire.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I would like to express my full support for the motion to commit H.R. 6081 to the Senate Foreign Relations Committee. I think it is important to realize what we are dealing with in this case. The word is "commit" and not "recommit" because this legislation has not even seen the committee rooms of the Foreign Relations Committee so far. This is obviously a railroad job. The administration is down here working the Hill trying to rush this thing through before people realize what is going on, trying to avoid the usual process of legislation so that no one will have a chance to, or a significant chance to, offer amendments to this proposal.

This is a very controversial piece of legislation and should be studied by the Senate in great detail. We are being asked to approve a generous aid package to the left-wing Sandinista regime in Nicaragua in the hope that its nature will be miraculously transformed.

I am in complete agreement with Congressman Broomfield and others who argued on the House side that this bill "clings to the unrealistic optimism that the Marxist forces who stopped at nothing to gain power will now be moderated by a kind word and economic aid." At the very least, the extension of aid to Nicaragua should be tied to tangible signs of moderation on the part of the Sandinista regime.

This bill fails to do this in any meaningful sense.

Mr. President, what signs are there of moderation on the part of the Sandinistas? My distinguished colleagues will recall that the ruling junta in Nicaragua has been purged of all moderate spokesmen. I also direct my distinguished colleagues to reports in the Evans and Novak column of last Friday that a secret agreement has been signed between the Soviet Communist Party and the Sandinista Marxist Party of Nicaragua. According to Evans and Novak, the agreement is aimed "at planting Soviet influence and aims smack on the bridge between the Americans, flanked by what used to be the peaceful lake of the Caribbean but what is now becoming an alien sea dominated by the Soviet dependencies."

Mr. President, I ask unanimous consent that the Evans and Novak article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, May 16, 1980]

A SANDINISTA MISSION TO MOSCOW

(By Rowland Evans and Robert Novak)

A secret agreement between the Soviet Communist Party and the Sandinista Marxist Party of Nicaragua, signed in Moscow in late March, points to major new Soviet intervention and a possible Nicaragua-Cuban military accord in the increasingly hostile Caribbean back yard of the United States.

"The Soviet government would be unlikely to sign a party-to-party agreement with a foreign country unless Moscow regarded that country as a reliable- long-term partner," a leading Latin American authority told us.

The secret agreement between the two ruling parties is regarded by non-communist Latin nations as a dangerous Soviet intrusion into the Central American heartland. It appears aimed at planting Soviet influence and arms smack on the bridge between the Americans, flanked by what used to be the peaceful lake of the Caribbean but what is now becoming an alien sea dominated by the Soviet dependency of Cuba.

What is actually contained in the secret party-to-party agreement is not known here or by the governments of principal Latin American countries. There is reason to suspect, however, that Moscow is encouraging a military link between communist Cuba and the Sandinistas, who toppled Anastasio Somoza's right-wing dictatorship last year. That link would guarantee money, arms and supplies for Nicaragua. If so, Moscow would gain automatic entree to the struggling Sandinista regime through a kindly intermediary—Cuba's Fidel Castro. Without Castro, the Marxist revolution in strategically placed Nicaragua could not have succeeded last summer.

The Soviet plan is to communize Central America and, using that land bridge as a dagger pointing north and south, extend its influence onto the two continents. What is surprising to top policy-makers in the Carter administration is the speed with which this Soviet campaign is progressing, and the increasing boldness of the men in Moscow and their agents in Havana.

U.S. intelligence sources are now certain, for example, that Castro is upgrading his estimated 144 SAM2 anti-aircraft missile sites on Cuba. Now single-stage rockets, the Soviet-made SAM2 is acquiring three new boosters. Some U.S. officials believe the purpose is to provide better air defenses for possible U.S. retaliation against a Soviet-Cuban decision to redeploy nuclear weapons in Cuba some time in the future.

After the 1962 Cuban missile crisis, the Russians promised never again to move offensive nuclear weapons into Cuba. But the Soviet invasion of Afghanistan broke the back of détente and U.S.-Cuban relations are at a new low—poisoned in part by Castro's deadly missionary work in Central America. Castro is clearly preparing for a new confrontation with Washington.

He now has at least 2,000 Cuban agents in Nicaragua, including military advisers who control a small training camp at Estell and a fortified air facility at Montelemar. Some U.S. officials claim that although the Sandinista regime is controlled today by pro-Castro Marxists, a political power struggle continues within the revolutionary group.

If so, there was no sign of it during the four-day, late-March Moscow summit between the Sandinistas and two of the highest Soviet leaders, including Politburo member A. P. Kirilenko and Boris Ponomarev, Moscow's chief liaison with foreign Communist parties.

The communiqué describing that session outlined several routine agreements—widely published here and in Latin America—on consular trade, air traffic and other relations. The Soviet version of the communiqué then stated in the next-to-last paragraph: "A plan of ties" between the Soviet Communist Party and the Sandinistas "for 1980-1981 was signed."

It is that bare-boned agreement that U.S. and Latin authorities believe points toward a military arrangement of some kind between Nicaragua and Cuba, with the Soviets as middleman/broker. It was signed by a leading member of the Sandinista junta and by ministers of internal affairs (Nicaragua's top cop), defense and economic planning—the revolutionary regime's high command.

The commitment to Soviet world policy by these four Sandinistas is breathtaking: denunciation of the U.S.-NATO decision to upgrade NATO's nuclear arms, defense of the Soviet invasion of Afghanistan (later gently repudiated by a member of the junta) and "renunciation of the use of force"—notwithstanding Afghanistan.

Such rhetoric pales alongside the possibility of a made-in-Moscow military alliance between Cuba and Nicaragua. While President Carter fumes over American hostages in Tehran and laments Afghanistan, aggression of a more ominous character is being practiced in our own backyard.

Mr. HUMPHREY. The same day, the State Department confirmed that the Soviet Union and Nicaragua's ruling party had signed an agreement in March and hinted that the agreement "may signal a Soviet move to expand its influence in Nicaragua." The State Department also revealed that Cuba has agreed to provide military advisers to help train Nicaragua's Armed Forces. Mr. President, I ask unanimous consent that the Washington Post article noting the State Department's confirmation also be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SOVIETS TIGHTEN NICARAGUA TIE

The signing of an agreement between the Soviet Union and Nicaragua's ruling Sandinista Marxist Party in March may signal a Soviet move to expand its influence in Nicaragua, the State Department said yesterday.

The department also said Cuba had agreed to provide military advisers to help train Nicaragua's armed forces, although the two countries have no formal multual defense pact.

The comments were made after columnists Rowland Evans and Robert Novak reported that the agreement signed in Moscow "points to major new Soviet intervention and a possible Nicaragua-Cuban military accord.

The columnists said there was reason to suspect that Moscow was encouraging a military link between Cuba and the Sandinistas, who overthrew President Anastasio Somoza last year.

State Department spokesman Tom Reston told reporters that U.S. Ambassador Lawrence Pezzullo had asked military members of the Nicaraguan government whether there was a Cuba-Nicaragua pact.

"They told him that there was no formal mutual defense pact, although Cuba has agreed to provide military advisers to help train the Nicaraguan armed forces," Reston said.

Mr. HUMPHREY. While in Moscow, the Sandinista delegation and the CPSU signed a joint communique which amounted to a blatant rejection of the Monroe Doctrine. The communique stated:

> The Soviet Union and Nicaragua consider that a most important objective of the struggle for the consolidation of peace and international security lies in the elimination from international relations of any practice of hegemonism. They also condemn attempts on the part of some states to dominate others through an arbitrary declaration of whole areas of the world as spheres of their 'vital interests' and by direct military, political and economic pressure.

Mr. President, H.R. 6081 is founded on a misguided principle and the course of events has rendered its rationale moot.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, I yield to the Senator from New York for approximately 10 minutes, even though there is no time limit.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the position of my friend, the manager of the legislation, and his able associate from Indiana, to offer only a brief comment upon a situation which, in its larger terms, I have had some experience with in the past, and which is at least a limited guide to what ought to be the prudent decision at this moment. It is my conviction that the House bill as it is before us should be accepted without amendment.

The concerns about the possible abuse of this aid expressed in the House bill are legitimate, and we ought to record these concerns.

At the same time, it is an unwise precedent so to inhibit and restrict the President's authority to conduct American policy in the belief that we have the right, in return for a very small contribution to a very troubled situation, to dictate the nature of the Government of Nicaragua in the years ahead of us. All we can hope to do is to encourage those democratic forces which are still alive and express our concerns that U.S. aid not be used to hasten their demise.

There is one basic fact which we have not recognized, and that is that in the aftermath of a very long period of ineffective government, of government with which we would not very much wish to associate these United States, there has been a violent upheaval in Nicaragua composed of elements that are characteristic of that kind of reaction in many parts of the world today, ranging from the most free to the most implacably totalitarian. These tendencies are at the same time indigenous to that nation and supported from outside it by countries we know well such as Cuba and the Soviet Union. And while it may not be the responsibility of the United States to direct the course of Nicaraguan reconstruction, we must oppose, diplomatically and by the use of what influence we can bring to bear on the junta, the growing involvement of those Communist powers in Nicaragua.

We have learned about the troubling role of Cuba and the Soviet Union recently in the Economist, in the most ample report I have read of the situation. It is not reassuring. Yet neither is the situation lost to us. We have in Nicaragua the possibility of a democratic society being established, and certainly there are present in that country those who wish to see that happen. I support this aid in the hope that it may strengthen these democratic forces and the private sector, generally. After all those years of supporting the Somoza regime as the regime in power this is a small enough gesture, and it is a necessary one.

The worst and most insufferable action of the United States right now would be, having failed to respond to the outrages of the government of the Somoza family for four decades, if we were suddenly to find ourselves requiring the most punctilious attention to the details of parliamentary democracy such as might strain the patience of a Swiss canton, and ask these to be the standards of a Central American country torn by revolution for the last 2 years.

We shall be fortunate if the purposes of the managers of this legislation do not fail. All I can say is I am happy when a Slovic official arrived in Nicaragua, he turned out to be Ed Zorinsky and not the one they were looking for.

I want to thank him for the patience and good nature and steadfast purpose with which he has pursued this matter, and I trust he will reach a successful conclusion.

I thank the Chair and I thank the managers of the legislation.

Mr. ZORINSKY. I thank my colleague from New York for his very articulate statement.

Mr. President, I move to table the amendment of the Senator from North Carolina, and I request the yeas and nays.

The PRESIDING OFFICER. The pending question is a motion to commit the bill. It would take unanimous consent to table the amendment at this time.

Mr. ZORINSKY. Mr. President, I move to table the motion to commit of the Senator from North Carolina, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair will try to clarify the situation. The motion is a motion to table the motion to commit. The question is on agreeing to the motion to lay on the table the motion of the Senator from North Carolina to commit the bill to the Committee on Foreign Relations.

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Arkansas (Mr. Pryor), the Senator from Mississippi (Mr. Stennis), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I also announce that the Senator from California (Mr. Cranston) is absent because of death in the family.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Boschwitz), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), the Senator from Oregon (Mr. Packwood), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Wyoming (Mr. Simpson), the Senator from Alaska (Mr. Stevens), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "nay."

Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 41, nays 38, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—41

Baucus
Bellmon
Bentsen
Bradley
Bumpers
Byrd, Robert C.
Chafee
Cohen
Culver
DeConcini
Domenici
Durenberger
Ford
Glenn
Hollings
Huddleston
Inouye
Jackson
Johnston
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Sarbanes
Stafford
Stevenson
Williams
Young
Zorinsky

NAYS—38

Armstrong
Baker
Boren
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Cochran
Danforth
Dole
Durkin
Eagleton
Exon
Garn
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Melcher
Metzenbaum
Proxmire
Randolph
Roth
Sasser
Schweiker
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner

NOT VOTING—21

Bayh
Biden
Boschwitz
Church
Cranston
Goldwater
Gravel
Hatfield
Javits
Kennedy
Long
McClure
Packwood
Pressler
Pryor
Schmitt
Simpson
Stennis
Stevens
Tsongas
Weicker

So the motion to lay on the table the motion of Mr. Helms to commit was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on the amendment of the Senator from North Carolina. The yeas and nays have been ordered.

Mr. ZORINSKY. Mr. President, I move to lay the amendment of the Senator from North Carolina on the table.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment of the Senator from North Carolina on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Arkansas (Mr. Pryor), the Senator from Mississippi (Mr. Stennis), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I also announce that the Senator from California (Mr. Cranston)is absent because of death in the family.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Boschwitz), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), the Senator from Oregon (Mr. Packwood), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Wyoming (Mr. Simpson), the Senator from Alaska (Mr. Stevens), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 46, nays 33, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—46

Baucus
Bellmon
Bentsen
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chafee
Cohen
Culver
Dole
Domenici
Durenberger
Ford
Glenn
Hart
Hollings
Huddleston
Inouye
Jackson
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Stewart
Williams
Zorinsky

NAYS—33

Armstrong
Baker
Boren
Burdick
Byrd, Harry F., Jr.
Chiles
Cochran
Danforth
DeConcini
Durkin
Eagleton
Exon
Garn
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Laxalt
Melcher
Proxmire
Randolph
Roth
Schweiker
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—21

Bayh
Biden
Boschwitz
Church
Cranston
Goldwater
Gravel
Hatfield
Javits
Kennedy
Long
McClure
Packwood
Pressler
Pryor
Schmitt
Simpson
Stennis
Stevens
Tsongas
Weicker

So the motion to lay on the table the amendment of the Senator from North Carolina (UP amendment 1103) was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ZORINSKY. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JEPSEN. Mr. President, will it be in order at this time for brief remarks by the Senator from Iowa?

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. JEPSEN. Mr. President, I should like to state for the RECORD, in simple terms, why the Senate should reject this special assistance for Nicaragua.

In the wake of the Nicaraguan civil war and the ouster of President Somoza our Government, indeed the Congress, has expressed its desire to establish friendly and productive relations with the new government of that country. At the urging of the State Department, the Congress was encouraged to continue aid to Nicaragua in order that we might "prevent Nicaragua from going Communist." Of course, there was some indication during the revolution that the emerging powers in Nicaragua, represented by the Sandinistas, were not all that friendly toward the United States. Nevertheless, we were asked to maintain a positive and open-minded approach toward the new government.

However, Mr. President, in the last 10 weeks—after the House of Representatives had already passed a special aid bill—several events have taken place which serve to demonstrate that our skepticism about the new government is well founded:

The only two moderates on the ruling Junta have resigned, leaving the government totally controlled by the ideological extremists within the Sandinista government;

The proposed council of state, or peoples' assembly, has been reapportioned for the second time, to guarantee the Sandinistas total control;

The only remaining independent newspaper, La Prensa, was shut-down and reopened under the control of the Sandinista labor union; and finally,

The Sandinista leadership highlighted a recently completed trip to the U.S.S.R. and Eastern Europe by signing agreements linking the Soviet Communist Party and the Sandinista National Front, and giving a total endorsement to Soviet foreign policy—including the Soviet invasion of Afghanistan and support for terrorists who continue to hold American diplomatic personnel hostage in Iran.

Mr. President, let us be clear: The United States has no intention of aiding or bankrolling a government which shows such complete affinity for Soviet foreign policy interests, and which so clearly intends to act as a conduit for the exporting of the Cuban revolution. Beyond any question, this is money down the drain. Surely it is proposals such as this that give the foreign aid program a poor reputation. Perhaps more than anyone else, the State Department should be arguing vigorously against any aid to Nicaragua at this time.

Mr. President, I have been advised by the Senator from Nebraska, who I respect most highly, that some of these things have changed as recently as yesterday. I still felt, as he knows, compelled to make these remarks for the RECORD: because it seems to me that with the action that took place prior to yesterday and the action that took place yesterday, knowing that there is going to be a vote to give millions of dollars today, it rings a little hollow.

SOVIET THREAT IN CENTRAL AMERICA

Mr. DOLE. Mr. President, H.R. 6081 provides foreign aid to Central American countries, in order to "support peaceful and democratic processes of development." Most of the language of this bill, however, is concerned with one country in particular—Nicaragua—which recently, exchanged one undemocratic government for another—so far the Sandinista-dominated junta has refused to schedule the elections they had promised.

There is great concern in the Congress that leftist Nicaragua represents but the first of a series of destabilizing coups and revolutions in Central America, that all these states will succumb to Cuban supplied guerrilla movements. The world has yet to see if Nicaragua will go completely Marxist and come under Soviet control, but there are disturbing indications that it may.

The two moderates that formed, with the three Sandinista members, the ruling junta recently resigned apparently because of the direction the post-Somoza regime is heading. East Germans and Cubans have come in to train the teachers, the police, and the army. Independent unions are being squeezed into a single leftist labor organization. The private sector finds that its capital and land are not free from arbitrary confiscation and they are denounced as exploiters of the people. A Sandinista delegation recently returned from a tour of Communist capitals including Moscow that included joint anti-U.S. declarations as part of the agenda. The State Department has admitted that an apparently long-term, ready-to-party agreement was reached between the Kremlin and the Sandinistas. Mr. President, this is not the making of a government policy likely to be friendly to the United States, democracy, or freedom.

ALL CENTRAL AMERICA IN DANGER

Recently an official of the Organization of American States analyzed the dangerous situation in Central America this way: "El Salvador is where Nicaragua was 12 months ago, and Guatemala is where El Salvador was 12 months ago." Terrorism, murder, and intimidation are the rule rather than the exception in the streets of San Salvador and in the hills of Guatemala. Will the Caribbean become a Communist lake, guarded at the front by Cuba and Jamaica and at the rear by Panama, with every year seeing a new small state falling to Marxist subversion?

There are many uses for our American tax dollars right here in the United States. But no one questions the importance of maintaining this hemisphere free from further Soviet inroads. If the judicious use of economic and military assistance will aid these Central American nations to maintain their independence, then the United States must do what it can to influence events. It might be, too, that an enhanced U.S. military presence would serve warning to further Cuban infiltration in the area, with increased patrolling and ports visits by U.S. Naval and Coast Guard vessels.

This bill, H.R. 6081, addresses the problem the United States faces in Central America. It authorizes up to $80 million to be used to support the continued peaceful and democratic processes still paramount in these nations. The concerns many of us have expressed about the general trend in Nicaragua are not satisfied by the many caveats and stipulations incorporated in this bill, however.

FREE SPEECH OR NO AID

If Soviet, Cuban or other foreign troops enter or are stationed in Nicaragua, this aid will be terminated. But there is a loophole: Only if the President determines these forces are a threat to U.S. national interests will the aid be terminated. Last summer, Mr. Carter found the presence of Soviet combat troops in Cuba "unacceptable." But later he accepted them and they are still there. Meanwhile, the administration opposed the inclusion of this same caveat proposed by the Senator from Kansas in the Panama Canal legislation. None of the aid from this bill is supposed to support Communist attempts to gain power or to destabilize other regimes. Yet, by granting such aid we would give the Communist-leaning Sandinistas the chance to eliminate other parties and consolidate control.

Human rights and free speech and press must be observed in Nicaragua or the aid will be halted. But already this aid is in danger of suspension on this point, and it is the understanding of the Senator from Kansas that it will be stopped if continued and systematic violations continue. A respected Nicaraguan journalist, Oscar Leonardo Montalvan, felt compelled to leave his native land when the Sandinistas revoked his professional credentials and stopped his newscast.

Officials said that Montalvan's understanding of freedom of speech was different than the government's, which was defined as "freedom of speech for the revolution." Four other newsmen were subsequently sentenced to 2 years of hard labor for "counter-revolutionary reporting."

There are other conditions placed on this aid. The labor unions must remain free to organize and remain independent. The unscheduled elections must be held very soon, and if little progress is made toward holding them, then all funds will be cut off. Sixty percent of the funds must go to the private sector rather than aiding directly the government. Up to 1 percent must be used to make the people aware of the extent U.S. aid programs benefit the people of Nicaragua.

With these many conditions placed on this assistance it would seem there is not much hope that the recent revolution in Nicaragua was a victory for democracy, nor that this money will do what it was intended to do: To aid the free and democratic aspirations of the people of Central America and to add to our own national security interests. The people of the United States do not want to see the Nicaraguan Government go Communist, nor to see other regimes subverted by Cuban-supplied guerrilla movements. They certainly do not want to help pay for it to happen.

The Sandinistas are neither Soviet nor Cuban marxists, but that is a distinction without a difference. This is a period of great economic and political uncertainty in Nicaragua, and the Sandinistas are desperately trying to consolidate their power and control over the country. As they gain more and more control over the course of events, the signs that this is a new Castro-type regime in bud becomes clearer and clearer. The alarm bells are ringing now. Those actions they feel strong enough and confident enough to take now, do not augur well for the capitalism-democracy system nor for the rights of the individual.

By sending this money to the Sandinistas, are we helping to set up another Cuba? Where is the sense in that? Are there not other ways to bolster stability in Central America without trying to buy off the opposition? To make them stable and leave them in control? There are some 12,000 political prisoners in Nicaragua right now. How many more will there be in a year, 2 years or whenever the Sandinistas eleminate all opposition?

It is the hope of the Senator from Kansas that the Congress will reject this aid package as an exercise in wishful thinking. Measures remain to be taken to secure democratic values and U.S. interests in Central America. This legislation falls short of those standards.

Mr. ZORINSKY. Mr. President, I want to express my sincere thanks to Senator Lugar, the ranking member on the Western Hemisphere Affairs Subcommittee for his assistance and outstanding work in guiding this bill through many difficult days.

I also want to express my special appreciation for Senator Durenberger's consistent and eloquent support of aid to Nicaragua.

Finally, Mr. President, I want to thank Bob Dockery of the Senate Foreign Relations Committee staff, and all the other staff members, whose fine work and long hours contributed so importantly to our work today.

CENTRAL AMERICAN ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, I have listened with great interest to the arguments made this afternoon by the distinguished Senator from Nebraska Mr. Zorinsky, the chairman of the Subcommittee on Latin America of the Committee on Foreign Relations. His arguments, and those of his colleague from the Foreign Relations Committee, the distinguished Senator from Indiana, Mr. Lugar, have been forthright and persuasive. They are to be congratulated on their skillful handling of this bill.

In Nicaragua, the United States faces a simple choice: We can either actively try to stabilize the precarious political and economic situation, or we can turn our backs.

If we refuse to get involved, we abandon Nicaragua to leftist radicals. Clearly, it is in the national security interest of the United States that Central America not become a base for leftist subversion. Unless the United States is prepared to become involved in Nicaragua and help those who share our values compete with leftist extremists, then we will face serious threats to our national security in the future.

This is why I have decided to support this bill. I am not prepared to abandon the fight against leftist extremism in Central America. This is a region close to our borders and important to our national security. This assistance—the bulk of which will finance purchase of U.S. goods and services by the private sector in Nicaragua—will not guarantee that moderate political forces will prevail in Nicaragua. But without this assistance, it is nearly guaranteed that moderates would be overwhelmed. This is an outcome we must seek to avoid.

Mr. President, I ask for third reading.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote of today.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Arkansas (Mr. Pryor), the Senator from Mississippi (Mr. Stennis), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I also announce that the Senator from California (Mr. Cranston) is absent because of a death in the family.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Boschwitz), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), the Senator from Idaho (Mr. McClure), the Senator from Oregon (Mr. Packwood), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Wyoming (Mr. Simpson), the Senator from Alaska (Mr. Stevens), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas **44**, nays 35, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—44

Baker
Baucus
Bellmon
Bentsen
Bradley
Bumpers
Byrd, Robert C.
Chafee
Cohen
Culver
DeConcini
Domenici
Durenberger
Ford
Glenn
Hollings
Huddleston
Inouye
Jackson
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Stewart
Williams
Zorinsky

NAYS—35

Armstrong
Boren
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Cochran
Danforth
Dole
Durkin
Eagleton
Exon
Garn
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Laxalt
Melcher
Metzenbaum
Proxmire
Randolph
Roth
Schweiker
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—21

Bayh
Biden
Boschwitz
Church
Cranston
Goldwater
Gravel
Hatfield
Javits
Kennedy
Long
McClure
Packwood
Pressler
Pryor
Schmitt
Simpson
Stennis
Stevens
Tsongas
Weicker

So the bill (H.R. 6081) was passed.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes and Senators may speak therein for 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

COAL—THE PROMISE OF DOMESTIC SECURITY: EDITORIALS URGE ACTION NOW

Mr. RANDOLPH. Mr. President, today in the Washington Star is a very positive endorsement of the pending legislation to bring about the use of coal under a mandatory program to replace petroleum and natural gas. This editorial takes No. 1 place on the editorial page: it is a very strong editorial.

I am gratified that this editorial appears at a time when the proposed legislation is being considered in committee and when there is debate as to our dependence on other fuels from other parts of the world.

We have in our Nation the technology to move forward with the use of coal as the alternative to natural gas and petroleum, of which we have short supplies. At the present time, we are using about 49 or 50 percent of all the petroleum consumed in this country in aviation fuel, in motor fuel, in household heating. Across the board, we are using the supplies of foreign petroleum which are given to us in the amounts they desire to give to us, I say to my colleague from Nebraska.

We are subject to the price that they place upon that supply at any time. It is rather repetitive, but during the past year we spent 90 billion American dollars on the purchase of foreign petroleum supplies when we have the proven technology within this country to make and use other fuels.

So we have the mandatory conversion legislation which is pending and is now the subject of committee action. As my able colleague knows, from the State that does not have perhaps as much coal as West Virginia, and also the State of my colleague from Indiana, that does not have perhaps as much coal as West Virginia, coal is all over the United States of America and ready to be used.

Mr. President, last week an internationally sponsored work was released which discusses the role of coal in our current and future energy policy. Coal—Bridge to the Future is a publication which reflects the efforts of experts from 16 countries and was compiled by Prof. Carroll Wilson of Massachusetts Institute of Technology. I concur with the conclusions that decisions need to be made now if we are to assure necessary actions to have coal mined, moved, and used. The United States must perform a key role. I believe we can burn almost any American coal cleanly by using available technology.

Mr. President, my colleagues have heard me speak to these points on coal many, many times. It is encouraging to read editorials in the Washington Star of today and recently in the New York Times expressing the same positive need to accelerate coal utilization using the world coal study as documentation.

The fresh look we are now taking at increasing the direct utilization of coal, and using coal as the base substance for a synthetic fuels industry is indeed our "bridge to the future." Both the Fuels Conservation Act of 1980 (S. 2470), and the National Security Act (S. 932) must produce positive results to assure us a secure energy future. If our national energy policies are to be responsive to national needs, we must develop new energy resources of every form—not competition between energy resources.

I have belabored this point somewhat, but these are among many editorials which are appearing now. The Star today has a strong endorsement of that legislation which is pending and says why it believes it should be passed.

In the New York Times of May 13 and in the New York Times of May 18, there are two strong editorials for coal to be used—American coal from whatever State, Wyoming or West Virginia, whatever the State—to replace the petroleum which is being consumed in this country with the expenditures of billions and billions of dollars to those supplying it from not only unstable but unfriendly countries across the seas.

How much longer can we wait to be realists in this body—realists, not conservatives or liberals, but realists—and to understand that legislation of this type must have a priority, must have not only the backing of the Members of this Congress, but also the initiatives and the leadership of the administration as well?

This is an old subject to me, of course, and sometimes I think I am heard too often on it, but I rise today to ask unanimous consent to have printed in the Record the editorial of the Washington Star of today, "The Promise of Coal," and the two editorials in the New York Times, one of May 13, "Coal as King; Americans as Saudis," and the one of May 18, "Looking For the Catch in Coal."

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, May 19, 1980]

THE PROMISE OF COAL

Coal can be the critical fuel to ease America's over-dependence on foreign oil, and the resource to maintain global economic growth over the next two decades. That is the message of two major studies, which emphasize that decisions to put greater reliance on coal must be made now.

The World Coal Study released last week concluded that coal will be vital to sustain any kind of real economic growth in the world between now and the year 2000, and that it "can be mined, moved and used at the most stringent environmental protection standards and at acceptable costs . . ." President Carter's Commission on Coal recently said, "Strong legislation, including mandatory reduction of utility and industrial oil and natural gas use, is long overdue."

So far the U.S. has made only fitful movement to revert to a fuel that is abundantly available. Despite the political obeisance paid to coal during the 1970s, the coal industry may have a case for breach of promise. Capacity exists to mine 1 billion tons a year, but there are now 100 million tons of coal stockpiled above ground and going unused. The National Coal Association last week told President Carter that his goals on production and use for 1985 cannot be met, and blamed "current government policies and regulations."

In a recent series on the subject, The Star's Lance Gay noted the complex of factors that has impeded expanded coal use: A history of unsafe mines and working conditions, and the problems of reliable supply arising from turbulent labor-management relations; rate-structure policies that tend to erase the economic advantages of coal; economic and investment uncertainties created by an ever stricter environmental and regulatory climate; restrictive federal leasing policies on Western government-owned land.

Difficult problems all, but none intractable. As the logic to return to coal becomes increasingly compelling, however, the environmental dispute could dominate—and distort—the debate.

The two most conspicuous environmental problems with coal are acid rain and the "greenhouse effect," the concern that carbon dioxide in the atmosphere could, over time, disrupt the earth's weather patterns. The World Coal Study acknowledged that coal releases 25 per cent more carbon dioxide than oil, but added, "Most researchers expect that there are at least several decades to evaluate the carbon dioxide modification issue." That sort of observation does not comfort those who translate technological rough edges into imminent lethal specters. But it is a tenable judgment.

Acid rain has been drawing particular public attention of late. Scientists have yet to fix the sources of acid rain, how long it has been around or how precise the effects it causes. Sulfur dioxide, combining with atmospheric moisture to form sulfuric acid, returns to earth as a pollutant, and a joint U.S.-Canadian study last summer said, "There is substantial reason to suspect" that it "will have adverse effects on aquatic systems, forest, and agricultural systems."

Clearly, this warning cannot be disregarded. But we also need to know more about acid rain. Is it primarily the result of industrial emissions? To what extent do automobiles contribute? What are the best methods and how much will it cost to develop and install controls?

Douglas Costle, the administrator of the Environmental Protection Agency, is intent on immediate regulation: "There's a lot we don't know, I admit," he says. "But we do know enough that we ought not to make the problem any worse and that we ought to take remedial action."

It is not complacent to wonder whether Mr. Costle isn't calling for a third alarm at the first traces of smoke. Congress last fall authorized a 10-year, $10 million acid rain study. To impose a fresh layer of federal regulation on a condition as yet so partially understood would seem at least premature.

Acid rain is alarming, and we must deal with it. But the United States has already allowed itself to be taken hostage by a morbid reluctance to use a practical alternative, coal, against dependence on foreign oil. A first priority should be congressional approval of President Carter's $10 billion proposal to switch East Coast oil-fired utility plants to coal.

The intense environmental opposition could jeopardize passage—as well as the entire effort to turn, as quickly, efficiently and safely as possible, to coal. Failure to do so could be devastating.

[From the New York Times, May 18, 1980]

LOOKING FOR THE CATCH IN COAL

The more we reflect on the possibilities of coal, the easier it is to get excited. The World Coal Study issued last week offers the most hopeful energy news in years of crisis. Compared with coal, oil prices have zoomed so high that it is now possible to spend heavily to make coal cleaner and safer—and still come out ahead.

Consider just how enormous the price differential has become. A typical American utility spends roughly $35 for a ton of coal delivered, and another $25 to meet existing aid and water pollution standards, a total cost of $60. The equivalent amount of crude oil would cost $165. That leaves a tremendous margin to pay for doing things right.

Coal does not have to be unacceptably dangerous and dirty. Determination, and money, can make it safe. The best-managed mines have substantially reduced deaths from accidents and black-lung disease; they are now no more hazardous than other high-risk manufacturing or construction. All mines could be compelled to reach these standards.

Nor does strip mining have to leave the land scarred. At modest cost, terrain can be restored to its original condition. And emissions from coal-burning plants, long a curse to industrial cities, could be controlled. New coal-fired power plants emit less pollution than most oil-burning plants. Replacing old oil plants with new coal plants could improve air quality.

Is there a catch in this rosy view? If so, it is not yet apparent. Government analysts acknowledge that coal has an enormous price advantage over oil and that some of this can readily pay to meet strict health and cleanliness standards. The claim that coal can be used safely gains credence from the support of Russell Train, former head of the Environmental Protection Agency, who participated in the World Coal Study. The idea is also endorsed by current E.P.A. officials.

No one thinks of coal as anything more than a transitional fuel, en route to renewable energy sources. A solar advocate, in fact, might argue that all effort should be concentrated on developing that source more quickly. The World Coal Study estimated that solar energy might meet about 10 percent of the nation's needs by the year 2000. The Carter Administration's goal is twice that. But even if it develops that fast, there would still be a great need for coal, domestically and abroad, where experts show little confidence that solar energy will contribute much in this century.

What are the other alternatives? Coal is more acceptable to the public than nuclear power. And unlike solar, it uses mostly time-tested technologies. The task now is to get on with the job of building the necessary mines, transportation links and combustion plants. That will happen as the economic advantages of coal over oil become more widely appreciated, but only if some key coal producers and potential users get over their endless dyspepsia.

The National Coal Association still complains that coal-use goals cannot be met unless pollution and strip-mining regulations are eased. Utilities complain about the high cost of scrubbers if they switch from oil to coal. If any particular environmental standard turns out to be demonstrably excessive, it should of course be modified. But the encouraging message of the World Coal Study is that it will pay, in dollars and in independence, to burn coal; that the world can do so without sacrificing the environment; that there is no catch.

[From the New York Times, May 13, 1980]

Coal as King; Americans as Saudis

Coal has a dirty reputation, and rightly so. Mining it kills thousands, scars landscapes and ruins waterways with acid drainage. Burning it pollutes the air, killing thousands more. No wonder that coal gave way to oil as the world's premier fuel—and no wonder that environmentalists have been wary of turning back to coal, no matter how plentiful. But now it seems clear that they, and all of us, had better take another look. Coal may be good for the world and especially good for America.

An internationally sponsored World Coal Study, issued yesterday after 18 months of work, offers a surprisingly upbeat prognosis for expanded coal use in the next two decades. The study contends that oil now costs so much that it is possible to spend heavily to clean up coal and still come out far ahead. And it predicts that coal can compete successfully against oil in export markets. The United States could become a "Saudi Arabia of coal exporters."

This is a rosy vision. But if it is even remotely accurate, the old image of coal is clearly wrong. Coal can fill the world's energy gap for at least two decades without threatening major environmental damage.

The central message of the report—compiled by Prof. Carroll Wilson of M.I.T. and experts from 16 countries that produce and use most of the world's coal—is that coal use must be tripled and steam coal exports increased at least tenfold, if the world is to solve its immediate energy problems. What are the alternatives? Conservation alone cannot contribute enough. Nuclear power is meeting increasing resistance. Solar and other renewable energy sources cannot be developed and widely marketed until about the year 2000. So in the meantime, most of the added energy needed for moderate economic growth must come from coal.

That can be accomplished, the report contends, without sacrificing health, safety and environmental protection. The reason: oil is now so expensive that it is economic to clean up coal. The cost of mining, transporting and burning coal in this country, even after applying the strictest environmental standards, is roughly $60 a ton; the equivalent amount of crude oil would cost about $165. That gives coal an enormous price advantage that could be used to meet even stricter environmental standards, if deemed necessary. And the price gap is getting bigger, not smaller.

Coal's greatest environmental threat is thought to be the "greenhouse effect"—the possibility that carbon dioxide produced by burning coal and other fossil fuels might cause catastrophic changes in global climates. On this danger, the Coal Study temporizes. It notes, rightly, that there are many uncertainties as to whether such changes will occur; even if they do, coal may not make much difference. If the effects do prove serious, the report says, coal combustion can be cut back. That seems a reasonable approach—if the world is really prepared to take the necessary control steps at the time.

The export potential for coal is often overlooked, even by the American coal industry itself. The United States has by far the biggest export potential, followed by Australia and South Africa. By the year 2000, coal could become America's largest single source of foreign exchange—not to mention a benefit of incalculable value: greatly lessening United States dependence on imported oil.

The World Coal Study is more upbeat than many previous reports on the potential for coal. But its projections are not outlandish. The goals can be reached through a 5 percent annual growth in coal production, a level that has been met in recent years. The study calls for a prompt start on building the transportation and equipment needed for a large expansion in coal use. It also seeks Government action to speed licensing, stabilize environmental standards and encourage investment. What a small price to pay, in both industry and Government, for shattering the oil cartel's domination of world energy.

Mr. MOYNIHAN. Mr. President, will the Senator yield at this point if I may just for a comment?

Mr. RANDOLPH. Yes, I am delighted to yield.

Mr. MOYNIHAN. The Senator, our chairman, remarked that he perhaps was heard too often on this matter. I beg to differ. I rise to assert that if we have difficulties in this country and in our position in the world as a consequence in the matter of which he addresses it is because he was not heard soon enough.

The first recorded statement of which I am aware by the Senator from West Virginia to the question of the use of coal and the hostage to international fortune which would result from an increased dependence on foreign oil was made in 1942 in the middle of the Second World War when such thoughts scarcely occurred to many and four decades have passed and we commence to understand the implacable geopolitical realities of which he speaks.

I rise as a Senator from the State which under the proposed legislation would consume one-quarter of the increased amount of coal to be used for the generation of power—27 percent of installed electrical generating capacity would come to New York—to say that we welcome this legislation and the safeguards that will accompany it and the advantages that will accrue from it. We ask only that it be considered as a shift in our technology, requiring transportation and environmental protections of which we are capable.

Mr. RANDOLPH. Yes.

Mr. MOYNIHAN. It is an investment which can be brought about with benefits that go beyond any that I think could have ever been arranged of benefits beyond any ever associated with simply a choice of fuel. That is a choice of foreign policy. This is a choice of independence in the world for this Nation and not simply one of choosing a particular commodity over another with respect to an economic function.

I did not rise to speak to that so much as to say that the Senator has not been heard enough. He was not heard early enough. There is a question in my mind as to the time when he will not only be heard but listened to and understood and have this body act upon the propositions which patiently for four decades he has been putting before this body, this Senate. There is not a comparable record in the history of this body, and I attest to it.

Mr. RANDOLPH. Mr. President, these are very generous comments by our able colleague from New York, (Mr. Moynihan.)

But they are spoken not so much when he mentions me individually, but to the broader subject of doing something and doing it now. We are so guilty in this country of acting after the fact rather than before the fact.

It occurs and recurs in the history of this Republic, often to our disadvantage. It is something that leaves us often in a position where to catch up even we have to spend $100 where 10 cents before could have done the job. And that is one of the sad situations as we consider the synthetic liquid fuels legislation here and think of it in terms of $20 or $30 billion, just that one item alone.

I am very grateful for the Senator giving me this time. I did not mean to utilize it. I thought I would simply place the editorials in the Record.

But if I may conclude, with his understanding, it is to comment only: when Senator Moynihan speaks of investment and benefits, when we spend money on having an independence in this country with supplies of energy produced within America we are not just spending money. We are making, yes, an investment and an investment that does not only return dollar for dollar but pays dividends, dividends, dividends, for my own children and my grandchildren and the future of America.

The future of America must hold promise for us, not a fear, and this promise, let us make it a reality through the actions of the Senate of the United States.

Again I thank my colleague.

RONALD LAUDER AND THE CLOSE UP PROGRAM

Mr. WALLOP. Mr President, I rise today to bring to the attention of my colleagues an American whose work has helped to generate a stronger sense of citizenship for our young people. Although he is not from my State, his efforts in involving students from his area in the political process through the close up program will help make this a better country for all Americans.

I have recently learned that Ronald Lauder's generous contribution to the students and teachers of his community helped to create a learning experience for over 50 New York close up participants. As a member of the Close Up Foundation's board of advisers and a person who believes strongly that we must find positive ways to encourage a sustained interest on the part of our young people in government, I salute this personal effort and the generous support of the Estee Lauder Foundation in this most worthwhile effort.

As Thomas Jefferson once said:

> I know of no safer depository of the ultimate powers of the society but the people themselves. And if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education.

It is through the commitment of Americans like Ronald Lauder that we can be assured of an enlightened, informed future generation for our democratic system.

LEO CHERNE AND THE BOARD FOR INTERNATIONAL BROADCASTING

Mr. PELL. Mr. President, last week while I was in Europe accompanying Secretary of State Muskie on his first diplomatic mission abroad, several press articles appeared concerning a letter that I and three other members of the Foreign Relations Committee sent to President Carter on May 5 supporting the current composition of the Board for International Broadcasting that oversees the work of Radio Free Europe and Radio Liberty. In this regard, I read with great interest the very eloquent statement made by the junior Senator from New York in support of Leo Cherne, who was apparently under consideration as a replacement for one of the present Board members.

In this regard, I express my own great esteem and affection for Leo Cherne. He and I share a long and productive association with the International Rescue Committee, which he has led for many years. Our friendship and work together goes back to even before he and I worked on the Hungarian refugee problem in 1956.

It would grieve me very much if anyone concluded that my signature on the letter to the President implied criticism of or opposition to Leo Cherne's nomination to an important office. My only purpose in signing the letter to the President was to express my support for the Board as presently constituted. The terms of three of the Board's five members appointed in 1977 by President Carter were expiring, and I wanted the President to know, and I quote from the letter, that "it is of the highest importance to the future of RFE/RL that continuity be maintained in the membership of the Board." The entire Board was doing an excellent job, and I saw no reason to change a winning combination.

I was also concerned that a change in the composition of the Board might involve appointments of people with past ties to the CIA. Since the Board for International Broadcasting was established in 1973 as a break with the previous policy of clandestine CIA funding of RFE/RL, I felt it was important to point out the need to keep the BIB absolutely free of any connection with the CIA or related intelligence activities.

Since it was by no means clear on May 5 who, if anyone, outside the present Board might be nominated for the 1980–83 terms, I felt it was quite proper under the circumstances to set forth my concerns if changes were, in fact, being contemplated. Leo Cherne met with me on May 6, the day after the letter to the President was sent, and told me that he had already made it clear to the administration that he did not want to accept any new position that would detract from his work in refugee activities. Thus, the question of Leo Cherne as a nominee for the BIB is moot, but that only reinforces my hope that the President bear in mind the considerations contained in the letter from me and Senators CHURCH, JAVITS, and PERCY.

Leo Cherne is a highly capable and dedicated person. Any administration would be fortunate to have him in its service, and there should be no misunderstanding about my view on that score.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. SARBANES). The Chair, on behalf of the President pro tempore, and pursuant to Public Law 94–201, appoints Mr. David E. Draper, of Mississippi, to the Board of Trustees of the American Folklife Center, effective March 3, 1980, for a term of 6 years.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:51 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 4088) to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 2648. An act to authorize appropriations for the Federal Election Commission for fiscal year 1981; and

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3824. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1980 totalling $20,189,424,300 and amendments to the requests for appropriations for the fiscal year 1981 totalling $312,000,000; to the Committee on Appropriations.

EC–3825. A communication from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting, pursuant to law, a report concerning the Selected Reserve recruiting and retention incentives authorized by those sections of Public Law; to the Committee on Armed Services.

EC–3826. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Implementing the Panama Canal Treaty of 1977—Good Planning but Many Issues Remain," May 15, 1980; to the Committee on Armed Services.

EC–3827. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for the fiscal year 1982; to the Committee on Commerce, Science, and Transportation.

EC–3828. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Effect of the Airline Deregulation Act on the Level of Air Safety," January 1980; to the Committee on Commerce, Science, and Transportation.

EC–3829. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, an application by the Shoshone Irrigation District of Powell, Park County, Wyoming, for a loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3830. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Slow Progress and Uncertain Energy Savings in Program to Weatherize Low-Income Households," May 15, 1980; to the Committee on Energy and Natural Resources.

EC–3831. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report concerning the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out the provisions of the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3832. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on public works investment in the United States and the implications for the future of recent trends in such investment; to the Committee on Environment and Public Works.

EC-3833. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Indian Education Act; to the Committee on Labor and Human Resources.

EC-3834. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Industrial Wastes: An Unexplored Source of Valuable Minerals," May 15, 1980; to the Committee on Environment and Public Works.

EC-3835. A communication from the Chairman, District of Columbia Law Revision Commission, transmitting, pursuant to law, the commission's fifth annual report; to the Committee on Governmental Affairs.

EC-3836. A communication from the Secretary of Commerce, transmitting, pursuant to law, the semiannual report of the Inspector General of the Department of Commerce, March 31, 1980; to the Committee on Governmental Affairs.

EC-3837. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reduced Communications Costs Through Centralized Management of Multiplex Systems," May 14, 1980; to the Committee on Governmental Affairs.

EC-3838. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on primary care research and demonstration projects; to the Committee on Labor and Human Resources.

EC-3839. A communication, from the Acting Secretary of Education, transmitting, pursuant to law, final regulations for the Emergency School Aid Act; to the Committee on Labor and Human Resources.

EC-3840. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Basic Skills and Educational Proficiency Program; to the Committee on Labor and Human Resources.

EC-3841. A communication from the Director, ACTION, the Agency for Volunteer Service, transmitting a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973; to the Committee on Labor and Human Resources.

EC-3842. A communication from the Acting Director, Community Services Administration, transmitting a draft of proposed legislation to extend for three additional years the authorization of titles I, II, IV, VI, VII, and IX of the Economic Opportunity Act of 1964, and for other purposes; to the Committee on Labor and Human Resources.

EC-3843. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, proposed regulations to govern the application of the Federal Election Campaign Act of 1971, as amended, to contributions to and expenditure by delegate committees at all levels of the delegate selection process; to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

P. Michael Timpane, of Virginia, to be Director of the National Institute of Education.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 2733. A bill for the relief of David Kermanian; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 2734. A bill to authorize the Secretary of the Interior to transfer certain land and facilities used by the Bureau of Mines, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 2735. A bill to provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (by request):

S. 2735. A bill to provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes; to the Committee on Energy and Natural Resources.

TERRITORIAL ASSISTANCE ACT OF 1980

• Mr. JACKSON. Mr. President, by request, I am introducing for appropriate reference a bill to provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Secretary be printed in the RECORD.

There being no objection, the bill and communication were ordered to be printed in the RECORD, as follows:

S. 2735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Territorial Assistance Act of 1980".

TITLE I—TAX MATCHING GRANTS

SEC. 101. FORMULA. (a) Subject to the provisions of section 102 of this title, the Secretary of the Interior (hereinafter in this title referred to as the "Secretary") is authorized to pay to the governments of Guam and the Virgin Islands amounts determined by the application of the following formula:

(1) Total Net Local Tax Collections/Per Capita Personal Income multiplied by $3000;

(2) less 50% of—

(A) in the case of Guam, moneys paid to Guam under section 30 of the Organic Act of Guam (64 Stat. 392; 48 U.S.C. 1421h) except for those sums covered directly upon collection into the treasury of Guam; or

(B) in the case of the Virgin Islands, moneys paid to the Virgin Islands under section 28(b) of the Revised Organic Act of the Virgin Islands (68A Stat. 907; 26 U.S.C. 7652 (b)).

(b) Payments under this title shall be made on a quarterly basis during fiscal years 1982 and 1985. Payment for any quarter shall be made not later than ten days after the close of such quarter. Such payments may be computed on the basis of an estimate of net local tax collections for the fiscal year in which such quarter occurs, as certified to the Secretary by the respective government comptroller. The Secretary shall adjust the amount of payments in each succeeding fiscal year to which this section applies to the extent that payments made to the respective government during the previous fiscal year under this section were in excess of or less than the amounts finally determined, on the basis of actual tax collections, to be payable to such government in such previous year under subsection (a) of this section. Not later than six months after the close of fiscal year 1985, the Secretary shall determine whether the total amount paid to a territory during fiscal year 1985 was in excess of, or was less than, the amount finally determined to be payable to such territory for such year under subsection (a) of this section. If a sum less than such finally determined amount was paid to such territory, the Secretary shall pay the difference to such territory. If a sum in excess of such finally determined amount was paid to such territory, the Secretary shall request that the difference be repaid within 30 days after the date such request is made. If such difference is not so repaid, the Secretary shall deduct an amount equal to such difference from—

(1) in the case of Guam, moneys paid to Guam under section 30 of the Organic Act of Guam (64 Stat. 392; 48 U.S.C. 1421h) except for those sums covered directly upon collection into the treasury of Guam; or

(2) in the case of the Virgin Islands, moneys paid to the Virgin Islands under section 28(b) of the Revised Organic Act of the Virgin Islands (68A Stat. 907; 26 U.S.C. 7652(b)).

SEC. 102. CONDITIONS AND LIMITATIONS. (a) Payments made by the Secretary to a territory in any fiscal year beginning after fiscal year 1982 shall not be less than 80% of the amount paid to such territory in the previous fiscal year. The amounts that result from the computation under section 101(a)(1) of this title shall not exceed $30,000,000 in fiscal year 1982, $32,500,000 in fiscal year 1983, $35,000,000 in fiscal year 1984, or $37,500,000 in fiscal year 1985.

(b) No payment shall be made under this title until the plan required under section 103 of this title has been approved by the Secretary. Before making any payment under this title after such plan has been approved, the Secretary shall determine whether the respective territory is meeting the goals and timetables prescribed in such plan. If the Secretary determines that such territory is not meeting such goals or timetables, he shall withhold payments otherwise due such territory until he determines that such goals have been achieved.

SEC. 103. DEFICIT CORRECTION. (a) The governors of Guam and the Virgin Islands, by July 1, 1981, shall each submit to the Secretary for approval a plan designed to eliminate the respective territory's general fund deficits by the beginning of fiscal year 1985.

Such plan shall be approved by a majority of the members of the respective territorial legislature present and voting by roll call vote and provide for—

(1) implementation of an effective budgeting and accounting system;

(2) realistic revenue and expenditure projections that will progressively reduce current year general fund deficits and result in a balanced general fund budget no later than the beginning of fiscal year 1985;

(3) financing of accumulated general fund deficits;

(4) quarterly goals and timetables for implementing the plan; and

(5) such other requirements as the Secretary may deem necessary.

(b) Not more than 30 days after the close of each quarter that occurs after the plan required under subsection (a) of this section has been approved by the Secretary and through the close of fiscal year 1985, the respective governor shall submit a report to the Secretary, certified by the respective government comptroller, describing in detail the success or failure of such territory in meeting the goals and timetables described in such plan.

SEC. 104. DEFINITIONS. For the purposes of this title—

(1) the term "local tax" means a compulsory contribution exacted by a territory for public purposes (other than employee assessments and contributions to finance retirement and social insurance systems), as such contributions are defined by the Bureau of the Census for general statistical purposes, but does not include any territorial income tax (except an income surtax enacted by a territorial legislature) to the extent such a tax is based on the Internal Revenue Code of 1954;

(2) the term "net local tax collections" means (A) local taxes collected net of any amounts refunded or held for return to taxpayers as subsidies or paid under an agreement with a taxpayer in advance of the payment date required by law; or (B) local taxes previously paid in advance under an agreement with a taxpayer but which under law would otherwise have been currently due; and

(3) the term "per capita personal income" means, with respect to any fiscal year, the per capita personal income of the respective territory as most recently determined by the Bureau of the Census for the calendar year three years before the fiscal year for which the total net local tax collections are estimated or determined.

SEC. 105. APPROPRIATIONS. There are authorized to be appropriated such sums as may be necessary to carry out this title for fiscal years 1982 through 1985, and to make such adjustments after fiscal year 1985 as may be required under section 101(b) of this title.

TITLE II—TECHNICAL ASSISTANCE

SEC. 201. GENERAL TECHNICAL ASSISTANCE. (a) The Secretary of the Interior is authorized to extend to the governments of American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands, and their agencies and instrumentalities, with or without reimbursement, technical assistance on subjects within the responsibility of the respective territorial governments. Such assistance may be provided by the Secretary of the Interior through members of his staff, reimbursements to other departments or agencies of the Federal Government under the Economy Act (31 U.S.C. 686), grants to or cooperative agreements with such governments, agreements with Federal agencies or agencies of State or local governments, or the employment of private individuals, partnerships, or corporations. Technical assistance may include research, planning assistance, studies, and demonstration projects.

(b) There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE III—COMMISSION ON FEDERAL LAWS IN THE TERRITORIES

SEC. 301. ESTABLISHMENT. There is established a commission to be known as the Commission on Federal Laws in the Territories (hereinafter in this title referred to as the "Commission").

SEC. 302. PURPOSE OF COMMISSION. The purpose of the Commission shall be to survey the laws of the United States as they apply to the territories of the Virgin Islands, Guam, and American Samoa and recommend to the Congress such extensions of, exemptions from, and modifications to such laws as may facilitate the political, social, and economic development of such territories.

SEC. 303. MEMBERSHIP. (a) The Commission shall be composed of sixteen members, as follows:

(1) The Secretary of the Interior, or his designee, who shall be chairman of the Commission.

(2) The Delegates to the House of Representatives from the Virgin Islands, Guam, and American Samoa.

(3) Two Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and two Members of the Senate, to be appointed by the President of the Senate.

(4) Two members from each territory referred to in section 302 of this title, appointed by the President from nominees submitted by the governor and legislature of such territory.

(5) Two members appointed by the President.

Members of the Commission designated under paragraphs (1), (2), and (3) of this subsection shall serve on the Commission only so long as they hold the offices referred to in such paragraphs. Vacancies shall be filled in the same manner as the original appointment.

(b)(1) Except as provided in paragraph (2) of this subsection, members of the Commission shall each be entitled to receive as compensation the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including travel time) such member participates in a meeting of the Commission or of one of its committees.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular place of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(c) Nine members of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may hold hearings.

SEC. 304. DIRECTOR AND STAFF OF COMMISSION. The Commission shall have a Director who shall be appointed by the chairman of the Commission. The chairman of the Commission may appoint and fix the pay of such other staff as may be necessary to carry out the Commission's functions. The Director and staff of the Commission shall be appointed and serve without regard to the provisions of title 5, United States Code, except that no individual may be paid at a rate that exceeds the rate of basic pay in effect for grade GS–16 of the General Schedule.

SEC. 305. COMMITTEES. The Commission shall establish one committee for each territory referred to in section 302 of this title. Each territorial committee shall consist of the two members of the Commission appointed under paragraph (4) of section 303(a) of this title from the territory involved, and one other member of the Commission appointed under paragraph (3) or (5) of section 303(a) of this title, to be designated by the chairman of the Commission. Such designee shall serve as the chairman of the committee. Each committee shall survey the laws of the United States as they apply to the respective territory, and recommend to the Commission such extensions of, exemptions from, and modifications to such laws as may facilitate the political, social, and economic development of such territory. If the Commission accepts a recommendation of a committee, such recommendation shall be tranmitted as a part of the report required under section 306. If the Commission does not accept such recommendation, such committee shall reconsider the recommendation and transmit a reconsidered recommendation to the Commission. The Commission shall include all such reconsidered recommendations in such report with such comments as it may consider appropriate.

SEC. 306. REPORT. The Commission shall transmit a report to the President not later than two years after the date on which appropriations are first made under this title. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislative or administrative action as it may consider appropriate.

SEC. 307. TERMINATION. The Commission shall cease to exist 10 days after submitting its report under section 306 of this title.

SEC. 308. AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated such sums as may be necessary to carry out this title.

TITLE IV—CONSTRUCTION FUNDS MATCHING REQUIREMENT

SEC. 401. CONSTRUCTION FUNDS MATCHING REQUIREMENT. Notwithstanding section 601 of the Act of March 12, 1980 (94 Stat. 90), any grant to the Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands for any capital improvement project which is funded under appropriations to the Department of the Interior providing assistance to the territories shall require the respective territory to make a contribution equivalent to not less than 10 percent of the total cost of such project.

SEC. 402. EXCEPTION. Section 401 shall not apply to projects funded with moneys received under the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94–241; 90 Stat. 263).

U.S. DEPARTMENT OF
THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 12, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To provide for tax matching grants to Guam and the Virgin Islands, to authorize technical assistance to the territories, to establish the Commission on Federal Laws in the Territories, and for other purposes."

We recommmend that the draft bill be introduced and referred to the appropriate committee, and that it be enacted.

The draft would provide for tax matching grants to Guam and the Virgin Islands as an incentive for increasing tax revenues and eliminating deficits, would explicitly authorize technical assistance for the territories, would establish a Commission on Federal Laws in the Territories to study the applicability of Federal laws to the territories, and would provide for 90 percent Federal/10 percent local matching on territorial capital improvement projects.

On February 14, 1980, the President sent to the Congress a comprehensive Federal territorial policy statement. In the statement he outlined a number of problems faced by the territories and a number of initiatives designed to alleviate those problems. Although some of the initiatives can be implemented administratively, others, including the three that would be implemented under titles I, II, and II of the draft bill, require legislation. In his message the President appealed to the Congress to aid him, in the spirit of past bipartisanship in territorial matters, in implementing the new comprehensive Federal territorial policy.

Title I of the draft bill would provide for tax matching grants, to be paid quarterly, to Guam and the Virgin Islands for a period of four years as incentive for the two territories to increase tax revenues and eliminate chronic general fund deficits. In order to be eligible for a grant, a territory would be required to design and implement a plan to eliminate, by the beginning of fiscal year 1985, such territory's general fund deficit and to implement an effective accounting and budgeting system. Should the Secretary of the Interior determine in any quarter that a territory is not meeting its plan's goals and timetables, he would withhold the payment that would otherwise be made.

Grants would be based on a formula that includes a ratio of a territory's local tax collections to the per capita income of the territory. All tax revenue that the territories control and collect would be counted toward the match. Revenue such as that received in payment for utilities and services provided by the government would not be considered. If per capital income rises, a territory would have to increase the total dollar amount of local tax collections in order to maintain or increase its matching grants over the previous year.

Title II of the draft bill would give the Secretary of the Interior explicit authority to provide technical assistance to the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands on subjects within the responsibility of their governments. Our Solicitor's Office believes that the Secretary of the Interior has the authority, inferred from a variety of sources, to provide this technical assistance to the territories, but the draft bill would provide a clear and specific source of such authority.

Title III of the draft bill would establish a Commission on Federal Laws in the Territories. The Commission would examine the applicability of Federal laws to Guam, the Virgin Islands, and American Samoa. Representatives of each of such territories would join representatives of the Federal executive and legislative branches in recommending to the President such extensions of, exemptions from, or modifications to such laws as may facilitate the political, social, and economic development of such territories.

Title IV of the draft bill would provide, with certain exceptions, 90/10 Federal/local matching of funds for construction projects in the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands funded by this Department's office of Territorial and International Affairs. At present, most construction projects in the territories are 100 percent Federally funded. The proposed matching requirement would help to insure that Federal funds are used for the highest priority projects. The matching proposal was included in the President's fiscal year 1981 budget.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

CECIL D. ANDRUS,
Secretary.●

ADDITIONAL COSPONSORS

S. 1543

At the request of Mr. NELSON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1543, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 2542

At the request of Mr. CHAFEE, the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2542, a bill to grant a Federal charter to the "Italian American War Veterans" of the United States of America.

SENATE RESOLUTION 392

At the request of Mr. MAGNUSON, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of Senate Resolution 392, a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE RESOLUTION 432

At the request of Mr. NELSON, the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. DECONCINI), the Senator from Florida (Mr. STONE), and the Senator from Texas Mr. BENTSEN) were added as cosponsors of Senate Resolution 432, a resolution with respect to taxing social security benefits.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committee on Judiciary be authorized to meet during the session of the Senate today to consider judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Governmental Efficiency and the District of Columbia and the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 21, to hold oversight hearings on the Department of Energy Inspector General.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate tomorrow, May 20, to hear and consider nominees and other committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 20, beginning at 8 a.m., to hold a hearing on judicial nominations; and at 11 a.m. to hold a business meeting to consider pending judicial nominations and legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold an oversight hearing on Federal coal leasing.

The hearing will be held on Thursday, June 12, at 10 a.m., in room 6226 of the Dirksen Senate Office Building.

Questions regarding this hearing should be directed to Thomas Laughlin of the subcommittee staff at 224–2564.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation and Renewable Resources.

The hearing is scheduled for May 29, 1980, beginning at 2 p.m., in room 3110 of the Dirksen Senate Office Building. Testimony will be received regarding S. 2583, a bill to designate certain national forest lands in New Mexico as wilderness.

The Forest Service has also been asked to present testimony on two additional wilderness proposals pending before the subcommittee, S. 1685 and S. 1769, bills to designate wilderness in Missouri and South Dakota, respectively.

For further information regarding the hearing, you may wish to contact Mr. Thomas Williams at 224–7145.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recreation and Renewable Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Finance Committee will hold two hearings on Friday, May 23, 1980.

The first hearing will begin at 9 a.m. in the Hardeman Auditorium in the Garvey Fine Arts Center, Oklahoma Christian College, Oklahoma City, Okla. The second hearing will begin at 2 p.m. at the Great Bend Elks Lodge, 1120 Kansas Avenue, Great Bend, Kans. The hearings will be chaired by Senators BOREN and DOLE.

The hearings will examine the impact of the Crude Oil Windfall Profit Tax Act of 1980 on royalty owners, independent producers, and future domestic oil production. The subcommittee will specifically focus on S. 2521 introduced by Senators DOLE, BOREN, WALLOP, BENTSEN, BELLMON, DOMENICI, MCCLURE, TOWER, and KASSEBAUM. S. 2521 would entirely exempt royalty owners from the windfall profit tax for up to a total of 10 barrels per day of royalty interest.

WRITTEN STATEMENTS

Witnesses who are not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed on the hearings. These written statements should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, not later than Friday. June 20, 1980.●

ADDITIONAL STATEMENTS

U.S. SPACE EFFORT: 1981 WILL BE THE "LAST PICTURE SHOW"

● Mr. STEVENSON. Mr. President, the conventional economic wisdom threatens to bring the Nation's pre-eminence in the space sciences to a close. My colleagues would do well to heed the words of Dr. Bruce Murray, Director of the NASA–Jet Propulsion Laboratory.

Mr. President, I ask that an interview with Dr. Murray in the Christian Science Monitor of May 9, 1980 be printed in the RECORD.

The article follows:

U.S. SPACE EFFORT: 1981 WILL BE THE "LAST PICTURE SHOW"

(By Sara Terry)

LOS ANGELES—Next year, the blackness of outer space will get a lot blacker—for those of us here on Earth, that is.

For nearly 20 years, pictures relayed by the U.S. manned and unmanned space probes have been flashing back to Earth and across millions of television screens—dramatic shots of man's first walk on the moon, eerie pictures of a rocky Martian landscape, and stunning photos of Jupiter's famed, swirling Red Spot.

But when Voyager II reaches Saturn in August 1981, two years after its encounter with Jupiter, it will signal a "last picture show" of sorts for a space-watching world. For there will ensure a five-year hiatus before scientists get another glimpse of the solar system from U.S. probes.

"Starting in 1963, there has never been more than 12 months when the United States has not been producing new images of new places," says Bruce Murray, director of the NASA–Jet Propulsion Laboratory (JPL), which controls the country's unmanned space shots.

"More than half the people in the United States have never known . . . a time when that exploring wasn't going on," Dr. Murray continues. "Now they're going to know."

Caught in Capitol Hill's budget-cutting drive—and capturing less of a nation's fancy than it did during the race to the moon—America's planetary exploration program, Dr. Murray says, is "on the ropes."

Recent space flights such as the Voyager and Viking missions to Jupiter and Mars, respectively, have been a part of a period of "unprecedented exploration," says the JPL director.

But they are the culmination of a slew of projects begun in the late '60s—a continuous chain of events that was broken in the late 1970s when, for the first time in years, no new planetary exploration projects were funded.

Traditionally Congress has been generous in funding the National Aeronautics and Space Administration (NASA), which owns JPL and includes the laboratory in its budget. But the lion's share of recent NASA budgets has gone to the space shuttle program. The shuttle, which has suffered a two-year delay, was supposed to have been launched last year.

As a result, Dr. Murray explains, JPL—which last year spent $250 million on flight projects—is down to its last two scheduled missions.

They are the Galileo flight to Jupiter, which was originally expected to arrive and start relaying pictures in 1984; and a joint American-European venture planned for 1983, which will send two spacecraft around the sun's poles. Because both missions are to be launched from the space shuttle, they have been set back two years, to 1986 and 1985. And because of last-minute congressional budget-cutting, the so-called "solar polar" mission may yet be cut from JPL's agenda.

But planetary scientists such as Dr. Murray worry that the current political pressure to cut back spending may mean a loss of perspective on the long-range importance of planetary exploration. And they chafe over the fact that they have the knowledge and skills to develop technology to travel throughout the solar system. It is a tantalizing prospect that, because of a lack of money, dangles just out of their reach.

The impact of a decline in space exploration, Dr. Murray warns, is twofold. First, he says, a lack of new planetary projects will cause many scientists to leave the field for other areas, such as the booming defense industry—an exodus he says has already begun.

But more important, he says, there will be an intangible impact on the nation at large. It will be a loss of a feeling of "participation in the future, of leading the world in something positive, doing something with our technology that we can be proud of."

Dr. Murray acknowledges the earnestness of the national trend toward tightening purse strings. But he refuses to believe that Americans have lost their interest in planetary exploration.

"The problem is not that the American people have turned so inward that they no longer care. I think it's almost the reverse," he claims. "They desperately yearn for somebody to tell them how to be great, how to have a future, how to do something they can be proud of."

The planetary program "is like the 'National Geographic' in space," he says. "There's a basic interest in the United States, and in other countries as well, in exploration: What's the new frontier, what's it like out there, what's the next place? It's not well represented in a lobbying sense, but it's there, very strongly."

While Dr. Murray and other planetary scientists puzzle over how to spur that latent concern into vocal interest, he outlines these frontiers in space, which space scientists now are ready to tackle:

A search for extraterrestrial intelligence. although such a proposal has been turned down twice, JPL is trying for funding once again because, says Dr. Murray, "we have the technology now to do a million-fold better search than has ever been done before."

The seven-year project would involve a search through millions of radio frequencies across hundreds of light years for a signal being transmitted from somewhere in outer space.

Time is running out for such a mission, says Dr. Murray, because the increasing number of satellites being launched into Earth's orbit is creating "radio frequency pollution" that makes it almost impossible to "hear" any faint signals which might be picked up in space.

An exploration of Venus. Because Venus, Earth's nearest neighbor, is covered by dense clouds, conventional space sensors have been unable to make pictures of the planet's surface. But with the help of newly developed "imaging radar," JPL scientists say they will be able to explore the hidden surface of the planet that has been called "Earth's twin." Such information, they claim, will prove invaluable in understanding Earth.

A comet mission. Under a proposal now being written, a set of sensors would be launched in a probe directly into the center of Halley's Comet, providing data on a phenomenon that scientists know little about.

FRANK CARNEY LEAVES PIZZA HUT

● Mr. DOLE. Mr. President, last week was a tough one for one of my most well known constituents. Frank Carney, of Wichita, resigned from his position as president and chief executive officer of Pizza Hut.

My interest in this incident is not political, and I offer no judgments of the actions of Mr. Carney or Pizza Hut's parent company, Pepsico. I would, however, like to recount the story of the Carney brothers and their youthful rise to the pinnacle of corporate success.

In 1958, 19-year-old Frank and his 25-year-old brother Daniel opened a small pizza restaurant behind the grocery store owned by their parents. As anyone who lived in the College Hill area of Wichita at that time will remember, it did not take long for the original Pizza Hut to become a rousing success. Few of the patrons of this tiny family-run establishment, though, could have imagined that within 10 years Pizza Hut would be a booming, prospering corporation with 300 restaurants. By the end of this year, there will be 4,000 Pizza Huts.

The company that was begun with a $600 loan from the Carney brothers' parents literally made millionaires of several early franchise owners. Along the way, Frank and Dan Carney became respected community leaders.

While Pizza Hut continued to grow, the main offices remained at home in Wichita. Dan Carney left in 1973 to pursue private business interests, and Frank stayed on as president. Three years ago, Pizza Hut merged with Pepsico, and Frank became Pepsico's second largest stockholder, while retaining executive control of Pizza Hut.

Mr. President, Kansas is a diversified, economically progressive State. It has no metropolis, no Wall Street. Indeed, Wichita is its largest city. But Kansas does have the agricultural potential to feed the world; clean air, water and cities; and 2 million diligent, hard working men and women. For young people growing up in Kansas or any State, Frank and Dan Carney have demonstrated that bright ideas and hard work pay off.

The Senator from Kansas, on behalf of all residents of that State, would like to wish Frank Carney the best of luck as he departs from the billion dollar company that he and his brother created.●

A CRITICAL VIEW OF THE U.S. MILITARY ESTABLISHMENT

● **Mr. STEVENSON.** Mr. President, the clamor for increased expenditures for the military and decreased expenditures for everything else threatens more damage to the economy with no significant improvement in military preparedness. It reflects little understanding of the realities of war. In Forbes magazine of May 26, 1980, Edward N. Luttwak of the Georgetown Center for Strategic and International Studies speaks persuasively about the significance of war for the American military.

Mr. President, I ask that the interview with Mr. Luttwak be printed in the Record.

The interview follows:

A Critical View of the U.S. Military Establishment

Playing "what's wrong with the military?" has become a favorite American game since the embarrassing failure of the Tehran rescue mission. Some of the least encouraging answers come from Edward N. Luttwak, a professional military analyst who has been a consultant to the Secretary of Defense and is the author of nine books and studies of war. The senior fellow at the Georgetown Center for Strategic & International Studies has criticized the raid to free the hostages in Tehran, not because of the effort but because of its apparent ineptness. Forbes put some simple questions to Luttwak and got some pressimistic answers.

Luttwak. Let's start with the things that are hard and physical. The fighter planes of the Air Force, are they ready to fly? Are the ships ready to sail? Are the radar and the missile launchers ready to function? Are they maintained? We all know it's very expensive in manpower and spare parts to keep everything working 100 percent, 100 percent of the time. Readiness is very perishable; like French bread, you have to buy it every day, it doesn't last. So 100 percent readiness would be terribly wasteful, but we have to keep the whole machine going at considerably better than zero. The question is, how much? For this purpose targets are laid down.

Let's say 70 percent to 80 percent of top fighters in Europe are to be ready at all times. Maybe in the States it is 60 percent, ready to fly. When you look at what they want, you find a big gap. In practice if the U.S. has 400 F-15 fighters, to make up a number, it has only 150 ready to fly. This means you are spending a lot of money to buy aircraft you don't actually have. They are on the lists but not actually available to shoot. This is a straightforward problem, the consequence of lack of money.

In the Air Force, it may be lack of money for spare parts and technicians. In the Navy it is a huge shortage of technicians. The Navy is supposedly short 10,000 to 15,000 technically trained petty officers and men. Naval aviation is hit both ways, short of people and spare parts. But we are talking here only of the physical readiness of equipment.

There is a second question. Are these people combat-ready in the sense that they have the training, the experience, the discipline to actually fight? Here the picture varies considerably from service to service. The low average mental level of Army enlisted manpower and the practice of the Army to send its better people into maintenance and support and management and administration, leaving only the dregs for the combat units, means that what we have in those units are very simple people using very complicated equipment. The only way you can do this is with very, very rigorous training. But they don't do very much training. They mainly sit around in barracks because training is expensive. If it's artillery you have to shoot it. If it's armor you have to move it and shoot. So you have people of low mental categories who don't do much training spending a lot of time sitting around the barracks and therefore don't have the competence. They don't have the morale and the discipline, which is a function of morale. People who are bored and idle will not be disciplined.

The Army, therefore, is in very bad shape. It seems the Marine Corps is getting better manpower, more dedicated, more motivated, and spending more of its money on more intensive and more interesting training.

In the case of the Navy, it's a mixed picture. Apparently the Navy is badly afflicted by the loss of highly trained technical men and the cascade effect—if you're short of technicians, those left have to work harder, spend more time at sea, and this creates more unhappiness, which leads to more shortage.

The Air Force has much less of this problem. They are just short of money for spare parts, and in the case of the Strategic Air Command, short of money for fuel to fly their planes.

Forbes. But isn't this just the problem of the peacetime military? Any peacetime military?

Luttwak. That is almost an excuse. The truth is, we are in the position of someone who is trying to drive a car, a very powerful car, trying to drive it sideways. You can't do it. Sure, we are spending $150 billion, but we are spending in a way that is structurally wrong. You see, there are only a certain number of ways you can get men and train them into units.

One way is if you have national conscription. As a matter of course every 18-year-old knows and expects that when he reaches his birthday he will go into the service.

Another way is to have a truly professional army where you set very high standards for admission and you pay very well. That way you pick and choose and wind up with wonderful manpower and have no training or discipline problems. This is what the Indians do. It is a very poor country, and although the pay of soldiers is low by our standards, by India's standards it is high. So they have a truly professional army and get the very best of the population volunteering.

The third kind is to pick up the dregs of society, scouring the saloons, dragging them off the streets and out of the prisons. But then you have iron discipline, court martials, no appeals, corporal punishment. You make up with iron discipline what you don't have from motivation or enthusiasm.

The current American military force does not have mass conscription, does not have the high standards and selectivity of a truly professional army and does not have the discipline of an 18th-century army. It falls between alternatives and is not workable. You can only try to get capability by drowning the problem in money, but we're not drowning it in money. If we wanted to have a really effective army, with the present structure of the volunteer army we'd have to spend $250 billion a year, not $150 billion. The volunteer army is the most expensive way of getting true combat capability. It doesn't work.

Forbes. Doesn't our technological advantage, better weaponry, make up for those problems?

Luttwak. Technology or no technology, in the reality of warfare as opposed to paper calculations, the intangibles of leadership, command experience, tactical ingenuity, morale and skill of troops are much more important than materiel factors, your firepower, mobility and so on. It's not that these intangibles—from leadership to skill—will make the difference of 10 percent around the margin. From everything we know about warfare, ancient and modern, these intangibles easily dominate. It's not 10 percent around the margin, it's more like 200 percent to 300 percent.

You have to realize this is a very gadget-oriented society and the military share in this fascination. We have so many physicists and engineers prominent in our top defense policymaking and they, of course, wildly overestimate the importance of gadgets. Every time we finally come to confront the reality of the Soviet armored threat, we think seriously for a while until somebody comes up with a new gadget that will solve the problem.

A few years ago there was much talk of these wire-guided [antitank] missiles. We'll get a few thousand of them with a few thousand men and they'll go behind a few thousand trees and we'll pick off the Russians as they come. Unfortunately, in war the technical is dominated by the tactical. The perfect wire-guided-missile kill rate of 90 percent goes to 50 percent, 40 percent, 30 percent or 20 percent when the other fellow is shooting at the fellow with the missile. And the armor is working to come behind you, and then the missile suddenly operates at 10 percent.

That we have all these engineers, and physicists in our defense policymaking men who are so enamored of technical solutions, is a disservice because it distracts from the real problem. A broadly capable armed enemy, like the Soviet army, with its tanks, with its artillery, with its mechanized infantry, with its gas forces, will not be defeated by devices of narrow ingenuity, by gimmicks like the wired missile or the assault breaker. The assault breaker is the latest gadget. You just instrument the battlefield and you sit behind and press buttons and all these missiles will come down and kill everything moving on it.

Forbes. Yet our equipment used in combat by allies such as the Israelis has been superior on the battlefield.

Luttwak. You mention the Israelis. If you look at the American defense establishment, it is full of engineers and some systems analysts. The Israeli defense establishment consists largely of soldiers on one hand and clerks on the other. The clerks, who are engineers and scientists, serve as advisers, strictly subordinate, at lower levels. It's not incorrect to say that American equipment has been operated better by the Israelis than by the U.S., and deployed better, too.

The problem is, and I am talking as a civilian analyst, that there is a deformity, a real deformity at the very center of our defense establishment. Serious study of warfare, on the art of warfare, has been suppressed by the brutal imposition of analytical techniques which measure wonderfully what they measure but which don't happen to measure the really significant aspects of war.

The tactical, the leadership, the morale, the skill, are so much more important than the material things. Yet the different techniques we use, the systems analysis, the programming, all capture only the material aspects.

Forbes. For example?

Luttwak. An example: Every person who has seriously studied war knows that it is critically important to allow the combat unit to develop kinship and solidarity. Men under fire don't fight for their country; they fight for their buddies. Everyone knows this and every serious army makes it a point to have very stable structures, regiments and the like. But that is not efficient. For simple efficiency you want to have all the manpower in a big pool and send the correctly trained person where he is needed most. But when you move the guy, you are disrupting two organizations; and there is no way you can put the morale—the terribly important but completely unmeasurable development of solidarity—into those computers.

If you look at our Army units, you'll see what enormous turbulence there is. People come and go all the time. Companies, battalions, platoons are not the homes of men, not a social group at all; they are just an administrative box into which manpower is flown in and out. This is one of many different examples of the same phenomenon, efficiency versus effectiveness. The conflict between civilian efficiency and military effectiveness runs right down the organization. Conflict is different from civilian activity, and leadership in war is totally different from management. Our people are managers in uniform. Actually, the American armed forces are very efficient; they just aren't very effective.

FORBES. Would you have any evidence for that?

LUTTWAK. The whole Vietnam War. During the entire conflict the efficiency of American military organizations was constantly manifested. The efficiency of communications, the efficiency with which firepower was administered, the efficiency of transportation and distribution, of medical services; but it was just not an effective war machine. The firepower, so efficiently administered, was not effective because the enemy refused to assemble in the conveniently targetable massed formations. Less-efficient and less-managerial officers would have worked to find a method of war capable of dealing with people who refuse to assemble in conveniently targetable massed formations instead of concentrating on improving the efficiency of their firepower.

Armies are not efficient; armies are horribly inefficient; armies are wasteful, and so it should be.

FORBES. What should we do?

LUTTWAK. Shake them up a little. Come to grips with the fact that this country hasn't carried a single major successful military operation in the last 30 years. [He mentions the Inchon landing in the Korean War as being that last success.] Accept this fact instead of pushing it under the rug.

The second part is to realize that the armed forces have deviated from the true study, exercise and tactics of warfare and become managerial institutions, largely concerned with the management of personnel and equipment, contemptuous of the art of war and indifferent to everything that is of war, like tactics and operations. Recognize these things and then move on reform.

FORBES. Such as?

LUTTWAK. One, for example, would be to reduce the number of officers. [He notes there is one officer today for each 6.4 enlisted men, including noncoms.] Or better still, greatly increase the manpower but don't increase the officers. These officers are layer upon layer upon layer of management, which slows initiative, slows decisionmaking, complicates any development. Now we have a queue of ten people wanting to command each battalion. The way we accommodate them is that the tours of commanders are very short. This prevents the unit from stabilizing under a leader. It violates good military practice.

FORBES. Why do you criticize the raid on Iran?

LUTTWAK. It was an unsound military plan that contradicts the four magic rules for commando operations.

One: Take a man's force to do a boy's job.

Because you are inferior overall, you must be very superior at the point of contact; 97 Germans against 4 terrorists at Mogadishu [the commando attack on a hijacked airliner in Somalia]; 150 Israeli troops against 60 Ugandans.

Two: Combat risks being so high. no technical risk whatsoever is acceptable. If you land in fragile helicopters and you need 6, you take 12, 18—not 8.

Three: In all commando operations there is only one commander and he is on the spot. He doesn't need satellite communications because the only information he can send back is so sketchy and vague that any direction he gets from above is bound to mislead.

Four: The abandonment of the dead, of secret documents and intact helicopters is contrary to all the customs of war and the usages of the service. This has a powerful effect in intensifying the great loss of prestige that the country has suffered as a result of this debacle. A powerful effect. God knows how many Israeli commando operations have failed over the years, aborted. God knows, but the enemies of the Israelis don't, because the Israelis left no tracks.

This plan was a manifestation of the perverted use of military power, a perversion of the rules, the stripping of the combat content from a commando operation, which must be a combat operation by nature.●

COAL SLURRY AND WESTERN WATER

● Mr. McGOVERN. Mr. President, tomorrow the Senate Committee on Energy and Natural Resources will once again consider legislation to promote the development of coal slurry pipelines.

I share the concerns of the sponsors of the National Coal Production, Distribution and Utilization Act that our Nation is not moving as swiftly as we should toward the utilization of coal. This abundant domestic energy resource should play a major role in obtaining our national energy objectives.

Coal, conservation, and renewable energy technologies hold the greatest promise for reducing our dependence on foreign energy sources in the immediate future.

Mr. President, I must, however, take this opportunity to address what I believe is a serious problem with the development of coal slurry pipelines, and consequently a deficiency in the legislation to be considered tomorrow.

A 38-inch coal slurry pipeline can transport 25 million tons of coal a year, but it may also require 25 million tons of water to do the job. Most of the coal slurry pipelines that have been proposed to date, will originate near the vast coal reserves in the Western United States where water is scarce. Much of the water resources required for coal slurry development will come from underground aquifers, which presently fulfill the basic water needs for hundreds of communities and thousands of farms in this region.

The issue of water use in slurry pipelines has been further complicated by national energy policy strategies favoring the development of synthetic fuel facilities, which are also water intensive. Although several recent studies have indicated that sufficient water may be physically available for any one of these technologies, no one has yet adequately adressed the issue of how to resolve the competing water needs among these various energy technologies and existing domestic and agricultural uses.

This is particularly true for ground water supplies. Last fall, I chaired a Joint Economic Committee hearing on the impact of western energy development on water resources. At that time Department of Energy Assistant Secretary Ruth Clusen confirmed our concerns when she testified that, "it is premature to predict the availability of ground water for energy development." Yet many of the proposals for both slurry pipeline, synthetic fuel facilities, as well as the enormous amounts of water needed for coal mine reclamation will rely heavily on such ground water resources.

There is no doubt in my mind that western coal and oil shale can and will be developed to meet our Nation's energy needs. However, we must be mindful of the fact that enormous water supplies will be required for the reclamation of both existing and future mines. Much of the existing Federal and State mine reclamation laws were predicated on the availability of water resources for adequate reclamation. Oftentimes, these supplies must be drawn from underground aquifers.

Moreover, independent studies by hydrologists have confirmed that the amount of water drawn from certain aquifers will adversely affect water supplies in adjacent States. Yet, those States have little or no protection against the potential loss of essential ground water resources. In point of fact, the proposed ETSI pipeline which would operate between Wyoming and Arkansas, would draw 20,000 acre feet of water from the Madison formation which underlies a large portion of South Dakota. Scores of communities in western South Dakota are dependent upon this aquifer for both their domestic and agricultural water supplies.

Mr. President, in reviewing the history of our Nation, and the history of the Western United States in particular, the most bitter fights have been and continue to be over water and who is going to control it. Many of our States are already deeply imbedded in serious water controversies regarding both surface and underground water resources.

Mr. President, the National Coal Production, Distribution and Utilization Act of 1980, while providing for the development of coal slurry pipelines in no way addresses the issue of State water rights and existing water needs for domestic and agricultural uses which may conflict with the tremendous amount of water required for slurry pipelines.

I am sure that many of my colleagues share my concern that the individual States—and not the Secretary of Interior or the Supreme Court—should decide the water use and control issue.●

THE IMPACT OF S. 2153 ON WORKPLACE FATALITIES IN 1978

● Mr. SCHWEIKER. Mr. President, on April 25, the AFL–CIO wrote the Members of Congress with the AFL–CIO's analysis of workplace fatalities in 1978. The AFL–CIO claimed that 41 percent of the fatalities occurred in workplaces which would have been exempt from general schedule safety inspections if S. 2153 (and H.R. 6692), the proposed "Occupational Safety and Health Improvements

Act of 1980," had been in effect. This is inaccurate.

The fact is that 76 percent of the workplaces where fatalities occurred in 1978 would have been targeted for OSHA inspection if S. 2153 had been in effect, compared to 49 percent which were targeted by OSHA's present procedures.

The AFL–CIO's analysis considered only one section of S. 2153 in determining which workplaces would be targeted for inspection. It failed to consider section 4A(a)(2) of the bill, which states the general rule of targeting routine safety inspections to workplaces with a poor safety record in the previous year shall not apply "to any serious safety hazards which cannot be effectively identified by reference to occupational injury data as provided for in this section." This provision would have targeted, not exempted, workplaces, mostly in the construction industry, of 201 of the fatalities AFL–CIO says were in "exempt" workplaces.

The AFL–CIO analysis also failed to compare targeting under S. 2153 to OSHA's present targeting system, which is based on industry average injury rates, rather than injury rates of individual workplaces. Only 49 percent of the workplaces where fatalities occurred in 1978 were targeted for inspection under OSHA's present system which the AFL–CIO endorses.

Following is a summary of the fatalities in 1978 for which OSHA had complete data:

Total workplaces where fatalities occurred	1081
Targeted for inspection by S. 2153 (76 percent)	815
Targeted for inspection by present OSHA practices (49 percent)	526

Therefore, contrary to the conclusion advanced by the AFL–CIO, if these data stand for anything, they show the targeting system set forth in S. 2153 would be a very substantial improvement over OSHA's present procedures.

Mr. President, I submit for the RECORD a summary of these data, and a complete State-by-State listing of workplaces where fatalities occurred, with a designation of those targeted for inspection by S. 2153 and by OSHA.

The material follows:

SUMMARY: COMPARISON OF S. 2153 AND OSHA IN TARGETING WORKPLACES WHERE FATALITIES OCCURRED IN 1978

State[1]	Number of workplaces where fatalities occurred[2]	Workplaces targeted by S. 2153[3]		Workplaces targeted by OSHA[4]	
		Number	Percent	Number	Percent
Total	1,081	815	76	526	49
Alabama	45	31	69	16	36
Arkansas	21	13	62	14	67
Colorado	15	12	80	9	60
Connecticut	17	9	53	7	42
Delaware	5	4	80	1	20
Florida	56	43	77	24	43
Georgia	43	31	72	23	54
Idaho	16	15	94	3	19
Illinois	78	51	66	41	53
Kansas	27	25	93	22	82
Louisiana	76	62	82	35	46
Maine	14	12	86	13	93
Massachusetts	23	18	79	9	40
Mississippi	24	15	63	6	25
Missouri	46	37	81	26	57
Nebraska	11	4	37	4	37
New Hampshire	5	4	80	3	60
New Jersey	47	34	73	27	58
New York	65	51	79	35	54
Ohio	90	69	77	36	40
Oklahoma	43	34	79	18	42
Pennsylvania	77	49	64	40	52
Rhode Island	5	3	60	1	20
Texas	162	135	84	78	49
Virginia	13	9	70	4	31
Washington	3	3	100	3	100
West Virginia	19	15	79	11	58
Wisconsin	35	27	78	17	49

[1] Does not include most States having State OSHA plans, for which OSHA had no data.

[2] Does not include 476 fatalities for which OSHA had incomplete data.

[3] Determined by prior year's injury rate with specifications of sec. 4A(c)(1) of S. 2153 and/or industry categories covered by sec. 4A(a)(2) of S. 2153.

[4] Determined by industry categories designated for special emphasis by OSHA and industry divisions in each State on OSHA's high hazard industry model for 1978.

Workplace	Targeted by S. 2153	Targeted by OSHA practices
ALABAMA		
Hydraulic Workover, Inc., Flomaton	Yes[1]	No.
J. T. Schrimsher Construction Co., Huntsville	Yes[2]	Yes.
Southeast Contractors, Rainbow City	Yes[1]	Yes.
Cockrell & Co., Inc., Tuscaloosa	Yes[1]	Yes.
G & H Steel Erection Co., Creola	Yes[1]	Yes.
Manhattan Walton Joint Venture, Lineville	Yes[2]	Yes.
Boggan Plumbing Co., Inc., Pinson	Yes[2]	Yes.
Denard & Moore Construction Co., Fountain	Yes[1]	Yes.
Steel City Erection Co., Inc., Birmingham	Yes[1]	Yes.
McDowell Contractors Inc., Graysville	Yes[2]	Yes.
Spring Valley Foods, Inc., Ashland	Yes[1]	No.
Poultry By-Products Co., Hanceville	Yes[1]	No.
Avondale Mills, Sylacauga	No	No.
Beaunit Corp., Childersburg	No	No.
International Paper Co., Monroeville	Yes[2]	Yes.
American Forest Resources, New Market	Yes[1]	Yes.
Neil Bush Lumber Co., Clayton	No	Yes.
Georgia Pacific Corp., Peterman, Monroeville	No	No.
Kinsford Co., Dothan	No	No.
Scott Paper Co., Southern Division, Mobile	No	No.
Graham Paper—Division of Jim Walter, Birmingham	No	Yes.
Engerhard Industries, Huntsville	Yes[1]	No.
Courtauld's North America, Inc., Axis	Yes[1]	No.
Stauffer Chemical Co., Cold Bucks	No	No.
Harris Ready-Mix Co., Gadsden	Yes[1]	No.
Central Foundry Co., Tuscaloosa (fatality—February 1978)	Yes[1]	No.
Central Foundry Co., Tuscaloosa (fatality—July 1978)	Yes[1]	No.
American Cast Iron Pipe Co., Birmingham	Yes[1]	No.
Alabama Alloy, Inc., Woodward	Yes[1]	No.
Reynolds Metal Co-Alloys Sheet, Sheffield	Yes[1]	No.
Reynolds Metals Co.—Alloys, Muscle Shoals	Yes[1]	No.
Gambles, Montgomery	Yes[1]	Yes.
Hardwick & Co., Inc., Birmingham	Yes[1]	Yes.
Usco Power Equipment Corp., Birmingham	Yes[1]	No.
Fontaine Truck Equipment Co., Birmingham	Yes[1]	Yes.
Rodriguez Boat Builders, Inc., Coden	No	No.
Quality Marine, Inc., Bayou La Batre	Yes[1]	No.
Dothan Optical Laboratory, Dothan	No	No.
E. C. Gaston Steam Plant, Wilsonville	Yes[1]	No.
Alabama Power-Logan Martin Dam, Vincent	No	No.
Alabama Electric Cooperative I, Leroy	Yes[1]	No.
Southern Natural Gas Co., Birmingham	No	No.
Lee-Rogers Tire & Battery Co., Birmingham	Yes[1]	No.
Mayo Tire Distributors, Inc., Pinson	No	No.
Dallas Welding Machine & Metal, Selma	No	No.
ARKANSAS		
Corner Stone Farm & Gin. Co., Pine Bluff	No	Yes.
Lee Wilson Construction Co., Inc., Wilson	Yes[2]	Yes.
Delta Asphalt of Arkansas, Inc., Paragould	Yes[2]	Yes.
Valco, Inc., Little Rock	Yes[1]	Yes.
Power Division, Brown & Root Inc., Redfield	Yes[2]	Yes.
Drake's Backhoe Service, Inc., Flippin	Yes[1]	Yes.
Ketcher & Co., Inc., Little Rock	Yes[1]	Yes.
Valmac Industries, Inc., Pine Bluff	No	No.
Coca-Cola Bottling Co., of Arkansas, Little Rock	Yes[1]	Yes.
Speans Carpet Mill Corp., Hope	Yes[1]	Yes.
Monticello Carpet Mill, Monticello	No	Yes.
Jerry W. Dugal Logging, Huttig	Yes[1]	Yes.
Waldron Furniture Manufacturing, Waldron	Yes[1]	No.
International Paper Co., Inc., Pine Bluff	No	No.
Great Plains Bag Corp., Jacksonville	No	Yes.
Frit Industries, Inc., Walnut Ridge	Yes[1]	Yes.
McClinton-Anchor Co., Johnson	No	No.
Plastronic Packaging Corp., Ozark	No	No.
Windsor Door Co., Division, Little Rock	Yes[1]	Yes.
Polyvend, Inc., Conway	Yes[1]	No.
Arkansas Best Freight Systems, Little Rock	No	No.
COLORADO		
Provinent Resources, Inc., Gunnison	Yes[1]	No.
Tezak Construction Inc., Pagosa Springs	Yes[2]	Yes.
Garney Cos., Inc., Loveland	Yes[1]	Yes.
Nichols Electric Service Co., Durango	Yes[2]	Yes.
Brewer's Waterproofing, Denver	Yes[2]	Yes.
Great Western Sugar Co., Sterling	Yes[1]	Yes.
Trumbull Asphalt Division Owen, Denver	Yes[1]	Yes.
Stanely Structures, Inc., Denver	Yes[1]	Yes.
Research Cottrell Fabricators, Brighton	No	Yes.
Titan Sand & Gravel, Inc., Littleton	No	Yes.
Drywall Supply, Inc., Westminster	Yes[1]	No.
Broadmoor Hotel, Inc., Colorado Springs	Yes[1]	No.
Tosco Corp., Golden	Yes[1]	No.
Universal Studios, Inc., Littleton	No	No.
Elitch Gardens Co., Inc., Denver	Yes[1]	No.
CONNECTICUT		
Valley Concrete Corp., East Hartford	Yes[1]	Yes.
Bristol Steel Erectors, Inc., Newtown	Yes[2]	Yes.

Footnotes at end of tables.

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Wetherrll Corp., East Hartford	Yes [1]	Yes.
Alpha Crane Service, Inc., East Hartford	Yes [2]	Yes.
United Concrete Products, Inc., Hartford	No	No.
Devine Bros., Inc., Norwalk	No	No.
Carpenter Technology Corp., Bridgeport	Yes [1]	Yes.
Standard Structural Steel, Newington	Yes [1]	Yes.
Scovill Manufacturing Co., Watertown	No	Yes.
Macristy Industries, Inc., New Britain	Yes [1]	No.
Associated Spring Barnes Group, Bristol	No	No.
Wyre Wynd, Inc., Jewett City	Yes [1]	No.
Sanitary Refuse Co. of Manchester, Manchester	No	No.
United Illuminating Co., Inc., Hamden	Yes [1]	No.
United Illuminating Co., Inc., Fairfield	No	No.
White Pine Camp Site, Winsted	No	No.
Wallingford Radiator Service, Wallingford	No	No.
DELAWARE		
John E. Healy & Sons, Inc., Wilmington	No	No.
Falcon Steel Co., Inc., Newport	Yes [1]	No.
Phoenix Steel Corp., Claymont	Yes [1]	Yes.
Hope's Suburban Garbage, Inc., Claymont	Yes [1]	No.
Avon Products, Inc., Newark	Yes [1]	No.
FLORIDA		
Shawnee Farms, Moore Haven	Yes [1]	No.
U.S. Sugar Corp., Eastern Canal Point	Yes [1]	No.
Royal Palm Cultivation, Inc., Loxahatchee	No	No.
Coca-Cola Co.—Foods Division, Apopka	No	No.
Republic Groves, Inc., Zolfo Springs	Yes [1]	No.
Gracewood, Inc., Vero Beach	Yes [1]	No.
Ruskin Tomato Grower, Inc., Ruskin	No	No.
John Miller Jr., Labor Contractor, Zellwood	No	No.
Pollard Fruit Co., Lake Wales	No	No.
Asplundh Tree Expert Co., Tampa	Yes [1]	No.
Slim Jim's Tree Service, Tampa	No	No.
HKH Family Properties, Inc., Fort Lauderdale	Yes [2]	Yes.
Slinoluff Construction Co., Marianna	Yes [1]	Yes.
Garcia Allen Construction Co., Miami	Yes [2]	Yes.
H. P. Barton Dredging Co., Hastings	Yes [2]	Yes.
Florida Rock & Sand Co., Inc., Miami	Yes [1]	Yes.
F. F. Diamond Construction Co., Inc., Destin	Yes [2]	Yes.
Burnup & Sims, Inc., Titusville	Yes [2]	Yes.
Henkles & McCoy, Inc., Brooksville	Yes [2]	Yes.
D. C. Hiatt Trucking, Inc., Sunrise	Yes [1]	Yes.
Harry Pepper & Associates, Inc., Port Orange	Yes [1]	Yes.
C L M Corp., Miami Beach	Yes [1]	Yes.
McDonald Plumbing Co., Fort Walton Beach	Yes [1]	Yes.
Bryant Electric Co., Inc., North Miami Beach	Yes [2]	Yes.
Robert J. Ackerman, Inc., South Bay	Yes [2]	Yes.
Baroco Electric Construction, Pensacola	Yes [1]	Yes.
Hawker Enterprises, Inc., Lauderhill	Yes [2]	Yes.
Decks Inc. of Florida, Largo	Yes [1]	Yes.
Structural Methods, Inc., Pompano Beach	Yes [2]	Yes.
Pinellas Seafood Co., St. Petersburg	Yes [1]	Yes.
Nobility Homes, Inc., Plant 3, Ocala	Yes [1]	No.
New Wales Chemicals, Inc., Mulberry	No	No.
T M Products Co., Pompano Beach	Yes [1]	Yes.
Gory Roof Tile Boca Raton, Boca Raton	Yes [1]	No.
Interpare Corp., Lacoochee	Yes [1]	No.
Plant City Ready Mix Co., Plant City	Yes [1]	No.
Armstrong Cork Co., Inc., Pensacola	Yes [1]	Yes.
American Aluminum Extrusions, St. Petersburg	Yes [1]	No.
Gulf Tampa Drydock Co., Inc., Tampa	Yes [1]	Yes.
Atlantic Sandblasting & Coat, Tampa	Yes [1]	Yes.
Dade Division American Hospital, Miami	No	No.
Southern Sanitations Service, Davie	Yes [1]	No.
Wells Bros., Inc., St. Petersburg	Yes [1]	No.
Crown Motor Lines, Inc., Jacksonville	Yes [1]	No.
Harrington Co., Inc., Miami	Yes [1]	Yes.
Eastern Airlines, Inc., Miami	No	No.
Florida Power & Light Co., Fort Lauderdale	Yes [1]	No.
Florida Power & Light Putnam P., East Palatka	No	No.
Florida Power Corp., St. Petersburg	No	No.
American Leather Co., Tampa	Yes [1]	No.
Gold Kist Peanuts, Graceville	Yes [1]	No.
Pinellas Lindsley Lumber Co., Inc., St. Petersburg Beach	No	No.
Tampa Wholesale Co. D/B/A Kash, Tampa	Yes [1]	No.
Airco Golf, Inc., Clearwater	No	No.
Royal Palm Yacht & Country Club, Boca Raton	Yes [1]	No.
Wingerter Laboratories, Inc., Miramar	Yes [1]	No.
GEORGIA		
Reddick Construction Co., Inc., Barnesville	Yes [1]	Yes.
Milton J. Wood Co. of Georgia, Riceboro	Yes [2]	Yes.
Dawson Construction Co., Inc., Brunswick	Yes [1]	Yes.
Milton J. Wood Co. of Georgia, Brunswick	Yes [1]	Yes.
Cives Construction Co., Inc., Port Wentworth	Yes [2]	Yes.
The Hom Co., A Joint Venture, College Park	Yes [1]	Yes.
Scruggs Co., Inc., Lakeland	Yes [1]	Yes.
Knox-Rivers Construction Co., Washington	Yes [1]	Yes.
Wood Bros. Pipe Line Co., Redan	Yes [1]	Yes.
Satterfield Electric Construct, Moultrie	Yes [1]	Yes.
Colquitt Electric Membership Co., Barwick	Yes [1]	Yes.
Manhattan Walton Joint Venture, Waynesboro	Yes [1]	Yes.
Osthom Boiler Service, Carrollton	Yes [1]	Yes.
Kelco Roofing Co., Inc., Atlanta	Yes [1]	Yes.
Cleveland Consolidated, Inc., Coosa	Yes [2]	Yes.
Taylor Iron Works & Supply Co., Grovetown	Yes [1]	Yes.
Riverside Glass Co., 'nc., Augusta	Yes [2]	Yes.
Mid-Atlantic Construction, Inc., Juliette	Yes [1]	Yes.
O'Neill Bros., Inc., Atlanta	No	No.
Dundee Mills, Inc., Griffin	No	No.
Muscogee Lumber Co., Inc., Columbus	Yes [1]	Yes.
Thompson Timber Co., Inc., Hazlehurst	Yes [1]	Yes.
Royal Molded Products, Inc., Newnan	Yes [1]	No.
Itt Rayonier, Inc., Jesup Division, Jesup	No	No.
Union Camp Corp., Mill Division, Savannah	Yes [1]	No.
Hercules, Inc., Oxford	No	No.
Royster Co., Macon	Yes [1]	No.
U.S.S. Agri-Chemicals Division, Albany	No	No.
United States Steel Products Division, Newnan	No	No.
Chattahoochee Brick Co., Atlanta	Yes [1]	Yes.
Humphries Ready Mix Co., Doraville	Yes [1]	No.
Elynn Concrete Co., Brunswick	No	No.
Babcock & Wilcox Co., Brunswick	No	Yes.
Roper Lawn Products Co., Inc., Swainsboro	Yes [1]	No.
Southern Region Motor Transportation, Atlanta	Yes [1]	No.
Hendrix Hauling Co., Jesup	Yes [1]	No.
Strachan Shipping Co., Garden City	Yes [1]	Yes.
Delta Air Lines, Inc., Atlanta	No	No.
Georgia Power Co., Tucker	No	No.
Georgia Power Co. Plant Mi., Putney	No	No.
Georgia Mack Sales, Inc., Albany	No	No.
Coastal Butane Gas Co., Inc., Savannah	Yes [1]	No.
Central Motors, Inc., Savannah	Yes [1]	No.
IDAHO		
H. O. Bowen Co., Inc., Twin Falls	Yes[1]	Yes.
Deatley Corp., Lewiston	Yes[1]	Yes.
Peter Kiewit Sons Co., Clarkia	Yes[2]	Yes.
Carnation Processed Potato Co., Nampa	Yes[1]	No.
The Amalgamated Sugar Co., Nampa	Yes[1]	No.
Clover Club Foods Co., Boise	Yes[1]	No.
Bill Rae Logging, Grangeville	Yes[1]	No.
Larry Donohue Logging, Coeur D'Alene	Yes[2]	No.
Fowler Logging, Inc., Ashion	Yes[2]	No.
Kelly Kelso Logging, Inc., Pierce	Yes[1]	No.
Diamond International Corp., Coeur D, Alene	Yes[1]	No.
Bennett Lumber Products, Inc., Princeton	Yes[1]	No.
Camas Prairie Railroad Co., Lewiston	Yes[1]	No.
Teton Crane & Transport, Inc., Idaho Falls	Yes[1]	No.
Midwest Motors, A Division of C., Nampa	Yes[1]	No.
Utah Power & Light Co., Rexburg	No	No.
ILLINOIS		
Pioneer Hi Bred International, Princeton (fatality October 1978)	Yes [1]	No.
Pioneer Hi Bred International, Princeton (fatality November 1978)	Yes [1]	No.
Landco IV A Limited Partei, Watson	No	No.
DeKnob Aureseary Poultry Division, Illiopolis	Yes [1]	No.
Tri-State Contractors & Erec., Chicago	Yes [1]	Yes.
C. A. Petry, Champaign	Yes [1]	Yes.
R. D. Lawrence Construction Co., Springfield	Yes [2]	Yes.
Crane Construction Co., Inc., Chicago	Yes [2]	Yes.
Ferro P. T. Construction Co., Joliet	Yes [2]	Yes.
Allied Contracting Co. of Springfield	Yes [2]	Yes.
Phillips Getschow Co., Cordova	Yes [2]	Yes.
Walsh Construction Co., Seneca	Yes [1]	Yes.
Ecokel, Byron	Yes [1]	Yes.
Baldwin Associates, Canton	Yes [1]	Yes.
Newton Associates, A Joint Vent., Newton	Yes [1]	Yes.
Alsterda Cartale & Construction, Alsip	Yes [1]	Yes.
Mennotti Plumbing, Inc., Chicago	Yes [2]	Yes.
Bobbe & Co., Lombard	Yes [1]	Yes.
Meade Electric Co., Addison	Yes [1]	Yes.
V. Jobst & Sons, Inc., Mapleton	Yes [2]	Yes.
Cleveland Wrecking, Chicago	Yes [1]	Yes.
Belding Corp., Mossville	Yes [2]	Yes.
Synthetic Pillows, Inc., Chicago	No	No.
Bruce Quality Pallets, Batavia	No	No.
Ashland Chemical Co., Calumet City,	No	No.
Scholle Corp., Northlake	No	No.
Stauffer Chemical Co., Chicago Hts	Yes [1]	No.
Lebanon Chemical Corp., Danville	Yes [1]	No.
H. B. Fuller, Palatine	Yes [1]	Yes.
Daubert Chemical Co., Chicago	No	No.
Shell Oil Co., Wood River	No	No.
Horween Leather Co., Chicago	Yes [1]	Yes.
Thatcher Glass MFG, Inc., Dic. of, Streator	Yes [1]	Yes.
Thelen Ready Mix, Inc., Antioch	No	No.
International Mill Service, Inc., Granite City	No	Yes.
Granite City Steel Division of, Granite City	Yes [1]	Yes.
Laclede Steel Co., Alton	Yes [1]	Yes.
Republic Steel Corp., Chicago	Yes [1]	Yes.
National Casting Division of Midla, Melrose Park	Yes [1]	No.
NL Industries, Inc., Granite City	Yes [1]	Yes.
Interstate Smelting & Refining, Chicago	No	Yes.
Aluminum Mills, Inc., Lincolnshire	Yes [1]	No.
Olin Corp. Brass Division, East Alton	No	No.
Signode Corp., Glenview	No	Yes.
Mississippi Valley Structural, Decatur	Yes [1]	Yes.
Wisconsin Steel Corp., Chicago	Yes [1]	Yes.
WSC Corp.-Wisconsin Steel, Chicago	Yes [1]	Yes.
Rollex Corp., Elk Grove Village	Yes [1]	Yes.
Master Tank & Welding, Inc., Quincy (fatality November 1978)	Yes [1]	Yes.
Master Tank & Welding, Inc., Quincy (fatality April 1978)	Yes [1]	Yes.
Trinity Industries, Inc., Beardstown	Yes [1]	Yes.
United States Steel Corp., Waukegan	No	No.
Keystone Steel & Wire, Bartonville	Yes [1]	Yes.
Wesco Spring Co., Chicago	Yes [1]	No.
Caterpillar Tractor Co., Joliet	Yes [1]	Yes.
Whiting Corp., Harvey	No	Yes.
General Electric Co., Chicago	No	Yes.
Automotive Controls Corp., Litchfield	Yes [1]	Yes.
Schwinn Bicycle Co., Chicago	Yes [1]	No.
Coonrod Wrecker & Crane Service, Peoria	No	No.
Rock Island Railroad, Peoria	Yes [1]	No.
W. L. Waggoner Trucking Co., Madison	No	No.
Ottawa Cartage, Inc., Ottawa	No	No.
E. & L. Transport Co., Bloomington	Yes [1]	No.
International Great Lakes Ship., Chicago	Yes [1]	Yes.
Commonwealth Edison Co., Downers Grove	Yes [1]	No.
Spoon River Electric Co-op, Inc., Ellisville	Yes [1]	No.
Commonwealth Elison Co., Schaumburg	Yes [1]	No
Central Illinois Light Co., East Peoria	No	No.
Illinois Power Co., Belleville	No	No.
Grant Western Steel Co., Chicago	Yes [1]	No.

Footnotes at end of table.

Workplace	Targeted by S. 2153	Targeted by OSHA practices
H. & N. Equipment, Inc., Albers	No	No.
Marathon Oil Co., Arlington Hts	No	No.
1st Calumet City Savings, Calumet City	No	No.
UIDC Management, Inc., Chicago	No	No.
Chas. Leuy Circulating Co., Inc., Chicago	No	No.
Funway, Inc., Batavia	No	No.
A. & H. Engineering Co., East Peoria	No	No.

KANSAS

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Rao Construction Co., Prairie Village	Yes [3]	Yes.
Morton Building, Inc., Healy	Yes [1]	Yes.
L. A. Knebler Construction Co., Inc., Derby	Yes [2]	Yes.
Great Plains Construction Co., Chanute	Yes [3]	Yes.
Capital Electric Line Builders, Mayetta	Yes [3]	Yes.
Pearson Excavating, Inc., Wichita	Yes [3]	Yes.
James A. Heckert Contractor, Pittsburg	Yes [1]	Yes.
Binford Construction Co., Liberal	Yes [1]	Yes.
Clearwater Excavating, Inc., Goddard	Yes [2]	Yes.
Walters Construction Co., Concordia	Yes [1]	Yes.
M. W. Watson, Inc., Topeka	Yes [3]	Yes.
R. A. Pohl Construction Co., Inc., Overland Park	Yes [1]	Yes.
Mid-Central Constructors, Colony	Yes [2]	Yes.
Pike Construction Co., Winfield	Yes [2]	Yes.
Graber's Plumbing & Heating Division, Newton	Yes [3]	Yes.
C & L Roofing Co., Kansas City	Yes [3]	Yes.
Baker Erection Co., Inc., Kansas City	Yes [1]	Yes.
Sabine Steel & Construction Co., Kansas City	Yes [1]	Yes.
Steel Constructors, Inc., Overland Park	Yes [1]	Yes.
Kansas City Structural Steel Co., Kansas City	Yes [3]	Yes.
Iowa Beef Processors, Inc., Emporia	Yes [1]	Yes.
Grain Products, Inc., Dodge City	No	No.
Ulysses Irrigation Pipe Co., Ulysses	Yes [1]	No.
Chanute Manufacturing Co., Inc., Chanute	Yes [1]	Yes.
Sisco, Inc., Goddard	No	No.
Erman Corp., Inc., Kansas City	Yes [1]	No.
Morrison Grain Co., Inc., Salina	Yes [1]	No.

LOUISIANA

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Poplar Grove Planting & Refining, Port Allen	No	No.
Asplundh Tree Expert Co., Norwood	No	No.
Superior Oil Co., Patterson	No	No.
Pelican Well Service, Inc., Hackberry	Yes [1]	No.
Jet Drilling Co., Inc., Frierson	Yes [1]	No.
Bariod Division-National Lead, Bossier City	No	No.
Teledyne Movable Offshore, Inc., Lafayette	No	No.
Sanders Drilling Co., Inc., Venice	Yes [1]	No.
Barrids Well Service, Inc., Thibodaux	Yes [1]	No.
United Geophysical Corp., Baton Rouge	Yes [1]	No.
Hydro Carbon Testers, Inc., Cameron	Yes [1]	No.
Baroid Petroleum Services, Cameron	No	No.
Sladco, Inc., Morgan City	Yes [1]	No.
Louisiana Workover Service, Inc., Thibodaux	Yes [1]	No.
Gulf Coast Drilling & Explor., Paradis	Yes [1]	No.
Louisiana Casting Crew & Rental, Dulac	Yes [1]	No.
Morgan Portable Building Corp., Lafayette	Yes [1]	Yes.
Gervais F. Favrot Co., Inc., New Orleans	Yes [1]	Yes.
F. Meller & Son, Inc., Jennings	Yes [1]	Yes.
Alpha Construction Co., Inc., Shreveport	Yes [2]	Yes.
John D. Montziro Contractors, Inc., Houma	Yes [1]	Yes.
Power Division, 3540–19 Brown, Westwego	Yes [2]	Yes.
Borton, Inc., St. Joseph	Yes [1]	Yes.
Coastal Contractors, Inc., Madisonville	Yes [1]	Yes.
American Bridge Division, U.S. Steel, Killona	Yes [2]	Yes.
Gulf Engineering Co., Inc., Westwego	Yes [1]	Yes.
Louisiana Industrial Coating, Inc., Westwego	Yes [2]	Yes.
Platform Coating Services, Inc., Leesville	Yes [1]	Yes.
Star Corrosion & Refractory, Donaldsonville	Yes [2]	Yes.
Voorhees Rig Co., Amelia	Yes [2]	Yes.
Payne & Teller of Louisiana, Inc., Baton Rouge	Yes [2]	Yes.
Browning-Ferris Industries Che., Norco	Yes [2]	Yes.
Riviana Foods, Inc., Abbeville	Yes [2]	Yes.
Bodcaw Co., Boyce	Yes [2]	No.
Chicago Mill & Lumber Co., Tallulah	Yes [1]	No.
Leesville Lumber Co., Leesville	Yes [1]	No.
Williamette Industries, Inc., Winnfield	No	No.
Madisonville Creosote Works, Inc., Madisonville	Yes [1]	No.
Crownzellerbach Corp., Bogalusa	Yes [1]	No.
Bash Wyandotte, Geismar	No	No.
Freeport Chemical Co., Convent	Yes [1]	No.
Cities Service Refinery, Lake Charles	Yes [1]	No.
Tenneco Oil Co., Chalmette	Yes [1]	No.
Louisiana Industries, Inc., Kenner	No	No.
Glazer Steel & Aluminum, Baton Rouge	Yes [1]	Yes.
Avondale Shipyards, Inc., Amerlia (fatality: February 1978)	No	Yes.
Port Fabricators, Inc., New Iberia	Yes [1]	Yes.
American Marine Corp., New Orleans (fatality: July 1978)	Yes [1]	Yes.
Avondale Shipyard, Inc., Main Yard, Avondale (fatality: August 1978).	Yes [1]	Yes.
Southern Shipbuilding Corp., Slidell	Yes [1]	Yes.
American Marine Corp., New Orleans (fatality: October 1978)	Yes [1]	Yes.
Union Mechline Corp., River Ridge	No	Yes.
Bergeron Industries, Inc., Braithwaite	Yes	Yes.
Avondale Shipyards—Harvey Fabr., Harvey	Yes [1]	Yes.
Louisiana Dock Co., Inc., Harahan	Yes [1]	Yes.
Todds Shipyards Corp., New Orleans	Yes [1]	Yes.
SHJ, Inc., Plaquemines	No	No.
Ramsey Scarlett & Co., Inc., Baton Rouge	Yes [1]	No.
Atlantic & Gulf Stevedore, Inc., Chalmette	Yes [1]	Yes.
Lane Fabricators, Inc., New Orleans	Yes [1]	Yes.
Gulf Shipcleaning Services, Inc., New Orleans (fatality: April 1978).	Yes [1]	Yes.
Bulk Stevedore Services, Inc., Ama	Yes [1]	Yes.
Gulf Ship Cleaning Services, Inc., New Orleans (fatality: October 1978).	Yes [1]	Yes.
Sugar Land Disposal Co., Inc., Galliano	Yes [1]	No.
National Supply Co., Amelia	Yes [1]	No.
Bovaird Supply Co., Harvey	No	No.
Southern Scrap Material Co., New Orleans	Yes [1]	No.
Continental Grain Co., Westwego	Yes [1]	No.
Public Grain Elevator of New Orleans, New Orleans	Yes [1]	No.
Triad Chemical Co., Inc., Donaldsonville	Yes [1]	No.
TG & Y Stores Co., Store No. 789, Monroe	Yes [1]	No.
Ray Gibbins Certified Welders, Myrtle Grove	Yes [1]	No
Marsh Buggies, Inc., Harrero	No	No.
Sub-Sea International, Inc., Houma	Yes [1]	No.
Martech International, Inc., Morgan City	Yes [1]	No.

See footnotes at end of table.

MAINE

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Cives Construction Co., Jay	Yes [3]	Yes.
Commercial Welding Co., Yarmouth	Yes [1]	Yes.
Potato Services, Inc., Presque Isle	Yes [5]	Yes.
W. B. Pinkham, Inc., Fort Kent	Yes [1]	Yes.
Great Northern Paper, Millinocket	Yes [5]	Yes.
Dead River Co.—Timberlands, Kingman	Yes [1]	Yes.
Sherman Lumber Co., Sherman Station	Yes [1]	Yes.
Antonio Levesque & Sons, Inc., Ashland	Yes [1]	Yes.
Great Northern Paper, Millinocket	No	Yes.
J. A. Thorston, Co., Inc., Mexico	Yes [1]	Yes.
Maine Woods Products Corp., Steep Falls	Yes [1]	Yes.
Scott Paper Co.—Northeast, Skowhegan	Yes [1]	Yes.
St. Regis Paper Co., Bucksport	Yes [1]	Yes.
Tibbetts Industries, Inc., Camden	No	No.

MASSACHUSETTS

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Turner Construction Co., Boston	Yes [2]	Yes.
Bristol Steel Erectors, Inc., North Grafton	Yes [1]	Yes.
Sterling Pile Fabrics Corp., Fall River	Yes [1]	Yes.
Cranston Print Works Co., Webster	Yes [1]	Yes.
General Tire & Rubber Co., Lawrence	No	No.
Lesnow Manufacturing Co., Easthampton	Yes [1]	No.
Stanwood Drapery Co., Inc., Boston	No	No.
Deerfield Specialty Paper, Inc., North Adams	Yes [1]	No.
Eastern Industrial Oil Division, Saugus	Yes [1]	No.
Creese & Cook Co., Danvers	Yes [1]	Yes.
Foster Masonry Products, Inc., Acton	No	No.
HBA Cast Products Co., Inc., Springfield	Yes [1]	No.
Vulcan Co., Inc., Hingham	Yes [1]	Yes.
Parker Manufacturing Co., Worcester	Yes [1]	Yes.
Combustion Equipment Associates, East Bridgewater	Yes [1]	No.
Bird & Son, Inc., Waloole	Yes [1]	Yes.
General Electric Co., Pittsfield	No	No.
General Dynamics/Quincy Shipbuilding, Quincy	Yes [1]	Yes.
Foster Grant Corp., Div. of American, Leominster	Yes [1]	No.
Plymouth & Brockton St. Rai., Plymouth (fatality: June 1978)	Yes [1]	No.
Plymouth & Brockton St. Rai., Plymouth (fatality: July 1978)	Yes [1]	No.
Lennard L. Shankman Co., Lawrence	Yes [1]	No.
Harvard University, Cambridge	No	No.

MISSISSIPPI

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Placid Oil Co., Vossberg	No	No.
Carothers & Carothers Construction, Greenwood	Yes [1]	Yes.
Southern Industries Builders, Greenville	Yes [2]	Yes.
Steelcraft Corp., Ackerman	Yes [1]	Yes.
Sunshine Mills, Inc., Tupelo	Yes [1]	No.
Sydney L. Smith D/B/A Sydney Smith, Bentonia	Yes [1]	Yes.
Koppers Co., Inc.—Bay Spring, Bay Springs	Yes [1]	No.
Leaf River Forest Products, Inc., New Augusta	Yes [1]	No.
Koppers Co., Inc., Forest Products, Tie Plant	No	No.
International Paper Co., Moss Point	No	No.
Consolidated Packaging, Inc., Houston	Yes [1]	Yes.
Interior Packaging Co., Inc., Pearl	No	Yes.
Hercules Inc., Hattiesburg	Yes [1]	No.
Dale Polk & Son, Inc., Natchez	No	No.
Ingalls Shipbuilding Division, Pascagoula, (fatality: May 1978)	Yes [1]	No.
Ingalls Shipbuilding Pascagoula (fatality: October 1978)	Yes [1]	No.
Dunn Paper Co./Wiggins Mill, Wiggins	No	No.
State Neon Co., Inc., Pascagoula	No	No.
Federal Compress & Warehouse Co., Cleveland	No	No.
Interstate Merchandise Warehouse, Meridian	Yes [1]	No.
Mississippi Power & Light Co., Jackson	No	No.
Broadacres, Inc., D/B/A Traveler T., Hattiesburg	Yes [1]	No.
Holly Springs Electric Co., Holly Springs	Yes [1]	No.
Shoney's Big Boy, Inc., Hattiesburg	Yes [1]	No.

MISSOURI

Workplace	Targeted by S. 2153	Targeted by OSHA practices
The Shade Tree Service Co., Fenton	Yes [1]	No.
Charter Development Co., Eureka	Yes [3]	Yes.
Grand Builders, Inc , Malta Bend	Yes [1]	Yes.
B. & K. Construction Co., Inc., Foristell	Yes [1]	Yes.
Loos & Hoffmeister Construction Co., Jackson	Yes [2]	Yes.
Potashnick Construction, Inc., Florissant	Yes [2]	Yes.
Freesen, Inc., Paris	Yes [1]	Yes.
Don Maggi, Inc., Cabool	Yes [1]	Yes.
Capital Electric Line Builders, Sedalia	Yes [1]	Yes.
Daniels International, Inc., Fulton	Yes [2]	Yes.
O'Dell Boiler Repair Co., North Kansas City	Yes [1]	Yes.
North Kansas City Electric Co., North Kansas City	Yes [1]	Yes.
Sachs Electric Co., St. Louis	Yes [1]	Yes.
A. Zahner Sheet Metal Co., Weston	Yes [1]	Yes.
Dam Red-E-Mix, Inc., Osage Beach	Yes [1]	Yes.
Big Boy Steel Erectors, St. Clair	Yes [2]	Yes.
Vicon Corp. Cannon Dam, Center	Yes [2]	Yes.
Busen & Latta, Springfield	Yes [1]	Yes.
MBPSL, Inc., Rockport	Yes [1]	Yes.
Desert Gold Feed Co., Libert	Yes [1]	No.
Fibron Corp., St. Louis	Yes [1]	Yes.
Crown Zellerback Gaylord Cont., St. Louis	No	No.
Owens Corning Fiberglass, North Kansas City	Yes [1]	No.
Vonder Hear Concrete Co., Maryland Heights	No	No.
Armco Steel Corp., Kansas City	No	Yes.

Workplace	Targeted by S.2 153	Targeted by OSHA practices
St. Joe Leat Co., Smelting D., Herculaneum	Yes [1]	No.
Alumax Foils, Inc., St. Louis	Yes [1]	Nc.
Stahl Speciality Co., Kingsville	Yes [1]	No.
Prier Brass Manufacturing Co., Kansas City	Yes [1]	No.
Summit Structural Steel, Inc., Lees Summit	No	Yes.
Tubular Steel, Inc., Hazelwood	Yes [1]	Yes.
General Motors Assembly Division, Kansas City	Yes [1]	Yes.
General Motors Assembly Division, St. Louis	No	Yes.
MFA Grain Division Soy Bean, Louisiana	Yes [1]	Yes.
St. Louis Terminals Corp., St. Louis	Yes [1]	Yes.
Kansas City Power & Light Co., Kansas City	Yes [1]	No.
Union Electric Co-Des Peres Di., Ballwin	Yes [1]	No.
Missouri Power & Light Co., Vandalia	Yes [1]	No.
Community Rehabilitation Center, Columbia	Yes [1]	No.
Coca-Cola Bottling Cairo-Sikes, Sikeston	Yes [1]	No.
Jasper Farmers Exchange, Inc., Jasper	No	No.
Producers Grain Co., Walker	Yes [1]	No.
Stewart Nattinger, Inc., Robersville	Yes [1]	No.
B. & D. Salvage Co., St. Peters	No	No.
R. A. Long DBA Fine Arts Sign Co., Kansas City	No	No.
White Advertising International, Kansas City	No	No.
NEBRASKA		
Lemmerman Farms, Inc., Palmer	No	No.
A. & S. Construction Co., Inc., Harrisburg	No	No.
Maury Corp., Geneva	Yes [1]	Yes.
Knox Construction, Inc., Lexington	Yes [1]	Yes.
National Industrial Construction, Sutherland	Yes [1]	Yes.
Higer Construction Co., Superior	Yes [2]	Yes.
Allied Mills, Inc., Cozad	No	No.
Allied Chemical Corp., Bellevue	No	No.
Holdredge Cooperative Equity E., Elm Creek	No	No.
Chicago Lumber Co., Grand Island	No	No.
Lutheran Medical Center, Omaha	No	No.
NEW HAMPSHIRE		
Frank W. Whitcomb Construction, Walpole	Yes [2]	Yes.
Skyline Roofing & Sheet Metal, Newington	Yes [1]	Yes.
Laconia Shoe Co., Inc., Laconia	Yes [1]	No.
Concrete Systems, Inc., Hudson	No	No.
Rockwell International Draper., Campton	Yes [1]	Yes.
NEW JERSEY		
Liberty-Westcon Joint Venture, Salem	Yes [2]	Yes.
J. Trofe & Sons, Inc., Bridgeport	Yes [1]	Yes.
Arvid N. Myhre Building Construction, Vernon	Yes [2]	Yes.
Gray & Fear Construction Co., Inc., Brick Town	Yes [1]	Yes.
P & A Construction, Inc., Keansburg	Yes [2]	Yes.
J. E. Brenneman Co., Bridgeport	Yes [1]	Yes.
Monarch Boiler Construction Co., Bridgeport	Yes [1]	Yes.
Environmental Systems, Lyndhurst	Yes [2]	Yes.
I-Alper Co., Camden	Yes [1]	Yes.
Ralph Cornell & Co., Inc., Pedricktown	Yes [1]	Yes.
Gem Steel Erectors, Inc., Linden	Yes [2]	Yes.
Robert T. Winzinger, Inc., Paulsboro	Yes [1]	Yes.
Westside Erectors & Engineers, Skillman	Yes [2]	Yes.
Essex Fibre Mills, Inc., Lyndhurst	Yes [1]	Yes.
Bell Container Corp., East Rutherford	Yes [1]	Yes.
Paniasote Co. Of New York, Passaic	Yes [1]	No.
Tenneco Chemicals, Inc., Fords	No	No.
E. I. Dupont Denemours, Inc., Deepwater (fatality: September 1978).	No	No.
E. I. Dupont Denemours & Co., Inc., Deepwater (fatality: August 1978).	No	No.
E. I. Dupont Denemours & Co., Inc., Carneys Point	No	No.
Interpace Corp., Flagtown	No	Yes.
Hunterdon Concrete, Flemington	No	No.
U.S. Metals Refining Co., Carteret (fatality: May 1978)	Yes [1]	Yes.
U.S. Metals Refining Co., Carteret (fatality: November 1978)	Yes [1]	Yes.
Aluminum Shapes, Inc., Delair	Yes [1]	Yes.
Okonite Co., Paterson	Yes [1]	Yes.
Okonite Co., Passaic	Yes [1]	Yes.
Hoeganaes Corp., Riverton	Yes [1]	No.
Ideal Aluminum Products Co., Bayonne	No	No.
Dusenbery Engineering Co., Inc., Morristown	Yes [1]	Yes.
Pilot Metal Fabricator, Inc., Hawthorne	No	No.
Aliten-Ask Industrial Maintenance, Perth Amboy	Yes [1]	Yes.
Westinghouse Elevator Co., Jersey City	No	No.
Bethlehem Steel Corp., Hoboken	Yes [1]	Yes.
Suffolk Marine Constructors, West New York	Yes [1]	Yes.
Bethlehem Steel Corp., Bayonne	Yes [1]	Yes.
Waste Technology Enterprise, Lakewood	No	No.
Red Star Express Lines, North Bergen	Yes [1]	No.
Bowsteel Corp., Hamsley, Edison	Yes [1]	No.
Sealand Service, Inc., Port Elizabeth	Yes [1]	Yes.
Interstate Motor Freight System, Carlstadt	Yes [1]	No.
PSE & G, Belle-Meade	No	No.
J. Filiberto Sanitation, Inc., Chester	Yes [1]	No.
Clemente Transit Mix, Inc., Deepwater	Yes [1]	No.
Korvettes Department Stores, Inc., Bayonne	Yes [1]	No.
Advance Industrial Security, Inc., Union Beach	No	No.
St. Joseph High School, Metuchen	No	No.
NEW YORK		
Cohn Farms, Sodus	No	No.
Apple Acres, La Fayette	Yes [1]	No.
W. J. Barney Corp., New York	Yes [1]	Yes.
Leland Durkee Carpenter, Contractor, Avon	Yes [2]	Yes.
Higgins Erectors & Haulers, Inc., Tonawanda	Yes [1]	Yes.
C M H Co., Inc., Hamburg	Yes [1]	Yes.
S. Zara & Sons Contracting Co., Jericho	Yes [1]	Yes.
Edward B. Fitzpatrick, Jr., Associates, New York	Yes [1]	Yes.
L. W. Crosscut, Clymer	Yes [2]	Yes.
S. J. Groves & Sons Co., Avon	Yes [2]	Yes.
Union Boiler Co., Tonawanda	Yes [2]	Yes.
Broome Industrial Painting Co., Canaan	Yes [2]	Yes.
G & S Electric Co., New York	Yes [2]	Yes.
All Weather Roofing Co., Inc., Cheektowaga	Yes [1]	Yes.
H. Klein & Sons, Inc., Garden City	Yes [2]	Yes.
Modern Sheet Metal Supply Co., New York	Yes [2]	Yes.
Clifton Steel Corp., Elmira	Yes [2]	Yes.
Walsh Construction Co., Oswego (fatality: March 1978)	Yes [1]	Yes.
Walsh Construction Co., Oswego (fatality: December 1978)	Yes [1]	Yes.
Southern Tier Electors, Inc., Olean	Yes [1]	Yes.
Northern Demolition, Inc., Hudscn	Yes [2]	Yes.
Marion Foods—Williamson Plant, Williamson	Yes [1]	Yes.
Evans Mills Agway, Inc., Evans Mills	Yes [1]	No.
Miller Brewing Co., Fulton	No	Yes.
Potter Lumber Co., Inc., Allegnay	Yes [1]	Yes.
F. R. Stair, Inc., Owego	Yes [1]	Yes.
F. N. Burt Co., Inc., Oneonta	Yes [1]	No.
A. B. Cowles Co., Perkinsville	Yes [1]	No.
General Electric Co., Waterford	No	No.
Spaulding Fibre Co., Inc., Tonawanda	Yes [1]	No.
Astro Ready-Mix, Inc., Westbury	Yes [1]	No.
Carborundum Co., Electro Mineral, Niagera Falls	Yes [1]	No.
Bethlehem Steel Corp., Lackawanna, (fatality: July 1978)	Yes [1]	Yes.
Bethlehem Steel Corp., Lackawanna (fatality: Nov. 21, 1978)	Yes [1]	Yes.
Behtlehem Steel Corp., Lackawanna, (fatality: Nov. 14, 1978)	Yes [1]	Yes.
Crucible, Specilaity Metals Division, Syracuse	Yes [1]	Yes.
Roth Bor's Smelting Corp., East Syracuse	No	Yes.
Albany Steel & Iron Supply Co., Menands	Yes [1]	Yes.
Hamilton Tank & Metal Works, Inc., New York	No	No.
Welmetco, Ltd., Melville	Yes [1]	No.
General Electric Co., Schenectady	Yes [1]	Yes.
Otis Elevator Co., Yonkers	Yes [1]	Yes.
Union Carbide Corp., Carbon Products, Niagara Falls	Yes [1]	Yes.
General Electric Co., Hudson Falls	No	No.
Chevrolet Motor Division, Buffalo, Buffalo	No	No.
Seatrain Shipbuilding Corp., New York	Yes [1]	Yes.
Taylor Instrument Co., Div. of SY, Henrietta	No	No.
Donno Co., Inc., Port Washington	Yes [1]	No.
M. Fortunoff of Westbury Corp., Garden City	Yes [1]	No.
Lipsett Steel Products, Inc., New York	Yes [1]	Yes.
John W. McGrath Corp., New York	Yes [1]	Yes.
New York Telephone Co., New York	No	No.
New York Telephone Co., Armonk	Yes [1]	No.
Niagara Mohawk Power Co., Hoosick	No	No.
Consolidated Edison Co., New York	No	No.
New York State Electric & Gas Co., Endicott	Yes [1]	No.
Armor Elevator Co., Inc., New York	Yes [1]	No.
J & M Distributing Co., Inc., Buffalo	Yes [1]	No.
Waldorf Astoria Corp., New York	No	No.
Calspan Corp., Cheektowaga	Yes [1]	No.
Kinney System Inc., Cost Center, New York	Yes [1]	No.
Buffalo General Hospital, Buffalo	No	No.
Maimonides Medical Center, New York	Yes [1]	No.
New York Hospital, White Plains	Yes [1]	No.
Gruy Management Service Co., Auburn	No	No.
OHIO		
Perkins Drilling, Inc., Southington (fatality February 1978)	Yes [1]	No.
Perkins Drilling, Inc., Southington (fatality July 1978)	Yes [1]	No.
Johnson Drilling Co., Warsaw	Yes [1]	No.
Perkins Drilling, Inc., McConnelsville	Yes [1]	No.
Rib Construction Corp., Steubenville	Yes [2]	Yes.
Southern Ohio Buildings System, Dayton	Yes [2]	Yes.
Peterson Construction Co., Wapakoneta	Yes [1]	Yes.
Mackinnon-Parker, Inc., Napoleon	Yes [1]	Yes.
Rudolph-Libbe Co., Toledo	Yes [1]	Yes.
Bank Building Corp., Columbus	Yes [2]	Yes.
Herman Bros., Inc., Holland	Yes [2]	Yes.
John R. Jurgensen Co., Batavia	Yes [2]	Yes.
Paul E. Bleile Co., Lodi	Yes [2]	Yes.
Contractors Service Co., Inc., Batavia	Yes [1]	Yes.
W. G. Lockhart Construction Co., Stow (fatality May 1978)	Yes [2]	Yes.
W. G. Lockhart Construction Co., Stow (fatality June 1978)	Yes [2]	Yes.
Marshuda Corp., St. Clairsville	Yes [2]	Yes.
Oberle-Jordre Co., Inc., New Richmond	Yes [2]	Yes.
Dunbar Mechanical, Inc., Oregon	Yes [1]	Yes.
R. E. Furshee Co., Inc., Lockland	Yes [1]	Yes.
Shiloh Tank & Erection Co., Toledo	Yes [2]	Yes.
Stering Plate Glass & Paint Co., Toledo	Yes [1]	Yes.
Osborne Bros., Complete Tree, Mentor	Yes [1]	Yes.
Wrecking Corp., of America, Philo	Yes [1]	Yes.
Canton Erectors, Inc., Canton	Yes [2]	Yes.
IVS Hydro Inc., Belpre	Yes [1]	Yes.
Carnation Co. Division, Sebring	Yes [1]	No.
Esther Price Candies Corp., Dayton	No	No.
Lake Shore Industries, Toledo	Yes [1]	No.
Galehouse Lumber Co., Doylestown	No	No.
Albert Kenker Box Co., Cincinnati	No	No.
The Toronto Paperboard Co., Inc., Toronto	Yes [1]	Yes.
Container Corp. of America, Blue Ash	Yes [1]	Yes.
Westvaco Corp., Cleveland	No	Yes.
United Color Press of Dayton, Inc., Dayton	Yes [1]	No.
Art Gravure of Ohio Corp., Cleveland	Yes [1]	No.
Monsanto Co. Port Plastics, Addyston	No	No.
B. F. Goodrich Co. Avon Lake, Avon Lake	No	No.
Plasti-Kote Co. Inc., Medina	Yes [1]	No.
Austin Power Co., McArthur	No	No.
Buckeye Rubber Products, Inc., Lima	Yes [1]	No.
American Can Co.-Brookside, Cleveland	Yes [1]	No.
Weatherchem Corp., Twinsburg	Yes [1]	No.
General Clay Products Corp., Nelsonville	Yes [1]	Yes.
United States Ceramic Tile Co., East Sparta	Yes [1]	Yes.
Hartville Block & Supply, Inc., Hartville	No	No.
Fostoria Concrete Products, Inc., Fostoria	No	No.
National Cement Products Co., Toledo	Yes [1]	No.
Price Bros. Co., Massillon	Yes [1]	No.
Youngstown Sheet & Tube Co., Youngstown (fatality March 1978)	Yes [1]	No.
Republic Steel Corp., Cleveland	Yes [1]	No.

Footnote at end of table.

Workplace	Targeted by S. 2153	Targeted by OSHA practices
United States Steel Corp., Youngstown (fatality February 1978)	No	No.
Youngstown Sheet & Tube Co., Youngstown (fatality September 1978)	Yes[1]	No.
Jones & Laughlin Steel Corp., Cleveland	Yes[1]	No.
United States Steel Corp., Youngstown (fatality June 1978)	No	No.
Ironton Coke Corp., Ironton	Yes[1]	No.
Ohio Ferro-Alloy Corp., Philo	Yes[1]	No.
Wheeling Pittsburgh Steel Corp., Steubenville	No	No.
Angell Nail & Chaplet Co., Cleveland	Yes[1]	Yes.
Babcock-Wilcox Co., Alliance	Yes[1]	Yes.
Nilco of Dayton Division of N/BCO, Dayton	Yes[1]	No.
Quality Castings Co., Orrville	Yes[1]	No.
Dayton Malleable Inc., Columbus	Yes[1]	No.
Girard Machinery Sales Corp., Girard	Yes[1]	Yes.
Pittsburgh Canfield Corp., Canfield	Yes[1]	No.
Lincoln Electric Co., Cleveland	Yes[1]	Yes.
Whirlpool Corp. Findlay, Findlay	Yes[1]	Yes.
The Kirby Co. Division, Cleveland	Yes[1]	No.
Gould Inc. Ocean System, Cleveland	No	No.
Ford Motor Co., Metal Stamp, Walton Hills (fatality September 1978)	Yes[1]	Yes.
Ford Motor Co., Walton Hills (fatality March 1978)	Yes[1]	Yes.
Chevrolet Motor Division, Toledo	Yes[1]	Yes.
Propane Transport, Inc., Batavia	Yes[1]	No.
Keen Transport, Inc., Hudson	No	No.
Wellsville Terminal Co., Wellsville	Yes[1]	Yes.
Cleveland Electric Illumination, Eastlake	Yes[1]	No.
Cleveland Electric Illuminating, Broadview Hts	Yes[1]	No.
Columbus & Southern Ohio Ele., Chillicothe	Yes[1]	No.
Burger Iron Co.-Steel Serv., Mogadore	Yes[1]	No.
Ken Miller Supply, Inc., Wooster	Yes[1]	No.
Consolidated Fibers, Inc., Cincinnati	No	No.
Metal Shredders, Inc., West Carrollton	Yes[1]	No.
Milk Marketing, Inc., Cincinnati	Yes[1]	No.
Almac Plastics of Ohio, Inc., Akron	No	No.
Chemline Corp., Lisbon	Yes[1]	No.
May Co., Parma	No	No.
Spring Grove Cemetery, Cincinnati	No	No.
Herron Testing Laboratory, Inc., Solon	No	No.
General Electric Service Co., Cincinnati	No	No.
Colerain Youth Service Bureau, Cincinnati	No	No.
OKLAHOMA		
Pride Feeder, Adams	No	No.
Kewanee Industries, Inc., Temple	No	No.
Phillips Petroleum Co., Binger	Yes[1]	No.
Big Chief Drilling Co., Inc., Washington	Yes[1]	No.
Big Chief Drilling Co., Inc., Chickasha	Yes[1]	No.
Sharp Drilling Co., Inc., Sayre	Yes[1]	No.
Big Chief Drilling Co., Burns Flat	Yes[1]	No.
Sage Drilling Co., Inc., Rosston	Yes[1]	No.
L Offland Brothers Co., Elk City	Yes[1]	No.
Service Drilling Co., Keyes	Yes[1]	No.
Nicor Drilling Co., Inc., Chickasha	Yes[1]	No.
Phillips Petroleum Co., Okmulgee	No	No.
Steelmon Construction Co., Shawnee	Yes[2]	Yes.
Tulsa Paving Co., Tulsa	Yes[1]	Yes.
Farrar Tank Truck & Construction, El Reno	Yes[1]	Yes.
Northwest Plumbing Co., Oklahoma City	Yes[1]	Yes.
Combustion Engineering, Inc., Oologam	Yes[2]	Yes.
Mac Signs, Inc., Oklahoma City	Yes[1]	Yes.
Metro Electric Co. of Oklahoma, Tulsa	Yes[2]	Yes.
Brownlee Construction Co., Oklahoma City	Yes[1]	Yes.
Derr-Mc Caslin Steel Erect Co., Oklahoma City	Yes[1]	Yes.
Retail Builders, Inc., Tuttle	Yes[2]	Yes.
Map 22, Block 119, Pole 9, Comanche	Yes[1]	Yes.
Phillips Petroleum Co., Bartlesville	No	No.
Thomas Concrete Products, Oklahoma City	Yes[1]	Yes.
Armco, Inc., Sand Springs	No	Yes.
General Steel Fab., Inc., Tulsa	Yes[1]	Yes.
Western Supply Division, Tulsa	Yes[1]	Yes.
Halliburton Services, Duncan	Yes[1]	Yes.
Maloney Crawford Corp., Tulsa	Yes[1]	Yes.
Crane Carrier Co., Tulsa	Yes[1]	Yes.
American Transfer & Storage, Tulsa	No	No.
T G & Y Stores Co., Inc., Edmond	Yes[1]	No.
Harmon Electric Association, Granite	Yes[1]	No.
Oklahoma Gas & Electric Co., Arkoma	No	No.
Oklahoma Natural Gas Co., Oklahoma City	Yes[1]	No.
Humphrey Implement Co., Nash	Yes[1]	No.
Union Equity Co-operative Exchange, Enid	No	No.
Fitch Industrial & Welding Supply, Lawton	Yes[1]	No.
Oklahoma Tile Co., Inc., Oklahoma City	Yes[1]	No.
Alexander Block & Building Materials, Afton	Yes[1]	No.
Kelly Moore Paint Co., Inc., Broken Arrow	Yes[1]	No.
Eckhardt Motors, Inc., Oklahoma City	No	No
PENNSYLVANIA		
Oxford Royal Mushroom Products, London Grove	Yes[1]	No.
Asplundh Tree Expert Co., Philadelphia	Yes[1]	No.
K. W. Reese, Inc., Orbisonia	No	No.
Bendix United Geophysical Corp., Ursina	No	No.
H. B. Alexander & Son, Lock Haven	Yes[2]	Yes.
Pace Construction Corp., Nesquehoning	Yes[1]	Yes.
Michael G. Jabia, Jr., Inc., Mount Penn	Yes[2]	Yes.
Hardner Doyle Co., Franklin	Yes[1]	Yes.
Dox Plank of Northeast Pennsylvania, New Bethlehem	Yes[1]	Yes.
R. S. Noonan, Inc., York	Yes[2]	Yes.
New Enterprise Stone & Lime, Inc., Bedford	Yes[1]	Yes.
Hemp Bros., Inc., Womelsdorf	Yes[2]	Yes.
G. A. & F. C. Wagman, Inc., Tinicum	Yes[1]	Yes.
Harona Construction Co., Colmar	Yes[1]	Yes.
Johnston Construction Co., Morgantown	Yes[1]	Yes.
Philadelphia Electric Co., Philadelphia	Yes[2]	Yes.
D. & C. Spinosa Co., Mountain Top	Yes[2]	Yes.
Beaver & Casey, Inc., Horsham	Yes[2]	Yes.
Olympic Sand Blasting & Paint, Mechanicsburg	Yes[2]	Yes.
General Electrical Service, Hershey	Yes[2]	Yes.
John F. McCarthy, Inc., Philadelphia	Yes[2]	Yes.
Scheler & Shifflett Masonry, Mount Penn	Yes[2]	Yes.
John C. McGinn Construction, Mount Penn	Yes[2]	Yes.
Roofcraft, Inc., Berwick	Yes[2]	Yes.
John W. Caldwell Corp., Philadelphia	Yes[2]	Yes.
Berlin Steel Construction Co., Reading	Yes[1]	Yes.
K & M Erection, Inc., McMurray	Yes[2]	Yes.
Anio Construction Co., Inc., Pittsburgh	Yes[1]	Yes.
Reiling Manufacturing Co., Pittsburgh	Yes[1]	Yes.
Welch Foods, Inc., North East	Yes[1]	Yes.
Peg Tails Co., Inc., Hazleton	No	No.
Shelly & Fenstermacher, Bally	No	Yes.
Pennsylvania House, Lewisburg	Yes[1]	No.
Pittsburgh Press, Pittsburgh	Yes[1]	No.
Rohm & Haas Co., Philadelphia	No	No.
Air Products & Chemicals, Emmaus	No	No.
BP Oil, Inc., Trainer	No	No.
E. I. du Pont de Nemours & Co., Philadelphia	No	No.
Firestone Tire & Rubber Co., Pottstown	No	Yes.
Industrial Elastomers, Inc., Monaca	Yes[1]	Yes.
Delvco Industries, Inc., Ivyland	Yes[1]	No.
Westinghouse Electric Corp., East Pittsburgh	No	No.
PPG Industries, Inc., Mount Holly Springs	No	No.
R. L. Aimmerman Co., Clearfield	No	No.
Freeport Brack Co., Creighton	Yes[1]	Yes.
Westinghouse Electric, Derry	Yes[1]	Yes.
E. DeVecchis & Sons, Inc., State College	No	No.
Fizzano Bros., Inc., Trevose	Yes[1]	No.
SGL Abrasives, Inc., Carlisle	Yes[1]	Yes.
United States Steel Corp., Fairless Hills	No	No.
Jones & Laughlin Steel Corp., Pittsburgh	Yes[1]	No.
Armco, Inc., Ambridge	No	Yes.
Midland Ross Corp. National Co., Sharon	Yes[1]	No.
Blaw-Knox, Pittsburgh Rolls Division, Pittsburgh	Yes[1]	No.
St. Joe Zinc Co., Monaca	Yes[1]	Yes.
Cerro-Metal Products, Bellefonte	Yes[1]	No.
Hart Metal, Inc., Tamaqua	No	Yes.
Steelco, Sinking Spring	Yes[1]	Yes.
Bigbee Steel & Tank Co., Manheim	No	Yes.
Bud Co., Philadelphia	Yes[1]	No.
Anvil Products, Inc., Allison Park	Yes[1]	Yes.
Sonoco Products Co., Milton	No	No.
American Electronic Lab., Lansdale	No	No.
Greenville Steel Car Co., Greenville	Yes[1]	Yes.
Savage, Inc., Hamburg	No	No.
United Parcel Service, Pittsburgh	Yes[1]	No.
Smith Trucking Service, Chester	No	No.
Interstate & Ocean Transport, Philadelphia	Yes[2]	Yes.
Fulton County Radio Station, Inc., McConnellsburg	No	No.
Pennsylvania Power & Light Co., Danville	No	No.
Pennsylvania Power & Light Co., York Haven	No	No.
West Penn Power, Pittsburgh	No	No.
Metropolitan Edison Co., Portland	Yes[1]	No.
Foster F. Wineland, Inc., Martinsburg	Yes[1]	No.
Manpower, Inc., Erie	No	No.
Berco Crane Service, Sinking Spring	No	No.
Firestone Equipment Repair, Pittsburgh	No	No.
RHODE ISLAND		
Eastern Construction Co., Providence	Yes[1]	No.
Campanella Corp. & Capaldi Bros., Block Island	Yes[2]	Yes.
Carroll Products, Inc., Wood River Junction	No	No.
Peterson Puritan, Inc., Cumberland Hill	Yes[1]	No.
Saylesville Warehouse, Inc., Lincoln	No	No.
TEXAS		
Southwest Feedyards, Inc., Hereford	Yes[1]	No.
Friona Feed Yard Division, Friona	Yes[1]	No.
Deleon Peanut Co., DeLeon	Yes[1]	No.
Asplundh Tree Expert Co., Bedford	Yes[1]	No.
McCoy Tree Surgery, Dayton	Yes[1]	No.
Pitcock, Inc., Palo Pinto	No	No.
Mobil Oil Corp., Denver City	No	No.
Warren Petroleum Co., McLean	No	No.
D. B. Drilling Corp., Giddings	Yes[1]	No.
Pool Well Servicing Co., Gonzales	Yes[1]	No.
Southland Drilling Co. Rig, San Ygnacio	Yes[1]	No.
Cinco Drilling Co., Big Wells	Yes[1]	No.
Faith Drilling Co., Vidor	Yes[1]	No.
The Ard Drilling Co., Sheffield	No	No.
Pate, Inc., Crowley	Yes[1]	No.
Robco Well Servicing Co., Sundown	Yes[1]	No.
Helmerich & Payne International, Allison	No	No.
Verna Drilling Co., Rig No. 9, Whiteface	Yes[1]	No.
Justiss Mears Oil Co., Inc., Marshall	Yes[1]	No.
Brownie Drilling Co., Inc., Deweyville	Yes[1]	No.
Halliburton Services, Ozona	Yes[1]	No.
C. O. Spencer Welding Construction, Pandale	Yes[1]	No.
Galloway Casing Pulling, Inc., Breckenridge	Yes[1]	No.
Schaefer Well Service, Inc., Bloomington	Yes[1]	No.
B. & W. Well Spruce, Inc., Mont Belview	Yes[1]	Yes.
All State Pipe Testers, Inc., Liberty	Yes[1]	No.
Dresser Atlas, Pearland	No	No.
Welltech, Inc., Mid-continent Division, Canadian	No	No.
Jerry Legard Well Service, Inc., Seminole	Yes[1]	No.
Sharp Drilling Co., Fort Stockton	No	No.
Devonian Well Servicing, Inc., Kermit	Yes[1]	No.
D. C. Well Service, Inc., Sundown	Yes[1]	No.
Phillips Petroleum Co. Nat., Goldsmith	No	No.
Ruthco, Inc., Denver City	Yes[1]	No.
Thomas S. Byrne, Inc., Dallas	Yes[1]	Yes.
Associated Erectors Co., Inc., Fort Worth	Yes[2]	Yes.
Industrial Civil Division of Brown, Houston	Yes[2]	Yes.
Borton, Inc., Petersburg	Yes[1]	Yes.
J. W. Bateson Co., Inc., San Antonio	Yes[1]	Yes.
H. A. Lott, Inc., Houston	Yes[2]	Yes.

See footnotes at end of table.

Workplace	Targeted by S. 2153	Targeted by OSHA practices
H. B. Zachry Co., Dallas (fatality May 1978)	Yes[2]	Yes.
Donald D. Ferguson, Inc., Harlingen	Yes[1]	Yes.
Spaw Glass, Inc., Anahuac	Yes[1]	Yes.
Spaw Glass, Inc., Houston	Yes[1]	Yes.
Reece Albert, Inc., San Angelo	Yes[1]	Yes.
Brown & Root. Inc., Highway Heavy, Sugar land	Yes[1]	Yes.
Dahlstrom Corp., Hillsboro	Yes[1]	Yes.
H. B. Zachry Co., Dallas (fatality December 1978)	Yes[2]	Yes.
Stripe A Zone, Grand Prairie	Yes[1]	Yes.
J. Lee Milligan, Inc., Amarillo	Yes[1]	Yes.
Half Case Construction Co., Inc., Dallas	Yes[2]	Yes.
J. D. Abrams, Inc., Dallas	Yes[2]	Yes.
Florida Construction Co., Beaumont	Yes[1]	Yes.
A. K. Gillis & Sons, Inc., Alba	Yes[2]	Yes.
Sacc, Inc., Lott	Yes[1]	Yes.
Temple Associates Power Line, Hearne	Yes[1]	Yes.
H. C. Price Co. Pipe Line Division, Galveston	Yes[1]	Yes.
Weatherall Construction Co., Arlington	Yes[1]	Yes.
Chapman Construction Co., Inc., Markham	Yes[1]	Yes.
E. E. Henry, Inc., Houston	Yes[2]	Yes.
Finway, Inc., Conroe	Yes[2]	Yes.
Three Way Constructors, Inc., Smithland	Yes[1]	Yes.
George C. Coy, Inc., Houston	Yes[1]	Yes.
Brown & Root, Inc., Freeport	Yes[2]	Yes.
Olsen, Inc., Sugar Land	Yes[1]	Yes.
Austin Processing & Industrial, Vernon	Yes[1]	Yes.
H. B. Zachry Co., Fannin	Yes[1]	Yes.
Brown & Root, Inc., Corpus Christi	Yes[1]	Yes.
Brown & Root, Inc., Wadsworth	Yes[1]	Yes.
Brown & Root, Inc., Houston	Yes[2]	Yes.
Fish Engineering & Construction, Cason (fatality June 1978)	Yes[2]	Yes.
Fish Engineering & Construction, Cason (fatality August 1978)	Yes[2]	Yes.
Crown Plumbing & Sewer Service, Houston	Yes[1]	Yes.
Chicago Bridge & Iron Co., Addison	Yes[2]	Yes.
Industrial Maintenance Contracting, Goldsmith	Yes[1]	Yes.
Whitaker Electric Co., Inc., Houston	Yes[2]	Yes.
L. L. Flowers Construction Co., Inc., Hillsboro	Yes[1]	Yes.
Sargent Electric Co. of Texas, Houston	Yes[2]	Yes.
Ray Boyd Plaster & Tile, Inc., Kaufman	Yes[1]	Yes.
Siding Inc., Amarillo	Yes[1]	Yes.
H. C. Price Co.—Pipeline Division, Galveston	Yes[2]	Yes.
P. G. Bell Co., Houston	Yes[1]	Yes.
Guidd Erection Co., Inc., San Antonio	Yes[1]	Yes.
Precast Erector's, Inc., Irving	Yes[1]	Yes.
Allied Steel Construction Co., Port Arthur	Yes[2]	Yes.
F. & E. Erection Co. Inc., Mount Pleasant	Yes[1]	Yes.
Browning & Ferris, Inc., Texas City	Yes[2]	Yes.
Hardy Gunite of Texas, Inc., Houston	Yes[1]	Yes.
El Campo Rice Milling Co., Louise	No	Yes.
Producer's Co-operative Association, Bryan	Yes[1]	No.
Ralston Purina Co., Hereford	Yes[1]	No.
Valmac Industries Inc. Tenaha	Yes[1]	No.
Lamesa Cotton Oil Mill Lamesa	Yes[1]	Yes.
Wilco Peanut P., Denison	Yes[1]	No.
San Augustine Lumber Co., San Augustine	No	Yes.
The Keehler Co., Seguin	Yes[1]	No.
American Desk Manufacturing Co., Gaylor	Yes[1]	Yes.
Corrugated Service, Forney	Yes[1]	No.
San Antonio Light, San Antonio	Yes[1]	Yes.
Houston Chronicle, Clear Lake City	Yes[1]	Yes.
Big Three Industries, Inc., Odessa	Yes[1]	No.
Gulf Oil Chemical Co., Orange	No	No.
Arco Polymers, Inc., Port Arthur	Yes[1]	No.
Witco Chemical Corp., Houston	Yes[1]	No.
Constellation Chemical Co., Palacios	No	Yes.
Central International Corp., Liberty	No	Yes.
Goex, Inc., Cleburne,	Yes[1]	Yes.
Arnold & Clarke Chemical Co., Houston	Yes[1]	No.
Dixie Chemical Co., Pasadena	No	No.
Texas City Refining, Inc., Texas City	Yes[1]	No.
Southwestern Refining Co., Inc., Corpus Christi	No	No.
Texaco, Inc., Port Arthur Refiner, Port Arthur	Yes[1]	No.
Southern Johns-Manville Produc., Fort Worth	Yes[1]	Yes.
Frazier & Frazier Industries, Coolidge	No	No.
Harris Industries, Inc., Longview	Yes[1]	No.
Rendrag, Inc., Sealy	Yes[1]	No.
Joists, Inc., Houston	Yes[1]	No.
General Steel Co., Fort Worth	Yes[1]	No.
Austin Steel Co., Inc., Houston	Yes[1]	No.
Dareyshire Steel Co., Inc., Canutillo	Yes[1]	No.
Fort Worth F. & D. Head Co., Fort Worth	No	Yes.
Hahn & Clay, Houston	Yes[1]	Yes.
United Galvanizing Co., Inc., Houston	Yes[1]	Yes.
National Pipe & Tube Co., Liberty	Yes[1]	Yes.
N. L. Atlas Bradford N. L. Industry, Houston	Yes[1]	Yes.
Ingersoll-Rand Co., Garland	Yes[1]	Yes.
Texas Forge Division of Delava, Houston	Yes[1]	Yes.
Offshore Systems International, Hannelview	Yes[1]	Yes.
Curtis Mathes Corp., Athens	Yes[1]	No.
Mostek Corp., Carrollton	Yes[1]	No.
Marathon Le Tourneau Co., Brownsville	Yes[1]	Yes.
Texas Shipbuilding Co., Hannelview	Yes[1]	Yes.
Burton Shipyard, Inc., Port Arthur	Yes[1]	Yes.
Levingston Shipbuilding Co., Orange	Yes[1]	Yes.
Texas Sign, Inc., Carrollton	Yes[1]	No.
Tesoro Tank Lines Co., Houston	Yes[1]	No.
Jones Truck Lines, Inc., Grand Prairie	Yes[1]	No.
Lesier Coggins Trucking Co., Dallas	Yes[1]	No.
Ellerd Truck Line, Inc., Bedias	Yes[1]	No.
Priester Supply Co., Inc., Arlington	No	No.
Strachan Shipping Co., Houston	Yes[1]	Yes.
Santa Fe Trail Transportation, Dallas	No	No.
Southwestern Electric Service, Tehuacana	Yes[1]	No.
Houston Lighting & Power Co., Houston	Yes[1]	No.
Gulf States Utilities Co., Beaumont	No	No.
Upshur Rural Electric Co-Operative, Gilmer (fatality May 1978)	Yes[1]	No.
Upshur-Rural Electric Co-Operative Gilmer (fatality April 1978)	Yes[1]	No.
Mid-South Electric Cooperative, Navasota	Yes[1]	No.
Catalyst Technology, Inc., Texas City	Yes[1]	No.
Fort Worth Pipe & Supply Division, San Antonio	Yes[1]	No.
L. B. Foster Co., Houston	No	No.
Moore Supply Co., Houston	No	No.
Odessa Metals, Inc., Odessa	Yes[1]	No.
Goodpasture, Inc., Galena Park	Yes[1]	No.
Sears Roebuck & Co., Houston	No	No.
Industrial Maintenance Contracting, Midland	Yes[1]	No.
Labor Pool of Dallas, Inc., Garland	Yes[1]	No.
Tennessee Pipeline Construction, Corpus Christi	Yes[1]	No.
Phillips Petroleum Co., Eng., Borger	No	No.
Gene Ledel Shows, Inc., Richardson	No	No.
Medical Arts Hospital of Houston, Houston	Yes[1]	No.
United Presbyterian Homes, Waxahachie	No	No.

VIRGINIA

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Eastern Marine Builders & Supply, Cape Charles	No	No.
Whitmyer Bros., Inc., Norfolk	Yes[1]	Yes.
Ditimar Co., Arlington	Yes[1]	Yes.
Dan River, Inc., Danville	No	No.
The Vaughan Furniture Co., Galz	Yes[1]	Yes.
J. D. Bassett Manufacturing Co., Bassett	No	Yes.
McClure Lumber & Supply Co., McClure	Yes[1]	No.
Newport News Shipbuilding & Dr., Norfolk (fatality February 1978)	Yes[1]	No.
Allied Repair Services, Inc., Norfolk	Yes[1]	No.
Newport News Shipbuilding & Dr., Norfolk (fatality May 1978)	Yes[1]	No.
Metro Machine Corp., Norfolk	Yes[1]	No.
Blair Tobacco Storage Corp., Richmond	Yes[1]	No.
Second Montclair Corp., Dumfries	No	No.

WASHINGTON

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Manson Construction & Engine, Seattle	Yes[1]	Yes.
Lockheed Shipbuilding & Construction, Seattle	Yes[1]	Yes.
Todd Pacific Shipyards Corp., Seattle	Yes[1]	Yes.

WEST VIRGINIA

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Dravo Corp., New Martinsville	Yes[2]	Yes.
Carl M Geupel Construction Co., Clarksburg	Yes[2]	Yes.
Research Cottrell, Inc., Willow Island	Yes[2]	Yes.
Foster Wheeler Energy Corp., Willow Island	Yes[1]	Yes.
Superior Electrical Contractor, Willow Island	Yes[2]	Yes.
Lowry Masonry, Charleston	Yes[2]	Yes.
Browning Ferris Industrial, Alloy	Yes[1]	Yes.
Bosley Construction Co., Charleston	Yes[2]	Yes.
Seal Treat Systems, Inc., Charleston	Yes[2]	Yes.
Fayette Lumber Co., Inc., Dixie	Yes[1]	No.
Mobay Chemical Corp., New Martinsville	Yes[1]	No.
Allied Chemical Corp., Moundsville	No	No.
Kingsford Co., Piedmont	No	Yes.
Weirton Steel, Weirton	Yes[1]	No.
Meadowbrook Corp., Spelter	Yes[1]	Yes.
Huntington Alloys, Inc., Huntington	Yes[1]	No.
Sheidow Bronze Corp., Kingwood	Yes[1]	No.
Appalachian Power Co., Matewan	No	No.
Pittsburgh Testing Laboratory, Willow Island	No	No.

WISCONSIN

Workplace	Targeted by S. 2153	Targeted by OSHA practices
Elmer Lade Steel Erectors, Pepin	Yes[2]	Yes.
Construction Concepts, Inc., Madison	Yes[1]	Yes.
Rochester Silo, Inc., Greenwood	Yes[1]	Yes.
Vista-Agri Buildings, Inc., Mondovi	Yes[1]	Yes.
Bissen Blacktop, Inc., Sturgeon Bay	Yes[1]	Yes.
Riley Stoker Corp., Alma	Yes[1]	Yes.
Bergin Corp., Grafton	Yes[1]	Yes.
Joe Lee Painting Service, Inc., Muskego	Yes[2]	Yes.
Northern Metal & Roofing Co., Green Bay	Yes[1]	Yes.
Krause Construction Co., Janesville	Yes[1]	Yes.
Langer Roofing & Sheet Metal, Jackson	Yes[1]	Yes.
Kubiak Builders, Inc., Green Bay	Yes[2]	Yes.
Pabst Brewing Co., Milwaukee	Yes[1]	Yes.
Netex Pet Foods, Inc., Eleva	Yes[1]	Yes.
Ridgeland Lumber Co., Inc., Cameron	Yes[1]	No.
Brunkow Hardwood Corp., Trempealeau	Yes[1]	No.
Walworth Woodcraft, Inc., Walworth	Yes[1]	No.
Tape, Inc., Green Bay	Yes[1]	Yes.
Allis Chalmers Corp., West Allis	No	No.
Brillion Iron Works, Inc., Brillion	Yes[1]	No.
Cast Metals Division McQuay, Berlin	Yes[1]	No.
Grede Foundries, Inc., Milwaukee	Yes[1]	No.
Young Radiator Co., Shear, Racine	Yes[1]	Yes.
Mirro Aluminum, Two Rivers	No	No.
Ladish Co., Tri Clover Div., Kenosha	Yes[1]	No.
Big Joe Manufacturing Co., Lake Delton	Yes[1]	No.
Crepaco, Inc., Lake Mills	No	Yes.
Everbrite Electric Signs, Inc., South Milwaukee	Yes[1]	No.
Flume Creek Lumber Ltd., Iola	Yes[1]	No.
Okray Produce Co., Inc., Plover	No	No.
Wisconsin Electric Power Co., Neenah	No	No.
Max Phillips & Son, Inc., Eau Claire	No	No.
Stumpf Motor Co., Appleton	Yes[1]	No.
Ace Services, Division of Uranu, Milwaukee	No	No.
Wisconsin Sportservices, Inc., Milwaukee	No	No.

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[1] Targeted for inspection pursuant to sec. 4A(c)(1) of S. 2153.

[2] Targeted for inspection pursuant to sec. 4A(a)(2) of S. 2153. ●

ORDER FOR THE RECOGNITION OF SENATORS TOWER AND SCHMITT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders are recognized under the standing order, Senators SCHMITT and TOWER be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 746.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the purpose of the reservation is to advise the majority leader that that item is cleared on our calendar and we have no objection to the measure being considered and passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

WEATHER MODIFICATION MANAGEMENT ACT OF 1980

The Senate proceeded to consider the bill (S. 1644) to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the promulgation of regulations related to weather modification, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Weather Modification Management Act of 1980".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the management of weather resources may soon be technically possible by utilizing the emerging technologies for weather modification;

(2) weather modification, when performed with prudent methods and predictable results, can enhance the benefits and reduce the harm that weather produces for individuals and society;

(3) the United States lacks a well-defined program in weather modification, and a lack of Federal leadership has slowed the development and utilization of the science and technology in this field;

(4) a sustained and coordinated program of scientific inquiry is required to develop a weather modification capability that can achieve the potential gains;

(5) a parallel effort is required to understand the effects from intentional and unintentional weather modification to the economy, the environment, and society;

(6) the competence to conduct research and operations in weather modification is found in universities, private interests, and State and local governments, as well as in the Federal Government;

(7) the atmosphere is a global resource that belongs to no person, interest, State, or nation, and those involved in weather modification activities should consider interstate and international implications;

(8) comprehensive Federal regulation of weather modification is not necessary at this time, but as the understanding and utilization of weather modification technology increases in the future, the Federal Government should assess periodically the need for regulation;

(9) the public interest requires that intentional weather modification activities be designed and performed with concern for the environment and be preceded by consultation with those likely to be affected; and

(10) weather is transnational, and the wolrd's understanding of weather modification will be increased by international cooperation.

SEC. 3. POLICY.

The Congress declares that it is the policy of the United States that—

(1) the United States should develop the capability to modify the weather with predictable results;

(2) the Federal Government should establish and direct a sustained and coordinated program of research and development in weather modification;

(3) non-Federal expertise and resources should be utilized as much as possible to increase the understanding of weather modification;

(4) the Federal Government has a responsibility to protect the public and the environment, and Federal regulation of weather modification should correspond to the extent of the understanding and utilization of weather modification and to the degree of non-Federal regulations in effect;

(5) the application of weather modification should be designed to maximize the potential benefits and to minimize the possible adverse economic, environmental, and societal effects;

(6) weather modification activities should be preceded by consultation with those likely to be affected;

(7) all United States weather modification activities should be conducted to promote the peaceful use of weather modification science and technology; and

(8) the United States should cooperate with other nations to increase the world's understanding of weather modification.

SEC. 4. PURPOSE.

The purpose of this Act is—

(1) to declare a national weather modification policy; and

(2) to establish a national program of research and development in weather modification that includes—

(A) research and experiments to understand the science of and to develop methods for weather modification;

(B) adequate and stable funding of a sustained research and development effort in weather modification for a 20-year period;

(C) coordination of the Federal departments and agencies conducting research and development projects in weather modification;

(D) development of sound management practices and promotion of technology transfer with State and local governments, universities, and private interests;

(E) reporting of weather modification activities;

(F) protection of the public and the environment; and

(G) encouragement of international cooperation.

SEC. 5. DEFINITIONS.

As used in this Act, the term—

(1) "Director" means the Director of the National Weather Modification Management Program, appointed pursuant to section 6;

(2) "person" means any individual, partnership, firm, company, corporation, association, society, joint stock company, any State or local government or any agency thereof;

(3) "Program" means the National Weather Modification Management Program, as established in section 6;

(4) "Secretary" means the Secretary of Commerce;

(5) "State" means any State of the United States, the District of Columbia, or any Commonwealth, territory, or possession of the United States;

(6) "weather modification" means any intentional or unintentional artificially produced change in the composition, behavior, or dynamics of the atmosphere, when such change results in the alteration of the weather;

(7) "weather modification activity" means the use of any device, chemical, or other substance for the purpose of intentionally producing weather modification; and

(8) "weather modification project" means a set of one or more weather modification activities designed to accomplish a common objective.

SEC. 6. NATIONAL WEATHER MODIFICATION MANAGEMENT PROGRAM.

(a) ESTABLISHMENT.—There is hereby established a National Weather Modification Management Program with the purpose of understanding, developing, improving, and managing weather modification technologies in accordance with the provisions, purposes, policies, and findings of this Act.

(b) PROGRAM ELEMENTS.—The Program shall include, but not be limited to, the following elements—

(1) basic and applied research to understand the atmospheric processes that could provide the scientific foundation for weather modification;

(2) experimental weather modification activities to test the findings from such research and to develop prudent operational methods with predictable results;

(3) development of instruments and techniques to enhance experimental and operational weather modification activities;

(4) cooperative efforts between the Federal Government and universities, private interests, State and local governments, and other nations to obtain the maximum amount of scientific knowledge from weather modification projects;

(5) studies on unintentional weather modification caused by society's use of land, water, and energy;

(6) studies on the economic, environmental, legal, and societal effects from weather modification;

(7) development of sound management practices for conducting weather modification projects, as provided in section 7;

(8) a procedure for reporting weather modification activities in the United States, as provided in section 8;

(9) periodic assessment of the need for Federal regulation of weather modification; and

(10) a 5-year plan for the management of Federal research and development efforts in weather modification. Such a plan shall identify—

(A) Program goals and priorities;

(B) Program activities and accomplishments needed to ensure that such goals are met within the time period established by the plan;

(C) the role of the Federal departments and agencies involved in the Program; and

(D) Federal funding necessary for the Program to achieve such goals.

Such a plan shall be submitted to the Congress not later than 180 days after the date of enactment of this Act, and shall be revised and extended biennially.

(c) Director.—The Secretary shall appoint a Director of the Program. The Director shall be an individual who possesses recognized management ability in government operations and in research and development projects. In addition to any other duty prescribed by law or assigned by the Secretary, the Director shall—

(1) be the principal Federal officer responsible for planning and administering the Program;

(2) work with the interagency coordinating committee on weather modification, as provided for in subsection (d);

(3) acquire the services of a qualified professional staff and such other assistance as necessary to carry out the provisions, purposes, policies, and findings of this Act;

(4) seek independent advice, as provided for in subsection (f);

(5) consult and cooperate with those State and local governments and other interested groups that are likely to be affected by or that are likely to affect Program activities;

(6) promote the adoption of sound management practices and the exchange of research, experimental, and operational results with State and local governments, universities, and private interests;

(7) with the assistance of the Secretary of State, encourage cooperation with other nations to exchange information, participate in international activities, and enter into agreements concerning weather modification; and

(8) assist in preparing the annual report, as required in section 9.

(d) Interagency Coordination.—

(1) The President shall maintain an interagency coordinating committee on weather modification. The committee shall consist of representatives from the Federal departments and agencies involved in the Program, including, but not limited to—

(A) the Department of Agriculture;

(B) the Department of Commerce;

(C) the Department of the Interior;

(D) the Department of State;

(E) the Environmental Protection Agency; and

(F) the National Science Foundation.

(2) In addition to any other duty prescribed by law or assigned by the President, the committee shall—

(A) assist the Director in the preparation and implementation of the 5-year plan, as required in subsection (b)(10); and

(B) be responsible for coordination of the Federal departments and agencies carrying out the elements of the Program.

(e) Agency Duties and Powers.—In order to carry out the provisions, purposes, policies, and findings of this Act—

(1) each Federal department and agency with Program duties and responsibilities shall—

(A) utilize, to the maximum extent possible, the expertise and resources of universities, private interests, and State and local governments to carry out the elements of the Program;

(B) ensure that each Federal weather modification project includes an assessment of its anticipated effects, consistent with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and ensure that such project includes an evaluation of its effects, as provided in section 7;

(C) ensure that Program activities are conducted with the maximum feasible amount of public awareness and consultation;

(D) assist in preparing the annual report, as required in section 9;

(E) be authorized to construct, lease, purchase, or otherwise acquire laboratories or other equipment; and

(F) prepare and submit to the Office of Management and Budget, on or before the date of submission of departmental requests for appropriations to such Office, an annual request for appropriations for the Program during the subsequent fiscal year; and

(2) the Office of Management and Budget shall review such request for appropriations as an integrated, coherent, multiagency request.

(f) Advisory Assistance.—The Secretary and the Director shall seek independent advice with respect to the Program from those who are knowledgeable in the areas of atmospheric sciences, weather modifications, social sciences, law, user needs, and other areas related to weather modification. The Secretary and the Director may utilize existing advisory groups if they determine that such groups are knowledgeable in such areas.

Sec. 7. Sound Management Practices.

(a) In General.—The Director, in consultation with the interagency coordinating committee and within 2 years after the date of enactment of this Act, shall develop a set of sound management practices for conducting weather modification projects. Such practices shall be—

(1) based on the current state of knowledge about weather modification and its economic, environmental, legal, and societal effects;

(2) revised periodically to reflect any relevant advances in science or technology;

(3) utilized as standards for Federal weather modification projects; and

(4) published for general dissemination to State and local governments, universities, and private interests.

(b) Management Practices.—The set of sound management practices shall address, but not be limited to, the following activities—

(1) project design;

(2) environment assessment;

(3) project implementation;

(4) data collection and availability; and

(5) project evaluation.

(a) Reporting Requirements.—

Sec. 8. Reporting of Weather Modification Activities.

(1) Any person who has the primary supervisory responsibility for conducting any weather modification activity in the United States shall—

(A) prepare and maintain daily records on such activity; and

(B) submit to the Secretary reports with respect to such activity as provided in paragraph (2).

(2) The Secretary shall prescribe, by rule, the specific information and format required in the reports with respect to weather modification activities. The Secretary may require that such reports be submitted before, during, and after any such activity.

(b) Duties of Secretary.—

(1) The Secretary shall maintain a record of all reported weather modification activities in the United States and shall include a summary of such activities in the annual report, as required in section 9.

(2) All reports, documents, and other information received by the Secretary under the provisions of this section shall be made available to the public to the maximum extent practicable. In carrying out the provisions of this section, the Secretary shall not disclose any information that is referred to in section 1905 of title 18, United States Code, and is otherwise unavailable to the public, except that such information shall be disclosed—

(A) to other Federal departments and agencies for official use upon request;

(B) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceeding; and

(C) to the public if necessary to protect their health and safety.

(c) Authority of Secretary.—The Secretary may require, by regulation, subpena, or otherwise, that any person who conducts a weather modification activity shall maintain and furnish records and other information related to such activity. The Secretary or his authorized representative may inspect the records, information, premises, and property of any person as may be necessary or appropriate in carrying out the provisions, purposes, policies, and findings of this Act.

(d) Jurisdiction.—Upon application by the Attorney General on behalf of the United States, the district courts of the United States shall have jurisdiction to enjoin any violations of the provisions of this section.

(e) Penalty.—Any person who knowingly and willfully violates this section or any rule issued thereunder shall upon conviction thereof be fined not more than $10,000.

Sec. 9. Annual Report.

The Secretary shall prepare and submit to the President and the authorizing committees of the Congress, not later than January 30 of each year, a report on the activities conducted pursuant to this Act during the preceding fiscal year. Each such report shall include—

(1) a summary of Program accomplishments during the previous fiscal year;

(2) an analysis of the progress made toward achieving Program goals;

(3) a summary of the budget for the Program;

(4) a listing of other weather modification projects in the United States that are not part of the Program;

(5) a summary of the reported weather modification activities in the United States during the previous year;

(6) a description of actions that have been taken to improve cooperation in weather modification activities of the Federal Government with State and local governments and other nations; and

(7) any recommendations for additional legislation that may be required to assist in achieving the purposes and policies of this Act.

Sec. 10. Contract and Grant Authority.

(a) In General.—Any Federal department or agency may enter into contracts or make grants in order to carry out its responsibilities under this Act, to the extent provided or approved in advance in appropriation Acts. Of the total annual cost of the project or activity involved, any such contract or grant may provide—

(1) to a State or local government, up to 50 percent; and

(2) to any other person, including any public educational institution, up to 100 percent.

(b) Terms and Conditions.—Any person who receives Federal funds from a contract entered into or grant made under this section shall keep such records as the Director shall prescribe by regulation, including—

(1) records that fully disclose the amount and disposition by such recipients of such funds;

(2) the total cost of the project or activity for which such funds were so made available;

(3) any amount of such costs supplied from other sources; and

(4) such other records as will facilitate an effective audit.

Such recipient shall maintain such records for 5 years after the completion of such a project or activity. The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and evaluation to any books, documents, papers, and records of such recipient that, in the opinion of the Director or Comptroller General, may be related or pertinent to such contract or grant.

SEC. 11. REPEAL OF PREVIOUS REPORTING LAW.

The Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330 et seq.), is repealed.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1981; $30,000,000 for the fiscal year ending September 30, 1982; $35,000,000 for the fiscal year ending September 30, 1983; $40,000,000 for the fiscal year ending September 30, 1984; and $45,000,000 for the fiscal year ending September 30, 1985. Such sums shall remain available until expended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for related purposes.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 4:57 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 5:51 p.m. when called to order by the Presiding Officer (Mr. SARBANES).

ORDER FOR STAR PRINT—S. 2441

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a star print of Senate Report No. 96–705, on S. 2441, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COAL FOR THE FUTURE

Mr. ROBERT C. BYRD. Mr. President, there is seldom pleasant news to report in this Nation's struggle with our serious energy problems. Recently, good news came our way in the form of the World Coal Study. The World Coal Study, sponsored by the Massachusetts Institute of Technology, was released on May 12, 1980, and represents 18 months of intensive and detailed examination of coal use and development by a distinguished group of coal experts.

Coal is a crucial ingredient of future economic growth, a tripling in world coal production by the year 2000 will be required to fill the gap left by ebbing supplies of oil, according to the study.

Environmental difficulties associated with coal can be minimized using existing technologies. As oil prices increase, the cost of cleaning coal becomes relatively less, and economically attractive. Coal can be burned cleanly.

The study describes the United States as a potential "Saudi Arabia of coal." One need not draw comparisons to the desert kingdom to understand that we have gigantic resources in this country; not simply billions of tons of coal. Our industrious people and our willingness to tackle a tough task will help us fashion a more promising future.

I ask unanimous consent that two editorials from the New York Times—one entitled "Coal as King; Americans as Saudis," and dated May 14, 1980; and the second entitled, "Looking for the Catch in Coal," and dated May 18, 1980, be printed in the RECORD at this point, along with an editorial from the Washington Star, entitled, "The Promise of Coal," and dated May 19, 1980.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

THE PROMISE OF COAL

Coal can be the critical fuel to ease America's over-dependence on foreign oil, and the resource to maintain global economic growth over the next two decades. That is the message of two major studies, which emphasize that decisions to put greater reliance on coal must be made now.

The World Coal Study released last week concluded that coal will be vital to sustain any kind of real economic growth in the world between now and the year 2000, and that it "can be mined, moved and used at the most stringent environmetal protection standards and at acceptable costs . . ." President Carter's Commission on Coal recently said, "Strong legislation, including mandatory reduction of utility and industrial oil and natural gas use, is long overdue."

So far the U.S. has made only fitful movement to revert to a fuel that is abundantly available. Despite the political obeisance paid to coal during the 1970s, the coal industry may have a case for breach of promise. Capacity exists to mine 1 billion tons of coal stockpiled above ground and going unused. The National Coal Association last week told President Carter that his goals on production and use for 1985 cannot be met, and blamed "current government policies and regulations."

In a recent series on the subject, The Star's Lance Gay noted the complex of factors that has impeded expanded coal use: A history of unsafe mines and working conditions, and the problems of reliable supply arising from turbulent labor-management relations; rate-structure policies that tend to erase the economic and investment uncertainties created by an ever stricter environmental and regulatory climate; restrictive federal leasing policies on Western government-owned land.

Difficult problems all, but none intractable. As the logic to return to coal becomes increasingly compelling, however, the environmental dispute could dominate—and distort—the debate.

The two most conspicuous environmental problems with coal are acid rain and the "greenhouse effect," the concern that carbon dioxide in the atmosphere could, over time, disrupt the earth's weather patterns. The World Coal Study acknowledged that coal releases 25 per cent more carbon dioxide than oil, but added, "Most researchers expect that there are at least several decades to evaluate the carbon dioxide modification issue." That sort of observation does *not* comfort those who translate technological rough edges into imminent lethal specters. But it is a tenable judgment.

Acid rain has been drawing particular public attention of late. Scientists have yet to fix the sources of acid rain, how long it has been around or how precise the effects it causes. Sulfur dioxide, combining with atmospheric moisture to form sulfuric acid, returns to earth as a pollutant, and a joint U.S.-Canadian study last summer said, "There is substantial reason to suspect" that it "will have adverse effects on aquatic systems, forest, and agricultural systems."

Clearly, this warning cannot be disregarded. But we also need to know more about acid rain. Is it primarily the result of industrial emissions? To what extent do automobiles contribute? What are the best methods and how much will it cost to develop and install controls?

Douglas Costle, the administrator of the Environmental Protection Agency, is intent on immediate regulation: "There's a lot we don't know, I admit," he says. "But we do know enough that we ought not to make the problem any worse and that we ought to take remedial action."

It is not complacent to wonder whether Mr. Costle isn't calling for a third alarm at the first traces of smoke. Congress last fall authorized a 10-year, $10 million acid rain study. To impose a fresh layer of federal regulation on a condition as yet so partially understood would seem at least premature.

Acid rain is alarming, and we must deal with it. But the United States has already allowed itself to be taken hostage by a morbid reluctance to use a practical alternative, coal, against dependence on foreign oil. A first priority should be congressional approval of President Carter's $10 billion proposal to switch East Coast oil-fired utility plants to coal.

The intense environmental opposition could jeopardize passage—as well as the entire effort to turn, as quickly, efficiently and safely as possible, to coal. Failure to do so would be devastating.

COAL AS KING; AMERICANS AS SAUDIS

Coal has a dirty reputation, and rightly so. Mining it kills thousands, scars landscapes and ruins waterways with acid drainage. Burning it pollutes the air, killing thousands more. No wonder that coal gave way to oil as the world's premier fuel—and no wonder that environmentalists have been wary of turning back to coal, no matter how plentiful. But now it seems clear that they, and all of us, had better take another look. Coal may be good for the world and especially good for America.

An internationally sponsored World Coal Study, issued yesterday after 18 months of work, offers a surprisingly upbeat prognosis for expanded coal use in the next two decades. The study contends that oil now costs so much that it is possible to spend heavily to clean up coal and still come out far ahead. And it predicts that coal can compete successfully against oil in export markets. The United States could become a "Saudi Arabia of coal exporters."

This is a rosy vision. But if it is even remotely accurate, the old image of coal is clearly wrong. Coal can fill the world's energy gap for at least two decades without threatening major environmental damage.

The central message of the report—compiled by Prof. Carroll Wilson of M.I.T. and experts from 16 countries that produce and use most of the world's coal—is that coal use must be tripled, and steam coal exports increased at least tenfold, if the world is to solve its immediate energy problems. What are the alternatives? Conservation alone cannot contribute enough. Nuclear power is meeting increasing resistance. Solar and other renewable energy sources cannot be developed and widely marketed until about the year 2000. So in the meantime, most of the added energy needed for moderate economic growth must come from coal.

That can be accomplished, the report contends, without sacrificing health, safety and environmental protection. The reason: oil is now so expensive that it is economic to clean up coal. The cost of mining, transporting and burning coal in this country, even after applying the strictest environmental standards, is roughly $60 a ton; the equivalent amount of crude oil would cost about $165. That gives coal an enormous price advantage that could be used to meet even stricter environmental standards, if deemed necessary. And the price gap is getting bigger, not smaller.

Coal's greatest environmental threat is thought to be the "greenhouse effect"—the possibility that carbon dioxide produced by burning coal and other fossil fuels might cause catastrophic changes in global climates. On this danger, the Coal Study temporizes. It notes, rightly, that there are many uncertainties as to whether such changes will occur; even if they do, coal may not make such a difference. If the effects do prove serious, the report says, coal combustion can be cut back. That seems a reasonable approach—if the world is really prepared to take the necessary control steps at the time.

The export potential for coal is often overlooked, even by the American coal industry itself. The United States has by far the biggest export potential, followed by Australia and South Africa. By the year 2000, coal could become America's largest single source of foreign exchange—not to mention a benefit of incalculable value: greatly lessening United States dependence on imported oil.

The World Coal Study is more upbeat than many previous reports on the potential for coal. But its projections are not outlandish. The goals can be reached through a 5 percent annual growth in coal production, a level that has been met in recent years. The study calls for a prompt start on building the transportation and equipment needed for a large expansion in coal use. It also seeks Government action to speed licensing, stabilize environmental standards and encourage investment. What a small price to pay, in both industry and Government, for shattering the oil cartel's domination of world energy.

LOOKING FOR THE CATCH IN COAL

The more we reflect on the possibilities of coal, the easier it is to get excited. The World Coal Study issued last week offers the most hopeful energy news in years of crisis. Compared with coal, oil prices have zoomed so high that it is now possible to spend heavily to make coal cleaner and safer—and still come out ahead.

Consider just how enormous the price differential has become. A typical American utility spends roughly $35 for a ton of coal delivered, and another $25 to meet existing air and water pollution standards, a total cost of $60. The equivalent amount of crude oil would cost $165. That leaves a tremendous margin to pay for doing things right.

Coal does not have to be unacceptably dangerous and dirty. Determination, and money, can make it safe. The best-managed mines have substantially reduced deaths from accidents and black-lung disease, they are now no more hazardous than other high-risk manufacturing or construction. All mines could be compelled to reach these standards.

Nor does strip mining have to leave the land scarred. At modest cost, terrain can be restored to its original condition. And emissions from coal-burning plants, long a curse to industrial cities, could be controlled. New coal-fired power plants emit less pollution than most oil-burning plants. Replacing old oil plants with new coal plants could improve air quality.

Is there a catch in this rosy view? If so, it is not yet apparent. Government analysts acknowledge that coal has an enormous price advantage over oil and that some of this can readily pay to meet strict health and cleanliness standards. The claim that coal can be used safely gains credence from the support of Russell Train, former head of the Environmental Protection Agency, who participated in the World Coal Study. The idea is also endorsed by current E.P.A. officials.

No one thinks of coal as anything more than a transition fuel, en route to renewable energy sources. A solar advocate, in fact, might argue that all effort should be concentrated on developing that source more quickly. The World Coal Study estimated that solar energy might meet about 10 percent of the nation's needs by the year 2000. The Carter Administration's goal is twice that. But even if it develops that fast, there would still be a great need for coal, domestically and abroad, where experts show little confidence that solar energy will contribute much in this century.

What are the other alternatives? Coal is more acceptable to the public than nuclear power. And unlike solar, it uses mostly time-tested technologies. The task now is to get on with the job of building the necessary mines, transportation links and combustion plants. That will happen as the economic advantages of coal over oil become more widely appreciated, but only if some key coal producers and potential users get over their endless dyspepsia.

The National Coal Association still complains that coal-use goals cannot be met unless pollution and stripmining regulations are eased. Utilities complain about the high cost of scrubbers if they switch from oil to coal. If any particular environmental standard turns out to be demonstrably excessive, it should of course be modified. But the encouraging message of the World Coal Study is that it will pay, in dollars and in independence, to burn coal; that the world can do so without sacrificing the environment; that there is no catch.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two orders for the recognition of Senators on tomorrow there be a period for the transaction of routine morning business not to extend beyond 30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 2511 AND S. 2441 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on tomorrow the Senate proceed to the consideration of Calendar Order No. 757, S. 2511, a bill to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1981, and that upon the disposition of that measure the Senate proceed to the consideration of Calendar Order No. 756, S. 2441, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes, with the proviso that both of those measures be considered under an agreement in the usual form with respect to nongermane amendments and with the further proviso that any rollcall votes ordered with the exception of any procedural rollcall votes that might have to be necessary be delayed until 5:30 p.m. tomorrow.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, this reservation is for the purpose of advising the majority leader that not only has he cleared that agreement with us but it is largely for the accommodation of Members on this side and we are grateful for his cooperation in that respect. We have no objection to the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank the minority leader and Senators on his side for clearing the two measures which are scheduled for tomorrow and for also agreeing to the no nongermane amendment provision.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until tomorrow at 12 noon.

The motion was agreed to; and at 5:55 p.m., the Senate recessed until tomorrow, Tuesday, May 20, 1980, at 12 noon.

NOMINATIONS

The Executive nominations received by the Senate May 19, 1980:

DEPARTMENT OF EDUCATION

Martha Keys, of Kansas, to be an Assistant Secretary of Education (Legislation) (new position).

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Thomas H. McMullen, [redacted] [redacted]FR, U.S. Air Force.

EXTENSIONS OF REMARKS

EMERGENCY CONFERENCE ON THE CASE OF ANATOLY SHCHARANSKY, PART II

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. DRINAN. Mr. Speaker, expert testimony was presented to a distinguished panel in Amsterdam last week on the case of Soviet human rights activist Anatoly Shcharansky. I was privileged to join Andrew Young, Ramsey Clark, Bayard Rustin, Richard Pipes, and Dina Kaminshaya from the United States for the 2-day session.

In a clear and precise condemnation of the Soviet Union's departure from their own legal statutes, Irwin Cotler, the noted legal scholar at McGill University, reviewed the Soviet case against Shcharansky. The unanimous conclusion reached by all participants at the conference was that "serious breaches of Soviet domestic law were committed in the prosecution and trial of Anatoly Shcharansky resulting in a grave miscarriage of justice."

The Soviets have not allowed any appeal of the case.

In view of Shcharansky's continued incarceration, it is important to renew our commitment to raising his case in every possible forum.

I commend Professor Cotler's testimony to my colleagues and urge all concerned Members to review the legal aspects of the Shcharansky case. The first portion of his testimony follows:

THE SHCHARANSKY CASE: A SUMMARY

(By Prof. Irwin Cotler)

Few observers of the Soviet legal system can fail to be impressed by the humanistic character of Soviet Statute law. Indeed, one of the pervasive and compelling principles of Soviet law—which finds expression in the Fundamental Principles of Criminal Procedure, the Criminal Code, the Code of Criminal Procedure and the Soviet Constitution—is its seeming concern for the integrity of the person, and equality of all before the law. The new Soviet Constitution proclaimed on the 60th anniversary of the Russian Revolution is a veritable model of human rights in certain particulars; while the Soviet Union remains the only signatory of the Helsinki Final Act to incorporate the Ten Principles of the Final Act—including Principle VII regarding respect for international law and human rights—into its Constitution.

Accordingly, the frequent pronouncements by the Soviet Union that Shcharansky would be prosecuted with full respect for the rule of law might normally have given one cause to believe that not only would justice be done but it would manifestly be seen to be done; and its announcements after the trial that the judgment would be "in accordance with the Helsinki Final Act" might have caused one to believe that the first acquittal in the history of Soviet political trials was about to take place.

The facts, however, as documented in "The Shcharansky Case" are exactly the opposite. For the entire history of the Shcharansky case is a litany of prosecution and persecution for activities protected by, and guaranteed in, the Soviet Constitution.

Indeed, the cruel irony of this case and cause is that the Soviet Union would seek to prosecute one who takes Soviet law so seriously; and so, rather than honour Shcharansky for his fidelity to law, the Soviet Union chooses to make that fidelity to law a crime; and the very protections and guarantees relied upon by Shcharansky in the assertions of his rights became the "evidentiary" basis for the prosecution's indictment. The Soviet legal system, it seems, still proceeds on the basis of "give us the man and we will find the crime."

The result was a "trial" and conviction of Anatoly Shcharansky on charges of treason and anti-Soviet slander—a trial in which, as Anatoly Shcharansky put it, the sentence was determined even before the case began. Accordingly, Mrs. Avital Shcharansky, through her attorney Professor Irwin Cotler, petitioned the Prosecutor-General of the U.S.S.R. to protest the judgment and to seek to have it vacated, the whole according to law. The Petition was drawn up in accordance with Soviet requirements and relies solely on Soviet law and evidence in the Shcharansky case. It is the legal defence that Anatoly Shcharansky could not make, and was not permitted to make. It is the legal appeal which should never have been necessary. It is a case which should never have been.

The Petition documents the violations by the Soviet Union of its own law in the Shcharansky case, violations of such magnitude that by the strictures—and requirements—of Soviet law itself the charges should have been quashed even before the trial began; while the trial itself—as the evidence in the Petition demonstrates—not only exposes the falsity if not absurdity of the charges against Shcharansky but serves to clearly confirm Shcharansky's innocence.

What follows, therefore is first, an outline of the violations of Soviet criminal law and procedure, most of which occurred before the trial, and many of which alone constitute grounds for vacating the judgment in accordance with Soviet law; second, samples of the prosecution "evidence" and the sworn and corroborated testimony in the Petition rebutting it; third, excerpts from the testimony of witnesses involved in coercive interrogation in the Shcharansky case; and finally, an outline of the violations by the Soviet Union of their own Constitution and international agreements which have been incorporated by reference into Soviet Constitutional law.

I. SOVIET VIOLATIONS OF THEIR OWN CRIMINAL LAW AND PROCEDURE IN THE SHCHARANSKY CASE

(1) the systematic pattern of surveillance, harassments, and "preventive arrests" consequent upon Shcharansky's application to emigrate and intensified by Shcharansky's associations with the Public Group to Promote Observance of the Helsinki Accords; the whole in violation of both Soviet law and international agreements incorporated by reference into the Soviet Constitution (See page 15ff of Petition).

(2) the illegal character of the arrest on March 15, 1977, in the absence of the requisite grounds for detaining a person as required by Article 122 C.C.P.; and the abusive character of the arrest itself in violation of the guarantee of the "inviolability of the person", thus vitiating whatever authority the arrest may have had. (p.p. 25ff).

(3) the unconstitutional character of the pretrial detention, as set forth in (j) above, and the prejudice thereby to the case the accused (p.p. 49ff)

(4) the coercive character of Shcharansky's investigation and detention, as demonstrated most vividly by the simple facts of Shcharansky's detention: held incommunicado for sixteen months in the Lefortovo prison; denied visits from any members of his family; denied access to counsel; denied choice of counsel; deprived of the defence lawyer chosen by the Shcharansky family, Dina Kaminskaya, who is forced to leave the Soviet Union.

(5) the continuing vilification—indeed "conviction"—of Shcharansky in the media as a "traitor" or worse, thereby not only prejudicing the case but predetermining its outcome—a clear violation of the prohibition against shifting the burden of proof onto the accused as set forth in Article 20 of the C.C.P. (p.p. 19 ff).

(6) the illegal attempt to solicit Shcharansky's "co-operation" by "offering" him reunion with his wife in return for incriminating information about the Jewish emigration movement; and the threatening of Shcharansky with charges of treason and death if "co-operation" was not forthcoming, (as set forth in the testimony of Shcharansky himself and included in the unofficial transcript of the case, a copy of which is attached as Appendix VIII), the whole in flagrant violation of the prohibition against soliciting the testimony of the accused by "force, threats, or other illegal measures," as set forth in Article 20.

(7) the constant declarations and rejoinders by the investigators of the Shcharansky case—during the course of the investigation—that Shcharansky was guilty of treason, and more, thereby not only impugning any objective inquiry, but again shifting the obligation of proof to the accused, in clear violation of the statutory requirements of Article 20, the whole as appears more fully in the testimony of witnesses interrogated in connection with the Shcharansky case in (h) (p.p. 34ff).

(8) the coercive and intimidating character of the interrogation of Shcharansky's friends during the pre-trial detention, as set forth in (h), and as appears more fully in the evidence submitted to the Ad Hoc Commission on Justice for Anatoly Shcharansky (Appendix XX).

(9) the illegal searches of Shcharansky's apartment and of the premises of Shcharansky's associates during the pre-trial investigation, the whole set forth more fully in (f) (p. 29); and in clear violations inter alia of Article 12 C.C.P. against illegal searches.

(10) the illegal seizure and confiscation of materials and documents in the course of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the illegal search, the whole as set forth more fully in (f) (p. 29) and in clear violation inter alia of Article 171 of the C.C.P.

(11) the denial of Shcharansky's right to privacy through the monitoring and disconnecting of telephone conversations; the seizure and confiscation of correspondence; and the surveillance of every movement, the whole as appears more fully in (g) (p. 32) and in clear violation of Article 12 C.C.P. and Article 56 of the Constitution.

(12) the suppression in the investigation of exculpatory evidence tending to acquit the accused and the refusal to consider evidence or documentation offered on behalf of the accused.

(13) the unjustified refusal of the defendant's right to choose a counsel of his liking and the refusal of the KGB to permit Shcharansky's mother—Mrs. Ida Milgrom—to confer with the accused regarding the choice of counsel, the whole in violation of Articles 47 and 48 of the C.C.P.

(14) the refusal of the court to allow the defendant to call witnesses on his behalf as set forth in the unofficial transcript of Shcharansky's trial, thus violating articles 46 and 54 of the C.C.P. regarding the right to a defense.

(15) the decision to admit illegally obtained inculpatory evidence over the objection of the defendant as to the inadmissability of such evidence, and the rejection of defence witnesses whose testimony contradicts the already "tainted" prosecution evidence.

(16) the reversal of the presumption that the burden of proof rests on the prosecution, and the continuing shifting of the burden of proof onto the accused, the whole as set forth more fully in (k) (p. 52).

(17) the violation of the law on open trials; for even allowing for in camera sessions regarding the presentation of evidence surrounding "State secrets", the exclusion of all persons except the brother of the defendant in the otherwise "open" sessions denied the defendant the right to an open—and fair—trial as required by Article 157 of the Soviet Constitution.

(18) the apparent failure of the court to hand a copy judgement to the defendant, contrary to the provision of Article 320 of the C.C.P.

(19) and, perhaps most important, the "false imprisonment" imposed upon Shcharansky through the repeated and unjustified denials of his legal right to emigrate, a right acknowledged—and incorporated—by Soviet authorities as part of Soviet law itself. If Shcharansky had been first permitted to exercise this right, the prosecution resulting from the subsequent exercise of rights would never have arisen.●

TRIBUTE TO ROBERT TAIRA

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. HEFTEL. Mr. Speaker, I am privileged to have the opportunity to share with my colleagues my pride in the outstanding achievements of Mr. Robert Taira, Small Business Person of the Year from Hawaii. Mr. Taira's accomplishments in Hawaii and the Nation have earned him the distinction of being chosen Small Business Person of the Year for the western region as well as for Hawaii.

It is no wonder that Mr. Taira is the recipient of such accolades. Since his birth some 50 years ago, Mr. Taira has risen from the fields of a sugar plantation on Hawaii's big island to the corporate offices of a multimillion-dollar business, King's International Bakery. His success is the product of his own ingenuity, sense of adventure and hard work. But his success is also attributable to the fact that he markets one of the finest baked goods in the Nation: Portugese sweet bread. King's International Bakery now supplies the Nation with rich and delicious loaves of sweet bread, made with all natural ingredients and the unique taste of homemade sweets.

Through years of difficult toil, Mr. Taira's ambition and creativity have prevailed. He brings pride not only to his family and to his home State, but to all small businessmen working for their dreams. I am honored to have Mr. Taira as a constituent of mine. I admire his creativity and discipline and know that his success story will be a model for businessmen throughout the Nation.●

A SANDINISTA MISSION TO MOSCOW

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. LAGOMARSINO. Mr. Speaker, while the Congress continues in its consideration of H.R. 6081, the special Nicaraguan aid bill, events in that Central American nation have revealed more and more the true nature of the Marxist Sandinista regime. Having abandoned the facade of pluralistic government and its pledges of democracy, the Cuban backed revolutionary government has boldly moved into the Soviet camp. As pointed out by columnists Evans and Novak in last Friday's Washington Post, "a secret agreement between the Soviet Communist Party and the Sandinista Marxist Party of Nicaragua points to major new Soviet intervention and a possible Nicaraguan-Cuban Military accord." They rightly conclude that "while President Carter fumes over American hostages in Tehran and laments Afghanistan, aggression of a more ominous character is being practiced in our own backyard."

The Congress can no longer afford to gamble away its time and money in Central America with hopes and wishes that things will turn out alright in Managua. We can no longer afford to nurse Moscow's stepchild while our true friends in the area grow weaker day after day.

For the information of my colleagues, I am inserting the entire text of the Evans and Novak article in the RECORD at this point:

A SANDINISTA MISSION TO MOSCOW

A secret agreement between the Soviet Communist Party and the Sandinistra Marxist Party of Nicaragua, signed in Moscow in late March, points to major new Soviet intervention and a possible Nicaragua-Cuban military accord in the increasingly hostile Caribbean back yard of the United States.

"The Soviet government would be unlikely to sign a party-to-party agreement with a foreign country unless Moscow regarded that country as a reliable, long-term partner," a leading Latin American authority told us.

The secret agreement between the two ruling parties is regarded by non-communist Latin nations as a dangerous Soviet intrusion into the Central American heartland. It appears aimed at planting Soviet influence and arms smack on the bridge between the Americas, flanked by what used to be the peaceful lake of the Caribbean but what is now becoming an alien sea dominated by the Soviet dependency of Cuba.

What is actually contained in the secret party-to-party agreement is not known here or by the governments of principal Latin American countries. There is reason to suspect, however, that Moscow is encouraging a military link between communist Cuba and the Sandinistas, who toppled Anastasio Somoza's right-wing dictatorship last year. That link would guarantee money, arms and supplies for Nicaragua. If so, Moscow would gain automatic entry to the struggling Sandinista regime through a kindly intermediary—Cuba's Fidel Castro. Without Castro, the Marxist revolution in strategically placed Nicaragua could not have succeeded last summer.

The Soviet plan is to communize Central America and, using that land bridge as a dagger pointing north and south, extend its influence onto the two continents. What is surprising to top policy-makers in the Carter administration is the speed with which this Soviet campaign is progressing, and the increasing boldness of the men in Moscow and their agents in Havana.

U.S. intelligence sources are now certain, for example, that Castro is upgrading his estimated 144 SAM2 anti-aircraft missile sites on Cuba. Now single-stage rockets, the Soviet-made SAM2 is acquiring three new boosters. Some U.S. officials believe the purpose is to provide better air defenses for possible U.S. retaliation against a Soviet-Cuban decision to redeploy nuclear weapons in Cuba some time in the future.

After the 1962 Cuban missile crisis, the Russians promised never again to move offensive nuclear weapons into Cuba. But the Soviet invasion of Afghanistan broke the back of détente and U.S.-Cuban relations are at a new low—poisoned in part by Castro's deadly missionary work in Central America. Castro is clearly preparing for new confrontation with Washington.

He now has at least 2,000 Cuban agents in Nicaragua, including military advisers who control a small training camp at Esteli and a fortified air facility at Montelemar. Some U.S. officials claim that although the Sandinista regime is controlled today by pro-Castro Marxists, a political power struggle continues within the revoluntionary group.

If so, there was no sign of it during the four-day, late-March Moscow summit between the Sandinistas and two of the highest Soviet leaders, including Politburo member A. P. Kirilenko and Boris Ponomarev, Moscow's chief liaison with foreign Communist parties.

The communiqué describing that session outlined several routine agreements—widely published here and in Latin America—on consular, trade, air traffic and other relations. The Soviet version of the communiqué then stated in the next-to-last paragraph: "A plan of ties" between the Soviet Communist Party and the Sandinistas "for 1980-1981 was signed."

It is that bare-boned agreement that U.S. and Latin authorities believe points toward a military arrangement of some kind between Nicaragua and Cuba, with the Soviets as middleman/broker. It was signed by a leading member of the Sandinista junta and by ministers of internal affairs (Nicaragua's top cop), defense and economic planning—the revolutionary regime's high command.

The commitment to Soviet world policy by these four Sandinistas is breathtaking: denunciation of the U.S.-NATO decision to upgrade NATO's nuclear arms, defense of the Soviet invasion of Afghanistan (later gently repudiated by a member of the junta) and "renunciation of the use of force"—notwithstanding Afghanistan.

Such rhetoric pales alongside the possibility of a made-in-Moscow military alliance between Cuba and Nicaragua. While President Carter fumes over American hostages in Tehran and laments Afghanistan, aggression of a more ominous character is being practiced in our own back yard.●

TRIBUTE TO MAE DALE, SENIOR CITIZEN INTERN

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. OBERSTAR. Mr. Speaker, it has been my great privilege during the past 2 weeks to have Mrs. Mae Dale as a member of my staff under the senior citizen intern program.

Mrs. Dale is an extraordinary woman. For over 50 years, she has been active in public service—in community affairs, consumer groups, labor organizations, 4-H clubs, and in senior citizen activities. The mother of two sons, the grandmother of seven, and a great-grandmother, Mrs. Dale has worked her entire adult life.

I am fortunate to be able to benefit from the wisdom, comments, experience, and advice of a constituent like Mae Dale.

I know that Mae Dale will return to Minnesota anxious to communicate to her fellow seniors, and to the entire community, her experiences as a congressional senior citizen intern.●

HIGH COST PATIENTS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. MAZZOLI. Mr. Speaker, according to two new studies, 1.3 percent of the American population consumes more than half of the available hospital resources. These patients are the ones more likely to smoke too much, to abuse alcohol, to be overweight, and to engage in other habits not conducive to good health.

My colleagues and I must keep this information in mind as we consider the feasibility of national health programs.

The New York Times article summarizing the findings of these recent studies follows:

TWO REPORTS IDENTIFY HIGH-COST PATIENTS

(By Robert Reinhold)

The findings of two new studies have shed light on who puts the heaviest burden on America's health care system, an important factor in establishing any economically feasible plan for national health insurance.

In the more ambitious of the two studies, a survey of the records of 2,238 patients in six hospitals, mostly in Boston, concluded that a mere 13 percent of the patients used as much medical and hospital services as the remaining 87 percent. If that reflects the national picture, then only 1.3 percent of the population consumes more than half the hospital resources. One in 10 Americans enters a hospital each year.

This study, published last week in The New England Journal of Medicine, also found that the high-cost patients were far more likely to smoke cigarettes, abuse alcohol, be overweight or engage in other "adverse lifestyles."

The second study offers partial confirmation of this. Alcohol abusers were found to use 1½ times more medical services than other members of health maintenance organizations, according to the study, done by the Rhode Island Group Health Association. The findings are to be reported today in Boston at the 1980 Group Health Institute, sponsored by the Group Health Association of America.

The findings are hardly surprising, given the known health consequences of such habits as smoking, overeating and alcohol abuse. But the full extent of their effect on the health insurance system has seldom been so explicitly documented.

If Congress ever resolves its deliberations and establishes a practicable national health insurance scheme, health care analysts believe it will have to come up with an ironclad mechanism to control costs if the plan is to be kept from foundering.

However, the history of attempts to control health costs has been discouraging. The cost of Medicare, the Federal health insurance plan for the aged enacted in 1965, has staggered the Federal budget at a time of growing resentment over taxes and inflation. Spending for Medicare has doubled every four years, reaching $34 billion this year. And overall medical costs in the United States have swelled to 9 percent of the gross national product, double the figure of 25 years ago.

Debate, as much political as economic, rages over how best to contain costs. But whatever plan wins out, it will have to be designed with some idea of what kinds of people are most likely to use medical care and try to reduce their use. The present "fee for service" system contains what the economist Alain C. Enthoven, in his new book "Health Plan," calls a "complex of perverse incentives" that reward excessive care.

LESSONS TO BE LEARNED

The disproportionate use of hospital services by a small group may hold lessons for the framers of national health insurance. The catastrophic coverage embodied in President Carter's version would be subject to a $2,500 deductible. But according to Christopher J. Zook, co-author of the first study with Francis D. Moore, the noted and now retired chief of surgery at Peter Bent Brigham Hospital in Boston, the cost estimates based on this figure may be wrong because of the "skewness" in patient demand found in the hospital-records survey.

"We spend a lot of time worrying about cost control for low-cost people," said Mr. Zook, who did the study as a Ph.D. candidate at the John F. Kennedy School of Government at Harvard, adding that perhaps more attention should be focused on the small number who devour most of the hospital resources.

In the study, 10 days in 1976 were randomly selected and 2,238 patients discharged on those days from the six hospitals were identified. Then their medical and billing records were analyzed by computer to see what kind of patients correlated with highest costs.

(The study design may raise some ethical questions about research on human subjects. The records, containing intimate details of health and personal habits, were examined without the knowledge or permission of the patients. This was approved by the institutions involved and apparently violated no laws or regulations. No names were published, nor are the hospitals identified in the article.)

The high-cost patients were far more likely to suffer from these disorders than the low-cost ones; alcoholism and its effects, benign inflammatory bowel diseases, cancer, congenital defects, renal failure and chronic degenerative vascular diseases of the heart and peripheral vessels.

Further, among the high-cost patients, repeated hospitalization for the same disease was more common than a single costly hospitalization or prolonged hospitalization as the source of the expense. This underscores, the authors say, the need to focus on chronic disease in any forecasting of medical costs.

STUDY DEMONSTRATES A LINK

Although the study avoided drawing a causal connection, it demonstrated unequivocally a link between "unhealthy habit" and costly disease. From 31 to 69 percent of the high-cost patients, depending on the hospital, had habits like smoking and drinking, while only 20 to 45 percent of the low-cost ones did.

The lesson in this, according to Mr. Zook, is perhaps that the system should provide more incentives for the use of preventive health services. For example, some insurance companies offer substantial discounts to nonsmokers. Or perhaps patients could somehow be rewarded for losing weight or otherwise improving their health habits. Or, Mr. Zook suggests, cigarettes with high-tar contents could be taxed more heavily than others.

All of this relates to the national debate over how to contain health costs. On the one hand, economists like Mr. Zook and Mr. Enthoven argue for incentives to "let the system run itself." Others say this will not work adequately and want tighter Government regulation of the health industry.

But whatever is done, many economists and policymakers say, it is essential to know in advance the consequences of any insurance scheme. "Once you give benefits, it's hard to take them away," Mr. Zook said. "We should get it right the first time." ●

CONGRATULATIONS TO DEBRA JEAN DUBBE

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. ROSE. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues in the House and the Nation, a constituent of mine, Ms. Debra Jean Dubbe of Stedman, N.C. Debra is graduating on May 28 of this year from the U.S. Air Force Academy.

I have nominated several women for placement in our service academies, yet Debra is special because she is the first woman I have nominated to complete a 4-year course of study. I think it is important that we recognize Debra for what is no small achievement. She has had to overcome many obstacles through the last 4 years, and she has done so, in an exemplary manner. Debra confirms the feelings I have had all along about the abilities I know women have.

Debra will be stationed at Mather Air Force Base in California where she will begin navigator training in July. I am proud of Debra and I am sure that she will continue to serve her country well.

Congratulations Debra Jean Dubbe for a job well done.●

CHICAGO DEFENDER CELEBRATES 75TH ANNIVERSARY

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. MURPHY of Illinois. Mr. Speaker, this year the Nation's foremost black-owned newspaper, the Chicago Daily Defender, is celebrating its 75th anniversary. The Defender is held in high regard because of its unswerving commitment to the rights and needs of black Americans. That commitment is reflected in the paper's coverage of those subjects that most directly affect blacks—jobs, discrimination, housing, education, and health.

Last week the Christian Science Monitor published an article that gives a good background into the Defender's influential role as a recorder of contemporary black history. I would like to draw my colleagues' attention to this excellent article.

AMERICA'S LEADING BLACK-OWNED NEWSPAPER ENTERS ITS 75TH YEAR

(By Jonathan Harsch)

CHICAGO.—If newspapers are the rough drafts of our history books, then it is easy to see the importance of the Chicago Defender, the nation's leading black-owned newspaper.

After 30 years with the paper, staff cartoonist (and private pilot) Chester Commodore explains. "The white press never has printed when a black was born or married, or hired or promoted or buried. This is the role of the black press," he adds as he quickly sketches Jimmy Carter being optimistic. "It gives a black history, a black record, which otherwise would be left out."

According to former Defender editor Leroy Thomas, "Without the Chicago Defender's documentation, the history of America's blacks would have been severely altered—largely confined to word-of-mouth transmittal, and as few books as white publishing houses deemed worth printing to maintain a liberal posture."

Today larger, better-paying, white-owned newspapers, radio, and television are covering black issues more, sometimes with black reporters hired away from the Defender. The Chicago Defender has seen all other black daily newspapers forced out of business. And its own circulation has dropped from a peak of 100,000 to just 20,000 among Chicago's 1½ million blacks.

But the Chicago Defender is celebrating its 75th anniversary with a firm pledge to expand its coverage.

Still operated by the same family, the paper is proud of the role set out by its founder, Robert S. Abbott, who wrote in 1930: "Before I started on my life's work—journalism—I was counseled by my beloved father that a good newspaper was one of the best instruments of service and one of the strongest weapons ever to be used in defense of a race which was deprived of its citizenship rights."

The paper's battle for those "citizenship rights" goes on in many ways—not just in its editorials, political columns, and news reports from around the world, but on its society and sports pages as well.

As the flagship of a chain of 10 black newspapers in Illinois, Michigan, Pennsylvania, Ohio, Tennessee, Georgia, and Florida, the Chicago Defender regularly reminds readers that blacks can and should have a loud voice in national politics.

The paper points out that, according to the US Census Bureau, 16 million blacks will be eligible to vote in 1980. It calls on blacks to vote rather than waste this privilege as one-third of the 9 million registered black voters did in the last presidential elections.

Columnist Roy Harvey is a leading advocate of black participation in politics, calling on blacks to correct rather than blindly support "the racism that is part of the Democratic and Republican parties."

Two weeks ago the paper prodded an embarrassed Coca-Cola Company into abandoning its national beauty contest because it was a whites-only-need-apply operation.

The paper naturally focuses on the high black unemployment rate on discrimination in housing, health programs, and job opportunities. The paper singles out particular cases of discrimination or white ignorance—such as the near lily-white Academy Awards or the new NBC program Skag, which gives only minor roles to blacks although blacks makes up a quarter of the work force in the basic steel industry.

One recent editorial charged the Pentagon with trying to discourage black enlistment in the U.S. Army because "the fear of a black Army looms more and more as an inescapable possibility."

But there is also plenty of room in the paper for black pride—listing such achievements as the fact that the nation's top 100 black-owned companies had combined sales of $1.22 billion in 1979. All of the top 100 reported sales of more than $5.2 million.

For Defender sports editor Lee D. Jenkins, the paper has a great deal of work to do both in recording black history and in correcting discrimination. He does his part in his sports columns, "letting people know there aren't any black managers or third base coaches."

Yet Mr. Jenkins displays another side of this southside Chicago newspaper—patience and calm. Showing off the paper's presses, set into what has been the Illinois Automobile Club's swimming pool before the days of white flight, and telling of the discrimination he has faced in his work in a white-dominated world, Mr. Jenkins said, "I had been a black a long time, and not being accepted was old hat to me."●

VIEWS ABOUT THE CUBAN REFUGEE SITUATION

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. HUBBARD. Mr. Speaker, I recently received letters from Julia Richerson and Dana Jones, of Mrs. Annette Hawkins' seventh grade class of the Mayfield Middle School, Mayfield, Ky., expressing their views regarding the Cuban refugee situation. At this time I would like to insert the text of their letters:

I am a seventh grader at Mayfield Middle School. You may not think what I have to say is important, but I want you to listen. My opinion on the Cuban refugee problem is that it stinks. The President is letting anyone that wants to enter this country. That may be the best for them but what about us. We have to live with them, pay for them, and then we are supposed to feel sorry for them. I believe that they could work and make a living like us. I think that some of them want to, but for others, it's just a free ride. Our country has gotten too much of a reputation of being "free." In my opinion it is becoming too "free." We are not paying too much attention to things. The things we are paying attention to, it takes too long to get any action going. Did you realize that it has been about six months since the hostages have been taken captive in Iran. In those six months only one attempt has been made to rescue them, and that one was a total disaster. The President and Congress may be doing their best but I would hate to see this country if a really big crisis came up.

Yours truly,

JULIA RICHERSON.

Before I talk about the illegal Cubans, we first have to take a look at the conditions of the United States. The United States has the lowest economic ratings that it has had; the United States is depending entirely too much on other nations, and the United States is losing its power.

The Cubans have no experience with the United States way of government. It will take more than five years for them to adjust. Also, the Cubans have no experience with the self-sufficient way of life. Why should we train and give these people jobs, when we don't have enough for our people?

The United States has played the role of the nice guy too much. We send money, we send armies, we send equipment, and other things and we don't have enough for our own country. We can't help other nations when we can't help ourselves. The United States armed forces were the most powerful in the world but now we are so weak we can't get fifty-three hostages out of an overpopulated country. This is getting pretty bad.

As for the Cubans, let Castro ship them over here, but from then on they're in the United States control. The United States should immediately ship them back along with our forces and take over the country.

Sincerely,

DANA JONES.●

PLAN FOR NATIONWIDE ACTION ON EPILEPSY

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. COELHO. Mr. Speaker, as one who has epilepsy and is vitally concerned about others who have this condition, and as a member of the National Implementation Task Force of the Commission on the Control of Epilepsy and Its Consequences, I wish to call to the attention of my colleagues the fact that a status report has recently been released by the task force indicating what progress we have made in putting into action the recommendations as set forth in the plan for nationwide action on epilepsy. The Commission was mandated by Public Law 94-63 and was established on July 29, 1975; it was charged with the responsibility of studying the needs of persons with epilepsy and making recommendations as to how those needs should be addressed.

This status report has been submitted to both the House and Senate Labor-HEW Appropriations Subcommittees and has been entered into the hearing record of the House subcommittee. The report is available to all concerned and details progress made in the areas of prevention, research into the causes and control of epilepsy, medical services, mental health services, education and employment programs, independent living and equality, living arrangements, public information and education programs, and progress on the comprehensive epilepsy services network.

Persons interested in receiving a copy of the report may contact the Epilepsy Foundation of America here in Washington, D.C., or my office.●

OAKLAND TRIBUNE ON GUN CONTROL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. STARK. Mr. Speaker, I would like my colleagues to read the following editorial which appeared Saturday, May 10, in the Oakland Tribune, the largest newspaper in my congressional district and the Eastbay area.

I do not know how often the alarm has to be sounded before the Congress will show the guts necessary to pass handgun control legislation over the hysterical protests of the 1.6-million-member National Rifle Association.

As the editorial points out, by the time you have read this, another person in this country will have been assaulted and perhaps even killed by a handgun.

The editorial follows:

GUNS AND THE LAW

In the time it takes to read this editorial, another American may have been shot and killed by a handgun. Headlines repeatedly tell the story.

"Diet doctor slain; headmistress charged"; "Oakland man slain by killer hiding in home"; "Former Congressman Allard Lowenstein killed"; "Oakland man arrested in (shooting) death of girlfriend."

But Congress has not yet seen fit to slow the manufacture and sale of handguns.

The National Rifle Association, with 1.6 million members, will wave away such evidence that stricter controls are needed by saying the right to bear arms is a constitutional guarantee.

But we don't think the right to keep handguns is the right the founders of this country meant to guarantee. Each time the Supreme Court has addressed the Second Amendment it made clear that the Constitution protects state's rights to form a militia, not private rights to own handguns.

The simple fact of the matter is that someone in this country dies by the bullet every hour of every day.

Handgun Control Inc., a growing Washington-based public interest group that has taken on the gun lobby in David vs. Goliath fashion, claims a handgun fatality count for 1979 at 8,034—a figure based on its survey of newspaper clippings voluntarily mailed to the organization by its members and supporters.

Then there are the movies and television programs that don't help matters any by making modern-day heroes of well-known gun-toters like John "The Duke" Wayne, James "Matt Dillon" Arness and Clint "Dirty Harry" Eastwood. Never mind that these are supposed to be the good guys; they are still idolized because of the way they handle their guns.

The Great Gun Control Debate certainly has not been helped by the major presidential contenders either, save for one. Ronald Reagan flatly and unabashedly stands behind his NRA membership as he denounces pleas for more restrictive gun laws. John Anderson argues that owners of concealable weapons should have to get licenses just as automobile drivers do, but that's about as far as he'll go.

In the White House, Carter, who based part of his 1976 campaign platform on the need for more stringent handgun controls, now throws his hands up in the air and points an accusing finger at Congress.

The only candidate who has done more than give lip service to a stand is Sen. Edward Kennedy, who last year co-authored gun control legislation that would outlaw the cheap "Saturday night specials" often used in crimes. The bill would also tighten restrictions on the sale of other weapons.

We know Kennedy's motivation, and we applaud his action. What we can't understand is why Congress is dragging its feet on the matter. The polls consistently show that 70 to 80 percent of the American people favor tighter federal curbs on handguns.

Perhaps the answer is that a powerful lobby can thwart the majority will—a sad commentary of its own. But if the members of Congress, whose jobs are on the line this fall, hope to return to their Washington offices next year, they might well start paying more attention to the voters who have made it clear they want to see a curb on the gunslingers.●

RETIRED SENIOR VOLUNTEER PROGRAM

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. HOWARD. Mr. Speaker, on May 3, 1980, I attended the annual recognition ceremony of the Monmouth County, N.J., retired senior volunteer program. The group's broad range of activities and achievements greatly impressed me.

Last year, 632 senior citizens, devoting over 90,000 volunteer hours, served their communities in 60 different locations. An additional 133 senior citizens devoted their free time to arts and crafts projects at home. RSVP participants worked in hospitals, nursing homes, nutrition centers, schools, libraries, day care centers, and health, welfare, and other nonprofit organizations.

RSVP participants effectively provide many valuable community service programs. For instance, the retired pharmacists group—Project SPIRIT—addressed 5,269 adults and children last year on medication use and misuse, narcotics abuse, and poison control. Project SPIRIT pharmacists show films and slide shows as well as distribute literature regarding drugs and narcotics. The pharmacists have various presentations suited to different age groups, and one-to-one prescription drug counseling is offered free of charge. Also, RSVP volunteers recently provided 155 senior citizens with tax return advice and assistance. Homebound RSVP'ers and onsite groups at senior resource centers, nutrition projects, and housing communities have made many useful articles for nonprofit groups.

Within the group, volunteers display remarkable enthusiasm and cooperation. The group possesses only one vehicle for transportation to their programs and activities. Yet transportation is rarely a problem as RSVP'ers with automobiles constantly offer rides to their fellow volunteers.

This is a tremendous group composed of remarkable people. We should be appreciative and proud of these dedicated individuals.●

ENERGY SHORTAGE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. RINALDO. Mr. Speaker, the people of my district are justifiably concerned about rising prices for energy and shortages of needed energy resources. Many people find our energy problems complex and difficult to understand. As a result, there is a tendency to diminish the importance and the urgency of dealing with the shortages our Nation is facing and will continue to face in the years immediately ahead.

I am convinced that our energy shortage is a crisis of serious proportions, but it can be overcome with proper planning and leadership. The essentials of a comprehensive national and international program to deal with our energy shortage are already in various stages of development. We must move forward as rapidly as possible on all fronts; otherwise, we are very likely to suffer severe economic and social disruptions in the years ahead.

We must recognize the nature and the degree of the energy problems we face. Then we must take effective action to address these problems. A discussion of our energy problems, and actions to remedy them, follows:

Problem: Dependence on oil. The United States depends on oil for nearly 50 percent of its energy needs. In 1979, we imported approximately 45 percent of the oil we used, compared with 25 percent of our oil in 1971. The effect of our dependence on foreign oil has caused a balance of payments deficit, a decline in value of the U.S. dollar, inflation, oil price-setting by OPEC, and a lack of control over the security of foreign oil supplies.

Problem: Limited supplies of natural gas. After oil, natural gas accounts for our next largest source of energy, approximately 25 percent. In contrast to oil, 95 percent of the natural gas used in the United States is domestically produced. Although supplies are currently plentiful, the gas industry estimates that, at the current rate of consumption, there are only 35-60 years of domestic conventional gas supplies available.

Problem: Plentiful coal supplies, but health and environmental drawbacks. The United States is blessed with huge deposits of coal, which currently meets about 19 percent of our energy needs. Coal comprises 90 percent of U.S. energy reserves; domestic reserves amount to approximately 437 billion tons or more than 600 times current yearly production.

There are drawbacks to the use of coal—its combustion results in toxic emissions into the air, and clean air legislation requires that coal be burned with minimal adverse environmental effects. Coal mining remains a dangerous activity, both in terms of mine cave-ins, explosions and a high incidence of black-lung disease among miners. While surface mining of coal is safer, it involves the temporary disruptions of land use during the mining period.

Problem: Safety of nuclear power. Nuclear power is an important component of our Nation's energy supply, and it is especially important in New Jersey. In 1979, approximately 12 percent of our Nation's electricity was generated by nuclear power plants. In New Jersey, nuclear power furnished about 25 percent of electricity in 1979 and is expected to provide almost 40 percent in 1980. Nuclear power, safely utilized, is one of the primary means currently available to reduce our dependence on imported oil effectively and economically.

NECESSARY ACTIONS

I believe the following actions should be taken to remedy our Nation's energy shortage:

Limit oil imports. Last July, President Carter announced that he was exercising his authority to limit oil imports to 1977 levels. I support this action by the President, which will ensure the decline of oil imports in the future.

Increase domestic production of oil. The supplies of accessible oil are dwindling, and domestic oil production declined throughout the 1970's. Although more drilling is being done, the discovery rates are declining, and new additions to our reserves are smaller than the annual production of domestic crude oil. At the current rates of demand and production, domestic oil supplies are expected to be depleted within 10 years. However, we can increase domestic oil exploration and make the most of the oil reserves which we have.

Increase exploration for natural gas reserves. We need especially to concentrate on recovering natural gas from unconventional sources.

Assure supplies of Mexican natural gas. We should give top priority to negotiating with Mexico to provide future supplies of its plentiful natural gas resources to the United States.

Require coal conversion by utilities. In 1978, Congress passed a coal conversion law which required new industrial and utility plants to switch to coal and to provide Federal matching funds to help finance conversion.

Continue development of nuclear power. At this time of international uncertainty about oil supplies, we should be especially concerned about increasing our domestic energy supply. Nuclear power used to generate electricity frees up scarce oil supplies for other uses, such as the production of home heating oil, diesel fuel, and gasoline. We must also prepare emergency response plans for all areas in which nuclear powerplants are located. I have supported legislation to provide the Nuclear Regulatory Commission with increased authority to ensure that such emergency response plans are prepared and to provide funds for assisting States in developing emergency plans.

Develop alternative energy sources. The long-range future of stable and affordable energy supplies depends on increased development of new sources of energy. As the cost of traditional energy resources increases, new forms of energy will become more price competitive.

Promote increased development of synthetic fuels. Congress is working to complete legislation to set up a program to spur development of such synthetic fuels as oil and gas produced from shale, coal, and tar sands, which are found in abundance in the United States. I supported this effort in the House of Representatives.

Reduce gasoline use with gasohol. Gasohol is a mixture of 90 percent gasoline and 10 percent alcohol, which can be produced from renewable resources as grain, and which can replace unleaded gasoline in automobiles. I have sponsored a number of bills to promote the production and use of gasohol.

Increase development of solar energy technology. Solar energy is an environmentally sound, renewable resource which, with improved technology, can be economically feasible for space and hot water heating. Present law provides tax credits for the installation of solar equipment, and Congress is nearing completion of legislation to provide low-interest loans to homeowners and businesses for solar devices.

Step up development of fusion energy. Fusion energy uses ordinary seawater to produce electricity using a process that is environmentally sound and does not produce radioactive waste. The Tokomak fusion research program at Princeton University has demonstrated that commercial use of fusion power is feasible. I have supported increased Federal funding for fusion research to step up commercial development of this safe source of energy by at least fifteen years.

Reduce energy use. One of the best solutions to the energy shortage is to reduce energy consumption. Energy conservation does not mean that we must shut down factories and drastically change our lifestyle. It does mean that we must adjust our use of energy to reflect the fact that energy is an increasingly expensive and scarce commodity. It has been estimated that the United States can save from 30 percent to 40 percent of the energy we consume without altering our daily pattern of living.

There are several ways in which we can conserve energy.

1. Reduce automobile use.

2. Increase mileage per gallon of gasoline for new cars. In 1975, Congress passed a law setting fuel economy standards for new automobiles. A minimum fleet average of the 18 miles per gallon was required for 1978 model cars. By 1985, cars will be required to have a fleet average of 27.5 miles per gallon.

3. Improve mass transit programs, especially in heavily populated areas such as northern New Jersey. The windfall profits tax law specifies the use of tax revenues for mass transit programs.

4. Encourage car and van pooling by employees of companies.

5. Reduce energy use in homes and businesses. Improved insulations, installation of storm windows and doors, and more efficient heating and cooling systems can reduce energy use significantly. Tax credits are provided in existing law for energy-conserving installations, and Congress is now working on legislation to provide low-interest loans to homeowners and small businesses for such purposes.

CONCLUSION

We cannot afford to rely on only one or two of these remedies for our energy problems. We must focus on all these areas and develop a number of new energy sources simultaneously. We must also work on a number of different conservation efforts at the same time as we are developing alternative sources of energy. As a Member of the House of Representatives, I have supported a wide variety of measures to increase our energy supplies and conserve our energy resources. I will continue to support every practical and useful way to improve our Nation's energy situation.

We must take strong and decisive action to increase our energy supplies and curtail energy use, so that we will be able to meet future demands and maintain America's role as a world leader.●

ELMER CERIN—A SPECIAL CITIZEN ADVOCATE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. WAXMAN. Mr. Speaker, it is certainly unusual to find a citizen willingly volunteering his time and energy for a cause which will bring him no personal gain, but which will benefit the larger society.

Elmer Cerin is such a man. A resident of the District of Columbia, retired from Government services as an attorney, Mr. Cerin has devoted years to the cause of better care for the chronically ill. His wife became ill with ALS, Lou Gehrig's disease, and Mr. Cerin was determined to care for her at home for as long as possible. He discovered how difficult it is to put together community and home-based services to help in the total care his wife needed. Nevertheless, at great financial and emotional cost, he succeeded in keeping her with him until she became too disabled to remain at home. She was placed in an excellent nursing home, where he visited her daily, until her death in February.

All during that stressful period Mr. Cerin lobbied actively for legislation which would help families with the care of their disabled loved ones. When Congressman PEPPER and I introduced H.R. 6194, the Medicaid Community Care Act of 1980, Elmer Cerin saw it as an important answer to this problem which affects thousands of Americans.

We are happy to announce that this legislation now has over 120 cosponsors. This large number is due in great measure to the personal effort of Mr. Cerin, who visited every Member of the House to explain the bill and ask for support.

My sincerest thanks and deepest appreciation go out to Elmer Cerin, an extraordinary citizen advocate.●

EXECUTIVE COMMUNICATION NO. 4129

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. MURPHY of New York. Mr. Speaker, following is a copy of Executive Communication No. 4129 from the Department of the Interior in explanation of the draft bill which was introduced in the form of H.R. 7386, to amend title VI of the Federal Land Policy and Management Act of 1976, as amended, to establish the Snake River Birds of Prey National Conservation Area, Idaho:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 1, 1980.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: There is enclosed a draft bill "To amend Title VI of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 *et seq.*), to establish the Snake River Birds of Prey National Conservation Area, Idaho." Also enclosed are the management plan and the Final Environmental Statement (FES) prepared on the draft bill and the management plan for the proposed Area. This Area is internationally significant because the unique combination of nesting habitat and food supply sustains the most concentrated nesting population of eagles, hawks, owls, and other birds of prey in North America and quite possibly the world.

We recommend that the enclosed bill be referred to the appropriate committee for consideration and that it be enacted.

The purpose of the bill is to provide for permanent protection of the habitat of eagles, hawks, owls and other birds of prey, or raptors, along the Snake River and further to provide for appropriate management of other important resources under a management plan. This would be accomplished by establishment of a National Conservation Area to be administered by the Secretary of the Interior through the Bureau of Land Management. Management guidelines in the Federal Land Policy and Management Act of 1976 (FLPMA) and other authorities applicable to public lands would continue to apply except as provided in the bill. The bill would comprise a new section of FLPMA, section 604, under Title VI entitled "Designated Management Areas."

This bill is the "proposed action" on which the Department has prepared its Draft and Final Environmental Statements. Alternatives to the "proposed action" considered in the Environmental Statements were legislation establishing a Birds of Prey National Conservation Area of a smaller size and two other alternatives which would have involved no legislation. If the enclosed bill is enacted, the Area would continue to be managed in accordance with the existing management plan for the proposed Birds of Prey National Conservation Area until a thorough update is completed, as soon as practicable after enactment of this bill.

The area that would be included within the proposed boundaries of the Snake River Birds of Prey National Conservation Area consists of approximately 490,685 acres of public lands, approximately 40,428 acres of State lands and approximately 78,469 acres of private lands flanking a 75-80 mile stretch of the Snake River in Idaho. The legislation would not impose any constraint by the Federal Government on use of State lands or private lands within the Area, nor would Federal activities be carried out on State or private lands. Existing uses of the public lands, including extensive use for livestock grazing and seasonal use of a portion of the Area for National Guard training purposes, would be continued. These uses have been found through careful research to be consistent with the primary purpose of raptor population maintenance. In sum, the Area is to be managed in accordance with the principles of multiple use and sustained yield with preservation of the extraordinary raptor population as a primary management objective.

A matter of particular concern to this Department is an area of approximately 40,000 acres of State land, the "Mountain Home" tract, within the boundaries of the Area, as proposed in the enclosed bill. This concentrated State holding is important to the State of Idaho as a State land resource. It also includes key habitat for prey species extensively used by the raptors. The Department has held and will continue to hold discussions with State officials about ways to protect key habitat areas while respecting the responsibilities of the State of Idaho in the management of its own land resources. Particular attention has been paid to the possibility of an exchange covering all or a portion of this area.

The Bureau of Land Management has been involved in administration of the public lands in the proposed Area for protection and management of the raptor resources for many years. In 1971, the Snake River Birds of Prey Natural Area was established by Public Land Order. This 26,000 acre sanctuary was set aside to protect the nesting and wintering habitat of the raptor population. Because it was clear that the raptor population was dependent upon a prey base that inhabited a much broader area, the Birds of Prey Study Area was established by the Bureau of Land Management in April of 1974 and a moratorium was placed on all potential conflicting land uses subject to further study. Finally in 1977, the Study Area was expanded to include prairie falcon foraging areas. It was during 1977 and 1978 that now well-known efforts were undertaken to reintroduce peregrine falcons to the area under a BLM agreement with Cornell University.

For several years, this Department, through the Bureau of Land Management, has been conducting research to determine the necessary area to ensure the long-term stability of the raptor population, assess the effects of agricultural encroachment on this stability and to identify management needs. That research indicates that lands roughly coextensive with the lands we are proposing to establish as a National Conservation Area are required to provide necessary habitat.

The enclosed Final Environmental Statement (FES) and management plan contain many of the details regarding management of the proposed Area. The Key components of the draft bill are as follows:

(1) Special management and protection of the raptor resource and habitat within a multiple use context. Section 604(c) would require management to provide for and protect the raptors and raptor habitat. To the extent consistent with management to protect the raptor resource, other resources of the public lands in the Area, including historical, scenic, archaeological, biological, cultural recreational, and economic resources would be managed under multiple use principles. The public lands in the Area would be administered as public lands and would be generally subject to laws applicable to such lands.

To prevent harrassment of birds nesting in the Area by low-flying airplanes, the Secretary of Transportation will cooperate with this Department in establishing restrictions and/or necessary air closures within the canyon and a suitable buffer strip.

(2) Development and implementation of a comprehensive management plan. Section 604(c) and (d) would require management of the public lands in the Area and their resources pursuant to a plan developed for the Area. The plan would be regularly reviewed and revised to meet changing needs, but would have to include specific requirements set forth in section 604(e).

(3) Use of the Area for public education and enjoyment and for demonstration of research and management techniques for use elsewhere. Section 604(e) would require a program of education, research and continued scientific investigation to support sound management. It would also require a process

for transferring the knowledge and management expertise developed to other areas.

(4) Protection of the federally owned lands of the Area from disposal and conversion to agricultural or other uses inconsistent with protection of the raptor resource. Subject to valid existing rights, the Area would be withdrawn from operating of agricultural land laws and State selection statutes by section 604(g)(2). Pending applications would be returned to the applicants without further action. Agricultural development of public lands within the Area could take place only by lease or permit under FLPMA and consistent with the plan developed for the Area. Other public lands outside the Area may be made available for agricultural development to the extent that energy and other resources needed for such development are available and the development is in the public interest.

(5) Mineral availability and development within the discretion of the Secretary. Subject to valid existing rights, the Area would be withdrawn from operation of the Mining Law of 1872, by section 605(g)(1). However, hardrock minerals could be developed under lease in the Secretary's discretion. The mineral leasing laws would continue to apply, and all leases would have to contain conditions and stipulations to protect the raptor values and other environmental values of the Area.

(6) Limited acquisition of State and privately owned lands in the Area. Section 604(e) would require that the management plan and program to implement it contain provisions for acquisition of lands comprising raptor habitate to the extent necessary to carry out the purposes of the proposal. The general acquisition and exchange authorities in FLPMA would be applicable.

(7) Conditions on Federal activities. Section 604(g)(3) provides that with respect to any new project or activity within the Area, the head of any Federal department shall provide for such conditions and restrictions as the Secretary of the Interior determines in writing to be necessary to avoid significant adverse effects on raptor habitat within the Area. An exception is provided for national defense activities.

(8) Cooperation with the State and affected local governments. Section 604(j) would authorize the Secretary to cooperate with the State and with affected local governments in the performance of their governmental functions. This provision is similar to the current authority in FLPMA to cooperate in law enforcement. This new provision, like the law enforcement cooperative agreement authority; carries with it the authority to reimburse the State and localities for performance of functions closely related to management of the Area.

(9) Continuation of use of a portion of the Area by the Idaho National Guard consistent with management of the raptor resource. A temporary use permit which expires in 1983 authorizes units of the National Guard to use a portion of the Area from March 1 through November 30 annually, and on weekends if a 30-day prior notice is given. Permits for National Guard use were first issued in the early 1950s. The bill would recognize this use and provide for continuation subject to any modification necessary to assure that such use is compatible with establishment of the Area and protection of the raptor resource.

Enactment of the enclosed proposal would provide a firm basis for continued management and protection of a public land area with unique values—both to the raptor population and to the Nation. Enactment would provide for such management and protection within an overall framework of multiple use management which provides for the continued use of other resource values of the area in ways that serve the local and national economy and national defense interests.

We believe that establishment of the Snake River Birds of Prey National Conservation Area will permit protection of particular environmental values within a multiple use management framework. We also expect to learn much in establishing and managing the Birds of Prey Area that may be applied elsewhere on the public lands. We urge enactment of the bill at the earliest possible date.

The Office of Management and Budget had advised that this legislative proposal is in accord with the program of the President.

Sincerely,

Cecil D. Andrus,
Secretary.●

THE LAWMAKERS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. ROSE. Mr. Speaker, I am pleased to learn that "The Lawmakers," the new weekly public television series dealing with the activities and personalities of the U.S. Congress, produced by WETA-26, Washington, D.C., is now carried by over 50 public TV stations nationwide.

This facilitates public understanding of the issues before the Congress and of the legislative process.

I wish to insert into the Record a news release by WETA-26 descriptive of the first weekly TV summary of congressional developments.

The information follows:

"The Lawmakers"—First Weekly TV Roundup of U.S. Congress Activities—To Be Offered Nationally This Spring by PBS

"The Lawmakers," a new weekly public television series dealing with activities and personalities of the U.S. Congress—"the legislative beehive on Capitol Hill"—will be made available this spring to public television stations throughout the country. The Public Broadcasting Service (PBS) will transmit "The Lawmakers" to its member stations on Thursday at 9:30 p.m. ET from May 1 through July 3.

Produced by WETA-26, Washington, D.C., "The Lawmakers" is the first regularly televised summary of developments in the nation's legislature. The series, which premiered locally in Washington March 20, is funded by grants from the Corporation for Public Broadcasting, Kaiser Aluminum & Chemical Corporation and Whirlpool Corporation.

Although the spring broadcasts of "The Lawmakers" will end with the July 3 program, Executive Producer Linda Winslow said that WETA plans to offer the series nationally again on a weekly basis beginning in January, 1981, when the new Congress convenes.

The half-hour program features videotaped coverage of Congressional hearings, floor debate from the House of Representatives and interviews with Congressional newsmakers. Tying it all together, helping viewers to make sense of what they see and hear, is veteran Washington journalist Paul Duke, also the popular moderator of WETA's weekly "Washington Week in Review."

"Congress is the liveliest place in town, but you'd never know it from what you see on television," says Duke, who has spent 15 years covering Congress for the Associated Press, the Wall Street Journal, NBC News and public television.

"Our aim is to show the enormous amount of activity that goes on in Congress and to do so in a way that makes the legislative process more understandable and interesting to everyone," Duke adds.

Guest commentators for the series include Washington Post columnist Maryon Allen, who served briefly in the Senate following the death of her husband, Alabama Senator James Allen; Richmond-Times Dispatch Washington correspondent Charles McDowell, popular with "Washington Week in Review" audiences for his homespun wit and practical insight into national affairs; political scientist Norman Ornstein; Otis Pike, former congressman from New York; and Washington Post columnist Mark Shields.

Heading "The Lawmakers" production staff is Gregg Ramshaw, a producer of news specials and public affairs programs for WETA-26 for the past two years. Prior to joining WETA, Ramshaw, 34, was an assistant editor in Washington for ABC News and a former Washington correspondent for the Chicago Tribune and the now-defunct Chicago Today newspapers. Ramshaw's infatuation with the legislative process began as a state capitol correspondent in Springfield, Ill.

"We want to explore the motivations behind Congressional action—to explain why members act like statesmen on one issue and succumb to petty, parochial interests on other issues. Our goal is to ultimately make us all better voters," Ramshaw says.

Other staff members of "The Lawmakers" are associate producers Jim Wesley and Kathleen McCleery; researchers Mackenzie Carpenter, Lela Ward, and Peggy Robinson; production assistant Lynda Tanner; and director Jay Zabriskie.

"'The Lawmakers' is an outgrowth of WETA's decision last year to create a Washington news 'presence' for PBS's Daily Exchange Feed (DEF), a satellite transmission of news spots contributed from public television stations," according to Linda Winslow, WETA's news director and executive producer for the series. "Because so much of our coverage focused on Congress, it was logical to devise a program on Congressional activities. Sooner or later, every Washington story acquires a Congressional angle—through hearings, legislation, or floor debate."●

HOPKINS MAKES VOLUNTARY FINANCIAL DISCLOSURE

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. HOPKINS. Mr. Speaker, today, I have filed for public inspection, a copy of my 1979 Federal income tax return with the Clerk of the House.

I have made public my Federal tax return every year in which I have been a candidate for public office since I was first elected to the Kentucky General Assembly in 1971.

While I realize this financial disclosure goes beyond what is required by law, I feel the public has a right to know the source and amount of the elected official's income.

This return shows that my wife and I had a joint income of $53,251.25 in 1979 and paid $10,658.00 in Federal income taxes.●

RYE'S TRIBUTE TO ITS VETERANS OF KOREA AND VIETNAM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. OTTINGER. Mr. Speaker, the city of Rye, N.Y., has constructed a memorial to those Rye residents who served in either the Korean or Vietnam war. The memorial is the work of the Rye Korea/Vietnam Memorial Committee. The committee is made up of Richard Ozimek, a Korean war veteran; Svend Lindmark, Veterans of Foreign Wars commander; Nicholas Mainero, American Legion Post No. 128 commander; City Manager Frank Culross; and Anne Pastor and Dorothea Moxhay, both mothers of Vietnam veterans.

The city plans to dedicate the memorial May 26. While I cannot be there, I would like to take this opportunity to recognize the efforts of the city and, in particular, the members of the committee.

While we have all treated American involvement in the Korean war kindly, the Vietnam war caused enormous divisions within our society. As a result of those divisions, a tragedy has taken place: Those Americans who went to fight for their country have not been given the recognition they deserve.

The citizens of Rye are to be commended for their efforts to recognize the often-ignored achievements of veterans of both Korea and Vietnam. And the veterans are to be thanked—as Rye is now doing—for the sacrifices they have made on behalf of their country.

Mr. Speaker, I would like to list the names of the men from Rye who served in either Korea or Vietnam, to whom this memorial is dedicated:

KOREA VETERANS

Harry A. Adams, Thomas Alliegro, Robert Banks, James J. Black, John Black, John Blumenthal, Richard C. Bracelin, George Brown, Jr., Jack E. Brown, Lincoln Burgess, Harold D. Burlone, John J. Butler, Martin Edward Butler, Thomas A. Butler.

Nicholas J. Calo, Vito R. Calo, Robert R. Chamberlaine, Robert L. Chapderlane, Joseph S. Cirillo, Martin J. Clancy, Arthur R. Cleary, Richard A. Coccola, Robert J. Coccola, Albert E. Collins, Kenneth L. Cook, Richard Coshal.

Thomas H. Dean, Jospeh F. DeCarlo, George N. DeFilippo, James F. Dempsey, Alphonse F. DePauw, William P. Dion, Anthony J. Donofrio, George Drought, Edward J. Erickson, John G. Feeley, Thomas P. Fitzgerald, Sr., John Foster, Howard W. French.

Lawrence A. Gallicano, Richard V. Gallicano, Paul Gerardi, Jr., Anthony A. Girardi, Richard M. Gorman, George J. Graham, Frank Graziano, John K. Greer, Anthony J. Grimaldi, John Groglio, Joseph W. Groglio, Sr., Walter Gross.

Charles Harriett, Francis J. Harrigan, William H. Harvey, Jr., Dennis Hennessy, Douglas G. Herron, Nancy J. Herron, Brenden C. Holden, Jr., Robert F. Howard, Robert E. Hunter, Jr., Robert H. Iverson, Michael Izzo, William Jackson, Edward C. Johnson.

Kenneth Kedney, Daniel J. Kelly, Joseph W. Kelly, Stephen J. Ketterer, Vincent J. King, Richard Kingan, George Kirby, Joseph P. Kirvan, Frederick Kniffin, Leo J. Kornfeld, Robert L. Kugel, Donald P. Kuser, John R. Labella, Alex J. Lang, Edwin C. Larder, Paul La Russell, Kingdon P. Locker.

Peter W. Maine, Richard R. Marino, John E. McDermott, Frank G. McKernan, Rene R. Menendez, Robert Mertz, John A. Miley, Donald Barrett Miller, Gregory Miller, John J. Milligan, Jr., James P. Nitschke, Thomas G. Nordmann, Eugene E. O'Brien, John E. O'Connor, R. Gerard O'Neill, Richard T. Ozimek.

Patrick J. Paen, H. Edward Patterson, Peter Rahill, Joseph Rahilly, Herbert D. Remsen, Jr., Edward L. Richards, Roy W. Robinson, Jr., Ralph E. Rogers, Robert Rogers, James Ronan, Donald Roode, Walter R. Roode, Daniel Russo, John H. Russo.

Richard Alan Sammel, Roger Francis Sammel, Walter M. Sarles, Jr., James J. Savage, Victor Scinto, Douglas D. Sibley, Michael J. Sinto, George W. Slater, Bradley A. Spencer, Anthony T. Stavrides, Jack T. Starvides, Stephen B. Strozzi, Neil Swartz, George W. Taylor, Robert Taylor, Robert F. Taylor, Peter G. Alleri, John Wahl, Richard Walsh, David N. Wolfe, William E. Werner.

VIETNAM VETERANS

Richard Abel, Gene Antobello, Peter Anfuso, Robert T. Badolato, Daniel W. Ball, Edward H. Balls, Thomas J. Barber, Richard D. Barnum, William T. Barnum, George S. Baron, John Black, William J. Brennan.

Joseph M. Carlucci, Gaetano P. Castellano, Leanard J. Cavino, Donald Cianci, Glenn B. Clark, Joseph William Coburn III, Thomas Conlon, Joseph P. Cox, Gary Crowley, Thomas J. Cunningham, Walter H. Cunningham.

Frederick DeBarros, John R. Delfs, Vincent Dempsy, Paul S. Denton, George William DePauw, Michael T. DeVal, Jr., James Dianni, Kim Dickerson, Rodney Dolan, F. Michael Donahue, Jr., James A. Dyer, John P. Dyer, Robert F. Dyer.

John C. Eis, Wayne W. Elmore, Charles C. Fenzi, Warren S. Fenzi, Dale C. Ferris, LeRoy J. Ferris, William F. Fitzgerald, Jr., John J. Flanagan, Brian Flick, Stephen T. Flick, Bruce John Fornander, Anthony Fotia, Paul Franz.

Stephen Sands Gauvain, Donald J. Gedney, Leslie A. Gedney, Thomas R. Gill, John E. Graham, Daniel V. Greenhan, Hugh Grew Griffin, Mark Gerard Griffin, Paul Michael Griffin.

Donald Hanan, Stephen Harris, John S. Hart, George H. Haley III, Howard B. Hayel, Hayter Haynes, John F. Henne, Jr., James F. Hitchcock, Jr., Anthony D. Holden, Joseph L. Holden, Patrick J. Holden.

Sterling Richard Jones, Anthony Keating, Peter M. Kennedy, Robert Kelly, Howard Kyle, Jr., Bartholomew Lalla, John E. Langeloh, Jr., Gregory Latella, John J. Lenihan III, John Charles Loughman, Daniel W. Lufkins.

Gerald J. Marchesi, Richard L. Marechal, Thomas Marx, H. Colin McBride, Kevin McCann, Stephen A McDonnell, David J. McDowell, Patrick McElhenney, Paul McGrath (Kia), Jeremiah F. McGuire, Jr., John L. McWeeney, Thomas Meisner, Martin Fuller Mitchell, Brian Moran, John Moroney, David J. Moxhay, Charles Murray, William J. Murray, Robert Murtagh.

Robert Norman, James V. O'Gara, Joseph O'Neil, John Osman, Francis X. Palermo, E. Raymond Pastor, David S. Payne, Robert M. Pearce, Francis Peters III, Jonathan M. Place, Steven Quatten, Martin Quayat, Thomas M. Quinn.

Charles W. Rice III, Clifton V. Rice, James L. Rice, John J. Ripley, Gene Roode, John F. Shaugnessy, Jr. (Kia), Robert A. Somerville, Bradley A. Spencer, Peter A. Stryker, George W. Taylor, Albert D. Tutera, Frank J. Tutera, Jr., Henri Johan Van Naerssen, Kevin Walsh, Timothy J. Walsh, Daniel F. Wells, Robert K. Hathaway Willett, Ty Hathaway Willett, Jr., John S. Yusi, Jr., John Kurt Zier, Robert Carl Zier.●

NRTA-AARP HEALTH POLICY RECOMMENDATIONS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1980

● Mr. RANGEL. Mr. Speaker, medicare represented one of the landmark legislative achievements for the elderly.

However, many older Americans still live in fear of being financially wiped out by long-term and costly illness, even with their valuable medicare protection.

In 1979, the per capita care bill for persons 65 or older was $2,259. This figure is projected to increase in the years ahead.

Last January, I had the opportunity to speak fully and frankly with older Americans about rising health care costs at the National Retired Teachers Association-American Association of Retired Persons' Legislative Council meeting.

They shared with me their suggestions for strengthening medicare, as well as the need for strong and effective controls over health care costs.

It was an informative session in which I benefited from the wisdom and counsel of the NRTA-AARP legislative council members.

The council also proposed a comprehensive agenda to meet three basic objectives:

Improve the health of the aged;

Develop approaches to maintain health and avoid illness; and

Control health care costs.

In addition, the council recommended comprehensive policies for coming to grips with the major health care problems affecting older Americans. NRTA-AARP called for legislative actions on several fronts, including:

Expansion of home health care to enable older persons to live independently in their homes, instead of being unnecessarily or prematurely institutionalized at a much higher public cost.

The need to pass promptly hospital cost containment legislation.

Stronger consumer protection measures to prevent fraud and abuse in the sale of medigap insurance policies.

Elimination of gaps in coverage under medicare, especially the bias that now exists in treating the mentally ill.

The need to enact a comprehensive national health insurance program.

These recommendations should be of direct interest to all Members of Congress.

For this reason, Mr. Speaker, I submit the NRTA-AARP health policy recommendations to be printed in the RECORD.

NRTA-AARP HEALTH POLICY RECOMMENDATIONS

HEALTH AND THE ELDERLY—AN OVERVIEW

The Associations' health policy is based on three points. First, our objective is to improve the health of the elderly. Second, although issues relating to the treatment of illness dominate discussions of health policy, the real challenge is how to maintain health and avoid illness. Third, health care cost containment is vital to any realistic formulation of health policy.

Defining "health" in terms of the elderly must take account of the problems that distinguish them from the non-elderly. When applied to the elderly, our definition focuses on the degree of the individual's independence in conducting life activity. Thus we are concerned not only with the elderly's access to treatment for illness but also with their need for those health and health-related services that will help them remain active and in good health. In addition, we are committed to securing sufficient resources for such efforts as nutrition education and biomedical research because these are essential if we are to cope with chronic illness and prevent and cure dread diseases which disproportionately afflict older persons.

The elderly's special health needs are all the more important because the population is aging. The types of special services they need (especially the oldest of them) to maintain health must be increasingly promoted. Geriatric medicine must be given far more emphasis.

OBSTACLES TO PROMOTING THE HEALTH OF THE ELDERLY: THE ACUTE CARE SYNDROME

There are two obstacles to promoting improvements in the elderly's health status. The first is the belief that all needed levels of care can be supplied through the present medical system. The second is escalating medical care cost and the country's limited resources. Health services presently available to the elderly are most often overlapping, confusing, fragmented and unevenly distributed.

Today's health care system is concerned almost exclusively with the treatment of illness and acute care intervention. Yet health status is affected far more by such factors as education, nutrition, housing, lifestyles and environmental pollution than by medicine. Therefore, the country should not be allocating, almost automatically, an increasing proportion of its scarce resources to medicine for the treatment of illness after the fact.

Real growth in the nation's gross national product (GNP) in 1980 will be negligible at best. Yet, because of the economics of the health care system (and its third-party reimbursement system) minimal or even negative growth rates in the economy will not constrain the proportion of resources allocated to the treatment of illness in acute care, institutional settings. Health care services are in fact taking a larger and larger share of the total "pie," rising from 6.7 percent of GNP in 1967 to 9.1 percent in 1979. If more resources are to be allocated to more health-effective and cost-effective measures and less to purely medical care, we must start to restructure the health care industry.

THE HEALTH CARE INDUSTRY: ITS GROWTH, STRUCTURE AND SHORTCOMINGS

The health care industry is one of the nation's largest economic sectors. Since Medicare began, health spending has increased at an average of 12.2 percent per year while the economy as a whole has grown at an annual rate of 9.0 percent. In 1978, health spending totalled $192 billion.

It is important to understand why this economic sector has been growing so rapidly. This growth is due partly to the expansion of the number of elderly persons who, as a group, need and utilize health services far more than the non-elderly. Adding much more to demand for medical services, however, has been the expansion of the third-party payment system. By 1978, third-party payments accounted for slightly over two-thirds of personal health care expenditures, 91 percent of hospital expenditures, and 65 percent of expenditures for physician services. Generally speaking, this growing demand for medical services has been met through a more than 50 percent expansion of hospital capacity, hospital personnel, and health care professionals since 1960.

Government has subsidized both the demand and supply sides of this growth. On the demand side, the private third-party systems' growth has been subsidized through the tax laws. Also, Blue Cross/Blue Shield are tax exempt in most states facilitating the public's purchase of high-option, first dollar health insurance coverage. Moreover, the public Medicare and Medicaid programs were modeled on the private third-party payment system. On the supply side, hospital expansion was stimulated by the Hill-Burton program and by the tax exemption of hospital construction bonds. Federal spending for the training of health professionals alone totalled $5 billion between 1964 and 1976.

Government subsidies to increase the supply of medical facilities and services were expected to moderate costs for health care. However, the third-party payment system makes the patient indifferent to cost, except the part for which he is responsible. Consequently, there is little restraint on the rate of increase in charges of providers or the rate of increase in costs they incur. Third-party payers reimburse hospitals for virtually all costs incurred and cover much of the fees charged by physicians and other professionals. Also, doctors tend to overutilize hospitals, the most expensive component of the medical care system, and this overutilization is promoted by the third party payment system which tends to cover hospital services but not less costly, out-of-hospital services.

As a consequence, medical costs and charges (and therefore total spending) have been growing much faster than prices in general. Since 1969, price increases of medical care providers have accounted for about 63 percent of this growth; quantity and quality (technology) increases account for about 30 percent, and population increases account for about 7 percent. Typically, during 1977, when the Consumer Price Index increased 6.8 percent over the prior year, medical care services rose 9.6 percent, semi-private room charges 11.5 percent and physicians' fees 9.3 percent.

NEW DIRECTIONS FOR THE ELDERLY

Despite all the money funneled into health care, major elderly health needs are not being met. As the elderly population grows, the problem of meeting those needs will also grow. Restructuring the health services industry should not just be a means for controlling costs but also a means for developing a comprehensive, efficient, and rational system to accommodate these unmet needs.

An adequately restructured system should include such components as: (1) adequate, supervised residential facilities for those who lack families, but wish to live in their communities; (2) a range of facilities as alternatives to hospitals and nursing homes, including a comprehensive system of home care; and (3) innovative and compassionate ways of caring for the terminally ill, outside of the hospital and nursing home. However, if needed new services are to be promoted, the rate of expansion of the medically oriented health industry must be checked.

CONTROLLING HEALTH CARE COSTS THROUGH GOVERNMENT REGULATION

Despite government efforts to control costs and spending by regulating the health industry, little success has been achieved. The powerful economic incentives contributing to the growth of health care spending have so far overwhelmed the regulatory effort.

Since the larger part of the industry's billings are fully reimbursed, experiments have been undertaken to pay hospitals on the basis of prospectively approved budgets. Eight states have implemented mandatory rate reviews for hospitals with some success. While all hospitals nationwide were experiencing a 12.8 percent rate of increase in expenditures in 1978, those states with mandatory cost containment programs had only a 9.3 percent rate.

The 1972 Social Security Amendments established Professional Standards Review Organizations (PSROs) to assure that the services financed by programs like Medicare were medically necessary, professionally acceptable and provided most economically. Unfortunately, this "peer review" method of regulation is itself costly and the results are still inconclusive.

The 1974 National Health Planning and Resources Development Act is supposed to control the expansion of the supply of institutions like hospitals and expensive equipment by requiring, at the state level "certificates of need". The program does appear to have slowed down the creation of new and unneeded hospital beds and the addition of ever more expensive and underused equipment. However, much more needs to be done in these respects.

Because Government regulation has not accomplished much in terms of restraining the rate of increase in costs and spending, increased attention is being given to new and less costly ways of delivering health services. Health Maintenance Organizations (HMOs) for example, have demonstrated significant cost savings potential. Their emphasis on preventive medicine, consumer education and health maintenance techniques drastically reduce costly hospitalization among health plan members. As for

Medicare beneficiaries, Congress is presently completing action on the 1979 Medicare/HMO Reimbursement Amendments which should encourage greater numbers of Medicare enrollees to join pre-paid health plans. In those many instances where actual costs to the HMO of providing a range of services would be less than the "95 percent capitation fee", the HMO would be required to return the difference to its Medicare members in reduced cost-sharing and deductibles or in increased preventive services.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 20, 1980, may be found in the Daily Digest of today's Record.

Meetings Scheduled

MAY 21

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for public education, housing, and city planning programs.
1114 Dirksen Building

Judiciary
To continue hearings on the nominations of Fred D. Gray, to be U.S. District Judge for the Middle District of Alabama; and U. W. Clemon, to be U.S. District Judge for the Northern District of Alabama.
2228 Dirksen Building

9:00 a.m.

*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of expected appointments for disabled veterans focusing on the readjustment counseling program under the Veterans' Health Care Amendments (Public Law 96-22).
412 Russell Building

9:30 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Surface Mining of the Department of the Interior.
1224 Dirksen Building

Finance
Revenue Sharing, Intergovernment Revenue Impact, and Economic Problems Subcommittee
To hold hearings on S. 2574, 2414, 2681, and 2678, bills to extend general revenue sharing.
2221 Dirksen Building

10:00 a.m.

Armed Services
To resume closed consideration of S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the Department of Defense.
212 Russell Building

Banking, Housing and Urban Affairs
To hold oversight hearings on the condition of the U.S. banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 2523, to clarify certain antiquated inspection and manning laws which affect smaller commercial vessels, and H.R. 1198, to establish appropriate identifiable lines dividing inland waters of the United States from the high seas.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government and Governmental Efficiency and the District of Columbia Subcommittees
To hold joint hearings on S. 1548, proposed Inspector General Amendments, and the recent annual report of the Department of Energy Inspector General.
3302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1610, proposed Blood Assurance Act.
4232 Dirksen Building

Joint Economic
To hold hearings on incentives to stimulate the supply policies to promote a more balanced U.S. economic future.
6226 Dirksen Building

MAY 22

9:00 a.m.

Special on Aging
To hold oversight hearings on the administration of mental health programs to serve the elderly and to review proposals to overcome service barriers to older Americans (the substance of S. 1177).
1202 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on S. 2339, to provide for competition in export financing, and S. 2340, to increase the amount of commitments of the Export-Import Bank to facilitate U.S. exports to developing countries.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of George H. P. Bursley, of Maryland, to be a Member of the National Transportation Safety Board.
235 Russell Building

Environment and Public Works
Environmental Pollution and Resource Protection Subcommittees
To resume joint markup of S. 1480, proposed Environmental Emergency Response Act.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
Business meeting, to mark up S. 2144, 2375, and 2378, bills to provide support for the training of professionals in health service needs.
4232 Dirksen Building

*Select on Indian Affairs
To hold hearings on S. 2513, to promote economic self-sufficiency among Indian tribes by providing tax incentives to industries who hire Indians and locate on or near their reservations.
1318 Dirksen Building

10:30 a.m.

Select on Intelligence
Closed business meeting.
S-407, Capitol

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction programs of the Department of Defense.
1318 Dirksen Building

MAY 23

10:00 a.m.

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1519, authorizing the Secretary of Energy to redress the capital repayment problems of the Southwestern Power Administration without undue burden to the current ratepayers.
3110 Dirksen Building

Joint Economic
To hold hearings on the Consumer Price Index figures for April.
2167 Rayburn Building

MAY 28

10:00 a.m.

Energy and Natural Resources
To hold hearings on the impact of acid rain in the atmosphere resulting from an increased use of coal.
3110 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

Select on Small Business
To hold oversight hearings on the implementation of Federal programs for women in business.
457 Russell Building

Select on Small Business
To hold hearings on the impact of crime on small business.
424 Russell Building

MAY 30

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on the following miscellaneous tax legislation. S. 2484, 2486, 2500, 2503, 2548, and H.R. 5043.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

JUNE 2

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings to examine certain energy policy issues dealing with episodic, severe shortages in transportation fuel.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.
5110 Dirksen Building

JUNE 3

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands.
S-407, Capitol

JUNE 4

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.
5110 Dirksen Building

Select on Small Business
To hold oversight hearings on the implementation of the Small Business Administration's loan assistance programs as they apply to veterans of the Armed Forces (Public Law 93-237).
424 Russell Building

2:00 p.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.
235 Russell Building

JUNE 5

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.
3110 Dirksen Building

JUNE 10

9:30 a.m.
Judiciary
To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.
5110 Dirksen Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

JUNE 12

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2490, proposed Infant Formula Act.
4232 Dirksen Building

JUNE 17

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1424, authorizing funds for fiscal years 1981-84 for the advancement of international cooperation and assistance in health matters.
4232 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.
1224 Dirksen Building

JUNE 19

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2020 and 2596, bills to provide educational assistance programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.
412 Russell Building

JUNE 24

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.
1224 Dirksen Building

JULY 1

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.
412 Russell Building

JULY 29

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 2166, to establish a national Institute of Native American Culture and Arts Development.
6226 Dirksen Building

CANCELLATIONS

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

SENATE—*Tuesday, May 20, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock noon, on the expiration of the recess, and was called to order by Hon. CARL LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father of us all, guardian of our pilgrim days for this moment we would turn from the tumult of the world without and the pressure of duties within, that we might commune with Thee and discern more clearly Thy will for us and for our Nation. Quicken within us every noble impulse, pure purpose, and wise action. Give us hearts free from malice and filled with good will.

Bless this Nation with justice and truth and righteousness. Be with all who serve under the banner of government, in the Armed Forces and those held as hostages. Minister to those who suffer the ravages of hunger, disease, and violence. Give us faith to see beyond the troubles of today the working of Thy providence in the affairs of men. May we ever walk and work in the way of Thy Commandments.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 20, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LAST WEEK'S DECISION OF THE CIVIL AERONAUTICS BOARD

Mr. ROBERT C. BYRD. Mr. President, last week's decision of the Civil Aeronautics Board virtually removed all regulatory restraints from short-haul air transportation flights. In a nutshell, that means airlines can charge any rates they see fit on flights of less than 200 miles. I am appalled at this decision—appalled because it invites the airlines to raise air fares which have increased steadily since airline deregulation went into effect in 1978.

This decision by the CAB effectively discriminates against the short-haul markets. Under the Board's new policy, all regulatory control has been removed from flights of less than 200 miles, but regulatory protection is retained for longer routes. The CAB's order states that airlines can boost air fares up to 50 percent in markets of 200 to 400 miles long, and fares can be increased by up to 30 percent in markets exceeding 400 miles. The obvious question is, "Why protect the long-haul routes and not the short-haul trips?"

It also appears that the Board is accelerating unnecessarily the timetable for removing these regulatory restraints. The Air Transportation Regulatory Reform Act of 1978 specifies January 1983, as the date when the CAB relinquishes all authority from ratesetting. That deadline is more than 2½ years away. Deregulation has not been in effect long enough for airlines to shore up on the ingredients needed for better service—accessibility of fuel, availability of suitable airplanes, and airport accessibility.

I also question the rationale of the CAB in making this decision. The Board based its decision on the conclusion—and I am now quoting from the agency's own news release—"that competitive forces will keep fares in check and that a ceiling is no longer required."

I am bewildered over this reference to competitive forces. It is on these short-haul trips that competition is lacking. If I want to fly from Charleston, W. Va., to Cincinnati, Ohio, there is only one airline to which I can turn. The same can be said for most points within West Virginia and, in fact, for most interstate points across the country. This is not a local phenomenon—it exists all over the Nation. And, all too often, poor road maintenance, unpredictable weather conditions, inadequate bus service, and inadequate rail passenger service eliminate the alternative of effective surface transportation. Instead of alluding to nonexistent competition, the CAB should note that short-haul markets more realistically approach monopolistic situations. And we all know what occurs when a monopoly exists—prices go up.

So I am apprehensive that this latest directive from the CAB will lead to even higher air fares—putting air transportation out of the reach of most Americans.

Congress enacted airline deregulation in 1978 as a curb to inflation, in hopes that it would result in more efficient airline service, conducted in a freer environment, and, because of increased competition, lower air fares. To date, the evidence points to many instances of deterioration of service for community airports and their customers.

Airports in small- and medium-sized communities across the country have lost 9,000 airline seats per week since deregulation took effect. West Virginia—which was hardest hit with a loss of 3,000 airline seats—does not stand alone. Many States—Arizona, Nebraska, Idaho, Oregon, and Tennessee, to name just a few—also have suffered at the hands of airline deregulation. Most of the New England States—Connecticut, Maine, New Hampshire, and Vermont—have had a significant deterioration in air service amid our new deregulated atmosphere.

And, in addition to this loss of service, air fares already have skyrocketed. The cost of flying from West Virginia's State capital, Charleston, to Pittsburgh—a point where many travelers make connections and a trip of less than 200 miles by air—has jumped 77 percent following deregulation. And, from Charleston to Morgantown, the State's educational center, air fares are up 58 percent. And when I fly back to Charleston from the Nation's Capital, it costs me 77 percent more today than it did before airline deregulation took effect.

In announcing its decision, the CAB stated that it would monitor the industry's performance—and "would take action to reduce fares if abuses of market power were demonstrated." I support this watchdog role by the CAB.

But I, too, hope that the actions of the airlines in setting their own rates in the short-haul market will be closely observed by the appropriate committees of the Congress. But I, too, will be diligent in observing the actions of airlines in setting their own rates in the short-haul markets.

I have been disappointed with the results of airline deregulation. The deregulated atmosphere was supposed to have blessed us with numerous benefits, including better service and lower fares. Instead, in many instances, we have suffered from loss of airline seats and skyrocketing rates.

There is a need to insure that adequate air service, as provided under the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

law, is available. I believe an integral part of adequate air service is fair rates. We cannot afford to price our citizens and our communities out of the airline market.

I wish to commend Mr. CANNON, who has arranged oversight hearings on the part of the Aviation Subcommittee of the Commerce Committee, regarding the role of the CAB, and I hope the committee will continue to monitor the situation which, I think, has deteriorated considerably with respect to air service and air fares, particularly in the rural areas and in the small and medium-sized communities of our country.

DEATH OF ROBIN CRANSTON

Mr. ROBERT C. BYRD. Mr. President, we were all saddened to learn of the death of Robin Cranston, the eldest son of our distinguished colleague, Senator ALAN CRANSTON. Robin passed away Friday from injuries he received in an automobile accident the previous weekend.

This is an incalculable loss to Senator CRANSTON and his family. We, his friends, share that deep sense of loss.

I know that I speak for all of his colleagues in extending our heartfelt sympathy to Senator CRANSTON and his family. They will remain in our thoughts and our prayers.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is now recognized.

Mr. SCHMITT. Mr. President, the minority has no requests for any time on the leadership time. I believe there are two special orders. I am prepared to yield back the minority leader's time.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time, also.

RECOGNITION OF SENATOR SCHMITT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico is recognized for not to exceed 15 minutes.

THE GREAT CRUDE HOAX

Mr. SCHMITT. Mr. President, about 2 or 3 weeks ago, the distinguished minority leader (Mr. BAKER) asked if I would look into and provide him with some analysis of the state of the oil and gas resource base in the world and particularly that accessible directly to the United States.

I have done that in a preliminary way and have found that, as I suspected, once again the country is being subjected to the great crude hoax.

There is a myth afoot, Mr. President, that the United States cannot depend on domestic energy supplies for short-term independence of foreign sources of crude oil. This myth, fostered by the present administration and others ignorant of the capabilities of this great Nation, goes on to state that we must think in terms of "limits"; limits on growth, limits on power, limits on freedom.

This myth is the most dangerous basis upon which we could formulate and, unfortunately, have formulated current national policies. This myth is an invitation to national suicide.

The myth of national limits permeates the recent statement by CIA Director Stansfield Turner before the Senate Energy and National Resources Committee. For example:

> There is good reason to believe that the most prolific oil producing areas have already been located and drilled. Even with modern technology, the chance of finding new giant fields is diminishing.

Mr. President, this statement is wrong on its face and ignores the unexplored, potentially productive geologic basins of the world and particularly those of the United States.

Vast new oil and gas discoveries have recently been made in Sudan, in Kuwait in much deeper horizons than previously known to contain oil, near Indonesia in extensions of already producing fields, in an already oil- and gas-rich Mexico, in a vast new opportunity in Red China, in the Beaufort Sea near Alaska, in the Arctic Ocean north of magnetic North Pole, in the overthrust belt which parallels the length of the Rocky Mountains from Canada through the United States to Mexico.

Vast potential oil and gas reservoirs have yet to be drilled in and near Alaska, off the Atlantic and Pacific coasts of the United States, throughout and near Africa and Central and South America and in other regions accessible to the free world.

New technologies not only are reducing the risk of drilling for new oil and gas in old and new fields, but they are rapidly expanding the amount of oil in the ground that can be recovered. CIA Director Turner also stated that:

> Production in the U.S. probably will continue to decline despite heavy drilling activity; . . .

Again, Mr. President, this statement is very likely to be false and will be true only if Federal land, tax and regulatory policies continue to discourage a rapid increase in exploration, development and production of domestic oil and gas.

The release of favorable Federal lands for oil and gas leasing, the creation of tax incentives for the plowback of revenues into new or enhanced production, and the elimination of unnecessary regulatory restrictions on drilling and pipeline construction would, I believe, within 5 years, result in the identification of sufficient reserves to satisfy our immediate essential requirements and would have the effect of forcing world energy prices down to realistic levels.

Let us look at some of the facts:

First, all past estimates of the size of our domestic natural resource base—particularly that in energy—have been notoriously low because of the impossibility of estimating what can be called the "unknown unknowns." These unknown unknowns have included unpredicted changes in demand, prices, technology, and scientific understanding about the nature of the occurrence of natural resources.

Second, new exploration technologies combined with geologic insight have both expanded the list of favorable areas for oil and gas production and have decreased many of the risks of drilling for new oil and gas reservoirs. For example, where it was not so before, it is now reasonable to expect major discoveries in the vast overthrust belt of the Rocky Mountains, in stratigraphic as well as structural traps in new and old fields, and in heavy oil and tight rock formations throughout the United States and North America.

Third, giant and supergiant fields in North America are not a thing of the past as Prudhoe Bay and the Mexican fields clearly indicate. There are many basins in or near Alaska which have the potential as Prudhoe Bay. The total potential of the overthrust belt is that of several supergiant oilfields. The Pacific and Atlantic coasts, the Arctic, Bering, and Beaufort Seas, presently locked-up Federal lands in the lower 48 States and deep-drilling possibilities in many known fields all have such potential for giant and supergiant discoveries.

Fourth, for most of the last 25 years, Federal, corporate and international policies have discouraged extensive exploration for U.S. oil and gas reserves. Those reserves currently are about 62 billion barrels of oil and 400 trillion cubic feet of gas. The problems began, of course, in 1954 with the regulation of natural gas prices at artificially low prices which discouraged exploration, encouraged use, and forced oil investments abroad to compete with cheap natural gas. Little has improved this situation until domestic energy prices and profits began to be driven upward by artificially high world cartel prices.

At the current high price level, liberalized Federal land, tax and regulatory policies and focused corporate activity could rapidly increase the rate of addition of oil and gas reserves. Those reserves are currently about 2 billion barrels of crude and about 21 trillion cubic feet of natural gas per year with addition rates of 3 billion barrels and 20 trillion cubic feet per year required to sustain current domestic production rates.

Fifth, the land area identified with oil and gas potential is approximately 3,000,000 square miles. However, oil and gas production has been established in only about 50,000 square miles.

That is, land area in the United States and areas accessible to it.

This amounts to less than 2 percent which has been explored. Furthermore, much of this production is from relatively shallow areas. The potential from deeper zones and many untested areas could yield tremendous quantities of new natural gas and oil. A table identifies 11 areas in the United States with geologic conditions favorable to oil and gas accumulation and estimated cubic miles of potentially favorable sediments.

Mr. President, I ask unanimous consent that this table be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Area of interest	Suare miles of prospective basins	Cubic miles of promising sediments
1. Alaska	368, 000	934, 000
2. Pacific Coast States	126, 133	251, 508
3. Western Rocky Mountains	222, 750	175, 150
4. Northern Rocky Mountains	368, 000	595, 556
5. West Texas/East New Mexico	289, 760	283, 800
6. Western Gulf Basin	862, 603	453, 750
7. Mid-Continent States	278, 600	290, 200
8. Michigan Basin	122, 000	37, 000
9. Eastern Interior States	166, 154	203, 774
10. Appalachian States	130, 000	305, 000
11. Eastern Gulf/Atlantic Coast	268, 000	558, 700
Total, United States	3, 202, 000	4, 088, 437

Mr. SCHMITT. Finally, there are, for example, special category areas like the Texas gulf coast where estimates of upward of 105,000 trillion cubic feet of gas have been calculated to exist. This figure includes high pressure, hot salt water areas at depths of 8,000 to 25,000 feet. According to this source, if U.S. gas consumption is approximately 50 trillion cubic feet per year, only 10 percent of this special category gas would supply the needs of the entire Nation for 200 years.

Thus, prudence, commonsense, and a wish to survive should dictate the following basic elements in a national energy policy:

First, encourage efficient technologies that reduce the use of valuable, presently imported, and vulnerable energy supplies.

Second, encourage the most rapid possible development of discovered and undiscovered domestic crude oil resources until short-term control of the free world's energy situation is regained.

Third, encourage the most rapid possible development of discovered and undiscovered natural gas resources to prevent dependence on imports for this environmentally desirable fuel and unique natural chemical.

Fourth, encourage the production and use of coal and uranium for the generation of electrical power to avoid new dependencies on foreign crude oil and uranium in the early part of the next century.

And fifth, develop the technologies for alternative energy sources, such as synthetic fuels, nuclear fusion, and solar, which early in the next century can begin to replace the use of most fossil fuels and which can once again make energy an export for the United States.

With this energy policy must come the rejection of several politically popular myths that we are exposed to today:

First, the myth that we cannot depend on domestic crude oil and natural gas for essential short-term—20-years plus—independence from imports is unfounded in geological technological fact.

Second, the myth that energy must always be more expensive than it is now also is unfounded in technological and economic fact.

Third, the myth that domestic development of natural energy resources must mean the destruction of the environment is unfounded in scientific and technological fact.

Fourth, the myth that the taxpayer can support the capital requirements of both big government and the free enterprise system simultaneously is unfounded in economic fact and already has destroyed the growth of national productivity and innovation.

And fifth, again, the myth that our national growth must be restrained or stopped is unfounded in all respects and, if allowed to prevail, would mean the end of freedom on Earth.

Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR TOWER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. Tower) is recognized for not to exceed 15 minutes.

RESTORING THE MILITARY BALANCE

Mr. TOWER. Mr. President, during my 19 years in the Senate—spanning the administrations of five Presidents—I have always tried to work with the Chief Executive as the symbol of our Nation's power and prestige in the world. But the time has come for us in the Senate to realize that this President is not protecting our vital interests. It is with sadness that I assert today this President has brought U.S. credibility with both allies and adversaries to an all-time low. The Congress must step in and do its part if we are to put our Nation back on track.

The perfidy and deception Jimmy Carter has used to mislead the American people and our allies on defense spending has resulted in a fundamental shift in the strategic military balance. The dangerous international environment which has been kindled by the President's weakness and vacillation holds grave risks for our economic well-being and our security, and cannot be allowed to continue. For more than 3 years, while hiding behind a smoke screen of tough rhetoric, Jimmy Carter has presided over the most ominous shift in the balance of power in modern history. But even after the effect of this shocking deterioration in our might has been made undeniably clear by the Soviet seizure of Afghanistan, the President still refuses to face facts, and request enough money from Congress to begin restoring the military balance.

Let us look at the record of what the President has done: We are all aware of the long litany of cancellations, deferred and slowed-down programs, ranging from the MX to the Trident submarine. The cruise missile, the B-1 bomber, the enhanced radiation weapon—and other important programs—have been victims to this process. But even more critical has been a general short changing of defense spending. Even after his own Secretary of Defense told him the Soviets had outspent us on military power during the 1970's by $240 billion, what did Carter do about it?

In September 1979, he reneged on his pledge to our NATO allies to increase spending after inflation by 3 percent, and instead called for real growth of less than 1 percent.

In the same month, he vigorously opposed our efforts in the Senate to raise defense spending by a modest 5 percent in fiscal year 1981 and 1982.

When he lost that battle, the President pledged to Congress he would support a defense spending bill for 1981 which would increase the amount spent for our national defense by more than 5 percent—and he further promised he would keep that real growth intact by raising it further to compensate for inflation. That promise—made in December—was the minimum he could responsibly do, since his own Secretary of Defense recommended more than 7 percent real growth for the 1981 budget year.

But in March, both the President and the Secretary of Defense broke their promise to compensate for what proved to be hopelessly inadequate inflation allowances. By this time, his 5-percent increase had dwindled to less than 3 percent. I might interject at this point, Mr. President, that percentages in themselves have no meaning. The important thing is meeting our needs, whatever the percentage figure might be.

However, it is important to note that the President requested less than $1 billion for new programs—after the Afghanistan invasion, and despite reports from the chiefs of each military service that 10 times that much would be required to cope with the increased threat represented by the new Russian presence on the edge of the Persian Gulf.

But he did not stop there. Less than a month later, he supported an attempt in the House to reduce spending below his own January proposal.

And the last straw comes in the President's letter last week to the chairman of the Senate Armed Services Committee in which he opposes four vital defense initiatives. These are production of a modified B-1 aircraft, reactivation of the carrier *Orinskany* and the battleship *New Jersey*, procuring 24 more F-18 aircraft, and adding 2 submarines and 2 frigates to the shipbuilding program for 1981.

These steps must be taken immediately

if we are to begin to solve our most critical defense problems. In the case of the F-18 aircraft, buying more would actually lower each aircraft's cost.

The sad—and dangerous—results of this shoddy record of deceit and inconstancy is to create grave risks for world peace. It calls into question our strength as an adversary and our worthiness as an ally. As each day's headlines make more clear, time is running out. We must call a halt to the steady degradation of our military capacity and begin the difficult process of rebuilding our strength.

It will be immeasurably easier to do that if the President will acknowledge the problems and work with us. But with or without his leadership, we must act now.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COMMISSION ON CIVIL RIGHTS AUTHORIZATION, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 2511, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2511) to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for fiscal year 1981.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 4, beginning with "by" strike through and including line 5, and insert a dash and the following:

(1) by striking out "$14,000,000" and inserting in lieu thereof "$11,719,000"; and

(2) by striking out "1980" and inserting in lieu thereof "1981".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended—

(1) by striking out "$14,000,000" and inserting in lieu thereof "$11,719,000"; and

(2) by striking out "1980" and inserting in lieu thereof "1981".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, today the Senate begins consideration of S. 2511, the fiscal year 1981 authorization for the U.S. Commission on Civil Rights. As we all know, the U.S. Commission on Civil Rights is an independent bipartisan agency established by Congress in 1957 to:

First. Investigate complaints alleging denial of the right to vote by reason of race, color, religion, sex, handicap, or national origin, or by reason of fraudulent practices;

Second. Study and collect information concerning legal developments constituting discrimination or denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;

Third. Appraise Federal laws and policies with respect to discrimination or denials of equal protection of the laws because of race, color, religion, sex, handicap, or national origin; and

Fourth. Submit reports, findings, and recommendations to the President and the Congress.

I do not believe that I need recite the long list of accomplishments of the Commission to date: They are well known to all. Let me just say though, that in the early years of the civil rights struggle and during the legislative battles of the last decade, the laws we passed were on issues that dealt with the fundamental precepts of this Nation. Then, as today, the Commission was on the forefront of the fight, defending the freedoms all Americans are supposed to have as a birthright.

In 1979, Congress once again extended the Commission's existence for an additional 5 years, but required it to seek annual monetary authorizations during this 5-year period. Last year, Congress authorized the Commission to spend $14.0 million, the level S. 2511 would have continued. However, the Commission became a victim of its own fiscal restraint during the Committee on the Judiciary mark-up of this bill. By requesting appropriations of only $11.7 million for the current fiscal year and $12.1 for fiscal year 1981, the Commission has demonstrated a remarkable ability rarely found in the Government or in business, for that matter, of clearly living within its budget. The only increases requested this year by the Commission was for $424,000 for uncontrollable costs. For this restraint the Commission was viewed as not needing the additional money either in the President's request or in last years authorization despite the increased authority granted in 1979 without a matching increase in appropriated funds.

There were those in the committee who argued that our country's civil rights problems were past and a glorious new era free of discrimination was before us. In this perfect world no commission on civil rights would be needed, so to begin with the Commission's budget was to be cut back by restricting it to last fiscal year's appropriation. Unfortunately, these dreamers of utopia spoke too soon; the Kerner Commission's opposite view of increasingly separate societies for blacks and whites has turned out to be the true predictions. It has become gruesomely evident with the unfolding events in Miami that little has changed. Clearly, events would belie the rosy picture painted by some members of the committee and support the view that justice for minorities is still uneven, that there is still massive discrimination against blacks and other minorities in this country, and that the search for solutions must go on.

For the last 23 years the Commission on Civil Rights has carried on just that type of search. It has labored to protect all Americans from an erosion of their constitutional and civil rights. The Commission has been able to do this in a unique manner, for it has no authority to issue regulations or to litigate any matter. It merely has the authority to point out the situations that have resulted in a deprivation of rights and to recommend a remedy. We in Congress, then, must move to correct the situation by implementing the remedy through legislation.

While support of the Commission on Civil Rights is but a small part of the search for equal justice for all Americans, I believe it is an essential one; one I hope all my colleagues would support. I for one, find it difficult to support the committee's position, although I feel I must. With this budget, the Commission will be forced to reduce its activities and limit the number of studies undertaken during the fiscal year. I would expect that the Commission would limit its new initiatives in such areas as the age, handicap or Euro-ethnic studies and concentrate on those areas with which the Commission has developed expert knowledge and staff over the last 23 years. I trust the Commission will submit a supplemental request for additional authorization and appropriations if the reductions reflected in this bill result in the cancellation of activity concerning these new initiatives.

With this understanding, I will support the bill and ask that the Senate pass it as amended.

Mr. THURMOND. Mr. President, today, we are considering the reauthorization of the Civil Rights Commission as part of our annual congressional oversight.

While this Commission has indeed been active over its 20-year history, some people are concerned that the Commission, at times has dramatically stretched its congressional mandate. Many such concerns were heard by the Senate last year. The Commission must react responsibly to those criticisms and act only within the parameters of its congressional directive.

Mr. President, it is very important that the Civil Rights Commission consider the views of all segments of minority groups. At times, people make an unwarranted assumption that members of various minority groups are the same; that they all feel exactly the same way on every subject. This assumption is an unacceptable stereotype. Members of minority groups in this country are just as diverse in their attitudes and beliefs as are members of the majority. The Commission must insure that all segments of these diverse groups, not just a select few, are heard.

Another minority which has been created in this country are those persons who are adversely affected by reverse discrimination. This group represents those people who, through no fault of their own, are subjected to unequal burdens. No ongoing review of the plight of the disadvantaged in this country would be complete without a study of the impact of discrimination on these persons. A complete study of this area should be part of the Commission's agenda in the next year.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT AMENDMENTS OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending measure be temporarily laid aside and that the Senate proceed with the other measure, S. 2441.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2441) to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act shall be cited as the "Juvenile Justice and Delinquency Prevention Act Amendments of 1980".

TITLE I—AMENDMENTS TO TITLE I OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

SEC. 101. Section 101(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended—

(1) by striking out "and" immediately after the semicolon in paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(8) the justice system should give additional attention to violent crimes committed by juveniles, particularly to the areas of identification, apprehension, speedy adjudication, sentencing, and rehabilitation.".

SEC. 102. (a) Paragraphs 5 of section 103 of that Act is amended to read as follows:

"(5) the term 'Administrator' means the agency head designated by section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended;"

(b) Section 103(7) of that Act is amended by inserting after "Pacific Islands" the following: "the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands,".

(c) Section 103(9) of that Act is amended by striking out "law enforcement" and inserting "juvenile justice".

(d) Section 103(1) of that Act is amended by inserting "special educational," immediately before "vocational".

(e) Section 103(12) of that Act is amended by striking out "and" immediately after the semicolon.

(f) Section 103(13) of that Act is amended

(1) by inserting "special educational," immediately before "social"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and".

(g) Section 103 of that Act is amended by adding at the end thereof the following:

"(14) The term 'handicapping conditions' means the conditions described in the definition of the term 'handicapped children' in section 602(1) of the Education of the Handicapped Act (20 U.S.C. 1401).".

TITLE II—AMENDMENTS TO TITLE II OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

SEC. 201. (a) Section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended to read as follows:

"SEC. 201. (a) There is hereby established within the Department of Justice under the general authority of the Administrator of the Law Enforcement Assistance Administration, the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office'). The Office shall be under the direction of an Administrator, who will be nominated by the President by and with the advice and consent of the Senate. The Administrator shall administer the provisions of this Act through the Office. The Administrator shall have final authority to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants, cooperative agreements and contracts from, and applications for, funds made available under this title.

"(b) The Administrator may prescribe, in accordance with section 553 of title 5, United States Code, such rules and regulations as are necessary or appropriate to carry out the purposes of this title.".

(b) Section "201(e)" of that Act is renumbered "201(c)" and amended by striking out "of the Law Enforcement Assistance Administration".

(c) Section "201(f)" of that Act is renumbered "201(d)".

(d) A new subsection "(e)" is added to read as follows:

"(e) There shall be established in the Office a Legal Advisor who shall be appointed by the administrator whose function shall be to supervise and direct the Legal Advisor Unit whose responsibilities shall include legal policy development, implementation, and dissemination and the coordination of such matters with all relevant departmental units. The Legal Advisor, when appropriate, shall consult with the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research, and Statistics on legal nonpolicy matters relating to the provisions of this Act.".

(e) Section "201(g)" of that Act is renumbered "201(f)" and amended by striking out "-five" and inserting "-six".

(f) New subsections "(g)" and "(h)" are added to read as follows:

"(g) The Administrator shall provide the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor with a detailed evaluation of the Rahway Juvenile Awareness Project, the so-called 'Scared-Straight' program or other similar programs, no later than June 30, 1981.

"(h) The administrator, in cooperation with the Director of the Bureau of Indian Affairs, shall conduct a study of juvenile justice and delinquency prevention policies, programs, and practices affecting native Americans and shall report on the results of that study to the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor no later than December 31, 1981. Such report shall contain recommendations regarding actions which should be taken, including suggested legislation, and shall address, at a minimum, the nature and quality of juvenile programs on Indian reservations, the impact of Federal Government activities on such programs, the consistency of ongoing efforts with the objectives of the Juvenile Justice and Delinquency Prevention Act, and the juvenile justice relationships between Indian tribes and contiguous units of local government.".

SEC. 202. (a) Section 204(b) of that Act is amended by striking out ", with the assistance of Associate Administrator,".

(b) Section 204(g) of that Act is amended by striking out "Administration" and inserting "Office".

SEC. 203. Section 207(c) of that Act is amended by inserting "and other handicapping conditions" immediately after "learning disabilities".

SEC. 204. Section 208(d) of that Act is amended by striking out "Corrections" and inserting "Justice".

SEC. 205. (a) Section 222(a) of that Act is amended by striking the last "and" and inserting immediately after "Pacific Islands" the following: ", the Commonwealth of the

Northern Mariana Islands, and any territory or possession of the United States,".

(b) Section 222(b) of that Act is amended by striking out "the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands" and inserting "as defined in section 103(7),".

SEC. 206. (a) Section 223(a) of the Act is amended to read as follows:

"(a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with regulations established under this title, such plan must—".

(b) Section 223(a)(3)(iii) of that Act is amended by striking out "established pursuant to section 203(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

(c) Section 223(a)(3)(iv) of that Act is amended by striking out "section 520(b) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended," and inserting "section 1002 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended,".

(d) Section 223(a)(3)(B) of that Act is amended by inserting "special education," immediately before "or youth services departments".

(e) Section 223(a)(3)(C) of that Act is amended—

(1) by inserting "special education" immediately before "or social services for children"; and

(2) by inserting "and other handicapping conditions" immediately after "learning disabilities".

(f) Section 223(a)(15) of that Act is amended by striking out "mentally retarded and emotionally or physically".

(g) Section 223(a) of that Act is amended by striking out the last sentence.

(h) Section 223(c) of that Act is amended by striking out ", with the concurrence of the Associate Administrator,".

(i) Section 223(d) of that Act is amended by striking out ", in accordance with sections 509, 510, and 511 of title I of the Omnibus Crime Control and Safe Streets Act of 1968,".

SEC. 207. Section 224(a)(11) of that Act is amended by inserting "and other handicapping conditions" immediately after "learning disabilities".

SEC. 208. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by substituting "Priority Juvenile" for "Special Emphasis" each time it appears.

SEC. 209. Section 225(b)(5) and (6) of that Act is amended by striking out "planning agency" and inserting "advisory group".

SEC. 210. Section 225(b)(8) of that Act is amended by striking out "agency" the first time it appears and inserting "advisory group".

SEC. 211. (a) Section 228(b) of that Act is amended by striking out "not funded by the Law Enforcement Assistance Administration,".

(b) Section 228(g) of that Act is amended—

(1) by striking out "part" and inserting "title"; and

(2) by striking out "or will become available by virtue of the application of the provisions of section 509 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

SEC. 212. (a) Section 241(c) of that Act is amended by striking out "Law Enforcement and Criminal".

(b) Section 241(d) of that Act is amended by inserting "and special educational" immediately after "other educational".

SEC. 213. (a) Section 261(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of this title there is authorized to be appropriated $150,000,000 for each of the fiscal years ending September 30, 1981 and 1982, $175,000,000 for the fiscal year ending September 30, 1983, and $200,000,000 for each of the fiscal years ending September 30, 1984 and 1985. Appropriated funds not obligated by the end of each fiscal year, shall be allocated directly to the States participating in the Act on the basis of relative population of people under age eighteen for the purpose of implementing section 223(a)(13), no later than January 1, of the subsequent fiscal year.".

(b) Section 261(b) of that Act is amended to read as follows:

"(b) In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under title I of the Omnibus Crime Control and Safe Streets Act of 1968, for juvenile delinquency programs, with emphasis on programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation. This subsection shall be waived when the total appropriations for each fiscal year under title I of the Omnibus Crime Control and Safe Streets Act of 1968 do not exceed $150,000,000. Implementation, including guidelines, of this subsection shall be the responsibility of the Administrator of the Office.".

SEC. 214. Section 262 of that Act is amended to read as follows:

"SEC. 262. Of the appropriation for the Office under this Act, there shall be allocated an adequate amount for administrative expenses other than those support services performed for the Office by the Office of Justice Assistance, Research, and Statistics.".

SEC. 215. Section 262 (a), (b), and (c) of that Act are amended to read as follows:

"SEC. 263. The amendments made by the Juvenile Justice and Delinquency Prevention Act Amendments of 1980 shall take effect upon enactment.".

TITLE III—AMENDMENTS TO THE RUNAWAY YOUTH ACT

SEC. 301. Amend the caption "TITLE III—RUNAWAY YOUTH" by inserting "AND HOMELESS" immediately after "RUNAWAY".

SEC. 302. Section 301 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended by inserting "and Homeless" immediately after "Runaway,".

SEC. 303. (a) Section 302(1) of that Act is amended by adding "or who are otherwise homeless" after "permission".

(b) Section 302(2) of that Act is amended by adding "and homeless" after "runaway".

SEC. 304. (a) Section 311 of that Act is amended by inserting "(a)" immediately after "SEC. 311.".

(b) Section 311 of that Act is amended by adding at the end thereof the following:

"(b) The Secretary is authorized to make grants for the purposes of providing a national telephone communications system to link runaway and homeless youths with their families and with service providers.

"(c)(1) In addition, the Secretary is authorized to make grants and to enter into contracts with governmental and nonprofit private agencies for the purposes of providing counseling and other services to meet the immediate needs of runaway or otherwise homeless youth, youth in trouble or in crisis, and the families of such youth, in a manner which is outside the law enforcement structure and juvenile justice system.

"(2) The Secretary may provide technical assistance and training to such agencies who receive grants or enter into contracts under this subsection.

"(3) The size of the grant or contract shall be determined by the number of such youth and families in the community and the existing availability of such services.".

SEC. 305. (a) Section 312(a) of that Act is amended by striking the period and inserting "or who are otherwise homeless.".

(b) Section 312(b)(5) of that Act is amended by inserting "and homeless" after "runaway" the first time it appears.

SEC. 306. (a) Section 315(1) of that Act is amended by adding "and homeless" after "runaway".

(b) Section 315 of that Act is amended—

(1) by inserting "(a)" immediately after "SEC. 315."; and

(2) by adding at the end thereof the following:

"(b) The Secretary is authorized to design the information instruments required to collect any information necessary to comply with the reporting requirements of this section, and to assess the need for, and to determine the effectiveness of, programs and services funded under this part.".

SEC. 307. Section 341(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of part A of this title there is authorized to be appropriated $25,000,000 for each of the fiscal years ending September 30, 1981, 1982, 1983, 1984, and 1985.".

TITLE IV—MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 401. Section 5316 of title 5, United States Code, is amended by striking out "Associate Administrator, Office of Juvenile Justice and Delinquency Prevention" and inserting "Administrator, Office of Juvenile Justice and Delinquency Prevention,".

SEC. 402. Section 4351(b) of title 18, United States Code, is amended by striking out "Associate".

SEC. 403. Section 1002 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"SEC. 1002. In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under this title, for juvenile delinquency programs, with emphasis on programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation. This section shall be waived when the total appropriations for each fiscal year under this title do not exceed $150,000,000. Implementation, including guidelines, of this section shall be the responsibility of the Administrator of the Office.".

SEC. 404. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by striking out "Associate" each time it appears.

Mr. BAYH. Mr. President, as chairman of the Subcommittee on the Constitution, Committee on the Judiciary, I urge the Senate to adopt the Juvenile Justice and Delinquency Prevention Act Amendments of 1980 (S. 2441, as amended). This bill would extend the Juvenile Justice and Delinquency Prevention Act of 1974, including the Runaway Youth Act for 5 years, from fiscal year 1981 through fiscal year 1985. On May 7, 1980, the Committee on the Judiciary voted unanimously to report this bill favorably to the Senate. The cosponsors of S. 2441, as reported include Mr. Kennedy, Mr. Culver, Mr. DeConcini, Mr. Baucus, Mr. Mathias, and Mr. Dole.

Mr. President, this bill is designed to strengthen and stabilize our 6-year congressional commitment to the Juvenile Justice and Delinquency Prevention Act of 1974 (JJDPA) while at the same time mandating that the Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) has final accountability and responsibility for implementing the juvenile justice provisions of this act. Section 820 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended in 1979, also retains this intent by specifying that all programs concerned with juvenile delinquency and administered by the Administrator of the Law Enforcement Assistance Administration shall be administered or subject to the policy direction of the Office of Juvenile Justice and Delinquency Prevention to carry out the mandates of the 1974 act.

In 1974, the Congress established juvenile crime prevention as the Federal crime priority. The 1974 act was the product of a 4-year bipartisan effort, which I was privileged to lead, to improve the quality of juvenile justice throughout the United States and to overhaul the Federal response to juvenile delinquency. The 1974 act was passed by a vote of 88 to 1 in this body.

In 1977, the Congress, by a unanimous vote, reauthorized the Juvenile Justice Act for 3 additional years to stabilize and revitalize our juvenile crime program. The bipartisan nature of this act's support from 1970 to the present is reflected in the act's cosponsors in this body over the years—Mr. Hruska, Mr. Mathias, Mr. Cook, Mr. McClellan, Mr. Fong, Mr. Phillip Hart, Mr. Hugh Scott, Mr. Kennedy, Mr. Thurmond, Mr. Burdick, Mr. Gurney, Mr. Abourezk, Mr. Bible, Mr. Brock, Mr. Case, Mr. Church, Mr. Clark, Mr. Cranston, Mr. Gravel, Mr. Hubert Humphrey, Mr. McGee, Mr. Montoya, Mr. Moss, Mr. Pastore, Mr. Randolph, Mr. Ribicoff, Mr. Mondale, Mr. Cannon, Mr. Eastland, Mr. Culver, Mr. DeConcini, Mr. Hatfield, Mr. Leahy, Mr. Magnuson, Mr. Matsunaga, Mr. Metzenbaum, Mr. Pell, Mr. Stevens, and Mr. Heinz.

I originally introduced this measure as S. 3148 during the 92d Congress when it received strong support from youth-serving organizations and juvenile delinquency experts around the country. I reintroduced S. 821 on February 8, 1973, and S. 1021 on March 17, 1977.

The Senate Subcommittee to Investigate Juvenile Delinquency of which I was chairman, held extensive hearings that demonstrated the desperate need for this legislation. Expert witnesses, including State and local officials, representatives of private agencies, social workers, sociologists, criminologists, judges, and criminal justice planners testified on the terrible problems of the juvenile justice system which did not provide individual justice, effective help to juveniles, or protection for our communities. In particular, they repeatedly emphasized that large custodial institutions such as reformatories and training schools were nothing more than schools of crime, where juveniles learned the skills of the experienced criminal.

A clear consensus emerged supporting strong incentives for State and local governments to develop community-based programs and services as alternatives to training schools for many youngsters. This consensus was further expressed by the National Advisory Commission on Criminal Justice Standards and Goals which recommended that no new major institutions for juveniles should be built under any circumstances. The Commission provided additional support for the philosophy of the legislation that many delinquents, but especially noncriminal status offenders and neglected or dependent children, who had previously been institutionalized could be helped successfully in community settings.

During the early 1970's the hearings and investigations in Washington and throughout the country by the Subcommittee to Investigate Juvenile Delinquency (abolished in 1979 with the juvenile jurisdiction transferred to the Subcommittee on the Constitution) led me to two important conclusions.

The first is that our past system of juvenile justice was geared primarily to react to youthful offenders rather than to prevent the youthful offense.

Second, the evidence was overwhelming that the system failed at the crucial point when a youngster first got into trouble. The juvenile who took a car for a joy ride, or vandalized school property, or viewed shoplifting as a lark, was confronted by a system of justice often completely incapable of responding in a constructive manner.

However, during the late 1970's and this new decade, we have begun to build on our past experiences with the act making substantial progress not only at the Federal level, but especially at the State and local level. We intend that the Juvenile Justice Office be an advocate for the families and youth of our States, while at the same time protecting their human, constitutional and legal rights.

During our 2 days of hearings held March 26 and 27, 1980, over 45 witnesses provided testimony on three bills pending before the Judiciary Committee to reauthorize the act. Judge Carl Guernsey, president of the National Council of Juvenile and Family Court Judges testified that the act had a positive impact on lowering the increase of juvenile crime from an increase of 15 percent prior to 1974 to an increase of less than 1 percent from 1974 to the present.

In 1974 the act established a runaway youth program which was expanded in 1977 to include homeless, neglected and abused youth. This program provides temporary shelter and counseling for thousands of young runaways and other homeless youth and attempts to reunite these children with their parents. The Runaway Youth Act is retained and administered by HEW's Administration for Children, Youth and Families, Runaway and Homeless Youth Division. The Runaway Act is renamed the Runaway and Homeless Youth Act to reflect the act's homeless, neglected and abused youth program authority. S. 2441, as amended, also classifies the Secretary's authority to continue to fund national telephone networks to link runaway, homeless, neglected and abused youth with their families and service providers.

Mr. President, the 1974 act has dramatically improved the Nation's programs for the prevention and treatment of juvenile delinquency, but we must continue these efforts if we are to benefit fully from the act's mandates. After careful study of the implementation of the 1974 act and 1977 amendments, the Committee on the Judiciary has made several changes to improve the effectiveness of the act.

The major changes recommended in S. 2441, as amended are:

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

The Committee has carefully reviewed the role of the Office of Juvenile Justice and Delinquency Prevention and its executive head, the Associate Administrator. Congress fully intended in 1974 and 1977 that the Administration administer the Juvenile Justice and Delinquency Prevention Act program through the new Office. Section 820 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended in 1979, retains this intent by specifying that all programs concerned with juvenile delinquency and administered by the Administration shall be administered or subject to the policy direction of the Office of Juvenile Justice and Delinquency Prevention to carry out the mandates of the Juvenile Justice and Delinquency Prevention Act of 1974.

The oversight hearings held by the Subcommittee to Investigate Juvenile Delinquency on the implementation of the 1974 and 1977 Acts from 1975 through 1977 and the oversight hearings held in 1980 by the Committee on the Judiciary established that the Administrator failed to delegate sufficient authority for the Associate Administrator to fully implement this program. While the Office did a relatively effective job of getting the new program off the ground under difficult circumstances, and to keep it operating as efficiently as possible, it is the Committee's view that mandated statutory support of the Office's Administration of the Program will greatly enhance the future ability of the Office to implement the program as intended by Congress.

Therefore, the Committee Amendment specifically delegates authority regarding all administrative, managerial, operational and policy responsibilities for the Juvenile Justice and Delinquency Prevention Act to the Administrator of the Office of Juvenile Justice and Delinquency Prevention. In order to insure effective implementation of this provision the legal advisor unit is reestablished in the Office.

Unobligated funds

A key provision in S. 2441, as introduced, required that appropriated funds under the Juvenile Justice Act, not obligated by the end of each fiscal year shall be transferred to programs funded under title III—the Runaway and Homeless Youth Act. Historically the juvenile justice program had a rocky beginning which resulted in its failure to properly obligate its funds, even though the necessary program applications were available to the Office of Juvenile Justice and Delinquency Prevention. Fortunately, in 1978 the three-year backlog of funds was obligated and off the Washington desk at the Office of Juvenile Justice. However, within the past year the obligation rate has diminished substantially, with the prospect of a significant carryover. The Runaway Youth Act had not experienced any such problem. However, the Committee Amendment mandates that any unobligated Juvenile Justice funds shall be used to implement section 223(a) (13). Such funds will be allocated to the States participating in the Act on the basis of relative population of people under the age of eighteen.

The Committee is concerned that this important provision of the 1974 Act, which was intended to prohibit the placement of juveniles in any adult facility, including jails, has not been properly implemented. In fact, during the March hearings the Department of Justice revealed that six years after this section became law only ten States even report compliance with this laudatory provision. Of similar concern is that such disappointing progress relates to a standard of "sight and sound" developed by the Department of Justice, rather than the fuller prohibition intended by the 1974 Act. In that regard it was never intended that the words "regular contact" in Section 223(a)(13) allow less than full compliance, as does the "sight and sound" standard. The prohiibtion on "regular contact" was designed to allow commingling of juveniles and adults under specialized circumstances such as a short-term employment program in order to avoid costly duplication.

It is obvious to the Committee that much remains to be done to make the 1974 Act programs a reality. The allocation of unobligated funds for this worthy, but somewhat neglected objective is particularly appropriate.

Maintenance of effort

The Committee amendment retains the current provision of law that requires at least 19.15 percent of the total appropriation under Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, be spent for juvenile delinquency programs, with emphasis on programs aimed at curbing violent crimes committed by juveniles. The Committee acknowledges that violent juvenile offenders should be given an increased focus, but given the comparable competing interests it was felt that requiring all of the maintenance of effort funds for this particular focus would be excession. In addition, the Committee amendment waives the maintenance of effort provision when the total appropriations under Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, does not exceed $150,000,000 during any fiscal year.

Citizen participation

The Committee Amendment improves the Acts's citizen participation provisions. Under the Committee Amendment, the citizen groups, namely the State Advisory Groups, will work more closely with the State agency perspective applicants and others interested in the Juvenile Justice program.

Reports and studies

The Committee amendment requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to provide a detailed evaluation of the scared-straight type programs for juveniles to the Congress by June 30, 1981. In addition, a study of juvenile justice and delinquency prevention policies, programs and practices affecting Native Americans is to be completed and submitted to Congress by December 31, 1981.

Title III—Runaway Youth Act Amendments

This program's title is amended by the Committee Amendment to reflect the 1977 Act's homeless youth focus. Thus, entitled the Runaway and Homeless Youth Act. The Committee amendment makes statutory the authority for the Secretary of Health, Education, and Welfare to continue to fund national telephone networks to link runaway, homeless, neglected and abused youth with their families and service providers. It further, expands the client population eligible for service and stimulate the strengthening of governmental and private sector programs for youth and families in need of service. The Secretary will continue through the Administration for Children, Youth and Families to collect any information necessary to report on and assess the need for programs and services funded under this title.

The Committee bill authorized funding for title III at the same level as the 1977 Act of $25 million per year for each of five fiscal years, 1981 through 1985.

Juvenile Justice Act Authorization

If one merely looks at the extent and cost of juvenile crime and at all the needs that are not met by current programs, one could easily conclude that the authorization levels for this Act should be doubled or tripled. It is the responsibility of this Committee, however, to insure that juvenile justice programs are developed in an orderly fashion and that all moneys are spent effectively, timely and wisely. Therefore the Committee has suggested authorization levels that provide for the orderly growth of these programs over the next five years. As reported by the Committee, S. 2441, would authorize for each of fiscal years 1981 through 1985 levels of $150 million, $150 million, $175 million, $200 million and $200 million respectively.

The Committee further contemplates that the Subcommittee on the Constitution will pursue its oversight responsibilities in a vigorous manner so as to assure that the Office of Juvenile Justice and Delinquency Prevention expends the newly authorized funds in a fiscally sound manner consistent with the primary goals of the 1974 Act in order to assure complete implementation of the Juvenile Justice and Delinquency Prevention Act.

Mr. President, I strongly urge my colleagues in the Senate to adopt this legislation. The Juvenile Justice and Delinquency Prevention Act and these 1980 amendments will provide the stability so vital to the continuation of this congressional initiative. The 5-year extension, with the adequate funding provided, when coupled with full implementation of the provisions of the 1974 and 1977 acts will help address the current needs of our juvenile justice system. Although the amounts authorized to date have been very frugal relative to the task of each of the participating States, such resources provided in a stable, continuous fashion will do wonders to achieve the mandate of the 1974 act.

Mr. President, the Federal Government has an important responsibility to provide the leadership and coordination to assist and encourage the development of sensible, humane, and more economical responses to juvenile delinquency. There are no panaceas. A reauthorization of the 1974 Juvenile Justice and Delinquency Prevention Act will be an important step. There must be a commitment by all our citizens to begin to resolve the legal and social problems and attitudes relevant to children in trouble. Alternatives to unsound policies must be developed and encouraged. Many States, localities and private nonprofit interest groups are already beginning to redirect and increase their efforts. The Juvenile Justice Act has contributed to this progress.

I ask unanimous consent that two attachments be printed at this point in the RECORD, one a letter from the American Legion, dated March 27, 1980, and the second being a list of organizations endorsing the Juvenile Justice and Delinquency Act of 1974.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D.C., March 27, 1980.

Hon. BIRCH BAYH,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR BAYH: The American Legion's longstanding concern over juvenile crime across the country was the basis for our support in 1974 of the Juvenile Justice and Delinquency Prevention Act. We believed then as we do now that the problem demands a comprehensive and coordinated approach at the federal level.

As you know, juvenile crime continues to be one of our most persistent social ailments. It, therefore, is essential that federal efforts be continued and that the Act be extended through reauthorization. We are pleased to learn that you have introduced S. 2441 which, if enacted, would provide for such reauthorization and we continue to support the maintenance of effort concept as part of any reauthorizing mandate.

The American Legion stands ready to assist you and every member of the Committee in this worthwhile endeavor.

Sincerely,

MYLIO S. KRAJA,
Director.

ORGANIZATIONS ENDORSING THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974 (PUBLIC LAW 93-415, AS AMENDED IN 1977, PUBLIC LAW 95-115)

American Federation of State, County, and Municipal Employees.
American Institute of Family Relations.
American Legion, National Executive Committee.
American Parents Committee.
American Psychological Association.
B'nai B'rith Women.
Children's Defense Fund.
Child Study Association of America.
Chinese Development Council.
Christian Prison Ministries.
AFL-CIO Department of Community Services.
AFL-CIO, Department of Social Security.
American Association of Psychiatric Services for Children.
American Association of University Women.

American Camping Association.
American Federation of Teachers.
American Occupational Therapy Association.
American Optometric Association.
American Parents Committee.
American Psychological Association.
American Public Welfare Association.
American School Counselor Association.
American Society for Adolescence Psychiatry.
Association for Childhood Education International.
Association of Junior Leagues.
Emergency Task Force on Juvenile Delinquency Prevention.
John Howard Association.
Juvenile Protective Association.
National Alliance on Shaping Safer Cities.
National Association of Counties.
National Association of Social Workers.
National Association of State Juvenile Delinquency Program Administrators.
National Collaboration for Youth: Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Inc., Future Homemakers of America, Girls' Clubs, Girl Scouts of U.S.A., National Federation of Settlements and Neighborhood Centers, Red Cross Youth Service Programs, 4–H Clubs, Federal Executive Service, National Jewish Welfare Board, National Board of YWCAs, and National Council of YMCAs.
National Commission on the Observance of International Women's Year Committee on Child Development, Audrey Rowe Coloms, Chairperson Committee Jill Ruckelshaus, Presiding Officer of Commission.
National Conference of Criminal Justice Planning Administrators.
National Conference of State Legislatures.
National Council on Crime and Delinquency.
Boys' Clubs of America.
Boy Scouts of the USA.
Child Welfare League of America.
Family Impact Seminar.
Family Service Association of America.
Four-C of Bergen County.
Girls Clubs of America.
Home and School Institute.
Lutheran Council in the U.S.A.
Maryland Committee for Day Care.
Massachusetts Committee for Children and Youth.
Mental Health Film Board.
National Alliance Concerned With School-Age Parents.
National Association of Social Workers.
National Child Day Care Association.
National Conference of Christians and Jews.
National Council for Black Child Development.
National Council of Churches.
National Council of Jewish Women.
National Council of State Committees for Children and Youth.
National Jewish Welfare Board.
National Urban League.
New York State Division for Youth.
Palo Alto Community Child Care.
Philadelphia Community Coordinated Child Care Council.
The Salvation Army.
School Days, Inc.
Society of St. Vincent De Paul.
United Auto Workers.
United Cerebral Palsy Association.
United Church of Christ—Board for Homeland Ministries, Division of Health and Welfare.
United Methodist Church—Board of Global Ministries.
United Neighborhood Houses of New York, Inc.
United Presbyterian Church, USA.
Westchester Children's Association.
National Federation of State Youth Service Bureau Associations.
National Governors Conference.
National Information Center on Volunteers in Courts.
National League of Cities.
National Legal Aid and Defender Association.
National Network of Runaway and Youth Services.
National Urban Coalition.
Public Affairs Committee, National Association for Mental Health, Inc.
Robert F. Kennedy Action Corps.
U.S. Conference of Mayors.
Big Brothers/Big Sisters of America.
National Youth Workers Alliance.
National Council of Juvenile and Family Court Judges.
National Council of Criminal Justice Planners.
Youth Network Council.
American Bar Association.
American Civil Liberties Union.
National Juvenile Law Center.
National Coalition for Children's Justice.
Children's Express.
Children's Defense Fund.
Coalition for Children and Youth.

Mr. THURMOND. Mr. President, today, the Senate considers legislation to reauthorize the Juvenile Justice and Delinquency Prevention Act of 1974.

The original legislation, the Juvenile Justice and Protection Act of 1974, was the first comprehensive Federal response to the problem of juvenile crime. I supported that legislation because I was deeply concerned about the rise in juvenile crime and the number of youths who were running away from their homes.

We have now had 6 years of experience with this legislation. It has been, I think, a rocky road. There are conflicting views throughout the country on how to respond to juvenile crime, how to separate status offenders from nonstatus offenders, and how much of the overall criminal justice resources should be devoted to this problem.

These problems are even more difficult to resolve now that we are in a period of budgetary restraint. Although this bill authorizes a total of $875 million over the next 5 fiscal years, it is clear from recent Budget Committee actions that funds for juvenile justice and criminal justice programs will be hard to come by through the appropriation process.

Mr. President, I hope that supporters of this program will understand these current funding realities. The LEAA program, for example, has been reduced substantially. The maintenance of effort provision of the Omnibus Crime Control and Safe Streets Act, which requires that 20 percent of LEAA funds also go to juvenile justice programs, should be suspended temporarily while LEAA funding levels are so low. Otherwise, juvenile justice will receive a disproportionate share of total criminal justice funding. I believe that, in a period of spending restraint, all components of the criminal justice system should share equally.

The Juvenile Justice and Delinquency Prevention Act of 1974 is scheduled to be funded at a $100 million level. I think that is adequate for the time being. This program has been successful in many States, but efforts to go too far too fast may hurt the program. For example, on the question of separating juveniles from adults in lockups and jails, a requirement that absolute separation be reached within a few years may be impossible to achieve.

Mr. President, although I support the concept of separating juveniles from adult offenders in jails and lockup facilities, the current separation on the basis of "sight and sound" seems to be an achievable goal. My own State of South Carolina has been able to achieve compliance with this requirement. Unfortunately, for a rural State like mine, a Federal requirement that there be complete separation—in separate facilities—of juvenile and adult offenders may be impossible to achieve in the immediate future. States are taking steps to correct this situation, but they should be encouraged to do so, not forced to do so under the threat of sanctions by the Federal Government.

Mr. President, I support this legislation and its objectives and urge my colleagues to approve it.

Mr. DOLE. Mr. President, I rise in support of this legislation that would amend the Juvenile Justice and Delinquency Prevention Act of 1974. This bill is similar to S. 2434, legislation that the Senator from Kansas introduced to extend the Juvenile Justice and Delinquency Prevention Act of 1974 through fiscal year 1984. That bill authorized $125 million in fiscal year 1981 and $125 million in each succeeding year for the programs that are created by the act. In addition, S. 2434 required that there would be maintained from appropriations for each fiscal year allotted to each State under title I of the Omnibus Crime Control and Safe Streets Act of 1968, at least, the average percentage of the 3 most recent fiscal years for which figures are available of the total expenditures made for criminal justice programs by State and local governments which is expended for juvenile delinquency programs by such State and local governments.

MAINTENANCE OF EFFORT

An important aspect of the 1974 Juvenile Justice Act was the "maintenance of effort" provision. That law called for a set aside of 19.15 percent of all law enforcement assistance administration (LEAA) funding to be reserved for juvenile justice programs. This percentage was based on the ratio of LEAA expenditures for juvenile justice to the agency's total expenditures for fiscal 1971. The Senator from Kansas felt that it was time to carefully reexamine this ratio in the light of experience in its administration.

The Senate version of the Justice System Improvement Act of 1979 provided for the complete elimination of the maintenance of effort provision. S. 2434 did not go that far. Instead it attempted to develop a new formula based on the average percentage of the 3 most recent fiscal years of the total expenditures made for criminal justice programs by State and local governments.

AUTHORITY OF THE ASSISTANT ADMINISTRATOR

Under S. 2434, the Office of Juvenile Justice and Delinquency Prevention would have remained within the LEAA of the U.S. Department of Justice. The Assistant Administrator of LEAA would have continued to head the Office although he would have been under the policy direction and control of the Administrator of LEAA.

COMPROMISE LEGISLATION

S. 2441 represents a good compromise between the concerns of Senator Bayh and the concerns of this Senator. In reviewing the original proposal that this Senator offered and S. 2441, there are only three major differences. Those differences concern the role of the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the funding level, and the maintenance of effort provision.

In S. 2441 the Administrator of the Office of Juvenile Justice and Delinquency Prevention is given final accountability and responsibility for implementing the act. The funding level, in the legislation that we are reviewing today, is $150 million in 1981, $150 million in 1982, $175 million in 1983, and $200 million in 1984 and 1985. Under S. 2441, the 19.15 requirement for spending on juvenile justice programs will be waived when total appropriations for LEAA fail to exceed $150,000,000.

The Federal Government has a responsibility to continue its efforts to improve the quality of justice that is available to juveniles in this country. The problem of juvenile delinquency must continue to be dealt with in an effective and meaningful manner if the levels of juvenile crime are to continue their decline.

It is my hope that by extending the authorization for the Juvenile Justice and Delinquency Prevention Act of 1974, States and local governments, private and public organizations will have the assistance that is necessary to continue the development of practical approaches to the problems of youths that have become involved in the juvenile justice system. Juvenile crime and delinquency prevention must continue to be a top Federal, State, and local priority. It is clear to me that a major cause of this Nation's staggering crime rate is juvenile crime and violence. This legislation will deal with that cause.

The PRESIDING OFFICER. Who yields time?

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act shall be cited as the "Juvenile Justice and Delinquency Prevention Act Amendments of 1980".

TITLE I—AMENDMENTS TO TITLE I OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Sec. 101. Section 101(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended—

(1) by striking out "and" immediately after the semicolon in paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(8) the justice system should give additional attention to violent crimes committed by juveniles, particularly to the areas of identification, apprehension, speedy adjudication, sentencing, and rehabilitation.".

Sec. 102. (a) Paragraph 5 of section 103 of that Act is amended to read as follows:

"(5) the term 'Administrator' means the agency head designated by section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended;".

(b) Section 103(7) of that Act is amended by inserting after "Pacific Islands" the following: "The Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands,".

(c) Section 103(9) of that Act is amended by striking out "law enforcement" and inserting "juvenile justice".

(d) Section 103(1) of that Act is amended by inserting "special educational," immediately before "vocational".

(e) Section 103(12) of that Act is amended by striking out "and" immediately after the semicolon.

(f) Section 103(13) of that Act is amended—

(1) by inserting "special educational," immediately before "social"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and".

(g) Section 103 of that Act is amended by adding at the end thereof the following:

"(14) The term 'handicapping conditions' means the conditions described in the definition of the term 'handicapped children' in section 602(1) of the Education of the Handicapped Act (20 U.S.C. 1401).".

TITLE II—AMENDMENTS TO TITLE II OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Sec. 201. (a) Section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended to read as follows:

"Sec. 201. (a) There is hereby established within the Department of Justice under the general authority of the Administrator of the Law Enforcement Assistance Administration, the Office of Juvenile Justice and delinquency Prevention (referred to in this Act as the 'Office'). The Office shall be under the direction of an Administrator, who shall be nominated by the President by and with the advice and consent of the Senate. The Administrator shall administer the provisions of this Act through the Office. The Administrator shall have final authority to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants, cooperative agreements and contracts from, and applications for, funds made available under this title.

"(b) The Administrator may prescribe, in accordance with section 553 of title 5, United States Code, such rules and regulations as are necessary or appropriate to carry out the purposes of this title.".

(b) Section "201(e)" of that Act is renumbered "201(c)" and amended by striking out "of the Law Enforcement Assistance Administration".

(c) Section "201(f)" of that Act is renumbered "201(d)".

(d) A new subsection "(e)" is added to read as follows:

"(e) There shall be established in the Office a Legal Advisor who shall be appointed by the administrator whose function shall be to supervise and direct the Legal Advisor Unit whose responsibilities shall include legal policy development, implementation, and dissemination and the coordination of such matters with all relevant departmental units. The Legal Advisor, when appropriate, shall consult with the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research, and Statistics on legal nonpolicy matters relating to the provisions of this Act.".

(e) Section "201(g)" of that Act is renumbered "201(f)" and amended by striking out "-five" and inserting "-six".

(f) New subsections "(g)" and "(h)" are added to read as follows:

"(g) The Administrator shall provide the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor with a detailed evaluation of the Rahway Juvenile Awareness Project, the so-called 'Scared-Straight' program or other similar programs, no later than June 30, 1981.

"(h) The administrator, in cooperation with the Director of the Bureau of Indian Affairs, shall conduct a study of juvenile justice and delinquency prevention policies, programs, and practices affecting native Americans and shall report on the results of that study to the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor no later than December 31, 1981. Such report shall contain recommendations regarding actions which should be taken, including suggested legislation, and shall address, at a minimum, the nature and quality of juvenile programs on Indian reservations, the impact of Federal Government activities on such programs, the consistency of ongoing efforts with the objectives of the Juvenile Justice and Delinquency Prevention Act, and the juvenile justice relationships between Indian tribes and contiguous units of local government.".

Sec. 202. (a) Section 204(b) of that Act is amended by striking out ", with the assistance of Associate Administrator,".

(b) Section 204(g) of that Act is amended by striking out "Administration" and inserting "Office".

Sec. 203. Section 207(c) of that Act is amended by inserting "and other handicapping conditions" immediately after "learning disabilities".

Sec. 204. Section 208(d) of that Act is amended by striking out "Corrections" and inserting "Justice".

Sec. 205. (a) Section 222(a) of that Act is amended by striking the last "and" and inserting immediately after "Pacific Islands" the following: ", the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States,".

(b) Section 222(b) of that Act is amended by striking out "the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands" and inserting "as defined in section 103(7),".

Sec. 206. (a) Section 223(a) of that Act is amended to read as follows:

"(a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with regulations established under this title, such plan must—".

(b) Section 223(a)(3)(iii) of that Act is amended by striking out "established pursuant to section 203(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

(c) Section 223(a)(3)(iv) of that Act is amended by striking out "section 520(b) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended," and inserting "section 1002 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended,".

(d) Section 223(a)(3)(B) of that Act is amended by inserting "special education," immediately before "or youth services departments".

(e) Section 223(a)(3)(C) of that Act is amended—

(1) by inserting "special education" immediately before "or social services for children"; and

(2) by inserting "and other handicapping conditions" immediately after "learning disabilities".

(f) Section 223(a)(15) of that Act is amended by striking out "mentally retarded and emotionally or physically".

(g) Section 223(a) of that Act is amended by striking out the last sentence.

(h) Section 223(c) of that Act is amended by striking out ", with the concurrence of the Associate Administrator,".

(i) Section 223(d) of that Act is amended by striking out ", in accordance with sections 509, 510, and 511 of title I of the Omnibus Crime Control and Safe Streets Act of 1968,".

Sec. 207. Section 224(a)(11) of that Act is amended by inserting "and other handicapping conditions" immediately after "learning disabilities".

Sec. 208. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by substituting "Priority Juvenile" for "Special Emphasis" each time it appears.

Sec. 209. Section 225(b) (5) and (6) of that Act is amended by striking out "planning agency" and inserting "advisory group".

Sec. 210. Section 225(b)(8) of that Act is amended by striking out "agency" the first time is appears and inserting "advisory group".

Sec. 211. (a) Section 228(b) of that Act is amended by striking out "not funded by the Law Enforcement Assistance Administration,".

(b) Section 228(g) of that Act is amended—

(1) by striking out "part" and inserting "title"; and

(2) by striking out "or will become available by virtue of the application of the provisions of section 509 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

Sec. 212. (a) Section 241(c) of that Act is amended by striking out "Law Enforcement and Criminal".

(b) Section 241(d) of that Act is amended by inserting "and special educational" immediately after "other educational".

Sec. 213. (a) Section 261(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of this title there as authorized to be appropriated $150,000,000 for each of the fiscal years ending September 30, 1981 and 1982, $175,000,000 for the fiscal year ending September 30, 1983, and $200,000,000 for each of the fiscal years ending September 30, 1984 and 1985. Appropriated funds not obligated by the end of each fiscal year, shall be allocated directly to the States participating in the Act on the basis of relative population of people under age eighteen for the purpose of implementing section 223 (a)(13), no later than January 1, of the subsequent fiscal year.".

(b) Section 261(b) of that Act is amended to read as follows:

"(b) In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under title I of the Omnibus Crime Control and Safe Steets Act of 1968, for juvenile delinquency programs, with emphasis on programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation. This subsection shall be waived when the total appropriations for each fiscal year under title I of the Omnibus Crime Control and Safe Streets Act of 1968 do not exceed $150,000,000. Implementation, including guidelines, of this subsection shall be the responsibility of the Administrator of the Office.".

Sec. 214. Section 262 of that Act is amended to read as follows:

"Sec. 262. Of the appropriation for the Office under this Act, there shall be allocated an adequate amount for administrative expenses other than those support services performed for the Office by the Office of Justice Assistance, Research, and Statistics.".

Sec. 215. Section 263 (a), (b), and (c) of that Act are amended to read as follows:

"Sec. 263. The amendments made by the Juvenile Justice and Delinquency Prevention Act Amendments of 1980 shall take effect upon enactment.".

TITLE III—AMENDMENTS TO THE RUNAWAY YOUTH ACT

Sec. 301. Amend the caption "TITLE III—RUNAWAY YOUTH" by inserting "AND HOMELESS" immediately after "RUNAWAY".

Sec. 302. Section 301 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended by inserting "and Homeless" immediately after "Runaway".

Sec. 303. (a) Section 302(1) of that Act is amended by adding "or who are otherwise homeless" after "permission".

(b) Section 302(2) of that Act is amended by adding "and homeless" after "runaway".

Sec. 304. (a) Section 311 of that Act is amended by inserting "(a)" immediately after "Sec. 311.".

(b) Section 311 of that Act is amended by adding at the end thereof the following:

"(b) The Secretary is authorized to make grants for the purposes of providing a national telephone communications system to link runaway and homeless youths with their families and with service providers.

"(c)(1) In addition, the Secretary is authorized to make grants and to enter into contracts with governmental and nonprofit private agencies for the purposes of providing counseling and other services to meet the immediate needs of runaway or otherwise homeless youth, youth in trouble or in crisis, and the families of such youth, in a manner which is outside the law enforcement structure and juvenile justice system.

"(2) The Secretary may provide technical assistance and training to such agencies who receive grants or enter into contracts under this subsection.

"(3) The size of the grant or contract shall be determined by the number of such youth and families in the community and the existing availability of such services.".

Sec. 305. (a) Section 312(a) of that Act is amended by striking the period and inserting "or who are otherwise homeless.".

(b) Section 312(b)(5) of that Act is amended by inserting "and homeless" after "runaway" the first time it appears.

Sec. 306. (a) Section 315(1) of that Act is amended by adding "and homeless" after "runaway".

(b) Section 315 of that Act is amended—

(1) by inserting "(a)" immediately after "Sec. 315."; and

(2) by adding at the end thereof the following:

"(b) The Secretary is authorized to design the information instruments required to collect any information necessary to comply with the reporting requirements of this section, and to assess the need for, and to determine the effectiveness of, programs and services funded under this part.".

Sec. 307. Section 341(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of part A of this title there is authorized to be appropriated $25,000,000 for each of the fiscal years ending September 30, 1981, 1982, 1983, 1984, and 1985.".

TITLE IV—MISCELLANEOUS CONFORMING AMENDMENTS

Sec. 401. Section 5316 of title 5, United States Code, is amended by striking out "Associate Administrator, Office of Juvenile Justice and Delinquency Prevention" and inserting "Administrator, Office of Juvenile Justice and Delinquency Prevention".

Sec. 402. Section 4351(b) of title 18, United States Code is amended by striking out "Associate".

Sec. 403. Section 1002 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"Sec. 1002. In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under this title, for juvenile delinquency programs, with emphasis on programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation. This section shall be waived when the total appropriations for each fiscal year under this title do not exceed $150,000,000. Implementation, including guidelines, of this section shall be the responsibility of the Administrator of the Office.".

Sec. 404. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by striking out "Associate" each time it appears.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BAYH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMISSION ON CIVIL RIGHTS AUTHORIZATION, 1980

The PRESIDING OFFICER. The Senate will now resume consideration of the pending bill, which the clerk will state.

The legislative clerk read as follows.

A bill (S. 2511) to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for fiscal year 1981.

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, is the bill open to amendment at this point?

The PRESIDING OFFICER. There is currently pending a committee amendment. It would take unanimous consent unless it is an amendment to the committee amendment.

Mr. HELMS. I see.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1104

(Subsequently numbered amendment No. 1775)

Mr. HELMS. Mr. President, I send to the desk an unprinted amendment to the committee amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1104:
>
> In line 2, page 2, strike "$11,719,000" and insert in lieu thereof "$6,000,000".

Mr. BAYH. Mr. President, a point of order, is this appropriate to have this amendment now, or wait until the committee amendment is adopted and then have it?

The PRESIDING OFFICER. The amendment offered by the Senator from North Carolina is an amendment to the committee amendment, and thus is in order.

Mr. HELMS. Mr. President, I shall not be long in discussing the pending amendment. The amendment speaks for itself.

Here we have one of the bureaucratic agencies which, if it ever had any useful purpose, has long since discharged it. Whether it has discharged it wisely or not is a matter of opinion.

But, in any case, I think all Americans will agree that it is time to cut down on the cost of all bureaucracy. That is precisely what this amendment proposes to do.

I call the attention of the Senate to the extravagant nature of the Civil Rights Commission.

Mr. President, the average executive salary for the Civil Rights Commission under this legislation is going to be $50,112 a year, beginning next fiscal year. The average salary below the executive level will be $25,092.

I reviewed the spending by this agency. The travel costs for this agency last year totaled $648,000, according to the information that I received; $604,000 for telephones, rent, utilities, that sort of thing.

If Senators are really serious about balancing the Federal budget, cutting down the cost of operating the Federal Government, then this simple little amendment, certainly, will be their dish of tea.

Therefore, Mr. President, I want Senators to go on record. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HELMS. I ask my distinguished colleagues to raise their hands over in the corner.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I would like the Senate to know exactly what we are in the process of doing here. The bill which is presently before us, to continue the function of the Civil Rights Commission, has cut the authorization request of $14 million in 1980 to $11.7 million in 1981.

So we have already made a significant cut. If we take that percentage cut and apply it to any other agency of Government, I defy anyone to find another one that has done it.

Add to that the fact that we have the kind of inflationary pressures that confront all of our agencies. These costs have to be eaten by the Civil Rights Commission. So, as far as its effective output and its ability to do the job to wipe out discrimination, we have to decrease the amount further by the cost of inflation, take out another 10 percent, or another $1 million or so.

I point out to the Senate that the Senator from North Carolina is one of those Senators who has added to the burden of the Commission. He added, and we accepted, a proposal last year, when we were going through the same authorization process, that the Civil Rights Commission look into the question of discrimination against ethnic groups.

The Senator from Indiana accepted that and the Commission is already involved in trying to complete that study. But they cannot complete that study out of tissue paper. That added to the burden that was already carried. Earlier, we added to the burden by suggesting that they should look at discrimination against older folks. They are now conducting that, in addition to their original mandate. We also added the burden of suggesting that they should look at discrimination against the disabled people of this country.

I think the Senator from North Carolina really wants to kill the whole Commission.

Mr. HELMS. Right.

Mr. BAYH. Then, why does he not just move that we have no appropriation? You might as well cut the whole darned thing out and kill the man as to cut him in half.

Mr. HELMS. I agree.

Mr. BAYH. Then I think the record should show that the purpose of this amendment really is to kill the Civil Rights Commission.

That has not been a popular commission in some places. It has not been popular for a commission to go in and say it is wrong to keep people from voting because they speak with a Spanish dialect or they have a Spanish surname. It is not proper to keep people from voting because they happen to be black. It is not proper to keep minorities out of job opportunities. That has not been popular in some areas.

I think it has been pretty well generally accepted that the job the Civil Rights Commission has done has had a practical effect on assuring equality of opportunity in our country as much as the Bill of Rights itself. It has been a tremendous spur toward full realization of the rights of our citizens.

The controversy involved is whether minority groups, as described, on racial grounds, should be studied and be given equal opportunity. That has been a source of real controversy where minority citizens have used the product of a Civil Rights Commission to show that they were being discriminated against. Basically, this Commission is responsible for putting together the data that showed that hundreds of thousands—indeed, over a million—of voters in just five States were not permitted access to the voting booths. We passed the Voting Rights Act, and that has stopped; and we now have a million voters who have the right to vote. I thought that had been pretty well accepted.

However, the Senator from North Carolina, as is his right, wants to kill the Commission. I point out to my constituents and to his that when you are killing the Civil Rights Commission, you are also killing an effort to try to keep people from discriminating against older folks.

I have listened to the tale of discrimination where older folks are not permitted to get housing in a housing complex. I have seen them discriminated against where, above a certain age, they cannot get a job.

Is this a time the Senator wants the older folks of this country to be denied the protection of the Civil Rights Commission?

I have listened to the tale of people who are not able to walk as some of us are, people who are physically impaired, being discriminated against, denied job opportunities they are capable of fulfilling, denied the opportunity of housing, just because they do not look like the rest of us.

I think it would be very wrong for us to send a message throughout the country that the U.S. Senate is not willing to continue an operation that is the major source of protection for those groups of citizens who are being discriminated against in this regard.

As I say, I respect the Senator's right to offer that amendment. It may be offered as a cost-cutting amendment. But it is like telling a fellow whose hair you are trying to trim that you are going to cut off his head.

The purpose really is to kill the Civil Rights Commission. Unfortunately, if the Senator from North Carolina is successful, that will be the effect. I hope my colleagues, now that we are in the year 1980, will not have the U.S. Senate go on record as being against the progress that has been made to assure first-class citizenship for all our citizens.

Mr. HELMS. Mr. President, the Chair will forgive me while I wipe my eyes, after having heard the impassioned comments of the Senator from Indiana.

Let me tell the Senate what the Civil Rights Commission is all about, and let me offer one illustration, just one.

The University of North Carolina has established a record, through the years, as one of the most liberal institutions in this country. I do not think anybody would question that. It has leaned over backward in terms of civil rights of all kinds. It was in the forefront of integration at a time when it was highly unpopular in my State.

Yet, what we have today, all across this so-called civil rights spectrum, is harassment of this great university. Confrontations are constantly in progress, misrepresenting the character and good faith actions of the University of North Carolina, its board of governors, its president, Bill Friday. Bill and I went to college together. Bill Friday will forever have my undying admiration for standing up to the Feds.

The simple truth is that the Civil Rights Commission is involved up to its ears in political matters. It is lobbying. It is publishing propaganda for causes which I realize the Senator from Indiana supports. Of course, he likes it the way it is. I do not like it the way it is, because I reject the notion that Federal money should be used for lobbying purposes. I will have an amendment on that subject later on in this debate.

It is in this context that I view tears being shed about what a great job the Civil Rights Commission is doing. The simple truth is that the Commission's record is not good. It is spending the taxpayers' money at an inordinate rate, paying salaries that I imagine are double——

Mr. BAYH. Mr. President, will the Senator yield?

Mr. HELMS. Not now, if the Senator will forbear. I did not interrupt the Senator.

Mr. BAYH. I will be perfectly glad to yield for a question, if the Senator wants to ask me.

Mr. HELMS. Mr. President, the distinguished Senator does not have the floor, so it is not a matter of his yielding. I have the floor.

The PRESIDING OFFICER (Mr. INOUYE). The Senator does not yield.

Mr. HELMS. The Senator chose to cast certain aspersions my way, and that is fine. But I want to set the record straight, that we are not talking about a noble agency. It is a political agency, and there is abundant evidence to that effect.

If the Civil Rights Commission cannot operate on $5 million, then they perhaps need some other people to operate it. I am willing to give them enough money to do the things they are supposed to do, but I want to cut off the money now being spent for things they are not supposed to do. That is it, in a nutshell.

Regardless of what the Senator from Indiana says or anybody else says, this is a waste of the taxpayers' money. Any Senator who votes even for the amount of $11.719 million had better not be deluded into thinking this is a cut. It is not a cut. This is the same amount they spent the previous year.

I yield the floor.

Mr. BAYH. Mr. President, will the Senator permit me to address a question to him, or does he not want questions?

Mr. HELMS. I will be glad to answer any question to which I know the answer.

Mr. BAYH. We are dealing here with an authorization bill. What was the authorization that Congress adopted last year?

Mr. HELMS. As I understand it, it spent $11.719 million.

Mr. BAYH. The Senator is wrong. It was $14 million.

Mr. HELMS. How much did they spend?

Mr. BAYH. The appropriated amount was $11.7 million. We are not dealing with an appropriation bill. We are dealing with an authorization bill. So we have cut $2.3 million out of the authorization.

Mr. HELMS. The Senator is splitting hairs. I want to cut back the activities, to limit them to its legitimate functions.

Mr. BAYH. The Senator has been very honest with us. He wants to kill it.

Mr. HELMS. I want eventually to eliminate it, but I do not propose to do it in one whack. I want to cut out its political activities.

Mr. BAYH. The Senator wants to torture it to death.

Mr. HELMS. Torture? I wish somebody would torture me with $5 million. [Laughter.]

Mr. BAYH. If the Senator were subjected to the kind of treatment some of these people whose rights we are trying to protect were subjected to, I do not think he would take such a cavalier approach to this.

He mentioned that this was a political operation. I assume the Senator knows who the chairman of the Commission is.

Mr. HELMS. It does not matter.

Mr. BAYH. Does the Senator know who the chairman of the Civil Rights Commission is?

Mr. HELMS. I do not know. I do not really care. It is the activity of the Commission staff that concerns me.

Mr. BAYH. I do not want to cast aspersions, but I think that is a relevant question, because he happens to be Arthur Flemming, a Republican, appointed as the first Secretary of HEW by a man named Eisenhower. The last time I checked he was a Republican.

Mr. HELMS. What does that have to do with the price of eggs in China?

Mr. BAYH. I am not too sure what that has to do with the price of eggs in China; perhaps nothing.

Mr. HELMS. If the Senator from Indiana wants someone to debate with him about Mr. Flemming, I am not interested. I do not know whether the Senator is trying to say that President Eisenhower did not make any mistakes. What is the Senator saying?

Mr. BAYH. The Senator from North Carolina suggested that this Commission was playing politics.

Mr. HELMS. It is.

Mr. BAYH. I point out that the head of it is a pretty good card-carrying Republican. Maybe he does not fit the bill of the Senator from North Carolina, but he is not partisan.

Does the Senator know who the latest appointee is to the Commission?

Mr. HELMS. The Senator will please tell me. I am fascinated with his evaluation of various Republicans.

Mr. BAYH. I will be glad to, because her husband ran against me for the U.S. Senate—Bill Ruckelshaus, and he is about as good a Republican as there is around.

Is the Senator accusing Jill Ruckelshaus and Arthur Flemming of playing politics? They are not. I do not want to get involved in acrimony at my friend from North Carolina.

The fact of the matter is it is awfully difficult to describe any activity that this organization is involved in that is political activity as it is normally described.

The Senator from North Carolina suggested that the Civil Rights Commission was involved in that North Carolina suit. I simply wish the RECORD to show that the Civil Rights Commission does not have anything to do with that. It is Justice Department and HEW that have brought that suit.

Mr. HELMS. If the Senator will yield, he is 180 degrees wrong if he says that the staff of the Civil Rights Commission does not have anything to do with it.

Mr. BAYH. The suit was brought by the Justice Department and HEW. I do not see the Civil Rights Commission's name on that suit. I am not aware of all the facts. But the facts are the Civil Rights Commission is not involved in a suit against the North Carolina University system.

Mr. HELMS. Not of record, no. The Senator is right about that. But Commission staff members have been up to their ears involved in the North Carolina suit on the staff level, these $50,000 a year staff members.

Mr. BAYH. The Senator from North Carolina talked about the large size and the weight of the executive salaries. Does the Senator know how many of these executives we are talking about?

Mr. HELMS. I can get the figures. The number does not matter. I just looked at the salary figures in the cloakroom. Does the Senator wish me to get them? I am sure he has them before him.

Mr. BAYH. Since this is such a cause celebre, he is concerned about it, we might like to know whether we are talking about thousands or dozens. We are talking about nine executives.

Mr. HELMS. Too many, if they have time to engage in political harrassment.

Mr. BAYH. One is too many to the Senator from North Carolina.

Mr. HELMS. The Senator from Indiana is reading my mind if he is talking about political harrassment.

Mr. BAYH. I would rather not get involved in that complicated process because the Senator thinks differently on this subject than do I, and he is within his right to do so.

Mr. HELMS. That is correct. I thank the Senator.

Mr. BAYH. Why do we not sort of rest our difference of opinion here and let the Senate decide this? I do not want this to really intensify in kind of personal feelings that I fear might be present because I share no ill-will or personal acrimony toward the Senator from North Carolina. I think he is flat-out wrong on what the Civil Rights Commission is designed to do.

Mr. HELMS. Mr. President, that makes

it a two-way street. I, in turn, think the Senator from Indiana is flat-out wrong. I have great affection for the Senator from Indiana, but I just feel obliged to make my views known concerning the Civil Rights Commission.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. I understand there is a previous order that there shall be no votes prior to 5:30 p.m.; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Which means that any amendment called up must be laid aside if another amendment is to be called up. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, with the understanding that the pending amendment will be voted on first, I ask unanimous consent that it be laid aside so that I may call up a second amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object, and I shall not object, I wish to say that I intend to try to get the leadership not to bring up this vote this evening. I do not know what the will of the Senate will be on it. But I simply want the Senator from North Carolina to know that is my intention.

Mr. HELMS. I am sorry. I did not hear what the Senator's intentions are.

Mr. BAYH. The Senator from Indiana wishes for this to be voted on tomorrow instead of this evening, and for that reason I am going to try to talk to the leadership or exercise whatever rights I might have to see that we accomplish that goal.

I see no reason why that would inconvenience the Senate. We can put them back to back.

The Senator's request is certainly in order, that the cutting amendment that he has proposed will be the first in order and then he can offer whatever other ones he wishes to offer.

Mr. HELMS. If the Senator will yield, is he saying that there will be no votes on this measure tonight?

Mr. BAYH. If the Senator from Indiana has his way, that will be the case. I am not sure that he will. But that is what I wish to see accomplished.

I thought this matter had all been resolved. Several Senators have been told that there was not going to be objection to this, and rather obviously they had not checked with the Senator from North Carolina. He is doing exactly what he has the right to do.

The PRESIDING OFFICER. Is there objection to the Senator's request?

Mr. HELMS. Mr. President, I do not want the Chair to infer that I am insisting on a vote this evening. I wish to be accommodating to the Senator from Indiana. If I implied I would insist on a vote this evening, I want to make it clear I will not.

Mr. BAYH. The Senator is clear on that.

The PRESIDING OFFICER. The prior order indicates that votes are not to be cast before 5:30 p.m. That would mean tomorrow afternoon.

Mr. HELMS. Wednesday afternoon, or Thursday morning?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. It is a little difficult to know how to operate in the Senate. Yesterday we debated a measure 4 hours and we were trying to accommodate Senators coming and Senators going, and those of us who stayed here scarcely knew when to try to be prepared to vote. But no matter.

Whatever time suits the distinguished manager of the bill suits this Senator.

The PRESIDING OFFICER. Without objection, the Senator's first amendment will be set aside and the second amendment will be taken up.

UP AMENDMENT NO. 1105

(Subsequently numbered amendment No. 1776)

(Purpose: To prevent U.S. Civil Rights Commission from engaging in lobbying activities before either the U.S. Congress or the various State legislatures)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1105.

Mr. HELMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 2, strike the word, "and," after the semicolon;

On page 2, line 4, strike the period ".", and insert a semicolon ";";

On page 2, line 5, add the following:

"(3) by striking 'For the purposes of' in the first line of section 106 of the Civil Rights Act of 1957, as amended, and inserting in lieu thereof '(a) For the purposes of'; and

"(4) by adding at the end of section 106 of the Civil Rights Act of 1957, as amended, the following:

" '(b) Notwithstading the provisions of any other section of the Civil Rights Act of 1957, as amended, if, on a finding of the Comptroller General that the United States Civil Rights Commission has engaged in lobbying activities either in favor of, or in opposition to, various bills, resolutions, matters, etc., pending either before the U.S. Congress or any of the various State legislatures during fiscal year 1980, the authorization level for the Commission's activities for fiscal year 1981 shall be automatically reduced by $1,17,900, which is approximately 10 percent of its fiscal year 1981 authorization.' "

Mr. HELMS. Mr. President, earlier today I was reading the committee report on S. 2511 and I was very much interested in the minority views of the distinguished Senator from Utah (Mr. HATCH). Mr. HATCH, as a member of the committee, obviously understands, as does the Senator from North Carolina, the political nature of the activities of the Civil Rights Commission.

I commend the minority views of Senator HATCH to my colleagues. I ask unanimous consent that the minority views of Senator HATCH be printed at this point in the RECORD.

There being no objection, the minority views of Senator HATCH were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF SENATOR ORRIN HATCH OF UTAH

I have come increasingly to feel that the civil rights agenda of this nation is far too important a matter to be left to the definition and determination of the U.S. Civil Rights Commission. The struggle for equal rights for all citizens remains one of the dominant concerns of public policy as this nation enters the 1980's. It remains one of the noblest and most enduring pursuits of our time. It is a cause, however, that has been increasingly trivialized by an agency that is rigid and ideological in its approach to this problem.

Although I have supported increasing levels of authorization for the commission in the past, I can no longer justify my support for an agency whose conception of "civil rights" is so at variance with my own and, I believe, with the majority of the American people. The mass of reports and studies published annually by the commission demonstrate a total lack of sensitivity by the commission to the concerns of persons who do not share their monomaniacal views on "civil rights". The Catholic League For Religious and Civil Rights has observed, for example, that:

"* * * the lack of independent scholarship, reasoned discussion, and total disregard for opposing views is apparent throughout the committee's discussion of the abortion issue."

The Committee on Academic Nondiscrimination, an organization of university academics, has observed in testimony before the committee:

"The proceedings of the hearings of the commission reveal recurrent meetings of friends-in-cause who gather to survey the progress of past designs and chart new drives . . . they look to canvass new areas in which to extend governmental regulations, and to search for new justifications for their past rigid attitudes. The cast of invitees and the conduct of the proceedings betray more a desire to buttress preconceived ideas than a search for truth in an honest and impartial fashion . . . the commission acts on behalf of extremely partisan and doctrinaire views."

Illustrating, in my opinion, either the stridency, the irrelevancy, the misguidedness, or the casual attention accorded to its charter and to the Constitution, by the commission is the following activity:

(1) *Affirmative action.*—The commission has been an unremitting supporter of "affirmative action" and racially based quotas. There is no policy that has done more to undermine traditional American values than that of "affirmative action". It is a policy that is violative of the most fundamental conceptions of "equal protection", and a policy that, rather than contributing toward harmony of the races, has done much to create new antagonisms. It is a policy that is totally inconsistent with the traditional goal of the civil rights movement—individual treatment, regardless of race, creed, religion, or color. The commission has contributed toward the institutionalization in American society of this extremely unfortunate policy, despite its somewhat perfunctory acknowledgement that affirmative action in education and employment "may affect the expectations of non-minorities."

The commission itself employs fully 50% of its staff from among a single racial minority group. Is this the commission's notion of "affirmative action"?

(2) *Lobbying.*—Despite prohibitions against lobbying, the commission has actively engaged in communications with Congress

and the state legislatures aimed at promoting or defeating legislation. Among some of the more controversial issues in which the commission has taken part are the equal rights amendment, the equal rights amendment extension, the District of Columbia amendment, the Fair Housing Act amendments, school busing limitations, and antibortion provisions.

(3) *Abortion.*—Despite an absence of authority in their charter, the commission actively engaged itself in the abortion controversy within Congress until 1978 when an explicit limitation was placed upon such involvement. The commission has gone so far as to suggest that proposed "right-to-life" amendments to the Constitution were "unconstitutional". Despite the ban on abortion activity, the commission has continued to distribute its past literature on the subject.

(4) *Equal rights amendment.*—Although substantial and highly controversial issues surround the proposed equal rights amendment that are not at all related to commitment to equality for women, the commission has referred to the ERA as the "sine qua non of legal equality for women". Commission staffers have actively lobbied for the amendment in the state legislatures in addition to conducting numerous "educational" efforts on its behalf.

(5) *District of Columbia amendment.*—Again oblivious to the significant constitutional issues that surround the proposed District of Columbia voting rights amendment, the commission has actively worked in behalf of its ratification by testifying before state legislatures.

(6) *School Busing.*—The commission has consistently defended and issued reports in behalf of forced school busing, both within large cities and between communities within metropolitan areas. This despite the fact that large majorities of both minorities and nonminorities continue to oppose the practice, and despite the fact that increasing numbers of studies are unable to identify benefits, either social or academic, that would overcome the substantial disruption accompanying school busing orders. In many communities, such forced school busing has contributed to increased segregation by driving many families into private schools, or into the suburbs.

(7) *Communications "stereotyping".*—The commission has issued a series of reports on sex and race "stereotyping" on television. The recommendations issued by the commission have been called "chilling" by the press, with the Washington Post commenting upon the agency's insensitivity to the value of the 1st amendment. In the same vein, the commission has embarked upon a campaign to analyze school textbooks for traces of "Role Stereotyping".

(8) *Private Schools.*—The Commission has voiced its enthusiastic support for the efforts of the IRS to dictate admissions policies to private schools. Under the proposed IRS guidelines, private institutions would be subject to a loss of their tax status upon a showing of "insufficient" numbers of minority students.

(9) *Census.*—The commission has indicated that it will conduct a study of the civil rights implications of state and local districting and redistricting efforts following the 1980 census. Will the commission, as is its wont, find discrimination in the fact that minorities or women do not comprise the precise proportion of a state legislature or congressional delegation as they comprise total population? Will the commission encourage efforts to involve the courts in dictating district boundaries to states and localities?

(10) *Sex "discrimination".*—The commission has expended inordinate amounts of effort and resources investigating the discriminatory implications of all-male softball teams, sex biases in actuarial tables, university expenditures for all-male football squads, sterilization programs, and a plethora of other subjects only tangentially related to the deepset and most intractable problems of discrimination in our society.

(11) *Prisons and the urban crisis.*—The commission has conducted a number of studies on the condition of prisons in the United States, including over-crowding, vocational, programs, medical services, staff recruitment, etc. Why the commission should be using its scarce resources on this sort of research is a bit unclear. The same goes with their sweeping analyses of the "urban crisis". What does all of this have to do with the civil rights mandate of the commission? Another pending study on the "civil rights implications of energy policy" is reported to be critical of energy price decontrol policies.

(12) *Religious and ethnic discrimination.*—Until very recently, the commission has almost totally ignored its statutory responsibilities to investigate discrimination on account of religion or ethnic origin. It has focused almost solely on the more fashionable issues of racial and sexual discrimination. The Polish-American Congress, for example, has testified that the commission has totally ignored the "mockery and ridicule" frequently directed at Polish-Americans in various aspects of American life.

The past decade has not been a good one for sacred cows in this country. I believe that it may be about time for this body to give a longer look at where the Civil Rights Commission is heading. The Commission has become increasingly anachronistic and, more important, increasingly irrelevant. Its copious production of reports and surveys and studies generally go unheard in Congress and, I would guess, in most other circles where some semblance of dispassionate and detached analysis is required. The agency has been captured by a coterie of individuals whose views on civil rights and whose views on the American experience is totally at variance with prevailing sentiment in this country. If these individuals wish to pursue their own notions of civil rights, that is their right in a free country. It is not their right, however, to do this with millions of dollars in taxpayer dollars. The goal of equal rights for all Americans is too critical to allow it to be given a bad name by any governmental agency.

Mr. HELMS. Mr. President, in his minority views, Senator HATCH points out that despite prohibitions against lobbying the U.S. Civil Rights Commission has in fact, and I quote the Senator, "engaged in communications with Congress and the State legislatures aimed at promoting or defeating legislation." Some of the controversial issues with which the Commission has been involved in regard to such lobbying activities are those of the equal rights amendment, the equal rights amendment extension, the District of Columbia voting rights amendment, the Fair Housing Act amendments, school busing limitation, and antiabortion provisions.

As I tried to say earlier, it borders on the unconscionable that the Civil Rights Commission, using an undeserved aura of nobility, should be using the taxpayers' dollars in direct contradiction of directives given to it, that is to say, to violate the directives against lobbying either Congress or the State legislatures on such matters because, after all, these matters do have two sides. They are political in nature. The American people are divided on them. And in some of the instances the American people are preponderantly opposed to the position taken by the Civil Rights Commission.

That means blacks, whites, and all the rest. Yet I have had repeated reports of the Commission staff collaborating with the Justice Department and other agencies, and harassing and intimidating the University of North Carolina and the Lord knows how many other institutions.

Yet here we come with this authorization bill saying, "Oh, what a noble, noble outfit this is. Mr. Arthur Flemming is the chairman of it and he was appointed by a Republican President."

Well, I do not care who appointed him. My concern is, how is the Civil Rights Commission being operated?

There is a plethora of evidence that it is operating in contradiction of the instructions given to them.

I believe the only sure way to prevent such activities in the future is to hit the Commission where it hurts, and that is in its funding authorization. That is the purpose of this amendment.

I know the Senator from Indiana is going to cry, "Oh, the Senator from North Carolina wants to kill the Civil Rights Commission," and he is correct. Eventually I do. But I am willing to give it a chance to phase out consistent with its responsibility; that is all this amendment proposes to do.

I assume, Mr. President, that this amendment will be voted upon subsequent to the first amendment that I offered.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. BAYH. Mr. President, I think the use of the Senate's time to discuss the well-intentioned but, unfortunately, undocumented charge of political activity by the Commission would be a waste.

The Senator from North Carolina, after first talking about wanting to cut the budget and save money, fight inflation, now has been very forthright with us. He has said he wants to kill the Commission.

It seems to me the U.S. Senate needs to stand up and put the record straight. The U.S. Senate has been one of the real bastions of protection of the rights of American citizens, and I do not believe that under some thinly veiled disguise of efficiency or partisanship, the U.S. Senate is going to retreat from its age-old position of being that one institution in this Government that could be counted on to stand up and see that no one Member or one citizen could have his or her rights not protected in this country.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 2698

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Senate proceeds to the consideration of Calendar Order No. 755, S. 2698, a bill to provide authorizations for the Small Business Administration, there be a time agreement thereon as follows:

One hour equally divided on the bill, the time to be controlled by Mr. NELSON and Mr. WEICKER; 30 minutes on any amendment, equally divided in accordance with the usual form; 2 hours equally divided on an amendment by Mr. BELLMON dealing with disaster relief loan assistance; 20 minutes equally divided on any amendment in the second degree; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; that the agreement be in the usual form; provided further that the measure not to be considered until next week or until after the completion of the conference report whichever is the later.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That not before the week beginning May 26, 1980, or before the conference on the Budget Resolution is completed, whichever is later, the Senate shall proceed to the consideration of S. 2698 (Order No. 755), a bill to provide authorizations for the Small Business Administration, and for other purposes, with debate on any amendment in the first degree to be limited to 30 minutes (except an amendment by the Senator from Oklahoma (Mr. BELLMON), relative to disaster relief, on which there shall be 2 hours), to be equally divided and controlled by the mover of such and the manager of the bill, and with debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. NELSON) and the Senator from Connecticut (Mr. WEICKER): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, for the purpose of clarifying the agreement which was entered into the intent was to provide that the small business bill would not be taken up until action in conference on the first concurrent budget resolution is completed or next week whichever is the later.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2511 be set aside for the time being and that on Thursday morning at 10:30 the Senate resume consideration of S. 2511 and, without further debate or amendment, the Senate proceed to dispose of the Helms unprinted amendment No. 1104; that upon the disposition of that amendment, without further debate or amendment, the Senate proceed to the disposition of unprinted amendment No. 1105 to the committee amendment; that upon the disposition of that amendment, the Senate proceed immediately, without further debate or amendment, to the consideration of the committee amendment; that upon the disposition of the committee amendment, without further debate, amendment, motion, or point of order, the bill be advanced to third reading and immediately, without further debate, motion, or point of order, to final passage; and that upon the disposition of the vote on final passage, there be no time on the motion to reconsider.

Mr. BAKER. Mr. President, reserving the right to object—and I am hesitant to reserve even for this purpose, because the majority leader, I would like the RECORD to show, has been extraordinarily cooperative in trying to arrange time for further consideration of this measure to accommodate certain Senators, including this Senator, and I am grateful for that. But, in view of the complex nature of the request just given, I would ask if the majority leader, without having to restate the request, would give us just a moment to check one or two provisions of it.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. If we can do that, I think we can accommodate that request.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further action on S. 2511 be postponed until 10:30 a.m. on Thursday, at which time the Senate will resume its consideration of S. 2511. I ask further, Mr. President, that, at that time, no further debate be in order; that the Senate proceed immediately to the disposition of unprinted amendments 1104 and 1105, in that order, both by Mr. HELMS; that there be no debate in order on either of the two; that no amendments be in order on either of the two; that points of order be waived to the two, if such would otherwise lie; that the motion to table not be waived in respect to either of the two; that, upon the disposition of unprinted amendment 1105, the Senate proceed without further debate or amendment, motion, or point of order, to the consideration of the committee amendment; that upon the disposition of the committee amendment, without further debate, amendment, or motion or point of order, the Senate proceed to third reading and immediately to final passage without further debate and without further motion; and that upon the disposition of the bill S. 2511, there be no time on any motion to reconsider.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—I do not plan to object—as I understand the provisions of the request just made by the majority leader, the practical effect will be to put off final passage and final consideration of the two amendments by the distinguished Senator from North Carolina until Thursday morning, and to provide that no other amendments will be in order, and that no points of order can be made against the two amendments, and no amendments can be made to the two amendments, and proceed to the consideration of the committee amendments and final passage in the ordinary course of business ad seriatim beginning at 10:30 Thursday morning?

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. Mr. President, I am loath to ask this, but I have a request from this side from one Member who asked if we can change the 10:30 until 11 o'clock, and with that change, as far as I know, we have no further complications.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I will once again express my gratitude to the majority leader for accommodating a difficult set of circumstances.

Mr. ROBERT C. BYRD. The minority leader is welcome.

Mr. HELMS. Mr. President, reserving the right to object, I want the majority leader to know it is not I who wanted to delay it further.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It is understood that motions to table the amendments of the distinguished Senator would be in order.

Mr. BAKER. Now, it is 11 o'clock.

Mr. ROBERT C. BYRD. Yes. I made that request.

Mr. BAKER. I thank the majority leader.

Mr. HELMS. I, likewise, thank the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

The text of the agreement follows:

ORDER No. 757

Ordered, That on Thursday, May 22, 1980, the Senate resume the consideration of S. 2511 at 11 o'clock a.m. and that without further debate or amendment the Senate proceed to the disposition of unprinted amendment No. 1104, and following its disposition and without further debate or amendment the Senate proceed to dispose of unprinted amendment No. 1105, with no point of order in order with regard to either amendment. Upon disposition of these two unprinted amendments the Senate shall, without further debate, amendment, motion or point of order, proceed to the committee amendment as amended if amended, and following the committee amendment the Senate shall, without further debate, amendment, motion or point of order proceed to third reading of the bill and without further debate or motion to final passage of the bill, with the motion to reconsider to be decided without debate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 1 hour, and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPETITION AND CONSUMER CHOICE IN HEALTH CARE

Mr. DURENBERGER. Mr. President, competition and consumer choice in health care are gaining more and more momentum every day. As an advocate of this response to our Nation's health care problems and as the main sponsor of S. 1968, the Health Incentives Reform Act, I am most encouraged by the fact that support is coming from diverse quarters.

Persons with different interests and concerns about our current system of health care are coming to the same conclusion. As an article in the Minnesota Daily put it:

> One thing is certain, National health insurance cannot possibly accomplish what its proponents seek: lowering of costs, provision of efficient, effective care, and the availability of "free" care for all . . . (competition) on the other hand, would bring us a step closer to high-quality, reasonably-priced health care . . .

Mr. President, I ask unanimous consent that the article on the competitive approach to health care from the May 9 issue of the Minnesota Daily be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH CARE AND THE FREE MARKETPLACE

(By Paul Westman)

For a long time, inflation-ridden health-care costs have been a major concern of citizens, their representatives in Congress and the White House. Two solutions to the problem are offered: infusion of competition and substantial deregulation of the health care industry, or governmental regulation and/or socialization of health care services.

At first glance, one might suppose a majority of Americans favor the former approach. If this is the case, it is not reflected in the attitudes of most elected officials. Both Senator Kennedy's (D-Ma.) and President Carter's proposals for cost containment and national health insurance depend on massive governmental intervention to "solve" the problem of high health care costs. Unfortunately, massive government intervention does not solve problems. it aggravates them.

Economists George and Joan Melloan note that in managing health care services ". . . the contrast between the government's experience . . . compared with . . . private industry, is striking. It points up dramatically a fact that Washington seems to have completely lost sight of. And that is that costs can be better controlled by the private sector than by the public sector. When there is a dollar-and-cents savings available to a company or an individual, it will be taken. But when the saving is to be made from the public purse, the incentive is missing."

What of the competitive approach? Oddly enough, it has few champions. For a country presumably dedicated to the concept of free enterprise, this is puzzling. In fact, it signals how thoroughly modern America has rejected the principle of economic freedom.

Fortunately, Minnesota's Senator Dave Durenberger has taken the first step toward a competitive system by introducing Senate bill 1968, the Health Incentive Reform Act, dealing with employer health plans. It does not represent full competition in health care, but it is a step forward, and a welcome break from the prevailing interventionist philosophy in Washington.

Unfortunately, there appears to be an absence of strong public pressure for competition generally, a fact that may hurt the bill's chances. Why is there an absence of public pressure?

First, public debate on many major issues is incomplete, often emphasizing different methods of implementation rather than fundamentals. One neglected factor, for example, is whether we ought to tackle the problem of rising costs by regulation and government intervention or by deregulation and free competition.

Before Senator Durenberger introduced S. 1968, all of the major proposals to control health care costs—Senator Kennedy's, President Carter's, the Ribicoff-Long Act—relied on socialization or regulation, not competition. The fundamental issue of health care debate—the choice between competition and intervention—has been completely ignored.

Second, specific proposals on methods of implementation are extremely complex. Most people have neither the time nor the inclination to master such proposals; besides—and rightly so—they regard such mastery as the job of elected officials.

Third, fundamental alternatives are rarely, if ever, clearly stated or even debated. The public has been frozen out of the most important part of the decision-making process, and certainly excluded from steps where their judgment is as valid as that of Congress and their advisers.

In the final analysis, the public, understandably confused and a little suspicious, simply ends up demanding that something be done, and expects public officials to make sensible choices as to what that something will be.

The Health Incentives Reform Act has two key provisions:

First, any employer with more than 100 employees now offering a health benefit plan would be required—in order to qualify for tax breaks—to offer at least three plans furnished by different carriers. Employers not offering a health plan remain unaffected.

Second, employers would have to contribute equally to whatever plan the employees chose, with a stated upper limit on the tax-free portion of the contribution. The purpose of this provision is to encourage consumers of medical care under company plans to economize to some degree when seeking medical attention, by making them absorb a larger portion of their own costs.

As Durenberger stated in a speech before the Federation of American Hospitals on February 9th ". . . we will induce competition where little exists now. Innovative plans will be stimulated in the hope of gaining a larger share of the employee group; alternate delivery systems will be given a chance to compete on an equal basis—neither at an advantage nor at a disadvantage. And the carriers themselves will be encouraged to see that providers are delivering efficient care."

Other requirements, more noxious from a free-market standpoint, set minimum benefit standards. Plans must cover a worker's family, continue benefits to family members (for a time) after the employee dies, is divorced, or moves on to other employment and limit employee cost-sharing to $3,500 per family in order to provide catastrophic coverage.

Although compliance with the provisions of S. 1968 is not mandatory, the employees of firms who choose not to comply would be forced to count employer health contributions as taxable income. This is the incentive in the Health Incentives Reform Act. Since the bill pertains to firms of 100 employees or more, it would affect about one-half of the work force.

Employers, of course, will be faced with new cost and administrative burdens if S. 1968 becomes law. Durenberger, however, is confident that these additional costs would be offset by savings in health benefit costs resulting from increased competition. The estimated cost to the federal government would be zero.

It is important to understand what Durenberger's proposal is and what it is not. It is not an attempt to introduce full-scale competition into the health care industry. Such a proposal would have to be much more far-reaching than S. 1968.

If health care were truly competitive, the medical profession (the American Medical Association) would not have the power to effectively limit the supply of physicians, nor would license requirements and other legal obstacles be raised to restrict entry into chiropractic, osteopathy and similar professions. The same is true of legal obstacles before private paramedic and other free market alternatives to traditional health care methods.

Moreover, S. 1968 ignores the government's own contributions to the high cost of health care. Medicare and Medicaid, for example, exert a strong upward pressure on costs by insulating recipients from the pressures of the marketplace, increasing the percentage of health costs borne by the public, and encouraging fraud and waste.

Furthermore, S. 1968 is itself a national health plan of sorts—albeit a well-conceived and sensible one—and the fact that compliance is induced through tax incentives rather than mandatory directives doesn't make it less so.

Thus, passage of Durenberger's bill would not mean "competition in health care'" but, rather, "greater competition in health care." That alone, however, makes it worthy of passage. S. 1968 is in every sense an alternative to other proposals before the Senate.

Not surprisingly, health care interest groups either oppose Senator Durenberger's bill or lean toward opposition. These include the Blue Cross and Blue Shield Association, the U.S. Chamber of Commerce, the Health Insurance Association of America, the National Association of Life Underwriters and the American Medical Association.

Perhaps the most determined opposition comes from the AFL–CIO. The labor giant fails to appreciate that its members might have to bear a greater portion of the costs of their own medical care. Instead, the AFL–CIO would prefer the general public assumed this burden.

Like all pressure groups, these organizations know where their bread is buttered—and that is most decidedly not in the competitive marketplace.

Although presidential inflation adviser Alfred Kahn was enthusiastic about Durenberger's bill, President Carter has indicated that he will seek to have the heart of the bill—the limit on employer contributions—removed.

Senator Durenberger and his staff are confident that S. 1968 will win ultimate passage, despite the obstacles. It remains to be seen whether such optimism is warranted.

One thing is certain. National health insurance cannot possibly accomplish what its proponents seek: lowering of costs, provision of efficient, effective care, and the eventual availability of "free" care for all. Passage of Senator Durenberger's bill, on the other hand, would bring us a step closer to high-quality, reasonably-priced health care—and at the same time preserve a small measure of our rapidly diminishing economic freedom.

TAX EXEMPT HOUSING BONDS

Mr. DURENBERGER. Mr. President, on May 14, 1980, the Committee on Finance favorably reported a well-intentioned but potentially disastrous sense of the Senate resolution. This resolution stated that any legislation affecting tax-exempt housing bonds issued by State and local governments would not contain any provisions rendering interest paid on bonds issued prior to December 31, 1980, taxable if that interest would not be taxable under present law. The proceeds from the sale of the bonds would be required to be placed with homebuyers by December 31, 1981.

I cast the lone vote against this resolution because I am convinced that such action will endanger the responsible, long-term use of tax-exempt housing bonds.

I am a strong advocate of tax-exempt housing bonds because I have seen them work well in Minnesota. I also recognize that abuses have occurred.

The sense of the Senate resolution, however, will do nothing to limit the abuses. In fact, it may very well have the opposite effect. This resolution will encourage some bond attorneys and underwriters to make deals that simply should not be made. These bad examples will encourage Congress to enact legislation so restrictive that tax exempt housing bonds will become a thing of the past.

The previous session of the Minnesota Legislature passed a bill known as the Schreiber-Humphrey bill, to control at the State level the use of tax-exempt bonds for housing. This type of responsible action has negated the need for Federal regulations of housing mortgage bonds. In Minnesota it would be considered just plain overkill.

The cities of Minneapolis and St. Paul have made wise use of this method of financing housing to rebuild their cities, retain residents in their communities and attract people back to the central cities.

Small cities around the State of Minnesota have also made good use of this method to increase their housing stock and help young families to purchase their first home.

The Minnesota Housing Finance Agency has a very commendable record of providing housing that otherwise would not have been available without the use of tax exempt housing mortgage bonds. Since 1971 when the agency was formed, they have provided the following units:

Apartment units	14,370
Single family home mortgages	8,700
Home improvement loans	22,000

Total dollars in loans provided by the agency using mortgage revenue bonds are:

[In millions]	
Apartment development	$414
Developmentally disabled (group homes)	4.1
Single family home mortgages	265
Home improvement loans	105

Besides providing housing that may not otherwise have been built, the economy, State, and Federal, is enriched with the jobs provided and the materials and equipment consumed. The bonds have been a major factor in keeping one of our key inustries of our Nation functioning.

Mr. President, I want the Minnesota Housing Finance Agency to continue this fine work. Nevertheless, I am afraid that history is about to repeat. If we allow the abuses to continue through 1980 by providing that interest would not be deemed to be taxable on bonds sold prior to December 31, 1980 and placed prior to December 31, 1981, the demands for restrictive legislation will be overwhelming. I am concerned that if the Finance Committee resolution is taken seriously the tax exempt bond provision of the Code will be repealed and responsible programs such as we have in Minnesota will be eliminated.

Mr. President, following my vote on this resolution, I received a letter from Mr. James J. Solem, executive director, Minnesota Housing Finance Agency, and I ask unanimous consent it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MINNESOTA HOUSING FINANCE AGENCY,
St. Paul, Minn., May 16, 1980.

Hon. DAVE DURENBERGER,
U.S. Senator, Russell Senate Building,
Washington, D.C.

DEAR DAVE: I just learned of the "sense of the Committee" resolution on tax exempt housing bonds passed by Senate Finance. Your vote to oppose that resolution was absolutely correct, you received good advice on your action, and I commend you for it.

I am afraid what will happen now is that the bond attorneys and underwriters who don't care about the long term public policy aspects of this issue, will push ahead on deals that should never be done and that a year from now there will be enough bad examples that the Congress will be forced to take a very restrictive action. It would have been much better if the Senate Finance Committee had passed out a responsible bill and tried to resolve the issue this way, rather than opening up the process to every marginal program in the country.

The frustrations of running a responsible program continue. I hope that eventually the good guys will win on this one. Meanwhile, again, you did absolutely the right thing, you are to be commended for it, and my very strong feeling is that a year from now there will be a majority of members of that Committee who will wish they had voted with you on that vote.

Sincerely,

JAMES J. SOLEM,
Executive Director.

SENATE AMENDMENT 1660, THE NATIONAL WATER RESOURCES POLICY AND DEVELOPMENT DEMONSTRATION ACT OF 1980

Mr. MOYNIHAN. Mr. President, I am most pleased to announce that last week the Environment and Public Works Committee voted to report a proposal, offered by Senator DOMENICI and myself, that will substantially reform our national water policy. The full committee reported our proposal favorably as an amendment to the Small Hydroelectric Power Development Demonstration Act.

The National Water Resources Policy and Development Demonstration Act of 1980, Senate Amendment 1660, has been under consideration by the committee since May 24, 1979. Extensive hearings were held on the subject last summer. On April 17, 1980, the Water Resources Subcommittee adopted the proposal as an amendment to the water projects omnibus bill, S. 703.

As I stated on May 24, 1979, when Senator DOMENICI and I first introduced this concept in the form of S. 1241,

> We are seeking to bring to a chaotic and idiosyncratic system of economic and resource development the concept of national policy—a concept which is, I think, deeply sensitive to the uses of federalism: the capacity of States to know best what they most need, and the capacity of the Federal Government to look to national interests and the sharing of costs.

The Water Resources Policy and Development Demonstration Act would create a streamlined authorization process for water projects as an overlay to the present system. For each of the next 5 years an additional $1 billion would be authorized for water projects to be divided among the States using a formula based on land area and population. States would be required to develop priority lists of water projects to be studied and implemented by the Federal water agencies. The lengthy congressional authorization and appropriations process now in place would be substantially reduced under the demonstration program. I ask unanimous consent that there be printed in the RECORD following this statement a factsheet detailing the provisions of the demonstration program in its entirety.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. Our current national water policy—if we are so generous as to call it a "policy"—is in a shambles. Just a few statistics are enough to illustrate the problems we now face. On the average, a flood control project takes approximately 26 years between authorization and the start of construction. Then too, no new starts in water resources construction are recommended in the President's budget; the $2.5 billion recommended is for the continuation of construction of 250 on-going projects. (I might note that much of this funding is for a few very large—and very wasteful—projects). It is instructive to note that over the past 4 years construction spending on Corps of Engineers projects has declined by over 30 percent in real dollars. In short, the pattern of randomly acquired influence on the relevant committees of the U.S. Congress has created a program wholly lacking in credibility.

The demonstration program offered by Senator DOMENICI and myself seeks to reverse the decline, by instilling a measure of rationality into the aging and ad hoc arrangement.

EXHIBIT 1

OUTLINE OF THE DOMENICI/MOYNIHAN 5-YEAR DEMONSTRATION FOR WATER RESOURCES DEVELOPMENT—(AMENDMENT 1660)

This amendment was approved, 4–2, by the Water Resources Subcommittee.

Reasons why the demonstration program is needed:

(1) The current water resources program is in decline. (Corps spending is down 50 percent in real dollars in 15 years).

(2) There is no system of priorities for a $30 billion-plus backlog.

(3) There is no national constituency for water development because many states receive very little from the program.

Senators Domenici and Moynihan propose a 5-year effort to see if another funding-selection approach—to run in tandum with the present line-item program of the corps, Bureau of Reclamation, and Soil Conservation Service—will create a stronger, more effective national water resources development program.

SPECIFICS OF THE AMENDMENT

Demonstration program funding:

(1) $1 billion a year is to be distributed among the States for 5 years, beginning fiscal year 1982. The money is allocated to the construction of federally designed water resources projects, selected by the State on a priority basis.

(2) The money is to be distributed to the States on a formula of half land, half population (with 3 percent for Alaska).

(3) There is no limit on the present, line-item program for authorizing and appropriating for water resources projects. The $1 billion is in addition to the present program.

(4) There is no change from present cost-sharing formulas.

Feasibility Studies:

New water resources surveys are automatically authorized at State request and undertaken according to a State priority list; $150 million is available annually.

Project authorization:

(1) If the project is to be built under the demonstration program, authorization of a new project is automatic after the State and Federal Government agree.

(2) A benefit-to-cost ratio greater than 1-to-1 is not required for projects built under the demonstration program, if the State so decides.

(3) The types of projects covered is expanded to include water supply and renovation, desalination, and dam safety.

(4) Each State is required to hold at least one public hearing annually to develop its priority list for demonstration water projects.

Evaluation of demonstration program:

The Water Resources Council will study the implementation of the demonstration program and evaluate whether it works better than the current project-by-project process. The Council will report its findings to Congress at the end of the fourth year of the demonstration.

THE TRAGEDY AT THE LOVE CANAL

Mr. MOYNIHAN. Mr. President, I would like to draw the attention of my colleagues to a recent series of events affecting the residents of the area near the Love Canal in Niagara Falls, N.Y. This Saturday, May 17, the Environmental Protection Agency released a study which indicated the presence of chromosome damage among the people of the Love Canal area. The test, conducted by the Biogenics Corp. of Houston, Tex., identified chromosome aberrations among 11 of its 36 subjects, a finding which, if corroborated, could have serious consequences for the people of Love Canal. In the wake of this weekend's announcement of the study results there has already been discussion of the possibility that up to 70 or more additional families will have to be relocated.

As a Senator from New York and as a member of the Environment and Public Works Committee, I have long been concerned about the tragedy at the Love Canal, where many of the families already are encountering severe and chronic health problems as a result of the seepage of toxic chemicals into their homes, streets, and school areas. After seeing this latest data, I am even more convinced of the need to identify in an epidemiologically sound study the extent of the damage to the health and well-being of the people of the Love Canal area. And, I am even more convinced of the need to coordinate the actions of government—local, State, and Federal—in addressing these problems.

This morning I hosted a meeting in which Congressman JOHN LAFALCE from Niagara Falls, N.Y., and I had the opportunity to pose to members of administration our many questions on the handling of the situation. Stu Eizenstat, Assistant to the President for Domestic Affairs and Policy attended, along with more than 10 other administration officials from the Environmental Protection Agency, the Department of Health and Human Services, the Federal Emergency Management Agency, the Council on Environmental Quality, and the White House Domestic Policy Staff. Administration officials indicated that a validation of the Biogenics study has commenced, and should be completed by Wednesday.

At that time, the administration will make the determination of whether the situation constitutes a health emergency, and if so, will commence to relocate the residents, in cooperation with the State. Efforts are now underway within the administration to analyze the statutory authorities available to them for this purpose.

It is my concern and that of Congressman LAFALCE that the administration to date has been disorganized and unable to cope with the Love Canal situation. Only this morning was there agreement that an individual administration spokesman on this issue was necessary. Previously conflicting information about possible Federal actions had been presented by different sources and agencies within the administration, and coordination has been entirely lacking, despite the creation of a task force for this purpose early last fall.

It is beyond the time for the Federal Government to organize its decisionmaking processes and deal with the Love Canal situation in a comprehensive and rational manner.

Meanwhile legal actions are being pursued. The families at the Love Canal have banded together to seek redress and have filed suit against Hooker Chemical Co. The State of New York and the U.S. Department of Justice have also filed suit against Hooker.

Congress, too, is considering superfund legislation that could be brought to bear on this problem. I call upon all of my colleagues—particularly those on the Environment and Public Works Committee—to work for the passage of superfund legislation to address the problems of the people at Love Canal and at the other hazardous waste disposal areas throughout the country.

At this point I ask unanimous consent that the attached six articles from the New York Times of May 16, 17, 18, and 19, 1980, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 16, 1980]

LOVE CANAL FAMILIES ARE LEFT WITH A LEGACY OF PAIN AND ANGER

(By Georgia Dullea)

NIAGARA FALLS, N.Y.—The mothers of Love Canal awoke in the summer of 1978 to find their little houses and gardens, which once seemed so safe, transmogrified into poisonous places and, almost instinctively, they began to compile records.

Today it is all there in the scrapbooks, the file drawers, the shoe boxes, wherever the family records repose: There are the first newspaper reports of how toxic chemical wastes long buried in the filled canal by the Hooker Chemical and Plastics Corporation had leached into their backyards and basements. There are results of air monitor readings in their homes, of blood tests on their children.

Copies of desperate letters to this or that public official are preserved in the mothers' scrapbooks, along with records of assessments on their modest frame houses. And, here and there, a matchbook of a menu appears—reminders of months spent in hotels and motels to escape the fumes released while the state was laying drainage pipes around the canal bed.

History was made here and that is one reason to keep scrapbooks. For the mothers, however, there was a more fundamental reason—children. State studies have shown a higher than average rate of birth defects and other health problems among the children of Love Canal.

PLANNED TO HAVE THREE CHILDREN

Barbara and James Quimby, who grew up in the neighborhood, have two children—Brandy, who was born eight years ago with profound and multiple birth defects, and Courtney, 3, who has been hospitalized three times for respiratory problems.

The Quimbys were planning to have at least three children, but now he shrugs and says: "They tell us these chemicals store themselves in the fatty tissues. They can lay dormant two, maybe five years and then, all of a sudden, things start acting in your body. The wife and I decided why take a chance?"

"Brandy will never be able to marry and have children," she says, "but we must educate Courtney to go for genetic testing. I hope the doctors then will understand what to look for. If Courtney has dioxin in her blood, if she could have a child like her sister, I want her to know."

That is why Barbara Quimby started a Love Canal scrapbook. "For Courtney," she said, glancing at the small figure playing on the floor, "so I can say to her: 'Look, Love Canal was real. You lived there and Mommy and Daddy lived there and we had Brandy.' "

HEALTH EMERGENCY DECLARED

The Quimbys still live in Love Canal, not far from the old landfill with its boarded-up houses and half-mile of chain link fence. The state bought 237 of those houses, the ones nearest the canal, after a health emergency was declared. It has agreed to buy 550 more houses, including the Quimbys', but first a local corporation must be formed to administer the state program. For six months now the program has been delayed by political squabbles and red tape. And, despite indications last week that it may get under way soon, Mrs. Quimby has her doubts.

"It's terrible to say this," she admits, "but I don't trust politicans anymore. I won't believe it until I have the money in my hot little hands."

And Mr. Quimby, who says dioxin has been found on the beams of the factory at Bloody Run where he works, speaks with equal pessimism about the system he volunteered to fight for in Vietnam. It angers him that the Americans were exposed to Agent Orange there. It angers him that Cuban refugees are given aid while Love Canal residents have yet to be compensated for damage to homes on which they are still paying mortgages.

"Most of the men I hang around with feel the same way," Mr. Quimby said. "I can think of three or four right off hand who say they'll never serve the country again for the simple reason that when they needed us, we were there. Now they're turning their backs on us. It kind of makes you feel bad."

Such talk does not surprise Adeline Levine, a sociologist at the State University of New York at Buffalo. Working with a team of graduate students, Dr. Levine interviewed 60 Love Canal families when the disaster began to unfold and again a year later.

Disaster victims traditionally have difficulty dealing with government agencies, she said, but the difficulty seemed acute in the case of these lower-middle-class families: "They are good citizens. They pay their bills and their taxes and have served in the military. 'Why,' they ask, 'shouldn't we be taken care of now?' "

Instead, they felt abandoned—not only by the government but also by friends and relatives living outside the canal. From the outside, they were sometimes seen as "making a fuss" over a few chemicals or "making a killing" from the state on their homes. Worse, they were seen as carriers of toxins. Dr. Levine cites the case of the woman who liked to go to a downtown bar for an occasional drink. No matter which end of the bar she stood at, everyone moved to the opposite end.

Along with a sense of abandonment and isolation, many in Love Canal feel a loss of control over their lives. "They realize that this loss of control stems from long-ago decisions to bury chemicals and then to build homes near that spot, not from decisions they made," Dr. Levine said. "Now control rests in large measure on the decisions of distant political figures."

Everywhere they look, it seems homes are worthless, children are sick, marriages are cracking under the strain. When the Love Canal Homeowners Association surveyed families who have moved from here, it found that four out of 10 couples had either separated or divorced.

"Maybe it's because of the economic background," said Lois Gibbs, president of the association. "The husbands feel it's their duty to protect their families. They're macho men. When they can't move them out of here, when the wife is always crying and the kids are sick, they feel so helpless they strike out. It's a horrible feeling. You have no control over your life."

A chemical worker's wife, Mrs. Gibbs is the mother of Michael, 7, and Melissa, 4. Both children have been hospitalized for diseases that their mother suspects are traceable to chemicals found either in their home or in the yard of the old 99th Street School where Michael played.

Like hundreds of other parents here, the Gibbses are suing the Hooker Chemical Company, among others. Hooker dumped the chemicals into the canal landfill between 1947 and 1952 and then deeded the land to the Niagara Board of Education for $1 in 1953, under threat of condemnation by the board, which wanted to build a school there.

The chemical company has been a prime target of Lois Gibbs and her homeowners' association. But they have spared no one in their campaign to dramatize their plight. The other day Mrs. Gibbs and a group of mothers marched into a Niagara County legislators' meeting, wearing red carnations as "the hostages of Love Canal." The mothers then threatened to hold the legislators hostage until they took some action on a proposal concerning the canal. After the board acted, Mrs. Gibbs told a reporter: "We didn't have any guns or anything. We were just planning to body barricade the doors."

Protesting, picketing, being jailed have become a way of life for Lois Gibbs. Two years ago she could barely pronounce the names of the chemicals detected in her basement. Today she tours the country warning of their effects before audiences large and small. Recently, she was invited to speak at Harvard.

"And I never went to college," she said in the kitchen of the tiny apartment where she and the children are now living. "I was a cashier in a grocery store before I became a little housewife."

Over at the homeowners association office, other women were saying much the same thing. "God knows," Joann Hale was saying, "I was just a high school-educated wife and mother with my little white house and my tomato plants."

Mrs. Hale, the mother of two, was expecting her second child, when the State Health Commissioner recommended that pregnant women and children under age 2 be evacuated from the area.

"It was a terrible time," she recalled. "I didn't know if my baby was going to be born normal. I didn't know if the state was going to buy our house or if we would have to file for bankruptcy. So I struck out at my 5-year-old. I physically abused her once."

After that Mrs. Hale went for counseling, it helped, she said, but then she smiled, remembering the pamphlet the local mental health agency sent to the residents of Love Canal:

"It was called 'How to Cope With Stress.' It said 'Read a book, take a jog, walk your dog.' Well, who the hell wants to walk down another street and see some more boarded up houses?"

Marie Pozniak, whose daughter has asthma and who had cancer herself, nodded. "Other people don't understand," she said, summing up what so many people feel here about so many things. "They do not understand. They can go home to their clean houses."

[From the New York Times, May 17, 1980]

DAMAGE TO CHROMOSOMES FOUND IN LOVE CANAL TESTS

(By Irvin Molotsky)

WASHINGTON, May 16.—The Environmental Protection Agency has found evidence that some residents of the Love Canal area in Niagara Falls, N.Y., may have suffered chromosome damage from toxic chemicals buried there, Federal officials reported today.

Sources familiar with the study said that 11 of 36 people tested on Jan. 18 and 19—just over 30 percent—exhibited very rare chromosomal aberrations. Seventeen adult men and 19 adult women were tested, these sources said. None seemed to be ill when they were chosen, as a representative sample, for the blood tests.

The 11 with chromosome damage reportedly exhibited chromosome breakage of an extraordinary nature in that extra pieces had been discovered. Most scientists in this field believe that such chromosomal changes are frequently linked to cancer and should be taken seriously as a harbinger of the disease and that in adults they could lead to genetic damage in offspring.

A spokesman for the Hooker Chemicals and Plastics Corporation, which dumped the chemicals at the site over the years, asserted tonight that the conclusions of the study were "premature" and were bound to cause "unnecessary anxiety" among Love Canal residents.

RESIDENTS NOT YET INFORMED

The Federal officials who disclosed the findings asked not to be identified. Officials of the Environmental Protection Agency declined to confirm the report on the ground that the people involved had not yet been informed.

The agency scheduled a news conference for noon tomorrow to disclose the findings.

Despite the agency's refusal to confirm the report, an indication of the nature of the disclosure came in the speed with which the announcement was scheduled, just a day after a telephone account of the test was received from a laboratory in Houston, Tex.

There have been previous reports of people injured and made ill at the Love Canal, a filled-in, never-completed canal site in Niagara Falls that had been used for years as a chemical dump. Several hundred residents of the area have been relocated in the past two years. The evidence of possible chromosome damage did not come up until this week.

Scientists believe that such chromosome damage could lead to severe birth defects, and some residents of the area have charged in the past that children born there have suffered such defects.

Marlin Fitzwater, a spokesman for the Environmental Protection Agency, said three teams of three persons each had been sent to Niagara Falls and would relate the findings to the residents tomorrow morning, before they are officially announced.

It is expected that several hundred other residents in the area now would be similarly examined. Most of the residents of the area directly affected have moved from their houses.

The tests of the 36 persons' blood samples were performed over the last four months by the Bionetics Corporation in Houston. A company official, Frank Deluca, declined to discuss the results.

When told that the Environmental Protection Agency planned to announce the results tomorrow, Mr. Deluca said: "I must say they got the information out fast. We only gave them the information a day ago, just 24 hours ago. And what they have, they got over the telephone."

NAMES OF SCIENTISTS INVOLVED

Mr. Deluca declined to discuss the matter further, but it was learned elsewhere that the study was conducted by the following scientists:

Dr. Dante J. Picciano, scientific director of Bionetics, a private testing concern.

Dr. Jack Kilian, the former medical director of Dow Chemical's Texas division and a professor of occupational medicine at the University of Texas School of Public Health. He has been a pioneer in the science of cytogenetics, the study of chomosome abberrations and breakage.

Dr. Beverly Paigen of the Roswell Park Memorial Institute, a cancer research center in Buffalo.

In addition, a Love Canal resident, Lois Gibbs, who has been one of the community leaders trying to bring the canal situation to the attention of officials, played a role in selecting the 36 persons who formed the sample.

BROADER STUDY FAVORED

Dr. Paigen, reached tonight by telephone in Buffalo, said that her main role was in persuading the Environmental Protection Agency that a study should be done. She said that the study should be viewed as preliminary, to determine whether a large-scale investigation should be undertaken.

When asked whether the preliminary inquiry had pointed toward the broader study, she answered, "Absolutely."

Like others, Dr. Paigen was reluctant to discuss the findings, saying, "I feel that the first people to know should be those who participated in the study."

In the past, Hooker has contested charges against it, contending, for example, that a $124.5 million suit brought against it by the Justice Department was unwarranted.

Tonight, a Hooker spokesman, Michael Reichgut, said that his company had received a copy of the report and had concluded from it that the findings were not definitive.

Mr. Reichgut said that the report stressed that "prudence must be exerted in the interpretation of such results" and that a larger inquiry ought to be undertaken.

The concern's response went on to quote Donald L. Bader, the president of the Hooker Chemical Company, the parent of the corporation at Niagara Falls, as saying: "The company is concerned for the health and well-being of all residents of the Love Canal community and firmly believes that this report must be followed up immediately.

"We are, however, concerned that these preliminary and uncorroborated medical results, if not properly understood, could cause unnecessary anxiety. To draw any conclusion or take any precipitous action based on these inconclusive findings would be unwarranted and a disservice to the residents of the Love Canal area."

Mr. Bader said that based on analysis of the surroundings of the Love Canal area, "It would be unwise to attribute medical problems to the exposure to Love Canal chemicals."

Mr. Reichgut also criticized tomorrow's announcement of the findings as a "premature release."

SCHOOL BUILT ON CANAL

The evacuation of 239 families from the Love Canal site had the further effect of lending to a dispute between the Federal Government and New York State over which should be assisting the people driven from their homes.

In the suit, the Environmental Protection Agency charged that from 1942 to 1975, Hooker dumped 199,900 tons of chemical wastes at four places in Niagara Falls, much of it at the Love Canal site before it was filled in and turned over to the city.

The city then built a school atop what turned out to be toxic wastes. That school was abandoned at the same time that the residents were forced to move from their homes.

It was on Aug. 4, 1978, that the first families began leaving the contamination site. They toted their cribs and suitcases past a scrawled sign reading, "Wanted, safe home for two toddlers" and "Today is the day they give babies away with half-a-pound of tea."

WE EXPECTED IT

The families moved after the state's Health Department declared a health emergency for the area. The state was particularly concerned with moving out 37 families whose members included pregnant women or infants under 2 years of age.

By the end of the month 200 more families had left after it was discovered that their homes had been contaminated by fumes from hundreds of tons of pesticides, cleaning solutions and other toxic chemicals that had leached through the soil from the canal bed.

[From the New York Times, May 18, 1980]

710 MORE FAMILIES IN LOVE CANAL AREA MAY BE RELOCATED

(By Irvin Molotsky)

WASHINGTON, May 17.—The Environmental Protection Agency said today that findings of chromosome damage in some residents might make it necessary to relocate 710 families who are living near the toxic waste dump in the Love Canal area of Niagara Falls, N.Y.

The 710 families would be in addition to the 239 already moved from houses closer to the Love Canal, a filled-in area that was used for many years by the Hooker Chemicals and Plastics Corporation as a dump site for chemical waste.

The Federal agency's deputy administrator, Barbara Blum, said that the decision on the move would be made next week on the basis of a review by geneticists of an investigation that showed chromosome damage to 11 of 36 Love Canal residents tested, or just over 30 percent. Ordinarily, no person in a sample group that size would be expected to show such chromosome damage.

PLEDGE FROM FEDERAL GOVERNMENT

When the 36 were chosen as a representative sample, there had been previous reports of people living near the waste site who had been made ill, but the evidence of chromosome damage was not reported until yesterday.

Miss Blum estimated the cost of evacuating the area and housing the 710 families at $3 million.

Asked whether the cost would be borne by the Federal Government or New York State—which have disagreed in the past over Love Canal relocation costs—Miss Blum answered:

"The Federal Government will not abrogate any responsibility. I am sure New York State will not abrogate its responsibility either."

In any event, she said, "We certainly can't let money stand in the way of relocating the families if that should prove to be necessary," she said. "We will come up with whatever money necessary."

The test was conducted by the Biogenics Corporation of Houston. The chromosome damage found in the 11 persons was a type that has been associated with spontaneous abortion, birth defects and cancers, according to Stephen Gage, a research official in the Federal agency.

Mr. Gage cautioned, however, that "we cannot say definitely that that there is a casual relationship between an abnormality and a disease."

"The science of studying cell abnormalities is not advanced enough," Mr. Gage said. He added, however, that the blood samples of the 36 persons tested indicated exposure to chemicals.

Miss Blum said the tests had been conducted as part of the Justice Department's suit againt Hooker. The suit asks $124.5 million from Hooker to clean up four chemical dumps in Niagara Falls, including the Love Canal.

"When we got the results, they were so alarming that the people had to be notified," Miss Blum said at a news conference at her agency's headquarters. Residents were being told of the results in Niagara Falls as Federal officials were announcing them formally here in Washington.

"There has been a cause for alarm at the Love Canal for a long time," Miss Blum said. "It is one of the worst chemical problems we have discovered in modern society."

A lawyer for Hooker, Thomas H. Truitt, attended the news conference, but declined to comment because of the pending suit by the Justice Department against the company. The company has called the suit unwarranted. Yesterday, another Hooker spokesman, informed of the findings, stressed that "prudence must be exerted in the interpretation of such results."

Mr. Truitt released copies today of a letter to the Justice Department from Donald L. Baeder, the president of the Hooker Chemical Company, which is the parent concern of the Niagara Falls company, along with copies of a statement drafted late last night in response to a request for comment by the New York Times.

"The information you submitted," Mr. Baeder said on the Biogenics report, "is inconclusive that there is a problem caused by any prior exposure to chemicals or that there is any continuing exposure which is hazardous and needs to be alleviated."

Miss Blum was asked why an evacuation decision had been put off until review by the panel of geneticists, and she answered: "It would be unfair to unduly alarm the residents of the area. Another two or three days is not going to make any difference."

She added later, "These people have had so many disruptions in their lives, we would hate to relocate them unnecessarily."

GOVERNOR DEFERS COMMENT

In New York, spokesmen for Governor Carey and other state officials said today that they could not comment until they had received and studied the Federal report.

As to whether the state would contribute to any further relocations, several spokesmen noted that it has appropriated $5 million to "revitalize" the surrounding neighborhood, including the possible purchase of some homes near the site. None of that money has been spent, but there are plans to allocate it to the Niagara Falls Urban Renewal Agency.

Direct state costs related to Love Canal have been put at $35 to $40 million, and a law suit filed by New York State against Hooker and its parent company, Occidental Petroleum, is seeking a total of $95 million in restitution costs, including incidental expenses borne by a variety of state agencies. The suit also seeks $540 million in punitive damages.

At the news conference, Miss Blum said, "We expected to find results nowhere near these."

She said that the 710 families subject to possible evacuation in the next week lived in private houses and in one housing project.

If the evacuation order came, Miss Blum indicated that the Environmental Protection Agency was prepared to move quickly with the planning already having been completed.

Ninety families would be housed in vacant military units on bases within a few miles of Niagara Falls, while others would be housed in mobile units that would be brought to the area from a storage site in Atlanta.

Still others would be sheltered in private houses, motels and hotels.

The panel that will review the Biogenics Corporation's findings will be convened Tuesday at the National Institute of Environmental Health Services here.

It will be led by Dr. David Rall of that Government agency, and it will be instructed to complete its review by Wednesday.

DECISION BY MIDWEEK

The Environmental Protection Agency will make its relocation decision shortly after receiving the review, Miss Blum said.

The area subject to possible evacuation was defined by Miss Blum as that bounded by 93d Street on the west, Cayuga Drive on the north, 103d Street on the east and Frontier Avenue on the south.

That area has been divided into three rings, depending on proximity to the filled-in canal.

The inner ring is made up of houses and a school directly atop the canal. It has been evacuated fully.

[From the New York Times, May 18, 1980]

DAMAGE TO BODY'S CHROMOSOMES CAN BE CAUSED IN SEVERAL WAYS

(By Robert D. McFadden)

Chromosomes are microscopic, thread-like bodies found in the nucleus of every cell in the human body, as well as in most animals and plants, that carry hereditary information in the form of genes that determines the growth, development and characteristics of an organism.

Human beings have 46 chromosomes in every cell—one pair that determines the sex of an individual and 22 pairs that control the inheritance of all other characteristics.

As cells grow and reproduce by division, newly formed chromosomes and their genes are normally very exact, complete and quite perfect replications of the originals. This remarkably faithful reproductive capacity accounts for the continuity of species generation after generation.

Ordinarily, environmental changes such as gradual variation in temperature, barometric pressure, diet or muscular activity seem to have no effect on the process. However, the normal structure of chromosomes may be changed in several ways.

SOME CHANGES SPONTANEOUS

In all living things, including man, there is a low level of mutation that occurs spontaneously and is difficult to ascribe to any specific cause. These changes may be the result of random environmental effects or of copying errors in an intricate and delicate reproductive system and are thought to be a basic mechanism underlying evolution.

Abnormal changes also may be produced by contact with radiation, chemicals and other environmental hazards. These may cause chromosome damage in various forms, most commonly the breakage of the strand and the fragmentation and disorientation of its component genetic material.

In some cases of chromosome damage, chromosome material may be missing; in rarer cases, additional material—different from that of the original chromosome—is unaccountably found among the fragments.

Such additional material was found in the chromosomes of some of the former residents of the Love Canal area of Niagara Falls, N.Y., in the tests conducted Jan. 18 by the Biogenics Corporation of Houston on behalf of the Federal Environmental Protection Agency.

Scientists who have focused attention in recent years on the effects of toxic substances on genetics have discovered a high correlation between the incidence of cancer and the finding of additional fragments in damaged chromosomes, although the precise causes have not been established.

Moreover, high correlations also have been detected between the incidence of birth defects and chromosome damage in parents. Hundreds of types of chromosome damage, many associated with mental retardation and a variety of physical abnormalities in humans, are known and more are being found continually.

Significant abnormalities in chromosomes occur in about one in every 250 live births, according to the National Institute of General Medical Studies, a unit of the National Institutes of Health. The institute estimates that three-quarters of these genetic errors are harmful and that about one-third of all spontaneous abortions are probably caused by chromosomal abnormalities.

Chromosomes—the word is derived from the Greek words "chroma" (color) and "soma" (body) because chromosomes are deeply colored by certain stains—were probably first identified as distinct cell structures by the Czech biologist Walther Flemmiong in 1873 and have been studied extensively in this century.

But it was not until 1955 that scientists learned that human beings have 46 chromosomes. Most of the known abnormalities and their significance have been found only in the past 20 years. In the past few years, the research has focused on the "mapping" of genes, an attempt to determine the locations of the hundreds of thousands of genetic particles on each chromosome strand.

The research also has focused on the kinds and causes of genetic errors. One tool, employed by the Biogenics Corporation in its testing of the former Love Canal residents, involves drawing a small amount of blood from a person and examining its chromosomes with a microscope.

The Biogenics Corporation is a private research organization that specializes in trying to determine the effects of toxic substances on human genetics.

[From the New York Times, May 18, 1980]

BITTERNESS IN AREA OF LOVE CANAL

(By Josh Barbanel)

NIAGARA FALLS, N.Y., May 17.—Patricia Sandonato walked into a tiny frame house in the Love Canal section of this industrial city today and learned that the phrase "chromosome damage" would become a permanent part of her vocabulary.

As her neighbors chatted nervously in the kitchen of the headquarters of the Love Canal Homeowners Association, behind a chain-link fence containing 237 abandoned homes, Mrs. Sandonato and her husband, Raymond, were ushered into a small bedroom where three officials of the Federal Environmental Protection Administration prepared to inform them that Mrs. Sandonato was among 11 residents tested who had proved to have damaged chromosomes.

"They just said my chromosomes were abnormal and handed me a letter," Mrs. Sandonato said. "I asked if it affected my kids, and they said they did not know. I fear that my kids might be dying. I'd be afraid to bring another child into the world."

The letter listed the alterations and breakages of the tiny genetic structures in Mrs. Sandonato's blood cells and warned that such abnormalities "over the longer term may be an early warning of future health problems."

As the news of the test results spread through the neighborhood, families complained bitterly about alarms, false hopes and inaction by government officials. And at a news conference called by the Federal agency in a local post office, residents demanded an immediate evacuation of the area.

"We don't want to wait for Wednesday," said one angry man after Charles S. Warren, the regional administrator of the agency, said that a decision on whether or not to evacuate 710 families from the area would be made by then. "We've been waiting for next Wednesday for two years."

After the New York State Health Department declared a "health emergency" in the area in 1978, 237 families were evacuated from around the area where 20,000 tons of solvents, pesticides and other toxic chemicals, including hundreds of pounds of dioxin—one of the most toxic substances known to man—were dumped.

GHOST TOWN IN THE AREA

Now the homes at the center of the neighborhood are boarded up and deserted, creating the stillness of a bungalow colony out of season. The oblong area where the dumping once took place is now covered with a mound of clay and dirt. And drainage pipes carry all water runoff to a special treatment plant.

Last year the state appropriated $5 million for a program to buy homes in the streets that surrounded the site of a never completed canal named after William T. Love, a turn-of-the-century entrepreneur.

From the 1940's through 1977, the Hooker Chemical and Plastics Company used the site as a dump.

But state officials said the "revitalization" plan was created to stabilize the housing market in the area, not to buy up homes. Residents angrily recalled that Dr. David Axelrod, the Health Commissioner, had repeatedly asserted there was no proven connection between birth defects and miscarriages in the neighborhood and chemicals in the canal area."

Dr. Beverly Paigen, a researcher who has worked closely with Love Canal residents, said the findings completed a cycle of proof showing the Hooker chemicals were causing the cancers, birth defects and miscarriages reported by residents.

A NIGHT OF ANXIETY

"This proves that it is the chemicals that are doing it and there is not some other extraordinary reason," she said. "The people should be moved out right away."

Efforts to reach Dr. Axelrod today were unavailing.

The announcement of the test results created a night of anxiety for many of those tested. Some residents stayed up and frantically called friends and officials trying to learn the findings.

"It's like someone took a hundred-pound weight off by back," said William Foy, who lives on 96th Street, a few blocks away from the canal. "But I'm getting to feel like a guinea pig. We are tested and tested and nothing is done."

Mrs. Sandonato said that he had been given four tests so far and that the air in the basement, where she does her washing was found to contain benzine, a known cancer causing agent. She said that her 5-year-old son, Jason, had been born with "minimal brain dysfunction" and would be operated on next week for a deformity in one knee.

"If it will help the kids get out of here, I'll take all the tests in the world," she said. "Governor Carey doesn't want to do anything and the President is killing us. He's not doing anything to get us out of here."

A spokesman for the Governor said he would have no comment until he had a chance to study the Federal report, which state officials have not yet received.

[From the New York Times, May 19, 1980]

AT LOVE CANAL, DESPAIR IS THE PERVASIVE AFFLICTION

(By Josh Barbanel)

NIAGARA FALLS, N.Y., May 18.—Leonard Whitenight didn't plant flowers in his garden in the Love Canal neighborhood this year, and he no longer mows the lawn. "I'm sick of this canal, this city and this state," he said today. "I just want to get away."

His wife, Phyllis, said things were not so bad. "Thank God we haven't had the problems that other people have," she said, and then told of the removal of her cancerous left breast five years ago, her miscarriage and the deaths of six newborn birds she had kept in her basement.

The Whitenight family is one of 710 preparing for possible evacuation by Federal authorities from a neighborhood that has been contaminated by 20,000 tons of highly toxic pesticides and solvents buried more than 27 years ago in the never-completed Love Canal.

Tests released yesterday showed that 11 of 36 residents studied had significant chromosome damage, and Mr. and Mrs. Whitenight were among them. No definite connection has been proved between such chromosone damage and the effects of the chemicals and such problems as the Whitenight family has suffered. But there is no mistaking the psychological damage such families have suffered as a result of the findings on Love Canal. A decision on whether to move the 710 families will be made, probably by Wednesday, after geneticists review the test results.

Hooker Chemicals and Plastics Company, which dumped the chemicals in the canal, today called the results of the genetic testing "preliminary and uncorroborated" and said that action based on the findings would be "unwarranted and a disservice to the residents of the above canal area."

After learning of the chromosome damage, Mrs. Whitenight sat up through the night worrying about the return of her cancer and the health and safety of her five children. Today, sitting in the kitchen of the three-bedroom ranch home they hoped to leave "as soon as we get the check for a down payment someplace else," the Whitenights recalled two years of fear, frustration and the helplessness of a nightmare beyond their control.

Mrs. Whitenight stepped out of the room, and her husband turned to a visitor. "I have broken down and cried," he said. "I have felt completely helpless."

"And you can go to any home over here and they can tell you the same story," he said.

For the Whitenights, the story began in 1954, a year after Hooker deeded the oblong-shaped canal to the Niagara Falls Board of Education for $1 and a public school had been built on the site. Mr. Whitenight built his house for $15,500 on a 60-by-115-foot plot near a winding rural stream known as Black Creek.

"A WAY OF LIFE" IN NEIGHBORHOOD

Mrs. Whitenight, who despite her apparent calm is "shaking life a leaf inside," grew up in the neighborhood and recalled how "the boys" would skinny dip in the muddy Love Canal. Later, when the Hooker trucks began churning through the area during World War II, the houses would sometimes be covered with a white powder, she said.

"Chemical plants are a way of life here," Mr. Whitenight said. "My dad worked at the DuPont plant and we accepted them. We never thought of the dangers."

In retrospect, the Whitenights clearly see what they believe is the imprint of the chemical contamination. Their daughter, Debbie, who is now 26, had constant throat infections, and at one time an ugly rash appeared on her legs. The nurse at school attributed it to "using the wrong soap."

Mrs. Whitenight also began to notice that cancer became a topic of conversation on 96th Street. At her last count, five women on the block have been treated for breast cancer, including an aunt who died of it. In addition, John Kenney, an 8-year-old boy who lived two doors away died of kidney failure, and a neighbor is suffering from throat cancer.

NOT ALARMED AT EMERGENCY

But the Whitenights had been unaware of any danger prior to the declaration of a health emergency by the state in August 1978. Mr. Whitenight, a printer by trade, held down three jobs at a time to meet the mortgage payments, and their sons fished for pickerel and bullheads in the creek.

When the emergency was declared, the Whitenights were not particularly alarmed. They assumed the state would buy their home and they began looking for someplace else to live. But they were bewildered when after 237 families were evacuated, they were left behind. They were assured that they were in no danger.

"That's when we started getting angry," Mrs. Whitenight said. "We attended meeting after meeting and demonstration after demonstration and they said there was nothing wrong."

But Dr. Beverly Paigen, an environmental researcher at the Roswell Park Memorial Institute in Buffalo, began to examine the old streambeds and filled in swamps in the area including the swale beneath their home.

The researcher theorized that water bearing toxic chemicals was being carried from the canal site by the underground streams, and she found that miscarriages, birth defects and other ailments were clustered in the homes in these low lying areas. Her epidemiological findings were confirmed by the first genetic tests on residents.

A TIME OF FRUSTRATIONS

When they heard about her findings, the Whitenights recalled that 800 loads of fill had been dumped on their lot before they built their home, and the 103d Street School, behind their house, was often soggy and filled with puddles.

During this time, the Whitenights said, frustration followed frustration. At one meeting, Mrs. Whitenight recalls, Dr. David Axelrod, the State Health Commissioner told her that her fears about cancer on 96th Street weren't warranted because the cancer incidence there was no worse than anyplace else.

In December 1978, the extremely toxic substance dioxin was found in a drainage trench on 97th Street. Other toxic substances found in the canal area included benzene, chloroform, tricholoethylene and a pesticide, lindane.

Eventually traces of the poison, which is contained in the defoliant Agent Orange were found in Black Creek, where Mrs. Whitenight's children had played along with John Kenney.

As workers dug drainage ditches around the Love Canal dump, intense fumes filled the neighborhood, causing rashes and coughs and the Whitenights and their neighbors demonstrated until they were moved into the hotels in Niagara Falls for eight weeks at the state's expense.

Last September, the 103d Street School was permanently closed, and after a black substance—which Mr. Whitenight reported was determined to be harmless flyash, "at least on that day"—oozed out of the soggy infield the board of education spent $5,000 to dig it up and place a layer of plastic underneath.

For its part, the state set up a $5 million program to buy up homes in the area and the Whitenights were told they would receive $36,500 for their home.

But the program has been delayed and wrangling among local jurisdictions, and the Niagara County government has, so far, refused to participate.

In the belief that the problem was going away the Whitenights and their neighbors were granted an 80 percent tax abatement in 1978, which has been reduced by 20 percent of the assessed value each year since.

CONFUSION IS RIFE

"No matter what happens everyone still says the area is safe," Mrs. Whitenight said. "First they tell us there is dioxin in the drainage ditches, and they tell us it is terribly dangerous and then they say the area is safe and there's no need to move out."

Before "Love Canal" became synonymous with environmental disaster, Mr. Whitenight had remodeled his kitchen and installed bright yellow aluminum siding outside. Now he has lost interest and Mrs. Whitenight is selling off her collection of more than 60 canaries and other birds in preparation for a move. In the basement where Mrs. Whitenight does the family wash, black stains score a wall where brackish water has seeped in through the foundation.

As soon as the Whitenights receive the payment for their home, they plan to move to Austin, Tex., where Mr. Whitenight, still sunburned from a recent scouting trip, has already picked out a new neighborhood. In Texas, Mr. Whitenight said, he says he would earn at least $60 less a week. But, he said, it was worth it.

"There's plenty of sun and fresh air, and there isn't a chemical plant nearby," he said. "That's a question I would never have thought to ask before."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 207

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on the Judiciary, the Committee on Armed Services, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $12.4 million in budget authority previously provided by the Congress. In addition, I am reporting six revisions to previously transmitted deferrals increasing the amount deferred by $130.6 million.

The recission proposal involves law enforcement assistance in the Department of Justice. The revisions to existing deferrals involve programs in the Departments of Defense, Energy and Justice, and the Environmental Protection Agency.

The details of the rescission proposal and each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *May 20, 1980.*

MESSAGE FROM THE HOUSE

At 2:04 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 175. Joint resolution to extend the expiration date of the Defense Production Act of 1950.

The message also announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 2382. An act to provide for additional authorization for appropriations for the Tinicum National Environmental Center.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4975. An act to establish the Orange Coast National Urban Park, and for other purposes;

H.R. 5837. An act to authorize payment from the Civil Service Retirement and Disability Fund for the expenses of retirement appeals;

H.R. 6395. An act to amend the Consumer Product Safety Act to modify certain postemployment restrictions applicable to officers and employees of the Consumer Product Safety Commission;

H.R. 7105. An act entitled the "National Hostel System Act of 1980";

H.R. 7191. An act to establish the Snug Harbor National Wildlife Refuge;

H.R. 7217. An act to enact certain provisions relative to units of the National Park System in the State of Hawaii, and for other purposes;

H.R. 7330. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 329. Concurrent resolution expressing the deep concern of the Congress over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea; and

H. Con. Res. 332. Concurrent resolution disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965.

HOUSE BILLS AND CONCURRENT RESOLUTIONS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4975. An act to establish the Orange Coast National Urban Park, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 5837. An act to authorize payment from the Civil Service Retirement and Disability Fund for the expenses of retirement appeals; to the Committee on Governmental Affairs.

H.R. 6395. An act to amend the Consumer Product Safety Act to modify certain postemployment restrictions applicable to officers and employees of the Consumer Product Safety Commission; to the Committee on Commerce, Science, and Transportation.

H.R. 7105. An act entitled the "National Hostel System Act of 1980"; to the Committee on Energy and Natural Resources.

H.R. 7191. An act to establish the Snug Harbor National Wildlife Refuge; to the Committee on Environment and Public Works.

H.R. 7217. An act to enact certain provisions relative to units of the National Park System in the State of Hawaii, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 7330. An act to authorize appropriations for certain insular areas of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

The following concurrent resolutions were read by title and referred as indicated:

H. Con. Res. 329. Concurrent resolution expressing the deep concern of the Congress over the plight of Cambodian people and its strong support for humanitarian assistance for those people and a peaceful resolution of the conflict in Kampuchea; to the Committee on Foreign Relations.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore (Mr. MAGNUSON) reported that on today, May 20, 1980, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 2648. An act to authorize appropriations for the Federal Election Commission for fiscal year 1981; and

H.R. 6615. An act to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such Act for fiscal years 1981 and 1982, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 20, 1980, he had presented to the President of the United States the following enrolled bill:

S. 2648. An act to authorize appropriations for the Federal Elections Commission for fiscal year 1981.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3844. A communication from the Secretary of the Senate, transmitting, pursuant to law, a report of receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from October 1, 1979, through March 31, 1980; ordered to lie on the table and be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 440. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2443. Referred to the Committee on the Budget.

S. Res. 441. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5892. Referred to the Committee on the Budget.

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment:

S. Res. 442. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2377. Referred to the Committee on the Budget.

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, with an amendment:

S. 2377. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes (Rept. No. 96-786).

By Mr. DOLE, from the Committee on the Judiciary, without amendment, but with a preamble:

S. Res. 422. A resolution to proclaim "National Circle K Week."

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

A report to accompany S. 2443, a bill to authorize the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York (Rept. No. 96-787).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BAYH (for Mr. KENNEDY), from the Committee on the Judiciary:

Samuel James Ervin III, of North Carolina, to be U.S. Circuit Judge for the Fourth Circuit.

William Cameron Canby, Jr., of Arizona to be U.S. Circuit Judge for the Ninth Circuit.

Raul A. Ramirez, of California, to be U.S. District Judge for the Eastern District of California.

Robert B. Propst, of Alabama, to be U.S. District Judge for the Northern District of Alabama.

E. B. Haltom, Jr., of Alabama, to be U.S. District Judge for the Northern District of Alabama.

John David Holschuh, of Ohio, to be U.S. District Judge for the Southern District of Ohio.

Ann Aldrich, of Ohio, to be U.S. District Judge for the Northern District of Ohio.

George Washington White, of Ohio, to be U.S. District Judge for the Northern District of Ohio.

Charles L. Hardy, of Arizona, to be U.S. District Judge for the District of Arizona.

Milton Irving Shadur, of Illinois, to be U.S. District Judge for the Northern District of Illinois.

Clyde S. Cahill, Jr., of Missouri, to be U.S. District Judge for the Eastern District of Missouri.

Frank J. Polozola, of Louisiana, to be U.S. District Judge for the Middle District of Louisiana.

Patrick F. Kelly, of Kansas, to be U.S. District Judge for the District of Kansas.

W. Earl Britt, of North Carolina, to be U.S. District Judge for the Eastern District of North Carolina.

Walter Herbert Rice, of Ohio, to be U.S. District Judge for the Southern District of Ohio.

S. Arthur Spiegel, of Ohio, to be U.S. District Judge for the Southern District of Ohio.

George Ross Anderson, Jr., of South Carolina, to be U.S. District Judge for the District of South Carolina.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON (for himself, Mr. Wallop, Mr. Gravel, and Mr. McClure):

S. 2736. A bill to exclude certain lands from the Grand Teton National Park; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF (by request):

S. 2737. A bill to amend section 3102 of title 5, United States Code, and section 7 of the Federal Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 2738. A bill to establish the Snug Harbor National Wildlife Refuge; to the Committee on Environment and Public Works.

By Mr. TALMADGE:

S. 2739: A bill for the relief of Virach Pinichchantranukool; to the Committee on the Judiciary.

By Mr. DURENBERGER:

S. 2740. A bill to amend the Internal Revenue Code; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 2741. A bill to designate certain national forest lands in the State of Colorado as units of the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 2742. A bill to amend the Internal Revenue Code of 1954 to provide that severance pay resulting from a plant closing shall be subject to tax at reduced rates; to the Committee on Finance.

By Mr. BOSCHWITZ:

S. 2743. A bill for the relief of Christian Vallier; to the Committee on the Judiciary.

S. 2744. A bill for the relief of Mireille Debriat; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. Roth, Mr. Chafee, Mr. Baker, Mr. Danforth, Mr. Wallop, Mr. Goldwater, Mr. Schweiker, Mr. Hatfield, Mr. Heinz, and Mr. Garn):

S. 2745. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts; to the Committee on Finance.

By Mr. HART:

S. 2746: A bill to amend the Internal Revenue Code of 1954 with respect to the issuance of mortgage revenue bonds; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. Cannon, Mr. Magnuson, Mr. Long, Mr. Hollings, Mr. Warner, and Mr. Packwood):

S.J. Res. 176. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the seven calendar days beginning October 5, 1980, as "National Port Week", and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON (for himself, Mr. Wallop, Mr. Gravel, and Mr. McClure):

S. 2736. A bill to exclude certain lands from the Grand Teton National Park; to the Committee on Energy and Natural Resources.

JACKSON HOLE AIRPORT

Mr. SIMPSON. Mr. President, I am pleased to introduce legislation to exclude a very limited and selected parcel of land from Grand Teton National Park.

The Jackson Hole, Wyo. Airport has provided a needed service to western Wyoming for many years. The airport was not originally included within the boundaries of Grand Teton National Park. In fact, the airport served the Jackson area for some 15 years—in the present location—before 1950 when the boundary of Teton Park was altered to include the airport. Since that time the airport has operated under the authority of a special use permit granted by the National Park Service.

Mr. President, the operation of the airport within the Teton Park has become increasingly problematical in that the Jackson Hole Airport is the only full service commercial airport in the United States located wholly within a national park. As park tourism levels have increased, and as the city of Jackson has increased in population, there has been additional need for dependable air transportation for that community. This is a year-round need, as winters in western Wyoming attract the skiing public and weather considerations often dictate that air transportation is the only form of transportation available to the traveling public.

The Secretary of the Interior, Cecil Andrus, has determined that the airport is "incompatible" with the use and purpose of a national park—despite the fact that the Department of the Interior has sanctioned and approved the development and use of the Jackson Hole Airport for the past 25 years in its present location. Nonetheless, the Secretary has suggested that when the current special use permit expires in the year 1995 that it should not be renewed. There has also been the threat that the special use permit may be canceled upon the introduction of commercial jet service at that facility. Currently, the facility is being served capably by turbo-prop aircraft operated by Frontier Airlines. That airline is currently in the process of converting to all jet service, and indicates the conversion will be completed by the end of 1981, or early 1982.

The community of Jackson, Wyo.—and the hundreds of thousands of people who visit this beautiful and scenic area each year—need and deserve dependable air transportation. The community needs to know that its airport will not be closed by the National Park Service at a time when Frontier Airlines—or any other airline that might serve the facility in the future—might introduce commercial jet service.

Last year nearly 60,000 persons boarded commercial aircraft at the Jackson Hole Airport. In addition, a substantial number of general and private aviation operations are conducted throughout the year at that facility. It is obvious that closure of the Jackson Hole Airport would have a most serious and harmful impact on the traveling public.

A thorough search has failed to disclose a suitable site for possible relocation of the Jackson Hole Airport. Therefore, we now must take action that will insure the community of Jackson, and the traveling public, of continued commercial air service. My bill would alter the boundary of Teton National Park to exclude the airport from park control and cause it to revert back to the same Bureau of Land Management jurisdiction under which it operated for some 15 years. This legislation would also specify that the operation of the airport is not "incompatible" with any BLM permit policies or its multiple use mission.

Please carefully note that the alteration of the park boundary is a very minor change. The airport is sited in the extreme southern portion of Grand Teton National Park, very near the park boundary. The amount of land transferred to BLM control under this legislation will total about 550 acres, less than 1 square mile.

There will be those who will argue that this transfer of jurisdiction of the land upon which the Jackson Hole Airport exists will not resolve the ecological concerns recently expressed by the Secretary of the Interior. Indeed, the airport will continue to operate much as it has in the past, and will very likely grow in proportion to the general poulation and business increases that are seen in Teton County, Wyo.

I should also like to make the clear and important point that the Jackson Hole Airport is not the only "nonwilderness" facility currently operating within Teton National Park. The park contains luxury hotels, motels, trails, horse concessions, private homes, boats, boat marinas, restaurants, bars, mountain climbing, schools, housing developments, schools, sewer systems, camp grounds, administration and maintenance buildings and equipment, ranches, gasoline stations, fishing tackle shops and 150 miles of paved highway upon which approximately 1 million vehicles travel each year.

I submit that the operation of these facilities—as well as the Jackson Hole Airport—has not been wholly offensive to park use, goals and guidelines. It is incumbent upon the National Park Service to make park facilities and parklands outside of specifically designated wilderness areas accessible for public use and enjoyment. The operation of all facilities—including the Jackson Hole Airport—that have been traditionally a part of Grand Teton National Park assist in fulfilling that obligation to the general public.

The Jackson Hole Airport Board has worked diligently to devise an effective noise abatement plan and many other measures destined to minimize any harmful environmental intrusion on Teton Park. It is also of interest to note that during the past 8 years approximately $450,000 in Federal funds have been spent on various studies directly relating to the Jackson Hole Airport improvements projects. Studies have also been conducted to determine the precise effect of airport operations on the area's environment—the most recent of which was an environmental impact study on proposed Boeing 737 jet service. That study was prepared by the Federal Aviation Administration at the request of Frontier Airlines.

The EIS was released for public review and comment on July 20, 1979, and was published in the Federal Register. The study concluded that the environmental impact of 737 jet service would be minimal. The EIS reported that the 737 aircraft produced only slightly more noise on takeoff than the Convair 580 aircraft which are currently serving the airport, and which have served that facility for many years. The 737 jets produced less noise than representative general aviation jets, according to the study, the airport approach sound levels are approxmately the same as the 580—although the 737 becomes considerably less noisy than the 580 at further distances. Overall, the noise impact is nearly equivalent.

The study further concludes that there will be no significant impact on the air or water quality of the area—regardless of the type of aircraft proposed and authorized to operate in the future at the Jackson Hole Airport. The study concludes that social and economic impacts will be beneficial to the local area and that there will be little negative impact of any type.

I fully recognize and deeply respect the need for proper environmental safeguards in the Jackson Hole area—and indeed have fought for those. However, the many studies conducted have not shown that commercial jet service would cause a deterioration of the area's present ecological status.

The legislation I am today introducing—to remove the airport from Teton National Park and place it under Bureau of Land Management control is a logical and reasonable step. This bill will remove the very real possibility that the citizens of the area—and those many persons who visit the stunning Jackson Hole country—will lose future air transportation through the cancellation of the special use permit under which the airport now operates. That is only a fair and reasonable assurance to make to the multitude of persons who depend greatly on appropriate and convenient transportation in and to Jackson Hole, Wyo.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) effective on the date of the enactment of this Act, the boundaries of the Grand Teton National Park shall be deemed revised so as to exclude from within the exterior boundaries of such Park those lands, including improvements thereon, comprising the area utilized by the Town of Jackson, Wyoming, and the County of Teton, Wyoming, for the operation of a public airport facility, such lands being those lands covered by the special use permit numbered SP 1460–9–9022, effective August 1, 1979, and issued by the United States to the Jackson Hole Airport Board.

(b) The Secretary of the Interior shall take such action as may be necessary to revise, correct and redefine such maps and other documents to the extent required to reflect the boundary changes of the Grand Teton National Park resulting from the enactment of this Act.

(c) On and after the date of the enactment of this Act, the Secretary of the Interior, acting through the Bureau of Land Management, shall administer the lands described in such special use permit referred to in subsection (a) of this section in accordance with the terms of such permit, and such permit shall continue to be valid and in effect until its expiration date of April 28, 1995.

SEC. 2. On and after the date of the enactment of this Act, and after the expiration of the special use permit referred to in Subsection (b), Teton County, Wyoming, and the Town of Jackson, Wyoming, shall be authorized to continue to use such described lands for operating a public airport facility, and such use shall be deemed to be a use compatible with the purpose and operation of the neighboring Grand Teton National Park. Such use shall also be deemed a compatible use of Bureau of Land Management lands in accordance with the multiple use concept for management of public lands. The provisions of this section shall be applicable without regard to whether the permit referred to in the first section of this Act is renewed or otherwise extended prior to or after its expiration.

● Mr. WALLOP. Mr. President, I would like to state my support for my Wyoming colleague's bill to alter the boundaries of Grand Teton National Park. Wyo., so as to exclude the Jackson Hole Airport.

We have in Jackson Hole, Wyo., a situation which must be resolved. Local residents, the local and county governments, the Jackson Hole Airport Board, the State of Wyoming, numerous Federal agencies, and interested citizens throughout our Nation have been debating for years about the Jackson Hole Airport, located in Grand Teton National Park in northwestern Wyoming. Over the last decade almost half a million dollars in Federal funds, plus more private money, has been spent on myriad studies reviewing every facet of this airport's service, facilities, and ultimate fate. The debate most recently has centered on two crucial questions: Should commercial jet service be introduced to replace the existing commercial turboprop air service, and should the airport remain in its present location in the park when its current special use permit expires in 1995?

Despite the understandable concern of many people over the effect of commercial jet service on the park setting, study after study has failed to show that the proposed Boeing 737 jet service into this airport would harm or ruin the unique Jackson Hole environment. Numerous investigations indicate that jet service's impact on air and water quality will be minimal. EPA air pollution emission data shows that jet service will result in very low emissions which will not significantly deteriorate air quality, will not affect visibility, and will meet class I air quality standards. Noise data shows that the proposed commercial jet service is quieter than existing general aviation and private jet noise, and that a noise abatement plan which has been developed by the National Park Service, EPA, and the Jackson Hole Airport Board would markedly decrease overall aircraft noise over park-sensitive areas and the town of Jackson. The FAA is in the process of making a decision on jet service to the valley, but the outcome remains uncertain and will undoubtedly be controversial.

Adding heat to the fire, Secretary of the Interior Cecil Andrus recently announced that the airport is incompatible with the park environment, and that the airport's lease should not be renewed when the present special use permit expires. This finding flies in the face of numerous facts, and should be firmly rejected. The airport is but one of numerous commercial facilities in the park which provide a wide array of services to visitors, park employees, and local residents. It has been in operation for years with the express approval of the Park Service. Numerous studies have failed to turn up any realistic, convenient alternate airport site which could service Jackson Hole and the park. Removal of the airport would eliminate the only form of mass transportation to this area and to Grand Teton National Park, which together with Yellowstone to the north, is visited by millions of tourists every year.

I fail to understand how, when this Nation vitally needs to reduce oil imports by increasing conservation and cutting gasoline consumption, this administration can advocate ending the major form of public transportation to this region. Our need to conserve energy is, in and of itself, a strong environmental incentive for maintaining the airport and improving the quality of air service to Jackson Hole.

Modern, efficient air transportation to the existing airport is clearly vital to the local economy, which depends heavily on tourism to sustain its growing, year-round economy, and it is also important to the regional and State economies and well-being. There is strong and growing support for improving service to the existing airport, both locally and at the State level, and Wyoming's congressional delegation unanimously supports improving service to the existing airport. There is also a growing recognition that the conservation ethic, to which most people in Wyoming and I subscribe, cannot be so inflexible as to exclude compatible development within outstanding natural areas. It is our challenge to distinguish between real environmental hazards and new development which does no harm to environmental goals.

This legislation seeks to insure that the Jackson Hole Airport will remain in its present location by moving the boundaries of Grand Teton National Park so as to exclude the airport from the park and place it under BLM jurisdiction, with the finding that the airport is a compatible use of both the BLM and park lands. While there are some obstacles associated with this approach, and both Senator SIMPSON and I are well aware of them, I support this proposal in the hope these problems can be resolved.

Other solutions have been suggested. Most have been rejected as unrealistic. Every realistic solution should be pursued, but to be practical they must take into account energy use and limited financial resources of both the State and the Federal Government. I will work with Senator SIMPSON, local people, and the Congress to find a solution once and for all to end this debate and to provide Jackson Hole with modern, efficient air service while continuing to safeguard the natural and social environment of this outstanding corner of Wyoming.●

By Mr. RIBICOFF (by request):

S. 2737. A bill to amend section 3102 of title 5, United States Code, and section 7 of the Federal Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the Director of the Office of Personnel Management (OPM), I am introducing legislation to amend section 3102 of title 5, United States Code, and section 7 of the Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status.

I ask unanimous consent that the materials submitted by the OPM be printed in the RECORD. These materials are the text of the bill, the accompanying letter, the section analysis, and the state of purpose and justification.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3102 of title 5, United States Code, is amended by adding at the end thereof the following new subsections:

"(e) (1) For the purposes of this title, a "handicapped employee" is an employee of the Federal Government who is also a "handicapped individual" as defined in section 706 of title 29.

"(2) The head of each agency may employ or assign, subject to section 209 of title 18 and to the provisions of this title governing appointment and chapter 51 and subchapter III of chapter 53 of this title governing classification and pay, personal assistants essential and necessary in order that a handicapped employee may perform his official duties. The employment of such assistance shall be subject to such regulations as shall be promulgated by the Office of Personnel Management.

"(3) Personal assistants shall be available to perform other duties as designated by the head of the agency in addition to responsibilities under this section.

"(f) When the head of an agency determines that it is in the Government's interest that a handicapped employee travel in order to perform a Government function, the head of the agency may authorize—

(1) the payment of travel expenses and per diem to another Federal employee to accompany the handicapped employee during the authorized travel period; or

(2) the issuance of travel orders to the handicapped employee which provide for the payment, either directly or by reimbursement, for the personal services of an individual to accompany the handicapped employee during the authorized travel period. Payment for such personal services shall not exceed the amount which could be paid to a Federal employees, assigned to perform such services, in compensation, travel expenses, and per diem. Such a personal assistant shall not be considered a Federal employee for any purposes other than for the purposes of chapter 81 of this title (relating to compensation for injury) and sections 2671 through 2680 of title 28 (relating to tort claims)."

FEDERAL ADVISORY COMMITTEE ACT PROVISIONS FOR PERSONAL ASSISTANTS

SEC. 2. Section 7 of the Federal Advisory Committee Act is amended by inserting therein the following new subsection (d) (3):

"(d) (3) Members, staffs, and consultants of advisory committees who are 'handicapped individuals' as defined in section 706 of title 29, United States Code, when performing advisory committee duties, may be provided the services of a personal assistant pursuant to the provisions of subsections 3102(e) and (f) of title 5.".

EFFECTIVE DATE

SEC. 3. The provisions of this Act shall take effect sixty days after the date of the enactment of this Act.

OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., May 8, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Submitted herewith is a draft bill to amend Section 3102 of title 5, United States Code and section 7 of the Advisory Committee Act to permit the employment of personal assistants for handicapped Federal employees both at their regular duty station and while on travel status.

This legislation would extend a right which currently exists for blind and deaf employees to all physically handicapped employees. It will permit the effective utilization of the services and talents of many severely physically handicapped Federal employees and will enhance the Government's role as a model employer of handicapped individuals.

The use of readers and interpreters for blind and deaf employees has proven to be a successful program. Extending similar authority for employees with other physical handicaps should prove to be equally effective.

The Office of Management and Budget advises that there is no objection to the submission of this draft legislation and that its enactment would be consistent with the Administration's objectives.

The same letter is being sent to the President of the Senate.

Sincerely yours,
ALAN K. CAMPBELL,
Director.

SECTION ANALYSIS

The bill would amend section 3102 of title 5, United States Code, by adding new subsections (e) and (f) and section 7 of the Federal Advisory Committee Act by adding a new subsection (d) (3).

Section 1 of the bill amends section 3102 of title 5.

Subsection (e) consists of three paragraphs that would authorize the employment of personal assistants for handicapped employees. Paragraph (1) defines "handicapped employees."

Paragraph (2) authorizes the employment of individuals to work as personal assistants to handicapped employees. This paragraph is similar to existing provisions of law which allow the employment of individuals as readers and interpreters for blind and deaf employees.

Paragraph (3) clarifies the previous paragraph by authorizing personal assistants to perform additional work. It is unlikely that any employee would devote his or her entire work day to providing such services.

Section (f) consists of two paragraphs which authorize the payment of travel, per diem, and salary for personal assistants who provide service to handicapped employees on travel status.

Subsection (1) provides for such payment to Government employees.

Subsection (2) provides for payment for services rendered by nongovernment employees. This payment can be made directly or by reimbursement to the handicapped employee who has travel orders which authorize personal assistants.

Section 2 of the bill provides the same provision as section 1 for personal assistants for members, staffs, and consultants to advisory committees.

STATEMENT OF PURPOSE AND JUSTIFICATION

A draft bill to amend section 3102 of title 5 United States Code and section 7 of the Federal Advisory Committee Act.

The purpose of this legislation is to increase employment opportunities for the physically handicapped by permitting the Government to pay for personal assistants for such employees. The legislation also authorizes compensation for personal assistants for advisory committee members, staffs, and consultants.

Under existing law agencies are authorized to employ or assign employees as readers for the blind and interpreters for the deaf. However, Congress has not enacted legislation that provides for similar assistance for other handicapped employees. As a result, the Comptroller General of the United States has ruled (B–188710) that agencies may not authorize reimbursement of compensation for attendants of handicapped employees.

This legislation would end a system of treating the needs of handicapped employees differently depending on the nature of the handicap. This legislation would provide for Government-wide authorization for the employment of personal assistants for all handicapped employees requiring such assistants. The bill also provides authorization for personal assistants to be paid from Government funds for services provided to a handicapped employee in travel status.

This legislation is consistent with a large body of legislation designed to provide equal employment opportunities to all, including disabled individuals.

Passage of this bill will provide the Government with several benefits. First, it will permit the effective utilization of the services and talents of all employees, not just those without physical handicaps. Second, it will continue to demonstrate the Government's role as a model employer of the physically handicapped. Third, the provisions of this bill will provide an additional incentive for handicapped individuals to contribute actively to society and to provide their own economic support.●

By Mr. MOYNIHAN:

S. 2738. A bill to establish the Snug Harbor National Wildlife Refuge; to the Committee on Environment and Public Works.

SNUG HARBOR WILDLIFE REFUGE

Mr. MOYNIHAN. Mr. President, I rise today to submit legislation that creates a wildlife refuge at Sailors Snug Harbor on Staten Island, N.Y. New York City purchased this unique area in the early seventies, and for the last 4 years it has served as an invaluable environmental, educational, and cultural center for the New York metropolitan area.

The proposed Snug Harbor Wildlife Refuge would include 80 acres of land, divided among grasslands, woodlands, marsh, pasture, lake, and existing construction. It is notable for its concentration of gray squirrels, rabbits, and raccoons, and for its brilliant bird populations, including egrets, herons, pheasants, mourning doves, and a variety of ducks. Many rare plant species are present in the area in addition to its beautiful woods of maple and cherry. The seamen who inhabited Snug Harbor in the past would customarily return from their journeys with exotic plant varieties, which can now be found there in the wild. In addition to the plants and wildlife, the site includes several structures of national significance and is already recognized as a national historical district and a State landmark. In all, it is a truly lovely site well worthy of Federal interest, protection, and funding.

The bill that I am proposing today would enable New York State to donate this unique property to the Federal Government, to be preserved and protected as a national wildlife refuge. The Federal Government would be responsible for routine operation and maintenance expenses for the refuge including necessary technical assistance. Administration and policymaking responsibility would not change hands, but would remain with the Snug Harbor Cultural Center, Inc., an organization under permit from the city of New York to maintain the Harbor for public use. In addition, the responsibility, for the rehabilitation and necessary repairs of the buildings in the area would remain local, to be coordinated by the cultural board with assistance from the State, city, and for other organizations; Federal money is expressly not intended for these expenses.

In the House of Representatives, this measure is sponsored by my colleague, Representative John Murphy, of New York, whose Committee on Merchant Marine and Fisheries reported this bill favorably. The full House action approved this measure just this week.

I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if—

(1) the property known as Sailors' Snug Harbor, consisting of approximately eighty acres and located in the city of New York, is donated to the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") by the city of New York; and

(2) The Secretary and the city of New York and the Snug Harbor Cultural Center, Incorporated, enter into mutually satisfactory cooperative agreements of the kind described in Section 3;

the Secretary shall designate Sailors' Snug Harbor as the Snug Harbor National Wildlife Refuge (hereinafter referred to in this Act as the "refuge").

Sec. 2. Except as may be provided for in cooperative agreements referred to in paragraph (2) of the first section of this Act, the refuge shall be administered in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966. The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of this Act.

Sec. 3. The Secretary and the city of New York and the Snug Harbor Cultural Center, Incorporated, shall endeavor to enter into cooperative agreements regarding the respective functions each such party will undertake with respect to the refuge; except that the Secretary shall be responsible for the protection of, and the provision of technical assistance with respect to, the refuge, as well as for costs incurred in the operation and maintenance of the refuge.

Sec. 4. For purposes of section 401 of the Act of June 15, 1935 (commonly known as the "Refuge Revenue Sharing Act"), the refuge may not be considered to be, nor treated as, a fee area within the meaning of the subsection (g)(2) of such section 401.

Sec. 5. Nothing in this Act may be construed as affecting in any manner, or to any extent, the eligibility (as in effect on the day before the date of the enactment of this Act) of the city of New York, the Snug Harbor Cultural Center, Incorporated, or the State of New York, under any Federal law for funds or other assistance for use in the restoration or preservation of historic buildings, or in the carrying out of developmental and recreational projects and programs, within the area included in the refuge.

Sec. 6. There are authorized to be appropriated to the Department of the Interior not to exceed $1,750,000 for purposes of carrying out this Act during the period covering fiscal years 1981, 1982, and 1983; except that no part of any funds appropriated pursuant to this section may be expended for the restoration or preservation of any building within the refuge.

By Mr. DURENBERGER:

S. 2740. A bill to amend the Internal Revenue Code; to the Committee on Finance.

INDUSTRIAL DEVELOPMENT BONDS

Mr. DURENBERGER. Mr. President, I rise to introduce a bill which amends the Internal Revenue Code relating to industrial development bonds.

Mr. President, the proposed refunding amendment to section 103(b) is designed to allow the port authority of the city of St. Paul to advance refund prior issues of revenue bonds. Such refundings will relieve the port authority of restrictive covenants, improve its cash flow, and thus strengthen the port authority's ability to finance future projects.

Port authority revenue bonds are unique because, unlike typical industrial revenue bonds, port authority revenue bonds are secured by a pledge of almost all of the port authority's revenues derived from facilities owned by the port authority but leased to private companies. This "pooled security" has allowed the port authority to finance many projects which would not attract private financing standing alone. To market the bonds, however, the port authority had to enter into many restrictive covenants which have impacted on the entire operation of the port authority and its ability to issue bonds in the future.

The problem is that refunding the prior issues is the only practical remedy the port authority has of relieving itself of restrictive covenants no longer required by existing market conditions. This remedy, however, is not available to the port authority because of the fact that the interest on such refunding bonds would not be exempt from Federal income taxation under the existing provisions of section 103(b) of the Internal Revenue Code. The proposed bill solves that problem.

The proposed refunding amendment to section 103(B) allows the port authority to improve its cash flow by requiring that any debt service savings gained by the refunding accrue for the benefit of the port authority rather than be passed on to the private companies using the facilities financed by the bonds being refunded. This requirement further enhances the ability of the port authority to finance future bonds issues backed by a pledge of revenues derived from port authority facilities.

In short, Mr. President, the proposed refunding amendment solves a problem which is essentially unique to the port authority of St. Paul, and because of the narrow scope of the amendment, would not impact throughout the rest of the country.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of Chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 103(b)(8) as section 103(b)(9) and by inserting after 103(b)(7) the following new section:

"(8) Advance refund of qualified issues.—

(A) In general.—Paragraph (1) shall not apply to a refunding issue if—

(i) the refunding issue is secured by a pledge of substantial revenues of the issuer derived from 20 or more facilities operated or leased by the issuer,

(ii) the issuer of such refunding issue is a political subdivision engaged primarily in promoting economic development.

(iii) the issuer of such refunding issue was created under State law at least 20 years prior to the issuance of such refunding bonds for the express purpose of promoting economic development, and

(iv) any debt service savings derived from the refunding may be used only for the proper corporate purposes of the issuer and shall not be used to reduce any existing obligations of any person who is not an exempt person (within the meaning of paragraph (3))."

By Mr. ARMSTRONG:

S. 2741. A bill to designate national forest lands in the State of Colorado as units of the national wilderness preservation system, and for other purposes; to the Committee on Energy and Natural Resources.

COLORADO WILDERNESS LEGISLATION

Mr. ARMSTRONG. Mr. President, President Theodore Roosevelt, a leader of America's conservation movement, declared in 1905 that his goal was not to "lock up" the forests, but to "consider how best to combine use with preservation."

The Colorado Wilderness bill which I am introducing today fulfills these sensible criteria.

After carefully weighing the recommendations and concerns of several hundred knowledgeable Colorado individuals and organizations, I propose to designate an additional 1.228 million acres of wilderness for our State. This acreage, along with 1.25 million acres of existing wilderness, will permit future generations to visit natural areas of breathtaking beauty and variety. Such areas will enrich our national life and hold the promise of what one of my colleagues termed "a great refreshment of the spirit."

In some respects, my bill is similar to legislation already adopted by the House and to legislation introduced by Senator HART. But in a number of significant respects, my bill comes much closer to providing for both use and preservation of public lands, as Teddy Roosevelt recommended.

I have prepared a detailed analysis of the wilderness and nonwilderness values which I have taken into account in this legislation, including specific reasons why some areas designated in other bills are excluded in my bill and, in turn, why other areas have been included.

The section-by-section analysis also discusses nonboundary issues which, in my opinion, are even more crucial.

However, I can briefly point out some of the main differences between my bill and other pending Colorado wilderness legislation:

RELEASE LANGUAGE

Each of the pending bills designates certain areas to become statutory wilderness areas. But my bill clearly spells out what will become of the more than 4.8 million acres of Colorado land which were studied but not designated.

There is general agreement—unanimous agreement among the affected members of the Colorado congressional delegation—that the lands not designated should be released; that is, returned to multiple-use management.

Some people have the mistaken idea that "release" means ending Federal protection of the affected lands. Nothing could be further from the truth. Multiple-use management permits a broader range of uses—such as timbering, mining, recreation, et cetera—under Federal supervision. But all the regular Federal, State, and local environmental laws and standards continue in effect.

In any event, the general—I stress not unanimous—agreement about the need for release does not include agreement about how to accomplish this policy.

The obvious way to do so is to include release language in the wilderness bill itself. I am supported in this recommendation by leading Colorado organizations, including Colorado Resource Consortium, Club Twenty (an organization of Western Colorado counties), Colorado Association of Commerce and Industry, Colorado Farm Bureau, National Forest Products Association, Outdoors Unlimited, Inc., Colorado Four Wheel Drive Clubs, Colorado Mining Association, Rocky Mountain Oil & Gas Association, various local chambers of commerce, municipalities and individual county governments; also by many of our State's most distinguished individual citizens, including such knowledgeable experts as Wayne Aspinall, former chairman of the House Interior Committee, and former Colorado Governor John Vanderhoof.

Why are so many of Colorado's leaders supporting statutory release language?

For one simple reason:

Without statutory release, millions of Colorado acres may be left in limbo—not really a part of our wilderness areas, but not fully available for multiple use without the possibility of endless haggling with administrators and/or the courts.

Opponents of statutory release make two arguments:

First, they say statutory release is unnecessary. They contend that direction in the committee report will be sufficient. Unfortunately, however, committee report language really leaves the final decision to administrators for whom a committee report is, at best, only advisory. Leaving such an important decision up in the air hardly seems responsible.

Recent court decisions would suggest that to do so would, indeed, be foolhardy. Two legal decisions, handed down since the House adopted its version of wilderness legislation, raise serious doubts about the legal ability of the administration to restore undesignated lands to multiple use even if Congress were willing to trust the discretion of administrators.

There is another argument that opponents of statutory release keep bringing up. They say that whatever the merits, statutory release will not be approved by the House. I have been bluntly warned that powerful and intransigent Representatives will kill the bill if release language is included.

Maybe so.

I doubt it.

The tradition of deferring to Senators and Representatives when the vital interests of their State are threatened is one of the most ancient customs of Congress. I am convinced that a united Colorado delegation would prevail on this issue. Unfortunately, we are not united.

Even so, I will not give up on an issue of such immense importance to Colorado without making an all out effort. I will ask Senators to help me include release language in the bill so that it can be taken to conference with the House. If the Senate fails to do so, there will not even be any basis for discussion of this vital issue in the conference committee, not even any basis for a compromise.

MINERALS

The vast majority of the Colorado RARE II areas (especially those proposed for wilderness) are located in the Colorado Mineral Belt, have a long history of mineral production and have high to extremely high potential for coal, uranium and metals; many also have extremely high oil and gas and/or geothermal potential. Obviously, it is impossible to exclude all areas which have high mineral potential, for this would result in elimination of most RARE II areas from possible wilderness designation.

Therefore, my proposal addresses the mineral issue in two ways. First, it excludes portions of proposed wilderness areas where exploration is in an advanced stage and has actually identified the presence of an ore body or focused on a specific unit that has obviously far higher mineral value. Then, since over 75 percent of the designated wilderness areas in Colorado lie within the Colorado Mineral Belt and since over 30 percent of the mineral belt will be wilderness following passage of the current legislation, my bill also extends the 1984 mineral exploration deadline provided in the Wilderness Act of 1964.

GRAZING

My bill also tries to balance boundary adjustments versus statutory language in the treatment of grazing. Rather than exclude all grazing allotments from wilderness (which some have argued is essential to protect ranchers' needs for occasional vehicle access, occasional use of mechanized equipment and freedom from sometimes arbitrary policy enforcement) I recommend both minor boundary modifications and statutory language to insure reasonable access.

Testimony before the Senate Committee and the report of the House Committee underscores the failure of the administration to follow repeated direction of committee reports and the resulting need for statutory language (a point proponents of committee report release language might well consider).

FIRE, DISEASE AND INSECT CONTROL

My bill directs the Forest Service and National Park Service to review their present policy of leaving largely unchecked forest fires and outbreaks of disease and insects in wilderness areas. For reasons discussed more fully elsewhere, this policy is seriously questioned for its effect on the wilderness areas. In addition, such outbreaks are not always confined to Federal property and frequently threaten adjacent private land. For example, a fire was permitted to burn for several weeks in Rocky Mountain Park a few years ago. Suddenly the wind changed, fanned the flames and the little town of Allenspark, nearby, was seriously threatened. At the very least, such a policy ought to be reconsidered.

TIMBER

In some areas, my bill proposes wilderness despite high timber value. Viewed in isolation, such decisions might seem arbitrary. However, other factors must be considered as bearing on each decision.

In some cases, the wilderness values might be judged to be significantly higher. In others, the timber industry may have felt that certain areas are far more important than others, and boundary modifications in other proposed wilderness areas in the same geographical vicinity are made to insure that adequate timber supplies will be available, so that sawmills will not have to lay off workers or close. Moreover, my proposal statutorily releases nondesignated RARE II study areas to the normal land management planning process and thus provides a greater degree of business certainty and a greater ability to plan long-term timber sale contracts than was possible during RARE II or would be possible in the absence of release language.

I recognize that 10 sawmills were closed and hundreds of sawmill employees were laid off during the last few years, primarily because so much national forest land was involved in RARE II and was therefore unavailable to keep the State's sawmills operating. Companies have had to compete for a smaller timber base or go such long distances for timber supplies that their operations became uneconomical. An important part of an essentially diversified local economy is removed when this happens; jobs and productive capacity are lost; the Nation has been forced to turn to imports for one-fourth of the Nation's softwood production; and, consumer prices for lumber have skyrocketed.

BUFFER ZONES

Several Coloradans have expressed a concern that the Forest Service and Bureau of Land Management may be applying a policy, also suggested by at least one Federal court case, that certain facilities or activities cannot be permitted near a designated wilderness area, for fear the facility or activity can be seen or heard from within the wilderness. Such policies, of course create a "protective perimeter" or "buffer zone" around each wilderness area and, in effect, lead to the creation of a much larger de facto wilderness system. My bill repudiates this "sights and sound doctrine."

BOUNDARY DIFFERENCES

In total acreage, my bill closely parallels the House; however, I am recommending two wilderness areas not included in the House bill and have proposed reductions in several of the House areas. In many cases, these minor boundary changes are the result of having later and better information about the existence of roads, mining activity, water development, etc.

I am indebted to my staff for a thorough and painstaking evaluation of literally thousands of pages of testimony, maps, letters, and other information and for their faithfulness in accommodating existing nonconforming uses wherever possible in recommending designation of wilderness areas.

I am also grateful to the individuals and interest groups who have been extraordinarily generous with their counsel and advice. Although there has been much emotion in the drawn out consideration of RARE II, I am impressed by the diligence and scholarship of preservationists, ranchers, business firms, community groups and others who have given me the benefit of their advice.

RECOMMENDED PROCEDURE

I did not originally intend to introduce a separate wilderness bill. I had hoped, and until a few days ago expected, that the entire Colorado delegation would support a single proposal. Perhaps this will still be possible.

However, since other Members are eager to proceed with their own bills and unwilling to agree to satisfactory resolution of major issues, I am constrained now to introduce my own bill.

However, I do not intend to push for passage of my bill. I have introduced it as a point of reference for the committee and other Senators with the expectation that the bill already passed by the House will be used as a vehicle for amendments.

I trust my colleagues will see the wisdom of the amendments which I propose and that the House bill can be suitably amended.

Mr. President, I ask unanimous consent that the text of the bill, together with a table entitled "Colorado RARE II, Summary of Wilderness Proposals," an analysis of the bill and other descriptive material be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Colorado National Forest Wilderness Act of 1980."

CONGRESSIONAL FINDINGS AND INTENT

SEC. 2. (a) The Congress finds that—

(1) many areas of undeveloped public lands in Colorado possess outstanding natural characteristics giving them high values as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people;

(2) review and evaluation of roadless and undeveloped lands in the National Forest System in Colorado have identified those areas which, on the basis of their landform, ecosystem, associated wildlife and location, will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System; and

(3) review and evaluation of roadless and undeveloped lands in the National Forest System in Colorado have also identified those areas which possess outstanding energy, mineral, timber, grazing, recreation and other values and which should be available for multiple uses other than wilderness.

(b) The purposes of the Act are to—

(1) designate certain National Forest System lands in Colorado for inclusion in the National Wilderness Preservation System, in order to promote, perpetuate and preserve the wilderness character of the land, protect watersheds and wildlife habitat, preserve scenic and historic resources and promote scientific research, primitive recreation, solitude, physical and mental challenge, and inspiration for the benefit of all the American people, to a greater extent than is possible in the absence of wilderness designation;

(2) insure that certain other National Forest System lands in Colorado be promptly available for nonwilderness uses including, but not limited to, campground and other recreation site development, timber harvesting, intensive range management, energy and mineral exploration and production, and watershed and vegetation manipulation, in accordance with the general land use and environmental laws and regulations of the United States and the State of Colorado; and

(3) insure that wilderness designation does not foreclose to the people of Colorado and the United States opportunities for locating, developing and producing any critically needed resources that may be present in lands designated as wilderness within the State of Colorado, in a timely and environmentally sound manner.

WILDERNESS

SEC. 3. (a) In furtherance of the purposes of the Wilderness Act of 1964 and in accord with the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the following lands in the State of Colorado, comprising approximately 1,228,000 acres and as generally depicted on maps appropriately referenced dated May 1980, are hereby designated as wilderness and, therefore, as additions to the National Wilderness Preservation System—

(1) Certain lands in the Roosevelt National Forest, comprising approximately 9,400 acres, as generally depicted on a map entitled "Cache La Poudre Wilderness Proposal," dated May 1980, which shall be known as the Cache La Poudre Wilderness Area: *Provided*, That this Act shall not affect in any way any existing right, any existing conditional right, or any existing claim of right or conditional right, to the use of water by the Cities of Greeley and Fort Collins for the Gray Mountain-Idylwilde Water Development Project, nor shall it affect in any way the construction, operation, maintenance or repair of such Project;

(2) certain lands in the Gunnison, San Isabel, and White River National Forests, comprising approximately 154,000 acres, as generally depicted on a map entitled "Collegiate Mountains Wilderness Proposal," dated May 1980, which shall be known as the Collegiate Mountains Wilderness Area;

(3) certain lands in the Roosevelt National Forest, comprising approximately 59,500 acres, as generally depicted on a map entitled "Comanche Peak Wilderness Proposal," dated May 1980, which shall be known as the Comanche Peak Wilderness Area: *Provided*, That this Act shall not affect in any way any existing right, any existing conditional right, or any existing claim of right or conditional right, to the use of water by the Cities of Greeley and Fort Collins for the Gray Mountain-Idylwilde Water Development Project, nor shall it affect in any way the construction, operation, maintenance or repair of such Project;

(4) certain lands in the White River National Forest, comprising approximately 97,000 acres, as generally depicted on a map entitled "Holy Cross Wilderness Proposal," dated May 1980, which shall be known as the Holy Cross Wilderness Area: *Provided*, That no right, or right of claim of right, to the diversion and use of existing conditional water rights for the Homestake Water Development project by the cities of Aurora and Colorado Springs, shall be prejudiced, expanded, diminished, altered, or affected by this Act. Nothing in this Act shall be construed to expand, abate, impair, impede or interfere with the construction, maintenance or repair of said project, nor the operation thereof, or any exchange or modification of the same agreed to by the cities and the United States, acting through any appropriate agency thereof;

(5) certain lands in the Gunnison and Rio Grande National Forests, comprising approximately 60,000 acres, as generally depicted on a map entitled "La Garita Wilderness Additions—Proposal," dated May 1980, which are incorporated in and shall be a part of the La Garita Wilderness Area, as designated by Public Law 88–577;

(6) certain lands in the San Juan and Uncompahgre National Forests, comprising approximately 38,000 acres, as generally depicted on a map entitled "Lizard Head Wilderness Proposal," dated May 1980, which shall be known as the Lizard Head Wilderness Area;

(7) certain lands in the Pike National Forest, comprising approximately 71,000 acres, as generally depicted on a map entitled "Lost Creek Wilderness Proposal," dated May 1980, which shall be known as the Lost Creek Wilderness Area: *Provided*, That this Act shall not affect in any way any existing right, any existing conditional right, or any existing claim of right or conditional right, to the use of water by the Denver Water Board for future water development projects, nor shall it affect in any way the construction, operation, maintenance or repair of such project;

(8) certain lands in the Gunnison and White River National Forests, comprising approximately 85,000 acres, as generally depicted on a map entitled "Maroon Bells-Snowmass Wilderness Additions—Proposals," dated May 1980, which are incorporated in and shall be part of the Maroon Bells-Snowmass Wilderness Area, as designated by Public Law 88-577;

(9) certain lands in the Pike National Forest, comprising approximately 74,000 acres, as generally depicted on a map entitled "Mount Evans Wilderness Proposal," dated May 1980, which shall be known as the Mount Evans Wilderness Area;

(10) certain lands in the San Isabel National Forest, comprising approximately 26,000 acres, as generally depicted on a map entitled "Hunter-Fryingpan Wilderness Additions—Proposal," dated May 1980, which shall be known as the Mount Massive Wilderness Area;

(11) certain lands in the Uncompahgre National Forest, comprising approximately 16,200 acres, as generally depicted on a map entitled "Mount Sneffels Wilderness Proposal," dated May 1980, which shall be known as the Mount Sneffels Wilderness Area:

(12) certain lands in the Routt National Forest, comprising approximately 42,500 acres, as generally depicted on a map entitled "Mount Zirkel Wilderness Additions—Proposal," dated May 1980, which shall be known as the Mount Zirkel Wilderness Area; *Provided*, That this Act shall not affect in any way any existing right, any existing conditional right, or any existing claim of right or conditional right, to the use of water by the City of Steamboat Springs for future water development projects, nor shall it affect in any way the construction, operation, maintenance or repair of such project;

(13) certain lands in the Roosevelt National Forest, comprising approximately 9,900 acres, as generally depicted on a map entitled "Neota Wilderness Proposal," dated May 1980, which shall be known as the Neota Wilderness Area;

(14) certain lands in the Arapahoe National Forest, comprising approximately 10,000 acres, as generally depicted on a map entitled "Never Summer Wilderness Proposal," dated May 1980, which shall be known as the Never Summer Wilderness Area;

(15) certain lands in the Gunnison and White River National Forest, comprising approximately 61,100 acres, as generally depicted on a map entitled "Raggeds Wilderness Proposal," dated May 1980, which shall be known as the Raggeds Wilderness Area;

(16) certain lands in the Roosevelt and Routt National Forests, comprising approximately 48,900 acres, as generally depicted on a map entitled "Rawah Wilderness Additions—Proposal," dated May 1980, which are incorporated in and shall be a part of the Rawah Wilderness Area, as designated by Public Law 88-577: *Provided*, That the Secretary shall permit motorized access and the use of motorized equipment used for the periodic maintenance and repair of the McGuire Water Transmission Line ditch;

(17) certain lands in the San Juan National Forest, comprising approximately 75,000 acres, as generally depicted on a map entitled "South San Juan Wilderness Proposal," dated May 1980, which shall be known as the South San Juan Wilderness Area;

(18) certain lands in the Arapahoe National Forest, comprising approximately 9,500 acres, as generally depicted on a map entitled "St. Louis Peak Wilderness Proposal," dated May 1980: *Provided*, That this Act shall not affect in any way any existing right, any existing conditional right, or any existing claim of right or conditional right, to the use of water by the City of Denver for the Darling Creek portion of the Williams Fork Water Diversion Project, or the Vasquez Creek Reservoir Project, nor shall it affect it any way the construction, operation, maintenance, or repair of such Project;

(19) certain lands in the Uncompahgre National Forest, comprising approximately 96,000 acres, as generally depicted on a map entitled "Uncompahgre Wilderness Proposal," dated May 1930, which shall be known as the Uncompahgre Wilderness Area;

(20) certain lands in the Rio Grande and San Juan National Forests, comprising approximately 66,000 acres, as generally depicted on a map entitled "Weminuche Wilderness Additions—Proposal," dated May 1980, which are incorporated in and shall be a part of the Weminuche Wilderness Area, as designated by Public Law 93-632; and

(21) certain lands in the Gunnison National Forest, comprising approximately 119,000 acres, as generally depicted on a map entitled "West Elk Wilderness Additions—Proposal," dated May 1980, which are incorporated in and shall be part of the West Elk Wilderness Area, as designated by Public Law 88-577.

(b) The previous classification of the Uncompahgre Primitive Area and the Wilson Mountains Primitive Area are repealed.

SPECIAL STUDY

Sec. 4. (a) The Secretary of the Interior and the Secretary of Agriculture shall review jointly the Wheeler Geologic Study Area consisting of approximately 11,000 acres in the Gunnison National Forest, as generally depicted on a map entitled "Wheeler Geologic Study Area Proposal," dated May 1980, and within two years following the date of enactment of this Act shall report to the President and to Congress their recommendations for management of the lands in such study area.

(b) In making such review and report, the Secretaries shall consider—

(1) the natural, historical, cultural, scenic, economic, educational, scientific, energy, mineral and geological values of the study area;

(2) the management and protection of fragile geologic resources within the area;

(3) possible land management options or designations, including national park, monument or national recreation area designation, addition to the wilderness system, special administrative designations, and management under the general laws and regulations applicable to the National Forest System;

(4) the effect of possible land management options on consumers, national security, and national, State and local economies, including: timber harvest, tourism, grazing, energy, water, mineral, and other commercial activities;

(5) the need for additional mineral exploration in such area; and

(6) the suitability and desirability of permanent or temporary road or other mechanized access to the study area.

ALLOCATION OF NON-DESIGNATED AREAS

Sec. 5. (a) Notwithstanding any other provision of law, with respect to lands within the National Forest System in Colorado which have been studied as part of the Secretary of Agriculture's Roadless Area Review and Evaluation Program (RARE II) and which are not identified by the Secretary for further planning, not designated as wilderness by section 3 of this Act, or not included in the special study area by section 4 of this Act—

(1) Congress does not intend to designate any of these lands for inclusion in the National Wilderness Preservation System;

(2) these lands shall continue to be available for uses other than wilderness under the existing Forest Service plans applicable to the national forest within which such lands are located, or under such plans as amended or hereafter modified; and

(3) no department or agency of the United States shall study these lands for the single purpose of determining their suitability or non-suitability for inclusion in the National Wilderness Preservation System.

(b) Nothing in the land management planning process required by section 6 of the National Forest Management Act of 1976 (16 U.S.C. 1604) shall be deemed to preclude multiple use management for uses other than wilderness on any land subject to such planning process.

(c) The enactment of this legislation shall be conclusive as to the legal and factual sufficiency of the environmental impact statement prepared relative to RARE II with respect to National Forest System lands in the State of Colorado and no court shall have jurisdiction to consider questions respecting the sufficiency of such statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321-61).

EXTENSION OF MINERALS DEADLINE

Sec. 6. In order that the nation's needs for energy, metals and other minerals will be met in a timely and environmentally sound manner—

(a) for those national forest lands within the State of Colorado designated as wilderness on or before December 31, 1979, the provisions of Section 4(d)(3) of the Wilderness Act of 1964, and the rights granted thereunder, shall remain valid and in force until midnight, December 31, 1993;

(b) for those national forest lands within the State of Colorado designated as wilderness by this Act, the provisions of Section 4(d)(3) of the Wilderness Act of 1964 and the rights granted thereunder, shall remain valid and in force for a period of 20 years from the date of enactment of this Act; and

(c) for all national forest lands undergoing wilderness study in the State of Colorado, including those RARE II lands allocated to further planning by Executive Communication 1504, Ninety-Sixth Congress, reasonable rights of access shall be granted for ground and air equipment customarily used by reasonable and prudent operators in performing oil, gas, hardrock and other mineral exploration, development and production activities.

GRAZING

Sec. 7. (a) This section applies to all areas designated as units of the National Wilderness Preservation System in national forests within the State of Colorado.

(b) There shall be no curtailments of grazing in wilderness areas for the single reason that an area has been designated as wilderness, nor shall wilderness designation be used as a rationale for phased reduction of grazing uses.

(c) Notwithstanding any other provision of this Act or the Wilderness Act of 1964, where grazing of livestock is permitted under Section 4(d)(4) of the Wilderness Act (16 U.S.C. 1133(d)(4)), the Secretary shall, by reasonable regulation—

(1) permit the occasional use of motor vehicles and motorized equipment for the purposes of responding in emergencies, attending to livestock and maintaining facilities, where such uses had occurred prior to an area's designation as wilderness or were established by an agreement between the Forest Service and grazing permittee, entered into prior to the area's designation as wilderness: *Provided*, That prior consent of the land management agency shall not be required in cases of bona fide emergencies involving humans or livestock; and

(2) permit the retention, maintenance, repair and reconstruction of structures, installations, improvements and other facilities, where such facilities were established prior to an area's designation as wilderness or are established by an agreement between the Forest Service and grazing permittee, entered into prior to the area's designation as wilderness.

(d) The replacement or reconstruction of deteriorated facilities or improvements shall not be required to be accomplished using "natural materials," unless the material and labor costs of using natural materials are such that their use would not impose unreasonable additional costs on grazing permittees.

ACCESS TO INHOLDINGS

SEC. 8. Notwithstanding any other provision of law, and subject to such terms and conditions as the Secretary of Agriculture may prescribe, the Secretary shall provide such access to non-federally owned lands within the boundaries of National Forest System wilderness areas in Colorado as the Secretary deems adequate to secure to the owner the reasonable use and enjoyment thereof: *Provided*, That such owner shall comply with rules and regulations applicable to access across the National Forest System.

FIRE, DISEASE AND INSECT CONTROL

SEC. 9. The Secretary of Agriculture is directed to review all policies, practices, and regulations of the Department of Agriculture regarding disease or insect outbreaks, forest fires, "natural burns," and the use of modern suppression methods and equipment in national forest wilderness areas, to insure that:

(a) such policies, practices, and regulations fully conform with and implement the intent of Congress regarding forest fire, disease and inspect control, as such intent is expressed in the Wilderness Act and this Act; and

(b) policies, practices and regulations are developed that will allow timely, efficient fire and insect control, and will protect adjacent Federal, State and private non-wilderness lands from forest fires and disease or insect infestations.

VALID EXISTING RIGHTS

SEC. 10. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas, except that, with respect to any area designated by this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deeemed to be a reference to the effective date of this Act.

BUFFER ZONES

SEC. 11. Congress does not intend that designation of wilderness areas in the State of Colorado lead to the creation of "protective perimeters" or "buffer zones" around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

MAPS

SEC. 12. As soon as practicable after enactment of this Act, maps and legal descriptions of each wilderness area designated by this Act shall be filed by the Secretary of Agriculture with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, United States House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

COLORADO RARE II—SUMMARY OF WILDERNESS PROPOSALS

[All figures are in acres]

Area name	Administration	State of Colorado	House	Hart	Armstrong
Cache la Poudre	9,400	9,400	9,400	9,400	9,400
Collegiate Mountains	193,500	193,500	155,000	193,500	154,000
Comanche Peak	74,000	74,000	59,500	73,100	59,500
Holy Cross	121,400	132,900	101,400	130,600	97,000
La Garita	122,000	72,800	60,000	60,000	60,000
Lizard Head	19,000	19,000	40,000	40,000	38,000
Lost Creek	71,000	71,000	0	71,000	71,000
Maroon Bells	109,100	109,100	101,500	101,500	85,000
Mount Evans	74,000	74,000	74,000	74,000	74,000
Mount Massive	26,700	26,700	26,000	26,000	26,000
Mount Sneffels	16,200	16,200	16,200	16,200	16,200
Mount Zirkel	113,000	76,600	68,800	90,600	42,500
Neota Flattops	9,900	9,900	9,900	9,900	9,900
Never Summer Mountains	14,900	14,900	14,900	26,900	10,000
The Raggeds	61,100	61,100	67,000	71,500	61,100
Rawah	49,200	49,200	48,900	48,900	48,900
South San Juans	134,000	159,500	130,000	157,500	75,000
St. Louis Peak	13,300	13,300	0	13,300	9,500
Uncompahgre	59,500	59,500	100,000	100,000	96,000
Weminuche	66,000	66,000	66,000	66,000	66,000
West Elk	150,000	131,500	130,000	133,500	119,000
Wilderness total	1,507,200	1,440,100	1,278,500	1,513,400	1,228,000
Fossil Ridge study	0	57,000	0	(30,000)	0
Wheeler geol area	0	0	11,000	(50,000)	11,000
Wilderness + wilderness study total	1,507,200	1,497,100	1,289,000	1,593,000	1,239,000

ANALYSIS OF PROVISIONS IN ARMSTRONG WILDERNESS BILL

Section 1. Enactment Clause and Title of Act.

This is a part of all congressional legislation.

Section 2. Statement of Congressional Findings and Intent.

This section explains the purposes of the bill and how Congress has attempted to balance competing interests so that there will be less confusion when questions are inevitably raised at a later date about these decisions.

Section 3. Designation of Wildernesss Area.

This is the heart of the wilderness legislation. This section lists the areas to be designated, notes the acreage involved, and, in several cases, includes special language designed to protect water and water project development rights. The individual areas listed in this section are covered in detail in the attached area-by-area description.

Section 4. Designation of Wheeler Geologic Area as Special Study Area.

The designation of this special study area is in addition to the Forest Service's own "further planning" areas. The Wheeler Geologic Study Area is discussed in greater detail in the analysis of proposed additions to the La Garita Wilderness Area.

Section 5. Release of Nondesignated RARE II Areas.

The linchpin in any sound, balanced RARE II bill is the "release" provision—the section that specifies what is to happen to the lands that were studies (and perhaps even recommended) for wilderness designation but were not designated by Congress.

The Armstrong bill incorporates the release provisions from the Oregon RARE II bill, which was passed by the Senate November 26, 1979. This spells out the intent of Congress for nondesignated lands: (1) those lands shall be administered for multiple uses under the normal land management process; (2) there shall not be a RARE III single purpose wilderness study; and (3) the RARE II environmental impact statement (EIS) is adequate and shall not be reviewable in any federal court of law.

A number of facts, including several recent court decisions, underscore the need for statutory release language.

In *California* v. *Bergland*, a federal district court judge held that a separate EIS must be prepared for each individual RARE II area before the area can be returned to normal land management planning. The effect of this decision, if applied to Colorado as well, would be to prolong the entire RARE II process and prevent the release of non-designated lands, possibly for many years.

Release language is clearly needed to prevent lawsuits like the one in California. But it is also needed to provide some degree of assurance that the Administration will in fact administer as nonwilderness those lands which it recommended for wilderness but which Congress did not designate. The issue is too important to permit us to simply trust statements that this is the government's present intent—particularly when government officials last year said they intended to manage many of these lands to "preserve their wilderness character," prohibiting most nonwilderness uses.

It has been suggested that this dilemma can be adequately handled by language in the committee report or conference report to accompany the Colorado bill. However, such report language is, at best, only advisory in nature and simply does not carry the same weight as a clear statement in law.

Another recent case, *National Small Shipments Traffic Conference Inc.* v. *Civil Aeronautics Board*, emphasizes this fact. In this case, a three judge panel ruled that committee report language was not sufficient, particularly where the report language may conflict with other provisions of existing law. The court went on to say that in the future Congress should rely less on report language and should spell out Congressional intent in the law.

If Congress intends that nondesignated lands be managed under the general multiple use land laws, rather than under single purpose or highly restrictive wilderness policies, it should say so. Rather than leave the issue in doubt, Congress could and should say so. Rather than leave the issue in doubt, Congress could and should enact a clear statutory directive by putting release language in the bill.

Some individuals have steadfastly opposed release language because, they claim, release would give industry, "carte blanche privileges" to develop as it sees fit, and the lands and wildlife would be "destroyed."

However, wilderness designation is not the only method available to "protect" the lands, wildlife and environment, even in fragile areas. Nonwilderness or multiple use management does not mean an absence of federal, state and local environmental laws, regulations and standards, as some seem to believe.

Moreover, even if all the nondesignated RARE II lands are returned to nonwilderness management, very little of the land would ever be impacted by development. Many areas will never be affected by a development proposal at all. And in those areas where development does take place, only a small percentage of the total land base will be involved.

Neither mining nor timber cutting—the operations most frequently listed as causing the "destruction" of wilderness values—are conducted the way they were 100, 50 or even 10 years ago. Clear cutting is rarely used today in our national forests, no longer affects large tracts of land, is followed by reseeding, and is essential for providing browse areas for deer, elk and other wildlife.

In fact, the very lands we are now considering for wilderness designation were managed for multiple uses for years. Some were roaded, timbered and mined for decades, but multiple use management restored them to their former natural state. The very fact that these lands still meet the statutory definition of "wilderness" attests to the wisdom of multiple use management, the adequacy of our general land and environmental laws, and the respect and love which Coloradoans have for their state.

Quite obviously, release lands will still be available for wilderness study and designation decades from now, if a future Congress determines that still more wilderness is needed. But in the meantime, nondesignated lands should not be managed by the executive agencies as though Congress had designated them as wilderness.

Finally, what must not be overlooked is that it is *people* who benefit from sound, multiple use management: people who need jobs, a solid tax and economic base, opportunities for motorized and family-style recreation, and energy, raw materials for consumer products, lumber for homes and meat for their tables, at prices they can afford.

Section 6. Extension of 1984 Deadline for Mineral Exploration in Wilderness Areas.

Another critical issue involves an extension of the current 1984 deadline for staking claims, acquiring leases, exploring for energy and other minerals, and developing deposits in wilderness areas. The Armstrong bill extends this deadline to 1994 for existing wilderness areas and to the year 2000 for areas designated by the bill. This issue is especially important in Colorado, because so many of the state's wilderness and wilderness study areas lie in the heart of what is known as the Colorado Mineral Belt.

This highly mineralized region is unique in all the world for the quality and extent of molybdenum and precious metal deposits, and is extremely valuable for uranium and rare earth elements, as well. In view of the nation's growing need for these minerals, it seems reasonable to extend the 1984 deadline.

Recent congressional, Interior Department, academic and industry studies indicate that over 75 percent of the public land in the United States (over 550 million acres) has been closed or severely restricted to the search for energy and critically needed minerals, as a result of wilderness, national park and monument, wildlife refuge, endangered species habitat and other highly restrictive land use classifications.

Within Colorado, nearly all of the existing wilderness areas and three-fourths of the RARE II wilderness study areas are located within the Colorado Mineral Belt; over 30 percent of the Mineral Belt is overlain by existing or congressionally-endorsed wilderness areas.

Many of the minerals present in the Colorado Mineral Belt are vital for national defense and developing technologies, such as energy. For example, cesium is vital in the manufacture of photovoltaic cells (to produce electricity from light), thermionic power conversion equipment and "snooperscopes"; cesium-bearing minerals have been found in several Colorado counties. Another Colorado metal, titanium, is essential in the manufacture of powerplants, aircraft and guided missiles.

As demand for these minerals increases, renewed exploration efforts, using modern theories and technology, will have to re-evaluate many previously explored areas so that important, but widely scattered, deposits can be found. (On the average, only one mineral prospect in 100,000 becomes a producing mine.)

The exploratory work needed to locate commercial deposits can now be done in such a way that literally no evidence remains after only 2–3 years, even in the arid West. Photographs presented to the Senate Energy and Natural Resources Committee on March 13 of this year clearly demonstrated this.

These exploration efforts will probably focus on areas like the West Elk and Mount Zirkel wilderness areas, which are known to be highly mineralized but which have never been evaluated by modern methods. To illustrate the mineralization in some of these areas, the entire northern half of the proposed West Elk additions has extensive reserves of high grade, low sulphur bituminous coal; the uranium potential in southeastern and southwestern areas is extremely high; other parts of the existing and proposed wilderness have high to extremely high potential for molybdenum and also for tungsten, fluorine, gold, tin, bismuth, copper, silver and zinc, as well as potential for cesium and titanium.

If we close these areas now, we may well foreclose many alternative energy and other technological options. Extension of mineral exploration language is clearly needed.

Section 7. Special Language to Protect Grazing Interests.

The Armstrong bill contains provisions detailing general grazing practices permissible in wilderness areas. Statutory language is essential to eliminate the present confusion which exists among federal agencies about what is, and what is not, permissible grazing activities.

Colorado's cattle industry argues (echoed in part by wilderness groups) that the Department of Agriculture is too inflexible in its policies toward grazing in wilderness area, that there is a lack of uniform grazing policies and regulations and that these haphazard policies are arbitrarily enforced. As a result, grazing in wilderness areas has declined; this is in spite of Wilderness Act provisions designating grazing as a legitimate wilderness use.

The House bill contains no statutory language. Since its passage, however, the Department of Agriculture has twice changed its position about the necessity of statutory language. As a result, both House sponsors of the legislation are reviewing this issue.

In light of past problems, the historical acceptance of grazing as a legitimate wilderness practice, the present problems the Department of Agriculture has had interpreting congressional intent and the contribution that ranching makes to the Colorado economy, statutory grazing language is reasonable and essential. Committee report language simply does not adequately solve the problems; there is substantial question whether it, in fact, contradicts the Wilderness Act. This question can be resolved only by statutory language.

The Armstrong statutory language permits reasonable and prudent use of motorized vehicles and equipment by ranchers in wilderness areas and allows ranchers to replace or reconstruct deteriorated facilities in an economical manner.

Section 8. Access to Inholdings.

Past and current wilderness decisions by Congress have placed much privately owned land (mining claims, cabins, stockponds, fences and so on), as well as many Colorado school sections (1 mile square sections of land given by the federal government to state and county school districts to provide money for school purposes), within designated wilderness areas. These areas of privately owned land are commonly known as inholdings. Unless special statutory language is provided in the bill, the owners of these lands may be denied access to their property except by foot or horseback, even if they have to haul groceries or fence posts miles.

The purpose of this section in the Armstrong bill is to make Congress' intent clear that access to these areas is not precluded by reason of wilderness designation. Obviously, it is impossible for Congress, using outdated and incomplete topographic maps, to know the location of all these privately owned inholdings within wilderness areas, at the time it passes new wilderness legislation. Therefore, inclusion of language like this is essential to protect important private property rights.

Section 9. Fire, Disease and Insect Control.

In recent years, the Forest Service and National Park Service have adopted a policy of letting forest fires burn and insect or disease outbreaks continue largely unchecked in wilderness, park and primitive areas. The policy is defended on the ground that fires and insects are "natural" and are an integral part of a thriving forest ecosystem.

The issue here, then, is whether the Colorado legislation should direct the Forest Service to re-examine its policy and to allow the use of modern mechanized equipment to control outbreaks in wilderness areas under certain circumstances. I believe that it should.

In the first place, I believe it is unwise to attempt to undo 50 years of Smokey the Bear fire prevention policies overnight. Because of past fire prevention activities, much dead timber and brush accumulated in our forests. The fire several years ago in Rocky Mountain National Park vividly illustrates what can now happen when a fire is allowed to burn for weeks, until suddenly the wind picks up and fans the flames. Such fires are anything but "natural"—they are conflagrations.

In the second place, such fires and disease or insect outbreaks do not always confine themselves to wilderness areas. Like the Rocky Mountain National Park fire that almost burned down the little town of Allenspark, they frequently spread far beyond the wilderness boundaries, destroying private land, valuable commercial forest land and other badly needed resources.

Third, it seems a bit paradoxical to designate an area as wilderness, in order to "protect" the lands and wildlife from developers—only to let the area be destroyed by insects, disease or a raging forest fire. Forest fires, in particular, have an often devastating impact on soil, watersheds and wildlife—far more devastating than even a large clear cut or open pit mine. The impact of a fire is magnified greatly by additional policies which discourage or even prohibit active reclamation efforts to reseed and reclaim wilderness areas affected by fires.

Finally, one must ask if it is possible to have scattered "islands" of forest land left in a supposedly "natural" or "primeval" condition, in the midst of a sea of lands managed under modern principles of multiple use. The most likely result will be that, deprived of the natural controls that once existed over them, the outbreaks will spread and recur with unnatural ease and frequency.

Thus, I believe the Forest Service should be directed at least to re-examine its policies, and move more gradually toward a policy of "natural" fire, insect and disease control, and implement policies that will adequately protect privately owned land, commercial forest land and other nonwilderness land.

Section 10. Valid Existing Rights.

This provision might be called boilerplate language, because it has appeared in virtually every recent wilderness bill. It is designed to give some protection to "valid existing rights" (such as access) and otherwise to make the provisions of the 1964 Wilderness Act applicable to the newly designated wilderness areas.

Section 11. Buffer Zones.

Several Coloradoans have expressed a concern that the Forest Service and Bureau of Land Management might be applying a policy, also suggested by at least one federal court case, that certain facilities or activities can not be permitted near a designated wilderness area, on the ground that the facility or activity can be seen or heard from areas within the wilderness. Such policies, of course, create a "protective perimeter" or "buffer zone" around each wilderness area and, in effect, lead to the creation of a much larger "de facto" wilderness system. This section states that this "sights and sound doctrine" is not consistent with congressional intent.

Section 12. Maps.

This provision merely directs the Forest Service to prepare maps and descriptions of each new wilderness area designated by the act and file them with Congress. It also allows for the correction of clerical or typographical errors.

WILDERNESS AREA NAME: CACHE LA POUDRE

Comparison of wilderness recommendations (acres):

Armstrong	9,400
Hart	9,400
House	9,400
Administration	9,400

General description of area:

This area is located northwest of Fort Collins, along the Cache La Poudre. Its principal features are its open stands of ponderosa pine, interspersed with rock outcrops, and the two major river canyons that border and bisect the area.

Reasons for wilderness recommendation by Armstrong:

With a 71% wilderness values rating by Forest Service, this area was recommended for wilderness by Administration. A highly natural area, with few signs of man, possessing very high scenic qualities and heavily used by residents of Fort Collins area. High elevations result in a fairly dry climate and generally long snow-free season, providing winter feeding ranges for deer; elk, black bear and trout, and occasional eagles, also present. Portion of Cache La Poudre River flowing past this proposed wilderness area recently recommended for wild and scenic river designation.

Explanation of differences from other bills or proposals:

Armstrong proposal includes special language in bill (not included in House or Hart bill) stating that wilderness designation will not affect the possible future construction of Gray Mtn.-Idylwilde Water Project now under discussion as possible means of meeting water and agricultural needs of agricultural communities surrounding Greeley and Fort Collins.

Advocates of Gray Mtn. Project point out that reservoirs this far up Cache La Poudre River, at higher elevation, will save water by cutting evaporation and will also provide relatively cheap electrical power. Exception language does not endorse project, but only permit feasibility study to continue.

Colo Farm Bureau, the Loveland Chamber of Commerce, and Northern Colo Water Conservancy District all support Gray Mtn Project, feeling that studies should continue and not be short-circuited by premature wilderness designation.

WILDERNESS AREA NAME: COLLEGIATE MOUNTAINS WILDERNESS

Comparison of wilderness recommendations (acres):

Armstrong	154,000
Hart	193,000
House	155,000
Administration	193,500

General description of area:

Southeast of Aspen, this area has rugged mountain peaks (ten over 14,000'), many scenic attractions, with mineral potential among the highest of any area in Colorado (with many mines). Streams, lakes and vegetation below timberlines support wide variety of wildlife and add to area's high popularity for wilderness and nonwilderness recreation.

Reasons for wilderness recommendation by Armstrong:

This area received very high Forest Service wilderness rating and was recommended for wilderness by Administration. This is one of the largest continuous areas in U.S. above timberline and contains excellent alpine ecosystem, with much tundra. The area also has mtn goats, bighorn sheep, bald eagles, beaver, elk, deer, bear and mtn lion. This is a high use area for hiking, mtn climbing and cross-country skiing and the new Continental Divide Trail will run the length of the Collegiate Area when completed.

Explanation of differences from other bills or proposals:

The primary area at issue is a large section in the north/central part of the total area recommended by the Administration. This north/central area is excluded in the Armstrong and House bills and is included in the Hart bill. The area in question has high mineral potential for molybdenum, gold, silver, lead, zinc, tungsten and fluorine. Amoco minerals has identified three molybdenum prospects (each with a potential for 200 million tons of ore) and estimates the gross value for all three prospects at $6 billion. Thus there is high potential for increased employment opportunities and support for local economies. Exploration and mining activity has been underway for some time (small and large companies) and both patented mining claims and old mine sites are scattered throughout the area.

A small area on the eastern flank of the Collegiate's is also excluded in the Armstrong and House bills (included in the Hart bill) to protect existing grazing improvements. From time to time, it will be necessary to use motorized equipment to make repairs or improvements to a ditch and use of such equipment would be precluded if the area is in a wilderness designation.

The small differences between the Armstrong bill and the House bill are due to additional modifications made in the Armstrong bill for mining or mineral potential.

WILDERNESS AREA NAME: COMANCHE PEAK WILDERNESS

Comparison of wilderness recommendations (acres):

Armstrong	59,500
Hart	73,100
House	59,500
Administration	74,000

General description of area:

A high, rolling plateau area containing lodgepole pine and spruce fir forests, located along northern boundary of Rocky Mountain National Park. The Mummy Range and part of Cache La Poudre River run through area; many lakes, several other drainages, and many species of fish and wildlife are present in area.

Reasons for wilderness recommendation by Armstrong:

Terrain and vegetation highly diverse, making area highly scenic. Abundant wildlife is present, including elk, deer, black bear, and bighorn sheep; gold eagles and peregrine falcons have been observed. Species of trout (including threatened greenback cutthroat trout) in lakes and streams. Area receives much use for hiking, backpacking and cross-country skiing by visitors to Rocky Mountain National Park and residents of Fort Collins area.

Explanation of differences from other bills or proposals:

The total area at issue includes two parts: an area to the north of Rocky Mountain National Park and an area on the eastern edge of Rocky Mountain National Park.

The Armstrong and House bills exclude the eastern area, which is included in the Hart bill. A proposed county road would cut through this area. In addition, the eastern area has old homestead buildings, remains of a sawmill, wagon road, stumpage from past timber harvests and other features which preclude a natural or "pristine" character.

The Armstrong and House bills exclude some areas which are sites for potential City of Fort Collins water projects. Also, both bills exclude several square miles of private property.

The northern part of the Comanche Peak area does have considerable softwood timber of interest to sawmills in Walden and Kremmling. This is left in the Armstrong bill (as in the House and Hart bills) but is compensated for in the Armstrong proposal by making boundary adjustments in other nearby areas (see Mount Zirkel discussion) to protect jobs.

WILDERNESS AREA NAME: HOLY CROSS WILDERNESS

Comparison of wilderness recommendations (acres):

Armstrong	97,000
Hart	130,600
House	101,400
Administration	121,400

General description of area:

Near Vail, this area is directly south of the Beaver Creek ski area; 14,000 ft. Mount of the Holy Cross dominates. Many permanent snow fields, lakes, waterfalls and several very deep gorges are here, as well as several areas with very high mineral and timber potential.

Reasons for wilderness recommendation by Armstrong:

Portions of Holy Cross are ranked third by the Forest Service for wilderness values, out of all RARE II areas in the United States. Backpacking and cross-country skiing have increased markedly during last few years, and several areas on east flank of area are heavily used for picnics and day hikes. Wildlife (mammals, birds, fish, big game) and scenic values are extremely high, and several important winter feeding and spring calving areas for elk and deer are present. Area also contains a large variety of ecosystems, from tundra to forest and meadow to stream bottom lands.

Explanation of differences from other bills or proposals:

The Armstrong proposal would include the overwhelming majority of Holy Cross areas recommended by others for wilderness designation. Exceptions are made for the Holy Cross City area on the east flank, the Timberline Lake area on the south, and commercial timber lands on the north and east sides.

The area west of Holy Cross City (excluded in Armstrong/included in House and Hart bill has a well-used jeep trail and is very highly mineralized (gold, silver, lead, zinc, molybdenum, uranium). The Armstrong proposal would protect the mining claims, currently valued at several million dollars, with a potential for several hundred permanent jobs involving several of the multimillion dollar deposits indicated by existing data.

Extremely high mineral potential (molybdenum, copper, tin, uranium, tungsten) in the Timberline Lake area would be protected by the Armstrong proposal. This area is included in the House and Hart bills.

The Holy Cross area has the highest timber values of all RARE II areas in Colo., of critical importance to Montrose and Eagle sawmills. The Armstrong and House boundary modifications on north and east sides of the proposed wilderness protect these values and reflect fact that sawmill at Eagle recently reduced its workforce from 134 employees down to 28 because the Forest Service has not made adequate timber supplies available. Senator Hart's bill includes these areas in his wilderness proposal.

All three bills (Armstrong, House, Hart) contain language to protect features of the Aurora and Colorado Springs Homestake Water Project, which fall within the boundaries of the proposed wilderness area. The House and Armstrong bill language also allow slight deviations from the project plan if geologic or technical reasons require. The language in the Hart bill does not appear to permit this.

Public Service Company of Colorado has expressed a concern that a portion of the southern border of the Holy Cross area will affect a power line right-of-way which is outside the proposed wilderness area. The Armstrong and House bills adjust the wilderness boundary to provide a 1,000 ft. setback from the center line of the power right-of-way.

The proposed wilderness area boundary in the Hart bill overlaps a part of the Beaver Creek Winter Sports Area. This is not included in the Armstrong and House bills.

Wilderness Area Name: La Garita Wilderness Additions and Wheeler Geologic Study Area

Comparison of wilderness recommendations (acres):

Armstrong, 60,000 (plus 11,000 acre Wheeler Geologic Study Area).

Hart, 60,000 (plus 50,000 acre Wheeler Geologic Study Area).

House, 60,000 (plus 11,000 acre Wheeler Geologic Study Area).

Administration, 122,000 (includes entire Wheeler-Wasson Area).

General description of area:

North of Creede, this area is generally mountainous, with many U-shaped valleys and trout streams, both north and south of Continental Divide. One-fourth of the area is above timberline, with the remainder covered with spruce, aspen and open park land. Parts of the area have very high sawtimber, mineral and grazing value.

Reasons for wilderness recommendation by Armstrong:

The area included in the Armstrong proposal is highly scenic, received a high wilderness rating from the Forest Service, and enjoys increasing popularity for wilderness-style recreation. Middle Fork and Mineral Mtn. are important lower elevation areas for big game species, including elk and deer; the area provides excellent habitat for bighorn sheep, elk, bald and golden eagles, and many other species.

Explanation of differences from other bills or proposals:

None of three bills (Armstrong, Hart, or House) include total acreage recommended by Administration; the legislation does not incorporate the entire Wheeler-Wasson Area because testimony in the past has been overwhelmingly negative on the idea of including Wheeler-Wasson in wilderness (in order to provide convenient access to the Geologic Area).

The Armstrong and House proposal on Wheeler Geologic Area, a sub-unit of Wheeler-Wasson, excludes the important Creed Mining District; the District is one of the richest areas in the entire State of Colo. for gold, silver, lead, zinc, copper, molybdenum and various rare earth elements that will be essential in alternative energy and other developing technologies. The legislation is designed to keep open future U.S. options on these technologies and continued employment and balance-of-trade benefits, which environmentally sound development of these mineral resources can provide.

The Armstrong and House proposal for Wheeler Geologic Study Area also recognizes that motorized access to Wheeler Geologic Monument and to important cattle operations should be kept open and that continued maintenance of the shelter house at monument site is important to visitors.

Armstrong proposals for La Garita Wilderness, Uncompaghre Wilderness, and Weminuche Wilderness additions (all of which conform in acreage with the House and Hart proposals) are based on the assumption that local economies, grazing interests, and employment and timber needs will be addressed by special provisions in the Armstrong RARE II bill for releasing non-designated RARE II study lands, protecting ranching interests and extending mineral exploration deadline contained in the Wilderness Act; release will protect employment at Monte Vista and South Fork sawmills by putting certainty into timber sales, allowable cutting levels, and sustained yield management practices.

Wilderness Area Name: Lizard Head (Wilson Mountains) Wilderness

Comparison of wilderness recommendations (acres):

Armstrong	38,000
Hart	40,000
House	40,000
Administration	19,000

(does not include original primitive area)

General description of area:

This area is located north of Durango in San Miguel County. The entire area has an elevation of about 10,000 ft. Generally steep terrain is characterized by benches, ridges, narrow drainages and several high peaks. The area contains numerous mineral, grazing, recreation and timber resources; there is much local opposition to wilderness.

Reasons for wilderness recomendation by Armstrong:

Area is very primitive in character and has very high wildlife and scenic values. Elk, deer, bighorn sheep, eagles, hawks and other birds inhabit much of the area; many creeks teem with trout. Area is heavily used for hunting and fishing particularly in the summer months. Wilderness groups throughout the states support wilderness designation.

Explanation of differences from other bills or proposals:

The Armstrong proposal contains slightly less acreage than the Hart and House legislation, because it does not place in wilderness the southwestern tip covered by the other bills. This will allow continued use of the Groundhog Livestock Driveway and maintenance of grazing facilities in the region (buttressed by special grazing provisions in the statute). In addition to being important for sheep and cattle grazing, the area receives moderate motorized recreational use during the year.

Forest Service RARE II summary for Lizard Head Area stated that "economics is the key issue for this area" and that the area "contains numerous resources that contribute to locally dependent community."

Forest Service report also notes that gold/silver samples taken from veins in area adjacent to one that is being proopsed for wilderness shows values of up to $900 per ton at last year's prices; geological formations from which these samples were taken extend into proposed wilderness area.

Local county commissioners and many local citizens oppose wilderness; important local economic interests are addressed by the Armstrong bill's provisions for releasing non-designated RARE II lands (in nearby areas) back to the normal land management planning process for vehicular access to grazing lands and for extending the mineral exploration and production deadline under the Wilderness Act.

Wilderness Area Name: Lost Creek Wilderness

Comparison of wilderness recommendations (acres):

Armstrong	71,000
Hart	71,000
House	0
Administration	71,000

General description of area:

This very scenic area, located southwest of Denver, has steep, rugged slopes and high mtn meadows, many wind and water carved rock formations, diverse forest vegetation and much wildlife. It was established as Lost Creek Scenic Area in 1963 because of its high scenic value.

Reasons for wilderness recommendation by Armstrong:

This area would be one of closest wilderness areas to Denver and Colorado Springs and would receive much use throughout the year. The wildlife values in area include mule, deer and a large and growing herd of bighorn sheep. Scenic values in the area include Lost Creek, unique and picturesque granite formations of spires, pinnacles, balanced rocks and hugh boulders interspersed with stands of trees.

Explanation of differences from other bills or proposals:

The House of Representatives, in consideration of other wilderness alternatives and total wilderness acreage for the state, opted not to include Lost Creek.

The Armstrong decision to include area is based on its obviously high wilderness values and the lack of other major resource conflicts, to a degree not found in many other proposed areas.

The only known conflict is with Denver Water Board water and property rights near the area's eastern boundary; the Water Board may want to use this area sometime in future as reservoir site and as part of its proposed Williams Fork Diversion Project. This possible conflict has been resolved with language specific to the Armstrong proposal (and without deleting any acreage), by including a provision insuring the project may proceed if its need and practicability are demonstrated by an environmental and feasibility study.

Wilderness Area Name: Maroon Bells Snowmass Wilderness Additions

Comparison of wilderness recommendations (acres):

Armstrong	85,000
Hart	101,500
House	101,500
Administration	109,100

General description of area:

Proposed additions to existing wilderness primarily above timberline and characterized by prominent peaks, well defined drainages, several basins and a wide variety of vegetation and wild life. Additions will become part of 1 million acre wilderness system within 50 miles of Aspen.

Reasons for wilderness recommendation by Armstrong:

Maroon Bells Snowmass is one of Colorado's most popular wilderness areas, and proposed additions received one of highest Forest Service wilderness ratings in the entire state. Parts of area are heavily used for hiking, backpacking, mountain climbing, cross-country skiing, and educational and research activities by several colleges and laboratories. Area is important habitat for bighorn sheep, elk and wide variety of other wildlife. Vegetation is also highly varied and includes several rare plant species.

Explanation of differences from other bills or proposals:

Long standing nature of this proposal means many conflicts have already been eliminated by boundary adjustments, but mineral conflicts are still significant.

The Armstrong proposal excludes three areas on south side and one on east side of Maroon Bells because of mineral conflicts. Extensive Forest Service, Geological Survey and industry data show high to extremely high potential for gold, silver, manganese, tin, copper, molybdenum, lead, zinc, cadmium, bismuth and other rare metals in these areas. Extensive exploration efforts, using modern techniques and equipment, are currently underway by a number of companies; many parts of these areas contain roads, vehicle trails, mine heads and other structures, and show other signs of human activities conducted before today's environmental laws and regulations were enacted. Armstrong proposal excludes these four highly mineralized areas to insure that the nation's domestic strategic mineral options are not foreclosed by wilderness designation, and to protect the local area's diversified economy and employment opportunities which careful development of these resources would provide. Additional minor boundary adjustments permit access to several mining claims which show high mineral potential.

The Armstrong deletion on the east also has moderate to extremely high geothermal potential (entire Colorado mineral belt has some of highest geothermal potential anywhere in the United States). This boundary adjustment (and extension of Wilderness Act's mineral exploration deadline) protect state, local and national interest in continuing development of this important alternative resource.

Modern laws and regulations covering environmental impact statements, endangered or threatened plant and animal species, exploration and mining practices, water quality, and national forest planning apply whether or not these small areas are included in the wilderness system, and will continue to protect the environmental resources.

WILDERNESS AREA NAME: MOUNT EVANS WILDERNESS AREA

Comparison of wilderness recommendations (acres):

Armstrong	74,000
Hart	74,000
House	74,000
Administration	74,000

General description of area:

This area contains four major drainage basins, with a continuous range of high rocky peaks running from east to west. Its many lakes and streams are well stocked with fish. The Mount Evans area harbors one of the state's largest bighorn sheep herds.

Reasons for wilderness recommendation by Armstrong:

A new Mount Evans Wilderness area would offer the closest wilderness style recreation for Denver area residents. Its large stands of spruce, fir and lodgepole pine, combined with its many tall peaks (8 of which tower over 13,000 feet), make the area highly scenic and draw large numbers of tourists every year. Elk, mountain goats, bighorn sheep and many other species of wildlife inhabit the area.

Explanation of differences from other bills or proposals:

All four proposals (Armstrong, Hart, House and Administration) have the same acreage and follow the same boundaries; all four exclude the access road to the Mount Evans summit, as this road is a main tourist attraction, due to the fact that it is the highest paved road in the United States, and because it provides access to the University of Denver's altitude laboratory and to the famous Crest House, which may be rebuilt in the near future.

The Evergreen Fire Department has expressed a concern that "the proposed area is too close to a populated area, when one considers the restrictions placed upon firefighting forces working within any designated wilderness area." Forest Service policies for wilderness areas have been to allow "natural" fires to burn themselves out. The problem with this approach is that the fires do not always remain small and do not always confine themselves to the wilderness area. A separate part of the Armstrong bill contains language directing the Forest Service to reassess its policies on forest fires in wilderness areas and further directs the Forest Service to revise its policies to protect privately owned land, commercial timber land, and other nonwilderness areas.

WILDERNESS AREA NAME: MOUNT MASSIVE (HUNTER-FRYINGPAN WILDERNESS ADDITIONS)

Comparison of wilderness recommendations (acres):

Armstrong	26,000
Hart	26,000
House	26,000
Administration	26,700

General description or area:

Contiguous to Hunter-Fryingpan Wilderness area. Mostly above timberline and characterized by mountain peaks, well defined drainages and scattered basins. Lower elevations contain many lakes and streams. High potential for hardrock minerals but no current production sites.

Reasons for wilderness recommendation by Armstrong:

Received high Forest Service wilderness rating and was recommended for wilderness by Administration. Much wildlife, including bighorn sheep, mountain goats and many small species. Vegetation ranges from alpine tundra to spruce, fir and lodgepole pine. Excellent hiking and fishing opportunities; most lakes periodically stocked by State Division of Wildlife. Proposal to expand Hunter-Fryingpan Wilderness area essentially is non-controversial.

Explanation of differences from other bills or proposals:

None in acreage: The Armstrong proposal is identical to those of Senator Hart and the House of Representatives.

However, very high uranium and hardrock minerals potential in the existing wilderness area, and proposed additions underline the need to extend the mineral exploration deadline. This approach will help protect the most valuable wilderness resources, while protecting local jobs and economies, consumer and national security needs for energy and other minerals, and the need for developing energy and space age technologies.

WILDERNESS AREA NAME: MOUNT SNEFFELS

Comparison of wilderness recommendations (acres):

Armstrong	16,200
Hart	16,200
House	16,200
Administration	16,200

General description of area:

General mountainous area lying between Ouray and San Miguel Counties. Upper elevations are above timberline and generally covered by alpine meadows and rock-covered slopes; lower elevations predominantly spruce, fir and aspen. Wide variety of wildlife. Several prominent peaks, including Mount Sneffels.

Reasons for wilderness recommendation by Armstrong:

Area is highly favored for wilderness by Colorado wilderness groups according to comment received by Forest Service, which gave area a moderately high wilderness rating. Area receives much non-motorized use (hunting, fishing and hiking) and has few resource conflicts. Wildlife is abundant and includes mule, deer, elk, black bear, bobcat, beaver and a wide variety of birds. Area has some mineral potential, but industry has shown little interest in the area to date.

Explanation of differences from other bills or proposals:

None. Armstrong proposal is identical to others.

WILDERNESS AREA NAME: MOUNT ZIRKEL WILDERNESS ADDITIONS

Comparison of wilderness recommendations (acres):

Armstrong	42,500
Hart	90,600
House	68,800
Administration	113,000

General description of area:

The topography is highly varied in this area and is dotted with many small lakes, marshy areas and streams. The vegetative cover and wildlife are also highly varied. Many resource conflicts have created strong local and regional opposition to large scale wilderness additions here.

Reasons for wilderness recommendation by Armstrong:

The area proposed for wilderness designation by the Armstrong bill was strongly endorsed by the wilderness groups and received a very high Forest Service rating. The area is heavily used for non-motorized recreation, especially hunting and fishing. Wildlife includes deer, elk, black bear, small animals and birds, and several rare and endangered species (bald eagle, peregrine falcon, bighorn sheep and cutthroat trout); wilderness designation may help to preserve these species and their habitats.

Explanation of differences from other bills or proposals:

The Armstrong proposal recommends for wilderness designation a part of the much larger acreage total recommended by the Administration and the House and Hart bills; it reflects the resource conflicts and strong public opinion that has characterized the proposal.

Forest Service reports indicate that 70% of those commenting in their RARE II evaluation of this area wanted no wilderness additions to the Mount Zirkel area and elected officials in Routt or Jackson counties communicated opposition rather than support for wilderness designation for this area. Portions of the Administration endorsed area are also heavily used by off-road vehicle enthusiasts.

Most importantly, the Mount Zirkel area represents an extremely important source of sawtimber for the mills at Walden, Kremmling and Laramie, Wyoming (the areas excluded from the Armstrong proposal contain over 5 hundred million board feet of standing softwood timber, with a potential annual yield of several million board feet); the areas excluded by the Armstrong bill also are highly important for grazing.

Armstrong proposal represents a balancing of competing needs and interests and reflects the fact that very large areas have been recommended for addition to the wilderness system immediately to the east of the Mount Zirkel area and much land has already been designated as wilderness and national park in this northern park of Colorado. Designation of more wilderness acreage around Mount Zirkel would have a very serious adverse impact on the local economies of many communities and would threaten the continuing existence of the timber industry in northern Colorado.

The Armstrong bill also includes a statutory provision to protect the rights of the City of Steamboat Springs if they decide to proceed with the Soda Creek Water Project which is currently undergoing study.

All three Colorado bills (Armstrong, Hart, House) exclude the southernmost acreage recommended for wilderness by the Administration, because of high oil and gas and geothermal potential and presence of oil and gas leases.

Wilderness Area Name: Neota Flat Tops Wilderness

Comparison of wilderness recommendations (acres):

Armstrong	9,900
Hart	9,900
House	9,900
Administration	9,900

General description of area:

This area is located at northwest corner of Rocky Mountain National Park. The entire area is above 10,000 feet: one-fourth of area is rock and tundra; lower elevations are forests and meadows. The region is dominated by large flat top ridges caused by glacial erosion.

Reasons for wilderness recommendation by Armstrong:

This is one of few Colorado areas to be completely covered by true glacier during the ice age; it has some of the most scenic and varied glacial topography in the state. The terrain is mostly gentle and good for hiking. It received a high Forest Service wilderness rating. The region has much wildlife (deer, bear, beaver, elk, bighorn sheep, grouse) and provides many opportunities to observe big game during summer months. Many streams support native and brook trout. The area receives moderate use by hikers and campers.

Explanation of differences from other bills or proposals:

The Armstrong proposal is identical to others in acreage.

Grazing conflicts are addressed in the Armstrong bill through use of special statutory grazing language.

Possible timber conflicts and local industry needs for a stable supply of commercial grade timber are addressed in Armstrong proposal, through boundary adjustment in other nearby proposed wilderness areas and through release language in the bill (which will provide the timber industry with greater certainty in preparation of longer range sustained yield timber cutting plans and protect jobs at Walden and Kremmling sawmills).

Although the area received high Forest Service ratings for uranium and metals, there is no active exploration in the area at present. The Armstrong bill includes a provision which extends the Wilderness Act's 1984 deadline for mineral exploration for 20 years to insure that these important resource options are not foreclosed by wilderness designation.

Wilderness Area Name: Never Summer Mountains Wilderness

Comparison of wilderness recommendations (acres):

Armstrong	10,000
Hart	26,900
House	14,900
Administration	14,900

General description of area:

This area is located on the west edge of Rocky Mountain National Park. It has many high peaks, much alpine tundra and a variety of wildlife.

Reasons for wilderness recommendation by Armstrong:

The Armstrong proposal contains a portion of the area which received a high wilderness rating by the Forest Service. Little grazing and only a small amount of commercial timber is present in area; no immediate adverse impact on any dependent community would be created by wilderness designation. Wilderness is abundant (deer, elk, bear, mountain lion, bighorn sheep and smaller animals) and may include several rare and endangered species. High lakes and many streams are well stocked with fish. Area was strongly endorsed for wilderness by several Colorado wilderness groups.

Explanation of differences from other bills or proposals:

The entire Never Summer area received a very high number of comments during RARE II; 88 percent of those commenting requested non-wilderness designation; Jackson County officials want non-wilderness for the area.

The major areas at issue are the core area, the Bowen/Baker Gulch area, and the western panhandle area. The Armstrong bill includes the core area in wilderness as do the other measures. The Armstrong proposal excludes Bowen/Baker Gulch; the others do not. The western panhandle is included in wilderness only by Senator Hart.

The Bowen and Baker Gulch areas are extremely popular snowmobiling areas and are heavily used by many families from the Grand Lake area; wilderness designation would stop all snowmobiles, but non-wilderness designation and snowmobiling use will not impair wilderness style recreation, management or ecology of area; Bowen and Baker Gulch is a good example of area which need not and probably should not be designated wilderness, even though it possesses wilderness characteristics.

In the same area, Ruby Mountain/Bowen Pass area near Bowen Gulch has known deposits of fluorspar and tungsten, and also gold and silver; potential for these and other minerals is extremely high in this area.

The western panhandle area (added to wilderness only by Senator Hart) has extremely high oil, gas and metals potential (it is in a sedimentary basin), as well as a potential for approximately 20 million pounds of uranium (U 308), according to Forest Service, Geological Survey and industry. This area is currently being explored for such resources; it is also very popular with snowmobilers.

Wilderness Area Name: The Raggeds Wilderness

Comparison of wilderness recommendations (acres):

Armstrong	61,100
Hart	71,500
House	67,000
Administration	61,100

General description of area:

This region in central Colorado's Elk Mountains has spectacular topographic features, including a deep canyon, sharp peaks, gentle tundra covered slopes, hanging valleys, streams and lakes. It also has much wildlife and vegetation. However, several portions of the Raggeds Area also has very high mineral values.

Reasons for wilderness recommendation by Armstrong:

In addition to its spectacular scenic qualities, many parts of the Raggeds Area have very lush vegetative cover due to the heavy annual precipitation, which in places reaches 70 inches. Several prominent peaks dominate the area, and the canyon cut by Anthracite Creek is especially unique. Golden eagles, bighorn sheep, elk, bear, beaver and trout inhabit the area. Hunting, fishing, hiking and backpacking are all important activities in this area.

Explanation of differences from other bills or proposals:

Two principal areas of difference are the Treasure Mountain Dome on the northeast and the Oh Be Joyful Creek area on the southeast. The Armstrong proposal excludes both of these areas, as does the Administration proposal; the House proposal includes Oh Be Joyful but not Treasure Mountain. The Hart proposal includes both areas.

Treasure Mountain and Oh Be Joyful have a very high uranium and hardrock mineral potential (gold, silver, lead, zinc, copper, tungsten, molybdenum). Much exploration is currently underway in both units. Motorized recreation is also important in these areas, but especially in the Oh Be Joyful area, which is traversed by a heavily used, four-wheel drive road.

Within the Oh Be Joyful unit itself, there are one uranium project, one natural gas exploration project which plans to drill during the summer of 1980 and many hardrock claims and coring operations. The Treasure Mountain and Oh Be Joyful units are covered by numerous hardrock mining claims and are being evaluated by coring operations.

The proposed Mount Emmons Molybdenum Project is immediately adjacent to the Oh Be Joyful unit. This deposit is currently valued at $7.5 billion, and (if developed) could provide as many as 1,200 permanent mining jobs. Wilderness designation of the Oh Be Joyful unit could impair the Mount Emmons Project, as well as these other mineral operations.

The Colorado Joint Review Process and various Forest Service feasibility and environmental studies are currently evaluating the Mount Emmons Project and the watershed and other issues that have been raised. These review and land use planning processes should not be short-circuited by wilderness designation at this time.

Club 20 endorses deletion of Treasure Mountain and Oh Be Joyful; they also point out that wilderness designation of the Oh Be Joyful unit would prevent the town of Crested Butte from developing the watershed in that unit, should such development ever become necessary.

Wilderness Area Name: Rawah Wilderness Additions

Comparison of wilderness recommendations (acres):

Amstrong	48,900
Hart	48,900
House	48,900
Administration	49,200

General description of area:

This proposal would add acreage to the existing Rawah Wilderness, located north of Rocky Mountain National Park. Most of this acreage is heavily forested. Numerous small streams drain from the area into the Laramie River. Most significant feature is Shipman Park, an 1,800-acre meadow north of the existing wilderness area.

Reasons for wilderness recommendation by Armstrong:

The addition of a number of small, isolated areas along the west side of the Rawah Wilderness will bring this western wilderness boundary up to the edge of the national forest. The addition of the larger areas reflect their high wildlife value and high use for non-motorized recreation (the greater Rawah area currently receives approximately 12,000 visitor days of use per year). The wildlife include elk, deer, black bear and beaver and a few bighorn sheep. Wilderness resource conflicts with timber and mineral resources are generally low to moderate.

Explanation of differences from other bills or proposals:

The Armstrong acreage proposal is identical to the House and Hart bills.

WILDERNESS AREA NAME: SOUTH SAN JUANS WILDERNESS

Comparison of wilderness recommendations (acres):

Armstrong	75,000
Hart	157,000
House	130,000
Administration	134,000

General description of area:

Located along Continental Divide in San Juan Mtns of Conejos and Archuleta Cos, this area has highly variable terrain, wildlife and vegetation. The area is important for hiking, climbing, timber, plant species, wildlife habitat, winter and summer vehicle recreation, cross-country skiing, minerals, grazing and fuel for local residents.

Reasons for wilderness recommendation by Armstrong:

The area recommended by Armstrong is part of a larger area recommended for wilderness by the Administration, Colorado wilderness groups, and many outfitters. The area included in Armstrong's proposal is highly scenic and draws people who want to hike, ski tour and observe nature. The area contains important habitat for elk, deer, birds and several mountain lion and grizzly bear; as well as many fish in lakes and rivers throughout the area. A portion of the Conejos River in this part of the area was recently recommended for wild and scenic river designation.

Explanation of differences from other bills or proposals:

The total area at issue includes four parts: northwestern core, southeastern part of Continental Divide, southern panhandle, and northern triangle. Armstrong recommendation places northwestern core in wilderness and excludes the three remaining areas.

At the request of Congressman Kogovsek, Colo. State Rep. James Lillpop, a San Luis Valley Group (Citizens for a Balanced RARE II Bill), and many local citizens, Armstrong wilderness recommendation does not include the southeastern part (included in House and Hart bills). This part is used by many families and senior citizens for snowmobiling, fishing, sightseeing and picknicking and as a source of timber to heat their homes. The southeastern part is also the last high lake country in San Luis Valley left open to snowmobiles and other motor vehicles and according to local residents is highly used after work and on weekends throughout the year. There are many roads and trails present here.

The Armstrong and House bills exclude the southern panhandle, while the Hart bill includes this part. The area is important as a potential source of timber for local mills. If placed in wilderness, companies would be forced to compete for reduced overall timber supply and to go greater distances for timber. Both factors would adversely affect saw mill economics and employment (at Durango, South Fork and New Mexico mills).

The northern triangle (excluded in Armstrong and House bills/included in Hart bill) is an area with high mineral potential. There is high uranium potential; very high gold, silver, copper, molybdenum and tungsten potential; and exploration is underway by several companies. The potential from many local mineral-related jobs is best protected by Armstrong proposal which retains critical mineralized areas in multiple use.

WILDERNESS AREA NAME: SAINT LOUIS PEAK

Comparison of wilderness recommendations (acres):

Armstrong	9,500
Hart	13,300
House (not included)	------
Administration	13,300

General description of area:

Located along Highway 40 near Winter Park, this area is characterized by high elevations and rugged terrain. About 80% of the area is in the alpine zone, though there is some lodge pole pine and several dense stands. Vasquez Creek Drainage is along eastern edge of proposed wilderness.

Reasons for wilderness recommendation by Armstrong:

Because of its location, this area is readily accessible to Denver residents and would receive heavy wilderness use. The area itself has good scenic values, including several unique and prominent peaks, and provides a view of additional highly scenic areas. Wildlife values include blue grouse, ptarmigan, marmot and various birds, big game habitat is limited.

Explanation of differences from other bills or proposals:

Armstrong proposal excludes eastern third of area recommended for wilderness by Senator Hart, because it has very high base and precious metals potential (molybdenum, gold and silver) and extremely high uranium potential (Forest Service gave eastern third of area a rating of 99 out of 100 for uranium); area is being actively explored by several companies.

Armstrong bill also includes special statutory language to protect Denver water rights associated with potential project on Vasquez Creek.

WILDERNESS: AREA NAMES UNCOMPAGHRE WILDERNESS

Comparison of wilderness recommendations (acres):

Armstrong	96,000
Hart	100,000
House	100,000
Administration (does not include Uncompaghre Primitive Area)	59,500

General description of area:

The area includes highly varied terrain, ranging from very steep slopes and rugged peaks to canyons and flat ridge areas. Vegetation is also highly varied (tundra, Engleman spruce, aspen, grassy meadow, rock). There are many streams and much wildlife throughout area. There is very high mineral potential in several portions of area.

Reasons for wilderness recommendation by Armstrong:

Valleys and canyons formed by three forks of Cimarron River contain intricately carved cliffs and rock formations. These and mtn. peaks make area extremely scenic. Many peaks very popular with technical climbers because of challenge. Valleys in eastern part of Uncompaghre have much wildlife (deer, elk, badger, bobcat, eagles) and draw many visitors; trout streams in area are also popular. 140 miles of hiking trails course through a wide variety of areas from many trail heads.

Explanation of differences from other bills or proposals:

Administration recommendation was for two separate wilderness areas (Big Blue and Courthouse Mtn); all Congressional proposals, including Armstrong, connect these two areas by designating as wilderness additional RARE II and primitive areas not recommended for wilderness by Administration.

The Armstrong proposal makes a small deletion in the vicinity of Baldy Peak, to protect high commercial timber values and very high uranium, zinc, gold, silver, and geothermal potential; local economic and national security interests thereby, would be protected.

Entire Uncompaghre is in one of richest portions of the Colo. mineral belt; has very high potential for gold, silver, molybdenum, uranium and geothermal energy; area has impressive mining history and is very close to Creede, Lake City, Ouray, Silverton and the Telluride Mining Districts; gold in Big Blue on east side of Uncompaghre occurs in high grade veins and, according to existing exploration data, is probably worth hundreds of millions of dollars, but exploration here is not in advanced stage.

Mineral potential throughout Uncompaghre area underlines importants of extending mineral exploration and production deadline in Wilderness Act; deadline is currently scheduled to expire in 1984.

Grazing is also important in Uncompaghre, particularly in Big Blue unit.

WILDERNESS AREA NAME: WEMINUCHE WILDERNESS ADDITIONS

Comparison of wilderness recommendations (acres):

Armstrong	66,000
Hart	66,000
House	66,000
Administration	66,000

General description of area:

Weminuche is one of the largest contiguous wilderness areas in U.S. Congressional proposals would add alpine meadows, rock ridges, high peaks, flat valleys and many streams to existing wilderness. As is case for existing wilderness, areas to be added also have very high mineral and timber potential.

Reasons for wilderness recommendation by Armstrong:

All proposed additions were given high wilderness ratings by Forest Service and were recommended by Administration. Areas are important for game and non-game wildlife, fish, varied vegetation, hiking, hunting and fishing. Designation of these additional areas has strong support of many Colorado wilderness groups.

Explanation of differences from other bills or proposals:

No differences exist among the various congressional bills; however, several brief comments are in order.

Many Coloradoans have questioned the need for making additions to a wilderness area which already is equal to nearly 70 percent of the entire State of Rhode Island, particularly in view of the high mineral potential of the entire Weminuche area, the fact that well over 300,000 acres of additional Forest Service existing or proposed wilderness are present within 30 miles of the Weminuche, and the fact that BLM has also inventoried thousands of acres of wilderness study lands in the vicinity.

However, Armstrong proposal for Weminuche conforms with House and Hart versions, because of undeniably high wilderness and wildlife values in proposed additions. Overall Armstrong bill is designed to provide balance between wilderness and nonwilderness values; recognizing serious resource conflicts are inherent in most if not all wilderness legislation, it underscores the need for special release, grazing and mineral provisions in the legislation.

Additional comments on Weminuche issues are included in discussion of La Garita Wilderness Additions (many of same concepts apply to these areas, which are close to one another).

WILDERNESS AREA NAME: WEST ELK WILDERNESS ADDITIONS

Comparison of wilderness recommendations (acres):

Armstrong	119,000
Hart	133,500
House	130,000
Administration	150,000

General description of area:

Is generally above 10,000 feet with well defined peaks, parks and drainages. This area, highly vegetated, is an important habitat for elk, deer and other wildlife. It also receives heavy motorized and non-motorized recreational use and has very high mineral potential, high timber values and much grazing.

Reasons for wilderness recommendation by Armstrong:

Area included in Armstrong proposal is very scenic and received high wilderness rating by Forest Service which recommended it for wilderness. Wildlife includes elk, black bear, bighorn sheep, deer, some beaver and golden eagles, and many other small animals and birds; brook and rainbow trout are found in streams. The area receives much use for hunting, fishing, hiking and other activities.

Explanation of differences from other bills or proposals:

The Armstrong proposal excludes—as do all other congressional proposals—heavily forested land on the east side of the wilderness area, with high commercial timber value and importance to Silver Tip Studs Company and other sawmills in Montrose area.

The Armstrong bill also excludes an area bordered by Sink Creek and Curecanti Creek, which is important for grazing and contains many improvements related to ranching operations in area (roads, fences, stockwatering troughs and ponds). Wilderness designation even with statutory grazing provisions, would in this case prove sufficiently restrictive that ranching operations would be economically harmed.

A third Armstrong exclusion is a small area near Sheep Mountain, because of extremely high potential for molybdenum associate with tungsten, gold and silver. The potential exists for underground mines similar to that in Henderson, with significant potential employment. Experience at Henderson and other modern mine areas in Colorado demonstrates that both exploration and mining can be conducted in a safe, environmentally responsible, and economic manner.

By Mr. DURENBERGER:

S. 2742. A bill to amend the Internal Revenue Code of 1954 to provide that severance pay resulting from a plant closing shall be subject to tax at reduced rates; to the Committee on Finance.

TAXATION OF SEVERANCE PAY

Mr. DURENBERGER. Mr. President, I rise to introduce a bill amending the Internal Revenue Code of 1954 relating to the taxation of severance pay.

Mr. President, the Armour Co. in 1978 closed the plant in south St. Paul, Minn., putting several hundred people out of work. Many of those employees were eligible for severance pay based in part on years of employment. In many cases these payments will cause unfavorable tax results since the income must be reported in the year of receipt and the applicable taxes paid on the lump-sum payment. Because of the sums involved, the current income averaging rules do not provide adequate relief.

Mr. President, this bill would correct the problem by allowing the former Armour Co. employees to spread their severance pay over a 10-year period.

Mr. President, the State of Minnesota has enacted similar legislation and my colleague Arlen Erdahl has introduced an identical bill in the House of Representatives.

Mr. President, this legislation is extremely important as many former employees will be required to live on their severance pay and I am hopeful that the Senate Finance Committee will have an early opportunity to consider this bill.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new part:

"Part VIII—Certain Severance Pay

"Sec. 1355. Certain Severance Pay.

"(a) Imposition of Separate Tax on Qualified Severance Pay.—

"(1) Separate tax.—There is hereby imposed a tax on qualified severance pay received or accrued during the taxable year in an amount equal to 10 times the tax which would be imposed by subsection (c) of section 1 if—

"(A) the recipient were an individual referred to in such subsection, and

"(B) the taxable income were an amount equal to $2,300 plus 1/10 of the total qualified severance pay for the taxable year.

"(2) Liability for tax.—The recipient shall be liable for the tax imposed by this paragraph.

"(b) Allowance of Deduction.—The amount of qualified severance pay for the taxable year shall be allowed as a deduction from gross income for such year, but only to the extent included in the taxpayer's gross income for such taxable year.

"(c) Definitions.—For purposes of this section—

"(1) Qualified severance pay.—

"(A) In general.—The term 'qualified severance pay' means—

"(i) the amount received for the cancellation of an employment contract, or

"(ii) the amount of a collectively bargained termination payment in the nature of a substitute for income which would have been earned for personal services to be rendered in the future,

but only if such amounts are received or accrued with respect to a qualified plant closing.

"(B) Amounts must be received in 1 taxable year.—An amount shall be treated as qualified severence pay of an employee with respect to a qualified plant closing of an employer only if all such amounts which may be so treated by such employee with respect to such closing under paragraph (1) are received or accrued by the taxpayer during 1 taxable year.

"(2) Qualified plant closing.—The term 'qualified plant closing' means the termination of the operation of the trade or business of the employer at a particular site if, under regulations prescribed by the Secretary, such termination is reasonably likely—

"(A) to be permanent, and

"(B) to involve the discharge within a 12-month period of at least 75 percent of the employees of such employer at such site."

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) Certain severance pay.—The deduction allowed by section 1355(b)."

(c) The table of parts for subchapter Q of chapter 1 of such Code is amended by adding at the end thereof the following:

"Part VIII. Certain severance pay."

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1978.

By Mr. DOLE (for himself, Mr. Roth, Mr. Chafee, Mr. Baker, Mr. Danforth, Mr. Wallop, Mr. Goldwater, Mr. Schweiker, Mr. Hatfield, Mr. Heinz, and Mr. Garn):

S. 2745. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts; to the Committee on Finance.

HOUSING AND EDUCATION SAVINGS ACCOUNT ACT

● Mr. DOLE. Mr. President, the unhealthy state of the economy in recent times has had many serious consequences for the people of this Nation. For the first time in many years, people are beginning to lose faith that they will be able to improve their lives and provide a better life for their children. Social mobility is the cement that holds a free nation together. Obviously, to reverse this economic situation will take broad efforts on the part of this Congress to curtain inflation and stimulate capital formation.

In an effort to effect these goals, I am today introducing legislation along with Senators Roth, Chafee, Baker, Danforth, Wallop, Goldwater, Schweiker, Hatfield, Heinz, and Garn to provide individuals with an incentive to help them purchase their first home and to provide for their children's education. These accounts would be structured similar to an IRA. They would provide a mechanism for tax deferral, rather than tax avoidance.

HOUSING SAVINGS ACCOUNTS

The bill permits an individual to establish a housing savings account and to obtain a tax deduction of up to $1,500 for contributions to the account each year for 10 years. This would allow an individual to accumulate up to $15,000 plus investment gain over the life of the account. Married couples filing a joint return would be able to contribute $3,000 per year for a total of $30,000 plus gain on this investment.

The bill provides that a housing savings account could be set up solely to fund the purchase of an individual's first home. It is these people who have suffered disproportionately from the vast inflation in housing prices over the last few years since they usually have insufficient means to save for an ever increasing minimum down payment. It may be possible to examine further whether less restrictive limitations may be necessary if other segments of our population are unable to sell a small house and purchase another modestly priced home.

If the amount accumulated in a housing savings account is used to purchase a first home, there will be no tax at the time the account assets are distributed. But this amount could be recaptured on a subsequent sale if another house is not purchased.

Let me give an example of how this bill would work. Suppose a couple contributes $2,000 per year to a housing savings account for 4 years and this investment grows in value to $9,000. The couple could take a tax deduction of $2,000 per year contributed to the account. They also would have to pay no tax on the $1,000 gain.

The $9,000 may be taken from the account and used to purchase a first home at any time. There would be no tax at that time. Similarly, there would be no tax if the couple subsequently sold their home and bought another of at least equal value. However, if the couple sold the home and decided not to buy another, the $9,000 would then be subject to tax. Alternatively, the one-time $100,000 exclusion of gain from sale of a principal residence by an individual who has attained age 55 would be reduced by the $9,000 when that first residence is sold.

MANY INDIVIDUALS PRECLUDED FROM HOMEOWNERSHIP

In March, the median sales price of a new home was $63,800, making the price of a new home nearly twice what it cost in 1974. It has also been estimated that, at a 15-percent mortgage interest rate, fewer than 5 percent of American families can afford the median price of a new home. Current experience bears this out: sales of single-family homes fell 17.4 percent in March, the lowest sales level since February 1975.

The purchase of a home has been the traditional way for young people to acquire a stake in our society. This legislation will thus provide a stabilizing influence on society as well as fostering a major aspect of the American dream which may otherwise vanish for many people.

CONSTRUCTION INDUSTRY SUFFERING SEVERE DECLINE

Additionally, efforts to encourage home purchases will help buoy the rapidly sinking construction industry. The United States experienced in March of this year the largest monthly decline in new construction since 1944. New private residential construction was the segment of the new construction worst hit, dropping over 8 percent compared with the previous month.

Not only are most homebuilders small businessmen already suffering from inordinately high interest rates, but their workers are leading the Government's unemployment figures. Unemployment among construction workers rose to more than 15 percent in April, compared to 7 percent among the workforce in general. It is clear that something must be done to stem these unacceptable events. The home savings account will provide a much needed step in the right direction.

EDUCATION SAVINGS ACCOUNTS

The second part of this bill is aimed at the other major expense incurred by families, the higher education of their children.

The bill provides that an education savings account may be established for each child. Parents and the child may contribute up to $1,000 per year to this account and receive a corresponding tax deduction. Contributions mav be made each year of a child's life until the child reaches 21 or enrolls at a qualified college or vocational school, whichever occurs first.

Amounts from the fund will not be subject to tax when used for tuition, fees, and reasonable living expenses while the child is at a qualified educational institution. However, the amounts so expended will be included ratably in the child's income over a 10-year period beginning in the year the child attains age 25.

EDUCATION COSTS ARE PROHIBITIVE

The need to help families provide for higher education costs is manifest. The costs of an education at both public and private colleges have increased dramatically over the past 10 years. For instance, the median cost of an education at a private college has increased 105 percent over the last 10 years and the median cost for an in-State student at a public university has increased 80 percent over the same period. The costs for both in-State and out-of-State students in public schools and for students in private schools have all out-paced the consumer price index for this period.

With the cost of higher education rising so dramatically, many people will not be able to afford to pursue higher education without assistance. This bill is intended to encourage long-term savings for education, rather than relying solely on loans and grants when an individual reaches college age.

CAPITAL FORMATION

I firmly believe that Government aid in the form of this type of tax incentive will provide an effective way to help individuals enjoy the benefits of homeownership and receive needed education while providing much needed funds to encourage capital investment.

Tax policy in this country has tended, in recent years, to encourage consumption and discourage investment, savings, and capital formation. Among major industrialized nations, the United States ranks last in savings as a percent of income, last in fixed investment as a percent of GNP, and last in productivity growth. This is no accident and it is not caused by the profligacy of our citizens. It is simply a result of tax policy.

The bill I am introducing today is intended to follow a new direction in tax policy, a policy encouraging savings, rather than consumption. With a recession upon us, there is no more opportune time to commit ourselves to reversing the trend in this Nation's productivity and this commitment must consist, in major part, of incentives for investment.

INFLATION PROTECTION

Finally, Mr. President, both accounts provide for indexing of the maximum deductible contribution. I firmly believe that an incentive for savings such as that provided in this bill will assist greatly in the fight against inflation. But in the meantime, it also is important that the impact of these provisions not be diminished by inflation while incomes are artificially increased by inflation forcing taxpayers into higher tax brackets. People of this Nation deserve protection from the ravages of inflation over which they can exercise so little control. This provides a mechanism to preserve the real value of the deductible amount in times of economic instability.

The estimated revenue impact for 1981 is $2.1 billion for the housing savings account, if the provisions are not phased in. The Senator from Kansas recognizes that we in Congress have a duty to the people of this country to act with utmost fiscal responsibility.

It may therefore be advisable to examine a phase-in of this legislation. For instance, if this bill is phased in over a 3-year period, the first year combined revenue estimate for both savings accounts would drop to $2.1 billion. It is important to point out, however, that these revenue estimates do not reflect the positive revenue producing effect of the additional funds that this legislation will make available to increase productive capacity, and is a very minor price to pay for such great benefits to be derived.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with a chart containing the revenue impact of the bill for years 1981 through 1985 as prepared by the staff of the Joint Committee on Taxation.

Mr. President, Congressman CONABLE, the ranking member of the Ways and Means Committee, introduced an identical bill as H.R. 7381 in the House yesterday.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 2745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. EDUCATION SAVINGS ACCOUNT.

"(a) DEDUCTION ALLOWED.—In the case of an individual, there is allowed as a deduction the sum of—

"(1) amounts paid in cash, and

"(2) the fair market value at times of transfer of stock, bonds, or other securities, which are readily tradeable on an established securities market, transferred,

during the calendar year which ends with or within the taxable year by such individual to an education savings account established for the benefit of an eligible individual.

"(b) LIMITATIONS.—

"(1) ACCOUNT MAY NOT BE ESTABLISHED FOR BENEFIT OF MORE THAN 1 INDIVIDUAL.—An education savings account may not be established for the benefit of more than 1 individual.

"(2) INDIVIDUAL MAY NOT BE BENEFICIARY OF MORE THAN 1 ACCOUNT.—An individual who is the beneficiary of more than 1 education savings account during any calendar year shall not be treated as an eligible individual for that calendar year.

"(3) MAXIMUM DEDUCTION PER ACCOUNT.—The amount allowable as a deduction under subsection (a) to an individual for amounts paid or transferred to an account for any calendar year shall not exceed $1,000.

"(4) CONTRIBUTIONS BY MORE THAN 1 PERSON.—If more than 1 individual makes contributions to an education savings account during a calendar year, the $1,000 amount under paragraph (3) shall be allocated proportionately among all individuals contributing to the account during that year on the basis of the amounts contributed by each such individual.

"(5) ADJUSTMENT OF LIMIT FOR INFLATION.—

"(A) IN GENERAL.—Beginning in 1982, the dollar amounts in paragraph (3), paragraph (4), and subsection (c)(2)(A) shall each be adjusted by multiplying such amounts by the inflation adjustment factor for the 12-month period ending on July 31 of the preceding calendar year and, as adjusted, shall be substituted for such amounts for taxable years ending with or within the calendar year next beginning after such 12-month period.

"(E) COMPUTATION OF INFLATION ADJUSTMENT FACTOR.—

"(i) Determination and publication.—The Secretary shall, not later than October 1 of each calendar year (beginning in 1981), determine and publish in the Federal Register the inflation adjustment factor for the immediately preceding 12-month period ending on July 31 in accordance with this paragraph.

"(ii) Inflation adjustment factor.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the average monthly Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending on July 31 and the denominator of which is the average monthly Consumer Price Index (all items—United States city average) for the 12-month period ending on July 31, 1980.

"(c) Definitions and Special Rules.—

"(1) Eligible individual.—The term 'eligible individual' means the taxpayer or a child of the taxpayer (within the meaning of section 151(e)(3) unless the taxpayer or child—

"(A) has attained the age of 21 before the close of the calendar year for which the contribution is made, or

"(B) is enrolled as a full-time student at an eligible educational institution for more than 4 weeks during that calendar year.

"(2) Education savings account.—For purposes of this section, the term 'education savings account' means a trust created or organized in the United States exclusively for the purpose of paying the educational expenses of an eligible individual, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, stocks, bonds, or other securities which are readily tradeable on an established securities market, and contributions will not be accepted for the taxable year in excess of $1,000.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust assets will be invested in life insurance contracts (other than contracts the beneficiary of which is the trust and the face amount of which does not exceed the amount by which the maximum amount which can be contributed to the account exceeds the sum of the amounts contributed to the account for all taxable years).

"(D) The assets of the account may be invested in accordance with the direction of the individual contributing to the account, but, if more than one individual has made contributions to the account, the consent of all such individuals shall be required for any such direction.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) Any balance in the account on the day before the date on which the individual for whose benefit the trust is established attains age 26 will be distributed on that date to each of the individuals who have contributed to the trust in an amount which bears the same ratio to such balance as such individual's contributions bear to the sum of all such contributions.

"(3) Time when contributions deemed made.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of a calendar year if the contribution is made on account of such calendar year and is made not later than the time prescribed by law for filing the return for the taxable year (including extensions thereof) with or within which the calendar year ends.

"(4) Stock, etc., to be valued as of transfer date.—The fair market value of stocks, bonds, and other securities shall be determined as of the date on which they are transferred to the account. If the date of transfer falls on a Saturday, Sunday, or public legal holiday, then the fair market value shall be determined by reference to the last preceding day on which they could have been traded on an established securities market.

"(5) Educational expenses.—The term 'educational expenses' means—

"(A) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

"(B) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution, and

"(C) a reasonable allowance for meals and lodging.

"(6) Eligible educational institution.—The term 'eligible educational institution' means—

"(A) an institution of higher education, or

"(B) a vocational school.

"(7) Institution of higher education.—The term 'institution of higher education' means the institutions described in section 1201 (a) or 491(b) of the Higher Education Act of 1965.

"(8) Vocational school.—The term 'vocational school' means an area vocational education school as defined in section 195(2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(8) of such Act).

"(d) Tax Treatment of Distributions.—

"(1) In general.—Except as otherwise provided in this subsection, any amount paid or distributed out of an education savings account shall be included in gross income by each individual who has contributed to the account, in an amount which bears the same ratio to such payment or distribution as the amount contributed by that individual for all taxable years bears to the amounts contributed by all individuals for all taxable years, for the taxable year in which the payment or distribution is received, unless such amount is used exclusively to pay the educational expenses incurred by the individual for whose benefit the account is established.

"(2) Excess contributions returned before due date of return.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an education savings account to the extent that such contribution exceeds the amount allowable as a deduction under subsection (a) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(F) no deduction is allowed under subsection (a) with respect to such excess contribution, and amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) Qualified distributions included in beneficiary's income over 10-year period.—The gross income of an individual for whose benefit an education savings account was established for the taxable year in which that individual attains age 25 and for each of the 9 succeeding taxable years shall be increased by 10 percent of the sum of the amounts paid or distributed out of the account which were used exclusively to pay the educational expenses incurred by that individual.

"(e) Tax Treatment of Accounts.—

"(1) Exemption from tax.—An education savings account is exempt from taxation under this subtitle unless such account has ceased to be an education savings account by reason of paragraph (2) or (3).

Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

"(2) Loss of exemption of account where individual engages in prohibited transaction.—

"(A) In general.—If, during any taxable year of an individual who contributes to an education savings account, that individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be an education savings account as of the first day of that taxable year.

"(B) Account treated as distributing all its assets.—In any case in which any account ceases to be an education savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

"(3) Effect of pledging account as security.—If, during any taxable year, the individual for whose benefit an education savings account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) Additional Tax on Certain Amounts Included in Gross Income.—

"(1) Distribution not used for educational expenses.—If a distribution from an education savings account is made, and not used in connection with the payment of educational expenses of the individual for whose benefit the account was established, the tax liability of each of the individuals who has contributed to the account for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution which is includable in his gross income for such taxable year.

"(2) Disqualification cases.—If an amount is includible in the gross income of an individual for a taxable year under subsection (d), his tax under this chapter for such taxable year shall be increased by an amount equal to 13 percent of such amount required to be included in his gross income.

"(3) Disability cases.—Paragraphs (1) and (2) do not apply if the payment or distribution is made after the taxpayer becomes disabled within the meaning of section 72 (m)(7).

"(g) Community Property Laws.—This section shall be applied without regard to any community property laws.

"(h) Custodial Accounts.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an education savings account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) Reports.—The trustee of an education savings account shall make such reports regarding such account to the Secretary and to the individual for whose benefit the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.".

(b) Deduction Allowed in Arriving at Adjusted Gross Income.—Paragraph (10) of section 62 of such Code (relating to retirement savings) is amended—

(1) by inserting "or education" after "Retirement" in the caption of such paragraph, and

(2) by inserting before the period at the end thereof the following: "and the deduction allowed by section 221 (relating to deduction of certain payments to education savings accounts)".

(c) Tax on Excess Contributions.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "EDUCATION SAVINGS ACCOUNTS," after "ACCOUNTS," in the caption of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and by inserting after paragraph (1) the following:

"(2) an education savings account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) Excess Contributions to Education Savings Accounts.—For purposes of this section, in the case of an education savings account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable as a deduction under section 221(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the education savings account and a distribution to which section 221(d)(2) applies shall be treated as an amount not contributed.".

(d) Contribution Not To Be Treated as a Gift for Gift Tax Purposes.—Section 2503 of such Code (relating to taxable gifts) is amended by adding at the end thereof the following new subsection:

"(e) Education Savings Accounts.—For purposes of subsection (b), any payment made by an individual for the benefit of his child to an education savings account, described in section 221(c), shall not be considered a gift of a future interest in property to the extent that such payment is allowed as a deduction under section 221.".

(e) Tax on Prohibited Transactions.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) Special rule for education savings accounts.—An individual for whose benefit an education savings account is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be an education savings account by reason of the application of section 221(e)(2)(A) to such account.", and

(2) by inserting "or an education savings account described in section 221(c)" in subsection (c)(1) after "described in section 408(a)".

(f) Failure to Provide Reports on Education Savings Accounts.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR EDUCATION SAVINGS ACCOUNTS" after "ANNUITIES" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 221(i) to file a report regarding an education account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(g)(1) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Education savings accounts.

"Sec. 222. Cross references.".

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, education savings accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on education savings accounts.".

(h)(1) Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 128 and 129 and by inserting after section 127 the following new section:

"Sec. 128. Education Savings Account Distributions.

"In the case of an individual, and except as is provided in section 221(d)(1), gross income does not include distributions from an education savings account used exclusively for the payment of educational expenses of that individual (within the meaning of section 221(c)(5)).".

(2) The table of sections for such part III is amended by inserting after the item relating to section 127 the following new items:

"Sec. 128. Education savings account distributions.

"Sec. 129. Cross references to other Acts.".

(i) Subsection (b) of section 152 of such Code (relating to definition of dependent) is amended by adding at the end thereof the following new paragraph:

"(6) A payment to an individual for whose benefit an education savings account (as defined in section 221(c)) is established from that account which is excluded from the gross income of that individual under section 128 shall not be taken into account in determining support for purposes of this section.".

(j) The amendments made by this section shall take effect with respect to taxable years beginning after December 31, 1980.

Sec. 2. Housing Savings Accounts.

(a) In General.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as 223 and by inserting after section 221 the following new section:

"Sec. 222. Housing Savings Account.

"(a) Deduction Allowed.—In the case of an individual, there is allowed as a deduction the sum of—

"(1) amounts paid in cash, or

"(2) the fair market value of stocks, bonds, or other securities, readily tradeable on an established securities market, transferred, during the taxable year by such individual to a housing savings account.

"(b) Limitations.—

"(1) Maximum annual deduction.—The amount allowable as a deduction under subsection (a) to an individual for any taxable year may not exceed $1,500 ($3,000 in the case of married individuals filing a joint return).

"(2) Maximum lifetime deduction.—The amount allowable as a deduction under subsection (a) to an individual for all taxable years may not exceed $15,000 ($30,000 in the case of married individuals filing a joint return).

"(3) Stock, etc., to be valued on transfer date.—The fair market value of stock, bonds, and other securities is to be determined as of the date on which it is transferred to the account, or, if the transfer occurs on a Saturday, Sunday, or other public legal holiday, on the last preceding day on which it could have been traded.

"(4) Adjustment of limit for inflation.—

"(A) In general.—Beginning in 1982, the dollar amounts in paragraph (1) paragraph (2), and subsection (c)(1)(A) shall each be adjusted by multiplying such amounts by the inflation adjustment factor for the 12-month period ending on July 31 of the preceding calendar year and, as adjusted, shall be substituted for such amounts for taxable years ending with or within the calendar year next beginning after such 12-month period.

"(B) Computation of inflation adjustment factor.—

"(ii) Determination and publication.—The Secretary shall, not later than October 1 of each calendar year (beginning in 1981), determine and publish in the Federal Register the inflation adjustment factor for the immediately preceding 12-month period ending on July 31 in accordance with this paragraph.

"(ii) Inflation adjustment factor.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the average monthly Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending on July 31 and the denominator of which is the average monthly Consumer Price Index (all items—United States city average) for the 12-month period ending on July 31, 1980.

"(c) Definitions and Special Rules.—

"(1) Housing savings account.—For purposes of this section, the term 'housing savings account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash or in stocks, bonds, or other securities readily tradeable on an established exchange, and contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual ($3,000 in the case of a trust for an individual and his spouse), or in excess of $15,000 on behalf of an individual for all taxable years ($30,000 in the case of a trust for an individual and his spouse).

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust assets will be invested in life insurance contracts.

"(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(E) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(F) The assets of the trust shall be invested in accordance with the directions of the individual contributing to the trust, but, if more than 1 individual makes contributions to the trust the consent of all such individuals shall be required with respect to such direction.

"(d) Tax Treatment of Distributions.—

"(1) In general.—Except as otherwise provided in this subsection, any amount paid or distributed out of a housing savings account shall be included in gross income by the payee or distributee for the taxable year in which the payment or distribution is received, unless such amount is used exclusively in connection with the purchase of the first dwelling purchased by the payee or distributee which constitutes his principal residence. The basis of any person in such an account is zero.

"(2) Excess contributions returned before due date of return.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to a housing savings account to the extent that such contribution exceeds the amount allowable as a deduction under subsection (a) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no deduction is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) Transfer of account incident to divorce.—The transfer of an individual's interest in a housing savings account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as a housing savings account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(e) Tax Treatment of Accounts.—

"(1) Exemption from tax.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be a housing savings account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) Loss of exemption of account where individual engages in prohibited transaction.—

"(A) In general.—If, during any taxable year of the individual for whose benefit a housing savings account is established, that individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be a housing savings account as of the first day of that taxable year. For purposes of this subparagraph the individual for whose benefit any account was established is treated as the creator of the account.

"(B) Account treated as distributing all its assets.—In any case in which any account ceases to be a housing savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

"(3) Effect of pledging account as security.—If, during any taxable year, the individual for whose benefit a housing savings account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) Additional Tax on Certain Amounts Included in Gross Income.—

"(1) Distribution not used to purchase residence.—If a distribution from a housing savings account to an individual for whose benefit such account was established is made, and not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution which is includable in his gross income for such taxable year.

"(2) Disqualification cases.—If an amount is includable in the gross income of an individual for a taxable year under subsection (e), his tax under this chapter for such taxable year shall be increased by an amount equal to 10 percent of such amount required to be included in his gross income.

"(3) Disability cases.—Paragraphs (1) and (2) do not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) Community Property Laws.—This section shall be applied without regard to any community property laws.

"(h) Custodial Accounts.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute a housing savings account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) Reports.—The trustee of a housing account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) Reduction of Basis.—The basis of any residence acquired with funds withdrawn from a housing savings account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds.".

(b) Deduction Allowed in Arriving at Adjusted Gross Income.—Paragraph (10) of section 62 of such Code (relating to adjusted gross income) is amended to read as follows:

"(10) Retirement, higher education, and housing savings.—The deductions allowed by sections—

"(A) 219 (relating to retirement savings).

"(B) 220 (relating to retirement savings for certain married individuals),

"(C) 221 (relating to education savings), and

"(D) 222 (relating to housing savings).

(c) Tax on Excess Contributions.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403 (b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "Housing Savings Accounts," after "Education Savings Accounts," in the caption of such section.

(2) by redesignating paragraphs (3) and (4) of subsection (a) as (4) and (5), and by inserting after paragraph (2) the following:

"(3) a housing savings account (within the meaning of section 222(c)),", and

(3) by adding at the end thereof the following new subsection:

"(e) Excess Contributions to Housing Savings Accounts.—For purposes of this section, in the case of a housing savings account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable as a deduction under section 222(b)(1) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the housing savings account and a distribution to which section 222(d)(2) applies shall be treated as an amount not contributed.".

(d) Tax on Prohibited Transactions.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) Special rule for housing savings accounts.—An individual for whose benefit a housing savings account is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a housing savings account by reason of the application of section 222(e)(2)(A) or if section 222(e)(4) applies to such account.", and

(2) by inserting "or a housing savings account described in section 222(c)" in subsection (e)(1) after "described in section 408(a)".

(e) Failure To Provide Reports on Housing Savings Accounts.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "Or Housing Savings Accounts" after "Education Savings Accounts," in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 222(1) to file a report regarding a housing savings account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(f) Adjustment of Basis of Residence Purchased Through Use of Amounts in Account.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by inserting after paragraph (20) the following new paragraph:

"(21) in the case of a residence the acquisition of which was made in whole or in part with funds from a housing savings account, to the extent provided in section 222(j);".

(g) Reduction of One-Time Exclusion.—Subsection (b) of section 121 of such Code (relating to limitations) is amended by adding at the end thereof the following new paragraph:

"(4) Reduction of exclusion for housing savings amount.—The $100,000 amount in paragraph (1) shall be reduced by any amount paid or distributed out of a housing savings account of the taxpayer which was not included in gross income of the taxpayer for the year in which it was paid or distributed to the taxpayer (one-half of such amount in the case of a separate return by a married individual).".

(h) CLERICAL AMENDMENTS.—

(1) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 222 and inserting in lieu thereof the following:

"Sec. 222. Housing savings accounts.
"Sec. 223. Cross references.".

(2) The table of section for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, education savings accounts, housing savings accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities, education savings accounts, or housing savings accounts.".

(i) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1980.

HOUSING AND EDUCATION SAVING S ACCOUNT BILL—REVENUE LOSS ESTIMATES

[In billions]

	1981	1982	1983	1984	198
Housing	$2.1	$2.2	$2.8	$3.2	$3.6
Education	2.4	2.9	3.5	4.1	4.8
Total	4.5	5.1	6.3	7.3	8.4

If the provisions are phased in over three years so that the maximum contribution for each account is $500 in 1981, $1,000 in 1982, and $1,000 for education savings accounts and $1,500 for housing savings accounts in 1983 and thereafter, the revenue estimates are as follows:

	1981	1982	1983	1984	1985
Housing	0.9	1.5	2.4	2.8	3.1
Education	1.2	2.6	2.8	3.3	3.9
Total	2.1	4.1	5.2	6.1	7.0

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By Mr. HART:

S. 2746. A bill to amend the Internal Revenue Code of 1954 with respect to the issuance of mortgage revenue bonds; to the Committee on Finance.

MORTGAGE REVENUE BONDS

• Mr. HART. Mr. President, in recent months, our economic statistics have been sobering. Unemployment rates are topping 7 percent; the annual inflation rate is expected to exceed 18 percent and the housing starts have plummeted. Choked by soaring interest rates, the housing industry estimates that annual starts for 1980 will fall close to the 1 million mark—a level not reached since the recession of 1974–75.

We simply cannot allow the impact of these economic forces to ripple through our economy unchecked.

Of particular concern is the serious decline in housing starts. Congress must respond with a program that is timely, effective and does not work at odds with our efforts to balance the Federal budget and reduce Government spending.

Mr. President, I am pleased to introduce today legislation which will promote the targeted use of mortgage revenue bonds over the next 2 years. This legislation will insure that an adequate supply of mortgage money is available at the local level during this time of crisis in the housing industry. It will also provide Congress with the necessary time to determine the impact of tax-exempt mortgage revenue bonds so that a sound Federal policy on their use can be developed.

Under this legislation, the tax-exempt treatment of mortgage revenue bonds for owner-occupied housing would be allowed to continue, with few restrictions, for the next 2 years. Localities would be able to resume the issuance of mortgage revenue bonds, whose proceeds would be used to provide lower interest-rate mortgages to individuals and families whose income is 150 percent or below the median income for a designated area.

This legislation also allows State housing finance agencies to continue to issue tax-exempt mortgage revenue bonds, subject to individual State controls.

In addition, I have proposed that a study be conducted jointly by the Secretary of the Treasury and the Secretary of Housing and Urban Development to determine the impact of mortgage revenue bonds on the housing industry, employment rates, the rate of inflation, and the market for tax-exempt securities. It is my hope this study will provide Congress the necessary information to develop, in future legislation, a refined policy regarding the tax-exempt treatment of mortgage revenue bonds.

Importantly, this legislation does not affect the issuance of tax-exempt mortgage revenue bonds whose proceeds are targeted for multifamily rental housing. This country is experiencing a severe shortage of this type of housing. At minimum, efforts currently in place should remain untouched.

Further, it is not my intention to spur activity for speculation in the housing industry. This legislation authorizes the proceeds of mortgage revenue bond issuances to finance only owner-occupied residences.

Mr. President, I do not generally endorse the concept of selective short-term solutions to general economic woes. Too often this practice leads to the uncontrolled proliferation of programs which work to the eventual disadvantage of the affected industry and the Nation as a whole. That is certainly not my intention. What I do propose, pending eventual resolution of this complex issue by Congress, is to fill the void opened in April 1979 with introduction in the House of legislation which would effectively bar use of mortgage revenue bonds.

I share the concern of many of our Nation's lenders about the potential impact of expanding Federal assistance in a traditionally competitive conventional market. I am equally concerned about the increasing gap between family income levels and the opportunity for homeownership. I believe tax-exempt mortgage revenue bonds can be a potent weapon in helping us meet the housing needs of Americans. But clearly, Congress must strike a balance that insures that mortgage revenue bonds are used as a supplement, not a substitute, for traditional financing mechanisms.

I realize there have been inadequacies in the use of tax-exempt mortgage revenue bonds over the last several years. This is the primary reason they are the subject of congressional discussion. And while I do not advocate or endorse their unrestricted use, I believe they provide an effective means for States and localities to provide lower interest rate mortgages for many of our Nation's home buyers.

Mortgage revenue bonds make efficient use of private investment and Federal assistance without spurring the creation or enlargement of Federal bureaucracy. Often, Mr. President, the availability of mortgage money at reasonable interest rates is the difference between owning a home and not. In my home State of Colorado, mortgage revenue bond programs have helped thousands of people obtain housing.

Mr. President, I am not proposing a program which will win the battle but lose the war. This legislation will not solve the continuing controversy over the proliferation of tax-exempt mortgage revenue bonds. It does, however, represent a positive alternative to our current dilemma, and a starting point for further congressional action. It will help insure the continued viability of many homebuilders.

I look forward to early consideration of this legislation, and to working with my colleagues to develop a comprehensive Federal policy on the tax treatment of mortgage revenue bonds.•

By Mr. INOUYE (for himself, Mr. CANNON, Mr. MAGNUSON, Mr. LONG, Mr. HOLLINGS, Mr. WARNER, and Mr. PACKWOOD):

S.J. Res. 176. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 5, 1980, as "National Port Week," and for other purposes; to the Committee on the Judiciary.

NATIONAL PORT WEEK

• Mr. INOUYE. Mr. President, I introduce and send to the desk a joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 5, 1980, as "National Port Week."

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 176

Whereas, the past development of the public ports of the United States is the result of a fruitful partnership in which State and local authorities have assumed major responsibilities for land-based port development with the Federal Government constructing and maintaining the navigable waterways and harbors of the United States;

Whereas, the economic, social and cultural developments in the history of the port cities and States has mirrored the conditions of the ports of the United States;

Whereas, ports serving the United States waterborne commerce are responsible for the creation and continued employment of more than one million workers and an annual contribution in excess of $56 billion to our Nation's economic well-being;

Whereas, the development of our Nation's ports is indispensible to our foreign trade and vital for the achievement of a favorable balance of trade;

Whereas, viable United States ports are necessary to national security and the maintenance of an adequate defense;

Whereas, the continued development of the ports of the United States is being adversely affected by economic, physical, and other factors, including the problems associated with the adequacy of the harbors and channels;

Whereas, the ability of the public ports to continue their vital contribution to national security and welfare may be in question; and

Whereas, there is an urgent need for continuing attention to the needs of the public ports of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States, is authorized and requested to issue a proclamation designating the seven-day period beginning October 5, 1980, as "National Port Week" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

SEC. 2. The Secretary of Commerce shall report annually to Congress on the conditions of the public ports of the United States, including, but not limited to, their economic and technological development, the extent to which they contribute to the national security and welfare, and those factors which may impede the continued development of the public ports of the United States.●

ADDITIONAL COSPONSORS

S. 1858

At the request of Mr. BAYH, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 2079

At the request of Mr. BAYH, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2079, a bill to improve the administration of the patent and trademark laws by establishing the Patent and Trademark Office as an independent agency, and for other purposes.

S. 2521

At the request of Mr. DOLE, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2623

At the request of Mr. GOLDWATER, the Senator from Iowa (Mr. CULVER), the Senator from California (Mr. HAYAKAWA), and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 2623, a bill to incorporate the U.S. Submarine Veterans of World War II.

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE JOINT RESOLUTION 168

At the request of Mr. DOLE, the Senator from Florida (Mr. STONE) was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating July 18, 1980, as "National POW-MIA Recognition Day."

SENATE RESOLUTION 440—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

SENATE RESOLUTION 440

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such act are waived with respect to the consideration of S. 2443. Such waiver is necessary because S. 2443, the West Valley Demonstration Project Act, authorizes appropriations for fiscal year 1980.

SENATE RESOLUTION 441—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on the Budget:

SENATE RESOLUTION 441

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such act are waived with respect to the consideration of H.R. 5892. Such waiver is necessary because H.R. 5892, the Wind Energy Systems Research, Development, and Demonstration Act of 1979, authorizes appropriations for fiscal year 1980.

SENATE RESOLUTION 442—ORIGINAL RESOLUTION REPORTED TO WAIVE THE CONGRESSIONAL BUDGET ACT

Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 442

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such act are waived with respect to the consideration of S. 2377, a bill to authorize appropriations for the Department of Justice for fiscal year 1981, and for other purposes. Such a waiver is necessary to allow consideration of the Department of Justice Authorization bill to be concluded.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1980 deadline, because the Department of Justice and the Committee on the Judiciary had to resolve a series of substantive, outstanding issues before Committee action on S. 2377 could be concluded.

The effect of defeating consideration of this resolution will be a total curtailment of Department of Justice fiscal year 1981 operations.

AMENDMENTS SUBMITTED FOR PRINTING

INTELLIGENCE OVERSIGHT ACT OF 1980—S. 2284

AMENDMENT NO. 1774

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to S. 2284, a bill to strengthen the system of congressional oversight of intelligence activities of the United States, and for other purposes.

COMMISSION ON CIVIL RIGHTS AUTHORIZATIONS, 1980—S. 2511

AMENDMENT NO. 1775

(Ordered to be printed.)

Mr. HELMS proposed an amendment to S. 2511, a bill to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1981.

AMENDMENT NO. 1776

(Ordered to be printed.)

Mr. HELMS proposed an amendment to S. 2511, supra.

ADDITIONAL STATEMENTS

MICRONESIA

● Mr. INOUYE. Mr. President, a recent "60 Minutes" program contained a report on Micronesia. As is frequently the case, given the limitations of time and the desire to make a point, that program failed to do justice to the totality of Micronesia and the Micronesian people.

To assist in that effort, I ask unanimous consent to have a letter from President Nakayama and his staff's comments on the transcript of the "60 Minutes" program printed in the RECORD.

The material follows:

FEDERAL STATES OF MICRONESIA,
Klonia, Ponape, Eastern Carolina Islands, April 17, 1980.

Hon. DANIEL K. INOUYE,
Senator,
Washington, D.C.

DEAR SENATOR INOUYE: Thank you for soliciting my comments on the "60 Minutes" program on Micronesia.

During the past 25 years, I have spent a great deal of time in various parts of the United States. I studied and lived in Hawaii for several years. I have visited San Francisco, New York and Washington on many occasions for both official and personal reasons. Throughout these years, I have read much about the American people, their history and their political, social and economic makeup. I have met many Americans, some of whom are my very close friends.

Yet with all of this experience, all of this contact, I would not presume to try to describe the United States in a twenty minute segment of a television program. No matter which pieces of the puzzle I chose to emphasize, I could not do the whole picture justice. A nation, any nation, is simply too complex to describe with any degree of accuracy in twenty minutes. After watching a gangster movie, an unsophisticated foreigner might well conclude that all Americans are gangsters. After watching the 60 Minutes program on Micronesia, an unsophisticated American might well conclude that all Micronesians are fat and lazy and sit around gorging themselves on U.S.D.A. food at the U.S. taxpayers expense. Neither portrait is accurate, of course, but the difference is that the unsophisticated foreigner will get many opportunities through the media to expand his perceptions of the United States, while the American may well never see another program about Micronesia.

I fault the program as much for what it left out, as for what was included. Where is the footage portraying the character of our people or the footage about our customs and traditions and arts. Where is the description of our years and years of political struggle toward self-government. Where is the film depicting the enormous effort of Micronesians and Americans to develop these islands socially, economically and politically. 60 Minutes chose to ignore all of this and instead concentrated primarily on one federal program, the feeding program. The irony is that the very federal program chosen to portray Micronesia was a program vehemently opposed by many of us on the basis that it was unneeded, except in isolated emergency and disaster situations, and would create a dependence which we as a people did not want. We ultimately won this fight and the program was discontinued. However, we are now being ridiculed and criticized for a program which was forced upon us in the first place.

I asked my staff to review a transcript of the "60 Minutes" program for inaccuracies of fact and emphasis. Attached is a document setting forth their conclusions. This document was prepared on very short notice. The items stated in the document as fact are true to the best of our belief.

Thank you very much for giving us the opportunity to comment on the program. Our Washington Liaison Officer will be happy to supplement these comments at your request.

Sincerely,

TOSIWO NAKAYAMA,
President, Federated States of Micronesia.

COMMENTS

The following are comments on various statements made during the CBS Television Network "60 Minutes" program on Micronesia which was broadcast on Sunday, December 23, 1979.

60 Minutes: "Micronesia is a collection of 2,000 islands scattered over 40 million square miles of the Pacific, all wrapped up as a package. . . ."

Fact: Micronesia covers an area of about 2 million square miles, not 40 million. Forty million square miles is closer to the size of the entire Pacific Basin from the West coast of the United States to Japan.

60 Minutes: "This represents, perhaps too graphically, what this story is about. A Micronesian who is not employed and has no intention of ever being employed is feeding his favorite pig prime U.S. beef, a gift from the United States. The pig obviously enjoys his Big Mac, and his owner obviously prefers pork. How come this man, and 120,000 other Micronesians, are part of a welfare state he never dreamed of, never wanted, and yet is now hopelessly addicted to? . . ."

Fact: No Micronesian in his right mind would feed his pig good U.S.D.A. beef; he would eat the beef and feed the pig coconut instead. Our guess is that the sequence was staged. The boy in question is not unemployed, he is self-employed or family employed. He is a farmer.

60 Minutes: ". . . Policy changed from benign neglect to a kind of malignant generosity. The delicate relationship between the people and their land and lagoons was finished. A paradise of welfare had begun. And we swamped these islands with government programs, from Headstart to care for the elderly. Needed or not, they were, by heaven, going to get all the benefits of the New Frontier and the Great Society. This unique, traditional, scattered island society was treated as if it were Inner City, U.S.A. . . . "

Act: The report dwells at some length upon the misapplication and poor administration of some U.S. federal programs. None of us will deny that social and economic disruption has occurred from this. But, Micronesia is not unique. Indeed, it has often been argued that poor administration and management are associated with federal programs in the United States as well. It is a common problem that all of us, both here in Micronesia and in the United States, are working to overcome. I am sure that Mr. Tony DeBrum, of the Government of the Marshall Islands, did not mean his statement regarding the impact of the federal programs for the elderly to be misconstrued as representative of the situation everywhere, especially outside of the District centers. Elderly people in most communities do continue to take care of the children and to teach skills, language, custom, traditions, and legends and still have much responsibility in their clan, village and community.

It is undeniably true that this system is changing and that Micronesia is moving away from its traditional way of life. But surely change is a factor in any society, at any time. It is also true that not all of these changes are for the betterment of the society, but again that is a universal problem of growth and change. We in the Federated States of Micronesia are very cognizant of this and we have, within our National Constitution, sought to provide for the protection and continuation of much of our traditional cultures and values. At the same time, we fully realize the need to bring to our people the benefits and advantages of modern social, economic and political institutions and processes. It is a difficult and often thankless task to try to balance the two.

60 Minutes: "Of the 17,000 paid jobs in Micronesia, 11,000 are government jobs. . . ."

Fact: In 1977, there were about 29,500 paid jobs in Micronesia, slightly more than half of which were government jobs, many of which were held by Americans. The numbers are probably somewhat higher today, but the proportions remain about the same. One of the great failings of the Trusteeship has been the inability of the United States to stimulate a private sector export economy and thus create private sector employment.

60 Minutes: ". . . and on any given day, a third of the work force does not turn up for work."

Fact: That is pure bunk.

60 Minutes: "The government payroll is virtually the only source of income."

Fact: Half of the labor force works for the government and therefore receives its income from the government payroll. The other half of the labor force works for the private sector and receives its income from private sources.

60 Minutes: "When the U.S. Department of Agriculture started handing out food, food production in Micronesia fell in ten years from 33 million pounds a year to one million pounds. So much food is dumped on these islands that Americans and Micronesian officials have given up trying to account for it. This is the supermarket of a housewife's dreams."

Fact: USDA food for general use, as opposed to the school lunch program and food for emergency (natural disaster) use, was only distributed for about three years and has been discontinued. The program may have had some adverse impact on local food production, but probably very little. During the height of the feeding program, FY 1977, food production, excluding marine products, stood at about 28 million pounds. No statistics are available for a comparable period ten years earlier. The line about "the supermarket of a housewife's dreams" is pure fantasy.

60 Minutes: "The cash goes into cars that go from dockside to disaster in months."

Fact: Most cash does not go into cars. Only the more affluent people, a very small portion of the population, can afford a motor vehicle. Vehicles do deteriorate quickly because of the salt spray in the air and the poor quality of the roads.

60 Minutes: "These islands are a bitter perversion of an old American ideal: two wrecks in every garage, and a USDA boneless chicken in every pot."

Fact: This statement is attention getting and clever, but not true. Very few people can afford a garage and even fewer can afford two cars. The general feeding program was short lived and has been discontinued largely because of the efforts of Micronesian leaders who opposed it. Even at its peak, the feeding program did not approach putting a USDA boneless chicken in every pot.

60 Minutes: "Micronesia can feed itself and a good part of the world right from its own doorstep. These waters run with great schools of tuna and mackerel. But it's the Japanese fishing fleet that forages here. The Micronesian boats have been pulled up for good. And when the United States tried to do something about it—get commercial fishing going in the smallest way—it becomes another costly disaster."

Fact: A great deal of tuna is caught by foreign fleets in Micronesian waters. A great deal is caught by the purse seine fleet of the Americans as well. Foreign fishing within 200 miles of the Micronesian islands is licensed by the Micronesian governments and a fee is paid for access, just as access fees are charged foreign fleets which fish within 200 miles of the United States. This year, for example, the Federated States of Micronesia will collect $2,000,000 from Japan, $60,000 from Taiwan and an as yet to be negotiated amount from the American Tunaboat Association.

Micronesians fish their waters in small vessels and supply the local markets with fresh fish. As demand increases, this type of small scale commercial fishing expands as well. We are aware of no effort by the United States to directly promote commercial fishing.

60 Minutes:

"Even clearly noble enterprises have a nasty habit of becoming abject bureaucratic disasters. A multi-million-dollar hospital for the island of Yap gets built, but someone forgets that there's no sewage system. So it sits, about as useful to Yap as a space program."

Fact: The sewer system for the Yap hospital was not forgotten. There were delays in its construction, however, which resulted in the rest of the hospital being completed first.

60 Minutes: "Yap's gross national product is near zero, yet they spent a million and a half dollars on beer last year; that's $200 per man, woman and child. Beer cans have become such a litter problem that the government is now paying two cents a can for them. Stone disks were the old symbols of wealth; mounds of beer cans are the new symbols.

Fact: Yap's Gross Domestic Product was estimated to be $6,237 million in 1977. Perhaps that does seem to be close to zero when compared with the United States. But then there are only about 9,000 people on Yap. This figure does not include a value for subsistence fishing and farming, activities in which the majority of the work force is engaged. In 1977, the most recent year for which figures are available, Yap consumed a total of $309,689 worth of beer, not $1.5 million. That works out to a modest per capita consumption of $34.40 rather than $200.

60 Minutes: "Something like $200 million goes into Micronesia every year on nearly 170 different federal projects. . . ."

Fact: If "Federal projects" means federal programs as implied, then this information is not correct. In 1979–1980, according to the Trust Territory Government, there were only 70 federal programs operating in the Trust Territory for a total of $24,236,000. Furthermore, Federal program assistance varies from one year to the next. It is not an "every year" phenomena as the report states. The $200.0 million quoted as federal project expenditures is probably from the Federal Information Exchange System, "National and State Summaries-Agency Funds." This expenditure trend has increased from $89.0 million in FY 1970, to $200.0 million in FY 1978, but this is an increasing trend, not a constant annual amount of $200.0 million.

More important, however, is the fact that the $200.0 million or so is spent by all Government agencies throughout Micronesia. Much of this money actually goes to U.S. expatriate payrolls, U.S. defense payments, FAA, CAB, customs, etc. Thus, the aggregate figure is not representative of U.S. direct expenditure in Micronesia.

60 Minutes: "Where did all the money go? Well, on Ponape we ran into a man who may be the most frustrated person in these islands—Lee Hoskins, a retired Army intelligence officer, who now runs the Micronesian Bureau of Investigation. Lee Hoskins: My estimates, based upon the investigations that I have done, would indicate that at least 10 cents on the dollar is perhaps lost through some form of white collar crime or corruption; that another significant portion of that dollar, perhaps as high as 60 or 70 cents, is not totally wasted but badly abused in mismanagement; and that perhaps the remaining 20 cents or so will pass through to something effective that you can put your finger on as an advancement or development."

Fact: Lee Hoskins was formerly the Director of the Micronesia Bureau of Investigation. One of the major functions of the Bureau was to investigate white collar crime. According to Mr. Hoskins' supervisor, the Trust Territory Attorney General, Mr. Hoskins was only able to develop sufficient evidence for successful prosecution in one case during three years with the Bureau. According to other sources, the number of prosecutions was closer to seven. In any event, Mr. Hoskins' investigations were not very productive and his contract was not renewed upon its expiration. Mr. Hoskins readily volunteered information about corruption in government to all who would listen, but was singularly unsuccessful in proving it, judging from the comments of his co-workers and from the rate of prosecutions.●

THE NATION'S STRATEGIC FUTURE AND THE U.S. MARINES

● Mr. BAYH. Mr. President, I want to call to the attention of my colleagues an article which appeared in the Washington Star last Friday by Mr. John J. Fialka on the new dimension of importance to our national security represented by a rapid deployment force of long-standing, the U.S. Marine Corps. Two of the weapons systems discussed by Mr. Fialka, a highly mobile antitank vehicle for a light armored corps and the AV8–B light attack aircraft capable of vertical and short takeoffs and landings near the forward edge of battle, are unorthodox items of military hardware which I have indicated my support for on March 20 in a statement submitted to the Senate.

Clearly, the kind of innovation which is being demonstrated by the USMC provides this Senator with confidence that, despite the other problems plaguing our military, the Marine Corps will be fully capable of playing its role in meeting challenges to America's vital security interests in the future. Mr. Fialka's article on today's corps is blunt and to the point in its explanation of the USMC's strong base of support here in the Congress. As the USMC's Commandant Barrow indicates:

> I think the American public still sees the Marine Corps as sort of a bastion of the old-fashioned virtues that still apply, that are still deeply embedded in the American psyche more than most people want to admit. It's out there in the hinterlands in large measure.

Mr. President, I agree with General Barrow and request that a copy of Mr. Fialka's article be printed in the RECORD.

The article follows:

THE NATION'S STRATEGIC FUTURE MAY BE RIDING ON SKILL OF CORPS

The basic thing to remember about the Marine Corps is that in the minds of its leadership it is somewhere between being an independent, quasi-religious body and a branch of the Navy.

In religious circles, heresies take the form of ideas. In military circles, they sometimes take the form of hardware, hardware that does not represent orthodox thinking in the Pentagon.

Consider the idea that a light tank, carried into battle by helicopter and capable of moving up to 70 mph, might be one of the best ways for the United States to come to the defense of the oil fields in the Middle East.

Later this month some 20 light, tank-like armored vehicles hastily borrowed from the armies of Brazil, Canada, Switzerland and elsewhere will be tested in desert warfare maneuvers at the Marine base at Twenty-nine Palms, Calif.

The Marines, with the apparent blessing of Defense Department leaders, are suddenly in the market for some 600 such vehicles. When the tests are completed and the right vehicle is chosen, the Corps hopes to give about half of them to the Marine brigade that will soon have its heavy equipment stored in cargo vessels at Diego Garcia in the Indian Ocean.

The Marine helicopters that would carry the light tanks are CH–53s, close cousins of the Navy helicopters used in the aborted raid in Iran. The chopper-light tank combination may prove to be a crucial team of equipment if it ever came to attempting U.S. military operations in the deserts of the Middle East.

A lot of the nation's strategic future could be riding on the wisdom and the skill of the Marines as they approach their new role in the Rapid Deployment Force.

"It's sort of an exciting time to be a Marine and to be talking about actually doing these things," explained Maj. Gen. Alfred M. Gray Jr., director of the Marine Development Center at Quantico, Va., which has been working on plans for a new family of light tanks for seven years.

The idea of the light tank began as a true heresy. It was unacceptable to Defense officialdom and considered anathema by the "Armor Mafia," a powerful consortium of Army armor experts who saw the Marine venture as a threat to the 60-ton XM–1 battle tank now coming into production.

The Marine Corps persisted, however, arguing that a 12 to 15 ton armored vehicle, light enough to be carried by helicopter, would solve a tactical mobility problem in roadless, remote areas. Four or five such tanks loaded in the cavernous body of an Air Force C–5A transport—which can carry only one XM–1 at a time—would also help solve the strategic mobility problem.

It would constitute what Gen. Gray calls a "force multiplier," a quick way to develop a substantial military presence in the early stages of a crisis. Gray says the Marines are considering a number of tank-killing weapons that might be fitted on such vehicles, ranging from cannons to wire-guided missiles.

There are two ways to defeat heavily armored forces, according to Gray. One way is to stand up to them in a "war of attrition." The other way is to engage in "maneuver warfare," a less orthodox style of battle where the enemy is assaulted by fast-moving forces coming from unexpected directions.

MANEUVER WARFARE

The Germans defeated more heavily armored French forces that way in World War II and the Israelis have used the tactic with devastating success against the heavy tank forces of Syria and Egypt. The idea "is not foreign to the Marines," insists Gray. "You could say that the Inchon landing was a classic in maneuver warfare."

Another increasingly popular Marine heresy is the British-built AV8B Harrier. It is a jet fighter-bomber that can take off and land vertically. The Marines want the Harrier for close air support and added survivability in case nearby airports are attacked.

The idea has had massive opposition. Navy's "Pilot Union," the admirals who protect the big carriers, opposed the AV8B as a threat to budgets for high performance carrier aircraft. Russell Murray II, asistant secretary of defense for program analysis, is said to consider the Harrier to be downright sacrilegious. Every year, the Office of Management and Budget cuts Harrier development funds out of the budget. But Congress always puts them back.

Now that the idea of a light tank has taken off with the evolution of the RDF, the Marines are convinced that the AV8B will not be far behind. They see signs that the Defense Department may soon approve a plan in which the Marines and the British combine in a joint purchase of the advanced version of the Harrier.

Military observers on the Hill and elsewhere see the Marine "heresies" and the RDF as a kind of chicken-and-egg situation. Without the RDF, a lot of the Marine concepts would have been quietly smothered somewhere in the Pentagon. Without the Marines' willingness to experiment and innovate, they might have been passed over for the leadership of the RDF, a move that would have been a disaster to the Corps.

THE NAVY'S INFANTRY

On paper, the Marines are the Navy's infantry, a body of 185,000 men—slightly larger than the British Army—divided into three division-like Marine Amphibious Forces. Each MAF has its own air wing.

In reality, the Marines are closer to being Congress' army because the real clout behind the Corps, the force that gives it the power to occasionally buck the Pentagon, is on Capitol Hill. It includes a fairly close-knit group of 10 senators and 31 representatives and a slightly larger group of congressional staffers, all of whom are former Marines.

Marines also have strong patrons on the military committees. Consider what happened recently when, in response to strong pressures to integrate more women into the services, the Army overhauled its equipment, instituted "unisex" basic training and even redefined combat to allow women to join all but a few front-line units. To the extent that the law permitted it, the Navy and the Air Force buckled under the same pressures, but the Marines went to Congress.

"Barrow (Gen. Robert H. Barrow, the Marine commandant) just came in, no notes or anything. He got very frank about problems in personnel," said Rep. Robin L. Beard, R-Tenn., recalling Barrow's appearance before the House Armed Services Committee.

"The Marine Corps was going to make it work, but they were not going to go the numbers route for the sake of numbers. Barrow said that the essential nature of the Corps was in the combat arms and that he was not going to train men and women together in basic training for that reason. For the first time I can remember in eight years on the committee, he received a round of unanimous applause. I've never seen the committee applaud anyone," said Beard, a major in the Marine Reserves.

"I think Congress' affinity for the Marines has to do with the fact that the Corps doesn't have very many high ranking billets in the Pentagon. Most of those are taken by the Navy," explains Jim Webb, a former Marine captain and author of the Vietnam War novel, "Fields of Fire."

"The result is that most of the Marines we see are not diplomats or bureaucrats but real warriors. Congress likes that. Congress likes the Patton types," said Webb, currently minority counsel to the House Veterans Affairs Committee.

DEALING WITH CRITICS

The Marines spend a considerable amount of effort cultivating their fans on the Hill, but they also seem to devote an inordinate amount of time to dealing with the Corps' critics.

In 1976, for example, Dr. Jeffrey Record, a military analyst, co-authored a Brookings Institution book that said that the Marine Corps was too large, too light to fight in armored warfare, too heavily involved with aircraft and too wedded to an outmoded, amphibious style of warfare.

To Record's astonishment, the Marine Corps hierarchy began to work on many of the weak points mentioned in the book. There was a great deal of interchange between Record and his co-author, Martin Binkin, and the younger Marine generals.

Record found himself becoming absorbed with some of the Corps' more experimental programs, particularly the one involving the light tank. That was handy for the Corps, because when Record later joined the staff of Sen. Sam Nunn, D-Ga., he helped promote the funding for the experiment.

Now it might be fair to say that Record has become a believer. "The Marine Corps has reflected a propensity for doctrinal and technological innovation and a willingness to experiment that exceeds that of any other service," says Record. "There's just a lot more thought about how you spend that one Marine dollar."

The power of the Corps to inspire belief is awesome. Michael Herr, author of "Dispatches" wrote this about the Marines at Khe Sanh:

"The belief that one Marine was better than ten Slopes saw Marine squads fed in against known NVA platoons, platoons against companies, and on and on, until whole battalions found themselves pinned down and cut off. That belief was undying, but the grunt was not, and the Corps came to be called by many the finest instrument ever devised for the killing of young Americans."

If you ask Gen. Barrow where the Corps' power comes from, he will say that while the Marines do have a strong base in Congress, it is not really congressmen speaking but the people they represent.

"I thing the American public still sees the Marine Corps as sort of a bastion of the old-fashioned virtues that still apply, that are still deeply embedded in the American psyche more than most people want to admit. It's out there in the hinterlands in large measure."

At the same time, though, he insists the Marines are becoming "very, very innovative." Barrows admits that there seems to be "an inconsistency" there, but a lot of Marines and many of their supporters in Washington believe it.

Are the Marines a religion? "I'm not saying we're a religion," said Barrow, "but maybe we're religion-like."●

THE DEVELOPMENT OF ENERGY MINERALS LOCATED ON FEDERALLY OWNED LANDS

● Mr. JACKSON. Mr. President, one of the key pieces to the solution of our energy puzzle is the development of energy minerals located on federally owned lands. It has been estimated that as much as 60 percent of our total energy supplies are located on these lands. Access to Federal land and permission to develop energy resources on them, once access is gained, have been the topic of much discussion in recent months. However, the history of recent congressional attention and action goes back to the report of the Public Land Law Review Commission in 1970.

The Commission was chaired by the former chairman of the House Committee on Interior and Insular Affairs, Wayne Aspinall. It was made up of prominent Americans from all over the country, but included a number of members from Western States where most public lands occur. The Commission's report detailed a number of recommended revisions in the law, many of which have now been enacted or are pending before the Congress.

Principal among these are the Federal Land Policy and Management Act of 1976 which established an overall framework for management of public lands based on the principals of multiple use and sustained yield and parallel legislation for national forests, the Nation Forest Management Act of 1976.

Congress has addressed revision of the mineral leasing laws within the framework of these two acts. In 1976, the Federal Coal Leasing Amendments Act became law, followed by some additional changes in 1978.

Currently pending before the Senate are the Geothermal Steam Act Amendments of 1980 and the Federal Oil and Gas Leasing Act of 1980.

The underlying principal of all of this legislation includes a recognition that the multiple use, sustained yield concept of Federal land management required a much greater level of Federal land use planning. This planning in turn requires a delicate and difficult balancing of competing demands for the land. Within the context of mineral leasing, this has meant balancing access and development, with diligence, fair market return to the public and other uses of the lands. The increased amount of control over Federal lands necessitated by the rapid expansion in competing demands has resulted in various degrees of complaint throughout the public lands States. In its most extreme form this complaint takes the form of so-called sagebrush rebellion. With respect to energy minerals, this "rebellion" is manifested by complaints about access to and development of energy resources on Federal lands.

Early this year, I asked the Department of the Interior a number of questions aimed at establishing the facts with respect to its performance on energy mineral leasing and permitting in recent years. I will summarize some of the key points brought out by Secretary Andrus' response to my inquiries. However, I shall submit for the Record at the conclusion of my remarks a copy of my letter of January 18 and the Secretary's reply.

In general, about 400 million acres of Federal land are open to energy mineral development. At present 100 million acres are under lease. Of that, only 6 million acres are actually in production. The conflict between energy development and wilderness designation has thus far resulted in 123 million of the original 174 million reviewed for wilderness being released from further study. Forty-one million are still being inventoried, while only 10 million acres, or about 6 percent have been designated as wilderness study areas. Moreover, only about 1 percent of oil and gas and geothermal leases have "no surface occupancy" stipulations.

In oil and gas, there are 116,800 outstanding oil and gas leases of which 11 percent are in production. It is estimated 75 to 80 percent of leases issued never produce drilling proposals and those that do, do so in the last 2 years of the lease. Of the 3,879 applications for permits to drill filed in 1978, Interior processed 3,588. Less than 10 percent were rejected.

In geothermal, the processing time for lease applications has been reduced from 23 months to 8 months. Of the 1,292 outstanding geothermal leases, only three are in production. The GAO recently found that 39 percent of the known geothermal resources areas have been offered for lease since the program's inception in 1974. This is a high proportion when one considers all the competing demands on the land and the Department's basic mandate to manage the lands consistent with the multiple use sustained yield principal.

In coal, the Department has designed and implemented a new leasing program which has thus far withstood successful challenge in the courts, a feat which the previous administration was not able to accomplish. The result is a coal leasing schedule with eight planned sales through 1983, beginning with tract designation for the first sale in October of this year. Fourteen emergency sales have been held since the new program was announced in June of 1979. The sales have facilitated production from ongoing operations. At a time when there is an excess coal production capacity in the Nation of over 100 million tons per year, production from Federal lands has increased almost 50 percent from 40 million tons in 1976 to 59.14 million tons in 1979. Approximately 17.36 billion tons of coal are currently under lease. The Department's program will result in 40 billion additional tons being cleared by the BLM planning system as suitable for leasing by 1984.

Mr. President, I submit that these figures show that the Department of the Interior is to be commended for making public land available for energy mineral development. In spite of the difficult task of establishing a balancing system which Congress has mandated as the basis of public land management for the future, Interior has succeeded in making energy minerals available and permitting development once leases are issued. There are certainly isolated examples of extended delay in issuance of leases or permits. However, in most instances, these delays have been caused by competing alternative uses of the lands, the presence of endangered species, legal battles, or other factors.

I commend Secretary Andrus for his effort to make the leasing programs work within the context of the Federal land use planning mechanism. If our grandchildren are to experience the wonders of our national parks, camp in our wilderness areas, have trees for their houses, grass for their cows, and energy to fuel their economy, Federal land, which constitutes approximately one-third of the Nation, must be managed responsibly. I think that the Department of the Interior, under Secretary Andrus' leadership has performed this task well.

The letters follow:

ENERGY RESOURCES
AND MATERIALS PRODUCTION,
January 18, 1980.

Hon. CECIL D. ANDRUS,
Secretary, Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: Our increasing reliance on imported sources of energy has led to a reassessment of the pace of development of our domestic resources, especially those on Federal land.

It has been estimated that as much as 56 percent of our geothermal resources are located on Federal lands. In addition, a significant percentage of our oil and gas reserves are located on Federal property.

Recently, there have been assertions that the Federal government is not permitting ready and sufficient access to these lands so that they might be developed. Also, it is charged that even when lands are made available, development is not permitted.

The Committee on Energy and Natural Resources has before it bills which address oil and gas and geothermal energy resources on federal lands. During its consideration of these bills, the Committee would benefit from answers to the enclosed set of questions. This information will also give us a much more objective set of measures as to Federal policy on access to and development of Federal lands.

Sincerely,

HENRY M. JACKSON,
Chairman.

QUESTIONS ON ACCESS

1. How many acres of the Federal lands and reserved mineral estate are available for oil and gas geothermal leasing?

2. How many acres are presently under oil and gas and geothermal leases? How many leases are in effect? What is the production from them? How many are producing or producible? What portion of the leases have "no surface occupancy" stipulations?

3. What portion of the "overthrust belt" is available for oil and gas leasing? How much has been leased?

4. How many acres are being withheld from leasing for oil and gas and geothermals by withdrawals, land use planning decisions, wilderness review, legislative prohibitions, or for other reasons? How many acres have been restored to leasing as a result of the withdrawal review program under FLPMA?

5. What is the trend in leasing—ie. how many acres have been leased and how many leases issued in each of the past 3 years compared to 10 years ago? What is BLM doing to keep pace with the trend?

6. Is there any serious problem with the flow of lease issuance or other related leasing activity that is restricting leasing activity? If so, what has BLM done and plan to do to rectify the problem, especially in view of a tight national energy picture? Supply all aging analysis of all pending applications for oil and gas and geothermal leases, and for all applications more than one year old, the general reason for non-issuance.

7. Is there anything BLM could do to increase the number of leases issued such as offering more acreage, reject fewer applications or simplify the procedures required? If such an increase was possible, would more oil and gas production result?

8. Would more manpower and money help and if so how would it be used and what results could be anticipated? Please supply us with current manpower and funding levels.

9. What is the status of wilderness review under section 603 of the Federal Land Policy and Management Act of 1976 in the overthrust belt?

10. Please supply a summary of (1) outstanding coal leases, (2) planned lease sales and (3) the status of the coal leasing program.

11. a. Please briefly describe the factors which have affected the development of the coal leasing program since 1971, including the impact of the Federal Land Policy and Management Act of 1976, the Federal Coal Leasing Amendments Act of 1976, the National Forest Management and the Surface Mining Control and Reclamation Act of 1977.

b. How has the Department's implementation of this legislation affected the production of Western coal and industry's ability to use it?

QUESTIONS ON DEVELOPMENT

1. During 1977, 1978, and 1979, how many applications for permit to drill (APD's) on onshore Federal and Indian lands were received?

2. How many of these APD's were approved, approved with modification, or rejected during each year?

3. How many were awaiting final action at the end of each year?

4. What is average period of time required to process an APD to the point where a final decision can be made to approve or reject it?

5. What are the primary factors that presently preclude a more prompt final decision?

6. How many wells actually were commenced in 1977, 1978, and 1979?

7. Of the wells started in 1977, 1978, and 1979, how many were exploratory tests and how many were development wells?

8. How does this present split between exploratory and development drilling compare with that in the past?

9. On average, at what point during the primary term of an onshore lease is the first proposal to drill an exploratory well received?

10. What are perceived as being major reasons that onshore leases are not explored more promptly, and what could be done to promote increased diligence in that respect?

U.S. DEPARTMENT OF
THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 6, 1980.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural
Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter responds to the detailed list of questions you raised in your January 18, 1980, letter on the status of energy resource development activity on the public lands.

As you know, western energy mineral development interests frequently charge that the policies and programs of this Department and the Bureau of Land Management (BLM)—and indeed the Federal Government in general—are, in effect, "locking up" the resources of the public lands, preventing them from being expeditiously developed, and thereby frustrating industry efforts to decrease the Nation's dependence upon foreign energy supplies. Industry statements leave the impression that the Department and the BLM have arbitrarily placed vast areas of the West in wilderness protection, restricted access to high-value resource areas, and been dilatory in the processing of lease applications and permits to drill. I appreciate the opportunity to correct the record.

Enclosed are detailed responses to each of the questions you raised in your letter. In several cases, responding fully to your questions required new staff analyses and I appreciate your patience while we completed those analyses.

I want to take this opportunity to summarize some of the key points raised in our responses.

1. Access:

Roughly 400 million acres of Federal land are open for energy mineral development with no significant, or only moderate, restriction to development. At present, approximately 100 million acres are under lease and of that total only 6 million are in a producing status. Some 20 million acres of land in the "Overthrust Belt" are Federally owned. Of that total, 11 million acres are under lease, 9 million under application.

Of the 174 million acres BLM reviewed for wilderness characteristics, under Section 603 of FLPMA, 123 million acres have already been released from consideration. Some 41 million acres are still being inventoried to determine whether they must be designated as wilderness study areas pursuant to FLPMA. About 10 million acres—roughly 6 percent—have been designated wilderness study areas (WSA's). An Interim Management Policy provides that development on leases in WSA's issued prior to passage of FLPMA can continue, restricted in some cases so as not to create impacts greater than before the Act. Exploration and development on new leases is generally permitted as long as it does not degrade the potential of the WSA to be designated should the President so recommend.

In the high-potential Overthrust Belt, BLM has completed its wilderness review. Of the 11.5 million acres under BLM jurisdiction, 10 million have already been released. Only 1.5 milion acres—slightly over 10 percent—have been identified as WSA's.

The FLPMA mandated withdrawal review is underway. An initial inventory of withdrawn lands indicates only roughly 19 million acres have been withdrawn from oil and gas development.

2. Leasing:

There are currently some 116,800 oil and gas leases of which less than 11 percent are producing.

Of the leases issued, 75–80 percent expire without drilling proposals.

Ninety-five percent of the oil and gas leases that do produce drilling proposals do so in the last two years of the term, many in the last few months.

Only 3 of the 1,292 geothermal leases are producing, although 28 more are considered producible.

"No surface occupancy" restrictions exist on less than 1 percent of all oil and gas and geothermal leases.

3. APD's:

A significant factor in the time required to process applications for permits to drill (APD's) is industry's failure to submit complete applications, not excessive procedural requirements. Another factor is that many APD's are submitted, processed to approval and the wells are not drilled. Over filing of nebulous APD's takes away time that could otherwise be spent on needed APD's.

The number of APD's filed has increased 45 percent in the last five years. USGS and BLM personnel levels have not. Nevertheless, USGS and BLM processed 3,588 of the 3,879 APD's filed last year. Less than 10 percent were rejected. Although USGS approves APD's, BLM must also review them for surface management considerations.

Because of the industry practice of filing more APD's than they eventually drill, USGS estimates at least 20 percent of the APD's it approves never result in the timely drilling of a well. This factor extends the average time required to process an APD.

4. Backlogs:

BLM approves over 11,000 lease applications and roughly 4,000 APD's annually. Few are rejected. Delays occur because of the geographic unpredictability of demand; applicant error; inaction by other agencies; limited funding and personnel; required wildlife habitat, endangered species, cultural resource, and related reviews.

Roughly 7 percent of the APD's filed last year were pending at year's end.

72 percent of the 7,400 oil and gas lease applications backlogged for more than one year are tied up in other agencies, mostly in the Forest Service, and most of these as a result of the RARE II wilderness review process.

The processing time for geothermal lease applications has been cut from 23 months to 8 months. Most of the time involved is for environmental reviews.

5. Coal:

The new coal leasing program is underway, with eight sales scheduled through 1983. I will authorize the first sale and designate the tracts in October of 1980.

14 "emergency" lease sales have been held since I announced the new program June 4, 1979. These sales have been to maintain production, meet contract needs, or to prevent a company from bypassing Federal coal in the course of expansion.

We have made significant progress in making public lands available for increasing domestic energy supplies, but more needs to be done. With budget and personnel constraints likely to get even tighter in the months ahead, we need to further streamline our processing procedures. And, as you know, we are in the process of overhauling the simultaneous oil and gas leasing system to rid it of abuse and fraud potential. We have also proposed legislation (S. 1637) to introduce more competition in the onshore oil and gas leasing system and to introduce new incentives for early exploration and development. We have just issued regulations for geothermal leasing and we expect to be able to double the rate of leasing in the next two years. Legislation is being considered by your Committee which would spur utilization of this energy resource.

My conclusion is that more leasing for its own sake, or simply more land for development will not in themselves increase the development of energy resources. Our central challenge is to get more development from existing and pending leases, to emphasize high prospect areas, to provide expeditious service to applicants, and to ensure that development occurs in an economically, socially, and environmentally acceptable manner.

BLM Director Frank Gregg and his staff will be happy to provide further details on any of the responses to your questions, should you need additional information.

Sincerely,

CECIL D. ANDRUS,
Secretary.

PART I—DEVELOPMENT

1. During 1977, 1978, and 1979, how many Applications for Permit to Drill (APD's) on onshore Federal and Indian lands were received Please refer to Enclosure 1.

2. How many of these APD's were approved, approved with modification, or rejected during each year? Please refer to Enclosure 1.

3. How many APD's were awaiting final action at the end of each year? Please refer to Enclosure 1.

4. What is average period of time required to process an APD to the point where a final decision can be made to approve or reject it?

The last time we conducted a nationwide survey in this respect, it was determined that the average time to process an APD to a decision point was 46 days. However, this survey was made in late 1976. We plan, in the future, to conduct further surveys in February and August of each year. In these surveys, we count elapsed time only from the point when the APD is in condition for consideration. This is not necessarily equivalent to the date that an APD is first filed since many such filings are incomplete and it is necessary to request and receive supplemental information before processing of these APD's is warranted. Unfortunately, many industry critics, when citing the length of the delay experienced, tend to include those periods of time for which they bear responsibility. Enclosed is a letter (Enclosure 2) which responds to this sort of misplaced criticism.

5. What are the primary factors that presently preclude a more prompt final decision?

When the Geological Survey issued NTL–6 in mid-1976, we fully expected that it would be possible to process the majority (95 percent plus) to a decision within 30 days. It was felt that this would provide sufficient time in which to evaluate the technical competence of the plan, carry out our responsibilities under the National Environmental Policy Act, and, in conjunction with the involved Federal surface management agency, to develop any necessary conditions of approval to be imposed on the proposed operation.

However, we did not anticipate that so many operators would fail to comply with the data submittal requirements or that the number of APD's filed would increase so dramatically, i.e., in the last year ending prior to the issuance of NTL–6 (i.e., 1975), only 2,762 APD's were received. Thus, since the issuance of NTL–6, our workload associated with the processing of APD's has increased by about 29 percent. That employment has not increased at the same rate has contributed to the inability to maintain the goal of processing most APD's within 30 days of receiving the complete applications.

When industry suddenly exhibits an intense interest in carrying out an extensive drilling program on lands solely under the jurisdiction of one field office, the number of APD's filed literally can inundate the available staff as well as that of the involved surface management agencies. For the most part, we cannot predict successfully those areas where future industry activity will intensify and, thus, to plan for appropriate shifts of our available manpower resources. We hope to establish joint industry-agency discussions to address early warning, advance planning, and industry input agency budget and manpower planning.

Moreover, since the issuance of NTL–6, new requirements which impact on the processing of APD's have become effective, e.g., mandates for the protection of cultural resources, endangered species, and critical habitats. These considerations have added additional time to the processing of some APD's where problems of this type are encountered although it would be difficult to conclude, in light of the percentage of APD's approved (see enclosure 1), that these considerations have prevented development.

The wilderness related studies of the Forest Service and the Bureau of Land Management have also caused a delay with respect to certain APD's. Other APD's can, because of public opposition or unique operating conditions (such as the anticipation of encountering abnormally high presures or gas containing a toxic concentration of hydrogen sulfide), require a more intensive review than the usual APD and, in most instances, a significantly greater degree of documentation in the related environmental assessment. Once the first major snowfall of the winter season occurs, the processing of APD's filed for proposed well locations in areas of higher elevation and which are remote from existing roads and/or subject to difficult topography often must be delayed until the following spring. This is due to the inability of the Geological Survey and the surface management agency to carry out an onsite inspection of the proposed drillsite and access route.

It would also be fair to state that one of the principal factors which contribute to our inability to process APD's more quickly is one that has been interjected by the actions of industry. Many operators are so intent on maintaining a backlog of approved APD's sufficient to meet all possible future planning contingencies that they routinely file a large number of APD's at periodic intervals without knowing whether the drilling of any particular well actually will be undertaken at a future date.

However, there is no way for us to determine which of these wells is likely to be drilled. We are of the opinion that a significant amount of our available manpower resources is being consumed by the processing of nebulous APD's. As you will note from the tabulated data prepared in response to question Nos. 1, 2, 3, 6, and 7, the Geological Survey approved or approved with modification some 10,016 APD's during 1977, 1978, and 1979. Yet during that same period, only 7,883 new wells actually were commenced. This indicates that approximately 20 percent of the effort now expended in the processing of APD's is wasted because of the industry's current filing practices. If this were discontinued or substantially abated, it is not unreasonable to conclude that we would be able to reduce the present average time required to process a valid APD by as much as 5 days and perhaps by more.

6. How many wells actually were commenced in 1977, 1978, and 1979? Please refer to Enclosure 1.

7. Of the wells started in 1977, 1978, and 1979, how many were exploratory tests and how many were development wells? Please refer to Enclosure 1.

8. How does this present split between exploratory and development drilling compare with that in the past?

The split in new wells started has averaged 18 percent new exploratory tests and 82 percent new development wells annually over the past three years. In real numbers, this equates to an annual average of 473 new exploratory tests and 2,155 new development wells. When compared to the data for new wells started during calendar year 1972, the percentage of new exploratory tests had declined by about half from 35 percent; however, in terms of real numbers, the total new exploratory tests started has declined by about 30 percent since only 1,956 total new wells were commenced by 1972.

9. On average, at what point during the primary term of an onshore lease is the first proposal to drill an exploratory well received?

A large number of onshore Federal leases (perhaps as many as 75–80 percent) are relinquished or expire by their own terms without any drilling proposal ever being filed. Drilling proposals are received for a small number of leases (less than 5 percent) during the first two years of the lease, usually as a result of a regional exploratory play by industry on the discovery of oil or gas on nearby acreage. However, the preponderance of all proposals to drill received are filed during the last 2 years of the lease (4th or 5th year for competitive leases and 9th and 10th year for noncompetitive leases) with many such applications not being filed until 30 to 90 days prior to the lease expiration date.

10. What are perceived as being major reasons that onshore leases are not explored more promptly, and what could be done to promote increased diligence in that respect?

The prospective value of onshore Federal lands leased for oil and gas cannot be compared with that of lands on the Outer Continental Shelf and, thus, there is less incentive to explore and develop these lands. This is a recognized fact in that two methods are now utilized in the leasing of onshore Federal lands for oil and gas, i.e., the competitive and the noncompetitive processes. Those lands which are within the boundary of the known geologic structure (KGB) of a producing oil and gas field may be leased only by the competitive process and those outside any KGS that are subject to leasing, are offered for lease via the noncompetitive process. Thus, the lands leased noncompetitively are those which are outside areas of established production and should be considered, in the best of circumstances, as only prospective for the discovery of oil and gas and, in many instances, as rank wildcat acreage.

What many fail to realize about the onshore Federal lands which are leased competitively is that these lands frequently have been leased on one or more occasions in the past. It is not unusual for a well or wells to have been drilled on these former leases to test for the presence of oil or gas in those formations which were productive in wells located on nearby acreage and contributed the information which was the basis for including these Federal lands in a KGS. The results of this drilling have have condemned the acreage as to these formations by the completion of a dry hole or, if production was established, the oil or gas resources were produced to the primary economic limit and the well or wells abandoned. Thus, a significant percentage of the onshore Federal leases which are leased competitively are only prospectively valuable as to deeper, untested horizons and/or the initiation of an enhanced recovery project in the intervals previously exhausted for primary production.

By far the larger percentage of the onshore Federal oil and gas leases in existence as of September 30, 1979, were issued by the noncompetitve process. During the last 6 years for which data is available from the published statistics of the Bureau of Land Management (BLM), a total of 70,939 new leases were issued. Of this total, 68,960 (or 97.2 percent) were issued noncompetitively and only 1,979 (2.8 percent) by the competitive process. Despite the issuance of these 70,939 leases, the number of outstanding leases in effect at the end of this period exceeded that at the beginning by less than 10,000 as 62.607 leases were relinquished or expired by their own terms during that time.

A second factor which we believe contributes to the failure to explore for oil and gas more promptly on leased onshore Federal lands results directly from the noncompetitive leasing process. As shown above, more than 95 percent of all onshore Federal oil and gas rights are leased by the noncompetitive process. The problem we see is not the magnitude of the leases being issued but the fact that the present system requires only a minimal front end investment to acquire a lease, i.e., a $10 filing fee and the first year's rental at $1 per acre or fractional part thereof. Thus, a substantial number of the leases are acquired by speculators who have neither the means nor the intent to explore the leased lands.

It is not uncommon for these people to retain a lease for a year or so in the hope that they will receive an offer to purchase that will result in a profit. If that doesn't occur, they may relinquish the lease or merely permit it to expire by its own terms by failing to submit the next year's advance rental. Other speculators reap a profit preying on the uninformed by assigning to them a portion of their leases for a monetary consideration. For example, a 2,560-acre noncompetitive lease could be subdivided by assignment into 64 40-acre tracts. BLM follows the practice of identifying the first assignment out of a lease as the same number used for the base lease but followd by a "-A." The Geological Survey has observed many leases where the suffix was, for example, "-FF" which would indicated that this was 32nd assignment out of a base lease.

There are a number of provisions in the existing law (Mineral Leasing Act of February 25, 1920, as amended) which encourage the owners of onshore Federal leases to postpone a decision to drill thereon until near the end of the primary term and which permit one to keep a lease in effect beyond said primary term without having achieved production. Specifically, the law now permits a 2-year extension of the lease term if, at the expiration of the primary term, actual drilling operations are then underway to test for the presence of oil and/or gas, even if no oil or gas is discovered. When this provision is applied to a unit area or a communitized tract, it is possible to earn a 2-year extension for several leases by drilling of a single well, since operations conducted pursuant to a unit or communitization agreement are considered to be in behalf of all leases which are committed to the agreement. The termination of such agreements can also result, by law, in a further 2-year extension of the leases due to their elimination therefrom. The law also provides that upon unitization, leases committed thereto, which are in part within and in part outside the unit area, will be segregated at the unit boundary. The portion outside will continue for the remainder of the original lease term but for not less than 2 years following the date of segregation.

Where leases, in their extended term by reason of production in paying quantities, are committed in part to a unit agreement, the portion of the lease outside the unit area which is segregated into a new lease is also considered to be in its extended term by production even in those instances where all producing wells are located on the portion within the unit area. A tightening of some of these provisions may be necessary. The Administration has proposed such a change in the automatic 2-year extension of the lease term.

In view of the foregoing, the present provisions of the law which act as disincentives to prompt exploration and development of onshore Federal leases must be eliminated or significantly reduced if a greater degree of diligence is to be achieved. In order to reduce substantially the acquisition and retention of lease solely for speculative purposes (i.e., by those who have neither the desire nor the financial capacity to drill), the incentive for doing so could be abrogated by adopting procedures that require a greater commitment of capital resources and which would compel lease owners to make decisions sooner to either explore the lease or to relinquish it.

This might be accomplished by separate or a combination of actions such as (1) adopting a leasing procedure which increases the number of tracts that would be offered by the competitive process, (2) shortening the term of noncompetitive leases (now 10 years) to that of competitive leases (now 5 years), (3) increasing the fees required when filing for a lease and for assigning an interest therein, (4) providing for an escalating annual rental rate in the absence of a certain level of exploration expenditures, (5) offering tracts for lease which contain a larger amount of acreage than now permitted by law (currently, noncompetitively leases may contain 40 to 2,560 acres and competitive leases, from 40 to 640), (6) eliminating, if not all, of those provisions which now permit a lease to be extended beyond its primary term without actual or allocated production (in other words, absent such production, the lease would expire at the end of its primary term as is the case with Indian leases), and (7) providing in the lease terms an expressed covenant that would require the drilling of one or more wells within specified period of time after the effective date of lease issuance. The number of such commitment wells could be determined in relation to the amount of acreage included in the lease.

PART II—ACCESS

1. How mny acres of the Federal lands and reserved mineral estate are available for oil and gas and geothermal leasing?

There are about 762 million acres of onshore land in the United States administered by the Federal Government. The government has also retained the mineral rights to an additional 60 million acres. In total, the government administers the mineral rights for 822 million acres. Of this total approximately 500 million acres are available for oil and gas and geothermal leasing. Of the 500 million available acres approximately 100 million acres are restricted by statutory or administrative conditions to such an extent that mineral activity is greatly discouraged, although it sometimes does occur. Because there is no complete government inventory of the availability of Federal land for mineral development, however, these estimates of available lands are quite rough.

2. How many acres are presently under oil and gas and geothermal leases? How many leases are in effect? What is the production from them? How many are producing or producible? What portion of the leases have "no surface occupancy" stipulations?

As of September 30, 1979, there were in existence 118,939 Federal oil and gas leases which included 100,859,357 acres. Of these, 12,355 leases involving 6,454.512 acres were producing oil or gas. In fiscal 1979, these leases produced 153 million barrels of oil, 1.05 trillion cubic feet of gas and 280 million gallons of gasoline and LPG.

Onshore Federal lands contain 1.3 billion barrels or 3.7 percent of the total U.S. measured reserves of oil and 14.5 trillion cubic feet or 6.1 percent of the total U.S. measured reserves of gas. Enclosure 3 is a chart which further details Federal reserves. Of the total 822 million Federal acres. 374 million acres are prospectively valuable for oil and gas.

The total number of oil and gas leases which bear "no surface occupancy" stipulations has not been calculated. but is estimated to be less than one percent.

There are currently 1.206 Federal geothermal leases which include 2.350.875 acres. Of these. three leases are producing. An additional 30 leases are considered producible. Approximately 60 million Federal acres are considered prospectively valuable for geothermal. Less than one percent of geothermal leases have "no occupancy" stipulations.

3. What portion of the "overthrust belt" is available for oil and gas leasing? How much has been leased?

Geologists do not agree on the eastern, western or southern boundaries of the overthrust belt within the United States.

A soon to be published report by the Bureau of Mines reports that its delineation of the "overthrust belt" in Montana, Idaho, Wyoming and Utah contains 46,850,000 acres. Of this, they estimate 26,886,000 acres, or 57.4 percent involve Federally owned minerals. The remaining 19,964,000 acres, or 42.6 percent are privately owned. Of the Federal lands, 8,750,000 acres are under oil and gas lease. An additional 4,690,000 acres are under oil and gas lease application.

The Forest Service estimates that it manages 9,000.000 acres within its delineation of the "overthrust belt." Of this, they estimate 5.5 million are currently under lease and that the remaining 3.5 million acres are under application.

BLM estimates that it has sole jurisdiction over 11,373,000 acres within its delineation of the overthrust belt. Of this, they estimate that 5,855,850 acres are under lease and that the remainder is under application.

4. How many acres are being withheld from leasing for oil and gas and geothermal by withdrawals, land use planning decisions, wilderness review, legislative prohibitions, or for other reasons? How many acres have been restored to leasing as a result of the withdrawal review program under FLPMA?

The Department of the Interior has not compiled all of the information requested on the amount of Federal lands withheld from oil, gas and geothermal leasing. Several studies have been done in the past few years exploring the question of availability of Federal lands for mineral development. None readily provide the precise information requested, nor can the Department verify the conclusion of any of these efforts.

In the absence of data which can be adequately verified by the Department, information developed by the Office of Technology Assessment (OTA) in April 1979, and estimates by the Bureau of Land Management which are based on available statistics are submitted herewith. The OTA study, the most recent available, reports 96.4 million Federal acres (except Alaska) as formally closed to leasing and an additional 81.4 million acres as highly restricted. Table B.1. from the OTA study, which indicates the use for which this acreage is closed or restricted is attached as enclosure 4. It should be noted that some significant decisions (discussed below) regarding Federal land use have recently taken place or will take place shortly that are not entirely reflected in the enclosed data. These ongoing reviews and processes modify the data in the OTA report.

However, because some of the affected acreage is already accounted for under existing categories of "restricted" lands in the OTA data, this acreage cannot simply be added to the totals of lands portrayed as closed or restricted by the OTA report. Moreover, restrictions will be quickly removed on much of the acreage involved as the review processes are concluded and as Congress acts on wilderness designations.

WILDERNESS REVIEW

The Federal Land Policy and Management Act of 1976 (FLPMA) directed the Bureau of Land Management to identify all roadless areas larger than 5,000 acres administered by the Bureau that have wilderness characteristics. If an area meets that test, the law requires that it be studied and recommendations be made through the Secretary of the Interior and the President to Congress as to whether it is suitable for preservation as wilderness.

The challenge to BLM is acute since much of the acreage that may be suitable for destination as wilderness is also potentially valuable for energy especially in the Overthrust Belt. In response, BLM has done two things: (1) given high priority for wilderness inventory and review to the lands that may also be prospective for oil and gas or other energy resources (review of the Overthrust Belt was completed February 22, 1980); and (2) devised standards in the Interim Management Plan (IMP) for wilderness review that permit exploration and development. On leases where activity was occurring prior to the passage of FLPMA it can continue, restricted, in some cases, so as not to create impacts greater than before the Act.

Exploration and development on new leases is generally permitted as long as it does not degrade the potential for designation as wilderness should the President make such a recommendation. Of the approximately 174 million acres of public land reviewed in the Western States, nearly 123 million acres have been deleted from further review due to lack of wilderness values, approximately 10 million acres have been identified as wilderness study areas, and 41 million acres are still under inventory. These figures are current to February 22, 1980, and subject to periodic update.

The Department of Energy has funded a study (which is duplicative of BLM efforts) at the Oak Ridge National Laboratory to identify regions with potential for significant "conflict" between multiple energy resources and areas under BLM wilderness review. Conflict regions were defined as regions in which a high percentage of the land was in wilderness inventory units and in which there was also high potential for energy resources.

The draft study report (as revised November 26, 1979) concluded that, in general, the conflicts were "minimal" for coal, oil shale, heavy oil, geothermal and hydroelectric resources. It did identify four regions of conflict due to multiple energy resources and regions of single energy resource conflicts. This assessment, however, was based on all lands under intensive inventory. Since we expect the intensive inventory process to result in a further substantial reduction of acreage under wilderness review, the extent and location of potential conflicts may be considerably reduced below that projectd by the DOE-funded study.

SECRETARIAL ORDER

Approximately 6.6 million acres of acquired military lands were closed to leasing on November 1, 1979, by the imposition of a temporary moratorium designed to allow for the adoption of a fair and responsible leasing program.

All lands outside of KGS's were closed to leasing on February 29, 1980, by the imposition of a temporary leasing suspension designed to allow for the investigation and correction of abuses to the noncompetitive leasing programs.

WITHDRAWAL

With regard to withdrawals of Federal lands from oil and gas leasing, Section 201(*l*) of FLPMA requires a review of withdrawals in certain States to be completed within 15 years of the effective date of that Act. In order to obtain a comprehensive review, BLM is also including in the review, other withdrawals in other States. BLM estimates that about 4,000 oil and gas withdrawals will be reviewed.

It should be stressed that this effort does not cover withdrawals and reservations of lands in Indian reservations, the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers System or the National Trails System.

The purpose of this review is to determine whether, and for how long, the continuation of a withdrawal would, in the view of the Secretary of the Interior, be consistent with the statutory objectives of the programs for which the lands were dedicated and of other relevant programs.

After submission of recommendations to the President and the Congress, the Secretary is authorized to terminate withdrawals, other than those made by Act of Congress, in accordance with those recommendations.

BLM has completed the process of identifying the withdrawals covered by the review. This inventory was the first step in the comprehensive withdrawal review. The inventory identified 18.9 million acres withdrawn from oil and gas leasing of the approximately 350 million acres in the 11 western States subject to review under section 204(c). A copy of the results of the withdrawal review inventory is attached as enclosure 5.

No acreage has as yet been restored to leasing as a result of the withdrawal review.

LAND USE PLANNING

It is difficult to assess the cumulative impact of land use planning decisions on oil, gas, or geothermal leasing. Analysis would require a commitment of time and personnel comparable to the current withdrawal review effort. It would be difficult to conclude, in light of the increasing acreage held under lease (see enclosure 6), that land use planning has significantly reduced leasing activity.

5. What is the trend in leasing—i.e. how many acres have been leased and how many leases issued in each of the past 3 years compared to 10 years ago? What is BLM doing to keep pace with the trend?

A review of the past ten years reveals a fifty percent increase in the total amount of acreage held under oil and gas lease and a corresponding ten percent increase in the total number of outstanding leases. During this time period the total number of lease applications filed each year is known to have increased dramatically although numeric evidence of this trend is not available. The number of leases issued each year varies substantially, probably in relation to the number of applications filed. Another trend is the increasing average size of noncompetitive leases from 970 acres in 1968 to 1,215 acres in 1978. See charts and graph attached as enclosure 6.

The past ten years have witnessed an increasing workload in the areas of processing applications, environmental review, coordination with other agencies and compliance checks. BLM has administered this increasing workload without increasing its minerials manpower. As a result, not all tasks are performed optimally. Steps have been, and are being taken, however, to perform these tasks as fully as possible within current manpower and financial restraints.

BLM is currently operating a pilot automated simultaneous oil and gas drawing in its Wyoming State Office in order to keep pace with increasing filings. The automation of other State offices is in progress.

BLM has not sufficiently or successfully coordinated with all of the various other agencies which are sometimes involved in lease issuance as the surface managers. Of the backlog of 7,400 lease applications more than one year old which existed on November 1, 1979, fully 72 percent were awaiting action by another agency. BLM hopes to establish closer coordination with these agencies in the future to ensure prompt action on their part.

Geothermal leasing, a relatively new leasing program, has been fairly constant at about 250 leases per year. There was no leasing ten years ago. Personnel have been borrowed or transferred from existing programs to staff geothermal requirements leaving all areas less than ideally staffed.

6. Is there any serious problem with the flow of lease issuance or other related leasing activity that is restricting leasing activity? If so, what has BLM done and plan to do to rectify the problem, especially in view of a tight national energy picture? Supply an aging analysis of all pending applications for oil and gas and geothermal leases, and for all applications more than one year old, the general reason for non-issuance.

Appeals of BLM State office oil and gas decisions cause immense delays in lease issuance. There is at present a 6-9 month backlog of protests on appeal before the Interior Board of Land Appeals. In addition, all action toward lease issuance is suspended for 120 days following an IBLA decision in anticipation of an appeal to Federal Court. While some delay is unquestionably necessary in the event that a legitimate protest or appeal is filed, the present adjudicatory process is being abused. We are examining means to correct this situation.

If we had unconstrained resources, we could adjust to peak demands; otherwise we have to respond to other demands on our staff such as work on grazing environmental statements mandated by court order, as well as lease issuance work. Congressional budget decisions have prevented leasing in some areas such as Flathead and Shawnee National Forests.

Coordination with other agencies which have input into the leasing process has not been satisfactory and long delays in lease issuance have resulted. BLM is coping with manpower and budget shortages as best it can, streamlining procedures where possible. Regional environmental assessments are being prepared for oil and gas leasing. Phased environmental assessments are being used for geothermal leasing.

An aging analysis by the Geothermal Streamlining Task Force in January 1979 showed that since 1974, when BLM began leasing, the average time from application filing to lease issuance had dropped from 23 months to 8 months. However, numerous applications have never been processed to completion. BLM is working on about 900 cases and the Forest Service 1,000. The general reason is simply the requirement to complete an environmental review. An aging analysis of oil and gas lease applications is attached as enclosure 7.

7. Is there anything BLM could do to increase the number of leases issued such as offering more acreage, reject fewer applications, or simplify the procedures required? If such an increase was possible, would more oil and gas production result?

All lands which are open to leasing are readily available for leasing. The government can do little directly to increase the volume of leasing on the currently open lands because the leasing programs are largely dependent on citizen or industry initiative.

A reduction in the cost of leases to potential lessees would not increase the number of leases issued. Existing lease costs are sufficiently low that they are no hinderance to lease issuance. Indeed, the existing cost structure is so low that it encourages speculation without intent to explore or develop at considerable administrative cost.

Lease issuance cannot be increased by a concerted effort to reject fewer applications. The Department is committed to promoting the exploration and development of oil and gas by approving citizen and industry requests to utilize Federal lands as evidenced by the fact that less than 10 percent of applications for permit to drill are rejected (see enclosure 1). Although specific figures have not been compiled, it can be said that few applications for lands which are open to leasing are rejected. Commonly, leases will be issued subject to restrictive stipulations which vary in severity in accordance with the amount and type of adverse impact which exploration and development will have on a competing value.

Lease issuance cannot be increased by simplication of the leasing procedure. The procedural aspects of the three onshore leasing programs are not of sufficient complexity to reduce the total amount of oil and gas leases issued. A simplification of such aspects would not, therefore, increase the number of leases issued. BLM recognizes that greater simplification of procedures could result in expediting leasing, although not more leases. To this end a procedural streamlining of the evaluation of environmental considerations is under review. Procedural changes in the mechanics of protests and appeals are also needed.

A quantitative change in the number of acres under lease will likely have no effect on oil and gas production. Fully 75 to 80 percent of all onshore Federal leases are relinquished or expire without the submittal of a drilling proposal. Nearly as many leases are relinquished or expire each year as are issued by BLM. Scarcely one-tenth of existing leases are under production.

Production can be improved by a qualitative change in the acreage under lease. This will be achieved by opening high potential lands which are currently closed to leasing and by removing restrictions on promising lands currently available to leasing (see response to question 4).

8. Would more manpower and money help and if so how would it be used and what results could be anticipated? Please supply us with current manpower and funding levels.

Never before in this century has interest in the energy potential of the public lands been as widespread or intense as it is now nor has the need been greater for careful management of increasingly scarce oil and gas resources and increasingly significant geothermal resources.

There has been a flood of environmental and leasing legislation with required implementing regulations, but manpower has not grown proportionately. Of necessity, personnel have been borrowed or transferred from existing areas to staff new programs thereby leaving all areas less than ideally staffed, critically so in some cases.

If BLM had additional people and dollars, they would be used for the following: (1) oil and gas adjudicators are needed to keep control of the rising flood of lease applications and to minimize the backlog of lease applications; (2) resource specialists to expeditiously complete regional environmental assessments so as not to impede or discourage oil and gas development; and (3) if pending legislation is enacted, the leasing of NPR–A.

Additional funding would facilitate the automation of leasing functions. BLM's Wyoming State Office currently uses a computer to conduct its simultaneous oil and gas drawings. This system is to be employed by other State offices. Additional funding would allow for the much needed automation of land status records.

The oil and gas program presently involves 258 full time positions and operates with a budget of $8,861,000.

In the geothermal program, legislation pending in Congress is expected to further increase the number of lease applications to be processed in FY 1981 with attendant manpower needs. Another added workload anticipated in FY 1981 is direct thermal use applications, which include space heating, crop drying, hydroponic greenhousing, and heat for distillation of gasohol, among others. Idaho, Oregon and Nevada are currently using geothermal energy for some of these purposes. Regulations on direct thermal use of geothermal resources have been published by the U.S. Geological Survey, and BLM expects to receive a growing number of applications in FY 1980 and FY 1981.

Additional staffing will also be needed to assume increased compliance and monitoring responsibilities which will result from the leasing of such prime areas as Coso, Mono Lake, and Buckworth Peak in California and Roosevelt Springs in Utah.

The geothermal program presently involves 69 full time positions and operates with a budget of $2,431,000.

9. What is the status of wilderness review under Section 603 of the Federal Land Policy and Management Act of 1976 in the Overthrust Belt?

The Final wilderness inventory decisions in the overthrust belt were announced in the February 22, 1980, Federal Register. The BLM accelerated its inventory on public lands within the Overthrust Belt, located in Arizona, Idaho, Montana, Nevada, Utah, and Wyoming, in order to resolve potential conflicts with energy exploration and development on lands that do not meet basic wilderness criteria. The results of the inventory are set forth below:

RESULTS OF WILDERNESS INVENTORY IN THE OVERTHRUST BELT

[Final decisions announced as of Feb. 22, 1980]

State	Overthrust belt acres administered by BLM	Acres found to lack wilderness characteristics	Acres identified as WSA
Arizona	580, 000	301, 000	279, 000
Idaho	783, 000	782, 000	1, 000
Montana	1, 397, 000	1, 192, 000	205, 000
Nevada	6, 100, 000	5, 171, 000	929, 000
Utah	1, 343, 000	1, 327, 000	16, 000
Wyoming	1, 200, 000	1, 153, 000	47, 000
Total	11, 403, 000	9, 926, 000	1, 477, 000

10. Please supply a summary of (1) outstanding coal leases, (2) planned lease sales, and (3) the status of the coal leasing program.

(1) As of January 1, 1980, there were 550 coal leases covering 802,521 acres containing approximately 17.36 billion tons of Federal coal. Production from Federal leases in FY 1979 amounted to 59.14 million tons.

(2) The Department's federal coal management program will result in a total of 40 billion additional tons of federal coal being cleared by the BLM planning system as suitable for leasing by 1984. On June 4, 1979, the Secretary set sale dates for three coal production regions and directed BLM to prepare an EIS in a forth region. Later lease sales are being planned for the remaining federal coal production regions although the dates were not part of the June 4 decision. Actual targets will be based on demand.

Region	Sale date[1]
Green River-Hams Fork	January 1981.
Unita-Southwestern Utah	July 1981.
Southern Appalachia (Alabama)	July 1981.
Powder River	April 1982.
Fort Union	April 1982.[2]
Western Interior	July 1982.[2]
Denver-Raton Mesa	July 1983.[2]
San Juan River	July 1983.[2]

[1] All dates are tentative pending completion of the regional lease sale EIS and the final decision by the Secretary.

[2] The Secretary has indicated a preference for holding a sale by this date although no final decision has been made.

In addition to the lease sales scheduled under the new competitive leasing system, 14 "emergency" lease sales have been conducted in response to coal lease applications since the Secretary's announced program of June 4, 1979. These 14 sales embraced 10,884 acres containing 135 million tons of recoverable coal. Six leases have been issued as a result of these sales, and additional leases are being processed. One "emergency" lease sale is tentatively scheduled for May 1980.

(3) The Federal coal management program, which was adopted in June 1979, in-

volves a series of steps that ultimately will lead to the leasing of Federal coal. Beginning with land-use planning and the application number of DOI unsuitability for coal mining criteria, it develops areas otherwise suitable for coal development, flows through a call for industry expressions of interest in coal leasing, the delineation of preliminary tracts by a regional coal team composed of BLM and State Governors' representatives, to an environmental impact statement and lease sale. This process is described in 43 CFR 3420.

Final regulations for coal management were published on July 19, 1979. The final planning regulations were published on August 7, 1979. In addition to these steps to implement the program, several regions have begun the process described above and others are scheduled over the next several years as below:

Region and States involved	Start date	Projected sale date
Green River-Hams Fork, Colo./Wyo.	June 1979	January 1981.
Southern Appalachia, Alabama.	August 1979	June 1981.
Uinta-Southwestern Utah, Utah/Colo.	August 1979	July 1981.
Powder River, Mont./Wyo.	July 1980	April 1982.
Western Interior, Oklahoma.	Mid-1980	Mid-1982.
Fort Union, Mont./N. Dak.	Mid-1981	Mid-1983.
San Juan River, N. Mex./Colo.	Late 1981	Mid-1983.
Denver-Raton Mesa, N. Mex./Colo.	Late 1982	Mid-1983.

The Green River-Hams Fork Region effort has completed the tract selection process and is beginning the environmental impact statement. The Uinta-Southwestern Utah effort has completed preliminary tract delineation and is into the site-specific impact analysis phase. The Southern Appalachian Region in Alabama is completing the site-specific analysis phase. These processes have not begun in the Western Interior, Fort Union, San Juan River, or Denver-Raton Mesa Regions.

11. a. Please briefly describe the factors which have affected the development of the coal leasing program since 1971, including the impact of the Federal Land Policy and Management Act of 1976, the Federal Coal Leasing Amendments Act of 1976, the National Forest Management Act, and the Surface Mining Control and Reclamation Act of 1977.

Prior to 1970, coal lease applications were processed on a case-by-case basis with little consideration given to the total amount of reserves under lease, the need to lease additional coal reserves, and the potential environmental impacts of leasing additional Federal coal. In 1970, a study prepared by the Bureau of Land Management (BLM) reported a great inequity between the number of acres under lease and the amount of coal that was actually being produced from those leased areas. According to the study, approximately 91 percent of the acreage under lease was not producing coal.

As a result of the BLM study, the Department imposed a complete moratorium on coal actions that resulted in no leases being issued between May 1971 and February 1973. In 1973, the Department formally adopted the competitive leasing moratorium which had been informally imposed in 1971. At the same time, the Department began studies which led to the adoption in 1975, of the unsuccessful EMARS competitive leasing program. During the interim, they held a limited number of emergency "short-term" sales.

While limited leasing was being carried out under the "short-term" phase of the policy, the Department issued a draft programmatic EIS in May 1974. The draft EIS focused on a new three-part coal leasing system entitled the Energy Minerals Allocation Recommendation System. However, when the final EIS was issued in September 1975, the proposed leasing system was modified and retitled the Energy Minerals Activity Recommendation System (EMARS). There were no reasons given for the change between the draft and final EIS's nor was there much analysis of the potential environmental impacts of the new leasing system. In October 1975, the Natural Resources Defense Council, Inc. (NRDC) filed suit against the Department challenging the adequacy of the final EIS.

In 1976, the leasing program described in the final EIS was adopted as final departmental policy and regulations were promulgated to implement that system. Implementation of the program came to a virtual halt in September 1977 when the U.S. District Court ruled that the 1975 EIS was inadequate and enjoined the Department from:

". . . taking any steps whatsover directly or indirectly to implement the new coal leasing program including calling for the nominations of tracts for Federal coal leasing and issuing any leases, except when the proposed lease is required to maintain an existing mining operation at the present levels of production or is necessary to provide reserves to meet existing contracts and the extent of the proposed lease is not greater than is required to meet these two criteria for more than three years in the future."

The court ordered the Department to correct the inadequacies by seeking additional comments on the 1975 EIS, publishing a draft supplement, receiving comments on that draft, and issuing a final statement. By the time of the court order, the Department had already undertaken a review of this coal policy and decided that a new, rather than a supplemental, EIS would be prepared. Part of the Department's consideration in reaching this decision was laws that were enacted after the publication of the 1975 EIS and new policy direction that was intiated in 1977 by the President.

The President's 1977 initiatives called for increased coal production to reduce U.S. dependence on foreign energy sources by developing coal in an environmentally sound, economically efficient, and well-planned manner while fully protecting the public interest and respecting the rights of private surface owners. The President specifically directed the Department to develop a workable, environmentally sound, and legally defensible program that responds with some certainty to the country's need for coal production, and determine if they show prospects for timely development; and to take steps to deal with nonproducing and environmentally unsatisfactory leases and applications.

The laws enacted in 1976 and 1977, particularly the Federal Land Policy and Management Act of 1976 (FLPMA), the Federal Coal Leasing Amendments Act of 1976 (FCLAA), and the Surface Mining Control and Reclamation Act of 1977 (SMCRA), provided a basic framework for developing a Federal coal program that would incorporate the President's directives.

Because of the decision to prepare a new EIS and develop a new program that would incorporate the new statutory requirements, the President's policies, and would respond to the court's order, the Department did not aggressively pursue an appeal of the court's decision but negotiated a settlement with the plaintiffs. The settlement was adopted by the court and an amended order was issued on June 14, 1978. The amended order permitted substantially more leasing while the new EIS was being prepared. Using the leasing criteria in the amended order, 14 leases were issued covering 9,168 acres containing 73.07 million tons of recoverable reserves.

The requirements for comprehensive land-use planning, designation of lands unsuitable or suitable for all or certain types of surface coal mining operations, and obtaining surface owner consent where the surface above Federal coal is privately owned have been incorporated in the coal management program in order to enable the Bureau to identify those areas that should not be considered for coal development.

11. b. How has the Department's implementation of this legislation affected the production of Western coal and industry's ability to use it?

The legislation enacted by Congress in recent years has provided the basis for a sound and comprehensive Federal coal management program. Since the enactment of these laws, there has been relatively little impact on production of western coal per se. From 1977 until the Secretary's adoption of the new program, the Department issued leases only to maintain production and meet existing contracts or to prevent the bypass of Federal coal. Thus, the leasing of coal has been on an immediate need basis. The laws have enhanced the production of western coal by giving direction to a program that was under fire from environmental as well as industry organizations. The future impact on production is expected to be significant.●

RELEASE OF COLORADO NATIONAL FOREST LANDS

● Mr. HART. Mr. President, the Senate Committee on Energy and Natural Resources will soon act on S. 2123, the Colorado National Forest Wilderness Act. One of the major issues in this and other RARE II legislation is the "release" of lands under wilderness consideration to multiple use management. I want to share with my colleagues and the public my views on the best method of releasing the RARE II lands.

Secretary of Agriculture Bob Bergland, who oversees the Forest Service, today wrote me a letter answering seven crucial questions about release I asked him last month. His answers confirm that the release method I support will be effective. The information contained in his answers will be of great benefit to the Senate and the public as we consider Colorado wilderness legislation.

There are four critical parts of the release issue I want to address.

I. THE REAL ISSUE IS NOT WHETHER WE SHOULD RELEASE THE LANDS WHICH WERE TIED UP BY RARE II, BUT HOW WE SHOULD RELEASE THEM

I strongly favor the concept of release, as does virtually every Member of both Congress and the general public. Lands which were studied for possible wilderness designation, but which were rejected by either the Forest Service or Congress, should be available for multiple use.

The major question is how to make sure that release takes place. I support three measures to release the RARE II lands:

First. Continued Forest Service implementation of last year's decision to release most of the RARE II lands;

Second. A statutory provision barring court challenges to that release; and

Third. A conference committee report directive releasing additional lands—those recommended by the Administration which Congress has decided should not be wilderness.

Congressmen Jim Johnson and Ray Kogovsek and I have worked out an agreement with the House Interior Committee leadership to accept the conference committee report directive. By adding the statutory provision against judicial review of the nonwilderness decisions, the Senate would be adopting a much more effective method of release than the House did in the Colorado wilderness bill it approved unanimously last December.

II. MOST OF RARE II LANDS HAVE ALREADY BEEN RELEASED

In its second roadless area review and evaluation, or RARE II, the Forest Service studied the largest roadless areas in the national forest system to see if they should be designated as wilderness. During the study, the Forest Service restricted the use of these areas, preventing any disturbance of their wilderness character. At the end of the study, Secretary Bergland determined that most of the RARE II lands should not be designated as wilderness, but instead should be under regular, nonwilderness, multiple-use management. On April 16, 1979, the Secretary released these lands, allocating them to nonwilderness. In Colorado, of the 6.5 million acres of RARE II land, the Secretary released 4.2 million acres—two-thirds of the total—to nonwilderness. This release was effective immediately. The RARE II freeze on these lands was lifted. The lands were made available for the full range of multiple uses allowed in national forests, including development activities like timber harvesting and roadbuilding.

The nonwilderness decisions were announced on the same day as the administration recommended that Congress designate some of the RARE II lands as wilderness. Because more press attention was paid to the wilderness recommendations for 2 million acres than to the release of the 4.2 million acres, many people have not realized that most of the RARE II lands were released last year. These people understandably, although mistakenly, believe the RARE II freeze is still in effect, and assume congressional action will be necessary to release the lands.

Because Secretary Bergland's decision releasing most of the RARE II lands is so important, I recently wrote to him; asking him about the management of the lands returned to multiple use. The Secretary responded today. His reply confirms the release of most of the RARE II lands. The Forest Service is now managing those lands as nonwilderness.

To document this, the Secretary provided a list of the development activities being undertaken this fiscal year on the released lands. The list includes more than 300 specific development activities on the 4.2 million acres which were released last year. These activities include timber sales; construction of roads, buildings, and fences; and leasing for oil, gas, and mineral development.

This list dispels the misunderstanding that additional congressional action is needed to release these lands. In fact, legislation making permanent the Secretary's land allocation decisions would only tie our hands, by taking away the Forest Service's ability to adapt land management to new circumstances in the future.

What is appropriate is congressional action to make sure that the Secretary's decisions releasing the lands can remain in effect. The administrative release of the 4.2 million acres in Colorado is threatened by the possibility of a court decision similar to one issued in California this year. In a suit brought by the California State government, a U.S. district court ruled that the RARE II environmental impact statement (EIS) did not adequately consider the environmental effects of releasing the California roadless areas. Because of this failure to comply with the National Environmental Policy Act, the judge ruled that the Forest Service could not develop the disputed areas until new environmental studies were done.

Although a similar suit has not yet been filed in Colorado, the decision in California against Bergland is a clear precedent which could apply to the Colorado RARE II impact statement. In Colorado, a similar decision could tie up once again all RARE II lands, including the 4.2 million acres which have been released. To prevent this kind of decision, when the Energy Committee considers S. 2123, I will propose an amendment to bar a similar court case in Colorado.

Secretary Bergland, after consultation with the Forest Service's lawyers, has indicated that Congress can prevent a similar decision by finding legislatively that the Colorado RARE II environmental impact statement is legally and factually sufficient. This amendment would preclude judicial review of the adequacy of the EIS. Then, when the Colorado bill passes, the two-thirds of the Colorado RARE II lands which have already been released will be protected against a new court-ordered freeze.

This amendment will not be statutory release. It will not be an affirmative congressional decision either allocating lands to nonwilderness or limiting the ability of future land managers and sessions of Congress to consider additional wilderness designations. The amendment will simply preserve the status quo, by protecting the land allocation decisions made by the Secretary of Agriculture.

I will propose this amendment because a court-ordered freeze would be unacceptable. I support the National Environmental Policy Act and the concept of reviewing the environmental effects of proposed actions. A Federal judge has concluded that the Forest Service's environmental review did not comply with NEPA. My own review of the Colorado impact statement suggests that this is legally a correct decision.

However, the environmental review of the RARE II lands has been much broader than is reflected in the EIS. Literally thousands of Coloradans have participated in the RARE II process, both during the Forest Service's review and during the congressional consideration of the RARE II legislation. This public process has been so extensive that I am confident that the RARE II decisions have received adequate environmental consideration, even if the EIS does not fully reflect that consideration.

III: WHERE CONGRESSIONAL ACTION IS NECESSARY TO RELEASE RARE II LANDS, I HAVE AGREED WITH CONGRESSMEN JIM JOHNSON AND RAY KOGOVSEK ON A RELEASE METHOD WHICH WILL BE EFFECTIVE

While most of the RARE II lands have already been released, and need only congressional action to protect them from a possible court-ordered freeze, affirmative congressional action is necessary to release the areas which the administration recommended for wilderness designation, but which Congress determines instead should be managed for multiple use. Following the RARE II study, the administration recommended 33 wilderness areas in Colorado, totaling 2 million acres. The Forest Service is now managing these areas to protect their unspoiled character while Congress decides whether to designate them as wilderness. In effect, the status quo is that we have 2 million acres of new wilderness in Colorado as a result of RARE II.

The general consensus in Colorado is that not all of these 33 areas should be designated as wilderness. The House of Representatives last December passed a bill sponsored by Congressmen JIM JOHNSON and RAY KOGOVSEK that would designate 19 of the areas the administration recommended for wilderness. The bill I have introduced would add two other areas, near the populous Front Range, to the 19 in the House bill. In other words, the Colorado delegation has decided that at least 12 of the areas recommended by the administration should not now be designated as wilderness. For some of these remaining areas, additional information or review is necessary before a final judgment should be made either designating them as wilderness or releasing them to nonwilderness. For others, however, it is already clear that they should not be wilderness, but instead should be released and managed for nonwilderness uses.

Since the status quo is that these areas are being protected as wilderness, Congress needs to take affirmative action to indicate its decision that the areas should be released. Otherwise, the administration is left guessing about the areas not included in the final bill, not knowing whether they are still under review for possible wilderness designation. In his letter to me, Secretary Bergland indicates that the administration will likely protect all the areas recommended for "a lengthy period of time," unless Congress releases them by clearly stating its decision to return them to multiple use.

Congressmen JOHNSON, KOGOVSEK, and I have agreed to release the areas recommended by the administration that Congress has decided should not be wilderness, through a directive contained in the conference committee report accompanying the final Colorado wilderness bill.

In his letter to me, Secretary Bergland confirms that the conference committee release list will be taken as binding. In his answers to my question No. 6, the Secretary pledges that the administration will take the report language as a clear statement of a congressional decision, and will release the listed areas. The Forest Service will then end immediately the current restrictions on the areas, and will manage them as nonwilderness.

Congress is similarly using the committee report method to release Idaho lands recommended by the administration that Congress has decided should not be wilderness. This method will work in Idaho, and it will work in Colorado.

Congressmen JOHNSON and KOGOVSEK and I have agreed to this method because it will be effective, and will not create public and congressional opposition which would block passage of a Colorado wilderness bill.

Some have proposed that the bill contain a blanket statutory provision releasing the areas recommended by the administration but not in the bill, and legislatively ratifying the Secretary's decision of last April releasing the other RARE II lands. Secretary Bergland's letter demonstrates that a statutory provision is unnecessary, since most RARE II lands have already been released and since the conference committee report will effectively release the other lands which should be released.

Many people strongly oppose any statutory release provision, since the precedent of the statutory decision could be used in the future to undercut both the wilderness system and the principle of flexible land management which can adapt to changing circumstances. In his testimony before the House and the Senate, Colorado's Governor Richard D. Lamm strongly opposed a statutory release clause. In every congressional vote ever taken on the specific question, statutory release has been rejected. In its only vote on the issue—during consideration of the Idaho River of No Return Wilderness bill—the Senate rejected statutory release, by a vote of 69 to 18.

IV. COLORADO NEEDS A RARE II BILL THIS YEAR

I oppose statutory release, for the practical reason that attempting to release lands through a statutory provision would block both wilderness and release. Public and congressional opposition has consistently blocked any bill containing a statutory release clause. The Oregon RARE II bill, the one bill which has passed the Senate with a release clause, has died in the House. If the Senate's Colorado wilderness bill contained a release clause, the House would block final passage of the bill. Even if Congress were to approve a statutory release provision, it would face a possible veto, since the administration opposes any statutory release.

Blocking passage of a Colorado wilderness bill would hurt everybody's interests. The people of Colorado have lived with RARE II long enough, and deserve prompt resolution of the wilderness issue. Passing a bill will guarantee protection for our most magnificent mountain areas, which we should protect for our children and their children. A bill also provides an opportunity to release some lands which are not being managed as wilderness, but which should be available for timbering, oil and gas development, water development, or other nonwilderness uses. With the EIS finding I will propose, the bill will also prevent a court-ordered freeze of all RARE II lands.

In other words, with a wilderness bill, we get permanent protection for 1.3 to 1.5 million acres of wilderness. Without a bill, we are left with 2 million acres of de facto wilderness—and if somebody files a suit, we will get 6.5 million acres of de facto wilderness.

Colorado will be better served with a RARE II bill which resolves these issues.

I believe my correspondence with Secretary Bergland will shed additional light on these points. I ask that it, and a simplified list of the development activities on the released lands in Colorado, be included in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., April 29, 1980.

Hon. BOB BERGLAND,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: Congress is now in the process of considering Colorado wilderness legislation, which is based on the recommendations the Administration made following the Forest Service's roadless area review and evaluation, phase two (RARE II). The House of Representatives last December passed its bill, and the Senate Energy Committee will soon be acting on similar legislation.

A critical issue in the Senate deliberations on this legislation, as was true in the House, will be whether to include in the bill a statutory provision "releasing" the RARE II lands not covered by the bill to nonwilderness, multiple-use management. The positions of the Administration and the Department of Agriculture on this issue and related national forest management questions will be important to the Senate. To ensure we correctly understand those positions, I would appreciate it if you could answer the enclosed questions.

These answers will be very helpful to us, and I appreciate your assistance in providing them.

Sincerely,

GARY HART.

QUESTIONS ABOUT RELEASE

1. In April 1979, the Department allocated most of the RARE II lands—in Colorado, about 4.2 million acres of the 6.5 million acres of inventoried roadless areas—to nonwilderness. How is the Forest Service now managing those lands? When will the Forest Service next review those lands for possible wilderness designation? Until that review, will the Forest Service manage any of those lands in a manner designed to protect their suitability for possible wilderness designation?

2. In April 1979, the Department allocated some RARE II lands—in Colorado, about 300,000 acres—to further planning. How is the Forest Service now managing those lands? When will the further planning on those lands be completed? How will the Forest Service then manage those lands?

3. The Administration has recommended about 2 million acres of national forest land in Colorado for wilderness designation by Congress. How is the Forest Service now managing those lands, and in absence of clear Congressional action on those wilderness recommendations, how long will the Forest Service continue that management?

4. What is the Administration's position on statutory release of roadless areas to nonwilderness, multiple-use management?

5. In some instances, the final Colorado wilderness legislation is likely to designate as wilderness part, but not all, of an area recommended by the Administration. Will the Administration interpret this as a decision on the entire recommended area, including a decision that Congress does not intend to designate as wilderness the part of the area not designated by the legislation? How would the Forest Service then manage the part of the recommended area which was not designated by the legislation?

6. The final Colorado wilderness bill is unlikely to designate as wilderness all of the areas recommended by the Administration. If the conference committee report accompanying the final bill indicates that Congress does not intend to designate as wilderness certain of the remaining areas and directs the Department to release them and allocate them to nonwilderness, how will the Department respond to that directive? If the report indicates that Congress wants more detailed study of other remaining areas, and directs the Department to release them and allocate them to further planning, how will the Department respond to that directive?

7. If Congress were to include in the Colorado wilderness legislation a provision to preclude a judicial decision with respect to the Colorado RARE II lands similar to the decision issued in the case of *California v. Bergland* with respect to the California RARE II lands, what language would the Department recommend for that purpose?

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 19, 1980.

Hon. GARY HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: This is in response to your letter of April 29 requesting information on our position regarding the need for a statutory provision explicitly releasing from further consideration for wilderness designation certain RARE II lands not designated as wilderness by a Colorado wilderness bill. The following responses are to your specific questions concerning this matter.

Question 1: In April 1979, the Department allocated most of the RARE II lands—in Colorado, about 4.2 million acres of the 6.5 million acres of inventoried roadless areas—to nonwilderness. How is the Forest Service now managing those lands? When will the Forest Service next review those lands for possible wilderness designation? Until that review, will the Forest Service manage any of those lands in a manner designed to protect their suitability for possible wilderness designation?

Answer: Since April 1979, the Forest Service has been managing the RARE II inventoried roadless areas allocated by President Carter to nonwilderness for uses other than wilderness in conformance with current laws, regulations, and land management plans developed prior to our RARE II study. These lands are available for uses other than wilderness, such as timber harvest, grazing, recreation site development, and dispersed recreation use. Since the time these lands were allocated to nonwilderness last year, "nonwilderness" activities already have occurred on some of the nonwilderness lands in Colorado. They will be managed for nonwilderness purposes for the life of the first generation of National Forest plans developed under the National Forest Management Act. The attached list of fiscal year 1980 planned projects indicates the type and extent of activities presently taking place and planned in nonwilderness areas. When the initial land management plans developed between 1980 and 1985 for individual National Forests are revised, as is required by the National Forest Management Act, the Forest Service again will consider all resource values of the so-called "nonwilderness areas." One of several options for the management of these lands will be to recommend wilderness designation. The timing of the revision of the initial land management plans will vary from National Forest to National Forest, depending on when the initial plans are prepared and unforeseen circumstances that might require an earlier revision of a specific forest plan. Under the National Forest Management Act, all initial plans are to be completed by 1985, and our regulations provide that they be revised about every 10 years.

Some of the nonwilderness lands will no longer be suitable for wilderness designation at the time the initial land management plans are revised. Other lands may still be suitable for wilderness designation. The resources in those land areas allocated to nonwilderness will be subject to purposeful management and will not be withheld from use for the purpose of protecting the area so it would be suitable for possible wilderness designation when plans are revised.

Question 2: In April 1979, the Department allocated some RARE II lands—in Colorado, about 300,000 acres—to further planning. How is the Forest Service managing those lands? When will the further planning on those lands be completed? How will the Forest Service then manage those lands?

Answer: Further planning areas are managed to protect the present wilderness character of these lands until such time as new land management planning decisions have been completed and approved. Until new plans are approved no commercial timber harvest is permitted except for emergency reasons. Prospecting for minerals is permitted. Development and exploration is permitted with reasonable stipulations prescribed by the Forest Service. Oil and gas exploration will be considered in further planning areas. Activities permitted by prior rights, existing law, and other established uses may continue pending final decision for the area. These lands will be considered for a variety of resource uses, including wilderness, during development of land and resource management plans or other specific project plans meeting National Environmental Policy Act requirements.

The land management planning process will comply with regulations developed to meet the requirements of Section 6 of the National Forest Management Act. The first generation of Forest plans will be completed by the end of 1985. Decisions on the areas placed in further planning will be made during this period. These decisions may include nonwilderness decisions as well as additional wilderness recommendations.

After these decisions are made, land recommended for wilderness will continue to be protected until Congress makes a decision on the wilderness question. Those lands allocated to nonwilderness use by the forest plan will be managed in accordance with prescriptions outlined in the plan.

Question 3: The Administration has recommended about 2 million acres of National Forest land in Colorado for wilderness designation by Congress. How is the Forest Service now managing those lands, and in absence of clear congressional action on those wilderness recommendations, how long will the Forest Service continue that management?

Answer: The Forest Service is temporarily managing these lands to protect their existing wilderness qualities. This provides time for Congress to decide which of these lands to include as wilderness.

When Congress designates areas as wilderness, the Forest Service will manage those lands accordingly.

The Forest Service will continue to manage those lands recommended by the President for wilderness to protect their wilderness qualities until it becomes clear that Congress does not intend to designate the lands as wilderness. If the Congress, preferably in the House and Senate or Conference Committee Reports, gives the Forest Service a clear indication that it does not intend to designate the lands, the Forest Service will comply with that direction. In the absence of congressional expression, the Forest Service will continue to manage the lands to protect their wilderness character until the Administration determines that it is clear that Congress does not intend to designate the lands as wilderness or until the Administration revises its recommendation. Since the total wilderness recommendations made by the Administration following RARE II are extensive, congressional review and action on the recommendations almost certainly will take a lengthy period of time.

Question 4: What is the Administration's position on statutory release of roadless areas to nonwilderness, multiple-use management?

Answer: The Administration opposes any form of statutory release because such action is considered unnecessary.

During the 2-year accelerated planning effort of RARE II, the wilderness characteristics of all roadless areas were protected by administratively limiting resource development activities. President Carter's statement of April 6, 1979, directed Secretary Bergland to proceed immediately with management of the 36-million acres allocated to nonwilderness. We are managing these areas in accordance with the President's direction, and under existing laws and regulations, such as the Multiple-Use Sustained-Yield Act of 1960, the National Forest Management Act of 1976, and the recently promulgated National Forest Management Act regulations. We have clear authority and direction for multiple-use management of National Forest lands. The Secretary of Agriculture has sufficient direction and authority under existing law to manage areas allocated to nonwilderness uses.

Question 5: In some instances, the final Colorado wilderness legislation is likely to designate as wilderness part, but not all, of an area recommended by the Administration. Will the Administration interpret this as an overall congressional decision on the entire area, indicating that Congress does not intend to designate as wilderness the part of the area recommended by the Administration but not designated by the legislation? How would the Forest Service then manage the part of the area which was not designated by the legislation?

Answer: Under established custom, the Administration will consider congressional wilderness designation of a part of an area recommended by the Administration to be congressional action on the entire recommended area, unless the Congress, by committee report language or some other fashion, indicates otherwise. The Administration then will take this as a clear indication of congressional intent that the remainder of the recommended area should not be designated as wilderness. In the absence of any other indication of congressional intent that the remainder of the area should be allocated to further planning, the Forest Service would allocate the remainder of the area to nonwilderness. If Congress, in committee report language or otherwise, indicated that the remainder of the recommended area should be allocated to further planning, the Forest Service would follow that directive.

Question 6: The final Colorado wilderness bill is unlikely to designate as wilderness all of the areas recommended by the Administration. If the conference committee report accompanying the final bill lists some of the remaining areas, indicates that Congress does not intend to designate the listed areas as wilderness, and directs the Department to release the lands and allocate them to nonwilderness, how will the Department respond to that directive? If the report lists other areas, indicates that Congress wants more detailed study of the lands, and directs the Department to release the lands and allocate them to further planning, how will the Department respond to that directive?

Answer: We would consider the following statement if included in the conference committee report to be an adequate indication of legislative intent to manage for nonwilderness uses a RARE II roadless area that had been recommended as wilderness by the Administration:

"We have carefully examined the Administration's recommendation that ——— roadless area (RARE II No. —) be designated as wilderness. We have determined that the area should not be designated wilderness but should instead be managed for multiple uses other than wilderness."

Upon final enactment of the bill, we would follow the above report direction.

Question 7: If Congress were to include in the Colorado wilderness legislation a provision to preclude a judicial decision with respect to the Colorado RARE II lands similar to the decision issued in the case of California v. Bergland with respect to the California RARE II lands, what language would the Department recommend for that purpose?

Answer: The Department does not recommend or support the inclusion of such special language in the Colorado wilderness legislation. The following provision would serve the purpose described in your question: "The enactment of this legislation shall be conclusive as to the legal and factual sufficiency of the Department of Agriculture's final environmental impact statement, dated January 1979, prepared for the roadless area review and evaluation (RARE II) of National Forest lands in the State of Colorado."

I hope this information will be helpful as you continue consideration of the Colorado wilderness legislation.

Sincerely,

BOB BERGLAND,
Secretary.

DEVELOPMENT ACTIVITIES ON COLORADO RARE II LANDS RELEASED TO NONWILDERNESS MANAGEMENT ON APR. 16, 1979

RARE II No.: RARE II name: Activity description	Acres impacted	Miles of roads	Timber sale volume (MBF)
B2177: Porphyry Mountain: Basalt Mountain	400	10.8	5,500
02146: Two Elk: Timber Creek	800	4.5	2,400
02141: Ten Mile: Ski area expansion	780		
02141: Ten Mile: Applications	171,600		
02141: Ten Mile: Leases	110,240		
Do	8,320		
02141: Ten Mile: Operating plans	10		
Do	40		
02172: Adam Mountain: Adams Rib ski area			
B2180: Elk Mountain—Collegiate: Little Annie ski area			
C2284: South San Juan: Oil and gas leases	820		
Do	200		
Do	6,380		
02285: Treasure Mountain: Fall Creek	100		650
02287: Martinez Creek: Recon/sale (Fourmile)	840	4.0	6,700
B2284: South San Juan: Oil and gas lease	680		
B2294: Florida River: Oil and gas lease	350		
Do	180		
02235: Lizard Head: Oil and gas leases	6,725		
02304: Blackhawk Mountain: Oil and gas leases	315		

RARE II No.: RARE II name: Activity description	Acres impacted	Miles of roads	Timber sale volume (MBF)
02304: Blackhawk Mountain: Hermosa	97		4, 000
02304: Blackhawk Mountain: Tin Can Basin	194		1, 200
02315: Ryman: Oil and gas leases	7, 750		
D2306: Hermosa: Oil and gas leases	80		
Do	220		
Do	2, 400		
B2302: East Animas: Timber sale	27		935
D2284: South San Juan: Oil and gas leases	100		
02194: Nick Mountain: 4 applications	6, 550		
B2196: West Elk: 3 applications	5, 376		
B2196: West Elk: 31 leases	64, 688		
B2196: West Elk: Upper Red Creek	790		1, 000
B2198: Beaver-Castle: Rainbow Lake	720		1, 700
02200: Whetstone Mountain: 1 application	2, 140		
02201: Flattop Mountain: 3 applications	5, 000		
02201: Flattop Mountain: 3 leases	2, 758		
02201: Flattop Mountain: 1 operating plan			
02205: Kreutzer-Princeton: Cow Creek	3, 000		1, 500
02206: Romley: Mirror Lake Salv	600		300
02207: Canyon Creek: 2 applications	4, 185		
02224: Uncompahgre: Applications	7, 680		
02226: Cimarron: 1 application	2, 240		
02232: Iron Mountain: 1 application	2, 022		
02245: Ute Creek: 9 applications	19, 679		
02245: Ute Creek: TV translator			
02246: Campbell Point: 1 application	2, 258		
02247: Johnson Creek: 2 applications	4, 454		
02358: Chipeta: Posts and poles	240		130
02248: Silverheels: Oil and gas lease	740		
02253: Thirtynine Mile: Oil and gas lease	520		
Do	2, 940		
02256: Front Range: Post and fuelwood	100		150
B2271: Spanish Peaks: Oil and gas lease	2, 250		
C2266: Sangre De Cristo: Oil and gas lease	1, 200		
02143: Jefferson: Oil and gas leasing	120		
02264: Starvation Creek: Pole and post timber	100		50
02344: Puma: Oil and gas lease	7, 240		
02358: Chipeta: Posts and poles	240		100
02305: Storm Peak: Oil and gas leases	16, 240		
Do	14, 990		
Do	22, 200		
02305: Storm Peak: Shoas Park	1, 100	9. 0	6, 000
02305: Storm Peak: Blow down sale	388		0. 3
02295: HD Mountain: Oil and gas leases	10, 410		
Do	7, 285		
Do	2, 640		
B2292: Piedra: Oil and gas leases	860		
Do	240		
B2292: Piedra: Trail Ridge	1, 500		9, 500
B2292: Piedra: Lower Middle Mountain	3, 500		8, 000
C2306: Hermosa: Oil and gas leases	12, 850		
Do	4, 190		
E2284: South San Juan: Oil and gas leases	2, 400		
Do	7, 870		
Do	100		

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The **PRESIDING OFFICER**. Is there further morning business?

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **HARRY F. BYRD, JR.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ILLEGAL IMMIGRATION

Mr. **HARRY F. BYRD, JR.** Mr. President, I can understand the desire of anyone to immigrate to the United States. In my mind it is the best of all countries in which to live and work. Despite some of our problems, it is the best country in the world. These days it appears the whole world thinks so, too, and it appears they are not only knocking on the door, but entering in droves—illegally.

For many years, we have found it necessary to limit immigration; laws were passed for that purpose. Provisions were made for family unification, quotas were established, penalties were established for smuggling of undocumented aliens. These laws have daily—indeed hourly—been violated.

Our immigration law establishes quotas—numerical ceilings—on immigration, basically in recognition of our concerns for our resources and environment and the impact that unrestricted immigration would have on American workers, our population growth, and the cost of social services.

These are things I care about. Our first and foremost obligation and consideration is to American citizens and lawfully, I repeat, lawfully admitted alien residents. Our immigration laws should be strictly enforced and immediate action taken to do so.

True refugee status or applications for political asylum should be carefully considered on a case by case basis. A blanket designation for any group (as a group or nationality) should be rejected.

I am especially alarmed, and there has been ample reported evidence, that many entering our country today are not bona fide refugees, nor would they otherwise be eligible for admission—felons, those with communicable disease, or mental incapacity.

Too, there is a question of fairness and equity in immigration policy. It is not fair or equitable to admit unlimited numbers of one country or nationality and restrict others, nor can we open the door to the whole world.

We simply cannot take care of the whole world—whether it be through aid or admission to this country.

This is particularly so when we are confronted with the highest rate of inflation in our history, climbing unemployment, housing limitations, and inflated taxes.

The Department of Labor announced just recently that our current rate of unemployment is 7 percent, or slightly over 7 million unemployed in the United States. The Congressional Budget Office figures used in the first concurrent budget resolution estimated unemployment would rise to 7.3 percent in the last quarter of 1980, and 7.5 percent in calendar year 1981, when roughly 7.8 million workers will be jobless. These projections are generally conceded to be optimistic, considering the large layoffs in the automobile industry in recent weeks and other indicators, which were not anticipated when the CBO figures were developed.

Unemployment statistics are more than figures. They are Americans and lawfully admitted aliens who want to work, who need to work, who have families to support, feed, and shelter.

These are people—real people—our people; people who have already or will be adversely affected by an economy gone awry; American workers who have been consistent and continuous contributors in our society and taxpayers.

Unemployment compensation and other social programs to ease the impact on American workers when jobs are lost are not infinite. To the maximum extent possible, entitlement to these resources should be reserved to meet the needs of unemployed American workers, not illegal immigrants.

Nor should American workers who will be competing with other American unemployed workers in the current scarce job market be forced also to compete with huge numbers of illegal aliens.

Tax dollars of those fortunate enough to be working are already severely strained to provide social services not only for unemployed American workers, but for the American poor, the disabled, and the elderly. We cannot afford—fiscally or physically—to provide these services for unlimited numbers of illegal aliens.

I recently cosponsored with Senator PERCY amendments to H.R. 3236, which would make aliens ineligible for SSI (Supplemental Security Income), the Federal welfare program, for 3 years after entry into the United States and to make affidavits of support by family members or sponsors legally enforceable. The Senate passed these provisions and the legislation is currently pending in conference. I hope for—indeed I urge—approval by the conferees.

I shall pursue other areas of taxpayer relief from the burden of illegal immigration. I strongly support strict enforcement of our immigration laws and vigorously oppose continued illegal immigration, particularly mass influx from first one part of the world and then another.

The announcement by the President last Wednesday imposing sanctions on further transport of aliens should have been taken at the outset.

This activity was as illegal in the beginning as it is today.

The President's responsibility is to execute the laws enacted by Congress—not to ignore or discard them, nor to aid and abet those who do.

Because the administration at first condoned these activities, and in fact assisted them, these belated orders thus far are apparently being flagrantly defied.

As of Sunday, approximately 52,000 illegal immigrants had arrived in Florida and arrivals are continuing at the rate of about 4,000 per day.

The administration must bar further illegal immigration to our shores and restrict the number of would-be immigrants in accordance with the statutory requirements, in an orderly and rational manner.

As I said earlier, we simply cannot take care of the whole world.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. HARRY F. BYRD, JR. Mr. President, the conference report on the budget resolution, which passed the Senate recently and is now in a committee of conference, soon will be reported to the Senate.

I feel that the first concurrent resolution provided too large an increase in Government spending. It is provided an increase of $65 billion in the cost of Government.

I have a letter from the American Farm Bureau Federation signed by Robert B. Delano, president.

This letter urged Congress to get its Government spending under control, balance the budget, and it ended up by saying:

> Farm Bureau's 3 million member families are willing to make their share of sacrifice in order to control inflation and to restore good health to the economy.

Mr. President, I ask unanimous consent that this letter from President Delano and the accompanying policy statement adopted by the board of directors of the American Farm Bureau Federation on March 3, 1980, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., April 24, 1980.

Hon. HARRY FLOOD BYRD, JR.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: The Senate is beginning consideration of the First Concurrent Budget Resolution at a time in our economic history when the annual inflation rate is over 18 percent; farmers are faced with lower income due to inflation, depressed markets, and credit conditions that are sure to prevent some from planting this spring.

The Nation is in great need of fundamental changes in both monetary and fiscal policy. Fundamental changes in monetary policy were begun by Chairman Volcker in October 1979 in an effort to bring the supply of money and credit under control to check inflation. Farm Bureau supports the Federal Reserve effort but the Fed cannot control inflation alone. Congress must cooperate with the Federal Reserve by reducing federal expenditures to balance the budget.

Congress is now presented an excellent opportunity to bring inflation under control by cutting federal expenditures to balance the federal budget. This task is both challenging and ominous. Americans are calling for accountability from each member of Congress to look beyond the demands of special interest for the good of the nation.

Farm Bureau supports a balanced budget by meaningful reductions in federal spending. The attached policy statement issued by the AFBF Board of Directors in March supports all efforts to balance the budget by cutting federal spending.

Farm Bureau's three million member families are willing to make their share of sacrifice in order to control inflation and to restore good health to the economy. We ask you for your commitment to this cause.

ROBERT B. DELANO,
President.

POLICY STATEMENT OF THE BOARD OF DIRECTORS, AMERICAN FARM BUREAU FEDERATION

Farm Bureau members throughout the nation are alarmed at the runaway inflation which is rapidly approaching an annual rate of 20 percent. We are skating on the edge of an economic disaster at a time when we face grave international threats to the free world. Resolute action must be taken to stop inflation before it completely wrecks our economic and social system.

We reject the notion that it is impossible to identify the causes of inflation and come up with long-run solutions that will work. The American people understand very well that the basic cause is excessive spending and deficit financing by the federal government. Inflated prices and wages are the results of inflation; not its cause.

We reject the fallacious idea that wage and price controls are a cure for inflation. Farmers and consumers are still suffering from the results of the last effort to control beef prices. Such controls have never worked and would not work now, because they treat only the symptoms of inflation rather than its basic causes.

We call on the President and the leaders of both political parties to put politics aside and to reach agreement on an affirmative program of effective actions to be taken during the next 60 days. This agreement should include actions to rescind $30 billion of the expenditures authorized for this fiscal year, to be implemented by a careful review of every budget item, and further action to reduce the 1981 budget, which Congress is now considering, by $30 billion.

In some cases, these actions will require a review and revision of basic legislation which is causing a rapid escalation of the cost of civil service salaries, transfer payments and other entitlement programs. Farmers are willing to take their share of the sacrifices that are needed to bring inflation under control by accepting proportional cuts in the Department of Agriculture's budget as a part of an overall reduction in the total federal budget.

In addition to drastic cuts in federal spending, a concerted attack on inflation should include tax reforms to encourage savings and investment as a means of increasing productivity; a large-scale elimination of excessive and unnecessary government regulation; and a realistic energy policy which will provide greater freedom for the market system to reduce our dependence on imported oil by encouraging conservation and expanding the production of domestic sources of energy.

We reiterate, however, that the most important and essential step that can be taken to stop inflation is for the federal government itself to stop creating inflation through excessive spending and deficit financing which leads to the printing of money. Significant cuts in federal spending are needed to break the psychology of inflation and to reinforce the courageous efforts of the Federal Reserve Board to restrain the growth of the money supply.

"Politics as usual" will not stop inflation. What we need is dramatic action by the President and the Congress to set aside partisan politics for a few weeks and to convince Americans that their political leaders intend to do more than just talk about the need to bring inflation under control.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SARA ANN STEVENS COVICH

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority whip, Mr. TED STEVENS, is in Alaska to see his daughter Susan and his first granddaughter, Sara Ann.

Sara Ann is quite a healthy baby. She weighed 7 pounds and 11 ounces and she was 21 inches in length. Sara Ann was born at 3:54 a.m. (Anchorage time), Saturday, May 17. Sara Ann's proud parents are Susan and David Covich. Susan is the oldest of the Stevens children.

I can understand the pride with which Senator STEVENS has announced the birth of his first granddaughter.

This is his first taste of immortality. He has reached a new plateau in life.

I used to listen to doting grandparents talk about their grandchildren. And I thought it could never be so—all those wonderful things they had to say about grandchildren.

But I can tell you it is a fact—every word is so!

I have six grandchildren—two granddaughters and four grandsons, and so I have a feeling of joy with TED as he looks upon the face of his little granddaughter Sara Ann. I congratulate him, his daughter Susan and son-in-law David and wish them and their daughter—TED's granddaughter—the best of every good thing in the world.

I know that my colleagues share with me this feeling of happiness for Senator TED STEVENS.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, when Mr. GEORGE MITCHELL was sworn in as a new Senator from Maine yesterday, he was the 1,735th United States Senator. This figure includes all of the Senators in the United States, going back to the year 1789, when the first Senate met, and continuing through this day.

I secured this information from the Library of Congress Research Service, Sula Richardson, who in turn obtained the figure from the Inter-University Consortium for Political and Social Research which used a computer system to arrive at its total. This facility is part of the University of Michigan in Ann Arbor, Michigan.

Mr. President, I ask unanimous consent to have printed in the RECORD the names of all of the United States Senators who have served between the years 1789 and 1980 inclusive.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

INDEX OF SENATORS OF THE UNITED STATES

A

Abbott, Joseph C.; N.C.
Abel, Hazel H.; Nebr.
Abourezk, James; S. Dak.
Adair, John; Ky.
Adams, Alva B.; Colo.
Adams, John Quincy; Mass.
Adams, Robert H.; Miss.
Adams, Stephen; Miss.
Aiken, George D.; Vt.
Alcorn, James L.; Miss.
Aldrich, Nelson W.; R.I.
Alger, Russell A.; Mich.
Allee, James F.; Del.
Allen, Henry J.; Kans.
Allen, James B.; Ala.
Allen, John B.; Wash.
Allen, Maryon Pittman; Ala.
Allen, Philip; R.I.
Allen, William; Ohio.
Allen, William V.; Nebr.
Allison, William B.; Iowa.
Allott, Gordon; Colo.
Ames, Adelbert; Miss.
Anderson, Alexander; Tenn.
Anderson, Clinton P.; N. Mex.
Anderson, Joseph; Tenn.
Anderson, Wendell R.; Minn.
Andrews, Charles O.; Fla.
Ankeny, Levi; Wash.
Anthony, Henry B.; R.I.
Archer, William S.; Va.
Armstrong, David H.; Mo.
Armstrong, John; N.Y.
Armstrong, William L.; Colo.
Arnold, Samuel G.; R.I.
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Ashmun, Eli P.; Mass.
Ashurst, Henry Fountain; Ariz.
Atchison, David R.; Mo.
Atherton, Charles G.; N.H.
Austin, Warren R.; Vt.

B

Bachman, Nathan L.; Tenn.
Bacon, Augustus O.; Ga.
Badger, George E.; N.C.
Bagby, Arthur P.; Ala.
Bailey, James E.; Tenn.
Bailey, Joseph W.; Tex.
Bailey, Josiah W.; N.C.
Bailey, Theodorus; N.Y.
Baird, David; N.J.
Baird, David, Jr.; N.J.
Baker, David J.; Ill.
Baker, Edward D.; Oreg.
Baker, Howard H., Jr.; Tenn.
Baker, Lucien; Kans.
Baldwin, Abraham; Ga.
Baldwin, Henry P.; Mich.
Baldwin, Raymond E.; Conn.
Baldwin, Roger S.; Conn.
Ball, Joseph H.; Minn.
Ball, L. Heisler; Del.
Bankhead, John H.; Ala.
Bankhead, John H., 2d; Ala.
Barbour, James C.; Va.
Barbour, John S., Jr.; Va.
Barbour, W. Warren; N.J.
Bard, Thomas R.; Calif.
Barkley, Alben W.; Ky.
Barnard, Isaac D.; Pa.
Barnum, William H.; Conn.
Barnwell, Robert W.; S.C.
Barrett, Frank A.; Wyo.
Barrow, Alexander; La.
Barrow, Pope; Ga.
Barry, Alexander G.; Oreg.
Barry, William T.; Ky.
Bartlett, Dewey F.; Okla.
Bartlett, E. L.; Alaska.
Barton, David; Mo.
Bass, Ross; Tenn.
Bassett, Richard; Del.
Bate, William B.; Tenn.
Bateman, Ephraim; N.J.
Bates, Isaac C.; Mass.
Bates, Martin W.; Del.
Baucus, Max; Mont.
Bayard, James A., Jr., Del.
Bayard, James A., Sr., Del.
Bayard, Richard H.; Del.
Bayard, Thomas F., Jr., Del.
Bayard, Thomas F., Sr., Del.
Bayh, Birch; Ind.
Beall, J. Glenn; Md.
Beall, J. Glenn, Jr., Md.
Beck, James B.; Ky.
Beckham, John C. W.; Ky.
Beckwith, John C. W.; Wyo.[1]
Bell, Charles H.; N.H.
Bell, James; N.H.
Bell, John; Tenn.
Bell, Samuel; N.H.
Bellmon, Henry; Okla.
Bender, George H.; Ohio.
Bénet, Christie; S.C.
Benjamin, Judah P.; La.
Bennett, Wallace F.; Utah.
Benson, Alfred W.; Kans.
Benson, Elmer A.; Minn.
Benton, Thomas H.; Mo.
Benton, William, Conn.
Bentsen, Lloyd M., Jr.; Tex.
Berrien, John M.; Ga.
Berry, George L.; Tenn.
Berry, James H.; Ark.
Betts, Thaddeus; Conn.
Beveridge, Albert J.; Ind.
Bibb, George M.; Ky.
Bibb, William W.; Ga.
Bible, Alan; Nev.
Biden, Joseph R., Jr.; Del.
Biggs, Asa; N.C.
Bigler, William; Pa.
Bilbo, Theodore G.; Mass.
Bingham, Hiram; Conn.
Bingham, Kinsley S.; Mich.
Bingham, William; Pa.
Black, Hugo; Ala.
Black, John; Miss.
Blackburn, Joseph C. S.; Ky.
Blaine, James G.; Maine.
Blaine, John J.; Wis.
Blair, Francis P.; Mo.
Blair, Henry W.; N.H.
Blakley, William A.; Tex.
Blanchard, Newton C.; La.
Blease, Coleman L.; S.C.
Bledsoe, Jesse; Ky.
Blodgett, Rufus; N.J.
Bloodworth, Timothy; N.C.
Blount, William; Tenn.
Boardman, Elijah; Conn.
Boggs, J. Caleb; Del.
Bogy, Lewis V.; Mo.
Bone, Homer T.; Wash.
Booth, Newton; Calif.
Borah, William E.; Idaho.
Boreman, Arthur I.; W. Va.
Boren, David L.; Okla.
Borland, Solon; Ark.
Boschwitz, Rudy; Minn.
Bottum, Joe H.; S. Dak.
Bouligny, Dominique; La.
Bourne, Jonathan, Jr.; Oreg.
Boutwell, George S.; Mass.
Bowden, Lemuel L.; Va.
Bowen, Thomas M.; Colo.
Bowring, Eva; Nebr.
Bradbury, James W.; Maine.
Bradford, William; R.I.
Bradley, Bill; N.J.
Bradley, Stephen R.; Vt.
Bradley, William O.; Ky.
Brady, James H.; Idaho.
Bragg, Thomas; N.C.
Brainerd, Lawrence; Vt.
Branch, John; N.C.
Brandegee, Frank B.; Conn.
Bratton, Sam G.; N. Mex.
Breckinridge, John; Ky.
Breckinridge, John C.; Ky.
Breese, Sidney; Ill.
Brent, Richard; Va.
Brewster, Daniel B.; Md.
Brewster, Ralph O.; Maine.
Brice, Calvin S.; Ohio.
Bricker, John W.; Ohio.
Bridges, Styles; N.H.
Briggs, Frank O.; N.J.
Briggs, Frank P.; Mo.
Bright, Jesse D.; Ind.
Bristow, Joseph L.; Kans.
Brock, William E.; Tenn.
Brock, William E., III; Tenn.
Broderick, David C.; Calif.
Brodhead, Richard; Pa.
Brooke, Edward W.; Mass.
Brooke, Walker; Miss.
Brookhart, Smith W.; Iowa.
Brooks, C. Wayland; Ill.
Broughton, J. Melvill; N.C.
Broussard, Edwin S.; La.
Broussard, Robert F.; La.
Brown, Albert G.; Miss.
Brown, Arthur Y., Utah.
Brown, Bedford; N.C.
Brown, B. Gratz; Mo.
Brown, Ernest S.; Nev.
Brown, Ethan A.; Ohio.
Brown, Fred H.; N.H.
Brown, James; La.
Brown, John; Ky.
Brown, Joseph E.; Ga.
Brown, Norris; Nebr.
Brown, Prentiss M.; Mich.
Browning, Orville H.; Ill.
Brownlow, William G.; Tenn.
Bruce, Blanche K.; Miss.
Bruce, William Cabell; Md.
Brunsdale, C. Norman; N. Dak.
Bryan, Nathan P.; Fla.
Bryan, William J.; Fla.
Buchanan, James; Pa.
Buck, C. Douglass; Del.
Buckalew, Charles R.; Pa.
Buckingham, William A.; Conn.
Buckley, James L.; N.Y.
Buckner, Alexander; Mo.
Bulkeley, Morgan G., Conn.
Bulkley, Robert J.; Ohio.
Bulloch, William B.; Ga.
Bulow, William J.; S. Dak.
Bumpers, Dale; Ark.
Bunker, Berkeley L.; Nev.
Burch, Thomas G.; Va.
Burdick, Quentin N.; N. Dak.
Burke, Edward R.; Nebr.
Burke, Thomas A.; Ohio.
Burkett, Elmer J.; Nebr.
Burleigh, Edwin C.; Maine.
Burnet, Jacob; Ohio.
Burnham, Henry E.; N.H.
Burnside, Ambrose E.; R.I.
Burr, Aaron; N.Y.
Burrill, James, Jr.; R.I.
Burrows, Julius C.; Mich.
Bursum, Holm O.; N. Mex.
Burton, Harold H.; Ohio.
Burton, Joseph R.; Kans.
Burton, Theodore E.; Ohio.
Bush, Prescott; Conn.
Bushfield, Harlan J.; S. Dak.
Bushfield, Vera C.; S. Dak.
Butler, Andrew P.; S.C.
Butler, Hugh; Nebr.
Butler, John M.; Md.
Butler, Marion; N.C.
Butler, Matthew C.; S.C.
Butler, Pierce; S.C.
Butler, William M.; Mass.
Byrd, Harry Flood; Va.
Byrd, Harry F., Jr.; Va.
Byrd, Robert C.; W. Va.
Byrnes, James F.; S.C.

C

Cabot, George; Mass.
Caffery, Donelson; La.
Cain, Harry P.; Wash.
Calder, William M.; N.Y.
Caldwell, Alexander; Kans.
Calhoun, John C.; S.C.
Call, Wilkinson; Fla.
Camden, Johnson N.; W. Va.

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[1] Appointed by governor, but did not qualify.

Camden, Johnson N., Jr.; Ky.
Cameron, Angus; Wis.
Cameron, James D.; Pa.
Cameron, Ralph H.; Ariz.
Cameron, Simon; Pa.
Campbell, Alexander; Ohio.
Campbell, George W.; Tenn.
Cannon, Frank J.; Utah.
Cannon, Howard W.; Nev.
Capehart, Homer E.; Ind.
Caperton, Allen T.; W. Va.
Capper, Arthur; Kans.
Caraway, Mrs. Hattie W.; Ark.
Caraway, Thaddeus H.; Ark.
Carey, Joseph M.; Wyo.
Carey, Robert D.; Wyo.
Carlile, John S.; Va.
Carlisle, John G.; Va.
Carlson, Frank; Kans.
Carmack, Edward W.; Tenn.
Carpenter, Matthew H.; Wis.
Carroll, Charles, of Carrollton; Md.
Carroll, John A.; Colo.
Carter, Thomas H.; Mont.
Carville, E. P.; Nev.
Case, Clifford P.; N.J.
Case, Francis; S. Dak.
Casey, Lyman, R.; N. Dak.
Cass, Lewis; Mich.
Casserly, Eugene; Calif.
Cathcart, Charles W.; Ind.
Catron, Thomas B.; N. Mex.
Cattell, Alexander G.; N.J.
Chace, Jonathan; R.I.
Chafee, John H.; R.I.
Chaffee, Jerome B.; Colo.
Chalmers, Joseph W.; Miss.
Chamberlain, George E.; Oreg.
Chambers, Ezekiel F.; Md.
Chambers, Henry H.; Ala.
Champlin, Christopher G.; R.I.
Chandler, Albert B.; Ky.
Chandler, John; Maine
Chandler, William E.; N.H.
Chandler, Zachariah; Mich.
Chapman, Virgil; Ky.
Charlton, Robert M.; Ga.
Chase, Dudley; Vt.
Chase, Salmon P.; Ohio
Chavez, Dennis; N. Mex.
Cheney, Person C.; N.H.
Chestnut, James Jr.; S.C.
Chilcott, George M.; Colo.
Chiles, Lawton; Fla.
Chilton, Horace; Tex.
Chilton, William E.; W. Va.
Chipman, Nathaniel; Vt.
Choate, Rufus; Mass.
Christiancy, Isaac P.; Mich.
Church, Frank; Idaho.
Cilley, Joseph; N.H.
Claiborne, William C. C.; La.
Clapp, Moses E.; Minn.
Clark, Bennett Champ; Mo.
Clark, Clarence D.; Wyo.
Clark, D. Worth; Idaho.
Clark, Daniel; N.H.
Clark, Dick; Iowa.
Clark, Joseph S.; Pa.
Clark, William A.; Mont.
Clarke, James P.; Ark.
Clarke, John H.; R.I.
Clay, Alexander S.; Ga.
Clay, Clement Claiborne Jr.; Ala.
Clay, Clement Comer; Ala.
Clay, Henry; Ky.
Clayton, Henry D.; Ala.[1]
Clayton, John M.; Del.
Clayton, Joshua; Del.
Clayton, Powell; Ark.
Clayton, Thomas; Del.
Clemens, Jeremiah; Ala.
Clements, Earle C.; Ky.
Clingman, Thomas L.; N.C.
Clinton, De Witt; N.Y.
Cobb, Thomas W.; Ga.
Cochran, Thad.; Miss.
Cocke, William; Tenn.
Cockrell, Francis M.; Mo.
Cohen, John S.; Ga.
Cohen, William S.; Maine.
Coke, Richard; Tex.
Cole, Cornelius; Calif.
Colhoun, John E.; S.C.
Collamer, Jacob; Vt.
Colquitt, Alfred H.; Ga.
Colquitt, Walter T.; Ga.
Colt, LeBaron B.; R.I.
Comegys, Joseph P.; Del.
Comer, Braxton B.; Ala.
Condit, John; N.J.
Conger, Omar D.; Mich.
Conkling, Roscoe; N.Y.
Connally, Tom; Tex.
Conness, John; Calif.
Conover, Simon B.; Fla.
Conrad, Charles M.; La.
Cook, Marlow W.; Ky.
Coolidge, Marcus A.; Mass.
Cooper, Henry; Tenn.
Cooper, James; Pa.
Cooper, John S.; Ky.
Copeland, Royal S.; N.Y.
Corbett, Henry W.; Oreg.
Cordon, Guy; Oreg.
Corwin, Thomas; Ohio.
Costigan, Edward P.; Colo.
Cotton, Norris; N.H.
Couzens, James; Mich.
Cowan, Edgar; Pa.
Crafts, Samuel C.; Vt.
Cragin, Aaron H.; N.H.
Crane, Winthrop M.; Mass.
Cranston, Alan; Calif.
Crawford, Coe I.; S. Dak.
Crawford, William H.; Ga.
Creswell, John A. J.; Md.
Crippa, Edward D.; Wyo.
Crittenden, John J.; Ky.
Crow, William E.; Pa.
Crozier, Robert; Kans.
Culberson, Charles A.; Tex.
Cullom, Shelby M.; Ill.
Culver, John C.; Iowa.
Cummins, Albert B.; Iowa.
Curtis, Carl T.; Nebr.
Curtis, Charles; Kans.
Cuthbert, Alfred; Ga.
Cutting, Bronson; N. Mex.
Cutts, Charles; N.H.

D

Daggett, David; Conn.
Dale, Porter H.; Vt.
Dallas, George M.; Pa.
Dalton, Tristram; Mass.
Dana, Judah; Maine.
Dana, Samuel W.; Conn.
Danaher, John A.; Conn.
Danforth, John C.; Mo.
Daniel, Charles E.; S.C.
Daniel, John W.; Va.
Daniel, Price; Tex.
Darby, Harry; Kans.
Davenport, Franklin; N.J.
Davis, Cushman K.; Minn.
Davis, David; Ill.
Davis, Garrett; Ky.
Davis, Henry G.; W. Va.
Davis, James J.; Pa.
Davis, Jeff; Ark.
Davis, Jefferson; Miss.
Davis, John; Mass.
Dawes, Henry L.; Mass.
Dawson, William C.; Ga.
Dayton, Jonathan; N.J.
Dayton, William L.; N.J.
Deboe, William J.; Ky.
DeConcini, Dennis; Ariz.
Deneen, Charles S.; Ill.
Dennis, George R.; Md.
Depew, Chauncey M.; N.Y.
De Saussure, William F.; S.C.
Destréhan, John N.; La.[1]
De Wolf, James; R.I.
Dexter, Samuel; Mass.
Dial, Nathaniel B.; S.C.
Dick, Charles W. F.; Ohio.
Dickerson, Mahlon; N.J.
Dickinson, Daniel S.; N.Y.
Dickinson, L. J.; Iowa.
Dickinson, Philemon; N.J.
Dieterich, William H.; Ill.
Dietrich, Charles H.; Nebr.
Dill, Clarence C.; Wash.
Dillingham, William P.; Vt.
Dirksen, Everett M.; Ill.
Dix, John A.; N.Y.
Dixon, Archibald; Ky.
Dixon, James; Conn.
Dixon, Joseph M.; Mont.
Dixon, Nathan F., 1st; R.I.
Dixon, Nathan F., 3d; R.I.
Dodd, Thomas J.; Conn.
Dodge, Augustus C.; Iowa.
Dodge, Henry; Wis.
Dole, Robert; Kans.
Dolliver, Jonathan P.; Iowa.
Dolph, Joseph N.; Oreg.
Domenici, Pete V.; N. Mex.
Dominick, Peter H.; Colo.
Donahey, Vic; Ohio.
Donnell, Forrest C.; Mo.
Doolittle, James R.; Wis.
Dorsey, Stephen W.; Ark.
Douglas, Paul H.; Ill.
Douglas, Stephen A.; Ill.
Downey, Sheridan; Calif.
Downs, Solomon W.; La.
Doxey, Wall; Miss.
Drake, Charles D.; Mo.
Drew, Irving W.; N.H.
Dryden, John F.; N.J.
Dubois, Fred T.; Idaho.
Dudley, Charles E.; N.Y.
Duff, James H.; Pa.
Duffy, F. Ryan; Wis.
Dulles, John Foster; N.Y.
du Pont, Henry A.; Del.
du Pont, T. Coleman; Del.
Durenberger, David; Minn.
Durkee, Charles; Wis.
Durkin, John A., N.H.
Dworshak, Henry C., Idaho.

E

Eagleton, Thomas F.; Mo.
Earle, Joseph H.; S.C.
Eastland, James O.; Miss.
Eaton, John H.; Tenn.
Eaton, William W.; Conn.
Ecton, Zales N.; Mont.
Edge, Walter E.; N.J.
Edgerton, Alonzo J.; Minn.
Edmondson, J. Howard; Okla.
Edmunds, George F.; Vt.
Edwards, Edward I.; N.J.
Edwards, Elaine S.; La.
Edwards, Henry W.; Conn.
Edwards, John; Ky.
Edwards, Ninian; Ill.
Elkins, Davis; W. Va.
Elkins, Stephen B.; W. Va.
Ellender, Allen J.; La.
Ellery, Christopher; R.I.
Elliott, John; Ga.
Ellis, Powhatan; Miss.
Ellsworth, Oliver; Conn.
Elmer, Jonathan; N.J.
Elmore, Franklin H.; S.C.
Engle, Clair; Calif.
English, James E.; Conn.
Eppes, John W.; Va.
Erickson, John E.; Mont.
Ernst, Richard P.; Ky.
Ervin, Sam J., Jr.; N.C.
Eustis, James B.; La.
Evans, George; Maine.
Evans, Josiah J.; S.C.
Evarts, William M.; N.Y.
Everett, Edward; Mass.
Ewing, Thomas; Ohio.
Ewing, William L. D.; Ill.
Exon, J. J.; Nebr.

F

Fair, James G.; Nev.
Fairbanks, Charles W.; Ind.
Fairfield, John; Maine.

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[1] Appointed by governor, but withdrew.

[1] Elected, but did not qualify.

Fall, Albert B.; N. Mex.
Fannin, Paul J.; Ariz.
Farley, James T.; Calif.
Farwell, Charles B.; Ill.
Farwell, Nathan A.; Maine.
Faulkner, Charles J.; W. Va.
Feazel, William C.; La.
Felch, Alpheus; Mich.
Felton, Charles N.; Calif.
Felton, Mrs. Rebecca L.; Ga.
Fenner, James; R.I.
Fenton, Reuben E.; N.Y.
Ferguson, Homer; Mich.
Fernald, Bert M.; Maine.
Ferris, Woodbridge N.; Mich.
Ferry, Orris S.; Conn.
Ferry, Thomas W.; Mich.
Fess, Simeon D.; Ohio.
Fessenden, William P.; Maine.
Few, William; Ga.
Field, Richard S.; N.J.
Findlay, William; Pa.
Finley, Jesse J.; Fla.[1]
Fish, Hamilton; N.Y.
Fisk, James; Vt.
Fitch, Graham N.; Ind.
Fitzgerald, Thomas; Mich.
Fitzpatrick, Benjamin; Ala.
Flanagan, James W.; Tex.
Flanders, Ralph E.; Vt.
Fletcher, Duncan U.; Fla.
Flint, Frank P.; Calif.
Fogg, George G.; N.H.
Fong, Hiram L.; Hawaii.
Foot, Solomon; Vt.
Foote, Henry S.; Miss.
Foote, Samuel A.; Conn.
Foraker, Joseph B.; Ohio.
Ford, Wendell H.; Ky.
Forsyth, John; Ga.
Foster, Addison G.; Wash.
Foster, Dwight; Mass.
Foster, Ephraim H.; Tenn.
Foster, Henry A.; N.Y.
Foster, Lafayette S.; Conn.
Foster, Murphy J.; La.
Foster, Theodore; R.I.
Fowler, Joseph S.; Tenn.
France, Joseph I.; Md.
Francis, John B.; R.I.
Franklin, Jesse; N.C.
Frazier, James B.; Tenn.
Frazier, Lynn J.; N. Dak.
Frear, J. Allen, Jr.; Del.
Frelinghuysen, Frederick, N.J.
Frelinghuysen, Frederick T.; N.J.
Frelinghuysen, Joseph S.; N.J.
Frelinghuvsen, Theodore; N.J.
Fremont, John C.; Calif.
Fromentin, Eligius; La.
Frye, William P.; Maine.
Fulbright, J. William; Ark.
Fulton, Charles W.; Oreg.
Fulton, William S.; Ark.

G

Gaillard, John; S.C.
Gallatin, Albert; Pa.
Gallinger, Jacob H.; N.H.
Gamble, Robert J.; S. Dak.
Gambrell, David H.; Ga.
Gardner, Obadiah; Maine.
Garland, Augustus H.; Ark.
Garn, E. J. "Jake"; Utah.
Gary, Frank B.; S.C.
Gay, Edward J.; La.
Gear, John H.; Iowa
Gearin, John M.; Oreg.
George, James Z.; Miss.
George, Walter F.; Ga.
German, Obadiah; N.Y.
Gerry, Peter G.; R.I.
Geyer, Henry S.; Mo.
Gibson, Charles H.; Md.
Gibson, Ernest W.; Vt.
Gibson, Ernest W. Jr.; Vt.
Gibson, Paris; Mont.
Gibson, Randal L.; La.
Gilbert, Alijah; Fla.
Giles, William B.; Va.
Gillett, Frederick H.; Mass.
Gillette, Francis; Conn.
Gillette, Guy M.; Iowa.
Gilman, Nicholas; N.H.
Glass, Carter; Va.
Glass, Frank P.; Ala.[1]
Glenn, John H.; Ohio.
Glenn, Otis F.; Ill.
Goff, Guy D.; W. Va.
Goff, Nathan; W. Va.
Goldsborough, Phillips L.; Md.
Goldsborough, Robert H.; Md.
Goldthwaite, George; Ala.
Goldwater, Barry; Ariz.
Goodell, Charles E.; N.Y.
Goodhue, Benjamin; Mass.
Goodling, Frank R.; Idaho.
Goodrich, Chauncey; Conn.
Gordon, James; Miss.
Gordon, John B; Ga.
Gore, Albert; Tenn.
Gore, Christopher; Mass.
Gore, Thomas P.; Okla.
Gorman, Arthur P.; Md.
Gossett, Charles C.; Idaho.
Gould, Arthur R.; Maine.
Graham, Frank P.; N.C.
Graham, William A.; N.C.
Grammer, Elijah S.; Wash.
Gravel, Mike; Alaska.
Graves, Mrs. Dixie Bibb; Ala.
Gray, George; Del.
Grayson, William; Va.
Green, James S.; Mo.
Green, Theodore F.; R.I.
Greene, Albert C.; R.I.
Greene, Frank L.; Vt.
Greene, Ray; R.I.
Gregg, Andrew; Pa.
Griffin, Robert P.; Mich.
Grimes, James W.; Iowa.
Griswold, Dwight; Nebr.
Griswold, Stanley; Ohio.
Gronna, Asle J.; N. Dak.
Groome, James B.; Md.
Grover, La Fayette; Oreg.
Gruening, Ernest; Alaska.
Grundy, Felix; Tenn.
Grundy, Joseph R.; Pa.
Guffey, Joseph F.; Pa.
Guggenheim, Simon; Colo.
Guion, Walter; La.
Gunn, James; Ga.
Gurney, Edward J.; Fla.
Gurney, J. Chandler; S. Dak.
Guthrie, James; Ky.
Gwin, William M.; Calif.

H

Hager, John S.; Calif.
Hale, Eugene; Maine.
Hale, Frederick; Maine.
Hale, John P.; N.H.
Hall, Wilton E.; S.C.
Hamilton, Morgan S.; Tex.
Hamilton, William T.; Md.
Hamlin, Hannibal; Maine.
Hammond, James H.; S.C.
Hampton, Wade; S.C.
Hanna, Marcus A.; Ohio.
Hanna, Robert; Ind.
Hannegan, Edward A.; Ind.
Hansbrough, Henry C.; N. Dak.
Hansen, Clifford P.; Wyo.
Hanson, Alexander C.; Md.
Hardin, Martin D.; Ky.
Harding, Benjamin F.; Oreg.
Harding, Warren G.; Ohio.
Harwick, Thomas W.; Ga.
Harlan, James; Iowa.
Harper, Robert G.; Md.
Harper, William; S.C.
Harreld, John W.; Okla.
Harris, Fred R.; Okla.
Harris, Ira; N.Y.
Harris, Isham G.; Tenn.
Harris, John S.; La.
Harris, William A.; Kans.
Harris, William J.; Ga.
Harrison, Benjamin; Ind.
Harrison, Pat; Miss.
Harriton, William H; Ohio.
Hart, Gary W.; Colo.
Hart, Philip A.; Mich.
Hart, Thomas C.; Conn.
Hartke, Vance; Ind.
Harvey, James M.; Kans.
Haskel, Floyd K.; Colo.
Hastings, Daniel O.; Del.
Hatch, Carl A.; N. Mex.
Hatch, Orrin G.; Utah.
Hatfield, Henry D.; W. Va.
Hatfield, Mark O.; Oreg.
Hatfield, Paul G.; Mont.
Hathaway, William D.; Maine.
Haun, Henry P.; Calif.
Hawes, Harry B.; Mo.
Hawkes, Albert W.; N.J.
Hawkins, Benjamin; N.C.
Hawley, Joseph R.; Conn.
Hayden, Carl; Ariz.
Hayakawa, S. I.; Calif.
Hayne, Arthur P.; S.C.
Hayne, Robert Y.; S.C.
Hayward, Monroe L.; Nebr.
Haywood, William H.; N.C.
Hearst, George; Calif.
Hebert, Felix; R.I.
Heflin, Howell; Ala.
Heflin, J. Thomas; Ala.
Heinz, H. John III; Pa.
Heiskell, John N.; Ark.
Heitfeld, Henry; Idaho.
Helms, Jesse; N.C.
Hemenway, James A.; Ind.
Hemphill, John; Tex.
Henderson, Charles B.; Nev.
Henderson, J. Pinckney; Tex.
Henderson, John; Miss.
Henderson, John B.; Mo.
Hendricks, Thomas A.; Ind.
Hendricks, William; Ind.
Hendrickson, Robert C.; N.J.
Hennings, Thomas C., Jr.; Mo.
Henry, John; Md.
Hereford, Frank; W. Va.
Herring, Clyde L.; Iowa.
Heyburn, Weldon B.; Idaho.
Hickenlooper, Bourke B.; Iowa.
Hickey, John Joseph; Wyo.
Hicks, Thomas H.; Md.
Higgins, Anthony; Del.
Hill, Benjamin H.; Ga.
Hill, David B.; N.Y.
Hill, Isaac; N.H.
Hill, Joshua; Ga.
Hill, Lister; Ala.
Hill, Nathaniel P.; Colo.
Hill, William L.; Fla.
Hillhouse, James; Conn.
Hindman, William; Md.
Hiscock, Frank; N.Y.
Hitchcock, Gilbert M.; Nebr.
Hitchcock, Herbert E.; S. Dak.
Hitchcock, Phineas W.; Nebr.
Hoar, George F.; Mass.
Hobart, John S.; N.Y.
Hoblitzell, John D., Jr.; W. Va.
Hodges, Kaneaster, Jr.; Ark.
Hoey, Clyde R.; N.C.
Holland, Spessard L.; Fla.
Hollings, Ernest F.; S.C.
Hollis, Henry F.; N.H.
Holman, Rufus C.; Oreg.
Holmes, David; Miss.
Holmes, John; Maine.
Holt, Rush, D.; W. Va.
Hopkins, Albert J.; Ill.
Horsey, Outerbridge; Del.
Houston, Andrew Jackson; Tex.
Houston, George S.; Ala.
Houston, Sam; Tex.
Howard, Guy V.; Minn.
Howard, Jacob M.; Mich.
Howard, John E.; Md.
Howe, Timothy O.; Wis.
Howell, James B.; Iowa.
Howell, Jeremiah B.; R.I.
Howell, Robert B.; Nebr.

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[1] Appointed by governor, but did not qualify.

Howland, Benjamin; R.I.
Hruska, Roman L.; Nebr.
Hubbard, Henry; N.H.
Huddleston, Walter D.; Ky.
Huffman, James W.; Ohio.
Huger, Daniel E.; S.C.
Hughes, Charles J., Jr.; Colo.
Hughes, Harold E., Iowa.
Hughes, James H.; Del.
Hughes, William; N.J.
Hull, Cordell; Tenn.
Humphrey, Gordon J.; N.H.
Humphrey, Hubert H.; Minn.
Humphrey, Muriel; Minn.
Humphreys, Robert; Ky.
Hunt, Lester C.; Wyo.
Hunter, John; S.C.
Hunter, Richard C.; Nebr.
Hunter, Robert M. T.; Va.
Hunter, William; R.I.
Huntington, Jabez W.; Conn.
Hunton, Eppa; Va.
Husting, Paul O.; Wis.

I

Ingalls, John J.; Kans.
Inouye, Daniel K.; Hawaii.
Irby, John L. M.; S.C.
Iredell, James; N.C.
Iverson, Alfred; Ga.
Ives, Irving M.; N.Y.
Izard, Ralph; S.C.

J

Jackson, Andrew; Tenn.
Jackson, Henry M.; Wash.
Jackson, Howell E.; Tenn.
Jackson, James; Ga.
Jackson, Samuel D.; Ind.
Jackson, William P.; Md.
James, Charles T.; R.I.
James, Ollie M.; Ky.
Jarnagin, Spencer; Tenn.
Jarvis, Thomas J.; N.C.
Javits, Jacob K.; N.Y.
Jenner, William E.; Ind.
Jenness, Benning W.; N.H.
Jepsen, Roger W.; Iowa.
Jewett, Daniel T.; Mo.
Johnson, Andrew; Tenn.
Johnson, Charles F.; Maine.
Johnson, Edwin C.; Colo.
Johnson, Edwin S.; S. Dak.
Johnson, Henry; La.
Johnson, Herschel V.; Ga.
Johnson, Hiram W.; Calif.
Johnson, Lyndon B.; Tex.
Johnson, Magnus; Minn.
Johnson, Martin N.; N. Dak.
Johnson, Reverdy; Md.
Johnson, Richard M.; Ky.
Johnson, Robert W.; Ark.
Johnson, Waldo P.; Mo.
Johnson, William S.; Conn.
Johnston, J. Bennett; La.
Johnston, John W.; Va.
Johnston, Joseph F.; Ala.
Johnston, Josiah S.; La.
Johnston, Olin D.; S.C.
Johnston, Rienzi M.; Tex.
Johnston, Samuel; N.C.
Jonas, Benjamin F.; La.
Jones, Andrieus A.; N. Mex.
Jones, Charles W.; Fla.
Jones, George; Ga.
Jones, George W.; Iowa.
Jones, James C.; Tenn.
Jones, James K.; Ark.
Jones, John P.; Nev.
Jones, Wesley L.; Wash.
Jordan, B. Everett; N.C.
Jordan, Len B.; Idaho.

K

Kane, Elias K.; Ill.
Kassebaum, Nancy Landon; Kans.
Kavanaugh, William M.; Ark.
Kean, Hamilton F.; N.J.
Kean, John; N.J.
Kearns, Thomas; Utah.
Keating, Kenneth B.; N.Y.
Kefauver, Estes; Tenn.
Kellogg, Frank B.; Minn.
Kellogg, William P.; La.
Kelly, James K.; Oreg.
Kelly, William; Ala.
Kem, James P.; Mo.
Kendrick, John B.; Wyo.
Kenna, John E.; W. Va.
Kennedy, Anthony; Md.
Kennedy, Edward M.; Mass.
Kennedy, John F.; Mass.
Kennedy, Robert F.; N.Y.
Kenny, Richard R.; Del.
Kent, Joseph; Md.
Kenyon, William S.; Iowa.
Kern, John W.; Ind.
Kernan, Francis; N.Y.
Kerr, John L.; Md.
Kerr, Joseph; Ohio.
Kerr, Robert S.; Okla.
Key, David M.; Tenn.
Keyes, Henry W.; N.H.
Kilgore, Harley M.; W. Va.
King, John P.; Ga.
King, Preston, N.Y.
King, Rufus; N.Y.
King, William H.; Utah.
King, William R.; Ala.
Kirby, William F.; Ark.
Kirkwood, Samuel J.; Iowa.
Kitchell, Aaron; N.J.
Kittredge, Alfred B.; S. Dak.
Knight, Nehemiah R.; R.I.
Knowland, William F.; Calif.
Knox, Philander C.; Pa.
Kuchel, Thomas H.; Calif.
Kyle, James H.; S. Dak.

L

Lacock, Abner; Pa.
Ladd, Edwin F.; N. Dak.
La Follette, Robert M.; Wis.
La Follette, William R., Jr.; Wis.
Laird, William R., III; W. Va.
Lamar, Lucius Q. C.; Miss.
Lambert, John; N.J.
Lane, Harry; Oreg.
Lane, Henry S.; Ind.
Lane, James H.; Kans.
Lane, Joseph; Oreg.
Langdon, John; N.H.
Langer, William; N. Dak.
Lanman, James; Conn.
Lapham, Elbridge G.; N.Y.
Larrazolo, Octaviano A.; N. Mex.
Latham, Milton S.; Calif.
Latimer, Asbury C.; S.C.
Latimer, Henry; Del.
Laurance, John; N.Y.
Lausche, Frank J., Ohio.
Laxalt, Paul; Nev.
Lea, Luke; Tenn.
Leahy, Edward L.; R.I.
Leahy, Patrick J.; Vt.
Leake, Walter; Miss.
Lee, Blair; Md.
Lee, Josh; Okla.
Lee, Richard H.; Va.
Lehman, Herbert H.; N.Y.
Leib, Michael; Pa.
Leigh, Benjamin W.; Va.
Lennon, Alton A.; N.C.
Lenroot, Irvine L.; Wis.
Levin, Carl; Mich.
Lewis, Dixon H.; Ala.
Lewis, James Hamilton; Ill.
Lewis, John F.; Va.
Lindsay, William; Ky.
Linn, Lewis F.; Mo.
Lippitt, Henry F.; R.I.
Livermore, Samuel; N.H.
Livingston, Edward; La.
Lloyd, Edward; Md.
Lloyd, James; Md.
Lloyd, James; Mass.
Locher, Cyrus; Ohio.
Locke, Francis; N.C.
Lodge, Henry Cabot; Mass.
Lodge, Henry Cabot, Jr.; Mass.
Loftin, Scott M.; Fla.
Logan, George; Pa.
Logan, John A.; Ill.
Logan, Marvel M.; Ky.
Logan, William; Ky.
Lonergan, Augustine; Conn.
Long, Chester I.; Kans.
Long, Edward V.; Mo.
Long, Huey P.; La.
Long, Oren E.; Hawaii.
Long, Rose McDonnell; La.
Long, Russell B.; La.
Lorimer, William; Ill.
Lowrie, Walter; Pa.
Lucas, Scott W.; Ill.
Lugar, Richard G.; Ind.
Lumpkin, Alva M.; S.C.
Lumpkin, Wilson; Ga.
Lundeen, Ernest; Minn.
Lusk, Hall S.; Oreg.
Lyon, Lucius; Mich.

M

Machen, Willis B.; Ky.
Maclay, Samuel; Pa.
Maclay, William; Pa.
Macon, Nathaniel; N.C.
Magnuson, Warren G.; Wash.
Magruder, Allan B.; La.
Mahone, William; Va.
Malbone, Francis; R.I.
Mallory, Stephen R.; Fla.
Mallory, Stephen R.; Fla.
Malone, George W.; Nev.
Maloney, Francis; Conn.
Manderson, Charles F.; Nebr.
Mangum, Willie P.; N.C.
Mansfield, Mike; Mont.
Mantle, Lee; Mont.
Marcy, William L.; N.Y.
Marks, William; Pa.
Marshall, Humphrey; Ky.
Marston, Gilman; N.H.
Martin, Alexander; N.C.
Martin, Edward; Pa.
Martin, George B.; Ky.
Martin, John; Kans.
Martin, Thomas E.; Iowa.
Martin, Thomas S.; Va.
Martine, James E.; N.J.
Mason, Armistead T.; Va.
Mason, James M.; Va.
Mason, Jeremiah; N.H.
Mason, Jonathan; Mass.
Mason, Stevens T.; Va.
Mason, Wiliam E.; Ill.
Massey, William A.; Nev.
Matthewson, Elisha; R.I.
Mathias, Charles McC., Jr.; Md.
Matsunaga, Spark M.; Hawaii.
Matthews, Stanley; Ohio.
Maxey, Samuel B.; Tex.
Maybank, Burnet R.; S.C.
Mayfield, Earle B.; Tex.
McAdoo, William Gibbs; Calif.
McBride, George W.; Oreg.
McCarran, Patrick A.; Nev.
McCarthy, Eugene J.; Minn.
McCarthy, Joseph R.; Wis.
McClellan, John L.; Ark.
McClure, James A.; Idaho.
McComas, Louis E.; Md.
McConnell, William J.; Idaho.
McCormick, Medill; Ill.
McCreary, James B.; Ky.
McCreery, Thomas C.; Ky.
McCulloch, Roscoe C.; Ohio.
McCumber, Peter J.; N. Dak.
McDill, James W.; Iowa.
McDonald, Alexander; Ark.
McDonald, Joseph E.; Ind.
McDougall, James A.; Calif.
McDuffie, George; S.C.
McEnery, Samuel D.; La.
McFarland, Ernest W.; Ariz.
McGee, Gale W.; Wyo.
McGill, George; Kans.
McGovern, George; S. Dak.
McGrath, J. Howard; R.I.
McIlvaine, Joseph; N.J.
McIntyre, Thomas J.; N.H.
McKean, Samuel; Pa.
McKellar, Kenneth D.; Tenn.
McKinley, John; Ala.
McKinley, William B.; Ill.
McLane, Louis; Del.
McLaurin, Anselm J.; Miss.

McLaurin, John L.; S.C.
McLean, George P.; Conn.
McLean, John; Ill.
McMahon, Brien; Conn.
McMaster, William H.; S. Dak.
McMillan, James; Mich.
McMillan, Samuel J. R.; Minn.
McNamara, Patrick V.; Mich.
McNary, Charles L.; Oreg.
McPherson, John R.; N.J.
McRae, John J.; Miss.
McRoberts, Samuel; Ill.
Mead, James M.; N.Y.
Means, Rice W.; Colo.
Mechem, E. L.; N. Mex.
Meigs, Return J., Jr.; Ohio.
Melcher, John; Mont.
Mellen, Prentiss; Mass.
Meriwether, David; Ky.
Merrick, William D.; Md.
Merrimon, Augustus S.; N.C.
Metcalf, Jesse, H.; R.I.
Metcalf, Lee; Mont.
Metcalfe, Thomas; Ky.
Metzenbaum, Howard M.; Ohio.
Millard, Joseph H.; Nebr.
Milledge, John; Ga.
Miller, Bert H.; Idaho.
Miller, Homer V. M.; Ga.
Miller, Jack; Iowa.
Miller, Jacob W.; N.J.
Miller, John E.; Ark.
Miller, John F.; Calif.
Miller, Stephen D.; S.C.
Miller, Warner; N.Y.
Millikin, Eugene D.; Colo.
Mills, Elijah H.; Mass.
Mills, Roger Q.; Tex.
Milton, John; N.J
Milton, William H.; Fla.
Minton, Sherman; Ind.
Mitchel, Charles B.; Ark.
Mitchell, Hugh B.; Wash.
Mitchell, John H.; Oreg.
Mitchell, John I.; Pa.
Mitchell, John L.; Wis.
Mitchell, Stephen M.; Conn.
Mitchell, Samuel L.; N.Y.
Mondale, Walter F.; Minn.
Money, Hernando D.; Miss.
Monroe, James; Va.
Monroney, A. S. Mike; Okla.
Montoya, Joseph M.; N. Mex.
Moody, Blair; Mich.
Moody, Gideon C.; S. Dak.
Moor, Wyman B. S.; Maine.
Moore, A. Harry; N.J.
Moore, Andrew; Va.
Moore, Edward H.; Okla.
Moore, Gabriel; Ala.
Morehead, James T.; Ky.
Morgan, Edwin D.; N.Y.
Morgan, John T.; Ala.
Morgan, Robert; N.C.
Morrill, David L.; N.H.
Morill, Justin S.; Vt.
Morrill, Lot Myrick; Maine.
Morris, Gouverneur; N.Y.
Morris, Robert; Pa.
Morris, Thomas; Ohio.
Morrison, Cameron; N.C.
Morrow, Dwight W.; N.J.
Morrow, Jeremiah; Ohio.
Morse, Wayne L.; Oreg.
Morton, Jackson; Fla.
Morton, Oliver H. P. T.; Ind.
Morton, Thruston B.; Ky.
Moses, George H.; N.H.
Moses, John; N. Dak.
Moss, Frank E.; Utah.
Mouton, Alexander; La.
Moynihan, Daniel P.; N.Y.
Muhlenberg, John P. G.; Pa.
Mulkey, Frederick W.; Oreg.
Mundt, Karl E.; S. Dak.
Murdock, Abe; Utah.
Murphy, Edward, Jr.; N.Y.
Murphy, George; Calif.
Murphy, Maurice J., Jr.; N.H.
Murphy, Richard Louis; Iowa.
Murray, James E.; Mont.
Muskie, Edmund S.; Maine.
Myers, Francis J.; Pa.
Myers, Henry L.; Mont.

N

Naudain, Arnold; Del.
Neely, Matthew M., W. Va.
Nelson, Arthur E.; Minn.
Nelson, Gaylord; Wis.
Nelson, Knute; Minn.
Nesmith, James W.; Oreg.
Neuberger, Maurine B.; Oreg.
Neuberger, Richard L.; Oreg.
New, Harry S.; Ind.
Newberry, Truman H.; Mich.
Newlands, Francis G.; Nev.
Nicholas, Robert C.; La.
Nicholas, Wilson C.; Va.
Nicholson, Alfred O. P.; Tenn.
Nicholson, Samuel D.; Colo.
Niles, John M.; Conn.
Nixon, George S.; Nev.
Nixon, Richard M.; Calif.
Noble, James; Ind.
Norbeck, Peter; S. Dak.
Norris, George W.; Nebr.
Norris, Moses, Jr.; N.H.
North, William; N.Y.
Norton, Daniel S.; Minn.
Norvell, John; Mich.
Norwood, Thomas M.; Ga.
Nourse, Amos; Maine.
Nugent, John F.; Idaho.
Nunn, Sam; Ga.
Nye, Gerald P.; N. Dak.
Nye, James W.; Nev.

O

O'Conor, Herbert R.; Md.
O'Daniel, W. Lee; Tex.
Oddie, Tasker L.; Nev.
Ogden, Aaron; N.J.
Oglesby, Richard J.; Ill.
O'Gorman, James A.; N.Y.
Olcott, Simeon; N.H.
Oliver, George T.; Pa.
O'Mahoney, Joseph C.; Wyo.
Osborn, Thomas W.; Fla.
Otis, Harrison G.; Mass.
Overman, Lee S.; N.C.
Overton, John H.; La.
Owen, Robert L.; Okla.

P

Packwood, Robert W.; Oreg.
Paddock, Algernon S.; Nebr.
Page, Carroll S.; Vt.
Page, John; N.H.
Paine, Elijah; Vt.
Palmer, John M.; Ill.
Palmer, Thomas W.; Mich.
Palmer, William A.; Vt.
Parker, Nahum; N.H.
Parker, Richard E.; Va.
Parris, Albion K.; Maine.
Parrott, John F.; N.H.
Partridge, Frank C.; Vt.
Pasco, Samuel; Fla.
Pastore, John O.; R.I.
Paterson, William; N.J.
Patterson, David T.; Tenn.
Patterson, James W.; N.H.
Patterson, John J.; S.C.
Patterson, Roscoe C.; Mo.
Patterson, Thomas M.; Colo.
Patton, John, Jr., Mich.
Payne, Frederick G.; Maine.
Payne, Henry B.; Ohio.
Paynter, Thomas H.; Ky.
Peace, Roger C.; S.C.
Pearce, James A.; Md.
Pearson, James B.; Kans.
Pease, Henry R.; Miss.
Peffer, William A.; Kans.
Pell, Claiborne; R.I.
Pendleton, George H.; Ohio.
Pennybacker, Isaac S.; Va.
Penrose, Boies; Pa.
Pepper, Claude; Fla.
Pepper, George W.; Pa.
Percy, Charles H.; Ill.
Percy, Le Roy; Miss.
Perkins, Bishop W.; Kans.
Perkins, George C.; Calif.
Perky, Kirtland I.; Idaho.
Petigrew, Richard F.; S. Dak.
Pettit, John; Ind.
Pettus, Edmund W.; Ala.
Phelan, James D.; Calif.
Phelps, Samuel S.; Vt.
Phipps, Lawrence C.; Colo.
Pickens, Israel; Ala.
Pickering, Timothy; Mass.
Pierce, Franklin; N.H.
Pierce, Gilbert A.; N. Dak.
Pike, Austin F.; N.H.
Piles, Samuel H.; Wash.
Pinckney, Charles; S.C.
Pine, William B.; Okla.
Pinkney, William; Md.
Pittman, Key; Nev.
Platt, Orville H.; Conn.
Platt, Thomas C.; N.Y.
Pleasants, James; Va.
Plumb, Preston B.; Kans.
Plumer, William; N.H.
Poindexter, George; Miss.
Poindexter, Miles; Wash.
Poland, Luke P.; Vt.
Polk, Trusten; Mo.
Pollock, William P.; S.C.
Pomerene, Atlee; Ohio.
Pomeroy, Samuel C.; Kans.
Pool, John; N.C.
Pope, James P.; Idaho.
Pope, John; Ky.
Porter, Alexander; La.
Porter, Augustus S.; Mich.
Posey, Thomas; La.
Potter, Charles E.; Mich.
Potter, Samuel J.; R.I.
Potts, Richard; Md.
Powell, Lazarus W.; Ky.
Power, Thomas C.; Mont.
Pratt, Daniel D.; Ind.
Pratt, Thomas G.; Md.
Prentiss, Samuel; Vt.
Preston, William C.; S.C.
Pressler, Larry; S. Dak.
Price, Samuel; W. Va.
Prince, Oliver H.; Ga.
Pritchard, Jeter C.; N.C.
Proctor, Redfield; Vt.
Prouty, Winston L.; Vt.
Proxmire, William; Wis.
Pryor, David H.; Ark.
Pryor, Luke; Ala.
Pugh, George E.; Ohio.
Pugh, James L.; Ala.
Purcell, William E.; N. Dak.
Purtell, William A.; Conn.
Pyle, Miss Gladys; S. Dak.

Q

Quarles, Joseph V.; Wis.
Quay, Matthew S.; Pa.

R

Radcliffe, George L.; Md.
Ralston, Samuel M.; Ind.
Ramsey, Alexander; Minn.
Randolph, Jennings; W. Va.
Randolph, John; Va.
Randolph, Theodore F.; N.J.
Ransdell, Joseph E.; La.
Ransom, Matt W.; N.C.
Rantoul, Robert; Mass.
Rawlins, Joseph L.; Utah.
Rawson, Charles A.; Iowa.
Rayner, Isidor; Md.
Read, George; Del.
Read, Jacob; S.C.
Reagan, John H.; Tex.
Reames, Alfred E.; Oreg.
Reed, Clyde M.; Kans.
Reed, David A.; Pa.
Reed, James A.; Mo.
Reed, Philip; Md.
Reed, Thomas B.; Miss.
Reid, David S.; N.C.
Revels, Hiram R.; Miss.
Revercomb, Chapman; W. Va.
Reynolds, Robert R.; N.C.
Reynolds, Sam W.; Nebr.
Rhett, R. Barnwell; S.C.

Ribicoff, Abraham A.; Conn.
Rice, Benjamin F.; Ark.
Rice, Henry M.; Minn.
Richardson, Harry A.; Del.
Richardson, William A.; Ill.
Riddle, George Read; Del.
Riddleberger, Harrison H.; Va.
Ridgely, Henry M.; Del.
Riegle, Donald W., Jr.; Mich.
Rives, William C.; Va.
Roach, William N.; N. Dak.
Roane, William H.; Va.
Robbins, Asher; R.I.
Roberts, Jonathan; Pa.
Robertson, A. Willias; Va.
Robertson, Edward V.; Wyo.
Robertson, Thomas J.; S.C.
Robinson, Arthur R.; Ind.
Robinson, John M.; Ill.
Robinson, Jonathan; Vt.
Robinson, Joseph T.; Ark.
Robinson, Moses; Vt.
Robsion, John M.; Ky.
Rockwell, Julius; Mass.
Rodney, Caesar A.; Del.
Rodney, Daniel; Del.
Rollins, Edward H.; N.H.
Root, Elihu; N.Y.
Rosier, Joseph; W. Va.
Ross, Edmund G.; Kans.
Ross, James; Pa.
Ross, Jonathan; Vt.
Roth, William V.; Del.
Rowan, John; Ky.
Ruggles, Benjamin; Ohio.
Ruggles, John; Maine.
Rusk, Thomas J.; Tex.
Russell, Donald; S.C.
Russell, Richard B.; Ga.
Rutherfurd, John; N.J.

S

Sabin, Dwight M.; Minn.
Sackett, Fred M.; Ky.
Salinger, Pierre; Calif.
Saltonstall, Leverett; Mass.
Sanders, Newell; Tenn.
Sanders, Wilbur F.; Mont.
Sanford, Nathan; N.Y.
Sarbanes, Paul S.; Md.
Sargent, Aaron A.; Calif.
Sasser, James R.; Tenn.
Saulsbury, Eli; Del.
Saulsbury, Willard, Jr.; Del.
Saulsbury, Willard, Sr.; Del.
Saunders, Alvin; Nebr.
Sawyer, Frederick A.; S.C.
Sawyer, Philetus; Wis.
Saxbe, William B.; Ohio
Schall, Thomas D.; Minn.
Schmitt, Harrison H.; N. Mex.
Schoeppel, Andrew F.; Kans.
Schureman, James; N.J.
Schurz, Carl; Mo.
Schuyler, Karl C.; Colo.
Schuyler, Philip; N.Y.
Schwartz, H. H.; Wyo.
Schweiker, Richard S.; Pa.
Schwellenbach, Lewis B.; Wash.
Scott, Hugh; Pa.
Scott, John; Pa.
Scott, Nathan B.; W. Va.
Scott, W. Kerr; N.C.
Scott, William L.; Va.
Scrugham, James G.; Nev.
Seaton, Fred A.; Nebr.
Sebastian, William K.; Ark.
Sedgwick, Theodore; Mass.
Semple, James; Ill.
Sevier, Ambrose H.; Ark.
Seward, William H.; N.Y.
Sewell, William J.; N.J.
Seymour, Horatio; Vt.
Shafroth, John F.; Colo.
Sharon, William; Nev.
Sheafe, James; N.H.
Sheffield, William P.; R.I.
Shepley, Ether; Maine.
Sheppard, Morris; Tex.
Sherman, John; Ohio.
Sherman, Lawrence Y.; Ill.
Sherman, Roger; Conn.
Shields, James; Ill.; Minn.; Mo.
Shields, John K.; Tenn.
Shipstead, Henrik; Minn.
Shively, Benjamin F.; Ind.
Shortridge, Samuel M.; Calif.
Shott, Hugh Ike; W. Va.
Shoup, George Laird; Idaho.
Silsbee, Nathaniel; Mass.
Simmons, Furnifold M.; N.C.
Simmons, James F.; R.I.
Simon, Joseph; Oreg.
Simpson, Alan K.; Wyo.
Simpson, Milward L.; Wyo.
Slater, James H.; Oreg.
Slattery, James M.; Ill.
Slidell, John; La.
Smathers, George A.; Fla.
Smathers, William H.; N.J.
Smith, Benjamin A., II; Mass.
Smith, Daniel; Tenn.
Smith, Delazon; Oreg.
Smith, Ellison D.; S.C.
Smith, Frank L.; Ill.
Smith, H. Alexander; N.J.
Smith, Hoke; Ga.
Smith, Israel; Vt.
Smith, James, Jr.; N.J.
Smith, John; N.Y.
Smith, John; Ohio.
Smith, John W.; Md.
Smith, Marcus A.; Ariz.
Smith Margaret Chase; Maine.
Smith, Nathan; Conn.
Smith, Oliver H.; Ind.
Smith, Perry; Conn.
Smith, Ralph Tyler; Ill.
Smith, Samuel; Md.
Smith, Truman; Conn.
Smith, William; S.C.
Smith, William A.; Mich.
Smith, Willis; N.C.
Smoot, Reed; Utah.
Soulé, Pierre; La.
Southard, Samuel L.; N.J.
Sparkman, John; Ala.
Speight, Jesse; Miss.
Spence, John S.; Md.
Spencer, George E.; Ala.
Spencer, Lloyd; Ark.
Spencer, Selden P.; Mo.
Spong, William B., Jr.; Va.
Spooner, John C.; Wis.
Sprague, Peleg; Maine.
Sprague, William; R.I.
Sprague, William; R.I.[1]
Spruance, Presley; Del.
Squire, Watson C.; Wash.
Stafford, Robert T.; Vt.
Stanfield, Robert N.; Oreg.
Stanfill, William A.; Ky.
Stanford, Leland; Calif.
Stanley, A. Owsley; Ky.
Stanton, Joseph, Jr.; R.I.
Stark, Benjamin; Oreg.
Stearns, Ozora P.; Minn.
Steck, Daniel F.; Iowa.
Steiwer, Frederick; Oreg.
Stennis, John C.; Miss.
Stephens, Hubert D.; Miss.
Stephenson, Isaac; Wis.
Sterling, Thomas; S. Dak.
Stevens, Ted; Alaska.
Stevenson, Adlai E., III; Ill.
Stevenson, John W.; Ky.
Stewart, David; Md.
Stewart, David W.; Iowa.
Stewart, Donald W.; Ala.
Stewart, John W.; Vt.
Stewart, Tom; Tenn.
Stewart, William M.; Nev.
Stockbridge, Francis B.; Mich.
Stockton, John P.; N.J.
Stockton, Richard; N.J.
Stockton, Robert F.; N.J.
Stokes, Montfort; N.C.
Stone, David; N.C.
Stone, Richard (Dick); Fla.
Stone, William J.; Mo.
Storer, Clement; N.H.
Storke, Thomas M.; Calif.
Strange, Robert; N.C.
Strong, Caleb; Mass.
Stuart, Charles E.; Mich.
Sturgeon, Daniel; Pa.
Sullivan, Patrick J.; Wyo.
Sullivan, William V.; Miss.
Sumner, Charles; Mass.
Sumter, Thomas; S.C.
Sutherland, George; Utah.
Sutherland, Howard; W. Va.
Swanson, Claude A., Va.
Swift, Benjamin; Vt.
Swift, George R.; Ala.
Symington, Stuart; Mo.

T

Tabor, Horace A. W.; Colo.
Taft, Kingsley A.; Ohio.
Taft, Robert A.; Ohio.
Taft, Robert, Jr.; Ohio.
Taggart, Thomas; Ind.
Tait, Charles; Ga.
Talbot, Isham; Ky.
Taliaferro, James P.; Fla.
Tallmadge, Nathaniel P.; N.Y.
Talmadge, Herman E.; Ga.
Tappan, Benjamin; Ohio.
Tatnal, Josiah; Ga.
Taylor, Glen H.; Idaho.
Taylor, John; S.C.
Taylor, John; Va.
Taylor, Robert L.; Tenn.
Taylor, Waller; Ind.
Tazewell, Henry; Va.
Tazewell, Littleton W.; Va.
Teller, Henry M.; Colo.
Ten Eyck, John C.; N.J.
Terrell, Joseph M.; Ga.
Thayer, John M.; Nebr.
Thomas, Charles S.; Colo.
Thomas, Elbert D.; Utah.
Thomas, Elmer; Okla.
Thomas, Jesse B.; Ill.
Thomas, John; Idaho.
Thompson, Fountain L.; N. Dak.
Thompson, John B.; Ky.
Thompson, Thomas W.; N.H.
Thompson, William H.; Kans.
Thompson, William H.; Nebr.
Thompson, John R.; N.J.
Thornton, John R.; La.
Thurston, Buckner; Ky.
Thurman, Allen G.; Ohio.
Thurmond, Strom; S.C.
Thurston, John M.; Nebr.
Thye, Edward J.; Minn.
Tichenor, Isaac; Vt.
Tiffin, Edward; Ohio.
Tillman, Benjamin R.; S.C.
Tipton, John; Ind.
Tipton, Thomas W.; Nebr.
Tobey, Charles W.; N.H.
Tomlinson, Gideon; Conn.
Toombs, Robert; Ga.
Toucey, Isaac; Conn.
Tower, John G.; Tex.
Towne, Charles A.; Minn.
Townsend, Charles E.; Mich.
Townsend, John G.; Jr.; Del.
Tracy, Uriah; Conn.
Trammell, Park; Fla.
Trimble, William A.; Ohio
Trotter, James F.; Miss.
Troup, George M.; Ga.
Truman, Harry S.; Mo.
Trumbull, Jonathan, Conn.
Trumbull, Lyman; Ill.
Tsongas, Paul; Mass.
Tunnell, James M.; Del.
Tunney, John V.; Calif.
Turley, Thomas B.; Tenn.
Turner, George; Wash.
Turner, James; N.C.
Turney, Hopkins L.; Tenn.
Turpie, David; Ind.
Tydings, Joseph D.; Md.
Tydings, Millard E.; Md.
Tyler, John; Va.
Tyson, Lawrence D.; Tenn.

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[1] Nephew of the preceding.

U

Umstead, William B.; N.C.
Underwood, Joseph R.; Ky.
Underwood, Oscar W.; Ala.
Underwood, Thomas R.; Ky.
Upham, William; Vt.
Upton, Robert W.; N.H.

V

Van Buren, Martin; N.Y.
Vance, Zebulon B.; N.C.
Vandenberg, Arthur H.; Mich.
Van Dyke, Nicholas; Del.
Van Nuys, Frederick; Ind.
Van Winkle, Peter G.; W. Va.
Van Wyck, Charles H.; Nebr.
Vardaman, James K.; Miss.
Vare, William S.; Pa.[1]
Varnum, Joseph B.; Mass.
Venable, Abraham B.; Va.
Vest, George G.; Mo.
Vickers, George; Md.
Vilas, William F.; Wis.
Vining, John ; Del.
Voorhees, Daniel W.; Ind.

W

Wade, Benjamin F.; Ohio.
Wadleigh, Bainbridge; N.H.
Wadsworth, James W., Jr., N.Y.
Waggaman, George A.; La.
Wagner, Robert F.; N.Y.
Walcott, Frederic C.; Conn.
Wales, John; Del.
Walker, Freeman; Ga.
Walker, George; Ky.
Walker, Isaac P.; Wis.
Walker, James D.; Ark.
Walker, John; Va.
Walker, John W.; Ala.
Walker, Robert J.; Miss.
Walker, Walter; Colo.
Wall, Garret D.; N.J.
Wall, James W.; N.J.
Wallace, William A.; Pa.
Wallgren, Mon C.; Wash.
Wallop, Malcolm; Wyo.
Walsh, Arthur; N.J.
Walsh, David I.; Mass.
Walsh, Patrick; Ga.
Walsh, Thomas J.; Mont.
Walters, Herbert S.; Tenn.
Walthall, Edward C.; Miss.
Walton, George; Ga.
Ward, Matthias; Tex.
Ware, Nicholas; Ga.
Warner, John W.; Va.
Warner, Willard, Ala.
Warner, William; Mo.
Warren, Francis E.; Wyo.
Washburn, William B.; Mass.
Washburn, William D.; Minn.
Waterman, Charles W.; Colo.
Watkins, Arthur V.; Utah.
Watson, Clarence W., W. Va.
Watson, James; N.Y.
Watson, James E.; Ind.
Watson, Thomas E.; Ga.
Webb, William R.; Tenn.
Webster, Daniel; Mass.
Weeks, John W.; Mass.
Weeks, Sinclair; Mass.
Weicker, Lowell P., Jr.; Conn.
Welch, Adonijah S.; Fla.
Welker, Herman; Idaho.
Weller, John B.; Calif.
Weller, Ovington E.; Md.
Wellington, George L.; Md.
Wells, John S.; N.H.
Wells, William H.; Del.
West, J. Rodman; La.
West, William S.; Ga.
Westcott, James D., Jr.; Fla.
Wetmore, George P.; R.I.
Wharton, Jesse; Tenn.
Wheeler, Burton K.; Mont.
Wherry, Kenneth S.; Nebr.
Whitcomb, James; Ind.
White, Albert S.; Ind.
White, Edward D.; La.
White, Francis S.; Ala.
White, Hugh L.; Tenn.
White, Samuel; Del.
White, Stephen M.; Calif.
White, Wallace H., Jr.; Maine.
Whiteside, Jenkin; Tenn.
Whitthorne, Washington C.; Tenn.
Whyte, William P.; Md.
Wigfall, Louis T.; Tex.
Wilcox, Leonard; N.H.
Wiley, Alexander; Wis.
Wilfley, Xenophon P.; Mo.
Wilkins, William; Pa.
Wilkinson, Morton S.; Minn.
Willey, Calvin; Conn.
Willey, Waitman T.; Va., W. Va.
Williams, Abram P.; Calif.
Williams, George H.; Mo.
Williams, George H.; Oreg.
Williams, Harrison A., Jr.; N.J.
Williams, Jared W.; N.H.
Williams, John; Tenn.
Williams, John J.; Del.
Williams, John S.; Ky.
Williams, John S.; Miss.
Williams, Reuel; Maine.
Williams, Thomas Hickman; Miss.
Williams, Thomas Hill; Miss.
Williamson, Ben M.; Ky.
Willis, Frank B.; Ohio.
Willis, Raymond E.; Ind.
Wilmot, David; Pa.
Wilson, Ephraim K.; Md.
Wilson, George A.; Iowa.
Wilson, Henry; Mass.
Wilson, James F.; Iowa.
Wilson, James J.; N.J.
Wilson, John L.; Wash.
Wilson, Robert; Mo.
Windom, William; Minn.
Wingate, Paine; N.H.
Winthrop, Robert C.; Mass.
Withers, Garrett L.; Ky.
Withers, Robert E.; Va.
Wofford, Thomas A.; S.C.
Wolcott, Edward O.; Colo.
Wolcott, Josiah O.; Del.
Woodbridge, William; Mich.
Woodbury, Levi; N.H.
Works, John D.; Calif.
Worthington, Thomas; Ohio.
Wright, George G.; Iowa.
Wright, Joseph A.; Ind.
Wright, Robert; Md.
Wright, Silas, Jr.; N.Y.
Wright, William; N.J.
Wyman, Louis C.; N.H.

Y

Yarborough, Ralph; Tex.
Yates, Richard; Ill.
Young, Lafayette; Iowa.
Young, Milton R.; N. Dak.
Young, Richard M.; Ill.
Young, Stephen M.; Ohio.
Yulee, David L.; Fla.

Z

Zorinsky, Edward; Nebr.

Mr. ROBERT C. BYRD. Mr. President I call attention to the fact that Mr. ZORINSKY is the only Senator who has served whose name begins with a Z.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TSONGAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BICENTENNIAL CELEBRATION OF MILFORD, MASS.

Mr. TSONGAS. Mr. President, it is my pleasure to extend congratulations and best wishes to the citizens of Milford, Mass., on the occasion of the town's 200th anniversary. Founded in 1780 on principles of independence and self-determination, Milford has long represented the pride and individualism exemplified by this year's enthusiastic bicentennial celebration. The commitment which this community has displayed in paying tribute to its rich heritage should inspire all of us.

It was with well deserved pride that the citizens of Milford gathered on the steps of Memorial Hall, on the 11th of April, 1980, to renew the 200-year-old pledge of freedom and dedication expressed by the town's original Charter of Incorporation. Yet this ceremony marked but one highpoint in Milford's celebration. Their bicentennial functions have included a wide spectrum of cultural, educational, and historical events—from a bicentennial road race, to a full-scale reenactment of a Revolutionary War battle, to the daily reading of bicentennial minutes in the Milford Elementary School. Each citizen has been given a chance to participate in this important effort to integrate past lessons and ideals into the present.

Mr. President, I know that my colleagues join me in congratulating the citizens of Milford, Mass., and in offering best wishes for the continuing success of their bicentennial celebration and for prosperity in the coming 200 years.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders numbered 754, 758, and 819.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, the reservation is for the purpose of advising the majority leader that those three items are cleared on our calendar and we have no objection to their consideration and passage.

Mr. ROBERT C. BYRD. I thank the minority leader.

SMALL BUSINESS ADMINISTRATION SOLAR ENERGY LOAN AUTHORIZATION

The Senate proceeded to consider the bill (S. 2224) to amend the Small Business Act to increase the solar energy and energy conservation loan program authorizations, and for other purposes, which had been reported from the Select Committee on Small Business with an amendment to strike all after the enacting clause and insert the following:

That (a) section 7(1) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(10) In evaluating applications submitted for assistance under this subsection the Administration shall, to the maximum extent practicable, consult with regional solar energy centers of the Department of Energy.".

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[1] Elected, but was not seated.

(b) Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(h) The following program level is authorized for fiscal year 1981: For the programs authorized by section 7(1) of this Act, the Administration is authorized to make $45,000,000 in direct and immediate participation loans and $33,000,000 in guaranteed loans.".

● Mr. NELSON. Mr. President, this bill would provide fiscal year 1981 authorizations for the Solar Energy Loan Act, first passed by Congress in 1978. The act provides authority for the Small Business Administration to make loans and loan guarantees to small businesses in the renewable energy field. The act directs the SBA to use "softer" criteria in evaluating loans, in order to account for the higher risk businesses in this area must undertake.

Prior to the act's implementation, and despite a large number of applications, SBA had never made a loan for renewable energy purposes.

Initially, the program was authorized at the level of $30 million in direct funds and $45 million in guarantee authority. In its first year of implementation only $1 million in direct funds and $5 million in guarantee authority were appropriated; for fiscal year 1980, $15 million in direct and $35 million in guaranteed were appropriated. Over the 2-year period, SBA has made approximately 125 loans, almost all of them with direct funds. In fact, less than $5 million worth of guarantee authority has been used. For the coming fiscal year, however, the administration has proposed to totally eliminate the direct loan aspect of the program.

This bill would provide a new authorization level to replace that of the original act; namely, $33 million in direct loan authority and $45 million in guarantee authority.

These are very modest figures. For this year, SBA ran out of direct money for the first quarter on January 7, and now reports that it is out of money for the rest of the year. There is plenty of guarantee authority available, although SBA and the solar small business people report since banks view renewable energy as much too risky, they are not generally willing to make even guaranteed loans.

Consequently, it is the direct loan money that really is needed. Although SBA cannot give loss ratios at this early stage of the program, they report that the repayment record of the program has been outstanding. In their fiscal year 1981 request to OMB, in fact, they asked for $50 million in direct loan authority.

All of these financial data, however, do not get to the heart of the need for this bill—the tremendous success the program has had. SBA agrees, in fact, that the program is a success, and has even praised its success in a newsletter they send to small businesspeople. The Department of Energy, in testimony before the Small Business Committee, also agreed with the need for the program, and stated very clearly that they had no program designed to help small renewable energy companies obtain financing.

What the SBA program does—and does uniquely in the Federal Government—is to provide capital for small companies in the renewable energy field, most of whom are at the stage where they have developed a product and are ready to market it. Without the financing, the product would either not be produced or be sold to a large company.

Among the beneficiaries of the SBA loan program have been:

A California small businessman who has built the largest solar installation in the world—a 240-unit apartment complex with solar hot water and space heating. The initial cost of the project was exactly the same as what the cost of a conventional system would have been; and

A New England firm that has placed photovoltaic arrays on a 36-home development in Massachusetts. The arrays provide all the electricity, space heating, and water heating for the homes, and are the first all-solar homes in the area, The project has no other financial assistance from the Government—it was entirely private, except for the SBA loan to the solar firm to help market its product.

Examples go on and on. The point is that for a tiny investment a great deal has been accomplished. If this program is allowed to languish, these small firms will have no place to go. Compared to the $300 million that DOE gave to large firms for solar development last year, this $33 million loan program is only a drop in a very large bucket. I urge its passage today.●

● Mr. WEICKER. Mr. President, if solar energy is going to develop into a viable alternative energy source, small business must play a major role in developing the necessary technologies and processes. The unique feature of most solar devices is their ability to transform sunlight into heat and electricity on or near the site where they are needed. Small businesses, which are more adapted to local needs, can most efficiently develop the technologies suitable for on-site use.

More importantly, small businesses account for 50 percent of all major innovations in this country, and do so at a fraction of the cost of larger businesses. This is especially true in the solar energy field. Small business has a proven track record in solar development. Unfortunately, small solar firms find it difficult to obtain private sector financing. Banks and other financial institutions consider the solar field too risky to justify lending to a small firm. In addition, the Department of Energy has not taken advantage of the innovative capabilities of small firms, opting instead for the development of large scale solar systems by giant corporations.

In an effort to address this problem, Congress created the 7(1) energy loan program within the SBA in 1977. Specifically, SBA would provide small businesses in the solar energy field with financial assistance, emphasizing the commercialization of solar technologies and products which otherwise would have never found the marketplace. This program has experienced tremendous demand which has far outstripped available funding. For this fiscal year $15 million was appropriated for the 7(1) program. By the end of the second quarter, the entire $15 million had been committed.

S. 2224 seeks to address this funding problem by establishing a $45 million authorization for the 7(1) program in fiscal year 1981. I commend Senator HAYAKAWA for his leadership in bringing this issue to the attention of the Small Business Committee and the Senate. If we are to achieve energy independence we must provide our smaller firms with the tools necessary to develop new energy technologies and processes. S. 2224 will provide tremendous assistance in this regard.

Mr. President, I urge my colleagues to support this important legislation.●

● Mr. HAYAKAWA. Mr. President, it was not so long ago that President Carter pledged his strong support for solar energy. In June of 1979, he told us that as a nation we would derive 20 percent of our energy needs from solar energy and other renewable resources. He said this goal would "set a high standard against which we can collectively measure our progress in reducing our dependence on oil imports and securing our country's energy future." He called this an "ambitious" goal—the attainment of which would require an all-out effort by State and local governments, energy users, industry and, yes, the Federal Government would help out, too. Mr. Carter called on the Federal Government to provide the leadership for this great effort, and then he called on industry and consumers to follow. Yet, the leadership role of the Federal Government must amount to more than merely setting the goal. The setting of national goals is all too often an indulgence into political rhetoric. Anyone can set a goal; a true leader is one who can lay the groundwork needed to attain that goal.

The Federal Government can assume a role of true leadership by implementing policies designed to overcome the obstacles that now inhibit the commercialization of renewable resource technology. Two major obstacles must be overcome. They are the problems of consumer financing and industry financing. During the past months, my colleagues in the Senate have worked very hard to introduce incentives designed to stimulate the alternative energy market, and to this effort I offer my most sincere praise. The creation of a solar bank and the extension of tax credits to home and business owners who take advantage of renewable forms of energy are two important steps toward the commercialization of new technologies. However, to meet the demand created by new consumer financing programs, industry must be able to expand its abilities to manufacture, promote, and install renewable energy systems.

Mr. President, I have introduced S. 2224 as an important step toward facilitating industry financing by increasing the authorization of the Small Business Administration's 7(l) energy loan program. This program gives the Federal Government the means to assist small innovative businesses in their efforts to accomplish the mammoth task of designing, manufacturing, promoting, and installing the hardware required to achieve the President's formidable goal. Created in 1978, the 7(l) program gives new companies in the renewable energy industry access to important seed capital. Yet, the forces which in the past have constrained the availability of capital for the small entrepreneur—inflation, high interest rates, and inability to meet strict collateral requirements—have grown more severe and have worked to place conventional means of financing even further out of reach. Because the SBA's 7(l) program recognizes that a proven track record is an impossibility for a fledgling industry, it has proven, in many cases, to be the only source of capital for industry financing and expansion. However, the level of funding for the present program is simply inadequate.

S. 2224 will give the Small Business Administration the authority to fund an energy loan program that can meet the needs of an important new industry. It will put the Federal Government in a position to spark the supply side of this equation, in the same way that it has sparked the demand side through consumer financing. Without this assistance, many small businesses which are, or soon will be, the pioneers of the renewable energy industry will fail or will never be started. If this happens, we will find ourselves in a truly desperate situation.

It is not political rhetoric that will free us from the economic quicksand of imported oil, and satisfaction with the status quo will only fix us on a collision course with economic chaos. The status quo must change, and the transition to renewable sources of energy must be expedited. In some parts of the country, this transition is already taking place.

This legislation will insure the expansion of this progress throughout the entire Nation.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–702), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY OF LEGISLATION

The committee amendment to S. 2224 in the nature of a substitute is divided into two parts. Part (a) amends section 7(1) of the Small Business Act by adding at the end thereof a new paragraph.

This new paragraph requires the SBA, to the maximum extent practicable, to consult with regional solar energy centers of the Department of Energy, in evaluating applications for assistance under the 7(1) program.

Part (b) amends section 20 of the Small Business Act to provide authorization levels for the 7(1) program in fiscal year 1981. There is currently no specific authorization for the 7(1) program. The Committee amendment establishes an authorization level of $45 million in direct and immediate participation loans and $33 million in guarantees.

The fiscal year 1980 Appropriations Act for the Small Business Administration (P.L. 96–68, approved September 24, 1979) provides $15 million for direct and immediate participation loans and $30 million for guarantees under the 7(1) program.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ATLANTIC TUNAS CONVENTION AUTHORIZATION

The bill (S. 2549) to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1975, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h), is amended by striking out "and 1980" and inserting in lieu thereof "1980, 1981, 1982, and 1983.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–708), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

S. 2549 would extend appropriation authority in the legislation implementing the International Convention for the Conservation of Atlantic Tunas. The International Commission for the Conservation of Atlantic Tunas (ICCAT) was established under the authority of the Convention, and has responsibility for obtaining and collating the information necessary for maintaining stocks of tuna and tuna-like fisheries throughout the Atlantic Ocean. The Commission concerns itself with: (1) Joint planning of research, coordination of research carried on by agencies of the parties in accordance with its plans, and joint evaluation of the results of such research; (2) the collection and analysis of statistical information relating to the condition of fishery resources in the Convention area; and (3) joint formulation of regulatory proposals for submission to the parties.

DISAPPROVAL OF CERTAIN EDUCATIONAL REGULATIONS

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 91) to disapprove the regulations of the Department of Health, Education, and Welfare relating to grants to State educational agencies for educational improvement, resources, and support, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the final regulations submitted to the Congress in 1980 pertaining to grants to State educational agencies for educational improvement, resources, and support authorized under title IV of the Elementary and Secondary Education Act of 1965, are disapproved by the Congress pursuant to the provisions of section 431(d) of the General Education Provisions Act on the grounds that the regulations are inconsistent with the laws and are returned to the Commissioner of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–769), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Section 431(d) of the General Education Provisions Act authorizes the Congress to disapprove regulations issued by the Office of Education which are inconsistent with the law. The Committee finds that the regulations issued by the Commissioner of Education pursuant to statutory authority contained in title IV of the Elementary and Secondary Education Act of 1965 are not consistent with the law, and are a clear violation of Congressional intent. The Committee therefore proposes that the Congress disapprove the regulation and return it to the Secretary of Education, the successor chief education official to the Commissioner of Education, since the creation of the Department of Education on May 7, for an amendment to comply with the law.

SALE OF OBSOLETE VESSELS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4088.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4088) entitled "An Act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Company and for other purposes", with the following amendments:

On page 1, line 2, strike out "notwithstanding", and insert: (a) Notwithstanding

On page 2, after line 6, insert:

(b) That the Act entitled "An Act to authorize the employment of certain foreign citizens on the vessel Seafreeze Atlantic, Official Number 517242", approved December 15, 1975 (Public Law 94–150, Stat. 307), is amended—

(1) by striking out "Seafreeze Atlantic, Official Number 517242 (hereafter referred to in this Act as the 'Seafreeze Atlantic')," in the first section and inserting in lieu thereof "Arctic Trawler, formerly the Seafreeze Atlantic, Official Number 517242 (hereafter referred to in this Act as the 'Arctic Trawler'),";

(2) by striking out "Seafreeze Atlantic" each place it appears in sections 2, 3, and 4 and inserting in lieu thereof "Arctic Trawler"; and

(3) by striking out "four-year period" each place it appears in sections 2 and 3 and inserting in lieu thereof "six-year period".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISAPPROVAL OF CERTAIN EDUCATION REGULATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on House Concurrent Resolution 332.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 332) disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 332) was agreed to.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTIONS OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the International Convention on Maritime Search and Rescue, 1979, with Annex (Executive J, 96th Congress, second session), and Amendments to the Inter-governmental Maritime Consultative Organization Convention (Executive K, 96th Congress, second session), both transmitted to the Senate today by the President of the United States, and ask that they be considered as having been read the first time, that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the International Convention on Maritime Search and Rescue, 1979, with Annex, signed on behalf of the United States on November 6, 1979. For the information of the Senate, I transmit also the report of the Department of State with respect to the Convention and a copy of the Final Act of the International Conference on Maritime Search and Rescue, 1979, adopting the Convention.

The Convention provides for the first comprehensive approach to international search and rescue service for world shipping, by establishing a plan to coordinate international facilities for the rescue of persons in distress at sea. It does for the maritime services what the search and rescue provisions of Annex 12 to the Convention on International Civil Aviation do for the aviation services. The Convention will serve to promote cooperation among organizations around the world participating in search and rescue operations at sea.

For these reasons, I urge the Senate to give this Convention prompt consideration, and its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *May 20, 1980.*

To the Senate of the United States:

I transmit herewith, for the advise and consent of the Senate to acceptance, amendments to the Convention on the Intergovernmental Maritime Consultative Organization signed at Geneva March 6, 1948 (the IMCO Convention). The amendments were adopted on November 15, 1979, by the Assembly of the Intergovernmental Maritime Consultative Organization (IMCO) at its eleventh session.

These amendments are part of a series of amendments, negotiated with a view to bringing the Convention up-to-date given changes of membership and structure that have occurred since its entry into force in 1958. Other amendments in this series were transmitted to the Senate for advice and consent to acceptance on May 3, 1979.

Membership in IMCO has grown from 21 member States in 1958 to 113 member States in 1979. This expansion of membership gave rise to concern that the IMCO Council did not give adequate representation to member States within its existing structure. Three of the four amendments transmitted today address this problem; they increase the number of members on the Council, and the number of Council members required to constitute a quorum at Council meetings; and they provide for the distribution of Council membership among member States with interests in international shipping, international seaborne trade, and other special interests in maritime transport or navigation. These amendments will insure adequate representation on the Council of the newly expanded membership.

The fourth amendment provides for a member State to give notification of its withdrawal from IMCO should an amendment to which it is strongly opposed be accepted by two-thirds of the member States. Presently such acceptance triggers the automatic entry into force of an amendment for *all* member States. Under the proposed amendment, a member State would have the option of withdrawing from IMCO rather than subjecting itself to an amendment with which it did not agree.

Support for these amendments, as well as for those transmitted on May 3, 1979, will contribute to the interest of the United States in facilitating cooperation among maritime nations. To that end, I urge the Senate to give early and favorable consideration to the amendments and give its advice and consent to their acceptance.

JIMMY CARTER.

THE WHITE HOUSE, *May 20, 1980.*

ORDER FOR RECOGNITION OF SENATOR SIMPSON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. SIMPSON be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Presiding Officer, at no later than 5:30 p.m., recess the Senate over until 11:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO REMEMBER GENOCIDE

Mr. PROXMIRE. Mr. President, on May 16 and May 19, the Washington Post printed two short stories by John Burgess on Cambodia. Both stories center on Cambodia's suffering under Pol Pot.

In Cambodia, some scars have begun to heal; others never will.

Burgess writes of Phnom Penh's gradual and continuing emergence from its dark, deserted years. People have returned, shops are opening. But the city is merely a ghost of its former self.

That ghost speaks. Rusted cars clutter the streets. Ruined roads speak of the brutal policies that forced all to flee the city.

The ruthless Khmer Rouge policies underlie all recovery. The city and the people remember.

So does the countryside. Burgess tells of his unscheduled visit to a small village. He asked the villagers about executions under the Khmer Rouge. He was shown a tiny instance of the massive campaign of murder: a grave of 48 bodies, the skulls and ribs lay bleaching in the tropical sun.

But bones are not bodies. They cannot convey the full horror of genocide. The survivors can. The people remember.

Burgess comments that—

> Educating foreigners about the crimes endured during the four-year Khmer Rouge rule has become a national obsession.

The people can testify best to the atrocities of Pol Pot. They see a duty to enlighten the world; to make sure the world remembers.

They remind us of a moral obligation we have to the world. We have a duty to censure these mass killings in Cambodia; we have a duty to prevent genocide.

Editorials and reporting serve a purpose in educating the world to crimes being committed.

They have another purpose. They illustrate that genocide can and does occur today. They must goad us into action to prevent genocide.

The Senate can act to prevent genocide by ratifying the Genocide Convention. The Convention has lain before us for over 30 years. Nothing stands in the way of ratification. We have so much to gain by condemning this horrible, heinous crime.

I call on my colleagues to ratify the Genocide Convention.

RECESS TO 11:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11:30 tomorrow morning.

At 5:21 p.m., the Senate recessed until Wednesday, May 21, 1980, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 20, 1980:

U.S. METRIC BOARD

The following-named persons to be Members of the U.S. Metric Board for terms expiring March 23, 1986.

Marcus B. Crotts, of North Carolina, vice Henry Kroeze, term expired.

Francis R. Dugan, of Ohio (reappointment).

U.S. POSTAL SERVICE

Timothy L. Jenkins, of the District of Columbia, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1982, vice Robert Earl Holding, resigned.

Paula D. Hughes, of New York, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1987, vice Charles H. Codding, term expired.

David E. Babcock, of Arizona, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1988, vice Hayes Robertson, term expired.

HOUSE OF REPRESENTATIVES—*Tuesday, May 20, 1980*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. Wright).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, D.C.,
May 19, 1980.

I hereby designate the Honorable Jim Wright to act as Speaker pro tempore on Tuesday, May 20, 1980.

Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Harry C. Barrett, associate director, department of health and hospitals, Archdiocese of New York, offered the following prayer:

Let us pray:

We ask Your blessings Lord, on all who guide us in this Congress by their authority and power. We thank You for their vitality and spirit which has helped this country to flourish. May they always perform their duties with perseverance, knowledge, insight, and courage.

May we further develop and enrich our resources by practicing those virtues which have made us strong and inspire those who deliberate and legislate to fulfill the mandate entrusted to them.

May we continue as a nation to have an open heart to all in need to take them into the safety of our land and in doing so, set an example for all nations to follow.

We pray especially for the liberty and freedom of all people and at this moment in history we pray in a special way for the people of Cuba.

Grant that when we come to the end of our earthly life, God will turn to us and say "Well done, my good and faithful servant." Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed a bill and a joint resolution of the House of the following titles:

On May 16, 1980:

H.J. Res. 545. Joint resolution making an urgent appropriation for the food stamp program for the fiscal year ending September 30, 1980, for the Department of Agriculture.

On May 19, 1980:

H.R. 126. An act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 15, the Chair declares the House in recess subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 11 o'clock and 5 minutes a.m.), the House stood in recess subject to the call of the Chair.

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER pro tempore (Mr. Wright) presided.

The SPEAKER pro tempore. On behalf of the Speaker of the House of Representatives and many Members in the Chamber, I consider it a high honor and a distinct personal privilege to have the opportunity of welcoming so many of our former Members and colleagues as may be present here for this occasion. We all pause to welcome them and renew the bonds of friendship that join us. This is a bipartisan affair. In that spirit, the Chair is going to recognize the floor leaders of both parties.

The Chair directs the Clerk to call the roll of former Members of Congress.

The Clerk called the roll of former Members of Congress, and the following Members answered to their names:

Hugh Q. Alexander, North Carolina.
Leslie C. Arends, Illinois.
O. K. Armstrong, Missouri.
Robert T. Ashmore, South Carolina.
William H. Ayres, Ohio.
Robert R. Barry, New York.
Laurie C. Battle, Alabama.
Andrew J. Biemiller, Wisconsin.
John A. Blatnik, Minnesota.
Daniel B. Brewster, Maryland.
Charles B. Brownson, Indiana.
J. Herbert Burke, Florida.
Maurice G. Burnside, West Virginia.
Charles E. Chamberlain, Michigan.
Albert M. Cole, Kansas.
W. Sterling Cole, New York.
Jorge L. Cordova, Puerto Rico.
Willard S. Curtin, Pennsylvania.
Isidore Dollinger, New York.
William Jennings Bryan Dorn, South Carolina.
Paul A. Fino. New York.
Charles K. Fletcher, California.
Newell A. George, Kansas.
Robert A. Grant, Indiana.
Porter Hardy, Jr., Virginia.
Harry G. Haskell, Delaware.
Brooks Hays, Arkansas.
Don Hayworth, Michigan.
Patrick J. Hillings, California.
Chet Holifield, California.
Craig Hosmer, California.
Roman L. Hruska, Nebraska.
August E. Johansen, Michigan.
Jed Johnson, Jr., Oklahoma.
Walter H. Judd, Minnesota.
James Kee, West Virginia.
Hastings Keith, Massachusetts.
Edna Flannery Kelly, New York.
Horace R. Kornegay, North Carolina.
Melvin R. Laird, Wisconsin.
John Davis Lodge, Connecticut.
Donald F. McGinley, Nebraska.
William S. Mailliard, California.
James R. Mann, South Carolina.
George Meader, Michigan.
D. Bailey Merrill, Indiana.
John S. Monagan, Connecticut.
Thomas E. Morgan, Pennsylvania.
Abraham J. Multer, New York.
F. Jay Nimtz, Indiana.
Alexander Pirnie, New York.
James M. Quigley, Pennsylvania.
Howard W. Robison, New York.
John M. Robsion, Jr., Kentucky.
Byron G. Rogers, Colorado.
Walter Rogers, Texas.
Robert Tripp Ross, New York.
J. Edward Roush, Indiana.
Harold M. Ryan, Michigan.
Fred Schwengel, Iowa.
William L. Scott, Pennsylvania.
John E. Sheridan, Pennsylvania.
Carlton R. Sickles, Maryland.
Alfred D. Sieminski, New Jersey.
Frank E. Smith, Mississippi.
Henry P. Smith III, New York.
William L. Springer, Illinois.
Neil Staebler, Michigan.
Roy A. Taylor, North Carolina.
James E. Van Zandt, Pennsylvania.
Ralph W. Yarborough, Texas.
Charles Whalen, Ohio.

☐ 1110

The SPEAKER pro tempore. The Chair announces that 72 former Members of Congress have responded to their names.

The Chair recognizes at this time the majority whip of the House of Representatives, the Honorable John Brademas of Indiana.

Mr. BRADEMAS. Mr. Speaker, on behalf of the distinguished Speaker of the House of Representatives, Mr. O'Neill; the distinguished majority leader, Mr. Wright of Texas, who now occupies the chair; as well as other Members of the majority leadership of the House, indeed, on behalf of all Members on the majority side of the aisle, I want very warmly to extend a welcome to all our former colleagues in the House of Representatives and Senate.

If I may say a special word, Mr. Speaker, about the House of Representatives.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I was just ruminating on the fact, that it is possible to become a Member of the other body through appointment. It is possible, indeed, even to become President of the United States other than by the process of election. But, Mr. Speaker, what among other matters distinguishes the House of Representatives is that membership in it can come only through election by the people. And that is a fact, Mr. Speaker, in which all of us who either serve at present in this body or have before had the honor and privilege of serving in the House gives us great pride.

Some of us are Democrats; some of us are Republicans, but we have worked together both within our parties and across party lines in the House of Representatives and Senate for the best interests of our country.

And so all of us—men, women, Democrats, Republicans—meeting here today, and those former Members who could not be with us today, are bound together in a common fraternity, and these days one perhaps ought to add sorority; for we have had, as Speaker Rayburn used to say, the high honor and great privilege of serving in the United States House of Representatives or Senate.

We are delighted to welcome you back. We look forward to being with you and chatting with you. You are welcome because you are home.

Thank you, Mr. Speaker.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to my friend from New York.

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding. I just wanted to join very strongly with my majority whip, because having been a former Member for a brief period of time, and now being back in the Congress even though in a slightly different role because, for some of you who may not know, I enjoyed being a Republican for six years, and I have now returned as a Democrat from the same district. It is a very wonderful experience.

I just wanted to say, for any of you who are ready to come back, why, you ought to try it again. It has been very worthwhile, and I do want to join in welcoming you and saying what a great privilege it is for all of us to have you back here again.

Mr. BRADEMAS. I hope, Mr. Speaker, that I shall not be thought partisan by my beloved friend, the distinguished minority leader, if I remark after what Mr. PEYSER has just said that it is never too late to be saved.

The SPEAKER pro tempore. The Chair recognizes for remarks and whatever rejoinder he may deem appropriate the distinguished minority leader of the United States House of Representatives, the Honorable JOHN RHODES of Arizona.

Mr. RHODES. Mr. Speaker, my colleagues past and present, and perhaps future, it is a real pleasure for me to have the opportunity of joining with my good friend, the majority whip, in welcoming all of you, of whatever political persuasion, back to these Halls in which you all served so honorably and so well.

As I look around—I guess I say this every year, but it is just as true as it ever was before—I get the feeling that there is something unhealthy about serving in the House, because all of you look so much younger and better than you did when you were here. You have apparently found the Fountain of Youth or some salutory manner of living your lives which has caused you to actually look extremely well.

During the 25th reunion of my Harvard Law School class, about 3 o'clock in the morning, somebody looked around and said, "My goodness, don't we all look good?"

□ 1120

And one of the others said, "Yes, of course we do. The ones who didn't look good didn't come."

I do not really believe that that is the situation here.

Let me just tell you that things are characterized by their sameness as well as their difference. I think that the body which is the 96th Congress is a body which you would recognize in most ways. The rules are somewhat different. The personnel, of course, is very different.

I have a startling statistic for all of you, and that is that in me you are looking at one-third of the Republican Members of the House who ever served in a Republican Congress. That is a matter which we hope to take care of in this next election.

But nevertheless the facts are that there is a lot of similarity, in this Congress to others of the past. The capability of disagreeing without being disagreeable is still a quality which is highly prized by the Members of this body. In my almost 28 years here I have thought that one of the greatest privileges of serving in the House is the fact that we do have, this feeling of togetherness and the feeling that we are all trying to do some things with the idea in mind of helping our country to weather some of the storms and some of the crises that have come before us.

So it is an important day when the former Members come back here to reminisce and to given those of us who are still here the benefit of your wisdom.

This is a government of laws, but in many ways it is also very definitely a government of people. Each one of you, as well as our former colleagues who are not here today, have left your mark upon this institution. It is a great institution, one of which we are all proud and will continue to work for to continue it as the finest legislative, deliberative body in the history of the world.

Thank you, Mr. Speaker.

[Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Maryland, the Honorable Carlton R. Sickles, for such remarks and yielding as he may care to undertake.

Mr. SICKLES. Thank you, Mr. Speaker.

Mr. Speaker, this is the tenth anniversary of the Former Members of Congress organization, and I am pleased to report to you that we are flourishing. We now have 560 members who served in the House or Senate of the United States. We now have more members than you do.

We thank the House and you for this opportunity to report briefly on our past year's educational, social and research activities. I hope you believe that the report is brief. We have condensed the report on the many things we did, but there are some things we think important enough to share with you.

First, I want to report to you that we have a very active board of directors of FMC. Let me tell you who they are:

Gerald R. Ford; Clare Boothe Luce; William S. Mailliard; John O. Marsh, Jr.; John S. Monagan; Hugh Scott; William B. Spong, Jr.; Charles B. Brownson; William L. Hungate; Frank E. Moss; Carlton R. Sickles; Robert Taft, Jr.; John H. Ware III; Gordon Allott; Andrew Biemiller; Daniel Brewster; Charles E. Chamberlain; Charles K. Fletcher; James M. Quigley; Brooks Hays; and Walter H. Judd.

Before proceeding with the report, let me express my sincere appreciation for the outstanding service rendered by our staff consisting of our Executive Director, Jed Johnson, who is himself a former member of Congress; our Counselor, Henry P. Smith, III, also a former member of Congress; and our staff Secretary, Dorothy E. Bageant, who works tirelessly to make all our goals and ideas happen.

I have been blessed personally by dedicated officers, namely, William Maillard, as Vice President; John Monagan, Secretary; and Charles Chamberlain, Treasurer, who, together with our immediate past President, Charles Brownson, make up a very hard working executive committee. And, of course, our founding members, Walter Judd and Brooks Hays, still participate actively. We are fortunate to have their continued counsel.

As you know, Mr. Speaker, we have a very active Campus Fellows Program. It provides the opportunity for college students and faculty to meet with persons who have served in the United States Congress who visit these college campuses as visiting fellows for up to a week at a time. To date we have completed visits to 58 college campuses in 28 States and have an additional 17 visits in an additional 5 States scheduled for the fall semester, which means that by the end of this calendar year we will have completed visits to 75 colleges and universities in 33 States. There are an additional 28 visits in the planning stage for next year. Thus far 29 of the members have been selected by colleges and universities to visit these campuses. We have a campus fellows register of nearly 200 members who have volunteered to participate in this program.

I stress, Mr. Speaker, that the institution itself selects the member it wants. However, to insure maximum objectivity, we do not allow a college to pick an alumni who served in the Congress from that particular State.

Our program, of course, is totally bipartisan. The fellows seek to interpret the Congress as an institution to the students, faculty, and townspeople. The virtually unanimous praise we have received back from college campuses convinces us that there is no question but the fellows' visits are helping fill a void of misunderstanding and, in many cases, ignorance of the Congress and how the legislative process functions.

We estimate that we have thus far reached approximately 30,000 students through this program. We have no doubt that many of the students have become interested in politics as a result of these visits and will become active participants in both political parties in the future.

At this point, Mr. Speaker, I would like to insert in the RECORD the names of the campuses where we have completed visits, the list of colleges of pending visits, and the list of those members who have participated in the program.

The lists are as follows:

CONGRESSIONAL ALUMNI CAMPUS FELLOWS PROGRAMS COMPLETED

Alaska Pacific University, Alaska.
Arizona State University, Arizona.
Assumption College, Massachusetts.
Baylor University, Texas.
Bradley University, Illinois.
Carleton College, Minnesota.
Coast Guard Academy, Connecticut.
Colgate University, New York.
College of the Sequoias, California.
Concordia College, Michigan.
Connecticut College, Connecticut.
Converse College, South Carolina.
Dartmouth College, New Hampshire.
Davis & Elkins College, West Virginia.
Denison University, Ohio.
Ekerd College, Florida.
Elmira College, New York.
Friends University, Kansas.
Furman University, South Carolina.
Grinnell College, Iowa.
Gustavus Aldophus College, Minnesota.
Hamilton College, New York.
Hiram College, Ohio.
Hope College, Michigan.
Indiana State University, Indiana.
Jackson State University, Mississippi.
Johns Hopkins University, Maryland.
Kansas-Newman College, Kansas.
King's College, Pennsylvania.
Kirkland College, New York.
Lake Forest College, Illinois.
Mary Hardin-Baylor, Texas.
Mesa Community College, Arizona.
Millsaps College, Mississippi.
Murray State University, Kentucky.
Navy Academy, Maryland.
Otterbein College, Ohio.
Randolph-Macon College, Virginia.
Rose-Hulman Institute of Technology, Indiana.
St. Lawrence University, New York.
St. Mary-of-the-Woods College, Indiana.
St. Michael's College, Vermont.
St. Olaf College, Minnesota.
Sangamon State University, Illinois.
Southeast Community College, Kentucky.
Southwestern College, Kansas.
Talladega College, Alabama.
Tougaloo Southern Christian College, Mississippi.
Transylvania University, Kentucky.
University of Alaska, Alaska.
University of California—Berkeley, California.
Urbana College, Ohio.
Vanderbilt University, Tennessee.
Virginia Military Institute, Virginia.
Wake Forest University, North Carolina.
Washington & Lee University, Virginia.
Whitman College, Washington.
William & Mary College, Virginia.

CONGRESSIONAL ALUMNI CAMPUS FELLOWS PROGRAMS PENDING

Alfred University, New York.
Brandeis University, Massachusetts.
Carroll College, Montana.
Chatham College, Pennsylvania.
DePauw University, Indiana.
Montclair State College, New Jersey.
New Jersey Institute of Technology, New Jersey.
Northern Illinois University, Illinois.
Otterbein College, Ohio.
University of Albuquerque, New Mexico.
University of Arkansas, Arkansas.
University of New Mexico, New Mexico.
University of North Dakota, North Dakota.
Xavier University, Ohio.

CONGRESSIONAL ALUMNI CAMPUS FELLOWS

Gordon L. Allott, Colorado.
J. Glenn Beall, Jr., Maryland .
Andrew J. Biemiller, Wisconsin.
Howard H. Callaway, Georgia.
Joseph S. Clark, Pennsylvania.
Philip Hayes, Indiana.
Brocks Hays, Arkansas.
William L. Hungate, Missouri.
Jed Johnson, Jr., Oklahoma.
Walter H. Judd, Minnesota.
David S. King, Utah.
Allard K. Lowenstein, New York.
Donald E. Lukens, Ohio.
Gale W. McGee, Wyoming.
William S. Mailliard, California.
John D. Marsh, Jr., Virginia.
Walter H. Moeller, Ohio.
John S. Monagan, Connecticut.
Frank E. Moss, Utah.
Roman Pucinski, Illinois.
James M. Quigley, Pennsylvania.
James Roosevelt, California.
Hugh Scott, Pennsylvania.
Henry P. Smith, III, New York
Neil Staebler, Michigan.
Newton I. Steers, Jr., Maryland.
Charles W. Whalen, Jr., Ohio.
Ralph W. Yarborough, Texas.

Mr. Speaker, I am also pleased to report that we had a most successful 9th annual meeting in Ottawa, Canada, last September. This was our annual fall meeting. More than 100 of our members and spouses participated, and we toured the Canadian Parliament, had a briefing on Canadian-U.S. relations by the Canadian Foreign Ministry, and met with members of the Canadian Parliament.

Subsequent to one meeting in Ottawa through a grant from the Johnson Foundation of Racine, Wis., we held a seminar at "Wingspread" on Canadian-U.S. relations with six present and former members of the Canadian Parliament, one of whom is now the Foreign Minister of Canada. This was our third successful seminar at "Wingspread." The preceding two were on "the U.S. and the United Nations" and "Japan and the U.S." As a result of our successful visit to Canada last fall, we are planning our 10th annual fall meeting this year to be held at Mexico City, to which Mr. Speaker, you are invited.

This year we have also begun study tours for our members. We have had two trips to the People's Republic of China, in which 30 of our members and spouses have participated at their own expense. My wife and I have just returned from the second of these trips to China.

If I may make a personal comment, Mr. Speaker, for my wife, Simmy, this was a return home to Shanghai after 35 years away.

Let me express my appreciation to Tian You and the staff of the Embassy of China for helping arrange these tours, and to Yang Yan Yi and the staff of the China Travel Service for making the trip so successful.

Also, 20 of our members and spouses will be leaving next week for a study tour of the European economic community which will begin in London on May 28 and end in Berlin with a seminar at the Aspen Institute on June 14.

These trips are valuable not only for our members but to help build bridges between the people of our country and the other countries of the world.

□ 1130

There is, incidentally, now an organization in the Federal Republic of Germany called the Society of Former Members of the Bundestag, which numbers more than 300 members, and their president, Mr. Gerstenmaier, is the former president of the Bundestag. Their organization is modeled on ours. We expect to begin cooperative educational programs with them in the coming year. We expect to hold a fourth wingspread seminar on German-United States relations next year.

You may ask, Mr. Speaker, what good do these seminars do.

Let me give you an illustration. Beyond the obvious better understanding of one another's points of view, after the seminar with former members of the Japanese Diet, we realized that there are a number of fundamental differences between the Japanese Diet and the U.S. Congress, and often these differences can result in severe misunderstandings between members of the two legislative bodies. We sought to find out if a comparative study has even been undertaken comparing the U.S. Congress and the Japanese Diet. We found that there is no such study. We are undertaking it.

Under a research grant from the Japan-United States Friendship Commission, we will hold a seminar this December at the East-West Center at Honolulu, Hawaii, bringing together former members of the Japanese Diet and the U.S. Congress to critique papers written by scholars on both sides of the Pacific describing our similarities and differences between the Congress and the Diet in such areas as the initiation of legislation, the oversight jurisdiction, the budget process, staffing and the legislative role in making foreign policy. These papers will be published in Japanese and English in a handbook, which will be made available to Members of Congress and the Diet, as well as other government officials in the two countries.

We are very fortunate to have the author of the handbook and director of the project, the long-time Secretary of the Senate, Francis Valeo, who is an expert on both the Congress and the Diet.

This brings me now, Mr. Speaker, to a presentation which I am very proud to make. During the last 3 years, we have been conducting the first major oral history of the Congress. Each of the presidential libraries have oral histories of the presidencies. We hope this will be a continuing oral history of the Legislative branch, the Congress. More than 100 oral history interviews have been completed. We are presenting today to the Librarian of the Congress the first of those that have been completed. There are some 50 of these displayed on the desk to my right rear. This project has been funded by a grant from the National Endowment for the Humanities, the Rockefeller Foundation and the Finance Factors Foundation of Hawaii. The project is under the able direction of Dr. Robert B. Peabody, political science professor at Johns Hopkins University. Dr. Peabody is also a former congressional staff assistant. I am sorry that Senator Fong cannot be here to represent the Finance Factors Foundation, Dr. Daniel Boorstin, Librarian of the Congress, is here in the chamber, and I ask him to come forward and receive the presentation. I yield to Dr. Boorstin such time as he may use in order to make his own remarks.

Mr. BOORSTIN. Mr. Speaker, former Members and Members, on behalf of the Library of Congress, I accept with gratitude these records of the activities of former Members of Congress.

We at the Library of Congress, your library, welcome this additional resource to help us interpret and to celebrate this great and most representative institution.

[Applause.]

Mr. SICKLES. Mr. Speaker, at this time I will place in the RECORD a list of former Members who have been interviewed to date:

ORAL HISTORY INTERVIEWS BY FORMER MEMBERS OF CONGRESS

Bella S. Abzug.
Sherman Adams.
Hugh Q. Alexander.
Gordon L. Allott.
Leslie C. Arends.
Wayne N. Aspinall.
William H. Ayres.
Joseph H. Ball.
Laurie C. Battle.
Frank J. Becker.
Catherine May Bedell.
Wallace F. Bennett.
John A. Blatnik.
Iris F. Blitch.
Reva Beck Bosone.
John W. Bricker.
William E. Brock III.
Charles B. Brownson.
John W. Byrnes.
William T. Cahill.
Emanuel Celler.
J. Edgar Chenoweth.
Marguerite Stitt Church.
Joseph S. Clark.
William Sterling Cole.
William M. Colmer.
N. Neiman Craley, Jr.
Thomas B. Curtis.
Robert V. Denny.
William Jennings Bryan Dorn.
Emily Taft Douglas.
Paul Fannin.
Elizabeth P. Farrington.
Homer Ferguson.
Charles K. Fletcher.
Hiram L. Fong.
J. Allen Frear, Jr.
Peter H. Frelinghuysen, Jr.
James William Fulbright.
Thomas P. Gill.
Charles E. Goodell.
Frank Graham.
Edith Green.
Martha W. Griffiths.
Charles S. Gubser.
Gilbert Gude.
Durwood G. Hall.
Leonard W. Hall.
Julia Butler Hansen.
Ralph R. Harding.
Porter Hardy, Jr.
Vance Hartke.
Brooks Hays.
Patrick J. Hillings.
Craig Hosmer.
William L. Hungate.
W. Pat. Jennings.
Charles Rapier Jonas.
Robert E. Jones.
Walter H. Judd.
James Kee.
Hastings Keith.
Edna Flannery Kelly.
Horace R. Kornegay.
Melvin R. Laird.
Phillip M. Landrum.
John Davis Lodge.
Rodney M. Love.
Clare Boothe Luce.
John W. McCormack.
Gale W. McGee.
Ray J. Madden.
William S. Mailliard.
Carter Manasco.
George Meader.
Wilbur D. Mills.
Patsy T. Mink.
Walter H. Moeller.
John S. Monagan.
Thomas E. Morgan.
Frank E. Moss.
Abraham Multer.
Maureen B. Neuberger.
George E. Outland.
Lafayette L. Patterson.
James Roosevelt.
Donald H. Rumsfeld.
Leverett Saltonstall.
Henry C. Schadeberg.
Fred D. Schwengel.
Ralph J. Scott.
George A. Smathers.
Henry P. Smith III.
Katharine St. George.
William L. Springer.
Leonor K. Sullivan.
Robert A. Taft.
John H. Terry.
Clark W. Thompson.
Stewart L. Udall.
James E. Van Zandt.
Horace Jeremiah Voorhis.
Albert L. Vreeland.
Stuyvesant Wainwright II.
Lindsay Warren.
Otha Wearin.
Basil L. Whitener.
William B. Widnall.
John J. Williams.
Chase Going Woodhouse.

Mr. SICKLES. Mr. Speaker, before turning to the presentation of our annual award, it is my sad duty to inform the House of the names of our deceased alumni of the Congress since our meeting last year. Before reading the list, let me say that we were especially grieved and, indeed, shocked at the tragic and violent death of our colleague, Allard K. Lowenstein, of New York. Just an hour before being shot to death, he had final arrangements to participate once again in our campus fellows program at Carroll College in Montana, where he planned to take his three small children to show them the Western part of our country. In addition to Allard, the other deceased Members are:

Dewey F. Bartlett, Oklahoma.
William G. Bray, Indiana.
John B. Breckenridge, Kentucky.
Clarence N. Brunsdale, North Dakota.
John Marshall Butler, Maryland.
Harry P. Cain, Washington.
Homer E. Capehart, Indiana.
Terry M. Carpenter, Nebraska.
Albert W. Cretella, Connecticut.
Ken W. Dyal, California.
Clyde T. Ellis, Arkansas.
Billie S. Farnum, Michigan.
Phil Ferguson, Oklahoma.
James B. Frazier, Jr., Tennessee.
E. C. Gathings, Arkansas.
Leonard W. Hall, New York.
F. Edward Hébert, Louisiana.
Evan Howell, Illinois.
Sherman P. Lloyd, Utah.
Allard K. Lowenstein, New York.
William M. McCulloch, Ohio.
William D. McFarlane, Texas.
John L. McMillan, South Carolina.
Donald H. Magnuson, Washington.
Edward A. Mitchell, Indiana.
Joseph M. Montoya, New Mexico.
Tom Moorehead, Ohio.
Rogers C. B. Morton, Maryland.
Frederick Muhlenberg, Pennsylvania.
Charles O. Potter, Michigan.
Leo F. Rayfiel, New York.
Chapman Revercomb, West Virginia.
James P. Richards, South Carolina.
R. Walter Riehlman, New York.
Leverett Saltonstall, Massachusetts.
Alfred E. Santangelo, New York.
J. Irving Whalley, Pennsylvania.
Herbert Zelenko, New York.

I ask, Mr. Speaker, that you call for a moment of silence in respect to these departed Members.

The SPEAKER pro tempore. May we all observe a moment of silence together as we commemorate in solemn memory these former colleagues.

Mr. SICKLES. Now, Mr. Speaker, we turn to the presentation of our Distinguished Service Award.

Each year we present a Distinguished Service Award. This is a nonpartisan award presented in recognition of distinguished service to the Congress and the country. Last year's recipient was George Mahon of Texas. The previous recipients were the late Nelson Rockefeller, former Senator Sam J. Ervin, Jr., former President Gerald F. Ford, former Speaker John McCormack, and the late House Parliamentarian, Lou Deschler.

This year's award recipient is former Congresswoman Clare Boothe Luce, who served in the Congress from the State of Connecticut from 1943 to 1947 and was subsequently U.S. Ambassador to Italy.

Mrs. Luce had planned to be here with us today, but late last week her doctor ordered her not to fly from Hawaii because of a severe retina problem in her eyes. Mr. Speaker, in Mrs. Luce's behalf, I therefore want to call upon Mr. Henry Luce III to receive the award and make such response as he feels appropriate.

[Applause.]

Mr. LUCE. Thank you, Mr. Sickles.

Mr. Speaker, present and former Members of Congress: I know Clare will be enormously pleased and thrilled by this award that you have presented her today. I also am very grateful to you for it.

For myself, to be speaking in this Chamber is a sudden and marvelous privilege. In the days when I sat in the press galleries and lurked in the anterooms buttonholing hurried Members, I certainly never expected to be talking into this microphone. It is perhaps the latest evidence of the incursions of the fourth estate. So I appreciate the honor of being asked to represent my dear stepmother here today, and I bring you this message from her.

☐ 1140

She says:

Mr. Speaker, distinguished present and former Members, I am deeply grateful to you for the honor you have done me in giving me your Distinguished Service Award.

I want especially to thank former President Gerald Ford, Senator Hugh Scott, and my dear and noble friend, Walter Judd. My gratitude to them and to all my old colleagues and friends is only exceeded by my disappointment that I am not able to be with you today. I had wanted so much to stand one last time on the floor of the House and to bid an affectionate farewell to you all, and to the historic chamber, which is the tempestuous temple of our democracy.

I also thank you for permitting me to send this message in absentia from my home in far-off Hawaii.

As you so well know, a certain infamous and tragic event took place out here on December 7, 1941, which changed the entire history of the world and affected millions of lives—mine included.

For Pearl Harbor set in train a series of political events in the Fourth Congressional District of Connecticut which resulted in my election to the 78th and 79th Congresses. I will always be proud that I served on the House Military Affairs Committee, in the greatest war-time Congresses in all American history.

From the day the U.S.A. declared war on the Axis powers, there was one overarching priority for all of us members: to support and secure the triumph of American and Allied arms.

No one in those Congresses needed to be reminded by the generals that there is no substitute for victory.

No congressman needed to be told on December 8th, 1941, to sit down on his knees and thank God that the bitterly controversial Selective Service Act of 1940 had passed by one vote, and that we had at least the framework for an army.

No congressman needed to be told, after the successful sneak attack on Pearl, that surprise is vital, if not the single most important condition for success in war—that secrecy, deception, and disinformation are essential to the achievement of surprises like Pearl Harbor—and that the best defense against a surprise attack by a powerful enemy is a well-coordinated intelligence machine.

No congressman needed to be told that the shocking state of American unpreparedness had encouraged the Axis' attack, and that if the U.S. had been prepared, World War II might have been entirely averted.

It was believed by the 78th and 79th, and most of the Congresses in the '50s and early '60s, that the U.S. had learned, for once and for all, that a sound foreign policy and an adequate defense is the shield of the Republic, and the one welfare program that is truly essential for the nation.

Today, Senator Henry Jackson, a Democrat, tells us that our foreign policy of detent vis-a-vis the Soviet Union "lies in shreads" and that our security is, once again, in grave danger. And he calls for a revival of the bipartisan foreign policy which, from 1941 to 1961, carried the United States to the pinnacle of strength and greatness.

"The survival of the nation in an increasingly hostile world is not a partisan issue," Senator Jackson says, "and no one political party has a monopoly on good sense and thoughtful counsel." To Democrat Jackson's Churchillean call for a non-partisan U.S. foreign policy, the up-grading of our defenses, and the strength and will to restore our role of world leadership, a large amen.

The choice which perennially confronts a diverse and far-flung democracy is whether it intends to be a nation with freedoms or a set of peoples with license.

We were warned of this by a great Republican,—the greatest—whose words I pray you will ponder: "If destruction be our lot," Abraham Lincoln said, "we must ourselves be its author and finisher. As a nation of free men, we must live through all time, or die by suicide."

Ladies and gentlemen, we are now, forty years after passage of the Selective Service Act, living through another time of peril. It will again be a test for those who have succeeded us to stewardship in this Congress of how well and long The Republic will endure. I feel confident that, with God's help, they will meet that test.

Bless you all.

[Applause.]

Mr. SICKLES. Finally, Mr. Speaker, I am pleased to report that if matters proceed as planned, our president for the next year will be William Mailliard, former Republican Congressman from California, and our vice president, former Democratic Congressman John Monagan of Connecticut.

In addition, I am informed that the nominating committee today will later nominate for 3-year terms on our board of directors, the following persons:

Catherine May Bedell of Washington.

Martha Keyes of Kansas.

Gale McGee of Wyoming.

Hugh Scott of Pennsylvania.

Mr. Speaker, this concludes our 10th annual report to the Congress. We look back to the last 10 years with pride. We look forward to the next 10 years with anticipation.

In closing, I would like to insert in the Record the names of those foundations, corporations and individuals whose contributions have made our growing educational and research programs possible.

NAME OF CONTRIBUTORS

Japan-U.S. Friendship Commission.
Lilly Endowment, Inc.
National Endowment for the Humanities.
Anonymous private foundation.
Claude Worthington Benedum Foundation.
Ford Foundation.
Flora and William Hewlett Foundation.
John Crain Kunkel Foundation.
Charles Stewart Mott Foundation.
Rockefeller Foundation.
U.S. Department of State, Bureau of Education and Cultural Affairs.
Anonymous.
Battelle Memorial Institute.
Beechcraft.
Charles B. Brownson.
Castle & Cook.
Champion International Corporation.
Dr. Scholl Foundation.
E. I. du Pont de Nemours & Co.
Exxon U.S.A. Foundation.
Finance Factors Foundation.
Florence & John Schumann Foundation.
Former Members of Congress Auxiliary.
Ford Motor Company Fund.
Brooks Hays.
Hercules, Inc.
Home Federal Savings & Loan Association, San Diego, California.
I.B.M.
Mrs. Benjamin F. James.
Johnson Foundation.
Jed Johnson, Jr.
Walter H. Judd.
Louise Taft Semple Foundation.
William S. Mailliard.
German Marshall Fund of the U.S.
D. Bailey Merrill.
Mobil Oil Corporation.
National Association of Independent Insurers.
National Study Commission on Records and Documents.
Pacific Federal Savings & Loan Association, Hollywood, Calif.
Panhandle Eastern Pipeline Company.
Pioneer Federal Savings & Loan Association, Honolulu, Hawaii.
Prudential Foundation.
Smithkline.
U.S. Capitol Historical Society.
Warner-Lambert Co.
Whalley Trust.
World Relief Foundation.

Thank you for your patience, and I yield back the balance of my time.

[Applause.]

● Mr. O'NEILL. Mr. Speaker, I apologize that I was unable to be present during the ceremonies for the annual meeting of former Members of the House of Representatives. Unfortunately, I had to attend a presidential briefing on oil importation, followed by a previous speech commitment I had made.

I know so many old and dear friends were gracing the House Chamber earlier today. Your friendship, advice and support over the years have been very special and important to me. Though we do not see and chat with each other on a daily basis, nonetheless, the bonds of trust, friendship, and fraternal spirit remain. I have often admired and respected the many achievements and successes that you have left as a legacy to those of us who still serve in the House, where the American people govern. We look to you as our examples. With the same vigor and enthusiasm and commitment to principle to which you adhered so steadfastly, we shall grapple with the Nation's problems and be guided to make the right decisions at the time, leaving the consequences to providence.

As former Members, all of you had the unique privilege of serving in the only legislative body in the land where you have to be elected to get here. You can be appointed Senator, Governor, Vice President, and President, but you have to be elected to serve in the House of Representatives. Election to the House of Representatives has stood out as one of the most cherished honors of my life—the others have been my marriage and the offspring of that marriage, my children and grandchildren. I know many of you who visited today share similar sentiments.

Public service in the national legislature is a career that affords many splendid opportunities to help and to serve people. No other career in this land offers the same range of challenges and responsibilities; no other career attracts more honorable men and women willing to live their lives in a fishbowl in order to serve the public trust. Collectively, the

Members of the House of Representatives represent every segment of American society. We often make mistakes, but we have not attained the responsibilities and obligations of our office by avoiding challenges and decisions. In the critical challenges ahead we shall meet our responsibilities with the same courage and foresight that have guided those of you who have immediately preceded us, and that have guided other American leaders for over 200 years.

Service in the House of Representatives is a token of power, a token of responsibility, and a token of privilege. It is a public trust that is associated with all America's ideals and finest aspirations. It is a calling described by a famous New Englander, Ralph Waldo Emerson, as follows:

Not gold, but only men. can make
  A nation great and strong,
Men, who for truth and honor's sake,
  Stand fast and suffer long.
Brave men who work when other men sleep
  Who dare while others fly,
They build a nation's pillars deep,
  And lift them to the sky.

I am delighted to say so many of you visited the Chamber today. I look forward to these annual reunions where we can continue to reminisce about the fond memories of this great legislative body; and I want all of you to know, that as long as I am Speaker of the House of Representatives, the door is always open.

God bless each and every former Member.●

The SPEAKER pro tempore. Before terminating these enjoyable proceedings, the Chair would like to invite any former Members who did not respond when the roll was called to give their names to the reading clerk for inclusion on the roll.

The Chair again wishes to thank the former Members of the House for their presence here today in what Clare Booth Luce has so appropriately called "this tempestuous temple of our democracy."

Good luck to all of you.

The House will stand in recess.

Accordingly (at 11 o'clock and 50 minutes a.m.), the House continued in recess until 12 o'clock noon.

☐ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WRIGHT) at 12 o'clock noon.

RESCISSION PROPOSAL IN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–314)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, May 20, 1980.)

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6081. An act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1644. An act to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for related purposes.

The message also announced that the President pro tempore, pursuant to Public Law 94–201, appointed Mr. David E. Draper, of Mississippi, from private life, to the Board of Trustees of the American Folklife Center, effective March 3, 1980, for a term of 6 years.

CALL OF THE HOUSE

Mr. BADHAM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 240]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Aspin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Dornan
Dougherty
Downey
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McHugh
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1210

The SPEAKER pro tempore (Mr. ZEFERETTI). On this rollcall, 355 Members have recorded their presence by electronic device, a quorum.

Pursuant to the rule, further proceedings under the call are dispensed with.

☐ 1220

EXTENDING EXPIRATION DATE OF DEFENSE PRODUCTION ACT OF 1950

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 175) to extend the expiration date of the Defense Production Act of 1950, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from Pennsylvania informed me earlier that this is simply a 3-month extension so that the conference can work out the problems that exist in the bills that have been passed. Is that correct?

Mr. MOORHEAD of Pennsylvania. The gentleman is correct. I have reason to hope that we can reach agreement on pretty well all, or virtually all, of the conferees in the next day or so, but there will have to be drafting of the legislative language, so that the conference report cannot immediately be brought to the floor of the House.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 175

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) as amended by striking out "May 27, 1980" and inserting in lieu thereof "August 27, 1980".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF PROCEEDINGS HAD DURING RECESS AND GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the Record and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET WHILE HOUSE IS IN SESSION

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation be permitted to meet while the House is in session today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONGRESS SHOULD DENY SUPPORT FOR OIL IMPORT FEE

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, there has been a suggestion by the President of the United States that this body is reflecting a lack of political courage in refusing to support the President's 10-cents-per-gallon oil import fee. I think it is important that Members begin to respond to that suggestion and that charge by the President.

It is easy for those of us who are not as concerned about making payments on bills and losing jobs, and so forth, to say that 10 cents a gallon is nothing, and that this is a wonderful signal to send to OPEC. I would suggest to my colleagues—and I think that the majority of my colleagues on both sides of the aisle agree with this—that this import fee is more an empty signal than an important symbol to OPEC; that in fact it is being used as a revenue-raising measure to produce a phony balanced budget, not a genuine balanced budget, and that we ought to stand up and say that the American people have had enough of price increases in energy.

The documents that our Government Operations Subcommittee has finally obtained indicate that this is not an important conservation measure; that in fact it will not fall only on gasoline, but on heating oil and diesel fuel, and there is no need for this body to approve it.

CONGRESS SHOULD DISAPPROVE OIL IMPORT FEE

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, this Thursday the Ways and Means Committee is scheduled to take up for consideration the resolution which would disapprove the President's oil import fee. I think that it is essential to give the people of this country a clear signal that we are not going to go on continuing to pass regressive tax legislation, that we report out that resolution, that we bring it forthwith to the floor of the House.

We have had extensive investigations into this in the Ways and Means Committee, the Government Operations Committee, and the Commerce Committee, and it is absolutely clear that this is not a conservation measure, but a tax measure, a subterfuge, an effort to balance the budget by raising taxes. We have been accused in the House of Representatives of not having the will, not having the desire, not having the vision to support strict conservation policies to deal with OPEC. This provision, this oil import fee, will not deal with OPEC. It will not result in real conservation. In fact, it is the opinion of many people that it will be a signal to OPEC to raise prices further.

This is bad economic policy; it is bad energy policy; it is bad tax policy, and I hope that the House of Representatives will pass this resolution quickly.

AN EXERCISE IN POLITICAL WILL

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, last Thursday President Carter, in a speech from the Rose Garden, said that Congress lacked the political will to help him impose the $11 billion oil import fee. I thought that comment odd for several reasons.

First, instead of sending a tax bill to Congress for us to examine, the President attempted to use an obscure trade law to implement an import fee for which he had no clear authority.

Second, instead of instructing his representatives to discuss the planning and implementation of this policy with the House Subcommittee on Energy, Environment and Natural Resources, he had Secretary Duncan risk citation for contempt of Congress in order to withhold documents which we needed to evaluate the tax.

Third, instead of calling for temperature restrictions on thermostats, or odd-even purchasing gasoline plans, or installing flow restrictors in showers, each of which could save far more energy at a fraction of the cost, the President asked consumers to take an $11 billion bath in exchange for saving a negligible amount of energy.

By challenging this ill-conceived tax, we exercised the political judgment to say that the emperor was not wearing any clothes.

It would be refreshing for consumers to know that sane energy, economic and conservation policies can be implemented without making them pay astronomically more. There are creative and sensible and cost-effective alternatives to this tax, inflation-proof conservation measures which we can adopt now which would save more fuel than the President's plan would have saved. This Congress should do much more than it has, but I think saying no to the oil import fee is a very sound decision.

OIL IMPORT FEE RESOLUTION OF DISAPPROVAL SUPPORTED

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, regardless of how the Federal court system eventually rules on the President's legal authority to impose the fee and accompanying entitlements system, the proposal is faulty on the merits and should be disapproved by the entire House.

I am a long time and strong advocate of energy conservation. It is the best short-term energy solution available to us. But that conservation must be targeted and effective. The oil import fee is neither.

Every bit of information I have seen on the Energy and Environment Subcommittee indicates to me that the administration's estimate of the fee's conservation impact is optimistic and exaggerated.

Furthermore, I am absolutely convinced that DOE cannot enforce the proposed passthrough on gasoline alone. It is clear, and the administration all but admits, that the marketplace and the marketplace alone will decide where this extra cost falls.

If the American people must pay an additional $11 billion for conservation, it can be much better targeted and it certainly can be at an equivalent cost less than the $280 per barrel that this fee would work out to.

I strongly urge my colleagues to pass the resolution and reject this ill-conceived program.

PRESIDENT'S OIL IMPORT FEE HAS BAD ECONOMIC EFFECTS

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, the speakers before me have eloquently talked about the impact of this absurd tax on the national economy. I am fortunate on Long Island to have my local newspaper (Newsday) contract with the Walton School of Business to do an econometric study on what impact this tax would have on Long Island. We find that it depresses retail sales, reduces jobs, erodes personal income, increases inflation; and most of all, it reduces the purchasing power of the people on Long Island at a time when they can least afford it.

□ 1230

So, Mr. Speaker, the fact is that this tax will not really conserve energy, but it will increase inflation, it is unenforceable, and it is probably illegal. But other than that, it is really an excellent idea.

ADMINISTRATION'S RECORD SHOULD GIVE RISE TO SHAME AND EMBARRASSMENT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, last week I suggested to this House what nearly every Member knows to be the case—that the new budget we just passed will not be balanced—contrary to the claims of the majority leader.

He seems to think that this budget will show a $2 billion surplus—and he suggested that I, a freshman member of the minority party, am to blame for the big-spending and high-taxing policies of the majority.

Mr. Speaker, the American people are not going to be fooled by the majority leader's attempts to pass the buck. They look back over the 4 years of Jimmy Carter's Presidency and see record budget deficits—18 percent inflation and 18 percent interest rates.

The American people recall that in 1976, Candidate Jimmy Carter told President Ford that he ought to be ashamed of himself for defending his economic record, which was 4.8 billion inflation and 6.5 interest rates.

Mr. Speaker, after the disastrous economic performance of this administration and the majority in this Congress, the President and the House leadership should not only be ashamed. They should be downright embarrassed.

APPOINTMENTS TO NICARAGUAN JUNTA POINT TO NEED FOR NICARAGUAN AID BILL

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, I see today that in Nicaragua two new members were appointed to the ruling five-man junta to take the place of the two who had resigned a couple of weeks ago. One of the new members is Rafael Rivas, 56 years old, a Conservative Party politician and a member of the Supreme Court, and the second is Arturo Cruz, 54, president of the Central Bank.

Again, Mr. Speaker, let me say to my colleagues that the devastation that was left after the Nicaraguan revolution nearly 1 year ago continues. The $75 million loan bill, the authorization for which has recently been approved, needs to be backed up with the $75 million appropriation. I am hopeful that the recent actions in Nicaragua, with the appointment of these two new members, are sufficient to give lie to those views that say only the Marxists are in control in Nicaragua, that it is hopeless down there, and that all hope for democratic institutions is lost.

The SPEAKER pro tempore. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

PRESIDENT'S TAX ON GASOLINE SEEN AS A HEAVY TAX OF QUESTIONABLE VALUE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, a few years ago the movie "Network" depicted a crazed television commentator who got people all over New York to open their windows and shout, "I'm mad as hell and I'm not going to take it anymore!"

Ironically, it turns out to be a prediction of what will happen if people in this country wake up one morning and find that gasoline has gone up 10 cents a gallon overnight—thanks not to OPEC, but to President Carter.

Fortunately, we can do something about this irritating, unnecessary and uncalled for tax.

There are at least five resolutions pending now which would prevent this tax from going into affect by one means or another.

I am cosponsoring two of them—the Latta resolution and the Shannon resolution.

I urge my colleagues to support one or all of these measures.

The American people do not need this tax for conservation purposes—they have already reduced gasoline consumption by 10 percent over last year.

And according to the Oil Dailey, there is considerable disagreement in the Department of Energy over the effectiveness of this tax to force gasoline conservation.

Apparently, the oil import fee cannot even be passed through entirely onto the price of gasoline alone—if that was the President's purpose.

To further burden the public with a heavy tax of questionable value seems ridiculous at this point.

Let us get rid of this tax.

OIL IMPORT FEE NOT A MACHO ISSUE

(Mr. STOCKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STOCKMAN. Mr. Speaker, the issue of the oil import fee is not one of political macho or the thickness of our spine, as the President suggests, but the issue before the House is whether or not we are going to be intimidated into acquiescing to a counterproductive and burdensome tax just because some "big thinkers" who write editorials for the Washington Post and the New York Times, or play around with toy energy models at the Department of Energy think that gasoline consumption is wasteful, extravagant, and immoral.

It is not. The American people are cutting back, and they have cut back 10 percent in the last year.

We do not need this tax, and if those "big thinkers" want it or if they believe gasoline consumption is wasteful, then they ought to get themselves a bike and pay the tax voluntarily or send the money to charity.

LITTLE SUPPORT SEEN FOR PRESIDENT'S 10-CENTS-A-GALLON GAS TAX

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, it is clear from committee activity and from remarks that have been made here on the floor this morning that there is just not a lot of support for the President's 10-cents-a-gallon gas tax.

That is why I was so surprised last Thursday when I was standing within 5 feet of the President and he tried to blame Congress for the idea of the 10-cent tax. He said he only put it on in the first place at the urging of Members of Congress.

Well, I came here last Thursday to the floor and asked those who urged the President to put this 10-cent tax on to come down and identify themselves, because I really do not know many Members here who are for it.

A tax is a tax is a tax. We do not need more taxes. Taxes in 1976 were $300 billion. This year, fiscal year 1981, they are going to go to $613 billion if we pass the idiotic budget we have been considering.

Mr. Speaker, enough is enough.

OIL IMPORT FEE IS NO ANSWER TO OPEC

(Mr. LOEFFLER asked and was given permission to adress the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I rise in opposition to the $11 billion gasoline tax cloaked as an oil import fee.

This gasoline tax will do nothing to relieve the stranglehold that OPEC now has over our great Nation. In fact, the proposed tax will exacerbate our dependence on economically debilitating and strategically vulnerable crude oil from the Middle East. Such a gasoline tax does nothing to increase desperately needed domestic supplies of energy. Rather, the bottom line is that a gasoline tax will force each and everyone of us, the consumers of America, to pay more for less for an extended period of time.

FURTHER OPPOSITION TO THE GASOLINE TAX

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, I join an elite group of people who obviously lack the political courage to support the 10-cent gas tax. Let us look at the 10-cent gas tax.

First of all, it sends no message to OPEC. Second, it will have a minimal effect on conservation. But what it does do is it gives to the Federal Treasury $10 billion more in an attempt by the President to "balance the budget."

More importantly, it does aggravate inflation. The No. 1 problem we have today is inflation, and $10 billion more in revenues is going to aggravate that inflation and not bring it down.

Mr. Speaker, the average motorist is estimated to spend over 100 after tax dollars if this gas tax is not repealed. The Congress should respond.

SUPPORT URGED FOR JOINT RESOLUTION TO DISAPPROVE OIL IMPORT FEE

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I have cosponsored House Joint Resolution 531 to disapprove the President's announced crude oil import fee. The resolution, cosponsored at this time by 140 Members, was reported out of the Trade Subcommittee of Ways and Means Committee on May 14, by an overwhelming 17 to 14 margin. It is expected to be taken up by the full committee on Thursday, May 22.

The imposition of this fee, really a tax, is for the wrong reasons, at the wrong time, affecting the wrong segment of the marketplace. In the first place, consumers already are suffering through the worst inflationary spiral in history. We know that this tax will produce more inflation; in fact, the Congressional Research Service estimates that this will add an additional 1 percentage point to the Consumer Price Index.

Second, let us make no mistake about it, this import fee is not a conservation tax but a revenue-raising measure. Using the administration's own assumptions, a meager 100,000 barrels of oil per day would be expected to be saved (or about 0.5 percent of daily oil consumption).

Finally, the way the administration will implement the program reminds me of a (Rube Goldberg) juvenile's tinkertoy. The way the fee is collected, who pays for it, the timing of the collection, who reimburses whom, still remains very unclear to the importers, refiners, marketers and even the consuming public. It will be a bureaucratic nightmare.

I urge all my colleagues to join me in cosponsoring this resolution.

□ 1240

CARTER'S DECEPTION

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, last Tuesday, a Federal judge ruled that Jimmy Carter's 10 cent "conservation fee" for gasoline was "unlawful." The judge could very well have added "hypocritical."

The President's gasoline fee was a last minute gimmick to balance the Federal budget which had little to do with conservation of oil.

Everyone agrees that imported oil is the Achilles heel of the United States. An overnight cut-off of Saudi Arabian oil could strangle our economy and plunge us into a foreign war that no one wants. The national security question is urgent. How do we rid our economic system of its addiction to the 2.1 million barrels we import daily from the Persian Gulf?

The Carter gasoline fee might save 100,000 barrels per day by the end of the year. Compared to the 18.4 million barrels we use daily, this is a drop in the bucket.

Instead, we should be debating a substantial tax on gasoline, to go into a conservation trust fund. We should consider partially refunding these revenues to all Americans and partially plowing the revenues into a massive campaign to weatherize and insulate the Nation's dwellings. If Jimmy Carter were sincere about oil conservation and the national security threat of our dependence on the Persian Gulf, he should immediately reshape his energy policy to put conservation where it belongs, on an emergency fast track.

OPPOSITION TO OIL IMPORT FEE

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, with so many critical energy issues facing this country, it is distressing to me that so much of our time and attention has to be spent on this oil import fee. The fee is inflationary, it is a regressive tax, and it does not have any significant conservation benefit. It will not achieve, even in the long term, even a minor reduction in the use of gasoline and the importation of crude oil, but it will pose a very great and unacceptable burden on low- and middle-income people generally. I am especially concerned about the effect of this tax on low- and middle-income working people who have no alternative to driving to work, who have no public transportation. They do not have the resources to absorb the tax. They do not have an alternative to driving to work. They resent the tax. Moreover, they resent a tax being imposed upon them to balance the budget.

While I wish the time of the House would not have to be diverted to this question, I hope that we will have the opportunity in the very near future to vote against, and resoundingly against, the imposition of this tax, which will extract $90 billion from the American people over the next 5 years, in the largest tax bite in post-World War II U.S. history.

INCREASING REVENUES TO BALANCE THE BUDGET

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, I have heard from my colleagues on both sides of the aisle about how they do not like the 10-cent-per-gallon gasoline tax. I am with you in your opposition. I too have signed and cosponsored legislation that would stop that tax. But you must go beyond that.

I have heard from the Democrat side they will balance the budget by increasing revenues, that is raise taxes, I heard it here today at least six times that they plan to balance the budget by increasing the revenue. That in my opinion is a false way to balance the budget. Those of my colleagues who are so recently converted to balancing the budget having opposed my previous efforts to cut spending will be pleased to know they can redeem themselves on the fiscal year 1981 appropriations bills.

You will have an opportunity to vote for the 5-percent reduction on the appropriation bills. If you think raising revenues is a false way to balance the budget you should be willing to bite the bullet and vote for reduced spending.

I have a sign, and after what I heard today I thought it was time to bring it out again. I have carried this sign to the floor on various occasions to make a very basic point about why it has been so hard to cut spending. The sign reads: "There are 1,000 other programs that could be cut, but do not cut this one."

The collective effect of this sacred cow attitude is that nothing gets cut. The sacred cows only seem to grow fatter and more numerous each year. This year, however, is different. At least the rhetoric of my colleagues suggests a new, more sober attitude. I am sure my colleagues will welcome the opportunity to support my forthcoming efforts to make overall percentage cuts in the various appropriations bills.

LET US VOTE NOW ON THE OIL IMPORT TAX

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I could not help but comment on this. It is an interesting list of people standing in line this morning to say, "Do not associate us with the tax." And I certainly think everyone in this body probably agrees with that. From what I witnessed this morning, we all have objected to the President's plan to increase oil prices by about 10 cents by the additional tax.

But one thing I do not understand. Why do we have to wait until Thursday to act on a bill to stop the tax? You, the majority party are running the Congress, you program, you schedule. Let us vote on it today. It seems to be unanimous. We could have brought it up under suspension of the rules, I guess. Everything else comes up that way. So why are we waiting until Thursday? Let us get some action. Let us quit talking about it. But typically we just talk about problems and never get down to what really helps the American people, and that is what the gentleman from Ohio spoke about, cutting expenditures, and maybe even cutting taxes. Why do we wait until Thursday? We are long on rhetoric and short on action. Let us quit talking and do something about it.

AMENDING SUBTITLE IV OF TITLE 49, UNITED STATES CODE, TO CODIFY RECENT LAW

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3807) to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "an initial" and insert "a".

Page 1, line 11, strike out "initial decision becomes an action of the Commission" and insert "decision becomes effective".

Page 4, lines 14 and 15, strike out "those sections. Those sections" and insert "that section. That section".

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

INFANT FORMULA ACT OF 1980

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6940) to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that act to assure the safety and nutrition of infant formulas, as amended.

The Clerk read as follows:

H.R. 6940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Infant Formula Act of 1980".

SEC. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding after section 411 the following new section:

"REQUIREMENTS FOR INFANT FORMULAS

"SEC. 412. (a) (1) An infant formula shall be deemed to be adulterated if (A) it does not provide nutrients in accordance with the table as set out in subsection (g) or as revised under paragraph (2), (B) it does not meet the requirements prescribed under paragraph (2) (C), or (C) the processing of the formula is not in compliance with applicable requirements prescribed under paragraph (2) (D).

"(2) The Secretary may by regulation—

"(A) revise the list of nutrients in the table in subsection (g),

"(B) revise the level for any nutrient listed in the table,

"(C) establish requirements for quality factors for nutrients listed in the table, and

"(D) establish such quality control procedures as the Secretary determines necessary to assure that an infant formula provides nutrients in accordance with subsection (a) (1) (A) and meets the requirements of subparagraph (C) and establish requirements respecting the retention of records of procedures required under this subparagraph.

"(b) (1) Not later than 90 days before the first processing of any infant formula for commercial or charitable distribution for human consumption, the manufacturer shall notify the Secretary whether (A) the formula provides nutrients in accordance with subsection (a) (1) and meets the applicable requirements prescribed under subsection (a) (2) (C), and (B) the processing of the formula will be carried out in accordance with the applicable requirements prescribed under subsection (a) (2) (D).

"(2) Before the first processing of any infant formula for commercial or charitable distribution for human consumption—

"(A) after a change in its formulation, or

"(B) after a change in its processing,

which the manufacturer reasonably determines may affect whether the formula is adulterated as determined under subsection (a) (1), the manufacturer shall notify the Secretary of such changes and that the formula provides nutrients in accordance with subsection (a) (1) and meets the applicable requirements prescribed under subsection (a) (2) (C) and that the processing of the formula will be carried out in accordance with the applicable requirements prescribed under subsection (a) (2) (D).

"(c) (1) If the manufacturer of an infant formula has knowledge which reasonably supports the conclusion that an infant formula which has been processed by the manufacturer and which has left an establishment subject to the control of the manufacturer—

"(A) may not be in compliance with the requirements of subsection (a) (1) (A), or

"(B) (i) may be otherwise adulterated or misbranded, and

"(ii) if so adulterated or misbranded presents a risk to human health,

the manufacturer shall promptly notify the Secretary of such noncompliance or risk to health.

"(2) For purposes of paragraph (1), the term 'knowledge' as applied to a manufacturer means (A) the actual knowledge that the manufacturer had, or (B) the knowledge which a reasonable person would have had under like circumstances or which would have been obtained upon the exercise of due care.

"(d) (1) If a recall of an infant formula is begun by a manufacturer, the recall shall be carried out in accordance with such requirements as the Secretary may prescribe under paragraph (2), and—

"(A) the Secretary shall, not later than the 15th day after the beginning of such recall and at least every 15 days thereafter until the recall is terminated, review the actions taken under the recall to determine whether the recall meets the requirements prescribed under paragraph (2); and

"(B) the manufacturer shall, not later than the 14th day after the beginning of such recall and at least every 14 days thereafter until the recall is terminated, report to the Secretary the actions taken to implement the recall.

"(2) The Secretary shall by regulation prescribe the scope and extent of recalls of infant formulas necessary and appropriate for the degree of risk to human health presented by the formula subject to the recall.

"(e) (1) Each manufacturer of an infant formula shall make and retain such records respecting the distribution of the infant formula through any establishment owned or operated by such manufacturer as may be necessary to effect and monitor recalls of the formula. No manufacturer shall be required under this subsection to retain any record respecting the distribution of an infant formula for a period of longer than 2 years from the date the record was made.

"(2) To the extent that the Secretary determines that records are not being made or maintained in accordance with paragraph (1), the Secretary may by regulation prescribe the records required to be made under paragraph (1) and requirements respecting their retention under such paragraph. Such regulations shall take effect on such date as the Secretary prescribes but not sooner than 180 days after the date of their promulgation, and they shall apply only with respect to distributions of infant formulas made after their effective date.

"(f) (1) Any infant formula which is represented and labeled for use by an infant—

"(A) which has an inborn error of metabolism or a low birth weight, or

"(B) which otherwise has an unusual medical or dietary problem,

is exempt from the requirements of subsections (a) and (b). The manufacturer of an infant formula provided an exemption under this paragraph shall, in the case of the exempt formula, be required to provide the notice required by subsection (c) only with respect to information described in paragraph (2) of such subsection.

"(2) The Secretary may by regulation establish terms and conditions for the exemption of an infant formula from the requirements of subsections (a) and (b). The continuation of an exemption of an infant formula under paragraph (1) shall be subject to compliance with applicable terms and conditions prescribed under this paragraph.

"(g) The table referred to in subsection (a) (1) (A) is as follows:

NUTRIENTS

"Nutrient	Minimum[1]	Maximum[1]
Protein (gm)	1.8	4.5.
Fat:		
Gm	3.3	6.0.
Percent cal	30.0	54.0
Essential fatty acids (linoleate):		
Percent cal	3.0	
Mg	300.0	
Vitamins:		
A(IU)	250.0 (75µg)[2]	750.0 (255µg).[2]
D (IU)	40.0	100.0.
K (mg)	4.0	
E (IU)	0.3 (with 0.7 IU/gm linoleic acid)	
C (ascorbic acid) (mg)	8.0	
B_1 (thiamine) (µg)	40.0	
B_2 (riboflavin) (µg)	60.0	
B_6 (pyridoxine) (µg)	35.0 (with 15µg/gm of protein in formula).	
B_{12} (µg)	0.15	
Niacin (µg)	250.0	
Folic acid (µg)	4.0	
Pantothenic acid (µg)	300.0	
Biotin (µg)	1.5[3]	
Choline (mg)	7.0[3]	
Inositol (mg)	4.0[3]	
Minerals:		
Calcium (mg)	50.0[4]	
Phosphorus (mg)	25.0[4]	
Magnesium (mg)	6.0	
Iron (mg)	0.15	
Iodine (µg)	5.0	
Zinc (mg)	0.5	
Copper (µg)	60.0	
Manganese (µg)	5.0	
Sodium (mg)	20.0 (6 mEq)[5]	60.0 (17 mEq).[5]
Potassium (mg)	80.0 (14 mEq)[5]	200.0 (34 mEq).[5]
Chloride (mg)	55.0 (11 mEq)[5]	150.0 (29 mEq).[5]

[1] Stated per 100 kilocalorie.

[2] Retinol equivalents.

[3] Required to be included in this amount only in formulas which are not milk-based.

[4] Calcium to phosphorus ratio must be no less than 1.1 nor more than 2.0".

[5] Milliequivalent for 670 kcal/liter of formula.

Sec. 3. Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended by adding at the end the following:

"(aa) The term 'infant formula' means a food which purports to be or is represented for special dietary use solely as a food for infants by reason of its simulation of human milk or its suitability as a complete or partial substitute for human milk.".

Sec. 4. Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended—

(1) in the first sentence, by inserting "(1)" before "For purposes" and by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(2) in the third sentence, by inserting "or by paragraph (3)" after "preceding sentence";

(3) in the sixth sentence, (A) by striking out "The provisions of the second sentence of this subsection" and inserting in lieu thereof the following:

"(2) The provisions of the second sentence of paragraph (1)",

and (B) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively; and

(4) by adding at the end the following:

"(3) An officer or employee making an inspection under paragraph (1) for purposes of enforcing the requirements of section 412 applicable to infant formulas shall be permitted, at all reasonable times, to have access to and to copy and verify any records—

"(A) bearing on whether the infant formula manufactured or held in the facility inspected meets the requirements of section 412, or

"(B) required to be maintained under section 412.".

Sec. 5. (a) Section 301 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new paragraph:

"(s) The failure to provide the notice required by section 412(b) or 412(c), the failure to make the reports required by section 412(d) (1) (B), or the failure to meet the requirements prescribed under section 412(d) (2).".

(b) Section 301(e) of such Act is amended (1) by striking out "section 703" and inserting in lieu thereof "section 412 or 703", and (2) by striking out "section 505" and inserting in lieu thereof "section 412, 505".

(c) Section 301(j) of such Act is amended by inserting "412," before "505".

Sec. 6. Section 412 of the Federal Food, Drug, and Cosmetic Act (added by section 2) shall apply with respect to infant formulas manufactured on or after 90 days after the date of the enactment of this Act.

Sec. 7. The Secretary of Health and Human Services shall conduct a study to determine the long-term effect on infants of hypochloremic metabolic alkalosis resulting from infant formulas deficient in chloride. The Secretary shall report the results of such study to the Congress.

Sec. 8. (a) Section 503 of the Controlled Substances Act (21 U.S.C. 873) is amended by adding at the end the following new subsection:

"(c) The Attorney General shall annually (1) select the controlled substance (or controlled substances) contained in schedule II which the Attorney General, in his discretion, determines to have the highest rate of abuse, and (2) prepare and make available to regulatory, licensing, and law enforcement agencies of States descriptive and analytic reports on the actual distribution patterns in such States of each such controlled substance.".

(b) Section 203 of the Psychotropic Substances Act of 1978 (Public Law 95-633) is amended by striking out subsection (d).

(c) Section 401 of the Controlled Substances Act (21 U.S.C. 841) is amended—

(1) by striking out "except as provided in paragraphs (4) and (5) of this subsection" in the first sentence of subsection (b) (1) (B) and inserting in lieu thereof "except as provided in paragraphs (4), (5), and (6) of this subsection"; and

(2) by adding after paragraph (5) of subsection (b) the following new paragraph:

"(6) In the case of a violation of subsection (a) involving a quantity of marihuana exceeding 1,000 pounds, such person shall be sentenced to a term of imprisonment of not more than 15 years, and in addition, may be fined not more than $125,000. If any person commits such a violation after one or more prior convictions of him for an offense punishable under paragraph (1) of this paragraph, or for a felony under any other provision of title III, or other law of the United States relating to narcotic drugs, marihuana, or depressant or stimulant substances, have become final, such person shall be sentenced to a term of imprisonment of not more than 30 years, and in addition, may be fined not more than $250,000.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. Waxman) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. Carter) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Waxman).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great pleasure that I present H.R. 6940, the Infant Formula Act of 1980, to the House of Representatives. H.R. 6940 is one of the most important health measures reported by the Interstate and Foreign Commerce Committee this year. It is a bill vitally important to the health of thousands of infants who each day depend upon infant formula as their sole source of nutrition.

The legislation is a popular measure. It was reported by unanimous voice vote of the Interstate and Foreign Commerce and is cosponsored by 22 members of the committee including Mr. Gore, Mr. Mottl, Mr. Carter, Mr. Murphy, Mr. Eckhardt, Mr. Preyer, Mr. Scheuer, Mr. Ottinger, Mr. Wirth, Mr. Sharp, Mr. Santini, Mr. Maguire, Mr. Markey, Mr. Luken, Mr. Walgren, Ms. Mikulski, Mr. Gramm, Mr. Leland, Mr. Shelby, Mr. Madigan, Mr. Rinaldo, Mr. Marks. Further, the legislation is endorsed by every major manufacturer of infant formula and I include a copy of an endorsement from the Infant Formula Council in the Record at this point.

> The Infant Formula Council, recognizing the unique position of infant formulas in the food supply, endorses legislation being presented to the Interstate and Foreign Commerce Committee of the U.S. House of Representatives at its markup meeting of April 16, 1980. This legislative proposal (HR 6940 as amended) incorporates provisions from previously introduced bills, as well as input from the Food and Drug Administration, the infant formula industry, and other interested parties.
>
> The Infant Formula Council shares the stated concern of the Members of the Committee and the FDA that the public's confidence in manufactured infant formula be reassured. The Council believes that the provisions of the legislation will help achieve that goal if passed into law.
>
> The Council also wishes to express its appreciation to Rep. Henry Waxman, Chairman of the Subcommittee on Health and the Environment, Dr. Tim Lee Carter, the rank-

ing Republican, Rep. Phil Gramm, Rep. David Satterfield, and other Members of the Subcommittee, the Subcommittee staff, as well as Rep. Albert Gore and Rep. Ron Mottl of the full Committee, for their contribution to this legislation and their willingness to hear all points of view in order to develop a consensus on legislation regulating this vital product for infants.

Note: The Infant Council is the trade association for manufacturers of infant formula in the United States.

Mr. Speaker, the committee has received outstanding cooperation and technical assistance from the infant formula industry and the American Academy of Pediatrics in the development of this legislation. I want to take this opportunity to particularly commend the American Academy of Pediatrics and its Committee on Nutrition for their decade-long leadership in the development of quality standards for infant formula. The nutritional requirements contained in the legislation reflect the recommendations of the Academy.

Mr. Speaker, H.R. 6940 establishes uniform safety and nutritional standards for infant formulas. In addition, the legislation provides authority for the Secretary of the Department of Health and Human Services to establish quality control, recordkeeping, notification, and recall requirements necessary to insure that infant formulas are safe and will promote healthy growth. The legislation also provides authority for the Secretary to inspect records necessary to monitor and effect formula recalls and to determine compliance with formula quality standards.

Section 8 of the bill contains three important provisions which relate—not to infant formula—but to drug law enforcement. The provisions provide for extending existing reporting requirements for the PCP precursor piperidine, expanding technical assistance provided States to control retail diversion of dangerous drugs and increasing criminal penalties for trafficking in large quantities of marihuana. The provisions are essential to strengthening our drug law enforcement capability and were included in H.R. 6940 to insure swift Senate consideration and enactment.

The committee's amendment with respect to marihuana establishes an important and much needed distinction in law between trafficking violations involving large versus small quantities. Under current law, convictions for the sale of marihuana—be it 2 pounds or 2 tons—incur the same maximum 5-year prison sentence and/or $15,000 fine. The committee believes a maximum 5-year sentence is an inadequate deterrence to major trafficking operations which are reputed to participate in the smuggling of an estimated 15,000 to 20,000 tons of marihuana into the United States each year.

Section 8(c) of the bill raises the maximum penalty for marihuana convictions involving over 1,000 pounds to 15 years and/or a $125,000 fine. Penalties for convictions involving lesser amounts remain unchanged. Consistent with existing law, maximum penalties double in the case of a prior drug related conviction.

Mr. Speaker, law enforcement officials have testified repeatedly before the committee that the financial benefits of large-scale marihuana trafficking are so lucrative that current criminal sanctions are viewed as an acceptable cost of doing business.

The committee believes the continued, indeed widespread illegal distribution of marihuana in the United States poses potentially grave public health ramifications. The widespread use of marihuana in America today is due in large measure to the activities of covert, sophisticated trafficking networks. If drug law enforcement personnel are to have an impact on reducing supplies of this drug, they must have the capability to recommend imposition of prison sentences sufficient to disrupt major trafficking operations. The committee believes marihuana trafficking is a serious problem and one for which serious criminal sanctions should be imposed.

Mr. Speaker, the need for this legislation is clear. Last summer, Americans learned that two infant formula products—Neo-Mull-Soy and Cho-Free—had been marketed which were deficient in chloride, a life sustaining nutrient. Americans were shocked to later learn that 3 months after a recall of the products had begun, they could still be purchased in many regions of the country. Fortunately, no fatalities resulted, however, the revelations of this episode stunned the Nation. Although the overall safety record of the infant formula industry has been excellent, this tragic episode called attention to a serious deficiency in Federal food safety law. Public confidence in the safety of infant formula was seriously shaken.

In the months following the Neo-Mull-Soy and Cho-Free recalls, we learned that over 130 infants who consumed the formulas had contracted a relatively rare and potentially fatal illness known as hypochloremic metabolic alkalosis. The illness is characterized by an abnormally diminished level of chloride in the blood which causes a shift in the body's acid/base balance. Symptoms included loss of appetite, failure to gain weight, lethargy, and constipation. Pediatricians described the symptoms as "failure to thrive."

Parents demanded to know how such a serious event could have occurred. They wondered whether it could happen again in the future.

When I first learned about this episode, I was shocked to discover that there are no Federal statutes or regulations which require infant formulas to contain all nutrients recognized as essential. Federal regulations with respect to infant formula are currently limited to assurances that labels are accurate and that the formula is processed in sanitary facilities. The absence of more substantive requirements regarding formula content may have created a regulatory environment which permitted the marketing of the nutrient deficient formulas.

Mr. Speaker, perhaps more than any other food product, we expect infant formulas to be manufactured to exacting standards. Each day, tens of thousands of infants depend upon formula as their sole source of nutrition. As the growth of infants during the first few months of life often determines the pattern of growth and quality of health in adult life, formulas are critically important to the health of our country. Formulas are unique food products and the public rightfully expects a high standard from companies involved in this important industry.

The bill before us is the product of extensive research and deliberation. Two days of legislative hearings were conducted and the advice of the Food and Drug Administraton, American Academy of Pediatrics and the infant formula industry were actively solicited and incorporated into the committee bill.

Mr. Speaker, several Members are entitled to be singled out for their contribution to the development of this legislation. I would like to recognize and express personal thanks to Representatives ALBERT GORE, RONALD MOTTL, and Dr. TIM LEE CARTER, the ranking minority member of the Subcommittee on Health and the Environment. H.R. 6940 is very much a reflection of their thoughtful input.

Congressmen GORE and MOTTL, through their outstanding investigative work on the Commerce Subcommittee on Oversight and Investigations, brought to light the tragic circumstances that made evident the need for this legislation. After their outstanding review of existing law, they recommended to us the legislative approach embodied in this bill. They deserve and are entitled to the credit for initiating this legislation and the gratitude from all of us for their leadership in working constructively to keep the industry and the FDA alert to avoid what could be future harm to infants. Their work as part of the Oversight and Investigations Subcommittee reinforces my conviction that this crucial part of our legislative activities is as important, if not more important, than passing additional legislation—they looked to see if existing law was meeting our expectations. Their dedication, effort and thoughtfulness that went into this legislation are examples of the high achievements possible to Members truly committed to the public interest.

Mr. Speaker, parents must have confidence in the quality of formula upon which their children depend. They must be assured that formula contain all essential nutrients and that it has been adequately tested prior to marketing. The adoption of H.R. 6940 will restore public confidence in the safety and quality of infant formula and deserves every Member's support.

Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. GORE).

Mr. GORE. Mr. Speaker, I would like to begin by expressing my thanks to the distinguished chairman of the Subcommittee on Health and the Environment, the gentleman from California (Mr. WAXMAN), and the ranking minority member, the gentleman from Kentucky (Mr. CARTER), whose district neighbors mine in Tennessee, and to my colleague, the gentleman from Ohio (Mr. MOTTL), who helped in the investigation that led to this legislation.

This bill has bipartisan support and it has many, many cosponsors, to whom I would also like to express thanks.

This legislation was passed unanimously in the Subcommittee on Health and the Environment and unanimously in the full Committee on Interstate and Foreign Commerce. It has the endorsement of the Infant Formula Council, the industry trade group, and I would hope that it would be passed overwhelmingly here today in the House of Representatives.

Since the end of World War II, Mr. Speaker, breast-feeding practices have been largely replaced by synthetic formulas. More than 60 percent of the infants in this country today are fed manufactured formulas, and these formulas often constitute the primary or sole source of nourishment for infants during their most critical period of development. We should, therefore, take every precaution to make sure that these formulas are safe and nutritious.

As members of the Subcommittee on Oversight and Investigations, Mr. MOTTL and I had a set of circumstances brought to our attention, largely as a result of investigative work by Lea Thompson, a television investigative reporter, that outlined a terrible tragedy in this country involving infants. The Syntex Corp. mass marketed two infant formulas without pretesting them after these formulas had been changed. They marketed the adulterated formulas for 15 months, during which time thousands of infants consumed these formulas. There was a serious chloride deficiency in these formulas that posed life-threatening hazards to newborn children. Approximately 130 children suffered serious growth and developmental impairments. The long-term effects on these children are as yet unknown.

There was a recall, but it was very ineffective. No one monitored the recall. Consequently, 3 months after the recall was initiated, at the time of the investigation by the Subcommittee on Oversight and Investigations, which I chaired, the products were still on the shelves.

We found in the investigative hearing that the current law is incredibly inadequate.

Under current law any individual or group of individuals can mass market virtually any concoction that they want to as the sole source of nourishment for infants in this country. This set of circumstances cannot be allowed to continue, in my judgment.

Under current law, no company is required to pretest an infant formula before it is mass marketed, and under current law, the Food and Drug Administration does not have the authority to insure nutritional quality or to guarantee that a prompt and effective recall of adulterated infant formulas occurs.

Now, this legislation would change existing laws in three key ways:

First, it would require that any infant formula marketed in the United States as the sole source of nutrition for normal babies include minimum amounts of all essential nutrients.

Second, it would require that infant formulas be tested before they are mass marketed in order to insure the nutritional adequacy of those formulas.

Third, this legislation would require the Food and Drug Administration to establish mandatory procedures for the recall of deficient formulas.

This legislation would not hamper or delay efforts to improve formulas unless the test results indicated that the nutritional quality of the formula was jeopardized. This bill does not preclude additions to or revisions of the formula ingredients as long as the proper nutritional quality is maintained. Infant formulas which are used by infants with special medical and dietary problems are not included in this bill. We make special provisions for those special formulas.

We found in our investigation, Mr. Speaker, that the tragedy involving Syntex was not unique. Another company also marketed chloride-deficient formulas last fall, and there have been other instances involving the marketing of hazardous formulas.

I am hopeful that this legislation will prevent such an occurrence from happening ever again.

In conclusion, I want to say that serving in the Congress sometimes is frustrating, as my colleagues know. It seems sometimes as if one works a long time for few achievements. But this is one of those occasions, Mr. Speaker, where I believe we can feel satisfaction and pride in passing a good bill. I am extremely proud of my colleagues on the Committee on Interstate and Foreign Commerce; and I hope that the other Members of the House of Representatives will join us in adopting this legislation and giving parents in America the assurance that infant formulas are safe and nutritious.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

I would like to also recognize the gentleman's leadership role in this. As he knows, I was a cosponsor of his original legislation.

I do have a question for the gentleman, and that is, is the FDA given the authority to premarket test these formulas before they actually hit the market at all?

Mr. GORE. The FDA is given the right to review the test data compiled by the company. The burden is placed in this legislation on the company to perform the test to insure that it meets all the standards. They have to notify the FDA that that testing has been performed. At that point, the FDA has the right to review the test results, and if they have some reason to believe that the tests were inadequate, then they can step in and require further action of the company.

Mr. COLEMAN. If the gentleman will yield further, can the gentleman give us assurance today that in fact there is going to be some sort of oversight by the FDA on the infant formula even though the FDA will not have the authority themselves to conduct these tests, they will have access to the test. They can go into the scientific laboratory. They can go with the scientist, and they can in fact stand right next to him if they want to under this law if we pass it?

Mr. GORE. That is correct. This legislation contains new provisions allowing the FDA access to information such as that described, including the test results on these formulas, and it would give them that power.

Mr. COLEMAN. It is my understanding that some of the problems that came to our attention were the result of changes in a formula already on the market. Under this bill, which the gentleman is asking us to support today, the FDA will have the opportunity to review these changes in the actual ingredients in a formula prior to actually being sold over the counter.

□ 1300

Mr. GORE. That is correct. Now the initial determination of what kind of change triggers the testing requirement, the burden of making that decision will be on the company. But, again, that decision is reviewable by the FDA.

Mr. COLEMAN. I thank the gentleman and hope he will continue to monitor this subject matter and if for some reason there is a loophole in here that he does not know about or no one has seen that we can come back and make sure that we are not going to have any other future examples of what has been a very catastrophic thing to a number of families, as the gentleman well knows. I thank the gentleman.

Mr. GORE. I thank my colleague for his comments and I appreciate his cosponsorship and great assistance in pushing this legislation.

Let me say also that I want to give my colleagues the assurance as one member of the Oversight and Investigation Subcommittee that I intend to remain intensely interested in the application of this new law if my colleagues see fit to support it today, and I hope they will. We do intend on the Interstate and Foreign Commerce Committee to look at this area very closely in the future.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the infant formula bill. This legislation would help safeguard the early growth and development of millions of our youngsters who rely on infant formula as their primary source of nutrition in their early months of life. This measure would also help address the concern that many parents have about the quality and safety of infant formulas.

I am pleased to commend the chairman of the subcommittee, Mr. Waxman, and the gentleman from Tennessee, my neighbor, Mr. Gore, and another neighbor, the gentleman from the State of Ohio, Mr. Mottl, who have all worked long and hard on this legislation.

The precipitating factor for this legislation was that 100 babies nationwide developed a condition known as metabolic alkalosis, which caused them to fail to thrive. Their condition was traced to having been fed a formula which, it was later determined, contained an insufficient amount of chloride.

More than 10 million cans of this formula were produced in the first 6 months of 1979, and to this date we do not know precisely how many babies were affected by this deficient product. Months after the manufacturers initiated a recall, cans of it were still found on shelves of stores around the country.

The legislation we are considering is the result of extensive hearings and thorough investigation. Last fall the Committee on Interstate and Foreign Commerce's Oversight and Investigation Subcommittee held hearings. The gentleman from Tennessee (Mr. Gore) and the gentleman from Ohio (Mr. Mottl) serve as members of that subcommittee. Then the Subcommittee on Health and the Environment held hearings at which representatives of the Food and Drug Administration, the infant formula manufacturers, and the medical community testified. The members of the subcommittee were glad to have the benefit of their views on this legislation, which now enjoys general acceptance of all major parties concerned.

Under present law the FDA has authority only to assure that the formulas are produced under sanitary conditions and are properly labeled.

This bill would go a long way toward assuring that infant formulae meet accepted nutritional standards and that good manufacturing practices are followed in their production.

The legislation provides the FDA with enough flexibility to adjust nutritional standards for formulas so they comply with the latest scientific knowledge and allow for variations for infants with special dietary needs such as phenylketonuria, called in common parlance PKU.

In addition, it will allow the FDA to more closely monitor recalls of formula and will provide for a long-term study of the infants who suffer from taking the chloride deficient formula. Actually, we have known of the necessity of chlorides for many years, and it seems passing strange that sufficient chlorides should not have been included in the formula up to this time.

Years ago when our settlers came to this country they found that they needed salt very badly and salt was an expensive item. As my colleagues know, salt itself is really sodium chloride, NaCl, and when it is put into a formula it separates into sodium and chloride, which is necessary to nutrition. Our early settlers found then that if they did not have salt their children failed to thrive. Again, I think the companies which manufactured this product deficient in chloride made a very, very serious mistake.

This legislation requires that the chlorides, as well as every other essential element be included in infant formulas. The American Academy of Pediatrics will be consulted regularly as to the sufficiency of the proteins, vitamins, and minerals which are included in the formulas.

Mr. Speaker, today there is an amendment to this bill which would increase the penalties for persons trafficking in marihuana in quantities of over 1,000 pounds. Mr. Speaker, in 1970, I was a member of the Commerce Committee when it passed the Controlled Substances Act. Unfortunately, we did not make the penalties for marihuana as strict as they should have been.

In the past few years the sale of marihuana has become a big business. It is said that planes come into our country and dump tons and tons of marihuana. In order to receive pay for the marihuana delivered, the traffickers' money is weighed, not counted, to pay for the marihuana.

The people who may be caught and taken to court as a result of the sale of marihuana or having possession of it are usually let out on bail and, because the money they make from the sale of marihuana is so great, they skip bail. They make hundreds of thousands of dollars on each delivery. So it was thought necessary to increase the penalty at this time to 15 years for those possessing 1,000 pounds of marihuana for sale, and to fine those people no less than $125,000 for that offense. Also if the accused were a second offender, then he would be fined $250,000 and he could be sent to the penitentiary for as long as 30 years.

In my opinion, Mr. Speaker, this legislation is necessary today to stop this monopoly, this wealthy group of people who are violating our laws and bringing marihuana into this country. We must take action now to halt the increasing threat of marihuana trafficking to our society.

Mr. Speaker, young adulthood, from age 18 to 25, represents the peak period for marihuana use. Three out of five in that age group have reported having ever used marihuana. Among children between ages 12 and 13, 8 percent have used marihuana, a figure which climbs to 29 percent for 14- and 15-year-olds and to 47 percent for those ages 16 and 17. These percentages have all significantly increased in the last 3 years. Clearly, we are faced with an epidemic of marihuana use among our young people.

There are significant health risks associated with marihuana use. When marihuana is smoked, the ability to recall material learned while "high" is typically impaired; thus, use of marihuana among schoolage children is especially troublesome. There is good evidence that marihuana use at typical social levels definitely impairs driving ability and related skills. In limited surveys, from 60 to 80 percent of marihuana users questioned indicated that they sometimes drive while high. Marihuana smokers are overrepresented in fatal accidents and the rate is increasing. Marihuana has been implicated in early research as a possible cause of lung cancer and other serious pulmonary complications. Some researchers have found decreased levels of testosterone among male marihuana smokers, as well as abnormalities in sperm count. Marihuana may cause abnormalities in cell metabolism. Adding delta-9-THC—marihuana's active ingredient—to various types of human and animal cell cultures has been found to inhibit DNA, RNA, and protein synthesis.

Marihuana trafficking helps support other organized criminal activity. The National Narcotics Intelligence Consumers Committee estimates that marihuana accounted for approximately $15 to $23 billion in sales in 1978—an estimated 10,000 to 15,000 tons of marihuana were smuggled into the United States in that year. This vast amount of money helps to support other organized criminal activities.

The marihuana amendment is aimed at the largest traffickers.

The marihuana trafficking amendment only affects those trafficking in more than 1,000 pounds of marihuana—an amount worth approximately $250,000—using a conservative estimate. The amendment does not affect a small-time seller of the drug.

Present marihuana penalties are too lenient when existing penalties are compared to the possible gains. Administrator Bensinger of the Drug Enforcement Administration told the subcommittee that most marihuana traffickers serve less than 3 years. Criminal organizations trafficking in large amounts of marihuana are reaping literally millions of dollars from their criminal activities. For this reason, these smugglers regard the short prison term simply as a cost of doing business. In other words, existing criminal penalties for marihuana trafficking set up a revolving door for multimillionaire traffickers. The marihuana trafficking amendment will insure that these people are sent to prison long enough to get them out of the business. Most importantly it will make the penalties commensurate with the possible gains.

Marihuana traffickers are literally "rolling in money." DEA has observed cases where the traffickers weigh the money which results from their crimes instead of counting it. The State of Florida—the center of most trafficking activities—has more $100 bills in circulation than any other State. Moreover, the Federal Reserve has noted that there is more cash in Florida than can be accounted for by normal business.

For those reasons, Mr. Speaker, I think it is extremely necessary we pass this legislation.

There is one other thing in this bill. This provision extends our oversight of the chemical piperidine from which the drug phencyclidine or PCP is made. I think it is very important that we continue to require reporting by piperidine manufacturers and distributors so that we can monitor and prosecute those who illicitly manufacture PCP. PCP poses a significant threat to the emotional well-being of our youngsters, a greater threat than LSD.

☐ 1310

I think this is good legislation, Mr. Speaker, and I strongly support it. I reserve the remainder of my time.

Mr. WAXMAN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Speaker, today we are considering H.R. 6940—the Infant Formula Act of 1980.

This legislation will extend protection to one of our Nation's most valuable national resources, our infants, who are totally dependent on us for their safety and well-being.

H.R. 6940 will insure thousands of parents that the infant formula and baby food they feed their children will be safe and nutritious. There currently are no such guarantees.

Last summer, the confidence of thousands of parents in the safety and quality of infant formula was shaken by news that two formulas had been marketed without a vital salt derivative. More than 130 infants suffered serious illnesses as a result.

Our thanks should go to Lea Thompson of WRC-TV who exhibited television journalism at its best when she broke the story of the deficient formulas and the subsequent recall foul-up.

Once the deficient formulas were discovered, the Food and Drug Administration relied on a voluntary recall to get the formulas off the shelves. A spot check by the FDA nearly 3 months after the voluntary recall began, showed some of the dangerous formula was still being sold.

An episode like this should cause us all grave concern. If a product is offered for sale as a safe and nutritious food for infants, then the public must know and have confidence that it is indeed safe and nutritious.

This Chamber also owes special thanks to our colleagues AL GORE, Dr. TIM LEE CARTER, and HENRY WAXMAN, who worked long and hard with me in finalizing this legislation.

In its investigation of the infant formula tragedy, the Oversight and Health Subcommittees learned that there are no quality control or testing requirements for infant formulas and no guidelines for the recall of deficient formulas.

H.R. 6940 would remedy those problems. The three major provisions of the bill would:

First, require that an infant formula being marketed as the sole source of nutrition for normal infants include minimum amounts of all essential nutrients;

Second, require that formulas be tested to insure nutritional adequacy before they are mass marketed;

Third, require the Food and Drug Administration to establish mandatory procedures for the recall of deficient formulas.

Another important aspect of H.R. 6940 is a provision for an on-going study to determine the long-range effects on any infants made ill by deficient formulas.

We have an opportunity to correct a grievous wrong and we can do it at no additional cost to the taxpayers.

Mr. Speaker, H.R. 6940 is concerned with human lives at their most vulnerable stage. We are talking about food that may be the sole source of nourishment for infants.

If we will not look after their safety, who will? I submit that this legislation will go a long way in correcting a serious problem.

Mr. CARTER. Mr. Speaker, will the distinguished gentleman yield?

Mr. MOTTL. Certainly, I yield to the distinguished gentleman from Kentucky.

Mr. CARTER. I thank the distinguished gentleman for yielding. Again I want to commend the distinguished gentleman from Ohio (Mr. MOTTL) and the distinguished gentleman from Tennessee (Mr. GORE) for their leadership on the Oversight Committee. I also want to thank my chairman, the gentleman from California (Mr. WAXMAN) for his assistance. Really, without the investigations conducted by the gentleman from Ohio (Mr. MOTTL) and the gentleman from Tennessee (Mr. GORE) this might not have been brought to our attention. Again I want to thank the gentleman, and I think the Nation thanks the gentleman for his help.

Mr. MOTTL. I thank the gentleman from Kentucky (Mr. CARTER) for those very kind remarks. They are most appreciated.

Mr. CARTER. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for yielding this time for the purpose of explaining something about the marihuana trafficking penalty provision that is included in this bill. It is, indeed, a nongermane amendment, and we take it up under suspension of the rules in order for that not to be an impediment to its passage, I think. Perhaps it is my lot in life to be the kind of legislator who finds some problem with the most popular types of bills. Indeed, if one of the world's most beautiful women walked down the hall, I might be the one to notice the bruise on her ankle. But we have here a very popular bill with a provision added to it that does need serious consideration.

Dr. CARTER has mentioned the problem that exists in the current law whereby the fines applicable to trafficking in large amounts of marihuana really are not adequate to discourage trafficking in marihuana. There are large, indeed huge amounts of money which change hands in the commerce in marihuana. The Committee on the Judiciary is currently considering the codification of the Federal criminal laws, and in the process there will be proposed a very great increase in the penalties and the fines applicable to trafficking in large amounts of marihuana. They would be higher than the fines proposed in this bill. That is, initially trafficking in over 1,000 pounds of marihuana would carry a fine of up to a quarter million dollars, $250,000, which is just double what is proposed here for a first offense. In the case of an organization, where organizational criminal liability may be established, and, indeed, in many marihuana trafficking situations we hope that that will be possible to establish, fines up to $1 million may be applied. Indeed, that is the kind of marihuana trafficking we have to get at the most.

I would suggest to the Members that this may not be the best way in which to legislate concerning the problem at hand, but it is better than waiting the 3 years until the criminal code, if it is enacted, becomes applicable.

There is one other aspect; and I am not objecting to the passage of this bill with this amendment in it—and it is an improvement over the current condition of the law, at least. I would just like to have us understand and be aware that we are not calling it quits here. This is not the end of the line. There is a need for a somewhat more thorough treatment of the subject. But I would like to express one more concern about the bill, and that is the provision in section 8(a) that starts on line 19 on page 10 of the bill which says:

> "(c) The Attorney General shall annually (1) select the controlled substance (or controlled substances) contained in schedule II which the Attorney General, in his discretion, determines to have the highest rate of abuse, and (2) prepare and make available to regulatory, licensing, and law enforcement agencies of States descriptive and analytic reports on the actual distribution patterns in such States of each such controlled substance.".

The Freedom of Information Act would make that information available to anyone in the hands of the Department of Justice, even if it did not leak out from State sources. I am disturbed about that provision in the bill. I would hope that the other body does not include that in the bill as it is enacted. But I would invite comments from either of the gentlemen on either side of the aisle concerning that provision. I just would hate to see us, through our law-enforcement agencies, make available to those who traffic in controlled substances information that would be useful in changing their patterns of operation so as to avoid detection and arrest or conviction.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding. I want to tell the gentleman I appreciate the comments he has to make. We are aware of the fine work being done by the Committee on the Judiciary in revising the criminal codes, and we look forward to the report from that committee which will encompass this matter. I am pleased that the gentleman is supporting us in increasing criminal penalties for the trafficking of large quantities of marihuana. The penalties will go into effect immediately, and I think these penalties should be increased to take the profit and incentive out of trafficking in large quantities of marihuana. I think the policy of this provision is consistent with what the Committee on the Judiciary is going to come up with.

□ 1320

We want this on the books now and later we can review the recommendations of the Committee on the Judiciary in the Criminal Code reform bill.

Mr. KINDNESS. We are heading in the same direction but this bill will get us further down the trail sooner.

Mr. WAXMAN. That is correct.

The gentleman raised a question about subsection 8(a) of the bill. I would be pleased to discuss this further as we move along. That section was offered and adopted in the Subcommittee on Health and the Environment by unanimous voice vote. The purpose of the provision is to assist States in controlling retail diversion of prescription drugs. Data used to compile the required analytic and descriptive reports is currently available through the Drug Enforcement Administration's Automation of Reports and Consolidated Orders System (ARCOS). This provision requires that this information be provided States in a form to effectively aid in the targeting of law enforcement, licensing, and regulatory resources on the problem of retail diversion.

We had testimony before the subcommittee that several States have been using ARCOS data in this manner very successfully. We thought these efforts ought to be encouraged in more States and that is why this section was offered.

Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. Evans).

Mr. EVANS of Georgia. Mr. Speaker, I rise in support of H.R. 6940, the "Infant Formula Act of 1980." In particular, I want to express my strong support for section 8(c) of the bill. That provision establishes new penalties for persons who are convicted of trafficking in over 1,000 pounds of marihuana. Under the bill, such persons would be subject to a maximum prison term of 15 years and in addition could be fined up to $125,000. These penalties could be doubled for persons with prior felony drug convictions. Current law authorizes maximum penalties of only 5 years and $15,000 for first-time offenders, regardless of the amount of marihuana involved.

As a member of the Select Committee on Narcotics Abuse and Control, I have become increasingly concerned about the vast amounts of marihuana smuggled into the United States every year. Even though our Federal, State, and local law enforcement agencies seized more than 4.3 million pounds of marihuana in 1979, the illicit traffic in marihuana continues to flourish. The trade in marihuana from Colombia to the United States has been estimated to exceed $6.5 billion annually, many times the amount of Colombia's largest export commodity, coffee.

Much of the illicit marihuana entering the United States comes in through Florida. As a result of intensified interdiction efforts in south Florida, however, major traffickers have expanded their drug operations into Georgia. With its 100 miles of coastline and a tidal waterway which is 100 miles wide and 2,300 miles long, Georgia presents an attractive target for traffickers. Earlier this year, the select committee held hearings in Macon and Glynco to examine the situation in Georgia. We found that our Federal, State, and local law enforcement agencies simply do not have the resources to combat effectively the flood of illicit marihuana coming into the State.

The vast influx of marihuana undoubtedly has contributed to the alarming increase in marihuana abuse in the United States, particularly among our young people. Recent data collected for the National Institute on Drug Abuse show that more than 1 out of every 10 high school seniors in 1979 used marihuana on a daily basis, an increase of more than 70 percent from the number of daily users in 1975. Approximately 60 percent of all high school seniors in 1979 had tried marihuana and 37 percent are current users. The age at which young people start using drugs is also declining. These trends are especially disturbing in light of the mounting accumulation of evidence that marihuana poses serious risks to the physical, intellectual, and social development of young abusers and also because the THC content of marihuana has increased significantly in recent years.

The current 5 years/$15,000 maximum penalties for trafficking in marihuana do not effectively immobilize traffickers or deter them from plying their trade. Sentences handed out seldom reach the maximum allowed, and prisoners generally serve less than half of their sentences. Because the profits from large-scale marihuana trafficking are so immense, traffickers view such light sentences merely as a "cost of doing business."

Last year, I introduced legislation, H.R. 3721, that would establish a mandatory minimum sentence of 10 years and a maximum fine of $100,000 for smuggling 100 pounds or more of marihuana. My bill also would prohibit suspended sentences, probation, parole and sentencing under the Youth Corrections Act. Although H.R. 6940 does not go as far as my proposal, I believe it is a positive step and will enhance the ability of our law enforcement agencies to disrupt the tide of marihuana flooding our children's schools and playgrounds. I urge my colleagues to support the adoption of this resolution.

Mr. CARTER. Mr. Speaker, I yield to the distinguished gentleman from West Virginia (Mr. Staggers), the chairman of the Committee on Interstate and Foreign Commerce.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this bill whole-heartedly. Though it is a small piece of legislation, I think it is one of the really and truly important bills to come before the House in this Congress. It is critically important to the future health of our children. I would like to take this opportunity to commend the infant formula industry and the American Academy of Pediatrics for their cooperation with the committee in the development of this bill. They were extremely helpful and the legislation is stronger because of their participation.

Mr. Speaker, I would like to commend all members of the committee for the work done on the bill. However, I would especially like to commend the chairman of the Subcommittee on Health, the gentleman from California (Mr. Waxman) and the ranking minority member, the gentleman from Kentucky (Mr. Carter). The gentleman from Kentucky is leaving Congress this year. He will leave his imprint upon the health of America, so deeply for the better, for having been here and passed through this Congress. The gentleman is a great man and a strong advocate for improving the health of our Nation. The Nation will be stronger and better for the gentleman's having served in the Congress of the United States.

Mr. Speaker, I would also like to commend the staffs for the work they have done on the bill in getting it before the committee.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. CARTER. Mr. Speaker, certainly I want to thank the distinguished gentleman from West Virginia (Mr. Staggers) for his cooperation over the past many years, for the friendship he has shown me and the help he has given to all of us in this great country of ours. The gentleman has left a great record here.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I want to take this brief time to pay my respects and give thanks to the two members of my subcommittee who brought this to my attention and worked so hard to get it to the attention of the Congress, the gentleman from Ohio (Mr. Mottl) and the gentleman from Tennessee (Mr. Gore). Had it not been for their strong interest in this matter, I feel the matter might never have been solved in such an excellent way as they have found to solve it under the leadership of the gentleman from California (Mr. Waxman), the chairman of the Subcommittee on Health, and the ranking minority member, the gentleman from Kentucky (Mr. Carter).

Mr. Speaker, I want to pay high tribute to all four of those gentlemen for their work on this legislation.

Mr. CARTER. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Peyser).

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 6940 the Infant Formula Act of 1980. This is critically important legislation which seeks to improve the quality of ingredients which are fed to infants in their daily formulas.

This legislation comes in response to a shocking incident which took place last summer when some 130 infants who had consumed a formula which was seriously deficient in the life sustaining nutrient chloride fell dangerously ill from a potentially lethal and rare chemical imbalance in the blood.

Following this an investigation was conducted by the Commerce Committee and it revealed serious shortcomings in the processes by which infant formulas are manufactured. There is an absence of quality control which can result in improper levels of ingredients being put into formulas. Further the investigation revealed that the Food and Drug Administration, despite a clear position from the American Academy of Pediatrics did not include chloride as a vital nutrient in formulas. The academy had stated explicitly that chloride was an essential ingredient.

H.R. 6940 is a swift and proper response to this problem. The legislation establishes clear and universal standards on what ingredients should be included in infant formulas and just as importantly requires an infant formula manufacturer to notify the Department of Health and Human Services—prior to marketing that its formula is in compliance with the ingredient standards and quality control procedures. Further the legislation provides for certain recall procedures in the event of improper infant formulas being marketed and distributed.

It is wise for us to act in the manner we are today. Our infant children must not encounter peril in their daily feeding. We must be extremely careful to protect the lives of the very young. Our Nation is slowly seeing a positive move away from the high infant mortality rates of the past two decades. We do not want to regress. It seems incredulous to me that we have no effective standards to guarantee the nutritious content of infant formulas but worse yet—we do not even have standards to insure they are safe for consumption. I support this legislation and urge its immediate approval.

Finally, as an ex-officio member of the House Select Committee on Narcotics, I wish to add my support to the other provisions of this legislation which deal with drug abuse prevention. I endorse the indefinite extension of reporting requirements for piperidine—a chemical essential to the manufacture of PCP. Finally, I believe the provisions in this bill increasing the penalties for trafficking in large quantities of marihuana are sound and important to our efforts to curb the spread of drug abuse. I would prefer to see this same approach applied to other drugs as well. I recently participated in hearings in my home city of New York on the alarming increase in heroin addiction in the New York area. Clearly addiction and trafficking are interrelated and one has to assume that if penalties for trafficking are increased it will serve as a deterrent. H.R. 6940 makes an important first step in the right direction.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I want to join with the many others who have spoken in the House in congratulating both the subcommittee chairman and the ranking member who have made such a great contribution in this particular legislation.

Mr. Speaker, I could not help but think while discussing this on the floor today, it was just a few years ago that Congress rushed to pass a bill called "save the mustangs" and we rushed it through very rapidly and in a period of about 3 weeks from start to finish we enacted and signed that bill into law.

I would like to think we are going to move today with the same rapidity on a "save the babies" bill because basically that is what we are talking about. I can think of nothing that Congress could direct its attention to, both the House and the Senate, than this type of legislation.

Mr. Speaker, as a cosponsor of this bill I congratulate all the gentlemen involved and yield back the balance of my time.

● **Mr. DRINAN.** Mr. Speaker, I rise to speak on H.R. 6940, the infant formula bill because of the manner in which it is being presented to the House today. Attached to this bill is a rider to amend the Controlled Substances Act which is nongermane to the subject of the legislation.

The nongermane amendment to H.R. 6940 as reported by the Commerce Committee changes the penalties for possession and trafficking in large quantities of marihuana. This very important matter is under consideration this week by the Judiciary Committee as part of the Criminal Code Revision.

For example, this amendment would make the maximum fine for a first offense $125,000. But under the sentencing provisions of the Criminal Code, the maximum fine for a first offense would be a quarter million dollars for an individual and $1 million for an organization. Considering the large sums of money often involved in the trafficking offenses, this amendment does not go far enough to deter or punish the financiers involved in marihuana trafficking.

The approach taken by the Criminal Code Revision, currently pending in the Judiciary Committee, is supported by the administration. Peter Bensinger, the Administrator of the Drug Enforcement Administration, in his testimony before the Judiciary Committee on March 19, 1980, endorsed the proposal in the Criminal Code to raise the penalty for large scale marihuana trafficking to a class C felony, the third most serious level of Federal crime, and just below trafficking in heroin.

A major purpose of the Criminal Code approach is to end the hodge-podge approach and inconsistent approach to criminal law that is followed by this nongermane amendment.●

☐ 1330

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 6940, as amended.

Mr. WAXMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

CHAPTER 42 SECOND TIER TAX CORRECTION ACT OF 1980

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5391) to amend chapter 42 of the Internal Revenue Code of 1954 with respect to the determination of second tier taxes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Chapter 42 Second Tier Tax Correction Act of 1980".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. DATE FOR DETERMINING AMOUNT OF SECOND TIER TAXES.

(a) SUBSTITUTION OF TAXABLE PERIOD FOR CORRECTION PERIOD.—The following provisions are each amended by striking out "correction period" and inserting in lieu thereof "taxable period":

(1) Section 4941(b)(1) (relating to additional taxes on self-dealer).

(2) Section 4941(e)(2)(B) (defining amount involved).

(3) Section 4942(b) (relating to additional tax on failure to distribute income).

(4) Section 4943(b) (relating to additional tax on excess business holdings).

(5) Section 4944(b)(1) (relating to additional taxes on investments which jeopardizes charitable purpose).

(6) Section 4945(b)(1) (relating to additional taxes on taxable expenditures).

(7) Section 4951(b)(1) (relating to additional taxes on self-dealer).

(8) Section 4951(e)(2)(B) (defining amount involved).

(9) Section 4952(b)(1) (relating to additional taxes on taxable expenditures).

(10) Section 4971(b) (relating to additional tax on failure to meet minimum funding standards).

(11) Section 4975(b) (relating to additional taxes on disqualified persons).

(12) Section 4975(f)(4)(B) (defining amount involved).

(b) DEFINITION OF TAXABLE PERIOD.—

(1) Paragraph (1) of section 4941(e) (defining taxable period) is amended to read as follows:

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any act of self-dealing, the period beginning with the date on which the act of self-dealing occurs and ending on the earliest of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a)(1) under section 6212.

"(B) the date on which the tax imposed by subsection (a)(1) is assessed, or

"(C) the date on which correction of the act of self-dealing is completed."

(2) Paragraph (1) of section 4942(j) is amended to read as follows:

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to the undistributed income for any taxable year, the period beginning with the first day of the taxable year and ending on the earlier of—

"(A) the date of mailing of a notice of deficiency with respect to the tax imposed by subsection (a) under section 6212, or

"(B) the date on which the tax imposed by subsection (a) is assessed."

(3) Paragraph (2) of section 4943(d) is amended to read as follows:

"(2) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any excess business holdings of a private foundation in a business enterprise, the period beginning on the first day on which there are excess holdings and ending on the earlier of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a) under section 6212 in respect of such holdings, or

"(B) the date on which the tax imposed by subsection (a) in respect of such holdings is assessed."

(4) Paragraph (1) of section 4944(e) is amended to read as follows:

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any investment which jeopardizes the carrying out of exempt purposes, the period beginning with the date on which the amount is so invested and ending on the earliest of—

"(A) the date of mailing of a notice of deficiency with respect to the tax imposed by subsection (a)(1) under section 6212,

"(B) the date on which the tax imposed by subsection (a)(1) is assessed, or

"(C) the date on which the amount so invested is removed from jeopardy."

(5) Paragraph (2) of section 4945(i) is amended to read as follows:

"(2) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any taxable expenditure, the period beginning with the date on which the taxable expenditure occurs and ending on the earlier of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a)(1) under section 6212, or

"(B) the date on which the tax imposed by subsection (a)(1) is assessed."

(6) Paragraph (1) of section 4951(e) is amended to read as follows:

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any act of self-dealing, the period beginning with the date on which the act of self-dealing occurs and ending on the earliest of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a)(1) under section 6212,

"(B) the date on which the tax imposed by subsection (a)(1) is assessed, or

"(C) the date on which correction of the act of self-dealing is completed."

(7) Paragraph (2) of section 4952(e) is amended to read as follows:

"(2) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any taxable expenditure, the period beginning with the date on which the taxable expenditure occurs and ending on the earlier of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a)(1) under section 6212, or

"(B) the date on which the tax imposed by subsection (a)(1) is assessed."

(8) Paragraph (3) of section 4971(c) is amended to read as follows:

"(3) TAXABLE PERIOD.—The term 'taxable period' means, with respect to an accumulated funding deficiency, the period beginning with the end of the plan year in which there is an accumulated funding deficiency and ending on the earlier of—

"(A) the date of mailing of a notice of deficiency with respect to the tax imposed by subsection (a), or

"(B) the date on which the tax imposed by subsection (a) is assessed."

(9) Paragraph (2) of section 4975(f) is amended to read as follows:

"(2) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any prohibited transaction, the period beginning with the date on which the prohibited transaction occurs and ending on the earliest of—

"(A) the date of mailing a notice of deficiency with respect to the tax imposed by subsection (a) under section 6212,

"(B) the date on which the tax imposed by subsection (a) is assessed, or

"(C) the date on which correction of the prohibited transaction is completed."

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (e) of section 4941 is amended by striking out paragraph (4).

(2) Subsection (j) of section 4942 is amended—

(A) by striking out paragraph (2),

(B) by striking out "paragraph (5)" in paragraph (3)(B)(i) and inserting in lieu thereof "paragraph (4)",

(C) by redesignating paragraph (4) as paragraph (2), and

(D) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(3) Subsection (d) of section 4943 is amended by striking out paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(4) Subsection (e) of section 4944 is amended by striking out paragraph (3).

(5) Subsection (e) of section 4951 is amended striking out paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(6) Subsection (f) of section 4975 is amended by striking out paragraph (6).

(d) CLERICAL AMENDMENTS.—

(1) Clause (ii) of section 4942(g)(2)(C) is amended by striking out "the initial correction period provided in subsection (j)(2)" and inserting in lieu thereof "the correction period (as defined in section 4962(e))".

(2) Subparagraph (A) of section 4943(d)(3) (as redesignated by subsection (c)) is amended by striking out "4942(j)(5)" and inserting in lieu thereof "4942(j)(4)".

(3) Subsection (e) of section 6213 (relating to suspension of filing period for certain excise taxes) is amended by striking out "section 4941(e)(4)" and all that follows through the end of such subsection and inserting in lieu thereof "section 4962(e)."

(4) Subsection (g) of section 6503 (relating to suspension of running of period of limitation pending correction) is amended by striking out "section 4941(e)(4)" and all that follows through the end of such subsection and inserting in lieu thereof "section 4962(e)."

(5) Section 6503 is amended by redesignating subsection (j) as subsection (i).

(6) The amendments made by sections 1203(h)(1) and 1601(f)(2) of the Tax Reform Act of 1976, and the amendment made by section 362(d)(5) of the Revenue Act of 1978, shall be deemed to be amendments to section 6503(i) of the Internal Revenue Code of 1954 (as redesignated by paragraph (5)).

SEC. 3. TAX COURT TO DETERMINE WHETHER TAXABLE EVENT HAS BEEN CORRECTED.

Subsection (e) of section 6214 (relating to determinations by Tax Court) is amended by adding at the end thereof the following new sentence: "The Tax Court, in redetermining a deficiency of any second tier tax (as defined in section 4962(b)), shall make a determination with respect to whether the taxable event has been corrected."

SEC. 4. ABATEMENT OF TAX WHERE THERE IS CORRECTION DURING CORRECTION PERIOD.

(a) IN GENERAL.—Chapter 42 is amended by adding at the end thereof the following new subchapter:

"Subchapter C—Abatement of Second Tier Taxes Where There Is Correction During Correction Period

"Sec. 4961. Abatement of second tier taxes where there is correction.
"Sec. 4962. Definitions.

"SEC. 4961. ABATEMENT OF SECOND TIER TAXES WHERE THERE IS CORRECTION.

"(a) GENERAL RULE.—If any taxable event is corrected during the correction period for such event, then any second tier tax imposed with respect to such event (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment.

"(b) SUPPLEMENTAL PROCEEDING.—If the determination by a court that the taxpayer is liable for a second tier tax has become final, such court shall have jurisdiction to conduct any necessary supplemental proceeding to determine whether the taxable event was corrected during the correction period. Such a supplemental proceeding may be begun only during the period which ends on the 90th day after the last day of the correction period. Where such a supplemental proceeding has begun, the reference in the second sentence of section 6213(a) to a final decision of the Tax Court shall be treated as including a final decision in such supplemental proceeding.

"(c) SUSPENSION OF PERIOD OF COLLECTION FOR SECOND TIER TAX.—

"(1) PROCEEDING IN DISTRICT COURT OR COURT OF CLAIMS.—If, not later than 90 days after the day on which the second tier tax is assessed, the first tier tax is paid in full and a claim for refund of the amount so paid is filed, no levy or proceeding in court for the collection of the second tier tax shall be made, begun, or prosecuted until a final resolution of a proceeding begun as provided in paragraph (2) (and of any supplemental proceeding with respect thereto under subsection (b)). Notwithstanding section 7421(a), the collection by levy or proceeding may be enjoined during the time such prohibition is in force by a proceeding in the proper court.

"(2) SUIT MUST BE BROUGHT TO DETERMINE LIABILITY.—If, within 90 days after the day on which his claim for refund is denied, the person against whom the second tier tax was assessed fails to begin a proceeding described in section 7422 for the determination of his liability for such tax, paragraph (1) shall cease to apply with respect to such tax, effective on the day following the close of the 90-day period referred to in this paragraph.

"(3) SUSPENSION OF RUNNING OF PERIOD OF LIMITATIONS ON COLLECTION.—The running of the period of limitations provided in section 6502 on the collection by levy or by a proceeding in court with respect to any second tier tax described in paragraph (1) shall be suspended for the period during which the Secretary is prohibited from collecting by levy or a proceeding in court.

"(4) JEOPARDY COLLECTION.—If the Secretary makes a finding that the collection of the second tier tax is in jeopardy, nothing in this subsection shall prevent the immediate collection of such tax.

"SEC. 4962. DEFINITIONS.

"(a) FIRST TIER TAX.—For purposes of this subchapter, the term 'first tier tax' means any tax imposed by subsection (a) of section 4941, 4942, 4943, 4944, 4945, 4951, 4952, 4971, or 4975.

"(b) SECOND TIER TAX.—For purposes of this subchapter, the term 'second tier tax' means any tax imposed by subsection (b) of section 4941, 4942, 4943, 4944, 4945, 4951, 4952, 4971, or 4975.

"(c) TAXABLE EVENT.—For purposes of this subchapter, the term 'taxable event' means any act (or failure to act) giving rise to liability for tax under section 4941, 4942, 4943, 4944, 4945, 4951, 4952, 4971, or 4975.

"(d) CORRECT.—For purposes of this subchapter—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'correct' has the same meaning as when used in the section which imposes the second tier tax.

"(2) SPECIAL RULES.—The term 'correct' means—

"(A) in the case of the second tier tax imposed by section 4942(b), reducing the amount of the undistributed income to zero.

"(B) in the case of the second tier tax imposed by section 4943(b), reducing the amount of the excess business holdings to zero, and

"(C) in the case of the second tier tax imposed by section 4944, removing the investment from jeopardy.

"(e) CORRECTION PERIOD.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'correction period' means, with respect to any taxable event, the period beginning on the date on which such event occurs and ending 90 days after the date of mailing under section 6212 of a notice of deficiency with respect to the second tier tax imposed on such taxable event, extended by—

"(A) any period in which a deficiency cannot be assessed under section 6213(a) (determined without regard to the last sentence of section 4961(b)), and

"(B) any other period which the Secretary determines is reasonable and necessary to bring about correction of the taxable event.

"(2) SPECIAL RULES FOR WHEN TAXABLE EVENT OCCURS.—For purposes of paragraph (1), the taxable event shall be treated as occurring—

"(A) in the case of section 4942, on the first day of the taxable year for which there was a failure to distribute income,

"(B) in the case of section 4943, on the first day on which there are excess business holdings,

"(C) in the case of section 4971, on the last day of the plan year in which there is an accumulated funding deficiency, and

"(D) in any other case, the date on which such event occurred."

(b) CIVIL ACTIONS FOR REFUNDS.—Paragraph (1) of section 7422(g) (relating to special rules for certain excise taxes imposed by chapter 42 or 43) is amended to read as follows:

"(1) RIGHT TO BRING ACTIONS.—

"(A) IN GENERAL.—With respect to any taxable event, payment of the full amount of the first tier tax shall constitute sufficient payment in order to maintain an action under this section with respect to the second tier tax.

"(B) DEFINITIONS.—For purposes of subparagraph (A), the terms 'taxable event,' 'first tier tax', and 'second tier tax' have the respective meanings given to such terms by section 4962."

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 42 is amended by adding at the end thereof the following new item:

"Subchapter C. Abatement of second tier taxes where there is correction during correction period."

SEC. 5. EFFECTIVE DATES.

(a) FIRST TIER TAXES.—The amendments made by this Act with respect to any first tier tax shall take effect as if included in the Internal Revenue Code of 1954 when such tax was first imposed.

(b) SECOND TIER TAXES.—The amendments made by this Act with respect to any second tier tax shall apply only with respect to taxes assessed after the date of the enactment of this Act. Nothing in the preceding sentence shall be construed to permit the assessment of a tax in a case to which, on the date of the amendment of this Act, the doctrine of res judicata applies.

(c) FIRST AND SECOND TIER TAX.—For purposes of this section, the terms "first tier tax" and "second tier tax" have the respective meanings given to such terms by section 4962 of the Internal Revenue Code of 1954.

The SPEAKER pro tempore (Mr. COELHO). Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. DUNCAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 5391, presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5391, the chapter 42 Second Tier Tax Correction Act of 1980 is designed to correct a technical defect that has been found in the operation of those tax provisions that have utilized a two-tier excise tax system to insure compliance with certain sections of the Internal Revenue Code. This legislation was developed by the Committee on Ways and Means in response to a 1979 U.S. Tax Court case, Adams against Commissioner. In this case, the Court has held that—because of a technical defect in the operation of the statute—it lacked the jurisdiction to redetermine a deficiency in the second-tier tax.

Under present law, the Internal Revenue Code contains nine sections which impose a two-tier excise tax to insure the compliance of private foundations, pension trusts, and black lung benefit trusts with certain provisions of the Code. Under each of the sections, a first-tier excise tax is imposed automatically if the foundation or trust engages in a prohibited act (such as self dealing between a disqualified person and a private foundation), and a much larger second-tier excise tax is imposed for failing to correct the prohibited act within a "correction period." The "correction period" ends after the time a court decision as to whether the taxpayer is liable for the second-tier tax becomes final.

This system is designed to provide an adequate opportunity for court review and correction of the transaction before the Internal Revenue Service can impose the second-tier tax. The second-tier taxes are intended to be sufficiently high to compel voluntary compliance (at least after court review) with these provisions.

In the Adams case, the Tax Court held that it lacked the authority to redetermine a deficiency of a second-tier tax with respect to an act of self-dealing by a private foundation. The court found that because the second-tier tax is not "imposed" until after its decision is final, it did not have the jurisdiction to redetermine a deficiency of that tax.

To correct this technical error, the bill specifies that the second-tier excise tax is to be imposed at the end of the taxable period (that is, generally when the Internal Revenue Service mails a notice of deficiency to the taxpayer with respect to the first-tier tax). However, the second-tier tax is not to be assessed if the taxpayer files a petition with the Tax Court to determine that tax and the taxpayer corrects the prohibited act by the end of the correction period. Under the bill, the correction period is to end when the decision of the Tax Court becomes final.

Mr. Speaker, this is a strictly noncontroversial technical correction. I urge its approval by the House.

Mr. DUNCAN of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the suspension of rules and passage of H.R. 5391, chapter 42, Second Tier Tax Correction Act of 1980.

A two-level excise tax is imposed on private foundations which engage in certain prohibited transactions, such as self-dealing. When a prohibited transaction is identified, the private foundation is subjected to a small initial tax, called the first tier tax. If the prohibited activity is not corrected within 90 days, then the private foundation is subjected to a much higher second tax, called the second tier tax. Thus, the second tier tax serves primarily as a deterrent to involvement in prohibited acts.

The Tax Court ruled in 1979 that it had no jurisdiction to enforce the second tier tax because the tax was not technically imposed until after a Tax Court decision on the first tier tax became final, in which case it lacked further jurisdiction to enforce the second tier tax. H.R. 5391 amends the Internal Revenue Code to permit the Tax Court to have jurisdiction to enforce both the first and second tier excise taxes on private foundations and certain trusts.

Mr. Speaker, H.R. 5391 corrects a drafting anomaly in the tax law on private foundations. I urge its prompt passage.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 5391, as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

INFANT FORMULA ACT OF 1980

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6940, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 388, nays 15, not voting 29, as follows:

[Roll No. 241]

YEAS—388

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—15

Ashbrook
Badham
Collins, Tex.
Crane, Daniel
Crane, Philip
Ichord
Jeffries
Kelly
Leath, Tex.
McDonald
Moore
Paul
Rousselot
Stangeland
Stump

NOT VOTING—29

Andrews, N.C.
AuCoin
Brown, Calif.
Chisholm
Conyers
Corcoran
Diggs
Dingell
Duncan, Oreg.
Fascell
Grassley
Hansen
Lehman
Leland
McEwen
McKinney
Mathis
Ottinger
Rose
Rostenkowski
Sebelius
Spellman
Stewart
Symms
Ullman
Van Deerlin
Vanik
Wilson, Bob
Wilson, C. H.

☐ 1350

The Clerk announced the following pairs:

Mr. Rostenkowski with Mr. Grassley.
Mrs. Spellman with Mr. Symms.
Mr. Van Deerlin with Mr. Bob Wilson.
Mr. Rose with Mr. McKinney.
Mr. AuCoin with Mr. McEwen.
Mr. Fascell with Mr. Hansen.
Mr. Duncan of Oregon with Mr. Corcoran.
Mr. Charles H. Wilson of California with Mr. Ottinger.
Mr. Ullman with Mr. Sebelius.
Mr. Lehman with Mr. Vanik.
Mrs. Chisholm with Mr. Andrews of North Carolina.
Mr. Leland with Mr. Brown of California.
Mr. Mathis with Mr. Conyers.
Mr. Dingell with Mr. Diggs.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that Act to assure the safety and nutrition of infant formulas, and for other purposes.".

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed on Monday, May 19, 1980, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 7102 and H.R. 3.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

THE VETERANS' ADMINISTRATION HEALTH-CARE PERSONNEL ACT OF 1980

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 7102, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill, H.R. 7102, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 406, nays 1, not voting 25, as follows:

[Roll No. 242]

YEAS—406

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski

Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.

Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell

Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

Beilenson

NOT VOTING—25

Andrews, N.C.
AuCoin
Brown, Calif.
Chisholm
Conyers
Corcoran
Diggs
Duncan, Oreg.
Fascell

Grassley
Lehman
Leland
McEwen
McKinney
Mathis
Ottinger
Rose
Sebelius

Spellman
Stewart
Symms
Ullman
Van Deerlin
Vanik
Wilson, C. H.

☐ 1410

The Clerk announced the following pairs:

Mr. Brown of California with Mr. Symms.
Mrs. Spellman with Mr. McEwen.
Mr. Ullman with Mr. Corcoran.
Mr. Charles H. Wilson of California with Mr. Sebelius.
Mr. Fascell with Mr. McKinney.
Mr. AuCoin with Mr. Grassley.
Mr. Leland with Mr. Andrews of North Carolina.
Mr. Lehman with Mr. Conyers.
Mr. Rose with Mr. Van Deerlin.
Mr. Diggs with Mr. Vanik.
Mr. Duncan of Oregon with Mr. Mathis.
Mr. Ottinger with Mrs. Chisholm.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) (3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional motions to suspend the rules on which the Chair has postponed further proceedings.

OMNIBUS NATIONAL PARKS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 3, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 300, nays 102, not voting 30, as follows:

[Roll No. 243]

YEAS—300

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Aspin
Atkinson

Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard

Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan

Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corman
Coughlin
Danielson
Daschle
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fary
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins

Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Ireland
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Lederer
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Lowry
Lujan
Luken
McClory
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Pease

Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Udall
Vander Jagt
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—102

Applegate
Archer
Ashbrook
Ashley
Badham
Bafalis
Beard, Tenn.
Benjamin
Bouquard
Brown, Ohio
Burgener
Butler
Carney
Cleveland
Coleman

Collins, Tex.
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Dannemeyer
Davis, Mich.
Devine
Dickinson
Edwards, Okla.
English
Erlenborn
Evans, Ind.

Fish
Forsythe
Fountain
Frenzel
Giaimo
Goodling
Gramm
Grisham
Guyer
Hagedorn
Hansen
Hinson
Holt
Hopkins
Hubbard

Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Kelly
Kemp
Kindness
Latta
Leath, Tex.
Livingston
Lott
Lungren
McDade
McDonald
Madigan
Marlenee
Mica
Michel
Miller, Ohio
Minish
Mollohan
Montgomery
Myers, Ind.
Natcher
O'Brien
Paul
Petri
Regula
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Sensenbrenner
Shelby
Shumway
Shuster
Snyder
Solomon
Stangeland
Stenholm
Stockman
Stump
Taylor
Trible
Volkmer
Walker
Wampler
Whitley
Wydler
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—30

Andrews, N.C.
AuCoin
Brown, Calif.
Chisholm
Conyers
Corcoran
Daniel, Dan
Derrick
Diggs
Duncan, Oreg.
Fascell
Gonzalez
Grassley
Lehman
Leland
Long, Md.
Lundine
McEwen
McKinney
Mathis
Ottinger
Rose
Sebelius
Spellman
Stewart
Symms
Ullman
Van Deerlin
Vanik
Wilson, C. H.

☐ 1420

The Clerk announced the following pairs:

Mrs. Spellman with Mr. Grassley.
Mr. Gonzalez with Mr. Sebelius.
Mr. Fascell with Mr. Symms.
Mr. Mathis with Mr. McKinney.
Mr. Rose with Mr. Corcoran.
Mr. Ottinger with Mr. Andrews of North Carolina.
Mrs. Chisholm with Mr. McEwen.
Mr. AuCoin with Mr. Long of Maryland.
Mr. Derrick with Mr. Diggs.
Mr. Duncan of Oregon with Mr. Conyers.
Mr. Dan Daniel with Mr. Van Deerlin.
Mr. Brown of California with Mr. Vanik.
Mr. Ullman with Mr. Leland.
Mr. Charles H. Wilson of California with Mr. Lehman.
Mr. Lundine with Mr. Stewart.

Mr. BARNARD changed his vote from "nay" to "yea."

Mr. LEATH changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide, with respect to the national park system: for the establishment of new units; for adjustments in boundaries; for increases in appropriation authorizations for land acquisition and development; and for other purposes.".

A motion to reconsider was laid on the table.

REQUEST FOR PERMISSION FOR COMMITTEE ON JUDICIARY TO SIT ON WEDNESDAY AND THURSDAY DURING 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that on Wednesday and Thursday next, that is, tomorrow and and the day after tomorrow, the Committee on the Judiciary be permitted to sit while the House is operating under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. McCLORY. Mr. Speaker, I reserve the right to object.

Mr. SENSENBRENNER. I reserve the right to object.

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from California for the purpose of explaining the unanimous consent request that he is making.

Mr. DANIELSON. I thank the gentleman from Illinois for yielding. The purpose is as follows: We have now before the Committee on the Judiciary two major bills which are in the process of markup. One of them is the Criminal Code Revision Act of 1980 in which we are well into the bill but still have a long way to go. The other is the Regulatory Reform Act of 1980 in which we are within about 1½ hours, I would say, of completing markup.

Mr. McCLORY. Further reserving the right to object, Mr. Speaker, I just want to indicate that I think we should move ahead rapidly with the Federal Criminal Code markup. With regard to the regulatory reform bill, I do not know whether I am going to support it, but I think the committee should complete its markup and bring the measure to the floor of the House, or kill it in the committee, but we should complete our Judiciary Committee work on the bill. I would hope that there would be no objection because this is extremely important business for the House Committee on the Judiciary to complete.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SENSENBRENNER. Reserving the right to object, Mr. Speaker, tomorrow the House is scheduled to take up the resolution relating to the matter of the gentleman from California (Mr. CHARLES H. WILSON). That is the recommendation of the Committee on Standards of Official Conduct, on which the House actually acts as the jury in judging one of our peers. Is it the intent of the gentleman from California to have the Committee on the Judiciary in session during this very important debate?

Mr. DANIELSON. Would the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. DANIELSON. First, I thank the gentleman for yielding, and then I thank the gentleman for bringing up that point. I was not mindful of that possible debate being in conflict at that time I made my request. I would represent to the gentleman, and I do so represent, that it is not my intention that the Committee on the Judiciary sit during the consideration of the resolution to which the gentleman has just referred.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, in yesterday's RECORD on the bottom of page 11583, the gentleman from Massachusetts (Mr. DRINAN) was quoted, and I quote:

> Mr. Speaker, I talked with the gentleman from Wisconsin (Mr. SENSENBRENNER), and I do think that a compromise or an accommodation is possible so that his objection will be met. We worked out a rule which will be in operation during the conduct of the business of this week, and I would hope the gentleman from Wisconsin would be satisfied with the accommodation.

While the gentleman from Massachusetts (Mr. DRINAN) did talk to me, he did not specifically reach an agreement with me on committee procedures and, consequently, the statement of the gentleman from Massachusetts is misleading since we did not work out a compromise, so for that reason I am constrained to object. Mr. Speaker, I object.

Mr. DANIELSON. Will the gentleman yield further before he lodges his formal objection?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. DANIELSON. I thank the gentleman for yielding. I would hope that the gentleman would, insofar as the Criminal Code revision is concerned, permit the gentleman from Massachusetts to respond. As to the other bill that I mentioned, the regulatory reform bill, I represent to the gentleman and I would, if the unanimous consent request is granted, ask that the request be modified to provide that we not be permitted to sit in the Committee on the Judiciary while the resolution in which the gentleman named is being discussed. That would enable us to move along to some extent on this work.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman for yielding. I think it should be pointed out that the gentleman from Wisconsin (Mr. SENSENBRENNER) has difficulties with the rule on proxies in the House Committee on the Judiciary. On that account, unrelated to the Criminal Code, he is insisting that the entire Criminal Code bill be read. It is 450 pages, and it is estimated that it will take 22 hours to read this, at the insistence of the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman alone. I think, therefore, and I will plead with the gentleman from Wisconsin, that if he is going to continue to insist upon its being read that we should have permission to sit under the 5-minute rule so that we can process this bill which is the culmination of 10 years of work of this body.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, I would submit to the gentleman from Massachusetts (Mr. DRINAN) that that is a matter that should be worked out in the Committee on the Judiciary rather than on the floor of the House.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. DANIELSON. Does the gentleman object to both bills?

Mr. SENSENBRENNER. Yes.

The SPEAKER pro tempore. The Chair will state it requires 10 Members to object.

(Messrs. McCLORY, DEVINE, BAUMAN, ROUSSELOT, BROWN of Ohio, FRENZEL, LEWIS, LATTA, COURTER, and LOTT also objected.)

The SPEAKER pro tempore. More than a sufficient number have objected. Objection is heard.

INCREMENTAL PRICING OF NATURAL GAS

Mr. SHARP. Mr. Speaker, pursuant to the provisions of section 507(d)(4) of Public Law 95-621, I move that the House proceed to the consideration of the House Resolution 655, disapproving the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing) transmitted to the Congress on May 6, 1980.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 655

Resolved, That the House of Representatives does not approve the proposed rule under section 202 of the Natural Gas Policy Act of 1978 (relating to incremental pricing of natural gas) a copy of which was transmitted to the Congress on May 6, 1980.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. SHARP).

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of section 507(d)(4) of Public Law 95-621, the gentleman from Indiana (Mr. SHARP) will be recognized for 5 hours, and the gentleman from Ohio (Mr. BROWN) will be recognized for 5 hours.

The Chair recognizes the gentleman from Indiana (Mr. SHARP).

☐ 1430

Mr. SHARP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as part of the National Energy Act, Congress passed the Natural Gas Policy Act of 1978. The NGPA is the product of compromise. It represents the resolution of a number of bitterly contested natural gas pricing policy issues which was forged only after an extended struggle. The NGPA was designed to resolve the divisive debate which had characterized natural gas pricing policy for nearly 30 years.

The principal dispute among the House and Senate conferees on this legislation concerned the issue of wellhead price controls. The House conferees were very much concerned over the disruptive effect on the Nation's economy that deregulation of wellhead prices would create if it were to occur during a period of market imbalance. Deregulated gas prices would initially be driven far above long-run market clearing levels as rolled-in pricing permitted interstate pipelines to bid the price of new gas supplies to very high levels.

The disruptive effect on the national economy that would be caused by sudden deregulation was the principal reason why the conference committee ultimately adopted wellhead price ceilings with moderate price escalation to prepare natural gas markets for eventual decontrol. The NGPA provided for the elimination of wellhead price controls for certain categories of gas production between the date of enactment and 1985. The elimination of price controls was accomplished by establishing several increasing price paths for different categories of natural gas which would be gradually increased to approximate equivalency with alternate fuels by 1985. In this manner, the conferees provided what they hoped would be an orderly transition mechanism to deregulation in 1985.

However, concern remained that market imbalances would still exist when certain categories of natural gas production were price deregulated in 1985. Accordingly, incremental pricing was agreed to as a market ordering device.

Incremental pricing itself however, is a complicated matter. Accordingly, the conferees decided to implement incremental pricing in two stages: The first mandatory and the second discretionary. The first stage mandated that incremental pricing apply to industrial boiler fuel users. The second stage required that the Federal Energy Regulatory Commission (FERC) exercise its judgment to extend incremental pricing to other industrial users of natural gas. Because incremental pricing was complex and because the impact of the extension of incremental pricing to nonboiler industrial users at a later time was unknown, the Congress reserved to itself the final judgment on whether and when incremental pricing should be extended.

Economic and market conditions have changed drastically and in unanticipated ways since we passed the NGPA in 1978. During 1979, world oil prices doubled. Energy prices have increased substantially and demand is falling. There is a temporary surplus of natural gas. The United States is experiencing high inflation and appears to be entering a relatively severe recession.

Under these altered conditions, it just does not make any sense to implement this rule.

First, Mr. Speaker, we do not at this time need incremental pricing as a market ordering device because there is presently a temporary surplus of gas deliverability. Given the fragile position of our economy, it makes no sense to deliberately add another cost burden to American industry—possibly a 23-percent surcharge on top of scheduled increases for the gas itself as price controls are phased out. Furthermore, serious questions have been raised by FERC and gas pipelines, producers and users as to whether phase 2, that is nonboiler fuel industrial incremental pricing, can effectively operate as a market ordering device.

Second, Mr. Speaker, the shielding effect for high priority gas users—residential and others including agriculture, schools, and hospitals—is quite small. In part that is because so many fall into the category of protected users. At best, the average residential user might save $10 a year under rule 2. As we heard from the FERC before our committee, incremental pricing is simply too blunt an instrument to provide effective shielding from price increases for those most in need. Indeed, the benefits are indiscriminate. Those families with the largest homes would benefit far more than would the poor and even greater benefits would flow to the various industrial boiler users who are exempt from phase 1 and would be exempt from phase 2 of incremental pricing.

Third, Mr. Speaker, there is still much uncertainty about the operation and effects of incremental pricing as instituted under phase 1. It is clear that the Commission needs to review the operation of phase 1, especially with an eye toward reducing the volatility in the monthly posted oil prices and they should exercise more freely the flexibility given them in the statute to set prices within a range of alternate fuel prices and in relating to the program to the gas producer market.

Given the uncertainty still surrounding the implementation of phase 1, the limited benefits that accrue to those we were trying to protect and given the burdens placed in certain industries in these times, we should, and did in our Subcommittee on Energy and Power with the leadership and our chairman, JOHN DINGELL, and our full committee chairman, HARLEY STAGGERS, look very carefully at the decision whether to implement phase 2 of the incremental pricing.

I have described the delicate compromise that produced the NGPA. Overall, the NGPA left the issue of the extension of incremental pricing for review by the Congress precisely because of the possibility of the changed circumstances I have outlined. Because circumstances have changed, I am convinced that we should not extend incremental pricing. Accordingly, I urge the adoption of House Resolution 655, which will prevent phase 2 of incremental pricing from taking effect.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Michigan.

Mr. DINGELL. I commend the gentleman for his handling of this bill. The gentleman is an outstanding member of the subcommittee. I support the gentleman's effort here.

The Natural Gas Policy Act of 1978 made natural gas more expensive. Congress decided—through a special mechanism called incremental pricing—to place more than a pro rata share of the burden of higher gas prices on industrial users of gas. The perception was that large industrial customers are the first to benefit from new supplies of decontrolled gas and that they should begin to pay the true costs of the extra supplies that they received. Indeed, the premise for deregulating certain natural gas prices was that to price domestic fuels below the costs of imported energy would disguise the real replacement cost of these resources, encourage waste and contribute to our dependence on imported fuels.

Incremental pricing applies only to interstate natural gas. A two-stage process is utilized to determine which industrial users will be subject to incremental pricing. First, the law mandated that incremental pricing apply to industrial boiler fuel users. Second, the law required the Commission to use its discretion, subject to congressional review, to extend incremental pricing to other nonboiler industrial users. The Commission's decision on this matter was submitted to Congress on May 6, 1980.

Very briefly, the Commission decided that all nonboiler industrial users not exempted by the law should be included in the incremental pricing program. The Commission also decided to exempt the first 300 Mcf used each day and set a ceiling price at the price of high sulfur No. 6 fuel oil.

It is the Commission's decision extending incremental pricing from boiler to nonboiler industrial uses that is the subject of this congressional review.

Most significantly, the Commission's decision contains a warning. It warns that natural gas prices are likely to rise significantly in 1985. Accordingly, it said that there is going to be a real need for a market-ordering mechanism when deregulation occurs in 1985. The Commission said that its record underscored and supported the concern that the Congress had in 1978 over the possibility of a disorderly transition to deregulation in 1985.

Right now, natural gas that is already deregulated is selling at price equivalence with No. 2 fuel oil. The Commission found that if this continues, the price of gas deregulated in 1985—which will be about one half of all flowing interstate gas—will double. This doubling in price would be a substantial and abrupt shock to our economic and political systems in 1985.

The inescapable conclusion is that we must have an effective mechanism in place before 1985 that will order natural gas markets.

Unfortunately, there are several factors which indicate that we should veto the rule submitted by the Commission.

First, there is too much uncertainty at this time to go ahead with this rule. The Commission itself laments the fact that it has inadequate knowledge, data, and experience to proceed properly with an extension of incremental pricing at this time.

Second, current economic and changed market circumstances indicate that this is not a good time to extend incremental pricing.

There is a temporary surplus of natural gas deliverability. This means that natural gas markets are not currently disordered and that a demand restraint mechanism is not required at this time; and

The Commission's rule may not be consistent with our current national priority to decrease our rate of inflation and to moderate any recession.

Third, the Commission's rule is seriously flawed. The law says that incremental pricing can take industrial gas prices up to a price equivalent to the price of No. 2 fuel oil. However, the Commission said that prices could not go above each individual facility's alternative fuel cost. The Commission failed to recognize that ceiling prices can go above actual alternative fuel costs—all the way up to the price of No. 2 fuel oil. It is this failure that accounts for the Commission's erroneous finding that incremental pricing would not achieve market ordering.

The Commission is supposed to set a facility's incremental price ceiling within a range of prices between the price of No. 6 fuel and No. 2 fuel oil. This permits low prices when load loss should be minimized and higher prices when there is a need to order markets.

A veto of the Commission's rule is not a rejection of the need to provide the right price signals to end users of gas. The concept of incremental pricing remains viable. It is critically important that industrial end users be charged prices that reflect the commodity value of gas. One reason we deregulated gas prices was because we were told that other pricing policies would fail to reflect the commodity value of gas, encourage waste and subsidize imports.

Now that higher gas prices are here, however, I am very much concerned by the unwillingness of industry to pay even the minimum commodity value for its gas—the price of high sulfur No. 6 fuel oil. This intransigence convinces me that Congress should not accelerate the pace of natural gas decontrol.

I remain very concerned about the need for a market-ordering mechanism when decontrol occurs in 1985. I am confident that the Commission will use any market-ordering options available to it to avoid market instability in 1985.

Accordingly, for the reasons I have stated, I support the resolution of disapproval introduced by the gentleman from Indiana, Mr. SHARP, and urge my colleagues to vote in favor of the resolution.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman has stated there is little benefit to the residential user but that there may be a considerable impact upon industrial users.

It is not true that, although the effect on an individual residential user may be relatively small, and on an industrial user relatively large, that the full effect on each balances out? In other words, what is given as a benefit to the industrial user by this measure is taken away in that amount from residential users; it is not?

Mr. SHARP. Well, of course the rule would have done the reverse.

Mr. ECKHARDT. That is right, but what I am talking about, Mr. Speaker, is it goes one place or the other.

Mr. SHARP. We think it would probably be, by the fall, about a $700 million shift from one class of user to other classes. Of course the protected class of use includes more than residential. It includes, for example, agricultural boiler fuel users that are under the protected class as well as schools, hospitals, and small commercial boiler fuel users.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I will be happy to yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, I have had some concerns about our shift on this matter from the policy that the Congress decided on a couple of years ago. I know the gentleman has thought this through carefully. I wanted to ask the gentleman two questions. By taking this action that the gentleman proposes; namely, not to implement phase 2, is the gentleman satisfied there is not going to be a significant cost to us in energy conservation, given that some of the larger users of natural gas would in fact be those who would have been affected if we had gone ahead with phase 2, who would have had to pay somewhat more for their gas and then would have presumably made more rational decisions about the use of that fuel and specifically the conservation of that fuel?

Mr. SHARP. The Federal Energy Regulatory Commission directly addressed this question in their testimony before our committee. I believe it is also in the written information accompanying the rule—that the loss in terms of conservation benefit would probably be minor because with a jump of perhaps 23 percent in the charge this fall we would see few short term effects in terms of conservation, that the conservation is longer term and it is very clear that the industries do see that over the longer term their prices are going up.

Mr. Speaker, it is of course a difficult thing to assess. I think the gentleman can argue any price increase has some conservation effect. The difficulty is knowing whether it is really a large effect and it is a question of how quickly you get that effect.

Mr. MAGUIRE. Well, we do get into the short term-long term argument and I think sometimes, to have any effect on the long term, you have to start in the short term.

The same question arises with respect to equity. One of the objectives our previous proposals had was, of course, to shelter consumers, who cannot easily switch from the equivalent impact of the price increases as a result of deregulation of natural gas.

□ 1440

I know that arguments have been made that those effects are also marginal, but I am also aware that down the road, in the longer run, they are likely to be more than marginal. It seems to me that with respect to conservation and with respect to equity, there are some gains to be achieved in the short run, although they may be less than what we originally thought, but clearly there will be gains in the long run which will be lost if we don't go ahead with phase 2. Would the gentleman comment on that?

Mr. SHARP. Yes. First of all, of course the gentleman realizes that we are not tampering with phase 1.

Mr. MAGUIRE. I understand that.

Mr. SHARP. That provides some shielding to the protected class of users. However, as the gentleman has already indicated, certainly the shielding is minimal under rule 2 as devised. At this time it is not clear that it would necessarily grow greater. In fact, there is a real possiblity with the way the incremental pricing plan stands that no additional protection will be available.

I think about 23 States have adopted State plans which peg industrial user gas at the alternative price which the Federal Energy Regulatory Commission has selected. Because of softness in that market for residual fuel oil which is used at that alternative price, if those State plans were not adjusted over time, and if we did not see a major tightening of the residual fuel oil market, we could actually see a situation several years out where the industrial fuel user is being priced below what I think the price the gentleman thinks is equitable.

That is one of the quirks that could occur. There is no assurance that it will occur. I think the problem is that our incremental pricing in phase 2 is a very blunt instrument. It does not help us in a way that we have got to do, I believe, and that is get at those residual users who truly are not in a position to engage in much conservation and are at the lower end of the economic ladder.

One of the difficulties is that if one owns a very large home, which means probably that one is in a higher income bracket, and uses natural gas, the benefit may be $20 or $30 a year, but for the average family it would probably be $10 a year or less. In addition, the agricultural user, who the Congress decided has a special privilege and priority, would find himself with literally thousands of dollars of benefits under rule 2. Very frankly, while that it nice, it does not address the equity question which the gentleman very seriously wants to address. The gentleman is asking a very serious question about what happens when we get to 1984 or 1985, and the price controls begin to come off. The Commission warned us that we have to monitor that very carefully. We have to look carefully at what devices Congress may want to adopt. They may have to be something outside of the NGPA in order to take into account what may be a spiking of prices at that time. We are not certain that will occur. It is something we must be very sensitive to over the next couple of years to assess where this is headed and who is going to be hurt and who is going to benefit.

Mr. MAGUIRE. I thank the gentleman for his comments and thoughtful answers. I know that he has studied this in great detail. Does the gentleman have any assurance, or can he assure this House that anybody is going to look at this matter 2, or 3, or 4 years out, whether that be FERC or the energy committees of the House? What assurance do we have that we are going to get another chance to correct this?

Mr. SHARP. First of all, the NGPA already requires such reports to the Congress as we get closer to 1985. They are forced to go through an analysis and provide it to the public and to the Congress. The gentleman has my assurance if I have anything to do with policy at that time—that would depend upon my citizens back home—I certainly would be interested in that. I know that the chairman of the subcommittee, whose likelihood of being here is greater than mine, has indicated in numerous public statements his intent, and I believe the remarks he just asked to have placed in the RECORD make that very clear, to pursue his interests in this matter.

So, I think one need not assume that our action is a final resolution of this problem today. I would be very concerned if we were to dismiss all the equity questions by a vote on this matter today.

Mr. MAGUIRE. I thank the gentleman for his explanation. I think, on balance, that I am going to come down on the other side of this from the gentleman. I agree that this is a blunt instrument, the proposed phase 2, and it has all sorts of imperfections, but I think at the margin, particularly if we go on into future years, it probably would have benefits both for conservation and for equity. Of course, by equity I do not mean everybody paying the same price per unit of energy. I mean something that is graduated in relation to the ability to pay and handle the increased costs, and in relation to conservation objectives.

I thank the gentleman.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would like to commend the gentleman also for this legislation, and I agree with everything he said.

I would like to also address a couple of questions, if the gentleman would respond, that I have and which go along with the gentleman from New Jersey as to where we are and how we got here. when we were working on the legislation, we did not have, as a matter of fact, the oil problem as the natural gas problem. Is that not correct?

Mr. SHARP. Certainly. our concern had been riveted to the natural gas problem because of curtailments that had been occurring in recent winters, and one so severe that we had unemployment in my district and perhaps in the gentleman's district, where people lost considerable income because there was not an adequate supply of gas to keep the factories open. That certainly called our attention to the issue.

Mr. VOLKMER. What about the supply as to where we are now as against where we were at that time?

Mr. SHARP. Our supply situation in the interstate market is very improved by the NGPA. The gas that was available in the intrastate market has very clearly been able to flow into the interstate market where the shortage was. Drilling is up for oil and gas. Important statistics coming out this year indicate additions to reserves much greater than any year in recent times, so we do find a much more favorable market situation in natural gas than what we could see in 1978, though there were considerable disputes. I would urge a bit of caution on that. I think we still do not know how much is out there. I do not think anybody should be euphoric about natural gas supplies, but there is improvement in that and a very serious situation in oil.

Mr. VOLKMER. In other words, what we have to do is continue to monitor it, as the gentleman has previously stated, the change between 1978 and 1980 and that between 1980 and 1982.

Mr. SHARP. Certainly.

Mr. VOLKMER. Another point that bothered me a little bit about the FERC regulations is that some of the provisions, and also in the past year I for one have been working with industry in my district to get a change from oil to natural gas, and then to see this regulation go into effect and actually change a revision for this bothers me a great deal. But, I do not blame FERC altogether because we required them to do this. But, I think we are going to have to work with FERC to continue to monitor, and at least have a more workable regulation than this.

Mr. SHARP. I appreciate the gentleman's remarks. I think what he said about the Federal Energy Regulatory Commission ought to be repeated. That is, I think they basically did intend to carry out the intent of Congress, which was to have a mandated program on boiler fuel use, and to propose an expanded program to cover a lot of other industrial uses. That is the phase 2 we are dealing with today. The Commission itself expressed its doubt about the value of the phase 2 policy, but they did carry out the requirement we had included in the law that they produce a rule. So, we are using a legislative veto not as a way to discipline that agency, but as a way for us, as I think we intended by the conferees on the 1978 act, to have a second look at the policy that we could not be certain of that we were not willing to mandate at that time.

□ 1450

Mr. VOLKMER. As I understand it from a reading of the rule, they almost invited or it is the same thing as inviting the Congress to take a look at it because of the changing circumstances.

Mr. SHARP. Mr. Speaker, I think that is a fair interpretation.

Mr. STOCKMAN. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Speaker, I was just interested in the gentleman's comment about the equity income distribution of social policy goals intended for incremental pricing

I wonder if the gentleman would just compare the difficulty and turmoil we have with this whole rule with the lightning speed with which we passed the Fuel Assistance Act last fall, and I suggest that we need to learn from this episode, if we do have these concerns and if they need to be addressed, that we would be far better off to build these factors into the taxes to achieve those objectives rather than trying to build them into a price structure as was intended here.

Mr. SHARP. Mr. Speaker, basically I agree with the philosophy the gentleman has indicated here, and that is that we can more effectively address energy policy for this country and the social equity question if we do it separately and if we do try to define our energy pricing policy by trying to accomplish certain social goals.

In reality, I think this is what the Chairman of the Federal Energy Regulatory Commission was suggesting to us in the hearing on this rule. He feels that we must take steps to protect those families, be they senior citizens or low-income households, that may face very serious increases in the price of gas and home heating oil, but he also feels that we find ourselves in conflict, and we are not doing a very good job in either direction when we try to mix our energy pricing decisions with our social policy.

However, I would just like to indicate that although we do have a lot of commitment for separating those two policies, a commitment to consider social goals and energy questions separately, we find that Members who are all in favor of separating those policies kind of lose interest when we get to the point of taking up welfare legislation or legislation on tax policy to help the situation.

Mr. STOCKMAN. Mr. Speaker, if the gentleman will yield further, is it not true that in the last law we passed, we had the $2.5 billion in the program for the overwhelming majority of people, and that had support on both sides of the House, including those who advocated handling it in this manner for exactly those reasons?

Mr. SHARP. Mr. Speaker, I think the gentleman is correct.

Unfortunately, because of the speed with which we did it, I am afraid it is not a very effective way to handle the problem, and I hope that we go back to give it more attention to make sure it is both efficient and equitable from the point of view of the person who needs it, as well as from the taxpayer's point of view.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman mentioned the Chairman of the Federal Energy Regulatory Commission.

What position does he take on this question?

Mr. SHARP. Mr. Speaker, is the gentleman speaking about the rule itself, the phase II rule?

Mr. ECKHARDT. Yes.

Mr. SHARP. Mr. Speaker, the gentleman, I think, did not clearly indicate that we ought to reject it. He simply clearly indicated that he felt it was their duty to produce the rule. They have done so.

He also indicated, as I believe the gentleman will find from the quotations in the report, that they had serious questions that this rule could accomplish its central purpose, which was as a market ordering device, and he and the others seriously questioned whether it was a very effective shield in terms of protecting the residential or low-income user.

So I would say that he expressed great doubt, although he did not directly say that we ought to veto it.

Mr. ECKHARDT. Mr. Speaker, I recall in conference that the distinguished chairman of the Subcommittee on Energy and Power was taking a very strong position with respect to the whole policy of incremental pricing. Of course, the basic underlying theory of the thing was that the increased prices that would occur from releasing a relatively low price restriction on gas rates would be pretty profound with respect to residential users over the country.

At that time, of course, the highest rate for new gas, I think, was 52 cents per Mcf in interstate commerce, and it was around $1.80 intrastate.

The gentleman was very concerned at that time that the first impact of the increase be absorbed by the industrial community.

I would like to know if this proposal or this rule is in line with that thinking, which I supported at that time, or whether there is reason to change it. Perhaps we should hear from the subcommittee chairman on that proposition. I come here without a fixed view on the issue, and I would like to hear the discussion.

Mr. SHARP. Mr. Speaker, the gentleman's question, of course, would be better addressed to the subcommittee chairman. He had to leave to attend the conference committee meeting on S. 932, so he is not here at the moment.

I believe I can generally characterize his position, which the gentleman can read tomorrow morning in the CONGRESSIONAL RECORD; I believe the gentleman would find that his view is that we should at this time veto this rule. He wishes to keep alive the possibility that the Federal Energy Regulatory Commission might at a future time, if the market circumstances change, come back to us with another rule on phase II, but he suggests that we ought to at this time veto this rule.

I must tell the gentleman that certainly the rule is to carry out the intent of what the gentleman is saying, which is a shielding mechanism or a market ordering device. However, as we have seen, from the reality of the rule, it does not appear to many of us, including the Federal Energy Regulatory Commission, to do a very good job of carrying out either of those purposes.

Therefore, we have the option today of laying it to rest or allowing it to take effect.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield further?

Mr. SHARP. I am happy to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, does the gentleman mean that the incremental pricing presently in effect does not achieve these objectives, or that the rule would not substantially improve the mechanism now?

Mr. SHARP. Mr. Speaker, first, I believe the gentleman understands that what is in effect now is phase I, with which we are not dealing, and that affects industrial boiler fuel users. I believe the testimony from the Federal Energy Regulatory Commission would indicate that this section may have utility as a market ordering device at a later date, the reason for that being that these are users who can switch in many cases to another alternative fuel.

Therefore, from the point of view of the pipeline, they represent a risk. If the price gets up too high, if the pipeline is too far out of line, it is apparent that the industrial boiler fuel users can jump off the line, and then it could damage the incremental pricing in the pipeline. So the theory still holds on the value of the boiler fuel.

However, when we switch over to industrial users of some forms of energy, those utilities and others will not clearly benefit because with other industrial purposes there is no option to switch to anything else, and, therefore, there is no risk to the pipeline in bidding up the price of gas. So they will lose a lot in that case, and in that case it does not work.

There is a second problem, and that is that the Commission believes, from the way in which they drafted title II, that we in fact do not allow the ceiling price to go above the alternative fuel price. There is some dispute between our committee and the Commission as to what that means, but in the existing interpretation of FERC on that, that means they can never really put the industrial user at risk so that they might jump off.

I might suggest to the gentleman that that is all theoretical because we are having such great difficulty determining in a timely way what is the alternative fuel price that determines the ceiling for the incremental price and in phase I the identification of that price by FERC does not match anything like what the boiler fuel user sees in the marketplace.

So now the boiler fuel users are complaining to us that those prices do not represent real prices because the prices are volatile and they are jumping all over the place. They are more volatile than other prices of fuel, and they are particularly volatile now.

So that is one of the difficulties of phase I that we are trying to get the Commission to reexamine. They say they will reexamine it and sort that out. The thinking is that it needs to be sorted out before we consider going on to phase II, where it is potentially more of a problem in the larger industrial sector that would be affected by phase II.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield further?

Mr. SHARP. I am happy to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, as I understand it, there were really two basic objectives in the act. One was to try to move industrial gas out of industrial use, particularly boiler fuel use, and this to a certain extent, as I understand it, was to be influenced by incremental pricing because it would keep the price relatively high for that purpose and relatively low for residential purposes.

The other purpose, as I understand it, of the incremental pricing rule was to provide a cushion with respect to increased residential pricing.

I think the gentleman has spoken largely to the first purpose and has indicated that is not now being achieved for reasons he stated. But what about the second purpose?

Mr. SHARP. Mr. Speaker, the second purpose is only slightly achieved, and this is one of the problems that makes this rule unattractive to some who are voting today to veto the rule because they believe it does not provide enough shielding. There are others who are voting against the rule for a variety of reasons, most of which I have indicated before.

But the shielding at the moment is about $2.50 under phase I, and possibly less at this point for the residential user because of the soft oil market.

By the fall, if there is a tightening of the residential fuel oil market, that may get to a high of $8. The maximum shielding expected at the moment for the residential user, might be as high as $10 on an annual basis, but that is unlikely. That is for the average user. The smaller user would face a benefit less than $10. The family that has the really big house, which in many cases will be the high-income family, will get a better shielding out of it than $10.

□ 1500

Our problem is that, while it is true it provides some shielding, and $10 is a nice sum of money for everybody, it really is not very much and, at the same time, it focuses a burden on the industrial sector at a time when many of us have growing concern about the risks of keeping up employment. And so because the benefit is spread so thin, it is a very small benefit from an individual's point of view. However, the burden is fairly substantial on some industries, particularly in glass and steel and some other industries that are in difficulty now. That is the problem.

Mr. ECKHARDT. If the gentleman will yield further, the gentleman indicates that we may go back to this question, may consider another solution at a later time, may find it necessary to take some action in the nature of this rule but with variation. But as I understand it, this rule was mandated to come out under the bill.

Mr. SHARP. That is correct.

Mr. ECKHARDT. That is the reason it is before us.

Mr. SHARP. That is correct.

Mr. ECKHARDT. If we reject the rule, is there any mandate that any subsequent rule be presented to us or is the laboring oar and the laboring authority solely with the agencies so that if we want further action we will have to pass a bill to achieve it? What I am saying is, if we turn the rule down at this time, are we saying, "OK, you have done everything we required," and from that point on the agency is not required to take any further action to present us with another unaltered rule, no matter how the facts change; is that correct?

Mr. SHARP. It is my understanding that if we vote for this resolution and turn down the rule today, the agency must wait at least 6 months before it may issue another rule. It must wait. And it has a window that is from 6 months to 2 years after this date as to whether or not to issue another rule. But it is in the discretion of the Commission at that point whether or not to issue a further rule, at which time we will have an opportunity to review that one as well. But the gentleman is correct, the agency is not mandated to come forth with another rule.

Mr. ECKHARDT. So it is in effect off the hook?

Mr. SHARP. That is correct. The agency chairman did indicate that they are very concerned about what will happen in the natural gas pricing market, and that they will be examining this and other alternatives available to them as the markets change. But they certainly made no commitment to produce another rule.

Mr. ECKHARDT. I thank the gentleman.

Mr. PREYER. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from North Carolina, who is a sponsor of this resolution and has taken a very active role on this incremental pricing issue.

Mr. PREYER. I thank the gentleman.

Mr. Speaker, I want to commend the gentleman for his leadership on this issue, and I commend the gentleman further for the careful and realistic analysis which he has applied to this problem which this resolution addresses. I want to commend the chairman, the gentleman from Michigan (Mr. DINGELL), and all of your subcommittee for your very decisive action in resolving the problem.

Mr. Speaker, I am heartened indeed by today's decision that the phase II incremental pricing regulations promulgated under title II of the Natural Gas Policy Act of 1978 (NGPA) should be disapproved. Through this prudent and historic vote, the House of Representatives has prevented a major expansion of Federal regulatory control over State ratemaking and has, as a consequence, limited significantly the potential economic damage threatened by this regulatory nightmare.

I am, therefore, taking this opportunity to commend and congratulate my colleagues for their vigorous rejection of a theory overrun by reality. Had my colleagues not approved House Resolution 655, the phase II expansion of incremental pricing to most interstate industrial users of natural gas would not only have boosted inflation, increased unemployment and encouraged greater use of foreign oil, but would have done so at a time when our Nation's economy is already suffering from a recession.

Over 6 months ago I, along with my good friend DAVE STOCKMAN introduced H.R. 5862, a measure to repeal outright the unworkable incremental pricing title of the NGPA. Over 100 House Members now cosponsor this bill. I joined with Mr. STOCKMAN in introducing this measure because of the serious concerns voiced by the business community in North Carolina and across the Nation, the gas utility industry, State utility commissions, labor unions, and others.

I still share these concerns with regard to phase I of incremental pricing. Nevertheless, today's vote is a historic occasion not only because it signifies a giant step toward a national energy policy but also because by exercising a one-House veto, my colleagues have established an invaluable precedent for future legislators. The House has demonstrated, in the clearest terms, that Congress intends to meet its responsibilities for careful oversight of—and, if necessary, disapproval of—those regulatory policies which implement congressional legislation.

The drafters of the NGPA were prophetic in wisely deciding that since they did not have a crystal ball to gaze 18 months into the future, the Congress should have another look at this exceedingly complex regulatory mechanism known as phase II incremental pricing when the rule was finalized. And today's vote provides ample evidence that the drafters were right to take a second look—times did indeed change and, as a result, implementation of the phase II incremental pricing regulations is not in our Nation's best interests.

I would also like to express my appreciation for the deep concern and decisive actions taken by the chairman of the Energy and Power Subcommittee Mr. DINGELL, House Commerce Committee Chairman, Mr. STAGGERS, and the members of the Energy and Power Subcommittee and of the Full Commerce Committee, on which I am privileged to serve. Without the sincere concern and decisive actions of these members of the House, the phase II resolution of disapproval would have faced a much more difficult path on its way to the House floor.

Finally, I wish to commend the Commissioners and staff of the Federal Energy Regulatory Commission (FERC). Although I labored to secure a veto of the phase II regulations drafted by these FERC officials, they merit my deepest respect for their efforts to fashion the most reasonable possible implementation of an exceedingly complex law. For their hard work, intellect, flexibility and honesty, the personnel of the FERC deserve our thanks.

I am particularly proud of the efforts made by industry, labor, and others to express to the Congress their concerns with incremental pricing and the need to eliminate this unwarranted regulatory burden. However, for these groups and my colleagues who have joined in seeking the outright repeal of title II of the NGPA, our work is not yet done. As I mentioned, phase I incremental pricing, which was not subject to congressional review, has been in effect since January of this year.

Members of Congress have already received many calls and letters detailing industries switching to other fuels (particularly fuel oil) and with complaints about the methodology used by the Energy Information Administration to set the alternate fuel price ceilings. I intend to continue monitoring developments under phase I and, from time to time, to bring them to my colleagues' attention. The American Gas Association has informed me that, based on data for the first 4 months of 1980, the industrial boiler load loss attributed to phase I could total 226 Bcf this year if the switch from gas to oil continues at its current rate. Hopefully it will only take a year of experience under phase I to demonstrate the need to repeal title II of the NGPA altogether, particularly since there has been a dramatic turnaround in the outlook for long-term gas supplies.

Increases in proved reserves of 14.3 Tcf are at a 13-year high, up over 35 percent from a year ago. Not only did these 1979 additions to reserves significantly increase from the 7 to 12 Tcf levels experienced throughout the 1970's, but the increase in additions was widely distributed throughout all regions of the country. This is the most positive evidence yet that the production incentives of the NGPA are working to the benefit of consumers as well as producers.

Thank you, Mr. Speaker.

Mr. LUNDINE. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from New York.

Mr. LUNDINE. I thank the gentleman for yielding.

Mr. Speaker, I wish to commend the gentleman for his analysis of this problem.

Mr. Speaker, I have decided to join in support of the resolution before us disapproving implementation of the phase II incremental pricing rule that has been proposed by the Federal Energy Regulatory Commission under section 202 of the Natural Gas Policy Act. I have made this decision after having given careful consideration to both the overall energy and economic situation which we find ourselves in today and the specifics contained in the particular manner in which FERC chose to propose implementation of incremental pricing beyond application to large industrial boiler users under phase I.

I supported the Natural Gas Policy Act when it was given final approval by the Congress in 1978. As you know, this bill provided for the phased deregulation of natural gas prices through 1985. I supported this measure with the understanding that consumers would be shielded as much as practicable from increasing gas costs as natural gas prices were deregulated through implementation of an incremental pricing system that would allocate a higher percentage of natural gas price increases to low priority industrial users. I believed this to be a sound compromise and continue to agree that our national energy policy must provide avenues to minimize the burden on residential and commercial users from increasing energy costs.

It is ironic, if not important, to note that many of the same industries that are likely to feel severe impacts from phase II incremental pricing were strong advocates of immediate deregulation of natural gas prices in 1978 which would have likely resulted in higher overall natural gas prices than those estimated under incremental pricing. This fact signals the very serious nature of our energy problem as we try to apply theory to practical situations.

The decision before us today, however, must in the end, take into consideration the relevance of widespread adoption of incremental pricing to our current economic circumstances and the fairness and benefit to those involved from such action. By providing for a procedure that would allow Congress to disapprove of phase II incremental pricing as part of the 1978 act, Congress acknowledged the possibility that changed national circumstances could call into question the appropriateness of broad based incremental pricing.

Several significant factors have changed since passage of the 1978 act that have a direct bearing on our decision today. Since enactment of the 1978 act, world oil prices have escalated beyond what anyone had projected, thereby increasing the cost of incremental pricing to industries. In addition, the relative tight supply situation with natural gas present in 1978 has evolved to a point today where natural gas supplies are adequate, if not abundant, in most areas of the country. As such, continued adequate supplies of natural gas can perform the price moderation function intended for incremental pricing during periods of supply constraint.

My opposition to implementation of phase II incremental pricing is based on a conviction that it would have an adverse and uneven effect that might possibly exacerbate the current downturn in our economy, leading to further job losses in certain industries. I think it is important that we work toward providing an element of stability to the tenuous situation being posed by economic circumstances. An important element in this must be an assurance of a stable energy source at projectable prices.

As important, though, must be the estimated cost savings to the residential user from implementation of phase II incremental pricing. Reliable estimates I have been provided indicate that the average savings to the residential customer would probably not under any circumstances exceed $25/year. While this certainly should not be dismissed as totally insignificant, it must be viewed in the context of the offsetting impacts on industry and jobs. Moreover, the actual savings to residential natural gas users from incremental pricing could possibly evaporate if industrial users choose to switch to use of alternate fuels that could leave residential customers with the percentage of fixed gas costs now paid by those industrial customers.

In summary, the issue of incremental pricing, as with most other energy issues, comes to a determination of how to allocate in a fair manner the increasing cost of energy for our country. Steps should be taken to minimize energy costs for classes of users least able to adjust to them, but I am convinced that broad based implementation of incremental pricing at this time is not the most effective way of accomplishing this objective. Benefits to residential users from this rule would be minimal, costs of administering a program of incremental pricing would escalate, and the inflexibility of application of the increased energy costs to industries would further exacerbate the serious situation with strained capital resources present today in most of our industries.

For all these reasons, I urge adoption of this resolution disapproving implementation of phase II incremental pricing.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, the Nation faces inflationary costs for goods and services, less economic growth and more unemployment. With the next vote, Congress can aggravate this situation or give Americans some relief from the bad economic picture. Extended incremental pricing would add further injury to the already suffering American consumer.

When the Natural Gas Policy Act was passed at the end of the 95th Congress, many Congressmen sought to artificially hold down the heating costs for residential and commercial users. Lower costs for residential consumers were to be achieved by business paying higher costs for natural gas.

During the debate on the Natural Gas Policy Act in October 1978, I pointed out that incremental pricing would be detrimental in the long run because industry would shut down because of higher fuel costs or pass cost increases on to consumers. Here is what I said:

> The lowest priority in the bill is for the industrial users of natural gas. The extra cost of high gas prices will be borne by the industries which are served by interstate pipelines. The homeowners will continue to have a low heating bill while the industrial plants will bear the extra financial burden of reduced consumer costs. Plants will close down as over half of the natural gas is used for industry. Workers will be able to stay at home in a warm house, but without a paycheck.
>
> In addition, this incremental pricing will increase oil imports, not reduce them anywhere near the 4.5 million barrels a day the administration originally proposed. The Wall Street firm of Smith, Barney, Harris, Upham and Co. recently completed a study which predicted that the gas bill would actually increase imports by 2 million barrels a day by 1985. The analysis predicted that the heavy burden placed on industrial users will force them to switch to oil. With the short supply of domestic oil caused by price controls, most of these industries will increasingly depend on foreign imports for their fuel.

FERC's phase II rule would extend incremental pricing to more than 60 percent of the interstate market, more than 55,000 additional industrial customers. There are at least three negative effects of this legislation: First, market manipulation; second, increased oil imports; and third, higher consumer prices; all of which we can ill afford in 1980.

In its final phase II rule, FERC admitted incremental pricing did not "appear to generate the type of demand restraint that Congress thought." Only by cutting their takes drastically, can industries with little capacity to switch to alternate fuels hope to influence pipeline bidding. By continuing to manipulate the market Congress would create a situation in which interstate pipelines would suffer a load loss, leaving residential consumers alone to bear the burdens of pipeline fixed costs and increased natural gas prices under the NGPA.

Second, expanded incremental pricing could substantially increase our level of oil imports. Back in 1978, some argued that natural gas prices would rise about

65 percent for industrial customers from $2.10/Mcf. to $3.50/Mcf. due to being tied to deregulated oil prices. Since the Iranian catastrophe and skyrocketing oil costs, the ceiling price that can be charged to industrial users now equals $6.80/Mcf., a 225 percent increase. If they have the capability to use oil, industrial users are likely to switch from natural gas since oil will cost the same, but will not be subject to priority designations and possible supply cut-offs like natural gas is. America is already importing $90 billion a year in foreign crude oil and we do not need to add to our oil deficit.

Third, the most immediate effect of incremental pricing to be felt by the individual citizen will be increased product costs. Industrial users must pass their increased fuel costs on to the ultimate consumer. If they cannot, they will be at a competitive disadvantage, particularly in relation to foreign firms. This could result in job layoffs for U.S. firms. These increased costs will hit all consumers. Whereas, the intended benefit to the 45 percent of the population which uses natural gas at home is estimated to be a mere $23 per household. Once again the majority is penalized to bring minimal benefit to only a portion of the populace.

The folks back home realize that we cannot help our communities by crippling American industry. Industry means jobs and lower prices for mass-produced products. Incremental pricing hurts business and when you hurt business you hurt the guy who works for a living. Our country has more government than it wants, more regulations than industry needs and more taxes than the people can afford to pay.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 655 which would disapprove the extension of incremental pricing.

I have a great sense of deja vu as I stand here in the well and speak to you about natural gas pricing. Those of my colleagues who were here in 1978 remember all too well the arguments, pro and con, on the Natural Gas Policy Act.

Incremental pricing, the cost reallocation scheme required by that act, is the subject of our debate today. Incremental pricing, a two-phase cost reallocation scheme, was intended to load the largest impact of higher natural gas prices upon industrial gas users served by interstate pipelines.

Currently, under phase I, which has been in effect since January 1, 1980, only large industrial facilities which use natural gas as a boiler fuel are subject to incremental pricing. Higher gas costs are passed on to those facilities in the form of surcharges on gas consumed as boiler fuel.

Phase II would extend incremental pricing to all industrial users—including process and feedstock users—which are not specifically exempted by the Natural Gas Policy Act of 1978. Two major objectives originally led Congress to include incremental pricing as part of that act. The first was to provide a "market ordering" device designed to achieve an orderly transition from regulated to deregulated gas markets. Second, incremental pricing was to serve as a mechanism to shelter the consumer from increased natural gas prices.

It is now apparent that phase II will satisfy neither of these objectives. As the Commission has stated itself in the rule, the structure of title II makes it impossible for incremental pricing to act as a market ordering device. The major reason that incremental pricing will not serve to restrain pipeline bidding for deregulated gas is that industrial end users who have little or no capability to switch to alternate fuels, that is, most feedstock and process gas users, the users covered by this rule before us, are in a relatively weak position to bargain with pipelines over the price that they will have to pay for natural gas. That is, where an industrial user does not have alternate fuel capability, there is little or no incentive on the part of a pipeline to keep its bids for natural gas down.

The second objective of incremental pricing—protection of the residential gas consumer—also will not be served by this rule. Incremental pricing singles out less than one-half of all residential consumers, those served by interstate natural gas pipelines for preferential treatment. Those residential users who do not use natural gas but who use fuel oil, propane, electricity, or other fuel instead of gas, will receive none of the benefit that will result from incremental users paying incremental service charges. Thus, all consumers would pay higher prices for goods and services in order that a few residential interstate natural gas consumers get what is, at most, a slight reduction in their gas bills. Low income, nongas users will, in part, be subsidizing more affluent gas users, and homeowners who do not use natural gas will subsidize natural gas used by other high priority users such as small commercial establishments and apartment buildings which are exempt from incremental pricing. In short, incremental pricing has disruptive and inequitable impacts which work ultimately to the disadvantage of the high priority consumers whom title II is intended to protect.

Two years have passed since the NGPA was enacted. The energy world has changed dramatically. The 1978 assumptions behind incremental pricing have proven inaccurate. Congress, in its wisdom, wrote into the law an opportunity to review and disapprove any extension of incremental pricing beyond industrial boiler fuel uses of natural gas. That disapproval is what we are here to register.

Incremental pricing cannot achieve an ordering of the natural gas market as we move to decontrol. The process and feedstock users have no alternative fuel, and they cannot restrain pipeline gas bids. The other industrial users, once they reach the alternative fuel cost ceiling, know that they will not be priced any higher and have no reason to try to restrain pipeline bidding. Also, in a free market, surplus gas could be sold cheaply. But under incremental pricing, suppliers have no incentive to lower their price to nonexempt users because the incremental pricing surcharge will again distort market signals.

In fact, incremental pricing is distorting the natural gas market more now than deregulation might in 1985. The preventive cure is worse than the potential illness. Moreover, when the cost of administering the incremental pricing program is taken into account, any advantage which the cure might have held is clearly outweighed by its costs.

Incremental pricing will also distort the consumer market. Although the second major purpose of incremental pricing was to shelter high-priority users of natural gas, the result has been that some consumers are protected slightly, while most are injured. FERC has estimated that incremental pricing will result in a benefit to exempt users of only about 18 cents per Mcf. FERC concludes that "incremental pricing under title II is a 'blunt instrument' for achieving the socioeconomic goals Congress sought to accomplish via price sheltering."

Incremental pricing subsidizes all residential gas users, regardless of economic need. Other residential fuels, oil and electricity, are currently more expensive than gas. Homeowners using those fuels will receive no subsidies. Neither will homeowners served by intrastate gas. Yet, they, as well as all consumers, will pay the increased costs of consumer goods made by gas-dependent industries subject to incremental pricing. Those industries must either raise their prices or shut down. If they are in highly competitive markets, they may not be able to recover their increased costs. This is especially true for companies competing internationally.

While the NGPA does not provide for a review of the entire system of incremental pricing, I believe that we must avail ourselves of an early opportunity to review and repeal all of title II incremental pricing. The facts make it clear it is an inequitable and unwieldy system which does not achieve either of the objectives which Congress sought to achieve—that is, market ordering and price shielding.

I believe that incremental pricing has no place in a scheme for the deregulation of natural gas. The overwhelming vote to disapprove phase II, which I believe will occur this afternoon, should be a clear message to the FERC not to send up another incremental pricing rule. It also is a clear indication of congressional desire for repeal of entire incremental pricing provisions of the NGPA.

□ 1510

Mr. Speaker, I reserve the balance of my time.

Mr. SHARP. Mr. Speaker, I yield 10 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I agree with the gentleman from Ohio. There is a sense of deja vu here, but I part company with the gentleman's conclusions.

It is very interesting to go back into the history of this lengthy conference in 1977 and 1978 and to look at some of the documents that were handed out and which I think form the strong foundation for influencing Members in the way in which they voted in 1978, particularly those who were concerned about the residential prices for natural gas.

Here, for example, is an administration fact sheet. We have all seen administration fact sheets before. It states very emphatically:

> Under any reasonable projection of the existing regulatory program, residential users will pay less for natural gas between now and 1985 under this compromise—the one that was finally passed—than they would under a continuation of the present system of controls.

This administration fact sheet went on to say:

> This natural gas bill affords special protection to residential consumers in the interstate market through the "incremental pricing" provision that first passes through the industry the costs of natural gas that exceed the current FERC new gas price of $1.50 per mmbtu. There is a slightly higher threshold for certain types of high-cost natural gas, but the impact of that provision will be offset by the decrease in unit fixed transportation costs that will result from significantly larger gas supplies in the interstate market.

Then, the distinguished subcommittee chairman of the Subcommittee on Energy and Power, the gentleman from Michigan (Mr. DINGELL), who has been a strong advocate of incremental pricing and was the major force, with the gentleman from Texas (Mr. ECKHARDT), in getting the strong incremental pricing provisions into the compromise that was finally passed by this House in 1978, testified before FERC on January 29, 1980, and stated in the most emphatic terms:

> Without incremental pricing, the ability of gas-hungry interstate pipelines to average-in comparatively small volumes of deregulated supplies of new gas with far greater volumes of cheaper old gas would result in bidding wars between pipelines for new gas supplies.
>
> Incremental pricing solves this problem by focusing initial price increases on the pipelines' most price sensitive customers: the historically underpriced industrial users.

He goes on and on.

In this January 1980 statement he refers to a May 2, 1978, statement in which he stated:

> A statement I released to the press on May 2, 1978 is further evidence that incremental pricing was intended to be a surrogate for well head price controls as a market order mechanism.
>
> First, I said that "meaningful incremental pricing was an essential prerequisite, a sine qua non, to my acceding to deregulation.
>
> Second, I said that "incremental pricing was viewed by opponents of deregulation as an essential substitute for wellhead price controls as a wellhead market ordering device.

And he goes on and on.

The intent of the gentleman from Michigan (Mr. DINGELL) and the gentleman from Texas (Mr. ECKHARDT), and I think many of those who voted for that natural gas compromise in 1978 was in fact to have some protection for consumers. It can be said, and I believe that I am not mistaken when I say that the author of this resolution, the gentleman from Indiana, has argued that FERC could later come in with another rule and take care of incremental pricing; but despite the strong testimony of the distinguished chairman of the Subcommitee on Energy and Power before FERC, and despite the language of the proposed rule issued by FERC, in which they say the Commission is highly cognizant of its mandate to afford high priority consumers the full measure of the price consistent with the purposes of title II and they believe this protection is best achieved by maximizing the volume of gas used subject to incremental pricing.

Despite all these things, despite the protestations of the author of the resolution and others during the natural gas debate, the fact is that residential prices for natural gas will continue to be set above those paid by industrial users, and industry will be bailed out from its earlier promises to pay whatever the necessary cost if they can just get the natural gas.

Now, I think it is important that we recognize that most of the industrial people who are now heavily lobbying us to protect them under this resolution are the same people who have sung the virtues of deregulation to us for months and years.

They have come in and said, "Oh, deregulate. We think it is wonderful. Let the market work its will."

So now, we are hearing that they do not like the high prices that would come and they want some protection.

Well, it can be said that this rule actually affords little protection to consumers. It is my understanding that at least one consumer group feels that way and would urge a vote against the bill, but I think it is important here to note the principle that has been withering away from the 1977 House-passed bill, in terms of incremental pricing.

What did that withering away involve? First, the conference report confined incremental pricing to only a fraction of the low-priority users. Then it exempted intrastate users from incremental pricing. Then it required only a portion but not all of the increases in the House-passed bill be put in the incremental pricing pot.

Finally, it allowed FERC to set threshold prices lower than that of No. 2 oil, even if the alternative fuel for that industry was No. 2. The phase I rule again diluted the effect of incremental pricing by setting a 3-year threshold but delaying that for a year and allowing the lowest-priced fuel, high-sulfur No. 6, to be used as a threshold.

□ 1520

Phase II, as proposed again, emasculates the concept of incremental pricing, and I think the gentleman is right about this, by exempting the first 300 Mcf. of nonboiler fuel use, setting the ceiling at high sulfur No. 6, and allowing States to allocate surcharges above 75 cents to other incrementally priced users.

It would appear that FERC thus came to the weakest rule possible, and I think that has already come out in the debate. It is a rule that is so weak that in fact it might be hard to justify. I would admit that. It would probably save consumers in the neighborhood of $10 or $15 a year.

But we also have to realize that the principle of incremental pricing is at stake here and a weak rule for some use is better than no rule, and a weak rule that can be improved is better than no rule. We must understand that we are doing this with something looming over us in the not too distant future, and that is the likelihood of a massive lobbying effort for the total deregulation by the same industry people who are asking for your help on the incremental pricing provision. There is no question we will have a massive lobbying effort.

Now, it has also been said that now is not the time to do this because of inflation and hard times for business. First of all, residential consumers are subjected to inflation in a much more brutal way than business. Second, it is dubious that there will ever be a chance to expand incremental pricing again if FERC does not come back with another rule, and there is no assurance of that, if the administration and the Congress elected in January are more conservative on this issue than we are which I think is a likely occurrence.

It is also important to remember with regard to this argument, that the real benefits of incremental pricing, and I think the author of the resolution would agree with this, the real benefits of incremental pricing come not today or next year but in 1985 when deregulation occurs and the market ordering benefits of incremental pricing are truly needed.

It can also be said, and it has been said that it is unfair to make industry pay, having one class of users subsidize another. In fact, even with incremental pricing under phase II, under this rule industrial users, as I understand it, would still pay lower rates than residential users. Despite the promises of consumer protection, the disparity between industrial and residential rates has increased since the natural gas compromise was passed.

According to AGA's (the American Gas Association's) monthly gas utilities statistical report, industrial prices were $1.91 per Mcf. in 1978 and rose to $2.32 in the third quarter of 1979, an increase of 41 cents, or 21 percent. Residential rates during that same period rose from $2.53 to $3.59, an increase of $1.06 or 42 percent. The difference between the two rates rose from 62 cents to $1.27, for an increase of 105 percent.

The SPEAKER pro tempore (Mr. NEDZI). Time of the gentleman from Connecticut has expired.

Mr. SHARP. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MOFFETT. Mr. Speaker, even apart from the disparity, it does not seem unreasonable to ask the industry which lobbied so hard for decontrol so that it could obtain new supplies, to pay a higher price for that privilege.

Finally, it is said that incremental pricing is not needed since prices already have risen above what the conferees anticipated. This argument is true in that the conferees did not anticipate that sudden surge in oil prices. But it is also true that the conferees did not anticipate inflation at 18 percent.

Instead, the analysis, as my colleagues may recall, of the costs of deregulation of natural gas were based on a 6-percent inflation rate. This series of unanticipated events argues for an entire overhaul of the Natural Gas Policy Act and a setting of lower rates for all users, not just the decision to protect only one class of user from higher rates. What we essentially have is the protection of the interests with the greatest lobby, and I do not begrudge them that or deny them that. I do not think we want to tinker with the first amendment. They can come in here and lobby. But they hang over our heads as Representatives the very real threat of job losses, and we cannot blame them for that. I have heard it from my own industrial constituents.

But they have the most powerful voice. We are not hearing from residential consumers nearly as much as from industry, and these are the people that are really hurt by these price increases. Let us make no mistake about it. We are about to take a semblance of protection, a minor bit of protection away from them and open the door, open the floodgates to a major bid for total deregulation in the very near future.

Really, I do not think this is a pleasant choice and I think there are many Members on both sides of the aisle who are being hit by both sides. In my own region we happen to use oil more than gas. But I have industrial gas consumers and I am worried about them. I am worried about the people they employ.

The Northeast is going to feel the recession more than any other part of the country. It is the first place it hits and the last to get rid of it. But either we are going to stick to the principle of incremental pricing and some semblance of consumer protection or we had just better get on with the debate of total deregulation which I know some of my friends would like, total deregulation without these pieces of gimmickery laying around here. We did it with the windfall profits tax, a total piece of gimmickery which gave the impression of protecting people. And in a sense that is what incremental pricing is becoming, another piece of gimmickery, another illusion of protection for consumers.

If we are going to whittle it away and not have a solid rule to follow up on the clear intent of the conferees as expressed by our distinguished subcommittee chairman, the gentleman from Michigan (Mr. DINGELL) then let us just get rid of it. But let us understand that a vote, at least in my view, a vote for the resolution of disapproval does back us away from a strong stand on incremental pricing. There is no mistake about that.

I know the gentleman from Indiana (Mr. SHARP) has the best of intentions and the most honest motives in this, but I do think it is a fact that it does back us away from the principle, even though this rule is a mediocre rule at best, which I think the gentleman said was really put together because they were in the position of having to put the rule together. I do not think their heart was necessarily in it. That is regrettable. But it is a mediocre rule at best. The resolution of the gentleman from Indiana (Mr. SHARP) is going to fly through here. There might not be 20 of us who vote against it. I would be surprised if there were 20 of us who voted against it.

But let us understand what we are doing. That is all I ask. We are backing away from the principle as articulated so strongly by the gentleman from Michigan (Mr. DINGELL) and by the gentleman from Texas (Mr. ECKHARDT) as they fought for consumer protection along with the gentleman from Indiana (Mr. SHARP) in the final stages of the conference on the Natural Gas Policy Act.

Mr. Speaker, I thank the gentleman for yielding and yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, I rise in support of the resolution disapproving the proposed FERC ruling on incremental pricing of natural gas. The Commission has failed to carry out the intent of Congress in their phase 2 plan. Let me make it clear that I do not share the view of some of my colleagues who want to totally abandon incremental pricing. To the contrary, I oppose the FERC rule because it is not strong enough to adequately protect residential gas users from the advent of steeply rising energy prices.

I have long been an opponent of natural gas price deregulation because of the severe and unacceptable impacts it will have on energy consumers nationwide, particularly on those individuals who are already on the margin from day to day. It is the clear intention of Congress in the incremental pricing provisions of the Natural Gas Policy Act to shield residential gas users and other high-priority customers from rapidly escalating gas prices for as long as possible. The rule before us today falls seriously short of this mandate.

Deregulation means rising energy prices—plain and simple, and unfortunate. But these costs must be borne by someone. Residential gas consumers are paying the price of deregulation. Let me illustrate: Roughly speaking, the 1978 price for residential consumers of natural gas was $2.53 per million cubic feet, the 1979 third quarter price was $3.59/Mcf; this represents a $1.06 increase. In comparison, the 1978 price for industrial users was $1.91 and the third quarter price was $2.32/Mcf; only a 41-cent increase.

The residential user is paying for natural gas deregulation. I am not advocating that industry pick up the entire deregulation tab, rather, that industry share this burden of higher prices with the residential customer by way of a fair and equitable incremental pricing scheme. It was the judgment of Congress in 1978 that incremental pricing be part of phased deregulation, and while I remain opposed to lifting controls, a fair and equitable incremental pricing rule is the best we have got at the present time.

My expectation is that FERC will come back to Congress with a rule more in line with the prescriptions set forth in the Natural Gas Act. Such a rule should: one, set the alternative fuel price at the equivalent of No. 2 heating oil, or at a minimum FERC could resort to its three-tiered pricing scheme. The proposal before us, setting the alternative fuel price at No. 6 high sulfur oil is unacceptable and a clear indication that FERC has caved in to industry pressure to write a rule of little effectiveness. Second, the FERC interpretation of the law allows State public utility commissions to evade the authority of incremental pricing thereby rendering incremental pricing meaningless. In promulgating a new rule, FERC must not allow its authority to be undermined by local utility commissions.

Moreover, under the present rule the Commission exempts 300 Mcf. per day of gas for nonboiler fuel industrial users so that as a result residential consumers are insulated only in the most minimal sense from the accelerating prices allowed under the provisions of title I of the act.

The Natural Gas Act has many provisions that I find harmful to the public interest. At least, however, the incremental pricing scheme as envisioned by Congress in 1978 did provide residential consumers with a modicum of protection from the excessive increases allowed in title I. It is for this reason that Congress must insist that FERC carry out our will and not act as it has, in subservience to the interests of the large industrial users of natural gas.

□ 1530

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding. The gentleman and I do not part company on issues like this very often. It puzzles me, though, about the gentleman's conclusion on this. I agree with his speech on the importance of incremental pricing, but does the gentleman really believe that the legislative history stemming from this debate and consideration in the subcommittee and the full committee is going to lead the people down at FERC to say, "Gee, we really blew it. We came up with a mediocre, weak rule, and it is obvious that Congress is leaning on us now to come up with a stronger incremental pricing rule."

Come on, the gentleman knows the record is going to show that particularly with this vote, which the gentleman apparently plans to add his vote to, there is an overwhelming, lopsided margin disapproving the rule. The message is going to be loud and clear: anti-incremental pricing. Do not come back here with another rule, FERC. That is what I am concerned about. I wish the gentleman could put my fears to rest on that point.

The SPEAKER pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MARKEY was allowed to proceed for 2 additional minutes.)

Mr. MARKEY. I am in no position to allay the fears of the gentleman from Connecticut. What I am saying is that this particular rule that has been passed by FERC is an insult. It is an absolute, complete, and total repudiation of the legislative intent of the work that the gentleman and many others worked long and hard in 1978 to put together. I am saying if there is a rule to be passed, then this is not it. All right. And we are almost better off going back to square 1, trying to fight it out in the trenches again, with the help of the chairman of the Subcommittee on Energy and Power, rather than this, which is just a crumb tossed at our feet, saving the consumer at the most perhaps $10 or $15.

Mr. MOFFETT. If the gentleman will yield further, that crumb the gentleman is talking about will disappear from the table very fast—very fast—and in fact we will be here, the gentleman and I, and a handful of others, fighting against total deregulation in a very short time. The gentleman knows that is correct. This is a step in that direction, whether or not the author of the resolution intends it, and I do not think he does. The point is it is a step in that direction. That is going to be the net effect. That is going to be the legislative history. That is going to be the message to an already weak FERC on this issue.

Mr. MARKEY. What I am saying is there are two ways to do this. Either you can say it is too strong or it is too weak. I concur with the gentleman, it is too weak, but I am not willing to concede that we are not going to be able to be successful in convincing FERC or in convincing the administration that they do have to make a commitment to the residential gas consumer in this country, and he has to come back with a measure which gives him some protection against the ravages of inflation and the escalating energy costs. So I am saying let us go back and try to fight it out again. The gentleman is more pessimistic about this administration, with good reason.

Mr. MOFFETT. If the chairman of the Energy and Power Subcommittee, with the strongest possible statement in favor of incremental pricing, could not convince them, I do not think the gentleman from Massachusetts or I could.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Speaker, I would like to make a couple of points and will do it briefly.

First of all, incremental pricing cannot protect the consumer. The question we face is how are you going to pay the higher prices dictated by the market for natural gas. We can do it by paying higher prices at the consumer level or indirectly by paying higher prices for goods and services, paying higher prices through lost jobs, or paying higher prices through slower economic growth.

Second, the assertion that Government can order the market by having a dual price for a homogeneous product is ludicrous. The way to order a market is to let the market set the price, to let a homogeneous product sell for the same price everywhere regardless of who the buyer is.

Finally, I agree with the gentleman from Connecticut (Mr. MOFFETT). What we are doing here does have implications for phase I, incremental pricing. Every argument that has been made in committee, every argument that has been made on the floor against phase II is equally applicable to phase I. I am hoping that this is a forerunner of things to come. I hope that we are in fact going to order the market and do so by deregulating the price of natural gas to provide a stimulus for increasing production and by getting the Government out of the business of having a dual market for a homogeneous product.

I thank the gentleman for yielding.

Mr. STOCKMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our purpose today is simply to lay to rest by the agency of legislative veto a dubious regulatory experiment that has been overtaken by the rush of events and unanticipated developments.

Before I try to sketch very briefly some of those unanticipated developments, I would like to respond to the statements that were made by the gentleman from Connecticut, because the essential thrust of what he was saying is that it is time for a number of people to eat crow, and he read statements that were issued during the natural gas debate in 1978. He pointed out that prices have turned out to be far higher than were anticipated and that the incremental pricing rule is not providing nearly the amount of shielding that was promised. I would only remind the House that in these kinds of matters there is probably enough crow to be passed around to all parties involved.

I can also remember during that same debate the argument was made over and over by the gentleman from Connecticut and some of his allies that if we deregulate the field price of natural gas, there will be no response on supply, that the price will go up, the supply will remain the same, and producers will be enriched with no benefit in terms of additional energy supply. We are only into this experiment now for a little over a year, but we can see dramatically the evidence points the other way.

Last year there was an enormous surge in drilling at the field level for oil and gas. The number of rigs operating, the number of wells drilled, was up 20 percent or better. But the most impressive thing is that the numbers are now in, and last year we discovered nearly 15 trillion cubic feet of natural gas in this country, almost 75 percent of what we use.

That is a dramatic contrast to what we were discovering in the early 1970's when our new reserve addition rates plummeted to as low as 4 or 5 trillion cubic feet a year, or less than a quarter of what we were consuming. So we see that just 1 year into this experiment, and given all the problems of lead times and of mobilizing the equipment at drilling sites, the seismic data, and so forth, even despite those short-run restraints, we still had an enormous increase in new reserve finding last year. And the record this year looks like it will be even more impressive.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. STOCKMAN. I would be happy to yield to the gentleman from Indiana.

Mr. SHARP. I thank the gentleman for yielding. I think it is important to indicate here that this increased availability of gas is good for American consumers. That it is not an anticonsumer activity. That it means our consumers are going to have gas over the next few years to heat their homes, to keep their factories operating, and that has got to be a high priority in this country for our consumers, for the entire economy, and for our national security. So I think we have got to get rid of this notion that just because we do something that might give an incentive in energy production, we somehow have hurt the consumer in the process.

□ 1540

Quite the contrary. We have these interests working together many times, not just against each other.

Mr. STOCKMAN. I appreciate the gentleman's comments and I could not agree with him more but I think my basic point was, sure, 2 years ago we could not predict everything accurately. Everyone made a lot of mistakes. But in terms of the bottom line of the whole Natural Gas Act, getting more supply, the act is working. Today we are dealing only with a marginal or a secondary aspect of that legislation and therefore we need to move ahead with this resolution of disapproval.

Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I thank the gentleman from Michigan for yielding.

Mr. Speaker, I rise in support of the resolution. It is clear to me that if we allow phase II of incremental pricing to take effect, the industrial States of the Northeast and Midwest will suffer additional job migration to the Sunbelt States where natural gas is cheaper. This same conclusion was basically reached by the Northeast-Midwest Institute who, at my request, did a study on the regional impact of incremental pricing.

The institute found that since most of our natural gas is produced in Texas, Louisiana, Oklahoma, and New Mexico, the industrial Northeast and Midwest must pay higher gas prices because of the cost of transportation of the gas. FERC's revised April price ceilings of March 1980 indicate that under phase I, the average ceiling price in the Northeast and Midwest was $3.26, while ceilings in the South averaged $2.92, and in Western States, $2.63. Phase II would increase energy costs for the industries in the

Northeast and Midwest to an even greater degree.

This increase would only add to the already existing incentives for plants to relocate to the incremental-pricing-exempt interstate markets of the Southwest. Further, new industrial facilities would certainly be more inclined to locate in the Southwest if phase II is implemented.

If phase II is implemented, it is possible that the purpose for which incremental pricing was originally enacted would be defeated. When the Congress passed the Natural Gas Policy Act of 1978, incremental pricing was conceived as a protection to residential users from the higher costs of deregulated gas.

However, I believe that implementation of phase II will, in fact, cause residential costs to increase. Residential customers use gas on a highly seasonal basis, peaking during the winter months and falling off during the summer months. Conversely, industrial consumption is not seasonal. A loss of industrial usage would therefore cause the price of gas to increase for residential users since distributors could no longer depend on a steady consumption of gas and since the transportation cost per unit would increase.

Phase II is so unpopular that FERC took the unusual step of submitting its proposals without formally supporting them. FERC submitted the regulations, in my view, only because the law required that action, and not due to an overwhelming amount of support for their implementation.

The evidence is clear that incremental pricing, while a good idea in theory, will prove to be a failure in practice. I strongly urge support of the resolution.

Mr. STOCKMAN. Mr. Speaker, I would just like to go over the ground opened up by the gentleman from Indiana a moment ago. The gentleman pointed out that the rationale for title II, for the incremental pricing program, was twofold. No. 1, it would serve as a market ordering device and secondly that it would provide a temporary shield for residential consumers against any increase in natural gas prices that might result from deregulation. That in effect it would hold down the price to residential users and it would slightly boost the price to those industrial boiler and nonboiler users who would be incrementally priced.

Mr. Speaker, the fact is that over the last 18 months we have indeed had a vast market disorder. In fact we have had outright turmoil and chaos but unfortunately that disorder and chaos did not appear in the regulated natural gas market, it took place in the world oil market and as a result if we were to go ahead today with incremental pricing rules as they were envisioned in 1978, we would be in effect tying the whole complex structure of regulated gas rates for industry, commercial, and residential users to a vastly changed price and a vastly changed market for alternative petroleum fuels that could not simply have been anticipated at the time.

Mr. Speaker, the original idea was that the reference price, the alternative price, would be No. 2 heating oil and, at the time that the conference report was agreed to, that was roughly in the range of $2.85 to $3 per thousand-cubic-foot equivalent. However, we find today, as a result of the unanticipated events last year, the total revolution in the structure of world oil prices, that the reference price for No. 2 would be $5 to $6 per thousand cubic feet and that we would be facing a wrenching 100-percent increase immediately in incrementally priced gas to industrial users.

Mr. Speaker, that is not the entire problem. The real problem is if we go ahead with that it would generate so much additional revenue from industrial customers to the pipeline companies and the distribution companies that it would result not merely in a temporary shield for the residential sector, but an indefinite freeze—a subsidy of rather massive proportions.

Of course, Mr. Speaker, that would confound that whole policy thrust of this Congress which has been to encourage conservation, better insulation, more improvement in the thermal efficiency of our residential structures. In addition to that, we would create a vast inequity between the users of different fuels for residential heating.

Today, those who heat their homes with electricity are already paying $8 to $10 per thousand cubic feet. Those who heat their home with No. 2 oil delivered to the house are paying $5 to $6 and yet if we went ahead with this incremental pricing rule, loaded all of the extra costs on to the industrial users, we would find that natural gas residential customers would be getting their fuel for half the price, for $3.50 per thousand cubic feet and they would have that low price assured rather indefinitely while those using electricity or home heating oil could anticipate nothing but further escalation in the future.

Therefore, Mr. Speaker, we are faced with an unanticipated dilemma: The increase to incrementally priced industrial users would be far higher than anticipated and that the gain to the residential user in terms of a freeze or rollback of prices would be far greater than expected. FERC simply took the easy way out, dropped the No. 2 reference price, went to far less expensive high sulphur No. 6 and that created problems of a different sort. It created a problem of having very little meaningful protection for the residential users as the gentleman from Indiana stated: $10 a year, $15 a year at most, but it also then would have hitched the industrial sector, in terms of the reference price or the alternative fuels price to the very volatile, disparate and variant price of No. 6 high sulphur oil throughout the various regional markets of this country. If one looks at the performance of that price picture for high sulphur No. 6 from one city to another, one region of the country to another over the last six months, and we have seen in some cases it has declined by $8 or $10 a barrel, it is pretty clear that we are simply asking for chaos in the national gas pricing structure if we attempt to tie it in lockstep fashion to that very volatile price.

Therefore, Mr. Speaker, the bottom line is very simple. The original assumptions have proved invalid, they were overtaken by events; the alternative formulation of this rule tied to No. 6 does not make sense because it will not achieve the original goal, it will cause unnecessary disruption in pricing in the industrial gas using sector and so therefore our only real alternative today is to simply scrap this contraption and avoid all of those unnecessary problems.

Mr. Speaker, I would point out one final thing and that is simply that this is our first real opportunity to deploy the legislative veto. Clearly we now have before us a regulation, a proposed rule or program that was not intended, even by the authors of this provision when it was adopted in 1978. This is precisely the circumstance under which the legislative veto is designed to be used. I think we ought to do it today in order to confirm that the legislative veto can be made to work and to correct an error in policy that would otherwise go into effect regarding the natural gas market if we do not approve this resolution.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. STOCKMAN. I would be happy to yield to the gentleman.

Mr. SHARP. Mr. Speaker, the gentleman has made some very important points. I know the gentleman's view actually is that we ought to repeal title II and while some of us disagree with that, does not the gentleman think that the Commission would be wise now, while phase I is still in operation, to go back and look at the possibility of tying that alternative fuel price to the gas market rather than to the oil market in an effort to try to minimize some of the yo-yo effect that we have had, at least to look at that and other options to help straighten out the value of phase I?

Mr. STOCKMAN. I would agree with the gentleman. It seems to me we need to look at some alternative reference standard because what we have essentially is a yo-yo, a jumping bean, something that really does not provide enough stability even to publish the quarterly figures that would allow the whole system to operate. I would concur in the gentleman's suggestion.

Mr. Speaker, I yield back the balance of my time as I have no further requests for time.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, first of all I would like to commend the gentleman from Indiana (Mr. SHARP) for the way in which he has presented this very important resolution. The gentleman has explained the reasons why the incremental pricing rule for phase II is inappropriate because of changed circumstances and the fact that it would be counterproductive to the basic goal which was sought to be achieved by the natural gas legislation passed in 1978.

Mr. Speaker, I think it is particularly noteworthy that we are utilizing the legislative veto as the method for accomplishing this purpose. The fact of the matter is that this is the third legislative veto which the House will have voted on in the last 2 weeks, indicating that it is a useful and utilitarian method for correcting either mistakes or excesses of administrative agencies or to take account of situations which could not have been contemplated at the time the original legislation was passed. It is most meaningful that this is the case because we are soon, today I believe, to vote on landmark legislation which will incorporate a legislative veto for the Federal Trade Commission.

Mr. Speaker, I know there are some groups and organizations which have opposed legislative veto in principle. Coming to mind are groups such as the Consumer Federation of America and Congress Watch, the Nader organization, and therefore I am gratified to see that those two organizations have endorsed and lent their support to the legislative veto resolution which we have before us at the present time.

□ 1550

That indicates, as I have said all along, that legislative veto is a two-edged sword to be utilized not by any one segment of our society, but by any segment of our society that feels that excessive or improper action by regulatory agencies need redress.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. SHARP. Mr. Speaker, I yield 1 additional minute to the gentleman from Georgia.

Mr. LEVITAS. Consequently, while the Congress Watch Organization and the Consumer Federation of America may continue to protest that they are opposed to the principle of legislative veto, I think it is noteworthy that they have had no hesitancy whatsoever in utilizing the legislative veto approach when it serves their purposes as well.

The Congress Watch Organization would not characterize their position the same way I have. Therefore, I insert here their letter explaining their view:

PUBLIC CITIZEN,
May 20, 1980.

DEAR REPRESENTATIVE LEVITAS: It has come to our attention that some Members have misinterpreted our position on the incremental pricing rule that FERC has promulgated, and which is the subject of a resolution of disapproval today.

While we support efforts to require FERC to propound a far more consumer-oriented pricing rule, it should be clear that we have not endorsed and do not now endorse the concept of legislative veto. Indeed, Congress would not be in the position it finds itself in today—of having to tell FERC to go back to the drawing board—had it seen fit to carefully instruct FERC as to its wishes in the original 1978 law, rather than opting for the opportunity to veto an unguided FERC at some later date. Congress' abdication of its legislative responsibilities through the legislative veto device has wasted two years of FERC's time and consumers' money, and demonstrated once again the absolute disutility of such procedural shortcuts to effective lawmaking.

I hope this serves to make our position on these issues clear.

Sincerely yours,
HARVEY ROSENFIELD,
Staff Attorney.

However, the facts speak for themselves. Congress Watch does support this veto resolution while still protesting the principle. You can not have it both ways.

I commend the gentleman from Indiana, and I urge a vote in favor of the resolution and again show that the House overwhelmingly endorses the legislative veto.

Mr. SHARP. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I really am sorry that the question of legislative veto has been brought up in this context, because I do not believe that to support a legislative veto in a proper case, specifically drafted for a purpose, as this legislative veto is drafted, has anything whatsoever to do with the general right of legislative veto on any activity previously delegated to an agency. I voted for many legislative vetoes in connection with energy bills because, as in this case, when action was tapen, the precise delineation of authority in a specific area could not have been thoroughly anticipated. There have also been cases, as in the general legislative veto under the Energy Policy and Conservation Act, where an energy action is made by which the agency says, "We will not exercise an authority which Congress delegated to us if Congress does not disagree in both Houses with our relinquishing that authority."

That is perfectly proper. It does not go to the whole question of legislative veto at all. I really regret that I have had to take this time on legislative veto, because I did not want to waste my time on that proposition. I do not think it has much to do with this measure.

Mr. Speaker, I intend to support the resolution of disapproval, and I must say that I have some trouble with that position for the reasons that were expressed by Mr. MOFFETT. But, I am convinced that we are dealing here with a much more complex question in applying incremental pricing in a field beyond the first phase than has been properly addressed or deeply enough addressed by FERC. That may be FERC's fault, as was indicated here by the gentleman from Massachusetts. FERC might have done a better job under its authority, but whether it could have or could not have is beside the point.

FERC's activity has been a rather blunt instrument that I think we cannot afford to permit to ultimately carve out a decision in a very delicate field. For instances, things like feedstocks are treated the same as other industrial materials. They are not the same.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SHARP. Mr. Speaker, I yield 2 additional minutes to the gentleman from Texas.

Mr. ECKHARDT. We have always intended, under the act which we passed in 1978, to give special attention to the use of gas in its highest and best uses. We thought of those as being twofold: One, residential use; and the other, feedstock use. This is merely one example of FERC's having failed to address the question properly.

Now, I strongly disagree with Mr. STOCKMAN's proposition that time has shown us generally wrong in what we did in 1978. Indeed, time has shown us extremely correct. We have found, for instance, in my own area in the Southwest that to put some reasonable restraint on absolutely unrestrained gas prices has saved consumers in the Southwest $7 billion since the passage of this act. We have also ascertained a means by which intra- and interstate gas are generally priced the same.

We are dealing here, really, with the periphery of an act that has proved workable and has worked. I still believe that the committee should look into the question of incremental pricing and the extension of incremental pricing, and I believe that the committee will do so. Certainly, the Committee on Oversight and Investigation intends to do so, and I would assume, if the gentleman from Indiana can speak for his subcommittee, that they still retain extreme interest in this matter, and insist that what is done be done with precision and under circumstances which are dictated by the economics and the interests of the day.

Mr. SHARP. Mr. Speaker, if the gentleman will yield, I know the chairman of the subcommittee retains a great interest in this matter, and his remarks, which will be in the RECORD because he is now at a conference committee meeting on another energy bill, indicate that. So, I think the gentleman has no difficulty on that score.

Mr. ECKHARDT. I thank the gentleman.

● Mr. KEMP. Mr. Speaker, today the House will vote on incremental pricing, and I urge my colleagues to veto the phase II incremental pricing regulations. I oppose incremental pricing because it would devastate many Northeastern industries; it would raise consumer prices unnecessarily; and it would subsidize some homeowners at the expense of others.

In way of background, incremental pricing was first adopted by Congress 14 months ago as part of the Natural Gas Policy Act. We have incremental pricing because Congress wanted to slow down the rate of increase in residential and commercial gas prices. This was to be done by forcing interstate industrial gas customers to pay most of the extra costs of phased deregulation.

When incremental pricing was passed, the average residential gas customer was paying $2.80 per million cubic feet (Mcf), industrial customers were paying just over $2, and the price of heating oil—which determines the ceiling price for gas under incremental pricing—was $3.50 per Mcf. Back then, it appeared that incremental pricing would set an initial ceiling of $3.50 on industrial gas prices, an energy price increase of 65 percent.

But back then few people were expecting the Iran crisis and the insuing events which have pushed heating oil prices up to $6.80 per Mcf. Under these drastically altered conditions, incremental pricing will devastate many industrial users. The ceiling on their gas prices will increase not by 65 percent, but by an incredible 225 percent.

This huge jump in costs will create serious competitive disadvantages for many gas-dependent firms in New York and throughout the Northeast. It is estimated that incremental pricing will raise the price of steel by $4 per ton—a devastating blow to an already ailing industry. And incremental pricing will threaten thousands of jobs in the Northeast-Midwest region by encouraging firms to shift production to the exempt intrastate markets of the Southwest.

Incremental pricing was intended to benefit the consumer, but all consumers will suffer when this huge rise in production costs causes the price of many manufactured products to climb. This effect will be quite significant, due to the unexpectedly large increase in oil prices from 1978 to 1980. A recent study by Wharton Econometric Associates predicted that incremental pricing would cause consumer prices to rise by 6.8 percent between now and 1989.

And finally, incremental pricing should be opposed because it would subsidize some homeowners at the expense of others. Incremental pricing attempts to help less than half of all residential consumers—those served by the interstate gas system. Excluded are consumers who use electricity, propane, oil, coal, wood, and those served by the intrastate gas system. These latter consumers will be subsidizing the former through higher prices for most manufactured products. And all of this would be brought about for an estimated direct short-term benefit of less than $2 per month to certain homeowners—homeowners who already enjoy energy costs much lower than their neighbors who use oil and electricity.

Mr. Speaker, the Northeast-Midwest Institute recently put out an excellent analysis of the incremental pricing issue, and pointed out the devastating loss in jobs that will occur if incremental pricing becomes a reality. I urge my colleagues to take time to consider this important study. And as a cosponsor of the Stockman-Preyer bill to repeal incremental pricing, I urge my colleagues to join me in voting to repeal these dangerous regulations when we are given a chance to do so today.

The study follows:

NORTHEAST-MIDWEST INSTITUTE - STUDY

INTRODUCTION

In preparation for the deregulation or natural gas prices, the Federal Energy Regulatory Commission (FERC) has submitted proposed regulations for implementing the second phase of a pricing system. These latest regulations are subject to a one-house legislative veto for 30 calendar days following May 6. If they survive this period, the regulations will go into effect after 90 days. If they are vetoed, however, first phase incremental pricing regulations will remain in effect.

Incremental pricing is a system established under the Natural Gas Policy Act of 1978 to phase in deregulation of natural gas and provide protection for residential, small commercial, and other high-priority users of gas now and when prices are fully deregulated in 1985. This protection is achieved by charging industrial users of gas a higher price than residential and other exempt users pay.

This briefing paper, requested by Representative Elwood Hillis and Senator Birch Bayh, (1) defines incremental pricing; (2) describes the experience with incremental pricing under the first phase; (3) explains the issues and regional implications involved with the second phase; and (4) summarizes major legislative options available to Congress.

INCREMENTAL PRICING

After major debate in Congress between supporters of continued regulation of natural gas prices and advocates of deregulation, the Natural Gas Policy Act of 1978 (NGPA) passed as part of a comprehensive National Energy Act. Deregulation was intended to allow the price of gas to rise in response to market forces, increasing incentives for gas suppliers to seek and make available new sources of gas and thus helping to reduce American dependence on foreign energy sources. The Natural Gas Policy Act called for deregulation of recently discovered, or "new," gas in 1985, as well as a new pricing mechanism called incremental pricing. This feature was designed to provide protection for exempt users of gas (residential, small commercial and other high-priority parties) from the higher prices accompanying deregulation and to mitigate disruption of the gas market as prices rise from regulated levels. Under incremental pricing, industrial users pay a surcharge on their gas, providing a subsidy to exempt customers and shielding such users from much of the increased price of deregulated gas.

Incremental pricing provides a system in which all classes of customers pay the same base, or "threshold," price for natural gas. If revenues from the base price do not cover the gas distributor's costs, the remaining amount of money, called an "incremental surcharge", much be recovered from large industrial users. The level of the surcharge is limited, however, by a ceiling price established by the Federal Energy Regulatory Commission and set by statute just below the price of oil. This was designed to eliminate the incentive to switch to oil, the most readily available alternative fuel for many industries.

The pricing system is extremely complex, but the following example will provide the basic outline of the plan (residential and other users do not necessarily start with the same base price).

Suppose a gas distributor is allowed by the state utility commission to charge $10 (which includes his cost of purchasing the gas, overhead, profit, etc.) for 2 Mcf (2000 cubic feet) of natural gas, of which 1 Mcf is sold to a residential customer and the other 1 Mcf to an industrial customer. Suppose further that the base price for gas is $4, permitting the distributor to collect $4 from the residential customer and $4 from the industrial customer. Since the distributor receives only $8 from the base price but must recover $10, incremental pricing requires the firm to charge the industrial customer $2 more. So, the resident would pay $4 for 1 Mcf and the company would pay $6 for the same amount.

If the ceiling price for gas were $5.50, however, the pricing would be different. The resident would pay $4, and the company would pay its $5.50 ceiling, while the remaining $.50 would be charged to the resident. In this case, the resident would pay $4.50 ($4+$.50) and the industry would pay $5.50. The distributor is paid a total of $10.[1]

IMPLEMENTATION OF INCREMENTAL PRICING

Title II of the NGPA mandated that incremental pricing be implemented in two phases. Under Phase I, which went into effect January 1, 1980, 5,000 to 7,000 large industrial customers are charged incrementally for boiler fuel use.[2] For example, this affects large chemical, textile, paper, steel, and automobile manufacturing companies which use natural gas for heating and boiler fuel.[3]

Phase I was restricted to large boiler-fuel users because they were the most readily curtailed during natural gas shortages, and thus would benefit the most from greater supplies.

Phase II regulations were announced by FERC on May 6. These regulations now are subject to a one-house legislative vote for 30 calendar days. If the regulations survive the 30-day period, they go into effect after 90 days. If they are vetoed, however, the first phase of incremental pricing would remain in effect.

Phase II will extend incremental pricing to approximately 50,000 users of natural gas, spreading the higher cost of deregulated natural gas to the maximum number of industrial users possible under the statute.[4] The NGPA specifically exempts commercial users, electric utilities, hospitals, schools, agricultural and other users as determined by FERC from incremental pricing.[5]

Under Phase I, any user who averaged less than 300 Mcf per day during the month of peak use in 1977 was exempted from incremental pricing even if the firm increased consumption above 300 Mcf. This policy remains in effect for boiler fuel users under Phase II. Under Phase II, however, FERC decided to establish a "first 300 Mcf" rule, under which every industrial gas user pays the base price for the first 300 Mcf per day of gas used in non-boiler facilities and pays the incremental surcharge for consumption above 300 Mcf in those facilities.[6]

EXPERIENCE UNDER PHASE I

Because of unanticipated increases in the price of oil since the NGPA was enacted, incremental surcharges in Phase I have been greater than expected. FERC temporarily adopted a price ceiling tied to the price of higher sulfur No. 6 oil, the least expensive alternative fuel oil. But few in Congress foresaw the dramatic rise in the price of oil following enactment of the NGPA in 1978.

The high ceiling price affects the cost of natural gas to large industrial users in two ways.

First, when the NGPA was enacted, the difference between the threshold and the ceiling, or Maximum Surcharge Absorption Capability (MSAC), was fairly small. As a result, the amount of surcharge that an industry would be required to pay was relatively modest, and any greater amount was spilled over to the exempt users' gas prices. When the ceiling price (price of oil) rose, however, the maximum potential surcharge increased because it now was the difference between a relatively low threshold and a much higher ceiling price. With a greater surcharge capability, or MSAC, spillover to exempt users became far less likely, because industry had to shoulder the extra costs of increased gas prices.[7]

Second, because it began to appear that surcharges would reach the ceiling price, a number of states adopted plans that automatically increase industry's cost for gas all the way up to the ceiling. The rate structures adopted by these 28 states (including 13 of the 18 states in the Northeast-Midwest region) are called "zero-MSAC" plans.[8] (See appendix A for list of states that have adopted "zero-MSAC" plans.)

These state plans actually exaggerate the intended effects of incremental pricing by automatically charging every industrial user more than under federal incremental pricing regulations. In addition, industries in zero-MSAC states are not included in the incremental pricing system, which places an extra burden on neighboring states without zero-MSAC plans: the fewer firms remaining under federal incremental pricing, the higher the surcharge each company must pay to cover the cost of the gas.[9]

At the same time, zero-MSAC plans provide extra revenues that can be retained by the State government, Pennsylvania, for example, has already collected $5 million through a zero-MSAC plan. This amount

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Footnotes at end of article.

represents the difference between what would have been collected under federal incremental pricing and the ceiling price required by the state plan. Because Phase I industries in Pennsylvania are paying roughly the same price for gas as they would for oil, companies might switch to oil, which is contrary to National Energy Policy. Pennsylvania has this money in an escrow account, but has not yet decided what to do with it. According to the Governor's Energy Council, the money probably will be redistributed in some way among the exempt users.[10]

Before the NGPA was enacted, shortages of natural gas caused serious supply problems for many industrial users of gas. Industries were willing to pay a higher price for gas if they could have access to more dependable supplies. For this reason, it was felt that any fuel-switching resulting from incremental pricing would free up more gas for those willing to pay for it.[11] According to the American Gas Association, there already is some evidence of fuel switching caused by incremental pricing.[12] It now is unclear if this "load loss" will result in increased costs for those remaining on the system or if new industrial customers will take the place of those who have switched to alternative fuels, keeping prices on a plateau.

REGIONAL IMPLICATIONS OF PHASE II

Supply and consumption of natural gas vary greatly from region to region in the United States. According to the Federal Energy Data Systems Summary Update, over one-third of the natural gas used in the Northeast and Midwest, primarily in the residential sector (see the Table below for natural gas use within the Northeast-Midwest region and Appendix B for similar data for all regions). Production of natural gas is concentrated in Texas, Louisiana, Oklahoma, and New Mexico. The Northeast-Midwest region produces less than 2 percent of the nation's natural gas.[13] Increased transportation costs lead to higher prices in Northeastern and Midwestern States.

NORTHEAST-MIDWEST REGION'S CONSUMPTION OF NATURAL GAS, 1977

[In trillion Btu]

	New England	Mid-Atlantic	Midwest	Northeast-Midwest total	Region's percent share of U.S. consumption
Residential	148	855	1,743	2,747	55
Commercial	66	338	802	1,206	47
Industrial	53	462	1,536	2,051	23
Transportation	1	29	58	88	16

Source: Federal energy data system (FEDS) statistical summary update; July 1979, U.S. Department of Energy, Assistant Administration for Program Development.

The increase in total gas costs to the estimated 50,000 industrial users which would be charged incrementally under Phase II would increase energy costs for industries. Conversely, the cost of gas to residential and other exempt users would be lower than in the absence of incremental pricing. FERC estimates that the average residential customer would save $18 per year as a result of Phase I and II regulations.[14]

Depending on the size of the increase to industrial users, the extra costs might prove difficult to absorb. For example, Mr. Brad Oelman, Vice President for National Affairs for Owens-Corning Fiberglass Corporation, indicated that his company would tend to shift production from the Midwest to the exempt intrastate markets of the Southwest during periods of excess capacity if Phase II goes into effect.[15]

Mr. Jim Hamilton, Manager of Governmental Affairs for the U.S. Steel Corporation, said Phase II would add an estimated $100 million a year to his company's energy costs. This translates into an extra $4, or 1 percent increase, per ton of steel. This increase would have the most impact on marginal facilities, which have difficulties absorbing increases of any kind.[16]

LEGISLATIVE OPTIONS AVAILABLE TO CONGRESS

Congress has at least four options for incremental pricing under Phase II:

Sustain Phase II regulations (reject veto).

Veto Phase II regulations.

Repeal Title II (incremental pricing) of the Natural Gas Policy Act of 1978.

Modify Title II.

Sustain or Veto Phase II regulations. The Federal Energy Regulatory Commission submitted final Phase II regulations without clearly recommending their adoption. FERC believed its job was to draft regulations according to the demands of Congress in the NGPA, and not to second-guess congressional intent. This position is somewhat unusual because FERC generally supports the adoption of rules it has drafted. FERC has stated that it is up to Congress to decide whether its original goals still are appropriate to national policy.[17] Phase II would extend incremental pricing from $5,000 to $7,000 up to approximately 50,000 industrial users, spreading the higher price of deregulated gas to the maximum number of industrial users permitted under the statute while keeping prices lower for exempt users.

Supporters of incremental pricing argue that deregulation originally was designed to free gas supplies for use by industry and that industry, therefore, should pay the bulk of the increased costs associated with deregulation. Opponents claim that the price of oil has risen dramatically since passage of the NGPA and industry now is forced to pay inordinately high and discriminatory prices for gas.

The 30-day one-house veto provision was written into the NGPA to give Congress the opportunity to review the regulations. If Phase II is vetoed, Phase I would remain in effect. In this case, incremental pricing would continue to affect large industrial boiler-fuel users only. If Phase II is vetoed, FERC has the opportunity to submit a new set of Phase II regulations no sooner than six months but no later than two years from the date that they are vetoed.

On May 7, 1980, the House Interstate and Foreign Committee reported H. Res. 655, introduced by Rep. Philip Sharp (D-Ind.), by a voice vote. The Resolution, which would veto the Phase II incremental pricing regulations, will be scheduled for floor action shortly.

REPEAL OF TITLE II

Repeal of Title II would eliminate both phases of incremental pricing. Legislation to repeal Title II has been introduced in the House (H.R. 5862) by Representatives Richardson Preyer (D-N.C.) and Dave Stockman (R-Mich.), and in the Senate (S. 2392) by Senators Richard Lugar (R-Ind.) and Adlai Stevenson (D.-Ill.). They are supported by a number of groups, including: the American Gas Association, the National Association of Manufacturers, the United States Chamber of Commerce, and the National Association of Regulatory Utility Commissioners.[18]

Repeal of Title II would lead to a return of "rolled-in" pricing, which was used prior to implementation of incremental pricing. Under rolled-in pricing, the price of gas is determined on an average-cost basis (reflecting the acquistion price the distributor must pay for the gas). Deregulation would still take place in 1985, with no "shielding" for small or other high priority users.

As of April 18, 97 members of the House and 15 Senators were co-sponsors of the repeal bills. The incremental pricing issue, however, was a compromise measure to gain the deregulation of natural gas, and many members of the Congress are wary that incremental pricing repeal might open up the entire deregulation issue again.

MODIFICATION OF TITLE II

Currently, the veto and repeal bills are the major options before the Congress. Regardless of the outcome of the vote on the Phase II regulations, it appears that the Congress will still face proposals to repeal Title II. An alternative to repeal is modification of incremental pricing, which would shift a larger portion of the burden of higher gas prices to residential and other exempt users. This would ease the impact of higher oil prices on industrial users of natural gas, while preserving the core of the original agreement that industrial users should pay higher prices to insure greater supplies. Such a compromise would require special legislation action. To date, no bills along these lines have been introduced.

FOOTNOTES

[1] Based on information from: Department of Energy Technical Staff Analysis, February 8, 1980, pp. III–2, III–3.

[2] Testimony of Mr. George H. Lawrence, President of the American Gas Association, before the House Energy and Power Subcommittee, April 3, 1980, pp. 5–6.

[3] Telephone conversation with Mark Decker, National Association of Manufacturers, Director of Energy.

[4] Testimony of George H. Lawrence, pp. 5–6.

[5] National Gas Policy Act of 1978, Public Law 95–621, Section 206.

[6] FERC regulations for Phase II, Rm. 80–10, May 6, 1980, p. 30.

[7] Department of Energy Technical Staff Analysis, Executive Summary.

[8] National Association of Regulatory Utility Commissions (NARUC), March 10, 1980 survey on "Status of State Natural Gas Rate Design," questionnaire sent to all public utility commissions.

[9] Meeting with Mr. Edward L. Petrini, National Consumers Law Center.

[10] Telephone conversation with Mr. John Buffington, Governor's Energy Council, Harrisburg, Pennsylvania.

[11] Department of Energy Technical Staff Analysis, February 8, 1980, pp. I–2, I–3.

[12] Testimony of George H. Lawrence, pp. 7–8.

[13] American Gas Association, *Gas Facts: 1978 Data*, supply tables, pp. 24–27.

[14] FERC's regulations for Phase II, Rm 80–10, May 6, 1980, pp. 86.

[15] Telephone conversation with Mr. Brad Oelman, Vice President for National Affairs, Owens-Corning Fiberglas Corporation.

[16] Telephone conversation with Mr. Jim Hamilton, Manager for Governmental Affairs, U.S. Steel Corporation.

[17] FERC regulations for Phase II, Rm 80–10, May 6, 1980, introduction, pp. 2–5.

[18] American Gas Association, news release, April 3, 1980; National Association of Manufacturers, "Washington Outlook" newsletter, Mark Decker (contact); United States Chamber of Commerce, news release, April 3, 1980; and National Association of Regulatory

Utility Commissions, Floor Resolution No. 12, 91st Annual Convention, Atlanta, Georgia.

APPENDIX A: STATES WITH ZERO-MSAC PLANS IN NORTHEAST-MIDWEST REGION

Connecticut, Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin.

OTHER STATES

Alabama, California, Kansas, Montana (already above price ceiling), Nevada, New Mexico, North Carolina, Oregon (already above ceiling price), South Carolina, Tennessee, Utah, Virginia, and Wisconsin.

SOURCE: National Association of Regulatory Utility Commissioners, "Status of State Natural Gas Rate Design," April 1980.●

● **Mr. BENJAMIN.** Mr. Speaker, I join in the support of House Resolution 655, which provides for the disapproval of the rule submitted to Congress on May 6 by the Federal Energy Regulatory Commission to expand incremental pricing of natural gas beyond its current applicability to boiler fuel use.

Economic and national energy circumstances have vastly changed since the NGPA was passed in 1978. Natural Gas was in short supply during that period and the dramatic increase in oil price—to which incremental pricing is tied—was unforeseen. Thus, the economic burden placed by incremental pricing on the industry is greater now than was predicted at that time.

The typically elaborate regulations of the Federal Energy Regulatory Commission (FERC) have also lost sight of a very fundamental business principle in its race to protect the residential and commercial users of natural gas. Namely, that increased costs of production are passed on to the customer through increased prices. Industry must maintain its prices at a level which covers its costs and allows for future product development and growth.

The "protected" residential and commercial users will ultimately pay for industrial surcharges through the increased prices they will pay for products produced by the penalized industrial users. Title II of the Natural Gas Policy Act of 1978 is inflationary and counterproductive. Industrywide use of these surcharges will simply generate another round of industrywide price increases which will be borne by the "protected" groups.

A more subtle but serious consequence on incremental pricing is the advantage provided industrial development and competition in gas producing States versus consuming States. The regulations exempt intrastate gas which will further enhance the appeal of gas consumption in Sun Belt States. Numerous plant relocations may be a likely consequence of incremental pricing.

The extension of incremental pricing as proposed by the rule we consider today would cost the steel industry alone about $400 million a year based on today's alternate fuel costs and at least $700 million to all industries. This added burden is inflationary and impacts negatively on the industry's ability to compete with offshore producers. It would be particularly damaging to an already depressed basic industry.

At a time when we are trying to lighten the heavy burden of governmental regulations which have been placed on industry, which has caused hardships on both the industry and the consumer, it appears absurd that we should add to that burden by allowing this rule to become effective. This is particularly true since sufficient evidence cannot be presented that the consumer will even benefit initially.

I urge all my colleagues to approve House Resolution 655 and reject the proposed rule in the name of the U.S. consumer, not in spite of the consumer. Thank you.●

● **Mr. QUAYLE.** Mr. Speaker, after much heated debate and intense deliberation, the 95th Congress passed the Natural Gas Policy Act to provide for phased deregulation of new natural gas in 1985. I favor the deregulation of natural gas prices because it will encourage increased production, increased conservation, and increased development of alternative domestic energy sources.

Today, this House is reviewing the phase 2 incremental pricing regulations proposed by the Federal Energy Regulatory Commission as required under title II of this act. The phase 2 regulations would extend incremental pricing to all industrial gas consumption over 300,000 cubic feet per day, with exemptions for high priority and agricultural uses, and establish an alternative fuel price ceiling for natural gas at the No. 6 high-sulfur residual fuel oil. As envisioned by the act, the objective of incremental pricing is to protect residential and other high-priority users of natural gas from sudden price increases and to provide stability in the marketplace as deregulation because effective. The regulations will not achieve these objectives, but will, in fact, make for a more disastrous situation.

Given today's market conditions, should the phase 2 regulations be finalized, industrial gas users would be financially moved to switch from gas to oil. Such a switch would run counter to our Nation's need to reduce our dependence on foreign oil. Furthermore, the remaining gas users would have to carry the burden on paying the fixed costs of producing and transporting gas. This "loadloss" means that residential customers and other high-priority users would see an increase in their costs for using gas. The American Gas Association reports that some evidence is already appearing to indicate fuel switching.

According to a study by the Wharton Economic Forecasting Associates contracted by the AGA, incremental pricing will result in higher prices for all individuals, regardless of their home fuel source, because of the increases in prices of goods and services as industries pass through the increased natural gas prices. In fact, the average household would see a decline in purchasing power, with those on fixed incomes being hit the hardest.

The effect of incremental pricing will be greatly felt in my home State of Indiana. Gas-intensive industries are not evenly distributed throughout the Nation. The U.S. Department of Commerce projects that by 1990, 36 percent of these industries will be located in a region comprised by the States of Indiana, Ohio, Illinois, Michigan, and Wisconsin The Frostbelt is already having difficulties in attracting and keeping business and industry; incremental pricing would only heighten these difficulties. Let me take this opportunity to give an example.

At the request of Congressman BUD HILLIS, my colleague and fellow Hoosier, the Northeast-Midwest Institute has prepared an issue brief which discusses, in part, the impact of incremental pricing on U.S. Steel. The brief indicates that U.S. Steel will face an increase of $100 million a year in their energy costs should phase two regulations be implemented. These increases would have the greatest impact on marginal facilities, which could not absorb the higher costs. These facts are reinforced by my own correspondence with U.S. Steel's Gary Works plant in Indiana. Surely, the implementation of the regulations would have severe impact on the steel industries' struggles to compete against foreign products.

These Government regulations are an excellent example of how encumbering Federal mandates can be to the innovation in American industry and business. Funds needed to pay the cost of incremental pricing would be better used for capital improvements increasing productivity and providing new jobs. Given the chance, the private sector can better determine price and allocation than the Federal Government. Congress should seriously consider legislation, which I have cosponsored, to repeal title II of the Natural Gas Policy Act completely, H.R. 5862.

Today, however, the resolution before the House, H.R. 655, would veto the phase two regulations. I urge my colleagues to join me in supporting this measure.●

● **Mr. TAUKE.** Mr. Speaker, I rise in support of House Resolution 655, a resolution to veto phase II of incremental pricing under title II of the Natural Gas Policy Act of 1978. Phase II would extend incremental pricing to approximately 55,000 nonboiler users of natural gas from interstate pipelines.

Incremental pricing, a compromise worked out between supporters of the continued regulation of natural gas pricing, on the one hand, and advocates of natural gas deregulation, on the other, was designed to shift the increased costs of natural gas to industrial users. More specifically, it was intended by Congress to have two important goals: First, to soften the impact of increased prices on residential users of natural gas during the price deregulation period running through 1985; and second, to provide a market-ordering mechanism by requiring industrial users to pay as much for natural gas as they would for an alternative fuel.

A phase II implementation of incremental pricing would not only fail to achieve these goals, but in cost-benefit terms, would do more damage to our economy and our energy policies than good. Moreover, it would not significantly shield residential customers from higher gas prices. On the contrary, incremental pricing under phase II would result in higher costs for all consumers whether they are gas users or not.

Industrial users of natural gas will be faced with two alternatives: Either retain reliance on natural gas or convert to an alternative fuel. If they continue to use gas, they will either be forced to pass along all or part of their increased energy costs to consumers in the form of higher product prices. All consumers, whether or not they benefit from the nominal savings brought about by phase II ($10 per year per family), will have to pay higher product prices, thereby heightening our inflationary spiral. If the industrial users are not able to recoup all or part of the increased gas costs, they will be forced to absorb the utility costs. And these costs are staggering. Two businesses in my district, Midland Forge, Inc., and Harnischfeger Corp., estimate their increased costs at $250,000 and $412,000 respectively. These figures represent increases of 100 percent and 130 percent over their firms' energy costs for 1979.

Larger national firms would also be severely impacted. Phase II would cost the steel industry over $400 million, thus creating large economic problems for an industry that is having difficulty staying competitive with the Japanese. The auto idnustry would also be severely impacted—General Motors and Chrysler have estimated increased costs from phase II at $210 million and $64 million respectively.

These huge cost increases will have other detrimental effects as well. According to a study by the Wharton Econometrics Forecasting Associates, inflation would be approximately 1 percent higher each year over the next decade, and unemployment would show a 1 percent rise by 1990 and a resulting loss of 1 million jobs. Moreover, incremental pricing would undoubtedly encourage business flight to the sunbelt where industrial gas users, because they depend on intrastate gas, are exempt from incremental pricing.

Besides contributing to industrial dislocations. phase II of incremental pricing could also encourage industrial users to switch to oil, an action that is contrary to our national energy policy. If this switch were widespread, the ability of gas utilities to market gas to industrial users would be impeded. And oil imports would rise. In 1979 alone, the gas industry saved this country $4 billion in foreign oil payments.

If, however, as the Federal Energy Regulatory Commission found, phase II users would have "little or no capability to switch to alternative fuels," one of the major purposes of incremental pricing—to serve as a market-ordering mechanism—would not be served. It would, therefore, not be able to affect the prices that pipelines pay for gas. Either way, the results are the same—contrary to our national interest.

It is clear that phase II of incremental pricing neither helps the residential users it was intended to help, nor does it serve the market-ordering function proposed in the Natural Gas Policy Act of 1978. Finally, it severely burdens American industry at a time when our productivity is declining and our small business community is experiencing great hardship.

Again, I urge support for House Resolution 655 so that we can defeat phase II of incremental pricing.●

● Mr. ASHLEY. Mr. Speaker, I had the privilege of serving as one cochairman of the House-Senate Conference Committee on the Natural Gas Policy Act of 1978 (NGPA) and my review of the Federal Energy Regulatory Commission's (FERC) proposed rule implementing phase II of incremental pricing provision of that act leads me to the view that the thrust of the rule runs counter to the legislative hisory of the NGPA and to the intent of Congress. Moreover, I am convinced that the promulgation of the rule as currently constituted would be a serious mistake in public policy.

In my role as a conferee on the NGPA, I had occasion to engage in a colloquy with my colleague John Dingell during floor consideration of the bill. That colloquy made clear the conferees' understanding that a significant delegation of authority was being made to FERC under NGPA, with respect to phase II of incremental pricing. But the remarks also made very clear the intent of Congress that FERC exercise this authority cautiously, and that the Commission carefully consider the economic impact of incremental pricing in all industrial users (especially industrial process users) before promulgating a final rule. I do not believe that such caution and consideration has been exercised in this case.

The clear congressional intent that the Commission exercise caution in promulgating this rule was based on a general understanding of the serious energy policy questions involved, and on the severe economic and regional dislocations which could result from the abuse of these broad discretionary powers by the Commission. The statute itself explicity recognized the inherent danger in setting natural gas prices at levels which would encourage industrial users to switch from gas to the use of oil products. The determination of a "switchover" price for any industrial user is not an inconsequential problem, and it certainly is not one that can be settled at the high pricing levels in FERC's proposed rule. By setting the ceiling for incrementally priced gas at No. 6 high-sulfur fuel oil, which is presently selling at a price below that of natural gas, the FERC rule could have the effect of shifting current industrial gas users to No. 6 high-sulfur fuel oil causing a greater dependency on imported oil.

Further, the proposed rule runs the risk of causing serious economic and regional dislocations. There is a likelihood, in my judgment, that at least some industrial users on the interstate system would not be able to sustain these sharp cost increases, which raises the spectre of marginal businesses either closing or sharply reducing production. There is also a likelihood that pronounced price disparities would accrue to the various industrial users served by different interstate pipelines, for it is certain that incremental pricing will effect these pipelines in different ways. In short, it is distinctly possible that incremental pricing, injudiciously applied, could lead to economic downturns and higher unemployment in selected areas. This at a time when the economy is entering a recession of unknown severity. It was the clear intent of Congress that such significant economic considerations affecting industrial users would be balanced against the impact of higher gas prices on residential users.

All of these problems were recognized and articulated in October of 1978 when Congress enacted NGPA. Since then, however, volatile world energy market conditions have made consideration of these problems even more important. The price of No. 2 distillate oil, as well as that of No. 6 residual fuel oil have virtually doubled since November of 1978. Thus, FERC's adoption of a rule imposing even the lowest of these prices would be at a level much higher than Congress foresaw (or could have foreseen) at the time of NGPA's enactment. Consequently, any such rule risks the serious economic dislocations I have mentioned.

I remain supportive of the concept of incremental pricing as a shield to protect residential consumers; it would be ironic, however, if the Commission's rule, in the pursuit of this goal through incremental pricing, were to lead to actual plant shutdowns, and the unemployment of the very residential users incremental pricing is intended to protect.

Finally, I would note that I have been consistently opposed to the notion that incremental pricing should apply only to the interstate market. This limited application of incremental pricing was passed, however, for reasons that are largely irrelevant to the issue at hand, but it presents additional problems with the instability in market conditions. At the time of the enactment of the NGPA, the extension of incremental pricing only to the interstate market was tempered somewhat by the fact that gas prices in the intrastate system then reflected the price of No. 2 and No. 6 fuel oils. Now, with intrastate gas prices controlled at price levels reflecting November 1978 fuel oil prices, intrastate gas prices are only perhaps half the level of present fuel oil prices. Clearly, the proposed rule would perpetuate this sharp imbalance, and give the intrastate market an even larger competitive advantage in relation to the interstate market.

All of these factors argue for a more moderate approach to incremental pricing than that reflected in the phase II rule that has been submitted to Congress. I strongly believe that a more cautious approach would be better energy and economic policy and ultimately more helpful to residential customers as well. I would urge my colleagues to support the resolution of disapproval before us today.●

● Mr. OBERSTAR. Mr. Speaker, I support House Resolution 655, disapproving the Federal Energy Regulatory Commission's proposed regulations for phase II of title II of the Natural Gas Policy Act.

When the Natural Gas Policy Act was first pending in Congress, interstate gas was regulated and intrastate gas was not. Because the unregulated gas commanded a higher price, the gas was not moving in interstate commerce and was causing economic imbalances. These imbalances affected the gas supplies of industry and forced residential consumers to pay inequitably high prices for the supplies of gas available to them.

Northern States, in particular, were denied a stable and dependable supply of gas. Industries were forced to convert to other forms of energy. Consequently, industry productivity and the availability of jobs declined. Prices rose.

The Natural Gas Policy Act was an attempt to remedy these imbalances. The decision by Congress to deregulate natural gas prices was intended to allow the price of gas to rise in response to market forces. Higher prices were intended to create incentives for gas suppliers to seek and provide new sources of gas for American consumers. The act sought to establish a more dependable supply of natural gas for industry and to stabilize the use of natural gas in the country.

The Natural Gas Act was fashioned as a compromise. It deregulated gas prices in exchange for the establishment of a single national market and a single national price for natural gas—the price ultimately to be deregulated. Industry agreed to accept a larger burden of the price increases in exchange for an increased availability of natural gas and more stable supply. Residential consumers were shielded somewhat from the initial price increases through this act.

Decontrol, however, raised the prospect of an unacceptable burden on residential consumers. I still believe decontrol was a mistake. OPEC's practice of setting unreasonably high oil prices with little, if any, relation to the cost of production, has driven relentlessly upward the price of all other forms of energy. Continued Government control of the price of natural gas would have served as a restraint on price increases. Deregulation has proven to be inflationary and has most adversely affected those people least able to afford fuel price increases: those on fixed, low, or moderate incomes.

For reasons unforeseeable in 1978, the market did not work in a manner in which Congress had anticipated when it passed the Natural Gas Policy Act. Largely because of conservation measures and increased crude oil stocks, the price of high-sulfur fuel fell below the price of natural gas. This created a financial incentive for industrial users to convert to oil from natural gas. The effect was a shift of the burden of the higher natural gas prices to the residential consumers. These unintended results were contrary to the act's goals of creating greater energy independence and easing the burden on the consumer of the higher fuel prices.

The newly proposed phase II regulations would accelerate this trend and further shift the burden to low-, moderate-, and fixed-income consumers. A means must be found to prevent the flight of industry from natural gas to fuel oil, and the consequent shift of higher prices to residential consumers. The only way to achieve this, in the interest of the consumer, is to veto the proposed phase II regulations.

The Northeast-Midwest Congressional Coalition, of which I am the co-chairman, has prepared a thorough analysis of the phase I impact on northern industrial States. That study shows that the impact was negative. Fuel switching, caused by incremental pricing, may have resulted in increased costs for industrial consumers of natural gas. Increased transportation costs also contributed unexpectedly to this burden.

The Natural Gas Policy Act compromise was well intentioned but has now proven to be detrimental to the very people it intended to help. It is causing further regional-economic imbalances, benefiting the sunbelt State at the expense of the northern tier States.

While I am reluctant to repeal this compromise, this action appears to be the only solution for the time being to this perplexing situation. It is the only way in which we can reestablish equity for residential users who are more limited in their options for conservation. We cannot continue a policy which benefits none and drives the United States back into the arms of the OPEC countries.●

Mr. SHARP. Mr. Speaker, I have no further requests for time. I would simply urge my colleagues to vote for the resolution which would disapprove the phase two rule on incremental pricing. It is very clear at this time that such a rule would not provide a market-ordering mechanism, as had been the original intent. It is very clear that at this time the benefits from such a rule would be very small for the protected class of users, and yet the burdens it would place upon the industrial sector would put some of our industries at risk at a time of great economic difficulty.

It is also clear, Mr. Speaker, that we have not yet had adequate experience under phase one incremental pricing to be able to say with much certainty what the results will be, and very clearly phase one has generated some problems that need to be resolved before we would consider extending this rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STOCKMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 34, not voting 29, as follows:

[Roll No. 244]

YEAS—369

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal

Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—34

Addabbo
Beilenson
Burton, John
Burton, Phillip
Chisholm
Collins, Ill.
Conte
Dellums
Dixon
Downey
Drinan
Garcia
Hawkins
Holtzman
Maguire
Minish
Mitchell, Md.
Moffett
Mollohan
Nolan
Patten
Rangel
Ratchford
Richmond
Rosenthal
Shannon
St Germain
Stark
Stokes
Stratton
Vanik
Weaver
Wolff
Yates

NOT VOTING—29

AuCoin
Barnard
Beard, R.I.
Beard, Tenn.
Brown, Calif.
Conyers
Diggs
Duncan, Oreg.
Edwards, Calif.
Fascell
Giaimo
Grassley
Hansen
Holt
Lehman
Leland
McEwen
McKinney
Mathis
Rose
Sebelius
Spellman
Stewart
Symms
Ullman
Van Deerlin
Vander Jagt
Wilson, C. H.
Wylie

☐ 1610

The Clerk announced the following pairs:

Mrs. Spellman with Mr. Grassley.

Mr. Rose with Mr. Sebelius.

Mr. Fascell with Mr. Symms.

Mr. Beard of Rhode Island with Mr. Vander Jagt.

Mr. AuCoin with Mr. McKinney.

Mr. Lehman with Mrs. Holt.

Mr. Van Deerlin with Mr. Beard of Tennessee.

Mr. Charles H. Wilson of California with Mr. McEwen.

Mr. Leland with Mr. Wylie.

Mr. Brown of California with Mr. Stewart.

Mr. Conyers with Mr. Mathis.

Mr. Diggs with Mr. Barnard.

Mr. Duncan of Oregon with Mr. Ullman.

Mr. Edwards of California with Mr. Giaimo.

Messrs. SHANNON, DOWNEY, and RATCHFORD changed their votes from "yea" to "nay."

Mr. CLAY and Mr. TAYLOR changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter just concluded.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERSONAL EXPLANATION

Mr. MOLLOHAN. Mr. Speaker, this afternoon the House voted on House Resolution 655, which disapproves of the proposed regulations by the Federal Energy Regulatory Commission on the incremental pricing of natural gas. I was quoted as voting "nay". My vote should have been "yea" on disapproving.

I respectively request that the record show that I do not support FERC's regulations and my vote should have been recorded as "yea".

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON H.R. 3236, SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1037) on the resolution (H. Res. 673) waiving certain points of order against the conference report on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6515, PANAMA CANAL APPROPRIATIONS AUTHORIZATION ACT, FISCAL YEAR 1981

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 96–1038) on the resolution (H. Res. 674) providing for the consideration of the bill (H.R. 6515) to authorize appropriations for the fiscal year beginning October 1, 1980, for the maintenance and operation of the Panama Canal, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6674, TO AUTHORIZE ADDITIONAL FUNDS FOR NATIONAL VISITORS CENTER

Mr. LONG OF Louisiana, from the Committee on Rules, submitted a privleged report (Rept. No. 96–1039) on the resolution (H. Res. 675) providing for the consideration of the bill (H.R. 6674) to amend the National Visitors Centers Facilities Act of 1968 to authorize additional funds, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6075, TO AUTHORIZE ADMINISTRATOR OF GENERAL SERVICES TO ISSUE OBLIGATIONS FOR FINANCING OF PUBLIC BUILDINGS

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. 96–1040) on the resolution (H. Res. 676) providing for the consideration of the bill (H.R. 6075) to amend the Public Buildings Act of 1959, to authorize the Administrator of General Services to issue obligations for the construction and acquisition of public buildings, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 2313, FEDERAL TRADE COMMISSION AMENDMENTS

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 664 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 664

Resolved, That upon the adoption of this resolution the House shall proceed to the immediate consideration of the conference report on the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes, and all points of order against the conference report for failure to comply with the provisions of clauses 3 and 4, rule XXVIII, are hereby waived.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 664 makes in order the immediate consideration of the conference report on H.R. 2313, the Federal Trade Commission Improvements Act. Conference reports in general have privilege to be called up at any time under clause 1 of rule XXVIII, after they have laid over 3 calendar days excluding Saturdays, Sundays, and legal holidays. In this case, however, a rule was granted waiving points of order which might lie against the conference report because of possible violations of clauses 3 and 4 of rule XXVIII. Clause 3 limits the contents of a conference report to the scope of the differences between the two houses. Clause 4 prohibits the inclusion in a conference report of any matter which would be in violation of the House germaneness rule (clause 7 or rule XVI) if offered as an amendment in the House.

It is my understanding that these provisions of the conference report on H.R. 2313 may violate clause 3 of rule XXVIII (scope):

Section 3. Disclosure of commercial or financial information; quarterly financial reports, in providing for a plan to reduce small business reporting requirements.

Section 5. Commission investigations of insurance business, in providing the exception permitting the Commission to study that industry at the request of the House or Senate Commerce Committee.

Section 19. Restriction of Commission regulation of funeral industry, in restricting the authority of the Commission to regulate the funeral industry.

Section 21. Congressional review of rules, in expanding procedural requirements.

It is our understanding that the following provisions of the conference report on H.R. 2313 may pose violations of clause 4, rule XXVIII (germaneness):

Section 2. Reconsideration of orders.

Section 3. Disclosure of commercial or financial information; quarterly financial reports.

Section 4. Confidentiality of line-of-business reports.

Section 5. Commission investigations of insurance.

Section 6. Enforcement authority.

Section 7. Standards and certification rulemakings.

Section 8. Advance notice of proposed commission rules.

Section 9. Presiding officer at rulemaking procedures.

Section 10. Compensation for participation in rulemaking proceedings.

Section 12. Ex parte meetings.

Section 13. Civil investigative demands.

Section 14. Confidentiality.

Section 15. Regulatory analyses; Judicial review; regulatory agendas.

Section 16. Good faith reliance upon actions of Board of Governors of Federal Reserve System.

This rule was not a controversial matter in the Rules Committee where it was adopted by a voice vote.

Mr. Speaker, the last authorizing legislation for the Federal Trade Commission was enacted for fiscal year 1977. Since that authorization expired, the FTC has been operating through continuing appropriations or by transfer of appropriations. The last such funding was a transfer enacted May 1, after the Commission was ordered to shut down.

As everyone is well aware, H.R. 2313 has been in conference for months. In view of the serious differences about this controversial legislation, it is something of a miracle that we have a conference report here at this time. Our conferees have worked long and hard to sustain the House position and to resolve the differences in a manner that is acceptable to this House. Whatever your opinion of the result of the conference, I would submit that this is the best compromise we can hope for. This rule, and the conference report it brings to the floor, deserve the support of this body.

In conclusion, I would take this opportunity to state the obvious while the agonies of resolving the differences about the Federal Trade Commission are fresh on our minds. There is a popular notion that the answer to the problems of excessive Government regulation and redtape and the problems of duplication and waste and ineffectiveness in Government programs is "sunset."

This term is sometimes interpreted to mean kill programs through automatic termination. If we should be so foolish as to adopt an automatic termination mechanism, then we would be faced annually with at least 100 crises of the magnitude of the FTC impasse.

What is needed to improve the performance of Government is careful congressional oversight, which I call "sunset review." It is only through careful and painstaking examination of Government program performance that we can make important choices about budget priorities. We must end Government programs which are not serving the public interest, but automatic termination without scrutiny would be tantamount to throwing the baby out with the bathwater.

□ 1620

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the provisions of the rule have been explained. We are here today again on the Federal Trade Commission authorization which provides for that bureaucratic agency to continue to exist. When the bureaucrats run roughshod over our free enterprise system, that agency's wings need to be clipped. And there is no question about it, the conferees have come up with some compromises that do this.

Even though that has been accomplished, I am not for this rule. I am not for the measure coming up on the floor of the House, because I believe so deeply in our free enterprise system. We should not let those rule with a strong hand who are out to destroy it.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LEVITAS), for purposes of debate only.

Mr. LEVITAS. Mr. Speaker, I rise in support of this rule and commend the Rules Committee for bringing this rule to the House.

I take this time to explain the reason why this rule is needed. It is because the conference committee included a provision in the legislative veto section of the bill that will give the Members of the House and the other body the opportunity to vote on each veto resolution that is introduced if a sufficient number of the Members desire such a vote. This is called expedited procedures.

The special procedures are in my judgment essential to the effective utilization of a legislative veto, certainly in the case of the Federal Trade Commission, because it will preclude and prevent the bottling up, the pigeonholing and the iceboxing of a veto resolution by the committee which would otherwise have that opportunity. Now, this is not a meaningless function.

One only has to recall the veto resolution that was introduced in connection with the airbag controversy some months ago. A number of Members of this body had supported that veto resolution, and yet the Members of this House never had an opportunity to vote on it. It was killed in committee, because it was never brought out for a vote.

Just recently this year, the Federal Elections Commission, which is subject to a legislative veto, issued rules relating to the Presidential debates this year and changed the procedures under which they could be operated and funded. A veto resolution was contemplated, but it was never brought to the floor of this House or the other body. It was bottled up and killed in that fashion.

In my judgment, the inclusion of the special expedited procedures, which will permit the Members of this House and the other body to work their will, means that the legislative veto in the Federal Trade Commission conference report is a stronger legislative veto provision than the form it was in when it originally passed this House. Therefore, Mr. Speaker, I commend not only this rule, but I commend the passage and adoption of the conference report, because it is the first time that we have put in place a meaningful and effective legislative veto on the FTC on all of its rulemaking activities and returning to the people through their elective representatives control over the laws which affect their lives and livelihoods.

Mr. Speaker, I yield back the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. FROST), for purposes of debate only.

Mr. FROST. Mr. Speaker, I want to express my support of the conference report on the authorization for the Federal Trade Commission. I would like to commend the House and Senate committee leadership and all those who worked so diligently to draft this compromise legislation. It is a tribute to all those who believe that we should strike a reasonable balance between allowing the FTC to operate in its lawful sphere of activity and insuring that the Commission does not exceed its legislative mandate.

I believe this conference report resolves most of the controversial issues concerning the FTC that were raised during our lengthy discussion of the authorization bill. It enables the Commission to continue its administrative proceedings in several major areas, but at the same time it provides for much-needed guidelines that are designed to limit the Commission's activities in areas that the Congress believes are questionable.

One of the major areas of controversy addressed by the conference report is the subject of children's advertising. As most of my colleagues know, the FTC in 1978 initiated a proceeding of proposed rulemaking that, if adopted, would have significantly altered this entire field. I believe this proceeding was an unwarranted Government agency attempt to restrict the truthful advertising of lawful products.

This type of regulatory activity could, in my opinion, be a dangerous precedent that could ultimately lead to perhaps arbitrary judgments at the expense of the first amendment and our Nation's heritage of free expression. A 1976 Supreme Court case dealt with a similar controversy, and in this instance, the Court denied the Government's right to inhibit free expression through limits on legal advertising. In that case, the Court said:

> What is at issue is whether a State may completely suppress the dissemination of concededly truthful information about entirely lawful activity, fearful of that information's effect upon its disseminators and recipients. Reserving other questions, we conclude that the answer to this one is in the negative.

The House and Senate conferees were concerned that the proposed rulemaking raises "fundamental issues of free speech and due process. The conferees expect the Commission to seriously weigh these concerns in future proceedings, if any."

If this conference report is adopted by the House, as I believe it should be, the FTC will still have the power to regulate deceptive children's advertising. However, the report does require the Commission to insure that it is not exceeding its bounds of authority.

It suspends the proceedings in this area until the Commission votes to publish a proposed rule. It requires the Commission to publish the text of the proposed rule at the beginning of any future rulemaking procedure. And it requires that future activities in this area by the Commission be based solely on "deceptive" practices, specifically prohibiting the use of the criteria of "unfairness" as a basis for new advertising rulemaking proceedings during the life of the authorization.

I believe these provisions adequately address the questions raised by the Commission's attempts to regulate children's advertising. For that reason, I am urging the House to join me in voting for this conference report.

□ 1630

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. Yates). Pursuant to the provisions of House Resolution 664, the House will proceed to the immediate consideration of the conference report on the bill, H.R. 2313.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 1, 1980.)

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. Staggers) will be recognized for 30 minutes, and the gentleman from North Carolina (Mr. Broyhill) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as my colleagues know, the Federal Trade Commission has been without an authorization bill for more than 3 years. It is essential that the conference report be adopted without further delay in order for this agency to continue in operation.

I want to again express my appreciation to the House conferees for all their good efforts and hard work in finally reaching agreement with the Senate on a number of complicated issues contained in this bill. This is a complex and controversial piece of legislation and, while I doubt that any member of the conference committee is entirely satisfied with all of the provisions of the conference report, I believe it represents the best possible compromise that could be obtained.

I urge my colleagues to adopt the conference report.

I congratulate subcommittee chairman, Jim Scheuer for his good work on this legislation and I yield to him at this time.

Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. Scheuer).

Mr. SCHEUER. I thank the gentleman from West Virginia (Mr. Staggers) for his kind remarks. I note my admiration for his strong leadership as chairman of the conference. Through the gentleman's tireless efforts we were able to produce the compromises contained in the conference report.

I am particularly indebted not only to my Democratic colleagues on the conference, but to the gentlemen from North Carolina (Mr. Broyhill), New Jersey (Mr. Rinaldo) and Ohio (Mr. Devine), for their work in effecting a workable compromise. This was truly a bipartisan effort.

Mr. Speaker, the FTC has been functioning without an authorization bill for 3 years. H.R. 2313 would authorize appropriations for the FTC for fiscal years 1980, 1981, and 1982, with certain limitations on the use of those funds and the Commission's activities.

This was, and to a certain extent continues to be, a controversial bill. The House and Senate have each closely scrutinized the activities of the Federal Trade Commission and passed strong measures designed to make that agency more responsive to the public and to Congress.

While in some instances the approach by each House was parallel, the majority of the provisions were dissimilar.

First, I wish to note that as a result of the conscientious efforts on the part of the House conferees, we were able to reach an agreement on the legislative veto with the Senate which is as close to the House position as possible. The principal reason the FTC has been without an authorization for the past 3 years is due to the House's disagreement with the Senate on the legislative veto question.

Indeed, the rejection of the first and second conference reports on H.R. 3816, the Federal Trade Commission Amendments of 1978, was a clear message that the House wanted a mechanism to review and veto, if appropriate, the trade regulation rules promulgated by the FTC. That message came across even stronger with the passage of H.R. 2313 by a vote of 321 to 63 and the overwhelming vote of 257 to 115 in favor of the motion to instruct the House conferees to insist upon the inclusion of a legislative veto in the conference report.

H.R. 2313, as passed, contained a legislative veto provision which provided that an FTC rule could be vetoed either when both Houses passed a concurrent disapproval resolution within a 90-day period or when one House passed such a resolution within a 60-day period provided the other House did not disagree within the next 30 days.

The Senate bill did not contain a legislative veto provision. In response to the persistence of the House conferees, the Senate ultimately agreed to accept a legislative veto procedure whereby an FTC rule could be disapproved if both Houses passed a concurrent resolution within a 90-day period.

The legislative veto provision of the bill (section 21) applies to trade regulation rules promulgated under section 18(a)(1)(B) of the FTC Act and substantive rules promulgated under section 6(g) of the FTC Act. Interpretive rules and general statements of policy concerning potential section 5 violations are not subject to the veto mechanism because they are merely guidelines, advisory in nature, and do not have the force or effect of law. It is similarly our intent that the rules of agency organization or procedural practice not be covered under the legislative veto mechanism.

Inasmuch as the one-House form of veto was unacceptable to the Senate conferees, we insisted upon expedited procedures in the House which would prevent the resolution of disapproval being bottled-up in committee. While all resolutions would be referred to the Commerce Committee, the Speaker could also refer them to other committees where germane.

Under the conference substitute, a motion to discharge the relevant committees from further consideration of a disapproval resolution would be in order if the committees had not reported the resolution after 75 days. The motion to discharge could be called up only if the motion had been signed by one-fifth of the members.

When a committee has reported or been discharged of a concurrent resolution, it would be in order to move to proceed to the consideration of such resolution. The motion would be highly privileged in the House and not debatable. Thereafter, debate on the concurrent resolution itself would be limited to not more than 10 hours, divided equally between proponents and opponents of the resolution. The specific amount of time would, of course, be determined by the rules committee. An amendment to the resolution, or a motion to recommit it, would not be in order and it would also not be in order to move to reconsider the vote by which the resolution was agreed to or disagreed to.

I believe that the legislative veto contained in the conference report fully satisfies the obvious desire of the House for a comprehensive oversight mechanism for the FTC.

The conference report reflects a number of compromises on virtually every major issue. We have labored long and hard to arrive at these compromises between the House and Senate conferees. The conference report may not satisfy all the conferees on each issue; however, as my colleague from New Jersey (Mr. Rinaldo) noted that, perhaps, is the way it should be.

I would like to discuss how the most important issues were resolved.

First, the conferees agreed that the FTC should be prohibited from issuing a trade regulation rule governing the funeral industry which is the same as or substantially similar to that proposed by the Commission on August 29, 1975. However, the conference substitute would permit the Commission to issue a rule limited to the following areas:

First. Price disclosure;

Second. Misrepresentations, boycotts, threats;

Third. Tying arrangements; and

Fourth. Furnishing goods or services without prior approval.

Should the Commission issue a final rule, it must publish that rule in the Federal Register for public comment and if appropriate, permit interested persons to present their views orally to the Commission. This section also requires the Commission to provide a mechanism for exempting States from the rule's coverage, if a State's law provides an overall level of protection that meets or exceeds that of the FTC's rule.

However, it is important to note that the requirement is not intended to reopen the rulemaking record for additional evidentiary hearings.

This compromise takes into consideration the view of House Members by requiring a fresh opportunity for the industry to present its views on the record and a recognition that States should be encouraged and given the opportunity to displace Federal regulation.

On the issue of agricultural cooperatives, the conference substitute maintained the intent of the House amendment. A modification in language was made to indicate that the Commission shall have no authority to investigate or prosecute an agricultural cooperative for conduct which is exempt from the antitrust laws under the Capper-Volstead Act.

The Senate amendment to H.R. 2313 contained a provision which would have prohibited the FTC from promulgating a trade regulation rule concerning the development and utilization of private standards and certification activities. The conference substitute adopted the Senate provision with an amendment specifically deleting the Commission's authority to issue a trade regulation rule with respect to "unfair or deceptive acts or practices" under section 18 of the FTC Act. I believe that the substitute leaves unaffected the Commission's authority under section 6(g) of the FTC Act to continue this proceeding and issue rules with respect to "unfair methods of competition" relating to standards and certification activities.

The Senate amendment on insurance provided that the Commission could investigate a particular area of insurance only upon the passage of a concurrent resolution. This procedure seemed not only unnecessarily time consuming but was premised on a theory of the McCarran-Ferguson Act specifically rejected by a House subcommittee. We were able to establish a procedure that allows either Commerce Committee to request the FTC to initiate a study. Once either Commerce Committee has made a request, the Commission will, of course, be able to use its authority to obtain the information necessary to conduct its inquiry from the insurance industry or its members.

Section 11 of the bill restricts the Commission's authority to issue a rule with respect to children's advertising. It suspends the present proceeding until the Commission votes to publish a text of a proposed rule, and it provides that any further action in the proceeding thereafter could be based only upon acts or practices that are "deceptive." By eliminating the Commission's "Unfairness" jurisdiction, there was no intention on the part of the conferees that the meaning of deception should in any way be narrowed from what it is now. As the Senate Commerce Committee report recognizes, deception includes acts or practices that "have the capacity to deceive or mislead consumers" as well as overt misrepresentations. I believe that heavily sugared products, as opposed to toys, present a significant health risk to our children. I personally hope the Commission will continue to examine the problems resulting from the consumption of such products.

In addition, for the life of the authorization, the Commission would be prohibited from basing any new advertising rulemaking proceeding on the grounds of "unfairness." As I indicated before, the bill in no way modifies the historical definition of deception which encompasses situations that have the capacity to deceive or mislead consumers as well as overt misrepresentations. In addition, under this standard, the Commission could challenge advertising claims that are not substantiated. As the Senate Commerce Committee report stated, "the failure to possess substantiation for an advertising claim should be viewed as a deceptive practice."

On the issue of public participation, the conference substitute places a ceiling of $75,000 on the amount any person can receive under the public participation program for any one rulemaking and $50,000 on the amount any person can receive for participation in all rules in any fiscal year. These limitations are, of course, completely prospective and are not intended to apply to funds already allocated under the existing public participation program. The conference substitute also amends section 18(h) by requiring a minimum of 25 percent be set aside for grants to small businesses.

We have been dealing with this problem of the Federal Trade Commission authorization for the last several years. At several times in recent months we have reached critical points. Indeed, the Commission went out of business earlier this month for want of a continuing resolution. It is time the FTC be removed from this budgetary "Twilight Zone" and go about its business of protecting the American consumer under the guidelines deemed appropriate by Congress.

☐ 1640

Mr. BROYHILL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, it is with great pleasure that I rise in support of the conference report which is before the House today. As all of the Members of this body are aware, the Federal Trade Commission has been the center of controversy for some time. This is because the Congress has been unable to enact an authorization bill since 1977. The main point of contention has been the House's insistence on including in any final legislation an oversight mechanism for review of FTC rules. This mechanism is commonly known as the legislative veto. I am pleased that the conferees for both bodies were finally able to work out an acceptable compromise on this issue. The compromise provision directs the agency, when promulgating a rule, to submit that rule to the Congress for review 90 days before it is to go into effect. The FTC rule would not have any force or effect if within that 90-day period, both Houses of Congress passed a resolution disapproving the rule. The conference report also incorporates procedures similar to those included in the Energy Policy and Conservation Act passed several years ago which would guarantee that the disapproval resolutions will be brought to the floor of both bodies before a vote.

During the 93d Congress, we delegated to the Federal Trade Commission the authority to write trade regulation rules governing entire industries. These rules, of course, have the full force and effect of law. The legislative veto mechanism now gives the Congress a means for reviewing how the agency exercises that authority before those rules go into effect. By enacting this provision, the Congress is conditioning the agency's rulemaking authorities on the use of the submittal process outlined above. In my view, it is entirely proper for the Congress to retain for itself the ability to take a first look at rules issued by the Federal Trade Commission before they can become effective.

The conference report contains a number of other significant provisions. For example, we have directed the agency, when issuing a proposed rule and when finalizing that rule, to prepare a regulatory analysis detailing the projected benefits and adverse effects of not only the rule, but alternatives to that rule. The conference report makes clear that if the agency determines to promulgate a rule which is not as cost-effective as one of the alternatives it considered that the agency fully detail its reasons for choosing a rule which includes greater adverse economic effects than the various available alternatives.

The conference report also contains a number of other significant changes to the Federal Trade Commission Act. For example, the conference report prohibits the agency from disclosing confidential business information to anyone other than Federal law enforcement agencies or State law enforcement agencies which could otherwise receive such information through their own compulsory processes and which certify to the Commission that such information will be treated in a confidential manner.

Mr. Speaker, the House conferees accepted the Senate's amendments to section 6(f) of the Federal Trade Commission Act which would give the FTC authority to disclose trade secrets to State attorneys general—authority which Federal courts on at least two occasions have indicated the Commission does not now have.

This has raised some questions in certain segments of the business community. My own view is that this provision should apply prospectively, from the effective date of the amendment. Further, I take it to mean that the Commission will exercse some discretion in interpreting this provision and give out that confidential information or those trade secrets which are relevant to a State's investigation or enforcement proceeding; and not just automatically divulge any and all confidential or privileged information which might be extraneous to the law enforcement action or investigation being conducted by a State.

The conference report also prohibits the agency from disclosing any information provided pursuant to the line of business statistical reporting program now in place at the agency. The conference report also directs the agency to use the civil investigative demand procedure similar to that now in place at the Department of Justice whenever it undertakes a consumer protection investigation. This is a particularly useful change in the FTC Act, and I hope that the agency would consider using the CID procedure agencywide.

Both the House and Senate-passed bill contain provisions dealing with specific industries or specific rulemaking proceedings. With one exception—dealing with cases challenging trademarks under the Lanham Act—none of these provisions were included in the conference report in an identical form to that in which they passed their respective bodies. The conferees did, however, try very hard to find compromises on each of these issues. For example, the House-passed bill prohibited the agency from issuing the pending funeral rule or any substantially similar rule for the authorization period. The compromise agreed to by the conference prohibits the agency from issuing such a rule unless that rule meets tightly-drawn restrictions. The compromise also recognizes that for this industry, State regulation is preferable to Federal regulation. Therefore, we have set up a mechanism whereby a State can apply to the Federal Trade Commission for an exemption from the FTC's rule. If the Commission determines that the overall level of protection afforded by the State regulatory scheme, even though that scheme is not identical to the FTC's rule, is as great as that afforded by the FTC's rule, then the FTC is directed to exempt that State from the requirements of the rule.

The purpose of this provision is to encourage State action and, consequently, I would expect that the agency would be liberal in granting its exemption waivers. I also wish to make clear that the conference substitute does not affect in any way the appeal rights flowing from the agency's action to this point. Finally, I want to make clear that the conferees are not necessarily encouraging the promulgation of a rule in this area. To the extent that the problems in the industry can be addressed through voluntary guidelines, I would expect the agency to explore this option.

The House bill also prohibited the FTC from bringing an action against an agricultural cooperative or conducting any studies of agricultural marketing orders for the duration of the authorization period. In the conference compromise, we retained the House prohibition on investigations of agricultural marketing orders. We also prohibited the agency from bringing an action against an agricultural cooperative which was acting within the antitrust exemptions found in the Capper-Volstead Act. The Capper-Volstead Act gives farmers a partial antitrust exemption to band together and market their goods cooperatively.

In my view, Capper-Volstead allows agricultural producers to engage in certain acts which would otherwise be violative of the antitrust laws. For example, an agricultural cooperative may grow with respect to numbers of members and market shares to any size which it can obtain as long as it does not engage predatory practices in order to attract and keep members or obtain a larger market share. On the other hand, we recognize that cooperatives can engage in illegal predatory practices just as other kinds of corporations can and to the extent that a cooperative engages in conduct which is not covered by Capper-Volstead, the antitrust laws will apply with their full force and effect.

The Senate-passed bill also contained provisions dealing with advertising rulemaking and it removed all ability of the FTC to issue new rules dealing with "unfair trade practices." At the present time, the FTC may issue rules prohibiting "unfair or deceptive acts or practices." The Senate provision, in other words, removed the "unfair" standard from the FTC's charter. The conference substitute encompasses three elements. First, with respect to the well-publicized "kid vid" advertising rulemaking proceeding, the present proceeding is suspended until after the FTC votes to issue a proposed rule. Second, the "unfairness" standard generally would be suspended for the life of the authorization period in the bill with respect to all other new rulemakings. Third, the compromise requires the FTC to publish the text of the proposed rule before initiating a rulemaking proceeding. At this point, I wish to add that in the view of at least this Member, the agency is already required under the terms of the Magnuson-Moss Act and the Administrative Procedures Act to issue the text of a proposed rule.

The House should be aware that with respect to the children's advertising rulemaking proceeding, the conferees suspended rather than terminated the proceeding. The conferees were reluctant to formally terminate the proceeding, believing that such action was more appropriately the responsibility of the Commission. The conferees have provided the agency the opportunity to go forward with this proceeding by an affirmative vote of its nondisqualified members, but if the agency chooses to do so, it must provide interested parties a reasonable opportunity to present written and oral evidence for the record, based on the new standard of deception.

Speaking as one Member, I sincerely hope that the FTC will think very carefully before it decides to go forward in this area. I believe that it would be a serious waste of energy and resources for the agency to continue with a rulemaking proceeding in this area. Serious constitutional questions surround any effort to limit truthful advertising of lawful products and these questions were not resolved by the present conference report. In my view, the agency could use its energy and resources to benefit the public in more visible and significant ways without raising the very serious consitutional questions present in the pending proceeding.

Finally, the Senate-passed bill prohibited the agency from bringing any action under the Federal Trade Commission Act to promulgate a rule concerning the development and utilization of private voluntary standards and certification activities. The conference compromise prohibits such action by the Commission under section 18 of the FTC Act. Section 18 of the FTC Act specifically grants the agency the authority to issue rules with respect to unfair or deceptive acts or practices. Section 18 does not affect the agency's authorities, if any, to issue rules under any other section of the FTC Act with respect to unfair methods of competition. Considerable controversy exists as to whether the agency does indeed have antitrust rulemaking authority. I recognize that I am only one member of the conference; however, I have considerable questions as to whether the agency has and should have antitrust rulemaking authority. I believe that the Congress should clarify this issue before the agency attempts to issue rules with respect to unfair methods of competition. I also note that other Federal agencies are becoming more and more active in the area of voluntary standards writing process. I believe that the Federal Trade Commission should defer to these other agencies in this area and would expect that the agency seriously look at the activities of these other agencies before proceeding in this area.

Mr. Speaker, at this time I yield 5 minutes to the ranking minority member of the subcommittee, the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Speaker, I support the conference report before us this afternoon and urge that my colleagues adopt it without delay. As you are aware, this is the third Congress in which we have tried to enact legislation to authorize the Federal Trade Commission. Since 1977, the agency has operated without an authorization. We have been presented with some extremely difficult problems in the present legislation, and the conferees have worked very hard to resolve those problems. On the whole, I believe that we have fashioned a good compromise which makes a number of very important changes in the FTC Act.

Probably the most significant provision of the present compromise is the one which would require that the FTC submit its final rules to Congress before they become effective so the Congress could review and possibly disapprove those rules. This provision, widely known as the legislative veto, will give the Congress an important oversight tool to use in reviewing the kinds of rules that the FTC is writing. In the 93d Congress, we delegated to the agency the authority to write trade regulation rules that have the force and effect of law. In the present legislation, we are reserving for ourselves the ability to review those rules before they go into effect.

The legislation also contains a number of other important provisions. For example, it would require the agency to publish an advance notice of proposed rulemaking before initiating a rulemaking proceeding. It would require that the agency publish a semiannual regulatory agenda describing its rulemaking activities, and it would require that the Commission when engaging in rulemaking activities to analyze the potential benefits and adverse effects of the rules which it is promulgating.

The legislation also puts certain restrictions on the ways in which the agency can release confidential commercial or financial information submitted to it by businesses. The legislation tightens up the subpena authorities of the agency by imposing on the agency a process which is now known as the civil investigative demand process. A similar process is used in the Department of Justice. Although the provisions of the present legislation apply only to CID's issued in investigations done by the Bureau of Consumer Protection, I hope that the agency will consider applying this process across the board.

The conference report also puts certain restrictions on the agency's authority to investigate the insurance industry. As the Members of this body are aware, the agency has no regulatory authority over the business of insurance by virtue of the McCarran-Ferguson Act. However, the FTC was exerting the authority to investigate the insurance industry and write studies on it. The conference clarified the agency's authority by stating that the agency would be prohibited from studying the business of insurance except in instances when they were specifically asked to do so by either of the Commerce Committees of the House or Senate.

The conferees were presented with the very difficult task of coming up with compromise provisions with respect to the agency's regulation of the funeral industry, agricultural cooperatives, television advertising directed toward children and rulemaking activities with respect to voluntary standards writing groups. Although I recognize that everyone is not entirely happy with the compromises that were reached with respect to these matters, I do believe that the conferees did a good job in resolving some very difficult problems.

This conference report makes a number of significant changes to the FTC Act. I feel strongly that it should be enacted, and I urge my colleagues to vote in favor of the conference report on H.R. 2313.

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The SPEAKER pro tempore (Mr. DICKS). The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I rise in support of the conference report on the Federal Trade Commission Act amendments.

When the FTC authorization, H.R. 2313, came before the House last November, I was compelled to vote against it. While I believed it was essential to enact authorizing legislation for this agency, I could not support a bill whose primary purpose appeared to be more that of limiting the FTC's authority and diminishing its effectiveness, rather than extending its existence. The one-House legislative veto, the restrictions on the FTC's ability to regulate funeral industry practices, and the prohibition against investigating or prosecuting agricultural cooperatives were several of the bill's unacceptable provisions. I did not believe then, nor now that the Congress should be in the business of enacting special interest legislation to overrule executive rulemaking.

Although I am not in complete agreement with the bill that has emerged from the conference, I believe it has been sufficiently improved so that I can, in good conscience, vote in favor of it. I still find the legislative veto provision objectionable and question its constitutionality. However, a two-House veto is more tolerable, if indeed a legislative veto provision must be included, and the availability of expedited judicial review promises at least a resolution of the legal questions raised by such a provision. Similarly, the removal of most of the restrictions on FTC proceedings regarding the funeral industry and agricultural cooperatives renders the conference bill more acceptable.

I remain distressed that this Congress has capitulated to the special interest groups that have waged an onslaught against an agency that is fulfilling its legislative mandate. Congress had clearly intended to make the FTC independent from executive and legislative interference so that it could enforce fair trade practices on behalf of unorganized and vulnerable consumers. This bill unfortunately demonstrates that this is no longer the case. The provisions in the conference bill limiting the FTC's ability to promulgate rules on advertising directed at children and banning their investigation of the insurance industry are excellent examples of the ability of interest groups to achieve their selfish ends. I am concerned that the precedent of these provisions, in addition to the legislative veto, will provide an invitation to every special interest group and association to attempt to circumvent the regulatory process through legislative intervention.

I ask my colleagues to join me in voting for this compromise bill so that the only agency mandated to protect consumers can continue its vital work, unhampered by the uncertainty of continuing resolutions or transfers of appropriations. The closing of the FTC for one day this month should serve as a reminder of the consequences of forcing an agency to function on a month-to-month basis. Nevertheless, I strongly urge my colleagues to remain wary of the possible ramifications of this legislation. In the years to come we must remain steadfast and vigilant against pressures from well-financed special interests who will undoubtedly continue to try to flex their considerable muscle here in Congress in an attempt to weaken and undermine the Federal Trade Commission.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I thank the chairman of the committee, for whom I have the greatest respect, for yielding.

Mr. Speaker, we have a choice today. We can either support a bad bill, one that cripples the FTC, or we can put the FTC out of business. I did not sign the conference report because I could not endorse crippling an agency that has diligently fought for the consumer. But I will vote for the report because the alternative is far worse. Nonetheless, if we are to support this report, we must be sure to tell the American people what happened to the public interest in consideration of this bill, in order to seek to prevent similar special interest assaults on future legislation.

This conference report puts the American people on notice. It tells them that unless they become more diligent and politically active, they will not be protected by the Federal Government when those with money and influence are determined to buy the direction of public policy. It tells them that the public interest can too easily become a commodity for sale to the highest bidder.

At the beginning of this conference, I offered what many saw as a reasonable compromise. It guaranteed Congress the right to review any new FTC rulemaking. That right makes it unnecessary for this bill to halt specific rulemakings in midstream, since every controversial issue considered for exemption by the conference committee would eventually be subject to legislative review.

But neither House nor Senate conferees have been willing to defend the FTC against the onslaught of special interests. Opponents of the agency have wielded the expiration of funding as a club in negotiations. The public interest has never been an issue.

Today we will hear all the excuses for a bill that only money could buy. We will hear that it is a reasonable compromise. We will hear that none of the special interests got everything they wanted.

Our colleagues will argue today that the FTC has grown too powerful, and this bill curbs those excesses. They will argue about unnecessary regulation and invalid hearings. They will ignore the questions that hang over this entire debate:

If Congress is given the right to review new rulemakings, why should it interrupt these rulemakings with new conditions and instructions? If a hearing may be invalid, why not determine that during the procedure created to review that hearing? Why put certain industries beyond the reach of the law?

We have heard no answer to these questions because the answer is an embarrassment to this institution. The special interests and their allies in Congress cannot win a debate on the merits of their arguments. They can only win by threatening to put the FTC out of business if we do not go along.

Those of us supporting the FTC and its work on behalf of the consumer have been given a choice: a crippled FTC or no

FTC at all. This conference report makes that choice; it promises a crippled FTC.

The FTC wanted to continue its studies of the insurance industry, studies which many States have found invaluable in their regulation of that industry. This bill severely restricts those studies.

The FTC wanted to open up the procedure by which industry sets the standards for products. This bill clamps limits on that effort.

The FTC wanted to enforce the law concerning the use and cancellation of trademarks. This bill stops that attempt.

The FTC wanted to continue its efforts to study and regulate abuses by some huge agricultural cooperatives, efforts which this bill modifies.

The FTC wanted to address one of the most complex and vexing questions facing our society today: whether children should be subject to the same television advertising standards established for adults; or whether children should, in some way, be protected from sophisticated manipulation techniques which they could not possibly understand. This bill limits the FTC's effort while eliminating fairness as a criterion in the regulation of television advertising.

Worst of all is the embarrassment we all face at the hands of the funeral industry.

The FTC has suggested that funeral directors itemize their bills, produce price lists, and reveal those prices over the telephone on request. Such suggestions would seem to fall within the category of good business practices. This bill would restrict the FTC's efforts.

Yet the funeral industry is not satisfied. It seeks to be exempted from regulation altogether by legislative fiat. This bill is already an embarrassment. Let us at least prevent the funeral industry and its bidders from turning this bill into a humiliation.

The proponents of this conference report, it is true, argue that it in no way states that business ought to cheat the American people. It merely suggests that efforts to prevent that cheating will be stopped.

This bill is a warning to the FTC that its attempts to restore fairness and competition to the marketplace have incurred the wrath of industry, and that Congress will do the bidding of industry.

We must support this bill, however reluctantly; it is certainly better than closing the FTC again. But as we support it, we should warn the American people: the public interest has suffered in this bill at the hands of the special interests. When the FTC again stands up for the public interest, those special interests will be back. If consumers have any hope of preserving their rights, they had better start preparing now.

Mr. BROYHILL. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I am going to vote for this conference report on H.R. 2313. But in my judgment it does not go nearly far enough in curbing the FTC as it should have.

The FTC is a rogue agency run amok, but some kind of restraint is better than no restraint at all. H.R. 2313 does provide some restraint. The FTC has been working with no accountability to the people or the people's representatives. Thank Heavens that this bill at least provides for some minimum accountability.

Mr. Speaker, I regret to inform the House that the FTC has apparently learned nothing from its travail of the past couple of months. If any Member is curious enough to want to know why FTC funding was allowed to expire or why many Members, including myself, were not displeased when the FTC lost its funding, he or she should review some of my files on the FTC's handiwork on local people in my area.

One such instructive file is that of the FTC's work on the St. Paul and Minneapolis Health Maintenance Organizations. It is not the only case of complaint I have but it is a good example of why FTC has so few friends in this world.

Mr. Speaker, since last December, the FTC has been involved in an investigation, or, more accurately, a fishing expedition, of medical control of HMO's. The New England Journal of Medicine has cited the twin city area of Minnesota, with seven HMO's thriving in the area, being one of the few examples of a competitive health care system. Thus the Hennepin County Medical Society and the Physicians Health Care Plan in Minneapolis were surprised, chagrined and embarrassed to receive a subpena to appear at a hearing and furnish extensive documentation to the FTC.

There was no request, no discussion, no accusation, just a subpena. Only after very difficult compliance and extended negotiations so that they could complete the FTC's request, the health groups were told that the subpenas were informational rather than accusatory as the health groups had been led to believe.

The FTC in this case told our doctors that the documentation requirements were moderate. One single request of a small HMO required 2,700 different pieces of paper that had to be all carefully reviewed before submission.

Our local doctors did not think that was a moderate requirement. They only wanted to heal the sick. They did not think their job was shuffling papers for fishing bureaucrats. The FTC said our doctors should not complain about harassment or expect reasonable treatment from the FTC but said instead they should go to court and seek a motion to quash the subpena. Our local people do not operate that way. They expect to deal responsibly and reasonably with their own representatives in the bureaucracy.

Instead, they are treated like some kind of criminals by the FTC. Their discussions with FTC are unfruitful and the letters that they receive from the FTC are arrogant and absurd and ask for insane amounts of information which is difficult to provide.

I do not think our people should have to go to court to get reasonable treatment from our own public servants in the bureaucracy.

Mr. Speaker, I would like to have some of my colleagues review this file with me. I think we all would be outraged to receive the kind of correspondence that the FTC has been sending to those medical groups. That is in spite of the fact that none of these medical groups is under accusation of any kind of wrongdoing. It is as I said before, a fishing expedition by the FTC. Yet each was required to present all this extensive documentation.

Now, Mr. Speaker, one of these groups, the Physicians Health Care Plan, estimates that its costs for providing all this junk for the FTC, and providing extra junk after the first junk was provided because the first junk apparently did not fit the assumptions that the FTC had already made, already are $25,000. Now $25,000 may seem a very tiny amount to this giant bureaucracy, which chews up the taxpayers' money as though it were jelly beans, but it is an awful lot to a small health care maintenance operation in my town and that $25,000 gets laid back on to the creaking backs of the sick patients of that HMO.

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The FTC thinks it is OK to layoff all of its costs on the consumers. That is the way the FTC tries to protect consumers, by increasing costs with this idiotic chase after paper so that some 12th level bureaucrat, some GS–9, can have his or her silly assumptions verified or unverified by tons of paper at the consumer's expense.

I do not think that kind of request is moderate. I do not think people should have to go to court to defend themselves from this kind of an agency. And I do not think our consumers, whatever kind of consumers they are, whether they are the sick in this case, or the people who try to heal the sick, or just ordinary people who try to buy things at a reasonable price in the marketplace, should have to pay that unnecessary, arbitrary, whimsically applied cost that the FTC lays on them for its insane paper chase.

Mr. Speaker, I am sorry for this outburst, because I am usually a more moderate fellow than this, and I seldom get excited about agencies of the Government. I think it is probably unreasonable to state that FTC's charter should be totally repealed, and yet after extensive correspondence and discussions with the FTC, I can get no satisfaction from them. I can find only arrogance and lack of accountability.

So, I would respectfully request of those people who call themselves friends of the FTC, who are trying to preserve some of the FTC authority, who really believe the FTC is doing a good job for the consumers of this country, that those friends try to straighten the FTC out. Try to get them to deal with people in a reasonable manner. Try to purge their ranks of the people who abuse the public and lay unnecessary costs on consumers. Do this so that we do not have to go through this awful routine year after year.

I really despair of having the ability to retrain the FTC so that their people can do useful and productive work, but I think the very least we can expect from them is some common courtesy and human decency in dealing with the people with whom they must do business every day.

Mr. Speaker, I regret the necessity to make a speech of this nature. I realize it is intemperate, and yet I feel so strongly about this matter, and I would urge the members of the committee who deal with this agency to do what they can to rehabilitate it and make human beings out of an agency that was originally charged to help human beings.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding. I do not go quite as far. I have not had quite such a bitter experience in my district. However, like many an agency it is out of control. There is absolutely no doubt of the arrogance and indifference with which people are treated by the agencies of our Government. We spend enormous sums hoping the agencies will bring some comfort and help to people, will establish some kind of justice, but the individual is forgotten in the process. I think I can tell the Members why.

I struggled with the Federal Trade Commission, asking them to help out in an interstate fraud. Companies in three other States—not my own—were involved. As consumer director I could not protect my people, but the Federal Trade Commission was not interested. They said they could not touch cases of that kind. Now, what happened? I met finally a member of one of the very important bureaus in the FTC, and I am telling you the truth.

I said, "I had 300 letters and you would not move, and yet you moved on the basis of 6."

The answer: "Oh, I never pay any attention to letters. Only cranks and kooks write letters."

I was moved to say, "That is an extraordinary way to speak of my constituents and the people who pay your salary and mine. What do you pay attention to?" And this was his revealing answer: "Statistics."

Statistics. Sociology IV does not perhaps teach how to deal with human beings who have problems. And there is the difficulty. But, it is not just the FTC, gentlemen. It is HUD also. We had a terrible struggle in order to get some priority for elderly people who wanted to live in elderly housing being built in their own home town. We had a struggle with Human Resources, formerly HEW, trying to save a 95-year-old woman from having to be moved out of a nursing home endorsed by our State doctor in charge of licensing. The agencies are more interested in their regulations than they are in the affect the regulations are having on the human beings in our districts.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. BROYHILL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague, although I never ask for extensions of time.

All I am saying is, we stand between them—our constituents, and the agencies—struggling to get some humanity into the dealings of this Government with ordinary human beings who have no special influence; they count on us to try and somehow humanize the Government. I keep thinking of Dubcek in Czechoslovakia and his struggle to give socialism a human face. I spend my life trying to give our agencies a human attitude. I do not know the experience of all the Members, but when I get to my office at 6:15 in the morning, it is to read such letters. It is not for the important stuff, that is during the day. My night time and my early morning goes to those kinds of people writing this kind of letter.

We must make this Government more responsive to the human beings who pay for it.

Mr. FRENZEL. I thank the gentlewoman for her comments. I would only sum up my thoughts by saying that if this agency cannot improve its performance, cannot come up to some expectation of common courtesy and human decency, we are going to be in one of these wars every year, and some year there is not going to be an FTC.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I am in favor of the conference report with the same reservations as the gentleman from New York (Mr. OTTINGER) expressed.

Mr. STAGGERS. Mr. Speaker, I yield such time as he might require to the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. Mr. Speaker, I rise in support of the conference report on H.R. 2313 and I wish to add my views on a matter that has generated great controversy before both the Authorization and Appropriation Subcommittees who share the responsibility of overseeing the Federal Trade Commission. That matter is the proposed ban of television advertising to children, commonly known as the "Kid Vid" rule.

The Appropriation Subcommittee which oversees the FTC, and on which I serve, has had occasion over the period of this Congress to review the activities and programs of the FTC in some detail. We have been, from time to time, critical of many of the activities and programs the Commission has undertaken. But no single activity or program undertaken by the Commission has been more difficult or more fraught with constitutional and due process hurdles than the so-called children's television rulemaking proposal.

When this rulemaking was first proposed, the Federal Register notice failed to inform either proponents or opponents precisely what the text of the rule would look like, nor did the staff perform a meaningful analysis the economic impact a rule might have on the broadcast industry, the advertising industry, or the industries of any of those who would be regulated by it. The rule flew in the face of protections afforded under the first amendment.

Rulemaking in this field was immediately labeled by the media as an effort by the FTC to place the Federal Government in the position of being a "national nanny" to America's children. And, the novel procedures employed by the Commission to conduct this particular rulemaking were characterized by the U.S. Court of Appeals for the District of Columbia as "window dressing for the benefit of a court passing on a final trade regulation rule that was in stock long before its tentative models were displayed." That court went on to say that the Commission's activities in the Kid Vid rule "suggests that it long ago settled on what it had in mind and deliberately fashioned its special rules to achieve that result with the fewest possible outside instrusions from precisely the parties Congress intended to have participate in a proceeding of this kind."

In short, this Kid Vid rule is a bad idea. And the Commission's inadequate notice, novel procedures, and its attempt to overreach even the constitutional protections of the first amendment, have resulted in some of the most serious criticisms the FTC has had to endure.

This conference report makes clear the displeasure of Congress with this sort of regulatory activity by the FTC. If the Commission has learned anything in this exercise, it should have learned that this particular rulemaking should die a natural death, and the quicker the better for the future credibility of this regulatory agency before Congress. I, for one, hope the improvements made in the Magnuson-Moss provisions by this authorization will help the Commission to avoid making these kinds of mistakes in the future. Closer scrutiny and a little more judgment from the Commissioners should help to avoid unnecessary controversies like this in the future.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Speaker, I rise in strong support for the conference report to accompany H.R. 2313, the Federal Trade Commission authorization bill. We, the conferees on the part of the House, have returned to this Chamber with a bill that is fair and clearly sends the signal to the FTC that we do not want it to run roughshod through the private sector of the economy. For the first time in 3 years, we are now able to provide to the Commission the guidance and direction from the Congress that it has needed.

We have witnessed the FTC intervene in the private sector with investigations into the insurance industry, which historically is within the jurisdiction of the States, begin a rulemaking on children's television advertising, without even publishing a proposed rule, began a second rulemaking on agricultural cooperatives where jurisdiction generally belongs with the Department of Agriculture, and took administrative actions to strip a company of its rightful trademark as an innovative method for enforcing antitrust laws. These are actions which the Congress quite clearly does not approve of. We now have the moment at hand to tell the FTC to stop these actions and to live within the boundaries that the Congress is establishing for it.

I am the author of an amendment to this bill which restricted the authority of the FTC to petition to cancel trademarks because the trademark has fallen into common or generic usage. The test that the FTC took up was the possible cancellation of the trademark "Formica." In examining the case that the FTC had compiled against the Formica name, it was quite clear to me the FTC has no suitable reason to cancel the trademark, there was no proof of restriction of trade, too large a share of the market, or any form of anticompetitive behavior.

However, because the FTC could bring the full weight and "fortune" of the Federal Government to bear on the question of genericness, there was a real possibility that the trademark could be canceled. As was clearly pointed out in hearings before Chairman KASTENMEIER's Judiciary Subcommittee, the concept of what is a generic trademark and what is not, is such an unclear legal question that it defied definition after several hours of testimony by some of our greatest legal experts on the subject.

Because of the inability to define generic trademarks, there seemed little justification for allowing the FTC to continue in this unnecessary action. My amendment will bar the FTC from trying to cancel a trademark on the grounds that the mark was common or generic. It does not prohibit the FTC from taking the same action under different authority, nor does it prohibit an action by a company in the private sector. This amendment is still in this conference report and is a clear indication that the Congress is reasserting its authority to control Government regulations, actions and rulemaking. I am a firm believer that the economy would work much better if the Government reduced interventionist, bureaucratic tendencies. My amendment is just one step in that direction.

The House has made it clear that it considers the use of a legislative veto as an essential tool in controlling burdensome Federal regulations. This conference report contains this important feature. As many will recall, it was the lack of this veto provision that prevented us from reaching agreement on an authorization bill in the 95th Congress. I firmly support the inclusion of a legislative veto so that the Congress may, if it chooses to do so, have a final say on Federal regulation. Clearly the legislative veto is a major step in this Congress attempts to reassert control over Federal regulatory agencies.

The conference also took a major step in halting the rulemaking actions of the FTC regarding children's television advertising. The requirements added by the conference committee will force the FTC to reexamine the whole issue, publish a proposed rule which it had not done and proceed under more stringent grounds, if the case can be made. We could not allow the Commission to continue, willy-nilly on this rulemaking. The conference correctly required the FTC to start over, and on more substantial grounds if it is inclined to take actions in this area.

The Senate in its original bill did include a restriction on the FTC's rulemaking regarding voluntary standards setting organizations and the methods they employ in setting voluntary standards. The conference in its actions ruled that the rulemaking started by the Commission is probably not a question of unfair or deceptive acts or practices as defined in section 18 of the FTC Act, but rather, a question of unfair methods of competition as found in section 6(g) of the FTC Act. Although the conference report is silent on this point, the FTC may continue its standards and certifications rulemaking procedures under 6(g). Of course, the ultimate question of the FTC's authority in this regard is left with the courts. The courts have already ruled that the FTC does have rulemaking authority under 6(g), the *National Petroleum Refiners Association* v. *FTC*, F. 2d 672 (1973), Reh. Den., Cert. Den., 415 U.S. 951 (1974).

There are those who will claim that we did not act in the best interests of the consumer, that we caved into a variety of powerful, special interests. I think the people want the Congress to lead the Government, not to sit idly by while unelected and sometimes single vision bureaucrats develop regulations that continue to hamper the private sector with no appreciable improvement in the problem we were supposed to solve in the first place. We have not killed the FTC. We have brought it back under control, we have placed the Congress in front of the Commission, calling the shots because that is the way our Government is supposed to operate. The Federal Trade Commission has multiple responsibilities that it must undertake and carry out. I for one, support many of the responsibilities, but I cannot allow the FTC to lead a stampede of Federal regulation that is unnecessary, unwarranted, and unneeded.

I hope that all of my colleagues will join with me in supporting the Federal Trade Commission conference report. I believe that it strikes the proper balance between congressional control and the need for consumer and business protection.

□ 1710

So, Mr. Speaker, I am fully in support of this conference report, and I congratulate the leadership of the conference in bringing it about.

I would like to engage in colloquy briefly with the chairman of the subcommittee.

Mr. Speaker, H.R. 2313 amends section 6 of the FTC Act to say that the FTC may issue reports and studies relating to the business of insurance only if requested by the Commerce Committee of either House. Does this affect the FTC's law enforcement authority with respect to health care plans, including health maintenance organizations and individual practice associations?

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. LUKEN. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, H.R. 2313 only addresses section 6 of the FTC Act, which covers the FTC's authority to issue studies and reports. The amendment does not alter the current extent of the Commission's law enforcement authority under section 5 of the FTC Act. The McCarran-Ferguson Act already exempts from the Federal antitrust laws, including the FTC Act, the "business of insurance" to the extent it is regulated by State law, unless a boycott, coercion, or intimidation is involved.

Whether particular activities of health care plans are the business of insurance under McCarran-Ferguson has not been fully decided by the courts, but the Supreme Court has recently given some guidance. In its 1979 Royal Drug decision, the Court said that arrangements by a health plan for the purchase of goods and services do not constitute insurance because they do not involve the spreading and underwriting of a policyholder's risk—which the Court called "an indispensable characteristic of insurance." The Court said this is true regardless of whether these provider agreements are regulated by the States or were regulated by the States when McCarran-Ferguson was enacted.

Therefore, to the extent that an activity of a health plan does not involve the spreading and underwriting of the policyholder's risk, it would not be "the business of insurance" under the Supreme Court's ruling. If the plan's activity in question is risk spreading and underwriting it may be "the business of insurance."

Mr. LUKEN. Mr. Speaker, I thank the gentleman from New York (Mr. SCHEUER), and I urge adoption of the conference report.

Mr. BROYHILL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I know 1,500 people in Columbus, Ohio, who would be tickled to death if the FTC had its funeral today and were carried out and would be dead forever.

It was through action of the Federal Trade Commission, through its Bureau of Competition, if you please, that they arbitrarily made a decision that did not permit Federal Glass of Columbus, Ohio, to be the subject of acquisition by Lancaster Colony. They said, "Well, this would stifle competition." Well, it did not stifle competition, but it created more of a monopoly because the FTC did not change its decision.

Federal Glass went out of business, and 1,500 persons who had been in the employ and business of the company which had been in existence over 50 years were gone. I can assure the Members that those 1,500 people would love to see the FTC and its personnel put to bed the same way they were.

Mr. Speaker, I was a conferee on this bill, and I am rising in reluctant support of the conference report, keeping in mind what the alternatives may be. If we did not accept this conference report, it might die, but I doubt if that would happen. There are enough supporters around here and enough of a bureaucracy to support it so that they would probably keep it going under a continuing authorization. That would give them all the control and authority they already have, and it would not be as restrictive as it would be if we adopted this conference report.

On that basis, Mr. Speaker, I reluctantily rise in support of the conference report.

Mr. STAGGERS. Mr. Speaker, I yield

1 minute to the gentleman from California (Mr. Coelho).

Mr. COELHO. Mr. Speaker, I rise to support the Federal Trade Commission conference bill and in particular to congratulate the conferees on taking the important step of reaffirming the Capper-Volstead Act. We will no longer have to hear the argument that the Capper-Volstead Act was "depression era" legislation. Section 20 of the bill ratifies the intention of Congress in adopting the Capper-Volstead Act to foster and encourage the organization and operation of agricultural cooperatives.

The fact is that it is only through participation in agricultural cooperatives can the small independent farmer retain his identity and still compete in the dynamic marketplace. The role of agricultural cooperatives in my State of California has been admirable in all aspects of agricultural marketing, including exports. Anyone who has ever farmed knows the difference between participating in the distribution and marketing of an agricultural product by a grower member of a cooperative as contrasted to the farmer who must merely sell his crop at a cash price to a giant conglomerate.

By clarifying that the Federal Trade Commission does not have authority over conduct which is protected by the Capper-Volstead Act, we will help remove the uncertainty that has existed with respect to antitrust enforcement agains cooperatives.

This legislation represents an important step forward for U.S. agriculture by improving the climate in which our agricultural cooperatives operate.

Mr. BROYHILL. Mr. Speaker, I had promised the gentleman from Illinois (Mr. Russo) that I would yield him some time, and I now yield the gentleman 4 minutes.

Mr. STAGGERS. Mr. Speaker, I yield 4 additional minutes to the gentleman from Illinois (Mr. Russo).

The SPEAKER pro tempore (Mr. Dicks). The gentleman from Illinois (Mr. Russo) is recognized for 8 minutes.

Mr. RUSSO. Mr. Speaker, I rise today to discuss what happened to what has become known as the Russo amendment on the Federal Trade Commission's funeral services investigation. That amendment was passed by this body on November 14 of last year by the overwhelming vote of 223 to 147.

Yesterday I issued a "Dear Colleague" letter which spelled out all the facts of the situation, and I will include that in the Record at the end of my remarks.

I was appointed a conferee to represent the House position on the funeral amendment, and I did so when offered the opportunity. However, in all candor, the opportunity was scarce.

What I am here to discuss may be summed up in two words: "due process." If the Members recall, the main reason I brought the funeral issue to this body's attention in the first place was the question of process. I maintained, and correctly so, that the FTC launched a vendetta against the funeral industry. They were biased from the beginning, did not follow proper administrative procedures in many instances, and, I believe, violated the law at times.

It was, therefore, difficult for me to perceive that that same sort of performance would exhibit itself in a congressional conference on the FTC. But it did.

I was appointed an FTC conferee on my amendment alone. Unfortunately, I was never dealt with directly on my amendment with all of the conferees. I could not even discuss a possible compromise to my amendment with the Senate because the House conferees voted against it. In my opinion, the House position on the funeral rule was totally negated by certain House conferees.

Shortly after the first conference meeting, I met with three House conferees who wanted to discuss with me a possible compromise on the funeral rule. Now, remember, I said the House conferees wanted to compromise our position in the House.

It essentially was the compromise that was finally approved, so do not believe that it was the Senate that came up with the funeral compromise; it was a few of the House conferees. When I asked these House conferees for a written copy of that compromise to study, my request was refused because they said, "Nobody else has it, and we don't want it to be leaked out."

After that two of the House conferees held several meetings with some of the Senators. Supposedly, they were representing the House position on all the issues.

After I objected to what was going on in a letter to the Speaker, a meeting of the House conferees was scheduled for April 24. This was almost 2 months after we had been appointed. At the time, however, I was unfortunately, in the hospital. By letter I asked the chairman of the conferees to delay discussion of my amendment until I could be present. They did not. Some of them had stalled around and operated in secret for 2 months, but they could not wait a few more days to discuss my amendment.

□ 1720

They accepted the phony Senate compromise. I say "phony" because I have already explained its origin.

On April 30, prior to the full conference meeting, I met with the other House conferees. I told them that their compromise was a total sellout of the House position. I offered a compromise of voluntary guidelines at that meeting. My offer was voted down 5 to 4. This meant that I could not even offer my compromise to the Senate because the House conferees blocked my effort.

Now, remember, they are appointed to sustain the House position. Yet they blocked me from even offering it, after refusing to allow me to even discuss it for 2½ months.

We adjourned from that meeting, we went to the Senate, and the full package was approved. It is important to note that, although our chairman gave a letter to the Senate stating that we were unanimous, we were not. I did not favor the compromise, and I know of another conferee who felt likewise.

Unfortunately, this is not the end of the story. When the conference report was issued, I found out that the language in the explanatory statement was much broader than the compromise. Why, I do not know. It is clear, however, that the House position was totally negated. I feel it is important that my colleagues know what has transpired. We cannot continue to say, "The will of the majority be damned," and act accordingly. That is what happened in this conference. An overwhelming majority vote in the House was totally ignored by the House conferees.

I was a conferee, but I really was not. All the House conferees never sat down together and discussed all the issues. Obviously, a decision was made somewhere, and that was that. I am saying, then, that I do not feel that the House position was fairly represented in this conference because of the action taken by certain of the House conferees.

I do not know how other Members feel about other issues in this bill, but I believe it is my duty to report to you on the amendment you charged me with protecting on February 28. How you decide on the overall bill is up to each and every one of you. You now have the facts on the funeral amendment.

At this point, Mr. Speaker, I would like to ask my colleagues, the gentleman from New York (Mr. Scheuer) and the gentleman from North Carolina (Mr. Broyhill), why the explanation of the funeral compromise is not accurate. The funeral compromise allows the FTC to consider a new rule based upon the following, and I quote, and I take this time for legislative history:

> (c)(1) The Commission shall have the authority to use the funds specified in subsection (b) to issue the funeral trade regulation rule in final form only to the extent that the funeral trade regulation rule (in its final form)—
>
> (A) Requires persons, partnerships, and corporations furnishing goods and services relating to funerals to disclose the fees or prices charged for such goods and services in a manner prescribed by the Commission: and
>
> (B) Prohibits or prevents such persons, partnerships, and corporations from—
>
> (i) Engaging in any misrepresentation;
>
> (ii) Engaging in any boycott against, or making any threat against, any other person, partnership, or corporation furnishing goods and services relating to funerals;
>
> (iii) Conditioning the furnishing of any such goods or services to a consumer upon the purchase by such consumer of other such goods or services; or
>
> (iv) Furnishing any such goods or services to a consumer for a fee without obtaining the prior approval of such consumer.

Yet the language of the joint explanatory statement of the conference committee says, and I quote:

> The conference substitute adopts the House provision with an amendment which prohibits the Commission from issuing a funeral rule unless that rule is limited to mandating price disclosures—and these are the key words—banning deceptive or coercive practices, and prohibiting unlawful practices such as boycotts or threats.

One question is: Where did the phrase "banning deceptive or coercive practices" come from? That is the general term describing most of the FTC mandate. It is not part of the compromise. It is not contained in the letter sent by the Senate to the House.

I would like the gentlemen to explain that provision.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from North Carolina.

The SPEAKER pro tempore (Mr. MURTHA). The time of the gentleman from Illinois (Mr. RUSSO) has expired.

Mr. BROYHILL. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. Speaker, in my judgment the words "deceptive or coercive practices" are descriptive of what is the controlling words in the conference report, and that is boycotts or threats, and is not meant to add to in any way the prohibition against a person's engaging in boycotts or threats.

Mr. RUSSO. Mr. Speaker, as I understand the compromise, the compromise was discussed as limiting the original rule, and this is the best possible compromise we could achieve. But adding the words "coercive and deceptive practices" brings us back into the entire full mandate of the FTC, which brings us back to the original full rule.

Mr. BROYHILL. I do not agree with the gentleman because, in my judgment, "coercive" describes boycotts or threats.

Mr. RUSSO. I thank the gentleman for his comments, and I thank the gentleman for yielding me time.

Mr. Speaker, I insert in the RECORD at this point my "Dear Colleague" letter:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1980.

Re Federal Trade Commission Amendments Conference Report No. 96-917.

DEAR COLLEAGUE: "The law embodies the story of a nation's development through many centuries, and it cannot be dealt with as if it contained only the axioms and corollaries of a book of mathematics."—Oliver Wendell Holmes, Jr.

Tuesday, I intend to take the House Floor because the Members of this body should be aware of what transpired during the Federal Trade Commission conference and the manner in which the House position was represented. The questions I intend to raise relate to the basic questions of due process both here in the Congress and at any agency where the Congress delegates some of its legislative responsibility. I am not here to again argue the entire funeral rule issue. I am here because, while I am disappointed, frustrated, and frankly disillusioned, I nevertheless believe it is my duty to make sure that all the facts are presented to this body.

My position has never been that the FTC should cease to exist. Over the years they have done many fine things for both small business and consumers. What I have tried to point out is that in recent years they seem to have lost their way, and we in the Congress are to blame for the most part.

Under the Magnuson-Moss Act we expanded the agency's powers greatly, yet have performed little effective oversight which is why we are where we are today. These are not just my sentiments. Let me quote the Administrative Conference of the United States on the FTC's rulemaking activities:

"The Administrative Conference's study of the implementation of the Magnuson-Moss Act by the Federal Trade Commission provides compelling evidence that when the underlying grant of authority to an agency is as broad as that in Section 5 of the Federal Trade Commission Act, hybrid rulemaking procedures are not an effective or efficient means of controlling agency discretion."

We need to take a much closer look at what has been going on at the FTC. I attempted to point out many of the abuses that occurred during the funeral investigation during our debate on November 14, 1979. (An appendix to this letter details the issues.) The House voted 223-147 to end that FTC venture.

I was then appointed a conferee on my amendment alone. Unfortunately I was never dealt with directly on my amendment. I could not even discuss a possible compromise to my amendment with the Senate because the House conferees voted not to let me. In my opinion, the House position on the funeral rule was totally negated. While I am not as familiar with the other issues the House voiced their opinion on, I believe the Andrews amendment and our legislative veto were for the most part negated also.

I believe a brief chronology of what happened is necessary for the record. It appears to me that the Rules of the House may need to be changed. Due process obviously suffers in conference as well.

On February 20, Senate conferees were appointed. On February 28, the House conferees were appointed. On March 13, all conferees met and for the most part did nothing other than to instruct the staff to get together and discuss the differences in the two bills.

Shortly after that I met with three House conferees who wanted to discuss with me a possible compromise on the funeral rule. It essentially was the compromise that was finally approved. So do not believe that it was the Senate that came up with the funeral compromise; it was a few of the House conferees. When I asked the House conferees for a written copy of the compromise to study, my request was refused.

On March 26, all the conferees met and discussed what were termed "minor issues." Following this meeting apparently two of the House conferees met several times with some Senators. Some would term these meetings "secret", others would term them "informal."

On April 16, I wrote to the Speaker asking him why all the House conferees had not met to discuss the issues.

On April 24, nine of the seventeen conferees were invited to the White House to discuss the bill with the President. Contrary to various reports, I was never invited to that meeting. On the same day the House conferees met on a Senate package proposal. The package had been sent by Senator Cannon on April 17. I received a copy of the package at 2:00 p.m. on April 22 after having called and asked why I had not received a copy.

Unfortunately, I was hospitalized on April 23, the day before the meeting. I wrote the House conferees asking that they postpone discussing my amendment until I could be there. They went ahead and voted to accept the compromise anyway. Apparently they believed time was of the essence. Although two months had passed with little activity, a few more days on my one amendment was out of the question.

On April 30, prior to the full conference meeting I met with the other House conferees. I told them that their compromise was a total sell-out of the House position. I offered a compromise of voluntary guidelines. My offer was voted down 5-4. This meant I could not even offer my compromise to the Senate because the House conferees blocked my effort.

We adjourned, went to the Senate, and the full package was approved. It is important to note that although our Chairman gave a letter to the Senate stating that we were unanimous, we were not. I did not favor the compromise and I know of another conferee who felt likewise.

Unfortunately, this is not the end of the story. When the conference report was issued, I found out that the language in the explanatory statement was much broader than the compromise. Why, I do not know. It is clear, however, that the House position has been totally negated.

I believe it is important that my colleagues know what has transpired. While much of what I have said may be old hat to some of you, it is new to me. We in the Congress must change our ways or we will continue to sink lower and lower in the public esteem and rightfully so. We can't continue to say, "the will of the majority be damned" and act accordingly. That is what happened in this conference. An overwhelming majority vote in the House was totally ignored.

I was a conferee but I really wasn't. All the House conferees never sat down together and discussed all the issues. Obviously, a decision was made somewhere and that was that. On to the next bill.

I am saying then that I do not feel the House position was fairly represented in this Conference because of actions taken by certain of the *House* conferees. I believe in telling people where I stand and in sticking by my word. My actions on this Amendment reflect this. I would hope the House of Representatives could feel that this same attitude would be present in its work on the Floor and in Conference.

Quite frankly, I did not like what I saw during the FTC conference and I don't think a lot of you would either. You should be concerned with what happened and that is why I have taken the time to tell you.

Sincerely,

MARTY RUSSO,
Member of Congress.

APPENDIX—THE FEDERAL TRADE COMMISSION AND DUE PROCESS

In 1976, I was in my first term in the Congress. During that year I was a member of a Small Business Subcommittee chaired by our former distinguished colleague, William L. Hungate of Missouri. The subject of some of his hearings was a proposed Federal Trade Commission regulation and its effect on small business. As I listened to several days of testimony, I could not believe some of the testimony which was delivered.

Basically, representatives of a small business intensive industry were telling us that some employers of a Federal agency had decided that federal regulation of their industry was in order. Among the alleged abuses of the process which came to light then and later are the following:

1. No witnesses were sworn at any of the FTC hearings.
2. No one was allowed to examine FTC staff on the funeral issue, in direct violation of the legislative history of the Magnuson-Moss Act.
3. FTC staff vigorously sought out "friendly" consumer groups to take advantage of public funds participation yet contacted no one else—for example, minority funeral directors.
4. Materials were incorporated into and referred to in the final report which were outside the rulemaking proceeding.
5. The FTC staff took well over a whole year to compile their report summarizing the hearings, yet asked interested persons to comment on the 600 page report in thirty days. They finally granted an additional thirty days to comment only after the original thirty days had almost expired.
6. On occasion, the hearing officer prevented cross-examination of certain witnesses.

What intrigued me further was the way the investigation was begun and ended. When the FTC began, they told us (under oath) that they had less than a dozen complaints on file. They then spent six months reading articles, magazines, books, etc. At the end of their long, expensive investigation they had a little over 1,000 complaints. The FTC staff said the following in their final report:

"Even without verification of these statistics, the only fair conclusion which can be drawn from the record evidence is that the number of consumer complaints filed against funeral directors is indeed modest and consumers are generally satisfied with the performance by funeral directors."

All of this work on a small business industry which is one of the few left in the nation which is truly local and intrastate by nature.

I knew what had transpired at the FTC. Process and proper administrative procedures had been sorely abused. It was my responsibility as a Member of the Congress to point these things out. And I was not alone. The antitrust section of the American Bar Association and the Administrative Conference of the United States both criticized FTC rulemaking.

Mr. BROYHILL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, just unless anybody believes that there is unanimous agreement here that we should continue this Agency, I wish to rise as one voice and say that I regret that we allow this Agency to continue in existence. I think my colleague from Minnesota and my colleague from New Jersey amply described how unwarranted and useless this Agency has become. It does not protect the consumer. It spends its time consumed in bureaucratic rhetoric and creating and chasing people it does not need to chase.

I just wonder what this Congress would be like if we ever actually had sunset legislation. This was an area where we could have sunsetted an agency, as my colleague from Minnesota, I think, amply described, chases all kinds of mysterious problems that do not exist, engages people in all kinds of unnecessary legal expense, and really does not protect the consumer. That is what it was supposed to do. So I hope when this agency comes up for renewal that this committee will really genuinely look to see if it is needed, if it is performing services to the consumer it is supposed to perform, or if it is just engaged in bureaucratic nonsense, as so many of my colleagues have described that it is engaged in.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, we do not have to wait until the end of the 3-year authorization period. As a result of the legislative veto provision, we now will have a chance to scrutinize each trade regulation rule that the Commission promulgates and, if we deem it appropriate, vote to overturn any rule.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I rise in support of the conference report. I agree with my colleagues, the gentleman from New York and the gentleman from Texas, that the conference report does not, in my judgment, meet all of the pressing priorities that we need, in terms of the Federal Trade Commission. But I think the gentleman from New York (Mr. SCHEUER), the chairman, and the gentleman from North Carolina (Mr. BROYHILL) have worked very, very hard and diligently to get this conference report put together. I think it deserves the support of the Members of the House.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, I wish to thank my colleague, the gentleman from Washington (Mr. DICKS), for the extraordinary support that he gave us in the Appropriations Committee trying to work out this terribly complicated and emotionally charged issue of the continuing resolution. He did a marvelous job, and we are grateful.

Mr. DICKS. I appreciate the gentleman's remarks. I would also like to say to the gentleman from New York that a lot of my colleagues on the Appropriations Committee will be very glad that this authorization bill is finally enacted.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I rise in strong support of the conference committee report, and I would like to commend the chairman of the committee and, in particular, the chairman of the subcommittee and the ranking minority member of the committee, for their outstanding leadership in fighting for and bringing to us a conference committee report that meets the mandate of the House and its positions.

I felt at some times that the gentleman from North Carolina and the gentleman from New York were leading the children of Israel through the wilderness for 40 years; but today we have reached the promised land.

We have become a government—not of laws passed by elected officials and representatives—but a government of regulation. These regulations are established by people who are not elected and who do not suffer the inconvenience of going before the voters every 2 years to have their record looked into.

Mr. Speaker, that is why this legislation is truly landmark legislation. Today we have reached a milestone in a struggle to return to the American people control over their own Government and to let the Congress, elected by the people, have the say-so about those rules which become the laws which govern our lives. We can no longer leave it to the unelected bureaucrats.

The proposition is a very simple one: Who makes the laws in this country? Is it the unelected bureaucrats, or is it the elected Congress?

When the U.S. Constitution was written, when the Declaration of Independence was proclaimed, it was inherent in these documents that we were going to become a Government in which the people of this country made the final decisions about those laws under which they would be governed, those laws would have an impact on the quality of their lives, their businesses and their professions. Inherent in this whole concept was the idea that the people of this country, through their elected representatives who were accountable to them, would make the final decisions. This was fundamental. This was article I of the Constitution.

Now as a result of technological changes, the great growth and the complexity of our social and economic system, we have begun to move away from this fundamental concept. This was probably because of necessity in the beginning, when it became clear that the elected Congress could not by itself deal with every aspect of our society, of our economy, of our technology. We needed expertise in agencies, both in the executive branch and in the independent agencies.

This legislation, for the first time applying a legislative veto to all rules issued by a so-called independent agency, has set forth the proposition that it is the elected officials, accountable to the public, who have the responsibility and that we cannot abandon, indeed we must recapture for the American people, control over those rules that affect their lives.

□ 1730

The legislative veto is not a revolutionary thing: It simply says that anytime a rule having the effect of law is issued, you have got a shot at deciding whether it ought to be the law or not. I think that is pretty simple. But the real importance is not that Congress is going to spend days and hours, weeks and months just passing on regulations. I think the real benefit will be that it will sensitize the people in Washington who are writing those rules and regulations. It will let them know that there is something that can be done about it.

I tell you that is not a question which addresses itself simply to the parochial interests of any group; it is a question that goes to the heart and soul of our entire system of government. If we cannot reclaim for the American people their rights to govern themselves, all the other things we think are so great and good will go by the board. We are on our way to a tyranny by the bureacracy.

Bureaucracy becoming rampant is what has undermined the confidence of the American people; and I think that the dam of resistance against regulatory reform and against accountability through legislative vetoes has been breached today, and we are going to see more and more efforts by this Congress to recapture control over those rules and regulations which affect the lives and livelihoods of the American people.

The legislative veto provision is a constitutional exercise of our constitutional powers. Article I, section 1, of the Constitution of the United States says that the Congress of the United States has all the legislative power, and what we are doing by this legislation is recapturing for ourselves—and the American people—that power.

I will insert at this point in the RECORD various references to the constitutional underpinning of this section:

Cooper, Joseph and Ann, "The Legislative Veto and the Constitution," *George Washington Law Review*, Vol. 30, March 1962.

Miller, Arthur S. and George M. Knapp, "The Congressional Veto: Preserving the Constitutional Framework," *Indiana Law Journal*, Vol. 52, No. 2, Winter 1977.

Schwartz, Bernard, "The Legislative Veto and the Constitution—a Reexamination," *George Washington Law Review*, Vol. 46 No. 3, March 1978.

Stewart, Geoffrey S., "The Constitutionali-

ty of the Legislative Veto," *Harvard Journal on Legislation*, Vol. 13, No. 3, April 1976.

Watson, H. Lee, "Congress Steps Out: A Look at Congressional Control of the Executive," *California Law Review*, Vol. 63 No. 4, July 1975.

What we are doing here today means that in the future, when the FTC issues rules which have the force and effect of law, the final accountability for that responsibility of lawmaking will reside in the Congress, which is accountable to the American people.

Now, I would like to ask my colleagues from New York to engage in a brief colloquy with me.

As the gentleman from New York knows, under the congressional review procedure included in the conference report, Congress has 90 days to conduct a review of any regulations proposed by the FTC, and the review procedure is scheduled to sunset on September 30, 1982. I am concerned about a situation where the FTC submits a proposed rule on a day that is within 90 days of the sunset date. In such a situation, Congress might not be able to complete its review of the proposed rule before September 30, 1982. Was it the conferees' intention that Congress would be allowed to complete its review, and including possible veto, of any rules submitted in such a situation?

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. SCHEUER. Absolutely, the intention of the conferees is that Congress have a full 90 days to review, and veto if necessary, all rules submitted during the period of this authorization. In cases such as the one you described, the review period would run beyond September 30, 1982, and the applicable judicial review would also be applicable.

Mr. LEVITAS. I thank the gentleman.

Mr. STAGGERS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. MAGUIRE), a member of the committee.

Mr. MAGUIRE. Mr. Speaker, I rise in reluctant opposition to the conference report. I know that many of my colleagues who believe that the Commission can play a vital role in stimulating the competitive forces in our economy are looking forward to seeing that the FTC gets its authorization bill, hopefully not too much the worse for wear, and would like to move on from here. For my part, however, I must dissent.

There are compelling substantive and philosophical reasons for my doing so. Simply put, there are provisions in the conference report which will do great injury to the cause of consumer protection. But more so, the conference report represents a fraud which we are perpetuating on the American people. Under the guise of regulatory reform, we are hamstringing an effective agency which promotes competition and which fights inflation in the marketplace. Despite the fact that we are providing for a legislative veto, we are sidetracking certain Commission investigations—not on the basis of careful scrutiny, but on the basis of pressure from certain special interests. In addition to the damage which this does to the various sectors of the economy to which the FTC inquiries were addressed, we are doing a grave disservice to the worthy goal of true regulatory reform.

Let me discuss one substantive disagreement which I have with the conference report. The most serious item, is in the area of children's advertising. This provision suspends the children's advertising proceeding until the FTC votes to publish a proposed rule. It requires further that actions on advertising by the Commission be based solely on the "deceptive" standard because the term "unfairness" which has been used extensively by the Commission since its inclusion in the FTC Act in 1938 is being consigned to a regulatory Siberia for the length of the authorization bill.

In commenting on the elimination of the "unfairness" standard, Senator MAGNUSON, author of the Magnuson-Moss Act, said "Other than the protests of the advertisers and broadcasters opposed to the children's advertising rule, there has been no charge that the Commission's application of this concept has been injudicious or inappropriate."

Procedurally, this legislation now takes the unprecedented step of interrupting a Magnuson-Moss proceeding. What a message to be sending our constituents. They would love to be able to extricate themselves from the wrenching which they are taking from inflation with the same degree of ease which the advertisers and broadcasters have wriggled from the children's advertising proceeding. Because they know they cannot, the resentment they have shown to Government will only further be exacerbated with the help here of the Congress.

So by proceeding in this manner we have: First, overturned precedent by eliminating the "unfairness" test from the Commission's powers; second, prevented the Commission from compiling a decent hearing record from which we could judge whether a proposed rule should become effective on children's advertising; and third, layed the groundwork for more hostility which, to be attenuated, will surely require an even larger dragon than the FTC to be slain.

The damage done by the insurance amendment, the standards and certification rule, and the agricultural cooperative amendments may be as great. Suffice it to say that we are preserving market concentration, market dominance, and restraint of trade in these provisions—there is just no getting around it. And, we are doing so at a time when our economy would benefit from heightened competition and much more challenging economic activity in each of these sectors.

What is ironic about this episode is that this severely deficient bill will be sold as a regulatory reform measure. It is not, but that is how it will be packaged and what is worse, the FTC will not be able to criticize our use of this misleading advertising as unfair. My real fear is that the creative and active impetus for real progress in the area of regulatory reform may be dissipated.

What happened to the sunset bill? What happened to H.R. 65 which called for midterm review of programs? Why is there no active movement toward applying the EPA's bubble concept—which substitutes market incentives for economic punishment to inspire compliance with air pollution standards—in all spheres of regulatory practice. Where is the careful application of cost-benefit analysis in all of these so-called regulatory reforms where industry and consumers can equally benefit?

During the Chrysler debate a member who shared my views on that issue stood up and said that he was speaking for the free enterprise system. Today, I will stand up and speak for the benefits of creative activity which has reduced disease mortality by 7 percent as a result of restraint in sulphur dioxide emissions. Today, I will stand up for the 28,000 lives saved by automobile safety standards. I will stand up for the 44 percent reduction in crib deaths resulting from CPSC rules. I will stand up for 1.5 billion gallons in annual fuel savings. We can distinguish good regulation from bad, but that is not what we have done with this conference report.

Today we are indeed cutting the FTC "down to size." Today we could be beginning a movement toward restoring the Commission to the role of moribund national nanny which it played for far too long. By doing so, we will not restore the unemployed to their jobs, we are not restoring the lost productivity edge which our economy enjoyed for so many years. What we are doing, instead, is further insulating our markets from the higher degree of competitiveness which the Commission's scrutiny could and should provoke. This Congress can and should do better. The distinctions are there to be made. The conference report on H.R. 2313 makes verv few on behalf of the public.

I understand that the gentleman from New York, if he would permit me to yield to him at this point, does make some commitments with respect to hearings on the fairness question in the future. Is that correct?

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. SCHEUER. The gentleman is absolutely correct. It was agreed by the Senate conferees through Senator FORD that they would have hearings on the question of unfairness starting early next year. My subcommittee also will hold comprehensive hearings on the meaning and implication of the unfairness doctrine in the near future.

The SPEAKER pro tempore. The time of the gentleman from New Jersey (Mr. MAGUIRE) has expired.

Mr. STAGGERS. Mr. Speaker, I yield 30 minutes to the gentleman from New York (Mr. SCHEUER).

Mr. MICA. Mr. Speaker, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Florida.

Mr. MICA. As a point of clarification, it is my understanding that any State with with regard to funeral regulations, any State that has in place regulatory agencies and rules that are stronger or equal to this regulation, this bill will be exempted from this legislation.

Mr. SCHEUER. Yes. The conference substitute requires that the Commission set up an exemption mechanism which will allow the FTC rule to be displaced if the State can demonstrate that its rule, regulation or statute provides an overall level of protection as great or greater than the FTC's rule.

Mr. MICA. So that I understand a State like Florida would be exempted.

I thank the gentleman.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

In the conference report we have included a provision for expedited judicial review of the legislative veto provision. Although the Congress cannot alter the jurisdiction of the courts as provided in article III of the Constitution, the courts have held on a number of occasions that the Congress may remove all prudential limitations on reviewability. In this context, would the gentleman agree that the purpose of this provision is to remove such barriers to review and to direct the courts to decide this constitutional question at the earliest occasion permitted under the Constitution and laws of the United States?

Mr. SCHEUER. Absolutely. There is no question about it.

• Mr. PREYER. Mr. Speaker, the conference report on the Federal Trade Commission amendments represents a balanced and responsible compromise between the House bill and the Senate amendments. There were a number of major issues not addressed in the Senate amendments that the House had addressed in the hearings and in the bill. There were also major issues which the Senate had debated extensively in committee and on the Senate floor. Together the members of the committee of conference labored to resolve these differences in a responsible way, recognizing the substantial effort that had been made on both sides.

Among the Senate amendments was an amendment to section 18 of the Federal Trade Commission Act, the so-called Magnuson-Moss Act, which would have established "false or deceptive" as the standard for FTC rules governing commercial advertising acts or practices in or affecting commerce. Under existing law, those commercial advertising acts or practices which the Commission finds to be "unfair or deceptive" may be prohibited by rulemaking.

Mr. Speaker, it is well settled that commercial speech, including the content of commercial advertising, is protected speech under the first amendment. In the children's television advertising proceeding, the FTC's staff has asserted that the Commission has almost unlimited power to prohibit "unfair" commercial speech, with the Commission itself sitting in judgment to determine which commercial speech violates its concept of "fairness." As noted in the Senate committee report (S. Rept. 96–500):

> (b)y assuming the authority to decide that particular commercial speech (although truthful and nondeceptive) is somehow "unfair" and should be banned on this basis, the Commission has taken a step into an area permeated by First Amendment concerns.

The conference report incorporates the thrust of the Senate amendment with respect to the regulation of commercial speech. Under the conference report, the FTC will be prohibited from promulgating a rule in the children's advertising proceeding on the basis that such advertising constitutes an "unfair" act or practice. Thus, the only children's advertising rule in this proceeding, or in a substantially similar proceeding, that could be promulgated would be on the basis that such advertising is "deceptive."

Mr. Speaker, the conference report also prohibits the FTC from initiating any other rulemaking proceeding which would prohibit or otherwise regulate commercial advertising on the basis that such advertising is "unfair." This latter constraint is for the life of the authorization—through fiscal year 1982. Obviously, this latter limitation on Commission authority was limited to the 3-year life of this authorization because the House of Representatives must hold hearings, and develop its own legislative recommendations, before a final decision is made on the use of "unfairness" as a standard in regulating or prohibiting commercial speech. In the meantime, the legitimate first amendment concerns of the Senate have been protected and the FTC, for the next 3 years, will have no further opportunity to encroach upon an area explicitly protected by our Constitution.

Mr. Speaker, the FTC for the life of this authorization will be limited to the traditional role of government in protecting consumers from nontruthful and deceptive commercial speech. The courts have had ample occasion, over the years, to define the limits and establish the parameters. The committee of conference intends no departure from the traditional concept of "deception" used by the FTC, and endorsed by the courts, for many decades.

Mr. Speaker, it should be stressed that the committee of conference has taken no position with respect to the Commission's powers to bring cases against specific advertisements by individual companies under its "section 5" authority. The rulemaking context, applicable to an entire industry, has been addressed in the manner outlined earlier in these remarks because of the far-reaching nature of such proceedings and the potential for abuse in such proceedings.

In exercising its rulemaking authority, the Commission will be governed by legislative history set forth in the Senate report. Only that commercial speech traditionally regulated or banned as "deceptive" will be subject to FTC regulation and control under its "Magnuson-Moss" rulemaking powers. The courts have established that truthful and nondeceptive speech is protected in a long line of cases. The conferees expect the FTC to follow the precedents.

Mr. Speaker, the former Solicitor General of the United States, the Honorable Robert H. Bork, has submitted a paper to the Senate Committee in response to that committee's request for views on the use of the "unfairness" standard in regulating commercial speech. Mr. Bork is now Alexander M. Bickel, professor of public law at the Yale Law School.

Mr. Speaker, Professor Bork notes that

> (a)n unfairness doctrine construed so broadly as to confer the power to regulate truthful, nondeceptive commerial speech is, of course, a power to regulate the content of virtually all commercial speech. Given the Supreme Court's decisions, that asserted power seems certain to face very serious constitutional difficulty.

The committee of conference has taken the steps necessary to protect commercial speech from FTC rules that overreach the limits of protected speech. But our action under section 18 is for the limited term of this authorization, and neither the House nor the Senate has addressed the unique problems of regulating commercial speech on a case-by-case basis. The Senate committee has made a commitment to hold timely hearings. The House committee should do the same. In the next Congress, our respective committees have a profound duty, in my judgment, to resolve this problem and establish guidelines which will keep this Commission, and future Commissions, from encroaching upon protected commercial speech.

Thank you, Mr. Speaker.

Mr. Speaker, I would like to make a few remarks for the Record in regard to two aspects of the conference report on the Federal Trade Commission amendments bill (H.R. 2313). The first is in regard to the scope of disclosure restrictions and the second refers to sharing information with States, Congress, and other Federal agencies.

SCOPE OF DISCLOSURE RESTRICTIONS

Section 14 of the bill provides in section 21(b)(3)(B) that the custodian may provide copies of documents to authorized officers or employees of the Commission. This does not preclude use of these documents by consultants retained by the Commission, including those retained on a temporary or part-time basis as contractors, provided that they will be using the documents for official business and have signed a written agreement not to disclose information without the Commission's consent.

Section 21(c) permits companies to designate certain information submitted to the Commission "confidential," in which case the Commission may not disclose the information without giving notice. This provision is not intended to apply to everything filed with the Commission. Rather, Congress expects that submitters will limit their designations to information which they believe may not be made public under section 6(f) of the act. Moreover, it is not contemplated that this subsection would apply to correspondence, pleadings, motions, and other documents designed to secure relief or to affect official Commission proceedings, except as to portions which contain trade secrets or confidential and commercial information. Instead, it is intended to protect the proprietary interests of submitters. In addition, if portions of documents are marked as containing proprietary information, only those portions would be subject to the notice requirement. Release of these documents to State and Federal law enforcement agencies without need to give notice is permitted because these disclosures are governed by section 6(f).

SHARING INFORMATION WITH STATES, CONGRESS, AND OTHER FEDERAL AGENCIES

In section 3(a) and section 14 of the bill, amending section 6(f) and adding a new section 21 to the FTC Act, we intended to confirm the Commission's policy of providing documents and information on a nonpublic basis to Federal law enforcement agencies and to State attorneys general for State law enforcement purposes. This sharing of information is in the best spirit of Federal-State cooperation. It enhances the States' ability to remedy, in a manner chosen by the State, economic activities that have adversely affected their citizens. It saves taxpayers' money by minimizing duplication of efforts and by reducing the time and effort necessary to conduct State investigations.

The purpose of these provisions is to make it crystal clear that the Commission has this authority and that it should be able to exercise it without undue delay and restraint. It is intended to prevent situations like those occurring in two recent cases. In one, Interco, Inc. against FTC, it took some 17 months of litigation before the Commission was free to disclose documents to more than 20 State attorneys general. In another, Martin Marietta Corp. against FTC, the Commission spent 4 months discussing the proposed disclosure with company personnel, then was enjoined from disclosing the document for another 8 months before the Commission could disclose it. By clarifying the law, we hope to put an end to litigation of this type which needlessly delays and hampers the ability of our State attorneys general to protect the citizens of their States.

As to information that is not subject to a custodianship arrangement under section 21(b), the Commission is authorized to make public information that is neither a trade secret nor confidential commercial and financial information (section 6(f)).

The Commission may disclose the results of investigations or studies provided that the section 21(c) information is not revealed without prior notice in an identifiable manner individually, or does not reveal a trade secret or confidential commercial and financial information of any person (section 21(d)(1)(B)). The Commission may disclose trade secrets and confidential commercial and financial information in the following circumstances; first, it may disclose such information to Congress (section 21(d)(1)(A); second, it may disclose such information to Federal and State law enforcement agencies, provided that those agencies promise to use it for law enforcement purposes only, and to keep it confidential (section 6(f)); third, relevant and material information may be disclosed in Commission administrative proceedings or in judicial proceedings, but it may be made subject to appropriate protective orders by the court (in a judicial proceeding), by the administrative law judge (in the case of adjudicative proceedings), or by the Presiding Officer (in the case of trade regulation rulemaking proceedings), as provided for in the Commission's Rules of Practice, 16 CFR Section 1.18(b), 3.45. Sections 21(d)(1)(C), 21(d)(2). See Senate Report No. 96-500 at 27-28; fourth, disclosure may be made pursuant to certain statutes that authorize disclosures to other Federal agencies (section 21(e)); and finally, disclosures may be made of disaggregated information obtained under the Federal Reports Act to Federal agencies, but the agencies may use the information only for economic, statistical, or policymaking purposes, and may not disclose that information in an individually identifiable form.

As to the last provision, it is the intent of the conferees to codify current Commission practice which is to allow the Department of Commerce's Bureau of Economic Analysis (BEA) access to individual quarterly financial reports collected by the FTC. This information is used by BEA for purposes of preparing the estimates of the national income and product accounts. Other Federal agencies do not currently have access to disaggregated data gathered under the quarterly financial reports program and we expect no change in this practice. However, if any need arises for a change in this practice, we expect the Commission to notify the Commerce Committees.

As to information that the Commission obtained before enactment of this bill, the respective prohibitions and authorities contained in sections 6(f), 21(d), and 21(e), apply regardless of whether the information was obtained before or after the effective date of the act. Sections 21(a), 21(b), and 21(c) apply to material obtained by the Commission after the effective date of the Act.

Finally, sections 6(f) and 21(b) require agencies that receive the information from the Commission to maintain the information in confidence. In addition to the specific conditions in section 21(b)(6), as stated above, these provisions are not intended to preclude use of documents as evidence in a law enforcement proceeding. Also, if both the Commission and the provider consent, the recipient agency may make information covered by these provisions public.●

● Mr. PASHAYAN. Mr. Speaker, I rise in support of this legislation. We have taken an important step forward in protecting the legitimate interests of farmer cooperatives and the thousands of growers throughout the United States who market their crops through cooperatives.

Section 20 of the bill, relating to cooperatives, exhibits a clear congressional intent that the Federal Trade Commission must act in a restrained and circumspect manner with regard to enforcement activities against agricultural cooperatives by stating that the Commission will not have authority to proceed against cooperatives for conduct which is protected by the Capper-Volstead Act. It is the limited antitrust exemption in the Capper-Volstead Act that has allowed small farmers through their agricultural cooperatives to thrive and prosper. This means that small and large growers alike can take advantage of the efficiencies of scale by affiliating with a cooperative.

The conference report, by confirming the spirit and intent of Capper-Volstead, lets cooperatives and their affiliated producers know that Congress continues to encourage the cooperative movement. I fully expect that the Federal Trade Commission will not proceed against agricultural cooperatives for conduct or acts which fall within the Capper-Volstead exemption.●

● Mr. GOLDWATER. Mr. Speaker, I rise in reluctant support of the conference report for the Federal Trade Commission authorization. I cannot kid myself that we have cured the Ralph Nader syndrome that has infected that agency in the past, but we have at least cut out a few of the more obnoxious cancers through the prohibitions in the authorization.

Without these prohibitions, the agency would be able to go its merry way, ignoring commonsense, the U.S. Congress, consumers (and by consumers, I mean the folks who buy products, not the groups who purport to represent them), legal precedent and the 10th amendment.

I was disappointed that the conferees did not adopt the House passed language or a more reasonable compromise to that language clarifying that agricultural cooperatives were meant to come under the jurisdiction of the Capper-Volstead Act. I am not going to make any comments about why the House conferees caved in on this particular issue, but I think it is relevant to note that I suspect that concerted opposition to it came from the White House, not the Senate as a body. Be that as it may, I am at least pleased that there is a restatement of the original intent and purpose of Capper-Volstead, and while it is not a perfect solution, it is better than nothing. Again, I recognize that without even this watered-down version of the Andrews amendment, the FTC would proceed with no hindrance whatsoever. The restatement of congressional intent might at least have a salutory effect on legal proceedings, if not the political types at the FTC itself.

I believe more and more people are coming to recognize that overregulation and absurd regulation of private enterprise is counterproductive to consumers and taxpayers alike and represents a major part of the Federal stranglehold on the productive sector of our economy. The FTC is the great grand-daddy of all the regulatory agencies, and the time to reign them in is long overdue. They have bolted too long, and I hope this bill reminds them that they are public servants, not dictators and that they serve at the will of Congress, enforcing only laws passed by Congress, not writing their own. It is about time someone reminded them that the legislative branch of Government sits at the east-end of Pennsylvania Avenue.●

● Mr. CAMPBELL. Mr. Speaker, I wish to express my concern over what appears to be the Federal Trade Commission's violation of the proscriptions against initiating "any new activities" contained in a series of congressional resolutions providing for interim funding for the FTC. This failure to abide by the limitations placed on FTC activities by congressional legislation has also resulted in an apparent violation of the Antideficiency

Act, which prohibits "executive officers * * * from making * * * obligations for expenditures or liabilities beyond those contemplated and authorized for the period * * * under which they are made."

I am advised that on January 10, 1980, the FTC approved a resolution authorizing the use of compulsory process in an investigation directed at examining the advertising of Pepto-Bismol, an over-the-counter drug product. In mid-March 1980, the Morton-Norwich Products, Inc., the manufacturer of Pepto-Bismol, received a subpoena duces tecum seeking various information relating to Pepto-Bismol. I believe there may be serious questions about the legality of these FTC investigations.

The Commission's authority to conduct its statutory activities during its 1980 fiscal year to date has rested on a series of Congressional resolutions that contain explicit limitations on the Commission's authority to expend public funds:

> That none of the funds made available by the joint resolution for the Federal Trade Commission may be used . . . to initiate any new activities.

It seems to me that the Commission's issuance of the resolution and subpena to Morton-Norwich involves an expenditure of public funds for a "new activity," which is expressly prohibited.

In addition to my concerns relating to the legal validity of this investigation, I do not understand why the Commission is choosing to duplicate, in large part, the activities of the Food and Drug Administration. The FDA has been conducting a review of the efficiency and safety of all over-the-counter drugs, including Pepto-Bismol. As the Conference Report to accompany H.R. 2313, the Federal Trade Commission Amendments, states:

> The conferees hope the Commission will closely follow the activities of other interested Federal agencies and, in the spirit of Executive Order 12044, will avoid inconsistent or duplicative activity.

I believe the FTC review of Pepto-Bismol claims already subject to FDA scrutiny is duplicative, could lead to inconsistent results, and would result in a wasteful expenditure of tax dollars.

Just as Congress must work to define more clearly the FTC's jurisdiction, the FTC must remain mindful of its responsibility to exercise restraint in its regulation of interstate commerce. Coordination with other Federal regulatory agencies to avoid duplicative efforts is a serious and important responsibility for the FTC.●

● Mr. WAXMAN. Mr. Speaker, I support this conference report and urge my colleagues to adopt it. Today's vote culminates a terribly difficult struggle over the very survival of the Federal Trade Commission. In my opinion, the FTC has done more to protect the consumers of America than any other Government agency. My belief is hardly limited to its efforts on behalf of individual consumers across the country. It has also acted to protect business as well—to protect them from predatory and anticompetitive practices by other businesses and corporations.

The FTC's task has been to insure that the market works, and works fairly. I fear that the Federal Trade Commission has come under attack not because it has abused its mandate—which we conferred on the agency in 1974—but because, in some instances, it has done its job all too well.

I am pleased that although certain agency actions will be curtailed under this conference recommendation, the integrity of the FTC has been preserved.

Mr. Speaker, I was especially concerned, as chairman of the Subcommittee on Health and the Environment, over the ability of the FTC to assist our committee, and the Congress, in our continuing review of the insurance industry.

Health insurance is critically important to millions of Americans. The FTC has played an indispensable role in studying certain insurance practices affecting the availability and scope of health insurance policies.

The conference report specifically provides that the FTC's current participation with HHS in a study of medigap insurance can continue. Of crucial importance to our committee is the fact that this legislation will permit the FTC to continue to use its authority to obtain the information and data necessary to conduct, and successfully conclude, this study.

Other committees, under the terms of this legislation, will request the Commerce Committee to authorize other investigations of other aspects of the insurance industry. Again, the FTC will be able to continue to use its existing authority to obtain information necessary to pursue and complete these studies. This will be helpful to all concerned.●

● Mr. ASHBROOK. Mr. Speaker, this Congress is now coming to the end of the protracted battle to reform the Federal Trade Commission. Once again the months, and in this case years, of discussion and voting has resulted in a mere shadow of the kind of substantive reform that has been called for regarding this agency. This conference report, while cutting into some of the FTC's powers and providing a beachhead for Congressional review, still leaves many of the processes and powers that have led to abuse within the FTC more or less intact. For that reason I am opposing this report.

At the beginning of this month the FTC had to close its doors for a brief span of time because funding had run out and Congress did not act in time to prevent the shortfall. Commentators around the country condemned the Congress for this supposed irresponsibility and a number of my colleagues chastised this body for its lack of action. I wonder why it is that the death of any Federal entity always invokes such a response. Why is it that few in Washington wish to see any part of this overgrown bureaucracy cut back for even a handful of hours? The answer to this question is the same as why the FTC grew so far beyond its mandate and did so much harm to American business. The mentality of Washington is one of service to the established bureaucratic order, not to the citizens in the Nation who are supposedly served by this city. The sacred rule of this mentality is that no Federal entity can die, only survival or growth is allowed.

This is the second conference report today that this Congress has had to address under the pressure of time. In the first instance we were told that further delay or revision would result in people starving. In this bill we have been told that bureaucrats would be out of work and regulations would not be printed unless action is taken. Brinkmanship once again has had its day in the House. Just as appeasement to terrorists leads to more terrorism, so will capitulation to brinkmanship encourage other agencies and programs to bluff their way out of oversight and reform. Once again the sacred rule of survival and growth is chiseled into congressional intent.

Why must the FTC survive? In its present form it has become the rogue agency among the regulators of Washington. The orientation of the officials within the FTC has been proven to be contemptuous of the marketplace, and unwavering in the belief that regulation can supplant individual consumer choice in charting the course of consumption in America. Regardless of the watered down provisions this House passes today, the mentality will still exist within the FTC and methods will be found to move around these new provisions as they have moved around the Congress mandates in the past. As long as the FTC and other agencies know that the Congress will not call their bluff there will be abuses. We had our chance on May 1 to finally call a halt to the charade of oversight and the travesty of reform by shutting down the FTC and forcing substantive reforms as the price of readmission to the regulatory network. A majority of the House decided to deny themselves that opportunity. That was a disservice to the Nation that may come back to haunt this Chamber.

On May 1 one of my colleagues defended the work of the FTC as necessary for the smooth functioning of the marketplace and justice for the consumer. In the long litany of examples he provided few, if any, cases which proved that FTC action really benefited consumers or the market as a whole. At the same time he did not mention the tremendous costs the FTC has levied on the Nation in the form of reporting requirements, other types of paperwork, litigation costs, and the added overhead from delayed market initiatives and failed businesses that were ruined by the FTC actions. The FTC has a sorry record on which to base its case for survival. It is indeed unfortunate that the Congress did not fully address that record when it made the decision to abandon its oversight responsibility. For my colleagues who may have some second thoughts about this conference report and the cheap price the FTC is paying for an assurance of survival, I would like to relate some examples of the FTC's actions in recent years:

1. FOOD ADVERTISING TRR

It has taken the Commission 6 years and over 50,000 pages of transcript to arrive at the conclusion that they are still "not sure" whether a food advertising regulation is necessary. The Consumer Protection Bureau Director, Albert H. Kramer, now claims that many areas now covered by the rule are "too insignificant" or that others are "too broad." And a group of FTC staff economists have recommended five major changes in the proposal, including deletion of a provision that would require advertising disclosure of the fat, fatty acid, and cholesterol content of foods.

Yet despite the reservations of many high-placed individuals in the FTC, the Commission heard more oral presentations on the rule, May 7.

2. RECOMMENDATIONS FOR A MODEL STATE LAW ON INSURANCE POLICY DISCLOSURES

The McCarran-Ferguson Act, 15 U.S.C. 1011–1015, exempts the "business of insurance," where regulated by the States, from the Federal Trade Commission Act. Congress goal, to foster State regulation based on the accumulated expertise of State insurance departments and their responsiveness to local needs, has been eminently successful. All 50 States now regulate insurance rates, policy terms and coverages, advertising and sales practices, and claims settlement procedures, as well as prohibiting unfair, anticompetitive or discriminatory practices.

In May 1976, the National Association of Insurance Commissioners (NAIC) proposed a model law relating to life insurance cost disclosures. Since that time, at least 26 States have adopted the law, while others are likely to adopt it in the near future. Notwithstanding these efforts of State legislatures and commissioners, the FTC dropped its rulemaking proposal only after substantial congressional opposition, expressed in House and Senate committee reports accompanying 1979 FTC appropriations requests. Both Houses also directed the Commission to avoid any effort to impede or thwart enactment of the NAIC model bill. Despite this stricture, FTC Chairman Michael Pertschuck has admitted in House testimony that Commission staff have continued to visit States to discourage passage of the States' proposal and to promote the FTC's own cost disclosure method.

3. FUNERAL HOME TRADE REGULATION RULE

The final staff report upon funeral industry practices runs to 526 pages, plus appendices and memoranda. This "cogent" report is garnished with a mere 1,980 footnotes. On page 2 of that report, you will find one sentence containing a friendly word for the funeral industry: after acknowledging that some readers might view the report as an indictment of the funeral industry, the staff notes that such a characterization is "both unintended and inaccurate, for we (FTC) recognize the necessary and generally helpful service that many funeral directors render."

One may search in vain for another kind reference to the industry in the 526-page document. If the situation were as appalling as the Commission indicates, one would expect to find a record of thousands upon thousands of complaints and lawsuits against the "unscrupulous" funeral homes. Yet, the record does not support this. In fact, even the Commission admits that the number of complaints against the funeral industry are minimal:

> The only fair conclusion which can be drawn from the record evidence is that the number of consumer complaints is indeed modest and consumers are generally satisfied.

4. CHILDREN'S ADVERTISING TRR

The conference report does try to force the FTC to show some of its hand on its rulemaking before the agency moves any further in its regulations. However, the conference language may still allow abuses to take place. Among the possible abuses is the fact that any ban on advertising to children or other guidelines will tamper with the first amendment rights of advertisers and television networks. Many of us may not like commercials we see on TV, but that is no reason to raise grave constitutional questions.

After spending months doing research, and spending tax funds on analysis as well as the money of the private sector on calling legions of witnesses to Washington, the FTC is still unable to reasonably conclude that television advertising causes children to eat foods that, in turn, cause tooth decay. Overburdened taxpayers will soon grow tired of the continued financing of this "fishing trip" into network policies.

5. EYEGLASS TRADE REGULATION RULE

As finally promulgated, the FTC's eyeglass rule makes it unlawful for a state legislature to establish State policy on ophthalmic advertising unless that policy is precisely the same as that adopted by the five FTC Commissioners in Washington. Never mind that the State legislatures better understand local conditions and values. Never mind that the State legislature and the FTC may have very different conceptions of what is "unfair." The fact is that under the Eyeglass TRR, it is the FTC—and not the elected representatives of the people in each State—that determines what constitutes lawful ophthalmic advertising. Moreover, although this rule deals only with laws regulating ophthalmic goods and services, it clearly reflects the Commission's view that it has the power to strike down any State law which it regards as "unfair."

These are just the tip of the iceberg of how the FTC has strayed from both congressional intent and rationality in general. I hope my colleagues will reflect on these examples and realize that this conference report does not go far enough in preventing future abuses. I urge defeat of the conference report.●

Mr. STAGGERS. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 272, nays 127, not voting 33, as follows:

[Roll No. 245]

YEAS—272

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Atkinson
Bailey
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Breaux
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chisholm
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
Madigan
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Musto
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Roth
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Vanik
Vento
Walgren
Wampler
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—127

Abdnor
Anthony
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Bethune
Bouquard
Bowen
Brodhead
Brown, Ohio
Burgener
Campbell
Carney
Chappell
Cheney
Clausen
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
English
Evans, Ga.
Evans, Ind.
Fary
Findley
Ginn
Goodling
Gramm
Grisham
Guyer
Hammerschmidt
Hinson
Holland
Holt
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McKay
Maguire
Marlenee
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Paul
Petri
Porter
Quayle
Quillen
Railsback
Roberts
Robinson
Rostenkowski
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Solomon
Spence
Stangeland
Stenholm
Stump
Tauke
Taylor
Trible
Volkmer
Walker
Watkins
Whitehurst
Wilson, Bob
Winn
Yatron
Young, Alaska

NOT VOTING—33

AuCoin
Barnard
Beard, R.I.
Beard, Tenn.
Brown, Calif.
Cavanaugh
Conyers
Diggs
Duncan, Oreg.
Fascell
Ford, Mich.
Ford, Tenn.
Gephardt
Giaimo
Gingrich
Grassley
Hansen
Lehman
Leland
McEwen
McKinney
Mathis
Murphy, N.Y.
Rose
Sebelius
Spellman
Stewart
Symms
Ullman
Van Deerlin
Vander Jagt
Wilson, C. H.
Wylie

☐ 1750

The Clerk announced the following pairs:

On this vote:

Mrs. Spellman for, with Mr. Beard of Tennessee against.

Mr. Lehman for, with Mr. Grassley against.

Mr. Murphy of New York for, with Mr. Hansen against.

Mr. McKinney for, with Mr. Sebelius against.

Mr. Duncan of Oregon for, with Mr. Symms against.

Until further notice:

Mr. Giaimo with Mr. Brown of California.
Mr. Conyers with Mr. Vander Jagt.
Mr. Charles H. Wilson of California with Mr. Wylie.
Mr. Van Deerlin with Mr. McEwen.
Mr. AuCoin with Mr. Beard of Rhode Island.
Mr. Barnard with Mr. Diggs.
Mr. Mathis with Mr. Stewart.
Mr. Ullman with Mr. Ford of Michigan.
Mr. Fascell with Mr. Cavanaugh.
Mr. Conyers with Mr. Gephardt.
Mr. Rose with Mr. Leland.

Messrs. ROBERTS, YATRON, HYDE, and ROSTENKOWSKI changed their votes from "yea" to "nay."

Mr. BIAGGI changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DIRECTING CLERK OF THE HOUSE TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 2313, FEDERAL TRADE COMMISSION AMENDMENTS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 340) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2313.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 340

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In section 6(f) of the Federal Trade Commission Act, as proposed to be amended by section 3(a) (2) of the bill, insert a comma after "*Provided*".

(2) In the last sentence of the undesignated paragraph at the end of section 6 of the Federal Trade Commission Act, as proposed to be added by section 4 of the bill, strike out "Improvement" and insert in lieu thereof "Improvements".

(3) In the first sentence of section 21(b) (3) (B) of the Federal Trade Commission Act, as proposed to be added by section 14 of the bill, strike out "officer" the first place it appears therein and insert in lieu thereof "official".

(4) In the first sentence of section 21(b) (6) of the Federal Trade Commission Act, as proposed to be added by section 14 of the bill, insert "any" before "such agency".

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I take this time to ask the gentleman from West Virginia the purpose of these corrections in the resolution that he is offering at this time.

Mr. STAGGERS. If the gentleman will yield, they are just corrections that needed to be made in writing up the report where mistakes have been made and corrections need to be made for commas and periods.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. In glancing at these changes that are being made, it looks like more than just technical corrections, for instance, striking out "officer." Why it is necessary to do this?

Mr. STAGGERS. If the gentleman will yield, putting in the word "officer" was a mistake. It was "official," and putting in the word "officer" was a mistake.

Mr. ROUSSELOT. What difference does that make?

Mr. BROYHILL. "Official" was intended in the first place. It was not intended to be "officer."

Mr. ROUSSELOT. What is the impact of putting "any" before "such agency"? Why do we have to do that?

Mr. BROYHILL. It just makes better English to say "any such agency."

Mr. ROUSSELOT. Mr. Speaker, can the chairman assure us that this does not make any substantive change in the bill?

Mr. STAGGERS. I can assure the gentleman of that.

Mr. BROYHILL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia (Mr. STAGGERS)?

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1800

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the Concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AUTHORIZING THE VIETNAM VETERANS MEMORIAL FUND, INC., TO ESTABLISH A MEMORIAL

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 119) to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I make my reservation of objection solely for the purpose of inquiring of the distinguished chairman of the Libraries and Memorials Subcommittee of the Committee on House Administration the reason for the urgency of the consideration of this joint resolution.

I yield to the gentleman from Michigan.

Mr. NEDZI. Mr. Speaker, the bill Senate Joint Resolution 119 as amended would establish a Vietnam Veterans Memorial in Washington, D.C., funding for which would be raised by the Vietnam Veterans Memorial Fund, Inc., a nonprofit corporation organized and existing under the laws of the District of Columbia. The bill authorizes the selection of a suitable site of approximately 2 acres in size located within the District of Columbia.

The design and plans for the memorial, which is envisioned as a quiet garden setting in which the names of the over 57,000 who died in Vietnam will be set forth, along with a low-level sculpture presentation, are subject to the approval of the Secretary of the Interior, Commission of Fine Arts, and the National Capital Planning Commission. As is customary, the Secretary of the Interior will be responsible for the maintenance and care of the memorial.

Concern was expressed in committee about seasonally or climatically incompatible landscape planning which might result in expensive maintenance and/or an unkept appearance. As the legislation provides that the Secretary of the Interior be party to the design approval as well as be responsible for the maintenance and care of the memorial, there is incentive to select a design which is easy to maintain. The committee wishes to go on record as emphasizing that the factor of landscaping maintenance be fully considered by the agencies participating in the design approval process.

Mr. Speaker, a House version of the legislation has 196 cosponsors. The Senate resolution, which passed on April 30, has all 100 Members as sponsors.

On Monday, May 26, the Vietnam Veterans Memorial Fund is sponsoring a memorial service in Constitution Gardens. I think it would be a fitting tribute to our veterans who fought in that war and most appropriate to pass this legislation in time to commemorate this tribute on Memorial Day.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

Mr. HAMMERSCHMIDT. Mr. Speaker, I reserve the right to object. I certainly will not object, but I want to thank the gentleman from Michigan (Mr. NEDZI) for his leadership and cooperation in expediting this joint resolution and also the same interest and effort shown by Mr. FRENZEL of Minnesota.

Mr. Speaker, I rise in support of Senate Joint Resolution 119, which would authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial on public grounds near the mall and I would hope it would be in West Potomac Park in the District of Columbia. This measure is almost identical to House Joint Resolution 431, which I was privileged to introduce last October. House Joint Resolution 431 now has almost 200 cosponsors, Mr. Speaker, from across the political spectrum, and I am confident that those who joined me on that measure will give Senate Joint Resolution 119 their full support.

I would also remind this body that the resolution passed the other body with 100 cosponsors, one of the few occasions in history that a measure has had the cosponsorship of every Member of that body. I would sincerely hope that it receives the same enthusiasm from our membership.

The memorial which our body will authorize today will be erected at no cost to our taxpayers. The Vietnam Veterans Memorial Fund is developing sufficient voluntary funding resources from the people of this country. The monument will be built subject to the approval of the National Commission on Fine Arts, and will blend in with the existing landscape, enhancing rather than detracting from, that portion of our National Capital where it is erected.

Mr. Speaker, it has taken us a long time, as a society, to overcome the bitterness and polemics that surrounded the word "Vietnam," and to begin to assimilate that experience into our national consciousness. Like almost every war, Vietnam touched all of us. But unlike any recent war, it touched us all in many different ways. One thing we must join together in, at the very outset of our national reconciliation, is the recognition that those who served did so with dignity, and often at great personal cost.

The memorial which this resolution proposes offers a most appropriate device for such a recognition. It will provide us all a visible and attractive remembrance of a period too many have been tempted to forget. It will remember our war dead from Vietnam, but equally as important, it will give us a way to stop for a moment, on a park bench or by a pond, and contemplate an entire era in our history.

I deeply hope that every one of my colleagues will share these sentiments, and join me in support of this resolution, and agree to its passage by unanimous consent.

Mr. Speaker, I withdraw my reservation of objection.

● Mr. PEYSER. Mr. Speaker, I am proud to be a cosponsor and speak in support of the bill before the House of Representatives today, establishing a memorial in honor of the men and women of the U.S. armed services who served in the Vietnam war.

The Vietnam war was one of the most divisive conflicts in our Nation's history. The effects of that war have reached far beyond the battlefield and continue to haunt and hinder us both in our foreign policy and in our self-image as a nation. But despite this, and whatever view of each us may hold on the issue, I think that we can all agree that those who served in that war did so with courage and a sense of duty to this country. They truly signified the principle that we often forget in our self recrimination; and that is the essential dignity in service to one's country.

The memorial we help to establish today recognizes that essential principle. It goes beyond our divisions and serves as a symbol demonstration of our Nation's commitment to resolve the Vietnam experience and restore the unity which existed prior to the war. It serves also as a demonstration of our commitment to honor and provide for those brave and dedicated men and women who served so faithfully during that war.

The site of the memorial itself—near the Lincoln Memorial—signifies these goals. The Lincoln Memorial is itself a symbol of national reconciliation. The new memorial will be located in the very area where mass rallies for and against the war were held. It is fitting that this site was chosen to honor the 57,000 who died and the nearly 3 million who served in Vietnam.●

● Mr. ROSTENKOWSKI. Mr. Speaker, I want to commend the members of the Committee on House Administration for their expeditious action in approving and sending to the floor House Joint Resolution 431, authorizing the Vietnam Veterans Memorial Fund, Inc., to erect a memorial honoring all veterans of the Vietnam war. As a result of this outstanding effort, we have an opportunity today to adopt this legislation and pave the way for it to be signed into law during our national observance of Memorial Day.

I believe it is important to note that this legislation will not involve the expenditure of any U.S. Government funds for the construction of the memorial. Rather, it simply dedicates land within the District of Columbia whereupon a memorial, financed solely through private means, may be built.

As one of over 200 cosponsors of this worthy legislation, I want to once again express my appreciation to the committee, especially the distinguished chairman of the committee and my good friend and colleague from Michigan, the chairman of the subcommittee, for their prompt response to my request—and the requests of others—for swift approval of House Joint Resolution 431.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 119

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Vietnam Veterans Memorial Fund, Inc., a nonprofit corporation organized and existing under the laws of the District of Columbia, is authorized to establish a memorial on public grounds in West Potomac Park in the District of Columbia, in honor and recognition of the men and women of the Armed Forces of the United States who served in the Vietnam war.

SEC. 2. (a) The Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select with the approval of the Commission of Fine Arts and the National Capital Planning Commission a suitable site of approximately two acres in size located in the area of West Potomac Park known as Constitution Gardens in the District of Columbia: *Provided,* That if subsurface soil conditions prevent the engineering of a feasible foundation system for the memorial in a location in that area, then the Secretary of the Interior, in consultation with the Vietnam Veterans Memorial Fund, Inc., is authorized and directed to select a suitable site of approximately two acres in size located in an area of West Potomac Park north of Independence Avenue other than Constitution Gardens.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the Commission of Fine Arts, and the National Capital Planning Commission: *Provided*, That if the Secretary of the Interior, the Commission of Fine Arts, or the National Capital Planning Commission fails to report his or its approval of or specific objection to such design and plans within ninety days of their submission, his or its approval shall be deemed to be given.

(c) Neither the United States nor the District of Columbia shall be put to any expense in the establishment of the memorial.

SEC. 3. The authority conferred pursuant to this resolution shall lapse unless (1) the establishment of such memorial is commenced within five years from the date of enactment of this resolution, and (2) prior to groundbreaking for actual construction on the site, funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior based upon the approved design and plans for the memorial, to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial established under the provisions of this resolution shall be the responsibility of the Secretary of the Interior.

SEC. 5. After establishment of such memorial, the Secretary of the Interior is authorized to provide funds for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, New Mexico: *Provided*, That, such funds shall be limited to the difference between actual operation and maintenance costs and the contributions for such purposes provided by the Vietnam Veterans Memorial Fund, Inc., subject to such terms and conditions as the Secretary of the Interior may prescribe in furtherance of the purpose of this resolution. Within fifteen days of the date of transmittal to the Congress of any budget request which includes funds to carry out the purposes of this section, the Secretary of the Interior shall notify the Senate Committee on Energy and Natural Resources in writing as to the amount and proposed uses of such funds, together with his justification for such budget request.

AMENDMENTS OFFERED BY MR. NEDZI

Mr. NEDZI. Mr. Speaker, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. NEDZI: Page 1, line 6, strike out "in West Potomac Park".

On page 2, line 5, strike "located" and all of line 6. On line 7, strike "Gardens" and the colon and insert a period and strike all language in section 2(a) following the colon on line 7.

Page 3, line 15, strike out all of section 5.

The SPEAKER pro tempore. The question is on the amendments offered by the gentleman from Michigan (Mr. NEDZI).

The amendments were agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE JURISDICTION ON SENATE JOINT RESOLUTION 119

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute.)

Mr. PHILLIP BURTON. Mr. Speaker, I have taken this time for the purpose of discussing the Senate joint resolution just passed.

I did not want to interfere with the request for the immediate consideration, but I did want to have this part of the record reflect an observation or two. I decided not to assert our committee's right to have jurisdiction over this matter because of the time constraints that have been earlier mentioned. If our committee would have received a sequential referral which, I believe under the rules we were entitled to, there would have been some issues that we would have addressed for this purpose that I stand up now.

Mr. Speaker, I feel it important that our veterans of the Vietnam conflict be appropriately recognized and that there be an appropriate memorial. Exactly where that memorial ought to be situated I think ought to be decided in a manner most consistent with the treatment we have given veterans of other wars and with other matters in terms of planning most particularly on the Capital Mall.

Mr. Speaker, I do not quite know what the definition of a mall is, but our committee has a number of requests for items to be put on this open mall. It is very limited in space. It is easier to say yes than no, but if we say yes every time someone seeks it, it could create a problem.

I am happy that the resolution now permits the Secretary, working with the veterans' groups, to work out the most appropriate place rather than being required to pick a place whether or not it is a most appropriate place.

There is one other observation I have: The legislation carries with it a requirement there be at least 2 acres. Well, as a city fellow I am not really sure how large that is but I would certainly anticipate the Secretary of the Interior would look at the amount of space that we have given the World War I and World War II veterans and have this be a commensurate amount of space. I do not know if 2 acres is too little or too much. I just pass those thoughts on for the record in the interests not of impeding the decision we have just made but in the interest of seeing that these veterans receive a very thoughtful and appropriate memorial and I am sure as a result of the change in the language such will prove to be the case.

Finally, we do not waive in futura our jurisdiction over this matter, as I would hope the gentleman or his successor in being will accept in the Congresses to come when this matter will be before us again.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the Senate joint resolution (S.J. Res. 119).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 2253, ROCK ISLAND TRANSITION ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file the conference report on the Senate bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees.

CONFERENCE REPORT (H. REPT. No. 96–1041)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2253) entitled an act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—ROCK ISLAND TRANSITION AND EMPLOYEE ASSISTANCE

SHORT TITLE

SEC. 101. This title may be cited as the "Rock Island Railroad Transition and Employee Assistance Act".

CONGRESSIONAL FINDINGS

SEC. 102. (a) Congress hereby finds that—

(1) uninterrupted continuation of services over Rock Island lines is dependent on adequate employee protection provisions covering Rock Island Railroad employees who are not hired by other railroads;

(2) for those Rock Island Railroad employees not hired by other rail carriers, there is no other practicable means of obtaining funds to meet the necessary costs of such employee protection that are assumed by the Rock Island Railroad;

(3) a cessation of necessary operations of the Rock Island Railroad would have serious repercussions on the economies of the States in which such railroad principally operates; and

(4) premature cessation of services over lines which are the subject of pending purchase application would result in harm to the shipping public and could imperil continuation of vital commuter service.

DEFINITIONS

SEC. 103. As used in this title, the term—

(1) "bankruptcy court" means the court having jurisdiction over the reorganization of the Rock Island Railroad;

(2) "Board" means the Railroad Retirement Board;

(3) "Commission" means the Interstate Commerce Commission;

(4) "employee" includes any employee of the Rock Island Railroad as of August 1, 1979, but does not include any individual after he is offered employment in his craft with a rail carrier providing temporary service over Rock Island Railroad lines and which becomes the acquiring carrier of such lines, or any individual serving as president, vice-president, secretary, treasurer, comptroller, counsel, member of the board of directors, or any other person performing such functions;

(5) the term "Rock Island Railroad" means the Chicago, Rock Island and Pacific Railroad Company; and

(6) the term "Secretary" means the Secretary of Transportation.

SERVICE CONTINUATION

SEC. 104. (a) Notwithstanding the provisions of section 11125 of title 49, United States Code, or Public Law 96-131, the Commission shall order directed service for a period of not to exceed 90 days over any line of the Rock Island Railroad if the Secretary finds and certifies to the Commission that—

(1) a lack of rail service exists which cannot be resolved by a grant of interim operating authority over such line and grains or foods are ready to be shipped to market; or

(2) a lack of rail service exists which cannot be resolved by a grant of interim operating authority over such line and a rail carrier, shipper, State, or other interested party has expressed in writing to the Secretary an interest in purchasing, leasing, or rehabilitating, the particular rail line or facility for purposes of providing rail services, and there is a reasonable expectation that such transaction will be consummated.

(b)(1) Not more than $15,000,000 of the funds available for expenditure by the Secretary out of the Railroad Rehabilitation and Improvement Fund established under title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821 et seq.) may be made available by the Secretary to the Commission for purposes of providing directed service under this section.

(2) Funds may be made available for directed service under this section without regard to the findings of the Secretary required under title V of the Railroad Revitalization and Regulatory Reform Act of 1976, and section 516 of such Act (45 U.S.C. 836) shall not apply to any directed service provided with such funds.

(c) The terms of compensation for all trackage rights, joint facilities, and similar arrangements between other railroads and the trustee of the Rock Island Railroad which are in effect on portions of the lines of the Rock Island Railroad involved in temporary emergency operations shall be continued in effect during the duration of the temporary emergency operating authority with the carrier providing temporary emergency service substituting for the trustee, except where the Rock Island Railroad has been given more favorable treatment by virtue of its bankruptcy. Such continuation shall not alter or affect the ultimate rights of other railroads under trackage rights, joint facilities, or similar arrangements nor prejudice the ultimate determination of any controversy or proceeding concerning rights of the parties with regard to assignment by the trustee of rights in or to the facilities or under the arrangements.

RAILROAD HIRING

SEC. 105. (a) Each person who is an employee of the Rock Island Railroad on August 1, 1979, and who, prior to January 1, 1981, is separated or furloughed (other than for cause) from his employment with such railroad, or from his employment with another rail carrier providing temporary service over lines of the Rock Island Railroad, as a result of a reduction of service by such railroad or such temporary service carrier shall, unless found to be less qualified than other applicants, have the first right of hire by any other rail carrier that is subject to regulation by the Commission for any vacancy that is not covered by (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, that is required by Federal or State statute, regulation, or Executive order, or by the order of a Federal or State court or agency, or (2) a permissible voluntary affirmative action plan. For purposes of this section, a rail carrier shall not be considered to be hiring new employees when it recalls any of its own furloughed employees.

(b) The rights afforded to Rock Island Railroad employees by this section shall be coequal to the rights afforded to Chicago, Milwaukee, Saint Paul and Pacific Railroad Company employees by section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907).

EMPLOYEE PROTECTION AGREEMENTS

SEC. 106. (a) No later than 10 days after the date of enactment of this Act, in order to avoid disruption of rail service and undue displacement of employees, the Rock Island Railroad and labor organizations representing the employees of such railroad with the assistance of the National Mediation Board, may enter into an agreement providing protection for employees of such railroad who are adversely affected as a result of a reduction in service by such railroad. Such employee protection may include, but need not be limited to, employee relocation incentive compensation, moving expenses, and separation allowances.

(b) If the Rock Island Railroad and the labor organizations representing the employees of such railroad are unable to enter into an employee protection agreement under subsection (a) of this section within 10 days after the date of enactment of this Act, the parties shall immediately submit the matter to the Commission. The Commission shall impose upon the parties by appropriate order a fair and equitable arrangement with respect to employee protection no later than 30 days after the date of enactment of this Act, unless the Rock Island Railroad and the authorized representatives of its employees have by then entered into a labor protection agreement. For purposes of this subsection, the term "fair and equitable" means no less protective of the interests of employees than protection afforded under section 9 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 908), subject to the limitations set forth in section 110 of this title.

(c) If an employee protection arrangement is imposed by the Commission under subsection (b) of this section, the bankruptcy court shall immediately authorize and direct the Rock Island Railroad trustee to, and the Rock Island Railroad trustee and the labor organizations representing the employees of the railroad shall, immediately implement such arrangement.

(d)(1) An order of the Commission under subsection (b) of this section may not be stayed by the Commission or by any court, and an order of the bankruptcy court under subsection (c) of this section may not be stayed by any other court.

(2) Any order described in paragraph (1) of this subsection may be appealed only to the court of appeals of the United States having jurisdiction to review decisions and orders of the bankruptcy court. Any such appeal to such court of appeals shall be filed within 5 days after the date of entry of the order of the Commission or the bankruptcy court, as the case may be, and such court of appeals shall finally determine such appeal within 60 days after the date such appeal is filed. No determination by the court of appeals under this subsection may be reviewed in any other court.

(e)(1) Any claim of an employee for benefits and allowances under an employee protection agreement or arrangement entered into under this section shall be filed with the Board in such time and manner as the Board by regulation shall prescribe. The Board shall determine the amount for which such employee is eligible under such agreement or arrangement and shall certify such amount to the Rock Island Railroad for payment.

(2) Benefits and allowances under such agreement or arrangement entered into under this section shall be paid by the Rock Island Railroad from its own assets or in accordance with section 110 of this title, and claims of employees for such benefits and allowances shall be treated as administrative expenses of the estate of the Rock Island Railroad.

(f) The first sentence of section 7(b)(7) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(7)) is amended by striking out "and the Milwaukee Railroad Restructuring Act" and inserting in lieu thereof ", the Milwaukee Railroad Restructuring Act, and the Rock Island Railroad Transition and Employee Assistance Act".

EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

SEC. 107. (a) The Board shall prepare and maintain—

(1) a list of employees separated from employment with the Rock Island Railroad who indicate a desire to appear on a list to be available to rail carriers; and

(2) a list of employment, by class and craft, available with rail carriers,

based upon information submitted to the Board by the Rock Island Railroad and other rail carriers. Upon the request of any rail carrier, the Board shall make available to such carrier a copy of the list described in paragraph (1) of this subsection.

(b) The Board shall maintain the lists required by subsection (a) of this section through December 31, 1984.

ELECTION

SEC. 108. (a) Any employee who receives any assistance under an employee protection agreement or arrangement entered into under section 106 of this title or any new career training assistance under section 119 of this title shall be deemed to waive any employee protection benefits otherwise available to such employee under the Bankruptcy Act, title 11 of the United States Code, subtitle IV of title 49 of the United States Code, or any applicable contract or agreement.

(b) Any employee of the Rock Island Railroad who is entitled to receive assistance under this title shall, no later than April 1, 1981, file a statement with the Board indicating whether such employee elects to receive (1) assistance under this title; or (2) any employee protection benefits otherwise available to such employee under the Bankruptcy Act, title 11, United States Code, subtitle IV of title 49, United States Code, or any applicable contract or agreement.

(c) With regard to any employee who elects benefits under subsection (b)(2) of this section, nothing in this title shall be deemed to determine or otherwise affect the priority status or timing of payment of, or the liability for a claim or claims, if any, for employee protection which might have existed in the absence of this title.

(d) An employee shall not be eligible to receive any assistance (other than moving expenses) under an employee protection agreement or arrangement entered into under section 106 of this title or any new career training assistance under section 119 of this title—

(1) during any period in which such employee is employed bv any rail carrier providing temporary service over any lines of the Rock Island Railroad; or

(2) at any time after the date such employee receives an offer of employment, in his craft and for which such employee is qualified, from a rail carrier acquiring lines of the Rock Island Railroad.

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. (a) Section 14(c) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 913(c)) is amended—

(1) by inserting "and the Rock Island Railroad Transition and Employee Assistance Act" immediately after "this Act"; and

(2) by adding at the end thereof the following new sentence: "Effective October 1, 1980, there is authorized to be appropriated to the Board an additional $1,000,000 to carry out its administrative expenses under this Act and the Rock Island Railroad Transition and Employee Assistance Act.".

(b) Section 14(b) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 913(b)) is amended by adding at the end thereof the following new sentence: "Effective October 1, 1980, there is authorized to be appropriated an additional $1,500,000 for new career training assistance under section 12 of this Act and section 119 of the Rock Island Railroad Transition and Employee Assistance Act.".

OBLIGATION GUARANTEES

SEC. 110. (a) The Secretary, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations of the Rock Island Railroad for purposes of providing employee protection in accordance with the terms of any employee protection agreement or arrangement entered into under section 106 of this title.

(b) Any obligation guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Rock Island Railroad.

(c) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $75,000,000.

(d) The total liability of the Rock Island Railroad in connection with benefits and allowances provided under any employee protection agreement or arrangement entered into under section 106 of this title shall not exceed $75,000,000.

(e) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with any employee protection agreement or arrangement entered into under section 106 of this title.

(f) Section 511(g) and section 516 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831(g) and 836) shall not apply to any obligation guaranteed under this section.

EXPEDITED PROCEEDINGS

SEC. 111. (a) The Commission shall give all proceedings involving the Rock Island Railroad preference over all other pending proceedings related to rail carriers and make all of its decisions at the earliest practicable time.

(b) The Commission shall, within 100 days of the filing of an application (or such shorter period as the court may set) pursuant to section 17 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 915), reach a decision on all proceedings filed after January 1, 1980, which involve a sale, transfer or lease of any line of the Rock Island Railroad to a solvent carrier.

TRANSACTION ASSISTANCE

SEC. 112. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

"(h) PURCHASE OF ESSENTIAL PROPERTIES FOR COMMON CARRIER SERVICE.—(1) Notwithstanding subsections (a) through (g) of this section (other than subsections (b)(2) and (d)(3)), the Secretary shall, upon application of a noncarrier entity—

"(A) purchase, from funds available on May 1, 1980, not less than $25,000,000 in redeemable preference shares or trustee certificates convertible to redeemable preference shares under this section as necessary for the purchase, lease, or rehabilitation of properties of the Rock Island Railroad by responsible noncarrier entities to be used for common carrier rail service; and

"(B) purchase not more than $18,000,000 in redeemable preference shares or trustee certificates convertible to redeemable preference shares under this section as necessary for the purchase of properties of the Milwaukee Railroad by responsible noncarrier entities to be used for common carrier rail service, to the extent that the Secretary determines that funds are available.

"(2) Preference shares and trustee certificates purchased under this subsection shall be purchased under terms and conditions that insure that the applicant will be financially capable of making the requisite dividend or interest and redemption or principal payments without impairing its financial resources, and the Secretary shall insure that all assistance provided under this subsection is likely to be repaid or can be secured.

"(3)(A)(i) For purposes of this subsection, a responsible noncarrier entity may include an association composed of representatives of national railway labor organizations, employee coalitions, shippers, or any combination thereof, and States or State organizations, which wish to acquire, lease, or rehabilitate properties of the Rock Island Railroad or the Milwaukee Railroad pursuant to a feasible employee, employee-shipper, or State ownership plan. A responsible noncarrier entity may also include any railroad that wishes to contribute any of its properties under common ownership with the property being acquired by the association.

"(ii) Any ownership plan described in clause (i) of this subparagraph shall be submitted to the Secretary no later than August 20, 1980, or such later date as the Secretary considers appropriate.

"(B) For purposes of this subsection, the term 'railroad' in subsection (a) of this section shall be deemed to include any responsible noncarrier entity.

"(C) For purposes of this subsection, the return on redeemable preference shares shall be the minimum established pursuant to section 506(a)(3) of this title.

"(4) This subsection shall apply to purchase applications filed with the Commission prior to September 15, 1980, and approved by the court having jurisdiction over the reorganization of the Rock Island Railroad or the Milwaukee Railroad, as the case may be, and by the Commission.".

APPLICABILITY OF NEPA AND EPCA

SEC. 113. The provisions of the National Environmental Policy Act and section 382(b) of the Energy Policy and Conservation Act (42 U.S.C. 6362(b)) shall not apply to transactions carried out pursuant to this title.

AUTHORITY OF THE RAILROAD RETIREMENT BOARD

SEC. 114. (a) The Board may prescribe such regulations as may be necessary to carry out its duties under this title.

(b) In carrying out its duties under this title, the Board may exercise such of the powers, duties, and remedies provided in subsections (a), (b), and (d) of section 12 of the Railroad Unemployment Insurance Act (45 U.S.C. 362(a),(b), and (d)) as are not inconsistent with the provisions of this title.

PUBLICATIONS AND REPORTS

SEC. 115. Within 45 days after the date of enactment of this Act, the Board shall publish, and make available for distribution by the Rock Island Railroad to all eligible employees, a document which describes in detail the rights of such employees under sections 106, 107, 108 and 119 of this title.

AMENDMENTS TO MILWAUKEE RAILROAD RESTRUCTURING ACT

SEC. 116. (a) Section 18 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 916) is amended—

(1) by striking "Until" and inserting in lieu thereof "(a) Except as provided in subsection (b) of this section, until"; and

(2) by adding at the end thereof the following new subsection:

"(b) The Commission shall upon request provide for directed service, not to exceed 30 days during the period immediately prior to acquisition, on the Milwaukee Railroad under section 11125 of title 49, United States Code. Such directed service shall be limited to those lines or line segments where legislation has been enacted by a State legislature prior to the date of enactment of this subsection which would provide for such State to tender a bona fide offer for acquisition of such lines or line segments. The Commission may order directed service by the Milwaukee Railroad under this subsection without inclusion of a 6 percent profit factor. The Commission shall take the action described in this subsection only in the event that the Secretary of Transportation determines that such service cannot be continued under the Emergency Rail Service Assistance Act.".

(b) Section 22(a) of such Act (45 U.S.C. 920(a)) is amended by striking "Until" and inserting in lieu thereof "Subject to the provisions of section 18 of this Act, until".

RAIL TECHNOLOGICAL IMPROVEMENTS

SEC. 117. Notwithstanding any other provision of law, the Federal Railroad Administration shall have the authority, after a hearing and consistent with findings based upon evidence developed therein or pursuant to expressions of agreement between national railroad labor representatives and the developer or operator of new equipment or technology, to exempt from the mandatory requirements of the provisions of the Act of March 2, 1893, the Act of March 2, 1903, and the Act of April 14, 1910 (45 U.S.C. 1 through 16), also referred to as the Safety Appliance Acts, any railroad equipment, or equipment which will be operated on rails, when such requirements preclude the development or implementation of more efficient railroad transportation equipment or other transportation innovations under the existing statutes.

AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 118. (a) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)(5)) is amended by adding the following sentence after the first sentence thereof: "For purposes of this subsection, the Railway Labor Executives' Association shall be deemed to represent all of the representatives of crafts or classes of employees of the Corporation and its subsidiaries as though that organization held powers of attorney from each representative of a craft or class for the limited purposes of negotiating and agreeing upon an employee stock ownership plan.".

(b) Section 216(f)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726 (f)(5)) is further amended by adding the following sentence after the second sentence thereof: "The plan shall not be subject to change under the provisions of section 6 of the Railway Labor Act until after such time as securities have been distributed from the plan to the participants in the plan or their beneficiaries pursuant to the terms of the plan.".

(c) Section 216(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(f)) is further amended by adding the following at the end thereof:

"(8)(A) Except as provided in subparagraph (B) of this paragraph, no person described in subparagraph (C) of this paragraph shall have or be subject to any fiduciary responsibility, obligation, or duty, nor shall any such person be subject to civil liability, under any Federal or State law, as a fiduciary or otherwise—

"(i) in connection with the employee stock ownership plan and related trust established by the Corporation pursuant to the requirements of this subsection or with ConRail Equity Corporation (I) on account of any reorganization or restructuring of the Corporation, its successors or assigns, or their assets or capital structure, or (II) on account of any action taken or not taken by the Corporation which may affect its ability to attain the performance levels established in connection with the plan pursuant to paragraph (2)(A)(ii) of this subsection;

"(ii) for or in connection with the establishment, continuation or implementation of the plan and related trust or of ConRail Equity Corporation or the acquisition of, investment in or retention of any security of the Corporation or ConRail Equity Corporation, or of any of their successors and assigns, by the plan or ConRail Equity Corporation, or the disposition of any such security to the extent that such disposition is made in connection with a reorganization or restructuring of the Corporation, its successors and assigns, or their assets or capital structure, as directed or approved by or on behalf of the Association or the United States, or the acquisition or retention of any cash, security or other property received in connection with any such reorganization or restructuring; or

"(iii) for or in connection with any other action taken or not taken pursuant to any term or condition of the plan or related trust agreement or of the articles of incorporation or bylaws of ConRail Equity Corporation.

Any directions described in clauses (i)(I), (ii), or (iii) shall be taken at the direction, or with the consent, of the Association or of the Secretary or his designate.

"(B) Subparagraph (A) of this paragraph shall not be interpreted to relieve any person from any fiduciary or other responsibility, obligation or duty under any Federal or State law to take or not to take actions with respect to the plan in connection with (i) receiving contributions, (ii) exercising custodial responsibilities, (iii) determining eligibility to participate in the plan, (iv) calculating, determining and paying benefits, (v) processing and deciding claims, (vi) preparing and distributing plan information, benefit statements, returns and reports, (vii) maintaining plan records, (viii) appointing plan fiduciaries and other persons to advise or assist in plan administration and (ix) other than as provided in subparagraph (A), acquiring, holding or disposing of plan assets.

"(C) For purposes of subparagraph (A) of this paragraph, the term 'person' includes each of the following:

"(i) the trustee or trustees of the plan, the Corporation and its subsidies, ConRail Equity Corporation, the Association, and any of their successors and assigns;

"(ii) each director, officer, employee and agent of the Corporation of any of its subsidiaries, of ConRail Equity Corporation, of the plan, of the Association or of any of their successors and assigns; and

"(iii) each member of the Finance Committee and any of their employees and agents.

"(D) Neither this paragraph nor paragraph (9) of this subsection shall be construed to grant immunity from any criminal law of the United States or of any State or the District of Columbia.

"(9) The United States shall indemnify, defend, and hold harmless the persons described in paragraph (8)(C) of this subsection from and against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses (including reasonable fees of accountants, experts, and attorneys) actually incurred in connection with the establishment, implementation, or operation of the plan or ConRail Equity Corporation or with any transaction which is required by or is appropriate to effectuate fully the provisions of this subsection, except as may arise in connection with the execution of a responsibility, obligation, or duty excluded from paragraph (8)(A) by paragraph (8)(B), if it is determined that such persons were acting in good faith. The indemnity provided in this paragraph shall be a full faith and credit obligation of the United States.

"(10) All securities of the Corporation, all securities of any subsidiary of the Corporation and of ConRail Equity Corporation, and all interests in the employee stock ownership plan which are issued or transferred in connection with the employee stock ownership plan established by the Corporation pursuant to the requirements of this subsection shall be deemed for all purposes to have been issued subject to and authorized and approved pursuant to section 11301(b) of title 49 of the United States Code and any corresponding provision of any successor statute.".

NEW CAREER TRAINING ASSISTANCE

SEC. 119. (a) An employee who elects to receive a separation allowance from the Rock Island Railroad under an employee protection agreement or arrangement entered into under section 106 of this title may receive from the Board reasonable expenses for training in qualified institutions for new career opportunities.

(b) To be eligible for assistance under this section, an employee—

(1) must first exhaust any Federal educational benefits available to such employee under any existing program; and

(2) must begin his course of training within two years following the date of such employee's separation from employment with the Rock Island Railroad.

(c) Reasonable expenses for assistance under this section shall be determined by the Board on the basis of an application therefor filed by an employee with the Board.

(d) No assistance may be provided under this section after April 1, 1984.

(e) As used in this section—

(1) the term "expenses" means actual, reasonable expenses paid for room, board, tuition, fees, or educational material in an amount not to exceed $3,000; and

(2) the term "qualified institution" means an educational institution accredited for payment by the Veterans' Administration under chapter 36 of title 38 of the United States Code, or a State-accredited institution which has been in existence for not less than two years.

(f) Section 12(e)(2) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 911(e)(2)) is amended by inserting the following immediately before the period at the end thereof: ", or a State-accredited institution which has been in existence for not less than two years".

DIRECTED SERVICE

SEC. 120. (a) In the event agreement cannot be reached between the Rock Island Railroad and any party desiring to provide commuter service, the commission shall order directed service, for the two-year period beginning on the date of enactment of this Act, over any passenger commuter line of the Rock Island Railroad that was in operation on March 1, 1980, if the directed service carrier agrees to provide such service without payment under section 11125(b)(5) of title 49 of the United States Code. If the parties are unable to agree on compensation, the trustee of the Rock Island Railroad shall receive compensation for the property and facilities of the Rock Island Railroad on terms determined by the Commission to be reasonable.

(b) Notwithstanding any other provision of law, a passenger commuter line of the Rock Island Railroad over which directed service is provided pursuant to this section may not be abandoned, and service over such line may not be discontinued, during the period of such directed service.

TEMPORARY RAIL BANKING

SEC. 121. During the 180-day period beginning on the date of enactment of this Act, no rail line or facility of the Rock Island Railroad which has been approved for abandonment by the Commission or the bankruptcy court may be downgraded, scrapped, or otherwise disposed of without the approval of the Secretary under this section. In no case before abandonment has been approved and before the 180.day period has elapsed shall the Secretary approve a disposition of such portion of the rail line or related facility to any carrier or other entity not engaged in providing railroad services or not formed for the purpose of providing railroad services. The Secretary, upon application by the Rock Island Railroad, shall grant such approval unless he finds that—

(1) a rail carrier, shipper, State, or other interested party has expressed in writing an interest in purchasing, leasing or rehabilitating the particular rail line or facility for purposes of providing rail service; and

(2) there is a reasonable expectation that such purchase transaction will be consummated.

TEMPORARY OPERATING APPROVAL

SEC. 122. (a) The Commission may authorize any rail carrier willing to do so voluntarily to use the tracks and facilities of the Rock Island Railroad or the Milwaukee Railroad. The use of such tracks and facilities shall be under such terms of compensation as the carriers establish between themselves, or if the carriers are unable to agree, under such terms of compensation as the Commission finds to be reasonable.

(b) In carrying out the provisions of this section, the Commission shall require, to the maximum extent practicable, the use of the employees who would normally have performed work in connection with the traffic subject to the action of the Commission.

(c) As used in this section, the term "Milwaukee Railroad" means the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company.

DEFINITION OF RESTRUCTURED MILWAUKEE RAILROAD

SEC. 123. Section 3(6) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 902(6)) is amended to read as follows:

"(6) the term 'restructured Milwaukee Railroad' means the entity that is designated as the reorganized railroad under the reorganization plan for the Milwaukee Railroad finally certified by the Commission.".

SAVINGS PROVISION

SEC. 124. If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE II—RAIL PASSENGER CORRIDORS

SHORT TITLE

SEC. 201. This title may be cited as the "Passenger Railroad Rebuilding Act of 1980".

RAIL PASSENGER CORRIDOR SERVICE

SEC. 202. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended—

(1) in the first sentence, by striking "goals:" and inserting in lieu thereof "goals to the extent compatible with the amount of

authorizations specified in section 704 of this title;";

(2) in paragraph (1)(A)(i) thereof, by striking "Within 5 years after the date of enactment of this Act," and inserting in lieu thereof "No later than September 30, 1985,"; and

(3) in the fourth sentence of paragraph (1)(E), by striking out "6" and inserting in lieu thereof "9".

SEPARATION OF PASSENGER AND FREIGHT TRAFFIC

SEC. 203. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is further amended—

(1) by inserting "(A)" immediately after the paragraph heading in paragraph (3) and by adding at the end of such paragraph the following:

"(B)(i) Within 6 months after the date of enactment of the Passenger Railroad Rebuilding Act of 1980, the Department of Transportation shall develop plans for alternate off-corridor routings of freight traffic over lines along the Northeast Corridor between the Washington, District of Columbia Metropolitan area and the New York Metropolitan area, including intermediate points.

"(ii) The Secretary may enter into agreements with rail freight carriers and regional transportation agencies for a period of no less than 5 years to provide for the implementation by such rail carriers of the off-corridor routings on such terms and conditions as the parties may agree. Promptly upon reaching such agreement, the Secretary shall apply to the Commission for approval of the agreement and all related agreements accompanying such application.

(iii) If the Commission finds that approval of such agreements is necessary to carry out the purposes of this Act, it shall, within 90 days after the receipt of the application, approve such application and related agreements including the provision of service use of tracks and facilities as provided in such application.

"(iv) If the Secretary and any other involved rail freight carriers are unable to reach the agreement or agreements necessary as provided in clause (ii) of this subparagraph, the Secretary may, with the consent of all involved rail freight carriers, make application to the Commission which shall, within 90 days after such application, if it finds that doing so is necessary to carry out the purposes of this Act, find the terms and conditions for the agreement necessary and such terms and conditions shall be binding upon all involved rail freight carriers.

"(v) Within 12 months after the date of enactment of the Passenger Railroad Rebuilding Act, the Secretary shall submit to the Congress a report on:

"(I) an evaluation of the extent to which passenger and freight operations should be separated in the Northeast Corridor; and

"(II) an evaluation of any operational, safety, maintenance, or other problems of mixing freight and passenger service on the same rail lines.

In the preparation of such report, the Secretary shall consult with the Comptroller General of the United States, the National Railroad Passenger Corporation, the Association, affected railroads, and other interested parties. The Secretary, in preparing such report, shall consider such factors as congestion, delays to both passengers and freight, fuel efficiency, safety, the control of train operations, and the impact of diversion to other modes and the impact of diversion on other modes."; and

(2) by adding at the end thereof the following new paragraph:

"(6) ELIMINATION OF CONGESTION.—The elimination, to the maximum extent practicable, of congestion in rail freight and rail passenger traffic at the Baltimore and Potomac Tunnel in Baltimare, Maryland, by the rehabilitation and improvement of such tunnel and the rail lines approaching such tunnel, for purposes of implementing the Northeast Corridor improvement project under this title.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 204. (a) Section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) is amended—

(1) in paragraph (1) thereof, by striking "$1,600,000,000" and inserting in lieu thereof "$2,313,000,000";

(2) in paragraph (1) thereof, by striking out "and after such goals have been achieved, the goals of section 703(1)(A)(ii)";

(3) by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following new paragraph:

"(4) $37,000,000 to remain available until expended in order to effectuate the goals of section 703(3)(B) and section 703(6) of this title.".

(b) Section 704 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854) is amended by adding at the end thereof the following new subsections:

"(h) ACQUISITION OF REAL PROPERTY.—The Secretary is authorized to acquire for the United States, by lease, purchase, condemnation, or otherwise, any interest in real property (including lands, easements, and rights-of-way, and any other property interests, including contract rights) which the Secretary considers necessary to effectuate the goals of section 703 of this title.

"(i) REIMBURSEMENT AGREEMENTS.—Where a portion of the costs of improvements authorized under section 703 of this title are to be borne by a State or local or regional transportation authorities or other responsible parties, the Secretary is authorized to enter into agreements with such cost-sharing parties providing for the Secretary to carry out such improvements with funds appropriated pursuant to this section and requiring reimbursement to the Secretary by the cost-sharing parties of their portion of the costs of such improvements. Where the Secretary has entered into such reimbursement agreements, the Secretary is further authorized, to the extent and in the amounts provided in appropriation Acts, to incur obligations for contracts to carry out such improvements in anticipation of such reimbursement. Funds reimbursed to the Secretary shall be credited to the appropriation originally charged for the costs of such improvements and shall be available for further obligation.

"(j) EXCESS EQUIPMENT AND OTHER PROPERTY.—Notwithstanding the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) or of any other law, the Secretary may transfer to the National Railroad Passenger Corporation, in accordance with procedures which the Secretary shall establish, excess real or personal property from the Northeast Corridor improvement project. As consideration to the United States for such transfer, property so transferred shall be made subject to the mortgage entered into pursuant to subsection (e) of this section. For purposes of this subsection, the term 'excess real or personal property' means—

"(1) any interest in real property acquired under the authority of subsection (h) of this section which is determined by the Secretary to be (A) usable by the National Railroad Passenger Corporation, and (B) no longer required by the Federal Government in order to implement the Northeast Corridor improvement project; or

"(2) any item of personal property, such as equipment, which is acquired with funds authorized under this section.".

(c) The amendments made by this section shall take effect on October 1, 1980.

MANAGEMENT GOAL

SEC. 205. (a) Section 701 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851) is amended by adding at the end thereof the following new subsection:

"(d) MANAGEMENT GOAL.—(1) It shall be a goal of the National Railroad Passenger Corporation to manage its operating costs, pricing policies, and other factors so that annual revenues derived from the operation of intercity rail passenger service over the Northeast Corridor route between Washington, District of Columbia, and Boston, Massachusetts, shall equal or exceed:

"(A) 55 percent of the annual operating costs of providing such service in fiscal year 1981;

"(B) 75 percent of the annual operating costs of providing such service in fiscal years 1982 through 1986; and

"(C) 100 percent of the annual operating costs of providing such service in subsequent fiscal years.

"(2) The National Railroad Passenger Corporation shall include in the annual report required by sections 308 and 805 of the Rail Passenger Services Act a discussion and accounting of its success in meeting the goal specified in subsection (a) of this section.".

TRANSFER OF AUTHORITY

SEC. 206. (a) Title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.) is amended by redesignating sections 705 and 706 as sections 706 and 707, respectively, and by inserting after section 704 the following new section:

"TRANSFER OF AUTHORITY

"SEC. 705. (a) TRACK IMPROVEMENTS.—Within 90 days after the date of enactment of the Passenger Railroad Rebuilding Act of 1980, the Secretary and the National Railroad Passenger Corporation shall agree on the reallocation to the Corporation of authority and responsibility with respect to the contracting of construction solely related to track improvements in connection with the Northeast Corridor improvement project.

"(b) OTHER AUTHORITY.—Effective October 1, 1985, the Secretary shall transfer to the Corporation all authority and responsibility for carrying out the Northeast Corridor improvement project and implementing the goals of section 703 of this title.".

(b) The table of contents of the Railroad Revitalization and Regulatory Reform Act of 1976 is amended by striking out the items relating to sections 705 and 706 and inserting immediately after the item relating to section 704 the following:

"Sec. 705. Transfer of authority.
"Sec. 706. Conforming amendments.
"Sec. 707. Facilities with historical or architectural significance.".

WORKING CAPITAL FUND

SEC. 207. Section 9 of the Department of Transportation Act (49 U.S.C. 1657) is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary is authorized to establish a working capital fund for financing the activities of the Transportation Systems Center. Such fund will be effective on October 1, 1980, and shall be available without fiscal year limitation. The Transportation Systems Center is authorized to perform research, development, test, evaluation, analysis, and other related activities as the Secretary may direct for the Department and other Government agencies and, when approved by the Secretary or his designee, for State and local governments, other public authorities, private sources, and foreign countries.

"(2) The capital of the fund shall consist of—

"(A) the net assets of the Transportation

Systems Center as of October 1, 1980, including any unexpended advances made to the Center for which valid obligations are incurred as of September 30, 1980;

"(B) any appropriations to the fund, which are hereby authorized to be made; and

"(C) the fair and reasonable value of property or other assets transferred to the fund after September 30, 1980, by the Department and other agencies of the Government less the related liabilities and unpaid obligations, and the fair and reasonable value of property or other assets donated to the fund from other sources.

"(3) The fund shall be reimbursed or credited with advance payments from applicable funds or appropriations of the Department and other Federal agencies, and with advance payments from other sources, as authorized by the Secretary or his designee, for services provided at rates that will recover the expense of operation, including accrual of annual leave and overhead, and for acquisition of property and equipment in accordance with regulations to be issued by the Secretary. The fund shall also be credited with receipts from the sale or exchange of property or in payment for loss or damage of property held by the fund.

"(4) At the close of each fiscal year, there shall be transferred into the Treasury as miscellaneous receipts any funds accumulated which the Secretary determines to be surplus to the needs of the working capital fund.".

AMENDMENT TO RAIL PASSENGER SERVICE ACT

SEC. 208. Effective October 1, 1980, section 601(b)(3) of the Rail Passenger Service Act of 1970 (45 U.S.C. 601(b)(3)) is repealed.

PRIORITIES FOR IMPROVEMENTS

SEC. 209. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 is further amended by adding at the end thereof the following new paragraph:

"(7) PRIORITIES FOR IMPROVEMENTS.—The following considerations shall be applied to the selection and scheduling of specific projects, in the following order:

"(A) Safety of the passengers and users of the Northeast Corridor must be paramount, and safety-related items should be completed prior to other items.

"(B) Potential ridership should be considered, with those activities which benefit the greatest number of passengers completed before those involving fewer passengers.

"(C) Reliability of intercity passenger service must be emphasized.

"(D) Trip-time requirements of this Act must be achieved to the extent compatible with the priorities cited in subparagraphs (A) through (C) of this paragraph.

"(E) Reducing maintenance cost levels is desirable, and improvements which will pay for the investment by achieving lower operating or maintenance cost should be implemented.

"(F) On-time performance of Northeast Corridor commuter and freight operations must be optimized, and construction operations should be scheduled in order that the fewest possible passengers are inconvenienced and service is maintained.

"(G) Planning should focus on completing activities which will provide immediate benefits to the users of the Northeast Corridor.".

AUTHORITY OF THE SECRETARY

SEC. 210. Section 704(c) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(c)) is amended—

(1) by striking out "COORDINATION.—The Secretary" and inserting in lieu thereof "COORDINATION AND CONSULTATION.—(1) The Secretary"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall consult with the Secretary of Housing and Urban Development and the Secretary of Commerce and with other appropriate Federal officials to take steps to utilize Federal funds from the several Federal departments to assist and encourage public and private redevelopment in the vicinity of urban rail stations on the Northeast Corridor served by intercity and commuter rail service for purposes of aiding in the revitalization of urban areas around such stations. The Secretaries shall, within one year after the date of the enactment of this subsection, report to the Congress on the methods by which Federal funds from the several Federal departments have been and will be coordinated to achieve urban redevelopment and revitalization in the vicinity of such stations.".

DEMONSTRATION SERVICE

SEC. 211. Section 601(b)(1)(B) of the Rail Passenger Service Act (45 U.S.C. 601(b)(1)(B)) is amended by inserting immediately after "1981," the following: "of which $500,000 may be expended for the purchase of a self-propelled single car capable of carrying 50 to 60 passengers for purposes of demonstrating the feasibility of developing feeder service to basic system service and State subsidized service,".

RAIL PASSENGER CORRIDORS

SEC. 212. The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is further amended by adding at the end thereof the following new title:

"TITLE X—RAIL PASSENGER CORRIDORS

"SEC. 1001: DEVELOPMENT OF EVALUATION METHOD.

"(a) The Secretary, in consultation with the Corporation, shall develop a method for evaluating rail passenger corridors.

"(b)(1) The evaluation method developed by the Secretary under this section shall be designed to determine which corridors (A) have the greatest potential for attracting riders on rail passenger service in the corridor, (B) have the greatest potential to reduce energy consumption, and (C) are capable of providing cost-effective rail passenger service.

"(2) In developing an evaluation method for purposes of making the determinations described in paragraph (1) of this subsection, the Secretary shall consider at least each of the following factors:

"(A) Potential ridership.

"(B) Operating costs and revenues.

"(C) Preliminary information on the costs of capital expenditures required.

"(D) Economic and demographic growth projections.

"(E) The evidence of State commitment to rail passenger services.

"(F) The adequacy of energy efficiency of other transportation modes in the area served.

"(c) The Secretary shall, in consultation with the Corporation, determine which corridors have the greatest potential to attract riders, reduce energy consumption, and provide cost effective rail passenger service according to the evaluation method developed under subsection (a), and shall establish a priority ranking of such corridors.

"(d) The Secretary shall, within 60 days after the date of enactment of this title, submit the proposed method for evaluating rail passenger corridors (together with explanatory material) and the ranking of the corridors with the greatest potential to both Houses of Congress and to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate.

"SEC. 1002. DESIGN AND ENGINEERING.

"(a) Upon completion of the Secretary's ranking of corridors under section 1001 of this title, the Corporation shall develop design and engineering plans to the extent necessary to provide accurate information on capital expenditures for improvements and equipment, operating cost projections, running times, and other information which the Corporation, in consultation with the Secretary, determines necessary to complete an accurate assessment of the anticipated costs and benefits of instituting new service in such corridors.

"(b) In preparing a design and engineering plan for a corridor under this section, the Corporation shall consult with the Secretary and shall request the views of the appropriate officials of each State in such corridor.

"(c)(1) The Corporation shall develop a design and engineering plan for a corridor under this section cooperatively with the rail carriers that own tracks and facilities used or to be used in providing passenger service in such corridor.

"(2) If a rail carrier described in paragraph (1) of this subsection is unwilling to cooperate with the Corporation in developing a design and engineering plan, the Corporation may apply to the Secretary for assistance in obtaining such cooperation. The Secretary may require such a private rail carrier to cooperate with the Corporation in developing such plan, and shall fix an amount which the Corporations shall reimburse such carrier for the work it performs.

"SEC. 1003. FINAL CORRIDOR EVALUATION.

"(a) The Secretary and the Corporation shall prepare a final corridor evaluation and submit a report to both Houses of Congress and to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Commerce, Science and Transportation of the Senate with respect to each corridor. Such report shall include for each corridor—

"(1) ridership projections for rail passenger service in such corridor;

"(2) operating cost and revenue projections for such corridor;

"(3) projected capital expenditures, as determined by the Corporation under section 1002, for improvements in such corridor.

"(b) The Secretary and the Corporation shall submit such a report on corridor evaluations by February 15, 1981. If the Secretary and the Corporation believe that further analysis is required after February 15, 1981, they shall submit a supplemental report with such additional information.

"SEC. 1004. EQUIPMENT ACQUISITION.

"The Corporation shall, to the extent of funds available under section 1008(a)(2) of this Act, acquire necessary equipment for purposes of providing service in rail passenger corridors.

"SEC. 1005. PRIVATE SECTOR DEVELOPMENT.

"(a) The Secretary shall encourage the private sector development of potential rail passenger corridors, including the corridor between Atlantic City, New Jersey, and Philadelphia, Pennsylvania.

"(b) In order to carry out the purposes of this section, the Secretary shall—

"(1) in cooperation with private rail carriers, the Corporation, the Consolidated Rail Corporation, commuter agencies, and State and local transportation authorities, take all necessary steps to remove institutional and legal barriers to the private development of rail passenger corridors;

"(2) ensure that investment of Federal funds in contiguous corridors is coordinated with privately developed corridors; and

"(3) coordinate the investment of Federal funds with State, local, and private funds for nonoperational improvements, such as stations, in privately developed corridors.

"(c) The Secretary shall, no later than February 15, 1981, submit a report to the

Congress describing the action taken under this section.

"SEC. 1006. SPEED RESTRICTIONS

"(a) The Corporation shall identify any restriction imposed by a State or local government on the speed of Amtrak trains that the Corporation determines impedes the achievement of high-speed intercity rail passenger service by the Corporation.

"(b) The Corporation shall consult with each State or local government that imposes a speed restriction identified under subsection (a) of this section, for purposes of (1) evaluating alternatives to such speed restriction, taking into account the particular local safety hazard which is the basis for such restriction, and (2) considering the possibility of eliminating or modifying such speed restriction in order to permit safe operations at higher speeds in the State or locality involved.

"SEC. 1007. SERVICE BETWEEN CORRIDORS.

"If the Corporation determines that improvements in or institution of rail passenger service on a route between corridors would be justified by an increase in overall ridership on Amtrak trains, the Corporation shall undertake such service or improvements in such service as it considers appropriate in order to increase ridership on such route and in the connecting corridors.

"SEC. 1008. AUTHORIZATION OF APPROPRIATIONS.

"(a) There are authorized to be appropriated to the Secretary—

"(1) for the evaluation of corridors under sections 1001 and 1003 of this title and for the benefits of the Corporation in preparing design and engineering plans under sections 1002 and 1003 of this title, not to exceed $38,000,000 for the fiscal year ending September 30, 1981; and

"(2) for the acquisition of equipment under section 1004 of this title, not to exceed $25,000,000 for the fiscal year ending September 30, 1982.

"(b) There is authorized to be appropriated, out of funds available under section 704(a)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976, for private sector development under section 1005 of this title, not to exceed $200,000 for the fiscal year ending September 30, 1981.

"(c) Amounts appropriated under subsection (a) of this section are authorized to remain available until expended.".

AMTRAK INTERCITY SERVICE

SEC. 213. Section 403(d)(2) of the Rail Passenger Service Act (45 U.S.C. 563(d)(2)) is amended by striking out "April 1, 1981" and inserting in lieu thereof "October 1, 1981".

CONRAIL EMPLOYEE PROTECTION

SEC. 214. (a) The Consolidated Railroad Corporation shall make payments in accordance with title V of the Regional Rail Reorganization Act of 1973, and the United States Railway Association shall not, as a result of such payments, withhold any funds from the Corporation.

(b) This section shall take effect as of March 1, 1980, and shall remain in effect until the expiration of the 45-day period beginning on the date of enactment of this Act. After the expiration of such 45-day period, payments by the Consolidated Rail Corporation under title V of the Regional Rail Reorganization Act of 1973, and funding of the Corporation by the United States Railway Association, shall be governed by applicable law.

RELOCATION OF FACILITIES

SEC. 215. (a) The Secretary of Transportation may not take any action with respect to the relocation of the Amtrak maintenance-of-way facility at Bristol, Pennsylvania, until 60 days after the date the Secretary reports to the Congress under subsection (b) of this section.

(b) The Secretary of Transportation shall consider and report to the Congress with respect to—

(1) preliminary design plans for sites which are potential alternatives to the maintenance-of-way facility referred to in subsection (a) of this section;

(2) the current value, current use, and alternative uses of such potential alternative sites;

(3) potential labor protection costs to be incurred in the maintenance-of-way relocation; and

(4) potential problems arising from jurisdictional labor disputes arising as a result of such a relocation.

OPERATION OF ADDITIONAL TRAINS

SEC. 216. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following new subsection:

"(h) Upon receipt of an application from the Corporation in any situation where the Corporation is unable to obtain a satisfactory, voluntary agreement from a rail carrier for operation of additional trains on the rail lines of that rail carrier, the Secretary may, after a hearing on the record, order such rail carrier, within 60 days, to permit or provide requested operation of trains of the Corporation over such rail lines on schedules based upon legally permissible operating times. If the Secretary determines not to hold a hearing, the Secretary, within 30 days after receipt of an application from the Corporation, shall publish in the Federal Register his reasons for not holding a hearing. Any such hearing must include a consideration of whether such an order would unduly impair freight operations of the rail carrier involved, and the burden shall be on the railroad seeking to oppose the operation of an additional train to demonstrate that the requested operation will indeed impair freight operations. In establishing such scheduled running times, the Secretary shall give proper consideration to the statutory goal that the Corporation shall implement schedules which will attain a system-wide average speed of at least 55 miles per hour which can be adhered to with a high degree of reliability and passenger comfort. The compensation payable by the Corporation to a rail carrier for an operation ordered pursuant to this subsection shall be that which is properly established pursuant to an agreement between the Corporation and such rail carrier, or, in the absence of an applicable agreement, shall be determined by the Commission in a proceeding pursuant to subsection (a) of this section.".

HARLEY O. STAGGERS,
LIONEL VAN DEERLIN,
JAMES J. FLORIO,
JIM SANTINI
BARBARA A. MIKULSKI,
JOHN M. MURPHY,
ROBERT T. MATSUI,
JAMES T. BROYHILL,
EDWARD R. MADIGAN,
GARY A. LEE,
Managers on the Part of the House.

HOWARD W. CANNON,
RUSSELL B. LONG,
ADLAI E. STEVENSON,
BOB PACKWOOD,
NANCY KASSEBAUM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to amendments of the House to the bill (S. 2253) entitled an Act to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—ROCK ISLAND RAILROAD TRANSITION AND EMPLOYEE ASSISTANCE

SECTION 101—SHORT TITLE

Senate bill

Section 101 of the Senate bill sets forth the short title as the "Rock Island Railroad Transition Act."

House amendment

Section 201 of the House amendment provides that this title may be cited as the "Rock Island Railroad Employee Assistance Act."

Conference substitute

The Conference substitute adopts the following title: "Rock Island Transition and Employee Assistance Act."

SECTION 102—CONGRESSIONAL FINDINGS

Senate bill

Section 102 of this title of the Senate bill sets forth detailed Congressional findings and declares that the emergency measures set forth in the Act must be taken to avoid extensive disruptions in transportation service in the areas served by the Rock Island.

House amendment

Section 202 of the House bill sets forth specific Congressional findings and declares there is no other practicable means of obtaining funds to meet the necessary costs of such employee protection for Rock Island employees not hired by other rail carriers.

Conference substitute

The Conference substitute adopts various findings from the Senate bill and the House amendment and states that the continuation of service over Rock Island lines is dependent on adequate employee protection provisions covering Rock Island employees not hired by other railroads. It further states that premature cessation of service over lines which are the subject of pending purchase applications would result in harm to the shipping public and could imperil continuation of vital commuter service.

SECTION 103—DEFINITIONS

Senate bill

Section 103 of the Senate bill defines key terms used in this title.

House amendment

The definitions in the House amendment are substantially the same as the Senate bill, except that "employee" includes any employee of the Rock Island Railroad employed by the Kansas City Terminal Railway Company on October 1, 1979, in contrast to the Senate definition which contained a March 1, 1980 date in that definition.

Conference substitute

The conference committee defines employee as an individual employed by the Rock Island Railroad as of August 1, 1979, subject to specified limitations.

SECTION 104—SERVICE CONTINUATION

Senate bill

Section 104 of the Senate bill provided for 45 days directed service over Rock Island lines which were in operation on March 1, 1980. Funding of up to $25 million is to be made available under this section for Rock Island directed service and for directed service on the Milwaukee Railroad under another section of this title.

This section also provides that compensation for trackage rights, joint facilities and similar arrangements between other railroads and the trustee of the Rock Island which are in effect shall be continued during the temporary emergency operating authority, provided, however, that such continuation shall not affect the ultimate rights of other railroads nor prejudice the ultimate determination of any controversy or proceeding involving such trackage rights, joint facilities or other similar arrangements.

House amendment

Section 212 of the House amendment provides that the Commission shall order directed service over any line of the Rock Island where the Secretary certtifies that an emergency exists which cannot be resolved by a grant of interim operating authority or other means, an application for purchase is pending and likely to be consummated, and grains or foods are ready to be shipped to market. The section authorizes up to $6 million in funding from Title V funds for this purpose.

Section 216 of the House amendment contains the same provision as the Senate bill with regard to continuation of terms of compensation for trackage rights, joint facilities and similar arrangements.

Conference substitute

The service continuation provision of the Conference substitute is similar to the House amendment. It provides for directed service under the following circumstances:

(1) A lack of rail service exists which cannot be resolved by a grant of interim operating authority over such line and grains or foods are ready to be shipped to market; or

(2) A lack of rail service exists which cannot be resolved by a grant of interim operating authority over such line and a rail carrier, shipper, state, or other interested party has expressed in writing an interest in purchasing, leasing, or rehabilitating the particular rail line or facility for purposes of providing rail services, and there is a reasonable expectation that such transaction shall be consummated.

However, the funding for directed service is increased to $15 million; this amount is intended to be used for directed service under section 17 of the Senate bill as well as directed Rock Island service under this section.

The provision for continuation of compensation adopted by the conferees is the same as the Senate bill.

SECTION 105—RAILROAD HIRING

Senate bill

Section 105 of the Senate bill is based on a similar provision in the Milwaukee Railroad Restructuring Act. It provides for priority hiring of Rock Island employees unless they are found less qualified than other applicants or unless such priority hiring would interfere with a carrier's equal employment obligations. Any employee who does not accept one of the first three employment offers in his craft loses his right to first hire under this section.

House amendment

The House amendment (section 204) is also patterned after the Milwaukee Railroad Restructuring Act. It specifically states that rights afforded to Rock Island employees under this section shall be co-equal to rights afforded Milwaukee employees. There is no provision for more than one employment offer. The House amendment also uses broader dates in defining employees: August 1, 1979 and January 1, 1981.

Conference substitute

To the extent there are differences between the two railroad hiring provisions, the Conference Committee generally adopts the language of the House amendment. The House language is followed because of the conferees view that the "three-offer" provision would be difficult to implement. In general, this section is intended to insure that eligible Rock Island employees will be hired without delay or discrimination. The successful implementation of this provision depends upon the full cooperation of other carriers. Neither this provision nor section 8 of the Milwaukee Railroad Restructuring Act should be construed to materially impair or interfere with a carrier's normal operations.

SECTION 106—EMPLOYEE PROTECTION AGREEMENTS

Senate bill

This section of the Senate bill is also patterned after the Milwaukee Railroad Restructuring Act. Under paragraph (a), labor organizations and the Rock Island trustee would have 10 days to reach an agreement on labor protection for employees adversely affected by the Rock Island liquidation and transfers of its lines. If the parties cannot agree within 10 days, the matter would be submitted to the Commission, pursuant to paragraph (b), which would impose a "fair and equitable agreement" no later than 30 days after the enactment of this bill unless the parties reach an agreement in the interim. The term "fair and equitable" is to be consistent with the use of that term in the Milwaukee Railroad Restructuring Act. Under paragraph (c), such a Commission order could be appealed within 5 days to the appropriate Circuit Court of Appeals, which would make a decision within 60 days. In no event, however, could the Commission's order be stayed.

Paragraph (b)(2) makes it clear that any agreement reached pursuant to this section must be within the financial limitations of $50 million set forth in another section of the Senate bill.

House amendment

Section 205 of the House amendment sets forth procedures generally similar to the Senate bill with regard to entering into an employee protection agreement. Unlike the Senate bill, however, it provides for the assistance of the National Mediation Board, and the section provides for a financial limitation of $75 million. Subsection (c) provides that the Rock Island reorganization court shall immediately order the Rock Island Trustee to implement the order. Subsection (d) provides that the order of the ICC and the reorganization court order implementing the ICC order may not be stayed and any appeal from such orders shall be filed within 5 days after the reorganization court implementation order. The appropriate court shall finally determine such appeals within 60 days and such determination shall not be reviewed in any other court. Subsections (e) and (f) provide that claims for benefits under an employee protection arrangement shall be filed with the Railroad Retirement Board and that the benefits shall be administrative expenses from the assets of the Rock Island Railroad or with a loan guaranteed under section 211. Subsection (f) is a technical amendment to the Railroad Retirement Act of 1974.

Conference substitute

The Conference substitute is substantially the same as the House amendment. This section mandates early implementation of employee protection to avoid disruption of rail service and undue displacement of employees. The conferees intend that if no agreement is reached within the initial 10-day period and the ICC prescribes an agreement, the bankruptcy court will take whatever actions are appropriate and necessary for the immediate implementation of such agreement, so that payments to Rock Island employees will be made forthwith, notwithstanding any ensuing litigation concerning such payments. The conferees believe that legislation is essential to provide for an orderly transition.

SECTION 107—EMPLOYMENT OF ROCK ISLAND RAILROAD EMPLOYEES

Senate bill

Section 107 of the Senate bill requires the Board to prepare lists of furloughed employees as an aid in implementing priority hiring of such employees by other railroads.

House amendment

Section 206 of the House amendment is substantially the same as the Senate bill.

Conference substitute

The conferees agree to the Senate language.

SECTION 108—ELECTION

Senate bill

The Senate bill specifies that Rock Island employees can elect to receive assistance under this bill or pursue their other remedies. Paragraph (b) provides that such election must be made by April 1, 1981. Paragraph (a) clarifies that any employee who elects and receives assistance under the provisions of this bill shall be deemed to waive employee protection benefits otherwise available under the Bankruptcy Act Subchapter IV of Title 49, United States Code, or other applicable agreement. Paragraph (c) further clarifies that elections under this act shall not be deemed to determine or otherwise affect the status of liability for claims of employee protection which might have existed in the absence of this act.

House amendment

Section 208 of the House amendment provides that employees who receive assistance under an employee protection arrangement entered into pursuant to the provisions of this bill or any new career training assistance shall be deemed to waive all other employee protection. In addition, Section 209 provides that employees shall not be eligible for benefits under this legislation, other than moving expenses while (1) such employee is employed by a temporary service operator over the Rock Island lines or (2) after an employee has been offered employment with a permanent acquiring carrier in the employee's craft and for which the employee is qualified. The moving expenses are exempted from the provision to encourage employees to exercise their right-of-first hire with other carriers through the recoupment of expenses incurred in moving to other carriers.

Conference substitute

The Conference substitute generally follows Sections 208 and 209 of the House amendment, but it adopts the Senate language in paragraph (b) with regard to timing of the required election and paragraph (c) to the effect that, with regard to employees who elect employee protection benefits otherwise available, nothing in this title shall be construed to affect the status or liability for claims of employees protection which might have existed in the absence of this legislation.

SECTION 109—AUTHORIZATION OF APPROPRIATIONS

Senate bill

The authorization provision of section 109 of the Senate bill relates solely to administrative expenses of the Railroad Retirement Board. For this purpose, $750,000 is authorized.

House amendment

The House amendment authorizes an additional $1 million to be appropriated for the Railroad Retirement Board to carry out its duties under the Milwaukee Railroad Restructuring Act and this Act. The House amendment further authorizes $1.5 million for new career training assistance for Rock Island employees.

Conference substitute

The Conferees adopt the authorization of appropriations set forth in the House amendment. Additional information obtained by the Conferees has made it clear that the Railroad Retirement Board will need an additional $1 million for administrative expenses to adequately perform its functions. Since the Conference substitute adopts the provision for a new career training assistance program, an authorization is also necessary for that purpose.

SECTION 110—OBLIGATION GUARANTEES

Senate bill

Section 110 of the Senate bill governs funding of labor protection agreements. Paragraph (a) provides that the Department of Transportation shall guarantee obligations of the Rock Island under section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act) but without regard to the usual requirements applicable to such guarantees. The obligations guaranteed are not to exceed $50 million; this amount governs Government liability pursuant to this act and the total labor protection provided under agreements established under this act.

Paragraph (b) of this section provides that $30 million of this $50 million is to be treated as an administrative expense of the Rock Island estate.

House amendment

The language of the House amendment is similar to the Senate bill with two important differences: obligation guarantees are not to exceed $75 million and the entire amount of any obligations guaranteed under this section shall be treated as an expense of administration.

Conference substitute

The Senate recedes.

SECTION 111—EXPEDITED PROCEEDINGS

Senate bill

Under section 111 of the Senate bill, proceedings involving the Rock Island are to be given preference by the Commission over all other proceedings. Any application for sale, transfer or lease to solvent carriers filed after January 1, 1980, shall be decided within 100 days or such shorter time as the Bankruptcy Court may mandate pursuant to the Milwaukee Railroad Restructuring Act.

House amendment

Section 215 of the House amendment provides that matters concerning the Rock Island Railroad shall take precedence over other Commission proceedings, but specific deadlines are not provided.

Conference substitute

The House recedes.

SECTION 112—TRANSACTION ASSISTANCE

Senate bill

Under section 112 of the Senate bill, funds previously authorized under section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 are to be made available by the Secretary of Transportation to encourage purchase of Rock Island lines by noncarrier entities, including associations of railway, labor employee coalitions and shippers. To the extent applications are filed, the Secretary is directed to purchase no less than $25 million in preference shares, bonds, or trustee certificates.

House amendment

No similar provision.

Conference substitute

The conference substitute substantially adopts the Senate language. A reference is added to "funds available on May 1, 1980". The purpose of this reference is to insure that the Secretary retains funds necessary to fully implement this provision. In addition, the definition "noncarrier entities" is modified to specifically include "States or state organizations" as qualifying entities. The language is also modified to include "lease or rehabilitation" as well as purchase of the considered lines.

With regard to the Milwaukee Railroad, a provision was added to include up to $18 million transaction assistance to facilitate the purchase of properties of that carrier. The conferees recognize the problems faced by shippers on the Milwaukee Railroad, particularly the western portion, and intend that preference be given to applications involving purchase of western lines to the extent meritorious applications are filed.

MISCELLANEOUS PROVISIONS

Senate bill

Section 113

This section provides for the nonapplicability of the National Environmental Policy Act and the Energy Policy and Conservation Act of 1975 to transactions carried out under this Act.

Section 114

The Railroad Retirement Board is granted necessary authority to carry out its duties under the Act.

Section 115

This section requires the Board to publish and make available a document describing the rights of employees under this legislation.

House amendment

Sections 218, 219 and 220 of the House amendment contain provisions which are substantially the same as sections 114–116 of the Senate bill.

Conference substitute

The Conference substitute follows the Senate bill.

SECTION 116—AMENDMENTS TO MILWAUKEE RAILROAD RESTRUCTURING ACT

Senate bill

Section 117 of the Senate bill provides a limited exception to the prohibition against further directed service in the Milwaukee Railroad Restructuring Act. It directs 30 days of service under section 11125 of title 49, United States Code, limited to lines where railroads, States and local governments or other entities have entered into agreements with the trustee of the Milwaukee Railroad for acquisition or where legislation authorizing such acquisition is currently pending before a State legislature. The section also authorizes the Commission to direct service by the Milwaukee itself so long as no profit factor is included.

House amendment

The House amendment does not contain a similar provision.

Conference substitute

The Conference substitute adopts the Senate provision for limited directed service on the Milwaukee Railroad, modified to apply only in instances where legislation has been enacted prior to the date of this legislation to provide for a State to tender a bonafide offer for acquisition of such rail lines or line segments. This provision is intended by the Conferees to be of limited application, and the cost should be minimal. The limited nature of the directed service authorization is an important consideration to the Conferees, in view of the fact that a substantial amount of directed service has previously been provided under the Milwaukee legislation.

CONTINUED SERVICE ON LINES SERVICED BY THE MILWAUKEE RAILROAD

Senate bill

Section 118 of the Senate bill provided for 30 days of directed service on the Milwaukee Railroad over lines included in the reorganization for which firm initial bids of purchase have been made prior to date of enactment, except where alternative operators are operating such lines under interim service orders or are willing to do so at no cost to the United States. The level of service specified was that which existed on October 15, 1979.

House amendment

No similar provision.

Conference substitute

The Senate recedes. This provision is no longer necessary in view of the broadening of the transaction assistance provision to include the Milwaukee as discussed above.

SECTION 117—RAIL TECHNOLOGICAL IMPROVEMENTS

Senate bill

Section 119 of the Senate bill fosters rail technological improvements by giving the Federal Railroad Administration discretionary authority to grant exemptions from the Safety Appliances Acts' mandatory requirements when those requirements preclude the development or implementation of new rail technology. A similar provision was originally reported out as a part of S. 1946, the Railroad Transportation Policy Act of 1976.

House amendment

No similar provision.

Conference substitute

The Conference substitute follows the Senate bill, with a modification to indicate that the authority granted the Federal Railroad Administration in this section must be exercised after a hearing, absent an expression of agreement between national rail labor representatives and the developers or operators of the new equipment or technology.

SECTION 118—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973 (CONRAIL EMPLOYEE STOCK OWNERSHIP PLAN)

Senate bill

Section 119 of the Senate bill is intended to aid in implementing an employee stock ownership plan for Conrail. The United States Railway Association Amendments Act of 1978 (the 1978 Act) amended the Regional Rail Reorganization Act of 1973 (the Rail Act) to provide that the United States Railway Association (USRA) shall not invest the last $345 million of the authorized $3.3 billion of Federal investment in Consolidated Rail Corporation (Conrail) until Conrail has in effect an employee stock ownership plan (ESOP). The 1978 Act specified certain basic terms and conditions required to be included in the ESOP, and instructed Conrail to recommend to the Congress what further statutory provisions would be necessary to accomplish the desired exculpation and indemnification of Conrail and its personnel with regard to the implementation and operation of the ESOP.

Defeasance requirement

Among the terms specified by the 1978 Act are the requirements that the securities contributed by Conrail to the ESOP be allocated immediately to the accounts of the participants in the ESOP and that the rights of those participants to such securities be fully vested upon allocation. The 1978 Act also requires that each participant's right to such securities must be subject to "defeasance" after ten years if Conrail has not attained for two consecutive quarters positive net income and a freight labor cost to freight revenue ratio equal to the average such ratio for all Class I Railroads in 1977 (the financial benchmarks).

The defeasance requirement was added to the 1978 Act in order to link the employees' rights to Conrail stock to productivity increases. It is the Committee's belief that the ESOP which is being established as a result of the negotiations among Conrail, USRA and RLEA, and to which Conrail plans to contribute redeemable preferred stock issued by Conrail Equity Corporation (CEC), a new subsidiary of Conrail, avoids the need for special legislation along these lines. If the financial benchmarks, which necessarily depend upon increased productivity, are not met, the CEC stock in the ESOP will have little or no value; the Committee believes that this will accomplish the desired defeasance and that this will be consistent with applicable provisions of ERISA and the Internal Revenue Code.

The Committee further understands that Conrail intends that the ESOP will be tax qualified. This qualified status, the Committee believes, is entirely consistent with and furthers the basic purposes of Section 216 of the Rail Act, as amended by the 1978 Act.

Indemnification and Exemption From Liability

The Act would relieve Conrail and the other persons who will be involved in the implementation and operation of the ESOP from fiduciary and other responsibilities for the ESOP structure itself or for the transactions that are basic to the ESOP's purpose. However, Conrail and such other persons would not be exempt from liability or indemnified with respect to the ordinary duties of plan administration which are common to all ESOPs.

This exculpation would cover operational and related business decisions made by Conrail, whether or not approved or consented to by USRA, which could adversely affect Conrail's ability in a particular quarter to attain the financial benchmarks for the ESOP. It would also cover all actions (or lack of action) in connection with the ESOP taken with the consent or approval of USRA except those associated with the ordinary duties of plan administration. These ordinary duties are specified in the legislation. Further, the designated ESOP fiduciaries would not be relieved of responsibility for the management of plan assets in the normal course, other than as to those stock investments specifically contemplated by the ESOP or otherwise outside their discretion.

The Bill would indemnify Conrail and these persons from lawsuits and all other claims that might be made or brought against them in connection with the basic structure of the ESOP, with issuances or transfers of securities contemplated by the ESOP, and with dispositions of ESOP assets made on account of a Conrail reorganization or restructuring. Conrail and such persons also would be protected from lawsuits and claims alleging that the ESOP, or any of its provisions, violates ERISA or other laws. While there would be no requirement for consent or approval by USRA in order for the indemnification provisions to apply, the application of that provision is subject to a good faith standard.

Interstate Commerce Commission Approval

The Bill also would make it clear that the issuances and transfers pursuant to the terms of the ESOP of the securities involved, including CEC's securities, are deemed authorized and approved as issuances under the Interstate Commerce Act without the necessity for Interstate Commerce Commission action. In view of the regulation and oversight of Conrail and the ESOP by—among others—USRA, the IRS and the Department of Labor, the Committee is of the view that additional regulation and oversight by the Interstate Commerce Commission would be unnecessary. The Committee also notes that other issuances of Conrail securiites are deemed approved by the Interstate Commerce Commission under Section 601(a)(2) of the Rail Act.

One additional result of deeming the issuances and transfers of the securities involved to be authorized and approved under the Interstate Commerce Act is that such issuances and transfers (including Conrail's transfers of CEC preferred stock to the ESOP, transfers in connection with the redemption of such securities and the account distributions by the ESOP to participants or beneficiaries) will not be subject to the approval, registration or similar requirements under the public utility and Blue Sky laws of the states and the District of Columbia.

Federal Securities Laws

The Committee is not recommending any legislation which would exempt the ESOP from the application of the various Federal securities laws since these laws will not apply until the participants in the ESOP actually receive securities. The Committee believes that the unique nature of the Conrail ESOP and the circumstances of its implementation should not cause Conrail or the ESOP to become subject to Federal securities laws until the time at which the requirements of such laws would serve the purpose for which they were designed. That time would be immediately after ESOP distributions are made to participants and their beneficiaries.

House amendment

No similar provision.

Conference substitute

The House recedes. The Senate language is adopted with minor technical changes.

SECTION 119—NEW CAREER TRAINING ASSISTANCE

Senate bill

No similar provision.

House amendment

Section 207 of the House amendment provides that employees who take a separation allowance are eligible for up to $3,000 in retraining expenses. Other Federal education benefits, such as veterans' benefits, for which the employee is eligible, must first be exhausted. This is similar to the career training assistance program established for Milwaukee employees under the Milwaukee Railroad Restructuring Act.

Conference substitute

The Conference substitute adopts the House provision, with a change in the definition of "qualified institution" to include State accredited institutions which have been in existence for two years. A similar change is made in the Milwaukee Railroad Restructuring Act.

SECTION 120—DIRECTED SERVICE—COMMUTER LINES

Senate bill

The Senate bill does not contain a special provision relating to commuter service.

House amendment

Section 213 of the House amendment provides that the Commission shall order directed service for two years after enactment over any commuter line of the Rock Island Railroad in operation on March 1, 1980, if the directed service carrier agrees to provide such service without payment. The section also specifies that commuter lines of the Rock Island Railroad shall not be abandoned nor discontinued during the period of directed service.

Conference substitute

The Conference substitute adopts the House provision with changes to indicate that the applicability of the section is limited to passenger service and the Rock Island is to receive such compensation as the Commission finds to be reasonable if the parties cannot reach agreement or compensation for the use of Rock Island properties and facilities. In determining compensation under this section it is the conferees' desire that the Commission follow standards similar to those used in determining compensation to be paid to the trustee by interim operators in previous compensation determinations.

SECTION 121—TEMPORARY RAIL BANKING

Senate bill

No similar provision.

House amendment

Section 214 of the House amendment provides that for 45 days after enactment no rail line or facility of the Rock Island Railroad, which has been approved for abandonment, may be downgraded or scrapped without the approval of the Secretary. The Secretary may grant the application of the Rock Island unless an interest in acquiring a particular line is expressed in writing and there is a reasonable expectation the purchase will be consummated.

Conference substitute

The Conference substitute follows the language of the House provision, except that the expression of interest required to prevent disposition may be in leasing or rehabilitation as well as purchase.

SECTION 122—TEMPORARY OPERATING APPROVAL

Senate bill

No specific provision.

House amendment

Section 217 of the House amendment clarifies the authority of the ICC to authorize temporary operating authority on the Rock Island and Milwaukee Railroads until an application for purchase or lease is filed with the ICC, at which time the applicant may seek temporary operating authority on under sections 5 and 17 of the Milwaukee Railroad Restructuring Act. On March 20, 1980, the United States Court of Appeals for the Seventh Circuit overturned the Interstate Commerce Commission's grant of emergency temporary authority under section 11123 of Title 49 to the St. Louis-Southwestern Railroad Co. to operate over the lines of the Rock Island. The opinion of the Court makes the clarification provided by this section even more necessary. The provision is intended to enable the ICC to insure that transportation services will continue by requiring a railroad to make its tracks and facilities available to another rail carrier or organization formed for the purpose of providing rail service on the Rock Island and Milwaukee Railroads. The Commission's authority under this section should be construed as plenary, not limited to particular lines, facilities or services. Section 217(b) provides that the authority under (a) is applicable to all transactions pending at the Commission for approval on the effective date of the Act and thereafter.

Conference substitute

The Conference substitute adopts the House provision. In so doing, however, the Conferees wish to make it clear that paragraph (b) is not intended to change existing Commission policy nor to require newly formed carriers to assume pre-existing collective bargaining obligations or union representation.

SECTION 123—DEFINITION OF RESTRUCTURED MILWAUKEE RAILROAD

Senate bill

No provision.

House amendment

Section 221 of the House amendment is a technical change which redefines the term "restructured Milwaukee Railroad" for the purposes of the Milwaukee Railroad Restructuring Act.

Conference substitute

The Conference substitute adopts the House provision.

SECTION 124—SAVINGS PROVISION

Senate bill

Section 124 of the Senate bill provides that, should any provision in the Act or the application of any provision to a person or circumstances be held invalid, the remainder of the Act shall not be affected.

House amendment

The House amendment contains a similar savings provision in section 221.

Conference substitute

The conference substitute follows the Senate language.

TITLE II—PASSENGER RAILROAD REBUILDING ACT OF 1980

SECTION 201—SHORT TITLE

Senate bill

The Senate bill contained the short title of the "Northeast Corridor Completion Act".

House amendment

The House bill contained the short title of the "Passenger Railroad Rebuilding Act of 1980".

Conference substitute

The Senate recedes.

FINDINGS AND PURPOSE

Senate bill

The Senate bill contained the following findings: that the Project has taken longer and cost more than expected; that the Project should have definite limits with respect to finding and time; that after completion, any future corridor work should be part of Amtrak's regular budget; and that Amtrak should recover all operating costs within five years and also recover future capital expenditures.

House amendment

The House bill included extensive findings which may be summarized as: passenger rail service is needed to conserve increasingly scarce fossil fuel resources; the Northeast Corridor has demonstrated the potential for doing so; federal assistance is needed to develop modern and efficient high-speed intercity rail passenger service; a national rail corridors program is in the public interest; and Amtrak needs new equipment. The purpose of the House bill was to complete the Northeast Corridor and to provide for the development of high-speed intercity rail passenger service in corridors throughout the United States.

Conference substitute

The conferees agree that the final legislation should not include any statement of findings and purpose.

SECTION 202—RAIL PASSENGER CORRIDOR SERVICE

Senate bill

The Senate bill amended the goals of the Railroad Revitalization and Regulatory Reform Act to stress that, in the event the goals are not achieved with the additional authorization provided, the funding limitations would nevertheless prevail; terminated the Northeast Corridor Improvement Project at the end of fiscal year 1985; and required the General Accounting Office to study the feasibility of new corridor service.

House amendment

The House amendment completed the Northeast Corridor Improvement Project five years after enactment.

Conference substitute

The conferees agree that the Northeast Corridor Improvement Project will be terminated at the end of fiscal year 1985, and that, in the event of any conflicts between goals and funding authorized, the funding limits will prevail. The study by the General Accounting Office has been deleted.

SECTION 203—SEPARATION OF PASSENGER AND FREIGHT TRAFFIC

Senate bill

The Senate bill required the Secretary of Transportation to develop plans for off-corridor routings of freight traffic and to undertake a demonstration project, if agreements can be reached with involved carriers, to reroute freight traffic around the Corridor. The provision also added the elimination of congestion at the critical bottleneck in Baltimore to the goals of the 4-R Act.

House amendment

The House bill contained identical language with respect to the relief of congestion, but no provision with respect to the diversion of freight.

Conference substitute

The conferees agree to include the Senate provision on the diversion of freight along with the added goal of eliminating congestion in Baltimore.

SECTION 204—AUTHORIZATION OF APPROPRIATIONS

Senate bill

The Senate bill authorized $750 million to complete the Northeast Corridor Improvement Project. Of this amount, $37 million would have been set aside for the relief of congestion in Baltimore and the diversion of freight off the Corridor. In addition, the Railroad Revitalization and Regulatory Reform Act would have been amended by adding three technical amendments which (1) clarify the power of the Secretary to acquire real property for the Northeast Corridor Improvement Project, (2) permit the Secretary to enter reimbursable agreements prior to the local share being placed into escrow, and (3) permit the Secretary to turn over excess equipment to Amtrak upon completion of the project.

House substitute

The House bill authorized $750 million to complete the project, of which $28 million would have been set aside for the relief of congestion. In addition, the House would have removed a provision from the 4-R Act which states that if all funding authorized is not needed on the main line of the Corridor, it should be used to improve service on certain designated spur lines. Finally, the House bill contained the three technical amendments in virtually the same form as the Senate bill.

Conference substitute

The conferees agree that $750 million should be authorized for the completion of the Northeast Corridor Improvement Project, of which $37 million would be set aside for the diversion of freight and the elimination of congestion as in the Senate bill. The conferees have also incorporated the House provisions removing the ability to spend residual funds on spur line service and the three technical amendments to the 4-R Act in the form contained in the House bill.

SECTION 205—MANAGEMENT GOAL

Senate bill

The Senate bill established a new management goal for Amtrak: that Amtrak recover 60% of its operating costs in the Northeast Corridor in fiscal year 1981, 75% for fiscal years 1982 through 1985, and 100% in later years. Also, beginning in 1988, the goal would have included recovering the annualized costs of any capital investment undertaken after fiscal year 1985. Amtrak would have been required to submit annual reports on its progress in meeting this goal.

House amendment

The House bill set the goal for Amtrak of recovering 100% of its operating costs in the Corridor five years after enactment. A one-time report on the progress toward meeting this goal would have been required five years after enactment.

Conference substitute

The conferees agree that the following goals should be established for Amtrak: Amtrak should recover 55% of annual operating costs in fiscal year 1981; 75% in fiscal years 1982 through 1986; and 100% thereafter. Rather than separate reports, the conferees agree that Amtrak should include a report on this matter in its regular annual report.

SECTION 206—TRANSFER OF AUTHORITY

Senate bill

The Senate bill transferred all authority from the Secretary to the Corporation on October 1, 1985 when the project was terminated.

House amendment

The House bill transferred authority from the Secretary to the Corporation five years after the date of enactment and, in addition, directed the Secretary and the Corporation to agree within 90 days after enactment, on the reallocation to the Corporation of authority and responsibility with respect to the contracting of construction solely related to track improvements in connection with the Northeast Corridor Improvement Project.

Conference substitute

The conferees agree that the responsibility for the contracting of construction related to track improvement should be transferred to the Corporation and adopt this portion of the House provision. Consistent with the completion of the program at the end of fiscal year 1985, remaining authority would be transferred from the Secretary to the Corporation on October 1, 1985, as provided in the Senate bill, rather than five years after date of enactment as provided in the House bill.

SECTION 207—WORKING CAPITAL FUND

Senate bill

The Senate bill incorporated a technical amendment suggested by the Administration, which amended the Department of Transportation Act by establishing a "working capital fund" for the Department's Transportation Systems Center in lieu of the present "consolidated working fund".

House amendment

No provision.

Conference substitute

The House recedes.

SECTION 208—AMENDMENT TO RAIL PASSENGER SERVICE ACT

Senate bill

This section eliminated the special treatment now provided for Amtrak's capital funds by repealing section 601(b)(3) of the Rail Passenger Service Act of 1970 and would thereby place Amtrak's capital grants program on a par with other government capital grant programs.

House amendment

No provision.

Conference substitute

The House recedes. The conferees agree to rescind paragraph 601(b)(3) of the Rail Passenger Service Act as amended and note that this will increase Amtrak's interest expense by $14 million in FY 1981, which is paid from appropriations authorized for Amtrak's operating expenses.

SECTION 209—PRIORITIES FOR IMPROVEMENTS

Senate bill

This section amended section 703 of the Railroad Revitalization and Regulatory Reform Act by listing the following priorities for the selection and scheduling of specific projects undertaken during the course of the overall Northeast Corridor Improvement Project: safety; benefits to the greatest number of riders; reliability of intercity passenger service; achievement of the trip-time goals; reducing future maintenance levels; reliability of commuter freight operations; and concentration on activities which will provide the most immediate benefits. The intent of this amendment was to make it clear that speed-sensitive projects are not to be preferred to projects which may improve reliability or passenger comfort.

House amendment

No provision.

Conference substitute

The House recedes.

SECTION 210—AUTHORITY OF THE SECRETARY

Senate bill

No provision.

House amendment

The House bill amended the 4–R Act to require the Secretary of Transportation to consult with the Secretary of Housing and Urban Development, the Secretary of Commerce, and other appropriate officials to use federal funds to assist public and private redevelopment in the vicinity of urban rail stations on the Northeast Corridor.

Conference substitute

The conferees agree that the House language, with one minor clarifying change, should be adopted.

SECTION 211—DEMONSTRATION SERVICE

Senate bill

No provision.

House amendment

The House bill amended the Rail Passenger Service Act to require the expenditure of $500,000/from Amtrak's fiscal year 1980 capital authorization for the purchase of a self-propelled single car capable of carrying 50–60 passengers to demonstrate the feasibility of developing feeder service to basic system and State-subsidized service.

Conference substitute

The conferees agree to the House provision except that the Corporation would be given discretionary authority to acquire the equipment rather than the acquisition being required, and also agree that the authorization should be for fiscal year 1981 rather than 1980.

SECTION 212—RAIL PASSENGER CORRIDORS

Senate bill

The Senate bill required the Comptroller General of the United States to undertake an evaluation of the potential costs and benefits of developing rail passenger service in other corridors.

House amendment

The House bill directed the Secretary of Transportation in consultation with the Corporation to develop a method for evaluating corridors and submit the evaluation method to Congress; required the Secretary to include 13 listed rail corridors plus any others that demonstrate as great potential for attracting riders, to reduce energy consumption and the capability to provide cost-effective rail passenger service in his evaluation; required the Corporation upon receipt of the Secretary's evaluation and ranking of corridors, to begin the development of design and engineering plans; required the Corporation to submit to Congress design and engineering plans on corridors which were included in the ranking; and authorized appropriations to the Secretary for the benefit of the Corporation, out of funds in the Windfall Profits Tax account, of $55 million for the development of design and engineering plans and $50 million for the acquisition of equipment. Additionally, out of the Windfall profits tax fund, $850 million was authorized to be available beginning with the fiscal year ending Sept. 30, 1982 for the implementation of corridor improvement projects only upon the enactment of further legislation specifically authorizing those projects.

Conference substitute

The conferees agree to provide funds for an evaluation of the feasibility of specific corridors including engineering and design studies. Should the final evaluation of any corridor show that the institution of passenger service would be justified, the conferees expect that the Congress would authorize and appropriate the funds necessary to undertake construction. The conferees agree to add a new Title X to the Rail Passenger Service Act following the format of the House amendment as follows:

SECTION 1001—DEVELOPMENT OF THE EVALUATION METHOD

The Secretary of Transportation in consultation with the Corporation, shall develop a method for evaluating rail passenger corridors. The conferees also expect that the Secretary will consult with the Comptroller General during the development of the evaluation method and during subsequent evaluations. The method shall be designed to determine which corridors have the greatest potential for attracting passengers, have the greatest potential for reducing energy consumption, and are capable of providing cost effective rail passenger service. The Secretary must consider several factors in the evaluation method.

The Secretary is required to determine which corridors have under the evaluation method the greatest potential to attract riders, reduce energy consumption and provide cost effective rail passenger service. Based upon a preliminary evaluation the Secretary shall establish a priority ranking of such corridors. The Secretary's determination and ranking shall include the corridor listed below. The Secretary may include the extension of the San Jose-Sacramento corridor to Reno, Nevada, the extension of the San Diego-Los Angeles corridor to Oxnard, and any other that demonstrates as great a potential as the thirteen listed corridors:

(1) The Cincinnati-Chicago Corridor (between Cincinnati, Ohio and Chicago, Ill.).

(2) The Cleveland-Chicago Corridor (between Cleveland, Ohio, and Chicago, Ill.).

(3) The Detroit-Chicago Corridor (between Detroit, Michigan, and Chicago, Ill.).

(4) The Los Angeles-Las Vegas Corridor (between Los Angeles, Calif., and Las Vegas, Nev.).

(5) The Los Angeles-San Diego Corridor (between Los Angeles, Calif., and San Diego, Calif.).

(6) The Miami-Jacksonville Corridor (between Miami, Florida, and Jacksonville, Fla.).

(7) The New York-Buffalo Corridor (between New York, New York, and Buffalo, N.Y.).

(8) The Saint Louis-Chicago Corridor (between Saint Louis, Missouri, and Chicago, Ill.).

(9) The San Jose-Sacramento Corridor (between San Jose, Calif., and Sacramento, Calif.).

(10) The Seattle-Portland Corridor (between Seattle, Wash., and Portland Oreg.).

(11) The Texas Corridor (between Dallas-Fort Worth, San Antonio, and Houston, Tex.).

(12) The Twin Cities-Chicago Corridor (between Minneapolis-Saint Paul, Minn., and Chicago, Ill.).

(13) The Washington-Richmond Corridor (between Washington, District of Columbia, and Richmond, Va.).

The Secretary determined that the thirteen corridors were those with the greatest potential; however, the conferees expect that the Secretary will review the corridors listed in the 1977 report on corridors in response to the 4–R Act to ensure that none with potential as great as these thirteen were overlooked in the February 1980, Amtrak/DOT Report.

SECTION 1082—DESIGN AND ENGINEERING

Upon completion of the ranking of the corridors, the Corporation shall develop a design and engineering plan for each corridor. Such plan shall include information to the extent necessary to provide accurate information on capital expenditures for improvements and equipment, operating cost projections, running times, and other information which the Corporation, in consultation with the Secretary, determines as necessary to complete an accurate assessment of the anticipated costs and benefits of instituting new service on such corridors. Such a plan shall not include the preparation of final design and engineering plans, such as blueprints, which would prepare a corridor for the commencement of construction, except in the case of Los Angeles to San Diego. The conferees believe that the Los Angeles to San Diego corridor has received substantial attention and analysis, and the preparation of final design and engineering work is appropriate. To the extent of available funds after a plan is prepared for other corridors, the Corporation may develop final design and engineering plans for the Los Angeles to San Diego corridor.

The Corporation is directed to develop the design and engineering information cooperatively with the rail carriers involved and, in the event the rail carriers are unwilling to cooperate, the Corporation may apply to the Secretary for assistance in obtaining such cooperation.

SECTION 1003—FINAL CORRIDOR EVALUATION

The Secretary and the Corporation shall jointly prepare a final report on the corridors ranked by the Secretary and submit a report to the Congress. The report shall include for each corridor ridership projections, operating cost and revenue projections, and projected capital expenditures for improvements. The projected capital expenditures shall be those determined by the Corporation under section 1002. The joint report shall be submitted by February 15, 1981. If the Secretary and the Corporation believe that further information is required after February 15, 1981, they shall submit a supplemental report with any additional necessary information.

SECTION 1004—EQUIPMENT ACQUISITION

The Corporation is directed, to the extent funds are available, to acquire equipment for the purposes of providing service in rail passenger corridors. The conferees believe that such equipment can be utilized by the Corporation and therefore should be acquired if Corridor service is not implemented. Accordingly, the conferees expect that such equipment can be utilized on the entire Amtrak system.

SECTION 1005—PRIVATE SECTOR DEVELOPMENT

The Secretary is directed to encourage the private sector development of potential rail passenger corridors, including the corridor between Atlantic City, New Jersey and Philadelphia, Pennsylvania. This section, as agreed upon by the conferees, is identical to the provision contained in the House amendment.

SECTION 1006—SPEED RESTRICTIONS

This section requires the Corporation to identify state or local governmentally imposed speed restrictions on Amtrak trains that impede the development of high-speed intercity rail passenger service and to consult with such state or local governments to determine whether such speed restrictions might be modified or eliminated without jeopardizing public safety.

SECTION 1007—SERVICE BETWEEN CORRIDORS

The House bill provided that, if the Corporation determines that improvements in rail service between corridors would result in an increase in overall ridership, the Corporation would have been directed to undertake such improvements as to maximize ridership on the route and in connecting corridors. The conferees agree that if the Corporation determines that improvements on a route between corridors would be justified by an increase in ridership, the Corporation should undertake such service as it considers appropriate to increase (rather than maximize) ridership.

SECTION 1008—AUTHORIZATION OF APPROPRIATIONS

The conferees agree that $38 million should be authorized for fiscal year 1981 for the evaluation of corridors and for the design and engineering work undertaken by Amtrak in connection with the evaluation of corridors, and that $25 million in fiscal year 1982 should be authorized for the acquisition of equipment under section 1004. Finally, the conferees agree to authorize out of funds available under section 704(a)(1) of the Railroad Revitalization and Regulatory Reform Act, funds not to exceed $200,000 for fiscal year 1981 for private sector development under section 1005 of this Act. Conferees do not adopt the reference in the House bill to the reservation of $850 million in the Windfall Profits Tax for future construction. However, conferees believe that funds from the Windfall Profits Tax account should be considered as one possible source of funds for the construction of any corridors Congress may authorize on the basis of the final corridor evaluation.

SECTION 213—AMTRAK INTERCITY SERVICE

Senate bill

No provision.

House amendment

The House bill would have extended the date from April 1, 1981 to October 1, 1981 for the termination of certain commuter rail passenger service.

Conference substitute

The Senate recedes.

SECTION 214—CONRAIL EMPLOYEE PROTECTION

Senate bill

No provision.

House amendment

The House bill would have extended the effective date from March 1, 1980 until 45 days after enactment of a provision in the fiscal year 1980 DOT appropriations law which would prohibit the United States Railway Association from continuing federal payments to Conrail if Conrail makes payments as required by title V of the Regional Rail Reorganization Act of 1973, which establishes an employee protection program for employees adversely affected by the creation of the Consolidated Railroad Corporation.

Conference substitute

The Senate recedes.

SECTION 215—RELOCATION OF FACILITIES

Senate bill

No provision.

House amendment

The Secretary of Transportation would be required to delay action, study the consequences of, and report to the Congress on the relocation of a maintenance-of-way facility at Bristol, Pennsylvania.

Conference substitute

The Senate recedes.

SECTION 216—OPERATION OF ADDITIONAL TRAINS

Senate bill

No provision.

House amendment

The House bill would have amended the Rail Passenger Services Act to require the Secretary of Transportation, upon notification by the corporation that the corporation was unable to reach voluntary agreements with a rail carrier for the operation of additional passenger trains over the carrier's lines, to order the carrier to permit such operations within 60 days. The schedules for such operation for the additional trains would be at the fastest legally permissive running times.

Conference substitute

The conferees agree to the House provision with several changes to indicate that the Secretary of Transportation may order such cooperation from a rail line, rather than the Secretary's obligation being mandatory. Further, such order could be issued only after a hearing on the record; such hearing would be required to include a consideration of whether or not such an order would unduly impair freight operations of the rail carrier involved; and, the burden of proof would be on the railroad to prove that its freight operations would be unduly impaired by the requested operation. If the Secretary decides not to hold a hearing, the Secretary shall, within 30 days after the receipt of an application from the Corporation, publish in the Federal Register his reasons for not holding a hearing.

The Congress is concerned that in the past Amtrak's efforts to add or modify services have involved protracted arbitration proceedings and have often prompted requests by the railroads for inordinate capital improvements, which is paid from appropriations authorized for Amtrak's operating expenses. It is important that Amtrak have available to it an expedited procedure for making necessary modifications or additions to its operations. The conferees have agreed that, rather than being absolutely constrained, the Secretary should have discretion to take into account any serious adverse impacts on a railroad's freight operations which may result from additional service. However, it is the purpose of this provision to ensure that such service may be added where no significant impairment of freight operations is demonstrated.

HARLEY O. STAGGERS,
LIONEL VAN DEERLIN,
JAMES J. FLORIO,
JIM SANTINI,
BARBARA A. MIKULSKI,
JOHN M. MURPHY,
ROBERT T. MATSUI,
JAMES T. BROYHILL,
EDWARD R. MADIGAN,
GARY A. LEE,
Managers on the Part of the House.

HOWARD W. CANNON,
RUSSELL B. LONG,
ADLAI E. STEVENSON,
BOB PACKWOOD,
NANCY KASSEBAUM,
Managers on the Part of the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MAKING IN ORDER ON THURSDAY, MAY 22, 1980, CONSIDERATION OF CONFERENCE REPORT ON S. 2253, ROCK ISLAND TRANSITION ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that it be in order on Thursday, May 22, 1980, to consider the conference report on the Senate Bill (S. 2253) to provide for an extension of directed service on the Rock Island Railroad, to provide transaction assistance to the purchasers of portions of such railroad, and to provide arrangements for protection of the employees.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may we know what the conference report is?

Mr. STAGGERS. The conference report is on the Rock Island Railroad and the Northeast Corridor.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia (Mr. STAGGERS)?

There was no objection.

INDEPENDENCE OF CUBA

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, we have had the honor, today, of having had our opening prayer said by the distinguished representative for the Committee on Government Regulations of the Catholic Health Association of New York, Rev. Harry Barrett.

Reverend Barrett, who has had an outstanding career, so far, in the field of the ministry as well as charitable pursuits within the archdiocese of New York and its public health arm, was educated at Columbia University and St. John's and has been a Catholic clergyman since 1973.

While we heed the benedictions and blessings pronounced for us this morning, let us not forget the lack of blessings on the island of Cuba, whose people are seeking to leave their economic and political misery in droves. Their poverty and lack of opportunities as well as the degree of Cuba's political enslavement by the power-hungry Fidel Castro, who has sold Cuba to the Soviet Union's influence, are pitiful and deplorable. This beautiful pearl of the Caribbean as it was once called is being dimmed and ravaged today by Castro—at the expense of Cuba and its neighbors, who suffer Castro's diatribes and interference in their domestic affairs.

With Reverend Barrett, this morning, and every day, let us pray for peace and a renewed commitment to democracy in a future Cuba free from Castro's and the Soviet Union's strangling domination. Cuba's independence has been sorely violated and is being used to advance the cause of Soviet expansionism and aggrandizement among other, smaller independent nations. Let us pray and work for true Cuban independence soon.

DEREGULATION COMMITTEE SHOULD PUT HOUSING FIRST

(Mr. ST GERMAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ST GERMAIN. Mr. Speaker, this Nation is staying barely above the 1 million mark in new housing starts—a level some 42 percent below production a year ago.

Despite minor improvements in mortgage interest rates in recent weeks, this remains a highly serious problem, not only for the millions who are seeking decent housing but for the entire economy. We cannot allow the housing industry to collapse or to remain in its present comatose state and it is essential that the policies adopted by the Congress and the Carter administration be consistent with efforts to revitalize this key sector.

High interest rates, coupled with a severe outflow of savings from institutions which make the majority of the Nation's housing loans, have placed this industry in its most precarious position since the 1974–75 recession. March withdrawals at insured savings and loan associations exceeded new savings receipts by $900 million. This compares with an inflow of $3 billion in March of 1979 and is the worst first quarter saving data in 10 years.

Mr. Speaker, clearly this trend must be reversed if housing is to recover. President Carter recognized this when he imposed selective credit restraints on March 14, calling for the program "to encourage the flow of available credit supplies for investment and other productive uses" The President said:

> Special attention will be given to the particular needs of small businesses, farmers and homebuyers.

A key issue in this effort to encourage a new savings inflow into the thrift institutions—the institutions which provide the overwhelming majority of first mortgage funds to homebuyers—comes up this afternoon before the Depository Institutions Deregulation Committee.

At issue is the ability of mortgage lending institutions to pay an extra one-quarter of 1 percent to savers on money market certificates. This one-quarter of 1 percent differential is triggered when the money market certificate rate falls below 9 percent. The differential on these certificates—as is true for the statutory differential on passbook accounts—is intended to assure that the thrift institutions are not placed at a competitive disadvantage on savings.

The differential is based on two very simple premises: First, that we have a national policy to encourage the production of housing; and second, that commercial banks, with checking accounts, corporate lending powers, corporate deposit powers, and a multitude of other exclusive powers have great advantages over thrift institutions in attracting new funds.

Recognizing the need to lessen these differences and to assure more even competition for the savers' dollar, the Congress in March of this year passed the Depository Institutions Deregulation and Monetary Control Act, Public Law 96–221. This law provides for the gradual phasing out of regulation Q which has provided the regulatory structure for limiting interest on savings accounts.

Mutual savings banks will be given a limited degree of corporate lending and deposit power. All the thrift institutions will be able—beginning in January 1981—to maintain NOW accounts, the first cousin to the commercial banks' checking account privileges. Savings and loan associations will eventually have new consumer lending powers, broader real estate lending ability, authority for trust operations and some other minor improvements in status.

All of this, when it is ultimately in place, will give the thrift industry a more complete base from which to attract and hold its customers. The commercial banks will continue to hold a number of exclusive and meaningful competitive advantages, but the field will be a little more level.

But, the important thing to remember Mr. Speaker, is that this leveling of the field—the granting of these competitive equalizers—is not yet completed, in fact, it has just begun. The Federal Home Loan Bank Board on May 12 published in the Federal Register a timetable which calls for the regulations implementing this "leveling" process to be promulgated over the next 6 months with additional time for comment. And the NOW account powers, of course, will not, by statute, be available to the thrift industry until next year.

The legislative history—in fact, the act itself—is very clear that the elimination of interest rate controls goes hand in hand with the competitive equalizers, the new powers. Mr. Speaker, without this understanding and without the inclusion of these new powers, there is no way that H.R. 4986 would have cleared the Congress.

Despite this, there are some in the commercial banking industry who now believe the Deregulation Committee, created by H.R. 4986, should jump the gun, ignore the fact that the new powers are not in place, and ignore the fact that the Congress voted a 6-year phase-out of interest rate controls. They now argue that the Deregulation Committee should order, without further ado, an end to the differential on the money market certificates.

I am not surprised that the banks would take this position. It is well worn policy in their ranks. It is understandable from their view of the world.

But, I do hope that public officials, appointed by President Carter to serve broader purposes, will follow the clear intent of Congress and that the national interests will outweigh the parochial desires of any segment of the financial community. We do have a national policy on housing and I sincerely hope that these Presidential appointees will take a hard look at housing production figures before they do anything which might, even in the smallest degree, adversely affect the hopes for a renewed flow of mortgage credit. This is hardly the time for new experiments in the already difficult area of volatile money market funds.

Mr. Speaker, the Deregulation Committee will have much work to do in coming months and I would urge it not to expend its energies, and its good will, with an improper and unwarranted attempt to prematurely eliminate the differential.

INTRODUCTION OF BILLS TO ALLOW EMPLOYMENT OF TEMPORARY ALIEN WORKERS BY U.S. AGRICULTURE

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, I am today introducing two related bills to make more realistic and efficient the process by which temporary alien workers may be employed by U.S. agriculture.

In my home State of California, the shortage of qualified agricultural labor is chronic—particularly during the busy planting and harvesting seasons when additional workers are usually required. Because able and willing domestic workers are often unavailable, farmers and growers have no real choice but to rely on those individuals who are willing and available. Unfortunately, such individuals tend to be illegal aliens.

I am well aware of the overall complexity of the illegal alien problem, and of its increasing impact on the social structure of our Nation. I am not here proposing a general solution to this difficult problem. Rather, I am attempting to ease the burden that now is all too often unfairly borne by U.S. farmers.

Mr. Speaker, I know of no farmer or grower who wants to employ illegal aliens; who knowingly breaks the law with impunity. The strained relations that often prevail between farmers and local INS agents attests to the difficulty of the current situation. The outcome, of course, is that farmers are often left without workers at those very times when they are most needed.

My legislation amends the Immigration and Nationality Act to regularize the process whereby alien workers may be certified for temporary employment. I am not proposing a "bracero"—like program, although I am strongly supportive of efforts in this area. My amendments, rather, deal specifically with the (H) (II) program under which the Immigration and Naturalization Service may now issue nonimmigrant visas for temporary employment.

The law currently allows temporary visas for no more than 1 year to be issued if the Secretary of Labor determines that unemployed persons who are able, willing, and qualified are not available in this country. I am proposing that, in the case of agriculture, this provision be changed to reflect the availability of agricultural labor in the specific area in which the employment or labor will be performed.

It makes very little sense, Mr. Speaker, to expect California growers to assume that qualified workers can be found in New York or Florida or Kansas; workers who would be willing to move to California on a temporary basis. Not surprisingly the experience since the demise of the bracero program in the early 1960's has been one of failure. It is just not realistic to rely upon major relocation—particularly in view of the fact that eligibility for unemployment compensation is not dependent upon leaving home to look for a job. In short, then, it is only reasonable to mandate that the required recruitment search be areawide rather than nationwide.

In conjunction with this improvement of current law, I am proposing an (M) program for agriculture, to be administered by the Secretary of Agriculture rather than the Secretary of Labor.

Although treated similarly, agriculture would be expressly excluded from the (H)(II) program; the Secretary would have a 20-day period, rather than the current 60, in which to refer qualified domestic workers before aliens could be certified.

Farmers and growers can obviously not always predict 2 months in advance what their labor needs will be. Since my legislation mandates only an areawide search, 20 days will be ample time to comply with the requirements of the law, while at the same time allowing farmers a more accurate basis on which to determine their labor requirements.

Mr. Speaker, my legislation is modest in scope. Its purpose is not to discriminate against domestic workers, but rather to strengthen existing law by basing it more firmly in reality. It is my belief that, upon enactment, my legislation will ease the burden both on agriculture and on the INS by substantially reducing the incentive and need to employ illegal aliens. The essential choice is quite simple: Either we make temporary worker programs more realistic, as I am attempting to do, or we continue to be confronted with a growing illegal alien problem. I urge my colleagues to join in support of this effort.

WILL WASHINGTON BUREAUCRATS DICTATE HISPANIC CULTURE?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, in return for a Federal contribution of 7 percent of the total cost of running our educational system, our local schools are now burdened with a vast and expanding mass of paperwork, and have lost control of educational policy to Washington. As Jack Perkins pointed out on NBC's Prime Time Saturday on May 10, "local control of schools" is now a "palliative myth." Those who want the Federal Government to "support diversity" in this country should take warning from this example. Help from Washington too often means control from Washington.

Many groups in this country want Federal programs to help them maintain their special culture, largely through the bilingual education program. Hispanics constitute the largest of these groups, but by no means the only one.

The fact is, of course, that there is not just one "Hispanic culture." Mexico is not Spain, Puerto Rico is not Mexico, and the culture of Cuba is widely different from all three. To put Paraguay in the same category with Argentina is as absurd as putting Glasgow in the same category as southern California. But, if this Government "help" continues to expand, we will find that Hispanic culture will be homogenized and dictated by the same group that homogenizes and dictates national educational policy today: Washington bureaucrats.

I made the same kind of warning, again and again, to local educators seeking Federal aid in the early 1960's. The very idea that Federal aid would lead to Federal control was, quite literally, laughed off, and I was often branded "anti-education" because I issued these warnings. Today, the circumstances, are very similar: I am warning about the dangers of a Washington-dictated "Hispanic culture," and I am branded "anti-Hispanic" for it.

Anybody who is afraid of being labeled should stay out of politics, so being called "anti-education" or "anti-Hispanic" is one of the parts of the job. Frankly, I would far rather accept one more label than have the melancholy satisfaction of seeing my predictions come true, as was the case in the intrusion in local education by the Washington bureaucracy. I am neither anti-education nor anti-Hispanic, but I am anti—when it comes to bureaucratic control over what should remain individual and local decisions. Anyone who seeks to have the Federal Government do something for them should look at history, and see that it always means that the Federal Government will also be doing something to them. It is a very short step from having Washington give money to support a culture to Washington dictating what that culture is.

OIL IMPORT FEE

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HORTON. Mr. Speaker, as a cosponsor of House Joint Resolution 531, a resolution disapproving the President's imposition of an oil import fee, I was pleased with Judge Aubrey Robinson's ruling that the fee is unconstitutional. Although the administration is currently in the process of preparing an appeal, I am confident that not only will the ruling stand, but swift congressional approval of House Joint Resolution 531 will spare the already burdened American consumer still another devastating tax.

The President announced his intention to impose an import fee as a means of reducing American consumption of foreign oil. I share his desire to eliminate our dependence on the OPEC oil cartel. Our excessive dependence jeopardizes our economy and our national defense. However, levying what would amount to a 10-cent-a-gallon gasoline tax is both unconstitutional and inflationary.

For several weeks, the Energy and Environment Subcommittee of the Government Operations Committee has been investigating whether the fee could be passed on to other products. The subcommittee's efforts were thwarted by the Energy Department's refusal to turn over memoranda regarding the fee. Only after the subcommittee issued a subpena and cited Secretary Duncan for contempt did he turn over the memos. The subcommittee decided not to pursue this legal course of action after the Secretary furnished the documents. It is my understanding that some of those documents question whether the import fee could be limited only to gasoline, raising in the process, the legitimate fear that home heating oil and other petroleum based products would also be affected.

The President has, through his proposed import fee, failed to recognize that energy independence cannot be achieved solely through complex taxes and regulations. Expanded use of our own domestic energy resources, coal, nuclear and oil, coupled with reasonable conservation efforts will enable us to reach the goal of energy independence in far less devastating ways.

By a vote of 14 to 4, the Senate Finance Committee voted to repeal the oil import fee. The Trade Subcommittee of the Ways and Means Committee registered its disapproval of the fee in a 17 to 4 decision. I am hopeful the House will soon have the opportunity to declare its opposition.

☐ 1810

DATELINE: INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. KELLY) is recognized for 5 minutes.

Mr. KELLY. Mr. Speaker, the people must know the truth about the role of politics in causing inflation. If the truth is hidden from the voters, the ballot is futile. The ballot is the solution, because politics is the problem.

Irresponsible political leadership for the last 50 years is the root cause of inflation and all of our economic problems. Our political leaders have been buying votes with the jobs, prosperity, and security of America.

Government growth began after the Great Depression. In 1929, Federal spending accounted for only about 3 percent of our gross national product (GNP). This percentage has crept steadily higher since then, as the idea that stimulation of "demandside" economics took hold in Washington: It was 10 percent in 1940; 16 percent in 1950; 18.5 percent in 1960; 20.5 percent in 1970; and 22 percent estimated for 1980 and 1981. It was easy for politicians to adopt "demandside" economics, stimulating the economy on behalf of their "friends," while promising generous tax cuts and running up huge deficits.

A good place to start an understanding of the problem is with the present political conversation about "balancing" the budget.

This is the way it really is:

First. The budget will not be balanced:

Even if it were, it would represent a $42.6 billion increase in Federal spending;

Even if it were, it would represent a tax increase of $95.6 billion, the largest ever in peacetime history, and

Even if it were, there is $138.6 billion in off-budget Federal financing that is controlled by the Government, by politicians, for political purposes in the form of direct loans and loan guarantees.

Second. The budget, balanced or otherwise, does not show how Federal spending is used to encourage spending by State and local governments—funds that would not otherwise be spent. This spending is encouraged through such devices as:

"Matching funds"—those Federal funds paid to local governments if they will spend them on specific programs, and

"Ripple effect"—what results when the private sector and local governments are induced by thee Federal Government to spend money that would not otherwise be spent, on "urban rehabilitation" and similar programs.

Another area of Government or political control of the economy is Government regulations and laws. Through these devices, financing, credit, and money are all controlled politically in much the same way that taxes and Federal spending are politically controlled. Here are several examples of what the laws and regulations do:

First. They compel State and local governments to engage in programs and practices that consume billions of dollars, over which local governments have no control, and about which they have no choice;

Second. They compel business, industry, and the private citizens to spend billions of dollars to be in compliance, much of which is wasteful and inefficient, and

Third. They compel both local governments and citizens to pay more for labor and production than would be the case otherwise—that is Davis-Bacon Act, Jones Act, et cetera.

Then, in addition to all the other failings of our political leaders, they cause the Government to print worthless paper money which is mixed in with the money held by the people in the form of savings, cash, bonds, pensions, et cetera.

Inflation is a tax almost totally imposed by Government, equal to the dollar-devaluation it causes, plus the increase in the tax levy that results. This applies to both income taxes and property taxes.

Our Government, our political leadership, our politcians cause inflation in other ways that are extremely serious. Taking capital away from the means of production by taxes, too much Federal spending and Government regulations are a few examples.

When free industry and agriculture fail to invest in new technology and machines, and fail to engage in adequate research and development, then the result is stagnation or reduction in productivity. Free industry is industry or business not owned or directly subsidized, and so controlled, by government. The list is shrinking in all sectors of agriculture, industry, and business as political control of freedom expands.

We have only to look at such U.S. industries as steel, auto, electronics, optics, shipbuilding, maritime, and shoes to see the serious results. Goods produced by these industries cost more because the industry's efficiency suffers and jobs consequently, are lost to foreign producers. This causes a vicious cycle which worsens each time around. The politicians then blame the private sector for the failure caused by the Government and use the "failure" as an excuse or opportunity to increase its control over what remains of free industry.

Not unrelated in these results are two other significant areas of Government control. The first is the efforts of Government to discourage savings. The accumulation of capital is absolutely essential to a healthy, productive economy. The other area is Government provision for programs that actually encourage people not to work.

There is no farmer in a State such as Florida who is not acquainted with the impact of the food stamp program on his ability to find workers to harvest crops, or to maintain production costs that are competitive on the world markets.

Those people in the United States today who save to provide for their own security are penalized because the interest, which is a benefit of saving, is taxed, and the amount of interest they can earn is controlled by regulations.

There are innumerable instances where work disincentives discourage our people from working. An example is the penalty that is imposed on social security payments for senior citizens who need to work and often are our most experienced and productive people.

It is not an uncommon thing for an individual to be better off on unemployment and food stamps than he would be if he were engaged in productive labor.

All of this is the fabric of inflation. It is complex, but it is logical, and it is the truth. We must reverse the process. It is basic to our security as well as our prosperity.

Inflation, if not stopped, will be fatal to the economy. Inflation is a threat to the savings and security of the individual, and is a direct threat to the very survival of America.

A reduction in Government spending, taxation, and regulation is the only solution.

To save themselves and the country the people must look to the record of leadership, and not listen to the election-year rhetoric. Let the politicians' voting record be the voting guide of the people.

EXPORT TASK FORCE ARTICLE NO. 20: PRESIDENT CARTER ANNOUNCES WORLD TRADE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, President Carter has proclaimed the period of May 18–24 as World Trade Week. As Members of Congress we should use this opportunity to emphasize to the people of the United States that trade is vital to our country's economic health and well-being.

During the 1970's our Nation faced huge trade deficits the effects of which continue to haunt us today. In the 1980's we must make every effort to increase our exports so that we can maintain high levels of employment, counterbalance our huge oil import bill and support the integrity of the dollar on overseas money markets. World Trade Week offers a unique opportunity to display our determination to end our trade imbalance by increasing the exportation of American goods and services abroad.

The following is Presidential proclamation 4722 announced by the President February 14, 1980, declaring this week as World Trade Week, 1980. The proclamation follows:

[Presidential documents, proclamation 4722 of February 14, 1980]

WORLD TRADE WEEK, 1980

By the President of the United States of America

A Proclamation

The United States has set out with vigor and determination to implement the historic trade agreements concluded in the Tokyo Round of the Multilateral Trade Negotiations. The Administration has conducted a major reorganization of the Federal Government's trade functions in order to take greater advantage of the opportunities these agreements offer. The 1980s begin to emerge as a time both of challenge and renaissance in the world of international commerce. They will be America's decade for trade.

Expanded world trade contributes to the growth of economies throughout the world and opens new avenues of cooperation that serve us in our quest for peace and human rights.

Increased U.S. exports will mean more jobs for American workers, new markets for American business, more secure income for American farmers, a strengthened American dollar and lower costs for American consumers. Trade promotes our economic health and moves us closer to our goal of a prosperous and secure America at peace with the world.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby proclaim the week beginning May 18, 1980, as World Trade Week, and I request all Americans to cooperate in observing that week by participating with the business community and all levels of Government in activities that emphasize the importance of world trade to the United States economy and to our relations with other nations.

In witness whereof, I have hereunto set my hand this fourteenth day of February, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

JIMMY CARTER.●

KING CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I shall not take the 15 minutes, but for some time now I have not reported on the subject matter that had occasioned me addressing the House almost weekly since last year, I would say a year at the end of this month, which will commemorate the 1 year after the assassination of Federal District Judge John W. Wood and a year and a half or so since the attempted murder of the Federal district attorney for the western district, James Kerr. Because of the fact that I have importuned the House repeatedly, I wish to give an explanation as to why, for the past 7 or 8 weeks, I have not addressed the subject matter.

The reason is that I feel that I have reached the end of the activities that any one Member can promulgate toward the resolution of what I consider to be the most important pending business before the Nation. I have pointed out repeatedly that the assassination of this Federal judge is unprecedented in the annals of judicial history of our country; that is a direct assault on not only the third branch of our Government, but a reflection of the malaise that is like a pointed dagger at the heart of our society; that is, the successful incursion on the part of organized crime into the inner recesses of every level of our society, whether it is political, governmental, business, or social; and that this crime, which is unprecedented and which remains unsolved, and even the glimmerings of the beginning of a solution, clearly point to the successful challenge on a direct affront basis on the part of organized crime to the constituted authorities, and therefore the society, of our country.

I have done everything but personally go out and assume the prerogatives of the law enforcement agencies. Specifically, I had introduced a resolution in which I asked the joinder of my colleagues in order to further impress upon the executive branch the need to give priority to the solution of this very bothersome and nettlesome case. That resolution expressed the sense of the House that it would be our desire that the President authorize and indicate his authorization and approval to the Justice Department of the offering of up to $3 million for information leading to the arrest and the conviction of the culprits responsible for the murder of Judge Wood and the attempted murder of Assistant District Attorney James Kerr.

The meagerness of the response leaves me no other conclusion than that there is no support. In fact, I did not even get the support of my colleague who represents, technically, the area in which the crimes were committed, the attempted murder of Kerr and the murder of John Wood. They were all committed in the suburban area of San Antonio, one of the more affluent, sedate neighborhoods in the whole country; not in that part that I represent, which is now the inner section of the city. My district used to be the entire county, but when I cannot even get the support of a colleague in the House in whose district the murder happened, I feel whatever legitimacy I thought I had to my request is just simply not there, and there is no use pressing the point.

Second, I had invited the interest of the Justice Department towards approaching the solution of this case through a revival and a solution to the case of Sante Bario, who was the Drug Enforcement Administration official who was arrested in San Antonio at the time that he headed the Mexico City office on the charge of bribery simply on the information of one of the top-level informers in the country.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I will be glad to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, Mr. ROUSSELOT and myself have been listening to the gentleman, and were somewhat taken aback by the lack of cosponsors on his resolution. This was a Federal judge who was murdered, and this was a U.S. attorney involved in the attempted murder.

Mr. ROUSSELOT has authorized me to ask if he could become a cosponsor, and I should like to become a cosponsor also.

Mr. GONZALEZ. I am deeply grateful to my distinguished colleague. It is very encouraging. I had sent out a dear colleague letter, but I understand dear colleague messages and the difficulty to go through the mass that we receive every day. But, I did have a follow-up on that, and frankly speaking, I started with my own delegation from Texas. Even after three letters, there arrived a very meager response. But, this is very encouraging, and perhaps with the gentleman's help we might be able to turn this around.

Ironically, Judge Wood was one of the very few—in fact, for several years the only one—who was identified as an appointee of a Republican administration. I just think it is a shame to have our only Republican murdered, besides other things.

But more importantly, more importantly is a direct challenge, and it has resulted in the intimidation of the judiciary. Let me tell the Members how ludicrous it is, how ironic. The criminal is walking the street with his head high, assured that there is very little chance that he is going to really ultimately be pinned down because the case is cold now. It is going to turn out to be another Jimmy Hoffa case. Yet, the judiciary in that area is all under Federal marshal's protection and custody, including the district attorney and his wife. Everyone of them is under protection. They have U.S. marshals with these officials, under protection constantly. They are the agents that we ourselves depend on to enforce the laws and prosecute them and judge them fairly and evenly, and without fail, and they find themselves intimidated. This is why I call this crime the greatest crime in the 20th century in American society.

I was chastised by one of the local papers, saying, "How can you compare this with the assassination of Kennedy?"

Well, I do, even though the enormity of the assassination of President Kennedy is great. This is the first time we have had this kind of crime. About a hundred years ago a Federal judge was murdered, but not for a reason that an attempt was made to either seek revenge for judicial determinations or judicial intimidation, which has been successful.

☐ 1820

There is no question that the judiciary is intimidated, and the type of activity that had become hyperactive in our area involving international crime is at the heart of the whole matter.

So it is discouraging, but nevertheless I suggested taking other action as a result of the speechmaking here, and that was that the Sante Bario case be approached as a possibility of an avenue to solving it, because there is no question in my mind that the Sante Bario case has a bearing on the ultimate solution of the Judge Wood case.

Sante Bario was arrested in San Antonio, presumably for accepting money from a most sophisticated top-level informer who was really a triple agent—more than a double agent—a Frenchman by the name of Picault. And nobody has ever explained why Bario would come all the way to San Antonio when the scene of activity, even for Picault, was in Mexico City to receive $3,000 or $4,000 or $5,000 from Picault when he could easily have done that, and 10 times over, in Mexico City.

Also, Bario had an illustrious history. He is the one who wrote "The French Connection," concerning investigations in the North with respect to the heroin traffic from France. He was, up to that point, unblemished in his record of performance.

There are many aspects to this. I received information indicating that there are some very troubling aspects with respect to the Sante Bario case. But what a coincidence that a few days after his arrest, after having been brought down, while placed in custody some 80 miles north of San Antonio where he was held for safety in a small community jail, he was brought into the Bexar County jail, and in almost hours after he was there, he presumably choked on a peanut butter and jelly sandwich and went into a coma from which he never recovered. He lingered in a coma for 6 months and died.

Now, anybody who is ready to believe that and who thinks that needs no investigation surely must believe in Little Red Riding Hood and Snow White and the Seven Dwarfs and everything else.

There is no question but what there are very troubling aspects to this. The whole case was built around a criminal who himself, with the working arrangements in that underworld section of human activity, gave him the sole power over a Federal agent.

I had three meetings with the Director of DEA, and let me say frankly that after those three meetings I was very discouraged, because I feel that there are some elements there involving the fact that Bario was working on what I call "The El Paso Connection," and that is that particular traffic of international crime that I hold responsible for the murder of John Wood.

So, Mr. Speaker, I may add with this summation that, after finding total frustration, I did get one of the assistant attorney generals to direct a letter to the DEA suggesting that they do that. But the DEA has shown absolutely no willingness to reopen or reexamine or look into the case.

So it seems to me that I have done as much as one Member can do other than coming here and importuning the House periodically. That is all, it seems, that I am able to do, and I can do that.

There is one further thing, though. Over in the Senate, a Senate subcommittee is going into the question of organized crime in the United States, and some of the information received there confirms some of the charges I have made in the prior speeches I have made here on the House floor.

Also, there is a periodical that is now being published in Florida in which substantially the same things I have said have been substantiated in specific instances.

So, Mr. Speaker, I feel that, with the exception of the help of my two colleagues here, the gentleman from California (Mr. ROUSSELOT), and the gentleman from Illinois (Mr. HYDE), I will wind up this effort and see how we can proceed. We will see if we can get some cooperation in order to impress upon the executive branch the need to give this matter top, No. 1 priority and not let it go into the dust of history, to be forgotten and covered over very much like the murder of Jimmy Hoffa.

HOW TO FIGHT INFLATION BY CONSERVING GASOLINE BY DISCOURAGING NONESSENTIAL USES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

● Mr. REUSS. Mr. Speaker, our appetite for gasoline causes us to import swollen amounts of oil, thus weakening the international dollar and greatly exascerbating our inflation.

Various proposals for limiting our dependence on imported oil have floundered, in most cases because they make no provision for cushioning the shock on those millions of Americans who need gas to commute to and from work, and for other essential purposes.

I recently asked the staff of our House Committee on Banking, Finance and Urban Affairs to prepare background material on how the problem might be solved. The staff, particularly W. Lawrence Hollar and Mary Noel Pepys, have done a serviceable job, and the material that I present here is the result of their researches.

How much motor fuel do Americans use for getting to work, for family business, and for recreation? What ways have been suggested to moderate this country's desire for motor fuels—and to make the Nation less dependent on imported oil? Is there an approach that offers promise of significant energy savings and protection for essential uses, without creating a cumbersome bureaucracy?

For years preceding the 1970's, a plentiful supply of inexpensive gasoline made driving easily affordable. Gasoline selling for 20 to 30 cents a gallon eliminated serious worries about the cost of driving for many Americans, even those owning large, gas-guzzling models. The automobile became the way Americans traveled both to the local store and across the country.

The Arab oil embargo of 1973–74, coupled with the decreases over time in domestic production and increases in reliance on foreign sources, began to bring America back to reality. The shock of waiting in gas station lines for hours, and paying prices for gasoline that edged over a dollar a gallon by the end of the 1970's, have brought home the need for a more rational approach to energy conservation.

By the end of the 1970's, America was importing 43 percent of its petroleum products, and two-thirds of its petroleum imports came from OPEC countries.[1]

By late April, 1980, the pump price for regular, leaded gas had reached $1.21, and unleaded was selling for an average of $1.25, even before the impact of an expected additional 10 cents per gallon from an oil import fee[2] was felt. These prices each reflected more than a $0.40 increase over the average prices for regular and unleaded gasoline 11 months earlier.[3]

As gas prices soared, imported cars offering better gas mileage than most American models began to take an increasing share of new car sales in the United States. These dollars flowing abroad, added to those going to OPEC countries, aggravated the U.S. trade balance-of-payments problem.

With the increasingly serious energy situation in the 1970's, Government officials, economists and others began to discuss the alternatives for reducing overall demand for gasoline. A variety of voluntary efforts to save gasoline were tried, including the encouragement of car and vanpooling and the creation of express bus lanes. None of these had a major impact on gasoline usage. Rising prices did have some effect on consumption.[4] Increasingly, many Americans expressed a willingness to accept some form of rationing as a method of curtailing overall demand.[5]

The United States currently consumes about 7 million barrels of gasoline a day,[6] three-quarters by personal passenger vehicles and the remainder by gasoline-consuming trucks.[7] Other motor fuels, primarily diesel fuel, used in America amount to 836,000 barrels a day,[8] or about 10 percent of the total motor fuel used. By way of comparison, total petroleum imports from foreign sources amount to about 8.3 million barrels a day.[9]

Americans own between 100 and 120 million cars that they use for an average of 10,000 miles each year.[10] With fuel economy hovering at 14 miles per gallon for the U.S. auto fleet,[11] each car consumes about 700 gallons of gasoline a year.[12]

Estimates vary on how much driving people could or would give up. The Energy Department, relying on 1969–70 data provided by the Federal Highway Administration, has estimated that between 29.5 and 40.5 percent of personal driving is discretionary—meaning that it can be more efficiently made in another available mode of transportation, that it can be combined with another trip, or that it can be eliminated without loss or damage to the health or safety of the community. DOE estimates that 5.3 million barrels of gasoline used per day is for personal use, representing 76 percent of all gas consumed, so that between 1.5 and 2.1 million barrels per day are discretionary.

The following are the categories of personal use and the percentage of total use each represents: [13]

Earning a living: 42 percent of personal use.

Family business: 19 percent of personal use.

Civil, educational, and religious: 5 percent of personal use.

Social and recreational: 33 percent of personal use.

Other: 1 percent of personal use.

The following are the percentages of total personal use that DOE staff estimates are discretionary for each category of use:

Earning a living: 4–6 percent of personal use.

Family business: 2–4 percent of personal use.

Civil, educational, and religious: 0.5 percent of personal use.

Social and recreational: 23–30 percent of personal use.

Other: 0 percent of personal use.

The total amounts to 29.5–40.5 percent of personal use.

Therefore, whereas 70 to 90 percent of social and recreational use is considered discretionary by DOE, only 10–15 percent of use involved in earning a living is considered discretionary.[14]

On the other hand, a conference board survey, discussed in the February 1980 issue of the board's publication, found that the average American family could "reduce its driving by 11 percent fairly easily." Close to 45 percent of those surveyed said they could reduce driving by more than 10 percent, and almost half of those said they could cut by 20 percent or more.

Three basic approaches have dominated the debate on gasoline conservation: First, a rationing system using coupons, similar in certain respects to the World War II plan; Second, price increases; and Third, increased taxation of gasoline to raise its price at the pump. Some of these taxation plans call for the consumer to receive a rebate or reduced taxation elsewhere for at least a portion of this added tax expense.

We shall now describe the various ways in which consumption of motor fuels can be reduced, either by using coupons, by using price alone, or by using the taxing mechanism.

I. RATIONING

A. WORLD WAR II

World War II gave this country its only experience with a formal rationing system. After voluntary efforts at conservation proved ineffective, a nationwide gasoline rationing program took effect late in 1942 as a part of a wide-ranging rationing program for commodities such as rubber products, typewriters, shoes, meats, automobiles, and sugar.

The system for gasoline was based on three types of coupons issued to licensed drivers which were valid for varying lengths of time. Gasoline could not be dispensed at the pump without the driver presenting coupons for the amount of gasoline desired. All drivers who asked for them received relatively small "A" rations, good for about 16 gallons a month except on the east coast where supplies were tighter.[15] "B" rations, providing an extra 21 gallons a month for work-related driving, were given on demonstration of additional need. "C" rations were available for heavy users such as ministers, doctors, and traveling sales persons.

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Requests for ration coupons were made to local rationing boards composed of volunteers, who could allocate coupons based on need. Commercial and agricultural users essentially got all the gas they needed if they were certified as necessary for the war effort.

Once coupons were allocated to users, they could not be sold or given to other users. This limitation led to some black market transactions in coupons, particularly late in the war. One estimate is that no more than 5 percent of gasoline sold involved counterfeit or stolen coupons.[16] Whatever the level of black marketeering that occurred, it was generally an aberration in an otherwise rather successful rationing program that managed to reduce civilian demand by one-third and keep gas prices virtually constant during the war.

Rationing worked. People were willing to sacrifice for the war effort and to participate without pay on 5,600 local rationing boards. Rationing worked least well in places (such as Texas) where people could not believe that shortages actually existed. On the east coast, however, where shortages were a reality by 1942 when sea-bound oil supplies were disrupted by the threat of German submarines, rationing was more palatable.

One of the main difficulties with rationing during the war was the bureaucratic overlap at the Office of Price Administration, the Petroleum Administration for War, and assorted other offices both in Washington and at regional and State levels that were involved in the program. What the overlap ultimately led to was a glut of valid coupons on the market, without supplies to back them up. This was particularly true of commercial users, who were not strictly limited in their entitlements as were individual users.

The size of the Government bureaucracy itself does not seem to have been a problem during the war, because the significant numbers of volunteers lessened the overall impact on the Federal budget, and because people understood the temporary nature of the situation. In addition to the governmental apparatus, 14,000 commercial banks served as clearinghouses for canceled ration coupons.

B. PRESIDENT CARTER'S STANDBY RATIONING PLAN

In 1976, the Federal Energy Administration produced the first serious postwar plan for gasoline rationing. The plan, prepared in response to the Energy Policy and Conservation Act, was a standby program for use when gasoline and middle distillate supplies fell 20 percent below the base period for at least 30 days. The plan involved coupons that legally could be bought and sold, and a federally imposed price control system. Coupons would be distributed to holders of driver's licenses. The plan was transmitted to Congress very late in President Ford's term, and was withdrawn by President Carter for a thorough review.

The result was a new standby plan transmitted by the Department of Energy (DOE) in March 1979, which had the following essential features:

First. Ration checks would be sent to individual owners of registered vehicles, these checks to be transferable into coupons at issuance points such as banks. Coupons would be surrendered at service stations in exchange for specified amounts of gasoline.

Second. The size of the ration check would be decided by the States based on what was left after national defense and emergency uses and certain designated "priority" uses had been satisfied. States would be responsible for dealing with hardship cases requiring greater than normal allotments out of a State ration reserve.

Third. Coupons would be freely transferable between users.

Fourth. Firms and organizations would receive allotments based on their vehicle registrations, rather than based on a percentage of their historical usage as in the Ford administration plan.

Fifth. The plan did not include a price control system, although it was designed to be compatible with such controls if they were considered desirable at the time rationing went into effect.

Congress was unhappy with DOE's allocation formulas to the States,[17] and the House rejected the President's plan on May 15, 1979. In October, 1979, Congress passed the Emergency Energy Conservation Act, which required the President to prepare a new standby plan and specified in greater detail what the plan should contain.

DOE then published a proposed rule in December 1979, that in broad outlines did not differ from the earlier plan. As it evolved, the new plan came to include additional essential uses and a change in the formula for allocations to businesses.[18]

DOE estimated that the standby plan would cost between $1.5 and $2 billion per year to run, in addition to between $350 million and $400 million in implementation costs. Some 4,600 Federal employees and 27,000 State and local people would be needed, including 16,000 people to serve on local boards.[19]

C. THE PROS AND CONS OF RATIONING

Both the World War II system and the President's plan have the advantage of creating predictability about the maximum amount of gasoline that will be consumed over a period of time. The President's plan probably more accurately predicts actual usage, because the white market system allows valid coupons to be transferred to people who will consume what might otherwise be unused supplies. Viewed another way, a white market coupon system encourages wasteful use of gas by allowing those willing to afford it to buy extra coupons for gallons that have decreasing utility to the purchaser.

A coupon plan could provide for coupons to expire on a certain date, thereby preventing hoarding of unused coupons for lengthy periods. On the other hand, an expiration date is likely to cause peaks of usage as the expiration date approaches.

For those gallons that cannot or need not be used by an individual, a white market system acts as an income redistribution mechanism. Some argue that this will primarily benefit the poor, who tend to drive less than the rich, but the overall effect is uncertain. At the very least, if the poor in fact drive less than their coupon allotments would allow, a white market system is better than a black market as an income mechanism since the black market would restrict the ability of the poor to profit from the foregone gallons.

Finally, coupons provide the psychological benefit of a clear tangible reminder that times are tough and that all Americans share in the system.

Coupon systems have serious drawbacks too, the most important being the bureaucratic cost. The $1.5 to $2 billion per year needed to administer the program is about what it costs to run the State Department for a year, and not too much less than the Commerce or the Justice Departments use—all this to ration just one commodity. In addition, a substantial commitment of State and local resources is needed, without the obvious incentives of a war effort to support it.

Another problem with a coupon system is that it takes a long time to put it in place. DOE's Hazel Rollins has estimated (in a January 31, 1980 statement to the House Energy and Power Subcommittee) that as many as 7 to 12 months may be needed to put the coupon plan in place, even with an infusion of new money and personnel. These months spent waiting for a plan to be put in place would be exceptionally difficult ones if Americans are suffering with a 20-percent shortfall in supplies and have no rationing system in place to cope with it.

Another drawback is that any system that involves redeeming ration checks for coupons which in turn are used at the pump adds a new bottleneck to the flow of gasoline. Some have argued that this system will simply shift lines from the gasoline pump to the bank or other institution that redeems the checks.

Objections to the white market system also have been raised. Some see this as yet another way that the rich can have all the gas they want while the poor will opt for selling their coupons. A system with nontransferable coupons retains the incentives for people to be as mobile as they can afford to be within the overall constraints of the coupon system.

The white market also sets up a new brokerage business in ration coupons, which means that the brokers will be spending their time (and earning money) in the bureaucratic exercise of shifting coupons, rather than in more productive pursuits.

II. PRICE INCREASES

A second way to discourage the consumption of gasoline is to allow the marketplace to control the price. As the price increases, drivers will become more discriminating in their use of gasoline. Thus, the supply of gasoline need not be governmentally limited by the distribution of coupons, for the free market would effectively lower demand.

With gasoline prices already rising at the pump, some rationing by price has already occurred. The decontrol of oil prices, which the administration brought

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about last year by declining to extend existing controls, keeps prices moving upward at a faster rate than would be true under controls.

One proposal that is premised on the effect of market mechanisms is the emergency standby tax plan developed by Alvin L. Alm and William H. Hogan of the Kennedy School of Government at Harvard.[20] The two authors say that a coupon rationing plan involves insurmountable administrative problems. Alm and Hogan propose instead that, when a supply emergency occurs, the free marketplace should control the increase in gasoline prices which, in turn, will discourage demand. They define an emergency to be when a gasoline shortage equals 10 percent, or when lines at the gas pump begin to form.

The authors say that during a serious reduction of supply, oil companies would receive windfall profits. To offset this, Alm and Hogan propose that an emergency windfall tax be imposed equaling 90 percent of the price increase associated with the emergency. The President would determine the base price for gasoline at a level which preexisted the emergency when market supply and demand were steady. Any increase over that base price would then be taxed by the Government at 90 percent.

The proceeds from the tax would be returned to consumers by means of the income tax withholding system. The rebate would be directed either to registered owners of automobiles or to all households. Since the poor spend less for energy than the affluent, the authors suggest that a per household rebate would be substantially more progressive than a system which rebates to vehicle owners.

The emergency windfall tax would last only during the period of the emergency declared by the President. Once the price of gasoline drops to the base tax or the President lifts the state of emergency, the tax would be eliminated.

The purpose of the Alm and Hogan plan is not to reduce demand in the long run, but rather to equitably distribute to consumers what otherwise would be windfall profits to the oil companies during emergencies.

In contrast to coupon rationing as a means of conserving gasoline, a free market pricing scheme involves little bureaucracy. Furthermore, the market would not be flooded with a new currency which a coupon rationing plan would create.

The problem inherent in rationing by price, however, is the inequity involved in treating everyone alike. The poor and the long-distance commuter are heavily penalized and will bear a substantial burden. In fairness to all drivers, a gasoline conservation plan should protect those who have essential needs for gasoline. Alm and Hogan's rebate plan, while recognizing the impact of increased gasoline prices on consumers, does not address how people's essential need for gasoline would be met. In addition, their plan is effective only during supply emergencies and does not provide any means of reducing demand over a period of time as a way of limiting our dependence on foreign oil.

III. INCREASED TAXATION

Many observers believe that conservation of gasoline can be achieved by the imposition of a large Federal tax at the pump. With prices now hovering around $1.25 a gallon, which includes only 4 cents in Federal tax, proposals for an increase on Federal tax range from 50 cents to $2 a gallon.

As with free market pricing, the difficulty with a significant Federal tax is that the impact on the poor is greater than on the rich. For this reason, many proposals for increased taxation include some means of easing the burden on the poor as well as on drivers who have fundamental needs for gasoline. In this way no one is asked to sacrifice essential driving.

Gasoline taxation to reduce demand is not a new concept. For example, in 1975 the House Ways and Means Committee proposed a 3-cent-per-gallon tax to finance an energy development trust fund.[21] Also under consideration was a separate plan to impose, on a sliding scale, up to an additional 20-cent-per-gallon tax, if consumption rose above 1973 levels. If any part of this additional 20-cent tax were imposed, people over 16 years of age would be allowed a tax credit equal to the additional tax on 40 gallons of gasoline a month. Further tax credits and deductions were provided for any business use of the vehicle and for work-related travel over 25 gallons a month. The purpose of the tax was to hold consumption down to 1973 levels of 6.67 million barrels per day. The committee projected that a million barrels of oil a day could be saved by 1985, if these additional 23 cents in taxes were imposed. The proposal was defeated on the floor of the House of Representatives.

President Carter also proposed in 1977 a gasoline tax plan as part of his energy program.[22] It called for a 5-cent-per-gallon tax on gasoline beginning in 1979, plus an additional 5-cents-a-gallon increase up to a maximum of 50 cents for each year in which conservation targets were not met. Rebates would have gone either to licensed drivers or to purchasers of fuel efficient cars. The proposal was rejected by the House Ways and Means Committee.

Following is a descripition of a number of proposals suggesting Federal taxation as a means of conserving gasoline.

A. PRESIDENT CARTER'S GASOLINE CONSERVATION FEE PROGRAM [23]

President Carter has proposed a gasoline conservation fee under the authority granted him by section 232 of the Trade Expansion Act of 1962. The President planned to impose the gasoline conservation fee on imported crude oil at the cost of $4.62 per barrel. Upon receiving crude oil, whether it be imported or domestic, the refiner would pay to an entitlements fund an amount equal to 10 cents for every gallon of gasoline produced. Refiners who do not produce gasoline are under no obligation to pay a fee to the entitlement fund. Importers of crude oil would receive from the entitlements fund that amount of money which equals the increased fee they were required to pay for the imported crude oil. The increased cost of imported crude oil would then be passed along to the consumer who will be paying 10 cents more per gallon of gasoline. Importers would receive enough of the proceeds of the fee to offset the higher cost of imports, and none of the proceeds would be returned to consumers.

The President projects a savings of 100,000 barrels of gasoline per day by the end of the first year based on the increased pump price. That amount equals 1.4 percent of the total U.S. consumption. By 1983, the reduction in gasoline consumption is expected to reach 250,000 barrels per day.[24] The gasoline conservation fee should raise approximately $10.3 billion for fiscal year 1981. The President intends to continue the gasoline conservation fee until Congress passes legislation which will permanently increase the tax on motor fuels by 10 cents.

The President's proposal does not indicate how the net revenues to the Treasury from the fee or the tax will be used. At 10 cents per gallon, the average household could expect to pay over $100 more for gasoline in the next year.

B. CONGRESSMAN JOHN ANDERSON'S MOTOR FUELS CONSERVATION TAX [25]

Congressman ANDERSON'S proposal raises the Federal tax on gasoline by 50 cents and reduces social security taxes presently paid by employees by 50 percent. The tax on gasoline will apply to all highway motor fuels, gasoline, and diesel fuel. By increasing the price of gasoline by 50 cents, Congressman ANDERSON estimates that consumption of gasoline would be reduced by 10 percent, or about 700,000 barrels per day.

Congressman ANDERSON projects that approximately $61 billion will be generated in gross revenues from the motor fuels conservation tax. Net revenues will be approximately $55 billion annually for the next 4 years, and $53 billion annually for each year thereafter. All revenues will be directed to the social security trust fund, and all will be returned to Americans through the following mechanisms:

ANDERSON'S proposal would reduce an employee's social security contribution from the current 6.13 percent to 3 percent. For a worker earning $20,000 a year, this reduction means an increase of $626 a year in take home pay. For those workers who do not contribute to social security, the Anderson proposal would provide them with a tax credit equal to the payroll tax relief of a wage earner who does contribute to social security.

Those receiving social security would get $10 per month in increased benefits under ANDERSON'S plan, to compensate for higher gasoline prices.

ANDERSON also proposes to reduce the employer's social security contribution from the current 6.13 to 5 percent. For certain businesses which depend heavily upon the use of motor fuels, a full tax credit would be available. Other businesses would receive a 10-percent motor fuels tax credit as well as a deduction for gasoline expenditures, totaling $11 billion annually.

Taken together, these rebates provide a $46 billion annual social security payroll tax relief program for employees and

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employers, and a $4 billion increase in social security benefits. Other than the $11 billion in tax credits and deductions for business use of motor fuels, users of essential motor fuel receive no benefits as such.

C. SENATOR BENNETT JOHNSTON'S EMERGENCY MOTOR FUEL DEMAND RATIONING ACT

Senator BENNETT JOHNSTON introduced on April 16, 1980 (126 Cong. Rec. S3760–3767) a bill, S. 2570, to authorize the President to impose a motor fuel fee in the event of a severe energy supply emergency. The fee would be set at a level to restrain demand to the available supply, and to capture windfall gains to oil companies from price increases during the supply emergency.

The proceeds of the fee would be fully rebated to consumers in proportion to the ration rights they would have received under the President's standby coupon ration ssytem. In effect, Senator JOHNSTON's plan uses an available currency (money) instead of a new currency (ration coupons). In addition, under the Johnston plan consumers could buy all the gas they want if they are willing to pay the increased price, thus avoiding the transaction costs involved in buying ration coupons on the white market under the President's coupon plan.

The Johnston plan would use the income tax withholding system, social security payments, or the welfare system as the vehicle for rebates, and as a last resort checks could be sent through the mail.

Since the President would set the level of the fee to respond to a particular supply shortfall, the Johnston plan does not include a prediction of fuel savings. The plan is designed to respond to the same kinds of serious shortfalls as the President's coupon plan, which is triggered by a 20-percent shortfall. At that level of shortfall, the Johnston plan would need a very heavy fee (perhaps as high as 200 percent) to achieve very shortrun benefits (in the first 3 months), while a 100-percent fee could reduce demand by 20 percent by the end of the first year of the fee.[26]

The purpose of the Johnston plan is to avoid the waste, complexity and delay of a coupon system while using the President's coupon allocation system as the basis for distributing money fairly. It is in this last aspect that the Johnston plan takes on a complexity of its own, since it will require many of the same hard decisions (and, pesumably, appeal mechanisms) on who gets what rights that arise under the President's plan.

D. ROBERT H. WILLIAMS GASOLINE TAX PLAN [27]

Robert H. Williams of Princeton University has proposed a plan to tax gasoline so that each gallon would cost $3. If this occurred, Williams projects an immediate reduction in gasoline demand and estimates that by 1990, gasoline consumption would be cut almost in half, assuming the tax were $2 per gallon.

Williams estimates that $150 billion in revenues will be received in the first year of the tax. Since the purpose of William's gasoline tax plan is to reduce the demand for gasoline, not to generate increased revenues, the revenues received from the tax would be rebated directly to the consumer. Williams believes that the consumer could use the rebate to buy more fuel efficient cars which he projects will be getting more than 40 miles per gallon in the 1980's.

Williams suggests rebating the gasoline tax revenues to all adults, which could be done by annually adding a line to the individual income tax form where the taxpayer would indicate the number of adults in the household. Although not all people would normally file income tax forms, Williams' plan would provide everyone with an incentive to do so. Williams proposes that low income households should receive a "prebate" (although he does not specify the method of payment) so that they would not have to wait until the end of the year to get their tax relief.

Each individual would receive a $730 rebate. At that rate Williams estimates that the average household could avoid the impact of the tax by reducing annual gasoline consumption by 25 percent to 770 gallons per year. Such a reduction could be achieved either by driving less or by using a more fuel efficient car.

Williams suggests that special attention should be given to those businesses which are heavily dependent on motor fuel, that is, taxi companies. Such businesses should be allowed to deduct from their corporate income taxes actual gasoline taxes paid on some fraction of their total gasoline consumption.

E. JOHN KENNETH GALBRAITH'S ENERGY STAMP PROGRAM [28]

Galbraith proposes that gasoline prices at the pump should be raised to an unspecified penalty level by the imposition of a tax. Galbraith suggests that a tax of $5 or more a gallon would not be unreasonable. Consumers would pay the higher pump price, except that the Government would distribute stamps, similar to food stamps, to licensed drivers that would allow a basic purchase of gasoline for household and pleasure driving at present prices. Galbraith does not define this "basic purchase" of gasoline in terms of any particular essential uses, such as driving to work. The stamps would be valid for 1 year, thus giving consumers an opportunity to hold surplus stamps against emergencies. Although the stamps could be sold on the white market, the incentive to buy stamps would be limited. This is so because under a stamp plan, gas could be sold (although at a penalty price) to a driver even if he presented no stamps, while under a coupon plan gas could not be sold without the presentation of a coupon for the number of gallons desired.

There are no estimates of the fuel savings from the plan, although the size of the possible tax suggests it would be significant. If gas prices were quadrupled to a $5 level, the revenues could be as high as $350 to $400 billion a year initially. It is not clear what use would be made of the net revenues from the tax after the cost of the stamps had been deducted.

Galbraith projects that the administrative cost to issue the stamps and check against claims would be hefty. Additional employees would be required at the post offices, banks, and the regional offices of the Department of Energy.

Under Galbraith's system, middle income persons are protected, while the wealthy and anyone in need may always get more gasoline by paying the higher price. A further reduction of gasoline demand can be achieved under Galbraith's system by either reducing the basic stamp allocation or raising the penalty price.

F. THE UNITED AUTO WORKERS UNION "GASLINE"

The UAW "gasline" plan is very similar to John Kenneth Galbraith's energy stamp program. The plan is described in a UAW statement, dated July 11, 1979, responding to DOE's proposed changes in the retail gasoline price regulation. "Gasline" (a combination of the words gasoline and lifeline) consists of a two-tiered retail pricing system for gasoline. The lower price gasoline can be obtained with the use of stamps. The higher price gasoline can be obtained only by paying cash.

Stamps would be issued by the Government through banks or post offices to every individual over, 16, or, in the alternative, every licensed driver. The stamps would permit the purchase of a specified volume of gasoline at the lower price. The allocation of stamps would be based on predetermined geographical needs which reflect the consumer's essential use of gasoline. The stamps would be purchased monthly and would have a life of 6 months.

The basic difference between the Galbraith stamps and the UAW stamps is that Galbraith's stamp would reduce the cost of the gas but would still require some cash outlay at the pump, whereas the UAW stamps would require payment in full at the time the stamps are purchased and then no extra charge at the pump.

There would not be any limit on how much gasoline people could purchase, but only a limit on how much they can receive at a lower price through the use of stamps. UAW envisions a white market for stamps, but feels that because gasoline would be available at the higher price, there would be less incentive for consumers to purchase stamps than there would be to purchase ration coupons under a plan like the President's coupon system.

The gasoline retailer would use the stamps to pay the wholesaler for the amount of gasoline purchased by stamps. Any wholesaler who collects a disproportionate number of stamps, whether too many or too few, would be able to receive from the Government an amount of money which would equal his actual cost of gasoline. This "clearinghouse" operation is similar to the crude oil entitlements program.

G. THE TAX PLANS—AN OVERVIEW

Each of the tax plans discussed above starts from the proven notion that higher prices will decrease demand. Some plans (such as the President's) involve a minimal tax—one so small that the impact on overall consumption levels is very slight. Others (such as Galbraith's)

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are based on major tax increases that would create a wholly new perception of buying gasoline—and would undoubtedly breed resistance in consumers in the early stages. Some middle ground seems preferable, at least at the start, since the tax can always be increased slowly as the need for conservation dictates.

Except for the President's import fee plan, all the proposals make some effort to lighten the burden of the tax on the American people. Several of the plans would return the proceeds to adults generally, without reference to whether they buy gasoline or own cars. Other plans are geared more directly to gasoline usage, either through car ownership or drivers' licenses.

At least three plans (Galbraith's, Senator JOHNSTON's and the UAW's) attempt to do rough justice by deciding what are people's essential gasoline needs, and relieving the tax burden for those gallons. Each of these, however, has some undesirable features. The Johnston plan might bog down in the calculations of who gets what ration rights. Those decisions are the most sensitive and most political ones. To have to make judgments such as those for every vehicle owner turns what could be a relatively simply system into a much more complex one. A preferable system might be one in which certain assumptions are made based on the average needs of American drivers, subject to adjustment in those few cases where real hardship occurs.

The Galbraith and UAW plans share some of the same problems. While a stamp plan may be somewhat more easily administered than coupons, stamps are still a new "currency" that must be handled, safeguarded, honored, and negotiated by banks, consumers, and those at all levels of the gasoline supply chain. They also restrict the consumer's ability to make reasoned choices with his or her money, since they are only negotiable for gasoline and not for bread or milk. Admittedly, the stamp plans presume a white market to convert stamps into dollars, but that involves both transaction costs and a degree of sophistication for consumers to take full advantage of the system.

Existing payment mechanisms that rely on dollars rather than a new form of currency would seem to reduce the delay and uncertainty inherent in stamp or coupon plans. Therefore, the plans that put money in most peoples' pockets each payday through changes in withholding levels seem faster and ultimately more equitable to those who would choose to spend their money on other needs.

The plan presented by the Banking Committee staff attempts to address these problems, while retaining some of the more desirable feaures of the plans already discussed.

H. THE HOUSE BANKING COMMITTEE STAFF PROPOSAL

For a variety of reasons, this proposal follows a tax and rebate format. Coupon systems have some attractive features such as predictability and fairness, but they are administratively unwieldly, slow to take effect and laden with transferable and counterfeitable paper. Price increases, while the simple, do-nothing approach, are fundamentally unfair to those who have a bonafide need for a certain basic level of motor fuel. Taxing schemes that do not provide for a reasonable rebate suffer from the same objections. Some rebate plans discussed in the preceding section are soundly based, but each has some flaw. The staff proposal is administratively simple, will yield concrete energy savings, and provides relief for essential users of motor fuels.

The plan includes the following features:

First. A motor fuels tax of at least 75 cents would be imposed (at today's costs, this would bring the cost of fuel to around $2 and represent a 60-percent increase in the pump price.[29] This tax would be adjusted to keep it constant in real terms over time.

Second. Everyone would pay the tax at the pump, or when motor fuel is purchased in bulk (as for example for agricultural uses).

Third. Each person (up to a limit of two per household) subject to withholding of Federal income tax (some 77 million persons) would be granted a reduction in Federal income tax withholding equal to the tax on 7 gallons of fuel a week, provided there is at least one vehicle registered in that person's name or assigned for that person's use for work-related travel by another member of the household who owns the car.[30] This seven gallons is intended to reflect an allowance for essential driving, basically commuting to and from work. If a particular household has an essential need that exceeds the base amount, as for extra-long commuting, documentation supporting that need would be submitted to the IRS and would be added to the withholding reduction for each payday—weekly, monthly, or whatever. The documentation would need to be resubmited at least yearly to qualify the household for the extra withholding reduction.

Fourth. Each taxpayer would see the amount of increased income (via decreased withholding) on the pay slip received at work, and a special box would be created on the annual W-2 form to reflect the total year's withholding credit for the gas tax.[31]

Fifth. A tax credit equal to the amount of withholding credit for the household will be allowed on the 1040 or 1040A form.

Sixth. Workers who file 1040 or 1040A forms and who are not subject to withholding will receive the same basic tax credit on April 15 as do those subject to withholding (i.e. 364 gallons per year, plus any proven justifiable additional amount for extraordinary essential need). Any of these workers who file quarterly estimated tax returns can deduct the tax credit for that quarter, and therefore get the benefit of the extra income at that time.

Seventh. Business and agricultural uses will earn tax credits on corporate or other tax forms. Consideration should be given to requiring a certification that credits claimed for these purposes are in excess of any credits claimed on individual income tax returns.

Eighth. Persons who do not file income tax forms but who may have a valid commuting need will receive notice at the pump and at other public locations of the program and will be advised to contact either DOE or the Federal agency providing them with income assistance for the appropriate forms. These people would receive checks at least quarterly, and if possible in connection with other Federal assistance payments that occur more frequently than quarterly. They would receive the basic 7 gallon per week tax rebate, plus any provable essential use above that, provided they could prove ownership of a registered vehicle.

This plan is administratively simple, in that it relies on existing income mechanisms to the extent possible. It also includes a base line consumption figure of 7 gallons per week (avoiding requiring all drivers to certify their essential use), while also retaining a way to deal with extraordinary use situations. It may in some cases overcompensate those who use less than the baseline amount, but that can be corrected in subsequent years by adjusting the baseline amount.

Predicting how much motor fuel will be saved under this plan cannot be done with great precision. There is no absolute agreement on what sensitivity motor fuel sales have to price (its "price elasticity"), and the calculation is complicated by the income effect of the dollars flowing back to consumers through the rebate. Some of those rebate dollars will probably be used for the purchase of gasoline, but many may be used for other purchases as well. At any rate, it is not correct to say that consumers getting the rebate will consider their first 7 gallons as costing $1.25, and all gallons above that $2. Consumption of even the first 7 gallons will likely be affected to some degree by the increased price.

In the medium term (by the end of the first year of rationing) there is general agreement that if gas prices double, consumption would drop by 15–25 percent.[32] Since the recommended plan increases gasoline prices by 60 percent, the impact on consumption by the end of the first year would be between 9 and 15 percent, or between 630,000 to 1.05 million barrels of gasoline per day.[33]

The impact on diesel is less certain because so much of diesel use is for commercial purposes, rather than for personal use.

It is also unclear how much these fuel savings will affect the amount of oil America imports. Energy Secretary Duncan has said that "every barrel of oil that we conserve means one less barrel of oil that we import."[34] The decision whether the marginal barrel of oil is an imported or a domestic one will be made by oil companies based on the economic benefits they see from the choice. Without Federal limitations on the amount and types of imported oil, and without Federal control on domestic production decisions, some observers believe that there can be no guarantees that the current dependence on foreign sources will not continue. Import quotas would seem to be the proper means of assuring that gasoline conservation would result in equivalent import decreases.

The revenue effect of the proposal is

Footnotes at end of article.

significant. At 75 cents per gallon, and at the current rate of consumption, the plan would raise approximately $80 billion in the first year, $60 billion of which is attributable to personal use of autos. For this analysis we should put aside for the moment the $20 billion related to commercial uses (which we can assume will be completely returned via tax concessions), and focus on personal use. With a weekly rebate valued at $5.25 (7 gallons times 75 cents), if all of the approximately 100 million American workers were given the basic rebate, the total rebate for the year would be approximately $27.3 billion. Deducting this $27.3 billion from $60 billion total rebate revenues for personal use leaves $32.7 billion in the first year in the Treasury for use as Congress might see fit (for example, to reduce the budget deficit, fund specific programs related to energy conservation, or mitigate the impact of the tax on severely disadvantaged groups).

The 7 gallons per week allows the average car to go 98 miles a week (14 mpg times 7 gallons). For 10 work trips a week, this means that work trips up to 9.8 miles each way could be accommodated. Census Bureau studies of work travel in 41 metropolitan areas in 1975 and 1976 showed that the median distance from home to work did not exceed 9.8 miles for any of the 41 cities. In many cities the median distance was substantially less than that distance, and the median for all 41 cities was 7.5 miles.[35]

A recent FHWA study shows that the average household travels 2,503 vehicle-miles per year for purposes of earning a living. This excludes trips to "return home," and so in effect is the one-way distance to get to work.[36] The average 14 mpg car can go 5,096 miles per year on 7 gallons a week, or nearly exactly double the annual total for one-way work trips in the FHWA study. This means that 7 gallons is a reasonable approximation of work travel per household.

By restricting itself to workers who own cars or can have cars assigned to them, the plan does not directly address the needs of workers who take other means of transportation to work. Since the poor tend to own fewer cars than the rich, and since some persons cannot use a personal car because of a handicapping condition, the plan does not solve everyone's transportation needs. It is not the intent of the plan, however, to insure equivalent commuting opportunities for all workers. Rather, it is to insure that enough fuel is available for work trips for those who may use a car, while encouraging consumers to conserve fuel by cutting back other uses. One of the possible ways Congress may decide to use the net revenues from the motor fuel tax is for improving transportation for the poor, for handicapped persons, and for those who live in rural areas where alternative mass transit is not now readily available.

FOOTNOTES

[1] Energy Information Administration, U.S. Department of Energy, Monthly Energy Review, April 1980, p. 28; pp. 32–33. Imports today represent nearly twice as big a percentage share of U.S. oil consumption as they did just a decade ago. In 1970, oil imports made up 24 percent of U.S. consumption; by 1979 that percentage had risen to 46 percent of the U.S. consumption. Harvard Business Review, Vol. 58, No. 1, Jan.-Feb. 1980, p. 58 (Exhibit 1).

[2] A Subcommittee of the House Ways and Means Committee, on May 14, 1980, ordered reported a resolution disapproving this oil import fee.

[3] American Automobile Association News Release, dated April 25, 1980; American Automobile Association News Release, dated May 17, 1979, reprinted in Hearings before the Subcommittee on Economic Stabilization of the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 22 and June 6, 1979, pp. 87–91.

[4] From May 1979 to February 1980, motor gasoline supplied averaged 6.89 million barrels per day, compared with 7.50 million barrels per day during the year earlier (May 1978 to February 1979), an 8.13 percent reduction. *Monthly Energy Review,* April 1980, p. 34.

[5] See a Conference Board Survey discussed in its publication *across the board,* February 1980, p. 69, in which over 50 percent of consumers surveyed favored gas rationing, while 10 percent favored higher gas prices, as a means of saving energy. The question involving higher gas prices did not suggest that there might be rebates to offset higher prices on gas used for essential driving.

[6] Federal Highway Administration, U.S. Department of Transportation, *Monthly Motor Gasoline Reported by States.* As yet unpublished December 1979 figures show usage of 7.136 million barrels per day during December, and a cumulative daily average for calendar 1979 of 7.36 million barrels.

[7] U.S. Department of Energy, *Transportation Energy Conservation Data Book,* Edition 3, Feb. 1979, Oak Ridge National Laboratory, (hereafter *Data Book*), Table 2. 8, p. 2–15.

[8] Federal Highway Administration, U.S. Department of Transportation, *Highway Statistics 1978,* (hereinafter *Highway Statistics*), Table MF–25, p. 11.

[9] *Monthly Energy Review,* April 1980, p. 30.

[10] *Data Book,* Table 1.1, p. 1–13; Table 1.8, p. 1–27; Table 1.59, p. 1–102. Because of multiple ownership of cars, the average household drives 16,000 miles a year. *Data Book,* Table 1.59, 1–102. More recent DOT figures (from 1977) show a lower per car and per household usage than other studies have shown. According to these recent figures, the average annual mileage per vehicle is 8,700 miles, and the average household travels 11,670 vehicle miles per year. *Preliminary National Personal Transportation Study Results,* FHWA release, April 1980, p. 2.

[11] *Highway Statistics,* Table VM–1, p. 47.

[12] *Highway Statistics,* Table VM–1, p. 47.

[13] Source: Federal Highway Administration, U.S. Department of Transportation, *Nationwide Personal Transportation Study,* "Purposes of Automobile Trips and Travel," Report No. 10 (May 1974), Table 1, p. 13.

[14] More recent (1977) FHWA data, just released in preliminary form, suggest that consumption patterns may have changed somewhat in the eight years since the earlier survey. FHWA now adds a category of travel called "return home" to reflect that trips often have multiple purposes. This means, however, that the amount of travel actually attributed to earning a living is reduced (as shown in the following chart), even though the primary purpose, or one of the primary purposes, of the "return home" trip in many instances is to bring a worker home from the job.

Trip purpose	Vehicle miles of travel (per household)		
	Annual	Daily	Portion of total (percent)
Earning a living[1]	2,503	6.9	21.4
Family and personal business	1,910	5.2	16.4
Civic, educational, and religious	335	.9	2.9
Social and recreational	1,588	4.4	13.6
Return home	4,561	12.5	39.1
Other	773	2.1	6.6
Total	11,670	32.0	100.0

[1] Excludes those who work at home.

Source: Federal Highway Administration, "Preliminary National Personal Transportation Study Results," released April 1980, table D.

[15] On the East Coast, allotments were for 12 gallons a month beginning in November 1942, later reduced to 6 gallons a month, with more available on a showing of occupational need. See Henderson, Carter, *The Inevitability of Petroleum Rationing in the United States,* A Princeton Center for Alternative Futures, Inc. Occasional Paper, April 1978, p. 23.

[16] Estimate cited in Gulick, Frances, *U.S. Experience with Voluntary and Mandatory Rationing of Gasoline and Fuel Oil During World War II,* reprinted in 119 Cong. Rec. pp. 40168–40175, at 40174.

[17] There was significant concern expressed in the House on whether the Administration plan gave enough importance to the historical use in some states, rather than simply vehicle registrations, in allocating ration rights to the States. In a series of relatively late compromises under the pressure of the statutory deadline for Congressional review of the plan, the Administration changed the formula, but lingering confusion helped cause the plan's defeat.

[18] 44 Fed. Reg. 70799–70858 (December 10, 1979). In this December plan, allotments were to reflect differences in average fuel consumption between States, rather than simply number and type of vehicles; businesses would receive allotments based on historic use, rather than on number of vehicles; the Postal Service, taxicabs and snow removal were added to those receiving priority treatment in allocation of supplies (others include the Defense Department, emergency services, sanitation services, public passenger transportation services and energy production activities). Farming and off-highway vehicles would also get supplemental allotments. Rental cars and private freight hauling firms were also expected to receive priority status.

[19] Estimate cited in Hearings before the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources, United States Senate, 96th Cong., 1st Sess., Feb. 5, 1979, p. 53. The personnel estimates are not new positions but are primarily reassignments of existing personnel, DOE said.

[20] Alvin L. Alm, who was Assistant Secretary for Policy and Evaluation of the Federal Energy Dept. from Oct. 1977 to Oct. 1979, is a Fellow of Harvard University's Energy and Environmental Policy Center; William H. Hogan, Professor of Political Economy is Director of the Energy and Environmental Policy Center. Their proposal appeared in the New York Times of March 26, 1980, on the Op Ed page.

[21] For a description of H.R. 6860, see Congressional Quarterly Almanac, Vol. XXXI, 1975, pp. 211–215.

[22] The proposal is described in Congressional Quarterly Almanac, Vol. XXXIII, 1977, pp. 714–718.

[23] The program was announced formally in Proclamation 4744, issued Apr. 2, 1980. See

Weekly Compilation of Presidential Documents, Vol. 16, Number 14, p. 592. The program is encountering significant difficulties, both in court and in Congress, and may not take effect for some time, if at all.

[24] Statement of Charles W. Duncan, Jr., Secretary of Energy, before the Subcommittee on Trade of the Committee on Ways and Means, and the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, House of Representatives, April 24, 1980, p. 2.

[25] The Anderson plan is contained in H.R. 6071 and 6072, introduced on December 10, 1979 and referred to the House Ways and Means Committee.

[26] There are no firm elasticity figures for motor fuels. In general the short term impact of an increased price will be low because people will not be able to change their habits dramatically. As time passes the effect of the fee would be greater, probably in the range of −.15 to −.25 by the end of the first year (meaning that a 100 percent increase in price would yield a 15–20 percent decrease in consumption).

[27] This plan is described in the Washington Post of March 26, 1980 on the Op Ed page, in a piece prepared by Jessica Tuchman Mathews of the Post's Editorial Page staff.

[28] John Kenneth Galbraith, "Oil: A Solution," *New York Review of Books*, September 27, 1979, p. 3.

[29] The tax would include gasoline and diesel fuel. Home heating oil would not be affected by the price increase.

[30] There has been a substantial amount of debate about whether ration systems should award rights or rebates on the basis of driver's licenses or car registrations. Those favoring driver's licenses say that using car registrations favors multi-car families and will cause people to hold on to old cars that are driven very little just to increase the ration allotment. Those preferring car registration say that cars are a more accurate indicator of gasoline use than are driver's licenses (since many people who do not drive have licenses for identification purposes), and that duplicate or false driver's licenses are easier to obtain than car registrations. This staff recommendation relies on car registrations because of the greater accuracy of that basis in predicting usage, but it limits the eligible cars to two per household unless extraordinary essential need is demonstrated. While car ownership (or assignment) must be proved by the first two wage earners to qualify for the basic withholding reduction, any additional extraordinary essential use is not predicated on how many cars are owned in the household but on the actual need for gasoline to operate those cars for work-related purposes.

[31] The tax on 7 gallons of gasoline at $.75 per gallon is $5.25. Each week's Federal income tax withholding would be reduced by this amount (longer pay periods would require the appropriate multiple of this amount to be deducted). If a worker would normally have less than $5.25 withheld each week for income tax purposes, the remainder could be credited against Social Security or other retirement withholding. As an example of whom this would affect, a single person claiming one withholding allowance for income tax purposes would need to earn at least $82 per week to have at least $5.25 withheld for Federal income tax. If the person earned only $75 a week, the income tax withholding would be only $4.30 but Social Security withholding would be $4.60 so the two combined could easily cover the $5.25 gas tax rebate. This hypothetical single person with one allowance would need to earn less than $58 a week to have Federal income tax and Social Security withholding, combined, equal less than $5.25 a week.

A married person with a child, claiming 3 withholding allowances for Federal income tax purposes, would need to earn at least $140 a week to have income tax withholding cover the entire $5.25 rebate.

One alternative to using Social Security as a backup when income tax withholding is less than $5.25 per week is to defer the difference until either the 1040, 1040A or a quarterly estimated tax form is filed. This has the unfortunate result of postponing enjoyment of the rebate for those who have the lowest income or who have the largest families and take the most withholding allowances. On the other hand, if Social Security withholding is involved, the accounting problems for the revenue loss become more complicated. On balance, it seems preferable to use income tax, with Social Security or other retirement systems as a backup, to avoid lengthy delays in disbursing benefits and to avoid the even less attractive alternative of having to write special checks, separate from existing withholding, to compensate those whose withholding is too small. In very rare cases, some individuals who do not have any withholding may need to have checks issued periodically in the amount of the rebate.

[32] This means that a reasonable elasticity range in the medium term (by the end of the first year) is −.15 to −.25. In the very short run (0–3 months) sales patterns would not change so dramatically, and an elasticity of −.1 is more likely (a doubling of price would yield only a 10 percent decrease in consumption). Over the longer term (3–5 years) people could more easily change their consumption patterns (such as buying more fuel efficient cars) and the elasticity would be −.3 or even more.

[33] This calculation applies the elasticity figure to the entire seven million barrels per day of gasoline use, rather than just to the portion that is not affected by the rebate. To the extent the income for the rebate is applied to gasoline purchases, the savings would be somewhat lowered.

[34] Statement of Charles W. Duncan, Jr., Secretary of Energy, before the Subcommittee on Trade of the Committee on Ways and Means, and the Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, House of Representatives, April 24, 1980, p. 4.

[35] Bureau of the Census, U.S. Department of Commerce, *Selected Characteristics of Travel to Work in 21 Metropolitan Areas: 1975*, Table F, p. 5, and *Selected Characteristics of Travel to Work in 20 Metropolitan Areas: 1976*, Table I, p. 8.

[36] Federal Highway Administration, *Preliminary National Personal Transportation Study Results*, Released April 1980, Table D.

CONGRESSMAN YATRON BALANCES DOMESTIC AND FOREIGN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, one of our most respected colleagues in the House of Representatives is the Honorable GUS YATRON of Pennsylvania, now serving his sixth term in the House.

Mr. Speaker, GUS YATRON is not only a vigorous champion of the people of the Sixth District of Pennsylvania, but he serves the Nation as chairman of the important Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs.

Mr. Speaker, I insert at this point in the RECORD the text of a most interesting article, "Yatron Balances Domestic and Foreign Affairs," published in the Hellenic Chronicle, a Boston publication, on May 1, 1980:

YATRON BALANCES DOMESTIC AND FOREIGN AFFAIRS

Although considered as a possible candidate for U.S. Senator from Pennsylvania, Gus Yatron is content to continue to serve and seek a seventh term as congressman from the 6th district.

Congressman Yatron is frequently seen and widely known in the district, which covers Berks, Schuylkill, and a portion of Northumberland counties. His weekend treks back to the district have kept him in close touch with his constituents and he has been praised for his ability to stay personally involved with the problems and concerns of his individual constituents.

In Washington, however, Gus is known not only as a representative from Pennsylvania, but as a concerned and active member of the House Foreign Affairs Committee.

Yatron has chaired the Committee's Subcommittee on Inter-American Affairs since 1977. The subcommittee's jurisdiction is the entire western hemisphere, including Latin America, the Caribbean, Mexico and Canada. He also retains a seat on the Subcommittee on Asian and Pacific Affairs, which overseas circumstances in the Far East. Both as a member of the Foreign Affairs Committee, and as a Representative of Greek ancestry, Yatron has continued to be an outspoken supporter of the rights of the Greek Cypriot refugees.

The ever-increasing instability in Central America and the Caribbean, has become a priority for the congressman. He has stated that "the Cubans are thriving on instability in the small islands. They aren't attempting to export revolution as in the past, but are achieving their purposes by agitating the unemployed and labor unrest to create discontent."

The Reading Congressman pointed out that the Cubans are able to respond faster by sending doctors, teachers, and carpenters into the area. "They get a foothold before we process the request. We must take action to combat these activities by reassessing our programs and fighting fire with fire in the form of greater cultural exchanges, more broadcasts beamed to the area and providing assistance quickly in times of need."

These concerns over the quickly spreading Cuban influence in the hemisphere have prompted the congressman into several streams of action. The early part of 1980 took the congressman and a high level delegation to South America and the Caribbean, in an attempt to look first-hand at the problems the region is experiencing and to provide an outlook on what steps Congress should take in this session to become more involved and more aware of this ever-increasing concern. Meetings were held with key officials and leaders of the private sector, including the presidents of Venezuela and Costa Rica and the Prime Minister of Barbados. The Congressman cited the benefit that these study missions provide in understanding the needs of the people and in becoming familiar with the region that the subcommittee is concerned with on a day-to-day basis.

In a further effort to gain insight into the Cuban vehicle for spreading revolution in the region, the subcommittee has been deeply involved in hearings on the Cuban-Soviet ties in the western hemisphere. These hearings have provided various intelligence agencies the opportunity to bring members of the subcommittee up to date on the Cuban and Soviet activities in Central America and the Caribbean, as well as activities in the United States. Chairman Yatron brought together a team from the Defense Intelligence Agency, the Central Intelligence Agency, the Federal Bureau of Investigation and representatives from the State Department, in four days of hearings.

Yatron has also taken a hard look at two issues concerning the people of the United States: narcotics trafficking from Latin America and the search for alternative sources of energy.

On the subject of the flow of narcotics in the western hemisphere, the subcommittee has devoted many hearings on international narcotics control. Two members of Yatron's subcommittee are also members of the Select Committee on Narcotics.

Realizing the strain that increasing energy costs have on the individual in his district, as well as the public at large, Congressman Yatron has become deeply involved in the international cooperation necessary for the western hemisphere to become independent of OPEC and Mid-Eastern oil.

Yatron's subcommittee has joined with other subcommittees for the purpose of providing a platform for the Department of Energy representatives and other involved agencies to discuss international energy cooperation.

"While we are all concerned with the soaring cost of energy and its effect on our country, we must look at the energy crisis in a much broader context and weigh the implications for the international community. particularly the developing world. It is my feeling that the eventual resolution of the energy crisis will be the result of an international effort," Yatron said, in an opening statement during a hearing before his subcommittee and the Subcommittee on International Economic Policy and Trade and Energy Development and Applications of the Science and Technology Committee.

In continuing to monitor the ever-changing situation in Central America, Chairman Yatron has held hearings to update foreign policy objectives toward Central America, the Caribbean and specifically, Nicaragua. He has also chaired hearings on specific topics of concern involving arms control in the hemisphere, illegal aliens, the problems of middle income countries, and outstanding claims against the Castro government for nationalized companies.

Although the Latin America region occupies a great portion of Yatron's time and efforts, he also manages to keep an eye on the circumstances arising concerning the Greek-Turkish fight over the island of Cyprus. Yatron has continually come out in support of the Cyprus refugees' rights to return to their homes and villages.

He was instrumental in putting through an amendment to the 1981 Foreign Assistance Bill to maintain aid to the government of Cyprus at the 1979–80 level of $15 million when the Administration had requested a cutback to $2 million.

Yatron has cited the need to relieve part of the heavy burden placed on the Cyprus government to care for the 200,000 refugees left homeless by the Turkish invasion of Cyprus in the summer of 1974. He stated that health care, housing and educational needs were at an ebb, and the burden has been carried by 30 percent of the economy.

Providing assistance to the half-million constituents he serves in Pennsylvania is a full-time job for Gus Yatron, but as a concerned Congressman and individual, he has made time to give attention to the pressing issues of the international community. His attentions to Cyprus, Asia and especially Latin America and the Caribbean, however, have not been apart from his domestic concerns, but rather in conjunction with them, as he sees economic and political stability in the western hemisphere as necessary to the security of the United States.●

RAOUL WALLENBERG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 10 minutes.

Mr. WEISS. Mr. Speaker, I am introducing today a concurrent resolution to honor Raoul Wallenberg. The resolution requests State Department action to investigate fully his status and, if he should be alive, to secure his release.

Perhaps Raoul Wallenberg is an unfamiliar name today. But during World War II his name was a household word to thousands of Hungarian Jews who faced the death camps.

Raoul Wallenberg was sent by the Swedish Government to Hungary in the summer of 1944 as the first secretary of the Swedish delegation at the request of the American War Refugee Board, which was founded in January 1944.

In Budapest he used the tools of a diplomat to save 90,000 lives. Beginning in July 1944, Raoul Wallenberg actively confronted the Nazis over the fate of 20,000 Hungarian Jewish citizens. He issued them protective Swedish passports and conferred on them the status of Swedish citizens in order to insure their free passage out of Hungary. He assisted an additional 70,000 Jews through collaborative efforts with other neutralist representatives in Hungary.

Then on Christmas eve, 1944, the Russians invaded Budapest to defeat Germany's occupying forces. On January 13, 1945; the Soviets placed Raoul Wallenberg into "protective custody," apparently unaware of Wallenberg's true mission in Hungary. When inquiries were made to the Russians about the whereabouts of the Swedish diplomat there were pleas of ignorance until February 6, 1957, when the Soviets finally agreed to search the archives of Lubyanka prison. They discovered a July 17, 1947, report stating that a prisoner known as "Wallenberg" had died in his cell the previous night of a heart attack.

This news was surely a grave disappointment to the many individuals who owed Wallenberg their lives. Indeed the reports, if true, mean a significant loss to us all. In recognition of his great humanitarian feat, Albert Einstein recommended Raoul Wallenberg for the Nobel Peace Prize.

Periodically, however, there have been indications that the report of Raoul Wallenberg's death are untrue. These indications are based on both coincidental and direct observations, yet provide evidence that he might still be alive. Alexander Solzhenitsyn, in his famous book the "Gulag Archipelago," describes an encounter in prison with a Swede who has some similarity in background to Wallenberg. However there is skepticism by both Solzhenitsyn and historians that this individual could really be Wallenberg. The most concrete evidence of Wallenberg being alive was discovered as recently as December 1978. At that time a former Polish citizen, Abraham Kalinski who presently lives in Israel, provided a detailed account of Wallenberg's years in prison during the fifties, and also claimed that a Russian Jew named Jan Kaplan reported 5 years ago to him that he had seen a Swede in the Butyrka prison.

This evidence, combined with other citings of individuals fitting Wallenberg's description, have led many to believe that Raoul Wallenberg may still be alive in the Soviet Union. As a result a Free Raoul Wallenberg Committee has been formed by prominent Swedish and American individuals. The Swedish Raoul Wallenberg Association and the International Sakharov Committee will be holding an informal hearing soon to analyze this information and decide on further action on Wallenberg's behalf.

I am hopeful that my colleagues will join me in support of action to determine the fate of Raoul Wallenberg by joining me in this concurrent resolution. In this way the people of the United States, having initially gained Raoul Wallenberg's assistance through the War Refugee Board, can partially honor their obligation to this hero of the holocaust.

A copy of the resolution follows:

H. CON. RES. 341

Concurrent resolution to honor Raoul Wallenberg and to request that the Department of State take all possible action to obtain information concerning his present status and secure his release

Whereas in January 1944 the War Refugee Board was established by the United States to organize rescue operations to free persons being persecuted during World War II;

Whereas the War Refugee Board requested Sweden to send a representative to Hungary;

Whereas the Swedish representative, Raoul Wallenberg, is considered responsible for directly saving the lives of 20,000 Jewish citizens in Hungary through issuance of protective Swedish passports beginning in July 1944;

Whereas Raoul Wallenberg is recognized as saving indirectly the lives of an additional 70,000 Jewish citizens in Hungary through collaborative efforts in the latter half of 1944 with neutralist representatives in Budapest and the Jewish community in Hungary;

Whereas Raoul Wellenberg was taken into Soviet "protective custody" on January 13, 1945, and later imprisoned in Moscow at least until July 17, 1947, the date of the last official notice of his whereabouts;

Whereas in 1949 he was nominated by Albert Einstein for the Nobel Peace Prize;

Whereas reports from the Soviet Union, as recent as May 1, 1978, suggest that Raoul Wallenberg is alive;

Whereas documents released by the Swedish Foreign Ministry in January 1980 indicate diplomatic efforts by the Swedish Government have not fully clarified the status of Raoul Wallenberg: Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That the Congress honors Raoul Wallenberg for his outstanding work on behalf of those persecuted in Hungary during World War II, and requests the Department of State to take all possible steps to discern from the Soviet Union the whereabouts of Raoul Wallenberg and, if he is alive, to secure his return to his native country.

☐ 1830

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, on Thursday, May 15, a previously scheduled hearing of the Subcommittee on Energy Development and Applications which I chair, required me to leave prior to adjournment and miss votes on rollcalls Nos. 238, 239, an amendment by the gentleman from California (Mr. PANETTA) to the defense authorization which failed by a vote of 115 to 253, and the pro forma final passage of the conference report on the food stamp supplemental appropriation which passed 316 to 36. Had I been here, I would have voted "aye" on both amendments.●

CUBAN INDEPENDENCE DAY OF 1980 AND MESSAGES HONORING CERTAIN AMERICANS BY THE CUBAN CRUSADE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, Crusade 1980 honors American patriot the Honorable Speaker John W. McCormack and Cuban patriot Gen. Generoso Campos Marquetti, His Excellency President Jimmy Carter and administration; the Honorable Speaker THOMAS P. O'NEILL, JR., Congressmen CLAUDE PEPPER, DANTE B. FASCELL, JOHN BUCHANAN, JR., Senators EDWARD KENNEDY, RICHARD STONE and all other Members of the House and Senate.

Crusade 1980 sends the following message on Cuban Independence Day:

> Cuban Independence Day is also Cuban American and Latin-American Solidarity Day since it is the very first day of Hemispheric Brotherhood. In order to reflect the true sentiments of the majority of Cubans and Americans, who once having refreshed their memories as to the real historical facts that remain unchallenged today, we expose them for the universe to hear and see. The United States and its people in joining the Cuban patriots in their fight for freedom against Spanish tyranny and oppression of those days, did not exact their pound of flesh and colonize Cuba, as has always been and still is the case when large and powerful countries have aided small nations in their so-called freedom wars. America instead rejoiced together with Cuba on May 20th more than half a century ago celebrating their hard won freedom and aided a new democratic nation to be born, by helping them during their liberation battles and after, economically.
>
> And today more than ever, it is necessary for our nation to point out to the world and its people, our record referring to, in all of our international dealing with any nation, small or large, we have always liberated or aided to liberate but we have never colonized.
>
> May 20th, Anniversary of the Republic of Cuba's Liberation Day is the first and best example of the United States' fraternal behavior towards a hemispheric brother's liberation struggle, the United States is your brother and not your master. The same is true for the rest of the world.
>
> The above statements are self-evident truths forgotten under the stress of battle against an over-aggressive opponent, who specializes in propaganda trickery, and who has enslaved nations utilizing the colours of liberation falsely.
>
> In the name of American, Cubans, Latin-americans, and the peoples of the world at large, we challenge our totalitarian foes to produce just one May 20th in their so-called Liberation Wars of freedom throughout world.
>
> In one word, they cannot.
>
> May 20th, Cuban Independence Day, Cuban-American Day, or Latin-American Solidarity Day is the actual Anniversary of America's foreign policy principles, Liberate and Aid as against the Dominate by Force and Colonize policy championed by our political opposites.
>
> Americans, our duty and moral obligation is to hammer out these truths to world opinion by celebration May 20th adequately and transmitting its strong message hemispherically and universally.
>
> Americans, North, South, or Central stand united behind this American Universal Foreign Policy. Step forward and be counted on next May 20th.
>
> The above is text of speech by General Generoso Campos Marquetti delivered May 19, 1966, upon his turning over of the Cuban Flag to Hon. Speaker John W. McCormack in the Speaker's Rooms, twenty-five minutes before General Campos Marquetti's death, at 94 years of age.
>
> We must remember General Campos Marquetti's last words to Speaker McCormack which were "Give us liberty or give us death."
>
> Signed: May 20th, 1980. Dr. Joseph R. Julia, President-Cuban Crusade; Ms. Candelaria C. Achay, President, Hemispheric Committee; Mr. Thomas Shunski, President Campaign 1980–81, Cuban Crusade; Dr. Alejandre D. Paniagua, Chairman, Hemispheric Committee Campaign, 1980–81.●

FIDEL CASTRO IS FLOUNDERING

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, I present an editorial from the New York Times dated Monday, May 19, 1980:

> ### FIDEL CASTRO IS FLOUNDERING
>
> Americans are all too aware of their past blunders in dealing with a provocative Communist Cuba. Rage yielded only to resignation as Fidel Castro taunted the Yankee colossus, exploited trouble in Africa and fanned revolt in the Caribbean. So inured did Americans become to those sounds and furies in Havana that few kept track of what they meant—which suited Fidel fine. The crucial question underlying the current turmoil over refugees is whether Mr. Castro's revolution has finally run aground.
>
> There is compelling evidence that Mr. Castro is floundering, and for the first time in 21 years is worried about his hold on Cuba. How else explain the May Day call for an armed popular militia, as a possible counter to his Soviet-trained army? Or the enigmatic reshuffle to give himself command of the three most vital Government ministries? What kept him away from the funeral of Marshal Tito, founder of the nonaligned bloc that Castro now heads? What desperation caused Cuban jets to sink a Bahamian patrol boat and buzz an American helicopter last week?
>
> No one knows how much fire has produced these plumes of smoke. But the smoke accumulates, and so does Mr. Castro's record of failure. It is measurable not just by the flight of tens of thousands to Florida. It is apparent in Cuba's humiliating dependence on $3 billion in annual Soviet aid, in the plague of shortages in a mismanaged single-crop economy. Havana's dependence on Moscow has had its inescapable price. After three weeks of anguished silence, "non-aligned" Cuba joined other Soviet satellites in support of the Soviet invasion of Afghanistan, costing Havana a seat on the United Nations Security Council.
>
> The disarray may well explain Mr. Castro's refusal to negotiate with the United States even about the safety of the fleeing Cubans. But it is reason enough for Americans to sense a possible opportunity and to keep proposing diplomatic contact that for the first time in years Havana may need more than Washington.
>
> Three years ago, the two countries opened "interest sections" in lieu of embassies, organized cultural exchanges and eased travel restrictions. But Cuba balked at discussing its deployment of troops in Africa in the service of Soviet policy, its aid to Caribbean revolutionaries and agitation for Puerto Rican independence—all preconditions for trade with the United States.
>
> Negotiating under such terms is not appeasement. Neither is an expansion of contacts with the Cuban people. When Mr. Castro let 100,000 Cuban exiles return for family visits, they brought not only the desired hard currency but also unwanted evidence of their prosperity in America. These contacts surely helped to ignite the human explosion of recent weeks.
>
> There may lurk an opportunity in Mr. Castro's adversity. He may yet discover the benefit of pulling back from his Soviet connection toward more normal relations with Washington. But even if he fails to hear American ideas for repairing his revolution, the Cuban people may.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. SPELLMAN (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. LEHMAN (at the request of Mr. WRIGHT), for today, on account of having returned to Miami because of the current disturbance.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ASHBROOK, for 30 minutes, on tomorrow.

(The following Members (at the request of Mr. WHITTAKER) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.
Mr. KELLY, for 5 minutes, today.

(The following Members (at the request of Mr. KOGOVSEK) to revise and extend their remarks and include extraneous material.)

Mr. ALEXANDER, for 15 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. REUSS, for 30 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. LUNDINE, for 5 minutes, today.
Mr. WEISS, for 10 minutes, today.
Mr. OTTINGER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WHITTAKER) and to include extraneous matter:)

Mr. CAMPBELL.
Mr. KELLY.
Mr. DOUGHERTY.
Mr. LAGOMARSINO.
Mr. LEWIS.
Mr. BOB WILSON, in three instances.
Mr. DANIEL B. CRANE.
Mr. BROYHILL.
Mr. CONABLE.
Mr. ROYER.
Mr. DUNCAN of Tennessee.
Mr. HINSON.
Mr. PAUL, in two instances.
Mr. COLLINS of Texas, in two instances.
Mr. MCCLORY.
Mrs. HECKLER.
Mr. WYDLER.
Mr. SYMMS.
Mr. KEMP, in four instances.
Mr. TAUKE, in two instances.
Mr. PETRI.
Mr. QUAYLE.
Mr. PORTER.
Mr. DERWINSKI.
Mr. GRISHAM, in two instances.
Mr. SOLOMON, in two instances.
Mr. CORCORAN.
Mr. DORNAN, in four instances.

(The following Members (at the request of Mr. KOGOVSEK) and to include extraneous matter:)

Mr. ROBERTS.
Mr. ROE.
Mr. WALGREN.
Mr. ASPIN.
Mr. NICHOLS.
Mr. FROST.
Mr. WAXMAN.
Mr. WON PAT.
Mr. ADDABBO.
Mr. CAVANAUGH.
Mr. ROSENTHAL.
Mr. FAUNTROY.
Mr. WOLFF.
Mr. LONG of Maryland.
Mr. SOLARZ in two instances.
Mr. GRAY.
Mr. OBERSTAR.
Mr. GEPHARDT in two instances.
Mr. BEDELL.
Mrs. SCHROEDER.
Mrs. BYRON.
Mr. ALBOSTA.
Mr. NOWAK in two instances.
Mr. BENNETT.
Mr. SHELBY in 10 instances.
Mr. PEYSER.
Mr. PATTERSON.
Mr. RAHALL.
Mr. MCDONALD in five instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1644. An act to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for related purposes; to the Committee on Science and Technology.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 21, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4423. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice that the Army intends to waive the requirement for the examination of records by the Comptroller General in a contract with the Federal Republic of Germany for a European telephone system to support U.S. forces, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

4424. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Union de Transport Aeriens (France) exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4425. A letter from the Secretary of Health and Human Services, transmitting a plan to enhance coordination of child abuse and neglect activities, prepared by the Advisory Board on Child Abuse and Neglect pursuant to section 6(b) of Public Law 93-247, as amended; to the Committee on Education and Labor.

4426. A letter from the Chairman, National Advisory Council on the Education of Disadvantaged Children, transmitting a special report entitled "The Office of Education Administers Changes in a Law: Agency Response to Title I, ESEA Amendments of 1978," pursuant to section 196(c) of the Elementary and Secondary Education Act, as amended; to the Committee on Education and Labor.

4427. Communication from the President of the United States, transmitting a report on progress toward the conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended (H. Doc. 96-315); to the Committee on Foreign Affairs and ordered to be printed.

4428. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Francis J. McNeil and Theresa A. Healy, Ambassadors-designate to Costa Rica and Sierra Leone, respectively, and by members of their families, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4429. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

4430. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4431. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the final report of the National Commission on New Technological Uses of Copyrighted Works, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

4432. A letter from the Secretary of Health and Human Services, transmitting notice of a delay in the submission of the annual report of the National Health Service Corps for calendar year 1979, required by section 336 of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4433. A letter from the Comptroller General of the United States, transmitting a report on the administration and effectiveness of the Department of Energy's low-income weatherization program (EMD-80-59, May 15, 1980); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Education and Labor.

4434. A letter from the Comptroller General of the United States, transmitting a report on implementation of the Panama Canal Treaty of 1977 (ID-80-30, May 15, 1980); jointly, to the Committees on Government Operations, Foreign Affairs, Merchant Marine and Fisheries, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted May 16, 1980*]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7235. A bill to reform the economic regulation of railroads, and for other purposes; with amendment (Rept. No. 96-1035). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 20, 1980*]

Mr. PEPPER: Committee on Rules. House Resolution 673. Resolution Waiving certain points of order against the conference report on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes. (Rept. No. 96-1037). Referred to the House Calendar.

Mr. ZEFERETTI: Committee on Rules. House Resolution 674. Resolution providing for the consideration of H.R. 6515. A bill to authorize appropriations for the fiscal year beginning October 1, 1980, for the maintenance and operation of the Panama Canal, and for other purposes (Rept. No. 96-1038). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 675. Resolution providing for the consideration of H.R. 6674. A bill to amend the National Visitor Center Facilities Act of 1968 to authorize additional funds, and for other purposes. (Rept. No. 96-1039). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 676. Resolution providing for the consideration of H.R. 6075. A bill to amend the Public Buildings Act of 1959, to authorize the Administrator of General Services to issue obligations for the construction and acquisition of public buildings, and for other purposes (Rept. No. 96-1040). Referred to the House Calendar.

Mr. STAGGERS: Committee of conference. Conference report on S. 2253. (Rept. No. 96-1041). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows: .

The bill, to provide a comprehensive system of liability and compensation for oilspill damage and removal costs, and for other purposes (H.R. 85, as reported on May 16, 1980). was referred by the Speaker as follows:

The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Ways and Means for a period ending not later than June 20, 1980, for consideration of such portions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(v), rule X.

The bill, to amend the Solid Waste Disposal Act to provide authorities to respond to releases of hazardous waste from inactive hazardous waste sites which endanger public health and the environment, to establish a Hazardous Waste Response Fund to be funded by a system of fees, to establish prohibitions and requirements concerning inactive hazardous waste sites, to provide for liability of persons responsible for releases of hazardous waste at such sites, and for other purposes (H.R. 7020, as reported on May 16, 1980) was referred by the Speaker as follows:

The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Ways and Means for a period ending not later than June 20, 1980, for consideration of such portions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(v), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 7388. A bill to amend the Internal Revenue Code of 1954 with respect to the definition of a cooperative housing corporation; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 7389. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of providing more housing alternatives for lower income persons; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONABLE (for himself, Mr. Frenzel, and Mr. Edwards of Alabama):

H.R. 7390. A bill to provide that revenue ruling 80–60 shall not require a change in the taxpayer's method of accounting for taxable years beginning before 1980; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. Dodd, and Mr. Moffett):

H.R. 7391. A bill to amend the Internal Revenue Code of 1954 to provide for the taxation of artists' income and estates; to the Committee on Ways and Means.

By Mr. GEPHARDT:

H.R. 7392. A bill relating to the treatment of certain expenses includible in the income of the recipient; to the Committee on Ways and Means.

By Mr. HANLEY (by request):

H.R. 7393. A bill to create an independent Office of the Special Counsel; to the Committee on Post Office and Civil Service.

By Mr. HEFNER (for himself, Mrs. Heckler, Mr. Roberts, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Gramm, Mr. Wylie, Mr. Sawyer, and Mr. Grisham):

H.R. 7394. A bill to amend title 38, United States Code, to revise the veteran's vocational rehabilitation program, to provide a 10-percent increase in the rates of educational assistance under the GI bill, to make certain improvements in the educational assistance programs for veterans and eligible survivors and dependents, to revise and expand veterans' employment and training programs, to provide certain cost-saving administrative provisions, and for other purposes; to the Committee on Veteran's Affairs.

By Mr. MURPHY of New York:

H.R. 7395. A bill to amend the act to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce; to the Committee on Merchant Marine and Fisheries.

By Ms. OAKAR:

H.R. 7396. A bill to amend title II of the Social Security Act to provide that the widow's or widower's insurance benefits to which a disabled individual becomes entitled before attaining age 60 shall not be less than the amount (71½ percent of the deceased spouse's primary insurance amount) to which they would have been reduced if the first month of such entitlement had been the month in which such individual attained that age; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 7397. A bill to amend the Securities Act of 1933 to increase the small offering exemption from $2 million to $5 million; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUMWAY:

H.R. 7398. A bill to amend the Immigration and Nationality Act to provide for labor certification on an area-wide, rather than on a countrywide, basis for admittance of temporary agricultural laborers; to the Committee on the Judiciary.

H.R. 7399. A bill to amend the Immigration and Nationality Act to facilitate the admission of aliens for temporary agricultural employment; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 7400. A bill to improve the intelligence system of the United States, and for other purposes; jointly, to the Committees on Foreign Affairs, the Permanent Select Committee on Intelligence, and the Judiciary.

By Mr. THOMPSON:

H.R. 7401. A bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries; to the Committee on Education and Labor.

H.R. 7402. A bill to amend the National Labor Relations Act to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes; to the Committee on Education and Labor.

By Mr. TRAXLER:

H.R. 7403. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received in connection with retirement as compensation for unused vacation and sick leave; to the Committee on Ways and Means.

By Mr. DORNAN:

H.R. 7404. A bill to promote the more effective use and development of the Nation's renewable energy resources by broadening and extending the Solar Heating and Cooling Demonstration Act of 1974, by improving the administration of Federal energy-related activities, and by encouraging geothermal energy development and energy conservation; jointly to the Committees on Science and Technology, Interior and Insular Affairs, and Ways and Means.

Mr. MARRIOTT:

H.R. 7405. A bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Interior and Insular Affairs.

By Mr. WEISS:

H. Con. Res. 341. Concurrent resolution to honor Raoul Wallenberg and to request that the Department of State take all possible action to obtain information concerning his present status and secure his release; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

473. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to passage of the Native Hawaiian Education Act; to the Committee on Education and Labor.

474. Also, memorial of the Legislature of the State of Alaska, relative to compensation for Alaska physicians who participate in the Medicaid program; to the Committee on Interstate and Foreign Commerce.

475. Also, memorial of the Legislature of the State of Alaska, relative to construction of the Dog Bay boat harbor project; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 7406. A bill for the relief of Guillermo Enrique Sayan; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 7407. A bill for the relief of Klaus Wilhelm Wendel; to the Committee on the Judiciary.

By Mr. NOWAK:

H.R. 7408. A bill for the relief of Johnny C. Reyes, doctor of medicine; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 or rule XXII. sponsors were added to public bills and resolutions as follows:

H.R. 154: Mr. Stenholm, Mr. Bennett, Mr. Barnard, Mr. Rhodes, Mr. Royer, Mr. Fazio, Mr. Campbell, Mr. Leach of Iowa, Mr. Duncan of Oregon, Mr. Weaver, Mr. Yatron, Mr. Fowler, Mr. Walgren, Mr. Buchanan, Mr. Anderson of California, Mr. Addabbo, Mr. Weiss, Mr. Kostmayer, and Mr. Daniel B. Crane.

H.R. 527: Mr. Bingham.

H.R. 1116: Mr. Beard of Rhode Island.

H.R. 2400: Mr. Edgar.

H.R. 2401: Mr. Edgar.

H.R. 2493: Mr. Spence.

H.R. 3567: Mr. Railsback.

H.R. 3985: Mr. Kogovsek.

H.R. 5225: Mr. Carney.

H.R. 5371: Mr. Porter.

H.R. 6303: Mr. Corman.

H.R. 6424: Mr. Courter and Mr. Dornan.

H.R. 6557: Mr. Albosta, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Broomfield, Mr. Conyers, Mr. Davis of Michigan, Mr. Diggs, Mr. Dingell, Mr. Ford of Michigan, Mr. Kildee, Mr. Nedzi, Mr. Pursell, Mr. Stockman, Mr. Sawyer, Mr. Wolpe, and Mr. Vander Jagt.

H.R. 6722: Mr. Coughlin, Mr. Obey, Mr. Pickle, and Mr. Harkin.

H.R. 6735: Mr. Oberstar, Mr. Brown of California, Mr. Panetta, Mr. Addabbo, Mr. Hawkins, Mr. Murphy of Illinois, Mr. Wolpe, Mr. Whitehurst, Mr. Evans of the Virgin Islands, Mr. Roe, Mr. Phillip Burton, Mr. Coelho, Mr. Pashayan, Mr. Gray, Mr. Ottinger, Mr. Harris, Mr. Ford of Tennessee, Mr. Diggs, Mr. Long of Maryland, Mr. Dellums, Ms. Mikulski, Mr. Simon, Mr. Corman, and Mr. Pepper.

H.R. 6813: Mr. Akaka, Mr. Carr, Mr. Seiberling, and Mr. Barnes.

H.R. 6822: Mr. Pritchard.

H.R. 6824: Mr. Dicks and Mr. Pritchard.

H.R. 6889: Mr. Leach of Iowa, Mr. Gore, and Mr. Luken.

H.R. 7107: Mr. Lagomarsino and Mr. Lungren.

H.R. 7207: Mr. Stenholm.

H.R. 7210: Mr. Anthony and Mr. Coelho.

H.R. 7211: Mr. Hance, Mr. Synar, Mr. Kogovsek, Mr. White, and Mr. Hall of Texas.

H.R. 7240: Mr. Dougherty, Mr. Edwards of Oklahoma, Mr. Whitehurst, Mr. Lott, Mr. Spence, and Mr. Livingston.

H.R. 7241: Mr. Weaver, Mr. Garcia, Mr. Gray, Mr. Whitehurst, Mr. AuCoin, Mr. Simon, and Mr. Ottinger.

H.J. Res. 207: Mr. Derwinski.

H.J. Res. 431: Mr. Thomas, Mr. Barnard, Mr. Giaimo, Mr. McClory, Mr. Miller of California, Mr. Leach of Iowa, Mr. Bingham, Mr. Mottl, Mr. Wright, Mr. Rostenkowski, Mr. Benjamin, Mrs. Boggs, Mr. Heftel, Mrs. Heckler, Mr. Wolff, Mr. Dickinson, Mr. Findley, and Mr. Roberts.

H. Con. Res. 323: Mr. Fazio and Mr. Forsythe.

H. Res. 594: Mr. Campbell.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6942

By Mr. LLOYD:

—Section 38, Arms Export Control Act (AECA) is amended to add the following paragraph:

(f) The export to a country other than a country referred to in section 620 (f)* of the Foreign Assistance Act of 1961 of: (1) communication and electronics equipment with a direct civilian application; (2) transport, utility, or training helicopters with direct civilian application; (3) propeller-driven transport, utility, or training aircraft; (4) trucks and vehicles with a direct civilian application; and (5) technical data relating to these items, shall not be subject to the controls under section 38(b)(2), Arms Export Control Act. These items may be controlled under appropriate provisions of the Export Administration Act of 1979.

FOOTNOTE

*Section 620(f), FAA, refers to "Communist countries," which include specifically, but may not be limited to the following countries:

People's Republic of Albania
People's Republic of Bulgaria
People's Republic of China
Czechoslovak Socialist Republic
German Democratic Republic (East)
Estonia
Hungarian People's Republic
Latvia
Lithuania
North Korean People's Republic
North Vietnam
Outer Mongolia-Mongolian People's Republic
Polish Peoples Republic
Rumanian Peoples Republic
Tibet
Federal People's Republic of Yugoslavia
Cuba
Union of Soviet Socialist Republics (including its captive constituent republics)

EXTENSIONS OF REMARKS

INVENTORY ACCOUNTING AS A BURDEN ON THE CAPITAL FORMATION PROCESS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. NOWAK. Mr. Speaker, in January 1980, the Small Business Subcommittee on Access to Equity Capital and Business Opportunities, which I chair, issued its report on capital formation and retention. Five recommendations were made to the Congress to help capital-intensive small businesses overcome their capital formation burdens.

The report recognized that small business as a group is labor intensive, and that additional tax relief should be provided to aid labor-intensive small business. It is for this reason that I have begun work on simplifying the tax regulations dealing with accounting for inventories. Tax simplification is important to small business, as it would increase cash flow and thus aid capital formation.

On February 12, the first congressional hearing ever held on the inventory simplification issue was conducted by my subcommittee. At the hearing, Daniel I. Halperin, Deputy Assistant Secretary of the Treasury for Tax Policy, agreed with the view of many small business advocates on the complexity issue. He stated that:

> Small Business has a legitimate complaint that the current complexity in the use of LIFO effectively denies them its benefits. The Administration supports the need to simplify the LIFO rules for small business to make them more available.

Labor-intensive small business is primarily composed of retailers and wholesalers. For them, the largest asset category on their balance sheet is often the inventory classification. With respect to the economy as a whole, the importance of the inventory classification should not be understated. For example, in 1975 there was an approximate total of $341.4 billion of inventory, not including farm inventories, carried by sole proprietorships, partnerships, and corporations.

The two ways in which small business persons generally value their inventories are the first-in-first-out—FIFO—method, and the last-in-first-out—LIFO—methods. FIFO states that those items which are first acquired are the first sold in a business. LIFO is a statutory exception to the general methods of determining cost; LIFO states that those items last acquired are the first sold.

In times of high rates of inflation, LIFO is the preferred method of accounting, as it lessens taxable income. For example, the cost of goods sold under LIFO is computed at the higher inventory prices which, due to inflation, are nearer to the end of the business' taxable year. On the other hand, under FIFO, the business person would have a lower cost of goods sold at the end of the taxable year due to using inventory prices from the beginning of the year for valuation purposes.

SMALL BUSINESS DOES NOT USE LIFO

Small businesses, however, find it all but impossible to adopt LIFO. Internal Revenue Service statistics for 1974 show that 1.1 percent of all retailers and 2.5 percent of all wholesalers use LIFO, as follows:

1974 CORPORATE RETURNS MAKING THE LIFO ELECTION

Industry class	Returns reporting inventory	Percentage of returns electing LIFO method	Percentage of total inventory under LIFO election [2]
Retail trade (all sectors) [1]	386,772	1.1	18.0
Furniture and home furnishing stores	36,044	0.5	3.4
Building materials, garden supplies and mobile homes	31,319	1.0	6.2
Apparel and accessory stores	38,529	1.0	8.5
Auto dealers and service stations	63,863	2.1	8.8
Food stores	26,335	2.1	28.1
General merchandise stores	10,996	4.0	41.0
Miscellaneous retail trade	103,085	1.0	9.0
Wholesale trade (all sectors) [1]	214,975	2.5	17.1
Grocery and related products	20,870	1.6	18.0
Machinery, equipment, and supplies	45,391	2.3	20.3
Miscellaneous wholesale trade	148,714	2.7	16.1
Manufacturing (all sectors) [1]	211,563	3.7	42.2
Apparel and textile products	16,106	0.1	8.9
Motor vehicles and equipment	2,203	5.3	12.7
Furniture and fixtures	6,931	2.0	25.1
Transportation equipment, except motor vehicles	3,651	2.3	30.8
Electrical and electronic equipment	10,800	2.7	31.8
Fabricated metal products	25,327	5.9	50.4
Chemical and allied products	9,860	6.7	60.9
Paper and allied products	3,765	13.2	61.3
Primary metal industries	4,636	8.5	72.2
Petroleum and coal products	1,039	10.7	87.1

[1] These figures represent all sectors in each group. However, not all sectors are listed.

[2] For example, this column suggests that the 1.1 percent of retailers that elected the LIFO method own 18 percent of the total inventory owned by all retailers.

Source: 1974 IRS Statistics of Income, Corporation Income Tax Returns, U.S. Department of the Treasury.

Looking at these statistics, one might speculate that perhaps LIFO was statutorily drafted to cover only a small segment of the business community. However, this is not the case. In narrating the legislative history of LIFO, Mr. Halperin stated:

> LIFO was first enacted in 1938 for two industries—nonferrous metal smelters and hide and leather tanners. In 1938, in response to strong pressure from business, *LIFO was extended to all taxpayers* provided it was an appropriate method of financial accounting for the taxpayer (and so reflected in the taxpayer's financial statements). [Emphasis supplied.]

The above statistics certainly do not conform to the legislative intent of LIFO. Thus, something must be done to reverse these statistics and help increase small business' use of LIFO. Small business' desire for simplification of the inventory accounting rules is not a quest for favorable tax treatment. It is simply an issue of equity.

REASONS FOR NOT USING LIFO

The complexity of the law makes proper compliance with current inventory methods a veritable nightmare. In particular, small business finds it difficult to administer the detailed recordkeeping required in order to make a proper LIFO election. This recordkeeping requires computation of several inventory pools or the establishment of an accurate statistical index. This can only be accomplished by hiring a highly paid tax professional, something a small business person cannot afford.

FEBRUARY 12, 1980, HEARING ON INVENTORIES

The subcommittee hearing on February 12 focused on two proposals for inventory reform. First, it was recommended that the current law and regulations for LIFO be simplified. Second, the National Federation of Independent Business (NFIB) and General Business Services, Inc. (GBS) proposed that small business be allowed to use the cash receipts and disbursements—cash—method of accounting. Each witness stated that his particular proposal is designed to address the complexity of the law issue and the inflationary burdens placed on small business.

As stated above, Halperin of the Treasury agreed with small business on the complexity issue. He stated that Treasury has set up a task force to study the inventory issue, with particular emphasis of LIFO simplification. This task force will primarily focus on simplification of the most widely used method of pricing LIFO inventories, the dollar value method.

NFIB and GBS indicated that LIFO reform is beneficial to small business, but it is not the complete answer. Both organizations believe that many small businesses would not use LIFO, no matter how much it is simplified. They believe that even a simplified LIFO method requires a certain level of sophistication. To bridge the complexity problem, NFIB and GBS suggested that the cash method of accounting would help those small businesses that would never use LIFO.

THE CASH METHOD

Under the cash method, expenditures are deducted in the tax year in which they are actually paid. This method simplifies the need for recordkeeping. It is also suggested that the cash method would assist small business in complying with the law. Small farms are presently the only type of business entity allowed to use the cash method by law.

This special inventory exception for farmers was adopted more than 50 years ago by regulation. The relative simplicity of the cash method was the primary justification given for allowing the exception. It eliminates the need to identify specific costs incurred in raising particular animals.[1]

The accounting profession and the Department of the Treasury are generally opposed to allowing small businesses, such as retailers, to use the cash method of accounting. Both see that such a change in the tax law is a departure from generally accepted accounting principles (GAAP). The use of the cash method, in the eyes of the accounting profession, leads to a distortion of income, as there is not a proper matching of income and expenses. The Treasury Department sees this as a potential area of tax shelter abuse, analogous to the cattle breeding area.

JUNE HEARINGS

Two additional days of hearings are scheduled to be held in June on the subject of inventory accounting reform. The Internal Revenue Service is scheduled to testify on the procedures used by agents in their audits of a business' inventory. In addition, several small business groups and the American Institute of Certified Public Accountants are scheduled to testify.

Testimony received at these hearings will provide the basis for recommendations which will be made to the Congress for action on this most important small business issue. Much of the attention of the 96th Congress has been on helping capital-intensive businesses cope with their capital formation problems. It is through inventory accounting reform that the neglected labor intensive business sector will attain equity as well.●

ARTISTS TAX EQUITY ACT OF 1980

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. GEPHARDT. Mr. Speaker, today I join with my colleagues, Mr. DODD and Mr. MOFFETT, in introducing the Artists Tax Equity Act of 1980. This bill will provide much needed relief for artists and their heirs and will, for the first time, make provisions in the tax code for inkind payments of Federal taxes.

Under present law, an artist who donates his work to the public domain receives a tax deduction equal to the cost of materials. An art collector, however, donating the same piece of art into the public domain, would receive a donation equal to the fair market value. This bill would allow an artist to receive a deduction based on 30 percent of the fair market value of the donation. This provision is aimed at increasing the flow of art for public consumption, which has all but dried up as a result of tax reforms in 1969.

This bill is also directed at lessening the burden of estate taxes on an artist's heirs by allowing a donation of a piece of art to be treated as a credit against estate taxes. The piece of art would be valued at fair market value for the purpose of this credit.

Present law would also be changed with regard to two separate provisions. First, an individual would be allowed to claim that an activity is engaged in for profit if a profit is made in 2 of 10 years instead of 2 of 5 years, as is currently the practice. Second, the pre-1976 laws as they apply to copyrights, literary or musical compositions, letters or memorandums, and similar property will be restored. This will reduce the excessive tax burden on unearned income.●

UNITED STATES MUST MEET WORLD TRADE CHALLENGE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. PORTER. Mr. Speaker, President Carter has declared May 18–24 as World Trade Week to emphasize to the people of the United States that trade is vital to our country's economic health.

The President is certainly right to make such a proclamation and we must all commend him for doing so. But, Mr. Speaker, perhaps all the proclamations ought to be put aside and the administration get behind some alterations in public policy very necessary, in my judgment, to allow our country to compete successfully on world markets.

And, Mr. Speaker, we are not doing so, or rather the limited successes American businesses are having are largely in spite of discouraging government policy, not because of its encouragements.

The burdens of excessive regulation, the failures to adopt tax encouragements to investment and export, the tacit and sometimes explicit support for work stoppages, all may well be government policies that we simply can no longer afford. Nor will it do for our country, when unable to meet the challenges of international competition, to erect and hide behind trade barriers.

What is needed, rather, is a complete change in attitude on the part of government, business, and labor, to recognize that we are in a fight for the future with other trading nations, that our success in our home economy and in world markets is vitally necessary to our children and their children being able to live as well as we have.

To understand the extent and importance of the challenge we face, and to understand the directions that another nation—perhaps the world's export champion nation at this time—Japan, has taken to be successful, I submit for my colleagues' consideration a recent article by Prof. Ezra F. Vogel printed in the Wall Street Journal:

MEETING THE JAPANESE CHALLENGE

As an academic observing developments in East Asia for the past two decades, I have gradually come to a disturbing conclusion: The United States is in the process of being surpassed by Japan as a modern industrial power, and this creates serious consequences America is not confronting.

Many Americans are aware of the success of individual Japanese products. Japanese textiles, produced with cheap labor were already inundating the United States in the 1950s. Since then, Japan's labor costs have risen until they are on a par with ours, but Japanese companies have raised productivity and expanded their ability to produce quality products at competitive prices. Even after World War II, the Swiss continued to dominate the international watch market, but last year the Swiss produced about 50 million watches while Japanese companies produced about 60 million. Cameras before World War II were dominated by the Germans; they have been replaced by the Japanese. Americans after World War II enjoyed a substantial lead in radios, but we are now eclipsed by the Japanese. American television was the world leader in the 1960s, but this is now dominated by the Japanese.

CAPACITY AND TRIGGER PRICES

Japanese steel plants have a capacity roughly the same as the United States or almost as much as the entire European Economic Community, but their capacity is the most modern and sophisticated in the world as we are belatedly acknowledging by using Japanese standards as the base measure for determining the "trigger" price. In motorcycles, the dominant four companies in the American market (Honda, Yamaha, Suzuki and Kawasaki) are all Japanese. The United States reigned over the automobile industry, but last year Japan produced about 10 million cars, about the same as the United States, over 100 times the cars it produced 20 years ago.

Japanese abilities are not limited to a narrow range of products. In pianos, hardly a traditional Japanese instrument, in bicyles, tennis and ski equipment, snowmobiles, pottery, glass, machine tools, Japan is a strong competitor. In calculators, office copying machines, Japanese advances are impressive. In industrial robots, which provide users with mass production-like efficiency for smaller orders, Japan is perhaps the world's leader. In semiconductors, they already pose a threat to American industry.

In banking, by 1978, of the world's largest 30 banks, 4 were American and 1 Japanese; of the top 300, 58 were American, 61 Japanese.

In the international market place, the chronic American trade deficits and continuing Japanese trade surpluses suggest that Japanese competitive superiority cannot be explained entirely by Japanese trade barriers which have been reduced rapidly since the late 1960s.

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[1] Report of Ways and Means Committee on Internal Revenue Code section 446, as added by the Tax Reform Act of 1976 (Public Law 94-455).

The Japanese market is not easy for outsiders to enter, and Japanese businessmen and government officials at times still add to the difficulties of foreign businessmen. But if one added up all the artificial restraints on entry of foreign goods into the American market the restraints on entry of textiles, shoes, TV sets, automobiles, steel and even agricultural products; the size of military procurement closed to foreign producers; and the varying state rules slowing down entry of various foreign goods—it is at least open to question whether complete opening of the American and Japanese markets would alter the bilateral trade balance in America's favor.

In 1978, Japan had a world-wide industrial trade surplus of $76 billion. The United States, which had enjoyed an industrial trade surplus in the years previously, dropped in 1978 to an industrial trade deficit of $5 billion. Using the average yen-dollar exchange rate for 1978, the value of Japanese industrial output was then about two-thirds of that of the United States, or about one and one-half times our industrial output per capita. Because of the costs of oil imports, Japanese trade surpluses have been vastly reduced in 1979, but long-range trends are in Japan's favor.

In trying to predict future trends, one should note that Japan's 1978 absolute investment in new plant and equipment was approximately the same as in the United States, or about twice America's investment per capita. This is perhaps not surprising considering that the Japanese personal saving rate, which had been averaging about 20 percent per year has been running higher the past several years while the American saving rate which had been running at about 6 percent per year, has fallen to less than 4 percent.

If Japanese and American growth rates continue, Japan will soon be investing more in absolute terms in modern plant and equipment than the United States. The proportion of GNP going into research and development has been falling in the United States but rising rapidly in Japan. While the U.S. still spends more for basic R&D, Japanese R&D is concentrated in areas likely to have a high pay-off in industrial competitiveness.

Japan has many advantages over the United States. It has a disciplined work force with fewer unpredictable work stoppages. A higher proportion of Japanese than American workers are unionized, but Japanese workers are more convinced that their companies will endeavor to look out for their interests.

The Japanese labor force is better educated. On comparative international tests sponsored by UNESCO, Japanese children greatly surpass American children in junior high school and high school level tests in science and mathematics. As we move to higher levels of information technology, this superiority will make a difference.

Japan has highly trained able government officials who specialize in analyzing and encouraging the development of competitive industries. A much higher proportion of Japanese newspaper and television reporters are not only fluent in foreign languages, but familiar with international economic issues, and they play an important role in raising public understanding of foreign developments useful for emulation. Japanese businessmen and government officials are, on the average, better informed than their American counterparts of world developments and more concerned about producing goods that will be competitive in world markets in the long-run.

Government policy encourages industries that can be competitive in the future and reduces aid and protectionist measures for mature industries. Government leaders' commitment to business success and their ability to work with business leaders provides a more secure environment for investment. Because there is relatively full employment and more commitment of companies to look after workers, political pressures from declining sectors are less intense.

Japan is vulnerable because it imports such a high proportion of resources required to meet its energy needs, but the United States now imports more petroleum than Japan and the Japanese have been more successful in developing public support for long-range national plans for conservation and diversification of sources. In short, I see no reason to disagree with estimates of economists who predict that over the next several years Japanese growth rates are likely to be two or three times those of the United States, and, that in industrial production, the differences will be even more striking.

SPREAD OF INDUSTRIAL KNOW-HOW

Japan is merely the cutting edge of the spread of industrial know-how to other countries. South Korea, Taiwan, Hong Kong and Singapore are already acquiring industrial capacity in many areas, and China will begin to expand its export capacities in years ahead. If America retains a healthy economy, using our comparative advantage we can absorb many of their exports, encourage their development and retain their friendship. If we resort to protectionism, we lose their good will and our ability to remain competitive.

My purpose is not to add to the gloom that already pervades America. But as a specialist observing Asian developments, I feel responsible for calling attention to the fact that our problems are deeper and more long term than is generally realized. Last-minute response to these difficulties can only lead to unwise short-term measures. In the meantime, the continued deterioration of American companies' market shares will reduce our nation's tax base and further cleavages between the taxed and those who would spend more for human services or military preparedness.

It is not my purpose to suggest that we imitate Japan. We must find our own ways to respond to the challenge. I do not, however, see how we can respond effectively to the challenge without much greater public awareness of the seriousness of the problem. We cannot continue to rely on antitrust laws and political pressure from the losers to determine our nation's industrial policy. We must find ways both to reduce the cost and intervention of government but at the same time to increase its planning and coordinating capacities.

Government and only government can make certain strategic decisions, but to make these decisions wisely requires drawing on the competence which only businessmen and labor bring. A new mission for trade unions is essential; with lingering adversary relations we all lose. These are issues which at best will require many years to correct, but certain trends may be irreversible if we do not act quickly, and this election year may provide a good opportunity to begin.●

A TRIBUTE TO DR. MEREDITH G. BEAVER

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. LEWIS. Mr. Speaker, on May 22, 1980, the Redlands Community Hospital Foundation will honor Meredith G. Beaver, M.D., for the substantial support and leadership that he has given to the Redlands Community Hospital and to the development of the high quality of medical practice found in the Redlands community.

Dr. Beaver received his medical degree in 1926 from the University of Oregon. After graduation and internship, he received a surgical fellowship at the Mayo Clinic and spent the next 4 years at the Mayo Foundation and the University of Minnesota Medical School. While at the Mayo Clinic, he was first assistant to Dr. Frank C. Mann, head of the Institute of Physiology and Experimental Surgery, and following his fellowship remained on for an additional year as first assistant to Dr. John Pemberton, professor of surgery at the University of Minnesota Medical School and head of the Thyroid Surgical Service at the Mayo Clinic.

Dr. Beaver commenced his medical practice in Redlands in 1931. He became a fellow of the American College of Surgeons and a diplomate of the American Board of Surgery.

His early support of the Redlands Community Hospital was instrumental in the formative years of the hospital in bringing certified physicians into the directorship of the Departments of Radiology and Pathology, which was instrumental in the hospital receiving accreditation by the American Hospital Association.

Shortly after the outbreak of World War II, Dr. Beaver was assigned as chief of the surgical services at Torney General Hospital in Palm Springs. From that post he was promoted to surgical consultant for the Surgeon General of the U.S. Army in the 9th Service Command. In that capacity Dr. Beaver was responsible for the surgical services in the 90 general hospitals, which treated a great proportion of the battle casualties of the Second World War.

Following the Second World War, Dr. Beaver, together with Joseph S. Hayhurst, M.D., Espey F. Cannon, M.D., and Gordon L. Witter, M.D., founded the Beaver Medical Clinic in Redlands, which is one of the outstanding medical clinics in the State of California.

Until his retirement from active practice on January 31, 1969, Dr. Beaver gave leadership to the Redlands Community Hospital and to the Redlands medical community, and was instrumental in seeing both achieve an area of excellence.

He has served as chief of staff of the Redlands Community Hospital, president of the San Bernardino County Medical Society, and chairman and member of the advisory board of the San Bernardino County Hospital.

Mr. Speaker, Dr. Beaver is one of the finest physicians in our country today. It is my pleasure to commend him to the House of Representatives for not only his work in medicine but his contributions to the Redlands Community Hospital. He has been instrumental in raising funds for the hospital and responsible for its continued growth during his tenure. I would like to take this opportunity to wish him the best of luck and good fortune in the future.●

UNITY WITHOUT UNIFORMITY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BOB WILSON. Mr. Speaker, on Sunday, May 18, 1980, in Philadelphia, Pa., the chairman of the House Armed Services Committee, MELVIN PRICE, was awarded the Legion of Honor Bronze Medallion, the highest honor presented in the Chapel of Four Chaplains, for outstanding public service in his chosen profession.

I believe it would be beneficial to the Members of the House and the rest of the country to read Chairman PRICE's remarks delivered on Armed Forces Day weekend:

UNITY WITHOUT UNIFORMITY

Dr. White, Associate Chaplains, and Ladies and Gentlemen, I am indeed honored to receive the Legion of Honor Bronze Medallion, the highest honor presented in the Chapel of Four Chaplains. In deep humility, I stand here in this chapel—a nation's shrine to the dream of human brotherhood and above whose entrance burns the eternal light of brotherhood and good will.

With its three altars representing the three great faiths of our people—Roman Catholic, Protestant, and Hebrew—this living memorial exemplifies the need for solidarity among those who believe in the spiritual dignity of mankind and the right of individuals to live in freedom and self respect. Dr. Daniel A. Poling once called the three chapel altars the nation's symbol of unity.

Located in the City of Brotherly Love, the chapel is a living shrine for a whole nation to the memory of the four gallant chaplains—two ministers, a priest, and a rabbi—who surrendered their life preservers so that four other men could live and went down with the U.S.S. *Dorchester*.

The story of their conduct on that bitter, wintry night has been told again and again. It will never be told too often. For we need to be reminded of the spirit of brotherhood represented in the sacrifice of the four chaplains.

I know there is an indelible picture in my own mind of the four men who stood in a circle with arms linked together and prayed as the ship went down.

I suggest on this Armed Forces Day that the ideals of service, courage, faith and brotherhood which the four chaplains represented has never been more needed than at this moment in history.

Today, our democracy stands in the midst of grave crises. But I have faith in America, in the American people, and in the great doctrines of freedom and justice for the individual. I have faith in ordered liberty under law upon which our country was founded and which has supported our claim to moral leadership in the world community.

In recent times, that leadership has been questioned as never before. If we are to regain our position and acceptance of not too long ago, we must demonstrate our adherence to those basic principles which find their roots in our religious ideals and in those concepts exemplified by the four chaplains. In the religious framework they carved for us, we must once again give proper emphasis to the equality of man, the individuality of man, and the responsibility of man.

I feel I would be remiss today if I did not pay homage to another group of heroes who made the supreme sacrifice in the line of duty and brotherhood. I refer to the five Air Force men and three Marines who recently lost their lives in the desert in Iran.

In a eulogy to these eight young men delivered last week at Arlington National Cemetery, President Carter said: "They chose a life of military service at a time when it offered very little glory in our land, when their reward had to come from knowing they had done a necessary and dangerous job. They volunteered for this mission, knowing its importance and its risks. They did so, not because they cared too little for life to want to live it out to full old age, but because they cared so much more for the lives of our hostages and for the right of our people to enjoy the freedom for which this nation was formed."

We echo the President's remarks. Like me, every American must feel deep pride in the valor and dedication to duty of those who died in that dark desert night. Of such men was our beloved country made.

Their lives remind us again that there is a moral force in this world more powerful than the might of arms or the wealth of nations—as important as those things are.

We do not pretend to know why those who seem to have been needed so much here on earth should have been taken so soon. Our temptation is to rebel and ask why. But in the words of another great chaplain, Dr. Peter Marshall,

"The measure of a life, after all, is not its duration, but its donation."

To these brave and gallant men who rose to heights of unselfish sacrifice, let us extend a fond salute, a grateful salute, a profoundly respectful salute on this Armed Forces Day weekend. They practiced separate religions but they prayed to the same God and believed in the same brotherhood of man.

Let us be challenged and inspired as never before to a renewal of faith in the power of national unity and to the spirit of brotherhood represented in the sacrifice of these courageous men.

If you will permit me to paraphrase the credo of the Chapel of Four Chaplains: Let the spirit which bound these men together in death now bind us together in life.

There can truly be unity without uniformity.●

NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 25 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans, extending to them our best wishes for a happy and prosperous life in the land we love. They are:

Arcot Kumar, Mary Dangleis, Ernel Lawrence, Ramenh Ghodgaonkar, Kripa Kashyap, Sheela Kashyap, Yoji Shimizu, Bum Han, Eleuterio Agustin.

Barbara Ciezkowski, Eliezer Adari, Richard and Cheryl Holloway in behalf of Cynthia Holloway, Moses Kleiner, Sukkyun Han, Lai Cheung, Lucia Duprey, George Duprey, Charles Duprey, Maria Nyitrai, Nunzio Florentino, Rosa Sevidal, Eliseo Sevidal, Gungor Mutlu, Soledad Hernandez, Lena Sause.●

CONGRATULATIONS TO WHITTIER REPUBLICAN WOMEN'S FEDERATED CLUB

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. GRISHAM. Mr. Speaker, I would like to take a moment to congratulate the Whittier Republican Women's Federated Club on their silver anniversary, commemorating 25 years of outstanding service to their community and their government.

Their club is made up of 427 members, comprising the second largest Federated Women's Club in Los Angeles County. Their service has been oriented toward involving women and young people in government, and they have achieved great success in these endeavors.

Whittier Republican Women's Federated has activities which range from providing scholarships to students at Whittier College to baking cookies for the veterans at the Long Beach VA Hospital at Christmas.

They are an active voice in the community and have garnered enough support to establish a year-round headquarters to offer their services.

They have, over the years, been instrumental in educating the public regarding issues which face our legislators. They have been active in supporting candidates whom they believe will benefit the public good and I am very proud to have such community service in my district. I hope that their involvement will last for many years to come and extend them my warmest congratulations on this 25th anniversary of their charter.●

THE MILITARY RETIREMENT INCOME EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mrs. SCHROEDER. Mr. Speaker, I have been getting many questions on the provisions of the Military Retirement Income Equity Act. I provide a question and answer sheet on the legislation as a handy reference for my colleagues:

THE MILITARY RETIREMENT INCOME EQUITY ACT

Question. What is H.R. 2817?

Answer. This bill would entitle a former spouse to a pro rata share of their spouse's retirement pay if the couple were married at least 10 years. The bill also makes survivors benefits mandatory unless the spouse and former spouse agree in writing to opt out of the survivors benefits plan.

Q. Does this only apply to the military?

A. Yes. However, I have introduced three separate bills in Congress dealing with this issue. H.R. 2817 amends the military pension system, H.R. 2818 amends the Civil Service pension system and H.R. 2857 amends the Foreign Service pension system.

Q. How is my pro rata share calculated?

A. You *qualify* for a pro rata share if you were married 10 years. The maximum is 50% and is calculated as follows:

Number of years married during creditable service/number of years of member's creditable service×.50×total retirement annuity.

Here are a few examples:

1. John and Mary Jones are married for 10 years, then get divorced. John has been on active duty in the Air Force for 8 of these 10 years, and after the divorce, he serves 12 more years for a total of 20 years. Mary would be eligible for 8/20 times 50% of John's retirement pay.

2. Bob and Alice Smith are married for 5 years when Alice joins the Navy. After 30 years of active duty, she retires. Then they get divorced. Bob would be eligible for 30/30 times 50% of Alice's retirement pay.

3. Bill and Jane Brown are married for 12 years and then get divorced. Bill then joins the Air Force and serves on active duty for 20 years and then retires. Jane would be eligible for 0/12 times 50% or $0. Jane receives nothing because she wasn't married to Bill during creditable service.

4. Tom and Nancy are married for the first 10 years of his active service in the Marine Corps. They get divorced and, 5 years later, Tom marries Susan. He serves another 15 years, making a total of 30 years of service. Tom and Susan get divorced after he retires. Nancy would be eligible for 10/30 times 50% of his retirement pay and Susan would be eligible for 15/30 times 50% of his retirement pay.

Q. Is my payment automatic?

A. Yes. You would receive your check directly, so you wouldn't have to contact your former spouse at all. This would eliminate collection problems when former spouses don't comply with their court settlements.

Q. What if I remarry?

A. If the former spouse remarries before the age of 60, he or she is no longer entitled to a portion of the annuity.

Q. How would H.R. 2817 affect survivors benefits?

A. This bill would award a pro rata share of survivors benefits to a divorced spouse. Survivors benefits would be mandatory unless *all* the affected parties—that is, the servicemember, his or her current spouse and/or former spouse (if any)—choose not to follow the plan. Because a servicemember *must* obtain his or her spouse's approval in order to refuse the plan, we hope to avoid the tragic surprise that confronts many military widows and widowers.

While this step may be controversial, I am confident that it is necessary. In fiscal year 1976, of 64,000 military retirees, only 54% chose to participate in the Survivors Benefits Plan. As a result, approximately 30,000 widows or widowers will find themselves without benefits after their spouses' death.

Survivors benefits would be computed by the same formula used to compute a former spouse's share of retirement pay, that is, it would be based on number of years of marriage during creditable service. A former spouse married 20 years during 30 years of creditable service would be eligible for 2/3 of the survivors benefits. The surviving spouse, if any, would get the remainder of the survivors benefits, regardless of how many years they were married during service.

Q. Would the bill be retroactive?

A. No. Unfortunately, the bill would not apply to military couples already divorced or retired.●

NATIONAL HANDICAPPED AWARENESS WEEK

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. OBERSTAR. Mr. Speaker, this week of May 18-24 is National Handicapped Awareness Week. The purpose of this event is to sensitize the public to the many challenges that handicapped individuals face each day and to increase support for the changes that can turn a disability into a handicap. A kickoff ceremony to the activities of Awareness Week in Minnesota was held in St. Cloud this past weekend. I would like to share with my colleagues the text of my remarks from this historic event:

> Today marks the beginning of Handicapped Awareness Week in Minnesota and throughout this Nation. I am pleased to have this opportunity today to congratulate all the coordinators and participants who have worked so hard over the last few months to make this special week possible. What began as a local concept, just four years ago, has now grown into a celebration of national importance. This year, in Minnesota alone, over forty communities will be participating in awareness events. We as Minnesotans should be proud of the leadership role we play in improving the lives of handicapped citizens.
>
> Over the past ten years, we have made tremendous legislative and technological strides in addressing the needs of handicapped Americans. Buildings are being redesigned. Architectural barriers have been removed. Physical aids have been developed to provide handicapped people with easier access to may aspects of our society. However, even as the last ramp is laid into place, there is more work to be done.
>
> Although these advances have done much to assist handicapped individuals to overcome physical barriers, there are other—invisible—barriers which must also be removed.
>
> Attitudinal barriers, which are often the most difficult to address, can be eradicated by the kinds of activities that will take place this week. By educating the public, conducting workshops to foster greater communication between handicapped and non-handicapped people, and generating an atmosphere which encourages mutual understanding we can accomplish this goal.
>
> As we enter into a new decade, let us work together to build a society that enables all people to reach their potential and live independent and fulfilling lives.●

BEHIND THE CUBAN TRAGEDY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the commentary appearing in the May 13 Washington Post entitled "Behind the Cuban Tragedy," by Ernesto Betancourt, Fidel Castro's Washington representative during the Cuban revolution.

The possible consequences of the failure of the Castro regime in Cuba may well lead to a greater Soviet involvement not only in Cuba but in the rest of Latin America as well.

This commentary gives a sober analysis of the collapse of Castro's example as a model for the rest of Latin America. It also presents the ominous possibility of a Soviet invasion in Cuba duplicating Hungary in 1956, Czechoslovakia in 1968, and Afghanistan in 1979. We would be well advised to be prepared to act if such a possibility were to become a reality.

The article follows:

BEHIND THE CUBAN TRAGEDY

> For weeks now we have been exposed to the tragic spectacle of thousands of Cubans desperately trying to flee the island. The human aspect of this tragedy has been aggravated by Carter's hesitation as well as by Castro's frantic maneuvering and viciousness.
>
> Little can be added to the human side of the story. Faces and events speak more eloquently than words. But there is a meaning behind these events that could confront the United States with an opportunity that transcends the boundaries of Cuba and the refugee issue.
>
> Underneath the bragging and the orchestrated mass demonstrations, Castro is running scared. The Soviets may move to free themselves from the discredit he is heaping upon the socialist model among Third World leaders. They may be concerned with a Caribbean Afghanistan. Furthermore, these events show that Castro has lost touch with Cuban public opinion.
>
> The action that unleashed this situation was Castro's decision to allow visits by exiled Cubans. Instead of treating them contemptuously as "worms," Castro's press called those who had fled the island "members of the community in exile." His main concern was to earn desperately needed foreign exchange. Overconfident, as all beneficiaries of absolute power are, Castro could

hardly expect that move to bring so many headaches upon his regime.

The 100,000 Cubans who visited the island in 1979 has an eye-opening impact on those who had stayed behind. The contrast in life styles awakened memories among the old, who could remember. It also opened new vistas to the young, who supposedly were thoroughly indoctrinated by the regime. The impact was not limited to the appeal of abundant food, clothing and electronic gadgets, but went to the deeper issue of freedom. There is a stronger appeal in being able to speak, to travel and to live and work where you want. And, most important, people want to be free of fear.

To say this does not belittle the importance of material conditions. These mass visits coincided with a disastrous situation in the Cuban economy: the collapse of the tobacco crop forced the closing of cigar and cigarette factories, idling 27,000 workers. The sugar crop this year is also a failure. Consumer goods shortages are appalling. The so-called Soviet assistance does not seem to alleviate these hardships.

In the presence of an increasingly educated population, it is easy to understand the judgment of those who want to leave. Cuba under Castro is unable to offer the good life or the pursuit of happiness. Charisma is no longer enough to keep the population's support for the regime.

In a speech last December, Castro made a pessimistic review of the economic situation. Earlier, his brother, Raul, minister of defense, had blamed the revolutionary leadership—meaning Fidel—for the economic mess. Castro took over direct supervision of the Ministries of Defense, Interior, Culture and Health—a strange approach to improve the management of the economy. More likely he was trying to prevent a Soviet move to replace him or to regain control of the police and military from pro-Soviet elements.

In January 1980, Celia Sanchez, Castro's Sierra Maestra secretary and lifelong companion, died. This provoked speculation in diplomatic circles in Havana that she was killed in a shootout between Fidel and Raul. Since Raul is known to be the Soviets' preferred Castro, it is not too farfetched to infer that Soviet pressure is a cause of tension among the core leadership in Havana.

Pressure for what? We can only speculate. The Soviet Union cannot be too happy with Castro's failure to use his position as chairman of the non-aligned movement to ease its embarrassment over Afghanistan. In fact, Castro couldn't even attend President Tito's funeral. At a time when the Soviets see opportunities in the Caribbean, Central America, Africa and the Middle East to capitalize on a favorable military balance of forces, Castro's clumsy handling of the Peruvian Embassy incident has introduced an unnecessary and most damaging distraction. What has happened undermines the rationalizations used by the Soviet Union to justify its expansionism in the Third World.

Rather than Cuba's being seen as a model for the wave of the future, questions are being raised in Mozambique, Jamaica, Guyana, Costa Rica, Peru and other quarters about the workability of the Cuban experiment. No wonder Castro wants all the refugees to come to the United States instead of going to Latin America. There they could help destroy the myth of his success in building a new, happier society.

The use of goon squads at the U.S. Embassy against those wishing to leave and the announcement on May 1 of the creation of a militia seem to reflect Castro's distrust of the Cuban armed forces. It is not that they may be unwilling to act against the people; that point has not yet been reached (although it may come, as it did in Hungary in 1956). Probably Castro needs a force less influenced by the Soviets to protect himself from a fate similar to that of Hafizullah Amin in Afghanistan.

In the event of disintegration of the Castro regime, what should our position be? We must be prepared to face the eventuality of a Soviet move to replace Castro in order to keep Cuba within the communist camp. Even if severe repression is required, the Soviet military leaders are unlikely to accept quietly the loss of such a crucial strategic position. Following usual Soviet practice, Castro's adventurism could be blamed for the regime's failure.

Under such circumstances, could the Soviets rely on the Cuban armed forces in Cuba, Ethiopia and Angola? That is doubtful. Once events are unleashed, the hatred of the Cubans for the Soviets will make the regime highly unstable. As in Hungary, Czechoslovakia and Afghanistan, Soviet forces may have to be used. That is the moment for which we had better start preparing contingency plans and, one hopes, under a more determined leadership than we have shown recently.

Granted, this is a very hypothetical interpretation of the meaning of the Cuban exodus. But we should not ignore it. Guilt over Vietnam, Chile and Watergate has made many lose sight of the strong appeal of a free society. It is that kind of attitude that leads people to think that communism is irreversible, but not even Brezhnev believes that. If he did, the Brezhnev doctrine would not have been necessary.●

EL SEGUNDO HONORS RETIRING CITY TREASURER RUTH HOPP

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DORNAN. Mr. Speaker, it is a rare public official who is so trusted and respected by the community he or she represents that they are elected to seven successive terms. Ruth Hopp, retiring treasurer of the city of El Segundo, Calif., is that government officer.

Educated in El Segundo public schools, Mrs. Hopp entered city government in 1941 with the El Segundo Public Works Department. From 1950 to 1952, she served as deputy city treasurer for the city.

In 1952, Mrs. Hopp began her first 4-year term as city treasurer. Her ability and dedication earned her the faith and confidence of all El Segundo. Reelection after reelection further displayed the public's endorsement of her responsible approach to finance.

Ruth Hopp is more than a respected city officer, though. She has found time and energy to devote herself to professional organizations. Mrs. Hopp is a past president of four groups: the Municipal Treasurers' Association of the United States and Canada, the Municipal Finance Officers' Association of Southern California, the Quota Club of El Segundo, and the California Municipal Treasurers' Association. In addition, she is a charter member of the El Segundo Business and Professional Women's Club.

Not only can Ruth Hopp's husband, Harry, and daughter, Susan McKinley, be proud of the retiring city treasurer, but so can the entire community of El Segundo. Mr. Chairman, I join the many beach city residents who wish Ruth continued good fortune in all her endeavors.●

THE HIGH COST OF HEALTH CARE FOR OUR CITIZENS IN NURSING HOMES

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DOUGHERTY. Mr. Speaker, throughout this 96th Congress the issues of the quality, scope, and costs of health care available to each American has been given considerable attention. Present economic conditions will warrant further serious examination of the cost of health care. I would like to share with my colleagues a poignant letter from the Diocesan Council of the Episcopal Diocese of Pennsylvania which illustrates the confusion and difficulties which exist specifically in the area of health care for residents of nursing homes:

DIOCESE OF PENNSYLVANIA,
1700 Market Street, Philadelphia, Pa.,
March 20, 1979.

Hon. CHARLES DOUGHERTY,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE DOUGHERTY: The Diocesan Council of the Episcopal Diocese of Pennsylvania wishes to express the great concern of this Church over the rising cost of health care, especially as it affects the elderly and infirm in nursing homes. The difference between the actual cost of care and level of reimbursement received from public sources is placing an almost insurmountable burden upon many of the nursing homes in the Philadelphia five-county area. The burden falls most heavily upon those facilities located in the poorer and middle income sections of the community, and is creating a very critical situation for some institutions. This has a very serious effect on the availability and quality of health care, especially for the indigent.

Two examples of the problem in the City of Philadelphia are the Mercy Douglas Human Services Center and the Stephen Smith Home. Mercy Douglas presently experiences a per diem cost for patient care of $38.50, while the reimbursement received is only to a level of $31.75, leaving a gap of $6.75 per patient day. The Stephen Smith Home, which recently accepted forty-six additional patients as a result of the closing of the Sarah Allen Home, has a per diem cost of $38.00 and a reimbursement level of $32.08 leaving a gap of $5.92. These are only two instances of what is a widespread problem.

Under these circumstances it becomes increasingly difficult for indigent and fixed income persons to secure placement in nursing home facilities. In some cases, the financial viability of the institutions themselves is threatened.

We urge, therefore, that the appropriate government bodies take cognizance of this critical problem, and that the reimbursement to nursing homes for the care of indigent patients be raised to a level which is more nearly equal to the actual cost of care.

Sincerely,

KATHERINE W. DAY,
Secretary of Council and Convention.●

COAL'S MESSAGE IS BEING HEARD

HON. NICK JOE RAHALL, II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. RAHALL. Mr. Speaker, coal's message is starting to be heard.

Within the last few days, major newspapers throughout this country have been singing the praises of coal. I ask, Where have they been?

America's energy future rests with coal. Something thousands of Americans realized a long time ago, especially coal miners and coal producers, not to mention West Virginia newspapers.

I urge my colleagues to review the two editorials I am submitting for the RECORD from the New York Times and the Washington Star.

I am pleased that the effort for expanded coal use is gaining the support of these two newspapers. They have not been known for their strong support of coal in the past, and their more realistic outlook of the energy picture is indeed encouraging.

The time is now to move ahead with the greater production and use of coal, and the coal conversion bill, H.R. 6930, is essential to this effort.

The American people should no longer have to pay more for gasoline; they should no longer have to pay more to heat their homes; not one more miner should be put out of work.

We have the coal. We have the technology. What we need now is the commitment.

[From the New York Times]

LOOKING FOR THE CATCH IN COAL

The more we reflect on the possibilities of coal, the easier it is to get excited. The World Coal Study issued last week offers the most hopeful energy news in years of crisis. Compared with coal, oil prices have zoomed so high that it is now possible to spend heavily to make coal cleaner and safer—and still come out ahead.

Consider just how enormous the price differential has become. A typical American utility spends roughly $35 for a ton of coal delivered, and another $25 to meet existing air and water pollution standards, a total cost of $60. The equivalent amount of crude oil would cost $165. That leaves a tremendous margin to pay for doing things right.

Coal does not have to be unacceptably dangerous and dirty. Determination, and money, can make it safe. The best-managed mines have substantially reduced deaths from accidents and black-lung disease; they are now no more hazardous than other high-risk manufacturing or construction. All mines could be compelled to reach these standards.

Nor does strip mining have to leave the land scarred. At modest cost, terrain can be restored to its original condition. And emissions from coal-burning plants, long a curse to industrial cities, could be controlled. New coal-fired power plants emit less pollution than most oil-burning plants. Replacing old oil plants with new coal plants could *improve* air quality.

Is there a catch in this rosy view? If so, it is not yet apparent. Government analysts acknowledge that coal has an enormous price advantage over oil and that some of this can readily pay to meet strict health and cleanliness standards. The claim that coal can be used safely gains credence from the support of Russell Train, former head of the Environmental Protection Agency, who participated in the World Coal Study. The idea is also endorsed by current E.P.A. officials.

No one thinks of coal as anything more than a transitional fuel, en route to renewable energy sources. A solar advocate, in fact, might argue that all effort should be concentrated on developing that source more quickly. The World Coal Study estimated that solar energy might meet about 10 percent of the nation's needs by the year 2000. The Carter Administration's goal is twice that. But even if it develops that fast, there would still be a great need for coal, domestically and abroad, where experts show little confidence that solar energy will contribute much in this century.

What are the other alternatives? Coal is more acceptable to the public than nuclear power. And unlike solar, it uses mostly time-tested technologies. The task now is to get on with the job of building the necessary mines, transportation links and combustion plants. That will happen as the economic advantages of coal over oil become more widely appreciated, but only if some key coal producers and potential users get over their endless dyspepsia.

The National Coal Association still complains that coal-use goals cannot be met unless pollution and strip-mining regulations are eased. Utilities complain about the high cost of scrubbers if they switch from oil to coal. If any particular environmental standard turns out to be demonstrably excessive, it should of course be modified. But the encouraging message of the World Coal Study is that it will pay, in dollars and in independence, to burn coal; that the world can do so without sacrificing the environment; that there is no catch.

[From the Washington Star, May 19, 1980]

THE PROMISE OF COAL

Coal can be critical to ease America's overdependence on foreign oil, and the resource to maintain global economic growth over the next two decades. That is the message of two major studies, which emphasize that decisions to put greater reliance on coal must be made now.

The World Coal Study released last week concluded that coal will be vital to sustain any kind of real economic growth in the world between now and the year 2000, and that it "can be mined, moved and used at the most stringent environmental protection standards and at acceptable costs . . ." President Carter's Commission on Coal recently said, "Strong legislation, including mandatory reduction of utility and industrial oil and natural gas use, is long overdue."

So far the U.S. has made only fitful movement to revert to a fuel that is abundantly available. Despite the political obeisance paid to coal during the 1970s, the coal industry may have a case for breach of promise. Capacity exists to mine 1 billion tons a year, but there are now 100 million tons of coal stockpiled above ground and going unused. The National Coal Association last week told President Carter that this goals on production and use for 1985 cannot be met, and blamed "current government policies and regulations."

In a recent series on the subject, *The Star's* Lance Gay noted the complex of factors that has impeded expanded coal use: A history of unsafe mines and working conditions, and the problems of reliable supply arising from turbulent labor-management relations; rate-structure policies that tend to erase the economic advantages of coal; economic and investment uncertainties created by an ever stricter environmental and regulatory climate; restrictive federal leasing policies on Western government-owned land.

Difficult problems all, but none intractable. As the logic to return to coal becomes increasingly compelling, however, the environmental dispute could dominate—and distort—the debate.

The two most conspicuous environmental problems with coal are acid rain and the "greenhouse effect," the concern that carbon dioxide in the atmosphere could, over time, disrupt the earth's weather patterns. The World Coal Study acknowledged that coal releases 25 per cent more carbon dioxide than oil, but added, "Most researchers expect that there are at least several decades to evaluate the carbon dioxide modification issue." That sort of observation does not comfort those who translate technological rough edges into imminent lethal specters. But it is a tenable judgment.

Acid rain has been drawing particular public attention of late. Scientists have yet to fix the sources of acid rain, how long it has been around or how precise the effects it causes. Sulfur dioxide, combining with atmospheric moisture to form sulfuric acid, returns to earth as a pollutant, and a joint U.S.-Canadian study last summer said, "There is substantial reason to suspect" that it "will have adverse effects on aquatic systems, forest, and agricultural systems."

Clearly, this warning cannot be disregarded. But we also need to know more about acid rain. Is it primarily the result of industrial emissions? To what extent do automobiles contribute? What are the best methods and how much will it cost to develop and install controls?

Douglas Costle, the administrator of the Environmental Protection Agency, is intent on immediate regulation: "There's a lot we don't know, I admit," he says. "But we do know enough that we ought not to make the problem any worse and that we ought to take remedial action."

It is not complacent to wonder whether Mr. Costle isn't calling for a third alarm at the first traces of smoke. Congress last fall authorized a 10-year, $10 million acid rain study. To impose a fresh layer of federal regulation on a condition as yet so partially understood would seem at least premature.

Acid rain is alarming, and we must deal with it. But the United States has already allowed itself to be taken hostage by a morbid reluctance to use a practical alternative, coal, against dependence on foreign oil. A first priority should be congressional approval of President Carter's $10 billion proposal to switch East Coast oil-fired utility plants to coal.

The intense environmental opposition could jeopardize passage—as well as the entire effort to turn, as quickly, efficiently and safely as possible, to coal. Failure to do so could be devastating.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment earlier today, I was not present for the votes on three suspensions considered by the House. Had I been present, I would have voted for all three suspensions: H.R. 6940; H.R. 7102; and H.R. 3.●

GLENS FALLS HADASSAH HONORS HELEN AND SAUL SILVERSTEIN

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. SOLOMON. Mr. Speaker, at a testimonial dinner on June 11, 1980, the Glens Falls, N.Y., Chapter of Hadassah will honor Helen and Saul Silverstein for their outstanding leadership in the community and their dedicated services to the people of Israel. I would like to take a moment on this occasion to call attention to the invaluable contributions the Silversteins have made to my hometown community.

Mrs. Silverstein is a native of Glens Falls and a graduate of Glens Falls High School. She attended Packard Commercial School, Baruch College, and New York University. She is administrative office manager of Silverstein and Loftus, local certified public accountants.

Mrs. Silverstein, a founding member of Every Woman's Council, Inc., a local organization dedicated to helping women help themselves, now serves as corresponding secretary of the board of directors. She also conducts mini-courses at Adirondack Community College on financial planning for women and has served as voluntary tax consultant to the Glens Falls Senior Citizens Center for the past several years. Recently, she was appointed to the advisory council of the New York State Republican Women Legislator's Action Network.

A charter member of the Glens Falls Chapter of the League of Women Voters, Mrs. Silverstein has also been a member for the past 35 years of the Glens Falls Chapter of Hadassah, sisterhood of Temple Beth-El and sisterhood of Congregation of Shaaray Tefila.

She is presently a member of the Hadassah board of directors and serves as Israel bond chairman of the local chapter. She organized the Glens Falls Area Women's Division of the United Jewish Appeal in 1947 and was its first chairman. She currently serves as the cochairman of the women's division.

Saul Silverstein, senior partner in the firm of Silverstein and Loftus, has served the Glens Falls area in many capacities. Currently serving the second year as president of the Adirondack Regional Chambers of Commerce, Mr. Silverstein is a graduate of Baruch College and attended New York Law School.

He is a member of the New York State Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the National Conference of Certified Public Accountant Practitioners.

A Glens Falls residents since 1945, Silverstein is a member of the board of directors of the Glens Falls National Bank and Trust Co. For 20 years, he was a director of the Glens Falls Hospital and was secretary-treasurer when he retired from the board in 1975. A past president of the Glens Falls Kiwanis Club, Temple Beth-El, the Glens Fall Zionist District, Charles Gelman Lodge of B'nai Brith, and past chairman of the Glens Falls Jewish Welfare Fund and Israel bond campaigns. Mr. Silverstein has also been active in the Glens Falls Area Cerebral Palsy Association and the Glens Falls Forum.

He was elected recently to the board of trustees at the Hyde Collection. He presently serves on the board of governors of the Glens Falls Country Club.

The Silversteins are the parents of Deborah and Daniel, both of whom now live and work in New York City. "A total Hadassah family," Mrs. Silverstein and Deborah are life members of Hadassah and the men are both Hadassah associates.

I am honored to call the attention of my colleagues to these outstanding citizens of my community, Helen and Saul Silverstein.●

A CALL FOR NATIONAL UNITY

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ALBOSTA. Mr. Speaker, as you and our fellow colleagues are aware, I have made my views on the Iranian situation well known in the U.S. Congress. Today I rise to make known an event in Michigan that should be of interest to all Americans.

On Saturday, May 10, 1980, over 100 residents and students in Big Rapids marched, with American flags and patriotic signs, through the city as a gesture of their support for President Carter's handling of the Iranian crisis. I was both proud and humbled when asked to join them—and join them I did.

We marched from the Big Rapids City Hall to the Mecosta County Building, where our country's flag was ceremoniously raised by Boy Scout Troop 114. The organizers of this unity march, Dana James, Michael Goven, and John Johnson, then presented to me letters for the U.S. Senate, the families of those who died during the recent rescue mission, and President Carter.

I would now like to share the latter letter with my colleagues—for I think it best expresses the feelings of all of us who were there that day. The letter, which I sent to the President earlier today, reads as follows:

> We the people of Big Rapids, Michigan, extend our support to you and your Cabinet. We give you our support because you are the tailor of our destiny.
>
> We the people of Big Rapids have united to show our support for this great country. Let the unity of this great land be the antidote to our present crisis, as it has in the past. May our union be a sign for the rest of the nation and a message to the world.
>
> May the support that we extend to you, at this time, help in your future decisions.
>
> This period in time demands capable leadership and strong support by the people. May history record that we both have fulfilled our roles.

Fellow Members, if the President is the tailor of our destiny, then it is proper to call us the craftsmen. Please bear with me now, for I wish to emphasize each and every word of the message from these citizens addressed to the House of Representatives:

> We the people of Big Rapids, Michigan, have united together to physically show our support for you and this great country. We give you our support because you are the craftsmen of our destiny.
>
> Let the unity of this great land be the antidote to our present crisis, as it has in the past. May our union be a sign for the rest of the nation to follow.
>
> Let nothing come between us. It is time for a unified Congress and country.
>
> May the support that we extend to you, at this time, help in your future decisions.

Our letter was, simply and appropriately, signed, "The Citizens of Big Rapids."

I delivered the other letters to our Michigan Senators, Don Riegle and Carl Levin, and to the families of the eight men who lost their lives trying to free our hostages.

To the U.S. Senate, the people of Big Rapids pleaded for a unified Congress and country. They asked that their display of unity serve to strengthen the collective will of our elected officials.

To the families of the eight soldiers, they offered their condolences and the inspiration that, "Out of the tragedy that both you and the country feel, comes a spark; a spark of life. That spark of life has reached us in the heart of Michigan."

Mr. Speaker, I would like to add my signature to all these letters.

These people believe, as I do, that world opinion must be brought to bear on this outrageous violation of international law. But more importantly, they realize the real answer to this crisis lies within ourselves, in our own unity.

Their actions speak quite well of Michigan's 10th District.●

A CONGRESSIONAL SALUTE TO FATHER C. ALFRED DIETSCH

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. McCLORY. Mr. Speaker, in our increasingly mobile and disjointed age, it often seems that careers become mosaics of many differently colored tiles which may or may not amount to a coherent picture. How rare it is to find a man who has chosen at an early age not a patchwork career but a vocation, to which he has devoted himself with singleness of purpose for 50 years now.

Father Alfred Dietsch's persistence in his vocation as an ordained priest, as well as the nature of his vocation, have gained him the respect, the affection, and the admiration of the whole community of Cary, which he has served so faithfully and so well for the past two decades. And it has brought him a special position of honor and respect among the parishioners of Saints Peter and Paul Church in Cary.

Truly Father Dietsch can be called a builder of his church. In his role as priest, he has built and maintained the human foundations of his parish. He has ministered to his flock, counseled them, and encouraged them. He has been both an inspiration and a guide.

Mr. Speaker, Father Dietsch is a builder of the church also in a more literal sense, since he helped to design and saw to completion the new church building which now is the home of Saints Peter and Paul parish in Cary.

But Father Dietsch's accomplishments are by no means limited to the life of his parish. He is deeply respected by citizens of all religions in Cary and in the surrounding areas, where his work is also known.

Mr. Speaker, it is appropriate that this House add its voice to the many tributes Father Dietsch will receive on the occasion of the 50th anniversary of his ordination. I join the citizens of Cary and of Saints Peter and Paul parish in saluting Father Dietsch.●

THE WILDERNESS UNCERTAINTY ADDS TO PLIGHT OF ALREADY DAMAGED TIMBER INDUSTRY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. SYMMS. Mr. Speaker, I would like to call my colleagues' attention to an article that appeared in the Wall Street Journal on April 10, 1980. The article graphically depicts the ever-increasing problem in the Northwest relating to timber production. Spiraling inflation and drastic declines in the housing market, coupled with an uncertain supply of timber, has created an economic disaster for many timber mills situated there.

Inflation and the cost of doing business has touched off a migration of Northwest companies who feel that lower labor expenses and a greater private timber supply in the South may ease their economic woes. Raw material costs push higher and higher, contributing to the present housing market declines.

The declines in construction, caused by high interest rates and growing housing costs, have slashed wood demand, closing many small mills that depend on local housing construction for business. The greatest effect has been on the marginal mills that hope to reopen when the current housing situation improves.

But the outlook for many of these small mills, and their ability to reopen once the economic situation brightens, will be further marred by the questionable supply of timber. Presently, millions of acres of land are being held in a state of de facto wilderness while Congress attempts to resolve the issue on an area-by-area or State-by-State basis. The ambiguous language in legislation dealing with wilderness has created a veil of potential litigation that could drag on for years to come, while the land in question continues to be managed as wilderness, effectively precluding any development of timber or mineral supplies. Future debate on wilderness proposals must take into account the heavy burden that the timber industry bears because of Congress indecision.

The future of the timber industry in the Northwest depends, in part, on Congress ability to deal with wilderness in balanced terms, including, but not limited to, statutory release language, which would designate as multiple use those areas which have been studied and rejected for wilderness inclusion.

I commend this article to my colleagues. It reads as follows:

NORTHWEST TIMBERMEN HIT BY HOUSING SLUMP AND SHORTAGE OF TREES

(By Kathryn Christensen)

McCLOUD, CALIF.—For nearly a century, this town of 2,500 has boomed to the rumble of logging machinery and the boasts of sawmill workers and lumberjacks who have never missed a day's work.

Today, that machinery stands mute and those men are swapping job gossip at the post office, sweeping floors for their wives or playing pool between beers at the Mill River Lodge. Most school lunches are on the house, and food stamps have nearly doubled.

"We're a lumber town with no lumber," says Gino Riccomini, who finds himself without a job for the first time in 45 years.

Towns like Kalama, Wash., Lewiston, Idaho, and Eugene, Ore., also are troubled as the formerly lumber-rich Pacific Northwest slumps into what could be its worst lumber recession in memory. At the same time that the housing decline is slashing wood demand—prompting lumber companies to ship more logs abroad and curb sawmill operations—the Northwest is facing a timber shortage that is sending big companies across country to the Southwest.

UNION ROLL DROPS

Because of the timber shortage, many mills would be closing anyway in the next few years. Because of the deep housing slump, many are closing already, at least temporarily. It seems a good bet that many of these won't reopen, though few companies are saying that.

"It's a double whammy," says R. Dennis Scott of the International Woodworkers of America. "The big companies cut their own lands too fast, putting us on the edge of a timber gap, and now the housing thing comes along." Mr. Scott says his union's membership in the Northwest has skidded by almost 25 percent in the past 12 months.

With new cutbacks and shutdowns announced each week, the casualty count builds quickly. Oregon officials estimate that 7,000 of the state's 76,000 timber-industry jobs have vanished since November, and authorities in Washington say that their state has lost at least 7 percent of the 52,000 lumber and wood-products jobs it had in early 1979.

While some of those jobs will reappear if housing demand steps up, experts agree that an acute shortage of timber makes the long-term outlook pessimistic. Brian Wall, a U.S. Forest Service researcher, predicts a decline of up to 45 percent in wood-products jobs in Washington and western Oregon over the next 20 years. Thomas Clephane, a vice president of the New York securities firm of Morgan Stanley, envisions a "meaningful contraction" of the Northwest lumber and plywood industry. He forecasts a 15 percent to 20 percent permanent reduction in the region's plywood production by 1985.

MIRACLE WON'T HELP

Clearly, even a miraculous turnaround in housing starts (now projected at only one million to 1.3 million for 1980) won't help the scores of communities like McCloud. Champion International Corp. closed its sawmill operations here in January because the company's supply of old-growth (large-diameter, high-quality) timber is practically depleted. With no more of the big old trees to cut, a company spokesman says, the mill's log-handling machinery amounts to little more than a collection of museum pieces.

McCloud itself fears the same fate. Of the mill's 300 employees, 65 percent were McCloud residents, and at least one-fourth of the town's population directly depended on the mill payroll. Other local businesses are also threatened. Already the second-biggest employer, McCloud River Railroad Co., has laid off half its 75 workers to adjust to lost mill business, and some merchants have taped "no credit" signs to their cash registers.

Community leaders are scrambling to entice a new business but concede that unless something turns up by June—when the unemployment checks run out and the school term is over—the town faces an exodus of its young families. (Workers laid off by closures are generally entitled to six months of unemployment compensation in California, Oregon and Washington—and more than that when unemployment runs high.)

Just where McCloud's families will go, however, isn't clear. Dennis Rodine, 27, is one of the few men who have found work in another mill, 160 miles away. But that job is in jeopardy, with rumors strong that this mill, too, will close. If that happens, Mr. Rodine says he will give up and look for another line of work.

OUTSIDE WE ARE LOST

Others, like Uriel Olmos, have already exhausted that possibility. Mr. Olmos, 41, has applied without success, for jobs from San Diego to Sacramento. "A man like me with no other experience, outside McCloud we are lost," he says, rubbing the gap on his hand where he lost three fingers to the sawmill machines.

Nor are the industry's much-touted "supertrees" and reforestation programs of any consolation to these workers. Whatever laboratory breakthroughs have been scored have come too late for them. Timber-cutting in the Northwest has outstripped growth by 56 percent, and the new crop of trees is still 10 to 20 years from harvest.

Big companies that never bothered to buy Forest Service timber are becoming regular participants at those sales now, and the industry is now putting greater pressure on the federal government, which owns half the timber in the Northwest, to place more of its trees on the auction block.

"Our private forests up here will pick up again in the 1990s, but we're going to have problems until then," says John Wishart, Georgia-Pacific Corp.'s vice president of timber and timberlands. Mr. Wishart wants the Forest Service to "bail us out" by allowing producers to harvest its old trees.

Other executives agree, arguing that many of those old trees are dying on the stump and will be "naturally harvested" by insects, disease or fire unless cut soon. They are also outraged by the withdrawal of several million acres of Forest Service land from commercial use while debate continues over how much of that acreage should be designated as wilderness.

Louisiana-Pacific Corp.'s John B. Crowell Jr. says of the government's timber policies: "There's no timber shortage in this country, and there isn't going to be one. But there could be a wood-products shortage if we don't start cutting and managing these lands properly."

The Forest Service and preservationist groups reply that the service isn't in the timber business. They note that federal laws require the agency to manage its lands for several other purposes, including recreation and the protection of water sources and wildlife.

Meanwhile, lumber workers, merchants and others here in the Northwest watch sadly while major forest-products companies move the bulk of their operations to the South, where forests that once were essentially stripped are again mature. Especially since 1964, when Georgia-Pacific developed a process for producing Southern pine plywood, big lumber and paper companies have been rushing to secure timber supplies in the Carolinas, Louisiana, Arkansas, Alabama, Georgia and other Gulf states.

SEVERAL ATTRACTIONS

The region has several attractions: a longer growing season, proximity to the nation's most active housing markets and a generally less expensive and less unionized labor pool. But its biggest draw is that less than 10% of the timber is government-owned, making it easier to run what Georgia-Pacific's Mr. Wishart calls "a businesslike forest."

John Fery, chairman of Boise Cascade Corp., agrees. Though timberland in the South is getting more expensive, "at least you can still buy it down there," he says. "In the Northwest, you either already own it or rely on the government, which is releasing less. Nobody sells up here." Mr. Fery says most of Boise Cascade's five-year capital-spending budget of $2.3 billion will go to expand its paper business and acquire more forest lands in the South and the Northeast.

The major companies insist they aren't abandoning the Northwest, where timber is generally of a higher quality, but their growing reliance on the South is undisputed. Georgia-Pacific owns 2.7 million acres in the South, against about one million in the Northwest. The company is also moving its corporate headquarters from Portland to Atlanta, where it was founded. Executives explain the move by saying that 75% of the company's sales are in the Eastern United States and are generated largely by its Southern operations.

BUILDUP BY WEYERHAEUSER

Even Weyerhaeuser Co., the biggest private land owner in the Northwest with 2.8 million acres, has built its Southern holdings to staggering 3.1 million acres. The Tacoma-based company has also signed up another 500,000 acres in the South for its "tree farm family program," under which it provides landowners with advice on timber management in return for first-refusal rights on trees ready for harvest.

Just how dear these Southern forests have become is illustrated by last year's battle between International Paper Co. and Weyerhaeuser for Bodcaw Co., a privately held company with oil and gas holdings and more than 300,000 acres of Louisiana timberland. International Paper, the winner, spent $805 million to seal the deal and subsequently sold the oil and gas interests for about $188 million.

Here in the Northwest, the only bidding wars left are over the right to harvest publicly owned timber. But the wars are just as fierce. The Northwest Independent Forest Manufacturers says timber sold last year from national forest lands in Oregon and Washington brought $249 a thousand board foot, more than six times the 1970 price.

"Even when lumber prices go down, the raw-material tag keeps climbing," says Robert Boyd, president of the independent group and owner of a lumber company in Sedro Woolley, Wash. Mr. Boyd also charges that prices are inflated further because big companies in the Northwest export their own logs to Japan and bid up the price of Forest Service timber for domestic use. (Federal law prohibits the export of logs from national forests.)

LONGSTANDING ISSUE

The log-export question has, in fact, been a sticky one for the past decade, with labor groups complaining that shipping logs overseas—instead of cutting them in the Northwest for the U.S. market—unfairly depressed the job situation in the mills of the region.

Major Northwest producers reply that federal shipping regulations and high rail-transportation costs have effectively eliminated their markets east of the Rocky Mountains anyway, even when demand is strong.

"The exports here are our only salvation," says Jack Wolff, vice president of land and timber for Weyerhaeuser. "The Northwest is busting its tail to export."

Since 1970, total exports from the West Coast have grown to 3.4 billion board feet from 2.5 billion board feet. About 20 percent of the Washington and Oregon harvest is going overseas, according to Forest Service economist David Darr, with the bulk of it headed for Japan's strong housing market.●

OUTSTANDING ALUMNA

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mrs. HECKLER. Mr. Speaker, hats are her trademark, but her hallmark is dedicated service to the people of Massachusetts. I speak of State Senator Mary L. Fonseca, who will be honored this week with the distinguished alumna award from the B.M.C. Durfee High School in Fall River, Mass.

This well-deserved honor recognizes Senator Fonseca's distinguished career in public service. Her determined and enlightened leadership has greatly benefited the State, and her responsive and effective representation has earned her the respect, the admiration, and the appreciation of the entire community.

I take this moment to share with my colleagues the recent editorial in the Fall River Herald News which highlights the career of this impressive public servant.

The editorial follows:

OUTSTANDING ALUMNA

State Sen. Mary L. Fonseca will receive this year's distinguished alumna award from B.M.C. Durfee High School. She will be presented the award on May 23 in Nagle Auditorium.

Certainly Senator Fonseca richly deserves the accolades of the high school and her fellow alumni. She has now been in public office 35 years, and during that time has long since established her remarkable capacity for representing the people of her constituency here wisely and well.

She is now serving as majority whip in the State Senate, the highest post a woman has ever held in the state legislature. She is also the third ranking member of the Senate leadership team.

Her current high office in the Senate is the result of 28 years of service that have been characterized by unremitting hard work and her sincere concern for the people of this area as well as the entire state.

Senator Fonseca has always been in the forefront of the fight to eliminate discrimination against women. Indeed in her own career she has certainly proved the contention that women are as capable as men in terms of their performance in public office.

She has been equally prominent in the fight to make higher education available to people in this area at a reasonable cost. She was among the earliest legislators to fight for the establishment both of SMU and BOC. The senator has always been among the leaders in the ongoing battle to secure both establishments the state support they need and merit.

With all this Mary Fonseca has always remained fully engaged in activities that will help Fall River and its residents in any way.

Although, over the years she has become one of the most prominent persons in the State House, but she has never ceased to be a loyal Fall Riverite.

The whole city will be delighted that B.M.C. Durfee High School of Fall River is giving Senator Fonseca its annual distinguished almuna award.●

POSSIBLE USE OF SIMONSTOWN NAVAL COMPLEX IN SOUTH AFRICA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BOB WILSON. Mr. Speaker, the House Armed Services Committee last November visited the Simonstown naval complex in South Africa and were impressed with the strategic location of this facility, particularly because of its location on the western edge of the Indian Ocean.

It is ironic that our present search for suitable facilities for our ships operating in the Indian Ocean has apparently not even considered Simonstown as a candidate.

Here is a friendly nation willing to offer us a helping hand and we are not even considering our self-interest and obvious need in the perilous military situation confronting us in the Indian Ocean and Persian Gulf area.

I include, as a part of my remarks, a recent statement issued by the Government of South Africa relative to Simonstown.

The statement follows:

THE SOUTH AFRICAN NAVY PROUDLY INAUGURATES ITS NEW TIDAL BASIN

"The new tidal basin means that Simonstown is now the most modern and best equipped naval harbour in the ocean area bordered by South America, Australia and the Mediterranean", the South African Prime Minister and Minister of Defence and of National Security, Mr. P. W. Botha, said when he opened the new tidal basin in Simonstown on 22 March 1980.

Mr. Botha said that while the extensions to the new harbour involved an increase of only about 50 percent in the total water area enclosed, they had virtually doubled the docking facilities available. This was achieved by providing for docking spaces on both sides of as many quays as possible.

The tidal basin was named after Mr. Botha. On the same occasion one of the newly-designed strike craft of the South African Navy which was on public display for the first time, was also named for him.

"The tidal basin and the strike craft are proof that every country that wishes to cooperate with us, is assured of the enormous advantage such cooperation entails", Mr. Botha said. He added: "It should serve as a warning to those who seek confrontation with us, that we have the means and the determination to act quickly and effectively."

The harbour will be used in conjunction with other means at South Africa's disposal to counter Soviet expansionism in the region. The harbour facilities are available to all well-disposed countries who wish to promote stable growth in Southern Africa, as well as the security of the Western Alliance, in co-operation with South Africa.

The vessels are as good as any in their class in the world. Mr. Botha commented: "We can be extremely proud of our local shipbuilding industry which has the ability to provide us with such vessels. These are warships capable of operating rapidly over long distances. The fact that they are missile-equipped, gives them exceptional firepower. They can easily be deployed to any of our harbours and can operate from these harbours."

The tidal basin is "the final phase of the alterations and additions to the finest naval harbour on the African continent". Among these developments were the construction of the submarine complex on the West side of the East Yard between 1969 and 1971, and the expansion of naval training facilities in the dockyard area so that there are today ten naval training schools in the complex which provide instruction in the operational and technical fields.

The tidal basin has had the effect of enlarging the total docking area which can now accommodate more than 50 naval vessels. A 1,000 feet tanker docking area is located alongside the eastern wall. Approximately 15 acres of land were reclaimed for the expansion of shore installations such as workshops, pumphouses, transformer installations, storehouses and ablution blocks.

The walls of the harbour consist of 139 reinforced concrete gates with a mass of 1,300 tons each. These contain service tunnels permitting ready maintenance of the normal quay facilities such as electricity, fresh water, oil, telephones and fire fighting equipment.

The initial feasibility studies, planning, design and supervision of the project were executed by the South African Navy.●

MCPL NUCLEAR ALERT SERIES IX DISSENTING VIEW ON THE REACTOR EXPORT TO THE PHILIPPINES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BEDELL. Mr. Speaker, on two separate occasions I and many of my colleagues of the Members of Congress for Peace Through Law have written to the Nuclear Regulatory Commission to express our strong reservations about the export of a nuclear reactor to the Philippines.

In our correspondence we stated our concerns about the dangers of the proposed reactor siting, and later, our disturbance about the NRC decision to limit its review to the global commons and U.S. territory. As expected, the NRC has now given its approval to the export of the Philippines reactor.

I remain deeply concerned about these decisions and the threat they pose to the thousands of Americans and Filipinos living near the reactor site. I submit the dissenting views of Commissioner Bradford as a thoughtful and well-reasoned response to the NRC decision for the review of my colleagues.

DISSENTING VIEWS OF COMMISSIONER BRADFORD

This is neither a clear question nor an easy case. The law is not explicit, and strong policy considerations point in mutually exclusive directions. The difficulty of the matter having been acknowledged, it must still be noted that the majority result does not rise to the occasion. Having concluded that the law permits an assessment of the effects of U.S. exports at least on the health and safety of U.S. citizens abroad and on the global commons, the Commission decision establishes a practice that, in this case, leads to an assessment of the impact of an accident on fish no closer than twelve miles to the Philippine coast while ignoring the impact of an accident on the 30,000 U.S. citizens stationed at the Subic Bay Naval Base and the Clark Air Force Base within 10 and 30 miles of the plant.[1]

What should be considered pursuant to the Atomic Energy Act is whether there are means available to this Commission or the U.S. Government that would lessen the probability or the consequences of a serious accident at a U.S. exported reactor. To find that a reactor exported without every reasonable precaution to prevent or mitigate against such an accident would not be "inimical to the common defense and security" is to ignore the effects of Three Mile Island in this country and abroad, to say nothing of whatever military significance might attach to disabling the Clark and Subic bases in this particular case. Nuclear licensing around the world is clearly affected by a major accident,[2] and as long as the U.S. Government maintains that nuclear power has a security-related role to play in lessening global dependence on imported oil, it is counterproductive for its licensing agency to issue exports without doing everything possible to avoid the impact of an accident on that role.[3]

Nonetheless, the NRC must recognize limits on its power to review safety requirements in recipient countries. The majority have stated the concern regarding the extraterritorial application of domestic law. It is also reasonable to note, as they do, that the reactor is expected to operate for some 30 years under laws, standards, and inspection practices that will flow entirely from the sovereignty of the recipient nation. These laws and practices, not any U.S. review, will be the ultimate determinant of the safety of the reactor, and the Commission is correct in noting that a U.S. review cannot be a substitute for effective national regulation.[4]

The framework for any NRC review should be a balancing of the principles of sovereignty and national regulation against our own self-interest in avoiding accidents and against our responsiblity, as suppliers of a potentially dangerous technology, to fully inform the purchaser of the best information that we can develop. Thus, our legal responsibility to consider the common defense and security, our legal responsibility to consider the health and safety of American populations living overseas, and a policy determination to take some effective responsibility for the safe use of our exports, all merge in the direction of a more comprehensive review than the Commission has chosen to undertake. I would not assert that such a review could be a basis for the denial of an export in any but the most extraordinary case. In slightly less extreme cases, preconditions could be attached to an export license. In most cases, however, a review would presume the intelligent self-interest of the recipient nation and could be offered on a cooperative basis as a positive benefit of the U.S. export process.

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[1] This policy of focusing great attention on the analysis of minor contributors to overall risk while declining to consider the major contributors is not new. The Atomic Energy Commission did the same thing by analyzing Class I-VIII accidents in detail while refusing to analyze Class IX accidents, even though it had proof before it that Class IX accidents were the dominant contributor to risk from nuclear accidents. (See Staff Paper SECY-R-338, November 15, 1971.)

[2] The only tenable way to deny that such effects are adverse to the common defense and security is to argue that the reactors are unnecessary in any case, but especially so in developing countries. Even the proponents of this view, however, do not advocate failure to take every reasonable precaution against reactor accidents as a responsible way to prove their point.

[3] It is important to understand that the point being made here is that the adverse impact on the common security flows from the unnecessary failure to guard as thoroughly as possible against the worldwide repercussions of a nuclear accident. This is emphatically not to say that the barrels of oil involved in the operation of any one or two or ten reactors during a particular period of time would necessarily raise a similar common security concern.

[4] However, the majority opinions go on to stand the significance of this point on its head. The conclusion should not be that no review is in order because the review cannot guarantee safe operation. It should be that, because the U.S. has little control over the operating practices or quality assurance and control programs, we should at least do what we reasonably can to advise at the outset on the safety of the site, the design, and the regulatory program.

Such a review might, depending on the information available in any given case, lead to a statement on the following points:

(1) Whether the proposed reactor design would be licenseable in the United States. If not, why not.[5]

(2) Whether the site contained any obvious features that would make it unlicenseable in the U.S. Whether particular features should be of sufficient concern to the recipient country to require further inquiry on its part.

(3) Whether the recipient country was creating a regulatory framework adequate for the scope of its nuclear program.

Depending on the circumstances, some of the results of such a review could conceivably be furnished to the recipient country in confidence if need be. Furthermore, the existence of effective international Atomic Energy Agency involvement could alleviate or remove particular concerns.

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As I intimated at the outset, I believe that the Commission result in this case is unsound law and bad policy. The fact is that an accident as severe as Three Mile Island would be inimical to the common defense and security as discussed above. Furthermore, a more severe accident could pose a specific threat to the common defense and security interests protected by the Subic and Clark Bases and to the public health and safety of the 30,000 Americans at those bases. Whatever the scope of the Commission's discretion in coping with this concern, it does not have the power to refuse to evaluate it at all. The finding that the export is not inimical to the common defense and security or to the health and safety of the public should rest at least on as detailed a review as can reasonably be made. No such review exists.[6]

The plurality opinion has also made curious work of the intent behind the Congressional treatment of Section 103(d) of the Atomic Energy Act in the enacting of the Nuclear Nonproliferation Act of 1978. As a first step in its reasoning, the plurality defines away any obligation to concern itself with the health and safety of American citizens abroad by "interpreting" the relevant section of the Senate Report on the Nuclear Nonproliferation Act. What the report says is:

"Although the NRC finding on the health and safety of the public refers only to the American public, it should be recognized that certain overseas activities could pose a threat to Americans."[7]

The Commission suggests that the word "overseas" means only that activities on the Canadian or Mexican borders having an impact on the U.S. public must be considered. As to just what "seas" such activities would be "over," the Commission maintains a dignified silence.

With regard to the operation of the military bases as they affect the common defense and security, the Commission asserts that it has traditionally interpreted the Section 103(d) language as including just the common defense and security of the U.S. This proves nothing. Such an interpretation reinforces the Commission's duty to examine the impacts on the operation of these military bases which exist to defend the common defense and security of the U.S.

On this subject, the House Report states,

In the absence of unusual circumstances, the Committee believes that any proposed export meeting the criteria set forth in Subsection 127(a) . . . would also satisfy the common defense and security standard.[8]

Far from indicating, as the plurality opinion claims, that "the Committee did not contemplate that NRC would use the inimicality finding to . . . include matters . . . beyond the explicit nonproliferation criteria," the Report clearly expects the Commission to do just that in "unusual circumstances." The presence of two U.S. military bases near the site clearly presents just such circumstances. Indeed, I cannot imagine what the Commission deems "unusual" to mean in this context if it does not mean a cluster of tens of thousands of U.S. citizens near a site in a case in which even the Departments of State and Defense urged a limited NRC review.

Having thus converted a legal duty into a discretionary option, the Commission has declined to exercise that option. The primary basis for the refusal to examine the potential impacts of the export is that the Commission would still not be in a position to determine that the reactor could be operated safely. This is not a legally sufficient basis for refusing to look at the potential impacts on the U.S. citizens and the operation of the military bases. Such a look might have provided the missing rational basis for the findings essential to the issuance of this license. For example, if the conclusion had been that the worst possible accident could cause numerous casualties and leave the military bases temporarily or permanently unusable, the Commission might then (1) have recommended to the Department of Defense that it draw up emergency plans, (2) have determined the probability of the accident to be small enough that the risk is acceptable, or (3) have offered assistance to the Philippines to attempt to reduce the risk.[9]

The other Commission concern is that such a review would intrude on the sovereignty of the Philippines. This assumes that the Philippines would not have welcome some review if it had been offered early in the proceeding. In any case, however, some level of review could have been based on the information available in this country as well perhaps as meteorological data from the military bases. Furthermore, a review to determine the possible impacts upon U.S. citizens residing around the reactor seems no more intrusive than some aspects of the nonproliferation reviews nuclear exporting nations are committed to perform pursuant to the London Supplier Guidelines and the Nonproliferation Treaty.

The inconsistency in the Commission's treatment of the sovereignty question is apparent from the plurality's statement that if the reactor were situated in Canada or Mexico close to the U.S. border, the Senate report means that "the U.S. must consider the impacts on U.S. citizens and territory." In those cases, just as in this case, the U.S. cannot assure that the reactor will be operated safely, and any intrusion on sovereignty would be the same in Canada and Mexico as in the Philippines.

* * * * *

Because my dissent is from the Commission order setting the scope of this and other reactor export proceedings, a decision reached months ago, it is somewhat out of place in the decision on the export itself. However, this order is the first place that the Commission has set forth the reasoning behind its earlier decision.

If my concern were simply one of policy, I would note my dissent from the earlier policy but concur that the export license was correct under the course chosen. Because, however, I believe that the law requires of us work that has not been done, I must dissent from the issuance of the license itself at this time. I do not mean by the dissent to say that the record establishes that the plant will be unsafe. The point is that the Commission has declined to consider that question, even as it may affect U.S. citizens and security interests.●

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[5] One party, the Natural Resources Defense Council suggests a history of this design that would, if verified, seem to compel a more extensive review:

"The PNPP-1 design is referenced to a reactor under construction since 1974 in Yugoslavia. This plant in turn had been referenced to an earlier plant under construction in Brazil. This plant was referenced to a Puerto Rican plant which was never built nor licensed by the Commission. The Commission review of the design of this U.S. plant was never completed, terminating in late 1972.

"The State Department's Concise Environmental Review does not name any reference plant for the PNPP-1, but asserts that it is an updated version of three plants in the United States: Kewaunee, Turkey Point, and Prairie Island. All of these plants went into operation between 1972 and 1974 and received their construction permits years before even the terminated Puerto Rico plant review. In the last decade, there have been considerable changes in applicable design criteria and regulatory guidelines. It is highly unlikely that any of these plants could be licensed to operate today without substantial modifications."

[6] This void is not filled by the environmental assessment prepared by the Departments of State and Defense with the assistance of the Department of Energy. That document is little more than a description of the reactor. The Department of Energy was strongly critical of it, and it does not address the possible consequences of a severe accident beyond saying that they would be similar to those to be expected in the U.S. This statement ignores local conditions which are essential to evaluating impacts. In any case, the Commission has declined to consider this document even though the Departments of State and Defense actually suggested an NRC review of the volcanic and seismic risks posed by the reactor to the military bases and thus to the common defense and security.

[7] Senate Rep. 95-467, 95th Cong., 1st. Sess., at p. 13.

[8] House Rep. 95-587, 95th Cong. 1st. Sess., at p. 21.

[9] In this context, I agree with Commissioner Gilinsky's suggestions regarding the Export-Import Bank review and the Department of Defense.

RETIREMENT OF DR. MAURINE P. JOHNSON, CHIEF OF STAFF, VETERANS' ADMINISTRATION MEDICAL CENTER, WASHINGTON, D.C.

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ROBERTS. Mr. Speaker, it was with deep regret that I recently learned that Dr. Maurine P. Johnson had retired from the position of chief of staff of the VA Medical Center in Washington, D.C.

Dr. Johnson is a graduate of Howard University College of Medicine. In 1949, following 5 years post-graduate work in internal medicine and chest diseases, she became associated with the VA's Department of Medicine and Surgery at the Dayton, Ohio, VA Hospital. She served with distinction at this facility for 13 years. During this period, she was part of the team of VA physicians whose work virtually wiped out the dread disease of tuberculosis in the United States, as well as in other nations in the Western alliance.

Dr. Johnson came back to her home in the Nation's Capital in 1962 as the admitting physician at the old Mt. Alto VA Hospital, which was located on Wisconsin Avenue, Northwest. When this hospital was replaced with the modern facility on Irving Street, Northwest, she was named the chief of the admitting service. Two years later she became chief of all outpatient services. In this latter position, she brought great credit and honors to the VA medical program for the outstanding and compassionate medical care and treatment provided veterans of the area. Dr. Johnson was dedicated to the provision of the very best medical care and worked diligently to provide highly qualified staff, up-to-date equipment, and other specialized services to those men and women who have given so much in the defense of our Nation during its times of greatest need. Her personal honors include awards from nearly all of the major veterans organizations throughout the country.

I would like to take this opportunity to wish Dr. Johnson many years of happiness and good health in her retirement. She will leave a void that will be most difficult to fill, for there are few individuals who can match her compassion, her dedication, and her knowledge. On behalf of the scores of veterans she has served over the years of her distinguished career, her colleagues, those of us who had the pleasure of working with and knowing her, and our Nation, I wish her Godspeed and relay a sincere and heartfelt "Thank You."●

SOCIAL SECURITY TAXES: RELIEF OR RECESSION?

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. GEPHARDT. Mr. Speaker, the picture by the Commerce Department's statistics for the week ending April 19 with regard to the economy is extremely bleak. The much heralded recession is deepening at a rapid pace with an inflationary spiral coincident with it. One of the ingredients in the lowering of the standard of living for the average American is the increase in the social security tax.

Relief from the impending recession may be offered in part by H.R. 7046, the Social Security Tax Credit Act. This bill provides a refundable credit against Federal income taxes equal to 10 percent of social security payroll taxes for fiscal year 1981, effective January 1, 1981.

With an impending recession now at hand, consideration of a tax cut must begin. The Department of Commerce's statistics indicate that social security taxes have indeed had an impact on the public, enough so that this tax cut is not only warranted, but necessary. Following is the text of an article appearing in the Washington Post concerning the recessionary statistics, for my colleagues and members of their staffs who may have missed it:

U.S. REPORTS FRESH SIGNS OF RECESSION

(By John M. Berry)

New evidence of a fast-developing recession was released yesterday by the government, and a top Carter aide said unemployment could hit 8 percent early in 1981.

Alfred Kahn, the president's chief inflation adviser, told a mayor's conference here that unemployment, 6.2 percent in March, could reach 7.5 percent by the end of this year and 8 percent a short time later.

"The country now faces the dilemma we have so long feared, the twin ugly evils of accelerating inflation and the long-predicted recession," the outspoken Kahn declared.

As Kahn spoke, the Commerce Department reported that its index of leading indicators, which usually foreshadows changes in the economy, plunged 2.6 percent in March, the third largest one-month decline since the series began in 1947.

The Labor Department added its own gloomy news on unemployment. Initial claims for unemployment benefits, seasonally adjusted, were filed in the week ended April 19 by 605,000 people—the highest level in the 13 years such information has been collected.

Separately, the Labor Department said that, because of inflation and higher taxes, as of last fall it took an average $12,585 for a family of four to have even a "lower" standard of living in an urban area. For the same family to have an "intermediate" standard of living required $20,517, and a "higher" standard took $30,317.

In each case, the Washington metropolitan area figure was the fifth highest of the 24 areas surveyed across the nation.

The budgets are calculated for a hypothetical family with a 38-year-old husband employed full time, a nonworking wife, a boy of 13 and a girl 8.

Such a family living in the Washington area would have to spend $13,631 to have the lower standard of living. Costs are higher only in Anchorage, Honolulu, San Francisco and Seattle.

An intermediate standard of living in Washington took $22,206, surpassed only in Anchorage, Honolulu, Boston and New York. The higher budget took $32,636 here, and was higher in the same four cities.

The lower budget rose 9 percent between 1978 and 1979, the department said. The intermediate and higher budgets rose more, 10.2 percent and 10.6 percent respectively, because of large increases in homeowner costs and Social Security taxes.

The Commerce Department released other economic statistics indicating a recession is underway.

New orders for factory goods fell 0.9 percent in March to $154.1 billion as a result of fewer purchases of autos, steel and other metals. The drop was the largest since last July.

On the other hand, orders for nondefense capital goods—items such as machine tools and other equipment in which business invests—rose 6.3 percent to $23.5 billion because of purchases of aircraft and non-electrical machinery. Some economic forecasters believe the recession will not be severe unless business investment falls sharply from present levels.

Also yesterday, the F. W. Dodge Division of McGraw-Hill reported that the value of new construction contracts declined 10 percent in March. "The construction market's reaction to anti-inflationary restraint is no longer limited to housing," the division's chief economist, George Christie, said.

Kahn's remarks surprised other administration economists, who said the official forecast calls for a 7.2 percent unemployment rate in the fourth quarter of this year, a further increase to about 7.5 percent in the first half of 1981, and a drop to 7.3 percent in the final three months of next year.

A minority of private economists, however, are predicting unemployment rates as high as 8 percent during this recession. Most do not believe it will go that high.

The plunge in the index of leading indicators was the result of sharp drops in stock prices, building permits and inflation-adjusted measures of the money supply and new orders for consumer goods from manufacturers.

Also contributing to the decline were a reduction in the length of the average workweek in manufacturing, an increase in the layoff rate in manufacturing, and a drop in some raw materials prices.

In a separate report, the Labor Department said that from February to March fewer people quit their jobs, fewer were hired, and more were laid off.●

SULLIVAN'S PRINCIPLES AT WORK IN SOUTH AFRICA

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. GRAY. Mr. Speaker, the House Africa Subcommittee has been conducting a series of hearings on the issue of American corporate involvement in South Africa. On Thursday, May 15, we had the pleasure to hear from the father of the fair employment code, the distinguished Rev. Leon Sullivan, pastor of the Zion Baptist Church in Philadelphia and founder and chairman of the board of the Opportunities Industrialization Center.

Reverend Sullivan's testimony is a timely and an accurate portrayal of the U.S. corporate involvement in that region, and I recommend it to my colleagues:

Mr. Chairman, my name is Leon Sullivan. I am a clergyman and Pastor of the Zion Baptist Church in Philadelphia.

I welcome this invitation to testify at this hearing of the Sub-committee on Africa of the Foreign Affairs Committee of the House of Representatives on the Fair Employment Code, established for American companies doing business in South Africa.

First, I want to state, unequivocally and categorically, that I am completely and totally opposed to apartheid. I want to see its total elimination. This is the main objective in all that I am attempting to do in this regard, and although I am fully aware that the Principles cannot by themselves, eliminate apartheid, it is my aim and hope that they will help, along with other thrusts and forces, to bring an end to apartheid, all together, as soon as possible, and all the evils that it represents.

It is my utmost desire to work, along with others, towards that end. There are more than 600 million Black people in the world, and for the sake of humanity, justice and God given rights to people, we cannot permit apartheid to continue to exist on earth today. It must come to an end, one way or the other; and I am attempting to do what I can to help bring it to an end by using economic and humanitarian means, otherwise a violent answer is inevitable.

Briefly, to review the history of what has become generally known as the "Sullivan Principles," it must be realized that the development of the Principles must be seen cybernetically; this is to say, one thing led to another.

A number of years ago I supported the position that American companies should withdraw from the Republic of South Africa. In fact, in 1971, I stated this position, publicly, in a stockholder's meeting of the General Motors Corporation, of which I had become a Director, opposing the entire Board and the Company, on this particular matter.

For four years I held that position, until in 1975, on a trip to South Africa, primarily to establish an (OIC) Opportunities Industrialization Center, a Manpower Training Program for several school leavers and dropouts, in the small independent kingdom of Lesotho, I stopped over for a brief visit in the Holiday Inn, near the airport in Johannesburg. While there I met with many people all through the night and the day, most of whom had learned I was there because of a statement I made to the newspapers upon my arrival attacking apartheid. My condemnation of the system appeared in bold headlines. In the papers I invited any who wished to meet with me to discuss their views on the matter.

During the discussions that followed with Blacks, Asiatics, Colored and Whites, I was urged, over and over again, to attempt to see if it were possible to make American companies and other companies of the world, truly instruments for racial change in South Africa. I was told that it had never really been tried before. This was most clearly expressed in a letter I received from the Secretary of the Powerful Garment Worker's Union, on my return home, which read:

". . . (1) Basically, the point to be made is that rather than encourage the withdrawal of American capital from South Africa (We regard this as a negative act (a) it would not have 100% success and is therefore, a meaningless gesture and (b) it is negative in itself), you could take a positive stance and call for American companies in South Africa to recognize the same working conditions they employ in America * * *"

It was following that journey to South Africa, and after much prayer, consultation with my family, and deep consideration of what would be involved, that I decided, with the help of Almighty God, to begin this effort as a nonviolent initiative for change in South Africa.

At the onset, I was aware of the tremendous odds against succeeding. I was conscious of the depth and the deep-rootedness of apartheid in that country, and also aware of the fundamental nature of business; as being cold, and profit seeking, and too often unmoved by humanitarian needs. Nevertheless, I decided I would make the attempt.

In October 1975, I made the announcement to my Church of the effort I would make to help end discrimination against Blacks, and other non-whites, in companies in South Africa, and to help, along with others, towards the elimination of apartheid in South Africa. I asked for my church's prayers and support, My Church, one of the largest and most active congregations in America, has stood solidly behind me.

I then proceeded to organize American companies to unite and to act against racial discrimination in their own operations in South Africa, and to take a stand against apartheid. My efforts began with an unpublicized gathering of the Chairmen of 16 of America's largest corporations with interests in South Africa, at a place called Sands Point, New York in January of 1976. Many of the Chairmen were receptive to the idea.

Following that meeting, I proceeded to develop a set of "fair employment principles" to guide American businesses in their dealings with their Black and other non-white workers. I also outlined the role they should play, outside the work environment, for improving and changing the living conditions for non-whites in other aspects of their lives. The Principles were conceived and developed as an evolving process, so they could be strengthened and expanded, step by step.

In March of 1977, the first announcement was made of the first 12 signatory companies. Many meetings followed across America, and with much prayer, hard work and persuasion, an increasing number of companies became signators to the Principles. Approximately, one half of the companies joined because of pressure from interested schools and stockholders. Schools like Oberlin, The University of Minnesota and others, are to be commended for their efforts in this respect.

As of now, there are 135 participating companies; and according to a list supplied by the U.S. Department of State of American based African Affiliates, as of 1979, there are 160 companies that, as yet, have not signed the Principles.

All along I have told the companies that the vigorous and full implementation of the Principles is the key, and that companies must not use the Principles as a camouflage to hide behind. I have emphasized the importance of results, and that all companies who sign the Principles are expected to become a part of task groups, are expected to abide fully by the guidelines, and to report progress on a regular basis for evaluation, assessment and measurement.

I have stressed that results and accountability must be the watchword. According to reports I have received, many companies have given encouraging cooperation.

The services of the Arthur D. Little Company were secured to develop the reporting mechanism and to receive, compile, analyze and interpret reports from signatory companies and to help develop criteria for measurement of the implementation of the various aims of the Principles. The Arthur D. Little Company, in my opinion, has done an outstanding and objective job.

At the very early stages I travelled to Great Britain, Denmark and Sweden to secure international support for the Principles. Commitments of cooperation were received from companies in Sweden and Denmark. Also, later, following our visit, Great Britain, along with other European Common Market nations, developed their own Code of Conduct for South Africa, patterned after the Principles; as did Canada and business groups within the Republic of South Africa. There are now more than 13 Codes of Conduct from nations around the world for their South African operations. The Principles, which started as a ripple, became a wave.

Although the present 135 signatory companies represent 80% of the South African work force in American subsidiary companies, and although there is progress being shown and many reasons to be encouraged because the Principles are beginning to work, I am still far from being satisfied. The signatory companies can and must do much, much more. . . . So, I will be turning the screws, more and more.

Also, we need clear and broad participation of all 300 American companies in this effort, because, in order to achieve the goals that have been set, the full economic, technical and moral strength of all the American companies operating in South Africa, united behind the principles, is required.

This is particularly true for the furtherance of the educational objectives. We strongly believe that the development of an educational infrastructure for blacks and other non-whites in South Africa is essential for total liberation; and whatever happens in the country, the education of the people will be essential. Ultimately, the full support of all companies in South Africa and from around the world, behind educational, economic, social and other needs, on a massive scale, will be absolutely necessary for the kind of impact desired. This future need for the future internationalization of the Principles and the codes, with the necessary monitoring, makes it all the more important that all American companies participate in a united way to provide leadership for an international mobilization. The Principles provide American companies the opportunity to lead the way.

During the past year I have been visited, nearly every week, by representatives and leaders of the black, and other non-white population of South Africa. When I raised the question as to whether I should continue this effort, I have been requested, time and time again, to please continue and to not stop what I was doing. As a member of a prominent grass roots group who was visiting with me, when I raised the question, said: "I implore you, please do not stop what you are doing. It is too important to our people, not to continue." I am continuing to assess how far I should go in this effort on an ongoing basis. The degree of the future effectiveness of the Principles will be the determining factor.

Since the beginning in 1977, the Principles have, thus far, been a valuable catalyst for change. Many things now happening in South Africa are traceable to the influence of the Principles.

The Principles have, also, given South Africa its first viable, affirmative action program by which businesses can be measured for the equal treatment of their workers. They have also established a new worldwide sensitivity to the humanitarian role companies can and must play in South Africa, as well as other Third World nations.

The Principles now have their own momentum and will continue to change conditions. I must caution again, though, that we realize how much the Principles can accomplish. The Principles are a catalyst and they can help produce change, but they cannot end apartheid by themselves. The Principles can be a part of the solution, but, by no means, the whole solution. For, in order to totally eliminate apartheid, help must come from churches, unions, educational institutions, governments and worldwide public opinion. Also, there must be strong, supportive efforts by South African businesses and institutions, within the country, including the nonviolent efforts of the people themselves against the racial laws.

But, I deeply believe, if the Principles are fully implemented, and their guidelines followed by American companies, as well as by companies with holdings in South Africa, worldwide; and I believe if these Principles are adopted and followed by South African owned companies within South Africa, as is now beginning to happen, the Principles can and will also play a major part in the ultimate total elimination of apartheid itself.●

FLOOD OF 1979 IN MISSISSIPPI

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. HINSON. Mr. Speaker, on Easter, 1979, unprecedented floods swept through the Fourth Congressional District and the State's capital city of Jackson. Thousands were displaced, many of whom were unable to return to their homes until some 6 months later.

The Pearl River, which overflowed her banks in the disastrous flooding of 1979, has been flowing at a near or above full capacity rate since that time. With the coming of the annual spring rains of this year, the Pearl River once again overflowed her banks, causing hundreds of people to evacuate their homes. Mr. Speaker, the chronic problem of Pearl River flooding is becoming progressively more severe and is causing and will continue to cause severe emotional and economic distress to the people of the Fourth District of Mississippi and surrounding areas.

Several years ago the Corps of Engineers evaluated a project located in the district represented by our distinguished colleague, Congressman G. V. "SONNY" MONTGOMERY, entitled the Edinburg Dam project. At that time, the project was found to be lacking in economic benefit. I have requested that the Corps of Engineers include in its study of the Pearl River basin flooding problems a thorough reinvestigation of the Edinburg Dam project in light of the devastating losses sustained in the Easter, 1979, flooding and the recurrent threat of flooding.

It would be impossible to evaluate the emotional damages done to the people of the Fourth Congressional District and surrounding areas. An estimate of the total economic losses in this area would be at best a rough estimate. There are, however, huge expenditures made by the Federal and State governments in the 1979 flood disaster that will indicate the magnitude of the losses. These costs included, but are not limited to, the following:

Temporary housing—$2,992,000.

Individual and family grant program—$9,000,000 (this reflects 75 percent of the total cost with the State of Mississippi bearing the remaining 25 percent).

Disaster unemployment—$800,000.

Public assistance from the presidential disaster relief fund—$23,020,000.

Public assistance through the Mississippi Defense Council—$16,243,000.

Individual assistance and grant program—$8,600,000.

Flood insurance policy payments—$20,206,000.

Small Business Administration loans approved—$74,231,000.

Red Cross—$2,271,000.

Corps of Engineers Rehabilitation of Levee System at Jackson—$3.2 million.

Federal Highway Administration—$4,000,000.

Office of Education for Jackson Municipal Separate District—$136,000.

Office of Education claimed for 1979-1980 loss of revenue—$628,084 (estimated).

Mississippi Employment Security Commission for Unemployment Insurance—$8,608,000.

Farmers Home Loan Administration emergency loan activity—$8,953,000.

Farmers Home Loan Administration economic emergency loan activity—$2,805,000.

I would like to call the attention of the Members of the House to a concurrent resolution of the Mississippi legislature which memorializes the President, Congress, and the Corps of Engineers to proceed with the construction of dams along the Northern Pearl River to alleviate the chronic flooding of that river. The text of Senate Concurrent Resolution No. 585 is as follows:

SENATE CONCURRENT RESOLUTION NO. 585

A Concurrent Resolution Memorializing the President, Congress and Corps of Engineers to proceed with the construction of dams to alleviate Pearl River flooding.

Whereas, for the second straight year serious flooding is occurring along the Pearl River; and

Whereas, this consecutive year of natural disaster is exacting a devastating toll in both human suffering and economic loss; and

Whereas, there are projects planned which could in some degree alleviate the chronic problem of Pearl River flooding which is becoming progressively more severe; and

Whereas, these are dams which will be constructed along the Pearl or its tributaries and which could provide some regulation of water flow downstream:

Now, Therefore, be it resolved by the Senate of the State of Mississippi, the House of Representatives concurring therein, that we do hereby memorialize the President of the United States, the Congress of the United States and the U.S. Army Corps of Engineers to cause immediate commencement of construction of the Edinburg Dam on the Pearl River in Neshoba County and to expedite planning and construction of the Lobutcha and Yockanookany Dams.

Be it further resolved, that copies of this resolution be forwarded to the President, the Mississippi congressional delegation and the Corps of Engineers and that copies be made available to the capitol press.

Adopted by the Senate—April 15, 1980.

Adopted by the House of Representatives—May 5, 1980.

Disaster relief and assistance is an investment in a community's desire to rebuild itself. Productive, tax-paying citizens who have undergone natural disasters may be overwhelmed by the magnitude of the recovery effort that faces them. We must not allow this to happen. We must always stand ready to help our citizens whose only desire is to once again become self-sufficient. This applies equally whether we are talking of chronic flooding in Mississippi, tornadoes, earthquakes, volcanoes, or events such as the flooding in my sister State of Louisiana.

But where reasonable efforts can be made to prevent the occurrence of such disasters, such as dams and flood control projects in the upper reaches of the rivers of our Nation, I believe that a serious look should be given to the costs of the failure to provide such projects. It is my firm opinion that when measured against not only the loss to the Federal and State Governments of moneys expended in disaster relief, but also the tremendous cost in emotional and economic trauma to a community, projects such as the Edinburg Dam and the Lobutcha and Yockanookany Dams are cost-effective and fully worthy of our consideration.●

A CONSTITUENT'S VIEW OF FATHER DRINAN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ROSENTHAL. Mr. Speaker, I would like to bring to the attention of my colleagues a letter to the editor, printed in the New York Times on Thursday, May 15, 1980. It expresses the admiration and affection felt for Father DRINAN by his constituents which is equaled only by our respect.

A CONSTITUENT'S VIEW OF FATHER DRINAN

CHESTNUT HILL, MASS.,
May 7, 1980.

To the Editor:

The Rev. Robert F. Drinan has been my Congressman for all the years I have served the religious community of Newton. His choosing to follow the dictates of the church rather than seek re-election has once again raised the complex issue of church and state. I applaud both Drinan's devotion to conscience by withdrawing and his 10 years in Congress representing me, the individuals in my synagogue and all the citizens of diverse faiths and convictions within our Congressional District.

As a Jew, I am committed to the plurality of creative differences: *yarmulka* (skull cap) or Roman collar are testimony to the varieties of expression in the American mainstream. Father Drinan's espousal of a secure Israel and freedom for Soviet Jews was far more effective than any pronouncements or preachments by rabbi or Jew. Is not the highest humanity the pleading of another's cause, rising above parochialisms? Drinan's collar was eloquent testimony to his all-embracing humanity.

Leaving the merits of the Pope's decision aside, I must say how much I admire Drinan's decision of conscience to forgo the halls of power, prestige and prominence, to return to the sacraments of the church. America needs to be reminded occasionally that politics is not the highest "calling" and that politics functions best when those who are true to their convictions speak out courageously, even to their own seeming detriment. The ultimate religious or political act is being faithful to a moral and ethical calling.

Representative Father Drinan was not a contradiction or paradox. Church and state as institutions are separate, but a man of good will, whatever his creed, habit or vestment, is ample testimony of a particular religious faith serving faithfully and representing fairly all citizens of the community.

May Robert F. Drinan go from strength to strength. We will greatly miss him.

RICHARD M. YELLIN,
Rabbi.●

HOUSING ALTERNATIVES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BIAGGI. Mr. Speaker, I am introducing legislation today to amend section 8 of the U.S. Housing Act of 1937 for the purpose of providing more housing alternatives for lower-income single individuals and married couples. This initiative stems from a study that I have been conducting on the issue of single room occupancy hotels (SRO's).

By definition, SRO's are hotels, roominghouses, or converted apartment buildings which offer furnished rooms, shared bathrooms and kitchens, and some management services such as desk, linens, and housekeeping. The buildings, often old and poorly maintained, house a diverse group of individuals who, nevertheless do share a common characteristic. Without exception, all SRO tenants have very small incomes. The vast majority live on fixed incomes derived from supplemental security income, social security, and public assistance.

Shelter is one of the basic necessities of life which you and I generally take for granted. However, for the thousands of less fortunate individuals throughout the country, adequate housing is a difficult commodity to come by. Presently our Nation is experiencing a housing shortage of epidemic proportions. Unfortunately, it is the most vulnerable segments of the population—the low-income, the elderly, and the disabled—who must shoulder the burden of somehow obtaining and financing adequate living quarters from a dwindling and increasingly costly supply. In my hometown of New York City in 1975 for example, 52 percent of the elderly renters lived alone and paid between 25 and 40 percent of their limited incomes on rent—leaving a mere $150 per month for all other expenses.

My legislation would make the section 8 program a viable one for the SRO community by providing incentives for landlords to maintain their buildings so as to qualify for leasing and assistance with costs and improvements. This would allow SRO hotels to maintain solvency and undergo repairs without major tenant displacement.●

AUBURN UNIVERSITY SOIL JUDGING TEAM

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. NICHOLS. Mr. Speaker, this year the Auburn University soil judging team won an unprecedented third national championship in a row. This is a noteworthy accomplishment considering the competition is among the finest agriculture schools in America.

I believe these future American agriculture experts should be duly congratulated for their accomplishments and a special recognition should go out to the professors and teachers whose guidance and instruction have provided the foundation for Auburn University's consistent successful showings in national competition.

For the RECORD of this body I enclose a press release issued by the university and a resolution adopted by the House of Representatives of the State of Alabama commending the Auburn University soil judging team and coaches for their outstanding accomplishments.

AUBURN, ALA.—It's the third national championship in a row for Auburn University's soil judging team—the first time in history that any team has won in three consecutive years.

The Auburn team claimed the championship trophy by beating out 16 regional championship teams from across the country in the finals at Pennsylvania State University, says team coach Dr. Ben Hajek, Professor, Department of Agronomy and Soils.

Team members, all students in Auburn's School of Agriculture, are David Bridges, Dawson, Ga.; Ronnie Jernigan, Jay, Fla.; Donnie Parrish, Enterprise; Ramona Pelletier, Jacksonville, Fla.; and William Puckett, Dothan. Dr. Hajek recognized individual accomplishments of Puckett, who was fourth high overall in the contest, and Jernigan, who placed fifth.

Hajek, who does soils research for Auburn's Agricultural Experiment Station as well as teaching soils courses in the School of Agriculture, has coached all three of the championship Auburn teams. This also represents an unprecedented accomplishment that is evidence of his expertise as a soil scientist, notes Agriculture Dean Dr. R. Dennis Rouse.

Two members of the 1980 team, Bridges and Jernigan, also competed in the 1979 competition, Hajek notes. Except for these repeat members, each of the three championship teams has been made up of students who had not previously competed in the event.

RESOLUTION COMMENDING THE AUBURN UNIVERSITY SOIL JUDGING TEAM FOR AN UNPRECEDENTED THIRD NATIONAL CHAMPIONSHIP

Whereas the Auburn University Soil Judging Team composed of students David Bridges, Ronnie Jernigan, Donnie Parrish, Ramona Pelletier, and William Puckett in the School of Agriculture placed first in the 20th annual National Collegiate Soil Judging Contest at University Park, Pennsylvania, on April 18, 1980; and

Whereas this was the third consecutive year that the Auburn team has placed first, which is unprecedented in the history of the contest; and

Whereas this team was coached by Dr. Ben Hajek, outstanding soil scientist in the Department of Agronomy and Soils, who also coached the previous two years' winners; and

Whereas this team competed against 16 regional championship teams from major universities across the nation; and

Whereas the soil is one of our nation's most important natural resources; and

Whereas the Number One Soil Judging Team in the nation has brought honor and distinction both to Auburn University and to the entire State of Alabama: Now, therefore, be it

Resolved by the House of Representatives of the Legislature of Alabama, That we commend and congratulate members of the Auburn University Soil Judging Team and their coach for this outstanding accomplishment; and be it further

Resolved, That a copy of this resolution be sent to the president of Auburn University, to the Dean of the School of Agriculture, and to the team members and their coach.●

SAD DAY FOR THE UNITED STATES AND SOUTH KOREA

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. WOLFF. Mr. Speaker, the news reports this weekend out of Miami, and across the Pacific from South Korea, were not encouraging for those who are concerned with the progress of political and legal rights, and who are concerned over the ability of the United States to promote such concepts around the globe, as well as here at home.

I raise the tragic situation in Miami because it dramatizes the fact that we in the United States still have a distance to travel along the human rights road. If it is possible to find a positive note in what is still an ongoing situation, I think it is that since we are such an open society, the tragedy in Miami will not go unnoticed, nor, I am confident, will the causes of the tragedy be ignored, and no remedy attempted.

It is this basic confidence in our institutions and our people, this sense of hope that even in adversity we will honestly strive to overcome our difficulties, which gives me the confidence to address another ongoing social tragedy, the reimposition of strict martial law in our friend and ally, South Korea.

Korea has represented a vital security interest to the United States since the end of World War II. We have fought in one war there, and have striven to promote security on the Korean Peninsula ever since. In recent years, the realization that internal stability is directly linked to external security has become increasingly clear, particularly regarding South Korea. Thus, today we must be as concerned for Korea's internal stability as we have been and will continue to be for her external security.

Last January, I was privileged to lead a delegation which spent 3 days in South Korea, as part of an 18-day mission to Asia. We met with men and women from all walks of Korean life, including prominent members of the Government, the military, and the opposition political parties.

It is my sad duty today to note the arrest of many of those with whom we talked, including Kim Daejung, the former Presidential candidate, and Kim Jong-pil, head of the Government's own Democratic-Republican Party. I trust they will be swiftly released.

In January, the situation in South Korea was still very sensitive following the twin shocks of the assassination of President Park in October, and the military actions of December.

Great concern was expressed by most of the people with whom we met as to the future political activities of the military in South Korea, and the ability of the civilian government to work its way through the very sensitive and difficult problems it faced. Significantly, most of our conversations dwelt at length on the role of the students on the college campuses, and what the military reaction might be in the event of student unrest.

Last week, those fears came to reality, and with the President out of the country, the military moved swiftly, crushing the hopes of those of us who had thought that Korea was slowly but firmly emerging from the uncertainties of recent months.

President Choi cut short his journey to return to Korea and address the student protesters who were demanding an end to martial law, and free elections. We will never know whether he could have forestalled further escalation, nor if the Government could have continued the progress toward free elections which had been so heartening in recent months.

Now, for civilian government, for legal and political rights in South Korea the task must begin again, with many of the key personalities taken out of the picture, and many of the key institutions weakened by the loss of their leadership, not to mention their morale in the wake of the weekend's events, and in the face of an uncertain future.

At this critical time for democracy in Korea, I call on the Congress, the State Department, and the President, to make our views known, and to reaffirm our commitment to fostering democracy in South Korea.

I hope that in the coming days, our Government will officially inform the Korean Government of the concerns of the American people over the tragic events of the last week.

I hope that in the coming days, the Congress will also speak out for the democratization of Korea to insure its internal security and in defense of the liberties which we all hope will yet be the final outcome for the people of South Korea.●

GOLD VERSUS FRACTIONAL RESERVES

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. PAUL. Mr. Speaker, recently more and more public interest has been aroused in the gold standard. Unfortunately, some of the proposals that have been made in the name of the gold standard are not sound money proposals at all but would merely put gold only partially—and revocably—into our present money system.

The noted economist Henry Hazlitt has published an excellent essay that presents the case for a full 100 percent gold coin standard. I call excerpts from that essay to my colleagues' attention, for the present inflation will soon force us to make a choice between a free economy with a sound money system or a totalitarian economy with a paper money system, price and wage controls, and rationing.

The excerpts follow:

Gold Versus Fractional Reserves

The present worldwide inflation has done, and will continue to do, immense harm. But it may eventually lead to one great achievement. It may make it possible to restore (or perhaps it would be more accurate to say to create) a full 100 percent gold standard.

That could come about in a simple manner. Our government has made it once more legal to hold gold, to trade in gold, and to make contracts in terms of gold. This makes it possible for private individuals to buy and sell in terms of gold, and therefore to restore gold as a medium of exchange. If our present inflation, as seems likely, continues and accelerates, and if the future purchasing power of the paper dollar becomes less and less predictable, it also seems probable that gold will be more and more widely used as a medium of exchange. If this happens, there will then arise a dual system of prices—prices expressed in paper dollars, and prices expressed in a weight of gold. And the latter may finally supplant the former. This will be all the more likely if private individuals or banks are legally allowed to mint gold coins and to issue gold certificates.

But even of the small number of monetary economists who favor a return to a gold standard, probably less than a handful accept the idea of such a 100 percent gold standard. They want a return, at best, to the so-called classical gold standard—that is, the gold standard as it functioned from about the middle of the nineteenth century to 1914. This did work, one must admit, incomparably better than the present chaos of depreciating paper monies. But it had a grave weakness: it rested on only a fractional gold reserve. And this weakness eventually proved its undoing.

NOT ENOUGH GOLD?

The advocates of the fractional gold standard, however, saw—and still see—this weakness as a strength. They contend that a pure gold standard was and is impossible; that there is just not enough gold in the world to provide such a currency. Moreover, a pure gold standard, they argue, would be unworkably rigid. On the other hand, a fractional reserve system, they say, is flexible; it can be adjusted to "the needs of business"; it provides an "elastic" currency.

We will come back to these alleged virtues later, and examine them in detail, but first I should like to call attention to the central weakness of a fractional reserve system: it embodies a long-term tendency to inflation.

Let us begin with a hypothetical illustration. Suppose we have a world in which the leading countries have been maintaining a 100 percent gold standard, that they begin to find this very confining, and that they decide to adopt a fractional gold standard requiring only a 50 percent gold reserve against bank deposits and bank notes.

The banks are now suddenly free to extend more credit. They can, in fact, extend twice as much credit as before. Previously, assuming they were lent up, they had to wait until one loan was paid off before they could extend another loan of similar size. Now they can keep extending more loans until the total is twice as great. The new credit plus competition causes them to lower their interest rates. The lower interest rates tempt more firms to borrow, because the lower costs of borrowing make more projects seem profitable than seemed profitable before. Credit increases, projects increase, and there is a "boom."

So reducing the gold reserve requirement from 100 percent to 50 percent, it appears, has been a great success. But has it? For other consequences have followed besides those just outlined. Production has been stimulated to some extent by lowering the reserve requirement; but production cannot be increased nearly as fast as credit can be. So as a result of increasing the credit supply most prices have practically doubled. Twice the credit does not "do twice the work" as before, because each monetary unit now does, so to speak, only half the work it did before. There has been no magic. The supposed gain from doubling the nominal amount of money has been an illusion.

And this illusion has been bought at a price. Lowering the required gold reserve to 50 percent has enabled the banks to double the volume of credit. But as they begin to approach even the new credit limit, available new credit becomes scarce. Some banks have to wait for old loans to be paid off before they can grant new ones. Interest rates rise. New projects have to be abandoned, as well as some incompleted projects that have already been launched. A recession sets in, or even a financial panic.

And then, of course, the proposal is made that the simple way out is to reduce the gold-reserve requirement once again, so as to permit a still further creation of credit.

THE FEDERAL RESERVE ACT

Historically, this is exactly what has been happening. Space does not permit a detailed review of what has happened in one nation after another, starting, say, after the adoption in England of Sir Robert Peel's Bank Act of 1844. But we can point to a few sample changes in our own country, beginning with the Federal Reserve Act of 1913.

That act set up twelve Federal Reserve Banks, and made them the repositories for the cash reserves of the national banks. The first thing that was done was to reduce the reserve requirements of these commercial banks. Under the national banking system the banks had been classified according to the size of the city in which they were located. They were Central Reserve City Banks, Reserve City Banks, and Country Banks. These were required to keep reserves, respectively, of 25 percent of total net deposits (all in the bank's own vaults), 25 percent of total net deposits (at least half in the bank's own vaults), and 15 percent of total net deposits (two-fifths in the bank's own vaults).

The Federal Reserve Act classified deposits into two categories, demand and time, with separate reserve requirements for each. For demand deposits the act reduced the reserve requirements to 18 percent for Central Reserve City Banks, 15 percent for Reserve City Banks, and 12 percent for Country Banks. In each case at least one-third of the reserve was to be kept in the bank's own vaults. For time deposits the reserve was only 5 percent for all classes of banks.

In 1917, as an aid in floating government war loans, the reserve requirements were further relaxed, to 13, 10, and 7 percent respectively, with only a 3 percent reserve requirement for time deposits. Though the amendment also required that all reserve cash should thereafter be held on deposit with the Federal Reserve Banks, the amount of till or vault cash necessary to meet daily withdrawals was found to be small.

In addition to this lowering of the reserve requirements of the member banks, the Federal Reserve System provided for the building of a second inverted credit pyramid on top of the one that the member banks could build. For the Federal Reserve Banks themselves were authorized to issue note and deposit liabilities against their gold reserves, which were required to total only 35 percent against deposits.

As a result of such changes, if the average reserves held by the commercial banks against their deposits were taken as 10 percent, and the gold reserves held by the System against these reserves at 35 percent, the actual gold held against the commercial deposits of the System could be reduced to as low as 3.5 percent.

What actually did happen is that between 1914 and 1931, total net deposits of member banks increased from $7.5 billion to $32 billion, or more than 300 percent in less than two decades.[1]

These figures continued to grow. Gold reserve requirements were finally removed altogether. In August, 1971, when the United States officially went off the gold standard, the money stock, as measured by combined demand and time deposits plus currency outside of banks, was $454.5 billion. The U.S. gold reserves were then valued at $10.2 billion. This meant that the money stock of the country had been multiplied more than sixty times over that of 1914, and the gold reserve against this money stock had fallen to only 2.24 percent. Put another way, there was then $44 of bank credit issued against every $1 of gold reserves.

EXHAUSTING THE GOLD RESERVE

The situation was actually more ominous than these figures suggest. For under the gold-exchange system of the International Monetary Fund, it was not merely the American dollar, but the total currencies of practically all the nations in the Fund, that were supposed to be ultimately convertible into the U.S. monetary gold stock. The miracle is not that this gold exchange system collapsed altogether in August of 1971, but that it did not do so much sooner.

In short, the fractional gold standard tends almost inevitably to become more and more attenuated, and while it does so it permits and encourages progressive inflation.

When the gold standard is abandoned completely and officially, inflation usually accelerates. This has been illustrated in the more than seven years since August, 1971. At the end of 1978, the money stock, counting both demand and time deposits, had risen to $871 billion—nearly double the figure at which it stood in August, 1971.

But what happens as long as the fractional gold standard is being nominally maintained is that the milder rate of inflation is less noticed, and even many monetary economists are inclined to view it with complacency. This is partly because they have a reassuring theory of what is happening. The amount of currency and credit, they say, is responding to the "needs of business." The loans on which the deposits or Federal Reserve Notes are based represent "real goods." A manufacturer of widgets, for example, borrows a six-month loan from his bank to meet his payroll and other production costs, then when he sells his goods he pays off the loan with the proceeds, and the credit is cancelled. It is "self-liquidating." The money is therefore "sound"; it cannot be over-issued, because it increases and contracts with the volume of business activity.

What this theory overlooks is that while the individual loan may be self-liquidating, this is not what happens to the total volume of credit outstanding. Manufacturer Smith's loan has been repaid. But under the fractional reserve system, the bank, as a result of this repayment, now has "excess reserves," which it is entitled to re-lend. Of course if the bank is fully lent up, even under a fractional reserve system, it cannot extend credit further. But when a substantial number of banks are seen to be nearing this point, pressure comes from all sides—from the banks and their would—be borrowers, and from the government monetary authorities and the politicians who have appointed them—to lower the reserve requirements further. If nothing has gone wrong so far with the existing fractional reserve, indeed, there seems to be no harm in reducing the fraction further. It will permit a further expansion of credit, reduce interest rates, and prevent a threatened business recession.

In sum, to repeat, a fractional-reserve gold system, once accepted, must periodically bring about business and political pressure for a further reduction of the fractional reserve required.

THE HARMFUL CONSEQUENCES

We have now to examine the harm that the system does whether or not the pressure to reduce the reserve requirements is continuously successful.

Let us begin with a situation in, say, Ruritania, which has a fractional-reserve gold standard and a central bank, but in which business activity has not been fully satisfactory. The central bank then either lowers the discount rate, or creates more member-bank reserves by buying government securities, or it does both. As a result, business is encouraged to increase its borrowing and to launch on new enterprises, and the banks are now able to extend the new credit demanded.

As a consequence of the increased supply of money and credit, prices in Ruritania rise, and so do employment and money incomes. As a further result, Ruritanians buy more goods from abroad. As another result, Ruritania becomes a better place to sell to, and a poorer place to buy from. It therefore develops an adverse balance of trade or payments. If neighboring countries are also on a gold basis, and inflating less than Ruritania, the exchange rate for the rurita declines, and Ruritania is obliged to export more gold. This reduces its reserves and forces it to contract its currency and credit. More immediately, it obliges Ruritania to increase its interest rates to attract funds instead of losing them. But this rise in interest rates makes many projects unprofitable that previously looked profitable, shrinks the volume of credit, lowers demand and prices, and brings on a recession or a financial crisis.

If neighboring countries are also inflating, or expanding the volume of their money and credit at as fast a rate, a crisis in Ruritania may be postponed; but the crisis and the necessary readjustment are all the more violent when they finally occur.

THE CYCLE OF BOOM AND BUST

The fractional-reserve gold standard, in short—especially when it exists, as it usually does, with a central bank, a government and a public opinion eager to keep expanding credit to start a "full employment" boom or to keep it going—brings about what is known as the business cycle, that periodic oscillation of boom and bust that socialists and communists attribute, not to the monetary and credit system and central banking, but to some inherent tendency in the capitalist system itself.

I need describe here only in a general way the process by which credit expansion brings about the boom and the inevitable subsequent bust. The credit expansion does not raise all prices simultaneously and uniformly. Tempted by the deceptively low interest rates it initially brings about, the producers of capital goods, borrow the money for new long-term projects. This leads to distortions in the economy. It leads to overexpansion in the production of captial goods, and to other malinvestments that are only recognized as such after the boom has been going on for a considerable time.

When this malinvestment does become evident, the boom collapses. The whole economy and structure of production must undergo a painful readjustment accompanied by greatly increased unemployment.

This is the Austrian Theory of the trade cycle, which I need not expound here in all its complex detail because that has already been done fully and brilliantly by such writers as Mises, Hayek, Haberler, and Rothbard.[2]

THE WORLD ADRIFT IN TURBULENT SEAS OF PAPER MONEY

My chief concern in this article has been to show that in addition to being the principal institution responsible for bringing about the cycle of boom-and-bust that has plagued the civilized world since the early nineteenth century, the fractional-reserve standard, once its principle of "economizing the use of gold" has been fully accepted, itself encourages an inflation that has no logical stopping place until gold has been "phased out" altogether, and the world is adrift in the turbulent seas of paper money.

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[1] See "Money and Man," by Elgin Groseclose (University of Oklahoma Press), pp. 215-219.

[2] In addition to larger works of these four writers that include discussions of the subject, the interested reader may consult the pamphlet, "The Austrian Theory of the Trade Cycle," which contains an essay by each of them (Center for Libertarian Studies, 200 Park Avenue South, Suite 911, New York, N.Y. 10003, $3.00).

In emphasizing this weakness of fractional-reserve standard, I do not intend to imply that I have solved the baffling problem of creating as ideal money—assuming that that problem is even soluble. An opportunity now exists—for the first time in a couple of centuries—to introduce a 100 percent gold reserve standard. But if sufficient new gold supplies were not regularly available, such a standard could conceivably result over time in a troublesome fall in commodity prices. Moreover, unless there were rigid prohibitions against it, a private no less than a government money would soon tend to become a fractional-reserve standard. And if we allowed this, would we not soon be on the road once more to a constantly diminishing fraction, and at least a constant mild inflation?

I confess I do not have confident answers to these questions. But that does not invalidate my criticisms of a fractional-reserve standard. I should like to point out, incidentally, that expanding the money supply through a fractional-reserve standard—mainly for the purpose of holding down the exchange-value of the individual currency unit and thereby preventing a fall in prices—could also be accomplished under a full gold standard by constantly or periodically reducing the weight of gold into which the dollar (or other unit) was convertible. Such a proposal was once actually made by the economist Irving Fisher. I am unaware of any economist who accepts such a proposal today. But it is no different in principle from steadily expanding the money supply—under either a paper or a fractional-reserve gold standard—for the purpose of holding down the purchasing power of the monetary unit. Is this a power we would want to trust to the politicians?●

A TRIBUTE TO SISTER HELEN MARY CLEMENTS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. WAXMAN. Mr. Speaker, earlier this month, the Congress took the time to honor a very special woman who spent the majority of her adult life serving others. On May 1, 1980, a statue of Mother Joseph, foundress of the Sisters of Providence, was placed permanently in Statuary Hall, where all who will visit the U.S. Capitol can be a witness to this one woman's accomplishments in the fields of health care and education.

Mr. Speaker, I would like to take this time to honor another very special woman who will celebrate her 50th year of service and genuine concern for others—the aged, the sick, and especially the dying.

Sister Helen Mary Clements, a native of the State of Maryland, became a sister of Bon Secours in 1930. Her list of accomplishments is long. During the 1930's, Sister Helen Mary was involved in home nursing care, which was the fundamental mission of her religious community at that time. In the early 1950's, she became administrator of the Bon Secours Hospital in Grosse Point, Mich., and supervised that hospital's expansion. During the years 1955 to 1961, she was the administrator of the Bon Secours Hospital in Methuen, Mass. In 1961, Sister Helen Mary was elected provincial of the American Province of the Congregation of the Sisters of Bon Secours , and held that position until 1967. Subsequently, she became administrator of the Villa Maria Nursing Home in Miami, Fla., where she oversaw the construction of the present new and modern facility. She is presently the director of development at Villa Maria.

I would like to join Sister Helen Mary's family and friends—and especially the Congregation of the Sisters of Bon Secours—who will celebrate with her on May 26, 1980, in giving thanks for all that Sister Helen Mary has shared over the past 50 years. She has brought constant concern, warmth, and a special dignity to all whose lives she has touched. I wish her many more years in which to continue her important work.●

TAX TREATMENT OF CO-OP TENANT STOCKHOLDERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ASPIN. Mr. Speaker, I am today introducing legislation to put co-op—cooperative housing corporations—owners on the same tax footing as all other homeowners.

Section 216 of the Internal Revenue Code now requires that at least 80 percent of the gross income of a co-op corporation be derived from individuals who are tenants as well as stockholders. If for any reason, a co-op gets less than 80 percent of its gross income from individuals, then all the other tenants lose their income tax deductions for their shares of interest payments on the mortgage and real estate taxes.

There are no similar restrictions for condominium dwellers.

Section 216 has created a situation where the tail is wagging the dog. If a tenant-stockholder dies and his estate then makes payments to the co-op's corporation, it works to the detriment of the other tenants.

The statute as written has led to serious, perverse economic effects. For example, co-op's having commercial spaces are forced to rent them at artificially low rents or else the tenants lose their income tax deductions. It is a subsidy for commercial ventures. The U.S. Treasury isn't making a penny from this. The real losers are co-op apartment dwellers.

My bill lowers from 80 percent to 50 percent the minimum level of tenant-derived gross income required for a co-op to keep its tax deduction. This change will constitute an improvement in the present situation. Let me explain why.

BACKGROUND

Under section 216 of the Internal Revenue Code, a tenant-stockholder in a cooperative housing corporation may deduct the amount paid to the corporation constituting his or her proportionate share of allowable real estate taxes and interest relating to the corporation's land and buildings. In addition, to the extent a tenant-stockholder uses property leased from the co-op for business purposes, that is, for income production, he or she may take depreciation deductions with respect to his or her share of the cost.

An organization qualifies as a co-op, so that the tenant-stockholders can claim these deductions, when 80 percent or more of the corporation's gross income derives from the tenant-stockholders themselves. Also, only individuals qualify as tenant-stockholders. Hence, if banks or other corporations, trusts, estates, and other nonindividual taxpayers own a significant portion of the stock, the organization is disqualified. Consequently, the other individual qualified tenant-stockholders lose their income tax deductions.

This rule has been part of the Internal Revenue Code since the first provisions relating to cooperative housing corporations were enacted in 1942. Since then four changes have been made.

In 1969, a provision was added to section 216 of the code providing that, for purposes of the 80-percent test, Government stock ownership or unit leasing to provide housing not be taken into account.

In 1976, section 216 was amended to allow banks and other lending institutions obtaining stock in co-op through foreclosure to be treated as tenant-stockholders for up to 3 years after such acquisition.

In 1978, the section was amended to allow an original seller, for example, a corporate promoter who acquires co-op stock either by purchase or foreclosure, to be treated as a tenant-stockholder for up to 3 years after the stock's acquisition.

The Technical Corrections Act of 1979, enacted in 1980, refined the 1978 change to include stock acquisitions by exchange. I note that, except for foreclosures, the law does require that in exchanges the original seller's stock must be turned over not later than 1 year after the date on which the housing units—or leaseholds therein—are transferred by the seller to the corporation. Furthermore, the 1979 act extends this same tax treatment to a deceased original seller's estate.

THE PRESENT RULE HAS SERIOUS PROBLEMS

The four changes made since 1969 were specifically designed to address problems resulting from the application of the 80-percent test. But there are yet other problems with the test which, when properly examined, deny the validity of any justification whatsoever for the rule. Let us just take a couple of examples.

The requirement that only an individual can be a tenant-stockholder creates obvious problems, because it fails to include corporations, most trusts or, except for original sellers, estates. Also, the rule is unclear with relation to the treatment of estates and the corporations themselves; an estate may qualify as a tenant stockholder for tax purposes but the rent it pays may be unqualified in the hands of the corporation. Consequently, if due to death or bankruptcy an individual tenant-shareholder's stock is held by an estate, his and all of the co-op's other tenant-stockholders tax deductions may be denied.

In just these two examples, it is easily seen that a relatively small number of stockowners could voluntarily or involuntarily disqualify everyone's otherwise legal tax deduction. The same small number of persons whose actions cause the loss of tax benefits to the others are not themselves adversely affected since they usually obtain tax deductions for the amounts as business or investment expenses; to emphasize: only those who are otherwise qualified tenant-stockholders lose their tax deductions.

NO REASON FOR THE RULE

I have looked, in view of the problems, at the legislative history of the 80-percent requirement to see if there's a reason for keeping it on the books. I have been unsuccessful. The legislative history does not set forth the reasons for the 80-percent requirement. I can, as everyone else, hypothesize a couple of reasons. Perhaps Congress believed it important to restrict the benefits of section 216 to primarily residential properties, and not to make them available to commercial operations. Maybe Congress was concerned that some sort of tax avoidance could be created where a substantial commercial interest was involved—such as, using portions of the operating expenses incurred by the corporation to cover otherwise nondeductible personal expenses. It could have been the worry that if a corporation anticipated reportable profits from its commercial properties, it might reduce the rent collected from its tenant-stockholders by an amount sufficient to produce a loss for tax purposes equal to the commercial profits, the corporation would thus report no taxable income. The 80-percent test may have been thought to limit such potential abuses. Straw men in view of the facts.

First of all, several judicial decisions limit the ability of co-op's to take tax deductions generated by the type of hypothetical activities I just described. Second, section 277 of the code, enacted in 1969, prevents co-op's as membership organizations from offsetting nonmember income with losses from membership activities. The 1976 act's legislative history emphasizes that section 277 is intended to apply to co-op's. The point I am making is that it is not necessary to rely on the 80-percent test to limit potential tax abuses, both the courts and Congress have seen to that elsewhere.

In brief, I fail to discover the reason for the existence of the 80-percent rule in section 216 of the Internal Revenue Code. Even hypothesizing a couple of reasons, I do find that the judicial and legislative history relevant to the rule invalidates whatever realistic albeit conjectural justification may exist for the rule. At minimum, the courts and Congress have already addressed potential tax abuses.

RULE HAS ECONOMIC AND EQUITY PROBLEMS

In addition to the flaws highlighted above, the 80-percent rule does result in perverse economic effects. For one thing, the tax law forces tenant-stockholders to lease the commercial spaces in the buildings at artificially low rents in order to stay qualified for income tax deductions. The beneficiary of this situation often is the prior owner of the building, who built it for the corporation but retains a net lease of the commercial space. This is a distortion of ordinary economic practices to the financial detriment of the tenant-stockholders.

For another, the rule unjustifiably discriminates against co-op's by imposing requirements not imposed on condominiums. There is no 80-percent requirement at all for condominiums. In fact, it seems to me that the lack of any such requirement for condominiums is evidence that it is not needed for cooperative housing corporations.

THE SOLUTION: AT LEAST CHANGE THE TEST IF NOT ELIMINATE IT COMPLETELY

The bill I am introducing today would lower the 80-percent requirement to 50 percent, that is, to qualify as a cooperative housing corporation, an organization would need to derive only 50 percent of its income from individual tenant-stockholders. This change should reduce the problems that many co-ops have in improving the income tax protection for their eligible tenant-stockholders relative to that now afforded to condominium and other housing dwellers. It also deals with the problems of co-op tenant-stockholders on a more comprehensive and I think thoughtful basis than the patchwork enactments of 1969, 1976, and 1978, and earlier this year. Finally, it eliminates the need for continued erratic legislative hodgepodge in the future.

FINAL COMMENT

I hope that this bill can be scheduled for hearings at an early date. I urge interested witnesses to comment on the desirability of eliminating the percentage requirement entirely and on any other problems of section 216, as well as on the merits of this bill. This is only a beginning as there are still other provisions of section 216, which may be unduly burdensome and unnecessary. For example, the ambiguous requirement that a tenant-stockholder's shares be "fully paid up," or the similarly ambiguous requirement that only individuals qualify as tenant-stockholders might be reconsidered.

Finally, a question may be raised whether a person can qualify as a tenant-stockholder if the apartments are subject to local rent control laws preventing the eviction of existing tenants; this issue, also, should be considered.

Mr. Speaker, I hope that this bill might serve as the vehicle for eliminating unnecessary tax treatment problems of tenant-shareholders of cooperative housing corporations so that the tax law may take a more desirably neutral position between its use in cooperative housing corporations and condominums.●

HOWARD UNIVERSITY: SEEDBED OF BLACK LEADERSHIP

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. FAUNTROY. Mr. Speaker, in our Nation's Capital, Howard University has for years been the symbol of achievement for black America. It is an institution of tradition, aspirations, and dreams. The Los Angeles Times in a recent article captured the essence of this great symbol. The article provides a unique look at America's premier black university. The article follows:

HOWARD UNIVERSITY: SEEDBED OF BLACK LEADERSHIP

(By Charles Hillinger)

WASHINGTON.—There is no other university like it in the world.

It has the greatest concentration of black scholars of any institution of higher learning.

Howard University has been America's premier black university since its founding 113 years ago.

It is a university that graduates more black doctors, lawyers, educators, dentists, architects, journalists, pharmacists, academicians, engineers, social workers and businessmen than any other.

"Howard is the consummate expression of the black perspective," Dr. James E. Cheek, 47, Howard president for 11 years, said in an interview in his offices.

"To black Americans Howard is both the symbol and reality of the black presence, the black meaning in America's future. This campus is truly unique.

"Here are 17 schools and colleges, a dozen research institutes, a commercial radio station, an educational television station, the only black academic press in the world, one of the foremost health care centers in the nation, a law school renowned as the West Point of the civil rights movement.

"Here the nation's outstanding black young men and women are exposed to the best black minds in America."

Howard graduates are a Who's Who of black America, men and women like Supreme Court Justice Thurgood Marshall, former U.N. Ambassador Andrew Young, Cabinet member Patricia Roberts Harris, singer Roberta Flack, rights activist Vernon Jordan, diplomat Ralph Bunche and former Sen. Edward Brooke.

Reared against the eastern sky
Proudly there on hilltop high,
Far above the lake so blue stands old Howard firm and true.
There she stands for truth and right,
Sending forth her rays of light.
Clad in robes of majesty;
O Howard, we sing of thee.

These words of Howard's alma mater are sung proudly by the more than 11,000 undergraduate and graduate students and by alumni at annual dinners throughout the country such as the one that was held Saturday in the Embassy Room of the Ambassador Hotel in Los Angeles.

Strolling through the 75 acres of the main campus of one of the highest elevations in the nation's capital is like strolling through the pages of black history.

Dormitories and classroom buildings are named after abolitionist leaders and famed black educators—Sojourner Truth Hall, Frederick Douglass Hall, George Washington Carver Hall, Alain Locke Hall, Mary McLeod Bethune Hall, George William Cook Hall . . .

Still standing are historic old buildings such as Freedmen's Hospital, replaced in 1976 by a new $43-million, 500-bed medical center. Freedmen's Hospital was originally built for former slaves who were barred from other hospitals in Washington.

"I dearly love this place," mused Barbara Tollerson, community relations and special events coordinator, as she showed visitors around the campus. A 1949 graduate, Tollerson never left Howard.

"It is such a special place for blacks, the traditions, the history, the legacy and challenges for all of us here today." she said. "Note the pride in these young people. They're very serious. They're dedicated. They come to learn, not to fool around. The academic standards are tough.

"It isn't easy to get into Howard. We have the top black students in the country enrolled, young men and women who qualify for acceptance at Harvard, Yale, Stanford, UCLA, but come here instead to become the black leaders of America."

Beverlee Bruce, 44, professor of anthropology and director of the honors program in the College of Liberal Arts whose home is in Los Angeles, told why the university is a special place for her: "I like being a role model for students who look like me, who act like me. I like following in the footsteps of those who preceded me here."

Donna Tildon, 26, of Los Angeles is in her second year at Howard's College of Medicine. Her father, Dr. Timothy Tildon, is a Howard graduate.

"I grew up in predominantly white schools in Southern California," Tildon said. "I came here to experience the black environment. Most of my patient load as a doctor will be black. My colleagues will be black. Howard University has always ranked with the top medical schools in the nation. That's why I have come here."

One of the finest cancer research centers in America is on the Howard campus. Here too is the nation's foremost sickle cell research facility.

Dr. Russell Miller, 40, is dean of the Howard College of Medicine. His father was a cab driver. Neither of his parents went to college.

"Over 90% of our graduates practice medicine in black communities, communities that are underserved," Miller said. "There are nowhere near enough doctors to serve the needs of the black population.

"Since the founding of Howard University in 1867 the medical school has produced more than 5,000 black physicians."

Howard boasts the only black architectural college in the nation.

"We cannot supply enough of our graduates to the business world," said Milton Wilson, 60, dean of the Howard School of Business Administration. "We're sending out leaders to the corporate offices of America."

The School of Human Ecology focuses on problems of low-income families, of America's poor blacks. "We are doing more than any other school in the nation in this area," said Cecile H. Edwards, dean of the school. "We do research on how low-income families cope, how they survive, and we seek solutions.

"We strive to find ways and means of helping families break out of the poverty cycle. Our graduates become involved in working toward solving environmental health problems, whether it be water quality, rats, mice, roaches or whatever.

"Nearly a fourth of the students in the School of Human Ecology are here from Third World countries, the biggest percent from Africa and the Caribbean Islands.

"We have a strong nutrition program. Malnutrition is a major problem in the world today in the underdeveloped nations. Many children die because of not enough proteins in their diet.

"American students become familiar with the problems of Third World countries working and studying side by side with our foreign students," Edwards said.

"Howard University offers one of the finest nutritional programs of study in the world. That's why I am here," Ayo Essemuede of Nigeria, a graduate nutritionist, said.

"All Africa knows and respects Howard University," said Lishan Abegaz, 29, an Ethiopian enrolled in the nutrition program.

Current enrollment at Howard includes more than 1,800 students from 89 foreign countries, including 538 from Nigeria, 174 from Jamaica, 130 from Trinidad-Tobago, 113 from Guyana, 109 from Iran, 102 from Sierre Leone, 101 from Ethiopia and 83 from Ghana.

"Traditionally Howard has had strong ties with Africa and the Caribbean Islands and Third World nations everywhere," said Cheek, the university president. "The friendships and contacts American students and professors make with foreign students is one of the strengths of the university

"When Andrew Young was U.N ambassador he spoke on campus and told how those friendships he made while a student at Howard served him well in his dealings with African leaders. Ambassador Young traced his friendship with many of the African leaders to his years at Howard when he knew them as fellow students."

When leaders and VIPs from abroad are in Washington, they often visit Howard University.

Professors at Howard's School of Law have played a leading role through the years in working with the courts and Congress on civil rights matters.

Robert Bevill, 22, of Chicago, is a law student planning on entering the diplomatic corps. "I had the impression before coming here I might find most of the students and professors activists wanting to exclude themselves from the total American society, to not take part in the body politic. Not so.

"There are problems. They want to deal with them, but they want to make it a better society for all."

Anthony Bass, 23, also a law student from Chicago, finds that "Howard provides me with an incentive I do not believe as a black I would have been able to get at a predominately white institution. I came here in light of the prominent people who have graduated from Howard, people who have left here and gone on to help mankind and society as a whole."

One of the most popular radio stations in the Washington area is WHUR-FM, the voice of Howard University. It broadcasts around the clock and in addition to music and news features, broadcasts daily interviews with professors and students.

Since its establishment in 1867, Howard has received most of its funding from the federal government. Of the university's current budget of $223 million, $125.5 million has been appropriated by Congress. Other sources of revenue are gifts and grants, tuition, student aid funds and endowments. Tuition and fees currently are $888.50 a semester, low compared to other major universities.

"More than most ranking institutions," President Cheek said, "Howard University operates on the leading edge of social change and social justice in this country.

"Seldom is the university far removed from the forces that shape society's critical questions or shake its complacency and inertia. The issues that remain the most relevant to Howard are those that work to elevate the human spirit or depress the human condition."●

REFLECTIONS AFTER 30 YEARS IN THE AUTO INDUSTRY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. WALGREN. Mr. Speaker, I want to bring to the attention of my colleagues the thoughts and concerns of my good friend, Mr. Teo Balbo. Mr. Balbo is an auto dealer who is voluntarily terminating his dealership after 30 years of hard work.

Although his letter is brief, Mr. Balbo forcefully expresses his concerns regarding the conditions of the economy and the need for efficient use of our energy resources.

The letter follows:

Congressman DOUG WALGREN,
House of Representatives,
Washington, D.C.

DEAR DOUG: After thirty years in the automobile business, I am quitting. I have had enough of high interest rates, energy problems and inflation.

Don't you think it is about time for Congress to put restraints on the environmentalists and that we go forward with using coal and getting our shale oil (of which we have enough for four hundred years) out of the ground and become independent of foreign oil?

I feel that is a crying shame that in a wonderful country like ours, we Americans with our natural resources cannot use them because of so much government intervention.

There will be many more small businesses closing or going bankrupt before year end. Do you realize the amount of people who are employed by small business? Many of these people will be on the unemployment lines as well as on food stamps and welfare lines. As I see it, it would be better to use our own natural resources to help us cut our energy cost and keep these people out of the unemployment lines.

I am asking you to give this letter your consideration as well as sharing it with your colleagues and get this country moving forward once again.

Respectfully,

A. J. "TEO" BALBO.●

KIM DAE JUNG CALLS FOR RETURN TO DEMOCRACY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. SOLARZ. Mr. Speaker, I think it is particularly important that the following appeal by Kim Dae Jung for a return to democratic rule in South Korea be heard at this time, following his recent rearrest in the latest round of political turmoil in that country. Mr. Kim's statement was released following the short-lived restoration of his civil rights on March 1 of this year. Whether one agrees or disagrees with all of the points made in this admittedly political document, the basic point of his statement is noncontroversial: The security of South Korea will ultimately by enhanced by the return to a democratic form of government.

The statement follows:

STATEMENT TO MY FELLOW CITIZENS FOLLOWING 7 YEARS' ISOLATION

My dear fellow citizens. The Presidential election of 1971 was a historical incident causing a painful and unfortunate experience to both you and me. At that time you enthusiastically supported me for the democratization of our country. However, the adverse political situation of that time prevented the peaceful transition of power. Perhaps it was due to lack of virtue on my part. I feel deep responsibility for the dictatorship under which you have had to suffer; facing you now, I must seek your forgiveness for not doing my part more faithfully. I feel especially painful heartache when I think of the sufferings of the poor people, laborers and farmers who live under skyrocketing inflation and economic frustration.

I would like to share some of my thoughts on these matters, in the hope that this will help solve those problems and alleviate your sufferings.

1. TRANSITIONAL GOVERNMENT AND THE PRESENT POLITICAL REALITY

It is very clear to me that there have emerged two clear points of national consensus. One is for the establishment of democratic government, which the people have earnestly desired for so long. The other is that the Choi government is not a transformed Yushin System succeeding to the heritage of the former regime, but is, in name and reality, a transitional government only to undergird the process of birth of the new democratic government of which the people are the masters.

On December 8th last year, I urged that the present transitional government should form a nation-wide consultative body, representing all segments of the society, to function as a neutral national cabinet. I believe that the political process would have developed in stability and hope, if my advice had been accepted.

Our citizens have shown a keen interest in the revision of the constitution, which is the foundation for the new democratic government. The present interim government is going beyond its proper function as caretaker, and is intervening essentially in the process of constitutional revision. The interim government misreads the genuine interest of the people in the constitutional revision as "political overheating". If we describe the political climate according to relative temperature, we may say that the weather in the 70s was continuously around −10 C and the present political temperature is −5 C. If one accepts this temperature as standard, then the normal and genuine aspirations of the people for true democracy may be mistakenly regarded by the present government as overheating the political atmosphere. There are serious problems with this view of political development.

The government worries about political chaos; but when one understands that the Yushin regime's "over-kill" measures and over-reaction to small political incidents became the source of political instability, I am convinced that the citizens' earnest desire for democratization cannot be the source of any political chaos.

The present government delayed unduly the restoration of rights for released political prisoners, and the scope of the restoration is below the expectation of the citizens. The Martial Law continues without legitimate reason and the press is still censored. There have been delays in releasing democratic leaders from prison—all these things make our people unnecessarily anxious. Moreover, as various opinion surveys show, the people want to shorten the interim government's rule and constitutional revision, and yet the government prolongs its interim period against the public expectations.

I want to make this point very clearly. If the present government proceeds hurriedly and unconvincingly with any affairs against the will of the whole people, or delays unduly what the people want to have done, these will be the causes of political instability. The present government must be aware of this fact.

Together with the support of all citizens, I would like to clarify our common political goals, as follows:

First: Strengthening of our anti-Communist national security posture.

Second: Realization of liberal democracy.

Third: Developing of a free economic system.

Fourth: Realization of social justice.

Fifth: Strengthening close and good relations with friendly nations, such as the U.S. and Japan.

Sixth: Unification of our fatherland through peaceful dialogue between South and North.

The above is, we believe, the consensus of our people. This unity of the will of our people is the basis for the best strength of our nation.

There can be no reason why there should be any division of opinion among the people, or political chaos, if only the present interim government faithfully carries out its function for the birth of tomorrow's democratic government, which will fulfill the political goals named above.

I am prepared to meet President Choi Kyu-hah at any time, in my earnest hope for the prevention of unnecessary political confusion and the smooth realization of democratic government according to the desires of our people. We should discuss, sincerely and frankly, the neutral role of the interim government, establishment of a democratic system on the basis of the national consensus, national security, stabilization of the people's livelihood, and all other issues.

At this time, together with my fellow citizens, I profoundly regret that those who played the key roles in the Yushin System do not show any sign of humble self-criticism and self-restraint before the people and before history. They rather seek to rationalize the past, and try to sustain their previous interests by all their means. Moreover, they threaten that if they do not continue to hold power, there will rise "a certain grave situation." This kind of attitude shows that they have not learned any lesson through the past historical events. Those who do not learn from their historical experiences cannot but repeat the tragic history again. This is a historical truth. In this sense their attitude casts a dark shadow over the future of our nation and people.

2. THE POSITION OF THE REPUBLIC OF KOREA IN THE WORLD

The repeated cycle of cold war and detente has been the pattern of encounter between the United States and Soviet Union during the history of the world since World War II. With the recent Afghanistan incident the ominous atmosphere of the cold war is once again making the world uncertain. In the vortex of this kind of confrontation between the two superpowers, the Korean peninsula has always been used; and in the future there remains the possibility that Korea will again be so used.

The changing situation of Asia is becoming markedly delicate in recent days. The Sino-Soviet confrontation is not limited to the northern frontiers of China, but is being expanded into Southeast Asia, centering around Vietnam. The major force of Soviet Russia is reaching to threaten the United States' dominant position in the Eastern Sea (Sea of Japan) and the western Pacific. In this situation, with these kinds of changes, the United States and Communist China are becoming "semi-aligned" nations, and Japan is supportive of this trend. Accordingly, there is even the possibility of the North Korean regime—which is showing a tendency to become pro-Communist China—and the U.S. government's establishing a relationship of "friend-to-friend". This is indeed a delicate situation.

This is a serious challenge to us and at the same time it could become an important opportunity for us too. In this situation, to successfully establish democratic government on the basis of the firm and voluntary support of the people, internally, and to obtain the trust and respect of the peoples of friendly nations such as the United States, externally—if these things can be achieved, we can decisively grasp this advantageous opportunity for the peaceful solution to the relationship between South and North Korea.

However, if we fail in the slightest in reestablishing democratic government, and thus experience confusion, giving reason once again for the setting up of a dictatorial political process in our land, then the destiny of our nation will be thrown into most tragic danger. Therefore, we all must regard this situation as of utmost importance, and must guard against such an eventuality.

3. NATIONAL SECURITY AND GUARD AGAINST THE COMMUNIST FORCE

The North Korean Communist force, as a competitive existence, is the object of our constant vigilance and rejection, not only for the protection of our freedom and human rights, but also for the survival of our nation. So long as the Communist regime does not clearly abandon its so-called strategy of liberation, and respect peaceful co-existence, we cannot neglect our national security even for a moment. We must prevent any possibility of invasion from the North, through our national strength and defense posture based upon the voluntary consensus of our people.

On the basis of our true national strength, we must push a three-stage policy for national unification, that is, peaceful co-existence, peaceful exchange, and peaceful unification. We must push this very strongly. This policy has been my constant view since the past 1971 Presidential election.

What I would like to once again emphasize at this point is that true strong national security is only possible under a democratic government which is based upon people's voluntary and earnest participation. I am convinced that there is no stronger national security than the maintenance of a democratic system on the basis of the self-awareness that the people are the masters of the nation. Therefore, national security should not be ill-used for any particular political force or political regime. If it is misused, that political force and that regime and all the people will be thrown into a tragic predicament. Because of this, national security against Communism, and the question of national unification require the participation of all the people and a consensus transcending all political divisions. On the basis of this consensus, systematic institutionalization of both the national security system and the process of national unification can be realized.

In the past I have been grateful for the dedicated effort on the part of our military for national security. I seek to support such efforts continually, together with the people. At the same time I would like to express my profound gratitude to the United States for their friendly cooperation for our national security since the October 26 incident.

4. ON POLITICAL REVENGE

The spirit which is most urgently needed today, from the point of view of the present political situation, is on the one hand the spirit of reconciliation and unity, and on the other the spirit of self-reflection and self-renewal. Those who have suffered unjustly in the past should forgive and embrace those who have caused the suffering, and those oppressors must also repent of their wrongs.

We must put a firm period to any kind of political retaliation against those who have made us—democratic leaders and myself—suffer. From now on there must not be any such vicious cycle of political revenge; a new political culture must be created in which such a thing can never be revived. My only political enemy has already departed this earth. Those who have been moved by him cannot become the objects of political retaliation any more. I believe that the present military and public servants, in both upper and lower echelons, can and must serve the people and the nation with peaceful mind. They must only keep political neutrality in a strict sense, to follow the will of the people, and voluntarily dedicate themselves to the nation.

5. PROSPECTS FOR THE EIGHTIES

There is as yet no clear view of the future prospects of the current political situation. Within this year we must cross high mountains and ford wide rivers to overcome the many trials before us. Ten years ago I foresaw the coming of the Chong Tong Jae (generalissimo system) of the 1970s. However, in contrast to the sinister 1970s, from a long-range perspective, I believe the 1980s will bring the hopeful new age, so long as we are faithfully trying hard. Even in this land, a utopia of Canaan can unfold before our eyes—a land of milk and honey.

The reason why I am optimistic about the future is that our people are in many respects a mature people. At the time of the October 26 incident, our people continuously showed an astonishing strength, inside and outside of our nation, not only in terms of protection of rights, but also in terms of the consciousness of responsibility. Our people have shown a mature strength beyond that of peoples of advanced nations. This very strength of our people, the vigorous undercurrent of the present situation, is watching over all the political process from behind the scenes.

A people cannot have a constitution beyond their capacity. Such a proverb shows that if there is no awareness and dedication by the people for democracy, then even if the best constitution is provided, it does not have any practical meaning. Now our people today have developed the qualifications to preserve and enjoy such a democracy, in a paradoxical way, through seven years of tragic experiences under the Yushin System. In this sense, I am convinced that our people have already reached the level of consciousness of people in politically advanced nations. Such a democratic government in which such a proud people become the true masters of their own destiny will strengthen like iron the anti-Communist national security posture, and enable the dialogue between South and North to be firmly carried out. I want to talk together with this mature people—my fellow citizens, and with their cooperation, proceed to form a democratic society and achieve the great task of national unification.

6. MY ROLE AND ACTION FROM NOW ON

We recognize that there are some forces remaining which seek to prevent democratic development; we must realize the need to gather our strength and unite together to prevent their attempt. I hope that the New Democratic Party will take the role of leadership to realize this goal.

My political future will be decided in consultation with the people in the opposition, and above all, following the will of our people. At this moment my first concern is to smoothly establish the democratic system, before any consideration of becoming a candidate for President. Because of the competition for the Presidential candidacy, I am worried that we will give an unexpected advantage to those who do not want to see the revival of democracy. As one man on guard for democracy, together with the people, I will sincerely watch over and try to prevent such an unfortunate situation.

Finally, at this 61st anniversary of our March First Independence Declaration, I and all Korean people humbly pay our respects to our forefathers, in the hope that democracy, independence and peace can be developed in accordance with their noble spirit, and that this can be realized in our generation.

KIM DAE JUNG.●

IOSIF MENDELEVICH RECOGNIZED AGAIN

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. FROST. Mr. Speaker, the story of Iosif Mendelevich, a Soviet prisoner of conscience, is worthy of this body's consideration once again.

His particular plight was first called to my attention when I participated in Intervention 96, a program sponsored by the National Council on Soviet Jewry. Labeled "The Old Adopting the New", seven freshmen Members of Congress spoke on the House floor on behalf of Russian dissidents who were at that time incarcerated in Soviet prisons.

Mendelevich had been imprisoned after the notorious Leningrad trials, for allegedly attempting to hijack a plane to Israel. Although all but two others arrested at the same time and for the same offense have since been released, this man remains incarcerated. He is a devout Jew who consistently refuses to breach the doctrines of his faith. To avoid operating machines on the Sabbath, he works extra hours each day to meet his quota. On Passover, 1974, Mendelevich fasted for 8 days rather than eat foods containing leavened ingredients which are forbidden during the holidays. And he cannot eat many of the foods in his already meager camp diet because they are not kosher. Although the camp doctor gave his permission for Mendelevich's cereal to be served to him without pig oil, the prison director subsequently reversed the decision, citing his reluctance to afford any one prisoner special treatment over another.

Mr. Speaker, I do not have to tell you what effect the combination of hard labor, poor nourishment, and extreme mental strain can have on a man's well-being. In poor health to begin with, I have received documented proof of the deterioration in his health. Yet the latest information I have received indicates that the prison doctors continue to prescribe aspirin for a condition that was diagnosed as a rheumatic heart condition when Mendelevich was a youth.

And he suffers from other strains. His stepmother and sisters were permitted to emigrate to Israel and his father, his only living relative in the Soviet Union, died last year. He does maintain contact with another Soviet family, but they report that he has not been permitted to receive a visitor in 6 years and that he has not been permitted a letter from his stepmother in some time.

My appeals on behalf of this man have gone to all levels of the Soviet bureaucracy. Initially, I wrote directly to Soviet Secretary Brezhnev and Interior Minister Schelokov and appealed to them for special consideration of Mendelevich's case. When I was informed that Mendelevich had not received my first letter to him, I again wrote Soviet Secretary Brezhnev and to the Minister of the Interior, and demanded that he receive the correspondence he is legally entitled to under Soviet law. I have written the Minister of Health, asking that Mendelevich's unique health problems be given the attention they need. And, I even wrote then-Secretary of Health, Education, and Welfare Harris and asked that she petition her counterpart in the Soviet Union on behalf of Mendelevich. Finally, I traveled to the Soviet Embassy here in Washington and spoke with the political counselor there about this man.

There have been no miracles as a result of my efforts. True, Mendelevich has received my letters to him and we have learned that my appeals have been heard in Moscow.

But beyond this, no other tangible achievements have resulted. There are those that would point to this record and give up in exasperation. I intend to continue speaking out and working behind the scenes, on behalf of Mendelevich and on behalf of the countless other Soviet citizens who share his desperate situation. As a Member of the House of Representatives, I believe I have been afforded a unique opportunity to affect the course of human rights development in the Soviet Union, and I plan to take advantage of that opportunity. I plan to continue advising Soviet leaders that I consider their human rights records to be inadequate and that I consider them long past due in recognizing the fundamental rights that every human being is entitled to. And, Mr. Speaker, I plan to continue doing so, regardless of the political situation prevailing between our two Governments, until the Soviet record shows that my intervention is no longer warranted.●

CONGRESSIONAL SALUTE TO HON. CASEY KORDYS, OF NEW JERSEY, 1980 "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ROE. Mr. Speaker, on Wednesday, May 21, the residents of my hometown of Wayne, Eighth Congressional District and State of New Jersey will join together with our fellow Rotarians in testimony to my good friend, outstanding community leader, prominent architect, and distinguished citizen, Hon. Casey Kordys, of Wayne, N.J., whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the 1980 Paul Harris Fellow of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members. I know you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Casey Kordys and share the great pride of his good wife Jean and son Robert in applauding this milestone of achievement in his most illustrious and rewarding lifetime of fulfillment and purpose.

The Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get—we make a life by what we give"—"service above self"—and their good deeds in helping others, young and adults alike have served to inspire all of us. Casey Kordys has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people.

Mr. Speaker, Casey Kordys in his career pursuits has truly achieved a highly respected reputation as an architect of great eminence whose good works will ever stand as a lasting memorial to his splendid professional expertise. Of even greater significance is the heart-warming knowledge of the magnitude of the unselfish dedication, free spirit, silent courage, and noble efforts that he has extended to overcome not only his own physical handicaps during his hospitalization for 11 years during his young manhood but his dedication and devotion to providing a better standard of living for the handicapped citizens of our Nation. The president of the Wayne Rotary Club, Hon. Ralph Van Der May, expressed the Wayne Rotary Club's esteem of Casey Kordys, as follows:

> Casey was born into a family that had a struggle to support seven children during the depression years.
>
> He was hospitalized, as the result of an injury that occurred while playing baseball, from 1934 age 19 until 1945 age 30.
>
> During his long ordeal in the hospital it was the famous Dr. Kessler who took a personal interest in this young man and saved his leg and directed his care to final recovery and rehabilitation.
>
> Casey must have been a wonderful person even before he endured this long and dreadful ordeal, however, there is no doubt that his experience further matured his deep compassion for others particularly the less fortunate and handicapped.
>
> I know of no one in Rotary or associated with the Foundation for the Handicapped who responded more quickly or worked harder to support worthwhile projects, than Casey. He truly lives by the Creed.
>
> "We make a living by what we get—we make a life by what we give."
>
> When it comes to giving of himself to support charitable projects, his first love has been the Foundation for the Handicapped. He was a charter member, a Vice President and a Trustee since it was established in 1968.
>
> His architectural expertise and dedication transformed an abandoned sewage plant of 800 square feet into a modern, spacious, efficient, workshop of over 5,200 square feet for the Wayne Foundation for the Handicapped.
>
> During the construction of two major additions to the Wayne Foundation for the Handicapped Center in the periods 1971-72 and 1978-79, Casey donated a great deal of his time in preparing the drawings, obtaining approval for permits from both the Township of Wayne and the State of New Jersey, and overseeing the construction of a grand and wonderful new facility.
>
> He is proud of it and we are proud of him.

Mr. Speaker, all of us who have had the good fortune to know Casey are especially proud of his many accomplishments which have truly enriched our community, State, and Nation. His personal commitment to the economic, social, and cultural enhancement of our community has been a way of life for him. His outstanding public service in sharing the burdens and seeking a better life for our handicapped as well as improved physical and mental health through social and vocational rehabilitation programs for the handicapped are applauded by all of our people.

It is my great pleasure to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J., in honoring our good friend Casey as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—Hon. Casey Kordys.●

REGULATIONS SUFFOCATING HEALTH CARE

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, more and more Americans are realizing that Government regulations are simply strangling our economy. Yet small businessmen are the forgotten men of Government policy.

Recently the AADvocate, the newspaper of the Association of American Dentists, published an excellent commentary on Federal regulation in the health fields. I commend this article, written by Melvin Munn, to the attention of my colleagues.

The article follows:

> THE BATTLE: FEDERAL REGULATIONS VERSUS THE REGULATED
>
> The U.S. Constitution obviously leaves room for our governments to enact laws that protect our people—especially including working places. The problem reaches the grave state when "cures" are created by politicians for political purposes, rather than by professionals, moved principally by humane desires.
>
> Miserable is the only adequate word to describe the ragged result we see in a flood of regulatory agencies and rules in federal legislation.
>
> The people are too often stymied; creativity is too often frozen; and protection is too often stultifying when politicians start fretting over our individual and group "welfare."
>
> Zero defects in products plus zero pollution plus zero risk on the job equals maximum growth of government plus zero economic growth plus runaway inflation.
>
> Barry Crickmer's article "Regulation: How Much is Enough?" in the March, 1980 issue of Nation's Business, addresses excess regulations. Crickmer wrote: "Many of the newer regulatory programs were ill-conceived and ill-considered. Typically, each got

started when a single-interest pressure group succeeded in creating a wave of hysteria over an alleged crisis."

Ralph Nader epitomizes the irrational leadership one-issue groups tend to follow. Nader keeps coming up with "single-interest" causes, often balancing a dozen separate "movements" on his pointed head at one time. Nuclear-produced energy is tied in knots by hordes of these single-interest groups. Court suits; strikes; overly-dramatic headlines and lead stories in the media; demonstrations; protest marches and federal regulatory bodies add billions of dollars to the cost of building nuclear plants, at the same time delaying for years a giant step toward greater independence from foreign energy supplies.

The American drug industry is hidebound by FDA regulations. American leadership in chemical drug discovery and production are gravely retarded by overly-protective federal regulations. British, French and other western nations save lives with new medications while our bureaucratic bumblers refuse to approve those same elements for our patients.

AAD often documents the tragic presence of politically motivated laws and regulations in the fields of health care, especially including dentistry. The health care professions join industry, agriculture, education and all major disciplines in a sea of paper work, federally inspired/required.

Federal, State, County, City and District regulations combine to increase the "work load" of every doctor, hospital and clinic in the land. Third party insurers add even more paper work. Just about all doctors' offices have to employ one or more extra clerks to do these new legal demands on the practice.

The Occupational Safety and Health Administration (OSHA) held the Number One post in the "Illogical Sweepstakes" among regulators, until the Department of Energy and the Department of Transportation were created. OSHA is being slightly brought to heel, but only at a time when new regulators are behaving even more irresponsibly than OSHA ever did.

Despite all the rich promises of President Carter, with the possible exception of the deregulation of commercial air travel, there has been nothing but a rapid increase in federal control over everything and everybody in the U.S. There can be no recovery from that inevitable recession rushing headlong toward all of us until and unless the federal government loosens or removes federal regulations quickly and generously.●

LEGISLATION PREVENTING THE RETROACTIVE APPLICATION OF CERTAIN INVENTORY ACCOUNTING CHANGES CONTAINED IN THOR POWER TOOL

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. CONABLE. Mr. Speaker, today I have introduced legislation to prevent the Internal Revenue Service from compelling taxpayers to implement certain inventory accounting changes retroactive to 1979. In late 1979 the Supreme Court upheld the IRS position on the proper method of accounting for excess inventory for tax purposes. The case was *Thor Power Tool Co.* v. *Commissioner*, 439 U.S. 522 (1979).

In early 1980 the IRS issued revenue ruling 80-60 and revenue procedure 80-5 which officially extend the Supreme Court's holding in Thor Power Tool to all taxpayers. The effect of these two IRS documents is to impose the new inventory accounting methods on taxpayers retroactive to most of 1979.

While the IRS may have the power to require such retroactive accounting changes, it is insensitive and out of touch with our traditional standards of fair play. The retroactive accounting changes may result in a significant tax liability for some taxpayers because of the one-time adjustment which they must make for past excessive inventory writeoffs.

The legislation which I am introducing, along with Mr. FRENZEL and Mr. EDWARDS of Alabama, simply would prevent the retroactive application of the Thor Power Tool case to most taxpayers. I have made no judgment concerning the underlying merits of the Supreme Court's decision on tax accounting for excess inventory. The legislation would permit the prospective application of Thor Power Tool, that is, starting January 1, 1980. The legislation is intended to provide relief to taxpayers who were unaware of this inventory accounting dispute until the IRS rulings early this year. Thus, it would not prevent the retroactive application of the Thor Power Tool accounting changes either to the litigants in Thor Power Tool or to other taxpayers who were involved in IRS audits on this issue.

I believe this legislation provides for a fair and sensible approach to implementing new accounting rules. It preserves the integrity of the tax law and judicial process without imposing undue hardship and disruption on the business activity of numerous taxpayers.●

HOW EFFECTIVE IS THE OLYMPIC BOYCOTT?

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DUNCAN of Tennessee. Mr. Speaker, I am sure that every Member of this House has heard from many of their constituents with respect to President Carter's decision to boycott the 1980 summer Olympic games to be held in Moscow. I have received letters from constituents both for and against, and one gentleman in particular has asked that I make his comments known to my colleagues. Mr. John Mark Hancock is a law student at the University of Tennessee, president of the graduate student council, and a fine citizen. His remarks appeared in the campus newspaper, the Daily Beacon on May 13, 1980:

OLYMPIC BOYCOTT IS FALLING ON DEAF EARS

(By John Mark Hancock)

President Jimmy Carter's call for the United States teams to boycott the 1980 Summer Olympic Games in the Soviet Union has struck a raw nerve among Americans everywhere. It is increasingly falling on deaf ears as athletes and their admirers alike come to the realization that the President's move is just another in a long series of political ploys designed to redeem the Administration from past ineptitudes in the areas of foreign policy.

A U.S. boycott of the Games in Moscow would be a severe blow and a great tragedy for the thousands of young American athletes who have made extreme sacrifices financially and in their future educational plans, spending years of time developing and conditioning themselves to prove America's superiority in the world of sports. These Games will be the culmination of the lifelong dream of every athlete to represent their country and its principles in the world's greatest athletic event. Since they are held only once every four years, they represent the only chance many fine participants will have of being in top form in their careers.

Such a boycott would mean not only a great personal sacrifice for the athletes but also a terrible loss to the country as a whole, in depriving our nation of the global recognition and acclaim this team would bring us in advancing the cause of freedom to all oppressed peoples. Can anyone deny that a great message for democracy was given to the world when the U.S. hockey team defeated the Russians in Lake Placid this year? Why should our summer participant in the Olympics be denied their right to similarly express their patriotism and show the Soviets and the world the greatness of America? In fact, the site of the Games gives us a great opportunity to show the Russian people the fruits of an uninhibited society where individualism is encouraged rather than suppressed.

The United States Olympic Committee is to be commended for its total commitment to having a truly great American team go to Moscow. Its efforts in fund-raising over the past few years would make this the best-financed effort in history, something that millions of people have contributed toward in time and money.

Sports should never be subjected to politics. Any move by the U.S. government to enforce a boycott of the Olympics would be an affront to the athletes and all Americans. A "stay-away" would fuel even greater Communist propaganda in trying to portray our government's action as something akin to oppression. A much stronger statement for democracy could be made by following the athletes' suggestion, as articulated by the Athletes Advisory Council to the USOC, of attending the Games but refusing to participate in the opening and closing ceremonies as a protest for the Soviet invasion of Afghanistan.

It is becoming clear that an American boycott will not be supported by any significant number of even the free countries of the world, and it certainly will have no effect on when the Soviets will withdraw their troops. Therefore, there is no national interest to be served by remaining at home and there are a number of interests which are disserved by doing so. It is heartening to see that other alternatives to a boycott are being explored by people such as the Amateur Athletic Union, to stand up for what is basically right, regardless of the government's position.

The posture of the White House has been very inconsistent. On the one hand, it has said that this is basically a decision to be made by the private sector. On the other, it has told the athletes that the decision has already been made. Will the President go so far as to prevent anyone from going to Moscow to see the Olympics?

Most of the athletes have indicated a willingness to cooperate if it would in any way further the cause of world peace. However, since it is clear that this would not occur, they should not be victimized by a meaningless exercise.

It's time for all of us to rekindle the spirit of the Winter Games, revive our slogan of "Win in 1980," get behind the greatest assemblage of athletes the world has ever seen, and send them to Moscow in a patriotic flourish. Let's strike a blow for democracy and bring all of those Olympic medals to America. Let's "Go for the Gold!"●

THE CHARMS OF MICRONESIA

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. WON PAT. Mr. Speaker, for years, I have urged every one of my colleagues to make a trip to Micronesia. In the case of Congress, there is a lot to be learned about this vast area consisting of over 2,000 miles spread over 3 million square miles of the Pacific. In the bargain, visitors will be regaled with some of the most magnificent sites nature has bestowed on this planet.

Part of my pride in Micronesia, is, of course, the fact that my home of Guam is part of this scenic wonderland. I can think of no place more wonderful than Guam and I am always pleased to be on my way back home after a few months in Washington.

Because of our geographical remoteness, Micronesia does not get the attention here in the States that is given Hawaii. This is a shame, because Micronesia offers tourists what may be one of the best financial deals around and perhaps one of the last opportunities to truly "get away from it all."

I am always pleased to see Micronesia written about in the press and today I call your attention to a recent story in the Washington Star, written by Robert Trumball, about Micronesia. Mr. Trumball has done an excellent job of giving his readers a bird's eye view of various islands in the area. I only regret that he did not include more material about Guam's many charms.

I call this article to the attention of my colleagues, who, what with our busy schedule and the hectic pace of campaigning, may be wishing for some truly beautiful spot where they can get away from the demands and rigors of public life. Micronesia is exactly that spot and I always stand ready to give my colleagues a guided tour through Guam as a starter of a trip they will never regret or forget.

At this time I ask that the article be placed in the RECORD.

MICRONESIA'S TINY ISLANDS SPREAD OVER THE SOUTH PACIFIC

Micronesia—the name comes from the Greek for "tiny islands"—consists of three great archipelagos, the Marshalls, the Carolines and the Marianas.

Lying in a broad belt 2,500 miles long and several hundred miles wide just north of the Equator, the 2,000 islands and atolls are spread over a Pacific Ocean area of about 3 million square miles, approximately the size of continental United States. But the actual land mass is about half the size of Rhode Island.

The United States administers Micronesia under a postwar arrangement with the United Nations. The ruins of Spanish walls, German churches and Japanese Buddhist and Shinto shrines recall previous occupations by Spain, Germany and Japan. U.S. forces ousted the Japanese from some of the islands in World War II, and took over the rest at the end of the war.

In negotiations with elected Micronesian leaders over the last several years, the islands have been divided politically into four entities, each more or less self-governing. Saipan, Tinian and a dozen other islands north of Guam became a Commonwealth of the United States, similar to Puerto Rico.

The Marshall Islands, the Palau group in the western Carolines chain and a new unit called the Federal States of Micronesia, consisting of Ponape, Kosrae, Truk, Yap and satellite islands, set up autonomous governments, with the United States keeping control of military and security affairs.

The political changes take formal effect only when the United Nations trusteeship terminates, an event programmed for next year by the Carter Administration. Today's traveler in Micronesia already has the feeling of passing through four countries, since each group has its own language and culture, along with separate customs and entry procedures.

Air Micronesia ("Air Mike"), an affiliate of Continental Airlines, has a monopoly on direct service to Micronesia from the United States, operating Boeing 727 jets Mondays and Thursdays from Honolulu direct to Majuro, in the Marshall Islands, and on to Kwajalein, Ponape, Truk, Guam, Tinian and Saipan. At Guam, a connecting Air Micronesia flight goes south to Yap and Palau.

Or one can fly nonstop from Honolulu to Guam by Pan American, and come back by Air Mike in island-hopping stages. The round-trip air fare from Honolulu to Truk, Saipan, Palau and Guam is $674. Continental also has a 16-day package tour to Micronesia from Los Angeles with a fare of $1,470 per person, double occupancy.

American citizens planning to be in Micronesian territory no longer than 30 days need only produce a passport or some other proof of United States citizenship. Non-citizens and those wishing to stay more than 30 days can obtain an entry permit by writing to Trust Territory Chief of Immigration, Saipan C.M. 96950.

With temperatures ranging from a minimum of 75 degrees at night to the high 80s in the daytime, and with humidity high, dress is light and casual at all times. Coats and ties are seldom seen. Washable slacks or shorts with Hawaiian-style shirts and sandals are standard. Since it may rain a lot, a raincoat or folding umbrella can be useful.

Bring suntan lotion, film, cosmetics, toiletries and pharmaceuticals should be taken along. Diving gear can be rented in Palau, Truk, Ponape, Saipan and Guam. If you forget anything when leaving home, you can probably get what you want during the unavoidable passage through Guam, the Micronesian travel hub and commercial entrepot.

Currency used is the U.S. dollar. American banks have branches on the main islands. Major credit cards are accepted by the principal hotels and some shops. Costs are moderate to cheap by Stateside standards. Tipping is not customary except on Guam.

Modern technology has yet to penetrate deeply on many of the more remote islands, and even in the government centers, where Americans have been for 35 years, facilities are still on the primitive side. Electric power service tends to be undependable because of old equipment, and some island administrations occasionally have to restrict the use of water to certain hours.

Taxis are available on all the main islands and are very cheap, with fixed fares from point to point, but it is wise to inquire at the hotel what the fare for a given distance should be, and come to an agreement with the driver before setting out. Rental cars are available at $15 a day.

Hotel dining rooms are probably the best restaurants on any of the islands. Local delicacies to sample are coconut crabs, mangrove crabs on Ponape, baked or boiled breadfruit and edible island fruits of any kind. The fresh tuna shashimi, a heritage of the Japanese occupation, is especially good. As for after-dark entertainment, a few bars and discos are good places for meeting Micronesians, and that is about it for night life.

THE MARSHALLS

First stop in flying westward, not counting a pause for refueling at tiny, isolated Johnston Island, is Majuro, capital of the New Republic of the Marshall Islands. It is worth staying in Majuro for the three days between planes just to experience life on a typical atoll, a ring of narrow, flat coral islands around a logoon.

The U.S. Navy Construction Battalion, the famed Seabees, who landed on Majuro in 1944, gave Majuro a 30-mile highway, the longest in Micronesia. Near the eastern end is the main settlement, with a few modern buildings, stores, movie theater, bars, banks and piers and the only stretch of sidewalk on any of the Micronesian atolls. Rusting, dilapidated wartime structures still stand where the administration was a generation ago.

Also worthwhile is the half-hour drive to Laura for a swim in the warm surf along a lovely white beach by a grove of palms. Fishing trips can be arranged through a local tour agency. Also outstanding is the daylong boat trip to nearby Arno atoll, where the neat little thatched villages look as if they were lifted out of the 18th century. Air Marshalls, a local plane service, offers flights from Majuro to other atolls; there are 34 in the entire group.

The handicraft shop near the Protestant church in Maduro is the best place to buy Marshallese woven ware, which is said to be the finest in the Pacific. One item that is particularly popular with visitors is the Kili bag, a special type of square handbag fashioned of tightly woven split pandanus by the residents of Kili Island, who were moved there from Bikini when that atoll was chosen for nuclear experiments. A Kili bag priced at $25 will bring two to three times that figure in the few Honolulu shops that stock them.

PONAPE

Rainfall and lush vegetation go together, and Ponape has plenty of both. The capital of the new Federated States of Micronesia is being constructed in simple tropical architecture near Kolonia, the main town. With nondescript frame buildings and bars lining the rutted main street of reddish mud. Kolonia looks like a set for a cheaply made Western movie. Away from the town, Ponape is sheer beauty, with mountains blanketed by rain forests, and marine vistas embellished with satellite islands.

Besides poking around Kolonia, one can take boat trips to the outer islands and arrange for an excursion to the Nanpil Waterfall, which lies along a jungle trail by a leaping river.

An attraction that should not be missed is the centuries-old deserted stone city of Nan Madol, often called the Venice of the Pacific because it is built on scores of artificial islands along manmade channels lined with mangroves. The boat trip from Kolonia takes 40 minutes and can be arranged through hotels for only a few dollars a person.

Side trips to other islands seldom visited by tourists are available from Ponape by the Ponape Air Service, a charter line with headquarters in the Cliff Rainbow Hotel, P.O. Box 96, Kolonia, Ponape 96941, and by the six-cabin motor vessel Micro Glory, run by Ponape Transfer and Storage, P.O. Box 340, Kolonia, Ponape 96941.

Among other nearby destinations, the ship goes to Kosrae, formerly called Kusaie, a gem of an island. The round-trip fare is $42.70 with cabin accommodation. Schedules are irregular, so passengers should write well ahead. Pacific Mission Aviation, a service run by a German cleric who was once a Luftwaffe pilot, schedules flights from Ponape to Kosrae Monday, Wednesday and Friday at $130 round trip. For reservations write P.O. Box 86, Colonia, Yap 96943.

Cottage accommodations with a jungle setting and a sea view are available at the Hotel Pohnpei (P.O. Box 430, Kolonia, Ponape 96941). The rates are $12 single and $18 double. Another hotel, the Village (P.O. Box 339, Kolonia, Ponape 96941), lies about half a mile by car from the airport and accommodates guests in individual thatched huts of Ponapean design. The dining room and bar are in a building overlooking an island-fringed lagoon. Rates: $30 single, $35 double, extra persons $5 each.

TRUK

Formerly a Japanese naval and air base, Truk is made up of a group of volcanic "high" islands surrounded by a ring of coral islands enclosing a gigantic lagoon whose blue and green waters teem with flying fish. From the island of Moen, where the hotels and government offices are, visitors can make excursions to the smaller islands where life has proceeded with little change for centuries. Scuba divers come to Truk from all over the world to explore the barnacle-encrusted hulks of more than 60 Japanese warships sunk in the lagoon by American carrier aircraft in 1944.

The best of half a dozen hotels is the Truk Continental, owned by Continental Airlines ($38 single, $50 double). The hotel is on a beach, 20 minutes from the airport (the ride costs $2 by hotel transport). Alcoholic beverages are proscribed by local law because of the devastating effect of overindulgence on the Trukese temperament, but travelers have been known to bring in bottles at their own risk.

GUAM

If stopping over, there is a choice of first-class hotels along the island's most popular beach on Tumon Bay. Rates at the best range from $23-$25 single to $28-$40 double with kitchen at the Fujita Guam Tumon Beach Hotel (P.O. Box FM, Agana, Guam 96910) to $37-$47 single and $45-$55 double at the Hilton Internation Guam (G.P.O. Agana, Guam 96910).

A drive around the island could include stops at the black sand beach at Talofofo, excellent for body surfing, and to the village of Umatac, where Magellan landed in 1521. Several agencies offer full-day bus tours of Guam for $24 or a half-day tour of Agana, the capital, and environs for $8.

Agana, a duty-free port, is packed with shops offering a wide range of imported perfumes and other goods, especially Japanese photographic, electronic and optical wares at bargain prices. American citizens returning home through Guam can take advantage of the special Customs exemption allowing duty-free import of $300 in merchandise from Guam per person.

NORTHERN MARIANAS

Saipan and the companion island of Tinian were the scene of fierce World War II battles. The main reason for visiting Tinian, which can be done by air taxi from Saipan for $10 each way, is to view the markers on the abandoned runway showing where the planes took off to drop the atomic bombs on Hiroshima and Nagasaki in August 1945.

Physical reminders of the war abound on Saipan, a pretty island with lovely white beaches and comparatively good roads built by the American Navy. The village of Susupe, just down the main road from the hotel area, is the capital of the Commonwealth of the Northern Marianas, destined to become a full member of the American community. The new status, long sought by elected political leaders of the 15,000 Northern Marianas people, was overwhelmingly endorsed in a plebiscite.

A 15-minute drive from the hotels, a cluster of battered and rusting tanks and artillery pieces stand outside a cave where the defeated Japanese maintained their last command post. Two cliffs where hundreds of Japanese soldiers and civilians leaped to their death to avoid capture by the advancing Americans are often visited by mourning relatives who have made the trip from Japan to leave religious offerings at the site. Several tour companies offer bus trips around the island.

Five major hotels along the beach have facilities for tours and water sports. The Saipan Continental and Saipan Inter-Continental are side by side. Rates at the former range upward from $67 double and $59 single. At the Inter-Continental, the rates are $45 double and $40 single. The small Royal Taga, also on the beach, is simpler and much cheaper. Single rooms are $18-20 and doubles $21-$23 (P.O. Box 66, Saipan, Commonwealth of the Northern Marianas 96950).

YAP

More than any of the Micronesians, the sturdy men and women of Yap cling to their inherited way of life. Yap is actually a cluster of four small islands so close together that they seem like one (two are connected by a causeway), and even in Colonia—not to be confused with Kolonia on Ponape—the government and commercial center, many Yapese men wear the thu, which is like a G-string. Women commonly wear dresses when in town but in the thatched villages the universal garb is a long, thick skirt of dried grass.

Yap is famous for its stone money, huge slabs of hewn rock with a hole in the center for carrying on a pole. The stone money, called rai, still has value in ceremonial exchanges.

There are only two hotels, both decidedly on the plain side. The Rai View, near the center of town, has 10 rooms at $14 single, $20 double, including tax. The Esa Hotel, on the other side of an inlet crossed by a bridge, charges $15 and $22, plus 7 percent tax. Both arrange for tours and boat trips.

PALAU

Nowhere in the tropics are marine views more magnificent than among the islands of the Palau chain in the Western Carolines, either above or below the water. The city that the Japanese built at Koror as a capital, commercial center and adjunct to the major naval base withered away after American forces captured the southern islands, but the rebuilt town is again the administrative center and will be the capital of the new republic of Belau when the United Nations trusteeship ends.

Visits to the Rock Islands, where picnickers or campers experience the sense of having a tropical island all to themselves, can be arranged through hotels or the Palau Travel Agency (P.O. Box 336, Koror, Palau 96940). This agency operates a fleet of motorboats seating six persons each, $21 to $16 a head for a cruise of six to eight hours.

For a hotel with a marine view, there is the air-conditioned Palau Continental. It stands high on a hill two miles from town overlooking the sea. The rates are $38-$44 single and $44-$50 double. The hotel charges $7 for transport from the airport, a half-hour ride.●

IN RECOGNITION OF SMALL BUSINESS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BROYHILL. Mr. Speaker, a few weeks ago, a reporter from a national magazine called me. She asked: "Representative BROYHILL, why do you think small business concerns are receiving so much attention in Washington nowadays?"

When I replied, I mentioned that the bleak economic picture has had an especially drastic effect on the Nation's small businesses.

I mentioned that our increased awareness of the Government's tendency to regulate by overkill has in turn focused our attention on the targets of that overkill. And small business has been one of the prime objects of our misguided Federal regulatory follies.

I discussed the heightened interest in small business due to the publicity generated by the Small Business Administration and the White House Conference on Small Business.

Perhaps I could have summed it all up by reiterating the theme of last week's recognition of U.S. small business. The answer, in a nutshell, is this: "Small business is everybody's business."

In formally proclaiming the week of May 10-17 as Small Business Week, the President noted, "Small business is truly the backbone of the American economy." I agree with the President.

We have traditionally looked to small business for innovation and productivity. We have looked to small business as the realization of the "American dream" and as the proof that America is a land of opportunity.

In a sense, we have looked to small business as a mirror of all that we want our free enterprise system to be.

Against this backdrop, I found it most disturbing to read in the Washington Post last week that small business bankruptcies have risen 48 percent since the Federal Reserve Board commenced the new tight-credit policy in October.

We seem to be working at odds here.

On the one hand, the President and the Congress are patting small business on the back. We are proclaiming a week as "Small Business Week." We are considering major new initiatives to address the concerns expressed by the White House Conference on Small Business.

And then we are turning around and instituting Government policies which tend to negate all of our efforts.

I, for one, feel it is very important to foster and nurture the growth of small business in the United States. This is the primary reason why I agreed to cosponsor the Small Business Development Act of 1980, H.R. 6734. This bill calls for a number of actions to implement the suggestions of the White House Conference. It would be useful for me to highlight the important provisions of this legislation at this point:

At the top of the list of priorities for the White House conference was the need to replace our corporate and individual income tax schedules with more graduated rate scales, and to adopt a simplified accelerated capital cost recovery system. H.R. 6734 would carry out these goals. In addition, it is important to note that the Capital Cost Recovery Act, of which I am a cosponsor, and which calls for a new accelerated depreciation structure, now enjoys the support of 296 Members of this body.

The White House Conferees were concerned about equal access to justice. A provision to provide relief to small businesses in defending themselves against arbitrary judicial and administrative civil action by the Government was included within H.R. 6734. In fact, this provision was recently approved by the House Small Business Committee, and a number of us are hopeful it will receive favorable consideration by the Judiciary Committee.

Relief from Government redtape was a goal of all of the White House delegates. The bill would address this by requiring agencies to issue two-tiered regulation, to provide regulatory flexibility for businesses of differing sizes. In addition, the bill calls for a review of all existing regulations over the next decade.

On a related issue, the Conference recommended that Congress exercise its oversight function by instituting sunset reviews of all laws, regulations, and agencies. The bill addresses this point by requiring all programs to be evaluated against their original goals, the costs versus the benefits of the program, and a breakdown of the population served.

Finally, and this is something which I believe has not been stressed enough, the bill aims to encourage small business innovation and productivity. The share of Federal research which goes to small business would be increased under H.R. 6734. Also, in recognition of the fact that small business has traditionally been the leader in developing new ideas, products, and services, incentives would be offered for business to develop these projects.

In closing, I cannot urge too strongly that my colleagues who are not already cosponsors of H.R. 6734 take a good, hard look at this bill and the need for its enactment. We owe more to small business in this country than rampant inflation and stifled productivity.●

GOLD—PROTECTOR OF THE COMMON MAN

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. PAUL. Mr. Speaker, the greatest threat facing middle- and working-class Americans is our depreciating paper currency.

"Government," said Ludwig von Mises, "is the only agency that can take a useful commodity like paper, slap some ink on it, and make it totally worthless."

HONEST MONEY

Because politicians cannot be trusted with a printing press, the only answer is real money: gold and silver.

More and more people are realizing that Congress and the Federal Reserve have let loose a flood of paper money with no intrinsic value. It is rare to find an average American today who believes that wealth can come out of a printing press. The corporate bailouts, guaranteed loans, Government contracts, and welfare gimmicks have all failed, and the people can be duped no longer.

Those of my colleagues who have been in office for too many years and have therefore lost touch with the people, pay no heed to the rising clamor for money of real value. Congress alone is responsible for inflation, and Congress alone can stop it. It has shirked its responsibility for generations, but events are making a continuation impossible. It is time now to prepare for monetary reform, that is, a gold standard.

WHY INFLATION?

Why does the Government cause inflation by depreciating the dollar?

Commonsense tells us that we can not create wealth by multiplying the number of monetary units. "We are now taught to believe (by the proponents of paper money,)" said Jefferson, "that magical tricks upon paper can produce as solid wealth as hard labor in the earth. (However) nothing can produce but nothing."

Politicians, now as in earlier times, seek to advance their careers by seeming to give the people something for nothing. The something is a Government program; the nothing is inflation, paper money of no inherent value.

Politicians also claim to be helping the poor by creating wealth for them. A little reflection makes it obvious that no wealth can be created by duplicating monetary units. Wealth can be transferred from one to another, but no new wealth is created. And the transfer is always from the less well off to the well to do.

WHO BENEFITS FROM INFLATION?

Politicians inflate in response to pressure, and inducements, from three powerful special interests: some big banks, certain large corporations, and the bureaucracies, all of which benefit from inflation.

Big business benefits because its employees' true wages fall during inflation.

Inflation also benefits debtors. First of all, an infusion of new paper money into the banks lowers interest rates for a time. Also, debts can be repaid in cheaper money. Inflation helps all debtors, but the biggest debtors are the Federal Government itself and the giant corporations. You have to be big to be able to go deeply into debt. Multinational companies can borrow much larger sums, at lower rates, than small businessmen.

The large banks, which have been prominent promoters of fiat currency, have certainly benefited from inflation as well. Their "profits" have been enhanced, since somebody has to loan all the new money created by Government, and pass it on to the large corporations, and charge interest on it. The international bankers are delighted to do so.

Government benefits as well, since inflation, combined with our steeply progressive income tax system, pushes people into higher brackets even when their purchasing power has decreased.

WHO IS HURT BY INFLATION?

First of all, the community as a whole is harmed by inflation. "An increase in the money supply confers no social benefits whatsoever," says Dr. Hans Sennholz. "It merely redistributes income and wealth, disrupts and misguides economic production, and as such constitutes a powerful weapon in a conflict society."

Whoever gets the new money first benefits the most. But the favored industry becomes dependent on new injections of Government credit, and therefore forms a powerful special interest lobby to argue its viewpoint in Washington. Thus does inflation encourage the breakdown of society into waring factions.

People who hold their assets in dollar denominated assets—bank accounts, bonds, pension funds—are badly hurt by inflation. The savers, the people responsible for accumulating the capital necessary for economic growth, are robbed by the inflationists just as surely as if they had been mugged. Retired people are driven into poverty.

Although many Americans today see sound money as the exception and paper as the rule, the opposite is true. Even the American dollar had a connection with gold up until 1971. Since that tie was severed, the debasement of the dollar has accelerated, with the money supply doubling. This doubling has had the inevitable result of boosting drastically the cost of living.

Gold has served as the principle medium of exchange throughout history because: (1) Its value does not depend on a Government fulfilling its promises, especially in times of crisis; (2) it is scarce; (3) it is portable; (4) it is easily divisible; (5) it is durable; (6) it is desirable; (7) it is impossible to counterfeit.

Paper money's worth depends on the promises of government, and it is all too easy to reproduce. Combined with these human flaws that seem to be especially common in politicians and central bankers, no fiat currency can ever serve as a stable medium of exchange for more than a short time. The only answer is a modern gold standard.

THE ANSWER

Government's only reason for existence is the protection of life and property from aggression, foreign or domestic. When it destroys money, government is acting perversely, by harming life and property. The monetary destruction has taken a long time, but we are coming to the end. The foundations have been laid for a new monetary order, however. In 1974, we reversed the unconstitutional 1934 law that barred private ownership of gold. In 1977, gold clause contracts were legalized. In 1979, a bill to repeal the Treasury's power to seize privately held gold was passed by the House and is now pending in the Senate. The minting of gold medallions, as provided by law, will emphasize the importance of the people's right to own gold.

We must also work on halting massive gold sales at below market prices to European central bankers and Arab sheiks. If we continue to sell gold, let's do so in sizes that Americans can afford—one, one-half, and one-quarter ounce coins. Eventually we must repeal the legal tender laws, which work only to the benefit of the Government and other large debtors, by forcing creditors to accept depreciated currency. Federal Reserve notes must be made 100 percent redeemable in gold as of a fixed date, and at a rate determined by the market price on that date. Along with this, we must balance the budget and pledge never again to expand the money supply.

Hard money of gold, as our Founding Fathers knew, protects the common man. Paper money aids only the special interests.●

THE DEREGULATION COMMITTEE AND THE DIFFERENTIAL ON MONEY MARKET CERTIFICATES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. PATTERSON. Mr. Speaker, this afternoon, the Depository Institutions Deregulation Committee is scheduled to meet to consider eliminating the differential on money market certificates when rates are below 9 percent. I believe strongly that the committee would be wise to reconsider that course of action.

As we all know, the housing industry today faces one of its biggest challenges. The housing finance industry is attempting to cope with the changes enacted in Public Law 96-221—changes that affect the fundamental operating practices of that industry.

During consideration of H.R. 4986, which later became Public Law 96-221, it was clear that the major differences between our depository institutions would be phased out gradually and certainly with the ability of our thrift institutions to offer services now commonly offered by commercial banks. These powers have not been implemented yet, but the Deregulation Committee seeks to alter in a critical fashion the ability of the thrift industry to attract and retain funds which sustain this Nation's housing industry. It is my firm belief that this differential should be left intact at this time and I would recommend that the committee review courses of action that it can and should take to assure the continued ability of our depository institutions to complete in the marketplace.●

THE REALITIES IN THE MIDDLE EAST—PERSIAN GULF AREA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BOB WILSON. Mr. Speaker, the House Armed Services Committee recently returned from the Middle East-Persian Gulf area. I found conditions are very much in line with that described by former President Nixon in his recent book, "The Real War."

I include a review of Nixon's comments on the Middle East as reported in the San Diego Union, April 29, 1980:

SOVIET THREAT LOOMS IN MIDEAST

(Five years out of office, former President Richard Nixon's record in foreign policy stands virtually unblemished, whatever may be said of him in other fields. In his new book, "The Real War," he analyzes the international situation and offers expert advice on how to deal with it. In the third of seven excerpts from the book, he finds the Soviet Union moving menacingly toward the Persian Gulf oil fields. He warns that Moscow has equipped the Cuban army with the latest armored weaponry and is stockpiling in Southern Yemen the type of material that would be needed for an armored strike across the Arabian Desert.)

If the Soviet Union gains the power to turn off the oil spigots of the Middle East, it will gain the power to bring most of the industrialized West to its knees.

To achieve this, it is not necessary that the Soviets actually take over the nations of the Persian Gulf, as they took over Afghanistan. Their purpose can also be served by external pressures or internal upheavals that deny those countries' resources to the West.

The guns of World War II were barely silenced when Stalin made his first push toward the Persian Gulf. After their wartime occupation of the northern part of Iran, the Soviets brazenly refused to remove their troops and demanded creation of a "joint company" to exploit the oil reserves of northern Iran, with 51 percent of the shares to be held by the U.S.S.R.

President Harry Truman later wrote: "The Soviet Union persisted in its occupation until I personally saw to it that Stalin was informed that I had given orders to our military chiefs to prepare for the movement of our ground, sea and air forces. Stalin then did what I knew he would do. He moved his troops out."

The next Soviet threat to the Persian Gulf came in Greece and Turkey, where Britain was cutting back on its commitments.

The Truman Doctrine was born; American power would seek to restrain Soviet power in the eastern Mediterranean.

Europe's shift in basic energy source from its own coal to imported oil dramatically changed the geopolitical structure of the world. Now oil is the lifeblood of modern industry, the Persian Gulf region is the heart that pumps it, and the sea routes around this Gulf are the jugular through which that lifeblood passes.

Japan relies on a "bridge of oil tankers." The gulf supplies 70 percent of Japan's oil needs as well as over half of Europe's.

Oil now supplies nearly 50 percent of U.S. energy, and while we depended on imports for a third of our oil in 1973, we now import half of it. Further, Canada was one of our leading suppliers in 1973; five years later the Organization of Petroleum Exporting Countries (OPEC) provide more than 80 percent of our imports.

The question of who controls what in the Persian Gulf and the Middle East is the key to who controls what in the world.

Britain's phased withdrawals from responsibility "East of Suez" after World War II created a series of power vacuums that were filled by anti-British nationalists, egged on by the Soviets.

In 1951, Mohammed Mossadegh pushed through the Iranian legislature a measure nationalizing the Anglo-Iranian Oil Co., and then himself became prime minister.

In 1953 Mossadegh attempted to overthrow the shah. The CIA and other allied intelligence agencies gave covert help. Mossadegh was ousted and the shah was restored securely to his throne.

New discoveries of oil in the late 1950s made the supply so plentiful that in 1960 Exxon cut the price it was willing to pay the oil-producing countries. The oil-producing countries were distraught. Five of them banded together in an organization that got little attention at the time: the Organization of Petroleum Exporting Countries.

At the time of the 1967 Arab-Israeli Six Day War OPEC's Arab members declared their first oil embargo against the West. It quickly collapsed, however, when non-Arab producers, led by Iran and Venezuela, filled the gap.

A 27-year-old firebrand named Moammar Khadafy seized power in Libya in 1969 and got one producer to post a 30-cents-a-barrel price hike. The genie was out of the bottle. A "leapfrogging" of prices had begun.

In the fall of 1973 OPEC decreed a quadrupling in the price of oil.

Overnight, the economic structure of the world was turned upside down.

Rather than replace the British presence with a direct American presence the United States chose to rely on local powers, primarily Iran and Saudi Arabia, to provide security for the Gulf, while it assisted by making arms and other supplies available. This "two-pillar policy" worked reasonably well until one of the pillars—Iran—collapsed in 1979.

In addition to the threat presented by their naval presence, in recent years the Soviets have been converging in a bold pincer movement on the Gulf. They are making two wide flanking movements in an attempt to cut the West's oil jugular.

The first pincer came across Africa. It started in Angola.

In 1978 a pro-Moscow group seized control of Afghanistan and eagerly accepted offers of aid. And then the Shah of Iran was driven from his throne. In the final days of 1979, with the Shah gone, with Pakistan in turmoil and shunned by the United States, the Soviets brazenly moved the Red Army itself into Afghanistan, bringing Russian planes and armor within easy striking range of the narrow entrance to the Persian Gulf.

After the British withdrew in 1971 Iran had taken their place as the military power that guaranteed stability in the Gulf. Iranian forces occupied the strategically located islands of Abu Musa and Tumbs overlooking the Straits of Hormuz. In 1973 the shah sent Iranian troops to Oman's Dhofar Province, where Marxist guerrillas were threatening Oman. The shah ordered work begun on a naval base at Chah Bahar in Iranian Baluchistan to guard the entrance to the Straits of Hormuz.

In addition to refusing to participate in the Arab oil embargoes of 1967 and of 1973, the shah continued to recognize Israel, provided oil for the U.S. Mediterranean Fleet, and kept Iraq from playing any significant role in the Yom Kippur War. During that war his was the only country in the area to prohibit Soviet overflights; he also rushed oil to an American carrier force in the Indian Ocean to keep it in operation. When U.S. allies were asked to send arms to South Vietnam before the Paris accords forbade it, the shah stripped himself of F-5s.

The new Iranian regime has made enemies of its neighbors by pitting Shiite Moslems against Sunni Moslems and reopening territorial disputes the shah had settled.

The shah's successors have abandoned work on the Chah Bahar naval base and canceled most of his billions of dollars of projected arms purchases.

The Russians have invaded Afghanistan, which they might not have dared do if the shah were still on his throne, allied with the United States and in control of the once formidable Iranian army. Pakistan now feels the hot breath of the Russian bear on its own border, and has to expect that the Soviets will soon try to subvert it by encouraging and directing Baluchi and Pushtun rebellions.

The vast majority of the crude oil reserves in the Persian Gulf are within a few hundred miles of the Iraqi border—in the nearby areas of Iran, Kuwait, Saudi Arabia, and the United Arab Emirates.

The Soviets remain interested in gaining control of Iraq.

The Soviets have recently equipped the Cuban army with the latest in armored weaponry, and the Soviet brigade discovered in Cuba in 1979 may well be training Cubans in armored warfare. Intelligence reports have indicated that the Soviets are stockpiling in South Yemen precisely the sort of advanced battle tanks, combat carriers, and other arms and equipment that would be needed for an armored strike across the desert.

Russia is moving southward toward that region in which, as former Soviet Foreign Minister Vyacheslav Molotov said, the "center of the aspirations of the Soviet Union" lies.

The Soviet Union now exports 3 million barrels of oil a day; half of its 1978 foreign currency earnings came from oil exports. Forecasts of Soviet oil production suggest that it may peak soon, and decline during the 1980s; the Soviets themselves may well become net oil importers during this period.

There are no natural barriers separating Afghanistan from the Arabian Sea and the Straits of Hormuz. There is only barren land and, ominously, a zone of instability.

That zone of instability is called Baluchistan. Five million Baluchi tribesmen live in southern Afghanistan, western Pakistan, and southeastern Iran. Even before the Soviets openly invaded Afghanistan, there were reports that they were using camps in that country to train, indoctrinate, and supply separatist Baluchi rebels from Pakistan. A People's Republic of Baluchistan would give the Soviets a red finger pushing through to the Indian Ocean.

Oil supplies from the Mideast are vulnerable to three major threats—the potentially explosive Arab-Israeli conflict, Soviet adventurism, and local revolutionary forces such as those that overthrew the shah.

For years Americans thought of Middle Eastern conflicts almost exclusively in terms of the Arab-Israeli contest. But there is unrest or the danger of unrest in every country in the Middle East.

Even the "Islamic revolution" defies simple categorization. Among the world's 800 million Moslems there are more non-Arabs than Arabs; Moslems form a majority or a sizable minority in 70 countries. The world's most populous Moslem country is Indonesia. There are more Moslems in India, Nigeria, the Soviet Union, and even China than in most countries of the Middle East.

Israel has demonstrated in four wars over the past 30 years that it can more than hold its own against its neighbors. But if the Soviet Union were to stage a full-scale intervention, as it threatened to do in 1973, Israel would go down the tube. Even if Israel has or acquires nuclear weapons, its modest nuclear capability would not be a deterrent against the nuclear might of the Soviet Union. The key to Israel's survival, therefore, is U.S. determination to hold the ring against the Soviets.

There are some basic principles that must form the foundation of any viable policy. First, the Palestinians must recognize Israel's right to exist in peace and must reject the use of terrorism or armed action against Israel or Israeli citizens. Second, Israel must comply with the provisions of U.N. Resolution 242 with regard to the return of occupied territories. However, Israel is entitled to secure borders and cannot and should not be expected to agree to setting up a hostile armed state in its gut on the West Bank. Third, occupied territories that are returned should be demilitarized.

Since oil is not a convenience for the West, but a necessity, the United States and our allies in Europe and Japan must make it a priority to provide economic and military assistance to governments in the area that are threatened by internal or external aggression. The enunciation of a grandiose "doctrine" that the United States will resist a threat to the region by responding militarily is an empty cannon unless we have the forces in place to give credibility to that pledge.

It is essential that the United States have base facilities so located as to enable it to project its power convincingly. And then, when we do project power, we must do so resolutely. Announcing the emergency dispatch of an aircraft carrier to the Persian Gulf only to turn it back to avoid provocation, sending fighter planes to Saudi Arabia but sending them unarmed—gestures such as these are worse than futile. By inviting contempt, they encourage aggression.

Above all, the leaders of Saudi Arabia, Oman, Kuwait, and other key states must be unequivocally reassured that should they be threatened by revolutionary forces, either internally or externally, the United States will stand strongly with them so that they will not suffer the same fate as the shah.●

TUSCALOOSA'S MAN OF THE YEAR

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. SHELBY. Mr. Speaker, Tuscaloosa, Ala., has seen fit to recognize Tim Parker, Jr., as its Citizen of the Year, and I simply want to second that nomination here today.

Tim has been an exemplary citizen and a very real asset to the city of Tuscaloosa. In civic responsibilities, Tim serves as chairman of the Tuscaloosa County Industrial Development Authority, on the boards of the Kiwanis Club, the First National Bank of Tuscaloosa, and the Stafford Inn, is the 1980 president of the United Way of Tuscaloosa County, sits on the executive committee of the Greater Tuscaloosa Chamber of Commerce, acts as president-elect of the YMCA Central Branch Board, is a participant in the 1980 Heart Fund campaign, chairs the fund-raising drive for 1981's Heritage Week, and acted as president of the Tuscaloosa Tip Off Club to promote University of Alabama basketball. Somehow Tim also finds time to earn a living as vice president of Parker

Towing Co., Inc. A longtime Alabamian, Tim graduated from the University of Alabama and was subsequently commissioned as a second lieutenant in the U.S. Army serving a tour of duty in Vietnam.

It is a pleasure and an honor to know this extraordinary man and to have the forum in which to extend to him my own congratulations for a job well done. We here in Congress could take a tip from the boundless energy and purposefulness of Tim Parker, Jr.●

A TRIBUTE TO MARGARET SWEZEY: 1980 BANKER ADVOCATE OF THE YEAR

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. ADDABBO. Mr. Speaker, I would like to take this opportunity to pay tribute and call to the attention of my colleagues the accomplishments of Margaret Swezey, vice president and director of government and community planning for the Citibank office in Flushing, N.Y. Recently, in recognition of her many devoted years on behalf of the small businessman, this charming woman was named the "1980 Banker Advocate of the Year" by the Small Business Administration. No one has ever been so deserving of such an honor.

I have known "Peg" for many years and can honestly say that I have never met anyone as concerned and devoted to the needs of the small businessman and woman as she. Very early in her career Margaret understood how important the small business was to the life of a neighborhood, fully understanding that when small businesses begin to leave an area, the neighborhood stands a very good chance of deteriorating. She understood that the small shopowners, restaurateurs, and so forth, always were battling to raise money for capital expenditures, always looking for banks to lend them money. Much to her credit, a great deal of her time at Citibank has been spent working to see that the credit and counseling needs of these people were met. Under her guidance, the Queens Branch was the first Citibank office in New York City to regularly participate in the Small Business Administration loan guarantee program. In 1979, Citibank became the first certified bank in New York under the SBA's bank certification program. She was the impetus that persuaded other lending institutions to join the bank certification program, making these services available to both banks and businesses.

This active woman is constantly on the go, regularly participating in education seminars for businessmen and women, appearing on radio and TV programs, as well as serving on 17 different municipal boards. In spite of her hectic and time-consuming schedule, she recently took time out to attend the White House Conference on Small Business, in addition to her membership on President Carter's Interagency Committee on Women's Business Enterprise. Furthermore, she presently serves on SBA's National Advisory Council, several chambers of commerce, and on the National Association of Women Bankers.

The United States is a Nation made up of thousands of small businesses, each a vital part of our gross national products, each a source of innovation and new jobs. Without the small businessman and woman, and without the banks and lending institutions that provide the much needed funds to keep them going, our economy would be in a very bad way. Thanks to people like Margaret Swezey I am confident the small business network will be a valuable resource for many years to come. I wish her continued success in her endeavors and many more happy and healthy years.●

EL SEGUNDO SALUTES RETIRING COUNCILMAN RICHARD G. NAGEL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DORNAN. Mr. Speaker, the city of El Segundo, Calif., is losing one of its most dedicated public servants with the retirement of Councilman Richard G. Nagel.

Councilman Nagel has served his community in many capacities. First elected to the council in 1964, his leadership ability was immediately recognized with his election as mayor pro tem, a position he held for 14 years.

A resident of El Segundo for over 25 years, Mr. Nagel has been active in efforts to maintain its environmental quality. His distinguished service includes tenure as chairman of the League of California Cities Quiet City Commission and membership in the California Legislative Noise Advisory Committee, the National League of Cities Environmental Quality Steering Committee, the Environmental Protection Agency Noise Advisory Committee, and the EPA Five-Year Noise Plan Advisory Committee.

A father of seven, Councilman Nagel's community involvement includes active participation in the little league, Bobby Sox, and Boy Scouts. On our Nation's 200th birthday, he proudly served as a member of the Bicentennial Committee.

Commitment and ability have led to further government service in Councilman Nagel's career. His membership in the League of California Cities—Los Angeles Division, of which he was the director, spans three decades. He was also the director of the Inter-City Transportation Committee, an important post in a huge metropolitan area dependent on the automobile.

Mr. Speaker, the list of achievements goes on and on. The people of El Segundo love Dick Nagel for his dedication to keep their city a safe, beautiful community. As their Representative in Congress, I know the high regard in which he is held by the citizens who have elected him for 16 years of government service. That, perhaps, is the greatest compliment that can be paid to an elected official. While his activities and involvement will certainly continue, I join thousands of southern Californians today in congratulating Dick Nagel on an outstanding career in El Segundo city government.●

THE FTC, A NUISANCE?

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DOWNEY. Mr. Speaker, there has been much written about the FTC over the past year. Most of it has been critical.

Oddly enough, I found the following article in the business section of Newsday last week. Regardless of their various positions on the agency, I hope my colleagues will take the time to read it.

The article follows:

FTC IS A NUISANCE, BUT A NEEDED ONE

(By Robert Reno)

Excessive zeal in defending the rights of the American consumer can get you killed.

The hit men of Washington's business lobby have made this all too plain to the Federal Trade Commission. The 65-year-old agency officially went out of existence for one day this month while its appropriations were held hostage in Congress by business interests determined to rid themselves of what they regard as excessive FTC interference in the free marketplace.

This is in line with the currently fashionable and jargon-ridden movement against big government per se and bureaucrats, taxes and heavy-handed regulation in general.

The FTC's enemies are legion, as well they should be. Nobody can deny that the agency is a pain in the neck. When you try to be a civilizing influence in something as basically barbaric as a marketplace, it is silly to expect anything different.

What the FTC has tried to do in recent years essentially is to bring the same protection to buyers of cough syrup and eyeglasses as the Securities and Exchange Commission has long provided for richer consumers, who buy stocks and bonds and other things that a lot of ordinary people can't afford.

Ordinary citizens to whom the FTC is just another remote and unfamiliar bureaucracy may be tempted to applaud this latest assault on the merchants of red tape and regulation. To some, it may seem like just another case of money-spending government goodie goodies getting their just due.

But if the FTC is an expensive nuisance to be gotten rid of, it is important to ask ourselves just what it is we are defending against it.

Should private vocational schools using slick advertising be able to lure lower income groups into paying high tuition to be trained for jobs that don't exist? The FTC recently got a Florida institution to agree to pay up to $750,000 in refunds to students it claimed were so misled.

Should a major retailer be able to reject applicants for credit without giving them a reason? The FTC won $175,000 in penalties against a retailer that did so.

Should land speculators be able to sell "dream lots" in a stretch of remote and godforsaken Colorado scrub desert by using elaborate brochures picturing clear mountain streams and ski slopes? The FTC has secured up to $14 million in refunds to consumers who bought these lots.

Should anyone buying a refrigerator or air-conditioner be able to get a good idea of how much electricity it's going to use and how efficient it is compared with other models? Only because of a new FTC regulation soon to take effect will you be able to do so.

If you buy a size 10 garment that shrinks to a size 2 if washed in warm water, shouldn't the label tell you this? It is an FTC regulation that has forced all garment manufacturers to put care labels on their goods.

If a wood stove will burn down your house if it's installed too close to a wall, shouldn't this be mentioned in the instructions for installation? One major retailer is now reinstalling about 200,000 wood stoves because the FTC thought so.

Should a major manufacturer of blue jeans be allowed to maintain artificially high prices because it tends to dominate the market? Consumers of blue jeans have saved an estimated $50 million since the FTC took action.

Should filling stations do something as simple as posting the octane rating of gasoline on the pump where a customer can read it? They have done so since the FTC required it.

Should purchasers of life insurance be able to make an intelligent comparison of the cost of different policies without having a degree in accounting? The FTC thinks so, as this is one of the things that got it into so much trouble with Congress and the insurance lobby.

Should one of the largest corporations in the world be allowed to market bread containing sawdust without listing this ingredient? One did, but doesn't any more since the FTC got after it.

Should the drug industry be allowed to make extravagant claims for cold remedies that medical science knows to be worthless? It did for years until the FTC stopped it.

And, finally, is the free market such a fragile and perfect thing that it can't survive a few idealistic if bothersome and sometimes misguided attempts to improve it?●

SUPPORT FOR SUSPENSION OF ARMS TO GREAT BRITAIN FOR USE IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BIAGGI. Mr. Speaker, as chairman of the 130-member ad hoc congressional Committee for Irish Affairs, I wish to share with my colleagues a letter I recently sent to Secretary of State Edmund Muskie. The letter, which was cosigned by 17 of my colleagues on the ad hoc committee, reaffirmed our support for the 9-month suspension of shipments of U.S. arms to the Royal Ulster Constabulary—the main police force of Northern Ireland.

Last July 12 I offered an amendment to the State Department appropriations bill which would have banned all shipments and exports of U.S. weapons to Great Britain for use in Northern Ireland. At the request of Chairman CLEMENT ZABLOCKI of the House Foreign Affairs Committee I withdrew my amendment and a committee investigation and hearing was called. It was following this that the Department of State announced the suspension.

The reasons to continue this suspension are as relevant today as they were at the time it went into effect. The text of the letter provides additional detail and I wish to insert it in the RECORD at this time:

AD HOC CONGRESSIONAL COMMITTEE
FOR IRISH AFFAIRS,
Washington, D.C., May 16, 1980.

Hon. EDMUND S. MUSKIE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: We the undersigned are writing to oppose any effort by the Department of State to lift the 9-month suspension of United States arms shipments to the Royal Ulster Constabulary of Northern Ireland.

Published reports in Hibernia and the Irish Echo strongly suggest that the Department is contemplating such an action. The suspension was put into effect as a result of an amendment sponsored by Mr. Biaggi to the State Department's fiscal year 1980 Appropriations bill. The amendment banned the export and licensure of any U.S. weapons to Great Britian for use in Northern Ireland. The amendment was withdrawn after a promise of a full investigation by the House Foreign Affairs Committee and after this investigation, the suspension was imposed by State.

The circumstances which led to this Congressional action involved a January 1979 sale of some 3,500 weapons to the RUC approved by your Department of Munitions Control. This sale was approved despite the fact that the RUC has a proven record of human rights violations documented by such organizations such as Amnesty International and a British-appointed panel inquiry known as the Bennett Commission. This sale was in violation of the spirit of Section 502(b) of the Foreign Assistance Act which prohibits sale of U.S. arms to nations or organizations who engage in patterns of human rights violations.

We stand opposed to any change in the present policy unless the RUC demonstrates to our satisfaction that they have in fact remedied those deficiencies in their policies which resulted in violations of human rights. We have seen no evidence of improvements at this point.

When the Department instituted this policy, it demonstrated that our commitment to human rights was universal. It was an important decision, reaffirmed by the President himself in a meeting with Prime Minister Thatcher in December.

We reaffirm our support for the suspension and hope to hear from you in the very near future about present State Department policy.

With kindest regards, we remain.

Sincerely,

Mario Biaggi, Chairman; Nicholas Mavroules; Frank Annunzio; Peter A. Peyser; Geraldine A. Ferraro; Jerome A. Ambro; Hamilton Fish; Robert A. Roe; Lester L. Wolff; Harold C. Hollenbeck; Antonio Borja Won Pat; Leo C. Zeferetti; Herbert E. Harris; Norman F. Lent; William Carney; Benjamin A. Gilman; Raymond F. Lederer; Michael O. Myers.●

THE SOVIET ACADEMY OF SCIENCES AND ITS SOCIAL INSTITUTES—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. McDONALD. Mr. Speaker, today I am placing in the CONGRESSIONAL RECORD part II of this item. Part I appeared in the CONGRESSIONAL RECORD for May 14, 1980, on page E 2403. In this part the authors discuss some of the individuals involved in these institutes. Among them is Colonel Kulish, who spent an extensive amount of time in the United States about 10 years ago visiting any and all top-level Americans who would speak with him. To further point out the emphasis the Government of the U.S.S.R. places on these institutes, it is interesting to note that one Valentin M. Berezhkov, a veteran foreign affairs specialist, is presently attached to the Soviet Embassy in Washington, D.C., representing the Institute of the U.S.A. and Canada of the Academy of Sciences U.S.S.R.

Part II follows:

THE SOVIET ACADEMY OF SCIENCES AND ITS SOCIAL INSTITUTES—PART II

The power base of the "old-boy" network has many forms. As the OSS and its offspring, the CIA, attracted younger members of the United States "establishment" in the 1940s and 1950s, so have the Soviet social science institutes attracted many offspring of the Communist Party elite. Sons and daughters of Kosygin, Gromyko, and Mikoyan have served on the staffs of either IUSA&C or IMEMO. Currently, Mikoyan's son is editor of the Institute of Latin America's journal, and Gromyko's son heads the Institute of Africa. According to reliable sources, sons and daughters of top military leaders, such as Marshal Zakharov, also have been on the staffs of these institutes.

Between 1965 and 1971, men and women from at least thirty different agencies had done graduate work at IMEMO, the largest of the social science institutes. Among them were rising individuals from the Ministry of Foreign Affairs, the Academy of Foreign Trade, Tass, *Pravda*, the International Department of the Central Committee, Brest University, and the Institute of Oriental Studies. Advanced degrees mean considerably more to an individual's career in the Soviet Union than in the United States. The power of institute faculty members to advance the careers of students who already are well-placed in Party and government positions enhances the status both of the institutes and the faculty members.

The Soviet Foreign Ministry cooperates with the institutes in placing and in training institute staff members. While on leave of absence from their institutes, faculty members may serve as employees of the United Nations or in the Soviet Embassy in Washington. At the completion of their assignments, they may return to their institutions. The Soviet Embassy in Washington has a full-time position for a representative of Dr. Arbatov's IUSA&C.

It is likely that within this "old-boy" network there are jealousies, conflicting personal ambitions, and even divergent views on some issues. But all get instructions from the same Politburo, and speak with one voice on Soviet policy matters. There are no "hawks" or "doves" among them. All represent the voice of the Kremlin leadership.

Another indicator of the importance attached to the social science institutes, and of the probable nature of their influence on Soviet policy, may be found in the number and quality of military theoreticians assigned to the institute staffs. Here it should be pointed out that the military profession in the USSR devotes far more time and energy to the study and formulation of strategy and doctrine than does its counterpart in the US. Some Soviet officers become career theoreticians and the more outstanding attain great prominence within the profession. Among those who either have been or now are associated with the institutes are:

V. V. Larionov, who was the composing editor of all three editions of Marshal Sokolovskiy's *Military Strategy*. In 1966, he was a Frunze Prize winner and in the early 1970s he headed the Political-Military section of IUSA&C. In 1974, Larionov was assigned to the Academy of the General Staff, the USSR's highest military college, and promoted to general major. His latest of many books, scheduled for publication this year, is entitled *Local Wars*.

Col. V. M. Kulish was assigned to IMEMO in the early 1970s. In 1972 he edited perhaps the most significant military book of that year, *Military Forces and International Relations*, which examined the questions associated with projecting Soviet military power beyond the boundaries of the Warsaw Pact. In the mid-1970s, Kulish transferred to the Institute for the Economy of the World Socialist System, where he continued in the same area of research.

General Colonel N. A. Lomov, for many years head of the Department of Strategy at the Academy of the General Staff, has been a consultant to IUSA&C. Daniil Proketor, a former faculty member of the Frunze Military Academy's Department of History of War and Military Art, is a staff member of IMEMO.

Col. Lev Semieko, one of the most prolific of the Soviet defense intellectuals, is serving on the staff of IUSA&C. He has been among the primary Soviet writers on SALT and in recent months has attacked every effort to modernize NATO forces. He is, incidentally, vice chairman of the Disarmament Committee of the Soviet Peace Council.

General Lieutenant M. A. Milshtein, of whom we will say more later, is head of the Political-Military Section of IUSA&C. In the mid-1950s he headed a new department at the Academy of the General Staff, formed to study the military strategy of the capitalist nations.

In recent years, members of the Soviet research institutes have been the Kremlin's primary spokesmen against the B-1, the neutron bomb, cruise missiles, and currently the "Eurostrategic" missile. Their propaganda campaign is clever, taking full advantage of the free and open discussion of arms-control matters permitted in the West. For their own weapon systems, they claim the Backfire bomber "has no strategic significance," and the SS-20 "is for defensive purposes" only.

IUSA&C publishes a monthly journal, *USA: Economics, Politics, Ideology*. Journal articles indicate the basic purpose of the institute. In 1979, eleven dealt with SALT II, and thirty on the United States economy. Fifty articles were about United States domestic problems, particularly vulnerabilities. More than one hundred articles about United States military strategy and foreign policy have been published in this journal in the last three years.

Members of the institutes frequently have articles printed in *Red Star*, the daily newspaper of the Ministry of Defense, or in one of the service journals such as *Herald of PVO* (Air Defense). What is written for internal consumption in these Soviet publications is much different from the moderate and restrained articles by IUSA&C staff members that may appear in the New York *Times*, for example.

The social science institutes also prepare advisory reports (*Spravka*) on policy issues for departments under the Secretariat of the Party's Central Committee and special monthly internal bulletins (*Spets Bulletins*) with a very restricted circulation.

THE INSTITUTES' EXTERNAL INFLUENCE

Besides their primary mission of supporting the top echelons of the Party and the government in the formulation of Soviet policy, the social science institutes serve a second purpose—that of persuading influential officials and private citizens of non-Communist countries of the USSR's peaceful intent, as a step toward the broader objective of disarming the West.

Specialists in the Soviet Union concerned with the United States and Canada call themselves "Amerikanisti." The best known and most influential are found in the social science institutes of the Academy of Sciences, principally in IUSA&C and IMEMO. Their considerable persuasive powers—at least so far as foreigners who have only a superficial knowledge of the USSR are concerned—are exercised both on distinguished visitors to the USSR and in meeting with influential foreigners abroad. But, first, how do IUSA&C and IMEMO—principally the former—handle their important foreign guests in the USSR?

Despite the belief that members of the Soviet research institutes may try to foster, there has been no general opening up of Soviet society during the so-called détente period. Foreigners today have as much or more difficulty in meeting with Soviet citizens as during the Khrushchev period. There are now specific Soviet groups authorized to deal with foreigners, the members of which are carefully screened and trained for this purpose. Among them are selected members of the social science institutes.

In the Soviet Union approximately 325 of the 400 largest Soviet cities are closed to foreigners, and probably more than ninety-five percent of the land areas as well. Foreigners are permitted to stay only in special hotels, and to travel only on selected air routes and railroads. Travel by automobile or bus is restricted to approximately 5,000 miles of highways in the entire Soviet Union.

United States citizens can visit the Soviet Union in a very limited number of ways. If considered influential, they may be invited to Moscow by the Soviet Academy of Sciences. A standard program has been worked up. Many of those invited do not know the Russian language, nor are they familiar with the USSR. They are met at the airport by an English-speaking guide and a senior institute member to take them to a convenient hotel. A full and pleasant schedule is arranged: the Bolshoi Theater, a tour of the Kremlin treasures, a visit to Leningrad for a tour of the Hermitage, or perhaps a side trip to Kiev or Tbilisi. Discussions are arranged with selected English speaking members of the research institutes. Guests are shown a Potemkin Village, as carefully staged as any performance in the Bolshoi Theater.

The greatest cause for concern is that so few who visit the Soviet Union know enough about that country to even realize how they are controlled. Too many return home believing that their hosts are educated, urbane people (which they are), who sincerely want to cooperate with the non-Communist world but who feel threatened by the "encircling" NATO alliance and by the People's Republic of China. But the visitors have, in fact, seen only what their hosts wanted them to see, heard only what their hosts wanted them to hear, and met only those Soviet citizens whom their hosts wanted them to meet.

A few Western "Sovietologists" are accepted by the Soviets under various exchange programs, but only to do research on subjects approved by the Soviet authorities, such as the early works of some obscure Russian poet. Many come as part of a group to attend a symposium or conference. The KGB regularly harasses and attempts to intimidate those who move outside of the regular group pattern.

For the Soviet Amerikanisti, a visit to the United States has been an entirely different story—at least until the Soviet invasion of Afghanistan. In the early 1970s, as détente was coming into full bloom, leading Americans in government, education, science, and business visited Moscow in increasing numbers. English-speaking members of the research institutes, after being cleared by the KGB to talk to foreigners, found themselves swamped with requests to meet the many guests. It was only natural that invitations would be extened to the Soviet hosts to travel in the United States. When they visit the United States, they have ready access to influential organizations and leaders in every field of activity. They can travel almost as freely around the country as can any American.

In their studies and travels in the "capitalist" world, Soviet scholars are acquiring political, military, economic, scientific, and technical data defined by Marshal Sokolovskiy in *Military Strategy* as strategic intelligence. It would be difficult to find a better method of obtaining information on another nation than that used by the Soviet institutes. They have put intellect into the intelligence process.

The meetings with Americans have offered a platform to justify Soviet foreign actions and to sell Soviet policies. As Dr. Arbatov once remarked, his job is not simply to study the United States, but also to explain the Soviet Union to Washington. When selling "peace-loving and progressive" Soviet policies, it should be expected that the institute members give out a great deal of "disinformation." In private conversations and small discussions, the "Amerikanisti" have argued persuasively that "the Soviet Union does not threaten anyone" and that the deployment of new United States weapon systems, such as the "Eurostrategic" mobile missile in NATO, might bring the "hardliners" to power in the Soviet Union.

The head of the Political-Military section of IUSA&C, General Milshtein, who was mentioned earlier, is a good example of how the Amerikanisti operates abroad. He has visited this country and Canada many times and met with the heads of research organizations, US senators and senior congressional staff members, and Americans prominent in many fields. During these trips, he has lectured at several leading US universities where he impressed his audiences with his detailed knowledge of the US armed forces. In his last visit, during the fall of 1979, General Milshtein attended defense hearings on Capitol Hill, and in California addressed several groups on arms control, urging the rapid approval of the SALT II Treaty.

SUMMARY

There is no way of knowing to what extent the social science institutes of the Soviet Academy of Sciences influence Soviet policy. If there were no institutes, the Kremlin's foreign and defense policies probably would be much the same as they are now, but perhaps articulated and implemented with less sophistication. In any event, there is no reason to fault the USSR for setting its best brains to work on its problem and objectives as seen from the Kremlin.

There is plenty of reason to criticize the way the social science research institutes have carried out their second function of influencing public and official opinion outside the USSR. For very little cost, trained Soviets are able to meet with Western leaders, both in Moscow and in the West, to gather information first-hand, and to spread disinformation.

The criticism should be directed as much at ourselves as at the Soviets. The West has meekly accepted rules laid down by the Kremlin that have made these potentially valuable contacts—including contacts between Western Sovietologists and Amerikanisti—a one-way street. This should have been expected, but it need not have happened. An informal association of US scholars, for example, could have demanded reciprocity.

Whenever the West agrees to play by Soviet rules, it will always come out a loser. That message apparently is now understood in Washington and elsewhere, but dangerously late in the game.●

FATHER PETER FIORE MARKS ORDINATION ANNIVERSARY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. SOLOMON. Mr. Speaker, on Sunday, May 25, the Reverend Peter A. Fiore, OFM, a native of my hometown, Glens Falls, N.Y., will celebrate the silver jubilee of his ordination to the priesthood with a concelebrated Mass in St. Mary's Church.

I would like to take this occasion to call the attention of my colleagues in Congress to the life of Reverend Fiore, for I believe that he exemplifies the values of patriotism, service to the community, and love of God to which all Americans should aspire.

Father Fiore is the son of Mrs. Peter Fiore of 54 Walnut Street, Glens Falls, and the late Mr. Fiore. A graduate of St. Mary's Academy, he holds a B.A. from Siena College and an M.A. from the Catholic University of America. He received his Ph. D. from London University in England.

He entered the Franciscan order in 1950 at Paterson, N.J., and, after studies in philosophy and theology in Washington, D.C., he was ordained to the priesthood on June 9, 1955, by the then apostolic delegate to the United States, the Most Reverend Amleto G. Cigognani, DD.

Father Fiore, who is a professor of English at Siena College and chairman of Siena's English department, has held various administrative offices at the college. Aside from his studies in England and Italy, he has been visiting professor at London University. He is the author of three books and numerous articles in literary journals. Twice he has been the recipient of grants from the Glens Falls Foundation, and he has also received grants from the British Museum in London for research and publishing in the field of English literature.

He is a member of the Lake George Opera Festival Association and the Albany League of Arts.

A veteran of World War II, Father Fiore is a 25-year member of Glens Falls Post 233, American Legion, and serves as chaplain of the Past Commanders Association of Post 233.

I hope all my colleagues will join with me in recognition of this outstanding citizen who has contributed so much to my community, Father Peter A. Fiore.●

THE 10-CENT GASOLINE TAX—AN UNNECESSARY BURDEN ON THE WORKING PEOPLE OF AMERICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. KEMP. Mr. Speaker, the courts have cast doubt on the constitutionality of the administration's oil import fee, and Congress should act now to seal the fate of this dangerous plan. If there is to be any change at all in the Federal gasoline tax, it should be considered, debated, and voted on by the Congress.

And Congress should let the administration know that we don't need higher gasoline taxes. Americans have already made tremendous sacrifices to conserve gasoline—gasoline sales have dropped by more than 12 percent since last year. And the American people have repeatedly gone on record against the notion that a drastic increase in gasoline or other petroleum taxes is a productive, effective, and fair way to solve our National energy problem.

I oppose this new tax because it would raise consumer costs—the tax would add 0.5 percent to 1 percent to the Consumer Price Index. The Government would not be able to insure that the oil import fee will be passed on to gasoline only—so the cost of home heating oil may rise as well. And it would add to the already stifling tax burden on Americans—the American taxpayer would have to pay $90 billion more in gas taxes over the next 5 years alone.

Even worse, the tax would not discourage the import of OPEC oil, since importers would be reimbursed through the entitlements system. Instead, since the tax would fall on gasoline refiners, gasoline production would be discouraged. Refiners could avoid paying the fee by switching production from gasoline to diesel fuel and other products. Though the ability of refiners to switch is limited, the new tax would definitely encourage them to do so. And that would only increase the likelihood of tight gasoline supplies and gasoline lines this summer.

In reality, this tax has nothing to do with energy conservation—it is a billion dollar revenue measure in disguise.

I urge my colleagues to join me in rejecting this unnecessary new tax, a tax I have been actively opposing since last December. In fact, I have always opposed higher taxes on consumers. As a cosponsor of three resolutions in opposition to this oil import fee, I ask that you do all you can to kill the gas tax once and for all, and at the very least, join me in cosponsoring House Joint Resolution 531, the oil import fee resolution of disapproval.

At this time, I would like to share with my colleagues an enlightened Wall Street Journal editorial, which outlines only a few of the dangers of this ill-conceived revenue scheme:

OIL FLIP-FLOP

Throughout the Carter administration, and even before, one of the principal objectives of national energy policy has been trying to get rid of the entitlements system, a regulatory nightmare under which refiners of domestic oil subsidize refiners of imported oil. Now, however, the administration is proposing a new entitlements program, superimposed on the old one.

We got into the entitlements mess because the U.S. government was determined to hold the price of U.S. oil below the world price. This meant that refiners of domestic crude would have a cost advantage over refiners of imported crude. To make things "fair," the government required refiners of domestic crude to pay an entitlement for the right to refine oil. This payment was then transferred to the refiner who had to pay OPEC prices.

You don't need entitlements, or the bureaucracy that administers them, if there is only one price of oil. So a year ago the President accepted decontrol; his backers cited the advantage of ending entitlements. The "windfall profits" tax, you remember, was supposed to substitute for them. But the President stretched decontrol out into 1981 on the grounds that the price at the pump should be allowed to rise only slowly.

Now, in another of the flip-flops that have marked his administration, the President wants the price of gasoline to go up fast.

But instead of speeding decontrol, he has imposed an oil import fee and directed that all of its price effects must be passed through on the part of the barrel made into gasoline. The fee once again creates a two-price oil market, and market forces may not dictate the pass-through solely on gasoline. To deal with these problems, the White House has put forth, guess what? Yes, a brand new, sparkling entitlements system.

Under this scheme, refiners would have to obtain entitlements to refine gasoline. The proceeds would be used to reimburse importers of oil for the $4.62 oil import fee collected by the Treasury. All the bizarre results of this new regulatory nightmare cannot be known in advance, if indeed the detailed regulations to implement it can ever be written. But the broad outline is as follows:

The effect will not be to discourage imports of OPEC oil, since importers will be reimbursed for the fee. Rather, since the tax will fall on gasoline refiners, the effect will be to discourage the production of gasoline. Refiners can avoid paying entitlements to the extent that they can switch production from gasoline to diesel fuel and other products. There are limits to the switching that is possible, of course, but the incentive definitely exists for the refiners to move away from the production of gasoline.

Hoping to reduce our dependence on OPEC oil, the President set out to lower the demand for gasoline by raising its price with a tax. But in the process he gave refiners an incentive to reduce the supply of gasoline, increasing the likelihood of supply tightness and gasoline lines this summer.

At the same time, he has reversed the thrust of decontrol and clamped the oil industry tighter into the regulatory vise. How the $4.62 import fee translates into an entitlement for gasoline depends on the quantities of oil imported and gasoline refined. Since this relationship is constantly shifting, and since the program itself contains incentives that affect it, the DOE bureaucrats will have years of work ahead trying to keep everything straight.

It's hard to explain a foul-up of this magnitude. If the government that believes in the windfall profits tax is after more revenues and a higher gasoline price to reduce demand for gasoline, it could simply proceed faster with crude oil decontrol. The higher price in the market would discourage demand and also produce more oil company revenues subject to both the windfall profits tax and the corporate income tax. This approach would avoid both an incentive to produce less gasoline and a new layer of regulation.

The consequences of the oil import fee are a good indication of the way things work when regulations take over from the market. It also shows that regulators faced with being phased out are very good at phasing themselves back in. It would be wonderful indeed if somehow all this bureacratic resourcefulness could be channeled into the production of energy.●

PUT VOLUNTARY PRAYERS BACK IN SCHOOLS

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. GRISHAM. Mr. Speaker, on May 20, 1980, I participated in a gathering at the Capitol of religious leaders from across the Nation and several Members of Congress on behalf of National Prayer Week. The purpose of this meeting was to focus attention on a nationwide movement to put voluntary prayers back in the public schools.

I believe the issue is rather basic. Do we, as American citizens, with all the rights and freedoms that are granted under our Constitution, have that one right to bow our heads in prayer during schools hours?

I believe we do.

I do not believe that the Founding Fathers ever endorsed a concept that would so resoundingly restrict the freedom of any American.

Yet, in 1962, five Justices of the Supreme Court declared prayers in public schools illegal.

I believe that it is my responsibility to do everything I possibly can to insure that our constitutional freedoms are protected.

Discharge petition No. 7 is an extreme. Such a legislative move strips away congressional ability to hold hearings; it strips away congressional authority to amend the bill; and it limits discussion on the bill among the 435 Members of the House. But when one individual can stop a bill that so many Americans adamantly desire, then it is time for an extreme.

If this is the only way to get this bill onto the floor of the House of Representatives, then it is my duty to sign the petition. The American people must be permitted to work their will—in their communities.●

THE SUMMER OF OUR DISCONTENT

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. TAUKE. Mr. Speaker, now is the summer of our discontent. I do not believe that William Shakespeare would mind this loose paraphrase of his line. As we embark upon this summer of 1980, the American farmer is faced with an extremely severe situation. Interest rates are unbearably high; the administration continues to pursue a "cheap-food" policy; inflation is eating up what little profits there are. All these problems and many more have been enumerated on this floor many times over, but unfortunately they still remain. I believe that the attached poem by Randy and Beth Shaull, residents of the Second District of Iowa, clearly states the former's feeling of desperation. I believe that we must take action immediately.

WHY PRODUCE?

Here we are in the month of April,
  We're suppose to produce but are we able,
Prices are down, costs are up,
  Should we continue our farming or should we give up?

Hogs aren't pocketing
  But taxes are rocketing.
Cattle are lowering
  With interest rates soaring.

Corn and bean prices far from enticing;
  Seed, fertilizer, chemicals always keep rising.

Income continues to be in the red,
  Machinery and fuel costs way over our head.

So here we sit wondering, is it worth it or not,
  While the government keeps fumbling and depleting their pot.

If farmers fail to produce just one year
  The prices you pay will become so dear.

The world will be hungry in such a short time,
  All the oil and gold won't be worth a dime.

Get the government officials off our backs
  So we can operate our farms at least in the black.

Monitor the marketing to make it fair
  So everyone gets an equal share.

Put the railroads back in, should be our mission,
  To keep Opec nations from collecting commission.

Inflation is caused by government spending
  On programs and laws that just are not rendering.

Save our resources so not to deplete,
  Because future generations will have to eat.

Thank you for listening to what I've said,
  I hope you will help us get out of the red.

All that we ask is to have our chance
  To produce this world's needed food plants.

STANWOOD, IOWA.

DEAR MR. TAUKE: We felt compelled to write this poem because of the high costs that we pay and low prices we receive.

There are a lot of newspaper articles and TV and radio news coverage on this topic, and what an important topic it is!

We felt that we summarized the plights of America in this poem and would appreciate your help to get the message to this great nation.

We are sending a copy of this poem to all of our presidential candidates and will be interested in their responses and yours.

"The farmer is the only businessman in the world where we take what we're offered when selling and give what we have to give when buying."

Thank you for your attention.

RANDY AND BETH SHAULL.●

CONGRATULATIONS TO MAYOR E. L. "LES" BALMER OF EL SEGUNDO FOR A JOB WELL DONE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DORNAN. Mr. Speaker, for the past 8 years, the city of El Segundo, Calif., has enjoyed the dedicated and responsible leadership of Mayor E. L. "Les" Balmer. With the announcement of Mayor Balmer's retirement, the citizens of this beautiful beach community can certainly reflect on the great contributions made by this outstanding leader.

A former superintendent with the Chevron El Segundo plant with 25 years of service, Mayor Balmer has served the area in many capacities. Among the positions to which he has given great time and effort are director and vice president of West Basin Municipal Water District, director of Metropolitan Water District, representative to the Southern California Association of Governments, member of the Housing Advisory Steering Committee, and member of the Kiwanis Club of El Segundo.

After holding a position on the planning commission, Mr. Balmer first won a seat on the city council in 1948. In 1972, Councilman Balmer became Mayor Balmer and began an administration noted for its achievements and sound policy.

Mr. Speaker, it is with great pleasure that I salute Mayor Les Balmer and wish him continued success in his future activities.●

RAILROAD PASSENGER SERVICE DAY—MAY 24

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mrs. BYRON. Mr. Speaker, I take great pleasure in joining with Senator CHARLES McC. MATHIAS in commemorating the initiation of railroad passenger service by offering a resolution to designate May 24, 1980, as "Railroad Passenger Service Day." Historic Ellicott City, Inc., a private, nonprofit organization, in conjunction with the county executive of Howard County is planning a celebration of the sesquicentennial of that event to mark the occasion.

Although it was a revolutionary notion on May 24, 1830, when the first scheduled passenger train spanned the 13 miles from Baltimore to Ellicott City, Md., rail travel to date has been one of America's most enduring methods of transportation. Arriving at what is now the Ellicott City B. & O. Railroad Station Museum, the first passenger train powered by steam locomotive set an early precedent for today's modern rail transport. It was there that a new industry was founded, giving rise to increased commercial activity for growing cities like Baltimore with the establishment of the Baltimore & Ohio Railroad Co.

By enhancing the accessibility as well as the industrial power of America's founding cities, the railroad system served to unite and diversify our developing Nation. Time and effort which once restricted travel were lessened significantly, allowing greater mobility to the previously unexplored sites of industrial activity. Our Nation grew with the aid of this cohesive network of expansion, and it seems fitting that train travel is enjoying a revival in this era of mass transportation and expensive and scarce energy.

On May 24 the community, State, and Nation are invited to join in Ellicott City for the sesquicentennial, and I can think of no better way to commemorate the initiation of the passenger train as a great institution in the history of America.

A joint resolution follows:

H.J. RES. —

A joint resolution to authorize and request the President to designate May 24, 1980 as "Railroad Passenger Services Day".

Whereas, the United States of America has prospered largely due to the creativity of its industrial minds;

Whereas, inventive thinkers have contributed greatly to the growth of the United States through accomplishments in the area of transportation;

Whereas, the first paying passenger on the first commercially successful railroad in the United States arrived at the first terminus in the village of Ellicott City, Howard County, Maryland (then known as Ellicott's Mill), on May 24, 1830;

Whereas, this terminus, the oldest rail depot in the United States has been designated by the United States Department of the Interior as a registered historic landmark and now houses the Ellicott City B. & O. Railroad Station Museum; and

Whereas, on May 24, 1980 a celebration will recognize the sesquicentennial of such achievement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate May 24, 1980, as "Railroad Passenger Services Day", as a tribute to the citizens and civic leaders responsible for the preservation of this historic railroad station as well as the historic town of Ellicott City, and to call upon Federal, State, and local government agencies and the people of the United States to observe such anniversary of the sesquicentennial with appropriate ceremonies, programs and activities.●

IN THE MATTER OF REPRESENTATIVE CHARLES H. WILSON

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. BENNETT. Mr. Speaker, I ask unanimous consent to include in the Extensions of Remarks the following Dear Colleague letter:

DEAR COLLEAGUE: To assist you in understanding the material relevant to the proceedings *In The Matter of Representative Charles H. Wilson,* the Counts which the Committee found to be proved, the text of the House Rules violated, and the testimony and documentary evidence supporting the findings are as follows:

COUNT 1

On or about June 1, 1971, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00 from a person, Lee Rogers, having a direct interest in legislation before the Congress.

HOUSE RULE XLIII, CLAUSE 1

A Member, officer, or employee of the House of Representatives, shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

HOUSE RULE XLIII, CLAUSE 4 (AS IN EFFECT AT THE RELEVANT TIMES)

A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

As to Count 1, a $5,000 check marked "loan" from Lee Rogers to Rep. Wilson is Exhibit 1 on page 224 of the House Report 96-930. Representative Wilson's 1977 Financial Disclosure Statement, with no mention of any debts owed Rogers, is Exhibit 2 on page 240. Testimony of Mr. Rogers that there was no note, no interest, no demand for repayment and no repayment is on page 174.

On page 191 is the testimony of Lee Rogers of his interest in postal legislation. On page 205 is the testimony of George Gould relating to Rogers' interest in legislation. Exhibits 15(a)-(d) on pages 329-337 are reprints of correspondence and legislation detailing a direct interest of Lee Rogers in legislation.

COUNT 2

On or about June 20, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that he accepted a gift, to wit, $5,000.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted above)

For the direct interest of Lee Rogers in legislation, see Count 1. Exhibit 2 on page 225 is a $5,000 check marked "loan" from Rogers to Rep. Wilson. On page 175, Rogers testifies that there was no note, no interest, no maturity date, no demand for repayment and no repayment. The Member's Financial Disclosure Statement on page 240 shows no debt owed Rogers.

COUNT 3

On or about December 11, 1972, the Respondent, Charles H. Wilson, conducted himself in a manner which did not reflect creditably on the United States House of Representatives in violation of clause 1 of the Code of Official Conduct, Rule XLIII, the Rules of the House of Representatives, and also violated clause 4 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representative, in that he accepted a gift, to wit, $500.00, from a person, Lee Rogers, having a direct interest in legislation before the Congress.

(The text of House Rule XLIII, clauses 1 and 4 are quoted above)

For the direct interest of Lee Rogers in legislation, see Count 1. Exhibit 3 on page 226 is a $500 check from Lee Rogers to Rep. Wilson, endorsed by Rep. Wilson over to his son. On page 176, Rogers testifies that he did not recall the purpose of the check.

COUNT 7

Commencing on or about March 3, 1971,

the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $10,283.35 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

HOUSE RULE XLIII, CLAUSE 6 (AS IN EFFECT AT THE RELEVANT TIMES)

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Testimony of GAO accountant, Frank Chlan, detailing the transfer of funds from Rep. Wilson's Campaign Account to his Office Account and then from the Office Account to the Imperial Bank for repayment of a personal loan is on pages 134-136. Copies of bank ledger sheets and loan documents detailing these transactions are Exhibits 7(a)-7(e) on pages 243-251. Exhibit 7(c), page 247, is the bank's loan approval and credit report, indicating the purpose of the loan as "personal expense". A chart on page 7 summarizes the flow of funds relating to this Count. No evidence was offered which proved that this was a campaign expense reimbursement.

COUNT 8

Commencing on or about March 15, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $5,129.85 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted above)

Testimony of GAO accountant, Frank Chlan, detailing the transfer of funds from Rep. Wilson's Campaign Account to his Office Account and then from the Office Account to the Security Pacific National Bank, Culver City Branch, for repayment of a personal loan is on pages 136-138. Copies of bank ledger sheets, checks and loan records detailing these transactions are Exhibits 8(a)-8(e) on pages 252-257. Exhibit 8(d) on page 256, the Security Pacific National Bank report of the loan made to Rep. Wilson shows the purpose of the loan as "personal expenses". A chart on page 8 summarizes the flow of funds relating to this Count. No evidence was offered that this was a campaign expense reimbursement.

COUNT 9

Commencing on or about November 23, 1971, the Respondent, Charles H. Wilson, did violate clause 6 of the code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,047.91 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted above)

Testimony of GAO accountant, Frank Chlan, detailing the transfer of funds from Rep. Wilson's Campaign Account, to his Office Account and then from the Office Account to the Security Pacific National Bank, Culver City Branch, for repayment of a personal loan is on pages 138-140. Copies of bank ledger sheets, checks, and loan records detailing these transactions are Exhibits 9(a)-9(g) on pages 258-264. Exhibit 9(e) on page 262, is a report of the loan made by Security Pacific National Bank to Charles H. Wilson for "personal expenses". A chart on page 9 summarizes the flow of funds relating to this Count. No evidence was offered which proved that this was a campaign expense reimbursement.

COUNT 10

Commencing on or about November 29, 1971, the Respondent Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,500.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted above)

Testimony of GAO accountant, Frank Chlan, detailing the transfer of funds from Rep. Wilson's Campaign Account to his Office Account, and then from the Office Account to Rep. Wilson's Sergeant at Arms account is on pages 140-142. Copies of bank ledger sheets, checks, deposit tickets and statements of account are Exhibits 10(a)-10(g) on pages 265-275. The chart on page 10 summarizes the documentary evidence in the exhibits and shows a balance of $886.64 prior to a $3,500 deposit, with outstanding checks in the amount of $3,045. Exhibit 10(g) on pages 272-275 contains copies of checks drawn on Rep. Wilson's personal account. No evidence was offered to show that the $3,500 from the Campaign Account was for reimbursement of campaign expenses.

COUNT 11

Commencing on or about November 1, 1971, the Respondent Charles H. Wilson, did violate clause 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives, in that the Respondent did convert $3,000.00 of campaign funds to his personal use and did fail to keep his campaign funds separate from his personal funds.

(The text of House Rule XLIII, clause 6 is quoted above.)

Testimony of GAO accountant, Frank Chlan, detailing the transfer of funds from Rep. Wilson's Campaign Account directly to Rep. Wilson's Sergeant at Arms account is on pages 142-144. Copies of bank ledger sheets, checks, deposit tickets, and statements of account are Exhibits 11(a)-11(g) on pages 276-292. The chart on page 10 summarizes the documentary evidence in the exhibits and shows a balance of $381.14 prior to the $3,000 deposit from the campaign fund account, and outstanding checks totalling $2,004.25. Exhibit 11(f) on pages 282-292 contains a list and copies of checks drawn on Rep. Wilson's personal account. No evidence was offered to show that the $3,000 from the campaign account was for reimbursement of campaign expenses.

Sincerely,

Charles E. Bennett,
Chairman of Committee on
Standards of Official Conduct.●

GHOTBZADEH'S LIST OF FIRMS WILL NOT INCLUDE KOHLER GENERAL

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. PETRI. Mr. Speaker, in today's Washington Post, a page 1 story includes a disheartening report that Foreign Minister Ghotbzadeh yesterday claimed that 1,200 American firms have contacted Tehran to see how they can continue to do business with Iran despite the U.S.-led economic boycott.

I doubt that 1,200 American businesses have made such an inquiry, and if I am wrong, I strongly doubt that such a query came without solicitation from Tehran.

By coincidence, this weekend, while Ghotbzadeh was bragging to a conference of the foreign ministers of 38 Islamic states and the Palestine Liberation Organization about these so-called inquiries from America, I just happened to receive an exchange of correspondence on this very subject. For the enlightenment of my colleagues and other readers of the Congressional Record, I am including the full text of this exchange, as part of my remarks.

The correspondence was initiated by a self-described government affiliate in Tehran. The letter sought the business of Kohler General, a small manufacturer in Wisconsin's sixth district. I am proud to say that Tehran's solicitation—dated April 16, 1980—was declined by the officers of Kohler General in the most plain, forceful, and uplifting terms I have read in ages.

In his firm's response, Dave Wecker, sales manager, wrote:

> I would sooner plant seeds in the ground, hunt from the land, and fish from our rivers and streams to exist on this earth than to do a nickel's worth of business with Iran.

His letter was signed by all of the officers and office workers of Kohler General, a group of people I am very proud to represent. I would be interested to know if Kohler General's letter to Tehran is in any way counted among Mr. Ghotbzadeh's communications from America. I am confident it speaks for the vast majority of our business community. The full exchange follows:

Mazandaran Wood & Paper
Industries, Inc.,
April 16, 1980.

Jenkins Schelling,
Kohler General Corp.,
Sheboygan Falls, Wis.

Gentlemen: We are introducing ourselves as a government affiliated company responsible for constructing and operating a Pulp and Paper Mill as well as a Mechanical Wood Industries Complex in Northern Iran.

The Mazandaran Forest Products Complex is scheduled to be on-line for operation in 1983.

This complex will produce the following paper products: newsprint and mechanical writing and printing paper (90,000 tons/Yr), folding boxboard (44,000 tons/Yr) and corrugating medium (85,000 tons/Yr).

Wood Products to be manufactured in this complex are: plywood (15,000 to 23,000 m^3/Yr); particleboard (120,000 to 150,000 m^3/Yr); and lumber (90,000 to 120,000 m^3/Yr).

We would like to receive your latest equipment catalogs and accompanying price list, if possible, for the following areas: Sawmill; Plywood Mill; Particleboard Mill; Pulp Mill; and Paper Mill.

We appreciate your assistance in supplying us with the above material.

Yours truly

Dr. R. Pedram,
Operations Manager.

KOHLER GENERAL,
Sheboygan Falls, Wis., May 6, 1980.

Re your inquiry dated April 16, 1980.

Mr. R. PEDRAM,
Operations Manager, Mazandaran Wood & Paper Industries, Inc., 8 Zartosht Avenue, Pahlavi Tehran, P.O. Box 41/911, Iran.

MR. PEDRAM: Thank you for your inquiry about equipment we manufacture for the plywood and particleboard industries. We build the finest equipment in the world for sawing wood products.

I appreciate your inquiry because it gives me an opportunity to personally tell you why we will not honor your request for a quotation.

First of all the thoughts I am writing to you are shared by virtually everyone I am in contact with at home, in the office, and wherever I travel in the United States of America. I would sooner plant seeds in the ground, hunt from the land, and fish from our rivers and streams to exist on this earth than to do a nickel's worth of business with Iran.

How can you expect the rest of the world to understand what your problems are when the people of Iran do not understand what they are? We know that some real problems exist (everyone has certainly heard this message, as redundant as it is by now). You, as a country, demonstrated that your problems go much deeper than the reign of the Shah and all that happened during that reign. Is there no recorded history in Iran before the time of the deposed Shah? People have existed on the land for centuries before then, but yet we, the United States, are the root of all your evils? I do not believe this is the case.

The question I ask myself and must ask you now is "why"? What is the purpose of the irrational behavior of the Iranian people? There is no country on this earth that could or would comply with the ridiculous demands you have made of the United States. The question that concerns me, as a United States Citizen, is how to deal with a group of fanatical, disorganized people. I guess time will tell.

Whatever you believe or hear about the United States, just remember that we are a united people speaking through the President of the United States. What you have been subjecting us to is beyond all comprehension.

I am sure you do not understand us because if you did, you would not have sent a letter asking a United States company to share our resources with you in this time of crisis.

No, Mr. Pedram, we are not interested in submitting a quotation.

Most sincerely,

Dave Wecker, Sales Manager, Jenkins Machinery Division; Peter G. Kohler, President; J. Curtis McKay, V. Pres.; Betty Fischer; Peter J. Menné; Mark Sprunger; Martin Nemitz; R. B. Lahti; E. H. Strowig; George H. Schroeder; Gunther Griebel; Gerald J. Ziegler; Robert Greene; Mary Ten Haken; Cathy Ballmer; Duane Linn; Erika M. Awe; Roger J. Scheuren; William L. May; Burton Tempas; James Sloma; Bruce Vogel; Richard Petermann; Clifford J. Cottrill; Robert Rooker; Al Kovacic; Wendell Vallee, V. Pres.; Ginny Alfonsi; Mike Speckmann; Lambert G. Ebbers; Laura Coleman; Mary A. Mueller; Arlene Depies; Joe Mauer; A. O. Sprosty, Treas.; Cindy Adam; Marvin Van Sluys; and Walter Kohler, Sr. V. Pres.●

CALIFORNIA'S PROPOSITION 9 TO CUT INCOME TAX RATES: STATE OF THE EXPERIMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. KEMP. Mr. Speaker, there are a handful of contemporary American experiments in cutting tax rates to increase economic incentives, and all have proven successful. Proposition 13 in California, the Steiger-Hansen reduction in capital gains tax rates, and the reduction of marginal income tax rates in Puerto Rico—in each case, the opponents who predicted disaster and deficits have been confounded by the results.

After proposition 13, employment, growth of personal income, and State budget surpluses in California have all increased beyond predictions. The cut in the Federal capital gains tax rates has unlocked large unrealized capital gains for productive reinvestment and, incidentally, for taxation. And the Puerto Rican tax rate reductions are credited with the island's economic and budgetary turnaround.

The boldest proposal so far—a 50-percent reduction in California's State income tax rates—is potentially the most powerful of these measures, and it would be a valuable guide for our national decision on whether and how much to cut Federal income tax rates on all Americans. According to the polls, the outcome of the referendum is in doubt; yet if experience is any guide, proposition 9, as it is known, might succeed in cushioning California and even the rest of the country from the worst of the current recession.

Yesterday, the Wall Street Journal editorialized in favor of proposition 9. I, too, support proposition 9, because I believe it would prove beyond doubt the compelling case for cutting marginal income tax rates to restore incentives for work and saving, and to reduce the bias of our tax system in favor of leisure and consumption. I only regret the fact that my own New York State does not have an initiative process which would allow voters to decide such matters of importance. I commend this excellent article to my colleagues:

STATE OF THE EXPERIMENT

Never mind the presidential primaries. The most important national political drama this month is the dogfight over California's Proposition 9. This measure, also called Jarvis II or Jaws II depending on your viewpoint, would cut the state's personal income tax rates by 50 percent. It is the logical next step in the state's three-year experiment in reversing its tax burden, an experiment, forced entirely by the voters, which has become the cutting edge of the new economic thinking.

But recession is yawning before us, the proposed rate cuts seem drastic, and the California public hesitates to push the experiment forward in perilous times on the sole word of curmudgeonly Howard Jarvis. Polls show that support for Proposition 9 is rapidly eroding. If the measure fails, will this be the end of the "Tax Revolt"?

Certainly the "Eastern press" will say so. State and federal budget interest groups will sigh in relief and try to pick up where they left off. Even Ronald Reagan may be tempted to moderate his "supply-side economics" by drawing the line at Proposition 9. (As a registered Californian, he is constantly being asked how he'll vote on it.) But don't be misled by any apparent repudiation of Proposition 9. Very few Californians think they made a mistake in their two-to-one vote for Proposition 13 in 1978 or their two and a half-to-one vote for the Gann spending limits in 1979. They want not to end their movement but to make it responsible and established. They don't yet realize that they can do so and still pass Proposition 9.

This rate cut is the soundest of the three Jarvis or Gann propositions. Even before Proposition 13 corrected the serious distortion in the local property tax, the state income tax structure was an equally serious problem. Governor Reagan's compromises with the state legislature in the late '60s gave the state probably the most progressive income tax in the country, and certainly the most compacted brackets. Other states may have higher top rates than California's 11 percent but almost none come in at such a low income level. (Delaware's 19.9 percent doesn't apply until an individual income tops $100,000.) Even with a two-year-old indexing bill, the top individual bracket on April 15 started at $17,425, and the brackets below it were only $3,360 wide.

The result has been an absolutely awesome money machine, which the state is still unable to turn off. Before indexing, according to the state legislative analyst, a 20 percent increase in inflation would produce a 40 percent increase in income tax revenue. Even with indexing, the projected current year collection of $6.3 billion runs 34 percent above two years ago, and the actual collections are exceeding the projection. With this inflation-driven engine running nearly unbraked, the past Jarvis and Gann initiatives have scarcely dented the growth in the state spending. The true picture emerges in comparing proposed budget to proposed budget: This year's $24 billion request is a cool 21 percent above last year's.

We can't really blame the Brown administration for wanting to keep this money machine intact. It worries about the future when it may have exhausted its multi-billion dollar surplus, and these days Governor Brown is fascinated by an especially pessimistic "long-wave" brand of economics. His finance department projects a slowing revenue growth next year leaving a final deficit of $1.4 billion which would use up most of the accumulated surplus. It assumes a state economy only slightly outperforming the nation's, with the first decline in real personal income in the post-war years.

But if Governor Brown and his finance staff are right, then most of what we've learned about state economics in recent years is wrong. An important Harris Bank of Chicago study comparing the actual experience of 49 states has found a very strong relation between the downward change in state tax burdens and the growth in their total personal incomes. In example after example, we've seen states grow by shrinking their tax rates while their higher tax neighbors stagnate. California has dropped its tax burden sharply through Proposition 13, so why doesn't it too reap the reward?

The answer is that it has been and will. The Department of Finance projections, in spite of its ability, are far too low. Forecasts from four major state banks average out at well above its prediction for personal income growth. (Ironically the only projection consistently more pessimistic than the state's, a UCLA study, also predicts that Prop 9 will cost only a quarter of the state revenue loss that the state says it will.) Bank of America expects that next year California, with 10 percent of the nation's population, will create 20 percent of the nation's new jobs.

Such apparently technical disputes translate into political bombshells. The most politically sensitive number in the state is the size of the surplus. Nothing hurt state government's credibility more in the Proposition 13 campaign than the way this number constantly shifted (often for perfectly legitimate reasons). We're at it again. A year ago, the budget predicted a June 30, 1980, current surplus of some $400 million. This year's budget raised that figure on that date to $1.8 billion. A rival forecasting commission headed by the governor's bipartisan opposition now is talking about $2.6 billion and up. And the well informed research unit of a major bank, neutral on 9, has arrived internally at a figure of $3.5 billion.

This year and next the state can easily afford the Prop 9 tax cut. The net $4.7 billion loss from the cut predicted by the finance department is overly pessimistic, and it can easily be held still lower by legislative action. Even if Proposition 9 forced a 7 percent cut in state spending, as UCLA has projected, this wouldn't hurt badly. The real benefits will come as the state emerges from the recession. We know for sure that raising taxes stifles recoveries; New York used to do very well in recessions until it piled on taxes in the '60s. Then it never really came back from the 1969 bust. In the 1976 comeback, the declining-tax-burden states did best.

Serious points can still be made against Prop 9. We're not comfortable with the practice of sealing tax rates into a constitution. But the "No on 9" campaign is falling into the same heavy-handed excess that helped pass Prop 13.

It calls this measure a "rich-man's tax cut," a totally dishonest charge. Of course half of $1,000 is more than half of $200, but because Prop 9 leaves intact a series of tax credits it actually makes the tax structure more progressive. Before Prop 9, couples earning over $50,000 paid 37.6 percent of the state income tax take; if it passes they will pay 41 percent. But class-baiting rhetoric has become the keynote of the "No on 9" Committee, a front for the municipal unions, and the reputable economists who've tacitly lent it their names ought to rethink their situation.

Legislative leaders are trying to coerce business into opposing 9, by making probusiness tax bills carry expiration clauses if 9 passes. The Democratic majority in the state senate recently killed a bill supported by Mr. Jarvis that would have cut the first-year impact of 9 in half; you had remarkable liberal support for the harshest possible tax cut, just to scare the voters.

These tactics may work, this time around. But as the new economic figures come in, and they will within days, the voters may realize that their first instincts were best and that the vested budget interests have pulled a con.

Of course we don't want to be too harsh on some of 9's opponents. We would share their worry about manic tax cutting without regard to the consequences. Conceivably government services can be cut to a point that hurts the economy. But that point, we think, is far lower than most Americans realize. It is certainly far lower than California, with its robust economy and elaborate infrastructure, would reach even after 9. If 9 does fail, don't think for a minute the Tax Revolt is off. When Californians awake to the true power of the state money machine, we'll be seeing "Jaws III" with a vengeance.●

OSHA'S HEALTH REGULATIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1980

● Mr. DORNAN. Mr. Speaker, I wish to call to the attention of the House an excellent study recently completed by Louis J. Cordia, environmental policy analyst for the Heritage Foundation.

The study, entitled "OSHA and Environmental Health," finds the Occupational Safety and Health Administration ignoring important scientific and economic information in formulating a comprehensive cancer-prevention policy. The proposal effects more than just the workplace, and this controversial multibillion dollar regulatory scheme will more than likely be adopted by the four other agencies which regulate the air, water, food, drugs, and consumer products.

Of particular interest, the report points out that the policy responds to an epidemic of occupationally regulated cancer that is fallacious and ambiguous. This timely study follows:

OSHA AND ENVIRONMENTAL HEALTH

INTRODUCTION

The 1970s produced an onslaught of environmental laws aimed at eliminating or controlling contaminants believed to harm human health as well as other life forms on earth. More than 25 major statutes were enacted. Concomitantly, in the last decade, the federal government began to pay great attention to cancer, the second leading cause of death in the United States, which inadvertently had been linked to environmental causes. The man who established the relationship between the dread disease and the environment was Dr. John Higginson, director of the World Health Organization's International Agency for Research on Cancer. His widely-publicized findings, which estimated that 80–90 percent of all cancers are due to environmental factors, were seriously misinterpreted—for Higginson used the word "environment" to mean all external factors which affect a person (including such personal habits as cigarette smoking, poor nutrition, and excessive alcohol consumption).

However, given the tremendous apprehension caused by cancer and its profound uncertainties, it is no surprise that the disease has attracted the attention of the federal government. Cancer is a terrible disease and a pressing problem, debilitating and often irreversible. It starts in a single cell and, unless checked early, slowly spreads until it brings a painful, prolonged death. One in four people contracts it and only one in three survives. In 1980, over 400,000 people are expected to die—about 1,100 a day or one every minute and a half.

In the 1971 State of the Union message, then-President Nixon first declared war on cancer. That same year, Congress passed the National Cancer Act whose appropriation of a few hundred million dollars has soared to over $1 billion for the National Cancer Institute—the largest expenditure ever aimed at curing a disease.

With a cure elusive, President Carter has shifted the government focus to protection of public health through prevention of the disease. In his environmental message to Congress in May 1977, he asserted, "Rather than coping with hazardous substances after they have escaped into our environment, our primary objective must be to prevent them from entering the environment at all!" The same year, the Occupational Safety and Health Administration (OSHA) transmitted for review and comment a draft of a proposed cancer policy to deal with exposure of workers to possible carcinogens.

OSHA recently issued its far-reaching and controversial final cancer policy. Seeking to identify, classify and regulate cancer-causing substances that could pose chronic health hazards to workers, the agency has chosen to rely heavily on animal tests for assessing carcinogenicity in humans and has failed to use risk assessment to determine the level of exposure to workers in the workplace. These two questions were the central issues debated each time suspected carcinogens were proposed for regulation. Guidelines will be such now that according to Eula Bingham, assistant Secretary of Labor for OSHA, "we won't have to reinvent the wheel every time we attempt to regulate a potential carcinogen."

Essentially, the OSHA regulations set a comprehensive national cancer policy. The magnitude of the cancer policy is much greater than the effects it has in the workplace for it will affect the air, the water, food, drugs, and consumer products, as well as hinting at a direction in which the federal government is going to accommodate environmental health concerns. Four other Federal regulatory agencies which comprise the rest of the Interagency Regulatory Liaison Group (IRLG) set up by President Carter to coordinate regulatory activity most likely will adopt the scientific principles set forth in the OSHA policy, thus making it a government-wide method of regulating carcinogens. Under their respective statutes, OSHA has authority to regulate hazardous substances in the workplace; the Environmental Protection Agency (EPA) can regulate contaminants of the air, water and land; the Consumer Product Safety Commission (CPSC) can regulate products in the marketplace; and the Food and Drug Administration (FDA) along with the Agriculture Department's Food Safety and Quality Services (USDA-FSQS) have had long-standing authority to protect food and drugs.

OSHA'S CANCER POLICY PROVISIONS

Announced January 16, 1980, the Occupational Safety and Health Administration's final cancer policy fills nearly 300 pages in the January 22 *Federal Register.* It differs in some significant respects from the initial proposal of October 1977 as a result of extensive public participation at hearings whose transcript exceeds a quarter of a million pages. The rules are set to go into effect April 22, if they survive the legal challenges against them.

The main changes were two concessions to industry. Emergency temporary standards will not automatically be issued for Category I Potential Carcinogens as was originally proposed. Instead, they can only be set when deemed appropriate. Secondly, recognizing that methods for determining carcinogencity are not yet conclusive, OSHA now permits greater flexibility by allowing petitions to the agency based on "substantial new evidence or issues" and by calling for review of past actions or even the entire cancer policy every three years in light of any significant scientific and technical advances.

More specifically, the provisions define a potential occupational carcinogen as—

Any substance or combination or mixture of substances which cause an increased incidence of benign and/or malignant neoplasms (tumors) or a substantial decrease in the latency period between exposure and onset of neoplasms in humans or in one or more experimental mammalian species (all warm-blooded quadrupeds) as a result of any oral, respiratory or dermal exposure, or any other exposure which results in the induction of tumors at a site other than the site of administration.

Based on a scientific review of available data, the agency will publish in the *Federal Register*, at least annually, a "candidate list" of suspected carcinogenic substances.

From such lists, the substances may be classifed as Category I Potential Carcinogens if the evidence is relatively conclusive, that is carcinogenic in humans or in a single mammalian species in a long-term bioassay (laboratory determination) where the results are in concordance with other scientifically evaluated evidence. Concordant evidence includes positive results from testing in the same or other species, positive results in short-term tests (on bacteria, yeast or other cell structures), and evidence derived from tumors or injection or implantation sites. A permissible exposure limit for Category I substances will be set "as low as feasible" through engineering and/or work practice controls and will follow guidelines for other protective measures contained in model standards.

The proposal will contain provisions for monitoring, regulating areas, methods of compliance, respiratory protection, protective clothing and equipment, medical surveillance, employee information and training, signs and labels, recordkeeping, and observation of monitoring of employees. Lastly and very importantly, if OSHA decides that there is a safe substitute, then the carcinogen will be banned from the workplace.

Category II Potential Carcinogens will be classified as such if on scientific evaluation the substance meets the criteria for a Category I determination but the evidence is only "suggestive," or based on positive results in a long-term bioassay in a single mammalian test species. Also, the regulatory standards are less stringent for these substances than for the Category I carcinogens.

Category I and II substances will arise out of two "priority lists" to be published at least every six months. Each priority list made up from the candidate list will consist of approximately ten substances for each of the two categories. Some factors that will be considered in selecting the substances on the priority lists include: the estimated number of workers exposed, the estimated levels of human exposure, the levels of exposure that have been reported to cause increased incidence of cancer in humans or animals or both, and the extent to which regulatory action would reduce not only cancer risk but other health hazards as well.

Lastly, to aid in the identification, classification and regulation of any potential occupational carcinogen, OSHA may request at any time that the heads of the three federal health research institutes [National Institute for Occupational Safety and Health (NIOSH), the National Cancer Institute (NCI), and/or the National Institute of Environmental Health Sciences (NIEHS)] convene a scientific review panel.

LEGAL ACTION

Within days after the issuance of the cancer policy, both industry and labor mounted challenges in the courts. Generally, the review of an OSHA standard is heard in a court where the earliest petition has been filed. The American Petroleum Institute was the first group to challenge in petition to the Fifth Circuit Court of Appeals in New Orleans on January 9, 1980. It questions the validity of the scientific methods OSHA uses in determining carcinogens in the workplace. The AFL-CIO filed on January 16 in the District of Columbia Circuit challenging OSHA's removal of the automatic emergency temporary standard provision from the final policy. The American Industrial Health Council followed with a petition in Texas on January 18 charging that the OSHA policy "for the sake of administrative convenience, ignores scientific developments, the tremendous difference in the physical and toxicological characteristics of chemical substances, and the differences in the workplace."

The court decision to have the greatest effect on the future regulatory activities in the occupational, or in general the environmental, health area will be the ruling in the landmark benzene case before the Supreme Court. Expected this year, it squarely addresses the controversial and fundamental question of how much an agency must weigh costs of regulation against its potential benefits. A U.S. Court of Appeals ruled in October 1978 that OSHA cannot legally regulate occupational health hazards without first using cost-benefit analyses "to determine whether the benefits expected from the standard bear a reasonable relationship to the one-half billion dollar price tag." Although many agencies have resisted cost-benefit analyses for health and safety rules on grounds that benefits, such as how many lives may be saved, are often immeasurable, a decision upholding the appellate court ruling would force OSHA and other agencies to measure costs and benefits before issuing regulations like the cancer policy.

No doubt influencing the Supreme Court on the benzene (a petrochemical used in plastics, resins and motor fuels that allegedly induces leukemia) case will be the federal appeals court decision of October 1979 endorsing OSHA's cotton dust standard. The court rejected cost-benefit analyses and supported costly engineering controls of cotton dust in the workplace. OSHA estimates that compliance would require capital expenditures of $550 million but industry figures the cost at about $2 billion. About 600,000 workers are exposed to cotton dust which purportedly results in chronic respiratory problems.

Other legal challenges in recent years involving risk-benefit analysis as it strives to achieve workplace safety wherever it is feasible, not just where it is cheapest, deal with arsenic (emitted into the air from copper, lead and zinc smelters, glass-making plants and certain pesticide producers, and charged with causing lung cancer), vinyl chloride (in many plastic plants and purportedly a cause of liver cancer), acrylonitrile (a substance used to manufacture synthetic fibers and plastic materials that may be carcinogenic), and others such as asbestos, coke-oven emissions, lead, kepone, DDT, and Red Dye #2.

CONCLUSION

Current public fear of environmental health hazards may cause an analogous government overreaction in the 1980s to the barrage of environmental laws in the 1970s. To protest and restore environmental quality the federal government responded with the simplest and quickest form of control—regulation. Promulgating regulations and enacting laws, it addressed the problems and noticeably improved the quality of the environment. At the same time, the plethora of uniform standards commensurate with the fervor with which they responded were so strict and inflexible that many older industrial plants could not achieve abatement levels. As a result, they closed; unemployment rose; tax bases were lost; and other negative economic impacts were felt.

Similarly, the generic national cancer policy rejects cost-benefit analysis. Given the present pressures of the economy, would it not be wiser at least to use the guidelines of cost sensitive analysis? It is misdirected for converging on a very low percentage of cancer cases. More judiciously, a national cancer policy should focus on the single simple largest cause of cancer—personal habits.

The compensation issue expands the breath of environmental law. Because contaminants pervaded the environment, they presumably caused various illnesses. With the increased number of legal claims and subsequent proposals in Congress, the federal government will have to make some final arrangement and it is hoped with the deliberateness lacking in the emotional reactions of the past.

LOUIS J. CORDIA,
Policy Analyst.●

SENATE—*Wednesday, May 21, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, from whom cometh every good and perfect gift, grant to us here a wisdom higher than our own, an elevated sensitivity to the promptings of Thy Spirit and a ready obedience to the voice of conscience. Grant us the strength and patience which comes from above in the midst of uncertainty. Give us the ability to distinguish fact from fancy, to discern the real from the unreal, to distinguish the attainable from the unattainable. Grant us the serenity to accept the things we cannot change, the courage to change the things we can, and wisdom to know the difference. And may we walk in the faith Thou dost never leave us nor forsake us.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 21, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPORT OF NUCLEAR FUEL TO INDIA

Mr. ROBERT C. BYRD. Mr. President, last week, the Nuclear Regulatory Commission unanimously decided against the approval of two licenses for the export of nuclear fuel to India. In the opinion of the Commission, the Indian Government has not complied with a number of the major provisions of the Nuclear Nonproliferation Act of 1978, and, therefore, does not qualify for further shipments of American nuclear materials.

After a lengthy and widely debated study, the State Department recommended that these export licenses be approved. The President is expected to exercise his authority to override the NRC and approve the export licenses. This would require the President to affirm that the failure to ship nuclear fuel to India "would be seriously prejudicial to the achievement of U.S. nonproliferation objectives or otherwise jeopardize the common defense and security." If the President so affirms, then Congress will have 60 days to override his decision with a concurrent resolution of disapproval.

This is the first major nuclear export license dispute under the provisions of the Nuclear Nonproliferation Act of 1978. It raises a number of important questions about U.S. nonproliferation policy and about U.S. foreign policy interests in South Asia.

The interest of the Congress in nonproliferation policy is well established. The Nuclear Nonproliferation Act was the result of congressional initiatives that date back at least to 1975. A number of our colleagues in the Senate contributed to this process—Senators RIBICOFF, GLENN, HART, PERCY, JAVITS, and others, all made substantial efforts on behalf of nonproliferation policy. From 1977, the Carter administration joined in strong support for these efforts.

Stopping the spread of nuclear weapons continues to serve the security interests of the United States. Recently, U.S. foreign policy has seemed to lurch from crisis to crisis. With respect to nonproliferation policy, Congress has at its disposal a mechanism for the orderly review of important policy decisions. I am sure that the Senate's participation in this review will contribute to the kind of continuity in U.S. foreign policy that reassures our friends and wins the respect of others.

THE OIL IMPORT FEE—A CLEAR CHOICE

Mr. ROBERT C. BYRD. Mr. President, in recent weeks, America's vulnerability to a cutoff of Persian Gulf oil imports has been underscored. There are a number of events which could cause a severe oil supply shortage, with devastating consequences to our national economy and way of life. An embargo, a terrorist act, an accident, or a change of regime in one of the producing countries could disrupt our vital lines of supply without a single shot being fired. We have taken too few steps to prepare for such a contingency.

The President's proposed oil import fee is an all too modest start at addressing our most critical national security problem—our dangerous overdependence on foreign oil from insecure sources. Although the fee would result in a mere 10-cents-per-gallon surcharge on gasoline, it has drawn fire from all quarters. Some critics charge that the fee is an abuse of Presidential authority—but Congress has repeatedly refused to face reality on the urgent and immediate need to dramatically reduce oil imports. Others claim that the modest 10-cents-per-gallon charge is too inflationary—but they are willing to watch $90 billion being bled annually from our economy to pay for foreign oil imports. It is said that the fee unfairly impacts the poor—but nothing creates greater hardship than the unemployment and inflation we import along with the $90 billion worth of oil. Some even say that 10 cents is not enough—but failure to affirm the import fee brings us no closer to the really tough measures we may need in the future.

The United States, which imports almost 50 percent of its oil, obtains 25 percent from the Persian Gulf region. We are dependent on Saudi Arabia alone for almost 10 percent of our oil supplies. Our allies are dependent on that region for substantially greater amounts: 50 percent of all the oil that is consumed in Western Europe passes through the Straits of Hormuz, and almost 90 percent of Japan's oil comes from the Persian Gulf region.

I do not cite these statistics for the sake of quoting numbers. The American people should be alarmed about what they mean. We should be more than alarmed—we should be scared. On those numbers rests the very fate of this Nation. Our national and economic security hinges on a thin line of oil tankers stretched around the globe. Our overdependence on foreign oil threatens to erode our leadership role among nations.

At some time in the near future, each of us in the Senate may be called upon

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to register his or her views on the proposed oil import fee.

Depending on the outcome of the issue now before the courts, we may have to vote on a resolution of disapproval of the fee at some point—although I hope we will not do so until the courts reach their final decision—and ultimately, on whether to override a Presidential veto of such a resolution. I ask each of my colleagues to consider the implications of that vote.

In the past months, we have asked our allies to aid in the return of the hostages in Iran and to lend support to our position on Afghanistan. Few other measures would have as beneficial an effect on U.S. relations with our allies as a strong vote in Congress in favor of a realistic energy pricing policy. The French pay a gasoline tax of $1.62 per gallon; the West Germans pay $1.14 a gallon; the Italians pay $1.83 a gallon. But the gas tax in the United States, even with the import fee passthrough, would be only 14 cents a gallon, the Federal tax being only 4 cents a gallon today. It is no wonder that our trading partners question our resolve to undertake serious conservation efforts.

Besides serving as an important element for conservation and international energy diplomacy, the import fee may be critical to a balanced budget and selective tax cuts. The Budget Committees in both the Senate and the House assumed that the revenues from the import fee would serve as a cushion in the event the economy turned down, allowing for a tax cut if the budget could otherwise be balanced. Those who say they want a balanced budget, and a tax cut, and no further cuts in spending, should demonstrate how they hope to accomplish that goal without the import fee.

There are times when each of us must vote for measures which are unpopular but which are truly in the national interest. I know that a vote to sustain the import fee would be difficult for many, but this Nation's economic and national security hang in the balance. I know my colleagues will find the courage to do what is right.

Mr. President, I yield back the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield the time of the minority leader to the distinguished Senator from Wyoming, who has a special order.

RECOGNITION OF SENATOR SIMPSON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. SIMPSON) is recognized for not to exceed 15 minutes and the additional time yielded by the minority whip.

EXPRESSION OF CONDOLENCES TO SENATOR CRANSTON

Mr. SIMPSON. Mr. President, before I begin my remarks, I see my colleague, Senator ALAN CRANSTON, is in the Chamber. There is not one of us in this body who does not share and express to him our deepest sympathy on the crushing personal loss of his son.

And to you, sir, a person who has been most kind, most gracious to me in my time in serving with you on the Veterans' Affairs Committee where you serve as chairman and I serve as ranking minority member, I express to you the richest prayers and thoughts of all your colleagues.

Mr. CRANSTON. I thank my good friend from Wyoming for his thoughtful and generous words, and I take this occasion to thank each and all of my colleagues, and so many others, for their wonderful messages of support, for their prayers, and for their heartfelt wishes.

I thank the Senator.

THE AA PRAYER

Mr. SIMPSON. Mr. President, we were presented with the opening remarks this morning of our Chaplain who recited the AA prayer. That is not the administrative assistants prayer. That is the prayer of Alcoholics Anonymous. And it is one that certainly we should hope to press close to our bosoms as we perform our duties here.

The serenity to accept the things we cannot change, the courage to change the things we can, and the most important part of it, the wisdom to know the difference.

VIEWS ON SEVERANCE TAX LEGISLATION

Mr. SIMPSON. Mr. President, the purpose of my remarks this morning is to respond to the overgeneralized assumptions and the incorrect information that has been printed in this RECORD regarding S. 2695 which was recently introduced to place a Federal limitation on the amount of mineral excise tax which a State may impose on coal resources produced from Federal and Indian leases.

Introduction of this legislation is evidently based upon the contention that the rate of mineral severance tax imposed on coal resources by Western States such as Wyoming and Montana and by Indian tribes such as the Crow presents some type of "new barrier to increased coal production." Severance taxation is neither a barrier nor new tax device. The first effort to tax mineral production was enacted by the State of Wisconsin in 1846. I wish to inform my colleagues that the State of Wyoming first adopted a mineral severance tax on all mineral production in 1969.

The "barrier" to increasing coal production, if indeed such restraint does exist, is more likely to be found in the confused energy policy which this Congress has been propounding as well as by the environmental controls adopted by Congress and expanded upon by regulatory agencies such as the Office of Surface Mining and the Environmental Protection Agency. These conditions imposed for leasing of coal tracts and development of mines present much more serious hurdles to bringing new coal production on line in this country than do the very modest levels of State taxation that is levied upon the production of coal. I remind my colleagues that there has been no effort by the legislature or the people of Wyoming in an attempt to rip off electrical rate payers in other States where Wyoming coal is used to fire electrical power plants. The present rate of severance tax as established in 1977 is now 10.5 percent. The State of Wyoming has not increased its severance tax since 1977. Proponents of this legislation are erroneously stating that the rate of mineral severance tax in Wyoming is 17 percent. That is not so. I wish to include in the RECORD the following table demonstrating the allocation of revenues for specific public purposes as it relates to the State of Wyoming's efforts to respond to the massive increases in social and environmental costs occasioned by coal development.

Wyoming coal severance tax components

	Percent
Coal tax revenue until $160 million is collected	2.0
Permanent mineral trust fund	2.0
General fund	2.0
Water development account until $100 million is collected	1.5
Highway fund	.5
Capital facilities fund	1.5
Wyoming community development reserve fund	.5
Total	10.5

I find it as troubling as it is objectionable that Members of this body would attempt to set a Federal limit on States and local governments' ability to determine their own rates of taxation based upon a wholly undocumented claim that there is an "undue burden upon interstate commerce." Merely stating something does not make it so. Although I must say that sometimes one might form an opposing belief when observing this arena, the mineral excise tax imposed by the State of Wyoming does not discriminate against coal consumed outside the State. There has never been an effort to discriminate against out-of-State consumers in favor of Wyoming residents in the coal tax structure developed by my State.

I remind my colleagues that the "stop-and-start" policy for coal development on Federal leases goes back to the failure of the environmental impact statement which was developed on Federal coal leasing to withstand the judicial challenge in the famous—or rather the infamous case in the West—of NRDC against Hughes. Only recently has the Department of the Interior been able to devise a coal leasing program that is acceptable to environmental concerns—and this program will not be on stream until 1981. The restraints on coal development must truly be laid at the feet of Congress and the Federal agencies—not thrown back in the face of the very States who have been the most responsible stewards of State and national resources. This stewardship was evident in the adoption of a mine land reclamation law—passed by the legislature of the State of Wyoming as early as 1969. This initiative was cosponsored by the present democratic government of Wyoming and myself who were both serving in the legislature at that time. These reasonable controls were applied to private and public lands. The Wyoming Department of Environmental Quality was administering, and continues to administer, a reclamation program that has become an absolute model operation for other States.

My colleagues seem to contend that utility companies are forced to pass the full cost of coal taxes on to their customers. The ability to "pass through" severance taxes, as well as reclamation costs, increased labor costs and black lung benefit costs, are due to the terms of fuel supply contracts between the mines and the utility companies. Without such "passthrough" clauses, State taxes would be treated simply as a standard deduction under the Internal Revenue Code. Also, many State public service commissions have automatic fuel adjustment tariffs that enable incremental fuel price increases to be automatically passed on to the consumer without the need for a rate hearing or any official and formal justification of such a price rise. Certainly, the legal and commercial structuring of coal supply contracts and fuel escalation rate adjustments present an area where those who really wish to protect consumer interests and magnanimously reform utility rates should concentrate their zealous efforts in their own States before they should look to those States that are trying to create an atmosphere that is favorable to energy development when most of those resources are developed or used for the benefit of nonresidents.

The sponsors of S. 2695 seem willing to concede that there is a need for a State to defray the heavy costs for facilities and services which must be provided in order to support the new influxes of population occasioned by energy development. This is commendable. However, the most accepted reason in public policy theory for severance taxation is that the mineral severance tax is based upon the concept that when a nonrenewable natural resource is extracted from the Earth, the value of that resource to the public is irretrievably lost. Therefore, the people of any State are justified in recapturing a reasonable and necessary portion of the lost value through an excise tax on the severance of the natural resource which is removed and sold for private profit.

I draw particular attention to the use of coal tax revenues in Wyoming. Of the total 10.5 percent mineral excise tax levy on coal, 6.5 percent is devoted to the providing of capital facilities directly targeted at mitigating social and economic impact. The remaining 4 percent is equally divided between operating revenue and the Wyoming permanent mineral trust fund. The purpose of the trust fund is to replace a depletable nonrenewable resource with a permanent revenue fund and it was established by voter referendum as an amendment to the constitution of the State of Wyoming. These accounts and funds may be summarized as follows:

First. Wyoming community development authority reserve fund: One-half of 1 percent to an annual amount of principal and interest payable on the bonds issued for construction of public housing and secured by the fund;

Second. Capital facilities revenue account: 1½ percent until $250 million is collected;

Third. Coal impact assistance revenue account: A graduated tax at 2 percent until $160 million is collected;

Fourth. Water development account: 1½ percent on coal until $100 million is collected;

Fifth. Highway fund: One-half of 1 percent on coal;

Sixth. Permanent Wyoming mineral trust fund: 2 percent on uranium, coal, petroleum, natural gas, oil shale, or other fossil fuel; and

Seventh. And the permanent Wyoming Mineral Trust Fund, one-half of 1 percent on coal, permanent funds that are used when the resources are no longer there.

Mr. President, the State of Wyoming has never endorsed the concept that a severance tax should be used as a regulatory device to limit or reduce the development of natural resources. Coal-producing States recognized that there is a more compelling State interest in having a strong local economy, providing jobs and meeting the Nation's energy needs, than having a strong local economy and levying a devious, burdensome severance tax. The ability to maintain coal markets and the relationship that a severance tax may have on the competitiveness of Western coal are the paramount concerns in each and every instance when the legislature meets to determine that issue.

A further disturbing feature of S. 2695 is its effort to apparently limit the severance tax for Federal and Indian leases at 12.5 percent. That figure is apparently snatched out of the air as present minimum Federal royalty and is the customary one-eighth landowner's royalty that has traditionally been negotiated since mineral leasing in Western States began in the late 1800's. The landowner royalty is certainly one that is archaic and unjustifiable in the present context of rapid energy development. Congress, in addressing itself to the question of coal leasing under the Coal Leasing Amendment Act of 1976, recognized the need to update the process of providing for royalties, and dealing with bidding and the payment of rentals on Federal coal leases.

The 12.5 percent royalty due the Federal Government will shortly undergo a dramatic revision as modern bidding methods, and techniques for evaluating fair market value are developed.

Let me tell you, too, that the Secretary of the Interior has recently successfully renegotiated royalty provisions in early tribal leases on Crow, Navaho, and Northern Cheyenne reservations in order that those tribal interests might be more adequately protected.

Congress wisely determined in the coal leasing legislation to increase the State returns from Federal mineral royalties from the 37½ to 50 percent. I know that appears to my eastern colleagues to be somewhat of an extra bonus to the Western States, but I again remind them that nearly 50 percent of the surface of my State, and nearly 65 percent of the minerals are held by the Federal Government.

I would certainly be willing to enter into a productive dialog with the sponsors of this legislation suggesting that the Federal Government quitclaim its reserved mineral interests to the State of Wyoming in exchange for the mineral severance tax limit. I think that is a magnanimous gesture on my part. That would mean that then we would be able to adjust our State's tax structure much in the same fashion as the Eastern States do when they levy local property taxes on mineral reserves. That seems only fair.

Additionally, Federal law has always provided that the royalties would go into the Reclamation Fund for construction of Federal reservoirs. The time for massive development of irrigation projects may be waning, and the need for those mineral royalty revenues to meet the large financial outlays required by energy development was well-considered when that change was adopted.

Mr. President, Senator WALLOP and I will be developing a complete and factual picture, and we will be joined in that by Senators MELCHER and BAUCUS, a very real and authentic cost picture, of the components which actually account for the inflated delivered price of coal to those States where the sponsors of this legislation reside.

In 1980—and these are important figures—the average price for a ton of Wyoming coal will be about $8.28, with a current severance tax at 10.5 percent on the contract price of that coal. The average severance tax per ton of Wyoming coal will thus be 87 cents.

Serious consideration must be given then to the coal haulage rates charged by the railroads. Rail charges generally will range from $12 to $19 per ton for markets served by Powder River Basin coal, and rate increases are indeed anticipated. In fact, some coal haulage rates have already risen over 50 percent between 1973 and 1979.

Obviously then transportation costs have a much greater influence on the costs of marketing Western coal than any possible State severance tax. People need to know that.

Reason and commonsense, things that sometimes escape this Chamber, also demand that this body carefully review and carefully assign proper weight to such coal resource extraction costs such as—now listen to this itemized list that you have to figure in when you have to figure in the costs of coal:

> (1) mining costs; (2) reclamation costs; *(3) surface owner payments; *(4) landowner royalties; *(5) black lung insurance; *(6) abandoned mine reclamation fund charges; *(7) bonding costs; *(8) Federal withholding taxes; *(9) workmen's compensation; *(10) Federal unemployment tax; *(11) union pension plans; (12) union dues; (13) construction of the energy-producing facility; (14) rail transportation charges; and (15) a reasonable return on investment.

Each and every one of those factors—in addition to State severance and ad valorem tax—must be blended into the price of coal to utilities in order to fairly determine the real "unfair burden" on coal costs that have crept into the consumer's electric bill.

To carry that analysis one step further for calculation of electrical rates, the per-kilowatt-hour cost of electricity makes it necessary to consider the relationship between the cost of fuel resources and the many factors which are cranked into the utility rate base. Specifically, the cost of powerplant construction, financing costs, compliance with State and national environmental controls, labor, and all other costs must have values assigned to them. All of those cost factors are much, much more significant than any State severance tax. Perhaps that is not more significant emotionally, but certainly it is more realistically and more honestly significant.

So, assuming a 7,000-kilowatt-hour-per-year electric consumption, which is the maximum average consumption of the households of the United States, the Wyoming severance tax, plus ad valorem tax on coal, would only add a few cents to the monthly electric bill. In areas where electric consumption is higher due to air conditioning or electric heating, that amount will be proportionately greater.

So, Mr. President, in winding down my remarks, when we have washed all the laundry on this particular issue, an electricity consumer is going to find that $7.22 of his monthly electric bill is due to coal transportation costs alone, without even considering higher-than-average consumption rates. Who is being fooled in this process? Obviously, the "poor old boob" consumer who might be stirred by the presentation of the distorted facts that undergird this legislation.

I think H. L. Mencken had it right when he talked about that species of homo sapiens known as "Boobus Americanus."

So we are going to ride off into the fray here under the twin banners of consumer protection and saving citizens from the ripoff, when the results we are able to produce will not match that in any way. It will not do it. It is going to leave a pretty hollow taste in the mouth of the constitutent who has saved a few cents per month on his electrical bill because of this legislation.

Finally, and most significantly, from the sole perspective of national policy, this legislation poses a most serious question about the role of Congress in limiting State taxes in any form where the issue is consideration of the tax impact on regionally located production centers.

Those States that are located in the northern Midwest, which are the regional centers of production for automobiles, heavy machinery and other manufactured goods, may, in fact, be using their State corporate and possessory interest tax structure to export their tax burden to consumers in other parts of the country.

Adoption of this legislation would pose a dangerous national precedent. If Congress is able to restrict the amount of taxation which the mining States are able to levy on coal resources, then it should follow that Congress must also act under its commerce powers to restrict the level of State taxation in the farm belt States, in the manufacturing States, the timbering regions of America, and any other State which sustains within its borders a regional or national center of production. An interesting and scary concept, I am sure you will agree.

In conclusion, I urge my colleagues to reconsider this legislation. It presents a dangerous national precedent as to the ability of Congress to limit the sovereign States in their assessment of any taxation. The mineral severance tax is primarily used to offset the grave and very real social and environmental costs which are borne by the Western States in fulfillment of this Nation's energy policy, as well as to develop a permanent capital account from the depletion of those nonrenewable natural resources.

So, if the true and genuine concern of the sponsors—and I know them all; delightful colleagues—if their true and genuine concern is to deal with the increasing cost of fuel as its relates to the price of electricity, then they must consider all—each and every one—of the real component costs of coal as itemized in my remarks, as well as computing those other factors which are specifically found in any ratemaking structure for any utility charges. I think basic fairness demands that. I trust that you will render that fairness.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 30 minutes and that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from New Hampshire.

RETIREMENT OF CHARLES J. QUINN

Mr. DURKIN. Mr. President, it is with tremendous pride that I rise to commend Charles J. Quinn, of Manchester, N.H. On May 21, Charlie Quinn is being honored by the people of our hometown upon his retirement after 33 years of selfless dedication to West High School.

In 1938, Charlie Quinn graduated from West High—the school which was to become his career. After receiving his degree from St. Anselm's College in Manchester, he entered the U.S. Marines, serving in World War II as a bomber pilot. With the same loyalty and respect he devoted to his alma mater, Charlie served the Marine Reserves for 27 years as a fighter pilot, retiring as a lieutenant colonel.

After receiving his master's degree at Boston University, Charlie Quinn took a teaching job at West High in 1947. His tireless dedication and close relationship with students helped him rise through the ranks to become head of the social studies department, assistant principal, and finally, in 1972, principal. He is noted as being a quiet and helpful man, always willing to help a student or teacher with a question or problem.

In addition, Charlie, a football player in his college days, coached a variety of sports for 19 years at West High. The qualities which make Charlie a respected leader in the school were transmitted to his players. His squads were winners before ever taking the field for a game.

In the busy world in which we live, the individuals who tirelessly and consistently do their jobs above and beyond the call of duty are often overlooked. I am pleased to see that "An Evening with Charlie" will finally bring Charlie Quinn the recognition he so richly deserves, and I am proud of Charlie Quinn as a New Hampshire citizen and, more importantly, as a friend.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, if any Senator wishes the floor, I will be glad to yield it. For the time being, the Senate is awaiting taking up a con-

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*Required or determined by Federal law.

ference report, and the manager is involved in the markup of another very important bill.

So, at this point, I will have a few remarks about the U.S. Senate. But, as I say, if any Senator wishes the floor at any time, I will be glad to yield it.

I yield to the Senator from Arizona (Mr. DECONCINI).

The PRESIDING OFFICER (Mr. NELSON). The Senator from Arizona.

JUDICIARY NOMINATIONS

JUDGE CHARLES L. HARDY

Mr. DECONCINI. Mr. President, Judge Charles L. Hardy has been nominated by the President to the position of Federal district judge in Arizona.

Judge Hardy has served for almost 14 years as superior court judge in Maricopa County and is held in universally high esteem throughout Arizona. He was recently returned to the bench by the overwhelming approval of the voters of Maricopa County, after the county Bar Association expressed its strong approval for his retention.

During World War II, Judge Hardy was awarded five battle stars and the Bronze Star Medal in the European Theater of Operations. He graduated from the University of Arizona with a B.S. in business economics in 1947 and completed law college 2 years later.

After 3 years in private practice, Judge Hardy served as deputy county attorney in Maricopa County from 1952 to 1955. He was a partner with the late Milton Bissel for 1 year and then served as assistant attorney general of Arizona from 1957 to 1959. For 6 years, he was associated with a partner in the law firm of Kramer, Roche, Burch and Steich and finally was a partner in the firm Snowberger, O'Brien & Hardy until he became superior court judge in 1966.

His experience and outstanding reputation has earned, for Judge Hardy, the consideration for appointment to the Federal bench. I am certain that in this capacity, he will serve his country and the judiciary system well, as he has in the past, and allow me many years hence, the pride of having recommended him to the President for appointment.

The Judiciary Committee has approved Judge Hardy, and I urge that the Senate quickly confirm him as a U.S. district judge for Arizona.

PROF. WILLIAM C. CANBY

Mr. President, Prof. William C. Canby has been nominated by the President to the position of Federal judge for the Ninth Circuit Court of Appeals.

William Canby has been a professor of law at Arizona State University since 1967. His distinguished career in private practice, public service and the academic world has earned him the respect and admiration of leaders in all three fields.

Professor Canby graduated from Yale University in 1953, and from the University of Minnesota Law School in 1956. He served with the Air Force Judge Advocate General's Department in Washington for 2 years, and as law clerk to Supreme Court Justice Charles Whittaker from 1958 to 1959. He spent the next 3 years in private practice with the firm of Oppenheimer, Hodgson, Brown, Baer & Wolff in St. Paul, Minn.

Professor Canby served as associate director and deputy director of the Peace Corps in Ethiopia. He also served as Director of the Peace Corps in Uganda from 1964 to 1966.

In 1966, Professor Canby served as special assistant to then, Senator Walter Mondale, in Washington. He was then appointed special assistant to Harris Wofford, president of the State University of New York at Old Westbury, before being named to his present position at Arizona State.

In 1970 and 1971, while on leave from Arizona State, he served as visiting Fulbright Professor of Law at Makerere University in Uganda.

Professor Canby has also served as counsel to the firm of Bates and Osteen, whose 1977 landmark Supreme Court case, Bates against Arizona, prohibited the Arizona Bar from denying attorneys the right to advertise. Professor Canby's participation in this case demonstrated his courage and his ability to disagree with his profession when he thought they were wrong.

Professor Canby has had a long distinguished legal career since his graduation from the University of Minnesota Law School in 1956. He is held in very high esteem by his associates in the Arizona Bar, and he will bring with him, great insight, compassion and understanding, all necessary ingredients for a circuit court judge.

Professor Canby was approved by the Judiciary Committee, and I urge that the Senate quickly follow suit.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, the office of the President pro tempore is an office which I discussed at some length last week. I wish to return to that subject today, as I indicated I would do.

The office of the President pro tempore changed slowly by precedent and practice until the first half of the 20th century. At that point, two major developments shaped the pro tempore dramatically, resulting in the office as it functions today. Those developments are the ascendancy of the Majority Leader, beginning in the early 1920's, and the advent of the modern Vice Presidency in the 1950's.

Until the turn of the nineteenth century, the pace of life was slower. Though many of the issues the Senate faced were bitterly disputed, the volume of legislation was a fraction of what the Congress deliberates on today. Because of this and difficulties in communication, travel, and obtaining and maintaining a quorum, the sessions of the Senate were appreciably shorter. Also, for these reasons, the Vice President had fewer duties and obligations and, therefore, more time to devote to presiding over the Senate.

Since the first Congress, the majority of Vice Presidents have taken an active role in presiding over the Senate and thus limited the access of the President pro tempore to the chair. However, this practice dropped off dramatically in the early 1950's when Richard Nixon became the Vice President under President Eisenhower. Nixon established a new role for the Vice President as an active spokesman for the Administration and its policies across the country and the world. This required him to travel frequently and for extended periods of time. This role has been continued and expanded by subsequent Vice Presidents who have, to a large extent, abandoned their duties as President of the Senate for more important political activities.

During this period, however, an earlier development was diminishing the power of the President pro tempore just as it seemed to be expanding. On January 15, 1920, a Democratic conference was called by its chairman to select a "leader" of the Democrats in the Senate. This was the first time that the caucus minutes showed that the meeting was being called to elect a "leader" for the party and not just the chairman of the party caucus. By 1946, the Majority Leader had established himself as a prominent force in the Senate. Though the office is a political one, the rules do confer certain powers on the Majority and Minority Leaders which were established and expanded by the Legislative Reorganization Acts of 1946 and 1970. These rules and a combination of party discipline and the personalities of strong Majority Leaders managed to usurp the few powers of the President pro tempore granted under his statutory authority.

THE PRESIDENT PRO TEMPORE AND THE VICE PRESIDENT

Both the Vice President and the President pro tempore are given appointive powers for specific purposes by various statutes, concurrent resolutions, and simple resolutions adopted by the Senate. However, the joint leadership usually determines upon whom the appointments will be conferred. Moreover, often the Senate will name the members of a commission or committee in the text of the resolution.

The President pro tempore currently has a number of appointments which he is specifically authorized to make, and, in the event of a prolonged absence of the Vice President, takes over his appointive authority as well.

Aside from the appointive authority, the President pro tempore does have some advantages over the Vice President—being one of the Senate's own. In the absence of the Vice President, since 1884, it has been the sole privilege of the pro tempore to name a Senator to perform the duties of the chair in his absence for a period not to extend beyond an adjournment. Prior to that rule, the Vice President had many times been denied that same privilege.

Under the Constitution, the Vice President may cast a vote in the Senate only when that body is equally divided. But, by a resolution of April 19, 1792, the President pro tempore retained "his right to vote upon all questions." Also the Vice President is not allowed to participate in debate; although on different occasions has made long statements in the nature of debate from the chair. The President pro tempore, on the other hand, similarly has no right to engage in debate from the chair, but he does have the right to appoint a Senator as a substitute to perform the duties of the chair while he engages in debate on the Floor of the Senate.

THE PRESIDENT PRO TEMPORE AND THE MAJORITY LEADER

Since 1789, individual Senators have assumed leading roles in the actions of the Senate. Many such men have been elected to the Office of the President pro tempore in recognition of their leadership and service to their party. At times, the pro tempore has been able to use his authority to the benefit of his party by directing the debate on the Senate Floor, making key judgments on a point of order, or by making a special appointment. But the President pro tempore has never been able to establish his authority as a party leader to the extent of the Majority Leader. This is partly a result of the President pro tempore's irregular appointments and uncertain tenure over the years while serving in the absence of the Vice President. The President pro tempore could rarely maintain his office long enough to function as an effective leader.

Since the development of the Offices of Majority and Minority Leaders the President pro tempore has worked closely with the majority leadership. Because of his position as a senior member of the party, and often the chairman of a key committee, the leadership regularly consults the President pro tempore as to his views on policies and actions of the party. However, identifying the separate influence of the Senator as chairman or as President pro tempore becomes unclear and difficult to document.

Compared to the former party caucus chairmen, the Democratic Majority Leader of today has a more encompassing authority in his role as ex-officio chairman of all the party's policymaking and organizational bodies. These include the Party Conference, the Policy Committee, and the Steering Committee. It has been the recent practice of the Senate for the President pro tempore to be an ex-officio member of the policy and organizational bodies as well.

In the past, parties have elected chairmen for their party conference or caucus, but usually individual committee chairmen would manage their own legislation on the Senate Floor. In such a case, the President pro tempore, from his position as Presiding officer might be able to direct the Floor actions to enhance the passage of a particular bill. But, in recent years, the President pro tempore has lost a great deal of his ability to affect Floor debate. The Majority Leader now has primary responsibility for the scheduling, directing, and enactment of his party's legislative program. The Legislative Reorganization Acts of 1946 and 1970 formalized earlier practices of the Majority and Minority Leaders and gave them additional authority over Floor activities and committees. Because of the Majority Leader's expanded powers, party caucus meetings are no longer called to determine a detailed program such as they had been in the past.

The Majority and Minority Leaders have become the controlling factors of floor activity. In debate, they receive deferential treatment by Senators and the chair. Under Rule XIX of the Senate, the Presiding Officer is directed to "recognize the Senator who shall first address him." However, the Presiding Officer, by custom and practice, extends the two leaders preferential recognition, with the Majority Leader having first consideration. The Floor Leader can now control to a much greater extent the flow of debate, the calling of amendments, and the timing of votes than ever before.

In his role as caucus chairman and Floor Leader, the Majority Leader is in a position to help other members of his party—especially at times when they can not help themselves alone. The Majority Leader can control the timing and scheduling, for example, and is more likely to get a unanimous consent request approved. The members of the party, in return for their support, can expect the leader's assistance in meeting their individual needs in so far as possible.

As a leader of his party, the Majority Leader has a great deal of input into most political decisions. Among those political considerations are the confirmation of nominations and appointments. Although the President pro tempore has the statutory authority to make certain appointments, it is the current practice of the Senate for the Majority Leader to decide whom the President pro tempore will appoint to other positions.

The Majority Leader has the authority to take a number of other actions which affect the President pro tempore and his duties as well. The Majority Leader offers resolutions and technical motions to the Senate including the election of the President pro tempore.

The Majority Leader also makes motions to adjourn and calls up bills, sine die resolutions, and resolutions to authorize the Vice President and President pro tempore to sign duly enrolled bills and to make certain authorized appointments during adjournment.

Because the President pro tempore and the Majority Leader are usually of the same party, there is little disagreement between them. The Majority Leader, with the support of the party membership, has the authoritative voice in his party. His wishes are usually complied with.

As a popular member of the party, the President pro tempore will usually comply with the wishes of the Majority Leader. Conversely, the Majority Leader will be likely to confer with the President pro tempore on matters related to his duties as pro tempore because of his status as an influential and senior party member. The Majority Leader needs to maintain a broad base of support in order to be effective. The support of the President pro tempore is important for that reason.

THE HONORARY NATURE OF THE PRESIDENT PRO TEMPORE

The election of a Senator to the Office of the President pro tempore has always been considered one of the highest honors offered to a Senator by the Senate body. Over time, there have been many changes made in the fashion the Senator so honored was rewarded.

Very early on in the Senate's history, a salary differential marked the significance of the office. Since 1816, the President pro tempore has been accorded a larger salary than allotted to other Senators. By an Act of 1856, the President pro tempore was compensated at the same rate as the Vice President when the Vice Presidency was vacant.

In 1977, the Senate Democratic Caucus agreed that former "Vice President Hubert H. Humphrey, now a Senator from Minnesota, should receive a special title and special pay and allowances as a mark of respect for his former high office." The Senate adopted Senate Resolution 17 on January 10, 1977, creating an Office of Deputy President pro tempore of the Senate. This resolution provided that "any Member of the Senate who has held the Office of President or Vice President of the United States shall be a Deputy President pro tempore."

Although the resolution did not specifically enumerate the duties and responsibilities of the new office, the Deputy President pro tempore is authorized a legislative staff of three persons and an automobile with driver-messenger. Mr. Humphrey, in addition, was awarded a suite of offices in the Capitol Building.

The Deputy President pro tempore has the authority to preside over the Senate and sign bills and resolutions in the absence of both the Vice President and the President pro tempore. He can do so without the specific authorization of the President pro tempore. Under the current practices of the Senate, this is the only functional difference between the Deputy President pro tempore and any Senator serving as Presiding Officer. However, in addition, the Deputy President pro tempore will also have the right, ex officio, to sit on the Democratic Policy Committee, and be included in the leadership meetings and delegations, such as the leadership groups which periodically go to the White House for meetings with the President.

The development of this new office was brought about by some very emotional as well as political considerations. After Senator Humphrey withdrew from the race for Senate Majority Leader, Senator ROBERT C. BYRD of West Virginia, the winner of that contest, appointed a three-man ad hoc committee to find some special role that Humphrey could perform.

The Office of the Deputy President pro tempore and "the package of benefits for Humphrey was, in effect, a substitute for a proposal previously advanced by Senator Muskie of Maine to make Senator Humphrey chairman of the Democratic Caucus, a post normally reserved for the Majority Leader. Such a position would have carried more substantive power for Humphrey than the title and benefits given him."

ANALYSIS OF THE DUTIES AND RESPONSIBILITIES OF THE PRESIDENT PRO TEM

One of the President pro tempore's long enduring, but, as yet, never used privileges is to be prepared to ascend to the Presidency of the United States in the event of a vacancy in that office. The President pro tempore now stands third in line behind the Vice President and Speaker of the House of Representatives. Also, in the event of a vacancy in the Office of the Vice President, the President pro tempore customarily assumes the duties of the Vice President until the office can be filled under the provisions of the Twenty-fifth Amendment.

THE PRESIDING OFFICER

A result of the practice of electing to the office of the President pro tempore the most senior member has been a sudden decline in the interest of the President pro tempore in presiding over the Senate.

Senator Carl Hayden of Arizona appointed Senator Lee Metcalf of Montana to serve as Acting President pro tempore. From December 9, 1963, until the second regular session of the 88th Congress, Senator Metcalf served, by resolution of the Senate, as acting President pro tempore. The Senate adopted a resolution on February 7, 1964, appointing Senator Metcalf Acting President protempore "until otherwise ordered by the Senate." The Senate leadership felt it necessary to continue having Senator Metcalf serve as Permanent Acting President pro tempore because of the health and advanced age of the subsequent Presidents pro tempore. Senator Metcalf served through the election of three more Presidents pro tempore until his death on January 12, 1978.

In practice, the President pro tempore rarely presides over the Senate any more. As the President pro tempore alone has the authority to appoint an acting President pro tempore, he need only find another Senator who wishes to take the chair, and then sign an authorizing letter. In today's busy Senate, this situation can be an annoyance if there are no Senators available. Because of this problem, for approximately the last 30 years, the Senate has operated a system of rotation of the Senators in the chair.

The Senate Parliamentarian has maintained a stack of signed authorizing letters for available Senators to preside for a period of time.

This process has inevitably led to a trend of appointing more and more junior Senators to take the chair. This has occurred because it is not always easy to find a senior Senator who is readily available and willing to preside. A positive result of new members receiving the honor of presiding is that it familiarizes them somewhat with Senate procedure and customs.

On the other hand, because of the rapid turnover of Presiding officers, there are few Senators who are well versed in the Senate rules and precedents, so that Presiding Officers must usually rely on the Senate Parliamentarian for judgments on points of order or referrals to committee. The President pro tempore only takes the chair when there is some important event occurring which requires his official presence, such as a joint session of Congress.

ADMINISTRATIVE FUNCTION

The Senate as a body is highly conscious of custom and tradition. To enhance the credibility of certain actions or activities, the Senate employs a duly important official of the Senate to generate that effect. A bill signed by the President pro tempore shows that it has the endorsement of a majority of the Senate and legitimizes its actions. When an appointment is made which deserves some honorary recognition, the President pro tempore makes the announcement, giving the appointee a sense of achievement and the spectators a sense of validity. The President pro tempore announces the results of the counting of the electoral votes for President and Vice President to make it official.

The President pro tempore serves the function of figurehead, as does the Queen of England. Each commands the respect and veneration of all, which adds a certain value or quality to the activities they preside over. As compared to the Queen, however, the President pro tempore does have a good deal of power as an individual Senator.

ASCENDANCE TO THE PRESIDENCY

In 1967, the Twenty-fifth Amendment to the Constitution reinstated the President pro tempore to the top ranks of those in line to the Presidency. In case of a vacancy in the Office of the President and the inability of the Vice President and the Speaker of the House of Representatives to fill the vacancy, the President pro tempore shall act as President. There has been no occasion since its ratification that the President pro tempore was called to fill such a vacancy. However, a unique event in history has recently taken place that strengthens the idea and the vitality of the President pro tempore.

Following the resignation of Vice President Agnew in 1973, Senator Eastland of Mississippi, as President pro tempore, became, in effect, the acting Vice President of the United States. He assumed the duties of the Vice President, exercising all the powers and prerogatives of the office. He directed the Vice Presidential staff, signed, or appointed an Acting President pro tempore who signed, all bills before they could become law, and assumed the Vice President's appointive powers.

Senator Eastland served in this capacity until Gerald R. Ford was sworn in as Vice President. Upon the inauguration of Ford in 1974 as President of the United States, following the resignation of President Nixon, Senator Eastland again assumed the duties of the Vice President. He is the first President pro tempore in this century to serve in this capacity twice within a year under two Presidents. Senator Eastland fulfilled the responsibilities of the Vice President until Nelson A. Rockefeller was confirmed as Vice President.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point two tables, one with respect to the Deputy President pro tempore of the Senate; the other with respect to the permanent Acting President pro tempore of the Senate. Neither of these offices has been filled since the deaths of Senator Humphrey and Senator Metcalf, respectively.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DEPUTY PRESIDENT PRO TEMPORE OF THE SENATE [1]

Congress	Name	State	Elected
95th	Hubert H. Humphrey [2]	Minnesota	Jan. 11, 1977 (effective Jan. 5, 1977).

[1] This office was established by S. Res. 17, 96–1, agreed to Jan. 10, 1977 (effective Jan. 5, 1977). The resolution provided that "[a]ny Member of the Senate who has held the Office of President of the United States or Vice President of the United States shall be a Deputy President pro tempore".

[2] Died Jan. 13, 1978.

PERMANENT ACTING PRESIDENT PRO TEMPORE OF THE SENATE [1]

Congress	Name	State	Elected
88th–95th	Lee Metcalf [2]	Montana	Feb. 7, 1964.

[1] Development of this office started in 1963 upon adoption of S. Res. 232 and S. Res. 238, making Senator Metcalf Permanent Acting President Pro Tempore from Dec. 9, 1963, until meeting of the second regular session of the 88th Congress. On Feb. 7, 1964, S. Res. 296 was adopted authorizing Senator Metcalf "to perform the duties of the Chair as Acting President Pro Tempore until otherwise ordered by the Senate."

[2] Died Jan. 12, 1978.

(Mr. BAUCUS assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER.** Is there further morning business? If not, morning business is closed.

FEDERAL TRADE COMMISSION AMENDMENTS—CONFERENCE REPORT

Mr. **FORD.** Mr. President, I submit a report of the committee of conference on H.R. 2313 and ask for its immediate consideration.

The **PRESIDING OFFICER.** The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The **PRESIDING OFFICER.** Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 1, 1980.)

Mr. **FORD.** Mr. President, several Senators will be here soon, and the majority leader will be here, when we determine a time certain to vote on this matter. With those thoughts in mind, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **FORD.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **FORD.** Mr. President, a great deal of attention has been directed to the Federal Trade Commission authorization legislation. With the passage of the conference report on H.R. 2313, which is before the Senate today, the FTC will be funded for the first time since 1977 through the traditional authorization process.

Disagreement over whether to subject Federal Trade Commission regulations to a legislative veto has been the longstanding controversy delaying passage of the funding bill and resulting in several different authorization bills. The initial House reauthorization bill, H.R. 3816, passed in the House of Representatives on October 13, 1977, and included a legislative veto allowing either Chamber, on its own, to reject an FTC trade rule. The Senate legislation, which I introduced, S. 1288, contained no veto or review mechanism and passed the Senate by a unanimous vote on October 20, 1977, as a substitute for the House bill. On each of the two votes on this conference committee report, the Senate voted unanimously for the report and the House voted against further funding for the agency due to the legislative veto issue.

With the passage of H.R. 2313 in the House on November 27, 1979, the House again endorsed the one-House legislative veto concept. The recent Senate reauthorization legislation, S. 1991, passed in the Senate on February 7, 1980, as a substitute for the House bill and included a legislative review process, the Levin-Boren amendment. This amendment was adopted by an 87-to-10 vote and required postponement of a final rule issued by the FTC pending congressional review and disapproval by joint resolution requiring a Presidential signature. Recently, the House-Senate Commerce Committee conferees resolved this issue by allowing industrywide regulations of the FTC to be overturned by a majority vote of the House and Senate, the so-called two-House legislative veto.

I remain opposed to the legislative veto approach; the veto is not only unconstitutional, but it simply will not help cure the Nation's regulatory ills. It is my view that legislation more clearly defining agency authority and vigorous oversight is preferable to reviewing regulations after the fact. However, in the interest of funding the agency, I endorse the two-House legislative veto compromise contained in this conference report. This veto procedure would be established for 3 years, the life of the agency's authorization, as an experiment for Congress to determine the effect on the regulatory process. I am adamantly opposed to expanding this concept to any other regulatory agency until the effects of this legislation are known, and further I hope that the court will act expeditiously to determine the constitutionality of this process if a regulation is vetoed by a majority vote of two Houses of Congress.

Mr. President, there is no question that many of the FTC's actions have saved consumers considerable sums of money and that many initiatives under way at the FTC promise similar benefits. The FTC has a constructive role to play in consumer protection and in promoting competition. But it is essential for agencies to be accountable to Congress, the elected representatives, and I believe the way to make sure that congressional intent is being met is through oversight.

Thus, beginning in July 1979, the Senate Consumer Subcommittee of the Committee on Commerce, Science, and Transportation held 9 days of oversight hearings on the Federal Trade Commission with more than 50 witnesses. These hearings focused specifically on the consumer protection activities of the Commission and on rulemaking under section 18 of the Magnuson-Moss Act. Congress had clarified the FTC's authority to write industrywide rules with the passage of this act in 1975.

In testifying before the Consumer Subcommittee at the hearings the Chairman of the Commission acknowledged that the agency at times had been over-zealous. Later, other Commissioners acknowledged that some proposed rules were too sweeping at the outset and that the Commission should weigh more carefully whether to attack consumer problems on a case-by-case approach instead of issuing industrywide rules. They noted that where industrywide rules are chosen, the Commission should provide clearer guidance to the staff, more narrowly focus the rules, and look harder at the impact of its actions.

The oversight hearings demonstrated that the FTC had taken actions beyond the intent of Congress. As a result of these hearings and committee investigations, I sponsored legislation containing procedural reforms as well as other statutory changes to clarify the Agency's role. On November 20, 1979, the Senate Commerce Committee, in a vote of 16 to 0, ordered S. 1991 favorably reported with an amendment in the nature of a substitute.

On February 6, 1980, the Senate began debate on this legislation. I opposed amendments to the bill that did not pertain to the focus of the oversight hearings including any amendment to the Agency's antitrust authority as well as other crippling amendments such as an amendment to allow a one-House legislative veto and an amendment to destroy the public participation funding program. These amendments could not be justified by the evidence in the hearing record. The Senate authorization bill passed the Senate by a 77-to-13 vote.

Ironically, while the Senate was deliberating the way that the FTC was carrying out its rulemaking authority, the Federal courts were reviewing the first two rules promulgated by the Commission under the Magnuson-Moss Act. The courts consistently indicated that the FTC's power to write industry-wide regulations should be exercised carefully, particularly where the Commission had proposed to substitute its regulations for those of State and local government agencies. Thus all but a portion of the eyeglass rule, *American Optometric Association* v. *FTC*, No. 78–1461 (3d Circ. February 6, 1980), and the FTC rule on advertising and sales practices by private vocational schools, *Katherine Gibbs School* v. *FTC*, No. 78–4204 (2d Circ. December 12, 1979), were sent back to the agency for reconsideration.

Mr. President, negotiations between the House and Senate Commerce Committee conferees over the past months have been difficult because of the widely differing bills passed by the House and Senate. The Senate conferees were negotiating from a position of a strong Senate mandate with a 77-to-13 vote on final passage of its legislation and a 3-to-1 vote on most of the major controversial issues. The pressure was further heightened by the running of the clock as the Appropriations Committee threatened no further funding for the agency until an authorization bill became law. Finally, on April 17, 1980, a majority of the Senate conferees offered a major compromise to break the deadlock over the proposed legislative restrictions on the FTC's consumer protection authority. One week later, the President released a package of proposals which would result in a bill acceptable to him. The President's proposals mirrored in great part the Senate compromise package sent to the House a week earlier. On April 30, 1980, the Senate-House conferees met and accepted the conference report before this body today.

Before discussing the conference report, I would like to emphasize a point with respect to the Senate legislation affecting two current ongoing rulemakings, children's advertising and standards and certification. The Senate, by an overwhelming vote, felt that in certain specified cases Congress should provide guidance before the FTC initiates rulemakings at the taxpayers' expense. Clearly, Congress should not intervene as a routine matter in a normal rulemaking proceeding where the weight of the evidence is the only issue. However, if an agency has exceeded its authority to initiate a rule or if a dispute over the rulemaking involves the basic legal issue on the meaning of the statute or the scope of the Agency's jurisdiction, Congress should exercise its authority by law to take corrective action. The question of when to intervene must be decided by a pragmatic look at each case. Mr. President, I believe the Senate's action with respect to intervention in these two rulemaking proceedings was fully justified by the record.

STANDARDS AND CERTIFICATION RULEMAKING

I should like to make a few brief remarks regarding the provision in the conference report on voluntary standards activities, section 7. While the Senate bill terminated all rulemaking authority, the conference bill terminates only section 18 authority. This is the approach I originally took with the introduction of S. 1991, before the Commerce Committee acted. Ending section 18 rulemaking authority is clearly appropriate, since the bulk of the cases on which the proceeding is based are allegations of unjustified product exclusion—unfair methods of competition—not unfair or deceptive acts or practices, and since there was no prevalence of unlawful conduct which is required by section 18.

However, I point out that in the view of many there are unresolved legal issues regarding the existence and scope of section 6(g) rulemaking authority. The conference report notes this issue, but as Congress did in 1975, leaves it an open question.

But, even assuming the existence of section 6(g) rulemaking authority, there are still several issues that the Commission should address before issuing a rule: Is there a pattern of unlawful conduct sufficient to justify rulemaking as opposed to case-by-case action on violations; could an interpretive rule or guideline adequately address the problems that have been identified without imposing the possible rigidity of a rule: will FTC action regulating standards activities duplicate regulation by other Government agencies? These are not the only issues, of course, but I hope that they will be given serious consideration by the Commission before it determines what final action should be taken on this issue.

Furthermore, I continue to believe that the arguments contained in the Senate report on S. 1991 make a persuasive case for individual adjudication of product exclusion cases which occur as a result of standards activities, and that the Commission would be well advised to prosecute any such violations through case-by-case enforcement of the antitrust laws rather than by subjecting all standards developing organizations to a lengthy and detailed system of procedural regulations.

ADVERTISING RULEMAKING

With respect to advertising rulemaking, the Senate bill required termination of the children's advertising proceeding until the Commission published the text of a rule. Section 11 of the conference report requires that the children's advertising proceeding be suspended unless or until the Commission votes to publish the text of the proposed rule, and any further action could be based on acts or practices that are deceptive. The Senate report on S. 1991 points out the problems created in this proceeding by the fact that the Commission never proposed a specific rule coupled with the overly broad theory of unfairness.

Under the new standard, unfairness may not be the basis for any new advertising rulemaking proceeding during the life of the 3-year authorization so that Congress can explore the concept with additional hearings. I believe it is important to explain what the provision does and, even more importantly, what it does not do.

The Federal Trade Commission has traditionally exercised the power granted to it by Congress to prevent the dissemination of false or deceptive advertising as an unfair or deceptive act or practice. In recent years, however, the Commission has used a novel set of theories that would enable it greatly to expand its jurisdiction by asserting the power to regulate the content of truthful advertising as well, if the Commission thought that for some reason the advertising was unfair.

The unprecedented departure from the traditional scope of the Commission's jurisdiction has been a matter of great concern to many thoughtful persons in and out of Congress, including, for example, the American Civil Liberties Union, which criticized the FTC's proposed ban on children's television advertising under the "unfairness" standard as an unconstitutional abridgement of free speech which exceeded the Commission's authority. Norman Dorsen, chairperson for the ACLU stated in a letter to the FTC:

> We do not question the Commission's power to regulate deceptive advertising. We recognize fraud, deception and misrepresentation as permissible grounds for the regulation of commercial speech But what the FTC now proposes is in effect to label all advertising aimed at young children as inherently deceptive. This in our view is too sweeping a remedy that catches protected speech in its net.

The report on FTC rulemaking of the special project of the Administrative Conference of the United States, a report mandated by the Magnuson-Moss Act, traces the recent development of the Commission's unfairness theories, which it describes as "an extremely plastic, open-ended set of theories." It concludes that if the Commission remains free to frame such broad and novel theories to support its rules, then the procedural safeguards in the statute may not be an adequate substitute for substantive standards. Prof. Robert H. Bork of the Yale Law School, formerly Solicitor General of the United States, has submitted a statement to the Consumer Subcommittee in which he endorsed the provision to eliminate the unfairness standard in advertising rulemaking and urged that, because of the important constitutional considerations involved, the unfairness standard be eliminated from section 5 adjudications as well. It is apparent, therefore, that this is an important reform measure supported by many thoughtful and disinterested critics.

There is nothing in the legislative history of the FTC Act which indicates that the Congress intended for the Commission to be empowered to regulate the content of nondeceptive commercial speech on grounds of unfairness. Further, no court has ruled that the FTC could regulate the content nondeceptive advertising on grounds of "unfairness" alone. Even the FTC itself has not held in an adjudicated case that truthful but unfair advertising is prohibited by section 5 of the Federal Trade Commission Act.

With respect to the constitutional issue raised by the Commission's unfairness theories, the Supreme Court has made it clear that commercial speech is entitled to the protection of the first amendment, unless that speech is false, misleading, or deceptive. The court in the Virginia State Board of Pharmacy case expressly said that the State may not under the first amendment prevent the dissemination of advertising which contained "concededly truthful information about entirely lawful activity" because it was "fearful of that information's effect upon its disseminators and its recipients."

Mr. President, the bill's modest restrictions go only to the Commission's ability to regulate for 3 years the content of nondeceptive commercial speech on broad and novel unfairness theories, and even then only in industrywide rulemakings. This legislation does not reduce any of the powers the Commission has traditionally exercised. It does not affect the Commission's authority in individual adjudicatory proceedings under section 5 of the act. It does not limit the Commission's authority in rulemaking proceedings with respect to practices other than advertising, including unfair practices, such as "bait and switch" tactics. The legislation also would not affect the FTC's ad substantiation program, which requires advertisers to submit to the FTC on request data concerning substantiation for particular advertising claims.

With these provisions in the conference report limiting and defining more specifically the FTC's authority, the conferees intend to redirect the Commission to its primary and longstanding function of determining whether advertising contains representations that are false or have the capacity to deceive or mislead consumers. In discharging this task, the danger will be greatly diminished that the Commission will infringe upon first amendment rights or impose its own concepts of public policy when regulating commercial speech.

CONFIDENTIALITY

Under section 14 of the conference report, the applicability of the Freedom of Information Act (FOIA) is limited to subpenaed information or information supplied in lieu of a subpena. This more narrowly defines the FOIA exemption, which was the intent of the original Senate bill, along the lines of a comparable exemption applicable to the Justice Department since 1976.

The main purposes of the exemption are to protect proprietary data without affecting agency accountability to the public through the FOIA and to encourage compliance with legitimate information demands. With respect to the protection of proprietary data, there is no reference to the legislative history of the FOIA that would support the notion that the FOIA was intended to permit a person to obtain personal information about other individuals, or to gain an advantage over business competitors. Since the basic purpose of the FOIA is to permit public access to the records of the agency's own decisionmaking so that agency officials are more accountable and cannot relp on "secret law," this legislation is consistent with that objective. Nothing in the legislation would affect in any way public access to the FTC's own documents through the FOIA.

As a result of 9 days of oversight hearings on the FTC, it was established that the problem of obtaining information at the Commission does exist. Businesses frequently take the Federal Trade Commission to court to quash subpenas, because of the fear that the FTC will release their confidential information to competitors. The Department of Justice operating under the FOIA exemption for subpenaed information since 1976, does not have the same problem of noncompliance with legitimate information demands, Antitrust Civil Process Act, 15 U.S.C. 1311. The FTC conference report emphasizes that this provision was adopted due to special circumstances surrounding the difficulty of receipt of information by the FTC. The Senate conferees urged inclusion of a provision in the report stating that the conferees do not wish this action to be construed as a precedent for general governmentwide policy affecting the application of the Freedom of Information Act, and I believe this is particularly appropriate.

I should like to clarify some points regarding this provision: First, information will not become permanently confidential simply because the company labels it that way. The legislation is modeled after a process that the Commission has used for years. If a company marks its document confidential, the FTC may nevertheless decide it is not confidential and should be disclosed. The company must be given 10 days' notice of the FTC's intention to disclose the document so that it can go to court if it wishes to contest the Commission's decision. Second, evidence collected by the Committee shows that the Commission traditionally has required private parties to supply it with enormous amounts of sensitive information but has taken a narrow view as to what constitutes a trade secret exempt from disclosure. The Third Circuit Court of Appeals in the recent Wearly case spoke about inappropriate disclosures by the FTC. The court of appeals said that evidence in the lower New Jersey court demonstrated that in the past the Commission had made inappropriate disclosures stating—

> We agree with the District Judge that the unfortunate disclosures by the FTC of confidential information are the kind of governmental behavior that simply cannot be countenanced.

The court of appeal's decision left intact the lower court's finding that disclosure of secrets is an unconstitutional taking of property and pointed out clearly the need for prompt congressional action in this area.

Section 14 of the bill provides in section 21(b)(3)(B) that the custodian may provide copies of documents to authorized officers or employees of the Commission. This does not preclude use of these documents by consultants retained by the Commission, provided that they will be using the documents for official business and have signed a written agreement not to disclose information without the Commission's consent.

Section 21(c) permitting companies to designate certain information submitted to the Commission "confidential" is not intended to apply to everything filed with the Commission. Rather, Congress expects that submitters will limit their designations to information which they believe may not be made public under section 6(f) of the act. Moreover, it is not contemplated that this subsection would ordinarily apply to correspondence, pleadings, motions, and other documents designed to secure relief or to affect official Commission proceedings except as to portions which contain trade secrets or confidential and commercial information. Instead, it is intended to protect the proprietary interests of submitters. In addition, if portions of documents are marked as containing proprietary information, only those portions would be subject to the notice requirement. Release of these documents to State and Federal law enforcement agencies is permitted because these disclosures are governed by section 6(f).

As to information that is not subject to a custodianship arrangement under section 21(b), the Commission is authorized to make public information that is neither a trade secret nor confidential commercial and financial information (section 6(f)). Also, the Commission may disclose the results of investigations or studies provided that the information is not revealed in an individually identifiable manner or does not reveal a trade secret or confidential commercial and financial information of any person (section 21(d)(1)(B)). The Commission may disclose trade secrets and confidential commercial and financial information in the following circumstances; first, it may disclose such information to Congress (section 21(d)(1)(A)); second, it may disclose such information to Federal and State law enforcement agencies, provided that those agencies promise to use it for law enforcement purposes only and keep it confidential (section 6(f)); third, relevant and material information may be disclosed in Commission administrative proceedings or in judicial proceedings, but it may be made subject to appropriate protective orders (sections 21(d)(1)(C), 21(d)(2)), see Senate Report No. 96-500 at 27-28; fourth, disclosures may be made pursuant to certain statutes that authorize disclosures to other Federal agencies; and finally, disclosures may be made of disaggregated information obtained under the Federal Reports Act to Federal agencies, but the agencies may use the information only for economic, statistical, or policymaking purposes, and may not disclose that information in an individually identifiable form (Section 21(d)(1)(D)).

As to this last provision, it is the intent of the conferees to codify current Commission practice which is to allow only the Department of Commerce's Bureau of Economic Analysis (BEA) access to individual quarterly financial reports collected by the FTC. This information is used by BEA for purposes of preparing the estimates of the national income and product accounts. Other Federal agencies do not currently have regular access to disaggregated data gathered under the Federal Reports Act and we expect no change in this practice. However, if any need arises for a change in this practice, we expect the Commission to notify the Commerce Committees.

It has been noted that the conference report permits the FTC to disclose confidential information to Federal and State law enforcement agencies if the agencies agree to maintain the material in confidence and if they need the information for official law enforcement purposes. The provision maintains an authority which the Commission has under current law, as recently explained by the court in the Interco case. The conference report does not require the Commission to second-guess or look behind the scope of a State attorney general's request for access to the Commission's investigatory files.

As to information that the Commission obtained before enactment of this bill, the respective prohibitions and authorities contained in sections 6(f), 21(d), 21(e), and 21(f) apply regardless of whether the information was obtained before or after the effective date of the act. Sections 21(a), 21(b), and 21(c) apply to material obtained by the Commission after the effective date of the act.

Finally, sections 6(f) and 21(b) require agencies that receive the information from the Commission to maintain the information in confidence. These provisions are not intended to preclude use of documents as evidence in a law enforcement proceeding. Also, if both the Commission and the provider consent, the recipient agency may make information covered by these provisions public.

One clarification needs to be made concerning section 20(i). Where the Commission, pursuant to one of its reporting programs such as QFR or line of business, is sending out identical process orders to a large number of companies, then a duplicate of the Commissioners signature on the first order on other identical orders is sufficient. However, with respect to other uses of compulsory process, the conferees intend that a Commissioner sign each order.

Mr. President, as the lengthy hearing record before the Senate Commerce Committee indicates, many proposals were recommended to affect the authority of the Federal Trade Commission. In closing, I want to emphasize that neither the legislation which passed on the Senate floor nor this conference report takes away powers which the Commission has had for years. All the improved and strengthened enforcement measures enacted by the Congress in recent years are preserved, including the extension of the Commission's jurisdiction to all matters which affect commerce, the power to issue industrywide trade regulation rules, the power to give industrywide effect to individual cease-and-desist orders, the authority to seek immediate injunctions against alleged unfair or deceptive acts or practices pending Commission adjudication of its charges, and the right to go to court after issuance of a cease-and-desist order to obtain redress for consumers who have been injured by unfair or deceptive acts or practices.

The Federal Trade Commission, with new guidelines with respect to its rulemaking authority, continues to have the potential to be an aggressive watchdog of the marketplace. I feel confident in saying that the changes we have made will help return the FTC to a respected and responsible agency which is what the Congress had in mind when it first created the agency.

I thank the distinguished chairman of the Commerce Committee for his leadership and invaluable support on this FTC authorization bill.

I would also like to thank the ranking minority member on the Consumer Subcommittee, Senator DANFORTH, for his cooperation, for his patience—and I underscore "patience"—and for his thoughtful—and I underscore "thoughtful"—contributions in this legislative endeavor. Without the time and effort he contributed, there would be no authorization bill to consider today.

Further, Mr. President, I wish to recognize all the House and Senate conferees for continuing to work together in trying circumstances in an effort to fund this agency.

Finally, I thank the administration for the time that the President and his Domestic Policy Adviser, Stuart Eizenstat, have personally contributed to this proposed legislation.

Mr. President, I suspect that this measure would not be here had it not been for the work, the tireless efforts, the patience, and the thoughtful consideration of the staff: Amy Bondurant, Mike Mullen, Loretta Dunn, and on my personal staff, Martha Moloney. To them and to each of the members of the staff of the minority, I extend my thanks and congratulations for a job well done.

Mr. President, I yield to the distinguished Senator from Nevada, the chairman of the Committee on Commerce, Science, and Transportation.

Mr. CANNON. Mr. President, first, I commend my distinguished colleague from Kentucky for his fine leadership in handling the FTC bill on the floor and in leading the Senate conferees through a difficult and complicated conference with the House. He has done an outstanding job. I would also like to commend the distinguished Senator from Missouri who has contributed and cooperated greatly in bringing this bill to conference. He contributed significantly to our efforts in developing proposals and alternatives that would bridge the gap between Senate and House positions on this legislation. I believe that the final conference version of the FTC bill represents an excellent compromise. It sets clear limits on the FTC's authority in a number of important areas, but it does not cripple or infringe on the Commission's authority to continue to protect consumers and insure a competitive marketplace.

Mr. President, this legislation grew out of 9 days of comprehensive oversight hearings indicated that the FTC's authority was very broad and that the Commission was stretching its authority to the very limits and beyond. It became clear to the committee that remedial legislation was needed, and S. 1991 introduced by Senator FORD was strongly supported in the committee and passed by the Senate on a vote of 77 to 13 on February 8, 1980. After extensive negotiations with our House conferees, we have come up with a final bill which I believe preserves the thrust of the Senate legislation, but also accommodates some strongly held views of the House conferees and certain concerns raised by the President regarding rulemaking proceedings.

I should like to explain some of the key provisions of the final version of the bill. First, the bill limits the authority of the FTC to issue subpenas. In the past the Commission has issued subpenas without any basis to believe that a company was violating the law; subpenas were issued simply to satisfy "official curiosity." Under the legislation, the Commission would be required to state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to that conduct. This provision is modeled after the Antitrust Civil Process Act and I think it will prevent fishing expeditions. In addition to limiting subpenas, the bill also requires the Commission to respect the confidentiality of commercial and financial information supplied to the Commission in the course of its investigations.

Second, the committee has incorporated into S. 1991, several regulatory reform provisions which are similar to the recommendations of the Carter administration. The most important provision is a requirement for a regulatory analysis by the FTC for each proposed and final rule issued by it. This amendment would require the FTC to publish an analysis of rulemaking options, including an assessment of the benefits and adverse effect of any proposed rule and its alternatives. Over the long run, I believe that requiring regulatory agencies to systematically analyze rulemaking options and particularly the cost and benefits of these options will result in more sound, and less burdensome, regulations.

ADVERTISING RULEMAKING

Now let me turn to the children's advertising proceeding and the FTC's rulemaking authority over advertising. The conference report would permit the FTC to engage in rulemaking with respect to children's advertising only if that advertising was deceptive. This amendment would eliminate unfairness as a ground to regulate children's advertising. The conference report would also suspend the use of "unfairness" in any new rulemaking proceeding during the 3-year authorization period. This action is consistent with the Commerce Committee's view that unfairness is too broad and vague a concept when applied to advertising. I believe the Commission will have adequate authority to regulate advertising if their power is limited to preventing false or deceptive advertising.

There is one other observation that I should like to make about the children's advertising proceeding that I think is important. In the Commerce Committee we focused on the constitutional and procedural issues and the question of what the appropriate standard was for regulating advertising. But, there is another important question regarding the FTC's activity in this area. That is: Whether the FTC proceeding was really an attempt to create through rulemaking a new national nutrition policy. To the extent that the FTC was attempting to establish nutrition policy their rulemaking proceeding was a mistake. That should be done by the Food and Drug Administration or the Department of Agriculture, not the FTC. The FTC has played and continues to play an important role in preventing false or deceptive advertising, and it will be most faithful to its charter if it sticks to that mission.

INSURANCE

Mr. President, I should like briefly to explain the purpose of section 5 of the conference report, a provision that I sponsored in committee.

This amendment clarifies the proper, but limited, role of the FTC with regard to insurance. Congressional action was made necessary because the FTC has refused to observe the limits on its jurisdiction imposed by Congress in the McCarran-Ferguson Act. As you know, the McCarran Act vests the States with authority to regulate insurance free of interference by the FTC. But despite this restriction, in the past 2 years the FTC has undertaken a wideranging program of unauthorized insurance investigations. These activities have had precisely the result which it was the purpose of the McCarran Act to avoid—interfering with State insurance regulation.

Accordingly, section 5 makes it clear that the FTC may not conduct investigations of the business of insurance under section 6 of the FTC Act. The FTC may not initiate any new investigations, and it must terminate any existing investigations. The Commission may, however, continue to assist the Department of Health and Welfare in its ongoing study of "medi-gap" insurance.

In a broader sense, the purpose of this provision is to reaffirm and reinforce, in the strongest way possible, the basic policy of the McCarran Act—that the FTC must defer to State regulation of insurance. It is not the prerogative of the FTC to seek to narrow or change this policy by conducting investigations outside of its jurisdiction or by adopting unsupportable interpretations of the McCarran Act.

I am particularly disturbed by the Commission's attempts to substitute its judgment for that of the States on what is an appropriate regulatory philosophy. In the McCarran Act, Congress intended to leave the States freedom to choose whatever regulatory structure they deemed appropriate. Consistent with this objective, the courts have established that where a State has enacted a law or regulation, there is no Federal authority under the McCarran Act unless the law or regulation is a sham or pretense. I think that is a fair statement of the law. It is the duty and responsibility of Congress to establish the law and of the Commission to enforce it as they find it.

The FTC's only proper role is to provide its views on policy questions when requested by Congress in order to further our legislative function. The FTC authorization bill clarifies this role. Under the provision agreed to by the conferees, the Commission may conduct studies on insurance issues at the request of either the House or Senate Commerce Committee, the committees with appropriate jurisdiction. As indicated in the conference report, this authority is limited to general review and analysis of insurance policy issues, not investigations of the industry or segments of the industry. Such full-scale investigations can only be conducted after obtaining the approval of both Houses of Congress, as was done in the case of the Department of Transportation study of automobile insurance.

As chairman of the Senate Commerce Committee, I can say that we intend to use this authority responsibly, and with full recognition that State insurance officials must always be consulted. In conducting studies, I also expect the FTC to make use of the States' expertise.

By thus assuring Congress of access to FTC advice, while at the same time assuring the States that their regulatory efforts can continue without impairment, I firmly believe that this provision strikes the appropriate balance between Federal and State interests.

Just briefly, I would like to mention two other points. First, nothing in the final version of the bill is intended to affect the discussion between myself and Senator PROXMIRE regarding the ability of the Banking Committee to request investigations and studies by the FTC under the Truth-In-Lending and the Equal Credit Opportunity Acts. I recognize the Banking Committee's longstanding involvement in insurance sold or promoted by creditors. There is no intent to affect any authority given to the FTC under the Truth-In-Lending Act or the Equal Credit Opportunity Act. Our discussion of February 7, 1980, still stands.

Second, I wish to comment on my understanding of how "health maintenance organizations"—HMO's—are treated under the McCarran-Ferguson Act. The phrase "the business of insurance", as I understand it, includes those activities of health insurance plans that involve the spreading and sharing of risk and, if those plans are regulated under State laws applicable to the business of insurance they are exempt from the antitrust laws. This would include prepaid health plans, health maintenance organizations, and foundations for medical care to the extent they are regulated by State law. Of course, under the Royal Drug case, third-party contracts of insurers—to reimburse persons or firms for goods or services provided to an insured—are not protected from the antitrust laws.

STANDARDS

Mr. President, let me comment briefly on section 7 of the conference report, the provision on the standards and certification rulemaking proceeding. Under the conference substitute the Commission's section 18 rulemaking would be terminated. This is plainly justified because a clear majority of cases of alleged unlawful conduct that formed the basis of this rulemaking involved the unjustified exclusion of products from the market—a boycott under the Sherman Act, not "unfair acts or practices" to which section 18 rulemaking authority is restricted.

The conference report takes no position on the issue of whether the Commission has any other rulemaking authority. Specifically, our action should not be taken as affirming any rulemaking authority under section 6(g) of the FTC Act. That authority, if it exists, must be found in the 1914 Federal Trade Commission Act. I must say, that I personally have doubts about the Commission's rulemaking authority under this section. In my view, the legislative history of the 1914 act is very unclear on this point, and, in any event, this represents an important policy issue which an American Bar Association committee report has recently suggested should be reviewed by Congress.

Second, regardless of the extent of the Commission's rulemaking authority, the conference report stresses that "the conferees believe the Commission should explore the possibility of voluntary rules and guidelines in this area." In fact, I think the FTC staff report is clearly unpersuasive in explaining why rulemaking rather than individual actions is the preferred method for addressing this issue. Given the complexity and variation of fact patterns, individual actions rather than rigid rules seem to me to be the better approach to remedy the problems in this area.

Third, unless the Commission can establish a pattern of unlawful conduct—which the 25 cases cited in the staff report clearly fail to do, I do not think the Commission should seek to exercise rulemaking authority.

Fourth, and again assuming the FTC has other rulemaking authority, the Commission must demonstrate a "nexus" between its proposed rule and the alleged unlawful conduct which is the basis of the rule. Testimony during the course of the committee's oversight hearings indicated that many complaints did not involve situations where no notice or right to participate occurred, but involved technical disagreements over the particular standard that was established.

Finally, this rulemaking raises another important question—overlapping Government regulation. At the same time that the FTC is proceeding with this rulemaking the Office of Management and Budget has instructed the Department of Commerce to develop a rule indirectly regulating standards activities by barring reimbursement of Government officials for work on standards committees or the use of standards for procurement, unless the standard was set by a standards group meeting certain due process requirements. These requirements appear to be very similar to the requirements of the proposed FTC rule. Therefore, it would seem appropriate to coordinate these rulemaking activities and avoid any duplicate or inconsistent requirements.

The FTC standards proceeding has resulted in considerable controversy. But, what it all comes down to is some common sense about regulation: Is this regulation really necessary? And, does this regulation really address the underlying problems that have been identified in a manner that will be more effective than other possible regulations or individual actions. I hope the Commission will give careful consideration to these questions and the issues I have outlined when they determine what further action should be taken in this area.

PROVISIONS OF THE HOUSE BILL

Mr. President, there are four provisions of the House bill which are incorporated in the final conference report. The conferees accepted a House provision limiting the authority of the FTC to regulate funeral services. The FTC is limited to regulating certain specified activities and in addition a State may request exemption from FTC jurisdiction if it provides equal or greater consumer protection for funeral services. The conferees also adopted a House provision suspending FTC authority to initiate actions against generic trademarks for the 3-year authorization period. This would give the Congress time to reevaluate enforcement policy involving trademarks.

The conferees also adopted in modified form a House provision limiting the FTC authority over agricultural cooperatives. This amendment addresses the uncertainty surrounding the jurisdiction of the FTC by making certain that the FTC may not take any action against agricultural cooperatives because of conduct that is exempt from antitrust enforcement under the Capper-Volstead Act. This amendment says that if the Capper-Volstead Act sanctions certain activities, the FTC has to stay away—totally. It may not initiate any action whatsoever. Finally, the conferees agreed on a two-House veto provision. Although I have strong doubts about whether the veto will be an effective mechanism for confining rulemaking to the agency's statutory limits, and although I think redefining an agency's authority through legislation such as this FTC bill is a more desirable means for reform, it was necessary to reach some accommodation with the House on this issue. The legislation provides for a two-House veto during the 3-year authorization period. This will provide a test of whether or not this is a workable mechanism and would also provide the opportunity for a judicial test of the veto's constitutionality.

CONCLUSION

Mr. President, the FTC and a large segment of the press seem to assume that this legislation resulted solely from pressure of special interests. This is an incorrect assumption. While it is true that parties affected by FTC's rulemaking proceeding did bring their views to the attention of the committee, that alone would not have resulted in the legislation we are completing action on today. Many industries and many companies constantly complain about regulatory action but only occasionally does it result in legislation. The real reason that we have proposed this legislation for the FTC is because the Commission appeared to be fully prepared to push its statutory authority to the very brink and beyond. The FTC lost sight of the necessity to listen to the evidence and legal arguments of its opponents. Good judgment and wisdom had been replaced with an arrogance that seemed unparalleled among independent regulatory agencies. The FTC brought this legislation upon itself because its own chairman sought to "venture in the unchartered territory" of the Federal Trade Commission Act. His views were clearly stated in a 1977 speech in which he said:

> Frankly, I don't know how far we can travel on [the "unfairness" authority of Sperry & Hutchinson], but we intend to make use of the precedent, as it illustrates the elastic nature of the concept of "unfairness" which Section 5 embodies.

We are not asking the Commission to stop carrying out its consumer protection mission. All we are asking is that the Commission confine its activities to its statutory charter.

President Carter said earlier this year in a speech on regulatory reform:

> We have got a pressing need to get rid of the regulations that are unwarranted, and many of them are absolutely unwarranted, and we have got a need to manage those that are needed in the most effective and enlightened and sensitive way.

Congress has enacted this legislation because it is fully aware of and agrees with the President's views. I hope that the Commission will implement this legislation in that spirit.

And finally, Mr. President, I wish to thank the ranking minority member of the Commerce Committee, Senator PACKWOOD, who has always consistently sought an equitable solution to the controversy surrounding the FTC. I respect and appreciate the reservations he has expressed about the report now before the Senate; and in light of his very strong opposition to parts of the report I especially appreciate his cooperative spirit in permitting the majority of the Senate to move forward on this compromise.

I also want to recognize the professional work on the part of our respective staffs who have labored diligently to make this compromise possible. The Senate is grateful to Mike Mullen, Amy Bondurant, Loretta Dunn, Martha Moloney, Steve Halloway, and Butch Almstedt.

Mr. President, I submit a statement on behalf of Senator HOLLINGS. He is engaged in the conference with the House on the budget provisions. I submit his statement for the RECORD.

STATEMENT ON INSURANCE

Mr. HOLLINGS. Mr. President, I should like to add a few words concerning the insurance provision. I cannot emphasize strongly enough that this amendment reaffirms the basic purpose of the McCarran-Ferguson Act—to leave the job of insurance regulation to the States. In this amendment, we are once again telling the FTC that it is not to investigate the business of insurance since the States alone have this responsibility. We are limiting the FTC's role to conducting studies at the request of either Commerce Committee and only for the purpose of providing information to Congress when it considers insurance issues.

Because the States have this exclusive power to regulate, I would expect that there would be few, if any, FTC insurance studies undertaken at congressional request. But if there are such studies, the appropriations process must be taken into account. The appropriations subcommittee of which I am chairman is responsible for evaluating and approving FTC expenditures. As I indicated during the Commerce Committee's mark-up of the FTC bill, we can only appropriate if there has been an authorization. The problem in the past has been that the FTC has gone ahead with insurance investigations without seeking approval from the appropriations committee.

Therefore, to exercise our responsibilities under this amendment effectively, we must be kept continuously informed by the FTC. Specifically, we expect to be advised promptly by the FTC of any request for a study from the House or Senate Commerce Committee. And, we expect to be told of the estimated funds which will be needed. We will then give full and fair consideration to including such amounts in the FTC's appropriations bill, just as we would with regard to any other budget proposal by the Committee.

Mr. DANFORTH. Mr. President, the process of arriving at a Federal Trade Commission authorization bill has been a very long fight—in fact, something of a saga—for the Federal Trade Commission has now gone some 43 months without an authorization. As a matter of fact, during the past 4 years or so, the FTC has limped along from month to month, with one continuing appropriation bill after another sustaining its life—constantly under attack from various sides, constantly in a state of uncertainty as to what its future would be, what it would be permitted to do, what it would be able to do in the future.

The continued life of the Federal Trade Commission without an authorization bill is indeed a doubt. At one point—I believe it was last March—the House of Representatives was able to muster a majority of only some 15 votes to pass a continuing appropriations bill for the FTC. Therefore, it is clear that unless the Congress of the United States is able to agree, at long last, on an authorization bill, the possibility of further continuing appropriations is very much in doubt.

So it is in a very real sense that the future of an agency of the Federal Government, of very long standing, is in question and that that future will be resolved by what we are about to do this afternoon.

On the other hand—on the other side of this particular dilemma that we have been in—an agency of the Government that continues in existence without an authorization bill to sustain it is really without any congressional control whatever, other than simply the power of the purse.

Therefore, for those who believe that regulatory agencies should not be just free-wheeling organizations spinning out of control, an authorization bill is essential not only to maintain the life of an agency but also to provide it with the kind of congressional supervision which is necessary if our system of government is going to be maintained and its regulatory agencies are going to be under the control of those who ultimately are elected by the people—namely, the Congress of the United States.

This has been a very long, hard battle to get an authorization bill.

It has lasted some 4 years during which time the Senate Commerce Committee held some 14 days of hearings. The House Consumer Subcommittee held some 6 days of hearings. The Senate at various stages had this matter on the floor of the Senate on 7 different days, the House on 8 different days. There were 5 days of meetings of conferees, not to mention numerous informal meetings of Members of the Senate and Members of the House of Representatives who were involved in this process.

I believe that this is beginning to wind its way down and that today we are going to have an authorization bill.

Mr. President, it is going to be a bill which will please absolutely no one.

I asked my legislative assistant Kermit Almstedt, when we finally put the last touches on the compromise leading up to this conference report, please name the groups that will not like this bill. And he said, "Well, the consumer advocates will not like it, the funeral directors will not like it, the agricultural co-ops will not like it," and he went down this long list, and I said, "Who will like it?" And his answer was "Nobody."

I think, Mr. President, that that really is the nature sometimes of the legislative process. But Congress is a place where compromise is worked out and when a compromise is worked out nobody is entirely satisfied, nobody is entirely happy.

The problem of the Federal Trade Commission is that at the outset when Congress enacted the legislation creating the FTC, setting up its jurisdiction, that language was so loose that Congress really failed to provide the kind of instructions for the agency which were necessary to provide clear guidelines for what it was to do and what it was not to do. Therefore, with only very loose general instructions from Congress the agency began to, to use the vernacular, do its own thing and, therefore, the American people and interests within our country chose up sides and decided that they did or did not like what the FTC was doing on particular items.

I think one of the best things that came out of the hearings was the agreement to hold more hearings to define the meaning of the word "unfair" in the basic FTC's jurisdictional statement, that it has jurisdiction over unfair or deceptive trade practices. The term "unfair" is so loose, so elusive in definition that Congress has really had an ineffective way of judging what the FTC is up to.

Mr. President, at this point I ask unanimous consent that a statement detailing the compromise as I see it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN C. DANFORTH CONCERNING THE FEDERAL TRADE COMMISSION REAUTHORIZATION BILL

Since 1976, the Federal Trade Commission has gone without legislative authorization. The FTC has a constructive and important role to play in the regulation of interstate commerce. However, congressional concern with controversial FTC investigations, rulemaking and litigation has increased to the point of forcing the Commission to operate under stop-gap continuing resolutions for a period of 43 months.

One source of controversy has been the overly broad statutory language contained within the original FTC Act which requires the agency to prohibit "unfair or deceptive acts or practices" in the marketplace. The Commission has moved against a broad range of groups within the private sector on the vague grounds that their business practices were "unfair."

A second source of controversy has been the manner in which the FTC has conducted its affairs. Investigative subpoenas have been used in "fishing expeditions" without reasonable prior expectation of wrongdoing. Rulemaking has been instituted without advance notice to affected parties and without any reasonable belief that the alleged wrongdoing was prevalent in the marketplace. In addition, investigations have been undertaken in areas where the Congress specifically has reserved jurisdiction elsewhere.

In 1978, these concerns produced a climate in which the Senate voted approval of an FTC conference committee authorization bill on two occasions, only to have the compromise legislation rejected by the House.

In early 1979, I became involved in the FTC reauthorization process as the new ranking Minority Member of the Consumer Subcommittee of the Commerce Committee. I concluded that the most constructive way to break the impasse that had developed between the House, the Senate, the FTC and the Administration would be for the Senate Subcommittee to draft legislation more precisely defining the Commission's authority. On February 7, 1980, the full Senate accepted by a vote of 77 to 13, the text of the Senate Consumer Subcommittee bill (S. 1991). It contained the following major provisions:

Prohibited FTC public disclosure of trade secrets and confidential commercial and financial information;

Required the FTC to utilize explicit subpoena processes, thereby preventing "fishing expeditions" and protecting the legitimate rights of business and persons subjected to investigations;

Required advance notice of proposed FTC rulemakings to affected parties;

Prohibited rulemaking except in instances where the FTC had a reasonable cause to believe that unlawful acts were occurring;

Clarified FTC jurisdiction over the insurance industry pursuant to the provisions of the McCarran-Ferguson Act;

Prohibited the FTC from regulating children's advertising (Kidvid) under the agency's theory that such advertising was, per se, "unfair." (Even the ACLU objected to such sweeping power.) The Subcommittee was originally in favor of giving the FTC authority to regulate children's advertising if it was "false and deceptive." I succeeded in getting the Subcommittee to accept a "false or deceptive" standard;

Prohibited FTC rulemaking authority in the area of voluntary standards or certifications (i.e. such matters as how bright a 100 watt light bulb must be or how thick a ¼" cast iron pipe must be). It was my view that existing antitrust law provided relief to anyone denied access to the marketplace due to an anticompetitive standard or certification established by a voluntary association.

During the Senate floor debate on S. 1991, amendments were offered to reinstate FTC authority to prohibit children's advertising and to permit the promulgation of trade rules affecting voluntary standards and certifications. I opposed both amendments. "Kidvid" lost 67 to 30, and standards and certification was defeated 70 to 28.

An amendment was offered that would have prohibited the FTC investigations of anti-competitive practices by members of the "learned professions," including doctors, lawyers and dentists on the ground that such practices should be regulated at the state level. I opposed the amendment because hearings on the matter had not been held and it violated the established principle of concurrent federal-state enforcement of antitrust laws. The amendment was defeated 47 to 45.

Finally, an amendment was offered to establish a one-house legislative veto of rulemaking proceedings at the FTC. I opposed the amendment for two reasons.

First, I thought its constitutionality was doubtful. Before a bill can become law, it must pass the Senate and the House of Representatives and be signed by the President. If the President vetoes the bill, it must pass Congress by a two-thirds vote. This is the way the system of checks and balances works. Under this system, if the Executive Branch (the President and the bureaucracy) enforces a law in a manner different from that intended by Congress, Congress may rewrite the law, subject to the President's veto (which may, in turn, be overridden). Or, the Executive Branch may be taken to court and charged with exceeding its authority.

The one-house veto would tend to undermine that system. It would mean that no matter what the President thought the intent of a bill was when he agreed to sign it into law (instead of exercising his right to veto the bill), one house of the Congress would have the last word. That's not what the system of checks and balances is all about—the one-house veto could turn the President into a congressional pawn. Further, the one-house veto would mean that no matter what the Senate (or the House of Representatives) intended when the President signed the bill into law, the House (or the Senate) could undo everything simply by exercising its veto. That's not the way the system is supposed to work, either.

Second, even if the one-house veto were constitutional, it suffers from other problems. The veto would invite sloppy lawmaking because it would encourage Congress to write laws knowing that it could always have a second bite at the apple when regulations were written. But the fact of the matter is that Congress would not be likely to look at the regulations because there would be too many of them. Current history proves that to be true.

In my opinion, the original Senate version of the FTC bill was a balanced and reasonable effort to define more clearly the Commission's responsibility and authority. However, deep disagreements developed between Conferees during efforts to resolve seven specific differences between the House and Senate versions of the bill. Agreement was reached only after weeks of protracted negotiation and compromise on both sides, and only after the Conferees agreed to treat the resolution of differences on the seven issues as a package—not item by item. The disagreements on these issues were resolved as follows:

(1) Trademarks.—The House version prohibited the FTC from petitioning the Commissioner of Patents to cancel a registered trademark because the trade name had become "generic"—i.e. in common usage. The Senate version placed no limit on the FTC. The Senate-House compromise will prohibit the FTC from any action in this area for three years. I offered a compromise which would have permitted the FTC to seek the cancellation of a trademark if it could show evidence that the trademark was harmful to competition. My compromise was not accepted.

(2) Funeral industry.—The House version prohibited the FTC from regulating certain marketing practices within the funeral industry. The Senate version imposed no such limits. The Senate-House compromise authorized the FTC to issue trade regulations requiring price disclosures and preventing misrepresentations, boycotts, threats, tying arrangements and the sale of services without prior consumer approval. It also exempts states from FTC regulation if they provide comparable or stiffer regulation of the funeral industry. I favored the compromise.

(3) Agricultural cooperatives.—The House version prohibited the FTC from conducting any investigation of agricultural co-ops for potential antitrust violations whether or not the questioned activity was within the antitrust immunity granted to co-ops under the Capper-Volstead Act. For example, the FTC would have been prohibited from investigating alleged price-fixing between a co-op and an unrelated grocery store chain. The Senate version imposed no such restrictions. The Senate-House compromise prohibits the FTC from conducting a study, investigation or prosecution of an agricultural co-op for violations of federal antitrust laws only when the co-op is acting under the immunity of the Capper-Volstead Act. The compromise preserves the authority of the FTC to investigate anti-competitive behavior of ag co-ops acting outside of their lawful grant of immunity. I favored the compromise.

(4) Legislative veto.—The House version allowed trade rules promulgated by the FTC to be vetoed by both Houses of Congress or by one House in the absence of action by the other. The Senate version delayed the effective date of rules promulgated by the FTC to permit Congress time to enact a joint resolution overturning the rule. The Senate-House compromise would allow a two-house veto. I favored the result.

(5) Insurance.—The Senate version clari-

fied the jurisdiction of the FTC over the insurance industry by prohibiting the Commission, pursuant to existing law (McCarran-Ferguson Act), from investigation or enforcement activities in jursdictions where insurance is already subject to state regulation. The FTC had initiated a number of ongoing investigations of the insurance industry in direct violation of McCarran-Ferguson. The House version had no comparable clarification. Under the Senate-House compromise the FTC is permitted to conduct studies of the insurance industry when requested to do so by the Commerce Committee of either the House or the Senate. I favored the compromise.

(6) Children's advertising.—The Senate version prohibited the FTC from banning children's advertising and required the Commission, if it sought to regulate any form of commercial advertising, to do so under a standard of "false or deceptive," rather than "unfair." The House version had no such provision. Under the Senate-House compromise the FTC cannot ban truthful children's advertising. Further, if the Commission wishes to proceed with a Kidvid investigation it must publish the text of a proposed rule, and conduct its investigations under the "deceptive" standard. In addition, the Commission is banned for three years from promulgating advertising rules under a standard of "unfairness." This will permit Congress to conduct hearings on the scope and limits of such a standard. I would have preferred allowing the FTC to ban children's advertising only in the case of products deemed to constitute a health or safety hazard. However, I supported the compromise.

(7) Standards and certification.—The Senate version terminated FTC authority to regulate voluntary standards and certification associations. The House version had no such limitation. The Senate-House compromise prohibits the FTC from using its authority in the FTC Act under Sec. 18 (Consumer Protection) but allows it to use whatever authority it may have under Sec. 6 (antitrust). I would have preferred to limit the FTC rulemaking authority to procedural requirements in the development of product standards—requirements aimed at insuring interested parties an opportunity to participate in the setting of standards. Under the compromise, the FTC also can rulemake in the substantive areas of product standards. This will undoubtedly result in lengthy legal disputes between standard setting organizations and the FTC which the Congress could have helped to avoid.

The legislative process involving the FTC authorization bill has been complex, lengthy, and exhausting. The final and successful compromise between the House, the Senate, the FTC, and the White House has involved difficult and, at times, highly divisive negotiations. I have approached the issues involved with the view that the FTC has a constructive role to play in the regulation of interstate commerce and that many of the controversies have arisen because Congress has failed to define, precisely enough, the FTC's mission and jurisdiction. It is my view that the reauthorization bill which finally has resulted—although certainly not acceptable to me on all counts—makes constructive and substantial progress toward both goals. It preserves FTC jurisdiction and authority to act in many important areas of commerce and it more clearly defines the agency's mission.

Summary of FTC Authorization and Appropriation Activity in Congress From May 1976 to April 1980

1. The Congress has considered this issue for 43 months during which the FTC has gone without an authorization.

2. Appropriations:

A. For FY 1977, FY 1978 and FY 1979 the FTC received its money in the usual State, Justice, Commerce appropriation bill. Although limitations were placed on how the FTC could spend the money. These limitations were on the children's advertising rulemaking and the auto industry investigation and maintaining the confidentiality of the line of business reports.

B. For FY 1980 the FTC has received a series of three continuing resolutions with strict limitations on the use of money. In order to provide funds to the FTC under the third continuing resolution money had to be borrowed from the account of the International Communications Agency because no new money was available under the Second Budget Resolution.

3. Authorizations:

A. Committee hearings:

Senate Commerce Committee held, 14 days.

House Consumer Subcommittee held, 6 days.

B. Floor debate:

Senate, 7 days.

House, 8 days.

C. Meetings of Conferees, 5 days.

4. On each and every vote on an FTC Conference Committee Report the Senate has voted unanimously for the report and the House has voted against the report.

Chronology of Federal Trade Commission Appropriations

June 1, 1976, Second Supplemental Appropriations for FY 1976, $1,815,000 to Sept. 30, 1976. P.L. 94–303.

July 14, 1976, State, Justice, Commerce, Judiciary and Related Agencies Appropriations for FY 1977. $52,700,000. Oct. 1, 1976 to Sept. 30, 1977. P.L. 94–362. Restrictions placed on release of line of business data.

May 4, 1977, Supplemental Appropriations for FY 1977. $1,980,000. P.L. 95–26.

August 2, 1977, State, Justice, Commerce, Judiciary and and Related Agencies Appropriations for FY 1978. $59,500,000. Oct. 1, 1977 to Sept. 30, 1978. P.L. 95–86.

September 8, 1978, Second Supplemental Appropriations for FY 1978. $2,600,000. P.L. 95–355.

October 10, 1978, State, Justice, etc. Appropriations for FY 1979. $64,750,000. Oct. 1, 1978 to Sept. 30, 1979. P.L. 95–431. Restrictions placed on further activities in children's advertising rulemaking and auto investigation.

October 12, 1979, Continuing Resolution (H.J. Res. 412) from October 1, to November 20, 1979. P.L. 96–86. H. Rept. 96–500. Restrictions on any further activity in rulemaking.

November 20, 1979, Continuing Resolution (H.J. Res. 440) from November 20, 1979 to March 15, 1980. P.L. 96–123. S. Rept. 96–646 and H. Rept. 96–604. Continued restrictions on rulemaking.

March 28, 1980, Continuing Resolution (H.J. Res. 514) from March 15 to April 30, 1980. P.L. 96–219. Restrictions also continue.

January 4, 1975, Magnuson-Moss Warranty-Federal Trade Commission Improvement Act. P.L. 93–637. Provided authorizations for fiscal years 1975, 1976 and 1977.

May 29, 1976, Authorizations for F.Y. 1976 of $47,091,000. P.L. 94–299. No Senate hearings. One day of House hearings. S. Rept. 94–701. H. Rept. 94–1104.

February 22, 1977, H.R. 3816 introduced, "FTC Amendments of 1977".

March 8, 16, 1977, Hearings held in Consumer Subcommittee, House Commerce Committee.

March 29, 1977, Considered in Consumer Subcommittee executive session.

April 18, 1977, Considered in House Subcommittee and reported to full Committee.

April 19, 1977, S. 1288, "FTC Improvements Act of 1977" introduced.

May 3, 4, 1977, Hearings held on S. 1288 by Senate Consumer Subcommittee.

May 4, 11, 1977, H.R. 3816 considered by full Committee and ordered reported to full House as amended. H. Rept. 95–339.

May 12, 1977, S. 1288 considered in executive session and ordered reported with an amendment in the nature of a substitute. S. Rept. 95–197.

October 3, 1977, H.R. 3816 considered by House.

October 13, 1977, H.R. 3816 passed by a vote of 279 to 131.

October 20, 1977, H.R. 3816 passed the Senate by a unanimous vote of 90 to 0 with an amendment in the nature of a substitute (text of S. 1288 and S. 1533—requiring certain regulatory reform measures). Action on S. 1288 and S. 1533 indefinitely postponed.

January 24, 1978, House disagreed to the Senate amendment and requested a conference. The House appointed the following conferees: Reps. Staggers, Eckhardt, Metcalfe, Krueger, Carney, Scheuer, Luken, Devine, Broyhill, and Rinaldo, and Butler (solely for consideration of section 112 of the Senate amendment).

January 25, 1978, Senate insisted on its amendment and appointed the following conferees: Senators Magnuson, Ford, Durkin, Griffin and Danforth.

February 1, 1978, Conferees met.

February 8, 1978, Conferees met and agreed to file.

February 22, 1978, Conference report filed in the House. H. Rept. 95–892.

February 22, 1978, Conference report passed Senate by voice vote.

February 28, 1978, Conference report failed to pass the House by a vote of 255 to 146. The House reappointed the following conferees: Reps. Staggers, Eckhardt, Metcalfe, Krueger, Carney, Scheuer, Luken, Devine, Broyhill and Rinaldo and Butler (solely for consideration of section 112 of the Senate bill).

August 11, 1978, Senate insisted on its amendment and reappointed the following conferees: Senators Cannon, Ford, Schmitt and Danforth.

August 15, 1978, The conferees met and reached tentative agreement.

September 8, 1978, Conference report filed in the House. H. Rept. 95–1557.

September 11, 1978, Conference report passed Senate by voice vote.

September 14, 1978, Hearing held by House Rules Committee on conference report.

September 28, 1978, Conference report failed to pass the House by a vote of 214 to 175.

February 21, 1979, H.R. 2313, "FTC Improvements Act of 1979" introduced. Referred to House Commerce Committee.

February 28, 1979, Hearing held by Consumer Subcommittee.

March 1, 7, 1979, Hearings held.

April 26, 1979, S. 1020, "FTC Authorizations" introduced.

May 2, 1979, Hearing held on S. 1020.

May 8, 1979, S. 1020 Considered in Executive Session and ordered reported. H.R. 2313 forwarded from Consumer Subcommittee to full House Commerce.

May 14, 1979, H.R. 2313 ordered to be reported as amended.

May 15, 1979, H.R. 2313 reported to House (H. Rept. 96–181). S. 1020 reported to Senate (S. Rept. 96–184).

July 10, 1979, Senate Commerce Committee hearing on FTC life insurance cost disclosure study.

September 18, 19, 27, 28, 1979, Senate oversight hearings on FTC.

October 4, 5, 10, 1979, Senate oversight hearings on FTC.

October 17, 1979, Senate Commerce Committee hearing on FTC life insurance cost disclosure study.

November 8, 1979, S. 1991, "FTC Act of 1979" introduced.

November 14, 1979, House begins debate on H.R. 2313.

November 20, 1979, Senate Commerce reports S. 1991 as amended.

November 27, 1979, House passed H.R. 2313 as amended 321 to 63.

November 29, 1979, H.R. 2313 placed on Senate calendar.

November 30, 1979, Senate oversight hearing on FTC divestiture orders.

December 14, 1979, Report on S. 1991 filed (S. Rept. 96–500).

December 14, 1979, S. Res. 314, waiving the Congressional Budget Act introduced and referred to Budget Committee. This was a waiver for S. 1991.

February 5, 1980, Senate agreed to a time limitation on H.R. 2313.

February 6, 1980, Senate begins debate on H.R. 2313.

February 7, 1980, H.R. 2313 passed Senate with an amendment in the nature of a substitute (text of S. 1991 as amended) by a vote of 77 to 13. Senate insisted on its amendments and requested a conference. Senate indefinitely postponed consideration of S. 1020 and S. 1991.

February 20, 1980, Senate appointed the following conferees: Senators Cannon, Ford, Mangnuson, Heflin, Packwood, Danforth and Warner.

February 28, 1980, House disagreed to the Senate amendments and agreed to a conference. The House appointed the following conferees: Reps. Staggers, Scheuer, Preyer, Ottinger, Satterfield, Luken, Broyhill, Rinaldo, and Devine; Mr. Russo solely for consideration of the funeral amendment.

February 28, 1980, House instructed its conferees to insist on House language regarding congressional review of FTC regulations by a vote of 257 to 115.

March 13, 1980, Conferees met.

March 26, 1980, Conferees met.

April 30, 1980, Conferees met and accepted compromise.

Mr. DANFORTH. Mr. President, it is my understanding that Senator PACKWOOD, the ranking minority member of the Commerce Committee, is necessarily absent today when the Senate is considering the FTC conference report.

If Senator PACKWOOD were here, he would indicate that as a conferee he did not sign the conference report and he would vote against its acceptance.

Further, Mr. President, I ask unanimous consent that the Senator from Oregon (Mr. PACKWOOD) be permitted to file a statement of his views on this matter at a later date, and that those views be printed in the permanent RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, finally, a word about the chairman of our subcommittee, Senator WENDELL FORD. I do not know of anyone who has undertaken a more thankless job than Senator FORD in being the chairman of the Consumer Subcommittee, and navigating the treacherous rocks of moving this authorization bill along. He has been a man of very great patience and very great skill in accomplishing this seemingly miraculous feat, and he has been under fire from all directions.

I am told that at one point in time Mr. Ralph Nader took it upon himself to telephone every radio station in the State of Kentucky to give an "exclusive interview" during which time he proceeded to attack Senator FORD for his work on this conference report.

(Mr. STEVENSON assumed the chair.)

Mr. DANFORTH. Well, it is very difficult to make Mr. Nader happy; it is a free country and he is free to say whatever he pleases. I think it is easier to be a hit-man than to be a constructive legislator, and I think what WENDELL FORD has accomplished is something, as I said earlier, that is not going to make very many people happy, but it is the soul of responsibility and it is exactly what service in the U.S. Senate must be about.

Therefore, I extend to him my compliments and my congratulations for an outstanding job, and my strong sense of belief that he has done something which is very worthwhile, and my belief also that without his leadership on this bill we would not have a Federal Trade Commission.

Mr. President, I yield the floor.

Mr. SCHMITT addressed the Chair.

Mr. FORD. Mr. President, will the Senator yield to me?

Mr. SCHMITT. I would be happy to yield.

Mr. FORD. I wish I had the eloquence of Senator DANFORTH to thank him as eloquently as he has praised me. But, Jack, as they say down home, I am only armed with a silver tongue and the truth. I tell you with all sincerity that it could not have been accomplished without your patience and without your ability and your thoughtful input, as I said earlier. I am grateful to you for your kind remarks and I look forward to working with you for a long period of time.

I thank the distinguished Senator from New Mexico for allowing me the few remarks.

Mr. SCHMITT. Mr. President, I am more than happy to do that.

I say to both Senators, who have so ably managed this bill, that at least there is one group of one who is pleased and happy with the legislation.

It is this Senator's opinion that, as is implicit in the words of Senator DANFORTH, this is a landmark piece of legislation. It shows through in the numerous compromises made to deal with specific rulemaking activities and what can be done with hard work and persistence to create legislation. History may little note in the long term the specifics of the compromises but, nonetheless, they were critical to the passage of the legislation. History will note that the conferees were able to create what I believe is a workable form of congressional review, or legislative veto, over the future rulemaking activities of the Federal Trade Commission.

I congratulate all members of the conference committee, however they may have felt on this particular issue from a philosophical base, all the Senators and House Members who worked to reach this day where we on the floor of the U.S. Senate can consider not only a necessary authorization of an important agency, the Federal Trade Commission, but also an important and necessary legislative initiative—a legislative veto applied to the proposed rulemakings of an independent regulatory agency such as the FTC.

Senator PACKWOOD deserves the thanks of all of those who fought so hard for this concept, for assisting us in this effort. Senator FORD and Senator DANFORTH, although in opposition to the legislative veto under other circumstances, nonetheless were courteous in their opposition and worked diligently to reach the compromise that we have before us today.

Three years ago when the Senate began to work in earnest on the deliberation of the concept of a legislative veto, there seemed little likelihood of success. Now, however, we will be able to test the effect of a legislative veto for a period of 3 years on a major regulatory agency, one of great importance to the country. I feel confident that this test will prove the procedure to be an important addition to the oversight tools available to the Congress.

THE LEGISLATIVE VETO—A SYSTEMATIC PROCEDURE FOR EXERCISING OVERSIGHT

Mr. President, this has been referred to as the oversight Congress. Hopefully, that title will stick, and we will, in the next session of this Congress, continue to expand the process of oversight over the independent and executive agencies of Government and over their exercise of the statutory authority that we have given them.

In this light, it is therefore no coincidence that the legislative veto has become an important part of the debate concerning the most appropriate means for Congress to exert better and more consistent control over the Federal bureaucracy.

The legislative veto concept has been variously referred to as a panacea for all the problems of Government, or as an unconstitutional mechanism that will overburden the Congress with reviewing rules promulgated by the executive and independent agencies.

Neither of these positions is the correct one. Instead, the legislative veto is simply an aid to effective oversight of the exercise of legislative authority which hase been delegated to independent or executive branch agencies in the past. It will significantly increase the effectiveness of the Congress in representing the concerns of our constituents with regard to lawmaking in the form of Federal regulations and in assuring agency compliance with the intent of Congress in national policy formulation.

In developing the present legislative veto concept over the last 3 years, my colleagues and I have taken into account questions of constitutionality, House and Senate prerogatives, committee workload, and the threat of narrow special interests. It may be useful at this point to explain in some detail the concepts and procedures behind the legislative veto amendment that is contained in the Federal Trade Commission authorization bill conference report.

PROPOSED RULES

The legislative veto provision of the conference report would require that a proposed FTC rule would be transmitted to both Houses of Congress and be referred to the appropriate committees of jurisdiction. Before such a rule would go into effect, the proposed rule would lie before the Congress for 90 days, at which time the rule would go into effect automatically if both Houses of Congress have not agreed to a resolution of disapproval.

It is intended that should the Commission decide to formulate a new rule similar to that which was disapproved, the Commission will be guided by the committee report and floor debate on the disapproval resolution in determining congressional intent on the matter in question. This has been the experience with the proposed rules of the Federal Elections Commission which are already subject to legislative veto.

COMMITTEE DISCHARGE

In order to insure that resolutions of disapproval are treated seriously and that the Senate as a whole is able to pass judgment on changes in the law of the land, the amendment contains a provision which would permit one-fifth of the memberhip of either House to bring to a vote a motion to discharge the committee of jurisdiction from further consideration of a resolution should the committee fail to act on such a resolution after 75 days.

It is important to note carefully the need for such a provision that provides for the discharge of a committee. With ordinary legislation it is obvious that bills which will create changes in the Nation's laws must be brought before the full membership of both bodies of the Congress. Each Member has a full opportunity to express his or her views with regard to changes in national policy. This is the system of free and open debate we have inherited and its benefits are self-evident. Regulatory law, however, is an entirely different matter. Most decisions on these regulatory laws are made in the middle levels of the Federal bureaucracy and are not entirely open to public scrutiny. In fact, such laws are made by those who do not have to respond to the electorate as do Members of Congress.

With the establishment of a veto procedure we will allow the elected representative of the people an opportunity to review and possibly veto proposed FTC rules. Should we fail to provide a safeguard for committee inaction on a disapproval resolution, we will be endorsing the idea that fundamental changes in law will be permitted to occur without an opportunity for discussion on the floor of either body of Congress. This situation would be rectified by the discharge provision in the conference report.

LIMITATION ON DEBATE

In order to avoid a situation where debate is needlessly prolonged with regard to proposed rules, the conference report contains a provision which will limit debate to 1 hour on motions to discharge the committee from consideration of a resolution of disapproval. Debate on the resolution itself would be limited to 10 hours.

These limits would insure that there will be adequate time to consider the major policy or constitutional issues addressed by a proposed rule rather than be bogged down in technical details better left to a committee or more specifically to the FTC.

The limits would also disallow the possibility of excessive debate and possible filibuster on these proposed rules.

EXPEDITED COURT REVIEW

Mr. President, the constitutionality of the legislative veto has frequently been discussed in both the House and the Senate and it is likely that a constitutional challenge will be lodged against a legislative veto being applied to the FTC. In light of the facts that there are currently 295 provisions of law containing legislative veto or review procedures, that such procedures are regularly used by the Congress, and that, on the several occasions when it has been addressed by the courts, the veto has not been ruled unconstitutional, it appears likely that the Supreme Court will uphold the constitutionality of the procedure outlined in the conference report.

However, in order to insure that this issue is resolved as soon as possible after this legislation is enacted, and if a constitutional challenge is raised, the amendment contains a provision requesting expedited consideration of such a challenge by the Supreme Court.

STATUS OF RECOMMENDED FTC RULES

The conference committee report contains some very important language which is designed to make it very clear to the FTC, to the courts and to the Congress, the precise status of the rulemaking recommendations of the Federal Trade Commission. That language reads as follows:

> Under this provision the authority of the rules is conditioned on those rules being Federal Trade Commission to promulgate submitted to the Congress for review and possible disapproval under the procedures set out above. If the Congress does not act, the rule submitted to the Congress becomes effective. If the Congress passes a concurrent resolution of disapproval, the rule would not go into effect. By requiring that the Commission submit a rule to Congress for review and possible disapproval, the Congress, under this provision, hereby provides a mechanism to determine whether and when a rule submitted to it by the Commission becomes effective.

This language explains that the FTC does not have the authority to promulgate rules unless those rules are submitted to the Congress. In other words, to a great extent, the Congress has reassumed the legislative responsibility delegated to the FTC with the passage of the original FTC Act; and subsequently, with the Magnuson-Moss Act and with other legislation. Under these new procedures, the FTC is to make recommendations to the Congress. Should the Congress disapprove such a recommendation, it has not vetoed a rule that was already effective, because the FTC no longer has any statutory authority to promulgate a rule that becomes effective prior to submission to the Congress.

Mr. President, these are the major provisions of the legislative veto language in the Federal Trade Commission authorization bill conference report. We believe that this is a fair, reasonable and efficient approach to regulatory reform that responds to the public demand for greater congressional accountability for the delegated legislative actions of the Federal Trade Commission.

It has become increasingly evident that Congress cannot stand on the sidelines and be an uninvolved bystander to the regulatory process at the FTC. Neither can we just apply short-term fixes to specific rulemaking activities, as has been proposed by some. The presence of the possibility of a legislative veto at the end of the regulatory pipeline will insure that the FTC considers our concerns at the beginning of the pipeline. Congress must become a part of the process by insisting on an opportunity to review the rulemaking recommendations of the Federal Trade Commission.

Mr. President, I ask unanimous consent that there be printed in the RECORD a statement by Eugene Gressman, a distinguished legal scholar, which discusses the constitutionality of the one-house veto device, much of which can be applied to the compromise concept contained in the conference report, which is a two-house legislative veto. I ask that it be printed at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. **SCHMITT.** Finally, Mr. President, I just once again cannot help but reiterate my sincere appreciation to the conferees and, most specifically, to Senator FORD and Senator DANFORTH for their leadership and for their willingness to work with all members of the Commerce Committee interested in these issues, whether they were on the conference or not. The Senator from New Mexico deeply appreciates it and congratulates them on their success.

EXHIBIT 1

STATEMENT OF EUGENE GRESSMAN

This statement is directed to the proposition that the device known as the legislative or one-House veto can be structured and used in a manner consistent with the letter and the spirit of the Constitution. That proposition rests upon a constitutional rationale established by Chief Justice Marshall in *McCulloch* v. *Maryland,* 4 Wheat. (17 U.S.) 316 (1819), a rationale revived and applied by the Court of Claims to sustain a version of the so-called one-House veto in *Atkins* v. *United States,* 556 F.2d 1028, 1057–1071 (Ct.Cl. 1977), certiorari denied, 434 U.S. 1009 (1978).

My commitment to that proposition is thus something more than academic or theoretical, however relevant those factors may be.[1] It is a commitment forged in the fires of litigation respecting the constitutionality of this legislative device. I have had the honor of representing the House of Representatives in all five cases that to date have involved serious challenges to the use of the device.[2] In that capacity, I have observed and hopefully contributed to the development of a viable constitutional footing for the use of this legislative technique.

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[1] In my role as a professor of constitutional law at the North Carolina Law School at Chapel Hill, I have studied and taught the entire spectrum of the Constitution. I have yet to find anything therein supporting the frequently expressed academic view that the one-House veto device, in all its manifestations, necessarily violates the law-making procedures set forth in Article I, Sections 1 and 7, of the Constitution, as well as the basic principles of bicameralism, separation of powers and the presidential role in legislation established by those constitutional provisions. See, e.g., Watson, Congress Steps Out: A Look at Congressional Control of the Executive, 63 Cal L. Rev. 983 (1975).

The arch critics of the one-House veto device, including every President since the days of President Hoover, have yet to achieve any degree of success within judicial arenas. None of the four judicial decisions thus far rendered have indicated any tolerance or acceptance of their constitutional criticisms.[3] True, the *Clark* and *McCorkle* courts found compelling reasons for not addressing the constitutional issue, but such avoidance affords no comfort for the critics. The three-judge court in *Pressler* rejected, without extended discussion, a somewhat belated claim that the one-House veto provision in the Federal Salary Act, 2 U.S.C. § 359(1), was invalid, a claim that was renewed on the appeal to the Supreme Court. Without comment, the Supreme Court summarily affirmed the lower court's ruling in *Pressler*, 434 U.S. 1028.

However opaque may be the *Pressler* rulings with respect to the validity of the Salary Act veto provision, the *Atkins* decision of the Court of Claims leaves no doubt as to the speciousness of the constitutional assaults on that Salary Act provision. By any standard, the *Atkins* opinion is a model of judicial statesmanship and craftsmanship. It is a comprehensive analysis of the historic and pivotal role that Congress plays in the effective functioning of all three branches of the Federal Government. And it is a convincing demonstration of the enduring quality of John Marshall's "necessary and proper" analysis of the constitutional powers of Congress.

The impressiveness of the *Atkins* approach to the so-called one-House veto problem has seemingly stunned the critics of the veto. The chief critic, the Department of Justice, rarely if ever mentions the existence of the *Atkins* decision in its public statements, preferring simply to reiterate the constitutional objections that were so roundly analyzed and repudiated by the Court of Claims. When pressed, the Department brushes aside the *Atkins* ruling as merely "the view of four of the judges on the Court of Claims, upholding the one-House veto provision of the Federal Salary Act."[4] Some references are also made to the fact that the Court of Claims dealt only with the veto provision in the Salary Act and expressly disclaimed any "overarching attempt to cover the entire problem of the so-called legislative veto, or even a large segment of it." 556 F.2d at 1059. And the "necessary and proper" analysis that so permeates the *Atkins* decision is generally disposed of by the Department, if it is mentioned at all, by a footnote comment that the Necessary and Proper Clause does not authorize Congress to legislate by unconstitutional means, a proposition that is said to be "so self evident as not to require extended discussion."[5]

But the intrinsic importance of the *Atkins* ruling and its constitutional analysis rises above all attempts to ignore or understate the decision. The powerfulness of the constitutional concepts expressed in this ruling, particularly in its use of Chief Justice Marshall's perspective on the Necessary and Proper Clause, has completely shifted the focus and the nature of what until now has been a purely academic debate swirling about the constitutional propriety of the legislative oversight technique known popularly as the "one-House veto." That this first judicial declaration on the matter has been rendered by a federal court inferior to the Supreme Court does not detract from the force of the reasoning and analysis employed therein. A constitutional idea can have an importance and an impact without regard to the status of the court that first articulated the idea.

Because the *Atkins* rationale is so instructive as to how Congress may properly exercise some of its oversight functions through use of this so-called veto technique, it becomes appropriate briefly to summarize the sweep as well as the limits of the *Atkins* ruling. It must be emphasized at the outset of this recapitulation that *Atkins* does not purport to give Congress a blank check to review, revise or veto any and all forms of final executive or administrative action. One must begin this review, therefore, with a firm understanding of the kind of "one-House veto" provision that was put into issue in *Atkins*, as well as in the other four cases involving similar constitutional challenges.

THE NATURE OF THE VETO IN QUESTION

The term "one-House veto" or "legislative veto" is not a precise term of art, legislatively or constitutionally speaking. It is simply a popular shorthand term that covers a variety of forms of legislative oversight, some of which may not involve any attempt by Congress to "veto" or second-guess some final executive or administrative action.

It is a fact, doubtless coincidental, that all three statutes that have been challenged in courts for their embodiment of the so-called "one-House veto" are not true examples of the "veto" technique of oversight. The *Atkins-Pressler-McCorkle* trilogy of cases all involved the Salary Act provision that reserved to Congress its vested power to make final determinations as to the pay scales of the three branches of government. That power was exercisable by giving approval by inaction, or disapproval by resolution of either House, of salary recommendations that Congress had authorized the President to make.

In a word, the Salary Act provision at issue in the *Atkins* was not a true "one-House veto" provision. Disapproval of the President's recommendations did not mean a "veto" of a pay scale that had become final and effective upon issuance of the President's recommendations. His recommendation was simply a recommendation, nothing more, nothing less. Disapproval of such a recommendation, like disapproval of a legislator's proposal for salary increases, simply meant that the recommended or proposed new salary scale was not approved by Congress, leaving in effect the status quo as to salary scales. Since the President's salary recommendations under review in Congress merely had "the potentiality of becoming law—if neither House objects within 30 days of their announcement," 556 F. 2d at 1063, neither House was in position to "veto" any final Presidential action that had acquired the force of law.

The same kind of "non-veto" situation pertained in the *Clark* and *Chadha* litigation. *Clark* involved the issuance of *proposed* regulations by the Federal Election Commission, regulations that could not become effective until Congress had reviewed them and given its approval by failure of either House to adopt a disapproval resolution within the prescribed 30 legislative days. Likewise, *Chadha* involved a *recommendation* by the Attorney General that Congress permit a deportable alien to acquire permanent residential status in the United States, a recommendation that could be rejected by a disapproval vote in either House. In neither instance was Congress seeking to upset or veto any final action of the Federal Election Commission or of the Attorney General. In both instances the Congress was using the device of one-House disapproval as a means of exercising its reserved and vested power not to alter the status quo.

THE SCOPE OF THE NECESSARY AND PROPER CLAUSE

An understanding of the peculiar and misnamed kind of "one-House veto" prescribed in the Salary Act is the key that opens the constitutional path followed by the *Atkins* court in validating that so-called veto technique. The problem was to discover and define the power of Congress to affirm by inaction, or to disapprove by a one-House resolution, a recommendation made to it by the President respecting a matter that lay within the exclusive legislative power of the Congress. The answer to that problem was found in the Necessary and Proper Clause of the Constitution, Article I, Section 8, Clause 18. That Clause vests in the Congress the power:

> "To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

It is immediately apparent that this Clause enables Congress to make whatever laws are necessary and proper for carrying into execution two basic categories of vested powers: (1) those powers that are vested in Congress by Article I or any other provision of the Constitution; and (2) those powers that are vested by the Constitution in other organs of the Government of the United States, be it the executive or the judicial branch or any department or officer of the Government. The power to implement the execution of Congressional vested powers constitutes the "vertical effect" of the Necessary and Proper Clause, while the Congressional power to carry into execution the powers vested in other branches and agencies of the Government is known as the "horizontal effect" of the Clause. See Van Alstyne, The Role of Congress in Determining Incidental Powers of the President and of the Federal Courts: A Comment on the Horizontal Effect of "The Sweeping Clause," 36 Ohio State L. J. 788 (1975).

The classic delineation of the meaning and scope of the Necessary and Proper Clause was provided by John Marshall in the famous case of *McCulloch* v. *Maryland*, 4 Wheat. (17 U.S.) 316, 421 (1819), where he wrote that the sound construction of this Clause

> ". . . must allow to the national legislature that discretion, with respect to the means by which the powers it [the Constitution] confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Con-

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[2] The five cases in which the validity of the one-House veto has been put into issue are:

(1) Clark v. Valeo, 559 F.2d 642 (App. D.C. 1977), affirmed *sub nom*. Clark v. Kimmitt, 431 U.S. 950 (1977);

(2) Pressler v. Simon, 428 F.Supp. 302 (D.D.C., three-judge court, 1976), affirmed *sub nom*. Pressler v. Blumenthal, 434 U.S. 1028 (1978);

(3) McCorkle v. United States, 559 F.2d 1258 (C.A. 4, 1977), certiorari denied, 434 U.S. 1011 (1978);

(4) Atkins v. United States, 556 F.2d 1028, 1057–1071 (Ct.Cl. 1977), certiorari denied, 434 U.S. 1009 (1978);

(5) Chadha v. Immigration and Naturalization Service, C.A. 9, No. 77–1702, pending for decision since May 1978.

A few other challenges to the one-House veto have been made but not pursued or processed through to a court decision.

[3] While the Ninth Circuit has yet to resolve the *Chadha* case, that court in April of 1978 ordered that post-argument briefs be submitted on a narrow jurisdictional issue. If that issue is deemed dispositive, the court might feel it unnecessary to reach the question as to the validity of the one-House veto provision in § 244(c)(2) of the Immigration and Nationality Act.

[4] Brief for the Immigration and Naturalization Service, p. 19, filed in Chadha v. Immigration and Naturalization Service, C. A. 9, No. 77–1702. This brief was prepared and signed by an Assistant Attorney General and an Assistant to the Solicitor General.

[5] *Ibid.*, p. 18, fn. 17, *supra*, note 4.

stitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional."

The essential point of Marshall's great decision is that Congress has complete discretion, consistent with all other provisions of the Constitution, to select the means to carry into effect and execute all powers vested by the Constitution in Congress or in any other branch, department or officer of the Government. Once a vested power has been properly identified, the Necessary and Proper Clause gives Congress an affirmative power to help execute that vested power through the enactment of whatever laws are deemed by Congress to be necessary or appropriate to that legitimate or vested end. As the *Atkins* opinion noted, this Clause "can authorize a given method of obtaining a desired result, as well as ground a substantive provision (as in *McCulloch*)." 556 F. 2d at 1061.

Following John Marshall's conception of the Necessary and Proper Clause, the *Atkins* court first identified the end sought to be achieved by the legislative technique in question. That end, that vested power, was identified as the vested power of Congress to fix the compensation of federal judges. And to that end, Congress had wide discretion to select the method of obtaining or executing that desired result. In that case, the Necessary and Proper Clause was found to authorize Congress "to choose, first, to delegate the initial power to make [salary] proposals to the President, and, then, to select for itself the appropriate method for checking and monitoring the President's action." 556 F. 2d at 1061. That appropriate method, of course, was embodied in the so-called "one-House veto" provision of the Salary Act, whereby one House could disapprove any finalization of the President's recommendations respecting judicial salaries.

The affirmativeness of the grant of power to Congress given by the Necessary and Proper Clause is what the legal opponents of the "one-House veto" technique will not concede. They seek to dispose of the entire "necessary and proper" argument by slipping immediately to the last item in John Marshall's "necessary and proper" methodology—the requirement that the means selected by Congress be "not prohibited, but consistent with the letter and spirit of the Constitution." But Marshall obviously meant that the actual means selected by Congress be tested against other provisions of the Constitution, not that such other provisions be deemed controlling without regard to the affirmative powers granted Congress by the Necessary and Proper Clause.

In other words, only after the end has been found legitimate and the means appropriate to that end can the means properly be tested against other provisions of the Constitution. That is precisely what the *Atkins* court did. It identified the legitimate end, the Congressional power to set judicial salaries. And it interpreted the means selected in the Salary Act as appropriate to that end, at least in the minds of Congress. It is at this point that the proper delineation of the means selected becomes critical. Once the court realized that Congress had not delegated to the President its total or final authority to set judicial salaries, but retained that final authorization unto itself, the court was able to test such a carefully limited means against the constitutional challenges that have so long been indiscriminately made against all forms of the "one-House veto" device. The *Atkins* court had little difficulty in disposing of those challenges once the means selected by Congress in the Salary Act was understood.

THE CONSISTENCY WITH OTHER PROVISIONS

It bears reiteration that the *Atkins* court was confronted with a "necessary and proper" means selected by Congress that amounted to nothing more than the ability of one House to block Congressional approval or acceptance of a Presidential salary recommendation that bore no elements of a final executive determination. So identified, such means were found not to be prohibited by other provisions in the Constitution. To wit:

(1) The provision in Article I, Section 1, vesting all legislative power in a two-House Congress, does not require that all activities of a legislative nature be accomplished by bicameral action. And there is certainly no requirement that the refusal to accept the recommendations of the President respecting judicial salaries must be with the concurrence of both Houses. Just as one House can vote down a proposal for new legislation, which involves no changing of the status quo, so too one House can vote down acceptance of a Presidential recommendation.

(2) The Presidential power under Article I, Section 7, Clause 3, to approve or veto new legislation enacted by both Houses in the traditional bicameral fashion, is simply not implicated by the refusal of one House to approve a Presidential recommendation.

(3) The exclusivity of the executive power vested in the President by Article II, Section 1, is not compromised by a statutory procedure whereby Congress calls upon the President to assist it, by way of making studies and recommendations, in the execution of its vested authority to establish judicial salaries. Moreover, whatever power the President exercises in connection with judicial salary recommendations, that power stems not from Article II but from a statutory delegation from Congress, acting pursuant to the Necessary and Proper Clause. The horizontal thrust of that Clause would confer vast power upon the Congress to assist the President in the execution of this delegated function. And since the ultimate power with respect to setting judicial salaries is vested in and retained by Congress, the President cannot be heard to complain that some kind of unconstitutional conditions have been placed upon his execution of an exclusively executive power.

In sum, the Court of Claims decision in *Atkins* is an unusually clear blueprint for the constitutional structuring of the device commonly known as the "one-House veto." It warrants the most careful consideration by all who propose or oppose continued use of this oversight device.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I would like to extend my thanks and congratulations to Kermit Almstedt of my staff, Steve Halloway of the Commerce Committee staff, and Amy Bondurant of the Commerce Committee staff for their excellent work in this long effort to achieve an FTC authorization bill. They have really performed excellent service for the committee, for the Senate and, I think, for the country, and I appreciate their efforts.

Mr. McCLURE. Mr. President, H.R. 2313, the so-called FTC reform legislation, will unfortunately pass the Senate today. But we should take a careful look at its provisions before we hand out awards to the numerous "born-again" conservatives who are now taking credit for cleaning up the FTC.

H.R. 2313 raises a whole series of problems with the Federal Trade Commission. But it does not solve any of them.

It attacks "fishing expedition" subpenas, but explicitly allows those subpenas once a complaint has been issued.

H.R. 2313 requires the FTC to analyze the impact of its major rules, but specifically excludes any judicial guarantee that this analysis be in good faith or nonfrivolous, or even that preparation will be in accordance with the Constitution.

The bill grants legal fees to successful defendants, but allows the FTC to withhold them if it determines that it was justified in its actions. How often is the FTC going to determine that it is unjustified in bringing an action?

No doubt there are some Members in the Senate who, in supporting H.R. 2313, but opposing strengthening amendments, such as the one House veto and professional association measures, felt they could diffuse the issue of regulatory reform without really embracing its premises. In my opinion, those Senators will prove to be sadly mistaken.

Mr. President, Congressman JOHN ASHBROOK correctly perceived in the House of Representatives yesterday why Congress has failed to reform the FTC. He said:

> The mentality of Washington is one of service to the established bureaucratic order, not to the citizens in the Nation who are supposedly served by this city. The sacred rule of this mentality is that no Federal entity can die, only survival or growth is allowed.

Mr. President, the FTC is not the villain. Congress is.

Mr. FORD. Mr. President, I do not know whether there are other Members that wish to make a statement. I understand that the minority has at least one member who would like to make a statement.

We do not want to preclude anyone from having an opportunity to make a statement but I will advise my colleagues that a motion will be made by the leader shortly for a time certain on this conference report and a motion to set it aside until the time certain to vote.

Mr. SCHMITT. Mr. President, will the Senator withhold that request for a moment?

Mr. FORD. Mr. President, I will not make any motion. The leader is going to make the motion. I respect his position and will not make any kind of motion without him being here or without his approval.

Mr. HAYAKAWA. Mr. President, section 5 of H.R. 2313 exempts from the FTC's rulemaking jurisdiction "the business of insurance." As I understand it, this exemption includes all health insurance plans regulated by the States, including indemnity health insurance plans, prepaid health plans, health maintenance organizations and foundations for medical care. Prepaid health plans, including individual-practice-association type health maintenance organizations, have often been successful in holding down the cost of medical care and have been encouraged by Congress through legislation such as the Health Maintenance Organization Act of 1973. Like other health insurance plans, they are regulated by the States. Thus, they fall squarely within the rationale and underlying purpose of the exemption in section 5 of the bill, namely to safeguard

State jurisdiction over the regulation of insurance.

Since some interpretations of the phrase "the business of insurance" have suggested that prepaid health plans, health maintenance organizations, and foundations for medical care would not be entitled to the exemption as would other health insurers, I believe it is important to stress that these innovative health care organizations we have sought to encourage are intended to receive the same treatment as other health insurers under the exemption.

Essentially, Mr. President, I hope that this is the case, that these organizations are given the same treatment as other health insurers.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE TODAY AT 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the pending conference report at 3:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask for the yeas and nays on that vote at 3:30.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to express my very deep reservations about the conference report on the reauthorization of the Federal Trade Commission which the Senate is about to consider.

I will cast my vote in opposition to this legislation. It is not because I oppose what the FTC is and has been doing. I am the last person who believes the FTC should be permitted to go out of business. But I cannot in good conscience agree to legislation that goes against the best interests of the people of this country.

I am not satisfied with the conference report. This legislation is still anticonsumer and may be worse than that. it is antifree enterprise. And I believe that in adopting the report the Senate will be condoning an unjustified special interest assault on a Federal agency whose main job is to protect and promote competition and honesty in the marketplace.

The overburdened people of this country need a diligent Federal Trade Commission that serves as a watchdog in the marketplace. The FTC is that watchdog—and if in some cases it has acted with bull-dog tenacity, then I say so much the better. I only wish that other Federal agencies, which have so often become creatures of the industries they are supposed to regulate, felt as strongly about the peoples' rights.

The people of this country need an FTC to help foster competition. Competition should be one of the most important weapons we have to combat inflation, but it is a weapon that we have not used.

At a time when the inflation rate is 18 percent, when interest rates are so high that very few people can afford to purchase a home or a car, when energy prices are escalating and when more and more people are being thrown out of work—I will not vote to limit the one Federal agency that has the responsibility to protect consumer interests in the marketplace.

Consumers of this country need a friend like the FTC because it is apparent that they cannot always count on the Congress to defend them when their well-being comes into conflict with the interests of the Nation's powerful corporate lobbies.

This shift in Congress became evident in 1978, when Congress refused to spend a paltry $15 million to establish a Consumer Protection Agency—an investment that would have saved hundreds of millions of dollars every year for the people of this country.

But if Congress has been reluctant to enact legislation which would directly benefit consumers—such as legislation to provide hospital cost controls, national health insurance, or to reverse the Supreme Court's Illinois Brick decision to allow consumers to sue alleged price fixers—there has been no hesitation at all to act in matters beneficial to powerful interest groups.

As a matter of fact, this past week gave good evidence of that. For 3 days we labored and toiled, while the Nation's problems were given no heed, to pass the so-called bottlers bill, a bill to give antitrust exemption to one industry, the bottling industry.

We paid no attention during that period of time to the fact that national unemployment is rising to almost 8 percent. Why should we be concerned about the fact that inflation is running at 18 percent? Why should we waste the time of the Senate discussing such matters as unemployment running at 35 percent for black youths in this country and 60 percent in some cities of the country? Why, indeed, should we concern ourselves with the problems of the farmers in the Midwest and the grain States?

Why should we be worried about anything? We had the bottlers bill and spent 3 solid days on it, and we did, indeed, provide an antitrust exemption for it.

This Congress has plenty of time, indeed the hours are unlimited, to provide special benefits for private interest lobbies. But when it comes to legislation that has to do with protecting the consumer, we need only to give heed to Congress watch which labeled the 1979 congressional session as the "most anti-consumer session of the decade," but I wonder how 1980 will compare?

For one thing, with the adoption of this conference report, Congress will deal another blow to the pocketbooks of the people of this country. Congress is about to tie the hands of the Federal Trade Commission—at a time when we should be doing just the opposite. We in the Congress should be challenging monopoly power. It helps create inflation, and is contrary to the thrust of the free enterprise system.

We should oppose business practices that mislead and overcharge consumers. But no. We want to shackle the agency that has had the temerity to take on the monopolists.

I am aware that the conferees have worked long and hard on this issue.

I congratulate them for their endeavor. I am not unaware of the fact that had they not been able to effectuate a compromise, there would, indeed, be no funding for the Federal Trade Commission.

So, in that respect, I have to commend them for their efforts for being able to bring something back to the Congress, to both Houses, that makes it possible for the FTC not to be totally eliminated as a governmental agency.

As a compromise, the conference report is preferable to either the House or Senate versions of the bill. Some FTC activities targeted for extinction in the original bills have been preserved, though in somewhat different form.

For instance, although the House voted to kill the FTC's funeral rulemaking, this inquiry survived the conference. I commend the managers on the Senate side for this good news.

The millions of consumers who pay an average cost of $2,400 per funeral will benefit from the FTC's effort to insure full price disclosure and honest sales practices by members of the funeral industry.

The FTC will also be able to continue its rulemaking on the product standards and certification process; another FTC activity which would have been terminated under the Senate bill. I congratulate the managers on the House side in that respect. This too is good news. Even though the conferees have narrowed the focus of this inquiry to antitrust abuses.

The process by which standards for products are written and tested has been justly criticized—not only by the FTC, but by consumers, small businessmen, and labor—for being a closed process dominated by industries with self-interests to protect. Small businessmen have complained time and again of standards written to favor the products of larger companies. And we have heard time and again of standards that add cost without improving quality or product safety.

The FTC actions in these areas will help eliminate some very real and very bad anticompetitive and dishonest practices which have been working to the detriment of the public good. But before we in Congress begin celebrating a victory for American consumers, let us not forget what this legislation will prevent the FTC from doing.

Under the conference report, the FTC will be prevented from investigating any "unfair" advertising practices for 3 years, until Congress has a chance to define what is meant by the term "unfair."

The way Congress has acted to date in this area means that "unfair" will mean what the business lobbyists and business PACs want it to mean.

It would be wrong to stop the FTC effort in this area.

Is it truly an abuse of power or a misinterpretation of authority when the FTC questions the "fairness" of $600 million a year in hard sell advertising directed at small children? Is it "fair" to parents, to children and to the Nation's interest in better public health to permit an industry to bombard young children with commercials promoting junk food and candy and cereals that contain as much as 71 percent sugar?

I am certainly not alone when I say that the FTC has the right—indeed, it has the responsibility to conduct such investigations and rulemaking activities. Millions of parents in this country agree that the FTC is on target in trying to protect their children from the dozens of hours of hype and promotion to which they are subjected each week.

But Congress is not listening to American parents who are concerned about the health of their children who are demanding the candies and sugared cereals advertised on TV. Confronted with a choice between the profits of the food processors, advertising agencies, and TV broadcasters, and the welfare of the children who are this Nation's future, Congress chose the special interests.

Special interests have succeeded in curtailing FTC activity in yet another area. The conferees have agreed to restrict the FTC's role in investigating insurance matters and in doing so have raised an issue which I do not believe was previously in dispute. Under the conference report, only the House and Senate Commerce Committees will be able to request FTC studies of matters pertaining to insurance.

On that score, I point out that I am not at all certain that the conference did not go beyond their prerogatives so far as the rules of the House and the Senate are concerned by including something in the conference report that was not previously in dispute. But I do not intend to raise the issue. I merely intend to point out the fact that I think the insurance question led us to a point of legislation in the conference report that neither the House nor the Senate had in their bills.

However, I am confident that the restriction in the conference report will not abate and will not lessen the resolve of other congressional committees and their members to explore matters pertaining to the insurance industry. I am confident that the language in the conference report will not preclude other committees from requesting, via the Commerce Committees, FTC assistance on insurance-related matters. The millions of policyholders who have been the victims of unfair and unscrupulous insurance practices can ill-afford to have Congress turn a blind eye in this area.

Special interest dominance over public concerns will not end with children's advertising or insurance. The veto provision contained in the FTC legislation will guarantee that. That provision will open the floodgates to more pressure upon the Congress from industries that want to be protected from a Federal Trade Commission that takes seriously its mandate to promote competition and protect consumer interests.

I think this whole congressional veto issue is an interesting one. If we can take those steps with respect to an agency that protects consumers, then on another day, at another hour, and under different circumstances, I can see where the congressional veto may well be used for FCC actions, for SEC actions, for Federal Reserve Board actions, and for a host of other agency actions that perhaps also should have a legislative veto mechanism applied to them.

For the reasons I have outlined, Mr. President, I cannot in good conscience vote in favor of this conference report.

Mr. CRANSTON. I would like to congratulate the conference manager for his skill and perseverance in arriving at the important reaffirmation of the Capper-Volstead Act contained in section 20 of the bill. Agricultural cooperatives in California and in fact throughout the United States have played a major role in developing the most efficient agricultural production and distribution system in the world. I would inquire of the conference manager whether my understanding is correct that the conference provision is intended to restrict the Federal Trade Commission from pursuing agricultural cooperatives for conduct protected by the Capper-Volstead Act?

Mr. FORD. My colleague from California is correct. The conference substitute is clearly intended to restrict the Commission from any studies, investigations or prosecutions of agricultural cooperatives for conduct which is exempted from the antitrust laws by the Capper-Volstead Act. Simply put, the Commission has no business tampering with cooperative activities that fall within the Capper-Volstead Act.

Mr. DECONCINI. Am I correct, that the conferees agree that the antitrust exemption in the Capper-Volstead Act includes contracts and agreements entered into by a cooperative in connection with the processing, preparing, handling, and marketing of agricultural products?

Mr. FORD. My distinguished colleague from Arizona is correct. While we were reluctant to describe definitively the scope of the exemption with respect to all issues, it is clear that for Capper-Volstead to have any meaning a cooperative must have the freedom to enter contracts and agreements to further the "legitimate" interests of its members.

Mr. DECONCINI. Does the conference substitute affect current activities of the Commission that may involve transactions protected by Capper-Volstead?

Mr. FORD. We would certainly expect the Federal Trade Commission to review carefully all proceedings or investigations involving agricultural cooperatives regarding any conduct which is protected by the Capper-Volstead Act.

Mr. CRANSTON. I think we have taken a step forward in protecting the integrity of the Capper-Volstead Act. However, what real protection would cooperatives have if the FTC investigated or proceeded against protected conduct?

Mr. FORD. Well, in the first instance we expect the Commission and the courts to carry out the law. In addition, the Consumer Subcommittee is required to hold oversight hearings every 6 months under section 22 of the bill, and the co-op provision or any other section of the bill could be subject for these hearings.

Mr. CRANSTON. I thank the manager.

Mr. MAGNUSON. Mr. President, I rise in support of the conference report on H.R. 2313.

I am supporting this conference report for two basic reasons. First, it is a substantial improvement over the bills that passed the House and Senate respectively. No permanent far-reaching changes are made in the FTC statute. No major ongoing administrative proceeding is terminated. Earlier versions of these bills would have terminated or curtailed no less than three Magnuson-Moss rulemaking proceedings—children's advertising, standards and certification, and funerals—and made other far-reaching changes to the FTC's basic authority. This conference report allows all three of these rulemaking proceedings to continue, and avoids making permanent, unjustified changes to a statutory mandate that has served the public well since 1914.

I also am supporting this conference report because it contains necessary authorizing legislation for the agency. Through no fault of its own, the FTC has not had an authorization bill for the last 3 years. This situation has made it difficult for the Appropriations Committees to expeditiously and favorably provide funding for the agency. By adopting this conference report the Congress removes this cloud of uncertainty and allows the Commission to continue its vital mission of protecting the consumer and promoting healthy and vigorous competition in the marketplace.

I would like to say a special word about the FTC's children's advertising proceeding. As you know, the conference report would allow the proceeding to continue under a theory of deception once the Commission has published a text of a proposed rule. Mr. President, I applauded the Commission for its courage in addressing this important question in 1978, and I remain convinced that this agency must continue to examine whether our children are being misled to their detriment by the 20,000 television commercials they are exposed to each and every year.

Therefore, I applaud the action of the conferees in allowing this important inquiry to continue.

Mr. HELMS. Mr. President, the Federal Trade Commission has come under increasing scrutiny in recent years as Congress has haggled over the extent to which it was willing to impose controls on this abusive agency.

This conference report marks the culmination of a great deal of rhetoric but scarcely any real accomplishment. In short, Mr. President, this conference report is, in fact, a victory for the FTC. It is a victory of form over substance. I cannot support it.

It may be that for the time being the FTC will behave a little more cautiously. But rest assured that, before the ink is dry from the President's signature on this bill, momentum will begin for the FTC to resume its activist role as an overzealous regulator.

If ever there was a Federal agency needing strong discipline by Congress, it is the FTC. Sadly, Congress had a real opportunity to impose significant regulatory reform. Congress botched it.

This bill does not impair the powers of the Federal Trade Commission one iota. Nor does it really limit the abuses of agency as much as the bills passed in the House and Senate. It is a sellout. I predict that time will prove this assessment to be correct.

Many of my colleagues in the Senate, and in the House, fought long and hard for meaningful reform of the FTC. These comments should not be interpreted as criticism of their good efforts. All of us tried, but there simply was not enough sentiment for true and meaningful reform.

Roadblocks were constantly placed in the path of true reform. The leadership in Congress used every advantage to thwart attempts to reform the FTC. The White House battled vigorously to protect the FTC from effective congressional scrutiny, and reform of clearly documented cases of its abuses. The White House threatened to veto any bill that would have genuinely reformed the FTC.

These were obstacles impossible to overcome, and they are the reason we are considering a cosmetic bill rather than a bill with teeth.

Mr. President, the citizens of this country are pleading for relief from oppressive regulation. Congress has had a chance to reform one of the most onerous regulatory agencies in existence. And Congress has not mustered the courage to take definitive action.

Mr. President, I cannot vote for a watered down meaningless bill. No legislation would be better than this legislation, because defeat of this bill would be a mandate to Congress to go back to the drawing boards and come up with truly meaningful reform of the FTC. This gentle slap on the wrist is not enough.

Mr. FORD. We are through, Mr. President, so far as those who have requested time to speak on the conference report are concerned. As soon as the majority leader arrives in the Chamber, we expect to make a motion to set this matter aside until 3:30. We will attempt to set it aside when he arrives in the Chamber, vote at 3:30, and get on with other items.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, at 1:58 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2:22 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Illinois (Mr. PERCY) as a Congressional Adviser to the Executive Board of the United Nations Children's Fund (UNICEF) annual meeting, to be held in New York City, May 19–30, 1980.

Mr. HAYAKAWA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be extended until 3:30 p.m. today and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:38 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 3807) to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

The message further announced that the House has passed the following joint resolution, with amendments in which it requests the concurrence of the Senate:

S.J. Res. 119. Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to establish a memorial.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4417. An act to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 340. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2313.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following bill and joint resolution:

S.J. Res. 175. Joint resolution to extend the expiration date of the Defense Production Act of 1950; and

H.R. 6081. An act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 3:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 91. Concurrent resolution to disapprove the regulations of the Department of Health, Education, and Welfare relating to grants to State educational agencies for educational improvement, resources, and support.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con Res. 342. Concurrent resolution providing for an adjournment of the House from May 23 to May 27, 1980, and a recess of the Senate from May 24 to May 27, 1980.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4417. An act to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes; to the Committee on Governmental Affairs.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 21, 1980, he presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 175. Joint resolution to extend the expiration date of the Defense Production Act of 1950.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, with amendments:

S. 1717. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications (Rept. No. 96–788).

By Mr. PROXMIRE, from the Committee on Appropriations, with an amendment:

H.J. Res. 521. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System (together with additional views) (Rept. No. 96–789).

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. 2749. An original bill to establish a Federal program to assist innovative small businesses by strengthening the role of such businesses in federally funded research and development and by fostering the formation and growth of such business.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations: Dean R. Axtell, of Illinois, to be Executive Vice President of the Overseas Private Investment Corporation.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations: Gordon Robert Beyer, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States to Uganda.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Statement of Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Gordon Robert Beyer.
Post: Ambassador to Uganda.
Contributions, amount, date, and donee:
1. Self, none.
2. Spouse, none.
3. Children and spouses names, none.
4. Parents names: Jewel Gordon Beyer, father (deceased), none.
5. Brothers and spouses names: Mrs. F. H. Beyer, $25, September 27, 1978, J. Howard Coble.

Mr. and Mrs. R. A. Beyer—see attached schedule.

POLITICAL CONTRIBUTIONS

January 16, 1976, Citizens for Joseph Kennedy, $50.
April 11, 1976, Democratic Party of Evanston, $40.
February 22, 1976, Abner Mikva, $100.
June 4, 1977, Democratic Party of Evanston, $35.
September 7, 1977, Democratic Party of Evanston, $15.
March 5, 1978, Democratic Party of Evanston, $25.
May 13, 1978, Citizens for Mikva, $200.
September 3, 1978, Democratic Party of Evanston (Tyler Thompson Senior), $10.
October 8, 1978, Citizens Committee for Mikva, $200.
November 17, 1980, Wainberger for Congress, $100.
Total, $775.

By Mr. PELL, from the Committee on Foreign Relations:

Robert V. Keeley, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States to Zimbabwe.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Statement of Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert V. Keeley.
Post: Ambassador to Zimbabwe.
Contributions, amount, date, and donee:
1. Self, none.
2. Spouse, see attached sheet.
3. Children and spouses names, Michael M. Keeley, Christopher J. Keeley, none.
4. Parents names, James Hugh Keeley (Mother deceased), none.
5. Brothers and spouses names, Edmund L. Keeley (see attached sheet), Mary K. Keeley, none.

POLITICAL CONTRIBUTIONS

(a) Spouse. September 17, 1979, John Culver, $10.

October 12, 1979, Edward Kennedy, $15.

(b) My brother, Edmund L. Keeley, does not keep a record of his political contributions. To the best of his recollection he has made contributions, all of them ranging from $10 to $20 each, to the following candidates for Federal office during the past 5 years:

1976—Jimmy Carter, Morris Udall, Frank Thompson.

1978—Frank Thompson, Bill Bradley.

1980—Bill Bradley, Edward Kennedy, John Anderson.

By Mr. PELL, from the Committee on Foreign Relations:

Charles E. Marthinsen, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the State of Qatar.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Statement of Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Charles E. Marthinsen.
Post: Ambassador to Qatar.
Contributions, amount, date, and donee:
1. Self, $15, August 11, 1976, Democratic Party.
2. Spouse, $15, February 28, 1977, Democratic Party.
$25, January 21, 1978, Fisher for Congress.
3. Children and spouses names: Guy Hooker and Hugh Hunt Marthinsen, none.
4. Parents names: Mr. and Mrs. A. L. Marthinsen, none.
5. Brothers and spouses names: Mr. and Mrs. R. A. Marthinsen; Mr. and Mrs. A. R. Marthinsen, none.
6. Sisters and spouses names: Mr. and Mrs. Louis Maries, none.

By Mr. PELL, from the Committee on Foreign Relations:

William Caldwell Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Kenya and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Seychelles.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Statement of Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: William Caldwell Harrop.
Post: Ambassador to Kenya.
Contributions, amount, date, and donee:
1. Self, none.
2. Spouse, none.
3. Children and spouses names: Mark D. Harrop, none; Lucy M. Harrop, $10; Caldwell Harrop, none; Scott N. Harrop, none; and George H. Harrop, none, July 1976, Carter campaign.
4. Parents names: Mrs. George A. Harrop, none.
5. Brothers and spouses names: David C. Harrop (single), none.
6. Sisters and spouses names: Mr. and Mrs. William Godfrey, none.

By Mr. PELL, from the Committee on Foreign Relations:

Phillip R. Trimble, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Nepal.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Statement of Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Phillip R. Trimble.

Post: Ambassador to Nepal.

Contributions, amount, date, and donee:

1. Self, none.

2. Children names: John Gardner Trimble, William Trimble, none.

3. Parents names: Melvin Trimble, Dorothy Trimble, none.

By Mr. PELL, from the Committee on Foreign Relations:

C. William Kontos, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Democratic Republic of the Sudan.

(The above nomination from the Committee on Foreign Relations was reported wth the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: C. William Kontos.

Post: Ambassador to Sudan.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses names: Mark and Danielle Kontos, Stephen and Julie Kontos, none.

4. Parents names: Irene Kontos, none.

DIPLOMATIC AND FOREIGN SERVICE

Mr. PELL. Mr. President, I also report favorably from the Committee on Foreign Relations sundry nominations in the Diplomatic and Foreign Service which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk appeared in the Record on May 9, 1980, at the end of the Senate proceedings.)

ORDER FOR STAR PRINT—S. 2711

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. Morgan, that S. 2711 be star printed to include a technical change, conforming it to the committee action reported in Senate Report No. 96–724.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 2363

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill S. 2363, and the report accompanying it, be star printed.

When reported, the language of S. 2363 did not include an effective date for the authorization of appropriations.

While reporting it on May 15 in time for the fiscal year 1981 budget deadline would seem to imply fiscal year 1981 authority, the Senate Budget Committee has interpreted the lack of an effective date to mean the fiscal year 1980 funding was anticipated. This, of course, was not the case.

The star print will add the omitted effective date.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HART (for himself, Mr. Stevens, Mr. Stone, and Mr. Nelson):

S. 2747. A bill to authorize the President of the United States to present on behalf of Congress a specially struck gold-plated medal to the U.S. Summer Olympic Team of 1980; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BAYH (for himself, Mr. Javits, Mr. Mathias, Mr. Nunn, Mr. Talmadge, Mr. Chafee, Mr. Cochran, Mr. Thurmond, and Mr. Stevenson):

S. 2748. A bill to simplify trade procedures regarding sales of United States products abroad, and for other purposes; to the Committee on the Judiciary.

By Mr. NELSON (from the Select Committee on Small Business):

S. 2749. A bill to establish a Federal program to assist innovative small businesses by strengthening the role of such businesses in federally funded research and development and by fostering the formation and growth of such business. Original bill reported and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART (for himself, Mr. Stevens, Mr. Stone, and Mr. Nelson):

S. 2747. A bill to authorize the President of the United States to present on behalf of Congress a specially struck gold-plated medal to the U.S. Summer Olympic Team of 1980; to the Committee on Banking, Housing, and Urban Affairs.

PRESENTATION OF MEDALS TO THE 1980 U.S. SUMMER OLYMPIC TEAM

Mr. HART. Mr. President, I am pleased to introduce today, along with my honorable colleagues, Senator Stevens, Senator Stone, and Senator Nelson, a bill which provides for the striking and presentation of gold medals to honor the 600 amateur athletes who, on the basis of their outstanding performances, have earned places on the 1980 summer Olympics team.

These men and women in the finest tradition of American athletics, have been selected in strictest competition with their peers. They deserve recognition not only for their talent, but for their great personal sacrifice and dedication to the spirit of the Olympic games.

At a time of turmoil abroad, Americans are united in admiration of the devotion to the best in themselves which these athletes represent. We all have a natural pride in these men and women and in the commitment to excellence which they have shown.

In their striving toward perfection, in their dedication and countless hours of hard work, in their promotion of the virtues and benefits of athletic competition, these young people exemplify the very best which the United States has to offer.

To honor and to thank them, this legislation provides for the presentation by the President of the United States, on behalf of Congress, of special gold medals in recognition of their outstanding athletic achievements. The medals will be paid for out of appropriations to the U.S. Olympic Committee.

I hope action on this bill will move quickly to permit the presentation of the medals to take place as soon as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present a gold-plated medal of appropriate design, on behalf of the Congress, to those athletes selected through the Olympic trial process to represent the United States in the Summer Olympics of 1980, in recognition of their outstanding athletic achievements and of their determination in the pursuit of excellence. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be stricken 650 gold-plated medals with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury.

(b) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

(c) Funds to carry out the provisions of this Act, which shall not exceed $50,000 shall be available only from amounts appropriated to carry out activities under the Amateur Sports Act of 1978.

Mr. STEVENS. Mr. President, I am pleased to join Senators Hart, Stone, and Nelson in sponsoring a bill to authorize the striking of a medal to honor those who are selected through the trial process to be members of the U.S. Olympic team. Each of those selected will be the best athletes in any particular sport in the United States.

There is no question that these atheletes deserve recognition. They have worked long and hard to achieve an outstanding level of excellence in their particular sport. They are the American athletes who are qualified to compete in the international arena.

Any of us who have ever engaged in any sport can appreciate the talent and dedication of these atheletes. It takes an incredible amount of time, effort, and excellence to become a world class athlete. Among the literally hundreds of thousands of people of all ages who participate in amateur sports there are but a handful who, by virtue of their intense devotion, self-motivation, and unique talent become Olympic athletes. This achievement can only be reached with total dedication. These athletes live their sport every day of their lives.

Their dedication is not just to the sport itself, but to a level of excellence that very few of us will ever reach. I have a very strong feeling of admiration and respect for their achievement, an achievement which I believe deserves the highest honor.

There is a point that I would like to make clear. This medal is not in any way intended to be a substitute for any gold, silver, or bronze medal that any athlete could have conceivably won in Moscow this summer. Rather, the intention of this medal is to recognize these athletes for what they are, and what they have achieved. It is to pay tribute to all the hours, days, and years that were expended to attain the status of Olympic athlete.

Mr. President, it is my hope the entire Senate will join in this effort to honor these athletes who so justly deserve this honor.

By Mr. BAYH (for himself, Mr. JAVITS, Mr. MATHIAS, Mr. NUNN, Mr. TALMADGE, Mr. CHAFEE, Mr. COCHRAN, Mr. THURMOND, and Mr. STEVENSON):

S. 2748. A bill to simplify trade procedures regarding sales of U.S. products abroad, and for other purposes; to the Committee on the Judiciary.

REMOVING REGULATORY BARRIERS TO SMALL BUSINESS EXPORTS: THE TRADE PROCEDURES SIMPLIFICATION ACT OF 1980

● Mr. BAYH. Mr. President, the week of May 18–24 has been proclaimed by President Carter as World Trade Week to emphasize the importance to our people and our Nation's economy of world trade and the role it plays in our economic health and future promise. Part of the export promotion program undertaken by the Department of Commerce in connection with this effort has involved bringing more and more small and medium sized businesses into export trade by acquainting these firms with services available to enable them to profitably participate in the world market.

Very recently, the Small Business Export Development Act which I cosponsored was reported from the Senate Banking Committee as one demonstration of the Senate's commitment to support the overall effort. Today, I am introducing a bill which will further improve our overall effort in getting more small business to export, the Trade Procedures Simplification Act of 1980.

The favorable impact which expanded exports could have upon the depressing economic conditions we face can hardly be overestimated. Our chronic trade deficits constitute both a spur to inflation and a drag on domestic employment and overall productivity. Exports are needed to offset the effect of massive oil imports, which are not likely to abate significantly for a number of years.

The United States is the world's largest trading nation with combined imports and exports valued at more than $326.71 billion in 1978 compared with $35 billion in 1960. As bad as inflation has been, U.S. trade in 1978 still showed an increase based on 1°60 prices of 350 percent—$143.57 billion of the 1978 trade turnover figure were U.S. exports, sales abroad which in manv instances produced jobs at home. These agricultural and manufacturing activities contributing the lion's share of the U.S. export total also represented 8 percent of the U.S. gross national product for 1978.

What these figures tell us is how important exports are to both the national economy and local economies. In Indiana, exports of soybeans, corn, heavy machinery, and farm implements play a major role in the economic vitality of the State. Very soon, I hope to be able to say that Indiana coal also constitutes a high-value market for exporters, especially small- and medium-size coal producers as well as the major mining operations.

Still, we face a declining share of the growing world trade market which showed a 25-percent increase in 1979 to more than $9,600 billion. And while free world exports have grown at a brisk rate over the past 20 years, the U.S. share dropped from 20 percent in 1960 to 17 percent in 1970 to about 14 percent today. If our share of the export market had remained at the 1970 level, we would have no trade deficit today. But rising oil prices have obstructed efforts to tread water in this case and today we are faced with a challenge of regaining our position in the market.

While help appears to be on the way with a growing demand for U.S. export of coal, we must take a number of steps at this time to rationalize present Government regulations which only more and more provide obstacles in exports with no enduring public policy benefit.

Finally, the more we export, the stronger the dollar becomes. Although progress was realized last year in the balance of trade situation of the United States—showing only about a $300 million overall deficit for the year, the first quarter of 1980 is not promising at all with the deficit standing at over $10 billion.

A strong export sector is also needed to help shore up America's tenuous position of leadership in international affairs. As we enter the crucial implementation phase for the multilateral trade agreements, the performance of U.S. exports will become the critical factor in determining whether the agreements represent a boon to economic growth.

Unless we act immediately to take advantage of the new markets opened up for our products, the net effect of the multilateral trade agreements will be to facilitate foreign penetration of our domestic markets and denial to our exporters of overseas markets, to our enduring disadvantage.

Mr. President, there can be little doubt that the United States can expand our exports through greater inclusion of medium and small businesses. In fact, we have not begun to tap our economy's full export potential. The Department of Commerce recently estimated that 20,000 additional firms could engage in exporting, but for some reason do not. This is export potential above and beyond the capacity of current exporters to expand their overseas activities. Nearly all of these 20,000 firms are small- and medium-sized companies which have never before exported. You can be sure that an untapped potential of this magnitude does not exist in, say, Japan or Germany, because these are countries where policymakers understand the importance of exports, and leave no stone unturned in the search for additional ways to expand their markets.

For our export expansion efforts to succeed, however, we must look at present regulations in current law which constitute real export barriers unrelated to national security. One of these areas in past years has been that of the application of U.S. antitrust laws to exporters. Just as the benefits of antitrust legislation in the domestic market have been substantial, their "extraterritorial application" has not always provided the same level of advantage to the worker, producer and consumer. Part of the reason is the fact that in a world of over 160 nations, only about 30 have comparable legislation. And of those, extraterritorial application of these statutes has clearly a secondary position to export policies.

American companies have indicated that no other nation so restricts export enterprises such as joint ventures abroad or licensing foreigners to produce patented or trademarked goods abroad as does the United States. Other areas of activity are restricted as well, but perhaps the most consistent criticism has been the lack of firm and precise guidelines on what is and is not permitted in terms of economic activity overseas.

This may be why so many of our small businesses fail to realize their export potential. The single greatest factor distinguishing U.S. trade policy from that of our major competitors is that our Government has not placed a high institutional priority on exports, and thus continues to burden exporters with regulations, paperwork, and outright interference derived from bureaucratic pursuit of competing objectives. In many cases, this interference is both unintentional and unnecessary, and stems from a failure to evaluate domestic programs from the point of view of the importance of export promotion. Needless to say, such Government impediments to exporting, unrelated to national security, fall most heavily on small businesses, which do not have the time, money, or legal resources to run the gauntlet of redtape.

Mr. President, the Trade Procedures Simplification Act of 1980 will help in our efforts to mobilize potential exporters, and eliminate one very important, unintended and unnecessary Government impediment without sacrificing the principle of "workable competition" in the domestic market which antitrust laws were established to promote.

The impediment involved is the uncertainty, confusion, and outright fear generated among potential exporters by the extraterritorial application of antitrust laws by Federal agencies. A number of academic studies conducted during the last few years have amply demonstrated that the uncertain state of extraterritorial antitrust enforcement inhibits businesses already involved in exporting. More serious still is the effect on potential exporters, most of which, again, are small- and medium-sized businesses with no experience. Often the only information these companies possess concerning antitrust enforcement is derived from newspaper and trade journal accounts of spectacular prosecutions involving enormous penalties. As a general rule, they do not have access to legal specialists trained in this tremendously complex area of law, and their own lawyers are likely to advise extreme caution.

The problem is not just that the antitrust laws prohibit activities which could help mobilize potential exporters. The more basic problem is that the lack of accurate information has created an impression that many more activities are subject to prosecution than is actually the case.

The logical source for accurate information concerning the scope of antitrust laws applied to overseas transactions is the enforcing agency itself. But agency personnel, who generally share a prosecutorial ethic, quite naturally do not consider it their job to notify potential violators of activities not subject to prosecution. Furthermore, enforcing agencies do not presently have the means to insure broad public understanding of extraterritorial antitrust enforcement.

This Trade Procedures Simplification Act of 1980 would provide such means to the Justice Department and the Commerce Department. Its basic aim is to encourage the issuance of comprehensive disclosures indicating the Justice Department's enforcement intentions concerning broad areas of export activity, keyed to specific product sectors and country markets. The bill would make these disclosures reliable by prohibiting enforcement actions against exporters conducting business pursuant to a disclosure. The disclosures themselves are designed to be easily communicable to small- and medium-sized companies, through trade journals and business magazines.

To further promote effective disclosures, the legislation provides that the Department of Commerce may give limited assistance, on a reasonable fee basis, to smaller companies wishing to petition the Justice Department for a disclosure statement.

As a corollary to the comprehensive disclosure authority, this legislation also makes the Justice Department's current procedure for enforcement statements concerning particular export transactions binding on future enforcement actions.

Monitoring of business compliance with the terms of disclosures is provided for through an injunction proceeding to terminate unauthorized export activities.

Finally, congressional oversight is facilitated through strict reporting requirements imposed on the Justice and Commerce Departments. Within a year, the Congress should be in an excellent position to evaluate the effect of antitrust enforcement on our international trade posture.

The impact of this legislation upon small business exports should be immediate and quite substantial. A very conservative estimate is that six major areas of export activity would be cleared the first year. Assuming only 10 medium sized businesses utilized the disclosure to begin exporting—again, a quite conservative estimate—$600 million in new export sales could be generated during the first year. This translates into 24,000 new jobs for our sagging economy, and around $15 million in unforeseen tax revenues. All these benefits would be obtained for an expenditure of about $350,000—or less than $15 per permanent job created. Since expanded exports would also help reduce inflation, by reducing the trade deficit, it is obvious that this legislation is an unusually cost-efficient means of stimulating the economy.

It must also be emphasized that this proposal would in no way alter the substance of our antitrust laws, or affect domestic competition. Nor would the Justice Department disclosure program encourage any great measure of concentration in the export sector, since larger companies with access to teams of antitrust lawyers will not benefit significantly. In fact, greater involvement of smaller businesses in exporting could actually reduce the domination of export markets by large multinational corporations.

This legislation is not intended to serve as a cure-all for our international trade problems. Working with the Export Caucus, I am also supporting efforts to develop an omnibus export expansion legislation. But I regard the Trade Procedures Simplification Act of 1980 as a first step—a demonstration by the Congress that it will act to remove obstacles to small business exports where no compelling justification can be offered.

Academic observers are not alone in pointing to extraterritorial antitrust enforcement as an appropriate starting place for a new attitude toward exports while also pointing out the evidence of special burdens placed on small businesses in this country in this area. In fact, this legislation closely parallels policy recommendations adopted unanimously by the National Governors' Association in February. It is also consistent with suggestions made by the President in his interim report on impediments to trade. This is legislation which can be supported by all concerned with strengthening our small business exports, regardless of their views on antitrust law or international trade policy.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD, that the section-by-section analysis be printed in the RECORD, and that a portion of the study by Prof. Robert A. Flammany which analyzes antitrust law as a barrier to U.S. export competitiveness be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Procedures Simplification Act of 1980".

FINDING AND CONCLUSIONS

SEC. 2. (a) The Congress finds that—

(1) the unpredictable and conflicting nature of antitrust enforcement and interpretation by United States agencies has caused unnecessary confusion among exporters as to the scope of legitimate overseas activities;

(2) the antitrust laws relating to export sales are extremely complex; yet most small- and medium-sized companies likely to export do not as a practical matter have access to specialized legal advice in this area;

(3) the application of antitrust laws to exporting activities does not reflect critical differences in competitive conditions among various country markets for different products;

(4) the extension of court-made rules developed in the context of domestic commerce to overseas activities does not always reflect the intent of antitrust legislation, and needlessly inhibits legitimate and much-needed export sales; and

(5) United States agencies applying antitrust laws to export sales do not sufficiently coordinate interpretation and enforcement practices among themselves, or with other agencies responsible for foreign policy, international trade policy, export promotion and international monetary policy.

(b) The Congress concludes that—

(1) exporters should not be subject to conflicting demands by diverse United States agencies applying antitrust laws extraterritorially;

(2) United States agencies enforcing antitrust laws should help reduce uncertainty by informing small- and medium-sized companies in a clear, direct and inexpensive manner, of conduct and structural arrangements which will not be subject to antitrust prosecutions if associated with the export of particular products or services to specific country markets during specified time periods;

(3) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities, as well as the economic consequences of such interpretations and practices, should be communicated to Congress and the public in a timely and effective manner;

(4) conduct and structural arrangements of United States exporters which materially expand overseas sales should be permitted, provided they do not have a substantial negative impact on our commerce with foreign nations or otherwise conflict with basic substantive principles and objectives of existing antitrust laws; and

(5) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities should be developed in concordance with considerations underlying foreign relations, international trade and monetary policy, national security, and export promotion.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "structural arrangement" means a situation or course of action that affects the pattern of ownership or control in industry.

(2) The term "conduct" means a practice that may affect domestic competition but does not directly affect the structure of ownership or control in industry.

(3) The term "disclosure" means a statement published by the Attorney General or the Assistant Attorney General for the antitrust division under section 5(a) describing conduct and structural arrangements relating to export sales that will not be subject to criminal or civil prosecution under the antitrust laws.

(4) The term "antitrust laws" means the Sherman Act, the Federal Trade Commission Act, the Clayton Act, and any other Acts in pari materia.

STUDIES BY ATTORNEY GENERAL

SEC. 4. (a) The Attorney General, in consultation with the Secretary of Commerce and the heads of other United States agencies with enforcement responsibility under the antitrust laws, shall conduct studies to determine whether—

(1) the conduct and structural arrangements employed in various countries by various types and sizes of United States businesses to expand exports conflict significantly with basic antitrust principles; and

(2) a more liberal enforcement policy for overseas activities than would be appropriate for domestic transactions would impede thorough implementation of the legislative intent of the antitrust laws.

(b) On the basis of studies carried out under subsection (a), or other information available to the Department of Justice, the Attorney General shall identify conduct and structural arrangements associated with particular types of export sales which the Attorney General determines would not warrant criminal or civil prosecution under the antitrust laws by the Department of Justice.

(c) The initial studies made under subsection (a) shall be completed within 1 year after the date of enactment of this Act and shall be updated annually.

PROCEDURES

Sec. 5. (a) The Attorney General shall—

(1) publish a description of conduct and structural arrangements identified pursuant to section 4(b) as not meriting criminal or civil prosecution under the antitrust laws and shall make the published description available to all potentially interested exporters; and

(2) establish procedures to assure a prompt response to—

(A) petitions from individual exporters or classes of exporters for the issuance of descriptions under paragraph (1); and

(B) petitions from an individual exporter or group of exporters for the issuance of a statement of civil and criminal enforcement intentions concerning specific conduct in which the petitioner proposes to engage, or structural arrangements the petitioner proposes to establish, in connection with exports.

(b) The Secretary of Commerce may intervene at any time to request that the Attorney General publish a description under subsection (a)(1) with respect to conduct or structural arrangements or to reconsider a description published under such subsection. Within 30 days after receiving such a request from the Secretary, the Attorney General shall take whatever action he determines to be appropriate with respect to the request and inform the Secretary of the determination and action taken. The action of the Attorney General shall be final and shall not be subject to judicial review.

(c) The Attorney General shall establish appropriate forms and procedures for the purpose of—

(1) communicating disclosures issued under subsection (a) to affected parties;

(2) informing exporters of specific actions they must take to obtain disclosures pursuant to subsection (a), or to be deemed covered by disclosures made pursuant to subsection (a)(2);

(3) determining actions exporters have taken in reliance on such descriptions; and

(4) identifying problems associated with discharging the evaluation, disclosure, and monitoring functions authorized under this Act.

(d) Upon request, the Secretary of Commerce may, on a reimbursable basis, provide legal assistance to existing and potential exporters who are unable to obtain specialized antitrust counsel. Such assistance shall be limited to assistance in obtaining enforcement intention disclosures provided for under subsection (a)(2).

(e) Agency proceedings and agency actions (as defined in paragraph (12) and (13), respectively. of section 551 of title 5. United States Code) under this Act shall not be subject to subchapter II of chapter 5 of title 5, United States Code (other than sections 552, 552a, and 552b).

COMPLIANCE BY EXPORTERS

Sec. 6: (a) Notwithstanding any other provision of law, an exporter shall not be subject to civil or criminal prosecution under the antitrust laws by any Federal agency if—

(1) the exporter, or group of exporters, notifies the Attorney General, pursuant to procedures established under section 5(c)(2), that the exporter or group intends to engage in conduct or to establish structural arrangements which have been designated by the Attorney General as conduct or structural arrangements not subject to civil or criminal prosecution under the antitrust laws, and the Attorney General does not object to the proposed conduct or arrangement within 30 days and inform such exporter, or group of exporters, of the specific reasons why the proposed conduct and structural arrangements are not covered by disclosures made pursuant to section 5(a); or

(2) the exporter requests a statement of civil and criminal enforcement intentions concerning a particular transaction pursuant to sections 5(a)(2)(B), and within 60 days after the date of the request—

(A) receives an approval from the Attorney General, or

(B) does not receive an objection in writing from the Attorney General to the transaction setting forth the specific reasons why the transaction is in conflict with specific provisions of the antitrust laws.

(b) Whenever the Attorney General objects to proposed conduct or structural arrangements under paragraph (1) or (2) of subsection (a)—

(1) the Attorney General shall notify the exporter or group of exporters of such objections within 30 days (60 days in the case of a request described in paragraph (2) of such subsection) of receiving notification regarding the proposed conduct or structural arrangements and shall notify the exporter or group of exporters involved that they may request that a hearing be held on the objections to the proposed conduct or structural arrangements.

(2) the exporter or exporters involved shall notify the Attorney General within 15 days after receiving the objections if they wish to have a hearing;

(3) the Attorney General shall conduct any such hearing within 30 days after the date on which the request for a hearing under paragraph (2) is received by the Department of Justice;

(4) such hearing shall continue for no more than 30 days; and

(5) the Attorney General shall make the disclosure determination within 15 days after the completion of such hearing, notify the exporter or group of exporters of the determination, and publish the determination.

(c) A determination by the Attorney General under subsection (b) shall be final and shall not be subject to judicial review.

INJUNCTIONS

Sec. 7. The Attorney General may request any United States district court to issue an injunction regarding a disclosure under section 5(a)(2) of this Act, when the Attorney General determines that—

(1) the activity of the exporter or, group of exporters is acting outside of the scope of the disclosure;

(2) the circumstances under which the disclosure was issued have substantially changed; or

(3) the disclosure was issued upon inaccurate or fraudulent information.

REPORTS AND DISCLOSURES

Sec. 8. On December 31 of each year, the Attorney General, the Secretary of Commerce, and the heads of other United States agencies directly affected by disclosures under this Act shall each file with the Congress, and make public, a detailed report of—

(1) all actions by the appropriate department or agency, or by other interested public and private parties, taken pursuant to this Act;

(2) any problems associated with the implementation of this Act;

(3) the specific plans of the appropriate department or agency to carry out its responsibilities (if any) under the Act in the next fiscal year; and

(4) any recommendations for amendment of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. (a). There are authorized to be appropriated to the Attorney General such sums as may be necessary for the purpose of carrying out this Act.

(b) There are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary for fiscal year 1981 for the sole purpose of covering costs associated with initial implementation of section 5 (d) of this Act.

EFFECTIVE DATE

Sec. 10. This Act shall take effect on October 1, 1980.

THE TRADE PROCEDURES SIMPLIFICATION ACT OF 1980: SECTION-BY-SECTION ANALYSIS

Section 2 of the bill incorporates findings and conclusions concerning the present status of extraterritorial antitrust enforcement by United States agencies.

Section 4(a) provides for studies by the Justice Department to determine areas of export activity for which blanket disclosures of enforcement intentions would be appropriate. Section 4(a)(1) requires evaluation of specific types of export transactions, distinguished by company size and market destination, in light of basic principles derived from antitrust legislation and judicial decisions. The principal aim of this provision is to encourage agencies which apply antitrust laws extraterritorially to differentiate their enforcement policies according to market realities facing specific types of exporters. Section 4(a)(2) requires re-evaluation of the overall extraterritorial enforcement philosophy of the Justice Department, based on actual antitrust legislation rather than extensions of court-made domestic rules.

Section 4(b) provides for identification of particular export activities which, based on the analysis mandated in section 4(a), should not be the target of criminal or civil enforcement actions. This identification process can also rely on research already conducted by the Justice Department, and on information made available by other agencies.

Section 4(c) stipulates a one-year deadline on the first cycle of studies conducted by the Justice Department to determine areas of export activity for which blanket disclosures are appropriate. While the study process will be continuing in nature, and certainly some areas should be identified well before a year has passed, the one-year deadline ensures tangible results within the first year of tne Act.

Section 5(a)(1) is the basic authorization for blanket disclosures of Justice Department enforcement intentions. The term "potentially interested exporters" is not intended to describe a particular class of persons, but rather indicates that the Justice Department should release disclosure statements in a form and manner (e.g., a press release which could be picked up by trade journals and business magazines) designed to notify small and medium-sized businesses with export potential (see also section 5(c)).

Section 5(a)(2)(A) authorizes procedures whereby business may petition for section 5(a)(1) blanket disclosures. Section 5(a)(2)(B) extends statutory authority for existing Justice Department procedures allowing petitions for disclosures concerning specific export transactions, subject to limitations contained in section 6.

Section 5(b) gives the Secretary of Commerce a personal advocacy role in encouraging the Attorney General to issue or modify blanket disclosures of enforcement intentions. The Secretary's right to request a final determination by the Attorney General could be exercised at any time, whether or not a disclosure has been published or a 5(a)(2)(A) petition has been filed.

Thus the issuance of section 5(a)(1) blanket disclosures could be triggered in three ways: (1) on the Justice Department's own motion, subsequent to the studies authorized in section 4; (2) in response to a petition by businesses pursuant to section 5(a)(2)(A); and (3) in response to a special request by the Secretary of Commerce.

Section 5(c) describes appropriate Justice Department activities needed to implement sections 5(a)(1) and 5(a)(2). Sections 5(c)(1) and 5(c)(3) are designed to ensure that disclosure statements in fact reach all potentially affected exporters.

Section 5(d) provides for limited legal assistance by the Commerce Department for small and medium-sized businesses seeking to petition for disclosure statements pursuant to section 5(a)(2). As indicated in the appropriations section, this assistance program is intended to become financially self-supporting within one year.

Section 5(e) exempts all proceedings authorized by the Act from the Administrative Procedure Act, with the exception of Freedom of Information Act requirements.

Section 6 describes the means by which business can conduct export activities in reliance upon disclosures issued pursuant to sections 5(a)(1), 5(a)(2)(B). Section 6(a)(1) covers businesses seeking to act under section 5(a)(1) blanket disclosures issued by the Justice Department. Section 6(a)(2) covers Justice Department responses to section 5(a)(2)(B) petitions for specific disclosures, and is designed to be compatible with existing Justice Department procedures. Section 6(b) provides for prompt notice and the availability of a hearing where the Justice Department has denied coverage under a blanket disclosure, or has denied a petition for a specific disclosure.

Section 7 provides for monitoring and enforcement of business compliance with the terms of section 5(a) disclosure statements, through requests for additional information and through injunction proceedings to terminate unauthorized activities. Injunctions are the sole means of terminating coverage once it has been extended pursuant to section 6.

Section 8 provides for reports to Congress to facilitate congressional oversight of agency implementation of the Act. The reports should also aid Congress in determining the need for future antitrust reform legislation.

Sections 9 and 10 are self-explanatory.

U.S. PROGRAMS THAT IMPEDE U.S. EXPORT COMPETITIVENESS: THE REGULATORY ENVIRONMENT

(By Robert A. Flammang)

ANTITRUST LEGISLATION

The United States has the oldest and most vigorously enforced antitrust legislation in the world; indeed, only about thirty countries have such legislation. The benefits of the antitrust program have been substantial—certainly the U.S. economy is much more competitive, efficient, and vigorous than it would be in its absence. What is more, antitrust laws have generally been applied with a keen appreciation of the real world. The thrust has generally been to promote "workable competition" rather than seek some theoretical degree of purity of competition. Thus we have found labor unions and farmers' organizations exempted from the antitrust laws to better balance power in those particular market-places; cartel-like arrangements have been tolerated in coal mining and agriculture when it appeared that this would put these industries on better footing vis-a-vis less competitive sectors with whom they have to deal; mergers of competitive firms have been permitted when it could be shown that this strengthened competition in industries like automobiles and steel.

In the international arena, however, the norm of "workable competition" has yet to be applied in a consistent way, partly because of the many complexities encountered there. American companies complain that no other government restricts their enterprises nearly so much in setting up joint ventures abroad, in engaging in consortium bidding, in licensing foreigners to produce patented or trademarked goods abroad, in dealing with centralized state trading countries, or in negotiating with commodity cartels like OPEC. No other government, they allege, offers so few firm guidelines for what is acceptable behavior abroad, or is so eager to apply its antitrust laws extraterritorily. No other government, they believe, takes such a strong adversary stance with respect to their own firms; most even encourage mergers and cartels among their firms in their overseas selling and investment activities.

Since 1918 the United States, under certain circumstances, has permitted its exporters to combine to promote their export trade. The Webb-Pomerene amendment to the Sherman and Clayton antitrust legislation allows firms to join together, share marketing costs, and bid jointly for international business to meet the competition of foreign cartels and consortia better, as long as this activity does not adversely affect competition in the U.S. greater competitiveness in world markets.

The fact is that the structure of world competition has been changing rapidly in the last 20 years. Adam Smith's ideal of numerous small firms acting autonomously in competitive markets has faded into the reality of large multinational enterprises, state buying and selling organizations, and cartels. Galbraith's notion of countervailing power suggests that de facto competition in such a world is more likely to be created if similar-sized sellers on reasonably common ground compete for the buyer's money. This is not to argue that U.S. firms are infinitesimal while their foreign competitors are large; it is to argue that the day of unilateral restraint aimed at the reconstruction of war-torn economies and the development of viable producers in the Third World is coming to an end. The Marshall Plan era is over.

Competitive conditions in the United States and abroad are much more likely to result from a common code of unfair trade practices, uniformly enforced, than from a "good example" approach by the United States or any other country. Moreover, a common code is more likely to be developed if other countries feel the pressure of U.S. competition on the same basis on which they themselves operate than if the United States denies its producers equal access to foreign markets. If our antitrust stance abroad is one of "equal morality" rather than "superior morality," it is much more likely that there will be a common interest in a common code, or in making a common code more "moral." Common action requires a common interest.

In fact, the "superior morality" approach of the United States has provoked reactions from friendly countries. The British government recently introduced legislation that would block the enforcement of American court decisions, multiple damage awards, and subpoenas on British soil when British firms are involved in U.S. antitrust actions. The British object to "the accumulation of attempts by the United States to impose its own economic and other domestic policies on individuals and companies outside its territorial jurisdiction."

Approval by the Parliament is considered a virtual certainty, and other countries are expected to follow suit with similar legislation. Interestingly enough, according to a British government official "We have tried to solve this situation quietly" through diplomatic channels, but "with little success. So we decided to show a little bit of muscle to defend our companies and our sovereignty." The "equal morality" approach would clearly have a much better chance of success.●

ADDITIONAL COSPONSORS

S. 2521

At the request of Mr. Dole, the Senator from Ohio (Mr. Glenn) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2625

At the request of Mr. Weicker, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 2625, a bill to amend chapter 39 of title 28 of the United States Code, relating to the appointment of a special prosecutor.

S. 2677

At the request of Mr. Stewart, the Senator from Colorado (Mr. Hart) was added as a cosponsor of S. 2677, a bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain of the proceeds from the sale of incentive stock to an ESOP if those proceeds are reinvested in such stock, and for an increase in basis for incentive stock held for certain period.

S. 2681

At the request of Mr. Dole, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 2681 a bill to amend the State and Local Fiscal Assistance Act of 1972 to provide a 5-year extension of the general revenue sharing program and to provide that each State make an annual election to receive its State government allocation or the equivalent amount in specific categorical grant programs, but not both.

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. Huddleston, the Senator from Georgia (Mr. Talmadge), the Senator from Kentucky (Mr. Ford), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of Senate Concurrent Resolution 94, a concurrent resolution to express the sense of the Congress that the United States not admit more than 650,000 immigrants in fiscal year 1980.

SENATE RESOLUTION 414

At the request of Mr. Stewart, the Senator from New York (Mr. Moynihan), the Senator from Florida (Mr. Stone), and the Senator from Maine (Mr. Cohen) were added as cosponsors of Senate Resolution 414, a resolution to commend the National Forensic League on its Golden Anniversary Tournament.

SENATE RESOLUTION 432

At the request of Mr. Nelson, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Resolution 432, a resolution with respect to taxing social security benefits.

SENATE RESOLUTION 437

At the request of Mr. Bumpers, the Senator from New Jersey (Mr. Wil-

LIAMS), and the Senator from Maine (Mr. COHEN) were added as cosponsors of Senate Resolution 437, a resolution disapproving the proposed deferral of budget authority for financial and technical assistance to States for the planning, designing, and construction of highway projects and highway safety projects.

SENATE RESOLUTION 443—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING OF "HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM"

Mr. RANDOLPH submitted the following resolution, which was referred to the Committee on Rules and Administration:

SENATE RESOLUTION 443

Resolved, That the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144 of title 23, United States Code), entitled "Highway Bridge Replacement and Rehabilitation Program" be printed as a Senate document.

SEC. 2. There shall be printed five hundred additional copies of such document for the use of the Committee on Environment and Public Works.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BRADLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to continue markup of S. 2294, the fiscal year 1981 Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BRADLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a hearing on a judicial nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

S. 265—EQUAL ACCESS TO JUSTICE ACT

● Mr. DOMENICI. Mr. President, when the Senate Committee on Commerce, Science, and Transportation reported the Federal Trade Commission Act of 1979 it included a section which was the embodiment of S. 265, the Equal Access to Justice Act. As sponsor of this bill I was gratified to see its inclusion by the full committee. As S. 265 has passed in the first session by a 94 to 3 vote, I expected it would not be changed in the course of the Senate's deliberations on the bill. Further, the White House Conference on Small Business had selected this legislation as one of its legislative priorities for the 96th Congress. In the House this measure had already garnered approximately 90 cosponsors. Clearly the Senate supported the bill, it was on record by its vote. Popular support in the House was apparent from the number of cosponsorships. Presumably the administration would support a priority selected by a conference it convened and composed of participants largely selected by the administration.

But the unpredictability of the conference process was reaffirmed. This final version of the Federal Trade Commission Act no longer provides that when a small businessman or individual litigates on either the administrative or judicial level against the FTC, prevails, and the agency cannot substantially justify its position, then he would be entitled to attorney's fees and costs. Why was this priority of the small business community thrown out in conference? I can only surmise that it was because this administration actively lobbied for its exclusion. This administration has chosen to actively oppose a major plank of its own White House Conference on Small Business.

Mr. President, S. 265 has passed the Senate. It was originally included in S. 1991 as reported and passed by this body. Our colleague, Senator THURMOND, has introduced legislation making it applicable to OSHA. I intend to offer S. 265 as an amendment to the Legal Services Corporation bill and other legislation which will come before the Senate. I pledge to the small business community this legislation, in one form or another, will be presented and debated before the whole Congress so that they will see who are the real supporters of their programs and those who are paying lipservice to them.●

TRIBUTE TO THE LATE HUBERT H. HUMPHREY

● Mr. PELL. Mr. President, I had the privilege to be present on May 18 when New Englanders and a host of distinguished visitors joined in a tribute to the late Hubert H. Humphrey.

Senior statesmen, Ambassadors, Governors, legislators, business and labor leaders, educators, and ordinary people of all races, creeds, and walks of life gathered at Mechanics Hall in Worcester, Mass., to remember, to sing, to laugh and cry, and to raise funds for the Humphrey Institute at the University of Minnesota where young people will study politics and government and the ideals of public service.

Secretary of State Muskie was the keynote speaker at the tribute and delivered an eloquent reminder of the vision and the principles that guided Hubert Humphrey through his life. Secretary Muskie spoke of how that vision and those principles can help our Nation as it faces new challenges now and in the years ahead.

Joining in the tribute were the President of the United States (by telephone), former President Gerald Ford, and Vice President WALTER MONDALE.

Mr. President, at the tribute, Republicans and Democrats alike agreed that history will record Hubert Humphrey as a great man who ennobled this country and enriched the lives of millions of people—the many who felt the warmth of his personality and the many more who will benefit from his legacy: his programs, the people he elevated and inspired, and the center of learning that will bear his name.

Mr. President, I ask that the keynote address delivered by Secretary Muskie at the Hubert Humphrey New England tribute be printed at this point in the RECORD.

REMARKS OF SECRETARY MUSKIE

Today we remember Hubert Humphrey: his life, his work, his legacy.

For my part, I can think of no better way to honor Hubert than to give a brief speech . . .

The length of Hubert's speeches became a sort of affectionate national joke. But to those of us who listened often to Hubert, and who learned from him, even his longest speeches seemed short—so infectious were his enthusiasm, his vision, and his love for people.

If his speeches were sometimes long, his life—that vibrant, buoyant life—was far too short.

Because of all he did—as small businessman, Mayor, Senator, Vice President; as father, husband and prophet of a just America and a world at peace—Hubert Humphrey earned a special place in our hearts and in history. The memorial that this event supports will help confirm that place.

In these times, when too many voices are filled with despair and frustration, I can hear Hubert's voice and his vision. He would have been impatient—monumentally impatient—with the Cassandras, the voices and prophets of doom. He would have been working—solving our problems instead of endlessly deploring them. He would have been optimistic, as Americans have been throughout our history. Hubert would have had a pocketful of ideas—concrete, practical ideas—creating solutions as only Americans can.

For Hubert Humphrey was not only an impatient, energetic, optimstic man. He was a man of vision. He could look beyond our day-to-day crises and see the America we should be building.

What was that vision?

It was, first of all, a vision of a strong America.

Those who emphasize Hubert's compassion and his love of peace should not neglect his support for a strong America.

He never relented in his belief that our defenses must be sound and our alliances vigorous. He fought for a strong and effective NATO alliance.

The strength he sought for America was not an end in itself. No Fortress America for Hubert. He saw America's strength as a means to ensure peace and to buttress an effective, activist foreign policy.

Hubert never underestimated America's adversaries. Indeed, it was his understanding of their ambitions and their resolve that caused him to advocate balanced arms control with the Soviet Union—long before the issue came to the top of our national agenda.

In proposing the mutual termination of atmospheric nuclear testing in the early sixties, Hubert understood the central relationship between strategic arms reductions and America's security.

Hubert Humphrey was a believer that within the United States, opposing interests with opposing ideas could settle their differences by searching patiently, negotiating, defining the common ground. He believed that the same thing was possible—and essential—in relations between nations.

We must be guided by that same vision today. We must understand that our military forces and our alliances—the bedrock of our foreign policies—are strengthened by arms control. And we must never fear to seek agreements that limit a threat to our security.

Hubert's vision was of a just, humane America. He believed that our values as a people should be expressed in our policies abroad. He believed that a nation conceived and born in revolution—as ours was—should not shrink from change in the world. And just as he believed in human rights and economic justice here at home, he believed in a foreign policy that supported those same ends.

He believed that America's commitment to freedom should not stop at the water's edge; that it should help the Jews of the Soviet Union, the blacks of South Africa—all those whose human rights were denied.

He believed that America's great bounty should inspire a generous foreign policy. So he fought for programs of foreign assistance that would help developing nations feed their poor, heal their sick and build their economies.

He became an eloquent advocate for the Food for Peace program, the Peace Corps, and other international development efforts.

Hubert fought for these causes not as international welfare, but because he believed that poverty was a waste of precious human potential. He believed generous assistance programs were not only morally right, but politically wise and economically sound. He knew in the end they would strengthen our own economy and serve our own interests.

Let us not forget Hubert's advice, which he expressed often in the words of Franklin Roosevelt: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." Stability and peace come not through static policies defending the status quo. They come through a dynamic process which advances the human condition.

Finally, Hubert Humphrey's vision was a vision of an America leading the world's nations in a crusade to build peace. Not a search to find peace; nothing so passive as that. No, a crusade to build peace.

As a young man, he was deeply influenced by his father's commitment to Woodrow Wilson's vision of a League of Nations. How natural for Hubert to become a champion of the United Nations.

His vision of peace was no figment of airy idealism. It was concrete and practical. He believed peace was not just a worthwhile goal, but a process to be pursued—however slowly and painstakingly progress might come. The fruits of his efforts today can be seen in the test-ban treaty; in the existence of an Arms Control and Disarmament Agency; in the Middle East peace process; in the SALT process, which was begun when he was Vice President of the United States; in a hundred other concrete efforts to construct peace.

He would have understood—and applauded—the patient, slow but steady effort to build a settlement in Zimbabwe. He would have urged us to continue to pursue, with the same determined patience, a settlement in Namibia. He would have urged us not to despair in the agonizing search for a solution to the hostage crisis in Iran.

In the weeks and months ahead, as I work on the serious problems of our hostages in Iran, peace in the Middle East and the presence of Soviet troops in Afghanistan, I will remember what Hubert taught this nation about solving tough problems and fashioning workable alternatives to war.

And most of all I will remember that he taught us to have confidence in ourselves.

For Hubert Humphrey was a believer in the inexhaustible potential of the American people and America's institutions. As a leader in the United States Senate and a member of the Executive branch, he believed both branches could work together. He had almost a religious belief in our American Constitution. And he believed in himself; he never let temporary defeat or disappointment deter him from pursuing his vision for America.

Nor should we.

Those who are in danger of being overwhelmed by doubt should remember him. Perhaps they should listen for the message he doubtless would have found in the thousands of refugees who now are fleeing toward our country. To these thousands—and to Hubert Humphrey—America has always been a haven from tyranny; a means to a better life.

Hubert would have understood these refugees. And they would have understood him.

He used to close his speeches with some lines from Carl Sandburg. I can think of no better way to end now, for the lines summarize not only his vision for our country, but his own life and character:

"I see America not in the setting sun of a
black night of despair ahead of us.
"I see America in a crimson light of a rising
sun fresh from the burning creative
hand of God.
"I see great days ahead, great days possible
to men and women of will and vision."

It is our challenge, yours and mine, as legatees of Hubert Humphrey, to carry on his work—and to fulfill his vision.●

SOUTH LEBANON'S CHIEF

● Mr. WEICKER. Mr. President, I made a private trip to the Middle East last year and while I was there I had an opportunity to meet briefly with a remarkable man, Maj. Sa'ad Hadad. Major Hadad is the leader of the forces of Free Lebanon, and protector of the Christian community in southern Lebanon.

He is also one of those historical inconveniences which seems to clutter up international relations as they are practiced today. Those who have read about him in the press are informed, so to speak, that Major Hadad is one of the impediments to peace in the Middle East. This view is held by those who also see Israel as an impediment to peace in the Middle East. The idea, in the latter case, is that PLO and PFLP terrorism would cease if only there were not those Israeli infants and schoolchildren there, virtually asking to be murdered.

In the same fashion, Hadad is an impediment to peace because he fights back against aggression of the PLO and the Syrian Army which now occupies half of Lebanon. As if that were not enough, he embarrasses the U.N. forces in southern Lebanon by confronting the terrorists who traverse U.N. lines with no difficulty at all and, indeed, often with the active assistance of the U.N. forces.

Hadad is an impediment to the peace of the graveyard.

There was a time when the free world would have lionized such a man. Hadad himself has asked how it can be that Christians give no comfort, no moral support to their embattled coreligionists in southern Lebanon. There is a thought to conjure with. I will not explore it here.

I will note, however, that one cannot help but be fascinated at how Major Hadad and his fighters are characterized as "puppets" of the Israelis. This formulation masks the inconvenient reminder of the barbaric abuses of human rights within the Arab Islamic world that must flow from any admission that Hadad is protecting a minority marked for slaughter, and that Israel—peopled by men and women mindful of what it means to be marked for slaughter—is helping. Helping where no one else will.

Perhaps the greatest irony of all resides in the fact that the Christian minority of Lebanon is under the guns of the PLO, while the PLO continues to insist that what it wants in the area is a secular state where Moslem, Christian, and Jew will live together in peace and brotherhood. Surprisingly, there are those willing to believe this. Major Hadad is not among them. He cannot afford to be. Too many Christians, and may I say Jews as well, rely upon him for survival.

Mr. President, the New York Times last Monday published for once a favorable article on Maj. Sa'ad Hadad. To mark this unprecedented event, I ask that this article be printed in the Record.

The article follows:

South Lebanon's "Chief"

(By Ray Errol Fox)

Maj. Saad Haddad, the officer estranged from Lebanon's Army who now commands a Christian militia force in that country, has emerged from the chaos following the Lebanese Civil war of 1975–76 as an elusive, controversial village chieftain. He is at war with the Government in Beirut because it is controlled by Syrians in Damascus; with Syrian armored divisions for intruding in Lebanon; with the Palestine Liberation Organization for, as he says, "invading" Lebanon and terrorizing its citizens; and with the United Nations Interim Force in Lebanon for obstructing his efforts to repel the terrorists in the south. He may well be the only remaining obstacle to Syrian annexation of Lebanon, and P.L.O. occupation of southern Lebanon.

On April 18, 1979, Major Haddad declared the area of his command, a six-mile north-south strip and 12-mile east-west strip along the southern border, with a population of 60,000 Shiite Moslems and 40,000 Christians, as "Free Lebanon"—free from government and religious interference. It has no government of its own.

He is the father of five little girls whom he and his wife gather in a room under his Merj'Uyun house in "Free Lebanon" when P.L.O. shells come raining down on their heads on any night. One might gather from some press reports that he is a wild man, an outlaw, yet as I have seen, any child can flag down his jeep for a fatherly hello as he and his men relentlessly patrol Christian and Moslem villages for terrorists or terrorists' mines and bombs that threaten the innocent. Still, he is frequently called "a traitor to his people" by Arab journalists.

This "Israeli-sponsored thug," as Sean Whelan, the Irish charge d'affaires in Beirut characterized him, is not fighting Israel's battles; he is fighting his own and his people's—for survival, then for freedom—on their land. The "rightist rebel renegade" (as I heard him called on a European radio program) has created friendship and trust in southern Lebanon among Christians, Moslems, and Jews across the border to the south.

According to recent reports, which I believe are erroneous, this "local strong-arm baron"—so called by David Landau and Anan Safadi in The Jerusalem Post—commanded children at gunpoint to throw rocks at Irish soldiers in the United Nations force and demanded a sizable ransom from a Shiite village. Yet, as he lay in bed 10 days ago, recovering from a mild knee injury incurred when he drove his jeep over a mine while pursuing terrorists, Christians and Moslems and Armenians and Druze by the thousands came from all directions, in some instances from behind P.L.O. strongholds, to say thank you.

He repeatedly asked me where the rest of the Christian world is when it is needed: "I think all of the Christian world knows what is going on. But it is too involved in its own materialist problems. No more, human values. Religion, it is only by name now. We have been born a Christian, so we say we are Christian. Even my Pope doesn't help. He is supposed to tell all the Christians of the world to wake up, their brothers in Christianity are in danger of being exterminated and they have to help. By saying a few words he can change the picture. I wrote to the Pope and never got an answer. He is supposed to be our spiritual father on the ground, and each father is supposed to protect his son, even if he is wrong. How come we are right and he is not supporting us? The terrorists are getting volunteers from Iran, Iibya, Iraq, Saudi Arabi, from all the Communist countries, to fight for them. What prevents the Christians from sending funds or coming as volunteers to help us? We feel left out from all the world except by Israel. We are fortunate that we found Israel on our border to help us. Israel understood our problem, that we are a minority threatened with extermination, and extended its hand to us. They ask for nothing, and for whatever they give, I am thankful. I have no right telling them I need this and this. But I have a right to ask my brother in Christianity."

He asked why America always backs the wrong side: "I can't understand—Americans are fighting their friends and supporting their enemies. They say we have to support the legitimate authority in Beirut. But there is no legitimate authority anymore. How come they are supporting something illegitimate? In your country, when something was wrong, you changed the President. How come you are supporting the wrong man here? You should support the people who can't be Communist. Why, when we are fighting Communists, are you fighting against us? We love you. The Communists say you support, us, so they must kill us. They don't know all the pressure we are getting from the Americans, that our hands are tied because of the Americans. But we cannot change. We are prepared to die. But if the free world open its eyes, if we could make you see that Lebanon is the gate to the Middle East, and if you lose Lebanon you have fought to close the gate in your own faces . . . if you could finally see the reason for a free Lebanon. . . ."

He began talking about the future. About his plans for his country. I asked if he really believed he could rid Lebanon of the Syrians and P.L.O. He practically whispered: "It can be done." Then, stronger: "If there is good will, nothing is impossible. All our lives are based on the hope. A good hope." ●

TAKING CARE OF THE ELDERLY

● Mr. BAUCUS. Mr. President, I read with great interest the very cogent article by Bruce Vladeck in the May 19 New York Times. Mr. Vladeck makes a compelling and compassionate case for changing the way Federal policymakers view long-term care for senior citizens.

For too long, we have viewed nursing homes as the only way to provide long-term care for the elderly. Less expensive alternatives exist, however, and Federal policies should be designed to encourage their use.

Many seniors can—and should—remain in their homes, rather than moving to nursing homes. In-home and community based care is available at less cost than in nursing homes or hospitals.

Congress has an opportunity to redirect these policies, and to encourage greater use of these alternatives. Legislation is now pending which promotes greater use of home-health care. Further, Congress can respond to the problem of excess hospital beds, especially in rural areas, by enacting the so-called swing-bed legislation, which allows hospitals to use their beds interchangeably for either acute or long-term care.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

CARING FOR THE OLD

(By Bruce C. Vladeck)

TRENTON, N.J.—It was recently reported in the press that more than 2,000 elderly people in New York City are being confined to hospitals because nursing-home beds are not available. Hospital care in New York City now costs $200 to $300 a day, while nursing homes generally charge $60 to $70. Since most of those awaiting nursing-home placement are in hospitals at public expense, through Medicare or Medicaid, tens of millions of scarce public dollars are at stake—more than $50 million a year in New York City alone.

The solution appears to be simple: If old people can't get into nursing homes, we should build more. But apart from the fact that building nursing homes means the proliferation of institutions widely believed to be unsatisfactory and overused, this solution will not work: there is no money to be saved in building nursing homes.

Elderly patients have been "backed up" in hospitals awaiting nursing-home beds in New York City since the early 1950s; backlogs have persisted through succeeding waves of nursing-home construction. Areas with more nursing-home beds in proportion to their elderly population have similar waiting lists. Nursing homes, which tend to get filled no matter how many there are, are full almost everywhere in the United States.

New nursing-home beds primarily tend to get filled not from hospital backlogs but rather from a permanent but marginal demand among the unhospitalized aged, including a large proportion of people who have been shown, in survey after survey, not to need nursing-home care at all.

Furthermore, building new nursing homes to reduce hospital utilization does not save money.

The marginal cost of treating a "nursing-home" patient in a hospital is not much greater than that of nursing-home care, since a high proportion of all hospital and nursing-home costs are fixed, or partly fixed. Moreover, at today's construction costs and interest rates, "replacing" hospital beds with new nursing homes is extraordinarily expensive.

Both policy makers and the general public have been confused by the conventional pricing of hospital (and nursing-home) services on the basis of an average per diem, despite the enormous variation in the actual costs of treating different patients at different points in their hospitalization.

The coronary-bypass-surgery patient in his third postoperative day is far more expensive to care for than the elderly pneumonia victim in her 25th day. Thus, it doesn't really cost $250 per day for hospitals to care for patients awaiting nursing-home beds, even though these are the average costs levied on taxpayers.

The average per diem charge for hospitals is so irrational, and so perverse in the incentives it creates, that it has now been partly abandoned in New York State and will be completely abandoned, over a three-year period, in New Jersey.

But the illusion it has created—that building nursing homes can save money—has impelled public policy to support the construction of one million new nursing-home beds in the last 15 years, even though most policy makers have never thought that nursing homes were particularly desirable institutions.

For a generation, there has been broad agreement among gerentologists, health administrators and public officials that most of the elderly in need of supportive services should receive them in their homes, or in "sheltered" or "congregate" dwellings less institutional in character than nursing homes, or as out-patients in day programs.

Such alternative services have expanded with glacial slowness, largely because all available public funds have been consumed by the ever-expanding supply of nursing homes, created in large part as a response to the phantom hospital back-log problem.

In a nation where, by conservative estimate, there are 100,000 too many hospital beds, where most nursing homes are continually full, and where noninstitutional programs limp along on starvation budgets, building more nursing homes to solve a non-problem simply makes no sense.

If we stopped building nursing homes now—or even closed some—and made better use of excess hospital capacity, the savings relative to what we otherwise would spend should permit, in as few as five years, a manifold increase in noninstitutional services. *Then* the "backlogs" would disappear.●

THE CASE OF LEV LUKYANENKO, A UKRAINIAN HUMAN RIGHTS ACTIVIST

● Mr. PELL. Mr. President, Lev Lukyanenko is a Ukrainian lawyer who was a founding member of the Ukrainian Helsinki Watch Group. That group was formed in November 1976 to monitor Soviet compliance with the human rights provisions of the 1975 Helsinki accord.

Two years ago, Mr. Lukyanenko was convicted for engaging in "anti-Soviet agitation and propaganda." The conviction, apparently based on statements he had drafted regarding human rights violations in the Ukraine, resulted in Mr. Lukyanenko's being sentenced to 10 years in a labor camp and 5 years of internal exile. Mr. Lukyanenko is currently serving his sentence in a Mordovian special-regime labor colony.

Mr. Lukyanenko's imprisonment represents a denial of his right to free speech, in violation of article 50 of the Soviet Constitution and article 19 of the International Covenant on Civil and Political Rights. Reports have also been received indicating that Mr. Lukyanenko's trial in July 1978 may have involved several substantive violations of due process guaranteed by both Soviet law and article 14 of the above-mentioned covenant.

At age 52, Mr. Lukyanenko is presently serving his second 15-year sentence. Since his graduation from the law faculty of Moscow University in 1958, he has spent almost 17 years in prison, all for activities theoretically protected by Soviet and international law. It was during his first prison term, from 1961 to 1976, that he was designated a "prisoner of conscience" by Amnesty International.

Throughout his adult life, Mr. Lukyanenko has attempted to defend and preserve the integrity of the rule of law in the Soviet Union. Today, as a result of his lengthy and ongoing imprisonment, he is reported to be suffering from chronic stomach ailments. In addition, he is presently confined under harsh conditions which may of themselves represent a violation of articles 7 and 10 of the International Covenant on Civil and Political Rights.

Mr. Lukyanenko's plight has come to the attention of a number of individuals and organizations concerned with human rights. In recent months, the Lawyers Committee for International Human Rights and the International League for Human Rights have gathered the signatures of 250 prominent American attorneys on a petition urging his release. This petition was transmitted to the procurator of the Ukrainian Soviet Socialist Republic, Mr. F. K. Hlukh, by the chairman of the Lawyers Committee, former Federal District Court Judge Marvin E. Frankel, and the president of the International League, Harris Wofford, on April 17, 1980. The Individual Rights and Responsibilities Section of the American Bar Association is also considering Mr. Lukyanenko's case.

Whenever lawyers are oppressed, the rule of law itself is threatend. For almost 20 years, Mr. Lukyanenko's efforts to insure Soviet recognition of basic rights—rights guaranteed by both Soviet and international law—have been consistently frustrated. His case thus demonstrates that a human rights commitment on paper is not sufficient. I ask that the letter to the Soviet authorities and the accompanying petition be printed at this point in the RECORD.

The material follows:

THE INTERNATIONAL LEAGUE
FOR HUMAN RIGHTS,
New York, N.Y. April 15, 1980.

F. K. HLUKH, Esq.
Procurator of the Ukrainian Soviet Socialist Republic, UL. Khreshchatyk 2., Kiev, Ukrainian S.S.R.

DEAR MR. HLUKH: We have the honor to enclose a petition signed by 250 American attorneys on behalf of Lev Lukyanenko, a Ukrainian lawyer sentenced to 10 years in a labor camp and five years of exile in July 1978 for engaging in anti-Soviet propaganda.

The petition expresses a number of concerns about irregularities in the trial, conviction and continuing incarceration of Mr. Lukyanenko. In this connection, we ask that the official record of Mr. Lukyanenko's trial and his verdict be made public.

We also request that an attorney designated by a respected international human rights organization be allowed to visit Mr. Lukyanenko at the labor colony where he is being held.

The petition is signed by a number of prominent United States attorneys, including current and past Presidents of the Association of the Bar of the City of New York, deans of law schools, and other lawyers of national distinction.

With assurances of our highest respect.

MARVIN E. FRANKEL,
Chairman, Lawyers Committee for International Human Rights.
HARRIS L. WOFFORD, JR.,
President, International League.

PETITION OF AMERICAN LAWYERS TO F. K. HLUKH, PROCURATOR OF THE UKRAINIAN SOVIET SOCIALIST REPUBLIC, ON BEHALF OF UKRAINIAN ATTORNEY LEV LUKYANENKO

We, the undersigned, are attorneys practicing in the United States who are disturbed by the trial, conviction, and continuing incarceration of Lev Lukyanenko. Mr. Lukyanenko, a Ukrainian lawyer, was a founding member of the Ukrainian Helsinki Watch Group, a committee formed to monitor Soviet compliance with the 1975 Helsinki human rights accords.

In July 1978, Mr. Lukyanenko was sentenced to ten years in a labor camp and five years of exile. His conviction, for engaging in anti-Soviet propaganda, was evidently based on statements he had drafted regarding human rights violations in the Ukraine. Mr. Lukyanenko's imprisonment violates his right to free speech, which appears to us to be protected by Article 50 of the Soviet Constitution and Article 19 of the International Covenant on Civil and Political Rights, which the Soviet Union ratified in 1973.

Reports we have received indicate that Mr. Lukyanenko's trial also involved several substantive violations of due process guaranteed by both Soviet law and Article 14 of the above-mentioned Covenant. Article 14 states that "everyone shall be entitled to a fair and public hearing by a competent, independent, and impartial tribunal established by law."

In addition, several eyewitnesses have concluded that the conditions of detention in the Mordovian special-regime labor colony where Mr. Lukyanenko is imprisoned violate Articles 7 and 10 of the International Covenant on Civil and Political Rights. Article 7 provides that "no one shall be subjected to cruel, inhuman or degrading treatment or punishment" and Article 10 guarantees that "all persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person."

Because the Soviet Union's treatment of Mr. Lukyanenko has apparently violated and continues to violate both Soviet law and Soviet obligations under international law, we call for Mr. Lukyanenko's immediate release.

Mr. Lukyanenko's case has been described in more detail in reports published by Amnesty International and the *Chronicle of Current Events*, and in the testimony of Mr. Lukyanenko's wife, Nadezhda Lukyanenko, and his friend, Nadezhda Svetlichnaya.

We believe that our information about the Lukyanenko case is reliable. However, in order to resolve any doubts, we ask that the official record of his trial and verdict be made public. We also ask that an attorney designated by a respected international human rights organization be allowed to visit Mr. Lukyanenko at his place of detention as soon as possible.●

GASOHOL WORKS

● Mr. BAYH. Mr. President, America has to stop relying on imported crude oil and petroleum products. The American public is reducing its consumption of gasoline and other refined products, but not enough. Crude oil imports are down, but we need to do more. We need to develop our domestic renewable energy resources. We need to strive for energy independence.

Increased use of gasohol, the clean-burning, octane boosting mixture of 90 percent gasoline and 10 percent alcohol fuels derived from renewable sources, would represent an important step toward energy independence. Gasohol can make a real contribution to reducing our need for crude oil and our need to import that crude oil. Several American enterprises are currently conducting operational field tests of gasohol. As the results of those operational field tests are revealed, the record is clear. Gasohol not only saves 10 percent of the gasoline it takes to fill a gas tank, but in many vehicles it improves mileage, extends engine life, reduces the number of tune-ups required for efficient operation and decreases auto emissions.

Recently, Illinois Bell Telephone reported the results of their year-long operational field test of gasohol in fleet vehicles. Illinois Bell reported the savings which I have alluded to and announced that they will expand their use of gasohol in their statewide fleet. This is significant because Illinois Bell maintains the largest privately-owned automotive fleet in Illinois. This one company can save 700,000 gallons of gasoline annually by using gasohol.

Mr. President, the management of Illinois Bell should be commended for their efforts to use renewable domestic energy supplies. We need to convince more American enterprises to follow Illinois Bell's lead. To do so we must not waver from our commitment to the rapid commercialization of our domestic alcohol fuel industry. The production credits and Federal excise tax exemption enacted in the crude oil windfall profit tax have helped, but we need the synfuels bill as soon as possible. With the added incentives for alcohol fuel production contained in the synfuels bill, we can make even greater strides toward our most cherished goal of energy independence.

Mr. President, I ask that the press release of Illinois Bell, describing the results of their gasohol field tests, be printed in the RECORD.

The press release follows:

PRESS RELEASE

Illinois Bell announced today that it will expand its use of Gasohol in its fleet statewide as the fuel becomes available and is competitively priced.

The company is now using Gasohol in 235 vehicles in Woodstock, McHenry, Watseka, Bradley, Bourbonnais, and Rock Falls.

The decision to expand the use of Gasohol came at the completion of a 12-month trial of the fuel in 30 Illinois Bell vehicles in the Peoria area. Gasohol is a mixture of 90 percent gasoline and 10 percent ethanol (alcohol) derived from renewable sources.

Ron Aldridge, the company's division manager for automotive operations, said the trial indicated that usage of the cleaner burning fuel could lead to savings in maintenance costs through longer engine life and could mean a reduction in the number of tune-ups required to keep vehicles operating efficiently.

During the 12 months of the test, mileage results were mixed.

"One test group of older vehicles obtained much better mileage with Gasohol than with regular gasoline," Aldridge said. "The test group with newer vehicles tended to obtain slightly better mileage results by using unleaded gasoline. Overall, test results indicated that the Gasohol fuel obtained 4.8 percent better mileage than the conventional fuels.

"Maintenance savings and other benefits of Gasohol, including better cold weather starting and its potential as a gasoline extender have convinced us to use the fuel where it is available at a cost effective price."

Aldridge said that since the start of the 30-vehicle trial, Illinois Bell saved 22,000 gallons of gasoline through the use of Gasohol.

"We're convinced that Gasohol can be an important gasoline extender and could help us keep our vehicles on the road during any periods of gasoline shortages," Aldridge said. "If Illinois Bell used Gasohol in all its vehicles statewide, the company could save about 700,000 gallons of gasoline annually."

The company also found that emissions were reduced with the use of Gasohol. Tests indicated a 30 percent decrease in carbon monoxide and an 8 percent drop in hydrocarbons.

Illinois Bell began its test of Gasohol in January 1979. The effect of Gasohol on mileage and maintenance was studied by comparing 15 vehicles using Gasohol with a control group of 15 vehicles using gasoline.

After six months, the 15 vehicles using Gasohol were switched to gasoline and the control vehicles were switched to Gasohol. The trial was continued through January 1980, reflecting a transition month for the mid-year fuel change of the vehicles.

Illinois Bell stressed that the trial was not a "laboratory" or "scientific" test. It was an operational field test to evaluate the fuel's performance under normal job and driving conditions. Drivers recorded mileage data and evaluated vehicle performance.

Illinois Bell has the largest privately-owned automotive fleet in the state with nearly 8,000 vehicles. The company uses 7 million gallons of gasoline annually.

Since 1973, Illinois Bell has increased the miles-per-gallon performance of its vehicles nearly 10 percent. The company used only 4 percent more gasoline in 1979 than in 1973, even though the number of phones served increased 17 percent.●

AMTRAK

● Mr. PELL. Mr. President, I would like to call the attention of my colleagues to the outstanding record of achievement compiled by Amtrak so far this year. As it passes the halfway mark in its current fiscal year, Amtrak has carried a record number of passengers and offered substantial savings in petroleum fuel consumption.

The evidence indicates that more and more travelers are not only switching to trains, but that they are experiencing more reliable and comfortable trips. Of the 9.9 million passengers that Amtrak carried from October 1979 through March 1980, 88 percent were riding in either new passenger cars or completely rebuilt and refurbished cars. On time performance has improved consistently over last year, and is now averaging 75 percent—a record higher than that of the country's top 200 airline markets, according to the Civil Aeronautics Board. For the 6-month period, ridership on Amtrak's short distance routes grew by more than 17 percent over last year and long distance ridership also showed an increase of 11 percent.

Over half of Amtrak's ridership is concentrated in the heavily traveled Northeast Corridor, and it is here that we can see the true potential of high speed rail service to save precious energy. Using national averages for automobile fuel consumption and passenger loads, at least 18 million gallons of gasoline would have been required to carry Amtrak's passengers riding between Washington and New York in automobiles. Put another way, the Nation would have to purchase nearly 1 million barrels of crude oil to provide an energy source equivalent to the electrical demands of the Corridor between New York and Washington which can use any fuel source available.

The Northeast Corridor's contribution to intercity transportation and fuel conservation will grow dramatically in the next few years as the track rebuilding program completes electrification of the main line from New York to Boston. Amtrak estimates that ridership in this end of the corridor will double by the end of the 1980's.

I think that statistics like these demonstrate the tremendous importance of rail passenger service in our national transportation system. New equipment—more reliable and comfortable for the passenger—coupled with improved track and faster trip times have truly inaugurated a renaissance in rail passenger service. Congress can take just pride for its role in providing the support which has made this renaissance a reality.●

THE COMMUNITY ENERGY ASSISTANCE ACT

● Mr. DURKIN. Mr. President, recently I introduced the Community Energy Assistance Act. This bill is designed specifically to assist communities of all sizes with energy conservation and renewable activities, and it is a direct response to recommendations which have come before my Subcommittee on Energy Conservation and Supply.

Last month I held a hearing in Durham, N.H., as part of my ongoing effort to bridge the gap between Washington and the citizens of my State. I wanted to hear firsthand local views on the legislation before my subcommittee.

At this hearing New Hampshire's State and local officials explained how Federal legislation could be fashioned so that local communities have a freer and larger hand in implementing energy programs. These officials testified that both the Community Energy Act (S. 2576) and the administration's Energy Management Partnership Act (S. 1280) have grave problems in their treatment of small communities. While I want to congratulate the sponsors of S. 2576 and S. 1280 for the initiative and foresight they have shown in their work in this area, I believe their legislation has several deficiences and needs to be augmented so that it is as responsive to the needs of our smaller communities as to the needs of larger cities. My bill does just that. It provides direct financial assistance to all communities—large and small—with as little redtape and Federal bureaucratic requirements as possible.

One of the problems with the Community Energy Act is that it designates only one-fifth of the Federal funds for communities of less than 50,000. However, in New Hampshire, over 90 percent of the population lives in such communities.

Additionally, both bills have the disadvantage of providing funds only on a competitive basis to small communities. The testimony I heard in New Hampshire was unanimous in its objection to competitive grants for small communities, saying that most of these communities do not have the resources to compete for Federal funds, that the required paperwork eats up a good part of the assistance, and that the uncertainty of continued funding prevents effective programs.

The witnesses stated that their experience with similar community development and other grant programs has been that these programs are wrapped in redtape and are inappropriate for small communities. The bill I am proposing is a direct response to the concerns expressed by these local experts.

I have proposed the community energy assistance bill because I understand the great force and effectiveness of local initiatives. I have long maintained that the foundation of an effective conservation and renewable resource policy lies with our county and local governments. The local level is where the most effective and responsive policies are generated and where implementation of most policies take place. The Community Energy Assistance Act recognizes the wisdom of the local approach and offers direct aid to small communities for energy programs and activities to improve the efficiency of energy use and promote renewable resources.

The ability of small communities to utilize traditional community development and other grant programs is limited. If we are to successfully reach these communities and initiate grassroots energy programs, we must develop assistance programs to meet their needs. Federal policy has long neglected the energy needs of small communities and their immense potential contribution to solving our national energy dilemma. In fact, there are no programs existing today which provide direct Federal assistance to small communities for energy programs and activities.

We must come to terms with the fact that small communities are facing energy problems of crisis proportions. Their problems stem not only from the general weakness of our national energy position, but also from the burdens of implementing and enforcing Federal and State programs. In the past several years, we in Congress have passed a number of statutes which require States and local governments to act to conserve energy and promote renewable resources. While these are certainly worthwhile ambitions, it would serve us well if Federal cost-sharing matched Federal ambitions. Most small communities do not have excess funds to undertake the kinds of energy programs necessary to promote or to adequately implement State and federally mandated programs.

The legislation that I propose would help out those communities most burdened in their effort to both meet Federal and State requirements and explore their own solutions without diverting funds from other critical social services; those communities which cannot be reached through traditional programs.

The program which I propose has the following features:

It provides grants to all communities on a noncompetitive basis.

The only requirements are that first, the community agree to spend the money on conservation and renewable activities, and second the community agree not to reduce its own funding efforts for these types of programs.

The program is administered by DOE, but the Secretary does not have the authority to withhold funds except in cases of fraud or illegal use of money.

The funds will go directly to eligible communities but are allocated by State.

The allocations formula is similar to the formula used in the low income weatherization program and the fuel assistance program and is based on:

First, total residential energy consumption.

Second, heating-degree days squared.

Third, total population.

Fourth, number of households below the lower living standard.

The fiscal year 1981 funding proposed is $75 million.

I urge your support for this legislation and hope we can work together to see that it is enacted into law as soon as possible. Small communities, particularly those in our oil dependent Northeast cannot afford to wait for answers to their energy problems. We must mobilize communities—cities, towns, regional councils, villages, counties and neighborhood associations—for action on energy now.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, one of the most influential American historians in the reassessment of Herbert Hoover has been William Appleman Williams. In his writings in the mid-1950's and 1960's, Williams described a Hoover who was markedly different from the one portrayed by New Deal enthusiasts. In Williams' view, Hoover was not a champion of laissez-faire and isolationism but, rather, the "keystone in the arch" in the path from progressivism to the liberalism of the New Deal. As a sophisticated analyst of capitalism's strengths and dangers, Hoover recognized the need for new economic structures, as well as the evils which could result from using the Federal Government as a substitute for community action.

While Williams was tremendously important in spawning new attitudes about Hoover, the reassessment of Hoover did not begin in earnest until the 1966 opening of the Hoover Library at West Branch, Iowa, with its treasure of previously unavailable primary materials on the Hoover Presidency.

In 1970, the New York Review of Books printed a Williams review of the Gene Smith book on Hoover entitled "the Shattered Dream." This article was another milestone in the reassessment of Hoover. Dr. Williams has given permission to reprint this article as part of the series of essays commemorating the 50th anniversary of the inauguration of Hoover as our 31st President. I am also grateful to the New York Review of Books for its permission to reprint the article.

Williams takes issue with Smith's view of Hoover's dream. According to Williams:

> Hoover's dream was that the people—the farmers, the workers, the businessmen, and the politicians—would pull themselves together and then join together to meet their needs and fulfill their potential by honoring the principles of the system.

The role of the Government in the economic crisis would be to encourage cooperation among groups, so as to avoid the Government's direct intervention in the lives of the people.

Although he offered more Federal aid than had been offered in any other depression, and some additional programs were defeated by the Democratic Congress elected in 1930, Hoover could not bring himself to "embark upon what he considered the 'disastrous course' of centralized, irresponsible, and increasingly irresponsive and manipulatory bureaucracy." Nevertheless, Hoover's actions, according to Williams, did "block out the basic shape of the new deal."

Mr. President, in these times of low confidence in Government, it is heartening to read of Hoover's abundant faith in the American people. I ask that Dr. Williams' review of "The Shattered Dream" be printed in the RECORD.

The material follows:

BIOGRAPHIC SKETCH—WILLIAM APPLEMAN WILLIAMS

Born: June 12, 1921.

Education: B.S., U.S. Naval Academy, 1944; M.A., University of Wisconsin, 1948; Ph. D., University of Wisconsin, 1950.

Professional Experience: Professor, History, University of Wisconsin, Madison, 1957–68; Professor of History, Oregon State University, 1968——.

Publications: Author: American Russian Relations, 1787–1947, Rinehart, 1952; Contours of American History, World Publications, 1961; Tragedy of American Diplomacy, Dell, 1962; The Great Evasion, Quadrangle, 1962; The Roots of the Modern American Empire, Random, 1969; America Confronts a Revolutionary World: 1776–1976, Morrow, 1976; Americans in a Changing World, Harper, 1978; Empire as a Way of Life, 1980.

Membership: President, Organization of American Historians.

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WHAT THIS COUNTRY NEEDS . . . THE SHATTERED DREAM: HERBERT HOOVER AND THE GREAT DEPRESSION

(By Gene Smith)

Herbert Clark Hoover almost never laughed, or so Gene Smith tells us; but I have one of those visions that historians occasionally allow themselves: if one arose very early (sometime during that missing hour twixt four and five), and moved very quietly along the upper reaches of the McKenzie River east of Springfield, Oregon, there Hoover would be, just barely visible in the mist in his waders, standing tit-high in that damnably cold water, a string of trout drifting downstream from his suspender button, one hand with a fly rod and the other with the latest *New York Times Book Review*. section, his head and cigar tilted high, roaring at the latest historical account of his failures. His belly laugh would override the rapids because he would already have read a story about voluntary communes in Iowa, Idaho, and Indiana, and another about Julius Lester's beautiful blast at white radicals for having to learn the same thing over and over and over and . . .

Back in the real world one would naturally assume that old-mod Charlie Michelson[1] killed Olde Herbie dead between 1929 and 1933. As a kind of live-ammunition training exercise for the subsequent massacre of Alfred Landon.

Not quite. Professor Richard Hofstadter raised him from the grave in a memorable chapter of his fine book on *The American Political Tradition*.

But then Professor Schlesinger devoted an entire volume to a counterattack on Hoover as a tune-up job for levitating Godfather Franklin. And Izzy Stone can hardly let an issue escape him without swinging his scimitar at what he assures us is the ghost of Hoover ensconced in the White House as clandestine adviser to Richard Nixon and Billy Graham.[2]

But why?

Why so much labor to exorcise a cold and feeble failure? And why so much reliance on analogy to put down Nixon, a man who has generously stockpiled a public arsenal accessible to all critics?

Smith gives us a clue or two but never uses them. So the place to start is with Julius Lester's wryly devastating comment: "The inability to move beyond a politics of reaction has been detrimental to the growth of a white radical movement." For to discuss Nixon in terms of Hoover, and to define Hoover in terms of the Michelson (and textbook) myths, is to display the mind (and politics) of the knee-jerk. The way to get at Hoover, as well as Nixon, is to pick up on two more of Lester's remarks. The first is his accurate observation that white radicals persistently react to specifics instead of seeing the specifics as part of an integrated system that must be dealt with as a system. The second is his call for "a positive revolutionary program."[3]

Now at this point we must go very slowly because we are so confused (as Harold Cruse pointed out a year ago) that, given a problem, we tend to duck into a cloud of quick-frozen New Deal rhetoric for the solution. Hoover was not a revolutionary. He was not even a modern liberal. And he does not deserve uncritical acclaim. But he was an unusually intelligent, and often perceptive, conservative who understood that the system was a system; that it was based on certain clear and not wholly absurd axioms, and that it would work only if the people acted in ways that honored those principles.

"I want to live in a community that governs itself," Hoover explained very simply, "that neither wishes its responsibilities onto a centralized bureaucracy nor allows a centralized bureaucracy to dictate to that local government."[4] "It is not the function of government," he continued, "to relieve individuals of their responsibilities to their neighbors, or to relieve private institutions of their responsibilities to the public." "You cannot extend the mastery of the government over the daily working life of a people," he warned, "without at the same time making it the master of the people's souls and thoughts."

If you are Hoover, that is to say, then your moral imperative demands that you let the system come apart at the seams rather than violate the principles by saving the system *for* the people. One of your principles is that the system is *their* system, and hence the moment *you* save it *for* them you kill the dream. For when you do that you *rule* the people instead of serving the people. And the commitments to honoring principles, and to service, are Quaker creed. Perhaps, even, *the* Quaker faith. And Hoover was a Quaker.

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[1] Michaelson was the Democratic Party's publicity agent who mounted a powerful smear campaign against Hoover based on the classic techniques of the false choice and the false syllogism (very similar to the current advertising for Winston cigarettes).

[2] A convenient review of the Hoover literature is Murray N. Rothbard, "The Hoover Myth"; now reprinted in *For A New America*, edited by James Weinstein and David W. Eakins (Vintage, 1970), pp. 162–79.

[3] *Liberation* (June, 1970), pp. 38, 39, 40.

[4] The bulk of the basic information on Hoover, and his ideas and policies, is available in published sources. For ease of reference, most of these quotations have been taken from Ray Lyman Wilbur and Arthur Mastick Hyde, *The Hoover Policies* (Scribner's, 1937). Significant exceptions are noted in the text.

So is Nixon. Of course. So there we have a case of no difference with a fantastic distinction. For Hoover held the dream as if it were the Holy Grail, while Nixon has the Holy Grail carried around in a black box by an aide as if it were the daily code for Armageddon.

Back to Gene Smith and his book. His title is The Shattered Dream, yet he shows little if any recognition of Hoover's dream. For Hoover did not dream that the system would always function perfectly; or that, in the crisis of the Great Depression, it would right itself automatically and roll on beyond poverty. Hoover's dream was that the people—the farmers, the workers, the businessmen, and the politicians—would pull themselves together and then join together to meet their needs and fulfill their potential by honoring the principles of the system.

That dream defined both the basis and the nature of his anti-depression program. In his view, the government could ". . . best serve the community by bringing about co-operation in the large sense between groups. It is the failure of groups to respond to their responsibilities to others that drives government more and more into the lives of the people."

Thus he offered ideas, his own influence, the services of the national government, and increasing monetary help short of massive federal intervention. But he could not go beyond his commitment to the principle that the people were responsible—"this is the people's problem"—and embark upon what he considered the "disastrous course" of centralized, irresponsible, and increasingly irresponsive and manipulatory bureaucracy.

As it happened, he did provide more federal aid than had been offered in any other depression, and would have supplied far more if the Democrats had not defeated or spiked a long list of proposals after their victory in the 1930 Congressional elections. And he did in truth block out the basic shape of the New Deal. But he simply could not give over and admit through his actions that he had abandoned his commitment to an American community and to the spirit and the will of the people.

And that faith had its useful side. Led by Gerrard Swope of General Electric, some corporation giants pushed him to endorse a plan, presented as a cure for the Depression, that would have given them official sanction to exercise vast powers over the entire political economy. Hoover erupted in angry opposition. It was "the most gigantic proposal of monopoly ever made in history" and "a cloak for conspiracy against the public interest"—a long step toward fascism. It later became, of course, the blueprint for the NRA of the New Deal.

You have to take Hoover whole. He should have given more direct rebel and he should have blocked Swope and his cronies. He should have offered more of himself sooner to the people and he should have held fast to that beautiful faith in the people, the visceral truth of it all is that Hoover was done in by his faith in the dream of a cooperative American community, and by his ruthless intellectual analysis of what would happen if the dream was not honored.

Either the people save their country or it does not get saved. It may get stuck back together. It may get managed well enough to remain operational. It may even get shoved into the next historical epoch. But it does not get saved. Meaning it does not get purified by the people demanding that it operate according to its principles.

Hoover was traumatized by the failure of the people to take charge of their immediate lives and then join together in a cooperative action, and by his terrifying insight into what the future would be if the people continued to duck their obligation—or if they settled for less.

Do not laugh. Hoover outlined our future in 1923. We are living in it now. We do not like it. And even yet we have not taken charge of our immediate lives so that we can then come together and create an American community. We have let the future that Hoover foresaw in 1923 happen to us. Hoover did not do it to us.

To fully comprehend this, we must understand that Hoover knew modern American industrial society better than any other President. It takes one to know one. And he had been one. And had become increasingly disturbed and concerned. Let us begin in 1909, with the chapter on labor in his famous (and still used) exposition of the Principles of Mining. "The time when the employer could ride roughshod over his labor is disappearing with the doctrine of *"lassez faire,"* on which it was founded." Indeed, unions were "normal and proper antidotes for unlimited capitalistic organizations." The good engineer "never begrudges a division with his men of the increased profit arising from increased efficiency." And the good engineer took an honest "friendly interest in the welfare of the men"; and further understood that ". . . inspiration to increase exertion is created less by driving than by recognition of individual effort, in larger pay, and by extending justifiable hope of promotion."

Of course it is capitalistic. And of course it has a tinge of paternalism. But it is personal, it is moral, and it reveals an awareness that the past is past—and that the corporation poses a serious danger to community.

The Bolshevik Revolution extended Hoover's awareness of such matters, in part because, as he noted, it "was a spector which wandered into the [Versailles] Peace Conference almost daily," and he dealt with it as an adviser to President Wilson. He naturally opposed communism as being destructive of individuality and true cooperation among individuals and groups. But he did understand that the Revolution was the work of men and women striving to realize their potential. Misguided as they might be, he acknowledged that they, too, were reaching for the dream.

Even more important, perhaps, Hoover saw and understood the rise of fascism long before most other American leaders. During those same years of the early 1920s, moreover, he extended his awareness of what the corporation was threatening to do to America. The "congestion of population is producing subnormal conditions of life. The vast repetitive operations are dulling the human mind. . . . The aggregation of great wealth with its power to economic domination presents social and economic ills which we are constantly struggling to remedy."

He then pulled it all together in a perceptive (though horribly mistitled) essay called *American Individualism* that he wrote as he entered upon his long service as Secretary of Commerce (1921–1928). From experience and observation, Hoover concluded that capitalistic industrial society (and specifically America) had become functionally divided into three major units, and that the society was poised on the threshold of becoming a syndicalist system. One group was composed of capitalists, including agricultural entrepreneurs as well as industrial, banking, and commercial operators. The second functional bloc was labor.

The third was defined by a rather tricky concept, that of the public *per se*. It was in substance, though neither in form nor in rhetoric, a class. That is, it was all the small and middle-sized independents and their dependents—along with labor. Meaning most of us. Hoover was in effect making an analysis of the giants, on the one hand, and the rest of society, on the other: those with national power and those who had to cooperate if they were to avoid manipulation. "The American people from bitter experience have a rightful fear that great business units might be used to dominate our industrial life and by illegal and unethical practices destroy equality of opportunity."

From this it followed that two criteria had to be met if the dream was to be fulfilled. First: the government had to act, simultaneously, as umpire of the actions of the three groups *and as leader of the public in coming together in cooperative action.*

Beautiful. And damnably difficult.

Hoover maneuvered some of it almost beyond belief. As in his successful battle to define broadcasting as a public forum. And as in his use of brain power and moral power to keep wages high in 1929 and 1930.

Compare that with Nixon.

No problem. Nixon has no moral power.

On with Hoover's second imperative: the people had to accept and discharge their responsibility to come together in cooperative action to create "a community that governs itself." Then came the eerie part. The future map. What would happen if the people gave up on the dream? If job-oriented labor leaders took over a mutant, mundane, and ethical corruption of socialism. If government *per se* took over-an elitist, bureaucratic, and community-destroying hell on earth.

So right it shakes you.

If the people abdicated their responsibility for realizing the dream, and instead relied on the government. Hoover projected a period of increasing unsuccessful bureaucratic pesudo-socialism. And then, "in the United States the reaction from such chaos will not be more Socialism but will be toward Fascism."

So what we have now is the worst possible combination of what he saw as the three possibilities.

But he *must* have failed beyond giving too little relief, beyond waiting too long to give more of himself, and beyond being bullheaded about this dream.

True.

His mishandling of the Bonus Army.

That story is the best thing in Smith's book. He describes it very well, but he does not tell us what it means. To understand that, you have to know the dream. And then face the truth that by 1932 the people had not taken charge of their immediate lives and begun to come together to create a community. Instead, they had begun to petition the government for salvation.

For the feel of how Hoover reacted, do not waste your time ransacking the archives. Just listen to The Doors doing the first verse of "The Soft Parade." His dream was crumbling, dribbling down into Washington by ones and twos. Then by thousands. And he drew the traditional American conclusion. People maching pose a military problem. The explanation for that response is basically simple: the people have done little serious marching except on the way to war.

Now the American military have the patience that begets great power: wait for the civvies to come to us and then we are in charge. And so thev were. MacArthur and his minions. The third-person types. McArthur to an aide: "MacArthur has decided to go into active command in the field."[5]

But the key was Hoover's trauma. That shut him off: confused the desperation of the people with the willful intent of the people. He mistakenly thought they wanted what we have today. So he gave over to MacArthur. And Douglas did his thing. Bayonets, sword-drawn cavalry, tear gas (a baby died), and fire. (And then another failure. For Mac-

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[5] Smith, *The Shattered Dream*, p. 159.

Arthur usurped power, went beyond his orders, and Hoover did not strike him down.)

But the people only wanted what they thought was the New Frontier—help from the Metropolis for the country. Help from a few of the people for most of the people. In Hoover's view, however, that was impossible. He was correct. The Metropolis is not a few of the people helping the rest of the people. The Metropolis is managers and directors ruling the people. In reality the New Frontier was simply the Metropolis as the center of the empire, lording it over us at home and abroad with increasing indifference (even contempt) for what Hoover understood as the principles of the system—and for Hoover's dream. If the Metropolis saves the country, it does so by changing what Hoover believed in as the people and the community into The Empire.

Hoover was against The Empire. That was the Quaker. Just Iowa-boy-Hoover-Quaker. Meaning that he Honest-to-God-and-to-the-people simply wanted us to exchange the things we create for the things we need. And to give of ourselves to each other in times of well-being as well as in times of crisis. If we did that, then there would be no government intervention and management in our honest exchange, we would remain masters of our lives, and we would create an American community.

So we come right down on it. The trouble with Hoover was that he believed. Not just in us. But in the very best in us.

To get straight on that is to understand the great strengths of his foreign policy along with his weaknesses during the Depression. The guiding axiom was to act, as a people, in ways that would build an international community. To be a good neighbor. "We have no hates; we wish no further possessions; we harbor no military threats." That meant, *ipso facto*, that he "absolutely disapproved" of the concept of the United States as Big Brother to the world.

Hoover was keenly aware that "a large part of the world had come to believe that they were in the presence of the birth of a new imperial power intent upon dominating the destinies and freedom of other people," and he recognized the necessity for nonimperial- and anti-imperial-action. The Quaker knew it was not enough simply to say that Dollar Diplomacy was "not a part of my conception of international relations."

First things first. Control the bankers. The government, he asserted bluntly, "has certain unavoidable political and moral responsibilities to guide and control such loans." "No nation should allow its citizens to loan money to foreign countries unless this money is to be devoted to productive enterprise." Otherwise the government would be drawn ever deeper into the maelstrom of intervention. That meant no loans to prop up Potemkin-like governments, no loans for military purposes, and none for "political adventure." And it meant no government underwriting because that "placed the risk on the taxpayer and not upon the private banker."

The financiers and their allies were too powerful, and Hoover could not win a clear victory in that battle. He needed help from the people which they never gave. But he blocked the bankers when and as he could, kept the issue before the public, and refused to be drawn into intervention. Thus, when he became President, he promptly published J. Reuben Clark's memorandum on the Monroe Doctrine, a document that President Calvin Coolidge had buried because it destroyed the grounds for using the policy as a sanction for such interventions. Thus he returned to the policy of recognizing Latin American governments without demanding that they satisfy U.S. criteria. And thus he withdrew the Marines from Nicaragua and Haiti, and refused to send them into Panama, Honduras, or Cuba.

Of course, all that principle poses a problem. If you cannot properly intervene for the bankers, neither can you intervene to reform the backward or to block the difficult and the bothersome. Once again the trouble with Hoover was his damn stubbornness about that dream. He was all the time trying to play it straight.

Hoover resolved the dilemma by cutting through to first principles on military policy. The armed forces of the United States had the one purpose of guaranteeing "that no foreign soldier will land on American soil". "To maintain forces less than that strength is to destroy national safety, to maintain greater forces is not only economic injury to our people but a threat against our neighbors and would be a righteous cause for ill will amongst them."

That meant that the Chinese had to meet the Japanese attack of 1931 with their own resources and will. The assault on Manchuria was of course "immoral" but "the United States has never set out to preserve peace among other nations by force" and Hoover was not about to begin. "These acts do not imperil the freedom of the American people, the economic or moral future of our people. I do not propose ever to sacrifice American life for anything short of this." To intervene in China, moreover, "would excite the suspicions of the whole world." And, finally, a sense of history: "No matter what Japan does in time they will not Japanify China and if they stay long enough the will be absorbed or expelled by the Chinese."

Reminds one of John Quincy Adams, "America goes not abroad in search of monsters to destroy. . . . She might become the dictatress of the world; she would no longer be the ruler of her own spirit."[6]

Herbert Clark and John Quincy: too bad they are gone. Spiro Agnew could spend the rest of his life chasing after them, screaming all the while that it was time to take care of those effete radical-liberal snobs who are undermining and destroying the nation and its rightful place in the world.

So we come back to what the man Julius Lester says: if we concentrate on destroying Hoover, then "ultimately we will destroy ourselves."

What I mean is that Gene Smith tells us that Hoover, in the depths of the hell of 1931, said that "what this country needs is a great poem. Something to lift people out of fear and selfishness."[7]

If you kill a Quaker engineer who came to understand that—and to believe in and to commit himself to that—than you have murdered yourself.●

WASTE WATER TREATMENT FINANCING—TIME FOR A CHANGE

● Mr. PELL. Mr. President, both houses of the Rhode Island General Assembly have passed resolutions asking Congress to support the passage of S. 1962, legislation I introduced to amend the Federal Water Pollution Control Act to revise the allotment formula for grants for construction of treatment works.

This legislation is designed to bring the funding more in line with clear anti-pollution priorities, to correct some inequities in funding distribution and to simplify the complex method of computing each State's share of the funds.

In my opinion, a clear definition of priorities within the funding formula is necessary to assure that the taxpayer's money is spent wisely on waste water treatment construction. My funding formula would not increase Federal spending for waste water treatment construction, but it would clearly define priorities for that construction.

The resolutions of the Rhode Island House and the Rhode Island Senate underscore the clear need to define these priorities and to provide adequate Federal assistance for waste water treatment construction where it is urgently needed.

Mr. President, I submit for the Record the text of the Rhode Island House resolution and the General Assembly joint resolution.

The material follows:

House Resolution

Whereas, Senator Claiborne Pell has introduced Senate bill 1962 which amends the Federal Water Pollution Control Act to revise the allotment formula for grants for construction of treatment works; and

Whereas, This legislation is designed to bring the funding more in line with clear anti-pollution priorities, to correct some inequities in funding distribution and to simplify the complex method of computing each state's share of funds; and

Whereas, The passage of S–1962 would increase Rhode Island's share of federal funding for this program by as much as twenty-two million dollars ($22,000,000); and

Whereas, This increase would be as a result of the federal government changing its appropriation formula to reflect the very serious regional need for this increased appropriation; now, therefore, be it

Resolved, That this house of representatives of the state of Rhode Island and Providence Plantations hereby memorializes the congress of the United States to support Senator Claiborne Pell's senate bill 1962; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in the congress of the United States.

Joint Resolution

Whereas, Passage of Senate Bill 1962, entitled, An Act to Amend the Federal Water Pollution Act to Revise the Allotment Formula for Grants and Construction of Treatment Works, will increase from $17 million to $40 million the Rhode Island share of money available from the environmental protection agency; and

Whereas, The state of Rhode Island urgently needs to upgrade the capacity and efficiency of the existing sewage treatment facilities and storm sewer systems throughout the state because of the damage to coastal waters and to drinking water supplies already experienced from storm water runoff and concentrations of pollutants in soils, riverbeds, and Narragansett bay resulting from inadequate sewage and wastewater treatment; now, therefore be it

Resolved, That this general assembly of the state of Rhode Island and Providence Plantations hereby memorializes the congress of the United States to enact Senate Bill 1962, An Act to Amend the Federal Water Pollution Act to Revise the Allotment Formula for Grants and Construction of Treatment Works; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the Rhode Island delegation in the Congress of the United States and to the Committee on the Environment and Public Works.●

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[6] 1821 Fourth of July Oration, Washington, D.C.

[7] Smith, *Ibid.*, p. 67.

THE SPINAL CORD REGENERATION RESEARCH ACT

● Mr. STEWART. Mr. President, last December I introduced S. 2098, the Spinal Cord Regeneration Research Act. My bill would simply require the National Institute for Neurological, Communicative Disorders, and Stroke (NCDS) to spend $16 million for spinal cord regeneration research in fiscal 1981. That amount is more than twice what we are currently spending on this type of research.

Spinal cord injury is the cause of paralysis in at least 200,000 Americans and costs the American people billions of dollars each year in medical expenses, lost wages, and Government benefit payments. At the same time recent breakthroughs in the area of spinal cord regeneration put us closer to finding a cure for spinal cord injury than we have ever been. Yet the officials at NCDS have failed to make the development of a cure for spinal cord injury a priority. Moreover, they have failed to take advantage of the research capabilities of our research community. This is reflected in the large numbers of Americans suffering from spinal cord injury related paralysis who seek treatment behind the iron curtain each year.

On May 1, President Carter announced that the Government will launch a major new effort to find a cure for spinal cord injury. In announcing this new initiative, the President recognized that spinal cord injury is a major cause of disability in this country. He also recognized the tremendous breakthroughs that have been made in this area in the past few years. The President's announcement was a welcome one to the hundreds of thousands of Americans who are paralyzed as a result of spinal cord injury. They now have hope that one day they and others like them might be restored as productive and fully functional members of our society.

I commend the President for his vision and compassion in initiating this new Federal effort to find a cure for spinal cord injury. The newly established Federal Interagency Task Force on Spinal Cord injury and the soon to be established President's Council on Spinal Cord Injury are important steps in the ultimate development of a cure for spinal cord injury. The Interagency Task Force on Spinal Cord Injury will provide the executive branch with the capability to develop and implement a national strategy for providing better care for spinal cord injured persons and to enhance current Federal research programs aimed at developing a cure for spinal cord injury.

I believe that it is now time for the Congress to recognize the significance of the problem of spinal cord injury. I am hopeful that the Senate Labor and Human Resources will hold hearings in the very near future on S. 2098. We have an obligation to all those who suffer from spinal cord injury to examine our research into a cure for spinal cord injury and to take steps required to hasten the day when we can cure spinal cord injury.●

SISTER VERONICA ANNE ARMAO

● Mr. JAVITS. Mr. President. Sister Veronica Anne Armao, director of Our Lady of Victory Infant Home, Lackawanna, N.Y., has celebrated her 65th birthday and 38 years of service to the home. She has touched the lives of more than 15,000 special children and their families. She has dedicated herself to working with children so profoundly retarded or handicapped that they cannot be adequately cared for in the home.

A special tribute was paid to Sister Veronica Anne by the Buffalo Courier Express and I would like to share this article with my colleagues in the Senate.

I therefore ask to have the following article printed in the RECORD.

The article follows:

INFANT HOME NOT "END OF LINE"

(By Rita Smith)

Some doctors think "it's the end of the line" when they send a severely handicapped child to Our Lady of Victory Infant Home. "But it's not so," says Sister Veronica Anne Armao, the perennially optimistic silver-haired nun who is director of children's services at the Lackawanna home.

Her broad, warm-hearted smile masks the steely determination that helps hopeless situations improve. "I've seen it happen," she says.

"We have had children sent here by doctors who thought it was the end of the children—such as hydrocephalic or other brain-damaged children—and sometimes they have progressed when there seemed to be no hope.

"As soon as we see that spark of hope, we're right there to develop it."

She explains, "To see our children develop, even though it is very slowly, is very rewarding. To see a child who hasn't ever smiled, to see that child smile for the first time . . . to see a child who is 2 years old roll over for the first time . . . things like this make us very happy."

"We don't think of that child's total handicap. You mark the bright spots when they happen and rejoice."

Sister Veronica treasures such milestones in her 38 years of service at the home. She's touched the lives of more than 15,000 special children and their families.

"One day we thought we would count them," she says. "We went through all the records and we came up with more than 15,000."

Tuesday was a very special occasion for the nun, who is a member of the Sisters of St. Joseph. Our Lady of Victory Infant Home's staff held Sister Veronica Anne Day with a Mass and open house to mark her 38th year at the home.

Sister Veronica also turned 65 on Tuesday. It was definitely a birthday and not a retirement party for her.

"I have no intention of retiring," she says in high spirits. "I'd like to work as long as the Lord gives me the health to continue."

She says she would miss her children too much to leave.

She's never missed having children of her own because, she comments, I've considered all of the ones I've looked after as mine."

Nor has she ever given a thought to quitting the religious order she joined almost 44 years ago in Buffalo. She says simply, "I've been too happy."

Sister Veronica is also a child psychologist. She does the psychological testing of all the 110 youngsters presently under the home's supervision. This figure includes 45 children, so profoundly retarded or handicapped they cannot be adequately cared for in their own homes.

The others are the babies to be adopted, born of unwed mothers, and children with emotional and behavior problems who are brought into the home during the day for schooling and treatment.

Compassion softens Sister Veronica's words when she speaks of the 45 little ones who will spend their lives in the institution. "We know they have broken minds, broken bodies but the blessing is the child doesn't realize it and can be happy.

"We benefit from his handicap—he makes us a more loving person."

A plaque was placed in the main entrance of the Ridge Road home on Tuesday. On it is a picture of Sister Veronica feeding a helpless child.

Is also has a short story describing a typical busy day in the life of this nun who was born in Italy. The story ends with her frequent prayer, "Tomorrow Lord, help me to get organized."

Part of the secret of Sister Veronica's deep feeling for "her" children is that she knows what it is like for a youngster to grow up in an institution. When she was 9 years old her father died, and her mother had to place her in an orphan home because she had to go to work and couldn't take care of her.

"I grew up in St. Vincent's Orphan Home in Troy," Sister Veronica says.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. PELL. Mr. President, Section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that four such notifications were received on May 15, May 16, and May 19, 1980.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 15, 1980.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations,
Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., May 15, 1980.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., May 16, 1980.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., May 19, 1980.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, in the meantime, I ask unanimous consent that the Senate stand recessed awaiting the call of the Chair and that if the Chair is called upon to recognize a Senator, upon the completion of the Senator's statement, the Chair put the Senate back into recess awaiting the call of the Chair.

There being no objection, at 2:29 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:30 p.m., when called to order by the Presiding Officer (Mr. MITCHELL).

FEDERAL TRADE COMMISSION AMENDMENTS—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 having arrived, the Senate will now vote on the adoption of the conference report to H.R. 2313, the Federal Trade Commission Improvements Act.

The "yeas" and "nays" have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that the Senator from Washington (Mr. MAGNUSON) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Illinois (Mr. PERCY) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The vote was announced—yeas 74, nays 15, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—74

Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Melcher
Mitchell
Morgan
Moynihan
Nelson
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Wallop
Warner
Weicker
Williams
Zorinsky

NAYS—15

Armstrong
Durkin
Garn
Hatch
Hayakawa
Helms
Humphrey
Laxalt
McClure
Metzenbaum
Ribicoff
Simpson
Thurmond
Tower
Young

NOT VOTING—11

Baker
Biden
Church
Goldwater
Gravel
Hatfield
Kennedy
Magnuson
McGovern
Packwood
Percy

So the conference report was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DANFORTH. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

HOUSE CONCURRENT RESOLUTION 340

Mr. FORD. Mr. President, I ask the Chair to lay before the Senate a message from the House on House Concurrent Resolution 340, corrections in the enrollment of H.R. 2313.

The PRESIDING OFFICER (Mr. MITCHELL) laid before the Senate a message from the House of Representatives directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 2313.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (H. Con. Res. 340) was considered and agreed to.

Mr. FORD. I move to reconsider the vote, Mr. President.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. There will be rollcall votes tomorrow. Beginning at 11 a.m.. there will be several rollcall votes.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 1 hour, and that Senators may speak therein up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FLEECE OF THE MONTH

Mr. PROXMIRE. Mr. President, May Fleece of the Month goes to the new Department of Education which in spite of promises has more personnel and spends more for both overhead and program costs than before it was created.

I am giving my Fleece of the Month Award for May to the new Department of Education for fattening its staff and beefing up its budget after promising that, if it were created, it would include no more people and would cost no more than previously devoted to education programs. The facts are that by September 30, 1980, on a comparable basis, the Department will include 157 more people than a year ago and 1,121 more people than 2 years ago. Personnel compensation and other management costs will explode. Between fiscal years 1979 and 1980 budget authority for its programs will go up by $1 billion and outlays will rise by $2 billion.

So much for the promises of no more costs and no more people.

Technically, the Department will argue that it has kept its promise. But the public does not realize what the small print says or how the sleights of hand and legerdemain actually work. The Department has, in fact, outdone Dicken's Artful Dodger. Here is the long, sad story.

PROMISES—PROMISES

From the time the first bill to create the Department passed the Senate in September 1978 until the Department officially came into business on May 5, 1980, there were repeated promises of no new jobs and no new costs. For example:

The Senate report accompanying the original Senate bill in 1978 stated that—

> Staff additions outside the executive positions newly authorized in the bill (16 permanent and 15 transitional) to carry out the administrative functions of the new Departments are not anticipated.

In September 1978, the Roth amendment to the original Senate bill placed a staff ceiling on the Department, allowing only 1-percent leeway from then current staff estimates. There were 6,460 full and part-time employees at that time.

On April 5, 1979, the Senate manager of the new Senate bill said the Department "will not result in any new costs. The Office of Management and Budget estimates that 350 to 400 positions will be eliminated by the organization."

In March of 1979, OMB Director McIntyre testified:

> The Department will include no more people and will cost no more than is now devoted to education programs. In fact, 350 to 450 positions will be eliminated, saving $15 to $19 million. Creation of the Department will require no new funds.

On June 7, 1979, the House manager said: "Far from adding to the Federal bureaucracy, the new Department will result in a smaller and simpler management structure" and repeated the 350 to 450 estimate of jobs to be eliminated.

Because of these pledges, Congress wrote into the law a provision which stated:

> Not later than the end of the first fiscal year beginning after the effective date of this Act, the number of full-time equivalent personnel positions available for performing functions transferred to the Secretary or the Department by this Act shall be reduced by 500.

Therein lies the catch. The Department interprets this language to mean that the 500 reduction should be from the number on board on September 30, 1980, estimated to be 7,581. This figure is 1,121 more persons than were on board on September 30, 1978, in the agencies which made up the new Department. Thus, even if the Department achieves its reduction of 500 by September 30, 1981, it will have 621 more people than when the original Senate bill and the early promises were made.

MORE PEOPLE

After marching up the hill, the Department of Education will march only part way down. They will take two steps forward and one step back. Or as Rip Van Winkle, when he was trying to stay on the wagon, would say before taking a drink, "We won't count this one."

The following table may help make this clear:

TABLE 1.—PERSONNEL AT THE DEPARTMENT OF EDUCATION OR COMPARABLE AGENCIES AT END OF FISCAL YEARS

Date	Full-time permanent	Other	Total
September 30, 1978	5,551	909	6,460
September 30, 1979	5,943	1,481	7,424
September 30, 1980 (estimated)	6,120	1,461	7,581
September 30, 1981 (estimated)	6,032	1,049	7,081

Note that the big cuts are proposed for the temporary, not the permanent positions.

Source: Department of Education, May 1980.

In their official reply to questions raised in the Senate Appropriations Committee about these increases, the new Department of Education, in May 1980, attempted to blame the increase in full-time permanent employment from fiscal year 1978 to fiscal year 1979 on the Congress. They said it "* * * results from the fact that Congress approved a substantial increase in positions for the Office of Civil Rights to eliminate its case backlog."

What they failed to say was that the administration itself made the request for 898 full-time permanent positions and that Congress cut that back and allowed a total increase of only 418.

Further, in the fiscal year 1981 budget justification of the new Department (page 348), they state that—

> At the beginning of fiscal year 1980, the backlog of (civil rights) complaints filed in these areas was largely eliminated, enabling the Office for Civil Rights to direct additional resources to the areas of compliance reviews and technical assistance, while maintaining a strong complaint investigation program.

What this means is that, while the backlog was said to be eliminated, the Department kept the people. Note also that the backlog was eliminated with less than half the people the Department asked for.

But whether it was the fault of Congress or the administration, the fact is that the bureaucracy now in the new Department of Education, like Topsy, just grew and grew and grew.

MORE OVERHEAD COSTS

With respect to the OMB promise that the Department "* * * will cost no more than is now devoted to education programs", OMB estimates that between fiscal years 1979 and 1981:

Personnel compensation will rise from $113 to $163 million, or by $50 million and 44 percent.

Contractual services, including travel, utilities, printing, and supplies, go up from $342 to $518 million, or by $176 million or 51 percent.

The budget for capital assets rises from $634 million to $932 million, or by $298 million or 47 percent.

PROGRAMS COST MORE

In addition, the overall costs for the Department, including the cost of education programs, grows as well. While there are no comparable figures for fiscal year 1978, the latest official figures, including President Carter's revised budget estimates, for budget authority (BA) and outlays (O) are as follows:

Fiscal year	Budget authority	Outlays
1979	$12.6 b.	$10.9
1980	13.6	12.9
1981	15.1	13.1
1982	16.2	15.3
1983	17.6	16.8

Source: Fiscal Year 1981 Budget Revisions, March 1980. Executive Office of the President. Office of Management and Budget. Pages 67, 69.

No matter how one slices it, even if the personnel cuts promised for fiscal year 1981 are carried out, the new Department of Education will have more people, spend more for overhead costs, and spend far more for education programs than when it was proposed.

While excuses will be made, explanations trotted out, and the fine print brought to the fore to prove that the promise that "The Department will include no more people and will cost no more than is now devoted to education programs," has been kept, the hard truth is that the creation of the Department of Education is a saga showing how bureaucracy grows, costs increase, and promises are broken.

For this display of bureaucratic razzle-dazzle, the Department of Education wins the Golden Fleece of the Month Award for May.

THE HOLOCAUST: "THE FINAL SOLUTION"

Mr. PROXMIRE. Mr. President, the destruction of the Jews of Europe by the Nazi regime was an unprecedented assault upon humanity. The Nazi campaign of genocide was engaged in with such ferocity and hate that there was no doubt as to its purpose. It was to be Hitler's final solution for the Jews and other allegedly undesirable peoples of Europe.

How did the world first learn of this hideous campaign? It has been known for some time that the first authentic information came from a German industrialist who visited Switzerland in 1942. The first transmission of his report ran as follows:

> Received alarming report that in Fuehrer's headquarters plan discussed and under consideration according to which all Jews in countries occupied or controlled by Germany numbering 3½–4 million should after deportation and concentration in East be exterminated at one blow to resolve once and for all Jewish question in Europe.

Walter Laqueur of Georgetown University recently wrote an intriguing article on this incident called "The Mysterious Messenger and the Final Solution." Though Laqueur sought to uncover the identity of the mysterious figure, his search proved to be inconclusive. The messenger remains a mystery, a historical curiosity.

Nonetheless, Laqueur draws some important conclusions from his search. First, there were a number of sources from which came reports of Hitler's plans, indicating that knowledge of the extermination campaign was more widespread than previously thought. Second, Laqueur points out that, at the time of the report in 1942, Hitler's plans were not just under consideration but were actually being carried out. We now know that the murders began not just on arrival in the extermination camps, but long before—during the inhuman deportations, through forced labor, starvation, action by special murder squads, and in countless other crimes. We now know that, at the time of the first authentic reports, a monstrous force was already loose in the world and the world had failed to act until it was too late.

Now, more than 30 years after the adoption of the Genocide Convention by the United States, the Senate has yet to act, and, with each passing year, it becomes more difficult to do so. Yet this very fact makes it imperative that we do not succumb to the dangers of apathy and complacency. We must protect the future for the young and those yet unborn. We must ratify the Genocide Convention.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar, under the following headings: National Institute of Education, and under the Judiciary, all with the exception of Calendar Orders Nos. 138 and 139.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, does that include Calendar No. 736 on the first page?

Mr. ROBERT C. BYRD. No. It only includes, beginning on page 2, National Institute of Education, and under New Reports, the Judiciary, with the exception of Calendar Orders Nos. 138 and 139.

Mr. STEVENS. There is no objection.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominees be confirmed en bloc, that the motions to reconsider en bloc be laid on the table, and that the President be notified of the confirmation of the nominees.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

NATIONAL INSTITUTE OF EDUCATION

P. Michael Timpane, of Virginia, to be Director of the National Institute of Education.

THE JUDICIARY

Samuel James Ervin III, of North Carolina, to be U.S. circuit judge for the 4th circuit.

William Cameron Canby Jr., of Arizona, to be U.S. circuit judge for the 9th circuit.

Raul A. Ramirez, of California, to be U.S. district judge for the eastern district of California.

John David Holschuh, of Ohio, to be U.S. district judge for the southern district of Ohio.

Ann Aldrich, of Ohio to be U.S. district judge for the northern district of Ohio.

George Washington White, of Ohio, to be U.S. district judge for the northern district of Ohio.

Charles L. Hardy, of Arizona, to be U.S. district judge for the district of Arizona.

Milton Irving Shadur, of Illinois, to be U.S. district judge for the northern district of Illinois.

Frank J. Polozola, of Louisiana, to be U.S. district judge for the middle district of Louisiana.

Clyde S. Cahill, Jr., of Missouri, to be U.S. district judge for the eastern district of Missouri.

Patrick F. Kelly, of Kansas, to be U.S. district judge for the district of Kansas.

W. Earl Britt, of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

Walter Herbert Rice, of Ohio, to be U.S. district judge for the southern district of Ohio.

S. Arthur Spiegel, of Ohio, to be U.S. district judge for the southern district of Ohio.

George Ross Anderson, Jr., South Carolina, to be U.S. district judge for the district of South Carolina.

Mr. GLENN. Mr. President, from Ohio, we have five nominees on this list, all outstanding people that have been reviewed by our Judiciary Review Commission, and recommended.

We are sure they will be very worthy Federal judges: John David Holschuh, Ann Aldrich, George Washington White, Walter Herbert Rice, and S. Arthur Spiegel, all of Ohio, some in our southern district and some in our northern district.

It gives me great pleasure to see them confirmed by the Senate. I appreciate the majority leader's expediting the consideration of these nominations this afternoon. We look forward to see them getting installed on the Federal bench. We know they will do a great job.

Mr. HELMS. Mr. President, I, too, am pleased with the confirmation of the nominees to the Judiciary. Two of the distinguished nominees are from North Carolina; Samuel James Ervin III, who is the son of our former distinguished colleague, and W. Earl Britt.

Both Judge Ervin and Judge Britt will serve with distinction.

Mr. President, I had the honor of joining Senator MORGAN when presenting them to the Judiciary Committee. I know both will serve with the highest of distinction.

I congratulate them and I congratulate the people of North Carolina for having them serve on the Federal bench.

Mr. CRANSTON. Mr. President, the Senate today has acted to advise and consent to the nomination of Sacramento Municipal Court Judge Raul Ramirez to be U.S. district judge for the Eastern District of California.

This action will be a significant event because Judge Ramirez will be the first Chicano to sit on the Federal bench in California.

Judge Ramirez is representative of several million members of the Hispanic community who live and work in California, but for whom participation in California government is relatively recent.

I am particularly pleased at his confirmation today because the selection and nomination of Judge Ramirez was accomplished as a result of the work of the California Federal Judicial Selection Commission established by myself, Senator HAYAKAWA and the California State Bar Association.

Judge Ramirez' selection by the Commission demonstrates that an open system for selecting candidates for the Federal judiciary can bring to the forefront the names of truly capable and outstanding minority community members who will do honor to the bench by their presence as members of the Federal judiciary.

Raul Ramirez is such an individual who will enhance the Federal judiciary.

He brings to the Federal bench a strong legal background and a keen understanding of the Eastern District of California in which he will be sitting and judging cases.

His nomination is in keeping with our long tradition of selecting as Federal judges local residents who are knowledgeable about local conditions, a tradition that has persisted since the time the first Congress confirmed President George Washington's appointments to the Federal courts.

The purpose of this tradition and of the Senate's insistence that local residents be appointed to the Federal bench is to protect against the establishment of a class of mandarin civil servants sent as emissaries from the central government to mete out Federal justice to the States.

It has been in keeping with this policy that Senators have developed a strong role in selecting the Federal judiciary. And it is in keeping with this policy that Senators traditionally have looked to individuals who are representative of the interests, the people, and the communities which are to be served by the Federal judiciary sitting in the local district.

Raul Ramirez will bring to the Federal judiciary in California his presence as representative of the Hispanic community of the Eastern District which has a long history and tradition in California. Its contributions to the development and growth of the State are notable and continuous.

Raul Ramirez will be another in a distinguished line of individuals who ably serve the community, the State, and the Nation.

Finally, Mr. President, I wish to acknowledge to my colleagues the outstanding cooperation of my distinguished colleague from California (Mr. HAYAKAWA) in making possible the fine work of the California Judicial Selection Commission. In addition, I wish to congratulate the California State Bar for their cooperation and to express my appreciation to the members of the Commission who have volunteered many hours of time to review and screen applicants for appointment to the Federal judiciary and to the posts of U.S. attorney.

Mr. HOLLINGS. Mr. President, in connection with the action the Senate has just taken in confirming G. Ross Anderson to be U.S. district judge for the district of South Carolina, I ask unanimous consent to have printed in the RECORD the statement I made on May 1 when I introduced him to the Committee on the Judiciary.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERNEST F. HOLLINGS

Mr. Chairman, it is with great pleasure that I introduce to the Senate Mr. G. Ross Anderson, Esquire, who has been nominated by the President for the District Court in South Carolina.

If approved by the Senate, Mr. Anderson will take the seat held by Judge Robert J. Martin who has assumed senior status. Judge Martin's career has been significant and important. He has provided great legal insight and has made many, many well conceived and properly framed decisions. Judge Martin's daily presence in the district will be sorely missed and his absence makes the need for a quality appointee even more important. Ross Anderson is that person and I am sure that, upon examination, the Senate will agree with that point.

G. Ross Anderson was born on January 29, 1929 in Anderson County, South Carolina. He is a graduate of Southeastern University where he received his Bachelor of Commercial Science in 1949. He then attended George Washington University, leaving to enter military service in the Air Force and served as a Staff Sergeant.

He entered law school in 1952 at the University of South Carolina Law School, where he was the president of the student body and assistant editor of the U.S.C. Law Review. After graduating second in his class, he was awarded his Bachelor of Laws degree in 1954. After his admission to the Bar in December of 1954, he began to practice law in Anderson, South Carolina and has continued to do so until the present where he has distinguished himself as an attorney with great ability, knowledge and skill.

Mr. Anderson is a member of the American Bar Association, the South Carolina Bar Association, the Association of Trial Lawyers of America, and a Fellow of the International Academy of Trial Lawyers where he serves on the Board of Directors and the Admissions Committee.

He is admitted to practice before all South Carolina courts; the United States Court of Appeals, 4th Circuit; the United States District Court of South Carolina; the United States Tax Court; and the United States Supreme Court.

He also serves on the Salvation Army Board of Directors, the Financial Board of Anderson College, is a member and Vice-President of the Board of Directors of the Anderson County Area Chamber of Commerce, and is on the Financial Advisory Board of the First Baptist Church. He is married to the former Dorothy Downie and has one son.

The selection process used to make this recommendation included the use of the Merit Selection Commission which was assembled to process the applications for the three newly created judgeships of last year. All of the applicants from that 1979 review process were considered for the Martin vacancy and additional applications were received for review. It seemed evident to me that Mr. Anderson was eminently qualified and I talked personally with members of the Commission for their input. To a person, the Commission endorsed Mr. Anderson and they join me today in introducing to you the person we feel the best qualified to fill this vacancy.

I think it should be clear that the Commission's unanimous endorsement of Ross Anderson indicates the kind of man he is and the kind of judge he would be. He has sound personal values, he possesses a superior legal judgment, and he is a fair and decent man. Few in my state have more respect or are held in higher esteem than Mr. Anderson, and it is with personal pleasure that I bring his name to this body because I am completely confident that if confirmed he will be a superior judge in the District Court system.

Mr. ROBERT C. BYRD. Mr. President, I believe the nominees have been confirmed, the motions to reconsider laid on the table, and the President notified; am I correct in that?

The PRESIDING OFFICER. The Senator is correct.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, that Messrs. STENNIS, EAGLETON, CRANSTON, and ROBERT C. BYRD, each be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:45 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for the recognition of Senators on tomorrow, if there be any time remaining between that hour and the hour of 11 o'clock, that such time be utilized for the transaction of routine morning business, and I ask that Senators may speak therein up to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE INTERNATIONAL NATURAL RUBBER AGREEMENT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that following the disposition of Calendar Order No. 757, the civil rights authorization on tomorrow, the Senate go into executive session for the purpose of considering Calendar Order No. 6 on the Executive Calendar under Treaties, Executive D, 96th Congress, 2d Session, the International Natural Rubber Agreement of 1979; that the treaty be considered as having passed through it various parliamentary stages up to and including the presentation of the resolution of ratification; that there be 10 minutes equally divided for debate, Mr. SARBANES and Mr. JAVITS to control the time, after which time has expired or been yielded back, the Senate proceed, without further debate, amendment, motion, or point of order to vote on Executive D; that upon the expiration of that vote, there may be no time on any motion to reconsider; and that upon the full disposition of Executive D, 96th Congress, 2d Session, the Senate immediately, and without any further debate, motion, or point of order, return to legislative session.

Mr. STEVENS. I do not object, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that will be a rollcall vote. The yeas and nays have not been ordered yet, but it will be a rollcall vote.

THE INTERNATIONAL NATURAL RUBBER AGREEMENT OF 1979; EX. D—96TH CONGRESS, 2D SESSION

The PRESIDING OFFICER. Without objection the treaty, Executive D, 96th Congress, 2d Session, will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Natural Rubber Agreement, 1979, together with three annexes relating thereto, signed on behalf of the Government of the United States of America at the United Nations Headquarters on January 8, 1980 (Ex. D, Ninety-sixth Congress, second session).

SARA ANN STEVENS COVICH

Mr. STEVENS. Mr. President, I do want to thank my good friend from West Virginia for the very kind remarks he made concerning my new granddaughter. She has given me exactly the experience that he said I would have. I am delighted to have had the opportunity to visit her. I think it demonstrates, again, my position on not trying to make certain that you have a 100-percent voting record, because I certainly would have broken that record to go see my granddaughter, had I maintained one previously.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. I know he will be getting back to see that granddaughter often.

EXTENSION OF TIME TO FILE REPORTS, STATEMENTS, BILLS, AND RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committees may have until 6 p.m. to file reports, conference reports, and that Senators may have until 6 p.m. to insert statements in the RECORD, bills, and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there will be at least four rollcall votes tomorrow. Three of them will be back-to-back, beginning at 11 a.m.

I ask unanimous consent that the two rollcall votes that will be back-to-back on tomorrow be 10-minute rollcall votes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. It is 15, and 10 and 10?

Mr. ROBERT C. BYRD. That is correct.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand recessed until 9:45 a.m. tomorrow.

The motion was agreed to; and, at 4:47 p.m., the Senate recessed until Thursday, May 22, 1980, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1980:

COMMISSION ON CIVIL RIGHTS

Blandina Cárdenas Ramirez, of Texas, to be a Member of the Commission on Civil Rights, vice Robert S. Rankin, deceased.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10 United States Code:

To be major general

Brig. Gen. Robert J. Collins, [redacted] FG, Air National Guard of the United States.

Brig. Gen. Grady L. Patterson, Jr., 251-22-5089FG, Air National Guard of the United States.

To be brigadier general

Col. Justin L. Berger, [redacted]FG, Air National Guard of the United States.

Col. George J. Dowd, [redacted]FG, Air National Guard of the United States.

Col. Ralph E. Leonard, [redacted]FG, Air National Guard of the United States.

Col. Dan C. Mills, [redacted]FG, Air National Guard of the United States.

Col. Robert H. Neitz, [redacted]FG, Air National Guard of the United States.

Col. William H. Neuens, [redacted]FG, Air National Guard of the United States.

Col. Glenn W. Osgood, Jr., [redacted]FG, Air National Guard of the United States.

Col. Raymond V. Palmer, [redacted]FG, Air National Guard of the United States.

Col. Henry C. Smyth, Jr., [redacted]FG, Air National Guard of the United States.

Col. John H. Stennis, [redacted]FG, Air National Guard of the United States.

Col. Paul M. Thompson, [redacted]FG, Air National Guard of the United States.

Col. Donald J. Tressler [redacted]FG, Air National Guard of the United States.

Col. Thomas J. Turnbull [redacted]FG, Air National Guard of the United States.

Col. Herbert L. Wassell, Jr., [redacted]FG, Air National Guard of the United States.

Col. John A. Wilson III [redacted]FG, Air National Guard of the United States.

Col. Russell A. Witt, [redacted]FG, Air National Guard of the United States.

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be major

Ngo, Santa C., [redacted].

To be captain

Wohlrab, Eric P., [redacted].

DENTAL CORPS

To be first lieutenant

Barnhurst, Kenneth, [redacted].

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

Ferre, George A., [redacted].

To be lieutenant colonel

Bergon, Enrique, [redacted].
Biener, Robert S., [redacted].
Boyle, Desmond G., [redacted].
Burns, Frank M., [redacted].
Derick, Dale E., [redacted].
Fox, James M., [redacted].
Hoffman, Gerhard H., [redacted].
Hoogerland, David L., [redacted].
Jansen, George A., [redacted].
Maeser, Sherwin M., [redacted].
Marquart, Chris D., [redacted].
Perry, Robert L., [redacted].
Potts, Ronald S., [redacted].
Radomski, Theodore J., [redacted].
Reitnauer, John S., [redacted].
Shamiyeh, Samir B., [redacted].
Sickinger, Glen H., [redacted].
Smith, James A., [redacted].

DENTAL CORPS

To be lieutenant colonel

Deemer, James P., [redacted].

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Muntz, Keith S., [redacted].
Sandstrom, Roy H., [redacted].
Sheffield, James A., [redacted].
Williams, Ellen S., [redacted].

The following officer for promotion in the Regular Air Force, under the provisions of chapter 835, title 10, United States Code, as amended. Officer is subject to physical examination required by law.

LINE OF THE AIR FORCE

Captain to major

Trabitz, Eugene L., [redacted].

The following officer for promotion in the Air Force Reserve, under the provisions of sections 593 and 8371, title 10, United States Code. SAFCB 79-02843.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

James, Robert D., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Anderson, John A., [redacted].
Baker, Mason R., [redacted].
Delcampo, Enrique J., [redacted].
Lavarreda, Carlos A., [redacted].
Lawrence, Mills E., III, [redacted].
Lyons, James T., [redacted].
Mays, Joseph L., [redacted].
McGovern, Edward L., [redacted].
Mintek, Victor J., [redacted].
Nitzberg, Benjamin W., [redacted].
Pavlik, Kenneth K., [redacted].
Rosen, Paul R., [redacted].
Wisehart, Willard J., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Bolick, Carl A., Jr., [redacted].
Claytor, Richard L., [redacted].
Cutler, Willard M., Jr., [redacted].
Frausto, Julio, Jr., [redacted].
Frye, Donald E., [redacted].
Gibson, William H., [redacted].
Grace, Dennis C., [redacted].
Harris, John H., III, [redacted].
Hurlbut, Edmund W., [redacted].
Johnson, Thomas R., [redacted].
King, Wayne D., [redacted].
Laslo, Alexander J., [redacted].
McGuire, George G., [redacted].
Miller, James J., [redacted].
Nevin, Richard, [redacted].
Pavone, John W., Jr., [redacted].
Payne, Kenneth L., [redacted].
Pearce, James P., [redacted].
Peterson, Richard W., [redacted].
Redman, James S., [redacted].
Samuels, Lewis M., [redacted].
Schlegel, John B., [redacted].
Schowalter, Henry N., [redacted].
Sidwill, David A., [redacted].
Simpson, Harold J., [redacted].
Swinarsky, Gerald, [redacted].
Tisdale, David W., [redacted].
Wade, William E., [redacted].
Wadell, James A., [redacted].

CHAPLAIN CORPS

Major to lieutenant colonel

Andrews, Francis G., [redacted].
Bienvenu, Kenneth A., [redacted].
Gasparovic, Eugene C., [redacted].
Pryor, George R., [redacted].
Steen, Raymond A., [redacted].

MEDICAL CORPS

Ahlschier, Allan D., [redacted].
Astorga, Alex M., [redacted].
Bailey, George O., [redacted].
Caven, Robert E., [redacted].
Perocieraguirre, Camille, [redacted].
Roca, German, [redacted].
Slack, Robert G. [redacted]

NURSE CORPS

Blanchard, Kay L., [redacted].
Lofberg, Maureen, [redacted].
Rigopoulou, Helen, [redacted].
Ugenas, Aldonna J., [redacted].

The following-named officer for promotion in the U.S. Air Force, under the provision of chapter 839, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Kissner, George G., [redacted].

The following Air Force officer for appointment as permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

May, John T., [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1980:

NATIONAL INSTITUTE OF EDUCATION

P. Michael Timpane, of Virginia, to be Director of the National Institute of Education.

The above nomination as approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Samuel James Ervin III, of North Carolina, to be U.S. circuit judge for the fourth circuit.

William Cameron Canby, Jr., of Arizona, to be U.S. circuit judge for the ninth circuit.

Raul A. Ramirez, of California, to be U.S. district judge for the eastern district of California.

John David Holschuh, of Ohio, to be U.S. district judge for the southern district of Ohio.

Ann Aldrich, of Ohio, to be U.S. district judge for the northern district of Ohio.

George Washington White, of Ohio, to be U.S. district judge for the northern district of Ohio.

Charles L. Hardy, of Arizona, to be U.S. district judge for the district of Arizona.

Milton Irving Shadur, of Illinois, to be U.S. district judge for the northern district of Illinois.

Frank J. Polozola, of Louisiana, to be U.S. district judge for the middle district of Louisiana.

Clyde S. Cahill, Jr., of Missouri, to be U.S. district judge for the eastern district of Missouri.

Patrick F. Kelly, of Kansas, to be U.S. district judge for the district of Kansas.

W. Earl Britt, of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

Walter Herbert Rice, of Ohio, to be U.S. district judge for the southern district of Ohio.

S. Arthur Spiegel, of Ohio, to be U.S. district judge for the southern district of Ohio.

George Ross Anderson, Jr., of South Carolina, to be U.S. district judge for the district of South Carolina.

HOUSE OF REPRESENTATIVES—*Wednesday, May 21, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, we pray this day for those to whom the responsibility of our Nation is given. Enable our Representatives to know wisdom, charity, and discernment that they may serve both You and all people. Help all to be aware that the position of leadership is a trust, a privilege, and a high calling to service. Guide us all in the paths of righteousness and goodwill that we will love You more dearly, see You more clearly, and follow You more nearly, day by day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 332. Concurrent resolution disapproving certain regulations submitted to the Congress on April 24, 1980, with respect to the law-related education program authorized under sections 346, 347, and 348 of the Elementary and Secondary Education Act of 1965.

The message also announced that the Senate agrees to the amendments of the House to the Senate amendment to a bill of the House of the following title:

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co. and for other purposes.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2549. An act to authorize appropriations for fiscal years 1981, 1982, and 1983 to carry out the Atlantic Tunas Convention Act of 1976; and

S. Con. Res. 91. Concurrent resolution to disapprove the regulations of the Department of Health, Education, and Welfare, relating to grants to State educational agencies for educational improvement, resources, and support.

HONORING OUR COMMITMENT TO VIETNAM VETERANS

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RATCHFORD. Mr. Speaker, the history of America's treatment of its sons and daughters who returned from the war in Vietnam is a sorry one. The time has come—in fact, it is long overdue—for this Congress to rewrite that history.

Several measures will shortly come before this House that reflect the growing awareness of the plight of Vietnam war and Vietnam-era veterans—the problems of readjustment in communities still embittered by that divisive war; the inadequacy of job training and meaningful opportunities for employment; the need for special and continuing medical treatment for the victims of poisoning from powerful herbicidal agents.

I have cosponsored and I call on my colleagues to support H.R. 6377, the Vietnam-Era Veterans Agent Orange Act, which will extend Government medical benefits to those suffering the effects of exposure to that chemical agent. And I urge support for the full package of proposals—all attempts to redress the shameful neglect of these veterans—included in the comprehensive Vietnam veterans bill of 1979.

The establishment of a Vietnam memorial on the Mall in Washington, which I fully endorse, is but a symbolic step this Congress can take to honor those who served in Vietnam. The elements of the comprehensive package will make a fundamental improvement in the lot of these veterans, will revise the record of neglect, and deserve the support of this House.

LACK OF RECIPROCITY FROM U.S. ALLIES CANNOT LAST FOREVER

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GLICKMAN. Mr. Speaker, the inability of our country to persuade our allies to help us in our problems with the Soviet Union and Iran is very sad—both for us and for them. It is clear that we have become incapable in persuading those nations, for whom we spend billions of dollars a year to protect, to join with us in our Olympic boycott to protest Soviet aggression, or to act to deny Iran the economic benefits to which they are not entitled. With particular disgust, I note that Britain has decided to impose only limited sanctions against Iran. Instead of being retroactive to November 4—the date the 53 Americans were taken hostage—Britain's sanctions will apply only to new business with Iran. Have we become so weak and our policies in such disrepute, that our allies merely scoff at our foreign policy and only cynically and halfheartedly support us? If so, maybe we can begin to reverse this trend by letting our friends realize that our NATO defense contribution cannot last indefinitely, and most importantly, cannot and will not continue to exist in a vacuum with little or no reciprocity from them.

CONGRESS MUST SHOW THE PUBLIC IT WILL POLICE ITSELF

(Mr. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOWLER. Mr. Speaker, I understand that the matter of the gentleman from California (Mr. CHARLES H. WILSON) has been removed from today's consideration as a result of a request from the gentleman's attorney.

I regret this very much. The gentleman from California deserves an expeditious hearing before this body on the serious charges leveled against him. The discredit that these charges alone have brought on the Congress as an institution of our Government also deserve thorough and immediate examination and explanation.

The Committee on Standards of Official Conduct has made its recommendations for sanctions. It has no further authority. The House of Representatives now has the exclusive duty to punish or exonerate in this matter.

Every day we delay, every hour we delay, confirms the public's impression of our inclination to police others, but not ourselves.

YOUTH EMPLOYMENT PROGRAMS: AN ESSENTIAL INVESTMENT IN OUR NATION'S FUTURE

(Mr. LOWRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY. Mr. Speaker, historically, in periods of economic uncertainty and instability, such as we are experiencing today, young workers have been especially hard hit. Even in times when the economy has been strong and the national unemployment rate relatively low, young people have experienced disproportionate levels of unemployment. This is due to a number of factors including: The impermanent, transitional status our society assigns to youth; outright discrimination by age, race (toward ethnic minorities), and sex (especially women); employers who do not view young workers as serious, permanent employees to be trained for the long term; young people who are unclear about what work they want to do or so narrowly define their choices that they leave none; and heightened competition for jobs because of a greatly expanded work force.

From 1968 to 1978 overall youth unemployment increased from 9 to 13 percent. Minority youths experienced an even greater increase during this same time period, from 19 to 35 percent. Many

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

people feel that young people in general, and minority youth particularly, are unemployed in numbers far greater than these Bureau of Labor Statistics indicate. While the factors I mentioned earlier have a great impact on youth unemployment, they do not give the total picture.

There is both a need for development of more jobs for youth and a need to more carefully assist young people in preparing for jobs that already exist. Young people need competency in the basic skills and appropriate job training. Whether young people choose to become craftpersons, go to college, seek advancement from an entry level position, eventually work part time, or work full time at home, basic job skills will prove to be an invaluable asset to them throughout their lives. Additionally, money earned by many young people is necessary in obtaining basic needs for their own and their families' survival.

I support past efforts to address youth unemployment in our country and am in strong support of President Carter's youth employment initiative. Job opportunities simply must be made available to the young people of our Nation. Young people must have an opportunity to function within a structured setting with the expectation of performing specified tasks for pay. The discipline learned and the money earned are essential to their growth and ability to function within our society. I urge each of my colleagues to work for the passage of an effective youth jobs program and to insist, as I do, that funding be authorized and appropriated at a level that insures success.

Youth employment programs are a wise and fiscally responsible investment in our Nation's future. Our young people must have an opportunity to attain skills that are negotiable in the workplace. A viable future for them depends on it. I will be speaking with you about other aspects of the youth unemployment crisis in the coming weeks. Thank you.

NICARAGUAN LEADERS CRITICIZE SPEAKER O'NEILL

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I think most objective observers would agree with me that the Government of Nicaragua is now controlled by Communists. They certainly have given every indication of that by their signing of agreements with Cuba and with the Soviet Union.

Last week I read several news dispatches in which officials of the Government of Nicaragua made direct and highly derogatory references to the Speaker of the House, THOMAS P. O'NEILL. They made these statements simply because the Speaker had the audacity to suggest that a more moderate political participation in the Government of Nicaragua might be in order before any aid legislation comes before this House.

Yesterday in an almost unprecedented move the Ambassador of Nicaragua had delivered to the Speaker an insulting letter asking for him to withdraw these supposed remarks about the need for moderation in Nicaragua.

Fortunately, we live in a free country where the head of our legislative body can make any comments he wishes without being jailed or thrown out, as the vice president of Nicaragua's Council of State Jose Francisco Cardinale escaped only a few days ago because of his anticommunism.

I think, however, this event underlines the character of the people we are dealing with in the Sandinista government of Nicaragua.

THE FEDERAL FIREFIGHTERS BILL IS FISCALLY INCENDIARY

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, in a remarkable display of legislative irresponsibility, the Post Office and Civil Service Subcommittee on Human Resources yesterday approved a measure which substantially reduces the workweek of Federal firefighters while maintaining their pay at nearly the present level.

The bill, H.R. 2748, is identical to legislation vetoed by the President in the 95th Congress, and will result in substantial additional costs to be borne by taxpayers at the very time this Congress has been attempting to produce a balanced budget.

The President's Office of Management and Budget has estimated the additional costs (depending on how overtime and premium pay reductions are resolved) could go as high as $36 million for civilian and $26 million for military firefighters for a total of some $62 million in the Department of Defense alone. OMB has informed officials of the International Association of Fire Fighters that it cannot justify the increased expenditures called for in H.R. 2748 when, at the same time, it was asking agencies to take severe cuts in funds and personnel. As a result, OMB has suspended consideration of the Federal firefighters bill for the foreseeable future.

In addition, the Office of Personnel Management has stated there is no shortage of applicants for these Federal positions, and that Federal firefighters presently receive adequate compensation for the duties they perform since they are entitled to premium pay for longer tours of duty.

Even in past Congresses, which paid little if any attention to mounting deficits, Federal firefighter legislation received something less than an enthusiastic reception. It was rejected by the House in the 94th Congress and was vetoed by the President in June 1978. It was also stricken from the civil service reform legislation during floor debate in September 1978.

At each of these stages, responsible officials of the administration have opposed the measure. The subcommittee's action in processing a bill with no apparent future is nothing more than a political charade.

GREAT BRITAIN FAILS TO SUPPORT ECONOMIC SANCTIONS AGAINST IRAN

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, this week in Britain, Parliament has failed to voice support for economic sanction agreements against Iran—this is a matter of great concern.

Voices of economic dissension threaten what should, and can, be a unified expression of commonly held principle: The taking of hostages, wherever it may take place in the world and whichever nations may be involved, is not a supportable behavior, and the international community must stand together, in word and in fact, in expressing this belief.

We need careful thought, but we also need consistent action. There are points of principle worth agreeing upon, and the validity of such principles does not vary with economic circumstance. Britain, as well as every nation, should not place economic advantage above basic principles of international law and the rights of individuals.

ADMINISTRATION BOBBLES AND VACILLATES ON CUBAN REFUGEES

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, the administration's handling of the Cuban refugee situation is sadly typical of Carter foreign policy: First a bobble, then vacillation, then, finally, a bit too late, a clarification of their position.

In solving the problem of Cuban refugees we need to recognize it as a problem different from any we have faced before. There are two things the administration needs to do.

First we need to focus better on the cause of the problem, which is Fidel Castro and the political and economic poverty he has brought to his country. Castro has sold out his people to the Russians. He has sent them to die in countries they care little about and where they have no national interest. He has ruined the economy of his country.

It is clear that by his actions Fidel Castro has forfeited his claim to moral leadership of Cuba.

Second, we should make it clear to the Cuban refugees that they are temporary guests of the United States, not immigrants. Their homeland is Cuba, not here.

The Cubans should be given exile status here. They should be given temporary asylum until a change in government allows them to return to their homeland.

Many nations have given temporary haven to residents of other countries.

Furthermore, if the Cuban exiles should decide to set up some kind of government-in-exile, we should consider recognizing it and helping it.

I urge the administration and my colleagues to consider exile status rather than immigrant status as the proper focus for dealing with the Cuban refugee problem.

ANOTHER INTELLIGENCE FAILURE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I recently wrote to the Defense Intelligence Agency asking for comment on a report which included the allegation that 500 Nicaraguan troops were aiding the Communists in Angola.

DIA responded by claiming such an allegation "appears completely without foundation."

However, in the Foreign Broadcast Information Service daily report of May 8—the same date as DIA's response—Angolan officials were quoted as praising the Nicaraguans for sending 500 enlisted men to Angola as requested by Fidel Castro.

The erroneous assessment by the DIA, several weeks after the troops began arriving, further illustrates the Carter administration's neglect of our foreign intelligence network.

This example also creates justifiable concern about possible deficiencies of our intelligence in other adversary nations and emphasizes the need for concentrated efforts to upgrade it.

PERSONAL EXPLANATION

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, on rollcall No. 243 I am recorded as not having voted. I was present on the floor. I did insert my card in the machine. Had it responded, I would have voted no.

Mr. Speaker, I ask unanimous consent that this statement appear in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW, OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING PROCEEDINGS UNDER 5-MINUTE RULE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law, of the Committee on the Judiciary, be permitted to sit today during proceedings of the House under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

TO DISAPPROVE HEW REGULATIONS REGARDING GRANTS TO STATES FOR EDUCATION

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 91) to disapprove the regulations of the Department of Health, Education, and Welfare relating to grants to State educational agencies for educational improvement, resources, and support, and ask for its immediate consideration.

□ 1220

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, reserving the right to objection, I assume the chairman will give some explanation of the request?

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the chairman of the committee.

Mr. PERKINS. Mr. Speaker, Senate Concurrent Resolution 91 is a resolution disapproving the regulations for the programs authorized by title IV of the Elementary and Secondary Education Act. The reason the Senate has disapproved these regulations is that the program administrators have gone beyond the law and have permitted use of the library book funds for the purchase of physical education equipment.

The law does not permit that, nor did the proposed regulations. It is clearly beyond the law, and the Committee on Education and Labor has voted unanimously to support the Senate resolution. I ask the support of the House.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 91

Resolved by the Senate (the House of Representatives concurring), That the final regulations submitted to the Congress in 1980 pertaining to grants to State educational agencies for educational improvement, resources, and support authorized under title IV of the Elementary and Secondary Education Act of 1965, are disapproved by the Congress pursuant to the provisions of section 431(d) of the General Education Provisions Act on the grounds that the regulations are inconsistent with the laws and are returned to the Commissioner of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) is recognized for 1 hour.

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution of disapproval recently passed by the Senate, Senate Concurrent Resolution 91, addresses a very important inconsistency in the final regulations for the title IV programs under the Elementary and Secondary Education Act. These regulations were transmitted to Congress and published in the Federal Register on April 7, 1980.

We are all familiar with the title IV programs of the Elementary and Secondary Education Act. Title IV, part B, provides funds for the purchase of library resources and instructional materials and equipment. Part C funds educational innovation and support. Part D funds guidance and counseling programs. All the title IV programs were amended in the Education Amendments of 1978. The final regulations which recently came out of the Office of Education are intended to respond to the 1978 amendments and will govern these programs for the next 4 years.

I want to emphasize that the Senate took action on this resolution because of a single provision in the regulations pertaining to part B funds for instructional materials and equipment. This particular provision greatly concerns a number of us who have worked with this program over the years.

The provision about which the Senate is concerned would allow title IV, part B funds to be used to purchase physical education equipment This provision was not in the proposed regulations In fact, the proposed regulation specifically excluded physical education equipment. The Senate Labor and Human Resources Committee has made the point—a very good point in my judgment—that the law explicitly states that title IV–B funds are to be used for instructional equipment in the academic subjects only.

The amendment restricting purchases to academic equipment and materials was added to the legislation in 1978 to prevent misuse of these funds. In adopting this amendment to limit these funds to academic materials and equipment, Congress clearly intended that equipment of a nonacademic nature was not eligible. And Congress specifically put physical education equipment in the category of nonacademic equipment.

I think it should be noted that physical education is not included in the definition of academic subjects contained in these regulations. So the regulations are not even consistent themselves.

I strongly feel—and I am sure many of you will agree with me—that Congress never intended Federal funds to be used to buy gym and athletic equipment. Historically the title IV–B program has always been intended to beef up the educational program in a particular school district by providing needed library books and instructional materials and equipment. I believe that allowing these regulations to go into effect with this provision would open up the door to all sorts of equipment that is peripheral to basic learning being bought with Federal funds.

That is the only quarrel the Senate has with these regulations, and I concur.

It is urgent that the House move expeditiously on this resolution, since the regulations are scheduled to go into effect on May 22. Therefore, I would urge the Members to respect the integrity of the title IV–B program and pass Senate Concurrent Resolution 91.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Speaker, I join in support of my chairman's support of Senate Concurrent Resolution 91 which calls for the disapproval of regulations relating to grants to State education agencies for educational improvement resources and support. This is just another indication of an agency that decided to rewrite the legislation after we thought we did a pretty good job of writing it in the first place.

We are taking more time trying to catch agencies who attempt to rewrite legislation and in this particular instance it deals with physical education equipment, bleachers and things of that nature being termed "academic educational needs."

I would ask that everyone support this resolution of disapproval.

Senate Congressional Resolution 91 calls for the disapproval of regulations relating to grants to State education agencies for educational improvement, resources and support. These final regulations for ESEA title IV–B were published in the Federal Register on April 7, 1980, and include "physical education equipment" in the definition of instructional equipment "appropriate for use in providing education in academic subjects in elementary and secondary schools and that is used to teach or learn an academic subject."

This is another example in the continuing saga of regulations promulgated by the executive branch which goes beyond the statute and is clearly in opposition to congressional intent. As members of the Committee on Education and Labor, we have exercised our statutory authority to disapprove regulations in the past because of these violations. Today's resolution of disapproval follows along with that responsibility to insure that the intent of Congress is clearly reflected in regulations.

In opposing inclusion of physical education equipment within the definition of academic subject, the following should be noted:

First. Prior to its amendment by section 401 of the Education Amendments of 1978 (Public Law 95–561), ESEA IV–B did not limit the acquisition of instructional equipment and materials to providing education in "academic subjects." This restriction was added by the 1978 statute.

Second. The House Education and Labor Committee, in its report on the Education Amendment of 1978 (H. Rept. 95–1137), dwelt at length on the misuse of funds for IV–B and labeled as questionable expenditures for "gym equipment such as bleacher seats and basketballs." In this connection, it is interesting to note that the explanation of the regulations contained in the Federal Register notes bleacher seats as an improper use of IV–B funds but does not include basketballs which, according to the definition used in the regulations, should well be included.

Third. At no point either in the committee reports or debates was it indicated that IV–B funds were intended for use in physical education programs nor was there any indication that the words "suitable for use in providing education in academic subjects" were meant to include physical education equipment. As a matter of fact, the opposite seems to be the case as IV–B is continually stressed as a program which meets cultural and intellectual needs.

Fourth. The explanation given by HEW for including gym equipment indicates the reason as "more than 100 protested the exclusion of gym equipment." In this connection, it should be noted that since gym equipment was not included in the draft regulation or in earlier regulations, there was no incentive for persons agreeing with this exclusion to write, and inclusion or deletion of an item in the regulations should not be dependent upon the number of letters received but rather by the law and the intent of Congress. If it is indicated that regulations depend upon the volume of mail, the Department would soon be burdened by an avalanche of correspondence generated by opposing sides of various issues.

I urge the Members to support this bipartisan effort and to vote in favor of this resolution of disapproval.

Mr. ERDAHL. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to my colleague from Minnesota.

Mr. ERDAHL. I want to thank the gentleman for yielding. I rise in support of Senate Concurrent Resolution 91. In recent days we have seen encouraging evidences of the proper use of the congressional veto. Those of us who have been elected to be policymakers of this country have a responsibility and an obligation to make the laws. We also have an ongoing responsibility for the rules and regulations that emanate from those laws.

Oftentimes we see the people in the bureaucracy who do not have to go through the rigors of running for election promulgating rules and regulations which, of course, have the same effect as law. So I want to rise and commend the gentleman from Pennsylvania (Mr. Goodling) for the leadership he has exerted in this area, as well as certainly our chairman, the distinguished gentleman from Kentucky, Carl Perkins, for bringing before this body a proper exercise of our congressional responsibility to see that rules and regulations that go beyond the intent of Congress are in fact properly vetoed.

Mr. GOODLING. Just to conclude, we were given as a reason for writing this regulation, the way they wrote it, the fact that they received 100 letters of complaint that it did not include physical education equipment. If an agency or department is going to respond to how many letters they get in opposition to something I will guarantee they are going to get an awful lot of mail and then they will be up here asking for money to open their mail because everyone will know that they are moved not by what the Congress has legislated but by what somebody wrote in some letter.

Mr. PERKINS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the Senate concurrent resolution.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

FAIR HOUSING AMENDMENTS ACT OF 1980

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 656 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 656

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5200) to amend title VIII of the Act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendment as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentlewoman from New York (Mrs. Chisholm) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. Bauman), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 656 provides for the consideration of the bill H.R. 5200, the Fair Housing Amendments Act of 1980, to amend title VIII of the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing.

This is an open rule, Mr. Speaker, providing for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. The rule provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purposes of amendment under the 5-minute rule. The resolution provides for one motion to recommit with or without instructions.

In addition, the rule waives points of order against the committee substitute for failure to comply with the provisions of clause 7, rule 16. Clause 7, rule 16, prohibits the offering of nongermane amendments to a bill. The committee substitute includes certain provisions providing for procedures for congressional review of agency rules which might be subject to a point of order on germaneness grounds. Thus, the waiver of the rule was necessary.

Mr. Speaker, I would like to commend the Committee on the Judiciary for reporting this vital piece of legislation. H.R. 5200 strikes at one of the most pervasive forms of discrimination in this country. Although the constitutional rights of individuals to freedom of choice in the housing market have been undisputed since passage of title VIII of the Civil Rights Act, the problems of housing discrimination have been treated unlike other forms of discrimination: The remedies to achieve equitable housing practices have been at most weak and in a practical sense nonexistent. H.R. 5200 will establish for the first time the necessary tools to move toward greater justice in the housing market.

I will reserve my further comments on this important legislation for general debate, and urge my colleagues to adopt House Resolution 656, so that House may proceed to the consideration of H.R. 5200.

☐ 1230

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the consideration of this rule today is somewhat unusual in that we will not, following the adoption of the rule, go to general debate or amendments or final action on the bill. I am told by some of those more knowledgeable in the ways of this legislation than I that is because amendments to the bill that are to be offered may well be adopted, and that the Administration is loathe to bring up the legislation before they feel that they have the votes to defeat some of these amendments. That is unfortunate because some of the amendments would improve the bill.

The gentlewoman from New York (Mrs. CHISHOLM) has only briefly touched upon this legislation, but this is an open rule, and I certainly think that the great majority, if not all, of the Members of this House would support the right of any individual American citizen to live anywhere he chooses without racial or other discrimination being levied upon him by anyone. While this goal is laudable many of us do have problems with the specific provisions of this legislation.

The bill as reported establishes an entirely new system of administrative law judges as the enforcement mechanism for the Fair Housing Act. I have to admit, looking at the record, that HUD officials' enforcement of the Fair Housing Act is hardly anything to write home to mother about. But what is suggested in this legislation is that seven judges will be enough administrative law judges to handle the caseload for the entire Nation, even though there are 10 regional HUD offices. I do not think anyone realistically believes this is a sufficient mechanism to carry out enforcement, so we start out in the bill with probably an inherent disability on the part of enforcement.

Furthermore, these judges will not have the power as our regular Federal judiciary has to grant any damages to the people who are actually the objects of discrimination. The awards of any civil penalties of up to $10,000 will go to HUD. Why give HUD penalties when it is the individual who is discriminated against and ought to receive some sort of recompense for that.

This legislation also suggests that the Secretary of HUD ought to give taxpayers financed assistance to public and private organizations involved in reducing housing discrimination. You can disagree or not with that concept, but we do not know how much that is going to cost, and the bill does not tell us that. Because of these and other provisions of the bill, I intend to support, and urge my colleagues to support, the so-called Sensenbrenner-Volkmer amendment. Contrary to several recent statements that I have heard, this amendment does not gut the bill. I think it improves it significantly, both for those who might suffer discrimination and those who ought to, when they are accused, have the right to answer those accusations. So I hope you will consider that.

Finally, I would ask you to consider the Hyde amendment offered by my good friend, the gentleman from Illinois (Mr. HYDE) which goes to the rights of appraisers using certain words and phrases in their reports when they appraise the value of properties. I think it is a necessity to use words telling the prospective buyers as to whether or not churches or synagogues or schools are in fact in the area, and these factors do have some bearing on whether the value is high or low for a given piece of property. So this will be dealt with in the Hyde amendment.

I urge the adoption of these amendments so that this legislation will be in a form that we can all support.

I also urge the adoption of the rule.

Mr. Speaker, I at this point yield 7 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, in 1968, the Fair Housing Act was enacted with the intent of preventing racial discrimination in housing sales and rentals. But, now, the act is criticized as too weak, too confused, and too burdensome.

The Department of Housing and Urban Development (HUD), enforcer of the act, has been chided by many for its poor enforcement staff, its lack of enforcement guidelines, its slow procedures, and its poor dispute conciliation methods.

Consequently, H.R. 5200 was introduced in Congress last year allegedly to address these problems. The House Judiciary Committee has reported the bill for action.

Unfortunately, as reported, H.R. 5200 only hurts everyone involved in housing transactions and discrimination complaints, by placing potential clouds over property sites and transfers.

A person transferred in his job, for example, could be prohibited from selling his home by a discrimination complaint against his property of which he has no knowledge. Adversely affected, too, would be the buyer of such a home, who is frozen out until the complaint is adjudicated.

H.R. 5200 also would give HUD unnecessary authority over the appraisal and insurance industries. That would duplicate the effort of 38 States, for example, to fight discrimination in mortgage insurance, now guaranteed in most areas by mandatory insurance pooling devices.

But, the most controversial issue in H.R. 5200 is its creation of a new fair housing enforcement mechanism—HUD-appointed administrative tribunals with complex procedures and perhaps unconstitutional powers. This approach has several problems.

First, compensatory damages are barred, so homeowners harassed by frivolous complaints have no protections.

Second, these tribunals may be biased toward the viewpoint of HUD, which appoints their members. That is not fair to the accused homeowner, seller, or landlord.

Third, these tribunals could not award relief for pain and suffering or punitive damages, thus denying some forms of relief to discrimination victims.

Fourth, under this system, HUD would investigate a complaint, HUD would represent the victim, and a HUD-appointed body would rule on the complaint. It would be highly discriminatory to place HUD in the role of judge, jury, and prosecutor.

To meet these objections, the gentleman from Missouri (Mr. VOLKMER) and I will offer an amendment to have discrimination complaints investigated by HUD, prosecuted by the Justice Department, and decided in Federal court, instead. This approach is better on several counts.

First, it would provide more relief options, without new tribunals having uncertain authority to exercise their more limited relief options.

Second, it would assure fairness for both the accused and the accuser by placing the process in more neutral hands.

Third, it would provide discrimination victims a more efficient means for resolving their complaints.

Discrimination complaints are serious matters deserving of expeditious and impartial resolution protecting both the accused and the accuser. The Sensenbrenner-Volkmer amendment will accomplish this.

Finally, one of the allegations made regarding the administrative enforcement mechanism is that HUD will not be considering many housing cases because of a provision in H.R. 5200 which provides for mandatory referral by HUD of fair housing complaints to certified State and local fair housing agencies.

What the proponents of H.R. 5200 have not stated is that HUD before rendering assistance to certified State agencies is going to require that these State agencies enter into agreements with HUD that would also allow HUD to keep jurisdiction over fair housing cases, which it wishes to keep within HUD.

H.R. 5200 does not prevent HUD from coercing States into contracting away their rights as to exclusive jurisdiction over referred fair housing cases.

I at this point make as part of the record HUD regulation 111.107 which was published in the May 14, 1980, Federal Register, as follows:

> As detailed in §111.102 of this section the level of funds to set aside for each agency under this category will be based upon the projected number of complaints expected to be referred to each State and local agency in FY-80. In order to be eligible to apply for and receive these funds, however, an agency must demonstrate in its proposal that it meets or will meet all of the following criteria:
>
> (a) That there is, within the geographic jurisdiction of the agency, a sufficient volume of current or potential complaint activity to justify the allocation of the specified level of funds. In demonstrating this need, the agency may address the entire fair housing complaint workload extant in the jurisdiction and cognizable under Title VIII notwithstanding the limited base upon which the Department's FY-80 formula is founded.
>
> Provided further that all agencies must submit along with their proposals, a detailed narrative describing why and how the allocation of the specified level of contributions from the Department will result in a complaint processing capability within two years sufficient to enable the agency to process those complaints arising in the jurisdiction in future years with a level of HUD support based on direct reimbursement (HUD projects that this will initially be at a rate of $350 per complaint.)
>
> (b) That the agency has entered or is prepared to enter into a formal written agreement with the Department negotiated with the appropriate Regional Office of Fair Housing which provides for the dual filing of all complaints of housing discrimination cognizable under both Title VIII and State or local law.
>
> (c) That the agency will establish a means of selectively waiving its exclusive processing authority over those complaints of discrimination with respect to which the Department has identified an interest or concern based on Department initiated systemic enforcement activity. In such cases the agency and the Department will have concurrent processing authority. (This criterion does not contemplate any waiver of jurisdiction by a State or local agency).
>
> (d) That the agency is prepared to develop procedures acceptable to HUD for cooperating with other substantially equivalent agencies having concurrent jurisdiction in some or all of its housing discrimination complaints and establishing a mutually acceptable allocation of the complaint processing workload.
>
> (e) That, within the limits of State or local law, the agency will cooperate with the Department by sharing information and data relevant to Department investigations and studies, and will cooperate with and otherwise assist Department investigators in the carrying out of their responsibilities.
>
> (f) That the agency will not unilaterally reduce the level of financial resources currently committed to fair housing complaint processing. Budget and staff reductions occasioned by legislative action outside the control of the agency will not result in a per se determination of ineligibility. HUD will, however, take such actions into consideration in assessing the ongoing viability of an agency's fair housing program.

If more enforcement teeth are needed in the Fair Housing Act, that can be done without H.R. 5200's rash expansion of an agency already under fire for its enforcement failures.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding. I do not want to take a lot of time to debate the rule, but I would like to commend the gentleman for the work he has done not only on this amendment but on other parts of the bill to strengthen the bill, which has been agreed to unanimously by those who are interested in providing fair housing for everyone in this country. I just wish to urge everyone to vote in favor of the rule.

Mr. SENSENBRENNER. I thank the gentleman from Missouri for his comments.

Mr. Speaker, I yield back the remainder of my time.

Mrs. CHISHOLM. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. Rodino) for purposes of debate only.

Mr. RODINO. I thank the gentlewoman from New York for yielding.

Mr. Speaker, I rise in strong support of House Resolution 656, which is an open rule, providing for 2 hours of general debate regarding H.R. 5200, the Fair Housing Amendments Act of 1980.

In 1968, the Congress approved title VIII of the Civil Rights Act, the first comprehensive statutory framework guaranteeing equality of housing opportunity for all Americans. Thus, a clear and strong national policy against housing discrimination was established.

We now find, however, that the promises embodied in that policy are still only promises; they have failed to become a reality. If we are to fulfill our commitment to the principle that all people regardless of race, color, creed or national origin be guaranteed equality under the law—then the need for the approval of H.R. 5200 is clear—and the adoption of this rule is another step in that direction.

In addition to the visibly segregated housing patterns which are still evident across the Nation, recent studies confirm that minorities are more often than not subject to discriminatory housing practices whenever they seek housing. For example, one recent survey of the practices of nearly 3,200 real estate sales firms and rental agencies in 40 metropolitan areas found that the probability of a black homeseeker encountering discrimination would be 75 percent in the rental market and 62 percent in the sales market.

A similar study, measuring discrimination against Mexican-Americans in the Dallas rental housing market, produced even more alarming results; that is, that a dark-skinned Mexican-American has a 96-percent chance of experiencing discrimination when seeking rental housing. Light-skinned Mexican-Americans were found to be subject to a 65-percent chance of encountering discrimination.

The continuation of these invidious practices 12 years after the enactment of the Fair Housing Act attests to the need for a stronger, more effective enforcement mechanism.

The administrative enforcement system set forth in H.R. 5200 is designed as a less costly, less-time consuming and more practical alternative to the judicial enforcement system contained in the current law. Administrative systems of enforcement have been used by Federal and State agencies for decades; both the Supreme Court and the Congress have consistently reaffirmed their belief in the essential fairness of such systems.

The effects of housing discrimination on both the individual and the society are truly pervasive. To the individual, it means economic hardship, loss of job opportunities, humiliation, and alienation. To the society, it has meant the creation of the massive problems we now face, including the trauma of school busing to compensate for persistent, segregated housing patterns.

H.R. 5200 will give vitality to one of the most important pieces of civil rights legislation passed by Congress. I urge the adoption of this rule.

☐ 1240

The SPEAKER pro tempore. The time of the gentleman has expired.

Mrs. CHISHOLM. Mr. Speaker, I yield 2 additional minutes to the gentleman from New Jersey (Mr. Rodino).

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield to me?

Mr. RODINO. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I rise in full support of the rule as submitted by the Committee on Rules. I commend the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino) for his strong support of this bill, for his constant efforts on behalf of civil rights, and I look forward to working with the gentleman on the final enactment of this bill when it is brought before the House of Representatives.

Mr. RODINO. Mr. Speaker, I thank the gentleman.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Speaker, I want to thank the gentleman from New Jersey for his statement. I would like to indicate that in my opinion if we adopt the Sensenbrenner amendment that has already been discussed, what we would in effect be doing is putting the very cumbersome awkward enforcement process again into the same turmoil it has been in previously.

I want to make it very clear to Members of the House that some of us on the minority side have spent a great deal of time working out what we believe to be an acceptable, enforceable, fair compromise with many, many safeguards which we will discuss when the bill comes up for general debate.

Mr. RODINO. Mr. Speaker, I thank the gentleman. I want to commend the gentleman for the support he has given to the committee to bring about the approval of H.R. 5200. The gentleman from Illinois has been a consistent supporter of legislation which is designed to guarantee equality of treatment under the law.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the distinguished chairman. Mr. Speaker, I also rise in support of the committee version of the bill. There is no question there is a need for it.

I wanted to ask a question. In the course of this discussion has it been brought out that the President himself has put his imprimatur of approval behind this in a letter that he has sent?

Mr. RODINO. Yes. The President sent such a letter. The President has spoken out strongly time and time again in support of fair housing legislation and the need for enforcement provisions to eliminate discrimination in housing. I thank the gentleman from Texas for his observation and support.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The time of the gentleman has again expired.

Mrs. CHISHOLM. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MONTGOMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 7, not voting 43, as follows:

[Roll No. 246]

YEAS—382

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—7

Ashbrook
Collins, Tex.
Dannemeyer
Hammerschmidt
Hinson
McDonald
Paul

NOT VOTING—43

Albosta
Anderson, Ill.
Blanchard
Bonior
Breaux
Brown, Calif.
Carr
Dodd
Downey
Duncan, Oreg.
Florio
Foley
Giaimo
Goldwater
Grassley
Hansen
Harsha
Jenrette
Kindness
LaFalce
Lundine
McEwen
McKinney
Marks
Martin
Mathis
Minish
Mitchell, Md.
Nowak
Pepper
Quayle
Rangel
Regula
Santini
Stewart
Symms
Traxler
Ullman
Van Deerlin
White
Wilson, C. H.
Wolpe
Wydler

□ 1300

The Clerk announced the following pairs:

Mr. Minish with Mr. Anderson of Illinois.

Mr. Foley with Mr. Goldwater.

Mr. Downey with Mr. McEwan.

Mr. Jenrette with Mr. Kindness.

Mr. Mitchell of Maryland with Mr. Symms.

Mr. Pepper with Mr. Wydler.

Mr. Charles H. Wilson of California with Mr. Regula.

Mr. Ullman with Mr. Harsha.

Mr. Rangel with Mr. Quayle.

Mr. Van Deerlin with Mr. McKinney.

Mr. Traxler with Mr. Hansen.

Mr. Santini with Mr. Grassley.

Mr. LaFalce with Mr. Marks.

Mr. Albosta with Mr. Martin.

Mr. Lundine with Mr. Wolpe.

Mr. Blanchard with Mr. Carr.

Mr. Dodd with Mr. Duncan of Oregon.

Mr. Giaimo with Mr. Bonior of Michigan.

Mr. Brown of California with Mr. Mathis.

Mr. Breaux with Mr. Nowak.

Mr. Florio with Mr. White.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 662, INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. REUSS. Mr. Speaker, I call up the Conference report on the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 15, 1980.)

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. REUSS) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, on March 6 last, the House passed its version of S. 662 to replenish the three great regional lending banks.

These banks and their lending operations carry out an important part of our world policy. For every dollar that we put into them, we get a leverage of some $50 contributed by the rest of the world, and otherwise accruing. For every $7 that we contribute in terms of world trade and our trade balance of payments, we get back $11—a mighty good trade.

It helps jobs and profits in the one out of seven American industries which is devoted to export. It helps jobs and profits in the one-third of American farming which is devoted to export.

With the less developed world sorely beset by the tremendous oil price increases, with so many of them loaned up, with the social problems that they have, America's humanitarian concern, in addition to America's material concern, is deeply involved.

But above all, if we want a secure world, we must accompany military strength with economic strength. And these three development banks, service-tested on the field for many years, are an excellent way of doing that.

We went to conference earlier, and we came back with our conference report. I was so full of confidence. In the words of Shakespeare in King Henry V, I suggested: "Once more unto the breach, dear friends, one more;".

But the trouble was I did not have enough "dear friends," and so we were mandated to go back to conference and chisel and pare and cut the tentative negotiations which had been made. That we did, and we forced down the throats of a recalcitrant, reluctant, and foot-dragging Senate a massive 10-percent cut in the Inter-American Development Bank of $275 million, and an even more massive 15-percent cut in the Asian Development Bank, for a total of $66.7 million.

We are here today with a conference report amount which, in all honesty, is less than I should have liked. But we have conscientiously tried to carry out the mandate of this Chamber.

It is all within the budget resolution. The amount of budgetary outlays in the upcoming fiscal year, the fiscal year for which we are aiming and in which I hope we will achieve a balanced budget, is only $10 million or so.

So, Mr. Speaker, in the interest of American jobs, in the interest of American security, and in the interest of a free, independent, and secure world, I hope that this conference report will be overwhelmingly adopted.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report. I would like to address my brief remarks primarily to the Members of the other side—in particular to the gentleman from Nebraska, a loyal member of our committee and traditionally a strong supporter of the multilateral lending institutions.

The gentleman and a group of his friends have announced opposition to this conference report based on the fact that by making cuts we have failed to meet the commitments negotiated by the administration, and that a dangerous precedent has been established.

I feel he is overly concerned about precedent in this instance. Congress, by review—and in this instance cutting—the authorizations is fulfilling its proper role. The acts establishing U.S. participation in these banks all prohibit our representatives from agreeing to increases in U.S. contributions until the Congress has authorized the full amount. I will admit to the gentleman that he and I have in the past attempted to make these replenishment agreements to be sacred and "uncutable." But I seriously doubt that preserving the precedent won us any votes. As far as future authorizations go—I know the gentleman is very concerned with IDA as am I—its not precedent which will determine whether it is cut, it is which side has 218 votes. The gentleman knows that it is administration, in the final analysis, which has to deliver these votes. So its not precedent but the political will and muscle of the administration which will determine how IDA fares.

The second point I would like to make to the gentleman is that there is no reason for any one of us to feel embarrassed about the size of our contributions this time around. Even after we trim 10 percent from our contribution to the Inter-American Development Bank, it is our largest contribution ever. It is a full 50 percent greater than our contribution to the last IDB capital increase. Our contribution to the Asian Development Fund this year, after our 15-percent cut, is still better than twice the size of our contribution to the last replenishment. The figures for the other two funds in this bill are almost as impressive.

We have no need to feel ashamed of our past or current commitments to these organizations. We have put up over $5 billion in the IDB and $4 billion in the FSO since 1959, and another billion or so to the Asian and African Funds since 1973.

I share the gentleman's regret that we were unable to find full funding this time around. But the House has spoken twice with clarity on the issue of full funding. If the gentleman now is successful in recommitting the conference report, it will surely spell doom for this bill, for IDA, and for any other multilateral bill for the foreseeable future.

I urge him and his friends to withdraw their opposition.

☐ 1310

Mr. REUSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. GONZALEZ), the chairman of the subcommittee.

Mr. GONZALEZ. I thank the distinguished chairman of the committee for yielding and for the tremendous efforts he has made, together with the ranking minority member and other very distinguished members who, in their own right, have been illustrious in this respect, especially HENRY HYDE, because they have made every effort I can think of and conceivable in the House of Representatives on the matter of a deliberative basis to convey the urgency of this legislation.

What I cannot understand is how it has escaped the Members of the House, when they have voted, in my opinion, irresponsibly, in support of the motions made by the gentleman from Maryland (Mr. BAUMAN) and the gentleman from California (Mr. ROUSSELOT), because what it amounts to is a very critical issue decided by us, for, in effect, scuttling of these banks, including the Inter-American Development Bank, which nobody on the record has shown has been anything but successful, are the very ones who are the most adamant in the protest against Fidel Castro, against communism in the New World, and yet by their actions they are giving the biggest help to Fidel Castro anybody in an official position in the United States has given.

Mr. Speaker, what this amounts to today is whether, if you are for Fidel Castro, you will vote against this conference report. Even while it represents a breach of faith on our part on the commitments we have already made to other participating nations. To be perfectly frank, this cut is permissible only because it is based on a contingency, and that is that what we ought to be doing now will be done at a later date or in the next Congress, which is something nobody can absolutely guarantee.

I cannot understand why the very pronounced enemies of communism and Castroism in the New World are so adamant in giving him an additional weapon.

I have monitored Castro's speeches for years and at the time that our participation in this bank was the highest and the most successful and the most identified with the United States, Castro was the most excited and the most fulminating against this kind of a program. But what was he fulminating against? He was telling the countries in this region that the U.S. efforts were just cosmetic, that we would never put up, in his words the gold necessary to make it effective.

This is exactly the issue we are deciding today. And we are satisfying Mr. Castro's argument. Mr. Castro never gets excited about a U.S. policy except when he knows that it is helping to promote stability and economic well being in an area in which it is his policy not to have it, because that is the only way Castro can make inroads in the world.

So I end by saying: If you are Fidel Castro, go ahead and vote against this conference report and continue to support the fractioning, the disassembling and the dismantling of these financial institutions that have a good record of achievement, a good record of accomplishment and are the last vestige of American identification with assertion of leadership in the New World.

Mr. STANTON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in strong opposition to this bill.

I am delighted that the bill has been cut to some degree, but it needs to be eliminated, and I would like to suggest to my friend, the gentleman from Texas, that I will vote against this, but I can hardly be construed as a friend of Fidel Castro.

This is a foreign aid bill, and the American people are sick and tired of foreign aid bills. The people are suffering. The last thing we need to do is to put the burden of foreign aid on the backs of American taxpayers and the American middle class. If we do not stop this nonsense, this country will suffer the inevitable consequences of runaway inflation. If I were convinced there was some help in these programs, maybe I would soften my tone against them, but I have never seen any real assistance get to the people.

Some claim that there development banks are beneficial to businessmen in this country, and it happens to be the business people are the only ones who ever lobby me for these programs. This plain and simple is corporate welfare. The businessman does receive some aid and assistance, but it is coming out of the pockets of the American taxpayer and going into the pockets of the American corporate giants. The little people of America and the little people of the country who are supposed to receive the assistance do not receive any help and suffer all the consequences. It solidifies the Socialist and the Communist dictatorships around the world, and I see no reason whatsoever for the American taxpayer to bear the burden of paying for these programs.

Mr. REUSS. Mr. Speaker, I yield 7 minutes to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. I thank the chairman for his generosity, and I appreciate the opportunity for the added time.

Mr. Speaker, this conference report is a far more important act than is generally appreciated by this House. This conference report signifies more than a reduction in the negotiated monetary commitments of the United States to these international financial institutions. This conference report marks a historic departure in the role that the United States has played in these institutions for more than 35 years and a historic departure in the role that the United States will play in the future leadership in the world in these institutions and beyond these institutions.

This conference report, if adopted, will mark the first time in the history of our participation in these institutions that the Congress has rejected the negotiated commitments and subscriptions our Government has made to these institutions and upon which the participation of all of the other member nations is based. This is a major departure in the policy and participation of our country. It is a major departure in the historical relationship between the Congress and the President in our approach to our participation and leadership in these institutions. It is a major transformation in the internal politics of this Congress.

My good friends from the other side of the aisle, who are responsible for this cut today, the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. ROUSSELOT), and the gentleman from Maryland (Mr. BAUMAN) can mark this as a great and unique victory for their continued efforts, as the gentleman from Texas (Mr. PAUL) has outlined, to destroy the U.S. participation in these institutions and to transform the way in which this country relates to the rest of the world.

This year we will increase the appropriation for our defense commitment by more than $30 billion over what we expended in 1979. And with the reduction in our financial commitment to support and to sustain the economic development of the poor countries of the world and primarily the underdeveloped countries of the world, we are transforming the policy of this country from the policies that have provided our leadership for 35 years. Policies which were committed to a coordinated approach of a strong military capability and a firm commitment to build an international economic system based upon the principals which guide our Nation. Acceptance of this conference report will be a major defeat for our Nation's security, a major injury to our country's prestige and power, and one that this Congress should not engage in lightly.

□ 1320

The seriousness of this defeat for our Nation's honor, leadership, and reliability among the community of nations is best expressed by the previous statements of my colleagues, Mr. STANTON and Mr. HYDE, when the House last considered it on April 17, 1980.

I want to bring to the attention of the Members of this Congress the previous statements of the Republican Party, whose leadership has sustained the strength and vitality of U.S. participation in these institutions for 35 years, when the previous consideration of this conference came before this Congress, my good friend, the gentleman from Ohio (Mr. STANTON) whose words are as valid today as they were then, said to this Congress on April 17:

> In summary we would be fooling ourselves if we think we can reject this conference report without seriously damaging our political and economic interests abroad, and we would be fooling ourselves to think that to defeat this measure would result in any significant budgetary savings.

What we are doing here is trading 35 years of leadership, 35 years of credibility, 35 years of integrity in the international community for less than $700,000 in saving to the American taxpayer.

What is the word of the United States worth in the world community? It may be determined today that our Nation's word is worth less than a million dollars.

One of my good friends, the previous time this bill was brought before this House, the gentleman from Illinois, Mr. HENRY HYDE, and these are the closing statements and words of the gentleman from Illinois (Mr. HYDE) on April 17, when he resisted any cuts to this authorization and when he described for the House the consequences of accepting any reduction in the negotiated commitments of this country to those international institutions.

The gentleman from Illinois (Mr. HYDE) said on April 17:

> I still believe America is the greatest country in the world; it is the leader of the free world. Great countries have great responsibilities. A "no" vote on this conference report is a retreat from leadership. I, for one, am weary of America's retreating any more.

A vote today for this conference report, the conference report resolution that the gentleman from Illinois (Mr. HYDE) opposed on April 17, is a retreat from leadership.

What did the President say after our defeat on April 17? He wrote to the chairman of the full committee (Mr. REUSS) in response to three pleas from the chairman of the full committee for the administration to marshal its resources and to defend their commitments to these international institutions. On May 6, 1980, the President said:

> The United States will suffer an enormous loss of confidence among our industrial allies as well as among the developing nations if our support for these institutions is diminished.

Today, this conference comes before the House and provides for diminished U.S. support for these institutions. The consequences will be, as the President described on May 6 of this year, enormous, enormous in the loss of credibility among the industrialized nations and enormous in the leadership that we must exert among the developing nations.

Finally, how broad is this perception?

This body received on Monday of this week a letter from the chamber of commerce. How extensive is our Nation's credibility jeopardized by this proposed reduction of our negotiated commitments. The chamber of commerce said:

> To renege on these commitments would severely damage the credibility of our allies, thereby jeopardizing their support on Iran and the issues of importance to the United States.

What is at stake in this conference is for the first time in 35 years the Congress will renege on the negotiated commitment of our President to these international institutions. We place at risk the negotiated commitments of our country to the International Development Association. We place at risk the negotiated commitments of our country to the International Monetary Fund. We place at risk our negotiated commitments in every form, whether it is in trade, whether it is in our commitments to Israel or our commitments to negotiate for an international Law of the Sea. Every negotiated commitment, every exercise of Presidential authority on behalf of this Nation and the international community is jeopardized. Our credibility is forever imperiled by the acceptance of this conference. We do it all to save $1 billion. The price is too high, and I urge the rejection of this conference report.

I include the following correspondence pertinent to my arguments:

THE WHITE HOUSE,
Washington, May 20, 1980.

Hon. JOHN CAVANAUGH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CAVANAUGH: Thank you for your letter regarding the Multilateral Development Bank legislation. I appreciate your concern that the Administration's acceptance of any reduction in the negotiated replenishments for the regional banks would create a very bad precedent. However, I do not believe that a two-step replenishment authorization process, in which the Administration would ask the next Congress to fill the initial shortfall, constitutes diminished American support for these institutions; nor do I accept this as a precedent for World Bank and IMF legislation. We will do our utmost to assure that the full U.S. shares in IDA VI and the IMF quota increase are authorized.

As you know, a further rejection by the House of the U.S. subscriptions to the regional banks would be disastrous. Both Secretary Miller and I understand the risks involved with the Conference Report, but after wide consultation, we believe it is the best approach possible. Therefore, I believe that the Conference Report deserves support as the best of the options available at this time.

I hope that ultimately you will be able to support the Conference Report with the explicit understanding that we are not accepting less than full funding for our negotiated replenishments and that we will do everything possible to help you and other bank supporters in seeking full funding for IDA VI and the IMF.

If you cannot support the Conference Report, then I hope you will not actively oppose it, because failure of the Conference Report this week will almost certainly mean no regional bank bill or IDA VI legislation this year. Although we may not agree on the best way to approach the problem, I think we would both agree that a result of no legislation this year would be the worst possible outcome.

Sincerely,

JIMMY CARTER.

John, you have been a staunch & courageous ally in this fight, & I need you in these closing rounds.

Thanks.

J.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1980.

DEAR COLLEAGUE: This week the House of Representatives will be asked to approve the Second Conference Report of S. 622 which, if ratified, will mark a repudiation of the negotiated commitment of our nation to the International Financial Institutions which we have used to maintain our leadership in the world for more than 30 years. I urge you to reject this Conference Report.

On May 6, 1980 the President wrote to Chairman Reuss in support of the full authorization for the negotiated commitment of the United States to the Inter-American Development Bank, the Asian Development Fund, and the African Development Fund. The President clearly described the consequences if our nation failed to fulfill its commitments:

"The United States will suffer an enormous loss of confidence among our industrial allies as well as harm the development nations if our support for these institutions is diminished."

If the Conference Report on S. 662 is adopted this "enormous loss of confidence" which the President fears will become a reality.

This unhappy Conference Report is the result of the previous failure of the House to agree with the Senate to honor the negotiated commitments of the United States to the International Financial Institutions and the unwillingness of the Administration to make a major effort to defend those commitments.

You will be presented with two inconsistent and incompatible agreements in support of this conference.

The Administration will argue this 10-percent reduction in the negotiated commitments of the United Statees to the capital stock of the Inter-American Development Bank, and a 15-percent reduction to the Asian Development Fund is not a reduction in the negotiated obligations of the United States and the next Congress must fulfill the full obligation.

If you accept this argument and you support a cut in the United States' contribution and a repudiation of the United States' commitment you should oppose the adoption of this conference because it will not result in a reduction of the United States' contribution to the International Financial Institutions.

The other argument which will be advanced in support of this Conference Report is that it is an actual cut in the negotiated commitment of the United States and a repudiation of those negotiated commitments. If you accept this presentation of this conference you should also vote to reject the conference because to adopt it would result in the dishonoring of a fundamental U.S. commitment and a severe erosion of our nation's leadership in the world.

This unhappy conference is not a typical negotiated compromise in which contrasting sides have found a middle ground. This conference is sadly designed to defeat the goals of all sides and seriously impair our nation in the process.

Sincerely,

JOHN J. CAVANAUGH,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 16, 1980.

President JIMMY CARTER,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Your leadership, the institution of the Presidency and the basic interest of our nation are greatly threatened by the actions taken yesterday by the House-Senate Conference on S. 662, the authorization legislation needed to implement the United States' negotiated commitment to the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund. The conference agreed to recommend to the House of Representatives and the Senate a reduction of 10 percent in the negotiated commitment of the United States subscription to the capital stock of the Inter-American Development Bank and 15 percent reduction in the United States' negotiated commitment to the Asian Development Bank. If this conference report is accepted by the House of Representatives and the Senate, it will mark the first time in the history of the United States participation in the International Financial Institutions that the negotiated commitments of our country were not honored by the Congress of the United States.

If this precedent is established on this legislation, it will mean not only the severe impairment of your ability to maintain our nation's leadership in the world community, but it will also erode the authority of all future Presidents to negotiate in consultation with the Congress with confidence that the commitments which they make on behalf of our country can be fulfilled. Never again will the other member nations of these International Financial Institutions be able to rely on the negotiated commitments of the United States. As you stated in your letter to Chairman Reuss on May 6, 1980, "The United States will suffer an enormous loss of confidence among our industrial allies as well as among the developing nations if our support for these institutions is diminished." Mr. President, if the conference report agreed to yesterday is adopted the enormous loss of confidence which you fear will be inevitable.

Within the Congress itself consequences of this precedent will be of an immediate equal magnitude. Pending before the Congress is the sixth quota increase for the International Development Association and a 50% increase in the United States' subscription quota to the International Monetary Fund. Both of these negotiated agreements will be subjected to similar cuts if the principle that the Congress must honor the negotiated commitments of the President is not available to defend them against the clamors for fiscal austerity in every authorization.

Every President of the United States for 35 years has vigorously and successfully defended his authority to negotiate and to make commitments on behalf of the United States to these international institutions. Every previous Congress has supported every previous President, sustaining these negotiated commitments because it was clearly understood that to fail to do so dishonors the word of the United States and thereby denegrates the ability of the United States to lead the world. Now is not the time for either the Presidency or the Congress to shirk from that tradition of leadership.

Mr. President, I believe that if you are willing to assert your leaderhip, this Congress as every previous Congress will respond to maintain the integrity of commitments made and honor obligations undertaken for the purpose of maintaining stability and progress in the world community. Mr. President, I intend to oppose this conference report and I cannot succeed without your help. At stake is your word, the nation's position of world leadership, protection of fundamental prerogatives of the Presidency and ultimately continued stability in the international economic order.

Sincerely,

JOHN J. CAVANAUGH,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C., May 6, 1980.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 18 regarding authorization legislation for the multilateral development banks.

This legislation is a vitally important part of our overall foreign economic assistance effort. Its approval is essential if we are to continue to participate in regional development bank lending programs over the next three to four years. These programs, which are based on international agreements to which the United States is a party, cannot go forward without U.S. participation.

As I indicated to several Members of the House in a White House meeting on April 28, I place the highest priority on prompt passage of S. 662. The United States will suffer an enormous loss of confidence among our industrial allies as well as among the developing nations if our support for these institutions is diminished. You will have my complete support and that of my Administration. I have asked Secretary of the Treasury Miller to work with you on all the actions that will be necessary to gain sufficient support for approval and to bring the bill to the floor for final action as soon as possible.

Further delay in passage of this legislation is not in the national interest of the United States. Already our delay has halted all new lending by the Inter-American Development Bank, the Asian Development Fund and the African Development Fund. In the IDB, the replenishment agreement depends on Congressional approval of authorizing legislation. In the ADF and AFDF, other donors are now withholding their contributions until we can agree to participate and provide the first installments of our contributions. Clearly we cannot do so in the absence of authorizing legislation.

We have a large stake in the maintenance of economic progress and political stability in these regions. That interest is being threatened and our standing in many countries is being eroded.

I am also concerned that failure to gain Congressional approval of S. 662 will delay consideration of the IMF Quota Increase (H.R. 5970) and legislation for IDA VI and African Development Bank (H.R. 6811) submitted earlier this year. These authorization bills also contain provisions to implement important international agreements that have been negotiated and are now awaiting U.S. action to go forward. We need enactment of these bills as early as possible during the current session. As you have pointed out, the Congressional budget process requires that your Committee act on these bills before May 15.

It would be preferable to keep the IMF Quota Increase separate from the IDA and African Development Bank legislation, because a merging of these bills could blur the functional distinction between the IMF and the development banks. As with S. 662, these bills will have the complete support of the Executive Branch.

Please let me know of any specific actions on my part which would be helpful to you in moving these bills forward. With your active leadership and full support of this Administration, I am confident that the Congress will approve these programs, which are important to the long-term economic and foreign policy interests of the United States.

Sincerely,

JIMMY CARTER.

THE SECRETARY OF STATE,
Washington, March 21, 1980.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives.

DEAR MR. SPEAKER: We strongly urge the House to support the Conference Report on S. 662, which provides full authorization for continued U.S. participation in the Inter-American Development Bank, the Asian Development Fund and the African Development Fund.

Passage of this legislation is extremely important to our national interests. First, these institutions are an essential element of our foreign policy toward Third World countries. S. 662 would authorize our participation at funding levels contained in the international replenishment agreements that were negotiated over a period of years. While the Bill would authorize funding during FY 1980–1983, Congress will, of course, maintain control over any subsequent appropriation of these funds on an annual basis.

Failure to approve the Conference Bill would unravel the replenishment agreements for these institutions. At the very least, this would stop bank lending for a protracted period of time. It would harm the developmental programs and prospects of many recipient countries, and deeply impair the standing of the United States throughout the Third World. It would also damage our relationships with our allies—with whom these cost-sharing arrangements were carefully worked out—and undermine their confidence in the ability of the U.S. Government to carry out its international commitments.

The Inter-American Development Bank and the Asian Development Fund have already exhausted their resources, pending implementation of the new replenishment arrangements. New lending commitments have been halted to important borrowers of the Asian Development Fund such as Pakistan, Thailand, Bangladesh and the Philippines.

The countries of Central America and the Caribbean are also being hurt by the cessation of IDB lending; these countries have small economies, and they are particularly dependent on the Bank for external assistance to support economic progress and political stability. Additional funds are necessary if the African Development Fund is to continue its lending programs in the poorest African countries.

What is at stake in this legislation is the ability of the banks to continue to provide much of the development aid to the poorest countries of the world, and also the good faith of the United States in meeting its commitments to these agencies. Failure to pass this legislation would have profoundly adverse effects on our ability to protect our national interests in Latin America, Asia, and Africa.

Authorization of the full amounts in the Bill is entirely consistent with efforts by the Administration and Congress to achieve budgetary savings during FY 1980 and 1981. Of the $4 billion which is to be authorized, $2.5 billion is for U.S. callable subscriptions to the Inter-American Development Bank. These subscriptions are basically guarantees. Given the sound financial condition of the Bank, it is virtually inconceivable that they would ever result in budgetary outlays.

For the $1.5 billion in the request which will eventually result in budgetary outlays, appropriations will be sought through FY 1983. However, the drawdown of the funds and thus their budgetary effect will be spread out over 8–10 years. Our current estimate is that there will be no budgetary outlays at all as a result of this bill during FY 1980. In FY 1981, actual budgetary outlays will be less than $7 million, and in FY 1982, they will not exceed $33 million.

It is also very much in our own economic self-interest to pass this legislation. Our participation in the multilateral development banks has had a positive impact on the U.S. current balance of payment account of over $11 billion. The banks' activities also contribute $3 to our gross national product for each dollar we pay in, thus generating higher levels of income and more jobs in our own domestic economy.

We hope we can count on the House's support of the Conference Report.

Sincerely,

CYRUS VANCE,
J. WILLIAM MILLER.

Mr. STANTON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding me the time.

I want to take the floor just for these few minutes to say to my friend, the gentleman from Ohio, Mr. WILLIAM STANTON, and the distinguished gentleman from Illinois, Mr. HENRY HYDE, and our colleague, the gentleman from Delaware Mr. EVANS, how much I appreciate how strong they stood to try to represent the position taken by this House on two separate occasions. I know they did not necessarily agree with everything the House did, but they stood strong. And for the first time since we are talking about doing things for the first time, for the first time, we finally got the other body to recognize that this is a bicameral legislature when it comes to authorization for the international financial institutions. There is a House of Representatives as well as the Senate.

The gentleman from Nebraska (Mr. CAVANAUGH) has suggested that we are abridging or negating a commitment. That is not the case.

The last time the Secretary of Treasury, Mr. Blumenthal, appeared before the Subcommittee on Appropriations responsible for this money, he was asked about this commitment, as follows:

> Mr. YOUNG. Mr. Secretary, in your statement you used the phrase "Subject to appropriations" and you seem to imply that this is something new. I wonder if you would explain that to me, just what it is that you mean by "subject to appropriations"?
>
> Secretary BLUMENTHAL. That means that when we indicate a particular level of support we make it clear to the institution that this is not a commitment and that it will not be forthcoming unless the funds are not only authorized but also approved through the appropriations process of the Congress.

Now let me comment on another argument. Our distinguished friend from Texas (Mr. GONZALEZ) said, if you vote against this, you must be for Fidel Castro.

Well, that argument, frankly, in my opinion, does not carry any water whatsoever. But if it did, if I did pay any credence to that argument, let me say this, that in the years that our contributions to the Inter-American Development Bank have been increasing, so has the influence of Fidel Castro in the Caribbean and Central American part of this world.

So if the argument is whether you are for Fidel Castro or against him—the fact is as our foreign aid dollars have increased, so has Castro's influence. So the argument is just not valid.

Mr. STANTON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. So what my colleague from Florida was saying is that our representatives to these funds understand that it is subject not only to the authorization committees of the Congress, which in this case is the Committee on Banking, Finance and Urban Affairs, but also the Committee on Appropriations. Is that not correct?

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. That is exactly correct. The Secretary of the Treasury is our No. 1 official who conducts these negotiations, either he or his surrogate.

Mr. ROUSSELOT. So the gentleman from Nebraska was not quite correct in his understanding of the process that most of our negotiators understand that in this country, that the authorization and appropriations processes are still subject to the Congress of the United States?

Mr. YOUNG of Florida. That is correct. The Constitution makes the Congress the only body that has the right to appropriate any funds.

Mr. ROUSSELOT. I appreciate that. I am sure, as our dear colleague decided not to run for reelection, that he has relearned the process of the Congress, and I am delighted that he has learned it.

I would like to quote also for the gentleman from a document, the AFD resolution, the Asian Development Fund resolution, which states:

> It is "understood that no commitment . . . can be made until all necessary internal approvals have been obtained."

That is very much a part of our negotiated agreement.

It is very much a part of our negotiations with these funds, that the banks and other donors understand that.

So I am delighted that my colleague from Nebraska has rediscovered that the House of Representatives does have a part in these activities, that these international development negotiators now understand that the Congress has a participating role in all of this activity.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. STANTON. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. ROUSSELOT).

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Nebraska.

□ 1330

Mr. CAVANAUGH. Mr. Speaker, the gentleman misstates my statement if the gentleman says that I incorrectly advised the House that the Congress cannot refuse to honor and ratify the negotiated commitments of the President to the IFI's. I did not say to the House that we cannot do this. I know that we can do this. I know it is a proper appropriate exercise of our power.

Mr. ROUSSELOT. I appreciate that.

Mr. CAVANAUGH. I did say refusal by the Congress to ratify the negotiated commitments is a historical departure from the leadership that our Nation has asserted in the world.

The fact is that throughout our 35-year participation in leading the Western World, the Congress has consistently sustained the Presidency. This is the first time that the Presidency will not be sustained in those negotiated commitments.

It is a great compliment to the gentleman from California that the gentleman has brought the Presidency to serve the gentleman's goals, rather than that historical purpose; but I think it is a great tragedy for the country.

Mr. ROUSSELOT. Well, I will just say, I was not trying to serve just my needs. I thought it was the taxpayers of America who pay this bill and if the gentleman does not mind, occasionally we do try to represent them.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this may be a good moment for those who are listening here or in their offices to put to rest the idea that we somehow are not contributing our fair share to the international lending institutions, in this particular case the Asian Development Fund or the Inter-American Development Bank.

Let us clear up, for the gentleman from Nebraska, the first point. We are contributing after a 10-percent cut the largest amount of money ever contributed by the United States at one time to the Inter-American Development Bank, and I do not call that cutting.

Second, I will tell the gentleman from Nebraska, who is worried about our credibility and our percentage of contribution to these institutions, that this is a 50-percent increase over the last U.S. contribution in 1976 to these institutions. I should add that I think the administration should be complimented for this.

Third, the Asian Development Fund contribution, to which the gentleman is trying to add more money is 100 percent more than the last U.S. contribution to the Asian Development Fund. It is double the $125 million we put in when the bank was started in 1965. This is $378 million, which is the largest amount of money ever given by this country to that institution.

Before the gentleman stands up, I want to make one more conclusion. With the completion of this conference report the United States of America will have given a total of $10 billion of our taxpayers' money, to these institutions which is almost as much as all of the rest of the countries of the world combined have given over the last decade; so I would say simply to the gentleman from Nebraska, let us not get out our harps and complain that we are backing out of some kind of previous commitment.

I think we should vote for this conference report. We should do it with great pride. We should realize that the administration is realistic about what can and cannot be done.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, would the gentleman repeat that figure again? How much have we contributed over the years?

Mr. STANTON. We have contributed to the Inter-American Development Bank and the Asian Development Bank since their inception a total of $10 billion.

Mr. ROUSSELOT. Ten billion?

Mr. STANTON. Ten billion dollars, yes.

Mr. ROUSSELOT. And what have the other countries contributed?

Mr. STANTON. It is my understanding from the staff that our total contribution is almost as much as the amount all the rest of the countries combined have contributed over the last decade.

Mr. ROUSSELOT. Almost as much as all the rest of the countries combined?

Mr. STANTON. That is my understanding.

Mr. ROUSSELOT. Well, we certainly have not been miserly, have we?

Mr. STANTON. Well, I suppose everything is relative; but I do not suppose the gentleman from Nebraska would agree with us. I saw the President this morning on the news, the gentleman should know that he has been asking us to support this conference report.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. STANTON. Certainly, I will yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Speaker, just a couple of points, and I know it pains the gentleman to accept this cut, because twice the gentleman came into this House to defend the integrity of the United States negotiated commitment, and for more than 15 years the gentleman has maintained the defense of that position and today the gentleman abandons that position at the solicitation of the administration and I know that it pains the gentleman to do that.

Mr. STANTON. Well, Mr. Speaker, I do not feel such great pain. I frankly do not need any help from the gentleman from Nebraska to tell me if I feel good or if I do not feel good. I happened to get up this morning feeling pretty good and I went to bed feeling pretty good.

Mr. CAVANAUGH. It pains me to see the gentleman in this condition.

Mr. STANTON. Again I appreciate the gentleman's concerns, but I will continue to rely on Dr. Curie's advice. This is no reflection on the gentleman, however.

Mr. Speaker, I reserve the balance of my time.

Mr. REUSS. Mr. Speaker, I yield such time as he may require to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in support of the conference committee report.

Let me say, first of all, that I quite thoroughly agree with what the gentleman from Ohio (Mr. STANTON) has said. We should be proud. It should be a matter of pleasure to us that out of our abundance we have been able to contribute more than any other nation over the past 34 years to these Inter-American and International Development Banks. I do not think we have anything to be ashamed of.

Also I agree with the gentleman from Nebraska in his point of view that we have made a commitment. At least those who speak for the United States made a commitment in good faith, and today we are delivering on only about 90 percent of that commitment. But I would suggest to my friend from Nebraska that it would be a greater blow to our credibility in the world community if we were to reject this conference committee report.

Let us suppose that the gentleman from Nebraska held a promissory note in which I had agreed to pay him on this date $100, and I were to come to the gentleman from Nebraska and say to him, "Hey, Johnny, I'm sorry. I haven't got a hundred dollars right here today. I can't do that just now, but let me give you $90."

I believe the gentleman from Nebraska at least would be pleased to receive my $90 and would find my behavior more honorable than if I were to reject giving him anything.

That is really the position we are in. We owe it to our friends who also contribute to the banks to pass this conference committee report and I think it makes good sense from our own point of view.

It is not as though we were committing the country to a huge new outlay. The outlays expected in 1981 come to $7 million—$7 million in the coming fiscal year. That is just about 3 cents per capita, about 3 cents apiece for each of our citizens. It is not as though we were giving handouts. These are loans, repayable loans. It is more of a handup than a handout.

History has demonstrated that these international lending institutions have assisted free economic enterprises to succeed in countries where those economies needed the success of those enterprises and the employment that they could give to the private sector. That has to be good from our point of view.

In addition, it is good from our point of view to stop and realize that every dollar we contribute makes possible a $50 loan to somebody, presumably a credit-worthy borrower, somewhere in the world. But let us look at it for a moment purely from the standpoint of what we gain as a nation.

The SPEAKER pro tempore. The Chair will announce that he has no control over the electronic devices that go off in the Chamber, although he would remind all Members to turn off electronic call devices before entering the Chamber.

□ 1340

Mr. WRIGHT. I suggest it is a good thing for us to pass this legislation in its present form. It is representative of the position the House took. It is admittedly less than a spokesman for the United States indicated that we would pay this year. That is a whole lot better, however, than paying nothing. It is better than indulging further delay. Delays already have curbed bank activities for the past 6 months.

It is good business from the standpoint of the United States because it builds free institutions throughout the world. It is good business for the United States because every dollar we contribute to the banks represents a $3 gain in our own gross national product. Those underdeveloped countries to whom these loans go account for about 28 percent of our exports, so we get to sell more abroad when their institutions and their economies thrive.

For each and all of those reasons I argue for the adoption of the conference committee report.

Mr. STANTON. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN.).

Mr. BAUMAN. Mr. Speaker, I want to commend the conferees for cutting a measly 10 percent from this multibillion-dollar aid bill. I was the author of an amendment that cut more than $1 billion. The House endorsed that by a vote of 219 to 170. It was a proud day for the gentleman from Maryland. That is the single greatest cut in my 7 years I have ever achieved, and to think that the liberal worthies on the conference and our folks over here, would agree to retain even 10 percent of that cut to me is a compliment and I appreciate it.

But it was not for me, I would say to my colleagues. It was, I think, for a great many people in this country who are concerned about the direction of our foreign aid and assistance to international lending institutions, people feel there is some need to cut back spending. You know, it is incredible to me to hear some of the remarks I have heard in the last few minutes addressed in this Chamber at a time when the conferees on the budget resolution are unable to balance that budget, are facing a deficit of $25 billion or $30 billion and we have people here weeping on the carpets of this Chamber telling us that a 10-percent cut in this bill cannot be swallowed. I think it can be.

But what my colleagues are hearing is the death rattle of liberalism. A lot of these folks that have been preaching that we can spend money that we do not have for so many years on programs that do not produce, now find it very hard and a wrenching mental change to think that the country has finally caught up with them and what they have done to this Nation. We have a $1 trillion debt facing this Nation, 20-percent inflation until a few weeks ago, and an enormous deficit. We have people who are unable to pay their bills, workers in the auto industry being laid off, told that there is not enough money to pay for the programs that assist the poor in this country, and some of you are weeping about a 10-percent cut in a program that could be cut even more.

Now, my colleagues can vote for this conference report if that is what they want and feel they have made some small cut in it. I think we should have more of a cut.

I suggest you read Newsweek this week. There are two pages on how we have loaned most of the undeveloped countries of this world into total poverty and indebtedness that they will never be able to repay. Loans have been made without any regard to their ability to repay. Read about the sad situation that these multilateral lending institutions have produced in many nations.

I do not think we should abolish these banks. We need to help other nations. We need to help the less fortunate of this world. But the first and primary rule of American foreign policy is to do what is good for America. That is what we should represent in this Chamber and that is what we ought to measure this legislation by.

Thanks for the 10-percent cut. We needed that, and more.

Mr. STANTON. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I am rising to urge support for the conference report to accompany S. 662, the authorizations for the regional development banks, which is before the House today.

Those of you who were on the House floor when we last debated this measure will recall that I opposed the original conference report. My position was that the House conferees failed to adequately defend the House position. I did so as a matter of principle rather than in major disagreement with any obligation to the regional development banks.

I am pleased that the conferees have essentially abided by the House position and concluded an agreement in which cuts were made in the authorizations for the Inter-American Development Bank, the Fund for Special Operations, and the Asian Development Bank.

Because this report represents a true compromise, I am pleased to join the leadership of the Banking Committee and of the full House in support of this measure.

Mr. Speaker, this has been a very educational debate. I am surprised to hear the gentleman from Maryland represents Main Street. I always thought he represented the soft shell crabs and the beaches of the Eastern Shore. But, you know, geography is not my strong suit.

But I would like to direct my attention, if I may, to the gentleman from Nebraska and the others who are supporting him at this time. I would point out as sort of an elder statesman that I suggest what the gentleman is practicing is Russian roulette. The facts of life are that if those who are now attacking this conference report because the House conferees did do a good job in defending the House position, if they prevail, they will create a situation where this entire bill will go down. That is what the gentleman from Nebraska would like to avoid.

Now, what is the legislative situation? The House in accepting certain amendments clearly indicated that it wanted some cuts made in our contribution to these banks at this time. The first conference did not produce those. The House then rejected that conference report and the conferees went back. They produced what I think is a fine, acceptable compromise. I think it is in the classic spirit of House-Senate conferences. Therefore, I believe this conference report at this time should be overwhelmingly accepted.

Now let me just take a moment to address myself to the broad concept of these international institutions. I think as a whole they do a good job. I think it is a practical vehicle for the United States to make its contribution to them.

Now, the precise amount of the U.S. contribution is something that always should leave us room to negotiate and maneuver. I think the officials in the executive branch tend to be too generous and too optimistic in some of their early commitments. I think the Congress has the obligation to see that the basic commitment in principle is made, and that is what we are doing this afternoon.

Again I strongly urge the adoption of this conference report.

Mr. STANTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. HYDE), the ranking minority member on the subcommittee handling this legislation.

Mr. HYDE. Mr. Speaker, I do not think two oceans and the velocity of wagon trains can insulate this country from the realities of the world, both politically, militarily, and economically.

I have heard remarks that this bill is corporate welfare, that it is welfare for Wall Street. I would think that people who have uttered those remarks would know that corporations hire people and people earn paychecks and paychecks pay the rent. When we try to distinguish and separate out the companies and the corporations of this country which do produce the exports that are sold to these lesser developed countries, we are talking about jobs. One job in eight in this country depends on exports.

I listened to statements made that these programs do not work. I would say to my dear friend that if he would visit some of the countries where these projects are occurring, as I have done and as other Members have done, he would see hydroelectric plants, he would see young people learning to become mechanics, he would see housing being built for people that otherwise live in the mud. He would see all sorts of useful things being provided for people who desperately need them.

Our problem, of course, is we have too many cars for our garages. Other people are living in a survival economy and there is a moral dimension to this issue; our country with all its problems, with all its deficits, but where we still have a much higher standard of living than most of the rest of the world. I think there is an obligation, a national obligation to do something about this disparity.

But put that aside: Is it in America's interests to have stable economies throughout the rest of the world? Is it in America's interests to have access to raw materials which we are desperately short of? Is it in America's interests to create markets for our exports?

The answer has to be in any objective analysis yes, yes it is.

☐ 1350

Isolationism, whether it is political or economic, is a great way for America to descend from its positions as leader of the free world into a memory, into a wasteland. I would hope that isolationism and its tragic lessons have been learned as a result of World War II and what followed.

As to my dear friend, the gentleman from Nebraska (Mr. CAVANAUGH), the art of compromise is what makes this Chamber work. If you cannot get dinner, you get a sandwich. This is more than a sandwich; this is lunch. It is not a full eight-course dinner, but it is lunch, and it is far better than nothing.

Our country started the international financial institutions as an experiment to see if we could work together with other civilized countries in concert to help develop the poor countries of the world. There are two ways to fight communism. One of them is militarily, with aircraft and carriers and tanks, and another way is economically. We certainly need to be militarily strong but we also need the economic weapon. Poor, starving people have nothing to lose. They are fertile ground for the Communists' promises and and demagoguery, as we are seeing in Central America this very minute. I ask you and I plead with you not to unilaterally disarm America of its economic weapons.

The question has been asked, What is good for America? A peaceful world, countries that are not starving and, hence, revolutionary, access to raw materials, markets for our exports—all of these things in a cooperative effort are good for America.

I hope you will support this conference report.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I thank the gentleman for yielding.

I want to compliment the gentleman on his statement. I just want to make sure that the gentleman in his statement and enthusiasm when he said we were in desperate need of raw materials knows, as he well knows, we are not in desperate need of raw materials. We have 28 percent of the world's energy within our borders. We have every known mineral we use right today. We have economic quantities; what we need is this Congress to approach that subject. I hope that the gentleman would recognize that we cannot rely on those foreign countries, because of what they need themselves.

Mr. HYDE. To my friend I say there are raw materials we do not have access to in this country although the gentleman's point is well taken.

Mr. YOUNG of Alaska. We do have them. We just have not had the foresight to utilize them and develop them. There is just one thing I will say. Those who are reporting and supporting the gentleman's position are the same ones who would not allow the proper and wise utilization of the development of those resources within our borders. We cannot feed the whole world. We cannot lend them moneys continually and on the other hand say that we are going to buy those goods without utilizing those resources within our own borders.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STANTON. Mr. Speaker, I have no further requests for time. I urge adoption of the conference report, and yield back the remainder of my time.

Mr. REUSS. Mr. Speaker, I yield to myself such paltry time as remains on this side.

Mr. Speaker, let me yield first to my colleague, the gentleman from New York (Mr. LAFALCE), from my time and briefly because we are running short of time.

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Speaker, I just came back from a meeting where the President decided to decree an emergency within my congressional district which will permit the removal of over 700 families because of the dangers they are experiencing because of their exposure to hazardous toxic substances. I came to this floor from that meeting, Mr. Speaker, because there is another emergency taking place, not in my congressional district but in the rest of the world. That emergency is taking place in Latin America and in Asia and Africa, and that emergency is that people are starving and dying because of the failure and inaction of this Congress.

We sit here in a glass house and we throw stones at the White House. People in glass houses ought to be careful of what stones they throw at the White House. We say, perhaps rightly, that our foreign policy is in a state of disarray. That may well be true. But if it is true, this body deserves the major responsibility for it because of our failure to pass this conference report previously. The international financial institutions have closed their windows. If these multilateral institutions are to be operational, if they are to be an effective tool of our foreign policy, this legislative body must cooperate with the executive branch.

We are not getting all that we want today. This is phase I. We are funding these international financial institutions in large part, but not in toto. That will come next year, in phase II. But let us pass this conference report today. Let us give the President the tools he needs to conduct an effective foreign policy by eradicating the starving and dying in these other continents of the world. Let us fulfill the high responsibility of our office, and restore the honor and integrity of the word of the U.S. Government in international circles.

Mr. REUSS. I thank the gentleman for his fine contribution to this memorable debate.

I had hoped very frankly, Mr. Speaker, that there would be unanimity here today on the conference report, but, alas, my hopes have not been realized. From our friends, the gentleman from Texas (Mr. PAUL), the gentleman from Maryland (Mr. BAUMAN), and the gentleman from California (Mr. ROUSSELOT), we have heard that the committee report is defective because it authorizes too much. From the other end of the spectrum we have heard from our friend, the gentleman from Nebraska (Mr. CAVANAUGH), that the committee report is defective because it authorizes too little.

I am reminded of that great marshal of France, Marshal Foch, at the Second Battle of the Marne when he said;

> My right has collapsed; my left is in disarray; but the center holds; we shall attack.

The center will hold today, and the center says that 90 percent of a loaf is better than zero.

The tentative agreements made with our allies the world over envisage the constitutional processes of the Congress, and that is precisely what we are following. There is no rancor or ill will on their part. It is my intention, and I want to make no bones about it, that in the next Congress, if I am fortunate enough to be back here, I will do my level best to see that the remaining 10 percent is restored. But whether that effort succeeds or fails, 90 percent is so much better than zero percent that it is not even funny.

At the suggestion of my friend, the gentleman from Nebraska (Mr. CAVANAUGH), I am going to introduce the very fine letter written to him yesterday by our President, Jimmy Carter. in which he strongly urges Mr. CAVANAUGH, despite his legitimate doubts, to support the conference report. There is a penned postscript signed by the President:

> John, you have been a staunch and courageous ally in this fight, and I need you in these closing rounds.

The letter is as follows:

THE WHITE HOUSE,
Washington, May 20, 1980.

Hon. JOHN CAVANAUGH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CAVANAUGH: Thank you for your letter regarding the Multilateral Development Bank legislation. I appreciate your concern that the Administration's acceptance of any reduction in the negotiated replenishments for the regional banks would create a very bad precedent. However, I do not believe that a two-step replenishment authorization process, in which the Administration would ask the next Congress to fill the initial shortfall, constitutes diminished American support for these institutions; nor do I accept this as a precedent for World Bank and IMF legislation. We will do our utmost to assure that the full U.S. shares in IDA VI and the IMF quota increase are authorized.

As you know, a further rejection by the House of the U.S. subscriptions to the regional banks would be disastrous. Both Secretary Miller and I understand the risks involved with the Conference Report, but after wide consultation, we believe it is the best approach possible. Therefore, I believe that the Conference Report deserves support as the best of the options available at this time.

I hope that ultimately you will be able to support the Conference Report with the explicit understanding that we are not accepting less than full funding for our negotiated replenishments and that we will do everything possible to help you and other bank supporters in seeking full funding for IDA VI and the IMF.

If you cannot support the Conference Report, then I hope you will not actively oppose it, because failure of the Conference Report this week will almost certainly mean no regional bank bill or IDA VI legislation this year. Although we may not agree on the best way to approach the problem, I think we would both agree that a result of no legislation this year would be the worst possible outcome.

Sincerely,

JIMMY CARTER.

John, you have been a staunch & courageous ally in this fight & I need you in these closing rounds.

Thanks,

J.

Let me add my voice, for whatever it is worth, to that of the President's, and call upon the gentleman from Nebraska, Mr. JOHN CAVANAUGH—whom I respect, whom I admire, whom I love, whom I shall miss very much—to reconsider and to be with us on the final vote on the conference report. I commend to him from the Good Book, Judges, chapter 16, at verse 29:

> And Samson took hold of the two middle pillars upon which the house stood—

That could be the Inter-American Development Bank and the Asian Development Bank—

> the one with his right hand, and the other with his left . . . And he bowed himself with all his might; and the house fell upon the lords, and upon all the people that were therein. So the dead which he slew at his death were more than they which he slew in his life.

I will say to the gentleman from Nebraska (Mr. CAVANAUGH), I know that when the roll is called he will be with us. He will not wish to pull down the temple of international cooperation that stands as our best hope of peace.

● Mr. SIMON. Mr. Speaker, I have serious concerns about our failure to live up to commitments we have made to the Inter-American Bank, the Asian Development Bank, and the African Development Fund. And I commend my colleague JOHN CAVANAUGH for pointing out this departure from a solid and wise tradition.

I would like to insert in the RECORD letters from three organizations which have shown leadership in this field.

This debate also illustrates the loss this House and the Nation will suffer when JOHN CAVANAUGH leaves us.

INTERRELIGIOUS TASK FORCE
ON U.S. FOOD POLICY,
Washington, D.C., May 19, 1980.

DEAR REPRESENTATIVE: In letters of Feb. 26 and April 9, we asked you to support HR 3829, an authorization bill for certain multilateral development banks, and S 662, the Conference Report on that bill. We now urge your support for Rep. Cavanaugh's motion to recommit the revised Conference Report on S 662, a Report which provides for a 10 percent cut in the authorization level for the Inter-American Development Bank and a 15 percent cut in funding for the Asian Development Bank. In the event that the recommittal motion fails, we ask you to oppose the revised Conference Report.

We have reached our recommendation for floor action this week with neither ease nor unanimity. We recognize that it could result in denying US funds for development. Nonetheless, we urge recommittal and, failing that, opposition to the Conference Report because:

1. A Conference Report unilaterally reducing internationally negotiated replenishment levels undermines the principles of participation in multilateral institutions. It makes the US an unreliable partner in multilateral development enterprises.

2. Since never before has Congress refused to authorize funds at levels duly negotiated with more than 40 governments, a reduction in authorization levels now could set an unfortunate precedent and enhance the possibility that authorization levels for other multilateral bodies will also be cut.

3. While further delay and possible defeat of this Conference Report would impair the lending operations of the regional banks in the short term, the longer-term interests of developing countries would be better served by more dependable sources of development assistance funding.

In sum, acceptance of the revised Conference Report on S 662 would signal increasing US inability to exert leadership in international institutions it helped to create. Procedures might be formalized to involve Congress more directly in future multilateral replenishment negotiations, possibly by including Members on US negotiating teams. In the meantime, however, anything less than restoration of full authorization levels would represent a US retreat from international responsibilities and from commitments to alleviate world hunger and poverty.

Sincerely,

GEORGE A. CHAUNCEY.

UNITED NATIONS ASSOCIATION OF
THE UNITED STATES OF AMERICA,
WASHINGTON OFFICE,
Washington, D.C., May 19, 1980.

Hon. JOHN J. CAVANAUGH,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN CAVANAUGH: This is to commend you for your fine efforts on behalf of the integrity of the US negotiated commitment to the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

We at the United Nations Association fully concur with your evaluation of the very real dangers posed by the cuts adopted by the House-Senate Conferees on S. 662. If the conference report is adopted, we believe that the ability of this and future administrations to negotiate in international fora will be severely hampered. Of particular concern is the effect such an act is likely to have on Congressional action with regard to the negotiated sixth replenishment for the International Development Association and the increase in the United States' subscription to the International Monetary Fund.

It is highly unfortunate, as we ask for full support on a number of issues from our allies, we are at the same time telling them that the US is unwilling or unable to meet our negotiated commitments to them on contributing our fair share to these important international financial institutions.

Equally unsettling is the message that the United States will be sending the countries comprising the Third World. Again, we are asking for their understanding and support, while making all too clear that we place a low priority on their legitimate development concerns and needs.

We join with you in urging the Administration and Congress to provide the full funding necessary to meet our negotiated commitment to the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

Sincerely,

WILLIAM L. SHARPLESS.

NEW DIRECTIONS,
Washington, D.C., May 19, 1980.

Hon. JOHN CAVANAUGH,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CAVANAUGH: On behalf of New Directions, a citizens' lobby for world security, I commend and endorse your efforts to recommit the conference report on S. 662, the authorizing legislation for three multilateral development banks (MDBs) for FY 1980.

For 35 years, every American President and Congress have honored the principle that MDB replenishment agreements represent mutual commitments by the donor nations. Adoption of this conference report would abrogate this principle and jeopardize the integrity of all of our international commitments.

The concern of our allies about the constancy and credibility of U.S. foreign policy would clearly be exacerbated. The developing nations would rightly question the seriousness of our concern for their economic difficulties.

Furthermore, violation of this principle would invite further cuts in other replenishment agreements. Other donors would surely doubt the believability of our efforts to negotiate in good faith in the future.

I believe that this conference report raises grave doubts about the future leadership role of the United States in the world community. I urge all Members of the House of Representatives to support your motion to recommit this conference report in order to restore the full funding levels approved by the Senate and the House Banking Committee.

Best wishes.

Sincerely,

JOHN J. GILLIGAN,
Chairman of the Board.●

● Mr. ASHBROOK. Mr. Speaker, I want to call the attention of my colleagues to the conference language on the future role of Taiwan in the Asian Development Bank. The conferees removed the strong and clear language of the Solomon amendment which directed the United States to terminate its support to the ADB if Taiwan is excluded from membership in the bank. In its place is language expressing the sense of Congress that U.S. funds would be "jeopardized" if Taiwan were expelled. This is an unfortunate withdrawal by this Congress from an opportunity to send a signal to our longtime friend and ally that there is still hope for future American support of its survival.

Since the fateful decision of President Carter in December 1978 to establish formal relations with Communist China, the U.S. Government has been charting a course of abandonment for Taiwan. This has been a signal to our allies that our Nation's commitment to their well-being is a transitory and conditional concept. Is it no wonder that our allies are hesitant to commit themselves to Iranian sanctions when they cannot predict our future commitment to them? This retreat on the part of the conferees from the clarity of the Solomon amendment is one more example of America hedging on its commitments which could cause long-term harm to this Nation's credibility in the world.

I remember that there was a provision adopted in the Taiwan enabling legislation last year which stated:

> Nothing in this act may be construed as as basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial situation.

On May 15 Communist China was admitted to the World Bank and Taiwan was expelled. So far the United States has done nothing to prevent this action from being fully implemented. In fact, the only actions being taken are to allow the Taiwan Government to bid on procurement contracts for bank projects. However, without a seat on the Bank's boards or any other official input this competition for contracts will be hampered. It is only a matter of time, according to World Bank sources, before Communist China asks for membership in the Asian Development Bank. With the present conference report language the stage is set of another insult to our ally's international standing.

Who are we helping by preventing a strong commitment to our ally, Taiwan, from being incorporated in this report? We are certainly not helping our other Asian allies. By leaving the door open for swift approval of Communist China we are preparing the groundwork for China to bleed the West dry of capital funds. There is already around $1 billion in credits and loans being processed for Communist China by the United States and the West. All indications show there may be over a billion dollars a year required for that nation to pursue its ambiticus development projects. Such a drain from the U.S. aid funds or from the World Bank or ADB accounts will limit funds made available to Indonesia, South Korea, and other pro-West nations. We are, therefore, creating the opportunity for China to sap Western economic strength to the detriment of strengthening our friends in the region.

It is a tragedy that this House is willing to go on record against a strong commitment to a longtime friend and for an open door to Communist China's grab for Western development funds. The desire to placate one Communist nation seems to outweigh the keeping of commitments to friends. I only hope this Congress comes to its senses regarding what it is doing to the long-term position of America in Asia before it is too late.

I would like to enter into the RECORD, a recent article analyzing the impact of Communist China's funding demands on the World Bank and the Asian Development Bank:

AID NEEDS OF CHINESE POSE PROBLEMS FOR WASHINGTON

(By Michael Parks)

PEKING.—The rapid development of Sino-American relations is about to confront the Carter administration with the difficult questions of what kind and how much assistance the United States will give China for its ambitious modernization effort.

The costs, both in political and economic commitments, will probably be high, but U.S. officials now see a strong China as more important than ever to American global strategy.

"The Americans, in their own phrase, now have to put their money where their mouth is," said a European ambassador, whose own country faces similar decisions concerning aid to China, though not of the same dimensions.

China is preparing to press the United States for extensive government-backed credits, well above the $1 billion already offered, to buy American products, full-scale technical assistance for its development program, and other forms of economic cooperation requiring commitments stretching to the year 2000.

Peking also wants advanced American technology to modernize its industry, agriculture, scientific research—and its military forces.

Finally, China expects not only concessional terms on this expanding trade but also to have first call on American resources. The Chinese find this only fitting for a nation that is not only the world's largest developing nation but also potentially plays such a pivotal role in the global balance of power.

All this puts China into direct competition with long-standing American allies for priority in both Washington's policy-making and economic assistance, and this is the next big issue in Sino-American relations.

Peking will be asking, for example, for development funds—certainly export financing and technical assistance and probably some concessional loans as well—at a time when the U.S. foreign aid program is contracting and when major new overseas commitments running into billions of dollars might be difficult to sell in Congress and to the American public.

China's needs are so immense, of course, that the usual American aid package of credits and outright grants could run to more than $1 billion a year. This would put it in the same category as Israel, the largest U.S. aid recipient at present, and ahead of countries such as Egypt, India and South Korea, where grants or credits run into hundreds of millions of dollars.

If China wanted to buy American military equipment on a concessional basis—and the Carter administration already has offered to sell a number of items of a "defensive character"—Washington would be faced with the hard choice of either increasing arms sales and military assistance or reducing deliveries to countries such as Israel and Egypt, where the United States has a large vested strategic interest, or South Korea and Turkey, which are important regional allies.

In addition, the United States will most probably be pressed by China to support its requests for assistance from international organizations, such as the World Bank, where Washington has a strong voice.

But such funds, too, are limited and largely committed now to countries such as India and Indonesia, which again are important to the United States.

China's demands so far have been modest, though it has developed extensive lines of credit to finance future imports. Most diplomats attribute this to an initial focus on building up political relations and an effort to work out firm economic plans before asking for help.

"China, to my mind, no longer sees foreign economic assistance as beneath its national dignity," an official of one of the international development agencies said after talks here.

"There is no contradiction, China has come to realize, between a determination to stand on one's own feet and be the master of the house and participation in the various international development schemes. Certainly bilateral assistance can be put in the framework of economic cooperation, and that is acceptable."

The United States expects to begin pressing for American assistance, as it already has done with Japan, when two vice premiers visit Washington in the next two months.

Geng Biao, the secretary general of the Communist Party's Military Affairs Commission, who is scheduled to make the trip in late May, will be seeking to develop the program of technology transfer that was agreed upon in broad terms during the visit here in January of Secretary of Defense Harold Brown. A few weeks later, Yu Qiuli, the head of the State Planning Commission, will visit Washington for discussions on economic cooperation with the United States.

American officials visited Peking last month for talks on what so far is the largest U.S. commitment here—four giant hydroelectric projects, which several U.S. agencies, including the Army Corps of Engineers, are to help design and build.

The United States has repeatedly declared its readiness to assist China's development, to help it become "rich and powerful," because it is believed that a strong China is important for the global balance of power and long-term American strategy, particularly in the face of the Soviet Union's expanding influence.

American policy makers are also convinced that China would almost certainly become a major source of instability in the world if Peking's modernization efforts fell short of its goals or were frustrated by other countries.

Both thoughts had been present in U.S. policy toward China for a number of years, but the need to establish normal relations after 30 years of enmity put them—and the accompanying questions of assistance—to the side until now.

"The United States has come out of its 'mea culpa' phase in Chinese relations now that Peking and Washington have not just normal but very good relations," a European diplomat said, "and now it faces the problem of shaping the long-term partnership."

Other diplomats see this as a testing time for American policy, when Washington's declared commitment to Chinese modernization will be up against the country's enormous needs.

And not a few longtime American allies are concerned that Washington's desire to meet those needs and build a new relationship with China will, at least in relative terms, push them into a lower priority, despite promises to the contrary.●

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. PAUL. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. PAUL moves to recommit the conference report on the Senate bill, S. 662, to the committee on conference.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There is no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CAVANAUGH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 181, answered "present" 1, not voting 26, as follows:

[Roll No. 247]

YEAS—224

Addabbo
Akaka
Albosta
Alexander
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Campbell
Carr
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Coughlin
D'Amours
Danielson
Davis, S.C.
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dougherty
Drinan
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Ford, Mich.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gradison
Gray
Green
Guyer
Hall, Ohio
Hamilton
Hance
Hanley
Harris
Hawkins
Heckler
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hyde
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
McClory
McCloskey
McCormack
McDade
McHugh
McKay
Maguire
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Musto
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Udall
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—181

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Bingham
Boner
Bonior
Bouquard
Brinkley
Broyhill
Burgener
Butler
Byron
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Coleman
Collins, Tex.
Conyers
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Dellums
Derrick
Devine
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ind.
Fish
Flippo
Ford, Tenn.
Fountain
Fuqua
Gaydos
Gilman
Gingrich
Goldwater
Gore
Gramm
Grisham
Guarini
Gudger
Hagedorn
Hall, Tex.
Hammerschmidt
Harkin
Harsha
Hefner
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDonald
Markey
Marlenee
Marriott
Martin
Mica
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
Obey
Pashayan
Paul
Perkins
Petri
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stockman
Stump
Taylor
Thomas
Traxler
Trible
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wyatt
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Rousselot

NOT VOTING—26

Anderson, Ill.
Brown, Calif.
Davis, Mich.
Dodd
Downey
Duncan, Oreg.
Foley
Giaimo
Grassley
Hansen
Lundine
McEwen
McKinney
Madigan
Marks
Mathis
Minish
Mitchell, Md.
Quayle
Rangel
Stewart
Symms
Ullman
Van Deerlin
Wilson, C. H.
Wydler

□ 1410

The Clerk announced the following pairs:

On this vote:

Mr. Madigan for, with Mr. Hansen against.

Mr. Marks for, with Mr. Quayle against.

Mr. Davis of Michigan for, with Mr. Symms against.

Until further notice:

Mr. Dodd with Mr. Grassley.

Mr. Rangel with Mr. McEwen.

Mr. Minish with Mr. Wydler.

Mr. Mitchell of Maryland with Mr. Anderson of Illinois.

Mr. Giaimo with Mr. McKinney.

Mr. Downey with Mr. Brown of California.

Mr. Foley with Mr. Duncan of Oregon.

Mr. Ullman with Mr. Stewart.

Mr. Charles H. Wilson of California with Mr. Lundine.

Mr. Van Deerlin with Mr. Mathis.

Messrs. GINGRICH, DELLUMS, CONYERS, and MURPHY of Illinois changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1420

ADJOURNMENT OF THE HOUSE FROM MAY 22 TO MAY 28, 1980 AND ADJOURNMENT OF THE SENATE FROM MAY 23 TO MAY 28, 1980

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 342) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 342

> *Resolved by the House of Representatives (the Senate concurring)*, That when the House adjourns on Thursday, May 22, 1980, it stand adjourned until 3 o'clock post meridiem on Wednesday, May 28, 1980, and that when the Senate recesses on Friday, May 23, 1980, it stand in recess until 11 o'clock ante meridiem on Wednesday, May 28, 1980.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REUSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in connection with the conference report on the Senate bill, S. 662, just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1981

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training students loans, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6974, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 15, 1980, the bill had been read for amendment.

Are there any further amendments to the bill?

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment to title VIII, and I ask unanimous consent that we may return to title VIII so that I may present this amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: At the end of title VIII of the bill, add the following new section:

SPECIAL PAY FOR EXTENDED DUTY AT SEA

SEC. 808. (a)(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

"§ 305b. Special pay: extended duty at sea

"(a) A member of a uniformed service who is entitled to basic pay and who serves a period of duty of not less than 84 consecutive days at sea may be paid special pay for extended duty at sea under this section for such period of duty. The daily rate of special pay under this section may not exceed the daily equivalent of the rate of special pay for duty subject to hostile fire in effect under section 310 of this title at the time the duty is performed.

"(b) Special pay under this section is in addition to any other pay and allowances to which a member is entitled, except that a member may not be paid special pay under this section for any day during a month for which the member is paid special pay under section 310 of this title.

"(c) The President shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

"305b. Special pay: extended duty at sea.".

(b) Section 305b of title 37, United States Code, as added by subsection (a), shall apply to sea duty beginning after November 1, 1979.

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, this amendment, I do not think, is just my idea by any means. During the Easter recess our committee was able and was very fortunate to visit the Persian Gulf area, and one of the highlights of the trip was the visit out to see many of our troops on ships that have been on station for an incredible number of days without having been in port. I think every single one of us was deeply moved by how well they were taking this extraordinary duty they have been assigned.

They have been breaking records for everyone in the Navy for days at sea without any respite. We were terribly impressed by the fact that in that hot, sweltering climate they still wanted to do their part and do what they could. I think all of us wondered what we could do to help.

As the Members know, this weekend one of the main carrier task forces, the *Nimitz*, will be returning to Norfolk, Va. The city of Norfolk has always welcomed home our sailors in the past, and they are planning one of the biggest reunions they have ever had for these people who have really shown incredible dedication during this very difficult period for our country.

The amendment to title VIII that we are discussing now is, I think, something that we can do to show them how very much we appreciate the sacrifice they have made. Many of them have been gone over two holidays, and some of them have had three holidays away from home. What we can do by my amendment is to change the special duty pay.

In essence, what I am offering will authorize the President to extend hostile fire pay to the officers and crews of ships that are required during peacetime operations to spend more than 84 consecutive days, for 12 weeks on line, at sea. Hostile fire pay is presently $65 a month per person in that position. So we would have different sums for the different ships, depending on how long they had been out there, varying from $195 per sailor for those who have been at sea during this period to a maximum of $325, according to the Navy's figures.

Mr. Chairman, these are not astronomical sums, by any means.

Mr. WHITEHURST. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I will be delighted to yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I want to commend the gentlewoman from Colorado (Mrs. SCHROEDER) for her amendment.

I expect to be home in Norfolk next week when the *Nimitz* returns, and I cannot think of a nicer piece of news to relay in person to these young men than the news that the gentlewoman's amendment has been agreed to.

I commend the gentlewoman for offering this amendment. I know what it will mean to the people who have been on line during this period, to the next of kin who have waited so patiently, and to the wives who have waited for their husbands' return.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from Virginia (Mr. WHITEHURST).

I hope the gentleman will tell them that the whole committee really thought of this. I wish it could be more, but it is more than they have been receiving and it is more than just accolades. I hope that we can move on this amendment expeditiously.

Mr. NICHOLS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I may say to the gentlewoman from Colorado (Mrs. SCHROEDER) that I have reviewed the contents of this amendment. I discussed it this morning with the Navy.

I look at this as a one-time deal. It is a sort of a way of giving them a pat on the back. These people have been at sea for a great length of time, far exceeding the normal tour of duty.

Mr. Chairman, I would have much preferred that the gentlewoman might have brought this amendment to the subcommittee or the full committee, but other than that, I have no objection to her amendment.

Mrs. SCHROEDER. Mr. Chairman, I appreciate the comments of the gentleman from Alabama (Mr. NICHOLS). I wish we had time to take the amendment to the committee.

I thank the gentleman for saying that we should move on this rather than put up procedural roadblocks.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, let us inquire, do I understand from the gentlewoman's amendment that we are going to give special pay to the entire crew of any ship that has been away from a home port for more than 84 days?

Mrs. SCHROEDER. Any ship that has been at sea for more than 84 days. The 84 days was selected because I asked the Navy, wanting to make sure we would not be giving extra pay for anything that would be considered "normal operations," such as operations on the Polaris or Trident submarines.

Mr. STRATTON. Let us suppose that a port visit takes place during that 84-day period; does that eliminate the eligibility, or does it not?

Mrs. SCHROEDER. Mr. Chairman, what we have done, because this is a special one-time thing, is this: We have authorized the President to deal with the regulations for those issues. But the ships in the Persian Gulf have not been in port, and that is why I think this is so unique. They have not been able to reach liberty ports because there have not been liberty ports where they can go to without going off station for too long a period of time.

I want the legislative history to be very clear on what my intentions are, to recognize the uniqueness and sacrifice the military has made in the Persian Gulf.

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has expired.

(On request of Mr. STRATTON, and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield further?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, do I understand that this applies only to the *Coral Sea*, the *Kitty Hawk*, and the *Nimitz?*

Mrs. SCHROEDER. Mr. Chairman, there are other ships in the task force. The Navy currently says there are five qualifying ships, and these ships are the *California*, the *Nimitz*, the *Texas*, the *Coral Sea*, and the *Midway*. In addition, there may be others assigned to that area that would qualify.

Mr. STRATTON. Mr. Chairman, I do not perceive any specific point in time at which the crisis in the Indian Ocean will come to an end. Is there some cutoff date in the gentlewoman's amendment?

Mrs. SCHROEDER. Mr. Chairman, again, because this is a very special circumstance and we are giving the President as Commander in Chief the right to use this special pay authority during this period, we are not granting this authority in perpetuity for all future time. I hope we can have hearings and deal with these matters more specifically in the future.

☐ 1430

But I think part of the purpose of our committee's visit to the Persian Gulf was to hopefully find some liberty ports and alleviate this situation so that people stationed there will not have to be out there on station for so long without relief or maybe we will get more ships to be able to rotate duty.

Mr. STRATTON. As the gentlewoman knows, I was out there in the Coral Sea at the same time that she was, and I, too, recognize the job that these people have done. But I am afraid that without hearings and without knowing precisely what is in this legislation, we may be setting up something that would become permanent. Some ship that stayed out for only 83 days would get nothing, but one that was out for 85 days would.

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has expired.

(On request of Mr. STRATTON and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. If the gentlewoman will yield further, we are creating something that could become much more complicated than we realize. We are all in a great euphoric mood now, and we would all like to honor these people as they are coming back into Norfolk. But I really think the sensible way to proceed on military pay arrangements is to have them looked into in considerable detail.

Mrs. SCHROEDER. If the gentleman will allow me to respond to that, I want to make it very, very clear that this amendment is designated to operate only for these very unusual operations such as the Persian Gulf operation.

Clearly, it is much preferable to do this in a more quiet and orderly legislative process. I think all of us were surprised. I do not think any of us a year ago would have foreseen having to put people on line for such incredible periods of time and have them at sea with no liberty ports. This is basically to give the discretionary authority to the President to give $65 a month per person for this extraordinary duty. We are not legislating this as an entitlement and we are not legislating this in perpetuity. The amendment has been very carefully drafted to make all of these points very clear. We are making the legislative history here to make it clearer.

Mr. STRATTON. What would the terminal point be?

Mrs. SCHROEDER. The terminal point is still 84 days. Eighty-four days is selected.

Mr. STRATTON. No, no. The terminal point of this legislation.

Mrs. SCHROEDER. This legislation goes for 1 year.

Mr. STRATTON. For 1 year.

Mrs. SCHROEDER. It is an authorization.

Mr. STRATTON. For 1 year. So any ship that is out there for this 84-day period until October 1, 1981, will be eligible for this kind of pay?

Mrs. SCHROEDER. My hope is that by then this Congress will have done something about paying the military in a much more comprehensive way. This is obviously just an emergency patching for this very tight period. I think all of us want to do something about pay and benefits long range. Hopefully, next year we will have time to do this in the legislative committees.

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has again expired.

(On request of Mr. ICHORD and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think it is necessary to take this time on the floor of the House to write some history because it is always difficult to write an amendment on the floor of the House. We do not have report language to make legislative history as we do when amendments are considered in the committee.

Now, the gentleman from New York stated that increased compensation would apply to the entire crew. We are dealing with carriers. There are airplanes on those carriers. And let me assure you that there are many of the pilots in the crews of the airplanes that get some shore duty within the 84 days. So it is necessary to make some history, I think.

Does the gentlewoman intend that to apply to perhaps aircrews on the carriers that may have had many days of shore leave?

At the same time, I would say to the gentlewoman from Colorado, we have Air Corps men in Turkey living in mud huts, and the duty is just about as bad as this duty, I am sure. Does the gentlewoman wish that to apply to members of the aircrews that have perhaps had 4 or 5 days of liberty in very luxurious foreign ports?

Mrs. SCHROEDER. No. Once again, it will apply to the air wings if they have been there for 84 consecutive days.

Mr. ICHORD. Then the gentlewoman does modify the reply to the gentleman from New York, because the gentleman from New York said, "Does it apply to the crews of the ships?" and the gentlewoman said, "Yes." Am I correct in stating that it applies only to individuals?

Mrs. SCHROEDER. It is the individuals that we are pinpointing that have been on line for 84 days. Obviously, if people have been off, we are not just blanketing the whole ship and the whole ship's crew. It is anyone who has been on-line for 84 days.

Mr. HOPKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Kentucky.

Mr. HOPKINS. I thank my colleague for yielding.

Mr. Chairman, I want to compliment the gentlewoman for the intent of this amendment.

Could the gentlewoman tell me, on a percentage basis, how this would apply to everyone on board this ship? In other words, will the enlisted personnel receive as much as the officers? Is it equal, or is there a graduated scale according to rank?

Mrs. SCHROEDER. No. What we have tried to do is to make this just as similar as we possibly can to the pay formula that we now have. The pay formula that we now have for hostile fire pay is $65 per person per month, period. It is not graduated.

Mr. HOPKINS. It has nothing to do with rank?

Mrs. SCHROEDER. That is right. So we would just extend that $65 per month, whether you are an enlisted man or a pilot or an officer, and the target being whether or not you are at sea more than 84 days consecutively. That is what we are clearly trying to do. It depends on the number of days you were consecutively at sea.

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has again expired.

(On request of Mr. VANIK and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. VANIK. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I want to

say that I commend the gentlewoman from Colorado on the objectives of this legislation, however, in order to perfect the legislative history, when we talk about a vessel being at sea, I would hope that it would be understood as steaming at sea. I recall during World War II one of the ships was stationed right at the dock at Norfolk and the thousands of Navy people claimed sea duty, the vessel had to move off razor blades accumulated on the sea bottom every 2 or 3 years. This was a way of qualifying for sea duty. I would hope that that would be avoided.

Second, I would hope that in the monitoring of this legislation that it would not result in the consumption of fuel at sea in order to qualify its personnel for extra pay. A deliberate extension of sea duty in order to qualify, should be restricted and prohibited in the spirit of this legislation.

Mrs. SCHROEDER. I am delighted that the gentleman from Ohio pointed that out. That would be scandalous, I think, if that were to happen. Clearly what we are talking about is this extraordinary Persian Gulf situation occurring right now, where we can justify the reason they have been constantly steaming. They have not been in port. And they would be more than happy, I think, to be in port and not having to get this pay. But I just think it is a token of our appreciation for their doing this extraordinary duty willingly and cheerfully.

Mr. VANIK. I agree with the gentlewoman.

Mr. DORNAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I would be delighted to yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, just as a matter of information for all of the Members of this distinguished Committee and the gentlewoman from Colorado, there are three Air Force members that I know of, Colonel Schaeffer, Colonel Rader, and their young captain who are hostages, part of our legislative Air Attaché Section, and there is also a Navy attaché. I just want the Members to be aware that they are not even getting $65. I am inclined to support the gentlewoman on this. However, I hope everyone will keep in mind that before the Committee on Ways and Means there is a bill to get the hostages $500 a month and to make that and all of their pay and benefits tax free during this whole period of their incarceration, because they are serving the toughest duty of all. We do not even know where they are.

Mrs. SCHROEDER. But we cannot do it in this bill.

The CHAIRMAN. The time of the gentlewoman from Colorado has again expired.

(On request of Mr. WALKER, and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I just want to try to clarify something here. If I understand, the gentlewoman's amendment goes to title VIII of the legislation; is that correct?

Mrs. SCHROEDER. That is correct.

Mr. WALKER. And I think the gentlewoman stated that it is her intent that this particular amendment would not apply after 1981.

However, I noticed in the general provisions section that there are a number of things in there that go far beyond 1981 authorizations. There is a 1983 date, for instance, in that general provision.

Could the gentlewoman tell me what section?

Mrs. SCHROEDER. If the gentleman will look, there is an amendment over at the desk. What we do is, we create a new section 808 to chapter V of title 37. We go into it very specifically. It is a separate section delineating this area where anyone in the uniformed services who has had duty of not less than 84 consecutive days without liberty. It delineates just what I am saying. It is in there, in that nice, compact separate section.

Mr. WALKER. If the gentlewoman will yield further, my question goes to the cutoff date. If I understand correctly, the gentlewoman does not intend this amendment to go beyond this fiscal year, and yet I see no cutoff date language within the gentlewoman's amendment.

Mrs. SCHROEDER. As the gentleman will notice, under subsection (c) it says:

> The President shall prescribe regulations to carry out this section.

And we also put in there that it would be retroactive until November 1, 1979. So we pick up this group in the Arabian Sea.

My intent is that we do not limit the President, if we have to continue on with these missions, from being able to do this again. I hope we will not have to continue to put people in missions for over 84 days. We can do away with this authority if we do not need it after 1 year. And I think that is very important to have the flexibility in there, by giving the President the authority to do the regulations. Again, hopefully, we can then rewrite the whole pay area, which we need to do desperately, during the next year and clear this up.

□ 1440

Mr. WALKER. So specifically the gentlewoman's amendment does not end at the end of the fiscal year?

Mrs. SCHROEDER. No, it does not specifically end at the end of the fiscal year, because we do not want to get caught in a bind if we have to continue those operations. It also goes back to November 1, 1979, to pick up these gentlemen, otherwise we would not be able to authorize it except prospectively. I am trying to make it very clear we are dealing with a unique situation. But we have no idea how long that unique situation will go on. I hope the President will keep that in mind when he does the regulations. We will oversee the regulations and then we will have next year to redo my amendment as we redo the whole pay area which I think we are all committed to do.

AMENDMENT OFFERED BY MR. STRATTON TO THE AMENDMENT OFFERED BY MRS. SCHROEDER

Mr. STRATTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. STRATTON to the amendment offered by Mrs. SCHROEDER: On line 20 delete the quotes and insert the following: "This legislation shall apply only to personnel serving in the Indian Ocean-Persian Gulf area prior to September 1, 1980.".

Mr. STRATTON. Mr. Chairman, I think we all sympathize with the intent of the gentlewoman from Colorado. We recognize the heroic service of those who have filled in the gap in what has to be a three-ocean navy today, but with only ships enough to serve one and a half oceans; but I do not think that this ought to be an excuse for undertaking a new pay and entitlement program that could become not only costly, but could also be very unfair to a number of other people, both in the Navy and in other parts of the armed services.

I think what the gentlewoman is trying to do is to focus special attention on those who have served to date in the Persian Gulf-Indian Ocean area under extremely difficult circumstances. But very likely the presence of American forces in the Indian Ocean over extended periods of time are going to continue for a number of years to come. I do not think we ought to get into paying certain portions of the Navy more than other portions on a continuing basis.

My amendment would, therefore, limit this special pay strictly to personnel on those ships operating in the Persian Gulf-Indian Ocean area and provide a cut-off date of September 1, 1980 for this program.

I believe my amendment fully satisfies the intention of the gentlewoman, but it also compensates for her failure to allow this proposal to go through the careful scrutiny that the distinguished chairman of the Subcommittee on Military Compensation (Mr. NICHOLS) regularly provides to all kinds of new pay proposals.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I will be more than happy to accept the gentleman's amendment. It is clear that is what I am intending. If the gentleman feels better having his amendment in, I think it is a wonderful addition to my amendment.

Mr. STRATTON. I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON) to the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER), as amended.

The amendment, as amended, was agreed to.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Alabama (Mr. NICHOLS). While we are on the question of compensation, I would like to take a few minutes to raise a question about a compensation matter of particular concern in my part of the country. It deals with the need to provide incentive pay for propellant servicing personnel working at Titan II missile sites in Kansas, Arkansas, and Arizona. As our colleagues on the Armed Services Committee are well aware, a report recently filed with the committee by the Secretary of the Air Force recommends action by the Congress to provide for such incentive pay for this critical career field. It is needed both in light of the hazard involved in handling highly toxic propellants—just 2 years ago, an accident near the city of Wichita involving the transfer of propellants resulted in the deaths of two airmen and posed a serious hazard to the health of other Kansans—and the need to improve reenlistment rates so that experienced personnel handle this operation.

As the report from the Air Force indicated—

> In the Critical Propellant Servicing Career field, the first term rate (of reenlistment) was only 23.1 percent in FY79 and 11.8 percent in 1978 as compared to the overall Air Force rate of 41.2 percent.

Coupled with the fact that the report goes so far in stressing the importance of qualified staffing in this function as to say:

> Therefore, personnel proficiency and close supervision are the essential factors to insure a safe work environment and still maintain a viable weapon system.

I think it is clear that we need to do whatever we can to expedite action on that incentive pay recommendation.

I understand that a proposal has been put together by Air Force staff and is now heading up the chain of command. I think it makes sense to rely on Air Force expertise in developing the appropriate incentive pay legislation given the fact that incentive pay in one area could serve as precedent for a pay increase elsewhere. In fact, it might be appropriate to draft the legislative language in broader terms to allow the various service secretaries to deal with similar situations in other personnel classifications on a discretionary basis within guidelines set by us. It seems that the Air Force is moving ahead on this, but I am concerned that they move expeditiously and that sign off by the Secretary of Defense and, subsequently, by OMB not delay a proposal coming to the House. At this point, I would like to ask the gentleman from Alabama who so ably chairs the Subcommittee on Military Compensation two questions.

First, what are the subcommittee's plans with regard to bringing a piece of legislation dealing with compensation matters specifically to the House for consideration?

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Alabama.

Mr. NICHOLS. Let me respond to the gentleman from Kansas by saying, first, I appreciate his interest. I know I speak for the entire committee on this particular subject. Of course, the Nunn-Warner amendment to a bill which we sent over to the other body is presently pending. I would assume that just as soon as possible the budget matter can be settled between the conferees in the House and the Senate; it would be my intention to ask the Speaker to appoint conferees between the House and the Senate version. It would be my recommendation to the full committee that the conferees be instructed to support the Nunn-Warner amendment in its total form. I am very anxious to pursue that matter and would have done it previously except for the legislative restraint that we have on the budget.

Mr. GLICKMAN. I am also particularly concerned about legislation dealing with hazardous duty pay and incentive pay, particularly how it relates to propellant servicing and other personnel serving at Titan II missile sites.

I believe the Air Force is supposedly preparing legislation in that regard. I assume that will come to the gentleman's committee.

Mr. NICHOLS. If the gentleman will yield further, the gentleman is correct. That is not involved in the Nunn-Warner amendment. Let me respond to the gentleman from Kansas that the Department of Defense, to my knowledge, has not made a request for authority for Titan fuel handlers to receive hazardous duty pay. I am advised that the Air Force has this concern.

I would say to the gentleman that if and when the Air Force pursues it to the extent that they bring a proposal to our subcommittee, we will give it every consideration, and we will do it as expediently as possible.

Mr. GLICKMAN. I appreciate the gentleman's response. I would tell him these Titan II missiles are old. They will last for a while longer, but they are liquid fuel missiles. They are highly corrosive. They are dangerous to handle. The people who are handling them are in some degree of danger. I would hope that I can count on the gentelman's cooperation in prompting the Air Force, as well as the Secretary of Defense, and the OMB, to expedite any legislative proposals they have so that the gentleman's committee and Congress as a whole can consider the question of incentive pay.

Mr. NICHOLS. I would say to the gentleman that if legislation is indeed needed, it would be my intent to pursue it as expediently as possible. There would be certainly no reason to delay it.

Mr. GLICKMAN. I appreciate the gentleman's comments.

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment to title VIII of the bill. and I ask unanimous consent that it be considered.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. DICKS. Mr. Chairman, reserving the right to object, can the gentleman tell us what the amendment is?

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Iowa.

Mr. BEDELL. Yes. The amendment says that the Secretary will have discretion to waive the provision which says that he cannot accept any new enlistment over 35. We have a letter from the Department of Defense saying they have no objection to the amendment. I understand that the chairman of the subcommittee has no objection, and that the chairman of the full committee and the ranking minority member on the committee have no objection.

Mr. DICKS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BEDELL: Page 20, after line 8, add the following new section:

SECRETARY'S DISCRETION ON ACCEPTANCE OF ORIGINAL ENLISTMENTS

SEC. 805. Section 505(a) of title 10, United States Code, is amended by inserting before the period at the end of the first sentence the following: ", except that in the case of any qualified, effective, and able-bodied person desirous of original enlistment into the regular armed forces who is over thirty-five years of age, the Secretary, at his discretion, may waive the age limitation on original enlistment provided for in this section.".

☐ 1450

Mr. BEDELL. Mr. Chairman, this amendment does exactly what was stated previous to the reading of the amendment and the amendment as it was read. It simply gives the Secretary the discretionary authority if he wishes to do so to waive what is now in the statutes, which prohibits him from accepting any enlistments of anyone over 35 years of age.

The Department of Defense has written that they have no objection to the amendment.

It is my understanding that the gentleman from Texas, who is the chairman of the subcommittee has no objection, and it is my understanding that the chairman and the majority leader do not have any objection to the amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, the gentleman from Iowa (Mr. BEDELL) approached me last Thursday on this particular amendment. I did make contact with the Department of the Army to try to ascertain their attitudes on this, the Secreary of Defense. I have a letter from which I would like to read some paragraphs to give their disposal. In the body of the letter they say:

> Such discretionary authority provides a degree of flexibility where none currently exists, and is therefore unobjectionable to us. We must note, however, that we would be extremely cautious in utilizing such waiver authority. The 35 year maximum age

for enlistment recognizes the special characteristics and requirements of military life.

They go on to talk about the requirements of physical needs and also that they may have some problems as far as retirement within 20 years, as far as the 35 year age.

My particular position is that I am not objecting to it. I do not see that it really adds anything. I do not know that it detracts anything from the particular bill; but the gentleman from Iowa (Mr. BEDELL) has approached us with good faith. It applies to enlistments for E–1 and E–2. I do not foresee that this would be an episode or an area wherein there would be many that would apply. I think last year I was told that there were 95 persons who enlisted as E–1's in the Army.

So at this time, I take no particular position on this measure.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I would be glad to yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I must rise with some degreee of reluctance to oppose my good friend from the State of Iowa on this particular amendment.

In the first place, let me inquire what the gentleman wants to do. Let us say we had a 40-year-old man that wanted to enlist in the Army or a 50-year-old man; this would cover him, am I right?

Mr. BEDELL. No, this would not, if the gentleman understands. This gives the Secretary the discretion if that 50-year-old man is someone who he feels he should let into the Army to do so. This in no way mandates that the Secretary has to do anything, and I guess it would be my opinion that with our needs that we have in the services, for us to legislate where we tie the hands of the Defense Department and not let them have the freedom to do as they wish to do according to what is best in their eyes, I would be pretty shocked if we were to do so.

Mr. NICHOLS. Well, I say to the gentleman, I appreciate the fact this is a discretionary situation with respect to the respective services; but I cannot imagine really anyone 35 years and older who would want to come into the Army at an enlistee pay of $500 a month as an E–1.

Second, we only recruited about 95 people last year who were 35 years of age. I feel that the figure would be substantially less when we go above 35; but beyond that I would call to the gentleman's attention that in the services we have had some real embarrassing problems with our recruiting people. In the Army alone we have had better than 393 recruiters who were actually relieved of duty.

It seems to me that to place this sort of a situation at the discretion of the Army and later at the discretion of the recruiting officers, that we are just asking for trouble.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BEDELL) has expired.

(At the request of Mr. NICHOLS, and by unanimous consent, Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr. NICHOLS. Mr. Chairman, if the gentleman will yield further, I think we would be asking for trouble and that there would be additional pressure on a particular recruiter to achieve his quota. I am just very much concerned about it. I see no need for the amendment. I would have to oppose it, I say to the gentleman.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sympathetic with the sentiment of the gentleman's amendment, but it seems excessively vague. Perhaps if we could engage in a colloquy it would help me to understand what we are trying to do.

Does the gentleman propose any age cap whatsoever in his amendment?

Mr. BEDELL. This would leave this completely at the discretion of the Secretary.

Mr. MITCHELL of New York. So it could be an individual theoretically who was 65 or 95 or any age?

Mr. BEDELL. I do not think the gentleman thinks that the Secretary would be likely to let someone in at age 65, unless the Secretary felt that because of the special capabilities that that person 65 had that it would be to the advantage of the Defense Department to let him in and, if so, I question whether we should be telling him that he cannot do so.

Mr. MITCHELL of New York. Is the gentleman aware of any precedent for removing the age cap on this type of employment? Is the gentleman aware of any other service that does it, any other country that does it, any law enforcement agency that has removed the age cap?

Mr. BEDELL. No; but this gentleman is not even aware of what age caps may exist in foreign services and so on; so I do not know.

Mr. MITCHELL of New York. Almost all police agencies and military services have an age cap for enlistment or beginning employment.

Mr. BEDELL. Does the gentleman know, if the gentleman will yield further, is there discretionary authority in those age caps or not?

Mr. MITCHELL of New York. I do not think there is generally. I think it is a fixed number.

Mr. BEDELL. Does the gentleman know?

Mr. MITCHELL of New York. I know that there is no flexibility for officers. For example, medical officer, 35; chaplain, 34; judge advocate, 32; medical specialist, 30. I know those to be inflexible.

Mr. Chairman, if I could reclaim the balance of my time, I would like to point out to the gentleman that under present law it is impossible to bring anyone into the enlisted service without starting them out at the very bottom. He has to participate in a very strenuous, rigorous program of basic training. I am greatly concerned that an able-bodied man of 55 might not be able to keep up with an able-bodied man of 18 years of age. I think we would have to make some sort of changes in our basic training for these individuals.

He also would be starting out at a salary, as the chairman pointed out, of something like $6,000 a year. He would have to remain in grade, without making changes in the program, for 2 or 3 years. In other words, he would be an E–1, he would be an E–2 for the next 2 or 3 years, and E–3 for 2 or 3 years. It would take him, if he started at 50, probably until 60 some before he was even up to E–6.

We would also need some mechanism for the Secretary to determine whether individuals were "qualified, effective, and able-bodied."

I am concerned, too, about the expression, "able-bodied." Is this in the statute currently? Do we require that now?

Mr. BEDELL. Mr. Chariman, will the gentleman yield further?

Mr. MITCHELL of New York. Yes, I yield.

Mr. BEDELL. This was taken from what is now in the statute.

Mr. MITCHELL of New York. It is now in the statute, "able-bodied"?

Mr. BEDELL. That is where we took it from in this amendment; yes, sir.

Mr. MITCHELL of New York. I do not think it is. I am not aware that it is, at any rate.

I understand, Mr. Chairman, what the gentleman is trying to accomplish, but I suggest that it would be or should be finely tuned further before adoption. I have serious doubts if this vehicle is going to provide the desired results.

I would urge my colleagues to vote against it.

Mr. BEDELL. Mr. Chairman, will the gentleman yield further?

Mr. MITCHELL of New York. Yes, I yield.

Mr. BEDELL. Mr. Chairman, I appreciate the gentleman's statement. The concern I have is this, as a Member of Congress and a citizen of the United States. This is an amendment which gives the Secretary the flexibility if he sees it in the advantage of the Department of Defense to grant an exception. The Department of Defense has written a letter indicating that they would not very frequently grant such an exception, but that they have no objection to such an amendment. It really disturbs me, frankly, if what we are going to do on the floor of the House is tie the hands of the Department of Defense and tell them what they can do and cannot do in terms of letting in people that they feel would be to their advantage to let in, at the same time that we have such tremendous manpower requirements in our services.

I thank the gentleman for yielding.

Mr. MITCHELL of New York. Mr. Chairman, I would respond to the gentleman that we should allow the Secretary of Defense some flexibility in determining who does enter the services; but prior to accepting anything like this amendment, I think we would have to make many major changes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BEDELL).

The amendment was rejected.

□ 1500

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment, and I ask unanimous consent to return to title VIII for that purpose.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ICHORD. Mr. Chairman, reserving the right to object, this so often occurs when a bill goes over for 2 or 3 days and the Members get a second breath. I would like to know what the gentleman is going to offer.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman.

Mr. DORNAN. I certainly respect the gentleman's inquiry. I submitted to the chairman of the distinguished committee and also the ranking minority member my amendment. It is a very simple study on ways to increase incentives for volunteers to join our military, including tax incentives.

Mr. ICHORD. It does not deal then with a subject which we have already considered and had ample time to debate?

Mr. DORNAN. No.

Mr. ICHORD. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Dornan: Page 20, after line 8, insert the following new section (and redesignate the succeeding sections accordingly):

DEFENSE MANPOWER STUDY OF LIFETIME TAX CREDIT ENLISTMENT INCENTIVE

Sec. 807. (a) The Secretary of Defense shall study possible programs for the use of increased financial incentives for encouraging individuals to voluntarily enter military service, as an alternative to resuming induction under the Military Selective Service Act, in order to improve the quality and increase the quantity of individuals entering military service. The Secretary shall include in the consideration of possible increased financial incentives for voluntary military service the granting of lifetime tax credits based on the length of an original enlistment in the Armed Forces. Such study shall specifically consider the desirability of a program establishing a five percent tax credit in the case of an original enlistment of two years and a ten percent tax credit in the case of an original enlistment of four years.

(b) The Secretary of Defense shall submit to the Congress a report on the study required by subsection (a) not later than January 20, 1981.

Mr. DORNAN. Mr. Chairman, my amendment is simple. It will commission the Secretary of Defense to study possible programs to increase financial incentives for encouraging individuals to join military service, including the use of tax credits.

I offer this amendment for one reason: I want to see a strong and effective volunteer military survive. I do not want to see the volunteer concept collapse simply because we in the Congress were not imaginative enough or resourceful enough to do everything humanly possible to save it, by investigating every possible alternative, before reintroducing the military draft. My amendment does not authorize anything other than an econometric analysis of the problem in order to determine if, with the right economic incentives, the volunteer service can continue to function.

On June 30, 1973, the United States returned to the concept of the all volunteer military. Whatever else may be said about the circumstances surrounding that decision—including our unsuccessful involvement in Southeast Asia—that measure was, in actuality, a return to our time honored political and military tradition. Before 1947, conscription had only been employed in times of national emergency.

Recently, a number of well-informed critics have properly called attention to the shortcomings of the All-Volunteer Fore (AVF). No one can deny that the AVF has serious problems, including manpower shortages and a decline in the overall quality of discipline and competence among military personnel. Manpower attrition from mental and physical disqualifications has increased, and the age group from which military recruits have been drawn has shrunken. At the same time, we are all aware that the Soviet Union has been pursuing a relentless and massive military build-up in conventional, as well as strategic, arms.

The Soviet Army alone, a well-oiled military machine that I have had the opportunity to observe during several trips to the U.S.S.R., is at least twice the size of the U.S. Army. I was especially impressed in Russia by the physical appearance of the young Soviet troops; lean, strong, and clear-eyed young men, exuding an admirable self-confidence and elan, and obviously trained according to the canons of a rigorous discipline.

Given the problems with the AVF it does not mean that we should precipitously move toward the drastic measure of scrapping it, and reintroducing the draft or compulsory national service. Instead, we should press for measures to reform the All-Volunteer Force, making it an attractive alternative which satisfies our military manpower needs while reducing or eliminating outstanding personnel problems.

My amendment also provides for the analysis of a lifetime tax credit of 5 percent on the taxable income of any person who enlists for a period of 2 years, and a 10-percent lifetime tax credit for any person who enlists for a period of 4 years.

The lifetime tax credit could effectively make military service a lifetime investment. Those young men and women who believe that for one reason or another, they will achieve an above average income in their future years will have an even greater incentive to enlist for 2 or 4 years, temporarily bringing their talents to the military rather than the private sector. Market incentives play a dynamic role in decisionmaking in other sectors of our economy, so there is no reason why an increase in military career incentives should not play an equally dynamic role in strengthening our overall armed services manpower.

The economic benefits for the enlisted man or woman are obvious. The benefits for the military go beyond a simple increase in the number of enlistments. The greater incentive for a 4-year enlistment will, in the long run, reduce the high rate of turnover that currently plagues the Army, and will thus reduce related training costs.

A military tax incentive plan should be studied intensively. I believe it would be a great service to the military. It would encourage an increase in "up front" enlistments, a stabilization of turnover, an easing of training costs, a stimulation of the demand for military service, and a broadening of quality in the available manpower pool from which the services recruit. Increased demand for service among potential recruits would enable the military to exercise greater selectivity in the induction process.

I ask for the adoption of the amendment. I would also like to submit an editorial from the Porterville, Calif., Recorder on my proposal:

Volunteer Military Can Work

During the recent congressional debate on draft registration several innovative ideas emerged which deserve more serious consideration than Congress is likely to give them. One of these, offered by Rep. Robert Dornan, R-Los Angeles, suggests the use of tax incentives to attract quality personnel to the armed forces. If nothing else, his idea is immeasurably better than reinstituting conscription.

In a nutshell, Dornan's idea is to offer a lifetime tax credit to anyone willing to enlist voluntarily and serve in the military. His bill, H.R. 4080, provides a 5 percent tax credit to any person serving two years and a 10 percent tax credit to four-year enlistees. The credit would be applicable on all future taxable income for those who complete their full term of enlistment and are honorably discharged.

Dornan's tax credit concept has merit. First, it makes military service a lifetime investment, as the congressman likes to say. Today military pay, especially for first-time enlistees, has been permitted to slip far behind what it would be expected to be had it kept in line with inflation. Bringing that pay level up to a level necessary to compete with the private sector will offer potential recruits an incentive for today. The tax credit idea will add to that incentive the potential that they will benefit for the rest of their lives because of the decision to serve today.

The tax credit idea might also solve one of the military's hardest problems: attracting quality men and women to do the highly skilled jobs needed by a technically sophisticated military force. Today the more income someone expects to make in the future the greater sacrifice it is to spend four years in the military. Dornan's idea will make it profitable for those with high intelligence and the expectation of better-than-average future income to serve in the armed forces.

There are many who believe that a profit motive should not be a factor in attracting recruits to the armed forces. They talk in lofty terms of patriotism; inexplicably they are often the same people who are calling for resuming the military draft. It strains logic to figure out why people who believe it distasteful to induce people to volunteer by the promise of monetary reward at the same time support the notion that young people should be dragged, kicking and screaming, into military service against their will. It is hardly something that encourages patriotism.

Milton Friedman has pointed out that the all-volunteer force is not a failure. What has been a failure is Congress; it has permitted the pay level of recruits to slip so low, because of inflation, that young people no longer want to join. Now these same members of Congress, who have permitted their own tax-supported salaries to be eaten away by inflation, are calling for resumption of an institution that was long considered inconsistent with the basic ideals of the nation—military conscription.

Dornan's tax credit idea offers a method of maintaining an all-volunteer force without raising taxes. It would likely encourage those who join the military to stay for at least four years, thereby cutting down training costs. Instead of offering recruits more federal handouts, in the form of veterans' programs, Dornan's proposal offers them more future freedom to keep and spend their own money. It is a good idea.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. Goodling and by unanimous consent, Mr. Dornan was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I am glad to yield to the gentleman.

Mr. GOODLING. Mr. Chairman, I merely want to say that I introduced legislation last year that would help take care of this situation, which would get us back to 1946 when we needed a tremendous increase in manpower to bring everybody home and to get the replacements in place. I happened to be one of those, and the incentive was an 18-month period with excellent benefits as far as schooling was concerned. It worked beautifully then and I think it would work now. But we are piddling around and not making much effort to do anything to improve the volunteer situation now, which is anything but good.

Mr. DORNAN. I appreciate the gentleman's contribution. This has become part of the legislative record and my amendment, although simple, is broad enough that it would certainly take into account not only the incentive of an 18-month short-term enlistment as an inducement, maybe a year, and maybe some different approaches to the Reserve. I would also remind the gentleman that the distinguished Nobel Prize winner for economics, Dr. Milton Friedman, has said over and over again, that there are very few problems that a market incentive will not remedy. I think that this problem is amenable to market relief. The gentleman's suggestion deals with tenure, and I think it is an excellent one.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

Let me respond to the gentleman from California (Mr. Dornan), whom I respect very much, by saying that I must oppose the amendment. I would call to the gentleman's attention that, although I do not know of any formal study that has focused in particular on the tax incentives that might attract young people into the service, the report on this authorization bill already directs the President to study the effects of classification and examination on recruiting, and to study the effects of spending those same funds on advertising and enlistment and reenlistment incentives.

□ 1510

This report is due to the Congress by December 1, 1980, and I would much prefer that the gentleman withhold his amendment until we can see exactly what these recommendations might be.

Second, and I suppose this would be even more important, my analysis of the average inductee indicates that we are trying to enlist in today's military the 18-year-old, the man who is, ideally, just out of high school, although he may be a dropout. I just say to the gentleman from California that a tax incentive on down the pike is really not very much of an incentive to this typical inductee. I think he is much more concerned with green up front than he might be with tax incentives. I certainly support educational benefits; we are working on that, I will say to the gentleman from Pennsylvania and the gentleman from California.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from California.

Mr. DORNAN. I appreciate the gentleman's yielding. I appreciate the gentleman's analysis, and I would concur, without demeaning some very bright 18-year-old men and women, that it has been suggested to me in some of the high schools in my district that rather than a lifelong tax incentive that might involve thousands of dollars, a brand new Honda Elsinore dirt bike, or a four-wheeled Bronco vehicle up front would be an immediate and snazzy inducement. I notice in my own five children a tremendous growth in their vista in using a hand calculator in their 19th, 20th, and 21st years. When simple arithmetic problems are worked out on the calculator, as I said in my statement, they can induce an older and high quality inductee. However, may I make a suggestion. If my amendment is voted down, or even beforehand if that is possible, I would like to suggest that somehow the language of my amendment be incorporated under this excellent subcommittee's language in this manpower area, so that the same study team that will be studying advertising inducements to enlistment might also include financial incentives. That very team, I am sure, would be just as qualified to handle my idea by maybe adding to the team 1 or 2 economists who could do the econometric study I have asked for.

Mr. NICHOLS. Let me respond by saying that the study is directed in report language, and modifying that language at this time would be impossible. But I will say to the gentleman that I have no objection to signing a letter asking that tax incentives be incorporated in the study. But let me make one final point. I suggest that tax incentive proposals might better be addressed by the tax-writing committee, the Committee on Ways and Means, rather than the House Committee on Armed Services. I would have to reluctantly oppose the gentleman's amendment.

Mr. DORNAN. Would the gentleman yield one more moment?

Mr. NICHOLS. I yield to the gentleman.

Mr. DORNAN. I would agree if I were asking for enactment of these tax incentives. But all I am asking for is their official analysis as a voluntary inducement to military enlistment. Therefore, I do not see a Ways and Means application at this point. We are now just searching, as we all do desperately, rather than reinstituting the draft. This is true—even for those distinguished Members who are for registration as an emergency back-up. If we could make the voluntary military work, if we could induce both enlistment incentives and something to enhance the patriotism we have seen recently because of the illegal abuse of American people overseas, anything to make the voluntary military work, it would be preferable in a period of peacetime.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding. I would like for the gentleman from California (Mr. Dornan) and also the House to know that in this legislation we have added an amendment creating a test program for educational benefits to attract young men into the service. We would like to see how this test program serves to attract enlistees.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Montgomery, and by unanimous consent, Mr. Nichols was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. If the gentleman will yield further, it is a rather expensive program. By serving 4 years, service personnel would be entitled to up to $15,000 in educational benefits either for himself or for his dependents, and the entitlement could be used over a 10-year period. Although it is a test program, I believe it would attract enlistees. I think we ought to try the educational program and see how it works.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Tennessee, a member of the committee.

Mr. BEARD of Tennessee. I thank the gentleman from Alabama. I would like to just take this opportunity to ask the gentleman, if he has not, to cosponsor my resolution calling for a joint select committee to study the All-Volunteer Forces. As to looking for long-term solutions, I would suggest at this time to people who are interested and concerned that we have a critical problem.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Beard of Tennessee, and by unanimous consent, Mr. Nichols was allowed to proceed for 1 additional minute.)

Mr. BEARD of Tennessee. If the gentleman will yield further, one of the most critical problems we still have is a Secretary of the Army running around saying we have the best quality Army ever, totally misrepresenting the facts to the American people. Yet all the statistics indicate a critical situation at this time. We need to find out. I do not know if the test program of educational benefits is the solution, or a reprograming, or more advertising. The gentleman's approach may be the solution. It may involve the House Committee on Ways and Means members. It may involve some Government Operations Committee members. I do not know. But we have got to start finding a solution, and I would hope and encourage Members to join my resolution calling for a joint select committee, on which I now have over 100 cosponsors.

Mr. DORNAN. If the distinguished gentleman from Alabama will yield, I am a cosponsor of Mr. BEARD's legislation. With all due respect, I must say to the committee members, because I may press for a vote here, that this idea of a tax incentive for military service is so imaginative that I have not found one Member able to formulate a criticism in a year and a half. I would like to give it a try in a formal Pentagon study.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I agree with the gentleman's goal of establishing some sort of mechanism to improve our ability to attract and retain individuals for our voluntary services, but I do not agree with his method. At the age level and income level of the enlistees, I do not feel tax relief is a big-ticket item. I think our tax structure, except for young people like the gentleman's children, is rarely understood by people of this age. They have had little experience with it. Their income level is very low. I do feel some of the methods we use now can be used more effectively, however. We can use up-front money, enlistment bonuses, educational benefits as has been mentioned. Both are now being used, but they can be sweetened if we need to do it, to encourage enlistments.

I agree that the gentleman's amendment would help in retention. As incomes increase and people become more aware of the tax burden, they do become more sympathetic with this concept. But even in this instance, Mr. Chairman, I think there are better incentives like reenlistment bonuses, improved health care, improved allowances, and educational opportunities.

I would like to mention to the gentleman, too, that in the hearings we have had where we have listened to the complaints and suggestions from individuals in the services, I have never heard anyone ask for tax relief. The gentleman mentioned that it was imaginative, and it might well do what he thinks it will, but so far the people we have talked to at least have not felt a need for it. I would like to point out, too, to the gentleman that the Secretary of Defense is continually looking for ways to improve our ability to attract and retain individuals. I do not think he requires an additional directive to do this. There is a requirement in law that every single year the Department of Defense make an annual review of the adequacies of the pay and allowances of our armed services, and every 4 years he is directed to review the entire pay structure. So I think one thing we have done is to study this problem to death. I would like to do a little more of what we are doing now and do it better. I think probably that would solve the problem.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman.

Mr. DORNAN. I thank the gentleman for yielding.

Mr. Chairman, sensing the tremendous loyalty of this committee on both sides of the aisle even before we go to vote, let me take advantage, before the fact, of the gracious offer of the distinguished gentleman from Alabama and now ask if my distinguished ranking minority member would cosign a letter that the gentleman has offered to send to the Pentagon, asking if they would include, even in the most cursory way, an analysis of tax incentives as an inducement for enlishment. I expect that such an analysis would focus not only on the older teen-ager, but also the men and women in their young twenties. I hope we can determine if there is any merit in this, to induce our young people to volunteer to serve in our military.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. MARRIOTT

Mr. MARRIOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARRIOTT:

TITLE X—RESPONSE TO MX/MPS SYSTEM IMPACT BY THE SECRETARY OF DEFENSE

SEC. 1000. The Secretary of Defense may not use any land made available for the deployment of any part of the MX/MPS system until the Secretary of Defense has provided Congress and the States affected by the system with the following—

(1) A report setting forth specific social, economic and environmental impacts of the MX/MPS system on the people, lands, and resources affected, and detailing the amount of public land to be partially or completely closed to any or all public use, and setting forth any circumstances which would require the use of area security, rather than point security, for the system;

(2) A proposal outlining the methods of addressing the social, economic, and environmental impacts of the MX/MPS system so as to minimize the negative effects of such impacts, including specific steps that can be taken to eliminate delays in delivery of necessary impact aid funds to affected states, counties, and communities;

(3) A study of the feasibility of basing parts of the MX/MPS system in more than two States, so as to minimize the social, economic, and environmental impacts on any single State.

Mr. ICHORD (during the reading). Mr. Chairman, the Clerk is reading an amendment that would come to title III. There was no unanimous consent request. We have no copy of the amendment. I would reserve a point of order at this point so that we can examine this amendment.

The CHAIRMAN. The gentleman from Missouri reserves a point of order.

The Clerk concluded the reading of the amendment.

☐ 1530

The CHAIRMAN. Does the gentleman from Missouri wish to be heard on his point of order?

Mr. ICHORD. I do, Mr. Chairman.

Mr. Chairman, I have now had the opportunity to examine the amendment presented by the gentleman from Utah (Mr. MARRIOTT). I observe that the amendment applies to the MX–MPS system which is contained in title II and was fully debated by the committee.

The gentleman sets up a new title X applying solely to MX lands.

Mr. Chairman, I would raise a point of order against the amendment on two grounds. First, the amendment is not now in order as a separate title X. It should have been offered to title II.

The gentleman would have to ask unanimous consent to open up the MX issue.

Mr. Chairman, as a second ground, fully appreciating the good and honorable intentions of the highly esteemed gentleman from Utah in offering this amendment, I make the point of order that the amendment is not germane to the legislation under consideration today since this bill in even a remote respect, Mr. Chairman, does not authorize the acquisition of public lands in any fashion, nor are the agencies of Government concerned nor the public lands within the jurisdiction of this bill.

If we examine the amendment, the gentleman deals strictly with three conditions for the withdrawal of land. Therefore, such an amendment would not properly find its place in H.R. 6974. In fact, Mr. Chairman, the law is such that if we make a withdrawal of land over 5,000 acres it has to be done by other legislation. I am constrained, even though appreciating the good intentions of the gentleman from Utah, to make the point of order that the amendment offered by the gentleman from Utah (Mr. MARRIOTT) is not germane to the bill under the provisions of House rule XVI, clause 7.

Mr. MARRIOTT. Mr. Chairman, we do believe the amendment is in fact germane. We have redrafted the language to be germane and I would ask for a ruling on it.

Mr. SEIBERLING. Mr. Chairman, as I understand it, at the time the Simon amendment was offered it was originally combined with a provision similar to the amendment by the gentleman from Utah. It was suggested at that time by the Parliamentarian that it could not contain language like the amendment of the gentleman from Utah because it dealt with a different title of the bill. As a result the amendment of the gentleman from Utah was, therefore, separated from the Simon amendment with the understanding it could be offered at the appropriate point in the bill.

So the first argument of the gentleman from Missouri (Mr. ICHORD) flies in the face of the fact that the Parliamentarian had previously indicated this was the proper way to proceed.

On the question of germaneness, Mr. Chairman, I would simply point out that there is no question in my mind that normally any question dealing with the public lands would come before the Public

Lands Subcommittee of the House Committee on Interior and Insular Affairs. I happen to chair that subcommittee. We had already had hearings on the MX and we are trying to have more in terms of the lands impact. Some of the features of the gentleman's amendment deal with the public lands impact in the context of the necessity of this particular basing mode for the weapons system, and it seems to me that that part of it at least is definitely germane to this bill.

Mr. MARRIOTT. Mr. Chairman, I thank the gentleman from Ohio for his comments.

The CHAIRMAN. The Chair is prepared to rule.

The Chair observes that the gentleman from Utah (Mr. MARRIOTT) has offered his amendment as a new title X, which is an amendment which must be germane to the bill as a whole and, the Chair feels that the amendment certainly relates to the bill, and that under the precedent a subject may be germane at more than one place in the bill.

The Chair also makes the observation that the amendment only addresses the authority of the Secretary of Defense to use any available lands for research on and deployment of the MX. Such an amendment is germane since it is not addressed to the question of the acquisition of public lands or the release of public lands by the Department of the Interior and since other authorities of the Defense Department are contained in the bill. Therefore, the Chair overrules the point of order raised by the gentleman from Missouri.

(By unanimous consent, Mr. MARRIOTT was allowed to proceed for 8 minutes.)

Mr. MARRIOTT. Mr. Chairman, this amendment is very simple and to the point. Simply stated it says that we will not withdraw public or private land for deployment of the MX/MPS system until the Secretary of Defense has provided Congress and the States with the following:

First, a report that sets forth the social, economic, and environmental impacts of the system on the people, lands, and resources affected, and

Second, a proposal outlining the methods of addressing these impacts, in order to minimize the negative effects of the program, and

Third, a study of the feasibility of split basing to minimize the impact on any single state.

There are three reasons why this amendment is necessary and proper:

First, the world's biggest project should not be built without a proposal to address impacts.

This is at least a $33 billion dollar project.

It affects an area larger than Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut combined.

The project is 2½ times bigger than the Alaska Pipeline and requires twice as much concrete as the Hoover Dam.

It is speculated that the project could affect 12.8 million acres of land.

It could require 10 to 12,000 miles of heavy-duty roads, equivalent to a super highway running across the United States four times.

Great amounts of water will be required from a highly arid region. The effects on State water law and water resources are uncertain.

Mining, mineral exploration, and grazing will be substantially affected.

Oil shale and tar sands, most of America's reserves, are located in the region and will be developed simultaneously with MPS.

MX will come in addition to the IPP powerplant, which has been approved for the same area.

IPP is the largest coal-fired powerplant in America.

Peak construction of IPP and MX will run simultaneously.

One hundred thousand people will relocate into the area during peak construction, with a permanent population increase of 25,000 thereafter. This will have the effect of quadrupling the present size of existing communities.

It would be very serious to repeat the problems we had at Kitsap County Trident Base, where impact aid lagged way behind the demand for services, and tax base lagged up to 18 months behind outlays.

MPS is 66 times as big as Kitsap, with a possibility of 66 times more problems. Without a plan, the impact could be devastating.

It is uncertain what problems will develop. The impact is uncertain, but obviously immense.

No project is acceptable in Utah and Nevada without an analysis of the impact and a proposal to deal with it.

We must spell out the impact, then work together with the States to review the options and then deal with the impact.

The people of Utah and Nevada should know—in fact, have a right to know—what the future holds for them.

This amendment will assure the people that dealing with the impacts will be a top Federal priority.

Second. This amendment will help avoid future problems and delays.

The Engle Act requires that no more than 5,000 acres of public land can be used for a defense project without an act of Congress.

So we will be asked to debate and vote on this issue in early 1981. That will be the big test.

This amendment will prepare us to deal with that debate. By addressing possible problems and impacts now and methods to deal with them, we will avoid future uncertainty, suspicions, delays, and yes, even lawsuits.

And we will further minimize possible problems in the future with the Public Lands Subcommittee who will be addressing land withdrawal.

This amendment will assure public support, remove the basis for opposing land withdrawal for economic and environmental reasons, and in the long run work to the benefit of a new land-based MPS system.

There is plenty of time to provide the impact statement, work on proposals to meet those impacts, and resolve split basing before construction begins in 1982. There is no reason for any delay.

Third. Finally this amendment simply puts into law the things the Department of Defense has already committed to do.

The passage of this amendment will show continuity and credibility.

It shows concern for the people impacted. It will assure the people of Utah and Nevada that the Government's word is its bond.

It will reassure them that dealing with possible impacts will be a top priority.

It will see to it that another Rock Springs, Wyo., boom town scenario will not repeat itself.

But without this amendment, we have more serious future problems.

A lack of preparation and planning will undermine public confidence, will raise serious questions, will invite even more opposition, will delay the project, and will ultimately hurt national security.

In summary, some would have us believe that this amendment will delay the project.

That is untrue. This amendment will expedite the project by providing answers to important questions now and avoiding future delay and uncertainty.

Some would have us believe that this amendment is unnecessary because the Department of Defense plans to do all of these things anyway.

If that is the case, there should be no opposition to the amendment, since it will simply reinforce the commitments of the Department of Defense and put to rest the minds of the people who will be impacted by the system.

The requirements of this amendment can be met and should be met as a matter of principle. I urge a favorable vote on the amendment.

☐ 1530

Mr. PRICE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is clear that a vote for this amendment is a vote to delay and, thus kill the MX. The sponsor originally intended to combine it with the Simon amendment, which was defeated last week, but was prevented from doing so because of the parliamentary situation.

All of the basing modes have been thoroughly studied, and the MPS—multiple protective structure—is the one which the President, the Secretary of Defense, the Air Force and the Defense Science Board have all supported.

The essence of the system is to have a mobile missile in a horizontal shelter that can be moved quickly. Whether we have a racetrack or a straight line road between shelters is really a tactical deployment variation. It does not change the essential character of the basing mode: a movable missile with a great many more shelters than missiles and the capacity to move the missile rapidly.

To say that you are going to go ahead with the missile but not the basing mode is not realistic. The heart of the system is the basing mode. There are only 200 missiles but 4,600 shelters. The purpose of the system is "location uncertainty."

Without the basing mode where would you put the missiles?

Stopping the basing mode stops the whole system. We should vote for the system or against it. A vote for this amendment is a vote against the system.

The Soviets deploy a vast number of huge missiles, far bigger than ours, with first-strike potential. But when we devise a system to respond to that threat there are those who say, "Oh, we must not build it—it is a first-strike weapon—it is destabilizing."

The fact is that the MX would contribute to efforts for arms control because it is a system that has only 200 missiles. By using mobile missiles with many shelters and only a few missiles, its chief emphasis is to prevent a first-strike capability on the part of the Soviets. As such it would contribute to arms control efforts.

It is the growing Soviet threat that is destabilizing the strategic balance. Nothing would be more destabilizing than clear nuclear superiority on one side. If we do not modernize our land-based system the Soviets will gain such superiority.

People call MX the shell game. It is true it is like the old shell game. But do you remember when you were a young man and went to the carnival and watched the old shell game? You never could be sure which shell the pea was under. By creating that kind of uncertainty we would deny the Soviets a first-strike capability and add to strategic stability.

The amendment is another effort at delay and should be defeated.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, I have a great deal of respect for the chairman. I understand where he is coming from, but this is not an effort to defeat the system. It does not address the system. It only says that before we start building it in 1982, we at least know what the impact is; that we address the impact and that we just look at whether we might want to base it in more than two States.

My record for defense voting is as good as the chairman's. I am not trying to kill the system, but I think this is wrong, to say that this is an attempt to kill it. It is not the purpose. It is an attempt to protect the people who live in that area.

Mr. PRICE. If the gentleman votes this way, his record will not be as good as the chairman's. He will have made a mistake. I would like to sit down with the gentleman and convince him of that.

Mr. MARRIOTT. I would be delighted.

Mr. CARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Utah a few questions, because I do not regard his amendment as an effort to give away the candy store to the Soviet Union. I think that is an unfair characterization of the amendment, but as I listened to what the gentleman's study would accomplish, I must say that I did not hear anything other than what the Secretary and the Department of Defense already has to study under the NEPA.

□ 1540

If it does not make a contribution by way of adding new subject matter beyond what is already required by an EIS statement under NEPA, I am wondering, why are we having the amendment?

Now, on the other hand, if there is some new criteria that the gentleman is proposing to have studied or some new facet, I could see where the amendment might have merit, particularly to those of us who are on the Subcommittee on Public Lands who are going to have to probably make some decisions about the land withdrawal question.

So, could the gentleman enlighten me as to this? What is there about his study that is different than the existing environmental impact statement?

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, I am not asking for any studies that are not already underway or in process of being completed. We are asking for a report to Congress and the States on those studies.

It is different from NEPA in that, we are then asking that the Department of Defense and the Federal Government come up with some proposals to deal with those impacts. Once we know what the impact is, and how it will affect the people, the land, and the resources, we can begin work on specific proposals to deal with the problem.

That is what the amendment says. It is a protection for the people in the area who feel that they have not been fairly dealt with and that we are moving full force ahead without any understanding of what the impact is and how we are going to deal with it.

Mr. CARR. Mr. Chairman, let me remind the gentleman that the National Environmental Policy Act requires the assessment that the gentleman states is his No. 1 criteria. And, No. 2, NEPA says that the Department will have to examine alternatives so that it will be able to mitigate any environmental damage. So the gentleman's second element is at least there.

Whether it is a report that is filed under NEPA, certainly EIS statements are in a sense reports to the American people, including the States and the people who live in the area individually, and to the Congress. We will be inundated with those reports. They will be very thick and voluminous.

Mr. Chairman, it seems to me that the gentleman's amendment mainly has as its new element beyond existing law the item about whether it should be in two or more States, and it seems to me that that can be accomplished through less formal means.

Mr. Chairman, would the gentleman respond to that?

Mr. MARRIOTT. Mr. Chairman, if the gentleman will yield further, I can only say that if the gentleman's argument is that the Air Force is going to do all those things they have promised us they will do, he should have no objection to simply reinforcing that in this authorization.

My concern is that I am not sure that the present process is quite that cut and dried, and I just want to simply protect the people in the West so they can feel like they have a partner in the Government, and that we are not going to railroad them into this without some feedback and without studying the impact. That is all the amendment does.

And, No. 3, on split basing, that has not been resolved, and it will not be resolved until the study is in sometime during the latter part of this year.

Mr. CARR. Mr. Chairman, I would say to the gentleman, having had this colloquy, that I would then have to oppose this amendment, because I think rather than helping the people of Utah, there would be further obfuscation. I think the gentleman certainly knows that I will do everything I can to help him and his people out there to get a full and fair hearing on this matter.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CARR) has expired.

(By unanimous consent, Mr. CARR was allowed to proceed for 3 additional minutes.)

Mr. CARR. Mr. Chairman, yet I think we are not helping the people by putting in another requirement. Certainly the gentleman makes a point in asking, "Well, what is the harm?" Well, I think the harm somewhat is that we are going to run the DOD through another hoop which will cost money and which will not really prove anything.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield further?

Mr. CARR. I will be glad to yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, the present law, as I understand it—and perhaps the gentleman from Ohio (Mr. SEIBERLING) can clarify it—does not require DOD to provide proposals to deal with impacts, and that is what we are trying to get to in No. 2.

Let us have some specific proposals on how we might deal with these new impacts, that are now very vague. That is the bottom line of the amendment. I do not think we are treading on dangerous ground with NEPA.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the subcommittee chairman, the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, it seems to me that the first paragraph of the amendment in effect duplicates what is contained in an environmental impact statement.

One of the troubles with the way in which we are handling this is that we were told by the committee chairman and by the Secretary of Defense that approval of this authorization bill means that the Congress has made the decision to go ahead with this, and yet the Defense Department told our subcommittee that they would not have an environmental impact statement until November. That means that if the distinguished gentleman from Illinois (Mr. PRICE) is right, we are being told, "Never mind the impact. Never mind the environmental impact statement." If so, the EIS is going to be merely an exercise, because we are making the decision now before we know what that impact is.

Mr. Chairman, the second paragraph of the gentleman's amendment, it seems to me, gets to the point that I tried to make in the debate on the Simon amendment.

There has been no effort to any significance so far by the Defense Department to develop, with the other branches of the Government, a coordinated plan to deal with the tremendous economic, social, financial, and other impacts of this plan. By mandating that such a plan be developed and submitted, we would then begin to see what the total cost to the Federal taxpayers and to the people in the States of Nevada and Utah is going to be.

Of course, the third paragraph, insofar as it requires a feasibility study, goes beyond what an environmental impact statement would do. I do not understand the gentleman from Illinois' statement that this would delay the implementation of the MX, because that is what the Defense Department is supposed to have done already or would do in preparing an EIS.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. Ichord was allowed to proceed for 3 additional minutes.)

The CHAIRMAN. The gentleman from Missouri (Mr. Ichord) is recognized for 8 minutes.

Mr. ICHORD. Mr. Chairman, let me state to the members of the committee that I must agree with the gentleman from Michigan (Mr. Carr). I think he has put his finger on a point that is very important, regardless of whether one looks with favor upon the MX system or whether one is opposed to or has grave questions about the MX system.

A few days ago, last week, when we considered this bill, the distinguished other Member of the House from Utah—and there are two Members from Utah in the House, the gentleman fom Utah (Mr. McKay), and the gentleman from Utah (Mr. Marriott)—Mr. McKay strongly opposed the Simon amendment. I feel very strongly that the gentleman from Utah (Mr. Marriott), as he stated, who is a strong proponent of defense, if he knew more about this system and had been exposed to the complicated facts of the system as has the gentleman from Utah (Mr. McKay), he, too, would be supporting the MX.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I will yield to the gentleman in just a minute because I well understand the problems of the gentleman from Utah. Many of his constituents are concerned about the MX.

Mr. Chairman, there are a lot of rumors, and there are a lot of misconceptions. I think there are a lot of misconceptions that exist in the minds of Members of this body.

□ 1550

For example, the gentleman from Utah was talking about the great amount of water—this is a misconception—that is going to be consumed by the MX system. We have the misconception that the MX missile system will consume billions of gallons of water over a 20-year period, creating serious environmental problems. The gentleman from Utah mentioned that.

The actual truth is that the MX missile will consume 13,000 acre feet per year. It will consume less water annually, I will say to the gentleman from Utah, than is required for the 12 or so golf courses in the city of Las Vegas.

The gentleman has talked about all of the cement. This is another misconception that exists. The gentleman said it will consume enormous amounts of cement—the gentleman from Nevada also raised this problem—and have an adverse impact on construction programs in the Far West. That, too, is a misconception. The fact is that the MX missile system during its peak year of construction will consume less than 1 percent of the cement that is presently used in the construction programs in the Far West today.

And the gentleman from Nevada expressed concern about the fact that the MX missile system will require tens of thousands of square acres of land. The fact is that the entire 4,600 shelter configurations will deny access of only 25 square miles; 25 square miles is approximately 15,000 acres. Unfortunately, the gentleman from Nevada and the gentleman from Utah represent States that are more ideally situated. I can understand the concern of their constituents and also the misconceptions and all of the rumors that are floating around among their constituents. But the fact is that we are only going to take out for grazing, I would say to the gentleman from Utah, about enough land that could not graze over 2,000 sheep and not over 375 head of cattle.

Now again, regardless of what your position is, the gentleman from Michigan has put his finger on the real reason why we should not adopt the amendment of the gentleman from Utah. In fact, I would rather have the Simon amendment than the amendment of the gentleman from Utah.

Let me state what you are doing. Your requirements are very, very vague. You are going to set up a ripe atmosphere for lawsuits to be filed ad infinitum, and to question whether the reports satisfy this amendment and I do not know what all you want from the reports; even the gentleman from Ohio (Mr. Seiberling) is not clear as to what is required by the reports—but you are going to have lawsuit after lawsuit after lawsuit that the necessary reports have not been filed to satisfy your very vague language. And for this reason I would hope that the Members of the House would defeat the gentleman's amendment because we already have had 30 studies. We are going to have the NEIS report to come in, as pointed out by the gentleman from Michigan, and I think this will satisfy the concerns of the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding.

Mr. Chairman, I do have great respect for the gentleman. I would only say, to answer his comment, I doubt there is anybody on the Armed Services Committee who has spent more time talking to more Generals, Lieutenants and Sergeants wading through more documents on the MX system than I have.

Second, not one of these missiles is in the district of the gentleman from Utah (Mr. McKay). Every one of these are in my district and in the district of the gentleman from Nevada (Mr. Santini).

So it does not matter what anybody is doing. I am the one responsible for my particular district.

Mr. ICHORD. If I may reclaim my time, I understand the concern of the gentleman and I appreciate what the gentleman is doing. I would point out that, unfortunately, from the gentleman's standpoint, anyway, unfortunately the gentleman from Nevada and the gentleman from Utah have the public land that can be used.

Otherwise you would have to go to private land for the building of the system. I think that the Members of this House would much prefer to have such a system located on public land rather than on private land if there is going to be a system located any place.

Mr. MARRIOTT. We accept that. We accept the fact that we will help defense, we will utilize our land for your missiles. All we ask is, let us know what the impact is. The Air Force does not even know what the impact is. Let us see a proposal to deal with that impact, and then we will be with you 100 percent.

Mr. ICHORD. Let me state and to clarify and to amplify a statement made by the gentleman from Ohio. The gentleman from Ohio well knows that this involves a withdrawal of greater than 5,000 acres of land, and there will have to be legislation come before the Congress and it will be considered by the subcommittee of the gentleman from Ohio. I would hope that the gentleman from Ohio would not want to muddy with this language drawn on the floor of the House. I do not know exactly what it is.

Mr. WRIGHT. Mr. Chairman, I seek recognition on this amendment with some reluctance, because I know how very important it is to my very good friend, the gentleman from Nevada (Mr. Santini), and to my friend, the gentleman from Utah (Mr. Marriott). I have to applaud them for wanting to be extremely careful that the interests and concerns of their constituents are well protected. But I am very apprehensive about this amendment. I will tell you why.

I was a coauthor of the National Environmental Policy Act of 1969. That is why I am apprehensive about this amendment. That is a confession on my part. I did not intend to slow down the energy development program in this country. But I did, as did others who voted for that act. I do not think any of the coauthors of that act intended for it to become the monster that it grew into.

I am sure that the gentleman from Utah does not intend for his language to be an engraved invitation to lawsuits, but I am afraid that it is.

The decision of whether to build the MX missile is an important decision. It is one that ought to be made cleanly and sharply. It ought to be made by the Congress, not by the courts. The Congress did decide overwhelmingly by a vote of 319 to 82 against the Dellums amendment—that is almost 4 to 1—that it intends to go ahead and build the MX missile.

If we do not need it, we ought not to build it at all. If we do need it, I simply cannot conceive of the Congress impeding its development and making national defense hostage to the refined skills of legions of lawyers. We have already seen in our Nation that legal delay can be a lethal poison.

Listen to the language: The gentleman proposes that the Secretary of Defense may not use any land made available for the deployment of any part of the MX missile system until that Secretary has provided Congress and the State affected with the following: A report setting forth the specific social, economic and environmental impacts of the MX system on the people, the land, and resources affected, and detailing the amount of public land, and other things.

It seems to me that this is a clear invitation to slow strangulation by endless litigation. We have seen this in our recent history, to our great sorrow. We certainly do not want to slow down national defense the way we have slowed down energy development. Yet that has happened to us, not because we wanted to slow down energy development, but because we passed laws that required vaguely described studies of the general type here proposed.

People took those studies into court and harangued endlessly over whether they were adequate studies under the meaning of the law. Senator JACKSON told me once that what he had in mind when he was the prime author of the environmental impact statement on the Senate side was a 1-page statement.

Now college students study for years, majoring in how to write environmental impact statements. That is what may happen here, I fear.

Let us just look back sadly over some of the unintended results that have impeded and bogged down our energy program because of similar vague language.

Litigation and regulation emanating from such language as this led to the delay of 5 years and to the final abandonment, after a $50 million investment, of the Sohio pipeline project.

Estimated delays in the Alaskan natural gas pipeline of about 8 years have resulted from litigation emanating from vague language of this character.

Simply a synopsis of the court decisions under NEPA takes up 237 pages of fine print in the United States Code Annotated. At least 100 energy projects have suffered long delays of more than a year as a result of that act.

□ 1600

More than 1,000 separate lawsuits have resulted.

Congress did not intend to hamstring our energy development, but we did it by requiring studies of this general kind. So I fear that this is, for all its good intent, a quicksand amendment from which we would wish vainly in future years that we could escape.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Having spoken in opposition to the amendment myself, I do somewhat disagree with the majority leader's characterization here. I would fear that he is leading to the impression that if we defeat this amendment, the Department of Defense will not somehow or other have to follow the National Environmental Policy Act and will not have to file an EIS statement.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(At the request of Mr. CARR and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. CARR. Also, that somehow or other, we are occasioning an obstacle to people filing lawsuits under existing law.

What I am saying to the majority leader is that I fear that the gentleman from Utah made too much of his amendment in one direction, and I fear the majority leader has made too much of it in a different direction. As much as the majority leader may decry the National Environmental Policy Act and how it has been implemented, I do believe the Department of Defense intends on following the law and filing an environmental impact statement and that certain legal challenges can arise therefrom and that defeat of this amendment in no way interferes with that, as much as the majority leader may not want that.

Mr. WRIGHT. Let me thank the gentleman for his reassuring comment, but I would simply respond that whatever existing requirements may lie upon the shoulders of the Department of Defense with regard to the MX missiles and filing of reports, they should be all the more reason why we need not proliferate additional requirements and superimpose new reports and new legal necessities upon the Department of Defense as an impediment or as a delaying factor.

We need no additional opportunities for obstruction, that would permit some eager barrister to go into court and claim that this report is not adequate, that it does not set forth sufficiently specific social, economic, or environmental impacts, or that it does not detail sufficiently the amount of public land to be partially or completely closed, or that it does not set forth all of the circumstances which might require the use of area security rather than point security. The potential for mischievous litigations concerns me greatly.

The gentleman from Michigan understands the vulnerability of laws of this kind to the skills of lawyers who are intent upon attacking the Government's projects in court. The gentleman is fully aware that there are lawyers in this country who do not want us to build the MX missile system for reasons wholly apart from the environment.

Mr. CARR. If the gentleman would yield further, I would say to the majority leader that my interpretation of the Marriott amendment really is that the report required by the amendment would be nothing more than is already required by EIS and would probably not occasion any other further vexacious lawsuits other than those which probably will be filed in any event. I would just hate to have the defeat of the Marriott amendment, which I urge, be interpreted in some way as a waiver of EIS.

Mr. WRIGHT. If the gentleman will vote "no" on the Marriott amendment, and I shall vote "no" on the Marriott amendment, and he and I may explain it in our respective ways, that will be perfectly satisfactory with me. We oppose it apparently for different reasons. My reason is that I am unwilling for a vital defense program to be made captive to legalized obstructionism.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, rise in opposition to the amendment. I can certainly understand the desire of the gentleman from Utah to protect his own district and to protect his own turf, but I think what we are facing here today is another test of whether a democracy really has the capability of defending itself in time.

We spent some time the other day discussing the MX system. It is required and essential, because our land-based Minuteman missiles have become vulnerable to a first strike by the Soviet Union; so it is important that we proceed as quickly as possible to put an end to that vulnerability, and that is what the MX system is designed to do. At best, it will not be available until 1986, and if it takes us any reasonable amount of time, as the gentleman from Texas has already indicated, to get through this maze of reports and environmental statements required by the amendment of the gentleman from Utah, then clearly we may find ourselves with a much larger "window" during which we remain vulnerable to a Soviet missile attack.

After all, the important test we face today is whether this Congress can begin now to build our defenses to the required capability that we need to deter Soviet aggression; or whether we must wait until they have already attacked; as some people have suggested we ought to do, with regard to our manpower: wait until we are attacked, they have counseled us and then we can begin to mobilize and begin to register.

I wonder, Mr. Chairman, if we would

have been able to respond to the thrust against us in 1941 by the Japanese had we had to file an impact statement of what would have happened in New Jersey when we put Camp Dix down there, or what would have happened to the environment on Cape Cod when we put Otis Air Force Base down there. Or what would have happened in Colorado when we set up Camp Hale for training our ski troops.

Certainly, we have an overriding obligation to do whatever is required to protect our country, and to present a credible deterrent to the Soviet Union. Much as one may sympathize with the problems that may be created in this publicly owned lands in Nevada and Utah, I think, as responsible Members of Congress, we have no alternative but to vote down the amendment.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I regret to impose upon my colleague, but I have been involved in the budget conference and have not been able to take part in the debate. It seems to me what we are being requested by the gentleman from Utah, in behalf of himself and his colleague from Nevada, is simply that the two congressional districts directly impacted by this ought to have the chance to know for sure what the facts are.

I heard the gentleman from Missouri say, "The fact is this * * *" contrary to this and that rumor and probably the gentleman from Missouri is right. But our colleagues are asking for this simple courtesy to know the facts for sure. We ought to be extending that courtesy to these gentlemen.

Mr. STRATTON. There are some 221 million Americans who also have an interest in whether we are going to be protected, and we cannot start building this system at the time that the Soviet missiles begin to fly in our direction. We are going to have to begin to build it now, and we simply cannot afford the time that would be required by the studies which the gentleman from Utah would mandate, before he would allow us even to dig a ditch or a hole in his particular State.

The gentleman from Illinois is a distinguished member of the Budget Committee, and I wish that he would accept the tentative agreement that I understand was reached the other night by the Budget Conference Committee so that we can begin to build what we need now, that defense is not going to be in place at a time when the Soviets might decide to attack.

Mr. SIMON. If the gentleman would yield further, I anticipate supporting that Budget Committee conference.

Mr. DICKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel somewhat qualified to speak on this amendment, because I happen to have in my district the Trident submarine base which is another part of the strategic Triad.

I can tell the gentleman from Utah that I understand and sympathize with him about the impacts on one's community.

□ 1610

I can state that the impacts in my community were substantial; but I really think that the gentleman makes a mistake here in setting up a condition precedent to going ahead with this base in another report that goes well beyond the requirements of the National Environmental Policy Act. In my judgment, that is a mistake. I think we have got to get busy and build this system. It is going to take us enough time to get through the NEPA requirements with all the potential for litigation that rests there, without going into the detail that is requested in this report.

But I would like to engage my friend, the gentleman from Utah, in a colloquy and suggest to the gentleman a different approach to the problem laid out in section 2 of the gentleman's amendment.

When we had this same identical problem in Kitsap County and Jefferson County in my State, what the delegation from the State of Washington did was to offer Trident community impact legislation that we passed through the military construction committee of the authorizing committee and through the Military Construction Subcommittee of the Appropriations Committee. We got the assistance. We got the relief. We got the community impact assistance funds to take care of the consequence that the gentleman outlines in the second portion of his amendment.

I think that is a much more productive way to proceed than to have a study here that I do not think is really going to produce much more than have the Pentagon tell you what you have already heard anyway.

I just want the gentleman from Utah to know that even though I am going to oppose his amendment, I will support the gentleman in his efforts to get impact assistance for his State and for the State of Nevada, because you are going to have significant impacts that are going to affect your people. It is going to affect your schools and your roads. I believe that the country should help you mitigate those secondary impacts. I want the gentleman to know that he has my support in that, but I cannot in good conscience support this amendment at a time when we are concerned about the vulnerability of our Minuteman Force.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Certainly, I yield.

Mr. MARRIOTT. Mr. Chairman, I thank the gentleman very much. We do plan to proceed along that line; but I would say, if you think you have impacts in Kitsap County, this project is 66 to 166 times as big as that. That is why we are simply saying, give us a report on the impact. Let us know how we might deal with the impact. I do not see anything here that is going to blow the program. That is the thing that bothers me about the debate that we have had today.

Mr. DICKS. Mr. Chairman, let me just tell the gentleman what happened on the Trident. We had 26 volumes this big just with the Trident impact statement. I am just telling the gentleman, they looked at the flora, the fauna, the fish, and they made some significant changes in the process because of it that strengthened the project.

I think the NEPA requirements served the advantage of the people of my area; but when we get into all these other things, as the majority leader has said, the chance for lawsuits and litigation are endless.

I really think the gentleman, who I know is a strong supporter of national defense, will get what he needs out of the NEPA process and let us get busy and get the gentleman the community assistance that he really will need.

Mr. MARRIOTT. Mr. Chairman, would the gentleman yield for 1 more minute?

Mr. DICKS. Yes, I yield.

Mr. MARRIOTT. Mr. Chairman, I think the point needs to be made that this is not the end of the process. We are going to be called upon in January 1981 in this body to vote on whether or not we withdraw land. All I am trying to do is prepare us for that time. If you think you have lawsuits now, wait until later.

I think the committee that the gentleman from Ohio (Mr. SEIBERLING) is in charge of will be the major committee on this issue in 1981. For that reason, it does not seem to me that we are doing anything here but settling legislative precedent that we plan to deal with impacts in the proper way.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Yes, I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would ask the gentleman, why set up a mechanism by which you are going to proliferate lawsuits?

Now, the gentleman from Washington has mentioned that they had 26 volumes yea high on the Trident system. With all the additional requirements, how many volumes will you have, I would ask the gentleman from Washington.

Mr. DICKS. Well, it would be hundreds of volumes, with all the additional things that are outlined in this particular amendment.

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

(At the request of Mr. MARRIOTT, and by unanimous consent, Mr. DICKS was allowed to proceed for 1 additional minute.)

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. MARRIOTT. Mr. Chairman, the point I want to make is that we are not asking for a new EIS. That is being done. We are asking for a report on the EIS. We are not asking for anything that is not going to be done. We are asking for a proposal to deal with that. You are blowing this way out of proportion. The amendment is a good one, and will help the MX cause.

Mr. DICKS. But as the gentleman said, this is a condition precedent. They cannot go ahead with this project until they do this and it is challenged in court, and there is no stipulation here for short lawsuits or bringing lawsuits together or for a short judicial process.

I think this is an endless open-ended possibility for litigation. I really think, knowing the strong record of the gentleman from Utah for development and growth, I am surprised that the gentleman would not have had some kind of fast track here if the gentleman really wanted to expedite the process.

Mr. SANTINI. Mr. Chairman, will the gentleman yield further?

Mr. DICKS. Yes, I yield.

Mr. SANTINI. Mr. Chairman, could the gentleman identify what part of this amendment relates to a commitment that the Department of Defense made?

The CHAIRMAN. The time of the gentleman from Washington (Mr. Dicks) has again expired.

(At the request of Mr. Santini, and by unanimous consent, Mr. Dicks was allowed to proceed for 2 additional minutes.)

Mr. SANTINI. Mr. Chairman, if the gentleman will yield further, what part of this amendment relates to a commitment that the Department of Defense or the U.S. Air Force has not already made in terms of their promises to the people of Nevada, of Utah, and the Nation?

Mr. DICKS. Well, I am not sure that the Air Force, maybe the gentleman knows much more about this, but I am not sure that a report setting forth the specific social, economic, and environmental impacts of the MX-MPS system on the people, lands, and resources affected and detailing the amount of public lands to be partially or completely closed to any or all public use and setting forth any circumstances—any circumstances, which would require the use of area security, rather than point security for the system; I am not sure, but I think that goes somewhat beyond the requirements of the National Environmental Policy Act.

Mr. SANTINI. What part of that goes beyond the requirements?

Mr. DICKS. Well, I would assume as it relates to people, not as it relates to land and to other public resources.

Mr. SANTINI. Would the gentleman withdraw his objection and join us in support of this amendment if I were to assure the gentleman that the Air Force and the Department of Defense have promised both the people of our respective congressional districts and the Nation that they would provide that information?

Mr. DICKS. If they promised that, then I do not see why it is necessary to have an amendment set up that will lead to potential litigation, that will stop this project at a time when our national security demands it.

Mr. SANTINI. Mr. Chairman, if the gentleman will yield further, it is because those of us who have had occasion to sort of live and breathe this exercise over the last 2 or 3 years and have experienced the ups and downs in terms of information and commitments feel that we would be much more secure having drafted in a specific legislative commitment than we would be relying on the promises of the Federal Government to deliver at some future date.

Mr. ICHORD. Mr. Chairman, will the gentleman yield for an answer to the statement of the gentleman from Nevada?

Mr. DICKS. Yes, I yield.

Mr. ICHORD. Mr. Chairman, the gentleman from Nevada stated that the Air Force is not concerned about the Marriott amendment.

The CHAIRMAN. The time of the gentleman from Washington (Mr. Dicks) has again expired.

(At the request of Mr. Ichord, and by unanimous consent, Mr. Dicks was allowed to proceed for 1 additional minute.)

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, I have a letter here from Lou Allen addressed to the chairman of the full committee, the gentleman from Illinois (Mr. Price), in which they stated that the Marriott amendment will not serve that purpose, seeking to expedite the system, and will seriously harm the MX program. That is in the concluding paragraph from the Secretary of the Air Force.

Mr. DICKS. Mr. Chairman, if I could reclaim my time, I cannot imagine the Air Force agreeing to everything in the Marriott amendment. That is not the same Air Force that I know.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Kentucky, who has been waiting.

Mr. HOPKINS. Mr. Chairman, I thank my colleague for yielding. I want to say that I think the gentleman from Washington is exactly right. I compliment the gentleman on his statement.

Certainly, I admire the gentleman for his attempt to do what he considers to be right.

I think the people of this country are concerned about the environmental impact. We all are.

Mr. DICKS. That is why we have the National Environmental Policy Act.

Mr. HOPKINS. But I think that some of us perhaps are looking through the wrong end of the telescope. From my perspective, I think that the people of the United States today are concerned about the environmental impact of an incoming missile.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I appreciate the observations of the gentleman earlier about the telescope and perspective. The difficulty is that the telescope we are dealing with here is one that is in truth preoccupied and fixated on the understandable concerns of national defense; but that lens fogs over completely when it attempts to deal with the very real problems of the impact in terms of the people and the environment and the location where the system will be placed. One of the principal defenders of both our Nation, the flag, motherhood, and apple pie, is so confused or indifferent about the location of the missile that he thinks it is going to Arizona.

I know we have some real pursuasion problems here in trying to get our colleagues and our companions to understand the magnitude of this project and the awesome impact on our congressional districts.

☐ 1620

For example: water use import. Some casual and offhand allusions have been thrown out here that we only need enough water for 12 Las Vegas golf courses. I would state to the members of the committee that this is a grossly misleading and deceptive assertion because the amount of water that is going to be used, according to Air Force testimony, October 1979, is 112 billion gallons. As of October 1979 the Air Force, the Department of Defense or no one else, had only a foggy notion where they were going to get that water. They are conducting tests now and they hope they are going to be able to someday find the water.

Well, I just doggone well wish that some Members of this body had to defend and understand and appreciate and evaluate and anticipate the impact of this system on their districts. I think we would have considerably more empathy.

That defender of the flag and principles of good government, Senator Barry Goldwater—no softy on national defense by anybody's description—said "I support the MX missile, but you are not going to bring it to Arizona." Why? "We don't have the water."

Now, is it not interesting how we can get so little empathy and understanding of the fundamental question of impact on our States? The gentleman from Utah's amendment nearly restates what the Air Force has committed to time and time again. But when it comes to implementing that intent with statutory language, then we find a retreating and vacillation.

I think that is an imbalance and unfair, when examining a problem of this magnitude.

Now look at the MX history that we have had to grapple with. One year ago we were told it would cost $30 billion, then $33 billion, and the General Accounting Office comes along and says no, it will cost $52 billion. The Air Force revises the facts and the figures and says yes, it will cost over $50 billion. The fact and figure exercise here is one of the most marvelous demonstrations of fanciful projections since Dorothy hooked up with the Tin Man and walked down the yellow brick road to the Land of Oz. Few Members dispute that it will end up costing somewhere between $50 and $100 billion. This system will bring approximately 100,000 people into an area that has 22,000 people presently living in it. It is a good livestock, a good mining area and, more than that, we have some of the special desert mountain and valley lands anywhere in the United States of America. I object to the disdainful characterizations of the proposed missile siting area simply because nobody wants it in their backyard. That is not, I think, a responsible, a responsible approach to a legislative product in this body.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman.

Mr. THOMAS. Mr. Chairman, I have been trying to make up my mind sitting through this entire debate on the amendment. I have appreciated the references to 1941, 1942, and 1943, and earlier periods in terms of national preparedness and all of the rest.

The gentleman from Nevada has stipulated that there is nothing on this sheet, indicating the Marriott amendment, that the Air Force or other Department of Defense personnel have not already guaranteed to the two districts that are being affected that they would not do; is that the stipulation the gentleman would be willing to agree to?

Mr. SANTINI. The gentleman's question is a fair one and I will say unequivocally and absolutely that every concept contained in my friend from Utah's amendment has been endorsed by the U.S. Air Force and if they had a representative here they would acknowledge that, I am sure.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

By unanimous consent Mr. SANTINI was allowed to proceed for 3 additional minutes.)

Mr. SANTINI. Mr. Chairman, DOD may not like legislative recitals of these promises, but those promises have been made.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman.

Mr. MARRIOTT. Mr. Chairman, I think we ought to make a point that the hottest item in the West today is the "Sagebrush Rebellion." The only reason it is there is because we have not been able to count on the word of the Federal Government. We get jockeyed around all of the time out there and that is the main reason the major effort has such great support.

It seems to me what we are just trying to do is just what the gentleman said, put their commitments into writing, and everybody will be happy.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the distinguished Majority Leader, when he read the vote on the Dellums amendment, did not also read the vote on the Simon amendment, which was 152 to 250.

I am under no illusions as to what is going to happen to this amendment. We know that the inertia is all in favor of the committee and the administration and the conventional way of voting on defense bills. But it is important to use the amending process as a means of educating our colleagues and the public about some of the facts that they may not be told by the Pentagon or the Armed Services Committee.

Those facts, some of which have just been recited by the distinguished gentleman from Nevada (Mr. SANTINI) are very, very sobering. The fact is that the Defense Department has not the faintest idea of what this is ultimately going to cost, either in money terms or in human terms or environmental terms. Neither do we. We are not even going to have an environmental impact statement until next November.

Unfortunately, when the gentleman from Illinois (Mr. SIMON) offered a very reasonable amendment to take some of the money for the development of MX to try to look into some other alternative, such as the submarine approach, which will cost about one-quarter as much, according to the best estimates we have, it was voted down.

Now, this is not an unreasonable amendment that is being offered by the gentleman from Utah (Mr. MARRIOTT). The first paragraph merely says that there should be, in effect, an environmental impact statement before we start using up huge chunks of public lands. I submit that really does not add anything to the present law, though it is much more specific than the present law on environmental impact statements.

The second paragraph is something that I think we also ought to demand of the Defense Department and the administration; namely, a complete written plan which details the methods of addressing the social, economic, and environmental impacts of the system so as to minimize the negative effects of such impact. And it says "including such specific steps that can be taken to alleviate delays."

Now, it is true that the Defense Department says "Not to worry, we are going to do this." Yet when my subcommittee called them before us and asked them what they had done so far, they could not produce very much. It seems to me we ought to know what their plan is in detail before we proceed.

Finally, we ought to have a study of the feasibility of putting this in more than two States. The Department claims they have already made that study. Well, if so, there is no problem complying with that requirement.

Now, a couple of weeks ago the press and the TV blazoned this huge headline, "Department of Defense Abandons Racetrack Plan." That is the kind of treatment we have been getting from them on this thing from the beginning. The fact is they have not abandoned the basic plan at all. The new layout will require essentially the same amount of land, only instead of being in circles it will be in a line. As a matter of fact, it may end up taking more land in the States of Nevada and Utah because if we put the track in a circle it is very difficult to extend that once it is a closed circle, whereas if it is a line we can carry it on almost to infinity. Unless there is a SALT treaty, there is going to be a huge expansion of this proposal. The 4,600 shelters and the 200 missiles are based on the assumption that the limits on missiles in the SALT II treaty are going to be in effect.

□ 1630

But if they are not in effect and the Soviet Union can proliferate missiles and warheads without limit, then the estimates that I have seen indicate that at the very minimum we could expect this system to be doubled, which means not 4,600 but 9,200 shelters and presumably twice the number of missiles and warheads. So this is an open-ended thing without SALT, and if we approve this system without having a clear understanding that there are no feasible alternatives, then we are in effect writing a blank check, and we have not the faintest idea of what it is ultimately going to cost.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 3 additional minutes.)

Mr. SEIBERLING. I am not saying that we do not need this system. I voted against the Dellums amendment because the Dellums amendment foreclosed any approach along these lines to meet the possible threat from Soviet accurate missiles that may start around 1985 and thereafter. But this system will not be effective until it is practically all in place. If 4,600 shelters and 200 missiles are all we need, then by 1989 or thereabouts we will have an effective invulnerable deterrent if the proponents of this system are right. But if there is no SALT treaty, we are not going to know when we have sufficient shelters and warheads to take the Soviet attack and still have the survivable number of missiles that we consider necessary. So this proposal is simply a commitment that we are in the process of making without any idea of what is involved. The American people have already got the message. This just does not involve the States of Utah and Nevada. The rest of us are going to pay for it.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. The gentleman has stated on the floor of this House that he voted against the Dellums amendment. Has the gentleman actually had a change of mind? I know we have had the Dellums amendment twice. The first time the gentleman voted for the Dellums amendment. Has he actually changed his mind that there might be some hope for the MX missile system?

Mr. SEIBERLING. Yes, I have.

Mr. ICHORD. The gentleman thinks, then, we may need the MX system today?

Mr. SEIBERLING. We will need something, in my opinion, to handle the problem of prospective vulnerability of the Minuteman in the fixed solos, but whether it is this land-based MX or whether it is MX mounted on submarines or some other mode, the gentleman does not know and I do not know, because we have not thoroughly explored it.

Mr. ICHORD. But the gentleman is talking about some system, not the MX system.

Mr. SEIBERLING. The MX missile could be put in different types of modes. It could even be put in the same type of silos the Minuteman is based in.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Nevada.

Mr. SANTINI. I thank the gentleman for yielding. As chairman of the Public Lands Subcommittee of the Committee on Interior and Insular Affairs, the gentleman has had hearings on the subject of public lands and the MX missile.

Mr. SEIBERLING. We have had hearings in Utah, Nevada, and Washington, D.C., and we have also had classified briefings from the Department of Defense.

Mr. SANTINI. In the course of receiving testimony both from the Department of Defense and the U.S. Air Force, has the gentleman not received in the course of that testimony the same basic commitments that are contained in the Marriott amendment that we are examining this afternoon?

Mr. SEIBERLING. We have received promises, but they are not backed up by any force of law.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SANTINI, and by unanimous consent, Mr. SEIBERLING was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. This is a very elusive thing. Every time we try to pin it down, the Air Force makes another move in the shell game.

Mr. SANTINI. Will the gentleman yield again?

Mr. SEIBERLING. I yield again.

Mr. SANTINI. So that the testimony we have as a matter of record in the Public Lands Subcommittee confirms the fact that they are willing to make these promises in the course of hearing testimony, but then they share a letter with our good friend, the gentleman from Kansas, and advise him that they oppose this amendment when it comes to putting it in statutory language; is that not true?

Mr. SEIBERLING. That apparently is true.

Mr. SANTINI. I thank the gentleman.

Mr. SEIBERLING. I think maybe it is Missouri, not Kansas.

Mr. SANTINI. I correct the record: Missouri.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding. I would just make one point, and that is if this project were 50 miles outside of Dallas or New York or Washington, D.C., or St. Louis, this would be the hottest amendment we are going to deal with this year, and it would pass overwhelmingly. I think that the same courtesy belongs to Utah and Nevada.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. MARRIOTT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MARRIOTT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 248]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
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Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1650

The CHAIRMAN. Three hundred and ninety Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Utah (Mr. MARRIOTT) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Five minutes will be allowed for this vote.

The vote was taken by electronic device, and there were—ayes 135, noes 268, not voting 29, as follows:

[Roll No. 249]

AYES—135

Addabbo
Aspin
Baldus
Barnes
Bedell
Beilenson
Bingham
Bonior
Burgener
Burton, John
Burton, Phillip
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conyers
Coughlin
Danielson
Daschle
Dellums
Derwinski
Dixon
Donnelly
Downey
Drinan
Early
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Fenwick
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Garcia
Glickman
Goldwater
Goodling
Gray
Green
Hall, Ohio
Harkin
Harris
Hawkins
Hollenbeck
Holt
Howard
Hughes
Jeffords
Johnson, Colo.
Kastenmeier
Kelly
Kildee
Kostmayer
Leach, Iowa
Lehman
Leland
Long, Md.
Lowry
Lujan
McCloskey
McHugh
McKay
Maguire
Markey
Marriott
Matsui
Mavroules
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Myers, Ind.
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Roybal
Sabo

Santini
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Spellman
St Germain
Stack
Stangeland
Stark
Stokes
Studds
Swift
Synar
Thompson
Udall
Vander Jagt
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wolpe
Yates
Young, Fla.
Young, Mo.

NOES—268

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dingell
Dornan
Dougherty
Duncan, Tenn.
Eckhardt
Edwards, Ala.
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Flippo
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McClory
McDade
McDonald
Madigan
Marlenee
Martin
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Patten
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Quillen
Rahall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Staggers
Stanton
Steed
Stenholm
Stratton
Stump
Tauke
Taylor
Thomas
Traxler
Trible
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Zablocki
Zeferetti

NOT VOTING—29

Anderson, Ill.
AuCoin
Bonker
Brown, Calif.
Conable
Diggs
Dodd
Duncan, Oreg.
Fish
Foley
Grassley
Hansen
Holtzman
Lundine
McCormack
McEwen
McKinney
Marks
Mathis
Minish
Quayle
Ritter
Stewart
Stockman
Symms
Ullman
Van Deerlin
Wilson, C. H.
Wydler

☐ 1700

Mr. LELAND changed his vote from "no" to "aye."

Mr. KOGOVSEK changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. MAGUIRE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, and members of the committee, the Defense Procurement Authorization bill before us today raises several serious considerations regarding our defense and national security priorities.

Recently I traveled with members of the House Armed Services Committee to the Persian Gulf to assess our military capabilities in that part of the world and to evaluate first-hand the prospects for providing greater stability by increasing our diplomatic and military presence in an area vital to our national interests. It was very heartening, indeed, to hear expressed by the leadership in country after country we visited, their desire for an increased American presence in the Persian Gulf. And, I fully support our efforts to take the steps necessary to deter future acts of aggression by the Soviet Union or its proxy states against our allies in the Persian Gulf.

I also had the opportunity recently to discuss with Adm. Thomas Hayward, Chief of Naval Operations and a member of the Joint Chiefs of Staff, his views on some of the priorities critical to strengthening our ability to meet present and future challenges to our national security.

It is my opinion that this bill, rather than concentrating on national defense priorities, offers instead a hodge-podge of major weapons systems procurement, research and development. In general, it vastly overemphasizes the importance of major weapons acquisitions—and not always the right weapons—at the expense of the urgent needs we have for skilled manpower, and efficient operations and maintenance. Specifically, this bill offers a much too untargeted approach to hardware acquisition which fails to make cost-effective judgments on the benefits we can expect to achieve from our procurement policies.

This bill contains nearly $5 billion in procurement increases over and above those requested by the Department of Defense for various projects and nearly a half billion dollars in new authorizations for projects that were not requested at all—$29.9 million for 12 C–12d light transports for the Army, $32.9 million for 17 AH–1S Cobra TOW helicopters, $109.6 million for 6 C–9b Cobra TOW transports, $33.6 million for 52 naval training planes and helicopters, $148.5 million for 12 A–7K Air Force attack planes, and $93.6 million for 8 C–130 Air Force transports. Let me say it again: These have not even been requested by the Department of Defense.

This list reminds me of the trap that any homeowner with a home improvement project can well appreciate: "While we are at it, we might as well add on * * *" syndrome.

Far too many of these add-ons and new projects are not in response to careful planning for real needs. They represent instead a confusing array of "nice to have" items with insufficient regard for cost-effectiveness; programs whose principal military justification is that each branch of the service must have its own vesion of the same capability; or, quite frankly, "Christmas tree" procurement for this Member's district or that Member's pet project.

This bill represents a "cart before the horse" approach to Federal spending for defense procurement. Rather than proceeding from the perspective of what our needs are, and then seeking the most efficient and effective solutions, the approach which this bill reflects is to settle on an arbitrary increase in the level of our investment and then look for things to buy.

Edmund Muskie, our new Secretary of State, put it very well in a speech he gave several months ago while he was still serving in the U.S. Senate:

> Any student of mathematics knows that solutions can't be found until problems are stated correctly. We must begin to solve our military problems by asking the right questions—questions about the ends we want to achieve and the means required to achieve them. Military power is not an end but a means—a means for securing our defense and for advancing our foreign policy interests . . . What are our interests? How are they threatened? What do we need to defend ourselves? What can we afford to spend in pursuit of less vital interests? How can we do it with maximum efficiency and at minimum cost?

There is a great deal in this military procurement authorization which is vital to our national defense. I support increases in procurement to provide logistical naval support for our new rapid deployment forces. Recommissioning the battleship *New Jersey* is a brilliant stroke of tactical genius to give us a new capability in the Persian Gulf that is very cost-effective.

I also favor the committee's intent to include operational and maintenance costs in next year's Department of Defense authorization. Congressional oversight has been sadly lacking in this area and as a result we have forfeited military preparedness because of inadequate maintenance, training, and operational readiness.

We need to spend less on new equipment and more on making better use of the equipment we have. The cost of an F–15 fighter plane is $25 million. That same amount of money could also be used to double the flight training time of 25 existing F–15 fighters for 1 year. Studies indicate that by doubling the flight time, we could triple the effectiveness of these planes and their pilots. Other examples are less dramatic. But the fact remains: If we wish to increase our military capability, the quickest and most effective way to do it is with more training, more realistic combat exercises, more fuel, more spare parts and more ammunition.

I also favor the emphasis which this bill places on weapons support systems for our conventional forces. However, I think we have misapplied our resources by emphasizing new projects with marginal improvements at the expense of retooling existing equipment. Our conventional force procurement needs to be targeted to the capabilities that are most necessary to make rapid deployment most effective. In other words, we ought to be buying speed, versatility, and flexibility. Too much emphasis on new equipment, which may provide marginal improvements, can actually restrict our capabilities for rapid and flexible response.

A good example of this is the newly designed self-propelled howitzer. Its predecessor possessed all the capabilities of the "improved model" with the exception that it is not self-powered. However, the towed-version could easily be transported by helicopter or by transport aircraft. The self-propelled model is so large that it can only be airlifted if we design larger helicopters and air transports to accommodate its increased size. The proposed CX air transport, which the committee had the good judgment to strike from this authorization, was conceived for no other purpose than to move new oversized equipment, like the self-propelled howitzer and the XM-1 tank. It is not at all clear why we cannot more often retool and upgrade existing designs that will fit into existing aircraft.

There is much more in this authorization which I believe is a misplaced use of resources and does not enhance our national security. The bill includes funds for a nuclear aircraft carrier at an ultimate cost of $5 billion, including planes and support ships. Would it not make far more sense to invest in research and development for a truly effective and reliable vertical take-off and landing aircraft that could be deployed on a variety of existing, smaller naval vessels? Such a move could serve to enhance our sea control far more effectively and at a much lower cost than would additions of nuclear aircraft carriers to the fleet. Carriers are also enormously vulnerable; they can be knocked out of the water by a single missile.

This authorization also now includes resurrected funding for a new version of the B-1 bomber. With the defeat of the Edwards amendment—an amendment which I fully supported—we have moved right back to square one again. The B-1 bomber was designed, at great expense, to fly more than twice the speed of sound at high altitude. The B-1's vulnerability however to Soviet missiles is a fact of life and the President's cancellation of the program was a sensible decision. It would be far less costly—by tens of billions of dollars—and make far greater sense—a position with which Gen. Richard Ellis, Commander of our Strategic Air Command, concurs—to retool the FB-111, our existing low-flying, high subsonic speed bomber, for stretch distance flight.

The most serious misjudgment in this procurement authorization is represented by the MX missile system. The funds for MX research and development contained in this bill amount to $1.6 billion. But the total completion costs of the system could well exceed $100 billion. I cannot support, as a matter of policy, funds for the MX system.

In the absence of SALT II, the MX basing mode will be obsolete before it is built since the Soviets can deploy more warheads to offset the number of shelters in the system. The constant changes in the design of the basing mode are in my estimation evidence of the Pentagon's uncertainty about the system, and the Congress has received very little information on the recent change from a racetrack design to a linear system. The MX will not offer even the potential for increased survivability for our ICBM forces until the late 1980's, and the GAO has questioned the Air Force's ability to meet this deployment schedule.

Given the ongoing modernization in other strategic systems, the Trident and the cruise missile systems, the urgency to make basing mode decisions now for our land-based ICBM's is certainly questionable. Indeed, a proposal has recently been offered to deploy an MX-type missile in small submarines, and I believe this alternative has not yet been adequately studied. The basing mode as proposed, in each of its configurations, will have a severely adverse socioeconomic and environmental impact in the deployed area where there is already great popular and political opposition to the MX.

Finally, the present basing mode could encourage an unprecedented arms race with the Soviet Union. If SALT II were to be ratified the MX is still unwise because of its flawed strategic theory, as I pointed out during debate on the Simon amendment.

In the aggregate, this bill represents nearly a 31-percent increase for fiscal year 1981 over procurement authorizations approved for fiscal year 1980. Fully half of this increase was not requested by the Department of Defense. Moreover, these authorizations would increase the procurement share of our fiscal year 1981 defense budget of $160.8 billion—as approved by the House in the first budget resolution—to such an extent that other levels of defense spending for personnel, operations, and maintenance will be severely endangered as we strive to keep within our self-imposed constraints for a balanced Federal budget next year.

It is very clear to me that we simply cannot ignore the very real needs of our military forces for improvements in pay and benefits. The attrition rate in all four of our services today is becoming a national disgrace. The realities today are that 100,000 military families are eligible for food stamps. Inadequate housing allowances make it impossible at many base locations for military personnel to find decent, affordable housing for service families. And, increasing numbers of the men and women who serve in our Armed Forces are turning to afterhours "moonlighting" just to balance their family budgets each month. The military weapons systems we buy will be severely limited in their value if the skilled personnel necessary for their operation and maintenance continue to leave the services at the very alarming rates we are currently experiencing.

In response to a question I put to Admiral Hayward about military priorities as he saw them, he made it very clear that he would rather have moneys for manpower needs than for another nuclear-powered carrier. That is not to say that increases in procurement authorizations are unnecessary. Rather, I believe Congress must be a great deal more thoughtful about the effects of the tradeoffs we make when resources are limited. The real question ought to be how we buy the most defense for every dollar spent.

If we are to be strong and effective militarily, military spending must be subject to the same rigorous scrutiny that we impose on all our other investment decisions. My point of view is shaped by the attitude of President Truman who, while a U.S. Senator from Missouri, did a seemingly unpopular thing. At the height of World War II, he called for a complete reexamination of our defense posture. He said that we must completely rethink the kinds of weapons we were building and the funds we were spending because if our defense was wrong or inappropriate to the conditions that existed there was a chance that more American lives than necessary would be lost in order to win the Second World War. I believe Truman's brand of patriotism is just as vital today as it was nearly 40 years ago. A well-organized and tightly ordered defense budget will not only enhance our fiscal integrity, but by getting our priorities straight and making sensible decisions about our real defense needs, we ultimately enhance our security and contribute measurably to our strength.

This authorization bill simply does not accomplish thoroughly or well either of those purposes. By spreading too much money over a supermarket list of military weapons systems, it leaves far too few dollars for other areas of defense spending. Manpower needs, operations and maintenance are critical if we are to have the readiness capabilities necessary to deter or contain future crises in areas of the world, like the Persian Gulf, which are so crucial to our security. There are many individual procurement items in this authorization bill which I favor—the F-16, the A-10, and the P-3 aircraft, cruise missiles, prepositioning and high speed ships to name a few. But there are others like the MX missile system which I believe lock us into procurement policy decisions which the Congress, the military and the American taxpayer will long live to regret because the price we will eventually pay will never buy the security we need.

The question that must be answered regarding funding for any military weapons systems is will that system add to our defense capabilities because it suits our needs, because it is cost effective, and because its performance is reliable. Too often we have funded procurement, research and development for systems that not only failed these tests, but ultimately contributed to lowered defense capabilities. We have gold-plated our defense budget with increasing levels of more sophisticated and expensive equipment simply because we have the technology to do so.

For example, the F-16 aircraft is an Air Force fighter plane of great versatility. Its sister aircraft, the F-15, is a more costly version with theoretically somewhat more sophisticated capabilities. In reality, the F-15's performance record is well below the F-16 because the design changes which were made to produce marginally more speed also increase the likelihood of engine stall in midflight.

On the other hand, defense systems like the cruise missile and the Copperhead laser-directed antitank weapon are excellent examples of procurement items that markedly add to our defense capabilities.

At a cost of $4 billion, the cruise missile system is a small, relatively inexpensive, low-flying missile which can be launched either in the air or on the ground. Almost impossible to detect with radar, the cruise missile represents a technology that contributes to crisis stability and extends our air defense advantage over the Soviets well into the 1990's. The Copperhead is a new laser-directed artillery shell with accuracy sufficient to knock out an enemy tank at 17 kilometers with a single shot with 80 percent probability. Historically, it has taken 400 howitzer shells to destroy a single tank on the move. Deploying the Copperhead will with one stroke neutralize the immense Soviet investment in heavy tanks.

Systems like these produce "the biggest bang for the buck" because they are comparatively cheap, represent real technological breakthroughs and significantly decrease the necessity of larger expenditures for other weapons systems.

Mr. Chairman, given what I believe our real defense needs are, and given the question about our future defense posture which this bill simply does not address—together with the fact that sensible amendments which would have significantly improved this bill have been rejected—I have decided against supporting H.R. 6974, Department of Defense authorization for military procurement, research and development and civil defense activities for fiscal year 1981.

Mr. WEISS. Mr. Chairman, I am opposed to the Department of Defense Authorization Act, fiscal year 1980—H.R. 6974. This legislation would authorize $53.1 billion in appropriations—about one-third of the total defense budget—for procurement of major weapons systems, research, development, testing, and evaluation, and civil preparedness programs.

The overall real spending increase in this bill is approximately 18.5 percent over the fiscal year 1980 authorization. This is most excessive at a time when nearly all other facets of the Federal budget are being severely cut back. Many of the military projects funded under H.R. 6974 will not add an essential advantage to our military defense capability. But, tragically, the perception fueled by this type of increase will surely escalate tensions among the superpowers and push us closer to the brink of nuclear confrontation.

During consideration of amendments to H.R. 6974 on May 13 and 14 there was an occasion for this House to prune excessive spending from the defense budget. Efforts to cut funding for the strategic weapons launcher—SWL—and the MX missile unfortunately failed. If these amendments had been adopted, the Pentagon may have shared, in a more equitable fashion, the burden of balancing the Federal budget.

The SWL is proposed as an eventual replacement to our strategic bomber aircraft force of B-52's. Based on B-1 aircraft technology, the SWL would be capable of carrying air launched cruise missiles. Despite the fact that the administration did not request funding for the SWL, the House Armed Services Committee approved $200 million for its development, thus unnecessarily expending an additional $200 million on a plane very similar to the B-1 which had been rejected by the Congress in 1977. Finally, and most importantly, the House rejected the proposal to trim $1.55 billion in research and development funds for the MX missile program. The MX has been touted by its proponents as a first strike capability that would prove to be a nuclear deterrent. But contrary to this claim the weapon would only weaken our nuclear deterrence by forcing the Soviets to launch their missiles merely on a warning that the United States was attempting a first strike. Thus, advancement of the MX would not add a positive dimension to our military capability. In addition, the system is expected to escalate in cost prior to its actual construction. The official U.S. Air Force estimate for the program is over $50 billion—making the MX the most expensive weapon in history.

This excessive military spending is symptomatic of a disturbing trend. We are now headed toward the biggest peacetime buildup of American strength in our history. The Carter administration plan for fiscal year 1981 to fiscal year 1985 would dictate an annual real growth in defense spending of 4.6 percent in obligation authority, and 4.1 percent in outlays. More importantly, the total level of funding authorized in H.R. 6974 massively exceeds the ceiling for defense spending set in the first concurrent resolution on the budget, fiscal year 1981 (H. Con. Res. 307) which was passed by the House on May 7. If the maximum amount of spending authorized in this measure is actually appropriated, the Pentagon will be $6.3 billion beyond the budget ceiling. In addition, it is expected that in this fiscal year—1980—we will witness defense spending increases that will also exceed the budget ceiling. The Congressional Budget Office—CBO—estimates that the defense budget in fiscal year 1980 will be $6.5 billion above the ceiling if supplemental funding is approved. Obviously these kinds of increases make a mockery of the entire congressional budget process.

At a time when inflation is running over 18 percent and unemployment at over 7 percent, the toll on human service programs is devastating. It is unfair to demand that such programs, alone, bear the brunt of a balanced budget. Our priorities are very much misguided. I urge my colleagues to reconsider the implications of H.R. 6974. Needless increases in defense spending are not the answer to our pressing problems at home or abroad.

● Mr. BINGHAM. Mr. Chairman, the defense authorization bill before us is clearly going to pass overwhelmingly. It does not therefore need my support, and I feel at liberty to cast a negative vote as a protest against the items in this bill which are unnecessary and wasteful and which, in some cases, are provocative and destabilizing.

The Soviet invasion of Afghanistan, coming on top of years of Soviet adventurism in Africa and of heavy Soviet military spending that could hardly be called defensive in character, has presented the Western World with a challenge of a new order. I have supported the President's various moves in response to this challenge, including his reference to the Persian Gulf as an area of vital interest to the West. I agree with the need for the United States to seek additional bases and other facilities nearby and for the development of a rapid deployment force.

These events, however, do not change the balance in nuclear strategic weapons, and I remain strongly opposed to the current plans for an outlandish MX missile system. The MX accounts for $1.6 billion in this bill, but this is just a beginning. If current plans are to proceed, they will eventually cost the American taxpayer at least $50 billion. Even that amount will not be enough, however, for the Soviets will of course respond to the MX project with additional "silo-busting" missiles, and an insane competitive buildup will continue, providing the United States with no additional security whatever.

Further, my expectation is that at some not too distant point the United States will decide to abandon land-based strategic missiles altogether, in favor of some other form of deployment. If so, huge sums will have been wasted.

In addition to provision for the MX, the current bill contains a number of items which were not requested, and are indeed opposed, by the administration, amounting to some $6 billion.

Were the administration to say to the Congress that certain additional items, not included in the original request, were now needed to increase the West's capabilities in the area of the Persian Gulf, I would be prepared to accept the higher figure. But the administration has not said that.

Finally, I would note that, without the $1.5 billion for the MX and the committee's add-ons, this bill would still provide for a 12-percent increase over the comparable fiscal year 1980 figure. Such a bill I could support. The present package I shall vote against.●

● Mr. PRICE. Mr. Chairman, on page 11166 of the May 14, 1980, CONGRESsional Record, the distinguished chairman of the Defense Subcommittee of the House Appropriations Committee took exception to certain facts cited in the committee report in support of its recommendation to require annual authorization of operations and maintenance appropriations. I am pleased to see that Mr. Addabbo takes no exception to the requirement itself, and, in fact, acknowledges that it will probably make the work of his subcommittee much easier. I concur with his observation that annual authorization may result in some slight increase in the DOD staff workload in order to be responsive to four rather than two committees in support of its annual O. & M. requests. However, when you stop to consider that O. & M. is a $48 billion a year business, and the testimony of our operational commanders—such as General Pauly and General Kroesen—clearly indicates that O. & M. funding shortfalls are creating serious near-term readiness problems, I hardly think the addition of a few personnel in DOD should be regarded as a serious deterrent to the exercise of more effective oversight by the Congress.

Mr. Addabbo also referred to a new "army of analysts" that would be required by the Armed Services Committees to review the O. & M. accounts. In this regard, I would note that Mr. Addabbo's own subcommittee has only three staffers assigned primarily to review O. & M. accounts, and I am confident that the Armed Services Committees will follow that example.

Now I would like to turn to the specific examples in the Armed Services Committee report to which Chairman Addabbo took exception. The report stated that the Air Force had programed only 8 flying hours per month for F–16 aircraft deployed in Europe. Mr. Addabbo stated that the Air Force had actually requested 20 hours per month for its "average primary F–16 aircraft inventory" and would have requested more except for projected F–100 engine problems noted in the Air Force O. & M. justification book.

The nub of the problem is that these seemingly conflicting statements are both correct. And buried in this conflict are critical policy issues which have not received adequate oversight. A brief review of the evolution of the numbers is instructive.

Last year when the fiscal year 1981 budget was being prepared, the Air Force was experiencing supportability problems with the F–100 engine used in the F–15 and F–16 aircraft. The Air Force believed the problems were temporary and that a recovery program would enable them to achieve their planned inventory of operational F–15/F–16 aircraft. OMB regarded the Air Force plan as optimistic and concluded that there would actually be approximately 200 less flyable F–15's and F–16's in the inventory in fiscal year 1981. Therefore, the Air Force budget was reduced by about $140 million—the funds required to support 20 flying hours per month for some 200 aircraft. (Owing to increased fuel costs and other cuts in the replenishment engine request, the budget required to support 20 flying hours per month is now underfunded by $182 million.)

The 240 flying hours per year per F–16 in the Air Force justification book referred to by Mr. Addabbo was thus based on the best judgment of OMB (but not that of the Air Force) in late 1979 regarding the likely number of flyable F–16's in fiscal year 1981.

In fact, the F–100 engine recovery plan proceeded according to the schedule projected by the Air Force rather than that assumed by OMB. As a result, more F–16's will be operational in fiscal year 1981 and the funds requested will support only 16 monthly flying hours per operational aircraft rather than the 20 per month in the budget. However, that is 16 flying hours per aircraft not 16 flying hours per pilot.

In a tactical fighter squadron, there are 37 pilots for 24 F–16's, or roughly 1.5 pilots per aircraft. This equates to 10 flying hours per month for F–16 pilots in Europe, up slightly from the 8 hours per month referred to in the committee report which was based on information since updated by the Air Force.

My purpose in responding to Mr. Addabbo's comments is not to question the accuracy of his statement. That is not the issue. The real point is that one-line statements and footnotes in justification books do not tell the whole story. These misleading statistical summaries obscure the naked truth that our pilots in Europe are allowed to fly only about 50 percent of the hours the Air Force regards as a minimum requirement for the job.

Turning now to another point, the committee report stated that—

> In the case of the Army, insufficient funding in the first and second destination transportation accounts is creating a situation whereby ammunition already produced cannot be shipped to forward storage points—although there has been serious concern about the adequacy of war reserve stocks in Europe.

Mr. Addabbo says that this is not the problem at all. Rather, he says, the fiscal year 1980 request had to be reduced because there was no place to store the ammunition in Europe.

Here, we may be mixing apples and oranges. The committee report referred to the fiscal year 1981 request, whereas the chairman of the Defense Appropriations Subcommittee is talking about the fiscal year 1980 program. With respect to fiscal year 1981, the facts are fairly straightforward:

The Army originally requested funding the O. & M. account to ship 85,000 short tons of ammunition to Europe. In the budget process, OSD reduced the funding to a level which would support shipment of only 39,000 short tons to Europe. According to the Army, facilities would be available in fiscal year 1981 to handle the 85,000 short tons the Army proposed to ship. Based upon these facts, I can only conclude that the statements in our committee report are accurate.

With respect to the point that O. & M. has experienced $11.7 billion in real growth between 1964 and 1981, the source of this conclusion is apparently the "green book" of national defense budget estimates for fiscal year 1981. The data in this book are based upon now totally discredited inflation estimates which make any constant dollar comparisons between 1964 and 1981 a guessing game. Besides, the issue is not really a comparison between 1964 and 1981. It is the question of whether or not the current O. & M. accounts are adequate to train and maintain our forces to a state of readiness sufficient to respond to the quantum increase in the threat which has evolved since 1964.

I want to make it clear that the committee recommendation to require annual authorization of O. & M. does not imply any criticism of Mr. Addabbo's subcommittee. Given the magnitude of the task it faces, the Defense Appropriations Subcommittee has done an outstanding job. In fact, I would say that the misunderstanding over conflicting figures provided by the Department of Defense is a clear illustration of the need for annual authorization of O. & M. accounts.

Statistics are sometimes driven by political decisions and budget constraints and preliminary justifications cannot always be taken at face value. The services are obligated to support the President's budget even when service leaders believe it is clearly inadequate.

Our severe readiness deficiencies cannot be allowed to continue. I believe that the Armed Services Committees, working in conjunction with the Appropriations Committees through the annual authorization process, can help to redress this problem and to restore our military forces to the proper state of readiness to perform their missions.●

Mr. ROUSSELOT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just wish to rise at this time to express thanks to our colleague, the gentleman from California (Mr. Bob Wilson), who is presenting as a member of this committee and as the ranking Republican member one of the final authorization bills. Bob has served very well on this committee. He has made major contributions to the defense of this country, and I just want to say to him, "Thank you for what you have done."

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to join with our colleague, the gentleman from California (Mr. Rousselot), in paying tribute to the gentleman from California (Mr. Bob Wilson).

Bob Wilson, as we know, is the senior ranking minority member of the Committee on Armed Services. He is an extraordinary person, as is his beloved wife. He cares very deeply about our country and its strength, and he cares very deeply about this House and the meaning of this institution in terms of our free processes

We shall all miss him very much, we in California particularly, for his experienced judgment on so many matters.

There is only one real first point of gratitude I have with reference to serving with Bob, and that is when the other side, in some misbegotten way, decided that Bob would no longer head up its congressional campaign committee. Ever since that happened, those of us on our side have had a ball.

Mr. PRICE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would not want the two gentlemen from California to be the only Members to rise and express their appreciation for our contacts over so many years with the gentleman from California (Bob Wilson). He is a great leader in this Congress and on the Committee on Armed Services.

I have worked with many members of the committee. I have worked with several chairmen of the committee and I have worked with the ranking member of the committee, but I have never known any more dedicated member of the committee than Bob Wilson. When he differed with us, he made that difference known. He made it known not only outside the committee room but he made it known in the full committee. His judgment was widely respected by every member of the committee on both sides of the aisle.

Bob, I just cannot tell you how much I am going to miss you, and I think that holds true for every Member of this body.

● Mr. McDONALD. Mr. Chairman, while this year's authorization bill represents some progress, neither its amount nor its tone reflects the situation in the world in which we live.

We are still extremely short of men and material. This bill takes hesitant and tentative steps to remedy these deficiencies. What is badly needed to bring us through this present period of strategic and conventional inferiority to the Soviet Union is a real surge in our conventional weapons production lines and real efforts to bring our strategic forces up to strength by whatever means necessary.

Steps that would be meaningful to the Kremlin should include reactivation of our ABM system on a crash basis. Production startup on the B-1 bomber for a limited number of squadrons is sorely indicated until we have developed a new bomber. Immediate further dispersal and modernization of our existing missiles is also indicated. A quantum jump in our spending for civil defense would also send the Kremlin a message and start us on the road to protecting our population and creating a change in mental attitude. That is, we need to realize that while nuclear war is terrible, as is all war, we can survive and win, just as the Soviets are instructing their people.

As mentioned before we have a major manpower problem. It will not be resolved by recruiting more women or placing more women in combat support units. Nor is our problem likely to be solved by adding still more bonuses or payments.

What is really needed is not Mr. Carter's registration, but a system of universal military training for all our 18-year-old able-bodied males. Those not physically able to serve could be placed in a civil defense corps. For the present, an honest, across-the-board draft should replace the current failure of the "Volunteer Army."

The "Nifty Nugget" exercise showed conclusively that we do not have sufficient manpower in our Reserves nor individual Ready Reserves to sustain a fight of any length in Europe, the most likely scene of a conventional war with the Soviet Union. Even if the registration proposed by President Carter is passed, our Selective Service System will be unable to deliver reinforcements in time to help stop the Soviet assault.

Chemical warfare continues to be a subject of serious concern. Evidence grows that the Soviets have assisted the Vietnamese in using chemical weapons on the Laotians and are themselves using it against the Afghans. Efforts to restore our capacity to fight in a chemical warfare environment are constructive, but they should be on a "crash" basis. This is yet another reason to speed up production of the XM-1 tank and infantry fighting vehicle, both of which are better equipped for ABC warfare than the M-60 tank and the present M-113 armored personnel carrier.

Today's slow production of all weapons systems makes them more costly in the long run. Unit costs come down with greater production, but the present administration has seen fit to save a few dollars on an annual basis, by limiting production, rather than order the amount needed and secure a lower unit cost over a longer period. This is an act in budget window-dressing and should be stopped. It is not only major weapons systems that need stepped-up production, but even such things as ammunition lines and individual missile lines. If these deficiencies are not remedied, we could find ourselves going to war and running out of artillery ammunition or submarine torpedoes in a matter of months. That is hardly the mark of a great power.

What is most difficult for the general public to grasp is that the present state of America's defenses is that our commitments are a mile wide, and our resources are a half-inch deep. We have no draft system to back up our active duty forces, and we lack an adequate number of initial reserves even to reinforce our active duty forces. We lack enough reserves of ammunition, missiles and aircraft to sustain anything but the shortest of conflicts. We speak boldly of a rapid deployment force, but unless the whole Nation were mobilized we would be hard put to sustain it, as we are now having difficulty in keeping a naval task force in the Persian Gulf area. The corrective actions needed are so broad and deep that were a President to announce them to the people of the United States, they would be flabbergasted.

However, as a recent study noted:

> The corporate mind at the Department of Defense has discouraged nonconforming judgment and has stifled initiative in the military. Management by objective has replaced leadership by example.

We are still fighting the blueprint war; everything is R. & D'ed to death while our production lines atrophy and the once great "arsenal of democracy" now becomes the world's paper tiger.

Of the most immediate importance is securing the safety of our existing ICBM force. We must be able to pose a credible threat to the Soviet leadership if we are to deter them from anything. We should move as fast as feasible to place our missiles in a vertical, multiple protective structure system at existing missile fields. Deployment of the 100 Minuteman III boosters now in storage in existing Minuteman II silos would increase the power of that force by 10 percent. The rapid revival and installation of our ABM system should be our second priority. As a part of this same effort the readiness level of our B-52's could be retired as our Air Force received the B-1 bombers, production of which should be started as soon as possible. As a part of this same effort, Trident submarine production should be accelerated, and crash work on the Trident II missile commenced.

This Nation will be a long time recovering its military equilibrium after suffering through an administration that has canceled the B-1 bomber, stopped the Minuteman missile assembly lines, delayed the MX missile three times, canceled the neutron bomb, partially withdrawn our troops from Korea, cut our naval shipbuilding program and paid Panama to take one of our most strategic assets, the Panama Canal.

Our Navy is only in a position to control the seas in a limited area for a limited period of time by concentrating its resources in that area. The Soviet Navy is building new carriers and has a nuclear cruiser on the way. The Soviet Navy now has a larger number of amphibious ships available and more surface ships with heavier armament than those of the United States. We speak of a rapid deployment force that presently consists of a Marine General and a few staff personnel. If we do not step up our shipbuilding effort, the downhill trend will continue. Our lack of sealift, even more than the deficit in airlift, makes the RDF (rapid deployment force) hardly credible to potential adversaries.

The Marine Corps continues to be ready, but it is ready with obsolete equipment and does not have the necessary amphibious ships to transport the marines to the places we might need them in a timely fashion, nor do we have the necessary naval firepower to support their landings, once ashore.

Our Army continues to be plagued with lower category personnel and remains more bogged down with catering to minority rights, equal rights for women and all sorts of peripheral problems than it is with combat readiness. Our new tank, the XM-1 and the infantry fighting vehicle (IFV) are just starting to come off the production lines but it will be years, at the present rate, before our troops will have them in sufficient numbers; meanwhile if war comes, our men will fight with inferior weapons.

The Air Force, while possessing some new and effective aircraft, does not have enough of them. The Soviet Air Force is now configured to attack and possibly overwhelm our Air Force with sheer numbers. We must also note that our aircraft no longer have an appreciable technological edge over the Soviets and fuel constraints no longer give our fliers the edge of the extra flying time we used to have. Again, failure to provide adequate stores of ammunition severely limits the effectiveness of our air power.

The approach of the middle eighties brings us to the valley of the shadow of destruction of our civilization unless we embark on a crash program to rebuild our defenses and even then it will take years. Our time has almost run out.

Our planners and successive administrations have elected to follow the example of Carthage in the Third Punic War or more exactly the example of the Eastern Roman Empire in 1453. Apparently they do not know or, what is worse, do not care that in both cases those policies led to the death of a nation and its surrounding civilization.●

The CHAIRMAN. If there are no further amendments to H.R. 6974, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6974) to authorize appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1981 for civil defense, and for other purposes, pursuant to House Resolution 661, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PRICE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 338, nays 62, not voting 32, as follows:

[Roll No. 250]

YEAS—338

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—62

Addabbo
Aspin
Baldus
Bedell
Beilenson
Bingham
Bonior
Brodhead
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Diggs
Donnelly
Drinan
Early
Edwards, Calif.
Forsythe
Garcia
Gephardt
Gray
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Leland
Lowry
Maguire
Markey
Miller, Calif.
Mitchell, Md.
Moakley
Moffett
Oberstar
Obey
Ottinger
Pursell
Rahall
Rangel
Reuss
Richmond
Rodino
Rosenthal
Roybal
Sabo
Schroeder
Seiberling
Shannon
Stark
Stokes
Studds
Thompson
Vanik
Vento
Weaver
Weiss
Yates

NOT VOTING—32

Anderson, Ill.
AuCoin
Bonker
Brown, Calif.
Dodd
Duncan, Oreg.
Fish
Foley
Grassley
Hansen
Giaimo
Heckler
Holtzman
Lundine
McCormack
McEwen
McKinney
Marks
Mathis
Minish
Nedzi
Nolan
Perkins
Quayle
Ritter
Stewart
Symms
Ullman
Van Deerlin
Williams, Mont.
Wilson, C. H.
Wydler

☐ 1720

The Clerk announced the following pairs:

Mr. Minish with Mrs. Heckler.
Mr. Dodd with Mr. Quayle.
Mr. McCormack with Mr. Ritter.
Mr. Giaimo with Mr. Marks.
Mr. Brown of California with Mr. Anderson of Illinois.
Mr. AuCoin with Mr. Fish.
Mr. Nedzi with Mr. McEwen.
Mr. Charles H. Wilson of California with Mr. Grassley.
Mr. Ullman with Mr. Wydler.
Mr. Foley with Mr. Hansen.
Mr. Duncan of Oregon with Mr. McKinney.
Mr. Lundine with Mr. Symms.
Mr. Mathis with Mr. Nolan.
Mr. Bonker with Mr. Stewart.
Ms. Holtzman with Mr. Williams of Montana.
Mr. Perkins with Mr. Van Deerlin.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION, AND CROSS REFERENCES, IN ENGROSSMENT OF H.R. 6974

Mr. PRICE. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 6974, the Clerk be authorized to make necessary technical corrections, including section numbers, punctuation, and cross references.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FOR THE CONSIDERATION OF H.R. 3904, MULTIEMPLOYER PENSION PLAN AMENDMENT ACT OF 1979

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 666, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 666

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, one hour and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, and one hour and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in italic in the bill as an original bill for the purpose of amendment under the five-minute rule, and said amendment shall be considered as having been read. No amendment to said substitute shall be in order except pro forma amendments for the purpose of debate and the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in boldface roman in the bill, and said amendment shall be considered as having been read and shall not be subject to amendment except pro forma amendments for the purpose of debate, and the amendments printed in the Congressional Record of May 12, 1980, by, and, if offered by, Representative Erlenborn of Illinois, said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. It shall be in order to debate a motion to recommit for not to exceed thirty minutes, fifteen minutes to be controlled by the proponent of the motion and fifteen minutes to be equally divided and controlled by the chairmen of the Committee on Education and Labor and the Committee on Ways and Means.

☐ 1750

The **SPEAKER** pro tempore. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I shall consume.

Mr. Speaker, this resolution, House Resolution 666, provides a modified closed rule for the consideration of H.R. 3904, which is the multiemployer pension plan amendments of 1950.

The rule dispenses with the first reading of the bill, and provides 3 hours of general debate to be equally divided between the two committees—Education and Labor and Ways and Means—who reported this bill. Following general debate, the bill shall be considered as having been read for amendment under the 5-minute rule.

Mr. Speaker, both committees reported committee substitutes which are very similar to each other; the substitute reported from the Committee on Education and Labor was used for markup by the Committee on Ways and Means. However, the two committees requested different variations in the rule for this complex bill which affects parallel provisions in ERISA and the Internal Revenue Code. The Committee on Education and Labor requested a modified open rule and a closed rule was requested by the Committee on Ways and Means. After careful deliberation the committee on rules reported a delicately balanced rule which represents a compromise between the positions of the two committees. The rule contains no waiver of points of order.

Mr. Speaker, the rules provide that the Education and Labor Committee substitute shall be the vehicle for floor consideration and no amendment to the substitute shall be in order except pro forma amendments and the Ways and Means Committee substitute. Additionally, the Ways and Means Committee substitute shall only be amendable by pro forma amendments and the Erlenborn amendments printed in the CONGRESSIONAL RECORD of May 12, which are not amendable.

House Resolution 666 provides for one motion to recommit with or without instructions and allows 30 minutes of debate on that motion, to be equally divided between the proponent of the motion and the chairmen of the two committees.

Mr. Speaker, this rule is necessarily tightly structured to preserve the balance in this complex legislation. H.R. 3904 is designed to remedy certain defects in the pension benefit guaranty program as it relates to multiemployer pension plans and to protect workers and retirees from the loss of pension. The Employment Retirement Income Security Act of 1974 established a program for guaranteeing the pension benefits of participants in pension plans which terminate with insufficient assets to pay benefits. The program is administered by the Pension Benefit Guaranty Corporation, an independent corporation within the Department of Labor which is entirely self-financed and receives no congressional appropriations from general revenues.

Multiemployer plans are collectively bargained pension plans which provide retirement benefits to the employees of more than one employer. These plans enable employees to retain benefit credits earned for service with a contributing employer even if the employer subsequently ceases contributing to the plan. Because of the uncertainty about the impact of the benefit insurance program on multiemployer plans, the multiemployer component was put on a discretionary basis. Mandatory coverage of these plans was delayed to allow time for study and development of legislative proposals for improvements in the program, but on July 1, 1980, the guarantee of benefits under a terminated multiemployer plan will become automatic.

Mr. Speaker, H.R. 3904 will promote benefit security for participants in multiemployer plans by improving the financial condition of the plans, eliminating incentives to plan termination, and by providing assistance to insolvent plans. The bill reduces guarantees so that the incentive to terminate a plan is eliminated and makes employers who withdraw from a plan liable to continue to fund their fair share when a plan is in trouble. Under the provisions of this bill the unions, employers, and employees alike will have to share the burden of a plan in trouble. No longer will only those employers who remain with a plan be burdened with the liabilities but the withdrawing employer will be required to pay its fair share of the plan's unfunded liabilities.

Mr. Speaker, I believe it is essential that the Congress enacts a sound program to protect the pension benefits of the retirees, especially the many elderly people who are so dependent on their pensions to sustain a decent standard of living. We must remove this cloud of uncertainty and eliminate the threat of economic disaster for the thousands of participants in multiemployer pension plans. In many cases the very persons who need the pensions most have had their security jeopardized by consequences of the termination of multiemployer plans.

Mr. Speaker, may I just add one thing. When this matter was before the Committee on Rules, I presumed to ask the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN), had his committee given any consideration to the possible removal of the burden of taxation either wholly or partially from pension plans? You will recall that social security benefits are not taxable.

Now, I am not proposing without study and careful consideration of the matter that such a proposal or idea be adopted, but the able chairman of the Committee on Ways and Means said his committee had thought of the matter. They were intending to give it more consideration and I would certainly hope that they would thoroughly explore the possibilities of relieving, either partially or wholly, the burden of taxation upon the receipts from pension plans derived generally by the retired and the elderly, who never have had enough to live on adequately.

Mr. Speaker, I yield to the distinguished chairman of the committee, the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, quite frankly I prefer that the labor titles of the bill, titles I, III, and IV, be open for amendment and did so testify. I have long been an advocate of open rules. However, there are times—and given the circumstances of this particular piece of legislation, and all else considered I believe this is one of those times—when I must listen respectfully to the wishes of the Committee on Rules.

Mr. PEPPER. Mr. Speaker, I thank the gentleman very much.

Mr. Speaker, this rule proposes the consideration of a very important bill, the Multiemployer Pension Plan Amendments Act of 1980. I hope my colleagues will adopt it so that we may favorably adopt H.R. 3904.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 666 provides for the consideration of the bill, H.R. 3904, Multiemployer Pension Plan Amendments Act. This is a modified closed rule providing for 3 hours of general debate, 1 hour and 30 minutes to be divided between the chairman and ranking minority member of the Committee on Education and Labor and 1 hour and 30 minutes to be divided between the chairman and ranking minority member of the Committee on Ways and Means. The rule makes in order the amendment in the nature of a substitute recommended by the Committee on Education and Labor as an original bill for purposes of amendment, and it shall be considered as having been read. No amendments to the substitute are made in order except for pro forma amendments for the purpose of debate, and certain specified amendments. The rule makes in order a Ways and Means Committee substitute which shall be considered as read and shall not be amendable except for pro forma amendments for debate purposes. In addition, it allows the amendments printed in the CONGRESSIONAL RECORD of May 12 to be offered by Representative ERLENBORN and these amendments are not subject to amendment except for pro forma amendments for the purpose of debate.

The rule also provides a motion to recommit with or without instructions, which may be debated for 30 minutes, 15 minutes to be controlled by the proponent of the motion and 15 minutes to be divided between the chairmen of the Committee on Education and Labor and the Committee on Ways and Means.

Mr. Speaker, the rule is somewhat complicated and although it is far from being a completely open rule, it does make in order certain amendments which deserve the House's consideration. So that you will better understand the process which is allowed under this rule, let me give you a short history of this legislation here in the House.

H.R. 3904 as reported by the Education and Labor Committee is an attempt to formulate a workable program of insurance for multiemployer pension plans. As of July 1, 1980, the Pension Benefit Guaranty Corporation is scheduled to assume financial responsibility for such plans which cannot meet their obligations. This could lead to massive expenditures and consequently H.R. 3904 attempts to address this problem by encouraging the growth of multiemployer plans and by protecting the interests of plan participants. Specifically the bill speeds up the funding of the plans and allows some reduction of benefits. It also requires employers to make contributions sufficient for future benefits.

Additionally H.R. 3904 was considered by the Ways and Means Committee which reported the bill with a substitute amendment. The committee's changes in the bill include limiting the withdrawal liability of certain plan withdrawals and placing the PBGC "on budget." These are but a few of the provisions of the Ways and Means substitute.

Since there seems to still be quite a lot of controversy over the ability of this legislation to properly address the situations sufficient for future benefits. ment, the Rules Committee did make in order amendments to be offered by Mr. ERLENBORN as printed in the May 12 CONGRESSIONAL RECORD. The amendments encourage faster funding for pension liabilities arising in the future and provide disincentives for mass withdrawal plan terminations.

Also of interest to my colleagues is the recommittal motion which I understand is to be offered by a member of the Ways and Means Committee.

Mr. Speaker, this is an extremely complex subject and one which deserves the most careful consideration by this body. Although the two jurisdictional committees have done a remarkable job of uncovering problems arising from ERISA in regard to multiemployer plans, I feel very strongly that there are additional changes to be made which will improve the workability of the program and insure the future distribution of participants' benefits. I urge my colleagues to carefully consider the amendments to be offered.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

☐ 1740

Mr. ERLENBORN. Mr. Speaker, I rise in support of the rule.

I tend to agree with the gentleman who just spoke from the Rules Committee (Mr. LOTT) that we could have had an open rule for the consideration of this legislation. When ERISA was first considered on the floor of the House in 1974 it was done under an open rule and no disaster befell the Nation.

The reason a closed rule, a modified closed rule was reported by the Rules Committee is because the chairman of the Ways and Means Committee asked for an absolutely closed rule. It has become, I think, more popular in the intervening years since 1974 to protect more and more legislation against full consideration on the floor by the use of a closed rule and, of course, the closed rule has traditionally been used for legislation amending the Internal Revenue Code.

Mr. Speaker, the legislation before us is extremely important. It is an utter necessity that the House get about the job of amending the multiemployer insurance in ERISA.

I think we have a fairly good record in our Committee on Education and Labor for early consideration of this legislation, followed by a fairly prompt consideration by the Ways and Means Committee. But we have one committee in the other body that has not yet reported legislation and is reportedly not going to until we pass the bill here in the House.

For this reason I think it is important that we go ahead and I will support the rule for that reason.

In addition, most of the amendments that were offered in either the Education and Labor Committee or the Ways and Means Committee in substance are incorporated in the five amendments that I placed in the RECORD and which are made in order by this rule, so that most of the amendments that I think might have been offered anyhow can be offered under this modified closed rule.

For these reasons I hope that the rule is adopted and we can move to prompt consideration and passage of this bill.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in opposition to this rule. I hate to be placed in a position contrary to that of the distinguished gentleman from Illinois (Mr. ERLENBORN), but I am happy that it is only on the procedure and not over the substance of this matter.

I note that the distinguished chairman of the Subcommittee on Education and Labor, which produced this bill, asked the Rules Committee for an open rule. I am sorry the Rules Committee decided on a modified rule.

I believe that this House has used the closed rule far too often as a kind of a crutch for legislation which does not need to be propped up in that way. I believe the House is perfectly capable of making rational and good decisions all by itself. It does not need to be told by the Rules Committee just what it can do and when it can do it.

I agree with the gentleman from Illinois that most of the important matters are recognized under the rule and will be brought up under the Erlenborn amendments made in order by the rule.

Nevertheless, I think the idea of treating elected representatives of the people of this country as though they were youngsters who need to be protected from themselves by the Rules Committee is bad procedure, I think the rule ought to be voted down.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Speaker, H.R. 3904 is designed to provide a workable system of termination insurance for multiemployer pension plans, to go along with the termination insurance already in effect for single-employer plans. Thus, its major purpose is to protect workers' retirement income security.

However, many participants in plans never actually become vested in a retirement benefit because they change jobs too often, because theirs is a profit-sharing plan with insufficient profits, because their benefits are offset by social security benefits or calculated only on wages above the covered social security wage, or for other reasons. In addition, most private pension plans do not provide benefit increases after retirement; therefore, retirees have no provision for dealing with inflation without savings of their own.

I think it makes good sense to augment the protection afforded workers in this bill by encouraging them to accumulate additional savings of their own to further protect their future income security. By encouraging personal savings for this purpose, we would be helping workers at the same time that we addressed the critical need for private capital formation to strengthen our economy.

For these reasons, in the Education and Labor Committee and before the Ways and Means Committee I suggested attaching to H.R. 3904 a provision allowing supplementary individual retirement accounts, or IRA's, for all workers who are participants in tax-qualified retirement programs. I would offer such an amendment here on the House floor, if the rule permitted it. Unfortunately, it does not, and therefore I oppose the rule.

Nevertheless, a supplementary IRA provision is an excellent idea with broad support, and H.R. 3904 is a weaker bill without it. I will continue to press for its enactment at the earliest opportunity.

Let us encourage people to help themselves, rather than relying only on the Government to solve all their problems.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, may I just say one word? This bill, H.R. 3904, came out of two committees, the Committee on Education and Labor and the Committee on Ways and Means. Each one of those committees submitted to the Rules Committee a proposed rule. They were a little different. The Rules Committee, after hearing both of those distinguished committees, worked out the best compromise we could and that is what is embodied in this bill.

I hope this rule will be adopted.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 76, not voting 47, as follows:

[Roll No. 251]

YEAS—309

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif
Andrews, N.C.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Markey
Marlence
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Vander Jagt
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—76

Andrews, N. Dak.
Ashbrook
Bafalis
Bauman
Bereuter
Bethune
Broomfield
Brown, Ohio
Burgener
Butler
Campbell
Carney
Cheney
Cleveland
Coleman
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Devine
Dornan
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Frenzel
Gingrich
Goldwater
Hagedorn
Hinson
Holt
Hopkins
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Loeffler
Lott
Lujan
McDonald
Marriott
Martin
Michel
Miller, Ohio
Moore
Moorhead, Calif.
Paul
Petri
Porter
Roberts
Rousselot
Schroeder
Sensenbrenner
Shumway
Stockman
Stump
Tauke
Taylor
Thomas
Trible
Volkmer
Walker
Whittaker
Young, Fla.

NOT VOTING—47

Alexander
Anderson, Ill.
Atkinson
AuCoin
Beard, Tenn.
Bonior
Bonker
Breaux
Brown, Calif.
Davis, Mich.
Diggs
Dodd
Downey
Duncan, Oreg.
Fish
Foley
Giaimo
Grassley
Hansen
Harsha
Holtzman
Lundine
Lungren
McCormack
McEwen
McKinney
Maguire
Marks
Mathis
Miller, Calif.
Minish
Mitchell, N.Y.
Moffett
Nolan
Perkins
Quayle
Rangel
Ritter
Runnels
Sabo
Stewart
Symms
Ullman
Van Deerlin
Williams, Mont.
Wilson, Bob
Wilson, C. H.

☐ 1800

The Clerk announced the following pairs:

Mr. Dodd with Mr. Bob Wilson.

Mr. Giaimo with Mr. Davis of Michigan.

Mr. Rangel with Mr. Harsha.

Mr. Minish with Mr. McEwen.

Mr. McCormack with Mr. Quayle.

Mr. AuCoin with Mr. Symms.

Mr. Atkinson with Mr. Marks.

Mr. Breaux with Mr. McKinney.

Mr. Foley with Mr. Mitchell of New York.

Mr. Lundine with Mr. Fish.

Mr. Downey with Mr. Beard of Tennessee.

Mr. Brown of California with Mr. Anderson of Illinois.

Mr. Moffett with Mr. Grassley.

Mr. Miller of California with Ms. Holtzman.

Mr. Charles H. Wilson of California with Mr. Conyers.

Mr. Runnels with Mr. Ritter.

Mr. Sabo with Mr. Stewart.

Mr. Van Deerlin with Mr. Diggs.

Mr. Ullman with Mr. Bonker.

Mr. Nolan with Mr. Bonior of Michigan.

Mr. Mathis with Mr. Maguire.

Mr. Perkins with Mr. Williams of Montana.

Mr. Alexander with Mr. Duncan of Oregon.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW DURING GENERAL DEBATE ON H.R. 6418

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit tomorrow during general debate on H.R. 6418.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. HANCE. Mr. Speaker, I rise to state it had been my intention to ask to remove my name as a cosponsor of H.R. 4717, introduced by Representative Herbert Harris. My intention was to cosponsor H.R. 7287, but due to staff miscommunication, my name was placed on the previously mentioned bill in error. My distinguished colleague from Virginia has been notified of my intention.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit on May 22, 1980, during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

Mr. THOMPSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improviding retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. Thompson).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3904, with Mr. Rose in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. Thompson) will be recognized for 45 minutes, the gentleman from Illinois (Mr. Erlenborn) will be recognized for 45 minutes, the gentleman from Illinois (Mr. Rostenkowski) will be recognized for 45 minutes, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 45 minutes.

The Chair now recognizes the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would ask the distinguished gentleman from Illinois if he would enter into a colloquy with me on the questions of the jurisdiction of the Committee on Ways and Means and the Committee on Education and Labor, respectively, over the subject matter of this legislation.

Mr. ROSTENKOWSKI. I would be happy to do so.

Mr. THOMPSON. At the outset, I want to say that I am pleased to come here today with legislation that reflects the agreement of our two committees as to substance. Because of the complexity of these substantive issues and our desire to avoid further complicating an already difficult process, we have developed this legislation, notwithstanding the jurisdictional prerogatives of our two committees. I would like to recite my understanding that neither of our committees intends to broaden or narrow their respective jurisdiction by the disposition of H.R. 3904.

The committees recognize that any future jurisdictional questions will be resolved by the Speaker and the Parliamentarian; neither of us intends to rely on any claim based on the unique disposition of this issue in the context of H.R. 3904.

Mr. ROSTENKOWSKI. The gentleman has stated the understanding and intention of our two committees.

Mr. THOMPSON. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Murphy), chairman of the Committee on Merchant Marine and Fisheries.

Mr. MURPHY of New York. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, section 104 of the legislation describes employer withdrawal circumstances. I would ask the gentleman to focus on the partial withdrawal rules provided therein; in particular, the "facility-closing 25-percent contribution decline for a plan year" rule. The bill defines the term "facility," in the absence of a plan's definition, as "an economic unit—generally at a single physical location—where business is conducted or where services or industrial operations are performed." It seems to me that in the maritime industry the definition of "facility" might be argued to mean a single ship; and that if a ship ceased operations for any reason; for example, accident, replacement, sale, that would constitute a "facility closing" under the bill and put the employer within the partial withdrawal rule.

I find this interpretation troublesome; but I am satisfied, as a result of conversations with my colleagues and committee staff, that this is not the intended result. Would you please therefore, for the legislative history, clarify the meaning of these provisions in the maritime sector.

Mr. THOMPSON. Neither the Education and Labor Committee nor the Ways and Means Committee intended the construction of the provisions as they may apply in the maritime industry that the gentleman has recited.

While a plan may be amended to define the term "facility," "facility" does not, in the maritime industry, mean a ship. A ship is not at a single physical location. Moreover, a ship is only an incidental component of an "economic unit"; that is, the employer's total fleet, and is not, of itself, the "economic unit" the bill would require. Deeming a ship to be a "facility" in the maritime industry would be equivalent to regarding an airplane in the airline industry or a truck in the trucking industry or a continuous miner in the coal industry, for instance, as facilities.

Mr. MURPHY of New York. I concur with the gentleman's interpretation and appreciate that clarification.

☐ 1810

Mr. THOMPSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I wish first to take this opportunity to express my appreciation to the distinguished gentleman from Oregon, the chairman of the Committee on Ways and Means (Mr. Ullman), and to the ranking minority member of the committee, the distinguished gentleman from New York (Mr. Conable), for their cooperation and assistance in coordinating the efforts of our two committees on this extraordinarily complex legislation.

In considering the legislation after it had been reported by the Education and Labor Committee with an amendment in the nature of a substitute, the Committee on Ways and Means made certain substantive and technical changes in consultation with our committee. The Ways and Means Committee reported the bill with an amendment in the nature of a substitute which is substantially similar to the Education and Labor Committee bill and with which we are in agreement.

I also wish to commend my colleague on the Education and Labor Committee, the distinguished gentleman from Illinois (Mr. Erlenborn) whose interest in this area is well known and appreciated. Notwithstanding his opposition to a program to guarantee workers' benefits in multiemployer plans, he has worked with me to construct a sound and workable bill. As the gentleman knows, together we have created a complex mechanism, with due consideration for the need to balance many diverse and competing considerations.

Mr. Chairman, this legislation as it has emerged after over a year of consideration by our two committees has the support of a broad coalition of labor and management groups representing workers and employers in the industries in which multiemployed pension plans predominate.

The vital and immediate necessity for a complete revision of certain provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code as they apply to multiemployer plans is well established by the studies of the Pension Benefit Guaranty Corporation, and the oversight findings of our committee and the Committee on Ways and Means.

Mr. Chairman, I would like to explain

what this bill is all about and how it came about.

The purpose of this legislation is to protect the millions of retirees and workers who are participants in multiemployer plans against the loss of their pensions. The act is designed to foster plan continuation and growth because plan continuation and growth provide participants and beneficiaries the greatest security against benefit loss.

Mr. Chairman, in 1974 Congress enacted vesting standards for private retirement plans to protect participants against unduly restrictive forfeiture provisions, funding standards to assure the accumulation of sufficient assets to meet plan obligations and a termination insurance program to protect the benefits of participants in plans of the defined benefit type, in the event a plan terminates with insufficient assets to pay benefits.

The termination insurance program is administered by the Pension Benefit Guaranty Corporation (PBGC), an independent corporation within the Department of Labor, governed by a board of directors composed of the Secretaries of Labor, Treasury, and Commerce. The program receives no appropriations from general revenues, it is financed entirely out of per participant premiums paid by covered plans, the assets of terminated plans, and liability payments from employers who have contributed to insufficient terminated plans. Although payment of the required premiums is mandatory for both single employer and multiemployer defined benefit plans, the guarantee of benefits under a terminated multiemployer plans remains at the discretion of the PBGC until July 1, 1980.

Congress originally delayed automatic coverage of terminations of multiemployer plans because of inadequate knowledge of how such plans operate and great uncertainty about the impact of the termination insurance program on multiemployer plans. Since that time the PBGC has submitted a report to Congress which assessed the magnitude of the potential costs that the termination insurance program could incur as a result of terminations of multiemployer plans experiencing financial hardship, if automatic coverage were to go into effect under current law. The study indicated that if all plans with a potential to terminate did so, the net cost to the system could be as high as $4 billion.

The study concluded that although ERISA has resulted in substantial improvements in the operation of private pension plans, including multiemployer plans, there are weaknesses and inequities in the current law which undermine the benefit security of plan participants and place unfair burdens on certain employers while relieving others of financial responsibility. The current termination insurance provisions threaten the survival of multiemployer plans by exacerbating the problems of financially weak plans and encouraging employer withdrawals from and terminations of plans in financial distress.

We have delayed automatic coverage of multiemployer plans three times to give Congress the time to adequately consider specific legislative proposals to remedy defects in existing law which were introduced on May 3, 1979.

Mr. Chairman, a sound and workable program to protect plan participants against benefit losses is essential to the survival of multiemployer plans. We cannot repeal benefit guarantees for multiemployer plans, as the distinguished gentleman from Illinois has advocated, unless we also strip out the vesting, eligibility and funding rules we established in 1974 to protect workers' pension benefits. That is an unacceptable alternative. We have learned since 1974 that because of economic and demographic pressures in certain industries, employers and active workers in some multiemployer plans are paying an intolerably high price to maintain the often meager benefits of growing numbers of retirees.

The expansion of private pension plan coverage in the United States over the past three decades is attributable in large measure to the establishment and growth of collectively bargained plans and particularly of multiemployer plans. There are now about 2,000 multiemployer plans of the defined benefit type, covering about 8 million participants.

Multiemployer plans have historically provided a high degree of benefit security to plan participants because of the features of pension portability and self insurance which characterize such plans. They are an important and viable mechanism for providing retirement income in industries as diverse as mining, retail foods and trucking.

The capacity of a multiemployer plan to meet its benefit commitments depends on the maintenance of a stable or growing contribution base. Under current law, employers who withdraw from a multiemployer plan have no further obligation to fund the liabilties of the plan unless the plan terminates within 5 years of withdrawal. If discrete employer withdrawals are accompanied by a decline in the industry covered by the plan. The resulting funding burden on remaining contributing employers and active workers is intolerably and unfairly high. In highly competitive or marginal industries, such increased costs may make the plan unattractive so that new employers are discouraged from coming into the plan. The solvency of the plan is then threatened, particularly where benefit improvements have been funded over unrealistically long periods of time.

The financial instability of some multiemployer plans was not an identifiable problem prior to the passage of ERISA, because participation in such plans and the industries they covered generally continued to grow in the 2½ decades before passage. In addition, for plans that did get into financial trouble, there existed the flexibility to adjust benefit levels or defer funding.

In recent years, however, for some multiemployer plans external economic factors such as technological obsolescence, foreign competition or changing consumer or distribution patterns have resulted in a significant decline in the number of contributors or the number of active employees in the contribution base, an increasing proportion of retirees to active workers and sharply escalating costs. ERISA restricts the flexibility such plans had to defer funding, restrict vesting—or as a last resort—reduce benefits to ease the funding burdens on remaining contributors and active workers.

The financial problems in declining industries arise in part because plans have been funding benefit obligations over too long periods of time. ERISA's current funding standards are inadequate to strengthen the financial position of multiemployer plans. Shortening the funding period for benefit improvements in multiemployer plans will better insulate such plans from the adverse effects of a declining contribution base.

Under the existing termination insurance rules, guarantees are provided by the PBGC to participants in a terminated plan at levels high enough to result in coverage of virtually 100 percent of the vested benefits of participants in certain multiemployer plans. In the case of a financially troubled plan, termination liability creates an incentive for employers to withdraw early to escape that liability. Moreover in such a plan, contribution increases may be escalating so sharply that termination liability may prove cheaper for the remaining employers than continuing the plan, because the law limits employer termination liability to 30 percent of employer net worth. The remaining employers have an incentive to terminate the plan.

Thus, where active workers determine that benefits may be provided for them at considerably less cost than current contributions because of the high cost of retirees' benefits, and are satisfied that vested benefits for retirees and others are virtually 100 percent covered by the guarantees, there is an incentive for the active workers, through their union, and employers to agree to terminate the plan. The potential for high costs for the benefit guarantee program lies in this combination of financially precarious plans, and incentives to termination in the current law.

Mr. Chairman, our committee fears that absent the changes in the law made by H.R. 3904, termination of multiemployer plans will become an increasing economic reality. The basic policy of this bill is that retirement income security is best assured by fostering the growth and continuation of multiemployer plans. The legislation aims to create stability and certainty where there is now neither. For this reason our committee rejected amendments which in similar form will be offered by the gentleman from Illinois. He and I have worked together to achieve a balanced program; I believe the amendments he now offers will unbalance the bill, create administrative complexity and technical difficulties, additional confusion and uncertainty for plan participants, and opportunities to select against the program, and will inhibit the development of sound retirement income policy. His amendments have been considered by the PBGC, and the concerned labor and management groups. I know of no support for them in any corner. The strong coalition in support of this complex legislation, which brings together groups traditionally in fierce opposition to each other, exists because of the great desire for stability and security in this area on the part of workers and employers alike.

Mr. Chairman, after careful consideration of the options, the Committee on Education and Labor has concluded that the following measures embodied in H.R. 3904, are essential to establish a statutory framework that will effectively and equitably serve ERISA's purpose of assuring retirement income security for the millions of workers and retirees in our country.

The legislation:

First. Requires all multiemployer plans to fund benefit improvements over more realistic periods;

Second. Identifies and requires greater funding of those plans for which the regular funding standards are not adequate to insure that assets are sufficient to meet benefit commitments;

Third. Requires employers who withdraw from a multiemployer plan, or who experience severe declines in their covered operations under the plan, to continue to fund their fair share of the plan's unfunded benefit obligations;

Fourth. Permits multiemployer plans in financial distress to reduce certain benefits of plan participants, including retirees, to prevent plan insolvency;

Fifth. Provides relief from harshly escalating contribution increases in the case of a plan in which retired participants exceed active workers in number, in order to enable contributing employers and active workers to maintain the plan at affordable levels;

Sixth. Reduces the level of benefit guarantee assistance provided by the PBGC in order to eliminate incentives to make unrealistic benefit improvements and terminate a plan, and in order to encourage sound funding of benefits;

Seventh. Makes unavoidable insolvency and not voluntary plan termination the only "insurable event" by providing for PBGC assistance at the new guarantee levels only to insolvent multiemployer plans, whether or not terminated;

Eighth. Requires continued funding of the benefit obligations of a terminated multiemployer plan;

Ninth. Provides for scheduled increases in premiums to insure that the corporation has sufficient assets to provide assistance to insolvent multiemployer plans.

The bill as reported out by the Committee on Ways and Means effects the same purposes which our committee seeks to achieve and contains some needed technical improvements which we did not have the time to make.

This completes my general statement outlining the reasons for the major provisions of the bill. Because of the importance of this measure, I would like to insert in the RECORD a more detailed explanation at this point.

I believe I have made clear why this bill is essential and merits your support. Expeditious enactment of this legislation is essential to preserve the retirement income security of millions of people and the future stability of labor relations in many vital industries.

GENERAL EXPLANATION OF THE MAIN PROVISIONS OF THE BILL

A. POLICY OF THE MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

The basic policy of the Act is that the retirement income security of multiemployer plan participants is best assured by fostering the growth and continuance of multiemployer plans. Underlying the policy is the recognition that multiemployer plans, by providing pension portability, and protecting the benefits earned by employees whose employers have withdrawn from a plan, have insured the pensions of millions of American workers. The primary threat to the security of participants in multiemployer plans is the protracted decline in covered employment experienced by some plans. A primary objective of the legislation is to insulate plans to the extent possible from declines, through sounder funding, employer withdrawal liability, and plan reorganization, to eliminate incentives to terminate financially troubled plans, and in the event of unavoidable plan insolvency, to provide assistance at affordable costs to maintain benefits at equitable levels.

B. STRENGTHENING THE FUNDING REQUIREMENTS OF MULTIEMPLOYER PLANS

The bill imposes new funding requirements on multiemployer plans to insure that assets are sufficient to meet benefit obligations.

1. Shorter amortization periods

The bill requires that all multiemployer plans fund new benefit improvements over 30 years and amortize experience losses over 15 years; the same requirements as now apply to single-employer plans. The objective is to insure that financially healthy plans remain sound in the face of inflationary pressures to increase benefits and unanticipated declines in the contribution base of a plan.

2. Asset reserve test

Because shorter amortization periods would not be adequate to insure that some plans will build up assets sufficiently to insulate them against the adverse effects of future declines, the bill establishes a new funding requirement for plans which do not meet specified asset reserve tests.

3. Plans in reorganization

A reduction to 30 year funding will not be adequate to insure that a plan with a very large number of older participants will build up the reserves necessary to secure future benefit payments. The bill identifies such plans and defines them as "in reorganization" where the ordinary funding standards are inadequate to assure long term solvency. The additional funding standard, the "minimum contribution requirement," requires that the funding target for each year that a plan is in reorganization be set at a level sufficient to fund the unfunded benefit obligations attributable to pay status participants over 10 years, and the unfunded benefits obligations attributable to all other participants over 25 years, plus an additional amount for increase in normal cost made while a plan is in reorganization; the total amount is adjusted for unanticipated declines in the contribution base to avoid a funding deficiency. The "normal cost add-on" is intended to prevent a plan in financial trouble from being hit with a sharp increase in the future as a result of an unanticipated large number of participants moving into pay status.

In the case of a plan which has a very large number of very old retirees and little assets, even the new minimum contribution requirement is not adequate to ensure that the plan will be able to meet its benefit commitments. A cash-flow requirement is substituted as the minimum contribution requirement in that case.

The minimum contribution requirement will enable plans in a financially precarious position to avoid plan insolvency, except in the event of a substantial and protracted decline in the contribution base. The minimum contribution requirement compels funding benefit improvements over realistic periods of time.

In order to preserve the stability of the collective bargaining process, the bill recognizes collective bargaining agreements of three years duration, but requires the parties to the agreement to take into account recent experience in estimating their contribution base and the benefit entitlements of plan participants.

4. Safe harbor rule

In order to avoid hitting a plan in financial trouble with an immediate sharp increase in required contributions, the bill provides a safe harbor rule which phases in the new minimum contribution requirements, unless a plan is amended while it is in reorganization to increase benefits for service before the effective date of the amendment. The safe harbor rule applies to the minimum contribution requirement applicable under the asset reserve test as well.

5. Overburden credit

For some plans, industry declines have resulted in the number of retirees in the plan exceeding the number of active workers. Required contribution increases in such a case may be pushed to intolerable levels. Active employees see ever larger amounts taken out of their current compensation to pay benefits of retirees, with no assurance for the future of their benefits except the guarantee program. The bill provides relief in the form of a funding credit based on half the guaranteed benefit paid to retirees. The purpose of the credit, in combination with the guarantee that some portion of their benefit will be protected if plan insolvency cannot be avoided, is to induce active employees and their employers to stay with the plan.

C. PERMITTING REDUCTIONS IN CERTAIN PLAN BENEFITS FOR PLANS IN REORGANIZATION

The reorganization index identifies a financially shaky plan which may be heading for insolvency. The bill permits plans in reorganization to avoid insolvency by reducing benefits which have not been in effect five years. The purpose of this exception to ERISA's minimum standards is twofold. One purpose is to afford relief to the parties where they are otherwise faced with the alternatives of plan termination or increasing contributions to uneconomic levels. The other is to avoid the potential chilling effect that the prospect of employer liability has on benefit improvements if employers believe that they are locked into paying for those benefits if the plan gets into financial trouble.

To protect retirees and other inactive participants, the bill requires that benefits of retirees and other inactives may not be reduced to a greater extent proportionally than reductions of active participants' benefits. The bill does not require that reductions be made in the benefits of retirees or other inactive participants. The test of proportionality must be met with respect to each kind of reduction made. For example, a reduction in a subsidized early retirement benefit for actives will not permit a plan to meet the proportionality requirements if the trustees have also cut back benefit levels of inactive participants without also cutting back benefit levels of active participants.

D. EMPLOYER WITHDRAWAL LIABILITY

The bill requires that a withdrawing employer continue funding a proportional share of the plan's unfunded benefit obligations. The purpose is to relieve the funding burden on remaining employers and to eliminate the incentive to pull out of a plan which would result if liability were imposed only on a mass withdrawal by all employers as under current law.

Employer withdrawal liability will help to insulate a plan from the adverse effects of a sustained decline in the contribution base. In order to avoid creating a disincentive to new employers entering a plan, the bill proposes a presumptive rule for allocating withdrawal liability that requires an employer entering a plan after the effective date of withdrawal liability who subsequently withdraws, to fund a share of the increase in the plan's unfunded benefit obligations during the period of the employer's contributions to the plan. However, the bill provides alternative rules which would result in different allocations of unfunded benefit obligations and permits a plan to select the rule it will use. The bill also provides a *de minimis* exception to withdrawal liability and the option for plans to establish abatement rules in the event another employer has assumed the withdrawn employer's liability or its collective bargaining obligation. Plan fiduciaries are given a great deal of flexibility to strike a balance among the competing considerations of encouraging new entrants, discouraging withdrawals, easing administrative burdens, and protecting the financial soundness of a fund. The committee wishes to make it clear that in choosing the rules that would eliminate or reduce liability, the choice of such a rule is not *per se* a violation of fiduciary standards; in choosing such a rule, the fiduciary must, of course, act reasonably and in the interests of plan participants and beneficiaries and otherwise in accordance with the fiduciary standards.

Because in the construction industry, the withdrawal of an employer does not remove jobs from the plan's contribution base unless the employer continues to work in the area covered by the collective bargaining agreement without continuing to contribute to the plan, withdrawal of an employer in the construction industry occurs only in that limited situation (except where the employer is keeping a token work force, thus avoiding withdrawal liability).

Because certain entertainment industries, such as the legitimate theater, share to an extent similar characteristics of work of a temporary project nature and mobility of employment that limits the impact on a plan of a cessation of contributions by an employer, withdrawal of an employer in an industry such as the legitimate theater would be similarly limited to the instance where the employer stays in the area of the collective bargaining agreement and continues to work without continuing its contributions under the plan. Because the committee lacks adequate knowledge of other entertainment industries which share these characteristics, the PBGC must determine the industries and the extent to which it is appropriate to apply the special rule.

E. PARTIAL WITHDRAWAL

As protracted declines in an employer's contributions to a plan which do not constitute a complete withdrawal may have the same adverse effect on a plan's contribution base and on the funding burden on other employers, the bill provides for liability upon a partial withdrawal. In addition to compensating a plan for a sustained decline in a contributing employer's contributions, the rules are intended to prevent an employer from intentionally winding down operations to avoid withdrawal liability. It is intended, however, that a complete withdrawal occurs, as under current concepts of plan termination, where an employer has ceased virtually all operations at the facility for which the employer makes contributions to the plan. Application of the *de minimis* rule to partial withdrawal abatement rules, and the option for a plan to eliminate partial withdrawal rules, are provided in order to strike a balance between the need to protect the plan and the desire to avoid further disincentives to contributing employers.

F. PLAN TERMINATIONS; PLAN INSOLVENCY

The bill requires employers who terminate a multiemployer plan to continue to fund the benefit obligations of the plan. A plan is terminated if the parties freeze benefit accruals and vesting service, or the plan becomes a defined contribution plan, or there is a mass withdrawal of all employers from the plan. In the first two cases, the employer's obligation to fund the benefit obligations of the plan by making contributions is continued; however, the obligation in the case of a termination by mass withdrawal is to make withdrawal liability payments. Certain reorganization rules apply to a terminated plan and the PBGC assistance is available if the plan becomes insolvent.

The purpose of the new termination rules is to protect participants, especially retirees, from unnecessary benefit reductions, to avoid lump sum termination liability and to prevent the parties from creating an event which triggers assistance payments by simply deciding not to fund the plan. PBGC assistance is available, as in the case of an ongoing plan, only in the event of unavoidable plan insolvency.

G. PLAN INSOLVENCY AS THE INSURABLE EVENT; REDUCED GUARANTEES

The bill limits PBGC assistance to the guarantee of benefits in the event of unavoidable plan insolvency. A plan is insolvent when it cannot pay benefits at the guaranteed level. The bill provides no guarantee for benefit increases made during the five years preceding insolvency.

The bill provides a guarantee of 100 percent of the first $5 per month per year of service and 70 percent of the next $15 per month per year of service. A reduction of the second factor to 60 percent is made for certain poorly funded plans if insolvency occurs before the year 2000, and the plans have not improved their funding position.

The level of guarantees insures 100 percent guarantees of very modest benefits. The bill makes plan insolvency costly to plan participants. The purpose of the reduced guarantees is to create incentives to avert plan insolvency and mass withdrawal. Current high guarantees create incentives to the parties to let a plan fall into insolvency, or to abandon the plan. But high guarantees offer illusory protection since they result in potentially intolerable costs for the insurance system. After much consideration, the committee has determined that plan continuation, which alone gives participants the opportunity for benefit improvements and future accruals, should be encouraged. At the same time, guarantee levels must be high enough to protect participants against loss of the modest level of benefits provided in the plans in declining industries which have been projected to become insolvent because required contributions will rise to uneconomic levels. The committee believes that the level of guarantees in the bill is appropriate to meet these objectives.

In addition, lower guarantees in the early years of the program reduce the risk of excessive costs which might destroy the program altogether. They provide a trial period during which the prophylactic effects of other aspects of the program can be assessed and the guarantee levels then re-evaluated if adequate benefit security is not provided.

To insure that well funded plans are not placed at a disadvantage with respect to single-employer plans in attracting newly organized bargaining units into the plan, the bill requires the PBGC to establish a voluntary supplemental program for such plans.

H. PREMIUM RATES

Based on the corporation's assessment of the probable costs of the program which were submitted to the chairman of the Subcommittee on Labor-Management Relations on January 29, 1980 (reprinted hereinafter) the committee believes that an increase in the multiemployer premium rate to $2.60 over a nine year period will provide sufficient revenues for the PBGC to meet its anticipated obligations. The committee believes that the funding discipline imposed by the bill, employer withdrawal liability, and the reorganization rules will enable plans in trouble to work their way out. The committee also believes that there are sufficient deterrents to mass withdrawal and plan insolvency to significantly reduce the costs of the program.

This is admittedly an area of great uncertainty; however, the corporation will be able to assess any need for increased premiums sufficiently in advance to enable Congress to take measures to ensure the solvency of the program.

I. DEFINITION OF MULTIEMPLOYER PLAN

The bill amends the definition of multiemployer plan by eliminating the 50–75 percent test and deleting the "shared liability" test from the definition in order to assure continuity and stability and prevent a plan from shifting back and forth from the multiemployer fund to the single-employer fund. The provision with respect to pre-contributory service contained in the definition is simply inserted in the appropriate sections of the Code and ERISA, but no change in current law is intended by this shift. The committee believes that the regulatory authority of the Secretary of Labor is adequate to protect against potential for abuse which may exist because of elimination of the 50–75 percent test.

J. MERGERS AND TRANSFERS OF ASSETS

The committee proposes a test for mergers of multiemployer plans that is intended to protect plan participants and the solvency of the corporation while providing parties with the necessary flexibility to effect appropriate mergers. The committee believes that where appropriate it is in the interests of plan participants and important to encourage large broad based financially sound plans to merge with small plans with a narrow contribution base which are particularly susceptible to decline, and to encourage the amalgamation of small plans to enlarge and diversify their contribution base.

The committee has exempted written reciprocity agreements from asset transfer rules, except to the extent the corporation determines application of the rules is necessary. The committee believes that it is important to encourage expansion of reciprocals to enhance pension portability.

K. ACTIONS TAKEN BEFORE REGULATIONS ARE PRESCRIBED

The committee believes it is important that parties be able to take the necessary actions required by this bill, to foster the financial soundness of multiemployer plans in the interests of benefit security for plan participants, in advance of the issuance of regulations. The committee believes that persons who act reasonably prior to the issuance of regulations should be treated as having complied with regulations for the period before such regulations take effect, provided that they have not acted in violation of any temporary rules or opinions issued in the interim period.

PENSION BENEFIT
GUARANTY CORPORATION,
Washington, D.C., January 29, 1980.
Hon. FRANK THOMPSON, Jr.,
Chairman, Subcommittee on Labor-Management Relations, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for cost estimates of the multiemployer pension plan insurance program under the provisions of H.R. 3904, as revised December 13, 1979, and under two revisions to that bill which we understand are under consideration. These revisions are:

1. a requirement that plans in reorganization take into account recent experience in

determining their estimated contribution base for a plan year; and

2. an overburden credit based (a) on the excess of retired participants (instead of all inactive participants) over active participants and (b) on guaranteed benefits (instead of full vested benefits).

The cost estimates under the provisions of the bill and under the revisions are set out in the attached table. These estimates are based on the revised PBGC cost-projection model that incorporates a number of significant improvements. For example, we have:

1. enlarged the sample of multiemployer plans by almost 50 percent, from 279 to 413 plans—the sample now includes 23 percent of all multiemployer plans, and 75 percent of all multiemployer plan participants;

2. added data from the 1976 and 1977 Form 5500 for a substantial number of plans;

3. used the latest (1979) projection of industry employment by the Bureau of Labor Statistics to forecast the number of active participants in the sample plans.

4. increased the number of sample plans in four industries which our earlier analyses identified as having a high proportion of plans experiencing financial difficulty; and

5. expanded the PBGC model to project the characteristics of all plans that might become insolvent through 1996.

The behavior of sponsoring parties creates a number of uncertainties that could alter the costs estimated by the model. These uncertainties include:

1. the degree to which sponsoring parties are prepared to increase contribution rates or adjust benefits during reorganization;

2. the degree to which employer, liability, requirements, premium requirements, benefit guarantee levels, and funding standards may affect employer withdrawals from, or entry into, plans;

3. the degree to which benefit guarantee levels and funding standards affect the sponsoring parties' willingness to increase contributions above minimum funding standards; and

4. future changes in covered employment under multiemployer plans.

Further, the cost estimates reflect projections of plan populations and plan characteristics. Consequently, actual program costs could be higher or lower than the model estimates.

We have prepared a range of estimates for both the cost of H.R. 3904 and the revisions. The low end of the range assumes that all financially troubled plans take advantage of the reorganization procedures set forth in sections 4241–4245 of the bill. The high end of the range assumes that sponsors of financially troubled plans will choose mass withdrawal when the cost of continuation exceeds the cost of mass withdrawal.

CONCLUSIONS

The estimates of the cost of the multiemployer termination insurance program for H.R. 3904 and the revisions are shown in the attached table for two guarantee levels: 100 percent of the first $5 of the annual accrual rate and 60 percent of the next $15 ("60 percent guarantee"), and 100 percent of the first $5 and 80 percent of the next $15 ("80 percent guarantee"). The key findings in this table are that:

1. The potential cost of an 80 percent guarantee under current H.R. 3904 funding rules ranges from $210 million to $155 million. These estimates are based on a projection that 15 plans covering 110,000 participants will become insolvent under the reorganization assumption and that 42 plans with 560,000 participants will become insolvent under the mass withdrawal assumption.

2. The potential cost of an 80 percent guarantee under the proposed funding rules ranges from $95 million to $390 million. These estimates are based on a projection that 11 plans covering 70,000 participants will become insolvent under the reorganization assumption and that 53 plans covering 575,000 participants will become insolvent under the mass withdrawal assumption.

The stricter funding standards required under the revisions lead to fewer plan insolvencies and lower program costs for those plans that do become insolvent. Because the funding rules under the revisions would require substantially higher contribution rates for some plans than H.R. 3904 presently would require, program costs under the revisions are more likely to tend towards the higher end of the range than are program costs under H.R. 3904.

3. The percentage of vested benefits paid is substantially greater under the revisions because fewer plans with high benefits are projected to become insolvent. As shown in the table, under the 80 percent guarantee level, 86 percent of vested benefits would be paid. Under the 60 percent guarantee level, 78 percent of vested benefits would be paid. Further, under the reorganization assumption, 35 percent of participants in insolvent plans would have 100 percent of their vested benefits paid under the 80 percent guarantee; 30 percent of participants would have 100 percent of their vested benefits paid under the 60 percent guarantee.

4. The annual premium required to fund the 80 percent guarantee under the revisions ranges from $1.75 to $5.50 per participant. This estimate assumes that there is a level premium starting in 1981 which continues for 20 years. Generally, the required premium increases with the length of any phase-in period.

We hope this information is helpful to you in your consideration of H.R. 3904.

Sincerely,

ROBERT E. NAGLE,
Executive Director.

IMPACT OF DIFFERENT LEVELS OF MULTIEMPLOYER PLAN BENEFIT GUARANTEES AND FUNDING RULES[1]

	Range of number of plans requiring assistance	Range of PBGC costs	Range of required level premiums starting in 1981[2]	Approximate percentage of vested benefits paid[3]
H.R. 3904 funding rules:				
Guarantee of 100 percent of 1st $5 of annual accrual rate and:				
60 percent of next $15..	15–41	$145–$350	$2.40–$5.00	70
80 percent of next $15..	15–42	210– 455	3.20– 6.30	77
Revised funding rules:				
Guarantee of 100 percent of 1st $5 of annual accrual rate and:				
60 percent of next $15..	10–54	55– 275	1.25– 4.05	78
80 percent of next $15..	11–53	95– 390	1.75– 5.50	86

[1] Estimates reflect the program costs arising from plans becoming insolvent or terminating by mass withdrawal during the 20-yr forecast period (1977–96). The lower estimates in this table assume that all plans reorganize. The higher estimates are based upon the assumption that all employers in financially troubled plans withdraw en masse instead of reorganizing. Mass withdrawal is assumed to occur when a plan meets 3 conditions: (1) it meets the criteria (referred to as a "termination screen") set out in the July 1, 1978, Multiemployer Report; (2) it is in reorganization; and (3) its annual withdrawal liability payments would be less than the expected annual contributions it would be required to pay during the next collective bargaining period. Data are based upon results from a sample of 413 plans; these data were then weighted to obtain estimates for all multiemployer plans. (The estimates in this table are based upon the assumption that all plans that enter reorganization increase their contributions to the extent necessary to meet the proposed minimum contribution requirement funding standards.)

[2] The premiums shown are the level annual premium per participant beginning in 1981 and continuing for 20 yr. Required premiums include the cost of guaranteeing benefits to currently terminated plans as well as the cost of PBGC administrative expenses. These costs are estimated to be $0.54 per participant.

[3] Reflects the average percentage of vested benefits that would be guaranteed to participant after the point of plan insolvency.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to my friend, the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank my colleague from New Jersey for yielding.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON. Mr. Chairman, I yield myself 4 additional minutes.

Mr. ERLENBORN. Mr. Chairman, section 104 adds a new secton 4201 under title IV of ERISA providing for employer withdrawal liability. In the event of a partial withdrawal, the bill also provides for the abatement of such employer withdrawal liability under certain conditions as set forth in paragraph (8) of section 4201.

It is my understanding that the intent of this abatement rule is to maintain equity among different employers by assuring a similar application of the partial withdrawal liability rules to employers in similar situations even though such employers' situations may have differed temporarily due to fluctuations in covered employment. Is it the understanding of my colleague that the Pension Benefit Guaranty Corporation, pursuant to its authority under section 4201 (b) (5), must by regulation establish conditions, including conditions similar to those relating to a partial withdrawal, whereby the employer withdrawal liability payments of an employer who has completely withdrawn from a plan will be abated on an equitable basis in the event the employer's obligation to contribute to the plan is restored?

Mr. THOMPSON. My colleague is correct in his understanding of the abatement rules as they pertain to complete and partial withdrawals under section 4201 of title IV of ERISA. By requiring the Pension Benefit Guaranty Corporation to prescribe conditions under which the abatement of withdrawal liability can take place, the bill carries out the intended result that employers be charged only with their fair share of withdrawal liability and that the contribution base of multiemployer plans be protected by encouraging previously withdrawn employers to restore their covered employment to former levels.

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Mr. ERLENBORN. Mr. Chairman, will the gentleman from New Jersey yield for a further question?

Mr. THOMPSON. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Section 104 extends new minimum contribution requirements to multiemployer plans by amending title IV of ERISA to include new section 4243 and 4243A.

A "safe harbor" provision with respect to the new minimum contribution requirement is contained in subsection (d) of new section 4243. Is it the gentleman's understanding that the "safe harbor" provision is applicable to the minimum contribution requirement for plans which do not meet the asset-benefit test under new section 4243A?

Mr. THOMPSON. In response to the gentleman's inquiry, it is my understanding that the "safe harbor," as you describe the provision, as set forth in section 4243(d) is intended to place a limitation on the "minimum contribution requirement" with respect to a multiemployer plan regardless of whether the minimum contribution requirement is imposed under section 4243 or section 4243A. I call on the gentleman from Illinois (Mr. ROSTENKOWSKI) to confirm whether or not this is also his understanding of the application of the rule.

Mr. ROSTENKOWSKI. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Chairman, the gentleman is correct. The safe-habor rule he and the gentleman from Illinois refer to is intended to place a limit on the minimum contribution requirement regardless of whether the minimum contribution requirement is imposed under section 4243 or section 4243A.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I will be glad to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding. I merely want to rise to compliment him on the work that he and his staff have done in reporting this really complex legislation, and most necessary legislation. I want to rise in strong support of the legislation.

Mr. Chairman, I rise today in support of H.R. 3904, the Multiemployer Pension Plan Amendments of 1980. As a member of the Subcommittee on Labor-Management Relations, I want to commend the gentleman from New Jersey, Chairman THOMPSON for his diligent and fine work in drafting this complex legislation, which has the support of a strong consensus of both labor and management groups.

Mr. Chairman, today private multiemployer defined benefit pension plans number about 200 and cover approximately 8 million participants and retirees. The primary purpose of this legislation is to protect these participants and retirees from the loss of their pensions. Further, this bill contains provisions to relieve the burdens on employers and active employees of the drastically increasing costs necessary to maintain benefits in declining industries.

I believe that these carefully structured amendments constitute a statutory framework which will strengthen multiemployer plans and provide greater plan stability and growth.

The major threat to the security of plan participants is the problem of declining industries. One of the main objectives of the legislation is to insulate plans to the extent possible from these declines. To achieve this objective, the bill provides sounder funding, employer withdrawal liability, and plan reorganization.

There presently exists a potential for large funding deficiencies for many plans because of unanticipated declines in the contribution base caused by external factors such as foreign competition, technological obsolescence or changes in consumer and distribution patterns. In addition, sharply escalating rates of inflation create pressures to grant large retroactive benefit increases to retirees or active workers nearing retirement. The bill would require multiemployer plans to amortize unfunded past service liabilities over 30 years rather than 40 years as under current law. This change is necessary because the current standard is not adequate to insure sound funding for multiemployer plans.

For some plans with a large number of older participants, even the shorter amortization period of 30 years would be insufficient to secure future benefit payments. The bill would impose an additional funding standard—minimum contribution requirement—on such plans. In order to avoid imposing an immediate sharp increase in required contributions on a plan in financial trouble, the bill contains a "safe harbor" rule which would phase in the new minimum contribution requirement. Further, the bill would provide for an overburden credit to plans whose required minimum contribution would be pushed to intolerably high levels as a result of the number of retirees in the plan far exceeding the number of active workers. The aim of this credit in combination with the guarantee that some portion of their benefit will be protected, is to induce active employees and their employers to stay with the plan.

The bill also would protect plan benefits by establishing withdrawal liability for an employer who leaves the plan based on the portion of the plan's unfunded benefit obligations assigned to the employer. Recognizing the temporary project nature of the work done by the construction industry and certain entertainment industries, the bill would provide for withdrawal liability for these industries only in the very limited circumstance where the employer continues to work in the area covered by the collective-bargaining agreement without continuing to contribute to the plan.

In addition, the bill would insulate plans from declines by permitting financially shaky plans, for example, plans in reorganization, to avoid insolvency by reducing benefits. The purpose of this provision is to afford relief to parties where they are faced with the alternative of plan termination or increasing contributions to uneconomic levels.

Another important objective of the bill is to eliminate the incentives which exist under current law to terminate a financially troubled plan. Specifically, the bill provides that employers who terminate a multiemployer plan must continue to fund the benefit obligations under the plan. In the case of termination by mass withdrawal, the employers' obligation is to make withdrawal liability payments. Further, the bill contains provisions for reduced guarantees so as to encourage plan continuation and create a disincentive for plan insolvency and mass withdrawal. At the same time the bill would provide guarantees at levels high enough to maintain benefits at adequate levels in the event of unavoidable plan insolvency.

Mr. Chairman, in sum, multiemployer plans in providing pension portability and protecting benefits earned by employees whose employers have withdrawn have insured the pensions of a vast number of American workers. The amendments contained in H.R. 3904 are necessary to the stability and continued viability of the multiemployer private pension system and I urge their passage.

● Mr. PERKINS. Mr. Chairman, I rise in support of H.R. 3904, the Multiemployer Pension Plan Amendments Act of 1979. Enactment of this legislation, accompanied with mandatory pension guarantees, will be another major step forward in fulfilling the promises made by Congress when we first enacted ERISA in 1974. The final version of this legislation will help determine how soon we again will have to consider this matter. I know that we all hope that that will not be necessary in the near future.

I want to commend the subcommittee chairman, the distinguished gentleman from New Jersey, FRANK THOMPSON, for a fine job in putting together the broad coalition of labor and management support for this bill. It has been a long and difficult task in which we have usually, though not always, agreed. Many of my concerns with the legislation's impact on the coal miners' pension plans have already been addressed and I hope that all will be, to some extent, resolved by final enactment.

I hope that enactment will occur before the recent 60-day extension runs out, since I believe that action after that time, but before the coal negotiations begin late this year, will be extremely difficult, if not impossible. The coal miners cannot again afford another extension of discretionary coverage.

Congress extended discretionary coverage in the very midst of the last bituminous contract negotiations. The resulting uncertainty in the state of the law at that time was extremely disruptive to the negotiations, contributing to the length of that dispute. Unfortunately, this resulted in the suspension of several months of pensions for 75,000 1950 retirees—most of whom are over 70 years old. That should never happen again.

The suspensions did happen once, though, in part because operators found themselves forced into playing a dangerous game of musical chairs. While some of the coal operators may have wanted to withdraw from the plan and shed their responsibilities for past retirees onto remaining employers—which the law permitted them to do—other more responsible employers, who wished to continue their funding of the plan, were fearful that they might unjustly end up "holding the bag" as part of a "last man's club." This resulted in extreme uncertainty and disunity in the operators' bargaining position. One way under the law at that time to insure all employers would continue to share their burdens was to terminate the plan. Even then, this liability was not certain under discretionary coverage.

That is why I introduced H.R. 6151—to insure that there were adequate legal protections for the 1950 retirees, so that they would never again have to fear the loss of their pensions, and to provide, not only a disincentive to withdraw, but also an incentive for coal operators to stay in the plan—even through the economic "boom to bust" periods so frequent in coal mining—without the fear of financial ruin. Under H.R. 6151, it would not be to the advantage of operators to withdraw from the plan, but it would be to their advantage to stay in and, thereby, encourage the stability of the plan. By alleviating the psychological fears of both management and labor, the 1981 and future coal negotiations should become much more manageable. I believe that H.R. 6151 would, therefore, have significantly reduced any risk to the PBGC system by minimizing the likelihood that the plan would ever terminate. My continuing hope—and in fact my strong belief—is that the "boom to bust" periods are coming to an end, as this Nation must continue to increase its coal production to decrease its reliance on foreign sources of energy.

Our initial and our continuing efforts on behalf of H.R. 6151 have encouraged others, including several Members in the Senate, to take a closer look at the problems and concerns that we tried to address in that bill. The process of building a coalition of support for acceptable language that will accomplish the goals embodied in H.R. 6151, as passed by my committee, while alleviating the fears of those that believed the bill would increase risk to the PBGC system, has not been easy. I am encouraged, however, that the efforts we started back in December when I introduced the bill will soon be fruitful.

Finally, I want to commend the United Mine Workers (UMWA) and the Bituminous Coal Operators Association (BCOA) for cooperating and forging, through difficult and painstaking efforts, a joint position on this bill—a position that will help encourage the continued viability of the UMWA plans, that will require an expedited funding schedule for this plan, and which will legally, as well as contractually, insure that all contributing employers will continue to bear their fair share of the plan's financial responsibilities.

The 1950 pensioners, who built this country and the coal industry, deserve to have adequate and decent pensions. And they should never again have to worry about receiving those pensions. I would remind this Congress that the predecessor UMWA plan was established by the Government during Federal seizure of the mines when most of today's retirees were active workers and that a Republican Speaker of the House and a Republican Senator played a major role in setting up that plan which promised these men a pension. This reform legislation will finally help to fulfill and guarantee that promise. I urge its swift enactment.●

Mr. ERLENBORN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we do have before us a complex bill amending a very complex law. The complexity of both the basic ERISA law passed in 1974 and the bill before us has been compounded by jurisdictional disputes here in this body and in the other body. For my own part, I deplore the problems that have been spawned by these jurisdictional disputes.

When we were considering ERISA in 1974, there was a conflict between the Education and Labor Committee and the Committee on Ways and Means in the House, and in the other body there was a conflict between its comparable two committees, the Senate Labor and Finance Committees. In what was called a compromise, what really was decided was that we would continue to disagree as to who had jurisdiction, and what emerged was a complex bill that in effect gave us two identical laws, one in the Internal Revenue Code and one in title I of ERISA which is outside the Internal Revenue Code. These two were almost identical, but not quite, and some of the slight differences between the two have given rise to problems in interpreting ERISA and, of course, in spawning additional legislation.

Let me say that not only has the passage of ERISA since 1974 contributed to the termination of one-third of the pension plans that were in existence at the time it was passed, but it also has given rise to extensive, expensive, complex litigation. I think that ERISA will, among other good things, also provide full employment for lawyers and actuaries for many years to come. Much of this would not have happened had we been able to settle in a more satisfactory way the jurisdictional disputes between the several committees.

I want to compliment the gentleman from New Jersey (Mr. THOMPSON), who has taken on this burden of being the chairman of the subcommittee with jurisdiction over ERISA, following in the footsteps of our good friend, John Dent from Pennsylvania, after his retirement at the end of the last Congress. I must compliment him on his capacity to learn in a very short period of time this complex subject.

The gentleman from New Jersey mentioned during his part of the general debate the broad coalition of unions and business representatives supporting the bill before us. This is true. I think it does indicate that there is real value to this legislation, and I agree with the gentleman.

But let me say—and this is true not in this case, but in other cases—that we should be certain to think of one other group that also ought to be in broad general agreement. We should think not just of the unions and not just of the employers, but let us think of the taxpayers, because there were some other suggestions as to what we might do with multiemployer insurance.

In the coal industry there was broad general agreement between the coal unions, the United Mine Workers, and the coal companies, but, of course, what we did not hear from them was that the two of them were agreeing to put the burden that they currently bear on the backs of the taxpayers. Fortunately, the gentleman from New Jersey and I, in resisting the attempts to add that to this legislation, were successful. But in the future let us remember that merely because the employers and the unions agree does not necessarily mean the law or the proposed law is good. Let us think of how the taxpayers might be affected as well.

Mr. Chairman, we have before us only a small part of ERISA. We have amendments to title IV and to the Internal Revenue Code as it is affected by title IV. Title IV is the title that created the Pension Benefit Guaranty Corporation and the broad insurance scheme for insuring workers that their retirement benefits to a certain level would be guaranteed.

Within the insurance scheme we have two separate insurance schemes. One is single-employer insurance which is not affected by the legislation before us. The other is multiemployer insurance. Single-employer insurance is exactly what it is by its definition, where one employer establishes a pension plan for the benefit of that employer's employees.

Multiemployer insurance or Taft-Hartley jointly trusteed plans are plans that are brought about through the collective bargaining process, and many employers contribute to a common fund. The amount of the contribution to be made by each employer is also determined by the collective bargaining process. Then the trustees, half of them representing the employees and the unions and the other half representing the employers, manage the fund and set the level of benefits that can be supported by the contributions that have been negotiated.

This was the traditional way that multiemployer plans were structured. Somehow or other, those who drafted the initial insurance scheme for ERISA chose to describe this plan where negotiations brought about a level of contributions as a defined benefit plan when it obviously is a defined contribution plan. Having defined it as a defined benefit plan, they then set about to guarantee the level of benefits. No employer has ever made a promise of a fixed level of benefits to any group of employees who negotiated through their union as to the level of contributions. Yet now these employers find the benefits under ERISA will be guaranteed to a certain level; then if there is a shortfall in plan assets to cover those benefits, the employer, who has fully complied with the collectively bargained agreement, will be required to pay additionally to cover any shortfall.

I thought that the insurance scheme should never have been enacted. I still think the best way to provide equity is to repeal the insurance for multiemployer plans and to set levels of funding so that we will have a measure of guarantee for employees that the benefits will be forthcoming. They should have to put the money in the bank, so to speak, so that the money will be there when the employees retire.

I do not think that is very likely to happen, but I will have one amendment to offer when we reach the 5-minute rule stage tomorrow that will in effect repeal multiemployer insurance.

Barring that, the best thing we can do is to change the structure of the program that we knew in 1974 was not properly thought through. We understood that so we deferred the effective date of multiemployer insurance, and since have deferred its implementation three additional times.

□ 1830

The multiemployer insurance scheme that is before us is a better scheme than is in the current law. The current law provides that the insurance will be applicable at a time when a plan terminates and only when a plan terminates. Now, PBGC, is looking for a way out from the current law, and has determined that if we allow the current law to go into effect it would encourage terminations. The current law also, very interestingly, discourages employers from agreeing to be union employers. It discourages them from participating in multiemployer pension plans.

I think that the unions in the multiemployer field understand that the current law is very antiunion. It will encourage employers to resist unionizing efforts, to resist agreeing to begin to contribute to a multiemployer pension plan because the moment they do that they take on a portion of the unfunded liability built up by other employers at an earlier time. Now, that is an untenable situation. It must be changed. This bill will change it.

I will not get into all of the details as to what we do, but in this bill we change the insurable event to insolvency of the plan rather than termination. All of the incentives in this bill before us will be to encourage the plan to continue; to encourage employers to join plans; to encourage employers to make their contributions or to require them to make contributions even after the plan becomes insolvent; to extend loans and other help to multiemployer plans to encourage them to continue; to allow to a certain extent what existed before ERISA, and that is to allow adjustments in plan benefits to meet expected contributions and plan assets in order to bring about a balance in plan finances.

Additional things can be done. We can reduce guarantees. We can also increase the funding levels thereby making plans more solvent and making it less likely that they will ever have to turn to PBGC for help. In this way we will have healthy plans.

I have a series of amendments that I will offer under the 5-minute rule that will do that very thing, some in the form of requirements, others in the form of a carrot, so to speak, offering higher guarantee levels for the employee benefits if the plans adopt faster funding schedules.

Even in this bill we recognize the need to do that. The original ERISA gave multiemployer plans 40 years over which to fund past service liabilities. The funding period will be reduced to 30 years under this bill. That will match the single-employer funding requirements. 25 or 20 year funding would be even better.

Mr. Chairman, I do not intend to get any more deeply involved in a description of my amendments. That can wait until we reach the 5-minute rule. Suffice it to say that this Member feels that this legislation is absolutely necessary, it can be improved, but with or without my amendments that I will offer tomorrow, I hope the bill will be speedily passed and that the other body will follow our example.

Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset, I would like to express, on behalf of my chairman, the gentleman from Oregon (Mr. ULLMAN), an expression of gratitude for the cooperation which existed in the composition of this legislation. I think that, in the final analysis, Mr. Chairman, the people will be better served because this cooperation certainly was evidenced between the Education and Labor Committee and the Ways and Means Committee.

Mr. Chairman, the Employee Retirement Income Security Act first provided for pension guarantees in 1974. While single employer plans were automatically insured when ERISA was enacted, mandatory guarantees by the Pension Benefit Guaranty Corporation for multiemployer plan benefits were initially postponed until January 1, 1978. Because of concerns over the extent of the Corporation's liability, Congress has further postponed the effective date to July 1, 1980. During this period, multiemployer plans are insured by the Pension Benefit Guaranty Corporation only on a discretionary basis.

There were several reasons for making multiemployer coverage discretionary for a period: First, little was known about the risks of loss under multiemployer pension plans; second, Congress wanted to cause as little disruption as possible to the collective bargaining process, and third, there were, and still are, dramatic differences among multiemployer plans, including such factors as whether or not the plans are in a geographic area experiencing economic growth or decline, the economic climate within the industry, the extent of past service liabilities in the various plans, and the size of the plans.

For a variety of reasons, many plans face an uncertain future, the problems of plans in financial distress precipitated the legislative recommendations of the Pension Benefit Guaranty Corporation—embodied in H.R. 3904.

Congress is now in a better position to make the fundamental policy decisions on these issues than we were when ERISA was enacted. The bill reflects the experience we have gained since 1974.

BILL SUMMARY

The principal features of the bill include:

Withdrawal liability requiring an employer to continue funding a share of the plan's unfunded liabilities when employer leaves the plan;

An increase in the annual per participant premium payable to the Pension Benefit Guaranty Corporation by multiemployer plans from 50 cents to $2.60, phased in over a 9-year period;

New benefit guarantee levels based upon years of an employee's service;

Plan reorganization rules under which a plan in financial distress could reduce certain benefits and must meet new minimum contribution requirements; and

Making plan insolvency, rather than plan termination, the insurable event.

EDUCATION AND LABOR COMMITTEE CONSIDERATION

The bill (H.R. 3904), as approved by the House Committee on Education and Labor, provides a new definition for the term "multiemployer plan," imposes liability for unfunded benefits upon employers who withdraw from a multiemployer plan and allows a deduction for payments of the liability, permits multiemployer plans in financial distress to reduce certain benefits, imposes new funding requirements for multiemployer plans, provides new rules for mergers and transfers of assets or liabilities involving multiemployer plans, authorizes the Pension Benefit Guaranty Corporation to provide financial assistance to insolvent multiemployer plans, and provides new enforcement powers for the Pension Benefit Guaranty Corporation and others.

The bill also increases premiums payable to the Pension Benefit Guaranty Corporation by multiemployer plans, makes insurance of basic benefits under multiemployer plans by the Corporation mandatory, but modifies the level of plan benefits guaranteed by the Corporation, modifies the rules relating to employer liability to the Corporation and plans in the event of the insolvency of a multiemployer plan, and changes the insurable event to plan insolvency. The amendments made by the bill are generally effective upon enactment.

WAYS AND MEANS COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The Ways and Means Committee amendment reflects all of the amendments adopted by the Committee on Education and Labor;

The amendment permits multiemployer pension plans within a particular industry to set up a tax-exempt withdrawal liability reinsurance fund. The fund would reimburse the plans for certain types of withdrawal liability, including uncollectible liability;

Under the amendment, the Pension

Benefit Guaranty Corporation, which is presently off-budget, would be placed on-budget;

The bill as introduced permits certain plan benefits to be reduced in specific circumstances. The amendment would limit such a reduction to benefit increases adopted after March 26, 1980. In addition, plan participants and retirees would be notified as to their rights under ERISA in the event of a possible benefit reduction;

Under the bill as introduced, withdrawal liability is generally effective for employer withdrawals from plans after February 27, 1979. The amendment provides that withdrawal liability would not apply to certain withdrawals announced on March 23, 1980, and completed by July 31, 1980, provided, however, that the employer contributed enough to the plan to pay for his employees' vested benefits; and

The committee also approved certain minor and technical changes, including changes that would relieve some of the burdens of pensions plans administration.

The five amendments specified under the rule were carefully considered and were rejected by both the Ways and Means and Education and Labor Committees. This bill has been delicately balanced so that it has the support of a broad coalition of labor and management. These five amendments would upset this delicate balance and destroy the broad base of support for the bill. I urge the adoption of the Ways and Means Committee amendment and the rejection of the other five amendments. Finally, I urge the House to support final passage of H.R. 3904, and to reject the motion to recommit.

Mr. FRENZEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, ERISA is a statute which probably many of us would not have supported if we had any idea what it was going to get us in for over the past couple of years. The distinguished gentleman from Illinois (Mr. ERLENBORN) has pointed out some of the difficulties with the existing law.

□ 1840

The gentleman has pointed out some of the reasons why the bill pending before us is necessary to correct some of the most obvious and most disconcerting flaws in the present statute. The problem is, however, that all of the flaws are not corrected, and I am not sure they can be corrected. Nevertheless, we should have gone much further in making corrections than either the Committee on Education and Labor or the Committee on Ways and Means were able to do in their deliberations.

We have heard already about the reason for H.R. 3904, which is pending before us.

The current due date is June 1. That date is fast approaching, and it is important that this bill be moved forward promptly. Nevertheless, this particular bill does not do enough of the job that is necessary for correction of ERISA, and it needs to be much more amended before it can do a reasonable job.

The amendment, which will be offered by the distinguished gentleman from Illinois (Mr. ROSTENKOWSKI), from the Committee on Ways and Means, should be adopted. It is an improvement over the work of the Committee on Education and Labor, and is of course supported by that committee since much of it includes their recommendations which they did not have time to do in their committee, as was pointed out by the distinguished gentleman from New Jersey.

After the Rostenkowski amendment, there are five other amendments which will be moved by the other gentleman from Illinois (Mr. ERLENBORN).

Each of those, in the opinion of the minority on the Committee on Ways and Means, is an important amendment which is necessary to improve the operation and administration of ERISA.

We believe that this particular bill, although it will be helpful, will leave an incentive for bargainers to bargain higher pension benefits than the economic conditions actually might support, because there is always the possibility that PBGC will pick up the broken pieces in the event of some kind of bankruptcy; and there is the further possibility, I think, in the minds of many people that the taxpayers are going to be the insuror of last resort should some of these plans go awry.

The amendments to be offered by the distinguished gentleman from Illinois (Mr. ERLENBORN), are similar to those offered by me, the gentleman from California (Mr. ROUSSELOT) and the gentleman from Pennsylvania (Mr. SCHULZE), in the Committee on Ways and Means.

We believe that there has to be faster funding of future pension benefits under this particular bill.

The Erlenborn amendment in several instances tries to provide for this. We believe that there is too high a guarantee of pension benefits which may not be supportable under the economic conditions that prevail. The Erlenborn amendments again add these problems as well.

Mr. Chairman, this bill, if passed, will be an improvement, but it will not be nearly enough of an improvement unless those Erlenborn amendments are passed.

I think particularly that the most important one would be the one that actually relieves multiemployer plans of the burdens of ERISA entirely. That is what we should have done in the first instance. I think it gets at the heart of the problem. I congratulate the gentleman from Illinois for promoting it.

To recapitulate, Mr. Chairman, we in the minority on the Committee on Ways and Means see the following major problems still existing in H.R. 3904; that is, that the benefit guarantee levels are too high, withdrawal liability is retroactively imposed, funding periods are too long, and premiums are likely to have to be increased before longer funding periods. There are no meaningful incentives for financially responsible plans. Penalties for mass withdrawals are not strong enough, and effective dates may be such as to impose retroactively increased withdrawal liability.

In short, Mr. Chairman, while we think it is reasonable to pass the bill rather than not to pass it, that it represents an improvement, it really is not a very responsible solution. Partly we believe this is true because of the so-called coalition which helped move the bill forward.

The coalition was referred to earlier as being some kind of broad group of businesses and labor who were interested in passing this bill.

It has been my experience that when business and labor get together in any kind of legislation, woe befalls the taxpayer and the consumer. I think this is what is likely to happen.

I leave this warning with the body and with all of our taxpayers, that should anything happen to PBGC, should catastrophe fall, should there be withdrawals, should there be bankruptcy, should PBGC go, the taxpayers are going to be stuck with these burdens. What we have done in my judgment is to guarantee artificially benefit levels which may or may not be achievable, and we have allowed contributors to these funds to pay for these levels over much too long a period of time, so that the funds may never be available.

Mr. Chairman, whenever we hear the word "coalition" around here, we had better be sure who we are talking about. We had better be sure that the people are included in the definition of coalition.

I urge the adoption of the Erlenborn amendments.

I reserve the balance of my time.

Mr. THOMPSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Minnesota warns of coalitions. That is fascinating to me, because from time to time I have seen the gentleman move in and out of them, and indeed even he and I have coalesced from time to time. In my case I do not fear in the slightest the marvelous coalition of responsible employers throughout the country—a great, great many of them—with the responsible labor unions.

I just want to put the public's mind at ease about this coalition. It is going to work very, very well.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. THOMPSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. ROSE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3904), to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans, had come to no resolution thereon.

LEGISLATION TO PROVIDE RELIEF FOR PEOPLE INJURED BY HAZARDOUS WASTES

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to provide emergency relief to people who have been injured by, or are in danger of injury from, toxic or hazardous wastes. The recent discovery of a high incidence of chromosomal damage in those living near Love Canal in New York is tragic evidence of the need for such legislation.

When it is apparent that hazardous wastes are endangering the health and safety of the public, it is imperative that immediate steps be taken to remove the people who are in danger from the site and to treat the injuries that have already occurred. Presently too much time is wasted trying to apportion blame, responsibility and costs. This does nothing to help the victims. Ultimately the financial burden should fall on the polluter; but the victims cannot afford to wait for relief until lengthy and complex litigation is completed. They need help immediately.

My bill would provide that relief. It gives the Administrator of the Environmental Protection Agency a maximum of 15 days after receiving evidence that toxic or hazardous wastes may pose a serious and immediate threat to the public health or safety to make a determination whether they do pose such a threat. Upon making this determination the Administrator is to recommend to the President that he declare a state of hazardous substances emergency.

After a state of emergency is declared, EPA is instructed to determine the extent of the contamination, to test people to identify those who have been or might be injured and to evaluate ways to prevent further damage.

At the same time, the Federal Emergency Management Agency is empowered to take steps necessary to protect the public. It may provide for the relocation of the victims; the purchase of homes that have been contaminated; the medical treatment of those who have been injured; and the payment of compensation to those whose income has been interrupted for some reason due to the hazardous wastes.

This bill is not an attempt to compensate fully those who have been injured by hazardous wastes. Rather, it is to provide immediate relief until local and State relief programs have come into operation, insurance claims have been filed, and Government and private law suits against the polluter have been commented. It is to provide emergency relief: To get the residents safely away from the wastes and to provide the immediate medical and financial help that is necessary to minimize physical injuries and the disruption of their lives.

Because the Federal Government should not have to assume ultimate financial responsibility for the improper disposal of wastes, the bill provides that the Government has a right of action against the polluting company to the extent that it has paid for relief that the company is ultimately found responsible for.

Love Canal is not an isolated incident. There are 50,000 other toxic waste dumps—time bombs waiting to go off. When they do, we must be ready to act as quickly as possible to protect those who have been injured most directly. I urge the speedy enactment of this legislation.

THE 17TH CONGRESSIONAL DISTRICT 1980 QUESTIONNAIRE RESULTS

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STENHOLM. Mr. Speaker, at this time in our history, all Americans seem to be bombarded with various forms of communications. Newscasters pause in their nightly news broadcasts to offer their own editorial opinions; the editorial pages offer a sampling of Americans the opportunity to make their opinions known; and you and I as Members of Congress certainly have our own forum to express our views.

But I can understand the feeling of the average American that his or her single voice makes little difference in the overall scheme of things. All too often they feel that their views get lost in the ever-increasing clamor of media dialog and political debate.

It is for that reason that I would like to take this opportunity to include in the Record, for my colleagues' perusal, the views of 14,000 of my constituents from the 17th Congressional District of Texas.

These opinions, representing those 14,000 individual voices, are the answers to a questionnaire that I sent to each household in my district earlier this year.

My colleagues will note that the thread that runs throughout the responses is a fiscally conservative viewpoint and one that I honestly feel my service in Congress has reflected.

These 14,000 individuals are joining millions of other Americans in speaking out against increasing Government spending and interference by Government in their daily lives. Sometimes, we in the Congress tend to turn deaf ears to those voices and I think it time we started listening to the people we were elected to serve again.

The material follows:

The 17th Congressional District 1980 Questionnaire Results

1. Which of the following expresses your opinion in regard to foreign aid assistance? (Choose one.)

a. No foreign aid is necessary. 8.3 percent.

b. Should give aid to our allies only. 25.7 percent.

c. Should give aid to nations only when they are experiencing mass starvation. 21.1 percent.

d. Reduce foreign and all other programs to help balance the budget. 39.2 percent.

e. Present foreign aid policy is appropriate. 3.7 percent.

f. Expand foreign aid assistance. 2.0 percent.

2. In light of the President's recommendations to initiate the registration for a draft, which of the following expresses your opinion? (You may choose more than one.)

a. Oppose registration and drafting of men or women. 8.6 percent.

b. Support registration and drafting of men only. 36.0 percent.

c. Support registration and drafting of men and women. 40.8 percent.

d. Support registration of women. 7.1 percent.

e. Support drafting of women for front line duty. 3.7 percent.

f. Support drafting of women for noncombat roles only. 37.4 percent.

3. Which statements most closely represent your views on abortion? (You may choose more than one.)

a. I would never support abortion in any circumstances. 13.1 percent.

b. Abortion is a private matter between a woman, her doctor and her God. 52.9 percent.

c. Federal funding should be available to all who want an abortion. 5.2 percent.

d. Federal funding should be available only in cases regarding life or death, incest or rape. 36.8 percent.

e. Federal funding should never be available for any reason. 22.2 percent.

f. There should be a Constitutional Amendment prohibiting abortion for any reason. 5.1 percent.

4. As a constituent of the 17th District, you have a right to know my views and votes on any situation that comes before the Congress. Which of the following do you consider the most effective means of constituent communications? (You may choose more than one.)

a. Public service television and radio programs dealing with current issues. 25.7 percent.

b. Monthly newsletter, such as Viewpoint, dealing with votes, current issues and requesting feedback from constituents. 64.5 percent.

c. In-depth briefings on special issue areas sent to those requesting them. 15.7 percent.

d. Newspaper releases with in-depth analyses of issues and votes. 29.3 percent.

e. Responses to individual letters and phone calls. 26.2 percent.

f. Town Hall meetings. 7.5 percent.

5. Which of the following proposals do you feel would benefit the private business sector? (You may choose more than one.)

a. Adopt accelerated depreciation for business capital investments. 15.2 percent.

b. Increase the limit on Small Business Administration loans. 11.3 percent.

c. Exercise more Congressional oversight of regulatory agencies. 18.3 percent.

d. Revise estate tax laws to ease tax burdens on family owned businesses. 35.2 percent.

e. Balance the budget and limit government spending. 61.6 percent.

f. No opinion. 7.6 percent.

6. What changes, if any, would you support with regard to the Food Stamp Program? (You may choose more than one.)

a. Increase benefits for elderly and disabled. 38.2 percent.

b. A general increase of benefits. 2.4 percent.

c. Tighter restrictions for individual eligibility. 61.8 percent.

d. Elimination of benefits for individuals on strike. 51.1 percent.

e. A general reduction in the availability in benefits. 22 percent.

f. Elimination of the food stamp program altogether. 16.2 percent.

7. What are your views on the imposition of wage-and-price controls?

a. Support. 37.1 percent.

b. Oppose. 50.0 percent.

c. No opinion. 12.9 percent.

8. Do you favor the restoration of voluntary prayer in public schools?

a. Yes. 87.4 percent.

b. No. 7.4 percent.

c. No opinion. 5.2 percent.

9. What are your views on a comprehensive National Health Care Program?

a. Support. 22.6 percent.

b. Oppose. 66.1 percent.

c. No opinion. 11.2 percent.

Charles W. Stenholm,
Member of Congress.

□ 1210

ABORTION FUNDING AND THE COURTS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, in his article, "Should Congress Investigate the Treasury's Funding of Abortion?" (Human Life Review, spring, 1978) University of California law professor and well known authority of constitutional law, John T. Noonan, Jr., lists a series of judicial precedents reconfirming the meaning and importance of article I, section 9, clause 7 of the U.S. Constitution, namely that Congress has exclusive responsibility for appropriations.

He also points out that the Hyde amendment, since it was first offered in 1976, has been in accordance with House rule XXI, "the Holman Rule." Traditionally, the House has taken the position that amendments under this rule, if they are accepted, become, not separate pieces of legislation, but a part of the Appropriations Act itself.

Recently, in the case of Harris against McRae, Judge Dooling of the U.S. District Court for the Eastern District of New York, took it upon himself to order HEW to ignore the Hyde amendment and spend funds for abortions for which no funds were appropriated. A majority of the Members of this House have joined in a brief urging the U.S. Supreme Court to overrule that order.

Professor Noonan points out that when Judge Dooling first ruled against an earlier version of the Hyde amendment in 1976, he did so in spite of the fact that two other Federal judges—Judge Sirica of the U.S. District Court for the District of Columbia and Judge Biunno of the U.S. District Court for New Jersey—had each dismissed requests for injunctions against the enforcement of the Hyde amendment. Their reasons were: First, that there had not been a finding by the court of irreparable injury to the plaintiffs and second, that Congress has exclusive control of the Federal purse.

Pointing out that Judge Dooling had set aside "a section of an appropriations act," Professor Noonan writes:

> Judge Dooling, in direct conflict with Judge Biunno, thought the money for elective abortions had actually been appropriated but that the "use" of this money had been restrained by the Hyde Amendment.

Professor Noonan continues:

> Mistakenly he ignored the House's own understanding of its legislative process: that a vote for an amendment to an appropriations act, forbidding use of appropriated funds for a given purpose, was a vote not to appropriate for that purpose.

The investigation that this article's title suggests may be inappropriate and impractical at this time—4 years after the fact—but essentially the same situation exists today.

In January of this year, Judge Dooling again ordered that money from the U.S. Treasury be paid out for abortions. In effect, he not only appropriated money where there was no appropriation; he appropriated money in spite of the specific refusal by Congress to make such an appropriation. It seems that the collective reasoning and the decision of a majority of the Members of Congress not to allow the expenditure of funds for this purpose were no match for the judicial powers of a single Federal judge who overruled that decision and ordered that the money be spent. Just how much power should a Federal judge have?

The U.S. Supreme Court has allowed Judge Dooling's order to remain in force while that body deliberates on the constitutionality of the Hyde amendment. But, if we agree that the Holman rule was legally and legitimately in effect at the time of the passage of the Hyde amendment to the Labor/HEW Appropriations Act, we must also agree that the Hyde amendment was and is still a part of that legislation, not a separate entity. Thus, if the Hyde amendment is ruled unconstitutional, so also, the substance of the whole Appropriations Act, of which Hyde is an essential part, should be brought into question.

Professor Noonan's article also provides evidence of the kind of judicial and administrative abuses that my bill, the Human Anti-Injunction Act (H.R. 7307), is aimed at preventing in the future. If the Norris-LaGuardia Act was necessary in 1932 to correct alleged judicial abuses in labor disputes, it is more imperative now to act when the courts have again and again frustrated the will of the people by ruling that public money be paid out for abortions, similar legislation is needed.

Furthermore, this bill should be a clear message to the court that Congress will no longer tolerate judicial encroachment into the legislative domain—specifically: We intend to insure that Congress alone has the authority and responsibility for the Federal purse.

TWO HUNDRED DAYS OF SHAME—A LESSON FROM THE PAST

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN. Mr. Speaker, today marks the 200th day of shame for America, 200 days of imprisonment and mental torture for our American hostages in Iran, and 200 days of pain for their families and friends.

I know the President has assured us all that the hostage crisis is "manageable," but I just cannot buy that line of campaign rhetoric.

I introduce for the Record a column from yesterday's Washington Post: "The Hostage Crisis of 1803." It filled me with pride for President Jefferson's leadership. But I feel shame and humiliation in the comparison to our present hostage crisis.

Some will say the times and circumstances change. But the nature of liberty and the necessity for free nations to firmly resist barbarism does not change.

Thomas Jefferson, founder of the Democratic Party, surely must wonder at the utter lack of leadership in his party today.

The column follows:

The Hostage Crisis of 1803

(By Forrest McDonald)

Jimmy Carter is not the first American president to be faced with a hostage crisis in the Islamic world. Washington, Adams, Jefferson and Madison were repeatedly plagued with just that problem. It was Jefferson and his secretary of state and successor, Madison, who came up with a solution.

At the time, there were, on the Barbary Coast of North Africa, four Islamic kingdoms—Morocco, Algeria, Tunisia and Tripoli—that lived mainly by stealing on the high seas. Rather than prevent such outrages, the maritime nations of Europe avoided depredations by paying formal bribes of "tribute."

The United States, under Washington and Adams, followed the European example. Though the Washington administration built a small navy in response to Arabic threats, it opted, under popular pressure, to mothball the fleet and pay tribute instead.

Jefferson and Madison refused to follow such a course. Jefferson sent the infant U.S. Navy to the Mediterranean to engage in defensive operations, protecting American merchant ships.

The hostage crisis came in 1803. Late that year, the 44-gun frigate USS Philadelphia ran aground on a sand bar off Tripoli, and its entire crew was taken hostage. That was a routine instrument of statecraft in the Islamic world; when European governments proved loath to pay tribute, Barbary Coast whipped them into line by seizing their nationals and holding them in dungeons until they capitulated and, incidentally, ransoms were paid.

Jefferson would have no part of it. He threw the entire U.S. Navy, such as it was, against Tripoli—not to free the hostages, but to teach the Tripolitans never to trifle with the United States again. After some spectacular fighting, the pasha of Tripoli was forced to agree to cease plundering American ships and to waive American tribute in future. The captives were released, unharmed.

But the American commander, Edward Preble, was not content to let the matter rest there. Interpreting the president's orders liberally (and properly), he gave the Algerians and the Moroccans a taste of the same medicine. The Jefferson administration was then able to establish a general settlement on favorable terms.

Unfortunately, during the War of 1812, the Algerians took advantage of America's troubles and resumed their raiding. Nearly 200 American merchant seamen were captured, imprisoned and forced into slavery. As soon as it became possible, the Navy was sent out to tend to the matter.

In 1815, Madison dispatched Capt. Stephen Decatur to the Mediterranean with three frigates, two sloops of war and five light Baltimore clipper-schooners. Just past the Strait of Gibraltar, the squadron sighted the Algerian flagship and reduced her to garbage in 20 minutes.

Decatur sailed on to Algeria and paid the pasha a personal call. Not only must the piracy stop, tribute to be forever ended and the enslaved crews released, Decatur said, but the pasha must pay the United States an indemnity for having captured the crewmen in the first place.

The pasha demurred, whereupon Decatur calmly informed him that the Americans would start sinking Algerian ships, one by one, until either the money was paid or there was not so much as an Algerian rowboat left afloat. The pasha capitulated. Then Decatur did the same thing with the rulers of Tunis and Tripoli, with the same results.

The Barbary rulers were a slippery lot and no doubt planned to go back to their old ways as soon as Decatur was out of sight. But they were in for a rude surprise. Decatur had scarcely sailed out before an American squadron under William Bainbridge sailed in to pay a polite "social call." The rulers got the message.

To make sure they did not forget it, the Navy leased a permanent base at Port Mahon on the island of Majorca and cruised the Mediterranean on "friendly" visits for years thereafter. The Barbary Arabs did not forget.

MILLER ACT AMENDMENTS WOULD BENEFIT SUBCONTRACTORS

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, when Congress first passed the Miller Act in 1935, its primary objective was to safeguard the rights of subcontractors and suppliers in connection with Federal construction contracts. Normally, a mechanic's lien serves as an adequate security for payment for work done by subcontractors or suppliers in the construction industry. However, since a mechanic's lien does not attach to Federal property, some other mechanism was needed to protect them. Consequently, Congress provided a vehicle in Federal law so that subcontractors or suppliers could recover overdue payments from prime contractors on Government-financed projects.

The Miller Act requires the prime contractor to provide a payment bond, where the value of the contract exceeds $25,000. The payment bond is required as a security for the protection of those supplying labor and/or materials in the performance of such public contracts. Then, if a subcontractor or supplier is not paid within 90 days after full performance, he is given a right to bring an action in the U.S. district court against either the prime or the surety on the payment bond. The suit must be brought where the contract was performed, within 1 year after the labor was performed or the materials supplied. In enacting this law, the Congress embraced a public policy of protecting subcontractors working on Government construction contracts.

But, while the intent of the original Miller Act is clear, as a practical matter the remedy provided has all too often been illusory. Frequently, the cost of litigation is prohibitively high, when compared to the amount which may be recovered.

So, in many instances, there exists a basic economic disincentive for bringing such suits. Also, either through a lack of legal advice or pressure from the prime contractor, a subcontractor often enters into an arrangement whereby he waives his rights under the Miller Act in return for getting the job.

The amendments to the Miller Act contained in legislation which I have introduced today seek to make that law the genuine remedy it was intended to be. First, the bill would prohibit promises or agreements where a subcontractor would waive his rights under the Miller Act. Second, it would authorize the payment of attorney's fees and interest to a successful plaintiff-subcontractor suing under the Miller Act. See: *F. D. Rich Co., Inc.* v. *U.S., for the use of Industrial Lumber Co., Inc.*, 417 U.S. 116 (1974).

Finally, the bill would give a subcontractor a right to sue under the Miller Act where he has not received periodic, progress payments due to him within the allotted period of time. Failure to make periodic payments on time can effectively wipe out the working capital of a small business subcontractor. This amendment recognizes a subcontractor's right to go to court 30 days after the progress payments become due and, yet, have not been paid.

The overall aim of this legislation is to protect a subcontractor on a Federal contract from being the victim of economic inequality or coercion. These amendments are fully consistent with the original intent of the Miller Act and would assure that the intent is actually realized. As a member of the Committee on the Judiciary and its Administrative Law Subcommittee, I look forward to working toward the enactment of these needed changes in the Miller Act.

☐ 1850

CONGRESSMAN STACK INTRODUCES LEGISLATION TO REQUIRE FEDERAL GOVERNMENT TO REIMBURSE LOCAL SCHOOL DISTRICTS FOR COSTS OF REFUGEE CHILDREN

(Mr. STACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. STACK. Mr. Speaker, as a Member of Congress from south Florida, and also as a member of the House Committee on Education and Labor, the impact of the recent influx of Caribbean refugee children upon the public school systems of Dade, Broward, and Palm Beach County, is of special concern to me.

Today, Mr. Speaker, I am introducing legislation which would require the Federal Government to reimburse local school districts for the costs involved.

By the time that the last of the boat flotilla from Mariel reaches Key West, it is estimated that 100,000 Cuban refugees will have arrived in this country. To that figure, we can add some 20,000 Haitians.

The greater number of these people will take up residence in south Florida. Preliminary figures indicate that student enrollment in the Dade County school system, from this source, is reaching 60 new students per day. This represents an increase in enrollment sufficient to require two new classrooms each schoolday, and is the cost equivalent of adding one new school every 2 weeks. By the opening of this school year, funds will be required, in this one county school system, to provide for an additional 20,000 refugee students.

The per annum cost for each English-speaking child would be approximately $1,700. In the case of the refugee child, speaking only Spanish or Creole, special orientation, language training and related matters, will add an additional cost of $1,000 per child per annum, or $3,000 for each such child, or, a grand total of approximately $60 million annually.

Such costs must, in equity, be paid by the Federal Government. The money is not available locally. It is obvious that if the cost is to be absorbed into the present school budget, it could only be met by increasing student load per classroom and by reducing other educational services. In consequence, the equality of education for the child already in our schools would deteriorate substantially.

Clearly, as a result of our Nation's policy of opening its borders to political refugees from the Caribbean, the school districts in south Florida, and, to some extent, those in other areas of the country, are facing and will continue to face an insuperable financial problem unless the Federal Government meets the cost resulting from this national immigration policy.

In passing the Indochina Refugee Children Assistance Act of 1976, the Congress determined that until the new Indochinese families could support themselves and pay taxes, school districts facing excessive costs in educating Indochinese refugee children would be reimbursed for the cost. In keeping with the spirit and the intent of this act, I am introducing legislation today, to add to this law, an amendment to provide for reimbursement to local school districts, the full costs of educating the children of Caribbean refugees.

I would like to add that the distinguished chairman of Education and Labor has agreed to promptly conduct hearings on this amendment, both in Washington and in Dade County, Fla., in order to bring this amendment to the House floor in expeditious fashion.

H.R. 7425

A bill to amend the Indochina Refugee Children Assistance Act of 1976 to provide for assistance to educational agencies for services provided to Cuban and Haitian refugee children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Indochina Refugee Children Assistance Act of 1976 is amended—

(1) in section 201(b), by inserting "(A)" immediately after "(3)" and by inserting at the end of paragraph (3) the following new subparagraph:

"(B) The term "Caribbean refugee children" means children from alien families who (i) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cuba or Haiti, (ii) cannot return there because of fear of such persecution, (iii) are in urgent need of assistance, and (iv) are paroled into the United States by the Attorney General pursuant to section 212(d) of the Immigration and Naturalization Act on or after January 1, 1979.";

(2) in section 202(b)(1), by inserting "the sum of" immediately before "the number" and by inserting immediately after "inclusive" the following: "and the number of Caribbean refugee children of such ages,";

(3) by inserting "and Caribbean refugee children" immediately after "Indochina refugee children" each place it appears in

sections 202(e), 203, and 205(a)(3) and (6)(1).

☐ 1910

HUMAN LIFE ANTI-INJUNCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, with my colleagues Congressmen HENRY HYDE and BOB BAUMAN I have introduced H.R. 7307 to limit the jurisdiction of the lower Federal courts in issuing restraining orders or injunctions in certain types of abortion cases. The bill is patterned in form and precedent on the Norris-LaGuardia Act of 1932 (47 State. 70) which restricted the Federal courts in issuing injunctions in nonviolent labor disputes. The case for such action in abortion cases is just as strong, and, in human terms, even more compelling than it was in labor disputes some 48 years ago.

Indeed, the need for swift congressional action in this field is urgent and the arguments for it persuasive—so persuasive that even Members who favor a permissive public policy on abortion should agree to cosponsor my bill after studying the legal and constitutional issues it addresses.

The heart of the problem is the inescapable proabortion bias in a whole series of lower Federal court decisions; a bias all too often implemented by ill-considered and even unprincipled use of injunctions to thwart the will both of State legislatures and of the Congress.

The result has damaged established legal principles, including the fundamental constitution doctrine of separation of powers. But one cannot study these cases without seeing damage also to the fabric of society which laws and constitutions are designed to protect. These court decisions weaken the family structure, deny the interest of parents in their own unborn children, deny the interest of parents in the welfare of their own unwed and underaged daughters, and deny the right of States to set certain minimum medical protections for all women having abortions.

Injunctions and restraining orders are the judicial tools for implementing these decisions even before there has been a final decision on constitutionality of the statutes involved. My bill would remove these tools from the lower Federal courts. It would prevent the denial of fundamental rights prior to a determination of constitutional issues by the U.S. Supreme Court. It would not remove the subject matter of abortion from Federal court jurisdiction, even though the Congress could do so, but it would remove the power of individual Federal judges to use injunctions as a club to enforce their personal views of this controversy.

Too often these judicial tools have been used over the past several years to thwart State actions designed to protect life, only to have the U.S. Supreme Court ultimately uphold these State actions. Thousands of abortions have been funded under invalid injunctions or restraining orders, as State officials waited in frustration for the Supreme Court to get around to reversing these lower court edicts. This situation should shock anyone who believes in representative government.

On January 15 of this year, a Federal judge piled one straw too many on the camel's back, at least for a majority of the Members of this House and for many of our colleagues in the Senate. Judge Dooling, of the U.S. District Court for the Eastern District of New York, ruled unconstitutional the Hyde amendment barring Federal funds for abortions except in cases where the life of the mother otherwise would be endangered. The judge went farther. In contradiction to the expressed will of the Congress, he ordered the Secretary of HEW to resume spending funds for so-called therapeutic abortions. In effect, he took it upon himself to appropriate funds for that purpose, overriding congressional control of the Federal purse.

On February 19 of this year, the U.S. Supreme Court compounded this outrage. It agreed to hear the case on its merits, but for the time being allowed the Dooling order to stand. It did so despite the overwhelming weight of legal precedent and principle.

On March 18, I joined 238 fellow Members of Congress, from both Houses (including a majority from this House headed by the gentleman from Texas, our distinguished majority leader and the gentleman from Arizona, our distinguished minority leader) in an amici curiae brief on Judge Dooling's decision and order.

Members joining in this presentation to the Court include many who opposed the Hyde amendment. The argument in the brief is in large part also an argument for enacting my bill, and the action of the U.S. Supreme Court in keeping Judge Dooling's injunction in effect greatly strengthens that argument.

The brief characterizes the position taken by Judge Dooling as one which ignores the nature of the appropriations power, disregards the practice and precedents of the Congress, and in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when money shall be drawn from the Treasury. When I consider this and the fact that the injunction left standing by the Supreme Court will also result in the taking of innocent human life, I cannot think of a better reason for denying the authority of a single Federal judge to take such an action.

As I have pointed out, my bill has an historic precedent. In 1932, Congress took similar action to bar the use in labor disputes of restraining orders and injunctions by lower Federal courts, most of which had been hostile to organized labor.

The circumstances and events that led to that action by Congress bear a striking similarity to those that have developed around the abortion issue. Efforts on the part of labor to organize unions and to carry out strikes had been inhibited by the courts until Congress in the Norris-LaGuardia Act declared it to be public policy that the worker shall have full freedom of association and self-organization by requiring courts, in their injunction-issuing capacity, to keep their hands off such activities under prescribed circumstances.

We now confront the fact of overwhelming judicial hostility to all legislative attempts to moderate or limit the practice of abortion, coupled with frequent use of the injunction to frustrate even the most well-reasoned actions of State and Federal legislative bodies. We should deal with this abuse as we did with the other in the Norris-LaGuardia Act. Surely the right to life is as important as the right to organize a union, and as deserving of legislative protection.

Thomas Jefferson said it best:

> The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government.

I do not accept the proposition that the Constitution at any point in time means whatever a single Federal court says it means. To do so, one would have to believe that Congress itself derives its authority, not from the Constitution, but from the Federal judiciary. If this were so, the will of the people, as expressed through their elected representatives, could be brushed aside, and their voice effectively silenced, and we would pass from government by representation to government by judicial edict. The principle that the right of the people to express their will through their elected representatives should not be casually overruled by the will of the judiciary is fundamental to the whole concept of judicial review, and until quite recently has caused judges to give heavy weight to the presumptions of constitutionality of legislative acts. From the beginning, advocates of judicial review have recognized its limitations. As Alexander Hamilton wrote in Federalist Paper No. 78:

> If there should happen to be an irreconcilable variance between the two, that which has the superior obligation and validity ought, of course, to be preferred; or, in other words, the Constitution ought to be preferred to the statute, the intention of the people to the intention of their agents.
>
> Nor does this conclusion by any means suppose a superiority of the judicial to the legislative power. It only supposes that the power of the people is superior to both;

The need for judicial restraint in the use of its power to review legislation for constitutionality was never more evident—or less honored by the judiciary—than in these cases dealing with abortion, where the will of the people has spoken time and time again in our legislative bodies.

The bill I have introduced today is not new, but the circumstances surrounding it are new. It was first introduced last September (H.R. 5440) by our former colleague, now Governor of Louisiana, David Treen, for himself and Messrs. HYDE, HAGEDORN, and SYMMS. It attracted several other cosponsors prior to David Treen's resignation from the House to assume his present duties. But additional cosponsors cannot be added because the principal sponsor has left the House.

Accordingly, I am happy to introduce this bill (identical to H.R. 5440) with my friends, HENRY HYDE and ROBERT BAUMAN as cosponsors. I trust that this new bill will attract a large number of additional cosponsors. This is needed as a further demonstration that the House of Representatives will not permit Federal judges to trample on the constitutional prerogatives of the Congress. Among those prerogratives is the sole power to enact legislation and to appropriate moneys from the Federal Treasury.

While I am aware that by bill has the support of citizens organized in the Right to Life movement, I think it also deserves support from those who may disagree on the issue of abortion but who recognize the necessity of protecting the Constitution, even from the judiciary itself.

The Constitution (article I, section 9, clause 7) is unequivocal in stating that:

> No money shall be drawn from the Treasury but in Consequence of Appropriations made by Law.

Only Congress can by law make an appropriation of Federal funds. When Federal judges use the power of injunction to draw money from the Treasury, it is time for us to exercise our authority to withdraw that power, at the very least in the class of cases where it is being abused.

In his book, "Government by Judiciary," the distinguished professor of law and American legal history, Raoul Berger commented on the danger inherent in the abuse of judicial power:

> How long can public respect for the Court, on which its power ultimately depends, survive if the people become aware that the tribunal which condemns the acts of others as unconstitutional is itself acting unconstitutionally? Respect for the limits on power are the essence of a democratic society; without it the entire democratic structure is undermined and the way is paved from Weimar to Hitler.

Berger also cited Madison who said:

> It is our duty . . . to take care that the powers of the Constitution be preserved entire to every department of Government; the breach of the Constitution in one point, will facilitate the breach in another.

Essentially, this bill would prohibit any court of the United States (other than the Supreme Court) from issuing any restraining order or injunction in any case involving a Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion or the use of public funds for the performance of abortions. But the subject matter of abortion would remain within the jurisdiction of the lower Federal courts, and the Supreme Court would retain power to issue injunctive or other relief upon a final determination of constitutionality. The only power removed from the lower Federal courts is the one which they have flagrantly abused in abortion cases.

Judge Dooling ordered the Secretary of Health, Education, and Welfare to use moneys drawn from the Treasury for a purpose for which no appropriation was made—the performance under the medicaid program of a wide range of abortions. This could only be described as a "mandatory injunction," which has been used often in these cases. *American Jurisprudence* 2d (42 Am Jur 2d, § 16) describes such an injunction as "a rather harsh remedial process [which is] not favored by the courts" and goes on to state (§ 20 at page 752):

> The facts which will warrant mandatory relief must be clear, be free from reasonable doubt, and disclose the prospect of irreparable injury to the complainant.

Few, if any, of the abortion cases in which such injunctions have been issued have been free from reasonable doubt. Moreover, as does the Hyde amendment, most of the challenged statutes protected the complainant against the only truly irreparable harm—the danger of death if an abortion were not performed, while at the same time giving some protection to unborn children against the irreparable harm of being killed.

It is bad enough that the Federal Government by dictum of the Supreme Court has legalized this form of national suicide and promotes the depletion of future generations, but to compel citizens against their conscience to participate in this heinous practice by contributing their tax dollars contrary to a clear expression of the popular will is to abuse them twice.

I would urge all my colleagues to study this issue. Federal judges are using restraining orders and injunctions to frustrate the will of legislative bodies and to determine public policy on abortion in accordance with their own personal values. Legal precedents and principles are either ignored or shamefully twisted in the process. I think most of you will be astonished by the reasoning of these judges, and persuaded that sound law and logic are better served by the scattering of dissenting opinions. I think most of you will agree that the power to issue injunctions in these cases has been systematically abused and ought to be curbed.

The most thorough examination of the issue I have seen was placed in the CONGRESSIONAL RECORD of December 15, 1979, beginning on page S18740 by my friend Senator ORRIN HATCH of Utah in introducing S. 2138—identical to my H.R. 7307. It is an article from the Tulane Law Review by Basile J. Uddo, Associate Professor of Law at the Loyola University School of Law, which presents a powerful argument for this type of legislation based upon an analysis of the cases.

Some of the most telling criticism of judicial actions in these cases has come from the Federal judiciary itself. Professor Uddo points this out concluding with a quotation from Supreme Court Justice White which reflects outright disgust with his colleagues' behavior. Justice White wrote in one opinion:

> I am not yet prepared to accept the notion that normal rules of law, procedure, and constitutional adjudication suddenly become irrelevant solely because a case touches on the subject of abortion.

Since Justice White unfortunately is powerless to restore the "normal rules of law, procedure, and constitutional adjudication" in the handling of these cases, I urge my colleagues in the House to join as sponsors of my bill, and to work for its enactment, in order to reduce the harm done by the abandonment of those normal rules.

If we care about preserving our own constitutional powers, and those of our counterparts in legislative bodies at the State and local levels, this bill represents the very least we should do.

Mr. Speaker, I include at this point in the RECORD a copy of my bill, the Human Life Anti-Injunction Act:

H.R. 7307

A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, a court of the United States may not issue any restraining order or temporary or permanent injunction in any case—

(a) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion (including any such law or ordinance that regulates abortion clinics or persons that provide abortions);

(b) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

SEC. 2. As used in this Act, the term "court of the United States" means any court established by or under article III of the Constitution of the United States other than the Supreme Court.

ADDRESS OF CONGRESSMAN LUCIEN N. NEDZI AT THE DEDICATION OF THE JAMES MADISON MEMORIAL BUILDING, LIBRARY OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, I was privileged to have been present on April 24, 1980, for the dedication ceremony for the James Madison Memorial Building of the Library of Congress.

Among those who participated in the event was our distinguished colleague, the Honorable LUCIEN N. NEDZI, vice chairman of the Joint Committee on the Library.

Mr. NEDZI also serves, and with great distinction, as a member of the Committee on Armed Services, of which he is chairman of the Subcommittee on Military Installations and Facilities, and as chairman of the Subcommittee on Libraries and Memorials of the Committee on House Administration, on which subcommittee I am pleased also to serve.

Mr. Speaker, allow me to take this opportunity to express with what regret I learned earlier this year that Congressman NEDZI has decided not to seek reelection at the end of this Congress.

I know of no Member of Congress more dedicated to the well-being of the people he represents and to the national interest than LU NEDZI of Michigan.

He is a tireless worker, unvariably thoughtful and considerate in his dealings with his colleagues and someone whose friendship I have come greatly to value.

Mr. Speaker, all of us are going to miss Lu Nedzi in the House of Representatives.

At this point in the Record, Mr. Speaker, I am pleased to insert Mr. Nedzi's thoughtful remarks on the occasion of the dedication of the James Madison Building:

Dedication of the James Madison Building

(Remarks of Congressman Lucien N. Nedzi)

I am pleased and honored to be here as the representative of the House of Representatives and the Joint Committee on the Library.

Members of Congress come and go, and deep down—although we like to believe we have been of some significance—most of us know that we are, in the great sweep of history, relatively minor figures in the absorbing panorama that is the Washington scene. The institutions remain.

Indeed, the institutions of Congress and the Library of Congress are closely tied.

We members of the House and Senate are both constituents and patrons of the Library. On the one hand, a considerable portion of the Library's work is specifically done for us. On the other hand, the Library depends on us for its funding.

It is fashionable, I guess it always has been, to be critical of politicians. But the politicians who make up the Congress have traditionally gone beyond personal limits. Our predecessors and we ourselves are proud of the fact that the Library of Congress is the greatest library in the history of civilization. And we hope it will become greater still.

Having said that, it cannot be denied that for a time the House coveted this very building. Not for its architectural splendor;

For its space.

In the end, however, a higher interest prevailed, and the building properly went forward as a library.

II

We on the House side should feel close to this building for a further reason: James Madison, one of the greatest practitioners of the arts of politics and government, at one time served in the House of Representatives.

Madison was a great man. He was President and long before that he was the master architect of our Constitution. But we would be wrong to make supermen of the Founding Fathers. Madison was human and he did on occasion fail. His seeming weakness as a wartime leader during the War of 1812 has conveniently provided us with some irony for this occasion. It was, after all, under his presidency that the British burned the original Library of Congress in 1814. And so, in a sense, we are at long last giving him back a library building and in his own name!

III

Finally, we in Congress feel close to the Library because we share with you an affection for the printed word. And the printed word is pre-eminent with you despite your marvelous other services in recordings, film, and aid for the vision-impaired.

In classical times and in medieval times, before the invention of the printing press and the spread of literacy, the ability to read seemed somehow almost magical. Now, in this age of runaway reliance on television, the ability to read may again seem almost magical!

We all must do all we can to encourage reading, to encourage learning and to preserve and enhance the vast and comprehensive collections and the treasures of the Library. We all must learn to better cope with information glut. Perhaps you can lend us your "discard officers."

IV

As I near the end of 19 years of congressional service, one of my prized possessions will be the experience and honor I have been given to know, to work with, and to support the men and women of the Library.

I believe you will continue to pioneer, to dream, to be inventive, and to take your thinking to the frontiers.

Samuel Johnson, at age 73, in a letter to James Boswell, wrote: "I am always hoping to do better than I have ever hitherto done . . ."

I know that you will do even better than you have ever hitherto done. And Congress, I am sure, will support you in the manner to which you have become accustomed.

Congratulations, and thank you.●

A TRIBUTE TO DANIEL W. JEFFERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. Hubbard) is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, it is with great sadness that I speak today in the House of Representatives regarding the tragic death of Daniel W. Jeffers, a 15-year-old freshman at Hopkinsville High School in my district. Danny died of injuries suffered in a recent traffic accident.

Danny Jeffers was a member of the golf and swim teams at Hopkinsville High School and a member of Grace Episcopal Church. His parents are long-time friends of mine in Hopkinsville and I certainly share in their sorrow. His father, Roger Jeffers, is president and general manager of radio station WHOP. His mother, Sherrill Caroline Lackey Jeffers, is vice president of the station and serves as a magistrate on the Christian County Fiscal Court.

I also extend my sympathy to Danny's grandparents, Mr. and Mrs. F. E. Lackey, who now reside in Naples, Fla. In addition to his parents and maternal grandparents, survivors include his paternal grandmother, Evelyn Jeffers of Oneida, Tenn., and two sisters, Bonnie and Sherrill Jeffers.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Dixon) is recognized for 5 minutes.

● Mr. DIXON. Mr. Speaker, during the vote on final passage of H.R. 6974, Department of Defense authorization, I inadvertently voted in favor of the bill. I would like the Record to reflect that it was my intention to vote "no" on this measure.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. McEwen (at the request of Mr. Rhodes), for the week of May 19, 1980, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Weiss) to revise and extend their remarks and include extraneous material:)

Mr. Addabbo, for 15 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Brademas, for 5 minutes, today.
Mr. Stack, for 10 minutes, today.
Mr. Hubbard, for 5 minutes, today.
Mr. Dixon, for 5 minutes, today.
Ms. Mikulski, for 60 minutes, June 12, 1980.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McDonald, prior to the vote on H.R. 6974.

Mr. Cavanaugh, to revise and extend his remarks and include extraneous material in the debate on S. 662.

(The following Members (at the request of Mr. Whittaker) and to include extraneous matter:)

Mr. Lent.
Mr. Lagomarsino.
Mr. Collins of Texas in two instances.
Mr. Rousselot in two instances.
Mr. Daniel B. Crane.
Mr. Marlenee.
Mr. Sawyer.
Mr. Findley.
Mr. Lee.
Mr. Courter.
Mr. Ashbrook in four instances.
Mr. Michel.
Mr. Dougherty.

(The following Members (at the request of Mr. Weiss) and to include extraneous matter:)

Mr. Hamilton in two instances.
Mr. Mineta in two instances.
Mr. Leath of Texas.
Mr. Rodino in two instances.
Mr. Fascell.
Mr. McKay in two instances.
Mr. Florio.
Mr. Ireland.
Mr. Bonior of Michigan.
Mr. Gray.
Mr. Skelton.
Mr. Coelho.
Mr. Stark in two instances.
Mr. Udall.
Mr. Long of Maryland.
Mr. Mazzoli in two instances.
Mr. Hubbard.
Mr. Won Pat.
Mr. Moorhead of Pennsylvania.
Mr. Wolff in two instances.
Mr. Albosta.
Mr. Oberstar.
Mr. Fisher.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 175. Joint resolution to extend the expiration date of the Defense Production Act of 1950.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6081. An act to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on May 20, 1980, present to the President, for his approval, a bill of the House of the following title:

H.R. 6615. To amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal years 1981 and 1982, and for other purposes.

ADJOURNMENT

Mr. HUBBARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 13 minutes p.m.), the House adjourned until tomorrow, Thursday, May 22, 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4435. Communication from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1981 for the Department of Defense-Military (H. Doc. No. 96–316); to the Committee on Appropriations and ordered to be printed.

4436. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted and a decision made to convert the operation and maintenance of transportation equipment function at the Naval Air Station, Cecil Field, Florida, to contractor performance, pursuant to section 806 of Public Law 96–107; to the Committee on Armed Services.

4437. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Japan (Transmittal No. 80–63), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

4438. A letter from the Acting Assistant Secretary of State for International Organization Affairs, transmitting copies of the reports issued by the United Nations Joint Inspection Unit during the first 4 months of 1980, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4439. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Japan (Transmittal No. 80–63), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4440. A letter from the Executive Director, Marine Mammal Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4441. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during April 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

4442. A letter from the Secretary of Energy, transmitting a report on the study of the uses of petroleum and natural gas as a primary energy source for combustors and installations not subject to the Powerplant and Industrial Fuel Act of 1978, pursuant to section 747 of the act (Public Law 95–620); to the Committee on Interstate and Foreign Commerce.

4443. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the 1978 annual report of the Immigration and Naturalization Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 6883. A bill to amend the Internal Revenue Code of 1954 to revise the rules relating to certain installment sales; with amendment (Rept. No. 96–1042). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 4155. A bill to amend the Internal Revenue Code of 1954 to allow the Internal Revenue Service to disclose the mailing addresses of individuals who have defaulted on student loans made under the Migration and Refugee Assistance Act of 1962; with amendment (Rept. No. 96–1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 4968. A bill to amend the Internal Revenue Code of 1954 to provide that in certain cases the net operating loss carryover period for a taxpayer who ceases to be real estate investment trust shall be the same as the net operating loss carryover period for a taxpayer who continues to be real estate investment trust; with amendment (Rept. No. 96–1045). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 4725. A bill to amend the Internal Revenue Code of 1954 with respect to the manner in which the tax on transportation by air is required to be shown on airline tickets; with amendment (Rept. No. 96–1046). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORT

Under clause 2 of rule XIII,

Mr. BROOKS: Committee on Government Operations. House Resolution 624. Resolution to disapprove Reorganization Plan No. 1 transmitted by the President on March 27, 1980 (adverse Rept. No. 96–1043). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 7409. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest and dividends on deposits in savings institutions; to the Committee on Ways and Means.

By Mr. BURGENER:

H.R. 7410. A bill to raise the limit on the principal amount of a mortgage which may be insured under section 203 of the National Housing Act with respect to single-family residences in high-cost areas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DONNELLY:

H.R. 7411. A bill authorizing the Secretary of the Interior to accept the conveyance of the United First Parish Church in Quincy, Mass., and authorizing the Secretary to administer the United First Parish Church as a national historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FUQUA (for himself, Mr. Roe, Mr. Winn, Mr. Goldwater, Mr. Scheuer, Mr. Hollenbeck, Mr. Dornan, Mr. Lloyd, Mr. Walker, Mrs. Bouquard, Mr. Blanchard, Mr. Flippo, Mr. Ritter, Mr. Watkins, Mr. Young of Missouri, and Mr. Nelson):

H.R. 7412. A bill to establish a Space Industrialization Corporation to promote, encourage, and assist in the development of new products, processes, services, and industries using the properties of the space environment, and in the use of space technology; to the Committee on Science and Technology.

By Mr. GOODLING:

H.R. 7413. A bill requesting the President to exercise the authority provided under the Emergency Petroleum Allocation Act of 1973 to exclusively import crude oil, residual fuel oil, and petroleum products into the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. HIGHTOWER (for himself, Mr. Archer, Mr. Brooks, Mr. Collins of Texas, Mr. de la Garza, Mr. Eckhardt, Mr. Frost, Mr. Gonzalez, Mr. Gramm, Mr. Hall of Texas, Mr. Hance, Mr. Kazen, Mr. Leath of Texas, Mr. Leland, Mr. Loeffler, Mr. Mattox, Mr. Paul, Mr. Pickle, Mr. Roberts, Mr. Stenholm, Mr. White, Mr. Charles Wilson of Texas, Mr. Wright, and Mr. Wyatt):

H.R. 7414. A bill to designate the building known as the Federal Building and U.S. Courthouse in Amarillo, Tex., as the "J. Marvin Jones Federal Building"; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN:

H.R. 7415. A bill providing emergency relief to individuals injured as a result of the disposal of toxic or hazardous substances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 7416. A bill to provide funds for the operation and maintenance of the Vietnam Veterans Peace and Brotherhood Chapel near Eagles Nest, N. Mex.; to the Committee on House Administration.

By Mr. McCLORY:

H.R. 7417. A bill to amend the act commonly known as the Miller Act to provide interest and attorney's fees in judgments granted in suits by subcontractors based upon payment bonds and for other purposes; to the Committee on the Judiciary.

By Mr McCORMACK (for himself, Mr. Goldwater, Mr. Fuqua, and Mr. Wydler):

H.R. 7418. A bill to establish a research, development, and demonstration program for the disposal of radioactive waste; to the Committee on Science and Technology.

By Mr. NEAL:

H.R. 7419. A bill to amend the Federal Reserve Act to impose reserve requirements on money market mutual funds; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OBERSTAR:

H.R. 7420. A bill to provide for an accelerated program of assistance to small or medium-sized municipalities engaged in, or planning for, a publicly owned district heating system; jointly, to the Committees on Interstate and Foreign Commerce and Banking, Finance and Urban Affairs.

By Mr. RINALDO:

H.R. 7421. A bill to prevent the retroactive assessment of certain deficiencies in the case of employees of the Panama Canal Zone Government or of the Panama Canal Company; to the Committee on Ways and Means.

By Mr. SABO:

H.R. 7422. A bill to amend title XVIII of the Social Security Act to authorize medicare payments for certain inpatient hospital services furnished by a hospital operated by the Veterans' Administration; to the Committee on Ways and Means.

By Mr. SIMON (for himself, Mr. Hawkins, Mr. Jeffords, Mr. Clay, Mr. Tauke, Mr. Weiss, Mr. Petri, Mr. Corrada, Mr. Ratchford, and Mr. Bailey):

H.R. 7423. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination against individuals because they are handicapped, and for other purposes; to the Committee on Education and Labor.

By Mr. SOLOMON:

H.R. 7424. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Ways and Means.

By Mr. STACK:

H.R. 7425. A bill to amend the Indochina Refugee Children Assistance Act of 1976 to provide for assistance to educational agencies for services provided to Cuban and Haitian refugee children; to the Committee on Education and Labor.

By Mrs. BYRON:

H.J. Res. 553. Joint resolution to authorize and request the President to designate May 24, 1980 as "Railroad Passenger Services Day"; to the Committee on Post Office and Civil Service.

By Mr. GOODLING:

H. Con. Res. 343. Concurrent resolution urging the President to take certain actions with respect to the flight of Cuban natives from Cuba; to the Committee on Foreign Affairs.

By Mr. WINN:

H. Con. Res. 344. Concurrent resolution expressing the sense of Congress with respect to certain withholding taxes; to the Committee on Ways and Means.

By Mr. UDALL:

H. Res. 677. Resolution to require a study of congressional employment levels; jointly to the Committees on House Administration and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DANNEMEYER:

H.R. 7426. A bill for the temporary relief of Florence A. Galiza; to the Committee on the Judiciary.

By Mr. LOWRY:

H.R. 7427. A bill for the relief of Robert T. Watson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 192: Mr. Stack.

H.R. 1785: Mr. Whittaker, Mr. Hollenbeck, Mr. Marriott, Mr. Garcia, Mr. Symms, Mr. Campbell, Mr. Emery, Mr. de la Garza, Mr. Satterfield, Mr. Donnelly, Mr. Edwards of Oklahoma, and Mr. Natcher.

H.R. 4509: Mr. Badham and Mr. Murphy of Pennsylvania.

H.R. 5477: Mr. Pepper, Mr. Buchanan, Mr. Studds, and Mr. Markey.

H.R. 5610: Mr. Jones of Tennessee, Mr. Porter, and Mr. Solomon.

H.R. 5844: Mr. Matsui.

H.R. 6012: Mr. Studds, Mr. Murphy of New York, Mr. Musto, Mr. Guarini, Mr. Gonzalez, Mr. Green, and Mr. Leland.

H.R. 6466: Mr. Dougherty, Mr. Grassley, Mr. Sensenbrenner, Mr. Trible, Mr. Walker, Mrs. Holt, Mrs. Byron, Mr. McDonald, Mr. Edwards of Oklahoma, Mr. Burgener, and Mr. Myers of Indiana.

H.R. 6468: Mr. Mottl and Ms. Oakar.

H.R. 6540: Mr. Minish, Mr. Nedzi, Mr. Perkins, Mr. Stark, Mr. Mitchell of Maryland, Mr. Clay, Mr. Wolpe, Mr. Phillip Burton, Mr. Corrada, Mr. Rodino, Mr. Rangel, Mr. Ertel, Mr. Ford of Michigan, Mr. Carr, Mr. Mottl, Mr. Dougherty, Mr. Markey, Mr. Guarini, Mr. Garcia, Mr. Downey, Mr. Gray, and Mr. Leland.

H.R. 6611: Mr. Maguire and Mr. Mattox.

H.R. 7223: Mr. Murphy of Pennsylvania, Mr. Roe, and Mr. Vento.

H.J. Res. 69: Mr. Rinaldo, Mr. Kelly, Mr. Zablocki, Mr. Leach of Louisiana, Mr. Bonior of Michigan, Mr. Hall of Texas, Mr. Weaver, Mr. Roe, Mr. Corman, Mr. Courter, Mr. Skelton, Mr. McEwen, Mr. Abdnor, Mr. Robinson, Mr. Boland, Mr. Pickle, Mr. Brooks, Mr. Taylor, and Mr. Young of Alaska.

H.J. Res. 390: Mr. Young of Florida.

H. Con. Res. 258: Mr. Mitchell of New York, Mr. Pepper, Mr. Whitehurst, Mr. Hollenbeck, Mr. Coelho, Mr. Carter, and Mr. Bevill.

PETITIONS, ETC.

Under clause 1 of rule XXII,

356. The SPEAKER presented a petition of the 46th annual meeting of the Pennsylvania Credit Union League, Pittsburgh, Pa., relative to Congressman William S. Moorhead's support of the credit union movement, which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6942

By Mr. KOSTMAYER:

—Page 11, strike out lines 11 through 14 and redesignate subsequent sections of title I of the bill accordingly.

By Mr. WEISS:

—Page 17, strike all of section 112.

EXTENSIONS OF REMARKS

DUMP NOW, DIE LATER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. BONIOR of Michigan. Mr. Speaker, today, I would like to bring to the attention of my colleagues a review of Mr. Brown's book which appeared in the Washington Post Book World section on Sunday, May 18, 1980.

While many people would like to separate the importance of the events at Love Canal and the agent orange experience in Vietnam, the chances are slight as they impact upon each other as very few other issues have. The same chemicals which have adversely affected the innocent residents of the Love Canal area were also the same ones which were used as components of agent orange; namely, 2,4,5-T. 2,4,5-T contains one of the deadliest synthesized chemicals known to man, dioxin, or TCDD. Animal studies have demonstrated the acute effects of TCDD on animals to a conclusive degree, yet critics have noted, again, the lack of significant evidence linking the same negative effects of TCDD on humans.

In this context, I would like to quote William Hines and Judith Randall, two Washington, D.C., journalists. They note that:

> The bottom line on carcinogenesis testing is this. You can drown an animal in a pool of some substance, suffocate an animal under a heap of it, or beat an animal to death with a sock full of it, but if it isn't carcinogenic, you can't give an animal cancer with it.

For those of us who appreciate the fine but vanishing art of straight talk, this statement brings a breath of fresh air. It will not earn the authors immediate induction into the National Academy of Sciences; it is frank appraisal at its best and brings home the point which has been difficult in conveying to some Members of this body. Why are we not doing anything to provide the benefit of the doubt to the veteran and his family who are concerned about agent orange. We have been informed of the deaths of veterans who attribute their demise to agent orange exposure. We have been contacted by veterans who are suffering from a variety of terminal cancers. We know of the many offspring of veterans who have been conceived with the worst possible birth defects imaginable. Yet, the only answers given to these suffering veterans is that we do not have the evidence to establish that your health problems are related to agent orange and dioxin poisoning. Wait another 7 to 10 years when we will have some more complete studies and we will then decide how best to assist you.

Somehow, Mr. Speaker, I do not think such an explanation will be bought by the Vietnam veteran, nor do I feel such an attitude will induce many people to join the armed services if this is symbolic of the gratitude for services rendered to one's country.

In summary, I would like to emphasize one paragraph from Gregg Easterbrook's review of Michael Brown's book. He states:

> Brown's most valuable contribution is his elaboration of the extremely subtle nature of the impact on our bodies of these unopposed intruders (toxic chemicals). In so doing, he finally explains what I call the Fly Corpse Factor. It's this: If we are being force-fed deadly chemicals, why aren't we dropping like flies? Where are the fly corpses? But Brown shows, through repeated examples of persons forced to live near toxic waste sites, that the human body is not weak, merely delicate. The trace doses of toxins escaping in our environment are seldom enough to kill. What they do, as Brown points out, is slowly drive the body haywire. That is, cause cancer.

Mr. Speaker, we have witnessed the damage these chemicals have inflicted upon our veterans in Vietnam. We have witnessed the damage these chemicals have inflicted upon our own neighbors across the United States. It is my sincere hope that we in this body can move forcefully to address the problems of agent orange and Love Canal. I hope we do not opt for more studies. Because just as they will accumulate on the shelves so will the chances the fly corpses will begin to increase as well.

DUMP NOW, DIE LATER: DISPOSAL OF TOXIC WASTES

(By Gregg Easterbrook)

[Laying Waste: The Poisoning of America by Toxic Chemicals. By Michael Brown.]

An eerie seething permeates this book, like dry-ice mist seeping under the door in a B-movie. Michael H. Brown, the reporter who broke the Love Canal story, has written an encyclopedia of toxic-waste abuses so vivid, you begin to fear some mutant molecule will drip from the next page. And yet he's done it in remarkable fashion: without hysteria. The account is rational and restrained. It quickens the pulse simply because the subject matter is so horrifying.

Toxic-waste problems seem familiar now. Events like the explosion in mid-April of a chemical dump in Elizabeth, New Jersey, showering New York City with gagging fumes, seem common. But the subject was little-known in 1977 when Brown went to work as a reporter for the Niagara Gazette of Niagara Falls, New York. Brown heard tales of odd slimes oozing into the basements of homeowners around an old industrial ditch. As he uncovered the story, it became clear that Hooker Chemical and Plastics Co.—the town's biggest employer—had throughout the 1940s stocked the ditch with thousands of tons of deadly waste chemicals. The chemicals had eaten their way out and were escaping. People near the site were getting sick. The danger was immediate; not only had the town foolishly built a school near the seepage, but the whole cracking vessel was only 300 yards from the Niagara River, a thoroughfare promising to spread the poison to millions.

Eventually—after denials by Hooker, delays by the government and attempts by the newspaper's own publisher to quash the story—the facts were printed. Love Canal was declared a national emergency, and the area evacuated.

But that's where Brown's story begins, not ends. The author documents a dizzying succession of similar abuses around the nation, ranging from even larger dumps, through illicit stacks of rusting barrels, to a woman in North Carolina who was hanging out her wash when "she saw a trailer truck stop at a nearby lot and men begin to unload dozens of chemical drums. 'They said they were just leaving it for now,' her husband told me . . . 'They said they would pick it up in the morning. The next morning, there were two or three hundred drums there. They're still there' . . . And nobody knew what was in them"

Brown finds in these incidents sobering evidence of the charge that nearly all the chemical wastes manufactured until recently have been dumped, illegally or carelessly, in a manner that guarantees they will find their way into the environment. Once such chemicals are loose, they cannot be recalled; no amount of machinery or money can extract a few gallons of liquid from miles of earth and rock. Brown explains that pouring benzines, chlorinated hydrocarbons and other durable compounds into the ground isn't "disposing" of them at all, merely postponing the day when there will be hell to pay: "Nature was . . . utterly unprepared for this onslaught of artificial elements. Nowhere in the earth's crust nor in the ocean was there the capability of disassembling these complex new substances strung together by the ingenuity of man. . . . These chemicals . . . remained permanently available to exact a terrible price for human indifference and greed."

The catalogue of abuses is so long, it borders on the unbelievable. So, too, does the record of government inaction. State health officials, Brown says, received reliable reports of chemical barrels rotting on a huge dump in Montague, Michigan. They did not visit the site until seven months later; when they did, they found 20,000 barrels, many of them recent arrivals. In 1976, Ohio officials discovered thousands of barrels of toxins leaking into a drainage ditch in the town of Deerfield. They called for advice from the Environmental Protection Agency. EPA's regional office refused to so much as come and inspect the site; it did, however, send a letter helpfully explaining that Ohio's request for assistance had been poorly worded.

In narrating these cruel insults to the earth, Brown tends to dwell on the anguished reactions of those living nearby the sites. While each person's story is of value, once you've read the first few, the rest are

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

pretty much fill-in-the-blank. The constant repetition of fear and frustration serves only to chill the reader.

When the book finally addresses public policy, it shows well that government's refusal to act against industry (or even abandoned dumps) is in some ways more venal than the dumps themselves. Almost four years ago, a law giving EPA control over toxic wastes was passed. The agency still hasn't issued all the regulations needed to give the law meaning. Brown might have mentioned, for instance, that while the EPA bureau charged with writing the regulations was defying a court order to produce them, it effectively suspended work for six months to "reorganize."

One reason chemical disposal seldom excited interest before Love Canal was that it is a long-term threat, not an immediate problem like spilling a vial of hydrochloric acid in your lap. Technology has learned to assemble chemicals like dioxin that are so toxic just a few molecules of them can cause illness. Yet the earth is vast; even with such potent agents, it takes decades to spread enough toxins into the air and water for a visible effect to show up. The subtle damage of chemical poisoning is sometimes not immediately clear even to the victim; by the time toxicity is obvious, it's too late.

Brown's most valuable contribution is his elaboration of the extremely subtle nature of the impact on our bodies of these unopposed intruders. In doing so, he finally explains what I call the Fly Corpse Factor. It's this: If we're being force-fed deadly chemicals, why aren't we dropping like flies? Where are the fly corpses? But Brown shows, through repeated examples of persons forced to live near toxic waste sites, that the human body is not weak, merely delicate. The trace doses of toxins escaping into our environment are seldom enough to kill. What they do, as Brown points out, is slowly to drive the body haywire. That is, to cause cancer.

The author misses a great opportunity by not weaving this thesis through the book. Cancer rates are abnormally high almost everywhere near uncontrolled chemical waste sites, yet the chemicals from the sites, we know, migrate far away. Medical science, for all its effort, has been unable to isolate all the causes of cancer. Many of the most carefully examined victims seem to be acted on by unknown forces. Could it not be, Brown suggests, that a prime cause of the cancer "epidemic" is the proliferation of carcinogenic waste chemicals—a vast array of toxins so potent they may cause cancer in minute quantities that even the most determined medical analysis would not detect? Can the careless handling of chemical wastes be the missing piece in the cancer puzzle?

The nagging failure of this otherwise sound and admirable work is that Brown writes from outside the fence; he never ventures inside the minds of the chemical industry or those of the legitimate disposal industry which is supposed to manage the problem. Why, for instance, does Hooker have such a dubious record while Dow Chemical appears to behave rather conscientiously? Brown offers no insight. And what goes on at the government-permitted "secure" chemical landfills that firms now use, openly and legally, as the supposedly "safe" alternative Love Canals?

I remember once standing outside the West's largest chemical landfill in the Los Angeles suburb of West Covina. Owned by a company called BKK Inc., it receives 500,000 tons of seething fluids every year.

I stood in the baking sun, watching incoming tanker-trucks of chemicals being "inspected." The sole test of the contents was one a supervisor called a "thermal" evaluation. The guard put his hand on the side of the truck; if it was hot, that meant the contents were reacting with each other. Nothing more; the trucks were then waved through.

Near the gate, there was a small "laboratory" for "sampling," almost barren of equipment. A pad of litmus paper—used in chemistry's easiest, most basic test—lay dusty from disuse. The supervisor admitted to me that if PCBs or other especially dangerous chemicals were entering the site in trucks labeled as containing something innocuous like "oilfield mud," there would be "No way on earth we could know about it."

Later, I called a former government official who used to oversee such facilities, a man whose opinion I'd come to trust. I described the conditions. "But you don't understand yet," he said sadly. "Compared to the rest, it's a model operation."●

A TRIBUTE TO JIM COLE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ANDERSON of California. Mr. Speaker, after having served 10 years on the city council of Lomita, Calif., and 2 years as the city's mayor, Jim Cole will soon be retiring from service on the council. He has announced that he will not seek reelection.

Few of those who know Jim Cole believe this to be the end of his public service career. He is too dedicated and talented an individual to be left unpersuaded to again work for his community in some other capacity. But, as this is the end of his service on the city council, his friends and associates are taking the occasion to honor him for the outstanding contribution he has made to the city of Lomita. On June 1, 1980, they will gather in his honor to formally express their appreciation to him. Thus, now is an appropriate time to review for my colleagues the role Jim Cole has played in shaping this fine city and guiding its development through the years.

Jim Cole's career in public service can be traced back to his work in journalism where he had the opportunity to learn more about Lomita, its character and potential. This started with his position as reporter for the Lomita News; it continued when he became editor of the paper and when he later transferred to the Daily Breeze. One of his most remarkable accomplishments was the spearhead organizing he did while still with the News to incorporate Lomita as an independent city. There had been earlier unsuccessful attempts, but not until Jim Cole's heavy involvement did the effort become a reality.

This man can certainly take great pride in the record of service he leaves with the city of Lomita. One measure of the esteem in which he is held locally is demonstrated by the fact that he received the most votes ever cast for an individual Lomita council candidate. He has taken the city through its creation and development and guided it to where it is today. As he leaves office, the city is in fine financial shape: The city treasury has $1.5 million with no outstanding bond debts.

Mr. Speaker, for 10 years Lomita has benefited from this man's service and leadership. No doubt his good works will continue in one fashion or another. But at this moment, my wife, Lee, and I would like to join all his other friends and admirers in congratulating him on what he has already accomplished. We hope the years ahead are prosperous ones for Jim and his wife, Charlene, and their son, Craig.●

ANNUAL FLEET SAFETY CONTEST

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. IRELAND. Mr. Speaker, today I am proud to inform you that Clay Hyder Trucking Lines, located in Auburndale, Fla., which is in my district, has won first place in the Annual Fleet Safety Contest of the Common Carrier—Irregular Route.

Clay Hyder has successfully completed and won for the second year in a row the leadership award in the most-entered competition of the contest. The company was competing with others which had logged 20 million miles per year.

In 1978, Clay Hyder won the award by having only 2.40 accidents per million miles. This same year, the company was also chosen as the conference's grand prize winner for its overall safety program. In 1979, Clay Hyder was unable to compete again as a grand prize entrant due to contest rules, but it won its divisional award by improving on its accident frequency ratio.

It is this type of improvement and devotion to highway safety which is to be admired both within transportation circles and by all citizens who must share the highways with the trucking industry.●

A TRIBUTE TO JOSEPH E. SCHAEFER, MEDAL OF HONOR RECIPIENT

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ADDABBO. Mr. Speaker, I would like to take this opportunity to pay tribute to, and call to the attention of my colleagues, one of the finest Americans I have ever known, Joseph E. Schaefer, a recipient of the Congressional Medal of Honor. I have had the privilege of marching with Joseph in many a Memorial Day parade, and can honestly say that it is an honor to march with someone who performed one of the most supreme acts of heroism in World War II. As this Nation approaches Memorial Day, it is important we take time out to reflect upon those brave soldiers who fought years ago for a freedom we enjoy today.

The Medal of Honor is awarded by the President of the United States to an individual who has distinguished himself conspicuously by gallantry and intrepidity at the risk of his life and beyond the call of duty. It is the highest military award for bravery that can be given to any individual in the United States of America, an award recognizing those special men who have risen above all others in the heat of battle. Joseph Schaefer was such a man on the morning of September 24, 1944.

Staff Sergeant Schaefer was in charge of a squad of the 2d Platoon in the vicinity of Stolberg, Germany, that morning, when suddenly two enemy companies supported by machineguns launched an attack to seize control of an important crossroads which was defended by his platoon. One American squad was forced back, another captured, leaving only Staff Sergeant Schaefer's men to defend the position. To shift his squad into a house which would afford better protection, he crawled about under heavy small-arms and machinegun fire, instructed each individual, and moved to the building, selecting for himself the most dangerous position—the door. Armed with his M1 rifle, he broke the first wave of infantry thrown toward the house. The Germans attacked again with grenades and flame throwers, but were thrown back a second time, Staff Sergeant Schaefer killing and wounding several. For their final assault, the enemy approached from two directions, one force driving at the house from the front, while a second group approached along a hedgerow. Recognizing the threat, Staff Sergeant Schaefer fired rapidly at the enemy to the front, killing or wounding all six; then, with no cover whatever, dashed to the hedgerow, killing five, wounding two others, and forcing the enemy to withdraw. He then scoured the area near his house, and captured 10 prisoners. At this time the rest of his company had begun a counterattack, Joe moved forward to assist another platoon to regain its position. Under heavy fire he overtook the Germans, liberating the American squad captured earlier in the skirmish. When it was all over, Joseph Schaefer, single-handed, armed with only his rifle, had killed between 15 and 20 Germans, wounded just as many, and took 10 prisoners.

Joseph Schaefer, as so many others did in prior wars, fought as best he knew how, fighting not only for his life, but for the lives of millions of Americans back home. Too often, many of us take for granted the freedom we enjoy. Too often we forget how costly in terms of life and limb it is. This Memorial Day, Joe will be the honorary marshal in the Queens Memorial Day parade. As he marches along we will remember the brave men who fought so valiantly for so many. I will remember the brave, like Joe, who returned home, and the brave, who did not.

Biographical sketch follows:

Biographical Sketch of Joseph E. Schaefer

Rank and organization: Staff Sergeant, U.S. Army, Company I, 18th Infantry, 1st Infantry Division. Place and date: Near Stolberg, Germany, 24 September 1944. Entered service at: Long Island, N.Y. Birth: New York, N.Y. Citation: He was in charge of a squad of the 2d Platoon in the vicinity of Stolberg, Germany, early in the morning of 24 September 1944, when 2 enemy companies supported by machineguns launched an attack to seize control of an important crossroads which was defended by his platoon. One American squad was forced back, another captured, leaving only S/Sgt. Schaefer's men to defend the position. To shift his squad into a house which would afford better protection, he crawled about under heavy small-arms and machinegun fire, instructed each individual, and moved to the building. A heavy concentration of enemy artillery fire scored hits on his strong point. S/Sgt. Schaefer assigned his men to positions and selected for himself the most dangerous one at the door. With his M1 rifle, he broke the first wave of infantry thrown toward the house. The Germans attacked again with grenades and flame throwers but were thrown back a second time, S/Sgt. Schaefer killing and wounding several. Regrouped for a final assault, the Germans approached from 2 directions. One force drove at the house from the front, while a second group advanced stealthily along a hedgerow. Recognizing the threat, S/Sgt. Schaefer fired rapidly at the enemy before him, killing or wounding all 6; then, with no cover whatever, dashed to the hedgerow and poured deadly accurate shots into the second group, killing 5, wounding 2 others, and forcing the enemy to withdraw. He scoured the area near his battered stronghold and captured 10 prisoners. By this time the rest of his company had begun a counterattack; he moved forward to assist another platoon to regain its position. Remaining in the lead, crawling and running in the face of heavy fire, he overtook the enemy, and liberated the American squad captured earlier in the battle. In all, single-handed and armed only with his rifle, he killed between 15 and 20 Germans, wounded at least as many more, and took 10 prisoners. S/Sgt. Schaefer's indomitable courage and his determination to hold his position at all costs were responsible for stopping an enemy break-through.●

CUBAN INDEPENDENCE DAY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. FASCELL. Mr. Speaker, on May 20, 1902, the Cuban flag was hoisted in Morro Castle, in Havana, symbolizing the emergence of a new and free republic in the Western Hemisphere. This year marks the 78th anniversary of Cuba's independence from Spain.

The new nation was the culmination of 30 years of struggle by Cuban patriots, led by Jose Marti, the apostle of Cuban independence, together with Maximo Gomez and Antonio Maceo.

Never before have the ideals of the fathers of Cuban independence stood in such contrast to the reality of the regime now fastened on Cuba.

Marti, Gomez, and Maceo fought for freedom and liberty for the Cuban people against their subjugation by Spain. For the past 20 years, their beloved country has again been dominated by a foreign power, and the crushing of freedom. Only the military and economic assistance of the Soviet Union has made possible the survival of Fidel Castro's Communist system in Cuba, a system repudiated by the people.

Despite Cuba's current subjugation, the victory of the Cuban patriots in 1902 continues to serve as an inspiration to Cubans everywhere. They are convinced that their country will once again be free. I share that conviction, for the dramatic exodus the world is now witnessing demonstrates far more eloquently than any words the failure of the Communist system established by Castro. Twenty years of dictatorship and indoctrination have not quenched the thirst for freedom in Cuba. The ideals for which Marti fought so valiantly burn as brightly as ever in the hearts of the Cuban people.●

THE UNDERGROUND ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, May 21, 1980, into the Congressional Record:

The Underground Economy

An ominous new phrase has crept into our language in recent months. That phrase is the "underground economy." In a broad sense, it refers to economic activities which are outside the government's reach because they are not reported to any agency of the government. More narrowly, it refers to the income generated by these activities, income which is not declared for tax purposes or for purposes of determining eligibility for various government benefits.

The underground economy is a gigantic substructure of the nation's economic life. It is populated by Americans of almost every description and inclination. The underground economy takes in all people who have unreported legal income in one form or another, whether it results from cash transactions or barter. Included in this group are the self-employed, the working poor, and those who inflate their tax deductions or underreport their interest, dividend, or rental income. Also included are the moonlighters, the street peddlers, and professionals who swap their services for such things as car repair or home upkeep. Artisans, casual laborers, and executives who abuse their expense accounts are other members of this group. Then, too, the underground economy takes in all people who have unreported illegal income, whether it results from organized crime or an individual's own criminal effort. Drug traffickers, gamblers, loan sharks, and shoplifters are just a few of the lawbreakers who make up the underground economy's sinister side.

The size of the underground economy is a matter of controversy. It may be one-tenth as big as the overall economy that conceals it. The Internal Revenue Service, for example, says that about one dollar of income in every ten does not show up on a tax form. As many as 20 million Americans are thought to benefit from lost tax revenue that may amount to $26 billion per year. The problem with these estimates, of course, is the guesswork that lies behind them. As one might expect, it is very difficult to collect reliable financial data on participants in the underground economy, especially when their income depends on crime. There is a general feeling, however, that the underground economy is large, and many experts believe it is growing. Because cash lubricates the underground economy, one indication of its growth is the increase of currency in circulation.

The existence of an active underground economy raises several important questions for the makers of public policy. Is the American taxpayer's long hallowed reputation for voluntary compliance being tarnished? Is the underground economy part of a spreading revolt among taxpayers? How effective is the Internal Revenue Service in collecting taxes? Aside from the obvious problems of crime and lost tax revenue, what other kinds of harm are associated with the underground economy? No matter how these questions are answered, it is clear that at least one challenge confronts the makers of public policy at every turn: honest taxpayers are carrying the burden shirked by those who manage their finances "off the books" in the underground economy.

The underground economy is attracting the interest of Congress. Congressional interest is, in my view, both understandable and welcome. One member of the Committee on Ways and Means, the tax-writing panel of the House of Representatives, recently told me that any American who wants to cheat on his taxes can do it and get away with it. This legislator is not alone in his concern. Many Congressmen and Senators worry that the tax system is eroding, and their worry is compounded by the fact that the times demand fiscal austerity. Like waste, fraud, and corruption in government programs, the underground economy is an obstacle to the disciplined management of the government's fiscal affairs. A balanced budget is just one goal the achievement of which has been made more difficult.

Even as congressional committees study the underground economy, no one is sure whether there is a trend in America toward more tax evasion. Congress is not yet certain how it should react to a problem that is at present only dimly perceived. Some noncompliance with the tax laws is inevitable in a free society, and an unrestrained crackdown could cause the government to intrude far too deeply into people's lives. Congress has recognized that a reasonable degree of financial privacy is part of a person's right to be let alone. That right is cherished by Americans, and any abridgment of it is a loss for everyone. No one can doubt the urgency with which the growth of the underground economy must be regarded.

The Internal Revenue Service already has a substantial program to insure compliance with the tax laws. About 2 percent of all individual tax returns were audited in 1979, an effort that netted approximately five dollars in assessments for every dollar spent by the government. In fairness to people who report their income honestly and pay their taxes promptly, however, more needs to be done. The idea is to catch more tax cheaters without unduly burdening law-abiding individuals and businesses. Steps under review include the wider use of computers to check tax returns against other documents, improving sources of information on many financial transactions, increasing the investigative and enforcement resources of the Internal Revenue Service, and stepping up research on how best to detect the failure to report income. In addition, the Internal Revenue Service is developing special task forces to try to improve tax collections, and inquiries into the use of tax shelters have been launched.●

IN RECOGNITION OF THE CAMDEN CITY SCHOOLS TITLE I DISTRICT PARENT ADVISORY COUNCIL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to commend the fine work of the Camden City Schools Title I Parent Advisory Council. On Saturday, May 24, the parent advisory council will sponsor the fourth annual parents' miniconference at the Davis School.

The theme of the miniconference, "Education—A Family Affair," well summarizes the mission of the parent advisory council. The council's leadership is elected by the parents of children attending a title I school in Camden. They work with school officials to develop educational policies and curriculums that are responsive to the needs of their children. In this manner, the parent advisory council has truly made education in the city of Camden a family affair.

I would like to congratulate all of the parents who make the parent advisory council work so well. Special congratulations are extended to Ms. Evelyn Jones, president; Ms. Shirley Jones, first vice president; Ms. Norma Acevedo, second vice president; Ms. Barbara Jackson, council coordinator; and Ms. Adelia Horton, chairperson of the miniconference.●

JOEL LaSALLE—A VOICE OF DEMOCRACY CONTEST WINNER

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. McKAY. Mr. Speaker, each year the Veterans of Foreign Wars conducts its distinguished Voice of Democracy contest and scholarship program, wherein some 250,000 high school students are encouraged to contemplate the value of the freedoms which we enjoy in this free land, and to compete for scholarship awards in the process. This program stirs new insights and appreciation in these young people about America's example to the world, and this is a very valuable contribution to this Nation. Voice of Democracy participants learn one of the most important lessons of democratic citizenship: With rights come responsibilities.

This winner this year in Utah's First District is Joel LaSalle of Bountiful, Utah, who does a fine job, I believe, in carrying forth the message that ours is a Government which takes as its starting point the ideals and energy of its individual citizens.

I commend Mr. LaSalle's essay to the attention of my colleagues:

VOICE OF DEMOCRACY ESSAY BY JOEL LASALLE

All of us have owned something at one time or another, and all of us have had to take on some type of responsibility, yet sometimes we often fail to realize the grave responsibility which we must take on through ownership. Last year I was driving the family car, doing nothing but driving and an occasional wash. This year the tide has changed slightly. This year I purchased an automobile of my own. I failed to realize the responsibility which I must undertake. When Dad had warned me, I simply said, "I can handle it," the payment of the car that is. Oh but there were other things. Insurance, new tires, interest rates, inspection stickers, new mufflers, new clutches, tune-ups, lube jobs, a speeding ticket here and there, and oh yes. I hadn't paid for gas, until now.

Well, I tell you, I, along with my Savings account, learned a great lesson, a lesson, I suppose, that we must all learn at one point or another.

Baffled? Why should I, a rather small voice of democracy, talk of cars, tune-ups, and the role you play when you stand behind such responsibilities? Well No. 1, just that, I am a voice and as I think of that car, I realize that this role extends much further than just automobiles. You see our role is the same whether it be car ownership, home ownership, land ownership, or any ownership. However, there is an exception, that role I speak of is doubled in one type of ownership, which I call "America Ownership."

Now I've explained to you that we have a responsibility, that role which we must play through America Ownership, yet I've failed to explain exactly what that role is. It's simple, don't you see—it's the same, only doubled? Just like that car, my role in America's future is that of up-keep. Why, sure, change my America's oil every 10,000 miles by voting, recharge her battery through required taxes and payments, go ahead, add that anti-freeze by learning how our system works, change those spark plugs by letting your voice be heard, and most of all, fill her up every week, and fuel her through by taking an interest, honestly caring, participating, and being aware with a non-apathetic Voice of Democracy.

You see my role in America is my future as well as hers. And sure my role is one of great value, but it can do almost nothing for my America's up-keep unless all owners take on their responsibility of up-keep. That's right. About 213 million must help me change that oil, recharge that battery, and so on. We've got to know where this precious automobile is headed. We've go to map out her course for the future, but some don't agree that we have that role to play, they seem to think that the leaders must carry that role, the senators, representatives, governors, mayors, and all legislative branches. Well, if anyone truly feels that way, then in my opinion they don't truly own a part of my America. They, as I did, simply use that car and let the owner assume responsibility. And because they do not assume that role of up-keep, I feel that they are at a great loss, because like my parent's car, I couldn't say it was mine, that's why I bought my own, and without that responsibility, it isn't theirs.

Come on, I believe that it is a team effort, and we can keep this car on that track among—or should I say ahead of the others, as it is. And, we the common men, who perhaps aren't the leaders, aren't the pit crew that's closest to our precious machine, still have that definite role of up-keep . . . Let's invest in her future now so we won't have to pay later . . . Don't change her oil and you'll have a rough ride, don't recharge that battery and she won't start, don't put in that anti-freeze and she may freeze up on you. Oh, there has been many an automobile like our own America that has retired to the junk yard due to that lack of up-keep. And as she gets older and older, she can either be forgotten like a discontinued model, or she can become the collector's item of every man's dream,—Every man's American Dream.●

OYSTER BAY GULLS WIN NATIONAL TOURNEY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. LENT. Mr. Speaker, I am most proud and honored to bring to the attention of my colleagues the achievement of a group of youngsters from my Fourth Congressional District of New York. Last month, the town of Oyster Bay pee wee hockey team, the Oyster Bay Gulls, became the national pee wee champions by winning the pee wee title. The finals were played on the weekend of April 14 at the national tournament in Fraser, Mich.

I would like to congratulate this fine team of fine athletes for their outstanding accomplishment and congratulate also their coach, Tom McManaman, and the proud parents, who have contributed so very much to the winning spirit of this team.

The Gulls, a team of energetic, enthusiastic, and obviously talented 11- and 12-year-olds, rolled up an incredible record of 65 wins, 1 loss, and 4 ties. After winning the New York State title in March of this year, the team took the national tournament, defeating teams from "traditional" hockey areas such as Michigan and Massachusetts, including State and regional championship teams that had won international competition.

Tonight, the members of the Oyster Bay Gulls are to be honored at a banquet—an honor most fitting after months of hard work and numerous sacrifices. Most of these boys have been playing hockey since they were 6 or 7 years old, and have practiced long hard hours to become champions. I know my colleagues join me in paying tribute to these exceptional youngsters, and in wishing them continued success in their future athletic contents. I, for one, am looking forward eagerly to the winter Olympic games of 1992.●

DEPARTMENT OF ENERGY RAISES GAS PRICES

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, an incident that deserves much wider knowledge is that of the gasoline price increase recently ordered by the Department of Energy. It is perhaps a too typical commentary on the condition of our Government that an agency created to solve our energy problems instead spends its time and the taxpayers' money in raising gas prices. In addition, the DOE's action reveals a bias against the gasoline purchaser. What better way to bring down prices than to allow free competition among dealers? I am sure we all remember "gas wars," which were nothing more than the free market at work.

The DOE's vendetta against competition has helped to produce the highest gasoline prices in our Nation's history.

On May 5, the Champaign (Ill.) News-Gazette commented on the DOE's ridiculous action, and I commend the editorial to the attention of my colleagues:

HOW BUREAUCRACIES COMPLICATE LIFE

As a prime example of government meddling with private enterprise, an official of the Department of Energy has ordered Standard Oil Co. (Ohio) to raise gasoline prices by 10 cents a gallon in its major marketing area. Melvin Goldstein, director of the Office of Hearings and Appeals, issued the order after finding that the company's prices, which have been substantially lower than those of its competitors in the Ohio area, threatened the competitive position of other gasoline marketers.

Sohio has been underselling its rivals because of its access to bargain-priced Alaskan oil along with a number of federal regulations which have prevented the company from raising its prices to market levels. Mr. Goldstein steps in and circumvents the federal regulations under broad emergency powers given his office.

He raised Sohio's prices by ordering the company. to pay the Treasury a sum equal to about 10 cents a gallon for each gallon of gasoline it sells through the month of July. This would generate some $14 million to the Treasury which will be put into a special escrow account simply because the government hasn't figured out what to do with the money.

Mr. Goldstein used the Energy Department's "entitlements" system to impose the payment on Sohio. Normally, this system requires refiners with access to cheaper, price-controlled domestic crude oil to make payments to refiners forced to buy more expensive foreign oil.

Companies being hurt by Sohio aren't other refiners, but competing gasoline marketers and normally they don't participate in the entitlements system. So, the money will go into the escrow fund while officials at the Economy Regulation Administration try to formulate proposals governing how, and to whom, the money from the escrow fund should be rebated.

All of which is a prime example of the wasteful bureaucracies which abound in our federal government who know not why they were established, what their function is, or how to proceed in enacting some role in government.●

IS "PROFITS" A DIRTY WORD? MOBIL PRESIDENT WONDERS WHY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the article by William P. Tavoulareas, president of the Mobil Corp., as it appeared in the Oil Daily, on Tuesday, May 13. The article follows:

IS "PROFITS" A DIRTY WORD? MOBIL PRESIDENT WONDERS WHY

It appears that what used to be a good word—profits—has, in some circles, become a bad word. It would be hard to say why so many people think profits are bad. Some say it begins in our schools where many of our teachers have doubts about the capitalistic system. The unfair attacks by some politicians, special interest groups, and some segments of the press have not helped people understand that without profits there is no free economic society.

But whether they understand the role of profits or not, most people assume we are making more money than we do. A recent survey by Opinion Research Corporation shows that people think oil companies make after-tax profits of 57 cents on each dollar of sales. The actual 1979 figure for Mobil Corporation was 4.2 cents. And, contrary to what some have suggested, this includes all profits from all our operations around the world—producing, transportation, refining, and marketing.

Some people say that our profits are the principal cause of high prices. But by any measure, we are not the ones who drive prices up. Let me explain.

Most people have trouble comprehending an oil company because we deal in such enormous volumes of products. Last year, Mobil sold the equivalent of 125 million gallons of petroleum products daily. It makes it easier if you think of our business in terms of the way you purchase our product—by the gallon. On every gallon that Mobil sold last year in its worldwide energy business, our profit after taxes was 4.4 cents. In the U.S. alone, the profit per gallon was only 3.5 cents.

Those amounts are so small that the consumer would hardly notice the difference if we had no profits at all. But if we had no profit, we wouldn't exist, and only the government would be left to take over our role. That's socialism.

WHO MAKES MORE?

The fact is, governments make more on our business than we make ourselves. In the countries abroad where we obtain crude oil, those governments exacted an average of 35 cents on every gallon of production we obtained last year. That figure is currently about 60 cents. As we all know, these payments are a large and growing factor in the cost of our products, as the U.S. becomes more and more dependent on imported crude oil.

In our own country, the government has now imposed a so-called windfall profits tax. I stated our position on such a tax at the annual meeting last year. The bill as finally enacted does at least recognize there should be a lower tax on oil not yet discovered. But the thrust of the windfall tax as proposed by the administration was that the government needed to capture most of the increase in price from decontrolled oil in order to spend the money on developing energy. Sadly, this is not the case with the law that was passed and signed. Relatively little of the enormous funds from the tax will be earmarked for energy development.

Under this tax alone, the government receives an additional 10 cents on average for every gallon of domestic crude oil that we refine. We estimate that the windfall tax alone will be in the range of 30 to 35 cents by 1982.

In addition, we pay a significant amount in royalties and severance taxes to the federal and state governments.

Governments also benefit from the taxes we collect from the consumer for them. The federal excise tax on gasoline is 4 cents a gallon. State gasoline taxes average 8½ cents. New York State and Florida each get 8 cents a gallon, California gets 7 cents, and Minnesota has just gone from 9 cents to 11.

In addition to all these taxes, we now have the oil import fee imposed by President Carter in March. During the course of this year, this is intended to raise the cost of gasoline to the consumer by still another 10 cents a gallon.

Not one penny of this tax will be used to promote the development of our country's vast energy resources. Instead, the administration has proposed another bureaucratic nightmare in the form of a complex system of payments among oil refiners to shift the entire tax burden on to gasoline. Like any other government mechanism that interferes with the market-place, this is bound to produce results unforeseen by those who thought it up. What we can foresee is that it will divert more management time and skills from the development of energy.

As you know, there is also talk that our government will propose an additional 50 cents-per-gallon gasoline tax. To give you some idea of what this means, a one-cent-a-gallon excise tax on gasoline raises a billion dollars in tax revenue. Therefore, a 50-cent increase would bring the government an additional $50 billion a year.

On top of all these taxes, we still have normal income taxes, which in the U.S. alone amounted to 41% of Mobil's pre-tax profits last year from U.S. operations.

LESS THAN A NICKEL

In other words, since we import about half the oil we refine, we start with payments to foreign governments of about 60 cents a gallon on half the volume and a so-called windfall tax to our own government that by 1982 will amount to about 30 to 35 cents a gallon on the other half. We make additional payments for royalties, severance taxes, and other taxes. Then we add something over 12 cents for excise taxes before the product reaches the customer at the pump. As I mentioned earlier, the oil import fee is intended to add another 10 cents to the cost of gasoline. Finally, we pay U.S. income taxes. When you realize that the price you pay on average of $1.25 to $1.30 a gallon includes less than a nickel a gallon in profit for Mobil, I don't think there could be any mistake as to who gets the significant profit from a gallon of gasoline—or, in fact, whose exactions have been rising faster.

Meanwhile, we are faced with ever-increasing projects to replace our energy supplies. We must earn profits in the billions, if we are to undertake investment projects like the producing platforms, for the Statfjord field off Norway. The first platform, which began operating last fall, cost $1.2 billion. The second platform, still under construction, will cost $2 billion.

A plant to produce 50,000 barrels a day of gasoline from coal would take an investment today of perhaps $3 billion.

When you have to invest in projects like these, a big part of the problem is inflation. In 10 years, our cost of finding and developing a daily barrel of production has increased five-fold.

REAL PROBLEMS

The real problems facing us are not our profits. They are the rising cost of replacement, rapid inflation, and constantly increasing governmental tax burdens. When these elements are taken into account, the sober truth is that we are not generating enough cash to make all the investments we will need to make in the next decade. Our capital requirements—excluding the acquisition of Marcor—have risen more rapidly than our profits. Profits are not the only source of investment funds. In addition, we reinvest funds that come from depreciation.

We also have to borrow additional money to finance new investments. The reason we can borrow this money is because lenders perceive that we have the potential to make sufficient profits over and above the needs of the business to repay the loans. We have to compete with other companies to raise new capital and to do that we have to be able to show a rate of return which is comparable to the rest of industry—not just oil companies. Our average over the period 1975 through 1979 has been generally on a par with the average U.S. industries; although for some of those years we were below that average.

In addition to meeting our capital requirements out of cash flow and borrowed funds, we have to pay our shareholders a return for the use of their capital. We have been able to increase our dividend payments every year for 19 years. These payments were made possible by the earnings from investments that we made from reinvested profits and increased borrowings. Last month, we increased the dividend again. I would hope that even our critics will agree that our shareholders are entitled to their dividends.

Profits are the wellspring of our investment program. Unless they are adequate, we cannot do the job expected of us.

It seems ironic that when companies are not operating at a profit, they should receive so much attention and aid, while companies that do show a profit are treated with hostility. Any company that is struggling to make a profit has our sympathy and support; but in our economic system, these companies can hardly be considered the heroes, while those who make a profit, the enemy. Only companies that earn a profit, repay their debts, and compensate their shareholders are in a position to make investments that create jobs and support growth. Equally important, only profitable companies can pay their share of taxes. In our industry in particular, only companies that earn good profits can help meet the nation's need for new sources of energy.●

STUDY OF CONGRESSIONAL STAFF EMPLOYMENT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. UDALL. Mr. Speaker, I have today introduced a resolution calling upon the House Administration Committee and the Appropriations Committee to jointly conduct a study of the level of congressional staff employment and to report to the House a specific plan that would cut that employment.

I think every Member is aware of the increasing size of congressional staff. In 1960 there were only 6,300 employees in the House and the Senate. In 1970 that number had increased to 11,000, and today we have over 14,000 employees. That does not include the people who work in the support agencies such as the General Accounting Office, with 5,275 employees; the Government Printing Office, with 320 employees; or the good folks over at the Library of Congress, with 4,200 people, excluding the Congressional Research Service which itself employs about 860 researchers and analysts and office staff. And we may actually add more than 200 employees in the House and support agencies in 1980.

The cost of all this is rapidly increasing. We passed the $1 billion mark back in 1978, and the congressional budget for fiscal year 1980 is approaching $1.2 billion.

We needed these people during the Vietnam war and the Great Society years. Many significant pieces of legislation were enacted, many worthwhile programs to help needy citizens became a reality. But I wonder if we need all this help in 1980. The Government is cutting back everywhere. The President has asked for a balanced budget and it looks like the Congress will give it to him. I do not think it is right to ask the citizens of this country to do without while we go ahead with business as usual.

My resolution directs the Committees on Appropriations and House Administration to look at this issue and to suggest ways to reduce staffing levels. I do not know what solution this study will come up with. It may ask for an across-the-board reduction in all areas; perhaps we can make some savings by reorganizing House committees and subcommittees; some support agency functions might be consolidated or reduced.

The study and report would be finished by December 31, 1980, so they would be available for the Members of the 97th Congress prior to convening. I have included a target reduction level of 5 percent, although that is just a goal that can be adjusted. And the study would only apply to employees of the House of Representatives and the various support agencies.

Mr. Speaker, a good case can be made for the argument that increased staff employment does not necessarily cut a Member's workload or increase the quality of the product that comes from the Congress. More staff creates more work, more projects to be done, more bills to be written. And that requires added office space, like the giant edifice rising on the other side of the Capitol. That takes money, which is certainly in short supply in 1980. During consideration of the Civil Service Reform Act of 1978 we accepted an absolute limit on the level of executive branch employment. The idea was to rethink, just a little bit, where we have people working, whether we can move them around for greater efficiency and reduced cost, whether their jobs are really essential. I think it is time we do the same with congressional employment.●

A SALUTE TO JOHN GARABEDIAN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. COELHO. Mr. Speaker, on Monday the California agriculture community paid tribute to John Garabedian from Fresno, a pioneer in Central Valley farming noted for his innovative planting methods and commitment to the public good.

John Garabedian settled on 50 acres of prime California farmland over a half-century ago. Today he is one of the West's leading growers, having developed some 25 varieties of grapes, peaches, apricots, nectarines, and plums. Many of his fruits have been patented and donated to foreign countries to enhance their agricultural production. Israel is one nation that has taken a special interest in Mr. Garabedian's harvest.

A selfless member of California's dynamic grower establishment, John has made significant contributions to agriculturalists and geneticists at universities throughout the State. His experience and expertise have been of endless benefit to the up and coming generation of farmers and others engaged in the business of agriculture.

John's reputation for growing only the finest quality of fruits has no bounds. His peaches and nectarines have consistently been awarded the highest ratings from produce buyers in the East.

While firmly committed to the free enterprise system, John has demonstrated his concern for those who need a helping hand. A group of American Indians wanted to establish an alcoholic rehabilitation center and approached John for assistance. John not only leased land to the Indians for this undertaking, but he donated farm equipment so they could productively work the land.

It is fitting that John's credentials boast a term of service on the California Board of Food and Agriculture, during which time he fought to deliver milk to slum areas through bulk sales, a plan which would have marketed the milk at a cost savings to consumers. Of further tribute to John was his plea for equality in setting wage rates for farmworkers. He insisted that illegal aliens receive the same pay as everyone else who worked the fields.

When the friends and associates of John Garabedian gathered in the California State capital Monday to commemorate the accomplishments of this great man, let it be known that more than just those assembled salute John for his dedication to agriculture and his fellow man. A resolution recently introduced in the California State Legislature characterized John Garabedian as a "latter-day Luther Burbank of the San Joaquin Valley." He is that and much, much more.

The article follows:

SOLONS HONOR VALLEY GROWER

SACRAMENTO.—John Garabedian, a Fresno area grower who has been dubbed "the latter day Luther Burbank of the San Joaquin Valley" in a legislative resolution, will be honored at a reception Monday in a Sacramento restaurant.

The reception follows adoption of a resolution by the Legislature's Joint Rules Committee noting Garabedian's half century of farming in the valley. During that time, the resolution states, he "developed and patented some 25 varieties of grapes, peaches, apricots, nectarines and plums and has donated some of his varieties of fruit to countries such as Israel to enhance their agricultural productions."

According to the resolution, which was introduced by Assemblyman John Thurman, D-Modesto, chairman of the Assembly Agricultural Committee, and Sen. Ruben Ayala, D-Chino, chairman of the Senate Agriculture and Water Resources Committee, Garabedian "has cooperated with agriculturists and geneticists at California's state institutions of higher learning," generating enthusiasm among the students as he passed along "his years of experience and knowledge, along with his love of farming."

Marvin Levin, a consultant to Cal-Rural, a non-profit corporation that guarantees loans to small farmers, said Garabedian, a native son who now is one of the state's major growers, started out in 1935 with a 50-acre farm.

Levin said Garabedian "has become one of the most successful growers in the state and today, in the rating system set up by produce buyers on the east coast, he usually comes in No. 1 or No. 2 for best quality peaches or nectarines."

Levin said that although Garabedian is a "staunch conservative," he also is a "strong advocate of family farming and direct marketing (of produce)." He recalled that Garabedian contacted him once in an effort to obtain tractors to help a group of American Indians farm land they had leased from Garabedian for an alcoholic rehabilitation center.

Garabedian, chairman of the Fresno County Republican Central Committee in 1977 and a major contributor to Republican candidates, served as an appointee of former Gov. Ronald Reagan on the state Board of Food and Agriculture from 1968-72.

While on the board, the 70-year-old farmer pushed for bulk sales of fresh milk in slum areas—arguing it would be 10 to 15 cents cheaper—and an end to fines against farmers for hiring illegal aliens.

He called also for a law to assure that illegal aliens receive the same wages as other workers.

Monday's reception will be in The Lobby restaurant, half a block from the Capitol, and will be sponsored by Dick Ailanjian, Richard Peters and Sam Parnagian.●

NEW CITIZENS WELCOMED

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, I congratulate 31 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans, extending to them our best wishes for a happy and prosperous life in the land we love. They are:

Narendra Meneklal Shah, Madhukant Mehta, Grace Chen, Winston Chen, Nader Gharai, Ha Wook Song, Mario Penariel, Perlita Penariel, Kyung Won Shin, Whi Sook Bae, Jesus Nunez Magsino, Evelyn Cipriaso, Dimitrios Georgios Makris, Moses Przetycki, Alexandra Shechter, Lydia Shechter, and Kyong Cho.

Sung Cho, Sebastiano Barresi, Maria Tolentino, Agapito Cho, Alejandra Laszlo, Lilian Laszlo, Kwi Kim, George Elengical, Kwan Lee, Sang Lee, Deborah and Donald Wilson in behalf of Nathaniel Wilson (1), Abelardo Carlos in behalf of Perlita Carlos (14), and Daniel Paul Kraft in behalf of Lisa Eliette Kraft (1).●

SULLIVAN'S PRINCIPLES

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. GRAY. Mr. Speaker, today I am pleased to furnish further information on Rev. Leon Sullivan's assessment of the fair employment code in South Africa.

I offer it for my colleagues' review.

In the final analysis, the value of the Sullivan principles can only be measured by the results. The following are a few evidences of results of the principles, thus far, over the last 36 months:

A. IN ENDING DISCRIMINATION WITHIN PLANTS

1. As of January, 1980, more than 75 percent of the signatory companies had desegregated all eating and comfort facilities, although it has been said, before the Principles, that the laws prohibited such being done. The desegregation was accomplished, in spite of the law; and now, as a result of the Principles, the laws are being changed. (Our goal is total desegregation of all companies by the end of 1981.)

Also, the desegregation efforts of the Principles have had effect, outside the workplace, as indicated in the recent desegregation of parks, airports, stadiums, and eating and rest facilities, in many public and private establishments.

2. More than 75 percent of all signatory companies have, for the first time, established equal pay standards for equal or comparable work, for the same period of time.

3. As a result of the impact of the Principles and subsequent Codes, the Weihahn and Riekert Commissions came into existence by action of the Government, to examine policies and laws in the economic and social settings of the country. Some of their recommendations are already being implemented.

4. Of great significance, last year, 10 South African companies, employing more than 750,000 workers, mostly Black, agreed to adopt and follow the Principles, and to also use their influence to encourage the government to promote change.

This means that the Principles are now, not only reaching American based companies and their 100,000 workers, but, combined with South African based companies, the Principles are now directly beginning to effect over 800,000 Black and other non-white workers.

B. IN DEVELOPING AN EDUCATIONAL INFRASTRUCTURE

Beyond desegregation developments, a major thrust of the Principles is in education; believing an educational infrastructure for Blacks and other non-whites in the country, is essential for the full involvement and participation of the people in the total benefits of the nation.

Some evidences of educational benefits, as of April 1, 1980, as a direct result of the Principles, are as follows:

1. The number of scholarships for Blacks and other non-whites: 655 in universities in South Africa and overseas, with projected goals of 1,000 by the end of 1980; and 5,000 by the end of 1984.

2. Adopt-a-school programs: (Companies sponsoring elementary and secondary schools as interim efforts only, until equality of educational opportunities is available for all is secured) 70 schools now adopted, serving 50,000.

Projected goal: 100 schools by the end of 1980, serving 75,000, and 1000 schools by 1984, serving 500,000.

3. Literacy and basic education training: presently enrolled, 40,000.

Projected goal: 100,000 by end of 1980, serving at least a million by 1984.

4. Company teaching staff contribution of hours to job training: 70,000 hours now.

Projected goal: 200,000 hours by the end of 1980 and in the millions of hours by 1984.

5. Management development training for Blacks and other non-whites: Presently 1,000 in professional, supervisory and managerial training.

Projected goal: 1,500 by end of 1980 and tens of thousands by 1984.

6. Skills training programs: (In-house and external) 7,000 presently enrolled (4,000 are for technicians and artisans).

Projected goal: 10,000 by the end of 1980 and 100,000 by 1984.

There are further goals also being set in housing, development of Black businesses on a large scale, health benefits and other programs, including the adding of hundreds of millions of rand in new wages, to the average Black and non-white worker. The principles must not just create a Black middle class, but must also reach out to the needs of the masses.

The goals I have described in this testimony represent those only for American companies. If given added support and cooperation from companies from around the world, the results will be multiplied, and the effects will be revolutionary.

This coming October, it is hoped a fourth report on the signatory companies will be made public, with a report card on company compliance. It will be more stringent than the last. It is our plan to make this fourth report available, and widely circulated to universities, unions, pension funds, other fiduciaries and individual stockholders.

All American companies that still have refused to sign the Principles by that time will be listed. I will be recommending selective disvestment from companies that refuse to participate and strong stockholders and consumer action against those who fail to implement them satisfactorily.

Actually, I have no unchangeable personal commitment for companies either to remain, or to leave South Africa, at this time, but as long as the companies remain there, I believe they should use their great influence to help change the system that has made it possible for them to make excessive profits off of cheap labor, lack of workers' rights and segregated employment practices. We are just not going to stand for it anymore. In my view, companies that do not actively work to help change the system, have no justification for remaining in the country.

I emphasize, all American companies should be required to participate with the program. All American companies should be equally measured against a unified standard. This includes efforts made, both inside and outside the work environment.

I will continue to push the companies, more and more, for compliance and for more vigorous implementation. I will be resolute in doing this. As I see it, some companies are pulling hard, and some are not—while 160 companies are not even on the wagon yet. Every pressure should be placed on companies to do their part in this effort, and to pull their part of the load.

Time is running out for this kind of initiative to succeed. Already there are reports of new and growing ferment in the Republic of South Africa. Every pressure should be placed on companies from America and from companies around the world, one way or the other, by stockholders, consumers, and their governments, to help change the conditions and to help work towards the end of apartheid; because, until the system is changed, internal attempts to end apartheid will become more and more volatile and more violent.

I repeat, time is running out for peaceful change in South Africa and discriminatory practices and laws there must end. Blacks must be given full and equal rights as citizens; and Blacks must become a full and equal part of the political process. Perhaps, already, our efforts are too late. Only time will tell.

I have been asked if I think the American Fair Employment Code should be enacted into law by the Congress, and my answer is: Yes. This kind of effort needs broad support especially from the United States Government, to encourage companies to participate and to act expeditiously and vigorously in implementation. The Principles need the backing of the American nation, in order for them to have maximum effect. They must become, not the "Sullivan Principles," but the "American Principles", and they must have the force of the United States Government behind them.

So, I would "welcome" and encourage legislation requiring all American companies to participate and comply with the Principles, and for those companies who fail to cooperate with task group efforts, regular reporting and compliance with implementation objectives and on-site monitoring, there should be tax penalities, sanctions, loss of government contracts and, ultimately, the withholding of overseas licenses.

I, also, urge consideration of sanctions against companies from other nations with operations in South Africa who do business in America and who do not subscribe to, or support the principles, or its equivalent, such as the Japanese.

The only workable alternative, as I can see, might be a voluntary group of such standing and creditability, as to influence the participation of all American companies to perform the requirements I have described, with the full and pronounced cooperation and support of the United States Government, including the necessary sanctions and enforcement powers.

I have also been asked to respond to the concerns raised by some groups and individuals who challenge the overall usefulness of the Code as the way to end apartheid in South Africa. My response is that I agree with these groups and individuals. Unquestionably, the Principles will not, in themselves, end apartheid in South Africa. I never said they would, or ever expected that they could. But I have said, and hold to the view, that if they are vigorously implemented by all American companies, and by other companies from around the world, they can and will be a major factor, along with other efforts, that can and will lead to the peaceful ending of apartheid, and sooner than many people think.

In a word, the Principles can be an important factor, but not the total answer; other efforts are also needed to achieve the desired results.

I have also been asked my view regarding whether the Congress should introduce legislation banning all new investment. I repeat what I said before, when testifying before this Committee, two years ago. My views have not changed. I favor halting new investments, except for retooling and refurbishing purposes to maintain present levels of operation, or except for funds to implement desegregation, human services and educational programs of the kind described in the Principles, until we see the ending of apartheid. I do not believe we should encourage new investments in the Republic of South Africa. At the most, I believe we should hold investments at the level where they are today. Because economic leverage is one of the few tools we have to promote peaceful changes there, and the withholding of new investments is a major part of that leverage.

Finally, regarding bank loans to South Africa; I strongly contend that all American banks that make loans to the South African government, or its agencies, should discontinue making such loans immediately. Last year, the International Council on Equality of Opportunity Principles, of which I am Chairman, took the position that: Until apartheid has ended, and there is clear, tangible evidence and demonstration thereof, no United States bank shall make any further loans to the South African government, or its agencies, and will give consideration only to specific, privately sponsored projects or programs, developed in cooperation with blacks and other nonwhites, which contribute to their social, and economic advancement and equality, and that do not support apartheid.

And when I say the ending of apartheid in the bank statement, and "clear" and "tangible evidence and demonstration thereof," I mean such things as the ending of the passbook system, the end to racially motivated bannings and detentions, the rights of Blacks to buy and own property anywhere in the nation, the ending of so-called independent homelands, equal protection under the law, full citizenship rights, and full political participation for Blacks and other non-whites equal to that of all other citizens in the Republic of South Africa.

I have taken this position because it is vitally important to halt the flow of American dollars to the South African government, if we expect to see significant changes to their national racial policies. Clergymen will be visiting banks across the nation to ascertain their support of this bank position.

Mr. Chairman, this is my statement to you, and to this Committee. With the press of other problems in the world during the past year, the continuing problems in South Africa have largely gone unnoticed by many, but the problems are still there; and they are not going away. One day soon they will loom large again in the world. Let us pray to God that we will have done our part to help put a process in place, by that time, that will be moving ahead sufficiently, on a worldwide scale, to help bring about the changes necessary by nonviolent means, otherwise the world can be sure that there will be war and destruction in South Africa and there will be the loss of untold numbers of lives, perhaps in the millions, most of whom will, undoubtedly be black. I hope and pray the principles, as a "catalyst" can help mightily as a part of that process.

But come what will or may, the day will come when the hopes of the Freedom Charter of South Africa will become a reality. That Charter envisions and includes the following:

> South Africa belongs to all who live in it, black and white, and no government can justly claim authority unless it is based on the will of all the people . . .
>
> Every man and woman shall have the right to vote for and to stand as a candidate for all bodies which make laws.
>
> All people shall be entitled to take part in the administration of the country.
>
> The people shall share in the country's wealth.
>
> All apartheid laws and practices shall be set aside . . .

This day shall come, hopefully, by peaceful means, but one way or the other, it will come.●

THE CONGRESS OF THE UNITED STATES: LEGISLATIVE BRANCH OF THE GOVERNMENT CREATED BY THE CONSTITUTION OF THE UNITED STATES—SEPARATE AND APART FROM ANY PRIVATE ORGANIZATION, CLUB, GROUP, OR BUSINESS USING "CONGRESSIONAL" AS A NAME OR IN A TITLE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ROUSSELOT. Mr. Speaker, recently there has been unfavorable publicity regarding the operation of a private club, the Congressional Country Club located in suburban Maryland. This publicity should disturb all Members of the Congress of the United States because there is a distinct possibility that the privately owned club might be incorrectly interpreted as being part of or having an official connection with the Congress of the United States due to the use of the word "Congressional" in the name of the club. It does appear to me, therefore, that it is necessary to state for the public record that the Congressional Country Club is not affiliated with, connected with, or associated with the Congress of the United States.

Mr. Speaker, I realize that there is no law to prohibit private organizations and businesses from using "Congressional" as a name or in a title, and I am not suggesting that there should be such a law. However, I do believe that it is of the utmost importance to establish that there is no relation to the Congress of the United States inferred by a name which might be generally identified with the legislative branch of the U.S. Government. This is essential in instances where charges have been made that an organization has not conducted its business affairs in a lawful, proper manner. This is the situation with regard to the Congressional Country Club which has brought this entire subject to my attention and why I am, in turn, bringing it to the attention of my colleagues in the U.S. House of Representatives and the Senate of the United States through the CONGRESSIONAL RECORD.

I am not a member of the privately owned Congressional Country Club. My sole intention is to correct any misconception about the name "Congressional" being identified with the Congress of the United States and to remove any thought or notion, however abstract, that the Congress of the United States is associated with or involved in the particular circumstances described in the media about the operating practices of the Congressional Country Club in Maryland.

An article printed in the March 16 edition of the Washington Post detailed the efforts of one member, George W. Koch, to challenge certain inequities involved in the operation of the Congressional Country Club, of which he is a member, including a statement about the manner in which wages and salaries have been computed and paid. The club's board, according to the Washington Post story, has resisted full examination of its books and records in this area, raising certain serious questions regarding the club's employee practices.

It should be noted that the Congressional Country Club is the target of legal action charging violations of Maryland's State wage payment and collection laws. These charges are so serious that Stephen Sachs, the attorney general of Maryland, recently filed a motion in court for access to the records which have been sequestered by the court to protect them from possible destruction.

In addition to these alleged wage payment violations, there are questions regarding the Congressional Country Club's possible violation of Federal laws regarding its tax-exempt status.

As is known, the 1976 law enacted by Congress relating to the tax-exempt status for private clubs specifically prohibited the granting of such status to clubs practicing racial or religious discrimination.

There was a time in this country when such claims of discrimination did not disturb those holding high office. That attitude, however, no longer prevails. It is notable, in this regard, that Supreme Court Justice Lewis Powell recently resigned his membership in several private clubs as a result of their discriminatory membership policies.

Interestingly enough, despite its alleged discriminatory practices, Congressional Country Club has prided itself of having sponsored such major golf tournaments as the U.S. Open and the PGA Tournament in past years. This coming year, the club has been named as host to the Kemper Open. It is significant that the club's management of wage payments during the PGA Tournament is part of the overall allegations made in the legal action taken by Maryland Attorney General Sachs. I would think that the managers of the Kemper Open would follow this suit with great interest.

While this matter is not of the same nature as the charges regarding the club's internal operations, the recent worldwide publicity given the so-called "dead goose" incident at the Congressional Country Club is yet another reason to correct the impression that the Congress and its Members somehow officially are connected with this purely private operation.

It is imperative that we correct any possible misconception concerning a connection between the Congressional Country Club and the U.S. Congress. If that private club intends to continue using the name "Congressional," I caution those in charge to abide by both Federal and State law in conducting their operations.●

CONSULTANTS—A MONEY DRAIN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. COLLINS of Texas. Mr. Speaker, over a period of some months I have been following reports and testimony on the high cost of consulting services contracted by the executive departments and agencies. The General Accounting Office quotes one range of estimates of 1 to 2 billion dollars per year, but because so many contracts go unreported, believes the cost could well exceed $5 billion, or about $14 million per day.

The GAO has put its finger on many abuses in consultant contracting. Substantial funds are being wasted through inefficient, ineffective, and improper monitoring of consultants and contracting practices.

For example, among 111 contracts GAO studied, 74 contracts were awarded on a sole-sourcing basis without competitive bidding. These 74 contracts, worth $12.1 million, amounted to 61 percent of the $19.9 million value of the entire sample.

The Office of Management and Budget requires that competitive bidding be used to the maximum extent practicable. Is OMB's rule being observed when we see exceptions in 61 percent of the cases?

One agency defended its avoidance of competitive bidding. An official said that informal inquiries showed that other firms in the industry had some but not all the qualifications required. GAO rightly said that such inquiries could not replace formal competitive bidding as a means of eliminating unqualified firms. I praise GAO for that clear statement. Agencies do not appreciate the value and power of competition.

A Department of Energy contract for $1.48 million was also awarded without competiton. GAO commented that the consultant had evidently bought into a long and friendly relationship with the Department of Energy.

The Office of Education, now a department, was cited by the GAO for an average of four abuses in each consultant contract studied. Education's 24 contracts averaged $188,000, about half as much as Energy's, yet 23 of those contracts were awarded in the last quarter of the fiscal year. This raises the question whether the Office really needed the services or was grabbing a last chance to spend its appropriations.

One OE contract for $123,006 was awarded on the last day of fiscal year 1978 to study the effects of postsecondary schooling on one's attitudes to one's self. OE officials themselves considered the project marginal.

Yet another OE contract, this one for $98,700 to support a study on schooling, was acknowledged by agency officials to have no relevance to OE's mission but was funded because there was a surplus at the end of the year.

In response to consultants' unsolicited proposals, 20 or 18.2 percent, of the sample contracts were awarded. In one case the Office of Education granted a contract on a proposal to study the economic advantages of speaking English. The OE official when questioned could not even give a practical application for the study but felt it had long-range policy implications.

This kind of thing gives Government a bad name.

I skip over the practice of granting consultant contracts to former employees and I go instead to the questionable use of study results; 20 out of 60 completed contracts were of questionable or only marginal use.

A Department of Energy contract for $343,834 for resource development on Indian reservations resulted in zero use of its findings.

The Office of Education contracted $324,876 for leadership training of 25 Teacher Corps members, at an average of $12,995 per trainee, without ever checking on the effectiveness of prior contracts for such training over the past 6 years.

Do the departments and agencies apply careful judgment to the selection and funding of their programs? Do they write contracts that are carefully related to department needs? There is evidence of considerable carelessness.

In 70 of the 111 contracts reviewed, almost 2 out of 3 had to be changed after the original writing. In the process, original values of contracts increased 43 percent from $10.9 million to $15.6 million. In 58 cases changes were followed by late delivery, the majority of them as late as 15 months.

Mr. Speaker, these sad facts convince me that a lot of money is being wasted on consultant contracts. I am equally convinced that putting out executive bulletins and auditing the agencies will only lead to endless argument and bureaucratic stonewalling.

The only answer is to take money away from agency executives. They must manage their people. They must get effective results for less money.●

ALLIED DEFENSE COSTS: AN UNEQUAL SHARING OF THE BURDEN

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. McKAY. Mr. Speaker, for some time now the Military Construction Subcommittee of the Committee on Appropriations has registered its deep concerns about the relative defense burdens borne by individual members of the NATO alliance.

Members of our committee were gratified by President Carter's efforts to achieve a commitment to an overall 3-percent increase in real spending for defense by each of our NATO partners, and would support a greater commitment of this kind, if it could be achieved.

For the most part, it can be said that the allies are living up to this commitment. But several are not, and that should trouble all of us who regard the NATO alliance as the keystone to any Western strategy to counter long-term Soviet expansionism.

Our committee for several years now has been signaling this administration that our NATO allies must shoulder a fair share of our common ventures.

It was with great interest, then, that I noted in the Washington Post, Tuesday, an article which perceptively illustrates the gaps in burden sharing which exist between the United States and various of our NATO allies. At a time in which the American people are being asked—and necessarily so, I believe—for increasing commitments of our resources to defense needs, we must strive to secure similar commitments from those who depend on the United States as a counterweight to Soviet expanionism.

I commend the article to my colleagues:

ALLIED DEFENSE COSTS: AN UNEQUAL SHARING OF THE BURDEN

(By Michael Getler)

When Uncle Sam reaches into your pocket to help pay the cost of defense each year, he extracts about $520 for every man, woman and child in the United States.

But in Canada—this country's friendly, prosperous neighbor and partner in the 15-nation North Atlantic Treaty Organization (NATO)—the government spends only $157 per person on defense.

In Denmark, another NATO member with one of the world's highest living standards, the per capita defense expenditure is $303. In Great Britain, it is $314 per capita.

In Japan, defense costs citizens of one of the world's most successful economies only $87 apiece.

Yet each of these countries has a stake in the survival of the West, and each benefits from the protection of the Western alliance generally and the predominant role of the United States in particular.

So why is the burden of defense costs shared so unequally?

Finding an answer to that question has become especially important these days, because the twin crises in Iran and Afghanistan have once again focused global attention on defense and global fears on the possibility of war.

In the Persian Gulf, the region rattled by upheaval in Iran and the Soviet thrust into Afghanistan, it is *all* the West's oil that is threatened, not just that oil imported by the United States.

These same dual crises and the question of how to deal with them also have heightened tensions between the United States and many of its allies. Thus, the notion that allies may be shirking their common defense duties could cause a shift in public opinion here in the long run when it comes to future decisions about keeping U.S. troops abroad or making commitments to the defense of Western Europe and Asia.

PER CAPITA OF DEFENSE EXPENDITURES—1979

Belgium	$363
Britain	314
Canada	157
Denmark	303
France	349
Germany [1]	396
Greece	163
Italy	124
Netherlands	338
Norway	347
Portugal	60
Turkey	58
United States	520
Japan	87

[1] Includes aid to West Berlin.

The answer, however, is complicated. Statistics don't tell the whole story nor do they necessarily lead to a conclusion that all the allies are shirking.

For example, ending the draft and substituting a higher-paid all-volunteer force has helped boost the Pentagon's manpower costs to 54 percent of this year's proposed $142.7 billion total outlay for defense.

But aside from the United States, England and Canada, the rest of the major NATO allies—West Germany, France, Italy, Holland, Belgium, Turkey, Greece, Portugal, Norway and Denmark—continue to rely on a draft to fill the ranks.

This allows some countries, such as France, to field sizeable ground armies with less of a dent in their overall budget and allows others, such as Turkey, to field much larger armies than they could otherwise afford.

Similarly, only England and France among the U.S. allies have nuclear weapons. The other allies thus do not have to pay for a vast array of missiles, for submarines and bombers to deliver them, or for the research needed to develop new ones.

Given the size and resources of the United States and the overwhelming position of strength with which it emerged from World War II, the United States also has been the only individual counterweight to the Soviet Union and thus the only country that has, for the past 35 years, also retained an ability to intervene militarily almost anywhere in the world, something that also costs money.

Indeed, there are probably few governments of any ilk in Europe or Asia that would like to see a vast expansion of either German or Japanese military strength, especially in ground armies, yet those two countries are in the best position economically to do so.

According to the latest statistics published by NATO, the major European military powers—England, France and West Germany—come closest to the United States in relative defense spending when measured as a percentage of each country's gross domestic, or national, product (GDP).

In 1979, the United States spent an estimated 5.2 percent of its GDP on defense. England spent 4.9 percent. France 4.0 and West Germany either 3.3 or 4.1, depending on whether expenses for West Berlin are counted.

Of the smaller countries, Portugal led with 3.8 percent of GDP, with Belgium and Holland at 3.3 percent, Norway at 3.2, Italy at 2.3 and tiny Luxembourg with 1 percent. No 1979 NATO statistics are available for Greece and Turkey, two relatively poor countries with serious problems of their own. London's respected International Institute for Strategic Studies (IISS) estimates that both spend more than 4 percent of their GDP on defense, largely to combat each other's forces.

Of the major countries in NATO, Canada is, by any measure, the clearest laggard—spending only 1.8 percent of GDP, according to NATO, and $157 per head, according to IISS.

The lack of a greater Canadian contribution is felt in other ways too, because many military leaders say privately that the 3,000-man Canadian brigade based in Europe is, man-for-man, the best fighting unit on the continent.

In terms of dollars spent per person on defense, the IISS estimates that in 1979 the Germans paid $396, the Belgians paid $363 apiece, the French $349, Norwegians $347, Netherlands $338, Danes $303 and the Italians, among the poorer countries, $124.

Though Japan is not a member of NATO, Tokyo clearly is part of western alliance in its broadest terms. It also is the major industrial power whose economy and people have benefited most from being virtually free of the burdens of nonproductive defense spending in the post-war era while benefiting from the protective power of the United States.

While the United States turned West Germany into a major military power, it never pushed Japan in that direction.

Japan, according to IISS, spends less than 1 percent (0.9) of its GDP on defense, equal to about $87 for each of the 116 million or so Japanese on that crowded island.

Japan, however, also provides a good example of the need to look beyond statistics to understand the potentially volatile question of who is and isn't carrying their share of the load.

Because of Japan's huge GNP—$1.1 trillion in 1979—the $10 billion spent on defense last year makes Tokyo the eighth largest defense spender in the world, according to IISS, behind the Soviet Union, the United States, China, West Germany, France, England and Saudi Arabia.

Because countries such as Japan and West Germany have higher industrial productivity these days than the United States, they also get "more bank for the buck" out of their equipment purchases.

While virtually all U.S. specialists in the field believe Japan needs to spend more, many argue that attention should be focused more on how a country spends its defense dollars, in terms of the overall effectiveness and contribution to joint defense, rather than so heavily on the percent of GDP figures.

Japan, for example. While the U.S. Seventh Fleet in the Pacific has been put under great strain by the Indian Ocean crises and has declined in strength, the Japanese Navy already has taken on added importance.

Japan now has 45 destroyers in Asian waters, triple the number of comparable U.S. ships. It has more submarines than the United States in the region, a large fleet of patrol planes and the world's largest, next to the Soviets, fleet of minesweepers.

Japan's constitution, molded by the postwar U.S. occupiers, contains the famous "no war" clause. But this has been interpreted more liberally to a point where Japan's "self defense force" now numbers some 250,000 personnel, including a 155,000-man army. It is land forces, however, which are most expensive, and Japan's land forces are least likely to expand because of the undoubted concern in China or Korea if they did so. Thus, no big percentage increase in spending is likely to show up.

While the Carter administration is now leaning heavily on Japan to increase its defense contributions specialists believe it should be in the Air Force and Navy, where Japan could play the most effective role. The White House hopes Japan will boost its defense share of GDP over 1 percent in the next few years. But the Tokyo government of prime minister Ohira fell last week, in part over his acquiescence to the U.S. pressure.

Specialists say Japan actually has increased its defense spending over the past 10 years by almost 8 percent annually, but wide fluctuations in the dollar/yen exchange rate and in inflation make statistical comparisons difficult.

In recent years—and especially since the Afghan crisis—as the Carter administration has done something of a turn-around on the need for greater defense preparedness in view of the Soviet build-up, the United States has leaned hard on the European allies in NATO to increase their military spending in real terms—that is beyond inflation—in the region of 3 percent annually.

The administration has had some, but not complete, success in this campaign.

Last year, the United States, Belgium, France, Holland, Norway, Portugal and England met the goal. This year, Germany has said it will make it, as will France, England and the United States. Italy, striving to play a larger role in big power politics and to be cooperative in defense undertakings, may also make it.

Denmark is the biggest problem. The other smaller countries, however, are all borderline. In these countries, the problem has always been a feeling within the population that war in Europe is highly unlikely and, if it comes, the contribution of Holland or Denmark might make western defense against the Warsaw Pact last only a day or two longer than it could without them.

The United States sharply rejects such thinking because it is also used by smaller countries to avoid paying their share of common defense programs. The Belgian refusal thus far to join in paying for the fleet of airborne early warning radar planes is one example irritating Washington.

The sudden involvement of the United States in the Persian Gulf, however, has demonstrated dramatically that the arguments could be changing; that U.S. forces aimed for 30 years at reinforcing Europe and Asia may not all be there in the future, and other countries had better think more seriously about providing more for their own defense and about helping the United States elsewhere. Whether this message will get across remains to be seen. It could easily fade in the glow of a new Soviet "peace offensive."

German, French and British forces already provide the bulk of the air and ground forces defending Europe. But the United States wants the Europeans to beef up their dangerously low stockpiles of the latest ammunition, to increase their ability to airlift U.S. troops in an emergency and to get their own reserves in shape.

Bonn's 495,000-man armed forces provide the largest and most well-equipped fighting force in Western Europe. They are being modernized with 1,800 new tanks and scores of new jet warplanes.

France, though outside the military sector of the NATO alliance since 1966 (when Charles de Gaulle withdrew French forces), remains within the political alliance and it is widely assumed that French troops would join with the other allies in an emergency.

France maintains just over 500,000 men under arms and its arsenal of nuclear-tipped missiles, bombers and submarines makes it the world's third largest atomic power.

Furthermore, French President Valery Giscard d'Estaing has recently pointed out that France is the only western power that has steadily increased the proportion of defense spending in the national budget and GDP over the past five years.

France also plays a unique role in other ways in that it has shown itself willing to use military forces to intervene in Africa. The United States has backed away from that, while privately supporting the French efforts.

Both the French and the British maintain sizeable navies. Experience, in the case of England, and an actual military presence, in the case of France, in the volatile Indian Ocean region could also be helpful in a crisis there.

England, whose 323,000-man military traditionally has been the best trained yet worst equipped forces in NATO, is moving to substantially step up defense spending. The defense "white paper" published last month forecasts a real increase of 3.5 percent next year, including modernization of England's four nuclear missile-firing submarines.

Indeed, while Soviet military spending has outstripped that of the United States in recent years and is responsible for the new push to increase western preparedness, the Pentagon's own statistics show that in terms of alliances, military spending by NATO actually exceeded that of the six nation, Soviet-led Warsaw Pact in the decade of the 1970s and, if the goal of 3 percent real growth is met, is projected in stay ahead.●

CASH AWARDS FOR BUYING AMERICAN-MADE CARS

HON. MARVIN LEATH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. LEATH of Texas. Mr. Speaker, I am privileged to share with my colleagues my respect for the recent actions of the American Income Life Insurance Co., of Waco, in my district. This progressive and patriotic company has offered a $100 cash award to each of its 1,300 employees and agents that buys an American-made car. The actions of this company represent that which is best in the business community of this Nation—a company that feels an obligation to help tackle America's problems and does something positive. The text of the information release of the company follows:

AMERICAN INCOME LIFE INSURANCE CO.
MAY 9, 1980

The American Income Life Insurance Co., through its Chairman of the Board Bernard Rapoport, announces that the company is going to offer $100 in cash toward a downpayment to each of its 1,300 employees and agents that buys a 1980 American-made car. This offer is good through December 31, 1980. He noted that the American Income Life Insurance Co.'s growth is dependent on the good fortunes of the working people within the labor movement of our country and is totally committed to the "Be Union—Buy Union—Buy American" concept.

In view of the fact that over 250,000 autoworkers and employees of automobile dealers have been thrown out of work, it is American Income's belief that within the free enterprise system there is a more satisfactory and humane answer to solving the problems of inflation than increasing the ranks of the unemployed. He concluded that innovative ideas from the business community itself could do a great deal to alleviate the present recession.

American Income Life Insurance Co., one of the fastest growing life insurance companies in the Nation, specializes in the marketing of numerous life insurance programs to the American labor movement and is presently consulting with labor and corporate leaders concerning ways to expand the "Be Union—Buy Union—Buy American" program.●

SOVIET CIVIL DEFENSE AND U.S. SECURITY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. SKELTON. Mr. Speaker, at a recent CRS seminar on civil defense, Dr. Leon Goure, of the Advanced International Studies Institute, delivered the following remarks concerning Soviet civil defense and U.S. security. I urge the Members to read it, as it is an excellent summary of the implications of civil defense for the United States-Soviet strategic balance.

SOVIET CIVIL DEFENSE AND U.S. SECURITY

In recent years there has been considerable debate in the United States over the utility of civil defense and its implications for the United States-Soviet strategic balance and the credibility of U.S. deterrence. In a large measure this debate has been prompted by the growing awareness in the country of the large civil defense program in the Soviet Union, which casts doubt on the validity of the longstanding American premise that mutual vulnerability and the threat of mutual assured destruction would in a large measure guarantee strategic stability and mutual security. Furthermore, as the SALT process has tended to limit the deployment of strategic offensive systems, it has brought into sharper focus the significance of strategic defense for the strategic balance. No doubt, the differences in U.S. and Soviet views on civil defense underscore the differences in their perceptions of requirements for a rational and politically as well as militarily effective strategic posture in an age of continuing and intensifying rivalry between the two opposing superpowers.

The Soviets start from the fundamental premise that the "struggle" between the two opposing systems is unrelenting and uncompromising, and that while waging it the primary task of the Soviet state is to assure system and national survival. Given, as they say, that in a nuclear war "the fate of states will be decided not only on the battlefield but in the depth of their territories" they assert that "the protection of the rear [i.e., homeland] against attack . . . is becoming one of the most important tasks in a war." From a Soviet viewpoint war survival capabilities and strategies are an integral and essential part of a rational and credible defense posture and can in a significant and possibly decisive manner determine the course and outcome of a war. The Soviet leadership, as Secretary of Defense Brown notes in his "Defense Department Annual Report for Fiscal Year 1981," holds what he describes as "strong war winning views" and attempts to develop offensive and defensive capabilities in pursuit of what he calls "a deliberate war winning strategy," which in his words "can be seen as a concerted effort to take away the effectiveness of our second-strike [i.e., retaliatory] forces."

Soviet leaders, including Brezhnev, characterize civil defense as an "objective necessity." It is regarded as a "factor of strategic significance" and, therefore, is treated as an "integral component part" of the Soviet defense capability and war survival strategy. The Soviets have made clear that it is not negotiable in SALT. Instead, the Soviets persist in speaking of the party's and government's "unflagging" commitment to its "further improvement and strengthening."

The existence of a massive and highly comprehensive Soviet civil defense program, some of whose elements date from the 1950's, is well established. Essentially, it provides for the protection of leadership elements at all levels, as well as of essential workers and the population by a combination of blast shelters and well organized plans for pre-attack evacuation and dispersal of urban residents. The program also includes compulsory training of the population in civil defense, a wide range of measures to protect the economy, creation of large protected and dispersed stockpiles to sustain the population and industry during the war and initial recovery period, and development of large trained forces and capabilities for rescue, damage-limiting and emergency repair and restoration in the wake of nuclear strikes. By all indications, especially since the late 1960's, the Soviets have been and continue to devote significant resources to this program, which according to some estimaies, may amount to 4 to 6 billion rubles per year.

The chairman of the Joint Chiefs of Staff, General Jones, noted in his recent report on the U.S. Military Posture that "Soviet leaders assert that a credible civil defense contributes to deterrence, strategic stability and the ability of the state to survive." Earlier, an interagency intelligence workgroup had concluded that "the Soviets almost certainly believe their present civil defense will improve their ability to conduct military operations and will enhance the U.S.S.R.'s chances for survival following a nuclear exchange." The workgroup also observed that the Soviets hope that their civil defense will make a significant contribution to leaving the U.S.S.R. in "a stronger post-war position than its adversaries."

Because of Soviet secrecy and concealment and the difficulty of effectively surveying the entire Soviet territory, there is some uncertainty about the precise extent to which all elements of the Soviet civil defense program are implemented. Even so, as information accumulates, it is evident that the program is well advanced, although not completed yet, and that extensive and highly effective means of protection exist for the leadership elements, essential workers and elites and for residents of important cities which are likely to be targets of multiple nuclear strikes. Indeed some cities appear to have in excess of 70 percent blast shelter capacity for their residents.

Of course, the effectiveness of Soviet civil defense is a function of a number of factors, such as the scope of preparatory measures carried out in peacetime, the extent of strategic warning prior to an attack, the effectiveness of Soviet counterforce strikes and active strategic defense operations which play an important role in the Soviet war survival strategy, and so on. It should be noted that neither the United States nor the Soviets target the population per se, and that many U.S. warheads are likely to be detonated in an air-burst mode, which does not generate significant radioactive fallout. Thus, under favorable conditions, i.e., a number of days warning, estimates are that the Soviets may be able to limit direct fatalities from U.S. retaliatory strikes to some 20 million or less, and ensure the survival of most of their leadership and elite elements and essential workers. By contrast, Soviet strikes on the United States are estimated to likely cause 110 to 140 million fatalities among the unprotected population.

Soviet losses would increase in the event of little or no warning, although the growing inventory of blast shelters in potential targeted localities will tend over time to mitigate this threat. Economic losses would be very large because U.S. doctrine calls for the destruction of up to 70 percent of the Soviet economic recovery capability. However, the remaining capacities, including hardened and concealed industrial installations, the stockpiles and the massive capabilities for rapid repair and restoration of damaged facilities may suffice to assure the necessary support to the Soviet war effort and population, facilitate recovery and provide for the survival of superior Soviet national power. At least the Soviets appear to believe that this may be the case.

To date, three successive Secretaries of Defense have expressed concern about the implications of the Soviet civil defense program for the strategic balance, Soviet perceptions of the credibility of U.S. deterrence and Moscow's risk calculations. Concern has been also voiced that the asymmetry in United States-Soviet war survival capabilities may provide the Soviets with a significant advantage in crisis management and with the ability to blackmail the United States over a range of possible political and military conflict situations. This concern has prompted President Carter in 1978 to issue his Presidential Decision 41.

The case for a meaningful U.S. civil defense program rests on two basic arguments. One is the important contribution it can make to the strengthening of the credibility and thus the effectiveness of U.S. deterrence in Soviet perceptions, and to reducing Soviet capabilities to exploit the civil defense asymmetry for blackmail purposes. The other is the urgent need to ensure population and national survival in the event that deterrence fails, be it deliberate or as a result of miscalculations.

The credibility of U.S. deterrence depends on Soviet perceptions not only of the capabilities to inflict unacceptable damage on the Soviet Union, but also on this country's will to pay the price such action would entail. The growing asymmetry in United States-Soviet war survival capabilities may lead the Soviets to see the U.S. deterrence as becoming in reality a threat of U.S. unilateral suicide. Soviet spokesmen point out that no country can rationally or credibly threaten another with war if both know that it thereby risks its own assured destruction. Thus, the lack of a U.S. civil defense capability affects Soviet perceptions of the credibility and utility of U.S. strategic deterrence. A further reason for this is the Soviet belief that civil defense is a strategic factor which is essential for a rational defense posture. Given that the Soviets will assess the political and military effectiveness of the U.S. deterrence posture in terms of what they see is required for it, the absence of an effective U.S. civil defense program is in fact perceived by Moscow as constituting a significant American political and military vulnerability.

As to the insurance role of civil defense, all reasonable calculations show that it can greatly reduce population fatalities and significantly mitigate economic damage. In short, it can greatly improve prospects for America's national survival. In so doing, it will also reduce Soviet expectations of being able to quickly achieve their war aims, and this again would contribute to the effectiveness of U.S. deterrence. It should also be noted that as strategic systems go, civil defense has one of the lowest rates of obsolescence, and when designed as a dual-purpose system, it can have considerable utility in peacetime as well.

As the Soviets so well demonstrate, civil defense is not a side show in the defense picture which can be neglected with impunity. In the nuclear age a state's war survival capabilities are just as important for credible deterrence as its strategic offensive capabilities. This is all the more significant, given the Soviet Union's unwillingness to accept mutual vulnerability as a basis for strategic stability. The United States, therefore, can no longer afford on practical security grounds, let alone moral ones, to continue to neglect its civil defense.●

MEDICAID ABORTION

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ALBOSTA. Mr. Speaker, shortly we will again be faced with the annual debate over medicaid financing of abortions as part of our consideration of the fiscal year 1981 Labor/HEW appropriations bill.

One of the many facets of this issue we constantly hear is that the so-called Hyde amendment, authored by my friend and colleague from Illinois, discriminates against the poor.

Recently, the MacNeil/Lehrer report, aired April 22, 1980, had an excellent analysis of all aspects of this issue, entitled "Medicaid Abortion," and I want to bring to the attention of my colleagues the statements of Dr. Jasper Williams, a black doctor from the south side of Chicago, 60 percent of whose patients were medicaid recipients. I believe he hits at the heart of the discriminating factor against the poor, which is not the availability of the abortion, but instead the absence of the social and economic atmosphere to properly raise disadvantaged children.

Dr. Williams, serving primarily medicaid patients, is surely qualified to speak for poor women in America. I therefore call your attention to his remarks and insert them in the RECORD.

The report follows:

MEDICAID ABORTION

LEHRER. The practical argument over the Hyde Amendment of course, has to do with the term "life endangerment." Doctors disagree over what it means and how to interpret it. Dr. Jasper Williams is involved in the Supreme Court appeal from the anti-abortion side. He's the former president of the National Medical Association, and operates a clinic in Chicago where 60 percent of its patients are medicaid recipients. Doctor, do you believe life endangerment is a legitimate exception to be made for abortions, for the federal payment of abortions?

Dr. JASPER WILLIAMS. I believe that true life endangerment could be. The question is, who defines life endangerment? And many people take very minor conditions and consider them as life endangerment. I've been practicing now since 1957. I've lost two patients who were mothers delivering babies in that period of time. One from a pulmonary embolism, one from an amniotic fluid embolism. Neither of these patients could have foreseen that that was what was going to happen to them, nor could any physician have foreseen. I know of no condition at the present time where true life endangerment with adequate care, from the kind of medical treatment that's presently available and the kind of physicians who are out there able to help, that would require abortion.

LEHRER. Do you believe that there's ever a reason to perform an abortion?

WILLIAMS. I have not encountered such a reason.

LEHRER. Have you ever had a patient that—where you felt that the mother's health was in jeopardy, not necessarily in terms of losing one's life, but just it was going to have bad health as a result of being pregnant and giving birth to a child?

WILLIAMS. I have seen people like that, but medicine has made lots of progress, and we're able to handle most of those problems.

LEHRER. What is your view? As you say, 60 percent of your patients are people who are women who are on medicaid. Do you feel that the Hyde Amendment as written and passed by the United States Congress and interpreted at the State level in Illinois, discriminates against poor women?

WILLIAMS. I do not believe it discriminates against them in a way that hurts them. The thing that discriminates against my patients, the poor women in Chicago on the south side, is offering them the placebo of abortion instead of the therapy of jobs, education, housing, and other social items which create a situation in which a woman becomes desperate and believes the Supreme Court when it says abortion is all right. Actually, it is not all right, and it doesn't solve any problems, and most of these people come back with the same problem over and over again. The statistics indicate now that many of the abortions being done are No. 2 and No. 3 for the same patient.

LEHRER. Is your opposition to abortion, period, Doctor, based on religious grounds or as a result of your being a doctor, or what is the genesis of it?

WILLIAMS. It is not based upon religion. I spent years getting my training, learning how to improve life and how to recognize life, and how to take care of it. And my specialty is obstetrics and gynecology. As such, I learned when life begins and how to protect it within the uterus. And by ability, because of our increased ability in medicine and advances in science, has been backing up. When I started medical school, 30 weeks was considered viable. Now there's a baby alive that was born at 10 ounces, which is somewhere around 16 or 18 weeks. So, you can't even judge, make a decision on viability. The necessity, the needs of my people, the needs of poor people, are not abortions. That's really getting rid of them for the reason that the attorney just stated. It's cheaper to do it that way.

LEHRER. Thank you, Robin?

MACNEIL. New Jersey is one of 28 states which cut back on payments for Medicaid abortions after the Hyde Amendment was passed, but which is paying for them now, after the federal court decisions last year, pending the decision on yesterday's cases in the Supreme Court. Dr. Michael Burnhill is a professor of obstetrics and gynecology at Rutgers Medical School in New Jersey, and is a trustee of the National Abortion Federation. Dr. Burnhill, medically, do you think—why do you think the Hyde Amendment is wrong?

Dr. MICHAEL BURNHILL. I think it's wrong because it does not allow for the medical profession to properly take care of the health of pregnant women. And I say that, because in my quarter of a century of taking care of pregnant women, I have seen hundreds of them whose health was ultimately destroyed by having their pregnancy. Whether it was a wanted pregnancy or an unwanted pregnancy, there is ample opportunity for the obstetrician and the woman to look forward and to determine whether or not that pregnancy is going to destroy her life. Now I listen to Dr. Williams, and I listened very carefully to Dr. Williams, and I must say that perhaps the inner cities where I practiced are a little different than the inner cities where he's practiced. But I've seen Class 4 cardiacs who we kept alive through a pregnancy. I don't disagree with him. They didn't die at the eighth month. Medical science triumphed. But after the delivery, when the stage lights go out, and everybody's lost interest, that mother wheezes home to her bed where there's nobody to help her, and attempts to take care of that baby, and gradually loses steam. And if she has any more children at home, she's grinding out her life. Now, if Dr. Williams wants to define life sort of on a Quinlan basis, it's breathing and eating and having bowel movements, he can. But I think we have to offer our patients, at least I've always tried to, to give them something in life, some ability to cope with life, some ability to love and take care of their families, and if they're sick, they can't do that. And pregnancy makes some people sicker and makes them ultimately have a virtually slow death.

MACNEIL. What about the medical endangerment, life endangering standard that is presently applied? Is that definable?

BURNHILL. No, I don't think it is. Not on a firm explicit basis, not by congressmen, who have the fortune or misfortune to be ex-officio—

MACNEIL. Let me ask you this way. Could you perform the abortions that you think, that you believe are medically necessary under a standard that calls it life-endangering?

BURNHILL. Yes.

MACNEIL. You could?

BURNHILL. Yes.

MACNEIL. And do, presumably?

BURNHILL. Yes.

MACNEIL. Yes, so you could live with that aspect of the amendment as it stands?

BURNHILL. Yes. I don't know that everybody would define life endangering the way I see life endangering, but I certainly could live with that.

MACNEIL. What do you think the standard should be?

BURNHILL. To preserve the health of the mother.

MACNEIL. And how do you define health? Not just her survival, but more than that?

BURNHILL. Yes, certainly, on above survival standards. I think health is a condition in which one can actively participate in one's total life, that you are not a cripple or an invalid.

MACNEIL. Well, thank you, Jim?

LEHRER. Dr. Williams, would you agree that preserving the health of the mother is a very important factor?

WILLIAMS. I certainly do, but the doctor there was disturbed about the mother who goes home and has no one to help her, and slowly dies. I'm worried about her, too, but the baby didn't kill her. He just admitted what killed her was nobody to help her. Our social system is what's wrong. We've got to be able to take care of those deficits. I'm sure the doctor's seen a lot of people die from heart attacks, men, they weren't pregnant. Slowly die. We as physicians despite the progress we've made, we can't cure everything, and people will die. And it may be that they might die a week earlier, month earlier, if they have a baby, but by and large, we are capable of handling most of the complications which arise in pregnancy. And the people he's seen destroyed didn't die because of pregnancy. They died because they didn't have the right people taking care of 'em.

LEHRER. Is that true, Dr. Burnhill?

BURNHILL. They died because we don't have enough resources in our society to take care of everybody.

LEHRER. But did they die of being pregnant? He says they did not.

BURNHILL. Their life was shortened and their health was impaired by that pregnancy.

WILLIAMS. By the shortage of the things he says he didn't have, not by the pregnancy.

BURNHILL. We live in a real world.

WILLIAMS. And so there's no just—there's no reason for killing the baby because he doesn't have enough people at New Jersey who know what they're doing and have the equipment to take care of these people. Put 'em on a kidney, if they've got a bad kidney. A lady recently had a baby with a transplanted kidney. She and the baby are fine. You would have aborted that woman.

LEHRER. Would you, doctor?

BURNHILL. If that women sat and talked to me and we discussed what it meant to have failed kidneys, and if she made the choice that she thought she would rather not take that risk. I certainly would abort that woman, and I sure wouldn't want anybody telling me how my health is gonna be run, especially if I was poor. I would be just absolutely flabbergasted that someone was telling me, I don't have the same health options as a rich woman.

LEHRER. What would you have done in that situation, if the patient had said to you, I don't want to go on the kidney machine in order to have the baby. I do not want to have the baby? What would you have done, Dr. Williams?

WILLIAMS. I would have told here, "my dear, we can bring you through this pregnancy. I will not abort you. If you wish to be aborted, you'll have to find somebody else".

LEHRER. Finally, very quickly, Congressman Hyde and Miss Pilpel. Congressman, if the Hyde Amendment is declared unconstitutional, what do you and your folks do next?

HYDE. Well, of course, we're not going to stand by and be accessories to the elimination of hundreds of thousands of unborn children. We'll study the opinion and try to find some solution and new approach to the thing, but I'm not that pessimistic. And I might say, listening to the doctor, Mother Theresa he's not. Abortion is terminal to every unborn child. And talk about cripples, I dare say he must know plenty of cripples who lead very useful lives. The suicide rate among handicapped people is virtually zero.

LEHRER. I want to ask Miss Pilpel finally, what does your side do if you lose?

PILPEL. I don't think that there's a possibility of our losing because it is clear that there has to be some rational basis for discrimination in funding. Otherwise, Congress could pass a statute which would say, "No blacks shall be entitled to medical reimbursement under Medicaid." I mean, that clearly would be unconstitutional.

LEHRER. We have to leave it there, Miss Pilpel. Robin?

MACNEIL. Yes. Thank you, Dr. Williams, Congressman Hyde for joining us tonight. Dr. Burnhill, Miss Pilpel. Good night, Jim.

LEHRER. Good night, Robin.

MACNEIL. That's all for tonight. We'll be back tomorrow night. I'm Robert MacNeil. Good night.●

EAST ORANGE MEMORIAL DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. RODINO. Mr. Speaker, on Monday, May 26, the citizens of East Orange will honor the courageous American veterans who have served our country and died in our wars.

The East Orange Memorial Day parade promises to be an impressive day of tribute to the veterans of Vietnam, Korea, World War II, and World War I. I will be proud to join with East Orange Mayor Tom Cooke, City Council Chairman Robert Moran, the parade's Veteran Grand Marshal Eugene Faison, the parade's Community Grand Marshal Robert Hearon and the many other veterans in placing a commemorative wreath at the monument honoring the fighting men and women of America.

Mr. Speaker, but for our dedicated and courageous military veterans we would have no freedom and no land of opportunity. We all owe America's veterans a deep debt of gratitude and respect, and I know that the East Orange Memorial Day parade is one of many similar events around our Nation that will justifiably demonstrate the high regard we have for our servicemen and servicewomen.

Mr. Speaker, this year's parade is sponsored by the East Orange American Legion Post No. 73, led by Commander Ray Rahill. Others who will be participating in the parade include the East Orange Memorial Post No. 5445, Veterans of Foreign Wars, led by Commander Adam Backfish; the East Orange Amvets Post No. 70 led by Commander Len Caposiena; and the Lewis Lackland Post No. 7923, Veterans of Foreign Wars, led by Commander John Costley, Sr.

Mr. Speaker, among the many other citizens who will be contributing to the day's events, Rev. Harry L. Batts, pastor of the Messiah Baptist Church in East Orange, will give the invocation; Rev. J. David Erickson, pastor of the Arlington Avenue Presbyterian Church, will give the benediction; the East Orange Police Department will provide an arms salute; and two East Orange High School students, Mark Beckett and David Whitworth, will play taps.

Mr. Speaker, it is my hope that the national observance of this Memorial Day will instill renewed pride among all Americans for the very special place that our veterans have in America's past, present, and future as a Nation.●

CONSIDERATIONS IN THE CASE OF CHARLES H. WILSON OF CALIFORNIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. HAMILTON. Mr. Speaker, it is a difficult task to sit in judgment of a Member charged with misconduct. It is an especially difficult personal matter to present the details of that Member's case. However, because of the recent attack on the procedures and recommendations of the Standards Committee, I feel compelled to set out several considerations which have guided my thinking in the case of Mr. CHARLES WILSON of California.

I. HOUSE ETHICS PROCEEDINGS NEED NOT FOLLOW PRECISELY THE JUDICIAL MODEL

A. THIS HAS LONG BEEN RECOGNIZED BY VARIOUS KEY GROUPS

1. Framers of the Constitution

The framers of the Constitution clearly recognized that the House can set up its own procedures in handling misconduct of its members, and need not follow precise court procedures. As Article I, Section 5 of the Constitution states: "Each house may determine the rules of its proceedings, punish members for disorderly behavior, and, with the concurrence of two-thirds, expel a member." It should also be noted that the only specific provision mentioned here for congressional ethics proceedings, viz. that it take a two-third vote to expel, obviously does not correspond to any judicial model.

2. House

Two hundred years of House history show that congressional ethics actions have been recognized not to be essentially judicial in nature. For example, the precedents of the censure case of Rep. John Quincy Adams of Massachusetts (1842) and of Senator John Smith of Ohio (1807) both clearly show that in congressional actions of censure and expulsion, the House is not bound to follow strict court procedures. In particular, they stated that the accused Member does not possess certain rights mentioned in the Constitution pertaining to trials in the courts, such as the constitutional right "to have compulsory process for obtaining witnesses in his favor." (Art VI, Amendments to the Constitution). This principle of the nonjudicial nature of House ethics proceedings was recently reaffirmed in the Powell case (1967). In response to requests by Mr. Powell's lawyers for certain legal procedural rights, Chairman Celler replied that ". . . the Committee states that this is an inquiry and not an adversary proceeding." (H. Rept. 90-27, p. 6).

3. Courts

When Congressional ethics proceedings were subjected to court review, the courts have held that there is no Constitutional guarantee that such ethics proceedings have the same due process as in the courts. The main Supreme Court case dealing with due process when a Member is being investigated by Congressional committees (US v. Brewster, US Supreme Court 501, see also Barry v. US ex. rel. Cunningham, 279 US 597) concluded that the Member does not have all the generally recognized rights to due process (except the right not incriminate himself). Rather, the courts have held that the proceedings just need to be "generally fair". Likewise, the House Committee in the Powell case quoted from a court decision (US v. Johnson, 337 F 2nd 180) which stated that it was the belief of the Founders that the House and Senate "could be trusted to deal fairly with an accused Member and at the same time do so with proper regard for their own integrity and dignity".

4. Constitutional law scholars

This principle of the nonjudicial nature of congressional ethics proceedings has long been recognized by Constitutional law scholars. In his Principles of the Constitutional Law of the United States, Professor Willoughby stated that ". . . the House concerned does not sit as a criminal trial court, and is not, therefore, bound by the rules of evidence, and the requirements as to certitude of guilt which prevail in a criminal court. In other words, the question at issue is not as to guilt of a criminal character, but only as to unfitness for participation in the deliberations and decisions of Congress." (p 256)

5. American Bar Association

The nature of the House proceedings is very similar to that of professional standards or disciplinary boards of medical or bar associations, in which it is determined whether the individual has done something to call into question his ability to perform satisfactorily his professional duties. If any group were wedded to the judicial model, the American Bar Association would be. However, they clearly recognize that the nature of such proceedings is not judicial: "Lawyers discipline and disability proceedings are *sui generis,* and the rules of procedure for civil, criminal, and administrative proceedings do not automatically apply." (ABA *Lawyer Disciplinary and Disability Proceedings,* 1.2, 1979)

B. IT FOLLOWS FROM THE NATURE OF THE CODE ITSELF THAT THE HOUSE PROCEEDINGS ARE NOT ESSENTIALLY JUDICIAL

1. House concerned with different actions

The essence of the House Code of Conduct is that a Member of the House should not engage in actions which affect "the performance of his duties or the discharge of his responsibilities". (House Rule X, clause 4(e)(1)(B)). Thus, we need not look just at illegal actions by a Member. Rather, the task of the Standards Committee and the House is to examine those actions—whether they be illegal, or unethical, or simply unwise—which affect the Member's ability to carry out satisfactorily his House duties. Since the actions we are concerned with only incidentally might be illegal ones, our procedures need not conform precisely to legal ones. Moreover, even when we do consider actions that happen to be illegal, we have no power to enforce criminal law. Rather, we see if the actions are in violation of our own House Code of Conduct and then apply our own set of sanctions. And thus, as the Constitution states, we have our own set of procedures.

2. House has different goals

Besides being concerned with different types of actions, we have different goals than the courts have. The task of the Standards Committee and the House is not primarily punishment of or retribution against a particular member. Rather, the main goal is to sustain and restore the integrity of the House. That is, we judge whether or not a Member's actions "reflect creditably on the House of Representatives". (House Rule XLIII, clause 1). So the procedures are much more akin to investigatory ones than to judicial ones, as was asserted above by the Celler Committee in the Powell case. Likewise, the committee in the Smith case recognized that it was an "inquiry", and thus bound only by principles of "natural justice and equity". Not only do we not need the judicial procedures, they could cause some problems: It was recognized by the committee in the Smith case that lengthy court procedures providing barriers to protect the innocent do not apply to Congressional misconduct cases, in which this power of punishing members "was given . . . to preserve the Legislature from the first approaches of infection". So the process must be "discretionary because it could not exist under the procrastination of general rules".

In short, it has long been recognized that the House disciplinary proceedings are not essentially in nature, and thus the House procedures need not conform precisely to the judicial conception of due process. Our proceedings are more akin to investigations to determine the fitness of the Member to continue to hold his position of power. The proceedings just need to be generally fair.

II. RESPONSE TO OBJECTIONS RAISED BY MR. WILSON

Congressman Wilson and his lawyers have given several reasons explaining why they oppose the Standards Committee action against him. Several of these objections fail to recognize that our proceedings need not follow the judicial conception of due process. I would like to briefly respond to his main claims.

A. SEVERITY OF CHARGES

Mr. Wilson claimed that no serious allegations against him have been sustained. This is incorrect. Mr. Wilson has been found by the Standards Committee to have used almost $25,000 of campaign funds for personal use and to have accepted $10,500 from someone with a direct interest in legislation before Congress, in clear violation of Clauses 1, 4, and 6 of the House Code of Conduct. These are very serious charges. Moreover, rather than there being one isolated act, there were five instances of improper campaign fund conversions and three instances of accepting improper gifts, which indicate a pattern or practice of misconduct that is very serious.

It should also be pointed out that there have been moves to expel Members from the House for equally grave, or even less grave, misconduct. For example, early in this session there was a move on the House floor to expel Congressman Diggs for padding his congressional payroll in order to enable his employees to pay over $40,000 of his personal expenses. Likewise, in 1870, expulsion was the committee recommendation for two members allegedly selling appointments to the military academies. (Whittemore of SC and Deweese of NC).

B. COUNTS 1-3

Mr. Wilson claimed that it was not proven that he accepted gifts from someone with a direct interest in legislation before Congress (counts 1-3), because these were loans, not gifts. The Standards Committee found this defense unconvincing by a vote of 10-1. The Committee found that Rep. Wilson, as chairman of a subcommittee of the House Post Office and Civil Service Committee, accepted over $10,000 in gifts from someone in the mail-order business, Mr. Lee Rogers. Mr. Rogers, the director of a trade association concerned with postal legislation, admitted under oath that he had had direct interest in legislation before the Committee. Mr. Wilson was aware of specific legislation that Rogers had interest in, and in fact one time wrote Rogers that he considered himself "personally responsible for stopping hearings from being scheduled on this bill" that Rogers had urged him to oppose.

Contrary to Mr. Wilson's claims, the monies that exchanged hands lacked the normal earmarks of being loans. There was no attempt by Mr. Wilson to repay, no written agreement, no maturity date, no interest, and no demand for repayment. Moreover, the financial disclosure statement signed by Mr. Wilson and filed with the House lists no outstanding loans from Mr. Rogers. This shows that Mr. Wilson himself did not view the monies as loans, but rather as outright gifts.

C. COUNTS 7-11

Mr. Wilson claimed that charges of converting campaign funds to personal use were not proven because these were reimbursements for legitimate campaign expenditures, and, besides, the rules governing such conversions are unclear. The Committee rejected this defense by an overwhelming margin. Wilson was found by the Committee to have converted almost $25,000 in campaign funds to personal use through various laundering techniques. The Committee could find no evidence that these transfers were reimbursements for legitimate campaign expenses. On the contrary, the evidence suggests that the transfers were not triggered by anything except the need to pay personal debts. The money transferred always was for almost the exact amount of personal loans and outstanding personal checks. And the very large sums of money being transferred at times which simply do not correspond to the times of election campaigning (e.g. over $10,000 on March 3, 1971 and over $5,000 on March 15, 1971) cannot reasonably be construed as involving out-of-pocket expenses. Moreover, if the transfers had been reimbursements for legitimate campaign expenses, as Mr. Wilson claimed, there would have been no need to launder the transfers from a campaign account through an office account. Legitimate reimbursements could have been made directly from the campaign account.

In addition, the House rules governing such conversions are not indefinite. The standard applicable is the standard in effect at that time, and the heart of clause 6 has remained unchanged since adopted in 1968. It should also be pointed out that, unlike the courts, the House does not need a precise listing in its rules of every type of misconduct possible in order to carry out its constitutional mandate of punishing members guilty of misconduct. On the contrary, almost all past House misconduct cases were handled before there was any official House code of conduct at all (1968).

D. AGE OF THE CHARGES

Mr. Wilson claimed that because his actions in question took place more than 7 years ago, the proceedings violate the due process of the statute of limitations and the doctrine of laches. The Committee rejected this as a basis for dismissal by a vote of 9 to 0. In past analogous cases, the Congress has charged Members for actions done some time earlier (e.g. 8 years in the case of Rep. Flood of PA, and 14 years in the 1926 case of Sen. Gould of Maine). Even though the facts of the Wilson case are old, they have just been revealed. Thus, the damage that this misconduct has caused to the integrity of the House is recent, and that is what needs to be corrected now.

E. ROLE OF THE STANDARDS COMMITTEE

Mr. Wilson also claimed that the proceedings violate due process because the Standards Committee acts both as prosecutor and as a jury in that the same Committee members who voted to issue the Statement of Alleged Violation also hear the arguments by both sides and set punishment. The Committee rejected this as a basis to stay the hearings by a vote of 8 to 1. It is correct that the Standards Committee acts like a grand jury, but it simply does not also act like a judge and jury in disciplinary matters. If it did, the House would not be taking this case up. Obviously the full House acts like judge and jury and makes the final decision. And anyone who doubts that need only recall the House action two years ago when it rejected the Committee recommendation of censure for Rep. Roybal.

In response to C, D, and E, it bears repeating that the framers of the Constitution, the House, and the Supreme Court all have recognized that congressional ethics proceedings are sui generis and need not follow the exact due process requirements of the courts. The proceedings just need to be generally fair, and they clearly are. This strategy of attacking the proceedings should not divert attention from the issue at hand.

The main objection raised by opponents of the Standards Committee resolution is against the recommendation to strip Mr. Wilson of his subcommittee chairmanship. I would now like to respond to this in some detail.

III. JUSTIFICATION OF COMMITTEE RECOMMENDATION OF LOSS OF SUBCOMMITTEE CHAIRMANSHIP

A. WHY THIS SANCTION WAS RECOMMENDED

1. Committee findings

As has already been mentioned Mr. Wilson was found by the Standards Committee to have used almost $25,000 of campaign funds for personal use (counts 1-3) and to have accepted $10,500 from someone with a direct interest in legislation before Congress (counts 7-11), in clear violation of clauses 1, 4, and 6 of the House Code of Conduct. The Committee voted 10-2 that the sanction be censure and loss of committee or subcommittee chairmanship for the remainder of this session. Thus if this resolution is approved, Mr. Wilson would lose his chairmanship of the House Subcommittee on Postal Operations and Services.

2. Committee sanction

It is especially the charges of counts 1-3 that led to the recommendation for loss of subcommittee chairmanship. Standards Committee Rule 17(c)(3) states that a Committee "recommendation of a denial or limitation of a right, power, privilege, or immunity of a Member is appropriate when the violation bears upon the exercise or holding of such right, power, privilege, or immunity". The Committee thought that this applied to the case at hand. When a subcommittee chairman accepts large gifts from someone attempting to influence his actions on certain legislation, and then claims to be responsible for stopping hearings on such legislation as asked, it obviously calls into question his ability to satisfactorily and impartially carry out the duties of the subcommittee chairmanship. The most fitting punishment clearly is to strip him of the position.

3. Not inconsistent with past Standards Committee recommendations

Although the Committee since its formation in 1967 has not recommended taking away a committee or subcommittee chairmanship, and in fact last year did not recommend that Mr. Diggs be stripped of his House chairmanship for serious misconduct, this does not indicate a complete change in Committee policy. In the first place, Mr. Diggs resigned his chairmanships before the Standards Committee recommended its sanctions. Secondly, the nature of Mr. Diggs' misconduct differed from Mr. Wilson's. Mr. Diggs' misconduct involved the misuse of clerk-hire funds, but that does not call into question the ability to act in the public interest as chairman of a committee as much as does the acceptance of money from someone with a direct interest in legislation before one's committee.

B. THIS IS A TASK FOR THE HOUSE RATHER THAN FOR THE DEMOCRATIC CAUCUS

Opponents of the Committee resolution claim that a subcommittee chairmanship is a power to be taken away by the Democratic caucus and not the full House. I believe that this is mistaken, for several reasons.

1. The actions of a subcommittee chairman affect primarily the full House

The Committee is not attempting to strip Mr. Wilson of a power that relates solely to the caucus—such as being recording secretary of the caucus. Rather, the decisions and actions that a Member makes as a subcommittee chairman affect primarily the functioning of the full House, and thus it is primarily the functioning of the full House which suffers from his subsequent actions if an unfit member is kept as subcommittee chairman. The full House should act to restore threats to its integrity rather than leave that to a subgroup like a caucus, even if both are able to remove the power in question.

2. The power to punish members is given by the Constitution to the House, not to the caucus

The House is given the power to punish its members by the Constitution; as Article I, section 5 says: "Each House may . . . punish its members for disorderly behavior . . ." No body like a caucus can interpose itself between the Constitution and the House. Since the power to punish is not defined in the Constitution, if the House chooses to take away someone's committee chairmanship as a punishment, it can do so. The Constitution gives no similar power to a caucus.

3. The House has taken analogous actions in the past to punish members

In carrying out its role of punishing errant Members, the House has in the past superceded the powers of the caucuses and committees. It is stated in the Rules of the House that a Member convicted in the courts of a serious crime ". . . should refrain from participation in the business of each committee of which he is a member." (Rule XLIII, clause 10) The resolution that we will vote on would supersede caucus or committee powers to a lesser degree than this current House Rule. Moreover, the House has in the past voted on resolutions the effect of which would have been to strip Members of Committee chairmanships (e.g. John Randolph of VA, 1807, Chairman of the Ways and Means Committee, and Adam Clayton Powell, 1967, Chairman of the Committee on Education and Labor). Thus, the actions in the recommended sanction are not unprecedented.

4. *This is an especially fitting type of punishment given the nature of the House code*

The overall aim of House ethics proceedings is to determine whether or not a Member's actions have hurt the House or have hurt "the performance of his duties or the discharge of his responsibilities" as a Member of the House. (House Rule X, clause 4(e)(1)(B).) A guilty verdict thus means that he is unable to satisfactorily perform his House duties, and a very fitting type of punishment obviously would be a reduction in House powers. This is a direct consequence of the nature of the House Code of Conduct, and the task of enforcing the Code rests on the House rather than the caucus.

5. *Denial of House powers is an important alternative type of punishment for the House to have*

The Committee does not wish to reduce the House powers of members for any type of misconduct whatsoever, but only when it is especially fitting given the particular facts of the case. However, once Members see the House using this as a sanction, it will be a very effective deterrent. Someone not bothered by a reprimand or a fine would think again before doing something that would result in the loss of the power and prestige of his committee chairmanship. Moreover, being able to reduce a Member's House powers provides the Standards Committee with an important alternative sanction. Expulsion or reducing a member's House powers are much more severe and meaningful types of punishments than the other Committee options, such as reprimand and censure, which are generally perceived as essentially symbolic. Thus, if the Standards Committee is denied the option of reducing House powers, it will undoubtedly make more recommendations for expulsion in cases involving serious misconduct similar to Mr. Wilson's. Members should be aware of the signal that their action will send to the Standards Committee.

6. *Disapproval of the resolution would send a bad signal to the general public*

As already mentioned, the overall task of the House ethics proceedings is to restore the integrity of the House. The public's perception of the House has been damaged by Mr. Wilson's misconduct, and the task of the full House now is to set it right. Whether or not the Democratic caucus would later strip Mr. Wilson of his subcommittee chairmanship (and there is no guarantee that it would) the signal sent to the American people by a defeat of this resolution would not be a good one. They will wonder why the full House specifically voted against taking away the subcommittee chairmanship of a Member who accepted large sums of money from someone attempting to influence his actions on legislation before his subcommittee. They will wonder what the full House thinks a subcommittee chairman would have to do in order to have his chairmanship taken away. If this resolution is defeated, we will not only fail to repair the damage caused by Mr. Wilson's actions, but may well do additional damage by compromising further the public's perception of the character and integrity of our institution.●

MR. JOHN JOLLY, WORLD WAR I VETERAN AND ACTIVE SENIOR CITIZEN

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. DOUGHERTY. Mr. Speaker, on May 23, 1980, senior citizens of St. John's Evangelical Lutheran Church of my district will celebrate "John Jolly Day" to honor one of their members, Mr. John Jolly.

John Jolly, 81, is one of the few surviving veterans of World War I, having served with the 5th U.S. Cavalry. Not only is Mr. Jolly an active member of St. John's Senior Citizens, but he is past president of Our Lady of Ransom Senior Citizens and a key member of St. Matthews (Mayfair) Senior Citizens. Last year he received the man-of-the-year award from district 5 of the archdiocese, and presently is chairman of the dinner dances sponsored by the Northeast Senior Citizens Council.

Mr. Speaker, we offer our congratulations and our gratitude to Mr. John Jolly for his long life of service to our Nation and for the valuable contribution he continues to make to senior citizen activities in Pennsylvania's Fourth District.●

A TRIBUTE TO MRS. FRANK ROGER SEAVER—MUSICIAN, EDUCATOR, BENEFACTRESS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ROUSSELOT. Mr. Speaker, possibly the most generous supporter of private education in the history of the State of California, Mrs. Frank Roger (Blanche) Seaver, is being honored Tuesday, May 27, 1980, in Los Angeles, Calif.

I ask my colleagues to join me in saluting this outstanding benefactress. Mrs. Seaver has carried on in the footsteps of her husband of 50 years, Frank Seaver, who once said: "If you want to do something for the future of the country, do something for youth, for they are in the future of the country."

Mrs. Seaver is chairman of the Seaver Institute. Together with her late husband she has made possible the new Malibu campus of Pepperdine University, and its undergraduate college of science and liberial arts, the Frank R. Seaver College, was officially dedicated on April 20, 1975.

Mrs. Seaver was born Blanche Ellen Theodora Ebert in Chicago, the 10th child of a Norwegian immigrant couple. She graduated from Chicago Music College. At the famous Hall House in Chicago, she was a music teacher before moving to Los Angeles. A composer of several internationally favorite pieces, she gave up a successful musical career to become a full partner with her beloved husband in their many activities in helping others, especially youth.

Mrs. Seaver continues as a major supporter of civic and cultural organizations and in addition to Pepperdine College, is a trustee of the University of Southern California, Pomona College, First Congregational Church of Los Angeles, and a founding member of the board of directors of Childrens Hospital.

While her dozens of assignments to boards keep her extremely active in every sector of society, she has been best known in recent years for her work in independent education. Mr. and Mrs. Seaver have made possible buildings on the campuses of Pomona College, the University of Southern California, Loyola, Rockford College, Freedoms Foundation at Valley Forge, the Harvard School (San Fernando Valley), and the Pilgrim School (Los Angeles). Support has also gone to the Don Bosco Technical Institute and Claremont Men's College.

She is a former Los Angeles Times "Woman of the Year," and is the holder of six honorary doctor's degrees. A member of the Pepperdine University advisory board since 1969, she was elected to the board of regents in June 1975. In addition, Mrs. Seaver has supported those candidates for public office that speak out on the free market system at the local, State, and Federal level.

The proceeds from the "Salute to Mrs. Frank Roger Seaver" on Tuesday, May 27, 1980, are being donated to the American Humanics program, a nonprofit corporation dedicated to providing college education for men and women who aspire the professional careers in many of America's youth organizations, such as the YMCA, YWCA, and Big Brothers.

Please join me in saluting this outstanding American who devotes her entire effort in making the United States a better place in which to live.●

ZENON J. SYKUTA RETIRES

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. RUSSO. Mr. Speaker, rarely do we find a man who has devoted himself to the enrichment and education of others in both his professional and his personal life. Zenon J. Sykuta is such a man.

At the end of the 1979-80 school year, School District 160 in Country Club Hills will experience a great loss. Mr. Sykuta, affectionately known as "Sy," will be retiring from 22 years of service as the superintendent of schools. With Mr. Sykuta's guidance, the school district grew from a district known as Cooper's Grove with only 1 school building, 160 students, and 10 teachers to the present school district of Country Club Hills, which has 4 school buildings, 7 sites, 1,375 students, and 100 employees.

Sy has also been a member of the board of the Southwest Cook County Cooperative Association for Special Education since 1958, a member of the executive board of the South Metropolitan Association for Low-Incidence Handicapped Students for 8 years, and a member and president of the Educational Development Cooperative for 6 years. He is also the former president of the Bremen Township Association of School Administrators and a life member of the Illinois Congress of Parents and Teachers.

He has devoted his spare time to many community activities. Sy served as secretary of the Country Club Hills Police Board of Commissioners for 19 years; he was a charter member of the city Kiwanis Club, and served as treasurer of the board of directors and chairman of the annual Peanut Day Sale for 16 years. He is an elder and a Sunday school teacher in the United Christian Church of Country Club Hills and has been a member of the Calumet Council of the Boy Scouts of America for 7 years.

The list of Zenon J. Sykuta's accomplishments is endless. His life has been a source of inspiration to his coworkers and his students, and a source of pride to his wife, Avis, and his children, Jeffrey, David, and Janet. He is an educator and a scholar and above all, a generous and loving man. For 18 years he has been the guiding light in School District 160. There are many children who have been fortunate to have been influenced by this man. The people of Country Club Hills regret that it is time for Sy to retire, but they are very grateful for the time that he gave them. I know that my colleagues join with me in expressing thanks and best wishes to Zenon J. Sykuta on the occasion of his retirement.●

LEGISLATIVE INHIBITIONS ON U.S. FOREIGN POLICY: PART I

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. FINDLEY. Mr. Speaker, Peggy Stanton, whose column, "One Woman's Voice," is distributed through Princeton Features, has written an excellent article on the adverse impact of the Freedom of Information Act and the Privacy Act on U.S. foreign policy. As Peggy Stanton writes:

> Both pieces of legislation had been conceived with benevolent motives * * *. But noble conception was lost in difficult gestation, and the bills emerged with complex and ambiguous language which was never properly decoded by the State Department.

Thanks to a special Foreign Affairs Committee staff investigation of the tragic death in Guyana of our colleague Leo Ryan, we are now more aware of the inhibiting effect of the Freedom of Information Act and the Privacy Act on the effectiveness of the State Department.

It remains for Congress to do something about the problem by amending the legislation. But, as Mrs. Stanton writes:

> Congress is famous for its "tortoise" approach to the fashioning of laws. Whether it will perceive the "hare-like" urgency to restructure the clumsy legal scaffolding of the Privacy Act and the Freedom of Information Act before any more dangerous lapses of intelligence occur remains to be seen.

[Columbus Dispatch, Apr. 13, 1980.]

DOES AMBIGUOUS LEGISLATION STYMIE U.S. FOREIGN POLICY?

(By Peggy Stanton)

Over a year after Rev. Jim Jones electrified the world by organizing a mass exodus to eternity, Capitol Hill is coming to grips with the fact that poorly drafted legislation may have played a contributng role in the horrifying denouement of the Jonestown drama.

Both the State Department and the House Foreign Affairs Committee took a long look at the tragedy. The Foreign Affairs Committee dispatched three of its staff members on a probing tour of San Francisco and Guyana, the alpha and omega sites of the People's Temple.

After six and a half months, the Special Investigative Group turned in a report which threw a disturbing spotlight on the Freedom of Information Act and the Privacy Act.

Both pieces of legislation had been conceived with benevolent motives. The intention of the Privacy Act is to protect Americans from unwarranted governmental snooping into their personal affairs, whereas the Freedom of Information Act opens federal drawers to inspection, with hopes of enhancing the citizens' right to know more about the operations of their government.

But noble conception was lost in difficult gestation, and the bills emerged with complex and ambiguous language which was never properly decoded by the State Department. Thus, officers in the consular section of the American Embassy in Guyana, fearful of possible criminal sanctions under the new legislation, were less than candid in their appraisals of the Jonestown cult.

Under the Privacy Act, a subject of scrutiny may request to see any information put forward about his activities. Thus, Jim Jones and his followers had legal recourse to embassy reports involving residents of Jonestown. They did not overlook the opportunity.

In 1977 the U.S. embassy in Guyana learned that the People's Temple had filed a total of 26 actions under the privacy law. Such exercises understandably triggered a cooling of tone in subsequent communications to Washington concerning the jungle community.

The State Department's faulty interpretations of the Privacy Act further led officers to deny Leo Ryan—the congressman assassinated while investigating Jonestown—pertinent information relative to the People's Temple.

For his part, Ryan failed to get an authorizing letter from Foreign Affairs Committee Chairman Clement Zablocki, which would have provided him access to the material under the exemption clause of the Privacy Act.

The alarming conclusions in the Foreign Affairs Committee report on Jonestown led the State Department to conduct an in-depth survey of its overseas posts, the purpose being to determine whether the Freedom of Information Act and the Privacy Act were silencing the tongues of other foreign service officers around the globe.

The answer was yes. The results of the survey produced, in the words of the State Department, an "overwhelming consensus" among U.S. consular officers that the Privacy Act has had a "chilling effect" on their ability to aid in the development of U.S. foreign policy through effective comment and analyses of situations overseas.

The survey also revealed serious concern among consular officers that the Freedom of Information Act fails to protect the identity of overseas sources. Such anxiety is leading to a drying up of intelligence candor from foreign informers, according to the State Department.

Moreover, the Freedom of Information Act has opened a Pandora's box of bureaucratic problems for the State Department. Although the act was meant to keep Americans better informed about the workings of their federal institutions, that intent is being "subverted," according to State Department lawyers, by heavier and heavier demands for U.S. government information from foreign nationals, embassies and journalists (including Soviet Tass).

Recently, the Department's Bureau of Eastern Affairs labored for 84 hours processing a query for a foreign journalist. "Requests from such sources," says one State Department lawyer, "are often generated by a desire to embarrass a foreign government. Such disclosures may be sensationally exploited abroad without any United States domestic benefit."

Both State Department and Capitol Hill investigators agree the freezing of information resulted from technical rather than philosophical design. Amendments and semantic clarifications to the legislation could easily rectify the problems of ambiguity and complexity inherent in the present language.

Two congressional committees have evidenced enough concern to conduct hearings on the subject. But Congress is famous for its "tortoise" approach to the fashioning of laws. Whether it will perceive the "hare-like" urgency to restructure the clumsy legal scaffolding of the Privacy Act and the Freedom of Information Act before any more dangerous lapses of intelligence occur, remains to be seen.●

DEDICATION OF GEORGE WASHINGTON CARVER SCHOOL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. RODINO. Mr. Speaker, I am delighted that on Sunday, May 25, the

George Washington Carver Elementary School will be dedicated at 333 Clinton Place in Newark.

This elementary school represents a combined effort on the part of the parent-teachers associations of the area's elementary schools, the Newark Board of Education and concerned citizens to provide better educational facilities for the children of Newark.

Construction of the school was made possible through a Federal public works grant and it began in 1977. Since its opening in September 1979, enrollment has grown to 1,380 students in grades 1 through 8. George Washington Carver Elementary School is capable of holding 1,700 students.

Within the George Washington Carver Elementary School, the Bruce School for the Deaf currently teaches 60 handicapped children. Clearly, the school is becoming an important part of Newark's present and its future. Our city's young families can look to this school as an example of commitment to quality education.

I want to commend principal Gladys Hillman of George Washington Carver Elementary School, and Vice Principals Frank Walter and Jill Goodman for their leadership, and I will be proud to join them and others at the dedication ceremony for this fine new facility on Sunday.●

DISCHARGING THE BOTTLERS' CHARITY AND SUBSIDY ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. STARK. Mr. Speaker, before any more of my colleagues agree to sign the discharge petition sending H.R. 3567 to the floor, I would like them to first read the editorial from Business Week's latest edition.

If the Congress insists upon awarding an exemption to the antitrust laws to the soft drink industry, something no other industry enjoys, then it ought to be done through the established processes of this body.

The effort to discharge this measure could perhaps be justified if the committee of jurisdiction was not moving expeditiously. That, however, is not the case. The Judiciary Committee has held several days of hearings and have a markup scheduled on the bill for early next month.

I would urge those of my colleagues who have chosen to sponsor this bill to wait for the Judiciary Committee to act. There is ample time left in this election year session to skin the American consumer.

[From Business Week, May 26, 1980]

SOFT DRINKS, HARD LINE

The soft drink industry usually has no trouble finding sympathy on Capitol Hill. Industry executives suggest that this is because the American public holds their product in high esteem. But it may also have something to do with the fact that there is at least one bottler in most congressional districts. The lobbying power of the bottlers explains why Congress is now debating proposals to give soft drink companies an exemption from the antitrust laws that no other industry enjoys—the right to restrict sales in a given geographic area to one, and only one, franchised distributor.

Since Coca-Cola first began selling its syrup to bottlers in the early 1900s, the industry has given each distributor a monopoly in its district. But the restrictions that manufacturers put on their franchisees have often been challenged under the antitrust laws. In 1978 the Federal Trade Commission ruled that the soft drink companies should permit competition between bottlers of the same brand.

If the FTC gets its way, the manufacturers will no longer be able to grant exclusive rights to all the sales in a district. A grocery store, for instance, that can get better prices from the distributor in the next district will be free to take its trade across the line.

The FTC ruling is being contested in the courts. But Congress is considering legislation that would give the soft drink industry special treatment.

Quite aside from the merits of the case, this is the wrong way to handle the problem. Special exemptions always raise questions of equity. And what is worse, they invite other industries to ask for the same thing.

In this case, it is hard to see why the soft drink industry needs relief. It is scarcely a struggling new industry that must offer special incentives to distributors. If competition refreshes other industries, things should go better with it in soft drinks, as well.●

ENERGY INDEPENDENCE BILL

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, Senate-House conferees reached final agreement today on a massive energy independence bill which includes the Nation's first full-scale synthetic fuels program and numerous other elements aimed at reducing dependence on imported oil.

The conference, believed to be the largest in the history of Congress, included 35 Senators and 23 Representatives from three Senate committees and four House committees. The conferees met 18 times over a period of 5½ months, and the final legislation will be more than 350 pages in length. Chairman of the conferees was Representative WILLIAM S. MOORHEAD, Democrat of Pennsylvania.

Highlights of the bill include the synthetic fuels program, new initiatives to spur energy conservation in homes and other buildings, a solar energy development bank, and a large-scale program to increase production of energy sources, such as alcohol, from grain and other biomass.

For synthetic fuels, from sources such as coal and oil shale, the bill establishes a target of 500,000 barrels a day of oil equivalent by 1987 and 2,000,000 barrels a day by 1992. Construction of the new plants will be financed almost entirely in the private markets, with up to $20 billion of Government "backstop" authority primarily in the form of price and loan guarantees. Actual budget outlays under the legislation cannot be precisely forecast, but they will be small if world oil prices continue to rise, making synthetic fuels increasingly competitive. The bill establishes a new Synthetic Fuels Corporation, independent of any Government agency, to carry out the program and contains provisions to launch synfuels production promptly under the existing Defense Production Act of 1950 pending organization of the new corporation.

The biomass title of the bill relies on similar incentives, chiefly loan and price guarantees, rather than on direct Federal outlays.

The conservation title of the bill provides for grants and subsidized, low-interest loans to make it easier for homeowners and owners of commercial buildings to insulate and otherwise conserve on energy use. It also contains provisions broadening the authority and incentives for electric and gas utilities to arrange for and finance conservation work in homes and other buildings.

The new solar bank would not itself lend money but would provide the subsidy funds to enable private banks to make the large loans necessary for solar installations at a reasonable interest rate.

Other titles of the bill improve on existing law in such areas as geothermal energy and small-scale hydroelectric power. Another provision established a procedure under which Congress must reassess the Nation's energy situation and goals each year.●

AAA LIFESAVING MEDAL AWARDS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. FISHER. Mr. Speaker, this month the American Automobile Association is presenting nine young people the highest award given to members of school safety patrols throughout the United States, the AAA School Safety Patrol Lifesaving Medal.

The lifesaving medal program was initiated in 1949 by the American Automobile Association to recognize and honor selected school patrol members for their heroic lifesaving contribution to their communities.

Since its inception, there have been more than 200 boys and girls from 27 States and the District of Columbia who have been honored with the lifesaving medal.

An award review board composed of representatives from active national organizations in the fields of education, law enforcement, and safety selects deserving medal recipients from those candidates who have been officially nominated for consideration.

The 1980 recipients of the AAA School Safety Patrol Lifesaving Medal are:

Peter Arroyo, 11, Washington Elementary School, Loraine, Ohio.

Robyn M. Ballard, 11, Lyndon Hill Elementary School, Capitol Heights, Md.

Leslye A. Fonner, 11, Wylie Elementary School, Washington, Pa.

James Herbert, 12, Public School 26, Buffalo, N.Y.

Michael Hockman, 11, Haycock Elementary School, Falls Church, Va.

David J. Perez, 11, Highland Elementary School, Omaha, Nebr.

Richard Shelley, 12, Edison School, Walla Walla, Wash.

Harold D. Waters, 12, Immaculate Conception School, Washington, D.C.

Robert B. Woodruff, 9, Ben Franklin Elementary School, Wichita Falls, Tex.●

LOCAL GOVERNMENT LATEST VICTIM OF FEDERAL OVERREGULATION

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. SAWYER. Mr. Speaker, the ever-increasing encroachment by the Federal Government into the affairs of the State and local governments is cause for serious alarm. It seems as though no local function is immune from Federal interference.

While the Congress is trying to limit the expanding role of Federal bureaucrats, it appears the regulators are moving in the opposite direction. They are promoting rules and regulations which will lead to more Federal interference.

A recent letter which I received from a local government official in Kent County, Mich., points out the serious effort being undertaken by the Federal Office of Revenue Sharing to reach into the operations of local government. There can be no justification for adding the Office of Revenue Sharing into the regulatory thickets of Federal and State agencies which already watch and audit closely county and local government. Now is the time to cut back regulation, not expand.

Further, with the hue and cry up in Congress to balance the budget, it is about time that we seek to end obsolete Federal laws which add unnecessary Federal spending. One area where the budget might be cut is repeal of the Davis-Bacon Act. The GAO has identified substantial reductions in expenditures through elimination of administrative and labor costs incurred by the U.S. Government—up to $715,000,000.

In Kent County, Mich., according to the same letter which I previously mentioned, the cost of a small court building using revenue sharing funds could have been reduced by over 10 percent if Davis-Bacon had not been involved. During these inflationary times, it makes no sense for us to require local governments to pay higher costs than are necessary for a project using revenue sharing money.

Another distressing example of the negative effects of Davis-Bacon is a proposed project by the county to replace some doors in order to comply with other Federal requirements to assure access for the handicapped. According to local officials, the cost of this small project is $10,000 using local funds, but, when revenue sharing funds are being used the costs shoot up to over $11,000. How much longer can we tolerate these artifically inflated construction costs?

I urge my colleagues to read the following letter and give serious consideration to the overreaching by the Federal Government into the affairs of local government. We must act now to stem this growing tide.

The complete letter follows:

OFFICE OF THE CONTROLLER,
Grand Rapids, Mich., March 24, 1980.

DIRECTOR OF OFFICE OF REVENUE SHARING,
Department of the Treasury,
Washington, D.C.

DEAR DIRECTOR: The Legislative, Judicial and Taxation Committee has reviewed the proposed changes in revenue sharing regulations, and would make the following comments which are urged for consideration and inclusion in the new regulations. First, the Committee is concerned over the apparent inclusion of construction contractors into the definition of secondary revenue sharing recipients. The bid process and contractor evaluation process is complex enough without applying the guidelines of the Office of Revenue Sharing to such bids. It is the aim of Kent County, and it should be the aim of every unit of government, including the Federal Government, to achieve the best compromise of construction quality and cost without interjecting irrelevant factors, such as audits and accounting, into the process of determining whether or not a contractor is capable of constructing a building. If Civil Rights regulations compliance is the goal here, there is a sufficient number of other agencies, on the federal, state, and local levels which have the enforcement of these requirements as their primary goals, and an additional federal agency certainly is not required.

Second, the original regulations that were promulgated in response to the 1976 revenue sharing amendments permitted a waiver of the proposed use hearing in the event both the proposed use hearing and the budget hearing were before the same branch of government. In most Michigan counties, there are but two branches of government, the Legislative and Judicial. Thus, the proposed use hearing and the budget hearing are held before the Legislative Branch. Our experience indicates that interest in these hearings and attendance at these hearings has been extremely low. Since the County has been required to hold a proposed use hearing, there has not been a single interested citizen in attendance at these hearings. There has only been one person in attendance at the budget hearing, simply because attendance at Board of Commissioners meetings is his means of entertainment. The costs of publications, staff time, and other costs of holding a proposed use hearing make it uneconomical to have this hearing, considering the response. The County would urge the waiver of the proposed use hearing to be reinstated for those units of government in which the budget actions are taken exclusively by the Legislative Branch.

Third, the County is concerned over the proposed expanded scope of the Davis-Bacon Act. It may interest you to know that the State prevailing wage laws, modeled after the Federal Davis-Bacon Act, were declared to be unconstitutional in two separate but related cases involving construction of school buildings. Kent County constructed a small court building in 1976, using revenue sharing funds, and we have estimated that the cost of construction could have been reduced by over ten percent had we not had to use prevailing wage rates of the Davis-Bacon Act. In times of high inflation, it makes no sense for the federal government to force local units of government into using higher construction costs than are necessary in order to use revenue sharing funds for a construction project. The County is considering, for example, the replacement of some doors in order to comply with other federal requirements for access by handicapped people. The cost of this project is estimated to be approximately $10,000, but if revenue sharing funds are used, the cost will be well over $11,000 if the Davis-Bacon requirements apply to maintenance and repair projects, as well as construction projects. Considering the trend in this state, as well as attempts on the parts of other units of government to reduce costs, the use of Davis-Bacon requirements, which increase costs make no sense. If prevailing wages were truly prevailing wages, there would be no difference in construction costs involving the Davis-Bacon Act and other projects. However, since prevailing wages are generally artificial, the Act serves only to inflate costs. The County would strongly urge that no changes be made in the present Davis-Bacon applications.

Fourth, the County is concerned over the additional jurisdiction claimed by the Office of Revenue Sharing. Considering the most recent audit regulations, the Office of Revenue Sharing has already a substantial insight into the County's operations. The County, as well as other units of local government, is watched and audited by a number of federal and state agencies for a number of reasons. There is no logical reason why the Office of Revenue Sharing should be added to this regulatory thicket. It is the County's feeling that if Congress had intended for the Office of Revenue Sharing, in addition to other federal agencies, to oversee all units of local government, it would have specifically provided for such oversight in its legislation. However, since such a mandate is lacking, the County cannot understand why the Office of Revenue Sharing is attempting to expand its authority in such manner. In these days when taxpayers are concerned about the mounting costs of government operations, it is difficult to understand why the Office of Revenue Sharing would want to further expand into areas not specifically given jurisdiction. The County feels that the time has come to say enough is enough and it is time to cut back rather than to expand. The County firmly opposes any changes in regulations giving the Office of Revenue Sharing more authority over the operations of County government.

Sincerely yours,

KENNETH BUSH,
Revenue Sharing Coordinator.●

THE GOP VOTE ON HOLT-GRAMM

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. COURTER. Mr. Speaker, during the recent House debate on the budget resolution a number of important amendments were considered. They had great reference and impact to the balancing of the budget as well as providing for a review and increased expenditures. Congressman JOHN RHODES, the House minority leader, refers to some of the legislative actions taken by the House on the budget resolution and focuses well on a very important facet. I include a letter to the editor appearing in the Wall Street Journal:

THE GOP, VOTE ON HOLT-GRAMM

WASHINGTON, D.C.

This is in reference to your editorial of May 5 entitled "Architects of Defeat."

I believe you were unfair to the 34 Republican Members voting against the Holt-Gramm amendment to the Fiscal Year 1980-81 Budget Resolution.

I supported the Holt-Gramm amendment because I believe that a strong national defense is more than desirable; it is essential. I believe you will find also that 77 percent of the House Republicans supported this amendment while 81 percent of the Democrats opposed it. But, I submit, several of my Republican colleagues could rightfully take the position that the true test of budget balancing and national security revolved around the Latta Substitute. Even if Holt-Gramm had been adopted, many unwise provisions of the Committee version would remain.

The test of our national will revolved around the Republican Alternative Budget . . . a leaner, smaller balanced budget . . . a budget with defense increases very similar to Holt-Gramm; a budget calling for job-generating tax cuts . . . and, yes, a budget of hope for all Americans that inflation will indeed be conquered.

Thus, I submit your roster of architects of defeat should more properly be culled from the ranks of those voting against the Republican Alternative Budget (Latta Substitute).

JOHN J. RHODES,
Minority Leader,
U.S. House of Representatives.●

DISTRICT HEATING SYSTEMS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. OBERSTAR. Mr. Speaker, today I introduced legislation to establish a national program to accelerate the development of district heating systems in the United States.

The introduction of the District Heating Act of 1980 coincides with today's Department of Energy District Heating Progress Review Conference, which focused on the initiatives the administration has taken on its own, with limited resources, to promote the district heating concept.

It is time Congress took a serious look at how we are investing American taxpayers' money to conserve energy, and set our priorities to include an ambitious district heating program.

District heating is not a new technology. The technology was widely adopted 50 years ago in this country. In Europe, the Scandinavian countries, Italy, and the Soviet Union all have encouraged the development of community district heating systems.

District heating refers to a piping network which connects residential, commercial, and industrial buildings and fulfills hot water, space heating, and process steam needs, utilizing a single thermal energy source.

The most efficient systems use the thermal energy byproduct of fuel burned to generate electricity.

The kinetic energy derived from an electric turbine uses only 30 percent of the energy potential of a conventional fuel burn. The remaining energy is released in a thermal form, such as steam or hot water. This thermal energy is typically dispersed into the atmosphere or discharged into lakes and rivers adjacent to powerplant sitings.

By capturing this waste energy in a steam or hot water pipeline and delivering it for community use, 85 to 90 percent efficiency in the fuel use can be achieved. This use of kinetic and thermal energy released from a fuel burn is called cogeneration.

The three-step grant-loan program which I propose will provide the necessary financing to allow small and medium sized municipalities to upgrade existing systems or construct new facilities. Communities with populations of 100,000 or less could participate.

Step I provides a 60-percent Federal grant to determine the technical and economic feasibility of a municipal system. A positive feasibility study finding will allow a municipality to secure a step II grant which would provide 60 percent funding of detail engineering and system design work.

The actual construction would be financed by a direct loan, at 3 percent interest, to the municipality.

In order to encourage innovation in the application of the district heating technology, step III also authorizes an incentive grant program which would provide up to 80 percent of the cost of any component of a system—such as: fuel feed system, new piping or pipe insulation, or metering systems—which the Secretary determines to be a new development which will further enhance the energy efficiency of the system.

While this legislation directs assistance to smaller municipalities, larger urban areas can also employ district heating as an efficient community heating system. However, the three-step process outlined in this act would not easily be adapted in the complex metropolitan system financing packages which require the cooperation of private utilities and multiple jurisdictions, and sums of money far in excess of the $560 million total authorization called for in this bill.

The 30 to 35 municipal systems which can be financed under this authority will serve as prototypes for larger systems. In addition, I am hopeful that the congressional hearing process and increased public attention which will hereby be focused on this technology will provide an appropriate forum for discussion of the financial needs of metropolitanwide systems.

While the capital cost per customer of providing district heating service, including pipeline construction, and individual metering systems and heat exchangers, is comparable to the installation costs of a conventional furnace, the economic benefits to the individual customer are tremendous.

Steam or hot water delivered to a residence through a district heating pipeline costs the consumer $2 to $3 per million Btu's delivered. This compares to $6 to $7 per million Btu's for a natural gas furnace or $10 per million Btu's for fuel oil furnaces. Rising conventional fuel prices will make the district heating option even more attractive.

The Department of Energy has estimated that positive economies in district heating systems can be attained wherever the climate registers 4,000 degree-days per year. While this threshold encompasses portions of every State except Florida and Hawaii, the district heating technology can be applied in every State. Thermal systems can be adapted to provide space cooling with environmental and economic benefits similar to those obtained with heating.

Without the type of Federal assistance I have outlined in this program, the communities which are eligible cannot obtain the large amounts of capital needed to finance system improvements or new systems. In order to fully incorporate the district heating technology in our arsenal of national energy conservation weapons, the Congress must act decisively on a national district heating program.

I urge my colleagues to join me in supporting the District Heating Act of 1980.●

NATIONAL HISTORIC SITE

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. DONNELLY. Mr. Speaker, today I am introducing legislation to designate the United First Parish Church in Quincy, Mass., as a national historic site.

The church serves as the final resting place of John Adams and John Quincy Adams, making it the only site in the United States apart from Arlington National Cemetery where two of our Nation's Presidents are buried. Abigail Adams, an early crusader for the rights of women, is also interred there, alongside her husband and her son.

Quincy is a city steeped in reminders of our country's history, a chronicle in which the Adams family has played a vital role. The birthplaces of John and John Quincy Adams have been incorporated into the national park system as has the family mansion, home of the two Presidents as well as future generations of family members who distinguished themselves in the fields of literature, government, and education.

It is essential that we preserve our ties with our past. The United First Parish clearly merits the distinction that this legislation would bestow upon it.●

THE OIL IMPORT TAX

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. MARLENEE. Mr. Speaker, I am submitting for my colleagues' review a copy of a letter I addressed to you today. This letter was prompted by your comments in the Washington Post today regarding your intended actions on the President's oil import fee. The letter follows:

Congress of the United States,
House of Representatives,
Washington, D.C., May 21, 1980.

Hon. Thomas P. O'Neill,
Speaker of the House, Office of the Speaker, Washington, D.C.

Dear Mr. Speaker: I am contacting you regarding an article which appeared in the Washington Post today, May 21, in which you have made known your intentions to prevent the House from voting on the President's oil import fee.

I am opposed to this fee on a number of grounds just as I am equally opposed to your tactics to prevent us from voting on this matter. This tax will add 0.5 percent to 1 percent to the consumers' costs and it would be another in a long line of increasing tax burdens on Americans.

Americans do not support this tax and neither do a majority of the Members of Congress. In fact, as I am sure you know, the Senate on a test vote overwhelmingly voted its disapproval of the tax.

This tax is, simply, too much for Americans to bear. Gas prices are continuing to rise with an already incredibly high inflation rate. The tax will only exacerbate this problem. It will be a burden on our senior citizens living on fixed incomes and those who must travel long distances for essential services. In my state of Montana driving long distances is an everyday fact of life that cannot be changed. Americans in the northeast, however, can travel throughout the six state region of New England and yet not travel as far as Montanans must travel for both medical and business reasons.

Mr. Speaker, the rationale for this tax is to force gas prices up so Americans will drive less. Yet, the President recognized the effect of increased fuel prices on Americans when he decided to phase-in decontrol instead of decontrolling all at once. His plan has been successful, gasoline consumption was down 12% since last year. The tax is not needed, price increases, whether they be through decontrol or OPEC are having the desired effect the administration sought.

In addition, this tax will cost Americans more in the way of increased government and bureaucratic expenditures. Under the President's plan refiners will have to purchase entitlements to refine gasoline. The proceeds will then be reimbursed to importers but there is no assurance that this tax will be applied only to gasoline. In fact, it may be shifted to other products such as home heating fuel, thereby totally negating the intended purpose of this tax. Mr. Speaker, sanctioning this regulatory maze is incomprehensive and only will compound our energy problems. The people of this nation will not put up with another bureaucratic "solution" by the Administration and the Department of Energy.

It would appear to me that when one man substitutes his judgement for the judgement of all the people as expressed through all of their elected representatives then we have a dictatorship. Mr. Speaker, I know that you have a 3 to 1 majority but I can scarcely believe that the people who voted for democrats wanted so important an issue as this tax to be decided on by one person. I urge you to reconsider your position.

Sincerely,

Ron Marlenee.●

RABBI EDGAR FOGEL MAGNIN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ANDERSON of California. Mr. Speaker, I would like to take this opportunity to alert my colleagues to the honor being paid Rabbi Edgar Fogel Magnin on May 28. On that evening, the Wilshire Boulevard Temple will hold a dinner celebrating the 65 years Rabbi Magnin has been their spiritual leader. Their appreciation of his active involvement and many good works also includes those of us who are neither members of his congregation nor of the Jewish faith, since he has touched so many lives over the years.

Rabbi Magnin was born in 1890, and ordained a rabbi at the age of 24. His whole life has been a series of memberships in organizations too numerous to list here. Normally, such involvement with so many diverse groups would fell an ordinary man, but as many of us can attest, Rabbi Magnin is anything but ordinary. Besides ministering to the spiritual well-being of a very large congregation in Los Angeles, Edgar Fogel Magnin still found time to lecture in history at the University of Southern California, and did so for more than 20 years. Not content with his already full schedule, the rabbi has written a column for the Los Angeles Herald Examiner, which is in syndication to other papers as well.

His personal life has been no less glorious. On July 16, Rabbi and Mrs. Magnin will celebrate their 64th wedding anniversary. I am certain they will be surrounded by their many friends as well as their children, Henry Magnin and Mrs. Mae Brussell; six grandchildren, and one great grandchild. The "nachas" Rabbi and Mrs. Magnin must continually derive from their large family is most certainly something to admire. Mr. Speaker, there is no one more deserving of recognition than Rabbi Edgar Magnin. By virtue of his tireless efforts on behalf of all men and women throughout the world, he embodies the commandment, "Love thy neighbor as thyself." When asked how he has kept up this pace for so long, the rabbi answered, "I keep breathing." Such a statement is undoubtedly the mark of a man whose life is inextricably linked to all those around him, and to whom just tribute is being paid. My wife, Lee, joins me in wishing Rabbi Magnin, his wife Evelyn and the entire family, as well as the congregants of Wilshire Boulevard Temple, many more happy and fulfilling years together. And, in anticipation of the rabbi's 90th birthday, let me join by saying, "until 120."●

GUAM BANKER OPPOSED TO WITHHOLDING TAX ON SAVINGS ACCOUNTS INTEREST

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. WON PAT. Mr. Speaker, periodically, out of the hundreds of letters congressional offices receive from various persons about matters before Congress, one will stand out because of the articulateness of its author. I recently received such a letter from a constituent of mine, Philip J. Flores, executive vice president of the Guam Savings & Loan Association.

I have been privileged to know and appreciate the outstanding work of this fine gentleman, who is an effective spokesman for the Guam banking community. Mr. Flores is not easily moved to express his concerns on an issue unless he believes that the proposal at hand is so detrimental not only to his business but to Guam as a whole.

Mr. Flores feels that one such issue is the Presidential proposal now before the House Ways and Means Committee which calls for the withholding of taxes on savings account interest. Mr. Flores feels, and I agree, that this proposal would be counterproductive and expensive. But more importantly, Mr. Flores points out that, in coping with the present state of the economy, we should be moving away from the policy of taxing interest-bearing accounts instead of toward it. I myself have adopted the same philosophy by supporting legislation which would exempt the first $200 of dividend income from taxation.

As a respected member of the Pacific banking community, Mr. Flores' views are very valuable to me. I insert his letter in the CONGRESSIONAL RECORD at this time for the enlightenment of my colleagues.

GUAM SAVINGS &
LOAN ASSOCIATION,
Agana, Guam, April 28, 1980.

Hon. ANTONIO B. WON PAT,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WON PAT: On Wednesday, April 30, the House Ways and Means Committee will begin hearings on withholding of taxes from savings account interest. We ask that you provide opposition to the movement based upon the following:

1. There would be no withholding from savings bonds unless they were cashed.

2. The biggest area of potential abuse is in government bonds, bills, and notes where there is not even any reporting of income along the lines of the 1099 information returns.

3. Bearer bonds and negotiable instruments defy withholding.

4. Savings and loan savers pay their taxes.

5. An estimated 65 percent of savings and loan savers would not be subject to withholding but would have to file annual government forms anyway, to obtain an exemption.

6. The cost to savings and loans would far exceed any additional revenues claimed from savings and loan account holders.

7. Savings and loans would have to exclude from their computer withholding programs all those entitled to exemptions and spend millions of additional dollars to reprogram computers each year.

8. People who want to evade taxes—the presumed target of all this—could still do so merely by filing for an exemption. There would be heavy costs to the government to monitor these requests and other elements of the withholding system.

9. Withholding would drain from savings and loan associations—and thus the housing market—$500 million in liquidity alone. Under present circumstances, replacing funds would cost at least $32.5 million in higher interest expense.

There is no doubt withholding would be an administrative nightmare. There would be complications arising from interest-bearing checking accounts, annual filing of exemption certificates, over-withholding by the government, the new $200-$400 exemption, new requirements to file W-2 Forms as well as 1099 Forms, penalties for premature cashing of certificates of deposit, and minimum balance requirements for amount withheld.

The case will be made that withholding is easy, efficient, fair and workable. That is not so. In the case of interest on savings accounts, it will be cumbersome, wasteful and costly for savers and institutions alike.

It is our contention that our economy is not merely passing through an inflationary phase but rather has found a certain amount of permanency in the mix of higher costs and unemployment. As the economy has matured to this stage so must we grow to be able to cope with it. Coping with the problem of the housing industry and with the lack of capital formation and the faltering of personal saving habits should not be done by imposing withholding legislation. Rather we should all be moving toward larger or total exemption of savings interest from taxation to help the savers and our housing industry and our economy as a whole.

Thank you.

With best regards, we remain,
Cordially yours,

PHILIP J. FLORES,
Executive Vice President.●

REFUGEES FROM LIBERALS' WEAK FOREIGN POLICY MUST SUFFER FOR LIBERALS' WEAK IMMIGRATION POLICY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

Mr. ASHBROOK. Mr. Speaker, no one has more sympathy for those fleeing Communist tyranny than do conservatives. But, as William Buckley put it in his May 18 column:

> We must begin by recognizing that the resources of the United States are not infinite, though our capacity for compassion is, and should be, infinite.

Liberal foreign policy has given communism so much of the world that we cannot give asylum even to the legitimate political refugees. As Buckley puts it:

> What if we limit ourselves to those countries in which persecution exists as a result of failed U.S. diplomacy? That would entitle everyone in Southeast Asia to come in. And Cuba? Can't it be held that Castro is a legacy of the Bay of Pigs? * * * The tradition of political asylum is venerable, and we have tended to be generous in applying it. But, once again, the problems are overwhelming, because political persecution is one of the major occupations of the 20th century.

Yes, political persecution is certainly a major occupation today, but largely because liberals have let Communists overrun major portions of the world. Just as the Monroe Doctrine has been the victim of liberal foreign policy weakness—including both Republican and Democratic administrations—so must our long and proud history of granting political asylum be limited or even abandoned because of that foreign policy.

In the meantime, all the available room for legitimate refugees in America has been filled, overfilled, and quadrupled by the refusal of our Government, especially under the Carter administration, to enforce the immigration law. Carter has ships patrolling the Florida coast to stop Cubans, but the flow of illegal aliens from Mexico—who now number from 10 to 12 million in the United States—continues unchecked. The Carter administration, in direct violation of the law has stopped calling these millions of Mexicans illegal aliens, and is now calling them undocumented workers, as if they were Americans who had simply forgotten to provide a proper form for employment. Any room America might have had for legitimate refugees from tyranny is now packed and overflowing with economic opportunists pouring in from Mexico. As liberal foreign policy increases the number of truly persecuted people, liberal immigration policy has filled and overfilled any possible room for them we might have had in this country.

As the flood of immigration across the Rio Grande has risen, the Immigration and Naturalization Service (INS) under the Carter administration has simply refused to give out the numbers of what they call undocumented workers. I have been attacking these policies since the Carter administration began, just as I had attacked President Ford's lack of adequate enforcement of our immigration law previously. But it was under Carter that lack of enforcement became almost no enforcement, that the renaming of these aliens took place, and under which the clampdown on illegal immigration statistics was imposed. A letter from Justin Blackwelder of the environmental defense fund to Leonel Castillo, Carter's Commissioner of INS in 1977, gives a clear picture of this clampdown and of the size of the illegal immigration problem:

> I am appealing to you for the information which your subordinates have been ordered not to give us. Otherwise, our footnote for the U.S. populations will include approximately the following statement:
>
> "Specifically these figures are: Fraudulent entries, 0.5 million; illegal overstays 0.4 million, and surreptitious entries (of those not apprehended) 0.8 million."
>
> The former INS Commissioner, General Leonard F. Chapman, Jr., maintained that these figures were too low and that the numbers were increasing rapidly each year.

That was the situation for just 1 year, before the Carter administration let down the barriers almost completely. What has the Carter administration been doing? The INS has been openly lobbying State legislatures to keep them from passing laws against illegal aliens. Only the State of Texas has a law prohibiting the children of illegal aliens from attending public schools at the expense of American taxpayers.

Even the liberal Washington Post, in a front page article, pointed out the nonsense of Carter's actions in Florida:

> Carter's statement ("the United States would provide 'an open heart and open arms' to refugees fleeing Cuba") was not intended as a formal declaration of policy, be-

cause, at the time, the administration had no policy—only contradictory goals and hopes.

There is still no Carter policy. His so-called screening of the Cuban refugees, to eliminate criminals and mental patients, depends entirely on the cooperation of Fidel Castro. At the same time it announced this so-called policy, the Carter administration was withdrawing 17 diplomats and dependents because of a "virulent and continuing anti-American campaign" in Cuba. This so-called policy depends on the cooperation of a dictator who the administration admits is at this moment conducting a campaign against us.

The Carter administration's declaration of "open hearts and open arms" means nothing for a very fundamental reason: His heart is weak and America's arms are full.

TROOP NO. 1756 OF GARDEN GROVE TO HONOR FIRST-CLASS SCOUTS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. PATTERSON. Mr. Speaker, during the course of our lifetime there are some honors that we earn which shape our character and mark our course for the future. Participation in programs, such as the Girl Scouts of America, reinforces the characteristics we seek in responsible citizens and provides opportunities for leadership potential to be nurtured and developed.

The highest honor that a Girl Scout can earn is the First-Class rank. It is a symbol that a young woman has developed skill in many areas and become proficient in one. It reflects 2 years of hard work and the completion of no fewer than six proficiency badges and four challenges. This honor is achieved only through dedication and consistent effort.

Troop 1756 is fortunate to have 16 young women who have achieved their First-Class Scout rank. They are: Naomi L. Pearce, Dorothy Blubaugh, Kristi Boucher, Janet Judd, Katie Kunzman, Herta McClenahan, Vicki Morris, Christine Mueller, Ann Newsome, Tina Prue, Diana Ryder, Kenda Taylor, Jane Showalter, Rebecca Pearce, Liza Rozatti, and Michelle Basurto.

I congratulate these young women on their accomplishments and ask my colleagues to join with me in applauding their efforts. I feel confident that the training and learning they have experienced through the Girl Scouts of America will prepare them for a responsible and rewarding life.●

THE WRONG QUESTION TO ASK

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. STARK. Mr. Speaker, the following exchange of letters appeared in the New York Times this past weekend.

I think it is interesting to note the futility of the writer's persistent efforts to get a straight answer from the White House on the question of gun control. Several dozen of our colleagues have encountered the same degree of commitment from the administration on this issue. I think it is safe to say Mr. James has our empathy.

GOING AND COMING

RYE, N.Y., *February 25, 1980.*

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: As one who works and spends a great deal of time in New York City, I have been greatly concerned by the recent spate of shootings and killings of police officers there. In almost all such cases, of course, these crimes, like so many others, are committed with illegal handguns. New York, of course, has one of the tougher gun laws in the country. But state gun laws are doomed to failure, because there are no customs checks at state borders. For that reason, I am convinced that a Federal approach to gun control is necessary.

I have heard and read, in reports on the primary campaign in New Hampshire, that one of the issues being used against Senator Kennedy in New Hampshire is his sponsorship of legislation that would bar the sale of cheap handguns and require registration of all handguns. As you can tell from the sentiments I expressed above, I consider his support of such legislation not a debit but a strong point in his favor. As a Democrat trying to decide how to vote in next month's primary, I am thus very interested in your position on gun control. Please tell me what position you have taken on gun-control bills introduced during your Presidency and what approach to the crime problem posed by guns would be most effective and within the limits of the Second Amendment, in your judgment.

I look forward to hearing your feelings on this issue, which is of great concern to all of us who live in or near major cities.

Sincerely,

TIM JAMES.

DEPARTMENT OF THE TREASURY,
Washington, D.C., March 24, 1980.

Mr. TIM JAMES,
Rye, N.Y.

DEAR MR. JAMES: On behalf of President Carter, thank you for your recent letter. We appreciate your interest in this Administration's views on gun control.

President Carter deplores the violence, injuries and loss of life resulting from the improper use of firearms. He indicated during the election campaign that he would propose legislation aimed at helping to reduce the problems caused by the ready availability of cheap handguns, while preserving a citizen's right to purchase quality firearms. Although the President has not yet introduced specific legislation regarding this matter, he is reviewing this complex issue with a view toward finding the most effective solutions possible.

We appreciate your taking the time to convey your views. We are glad to have your comments.

Sincerely,

JOSEPH LAITIN,
Assistant Secretary
(Public Affairs).

RYE, N.Y., *April 1, 1980.*

Mr. JOSEPH LAITIN,
Assistant Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. LAITIN: I was indeed happy to learn from your letter of March 24 (copy enclosed) that President Carter "deplores the violence, injuries and loss of life resulting from the improper use of firearms." In times such as these, that is indeed a stand of unusual courage and forthrightness.

Although I was happy as well to learn that the President has been "reviewing this complex issue" for the 38 months since his inauguration, I still felt that the principal question posed in my February 25 letter (copy enclosed) went unanswered. This was probably due to a lack of clarity on my part, so I will try to elucidate: In my previous letter, I indicated that I would like to know what position President Carter has taken on gun control bills introduced since he took office. What I meant by this was that I would like to know what position President Carter has taken on gun control bills introduced since he took office.

I hope that this clarification will render my principal question answerable, and I look forward to hearing from you soon.

Sincerely,

TIM JAMES.

RYE, N.Y., *April 2, 1980.*

Mr. JOSEPH LAITIN,
Assistant Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. LAITIN: Yesterday I did you the injustice of sending a heavily sarcastic letter in response to your letter of March 24, written in response to my letter of February 25 to President Carter.

Rather than employing sarcasm, I should have said to you more precisely what was on my mind. What I should have said was that your letter was an insult to my intelligence and tended to degrade both the notion of responsive government and the art of communication through language. The purpose of your letter was quite clearly not to inform me as to the President's past actions and contemplated future direction on the important issue of gun control. Rather it was an attempt to trick a sloppy reader (and one who does not keep copies of his own letters, as I do) into believing that he had received an answer to his letter to the President—and to do so without offering any meaningful information as to the position the President has taken on this issue.

Clearly the fact that President Carter deplores assaults and murders by handguns was not very informative; I might have guessed as much. On the other hand, since the administration takes some sort of position on just about any significant bill introduced in Congress—not just on its own bills—you might have offered me *real* information by simply telling me, as I requested, what position the President has taken on the various gun control bills that have been introduced during his term of office.

Furthermore, given the pace at which Congress works, I took your statement that the President is still "reviewing this complex issue with a view toward finding the most effective solutions possible" to be shorthand for an admission that gun control was not high enough on the President's list of priorities to warrant action at any time during the term to which he was elected in 1976, since it is unlikely that Congress will pass, during the remainder of this session, any legislation, other than emergency measures, that has not already been introduced.

In sum, I found your letter deliberately obfuscatory rather than informative. I and other taxpayers deserve better. If your letter was typical of the caliber of thought required of an assistant secretary of a key Cabinet department, where do I apply for the job? I know I could do better.

Sincerely,

TIM JAMES.

P.S. I truly would appreciate an answer to my basic gun-control question.

T.J.

DEPARTMENT OF THE TREASURY,
Washington, D.C., April 21, 1980.

Mr. TIM JAMES,
Rye, N.Y.

DEAR MR. JAMES: On behalf of Mr. Laitin, thank you for your recent letter concerning gun control. We are glad to have your comments and appreciate your taking the time to write again.

Sincerely,

PATRICIA BECCIA,
Staff Assistant
(Public Affairs).

DEPARTMENT OF THE TREASURY,
Washington, D.C., April 21, 1980.

Mr. TIM JAMES,
Rye, N.Y.

DEAR MR. JAMES: On behalf of Treasury Assistant Secretary Laitin, thank you for your recent letter. We appreciate your interest in this Administration's views on gun control.

As Mr. Laitin noted in his letter to you, President Carter is concerned about the problems caused by the ready availability of cheap handguns, but he has made no final decision on legislation to solve this complex issue.

Thank you for your interest.

Sincerely,

PATRICIA BECCIA,
Staff Assistant
(Public Affairs).●

THE ECONOMIC CHOICE WE FACE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. GINGRICH. Mr. Speaker, the author Theodore White says in his memoir, "In Search of History":

> Almost always, whenever a government perished, it has done so in a paroxysm of inflation. From the Sung dynasty to the French Revolution, from the Confederacy of the United States to the Weimar Republic. This is because paper currency is nothing, its value comes only from the government that issues it.

For years we have been playing the game, which group is a winner and which group is a loser in the fight against inflation. Those days are pretty well over. There are very few winners. Some people who think they are winners might be surprised. Let us look at this example:

HOW INFLATION ROBS THE TAXPAYER

	1974	1979
Gross income	$20,000	$29,380
Federal taxes	3,282	5,434
After-tax income	16,718	23,946
After-tax income in 1974 dollars	16,716	16,301

Note: $417 loss in purchasing power.

If you made $20,000 in 1974 and $30,000 last year, you, your wife, and two children might have reason to feel good. But as this chart shows, you're actually a little worse off now than you were then. Your added dollars are worth 30 percent less, and you are in a higher tax bracket. Result—your purchasing power has shown a slight decline. Your $10,000 raise became, in effect, a figment of your imagination.

Just imagine where you would be if you had not gotten that large a raise.

In 1979, inflation and high taxes were the champs. Look at these 43 groups of workers surveyed by U.S. News & World Report—None, repeat none, gained ground.

CHANGE IN REAL PAY—NET LOSS

	In dollars
Laundry workers	−2.43
Social Security recipients	−2.45
Shoe-factory workers	−2.70
Cigarette-factory workers	−3.03
Retail-trade workers	−3.58
Clothing workers	−5.02
Leather-goods workers	−5.70
Retired federal workers	−6.18
Fully disabled veterans	−7.49
Metal miners	−8.23
Medical-supplies workers	−8.43
Textile workers	−8.82
Instruments workers	−9.18
Metal-can workers	−9.80
Farm operators	−10.77
Furniture workers	−11.85
Bank employes	−12.29
Electrical-equipment workers	−13.03
Sporting-goods workers	−13.09
Paper-mill workers	−13.47
Food processors	−13.59
Toy workers	−14.61
Printing and publishing workers	−15.30
Lumber workers	−15.92
Chemical workers	−17.81
Rubber workers, except tires	−18.44
Stone, clay and glassworkers	−19.04
Metal-products workers	−19.12
Meatpackers	−19.37
Aircraft workers	−20.14
Construction workers	−21.70
Schoolteachers	−20.71
Telephone workers	−21.72
Oil and gas-production workers	−22.09
Nonelectrical-equipment workers	−22.53
Federal workers	−22.88
Aluminum workers	−22.73
Electric and gas-utility workers	−27.51
Brewery workers	−34.34
Local bus drivers	−37.12
Steelworkers	−38.18
Tire-factory workers	−47.03
Auto workers	−53.84

There were no winners over inflation among working Americans last year.

How about retired people?

Marketing studies have shown a dramatic rise in the sale of pet food over the last 5 years. This is even though the number of pets owned by Americans has not risen much.

It does not mean pets are eating better. It means human beings, elderly Americans, are eating worse. So the stories about dog food are backed up by statistics. Inflation is driving retirees to eat food made for animals.

If you retired in 1972, your pension has lost 30 percent of its value since then. Even social security, indexed for inflation, does not fully keep up, due to the timelags between cost-of-living increases and the rapid pace of inflation.

The savings rate is around 3 percent, a three-decade low. Nonhousing consumer debt has doubled in the last 4 years. Baffled and frightened consumers are saving less and spending more. Even so, their standards of living decline.

INFLATION DESTROYS WORKING POOR

How about the so-called working poor? They are frozen between a poverty-welfare cycle and real advancement. Listen to the words of Olegario Rodriguez. He works long hours as a hotel dishwasher in New York City:

> Sometimes I can't buy cheap clothes because we don't have enough money. We all wear cheap, secondhand clothes. I have to avoid movies or a drink with friends. There's no fun. I cannot afford it. We are not in debt, because we cannot borrow.

Mr. Rodriguez supports a wife and two children on his $159 per week take-home pay. He walks a tightrope that seems to him to have no end. If he gets tired, sick, or simply gives up, he will fall into society's "safety net," meaning he goes on welfare, starts consuming taxes instead of paying them, and perhaps sees his family break up.

It would be better for all concerned if we could offer Mr. Rodriguez a little hope, to let him know that hard work still counts for something. His world would be much less foreboding if inflation were 2 instead of 20 percent.

Rhetoric from politicians that denies the pain Rodriguez and others feel is useless. Americans now think inflation is here to stay. Thirteen percent felt this way in 1975. Only 4 years later, that figure had risen dramatically—to 87 percent.

Americans are not stupid. We have lots of trust but we do not lack commonsense. House Majority Leader JIM WRIGHT brags that the Democratic Congress cut taxes by $20 billion in 1978. Yet taxes in 1979 were still higher than in 1978.

From the White House, the President has unveiled four "anti-inflation" programs. During this same time inflation went from 5 to 18 percent. Logic tells us that the fifth Carter program may get it up to 25 percent.

INFLATION DESTROYS MORAL STANDARDS

So we cannot blame Americans for being skeptical. They fall behind. They skip overtime work on Saturday because their time-and-one-half pay scales bring income tax rates of 40 and 50 percent. They go into the barter economy—the doctor treats the plumber's kids and the plumber fixes the doctor's pipes. No one is the wiser.

The scrupulously honest person pays his taxes, cuts back his living standards. Sends the wife out to take some low-paying job, and wonders what he gets for it. He gets penalized. Penalized by economic conditions that can turn a good citizen into a nominal tax cheat, and make an honest man suffer for his rectitude.

RECESSION PLUS INFLATION

Now, if all that is not enough, some economists and politicians hanker to add recession on top of inflation. "Recession" is such a mild-sounding word. Economists about 40 years ago quit using the words "panic" and "depression" to describe when the economy shrinks and people go jobless, broke, and hungry. A recession is a small-scale depression. The word is not supposed to alarm anyone. But I think "recession" is in fact not the right word for what we will face in 1980 and 1981. If we are unlucky, the conditions we will look at now will get worse. Unless we do something—quickly—to turn things around.

The President said April 17 we are in a recession. Few people were surprised or angry. The President's people have long said that we need to have a recession. Why is Government so bland about millions of Americans losing their jobs? It is a measure of how punch drunk we are from inflation that our leaders lead us willingly into recession.

I will tell you one group of people who are not happy with the recession: The 21,000 Ford and Chevrolet workers who were told in the third week of April they would soon be without jobs.

Or the 13,000 steelworkers in Ohio who were given pink slips last December.

Or the 6,100 white-collar Ford employees who will soon be looking for work. They represent 11 percent of Ford's North American work force. Another 7 percent of that work force was layed off last summer. That means almost one-fifth of Ford's North American salaried employees have lost their jobs in the last 10 months. The Ford Motor Co. actually lost money on their American operations last year. If not for their overseas sales, they would be seen to be heading the way of Chrysler.

Consider this: A staggering 28 percent of the United Auto Workers membership is on layoff. Newsweek explains what this means to the Nation in its April 28 issue, which in effect says that Detroit is in a depression:

> With one in seven jobs in the economy tied directly or indirectly to the automobile business, a Detroit on the skids always means trouble for dozens of other industries—and the current crisis is already rippling through Pittsburgh steel mills, Akron rubber plants and the hundreds of smaller companies that supply the assembly lines.

In March alone, 297,000 people lost their jobs. Unemployment jumped four-tenths of 1 percent. That is a third of a million people who will not be paying taxes, will not be breadwinners for their families, will not feel like whole people in the eyes of their friends, and who will need assistance from governments, State and local and Federal, until they again have jobs.

Others are not cheering the onset of recession, either. Realtors and homebuilders are being crushed by high interest rates. In my home State, housing starts are down by as much as 79 percent from 1 year ago.

It is much the same across the country. Last week the Government reported that housing starts fell 21.8 percent from February to March—the biggest 1-month drop in 20 years. Nationwide, according to Commerce Department figures, starts of single family homes dropped 23 percent from February to March. They are down 50 percent from what they were a year ago.

You know who else is not happy to have a recession? The people who comprise America's furniture industry. Sixty percent of all furniture is bought on credit, and you know what the folks in the White House think of credit. The same folks who have added $100 billion to the national debt in 3 years are not keen on anyone abusing their charge account.

In March, furniture sales dropped significantly. It was the first time such a drop has occurred since the 1974-75 recession began.

WILL THE RECESSION BE WORSE THAN A RECESSION?

And that is going to make things worse in the timber business. Listen to Idaho Senator FRANK CHURCH:

> Not only has the housing and construction industry gone down, but the lumber industry has gone down to the point where half the working people in the mills have been released and are now unemployed. And that is spreading to the farms, because farmers have to have credit to plant their crops, and they cannot pay those interest rates.

Senator CHURCH does not mince words. Says he, "Depression has already struck my State."

Loggers, farmers, furniture makers, homebuilders, auto workers, steel workers, rubber workers, and so forth. Individual Americans, all of them becoming links in the chain of bad news. They do not like recessions.

It would be easy to blame some of this on foreigners and their imports. The politicians will love that, since it takes the heat off them. The argument goes like this:

> Since we can't compete with steel or cars or TV's from overseas, we should raise tariffs on imports.

"Tariff" is an antique sounding word. Think of tariff as a tax. That is what it is. It is a tax we ask other nations to pay in order to get their cars and TV's and so forth into our country. Tariffs can be low, medium, or high. Other countries have tariffs on our goods. They can be low, medium, or high. Some people think that a high tariff by us will discourage foreigners from selling here and the cars and TV's we build will then sell better. That is half right.

A landmark case is pending before the International Trade Commission, a quasi-judicial body that concerns itself with tariffs. The case was brought against the European Economic Community by the American Iron & Steel Institute, the Steelworkers Union, and seven major American steel companies.

The charge is that the countries of the EEC dumped steel here at very low prices. The Trade Commission will soon decide who is right. If the plaintiffs win, tariffs will be raised by $1.5 billion on steel entering the United States.

A TRADE WAR IS POSSIBLE

Your first reaction may be to cheer for U.S. steel. But take another look. The Europeans have served notice that they will retaliate if we slap high tariffs on them. They will turn right around and raise tariffs on our soybeans and synthetic fibres, to name two specific things we export to them.

This is potentially serious. Said the New York Times on April 6:

> (A)n international trade war could break out with spillover effects on the whole political and economic spillover of Atlantic relations.

That is the last thing we need right now. In a trade war we sacrifice the jobs of the French and Germans and they cause the loss of American jobs. The only people who would win a trade war between us our allies would be the Communists. A trade war, especially coming as many of the free world countries sit on the brink of economic slumps, would be a disaster.

The last time we had a full-scale trade war was in 1930-33. It began right after the stock market crash. Everybody raised tariffs on everybody else. World trade ground to a halt, countries reneged on their debts, unemployment in this country tripled, and the depression seemed here to stay.

MANUFACTURING PRODUCTIVITY GROWTH 1960-77

	Percent
Japan	8.8
Belgium	7.4
Denmark	7.0
Netherlands	7.4
France	5.7
Germany	5.5
Italy	6.3
Sweden	6.0
Canada	4.0
United Kingdom	3.4
United States	2.6

Instead of freezing out our trading partners, let us find out what they are doing right. Let us learn from them. Look at the productivity records of several industrial democracies during 1960-77. The United States is on the bottom. We have the lowest average. And productivity gets even lower in a recession. Last year America's productivity declined. Restoring our productivity does not mean forcing Americans to work harder. Instead it means new machinery, new tools, better factories, all of which enable American workers to produce more and better goods. That is the best way to preserve the jobs of American auto and steelworkers—and all other American workers.

Nevertheless, jobs are still going down the drain right now. Unless things are changed, things will get much worse. I realize the President said the recession will be "mild" and "short." Most observers disagree with him. Let us hear what they say:

THE RECESSION WILL BE WORSE WITH PRESENT POLICIES

Economist A. Gary Shilling, who runs a private forecasting firm, expects this recession to be worse than the last one, which, he says:

> [W]as a different kind of animal. This time it will be a financial crisis. What is now developing in the housing sector could be the trigger for a long, drawn-out, bleeding type of recession * * *. The outlook is for a deep recession with high risks of one or more financial disasters that could draw it out and make it unlike anything since the 1930's.

Jack Egan, a regular columnist for New York magazine, writes in the April 7 issue:

> Jimmy Carter may indeed turn out to be the Democrats' Herbert Hoover * * *. (T)here are increasing signs that this recession could turn out to be the deepest or longest since the Depression, or both.

New York financier Felix Rohatyn, who supported Mr. Carter 4 years ago, says the President's economic policies are "spastic, like somebody whose muscle actions aren't coordinated with their brain functions."

AFL-CIO chief Lane Kirkland says present policies are "sheer madness." Arthur Burns says the administration method of fighting inflation will hasten and deepen the recession while not cutting inflation by much.

Democratic Senator HENRY JACKSON says:

> Present policies "indeed will lead us to a very severe recession, which will mean a totally unbalanced budget . . . I think we could have a deficit next year or shortly thereafter of $50 billion to $100 billion if we go over the precipice, and we're . . . about to go over.

How can we have a deficit when all Washington is buzzing with talk of balancing the budget. Answer: If you balance the budget by raising taxes, you will throw more millions out of work by deepening the recession. You cannot tax people who lose their jobs, or corporations who make no profits. If Olegario Rodriguez loses his job, the taxes he paid are no longer there to balance the budget. The Federal Government loses $29 billion every time unemployment goes up 1 percent. That is lost taxes plus higher Federal spending to help the jobless.

Recession is the great enemy of the balanced budget. If the President and Congress really want to balance the budget, they should not be eager to see a recession happen.

GOVERNMENT IS PRINCIPAL CAUSE OF CRISIS

Mr. Speaker, we have just explored the dreadful effects of both inflation and recession. Now we look at causes, which are:

First, Government printing money faster than the output of workers and business expands.

Second, Government tax and spending policies that encourage waste and stagnation, while penalizing savings, investment, hard work, and thrift.

The first can be cured by monetary restraint.

The second is solved by Federal budgets that promote and reward growth, hard work, investment, and creativity.

We are getting the first, thanks to Federal Reserve Board Chairman Paul Volcker. We are a long way from the second. Working on the first while ignoring the second produces interest rates of 20 percent and a recession. Here's the equation.

Tight money plus bad tax and spending policies equal recession.

Here is the right way to do it: Monetary restraint plus good tax policies equal prosperity.

So who controls these things?

The money supply is controlled by the Federal Reserve Board, whose members are appointed by the President.

Tax and spending decisions are made by the Congress, with some guidance from the President.

We must look directly at Government whenever we talk about inflation and recession.

Note that I did not blame OPEC. I do not like OPEC any more than you do. But OPEC did not start our inflation, and OPEC is only a part of what keeps it going. Our inflation is a homegrown thing. If we had inflation at zero, I guarantee you OPEC would stabilize oil prices.

I also caution against pinning the rap for inflation on labor and business. Wages and salaries rose 8 percent last year, but inflation was about 13 percent. Business profits were lower in the seventies than they were in the previous two decades. Businessmen, especially small businessmen, have no use for inflation or recession. Neither do labor unions. Business and labor are like most of us: confused, angry, scared, and running faster just to slip a little farther behind.

The best way to keep the consumer, the small businessman, the hotel dishwasher, the mechanic, the bricklayer, and anyone else happy is to have a growing economy. That's the key to prosperity, it's the only fair way to fight inflation—don't throw people out of work, but put more people to work producing more goods and services.

But the administration's chief inflation fighter sees things differently. On July 10, 1979 Alfred Kahn said:

> The American people have got to sit still for a decline in real income, or stagnation.

Government, when it is run by officials with this kind of backwards attitude, has become a part of the very same problems it is supposed to be solving. We will now see exactly how this hurts all of us.

THE FEDERAL BUDGET MATTERS; PAST BUDGETS HAVE BEEN DESIGNED TO SOCK IT TO US

Congress controls taxes and spending. Let us review the results of their work over the last several years, together with estimates of what will happen next year.

[In percent]

Federal Receipts	Inflation rate (December to December)	Economic growth (real GNP)
Fiscal year 1977 (up $58 billion)	7	5.5
Fiscal year 1978 (up $44 billion)	10	4.8
Fiscal year 1979 (up $64 billion)	13	2.2
Fiscal year 1980 (up $66 billion)	[1] 13	0
Fiscal year 1981 (up $96 billion)	Unknown	Unknown

[1] JC estimate.

These numbers are a vise, a straitjacket, to millions of Americans. In these figures are squeezed the Americans we met earlier: the hotel dishwasher, the unemployed lumberjack, the steelworker who has just gotten his pink slip, the young couple who cannot afford to buy a house, and so on.

In these numbers you see the results and projections of a Government policy and attitude totally out of touch with the needs of individual Americans. You are seeing the handiwork of a tax, spending, and regulatory policy designed by a Congress controlled by the same party for 25 years. You are looking at numbers that signal the end of the American dream for millions of people.

Now how columns 1, 2, and 3 relate to each other. Taxes go up because of inflation pushing people into higher tax brackets. High taxes stifle work incentives, productivity, and ultimately stop economic growth. Without growth, people lose jobs, Government spending goes up and the tax base shrinks. Less goods and services are produced, which means higher prices. We are back where we started. The Government has gotten bigger; everything else gets smaller, from your take-home pay to the control you have over your destiny.

Let me give you my explanation of why, in an institutional sense, this is happening.

Congress is run by people who depend on the votes and support of special interests. These interests include education bureaucrats, environmental crusaders, poverty specialists, the public broadcasting lobbyists, merchant marine concerns, and others.

Some of these groups have good causes; others do not. That is not the point. The point is that they each have a small stake in a system that works against the great bulk of the American people. These interests groups rely on Government spending for this or that item. The people who run Congress continue and increase such spending, depending on who yells the loudest and has the most clout. Spending gets out of control and leads to the high tax-high inflation-no growth straitjacket we just looked at.

The interests are even more beseiged when this happens. They lobby harder. They work against budget cuts. Since the people who run Congress cannot satisfy the ordinary American—who, as we have seen, is hurting—they do what they can to satisfy the most powerful special interests and voting blocs.

This is not an inherently bad system. We have had it for many decades. When the economy grows and inflation is kept low, there is a growing "pie" with bigger shares for all of us.

But without growth and with high inflation, everybody becomes a victim. Some are hit worse than others. The fellow in a big union may only lose 3 percent of his purchasing power. The bank teller may lose 10 percent. Olegario Rodriguez loses his dishwashing job and goes on welfare.

WASHINGTON DOES NOT CHANGE

So everybody loses something: their future hopes, their chance for advancement, their job, their self-respect. The only place things do not change is in Washington.

In Washington the same party continues to control Congress. Taxes and spending and inflation keep going up. They say they are cutting spending, cutting taxes, fighting inflation, but somehow it never quite happens. It never will happen while the coalition that relies on business as usual stays in power. The system they are trapped in, and the system that perpetuates their power, may do good things for this group or that group of people. But that is not the point. The point is that the typical working American is the victim of that system. He is the victim because he pays higher taxes, pays higher prices, and is told he should be prepared to lose his job in order to sacrifice.

President Carter on March 14 urged that sacrifice. He blamed us for greed, indulgence, inefficiency, and waste. Four years ago he said we deserved a Government as good as our people. Now that Government seems light-years better than we are, or so implies the President, and we better shape up and be worthy of the Government.

When the average American hears President Carter say that "the whole American family—Government and society—must learn to live within its means," he has the right to ask, "Who is kidding whom?" Are we being kidded when in fact we have lost one steelworker's job for every Federal bureaucrat hired since the President came into office? Are we being kidded when we realize that if the Federal bureaucracy suffered the same attrition that Ford's North American salaried work force has suffered since June of last year, Washington would lose 318,000 bureaucrats?

DISCIPLINE?

You ought to get a copy of that speech and study it. The thematic word was "discipline." Mr. Carter kept repeating discipline, discipline, discipline.

Pay higher gas taxes, he told us.

Pay higher income taxes, as inflation, ignited and fanned by Government, pushes you into higher tax brackets.

Have taxes withheld from your savings interest payments and stock dividends. If you are like most small savers and investors, you'll get that money back next year—when it will be worth 10 or 20 percent less.

As a proportion of GNP, we are being asked to pay the highest taxes since World War II. But President Carter is not in the position President Roosevelt was in then. FDR was more the coach of a gigantic football team that knew it had to win—or nothing else mattered much. So we fought Hitler, underwent hardships, and accepted the discipline, and won.

Now, the taxes are the same but nothing else is. We are not fighting a war. Indeed, our defenses are dangerously low. There is no promise of victory. Government tells us that even if we make the sacrifices, endure more pain, pay more taxes—things will still be bad and maybe even worse. And who is the enemy? If you ask who these Government policies are hurting, the only conclusion is that, in Pogo's phrase, the enemy is us.

Government is asking us to fight ourselves.

Government of, by, and for the people has become Government of, by, and for Government. The people no longer have faith in their own Government working to make their lives better. Instead, Government is making most of our lives worse and blaming us for the pain it is causing. There has been a class war, and it is over. The working American and his family lost. The pork barrel politician, his bureaucratic allies, and the special interests they serve—won.

LET US LOOK AT GOVERNMENT FOR HUMAN BEINGS

President Carter's March 14 speech could never have been given if he had to give it in human terms. To demonstrate what I mean, let me ask three questions:

First, how many of you think your individual lives will be improved by paying higher taxes on gasoline?

Second, are you more likely, or less likely, to buy stock or invest in a savings account if the quarterly dividends and interest payments have taxes withheld from them?

Third, do you really believe Government is serious about stopping inflation when history and the data we have seen prove the relationship between inflation, the size and power of Government, and the perpetuation of the coalition on one-party rule and certain interest groups?

My answer to those questions is no, less likely, and no.

But if you are a Washington policymaker, a $50,000 White House aide, an ivory tower big-Government bookjuggler, you would have to see things differently. You would probably answer the three questions this way.

First, the gas tax is good because it forces us to drive less. The fact that this throws auto workers out of work, the fact that less travel depresses the hotel, restaurant, and tourism industries, the fact that it increases the cost of planting food for the farmer with his gas-guzzling tractor, the fact that OPEC can simply raise prices by 10 percent if we cut our consumption of oil by 5 percent—none of that bothers you. You care only about a number, the number of gallons of gas conserved, and the number of billions of dollars headed for Washington due to the gas tax.

Second, taxing interests and dividends, even though it is for most people a form of forced borrowing, is good because Government needs that $3 billion or so, so as to appear to be balancing the budget.

It does not matter that the savings rate is at a 30-year low. It does not matter that the stock market has dropped 100 points this year and in fact stands at only one-half its 1965 value in real dollars. It does not matter that the homebuilders are going broke because they cannot get loans. It does not matter in getting $3 billion from withholding may result in less saving, less growth, less investment, and may lose the Government more revenues than withholding will bring in.

None of that matters. You are a bureaucrat and you want that $3 billion on your ledger books as more money coming to Washington.

And the third question: Will you, the bureaucrat, chose to disagree with 87 percent of the American people and declare that you are indeed really committed to ending inflation? You may tell yourself yes. You will definitely tell others yes, especially your friends that do not work for the Government. If you are a bureaucrat or a $50,000 per year White House aide, you have to say you are fighting inflation. It is the only game in town. When it ends, so might your comfortable life and routine.

OCCASIONALLY—THE TRUTH

Sometimes somebody tells the truth. For example, the chairman of the House Budget Committee told the National Journal last summer:

> It wasn't shouted from the rooftops, but when the fiscal 1980 budget was put together, it was deliberately designed to slow down the economy.

Congressman Bob Giaimo said that, and he got his wish. The economy is slowing down. I know some auto workers that would tell you it is actually going in reverse.

But usually most politicians are not that frank. The people sense this. If you are an ordinary working person, male or female, union or white collar, ditchdigger or engineer, you may not know all these totals and tallies. You do know that somebody is lying to you. The rhetoric never resembles the reality you see on your paycheck and in your shrinking grocery cart. You know your Government tells you to do *X* while it forces you to do *Y* and goes off on its own merrily doing *Z*.

You know you are hurting, cutting back gas usage—9 percent last year, with no gas tax—and doing without. If taxes and sacrifice are supposed to cut inflation, inflation should already have been banished. But no, it gets worse. And with it come lectures telling you you are indulgent, unpatriotic, and a gasoline hog.

Only the masochists among us will buy the line that the people themselves are inflationary. The truth is instead in Mr. Giaimo's admission that the Federal budget for 1980 was designed to slow down the economy. There you have it, from one of the most important people in the system of how our economy works, that what Government does is important—that what Government does can cause you pain. In this case, as in most, it is not an accident.

THE 1981 GIAIMO BUDGET WILL CRUSH US

In May the one-party Congress voted to sock it to us again. They showed working Americans no mercy. The House Budget Committee, under Mr. Giaimo offered up a budget that included a 1-year tax hike totaling $96 billion. That is $990 for every working American, or an 18.3-percent jump in the money we send to Washington.

As this budget was working its way through the Congress, Mr. Giaimo made this comment to Newsweek:

> I want to make it crystal clear we are not balancing the budget with new taxes.

At least Mr. Giaimo was honest with us last year when he talked of slowing down the economy. His denial of new taxes is simply not believable. Let us look at some Americans who will be directly affected because of the budget offered by Mr. Giaimo and the President.

First, a 67-year-old widow we will call Mrs. Jones. Mrs. Jones has $20,000 life savings in a bank account. From this she gets $70 per month in interest payments.

The Government now wants to make her pay $15 of that per month in taxes. She will have to file a tax return to get that money, or part of it, back. She will pay in $490, in monthly installments. Whatever part of her money Mrs. Jones gets back, it will be worth 10 or 15 percent less when she does get it back.

Second, Fred Smith, a traveling salesman. He drives 500 miles per week in a car that gets 20 miles per gallon. President Carter's gas tax, which went into effect May 15 and which Congress refused to stop, will cause Fred to pay another $2.50 per week to the Government. That amounts to $130 per year.

Not only does Mrs. Jones see her savings dwindle because of high inflation, Government now knocks down her standard of living by taking more out of her monthly income. Then she is forced to pay H&R Block so much money in order to file a tax return that confuses her to get back money that the Government has used even while it went down in value.

Not only does Fred Smith get hit by OPEC's price gouging, he get hit by his own President. Losing $130 in after-tax income may put Fred Smith out of business. At which point he buys much less gas and pays zero taxes—because he has little or no income.

That is how the gas tax helps America, by putting a traveling saleman out of business. It also helps America by hurting farmers with their gas-guzzling tractors. It helps, too, by further contributing to the wreckage of the recreational vehicle industry, whose business has dropped 50 percent in the last year. Hotel, tourism, and restaurant business will take a dive, as well. All of this for a little more money for Washington and a tiny savings in the use of gas. Only a Government that has lost sight of what its policies do to individual Americans could think it was worth it.

Every Congressman who voted for Mr. Giaimo's budget shares the blame for what is happening now. Add it all up: years of deficit spending, double-digit inflation, business, and bank failures, the collapse of our industrial base, the crash in homebuilding, the biggest 1-year tax increase in history, and our leaders saying the worst is yet to come and asking us to tighten our belts and stop being so selfish—when the one-party Congress and the bureaucrats and the special interests have their subsidies, their friendships, their excuses, their copouts, their buyouts, their bailouts.

Add it all up, and it spells depression.

We keep sliding downward, and we will keep sliding downward until the people vote to change things.

We may look back on this period—and instead of calling it "The Great Crash" like the depression which started in 1929; we'll call it the "Great Slide."

How do we get off—the promise of a better future with the Republican program.

Republicans are committed to an approach which offers a change for Americans and their families.

Our program offers hope for a healthy economy.

Republicans have opposed the policies which brought on inflation—and the great slide—and we have offered our own program to deal with these problems.

In brief, the program is: Spending cuts to fight inflation coupled with tax cuts to create jobs.

In the spring of 1980, the party offered an alternative budget which contained both of these programs, coupled with increases in defense spending to better protect our Nation.

We planned to cut $16 billion from the Democrat's original figures. But our cuts were aimed at eliminating redtape and overhead in Washington, D.C.—not cutting our services in the field—as some of the Democrats' cuts are aimed at doing when they cut programs like Saturday mail delivery—which do not have to be cut.

In brief—if we are going to have a recession—it should be here in Washington, D.C.—not in our hometowns.

Where would we cut spending to do this? Let us look at some examples:

First, it has been known for a long time that redtape and overhead dilute the effectiveness of many Federal programs. President Ford suggested 4 years ago in his fiscal 1977 budget message the idea of block grants. We would replace certain individual "categorical grant" programs—in health, education, and social services—and instead give the money directly to the States and localities in the form of one "block grant" for that area. We could cut money spent by a third, and still get the same services—and those services would be decided by people at a local level. We could save the taxpayers over $7 billion.

Second, reform of entitlements. These are the so-called uncontrollables. They are only uncontrollable because a previous Congress decided to spend them—we can decide not to spend them. We could make big savings on entitlements like food stamps, welfare, trade readjustment, and unemployment insurance. By weeding out fraud and abuse, tightening up eligibility, and stopping the duplication of benefits, we could save a whopping $8 billion.

Let us look at an example—unemployment compensation. The Federal Government increases aid to the States when the national unemployment level goes over 6.5 percent. But even with national unemployment at 6.5 percent, many States will still be 3 or 4 percent. Our proposal is this: Only give unemployment aid to the individual States which need it. The saving from this reform is $1 billion.

Or another example. The Federal disability system says that when you are 5- to 10-percent disabled, you are 100-percent disabled. The program says you either are in perfect health or are totally incapacitated. This makes no sense at all. People in private industry, on social security, or on VA benefits do not have that kind of system, and it is unfair to ask American families to pay higher taxes to give Federal employees an advantage.

By putting them on the same standard, we could save $1 billion.

Third, we should be willing to cut the huge expenses for travel, transportation, printing, reproduction, equipment, and our own congressional overhead—by at least $5 billion. There is so much padding and extravagance that such a cut is possible.

Fourth, we could cut the Law Enforcement Assistance Administration by one-third. We want to cut to an average of 17.5 percent from the budgets of such agencies as the EPA, OSHA, FTC, ICC, CAB, NLRB, and Consumer Products Safety Commission. This society is overregulated and underproductive. During this period of national economic chaos, it makes sense to cut back on the regulators to help make the private sector more productive and get our economy back on the right track. That could save some $500 million.

But the biggest savings come from the automatic spending cuts you get in a healthy economy. By keeping more people at work, you automatically cut down on the need for Government spending on social benefits. By cutting down on the inflation rate, you prevent extra rises because some programs are linked to the Consumer Price Index. By cutting down on interest rates, you save the Government money in servicing its debt.

And that is what the second part of the package—the tax cut is designed to do. We would cut out withholding on savings account interest and dividends. We would cut out extra withholding by small businesses. We could cut out the gas tax.

And we could include two important tax cuts—a personal income tax cut—which would help families catch up with inflation—and an income tax cut to create better jobs. For instance, one bill, known as the Conable 10-5-3 bill would give our industries the same type of tax treatment as many foreign industries, so they could compete with them.

This would help preserve factories and industries in this country. And the results are clear—our approach means more people at work. Here are the figures prepared by the minority staff on the House Budget Committee this spring—and the amount of spending and taxes which the Democratic and Republican approach would mean in 1982 and 1983.

[In percent]

	1981	1982	1983
Real GNP growth:			
GOP	1.3	3.5	4.4
Democrat	1.1	3.2	3.8
Inflation (CPI):			
GOP	9.0	8.4	8.1
Democrat	9.6	9.4	8.6
Unemployment:			
GOP	7.3	7.1	6.3
Democrat	7.5	7.5	6.8
Interest rates (90 day notes):			
GOP	9.0	8.7	8.0
Democrat	9.7	9.8	9.4

Notes: Above data for calendar years, shown in annual averages. Figures for Democrats taken from first resolution report.

FUTURE YEARS

[Dollars in billions]

	1982		1983	
	Democrat	GOP	Democrat	GOP
Revenues	$694.8	$660.3	$804.1	$731.5
Outlays	683.1	659.7	775.4	730.0
Surplus	11.7	.6	28.8	1.5
Tax cut	0	25.6	0	46.3

In other words, the Republican approach meant 200,000 more people would have jobs in 1981. That is 445 more jobs per congressional district. Interest rates would be 0.7 percent lower in 1981. The CPI would be 0.6 points lower.

Each of those developments would help get you and me off the tax-inflation-recession slide.

The difference between the two budgets can be summed up in the difference in tax burden on the typical American family. The difference is $491 in 1981, and that represents: lower Federal spending, higher employment, and lower interest rates. So that means a real difference to Olegario Rodriquez—a better chance he will keep his job. A little more take-home pay to add to his $159 a week.

Mrs. Jones will not have any interest from her savings account borrowed forcibly by the Government. She will be assured that inflation will not destroy that same savings account.

Fred Smith, the traveling salesman, will save $1,300 a year on the gas tax alone.

Or consider the auto and steel workers who will have a better chance of going back to work under this approach.

But the real difference is that we offer to American families a hope that their children's future can be brighter—that they can plan for that future. That their children will have an opportunity to own a McDonald's franchise—or perhaps creat a Savoy restaurant. That their children will have a chance to write copy for a local TV station—or become another Ibsen or a Chekhov. That their children will be able to work, and save, and earn a real future. That there will be some relationship between how hard they work, and what kind of life they enjoy.

That if we sacrifice and scrimp and save—our lives will be better—not worse.●

TROOPS 1473 AND 1634 OF SANTA ANA HONORS FIRST-CLASS SCOUTS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. PATTERSON. Mr. Speaker, during the course of our lifetime there are some honors that we earn which shape our character and mark our course for the future. Participation in programs, such as the Girl Scouts of America, reinforces the characteristics we seek in responsible citizens and provides opportunities for leadership potential to be nurtured and developed.

The highest honor that a Girl Scout can earn is that of a First-Class Scout. It is a symbol that a young woman has developed skill in many areas and has become proficient in one. It reflects 2 years of hard work and the completion of no fewer than six proficiency badges and four challenges. This honor comes only through dedication and consistent effort.

Troops 1473 and 1634 are fortunate to have seven young women who have achieved their First-Class Scout rank. They are: Penny Irwin, Tiffany Wood, Lisa Rehburg, Becky Kring, Erin Anderson, Deanna Lozano, and Lisa Adams.

I congratulate these young women and feel confident that the training and learning provided them by the Girl Scouts of America will prepare them for a responsible and rewarding life.●

BIG MONEY BEING MADE IN ABORTION AND STERILIZATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. ASHBROOK. Mr. Speaker, according to Business Week for December 10, 1979, S. Elaine McIntosh, a part-time counselor in a Detroit abortion clinic, raised some $30,000 6 years ago to open her own abortion clinic. The business which has grown from this humble beginning now grosses $500,000 per year. The business has diversified into other areas, including male sterilization, or vasectomies. This diversification helps them turn a tidy profit.

Miss McIntosh's thriving business, the Women's Counseling Center (WCC) in its push to diversify, WCC typifies many of the country's almost 500 public and private abortion clinics. The clinics still perform two-thirds of the country's estimated 1.3 million abortions annually.

The destruction of human life is now big business in America, thanks to the Supreme Court. The rest of our economy is entering a recession, but there is money to be made in killing unborn children.

The diversification says Business Week, not only helps—abortion clinics—turn a tidy profit, but also protects them against financial disaster should the Right to Life movement succeed in barring legal abortion.

For the big business of destroying life, the sharpest blow was the Hyde amendment, a rider to the 1977 Health, Education, and Welfare Department budget, placing stiff limits on the use of Federal funds for abortions for medicare clients. In other words, the defeat of the Hyde amendment is worth big money to the major, profitmaking industry of abortion. The Hyde amendment prevents taxpayers from paying for the profits of those who traffic in the destruction of human life. With all that money at stake, it is no wonder that the pro-abortion movement in this country is so well financed.

According to Business Week: "In the 35 States that have adopted Hyde, medicaid-funded abortions have almost ceased."

What is the moral state of the Washington establishment which has allowed the destruction of human life to become a large-scale, profitmaking business? Abortion, which was illegal in almost every State in the Union until 10 years ago, is now discussed coldly as a business proposition, a growth industry. This is hideous. The killing of unborn human beings is, in itself, an unspeakable act. But making money out of it seems, to me, depraved and ghoulish.

The least we can do at this time is to be sure that not one cent of taxpayers' money is paid to these profiteers in death, by the adoption of my Human Life Anti-Injunction Act.

We must also, as soon as possible, pass a human life amendment. I think this Business Week article demonstrates clearly the moral degeneration which the public tolerance of abortion brings. For the sake of America, and not only Americans not yet born, we must put an end to legal abortion in this country.

ABORTION CLINICS RUSH TO DIVERSIFY

Six years ago, S. Elaine McIntosh, a part-time counselor in a Detroit abortion clinic, managed to raise $30,000 to open her open abortion clinic. Today her clinic, the Women's Counseling Center (WCC), employs a staff of 32 in four city and suburban locations and grosses $500,000 annually. In addition to first-trimester abortions, it offers a variety of outpatient medical services ranging from birth control to prenatal care. Indeed, only 40% of its clients now come for abortions. "we're no longer just an abortion clinic," says McIntosh. "We're a full, complete women's health center."

In its push to diversify, WCC typifies many of the country's almost 500 public and private abortion clinics. The clinics still perform two-thirds of the country's estimated 1.3 million abortions annually, but they also offer simple surgery, sex counseling, fertility help, and a host of other reproductive medical services for both men and women. This diversification helps them turn a tidy profit and protects them against financial disaster should the Right-to-Life movement succeed in barring legal abortion. Inadvertently, it also gives them a major, pioneering role in shaping sex-related outpatient services for years to come.

Such a role—incredible for some of the shoestring facilities that sprang into existence with the legalization of abortion—makes sense for what most of the clinics quickly became: stable, flourishing parts of the U.S. health-care system. Today's typical clinic, pleasantly furnished and medically impeccable, resembles a physicians' group practice center.

In part, the clinics are diversifying as a reaction to the increasingly hostile political climate around them. In the seven years since the U.S. Supreme Court ruled that a woman had "the right . . . to decide whether . . . to terminate her pregnancy," a spate of laws has restricted that right. The sharpest blow was the Hyde Amendment, a rider to the 1977 Health, Education & Welfare Dept. budget, placing stiff limits on the use of federal funds for abortions for medicaid clients. In the 35 states that have adopted Hyde, medicaid-funded abortions have almost ceased.

Impetus. But new laws do not fully explain the proliferation of services. Barbara Lindheim, a former staff member of the Alan Guttmacher Institute of Washington and New York, a population research group, notes that twice as many abortion clinics exist today as did three years ago, but the number of abortions has not doubled during that period. "If a clinic wants to grow, it must diversify" Lindheim says.

This kind of diversification, a product of political fears, market forces, and patient demand, is illustrated by the Women's Health Services of Pittsburgh. WHS performs more than 10,000 abortions annually, but Executive Director Leah Sayles confesses that the antiabortion forces worry her. "I want to develop enough services so that we can be viable without abortion if it comes to that," says Sayles. Yet most of the clinic's nonabortion services, such as contraceptive and gynecological care, were not planned as part of a market strategy but introduced following requests by former abortion patients. One such service is a sexuality clinic that attracts women with sexual difficulties and couples who come for short-term Masters-and-Johnson-type therapy. "The trick is to latch on to a service that is either unavailable or quite costly in the local area," says Sayles.

When the need is real, the response can be overwhelming. The day after WHS ran a modest ad in a Sunday newspaper, announcing a new therapy program for menopausal women, callers jammed its telephone switchboard. The Erie Medical Center in Buffalo received so many requests for vasectomies that it has set aside one day a week exclusively for the male sterilization process. Couples planning to visit Erie's infertility clinic face a two-month wait.

Ex-patients feel free to suggest new services, clinic sponsors say, because, unlike the situation in a traditional hospital setting, clients tend to feel a personal relationship to the clinic. Lower prices and greater consumer orientation account for this, sponsors say. They point to such contrasts as a $190 charge for a first-trimester abortion at Women's Health Services, compared with about $450 at Magee-Women's Hospital in Pittsburgh.

Consumer input. The greater consumer orientation of the abortion clinics also seems to be a reality. At Detroit's WCC, for instance, an abortion patient may receive counseling privately or with a mate and family members if she prefers. A patient scheduled for a gynecological checkup need not hire a babysitter because the clinic itself provides free child care.

Consumer demand certainly played an important part in developing the newest service at some of the trendier clinics—a birthing room. Here women can bear children in attractive surroundings, assisted by midwives who remain with them throughout the process, and attended by a family member if they choose. At Family Planning Alternatives, a clinic in the fast-growing community of Sunnyvale, Calif., the birthing room is situated in a converted house across from a hospital. Normal births are handled by midwives, backed by Family Planning's staff of two full-time and two part-time obstetricians. The hospital is available for emergencies.

Birthing rooms and prenatal care units also offer the clinics an internal benefit. "It's an uplift for my staff to see someone happy about pregnancy," says WCC's McIntosh. WCC doctors have delivered 60 babies to date, the clinic has 100 prenatal care patients, and the next service planned is a pediatrics program.●

SPIRIT OF HELSINKI, VIGIL 1980

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. MAZZOLI. Mr. Speaker, as one of many concerned Members who have been participating for a number of years in this vigil to improve emigration for Soviet Jews, I would again like to bring to my colleagues' attention the continued plight of the Beilin family.

Mr. Yakov Beilin is a forestry technician who lives in a small Jewish community in Tula. Most of his family, eight aunts and uncles who previously lived in Vilna, were exterminated with their young children during World War II.

In 1973, Mr. Beilin's father died after a long illness. Before he died, his last stated wish was that his family move to Israel where his only sister resides. This request the widow Beilin decided to fulfill.

Mr. Beilin's mother was granted permission to emigrate to Israel, but Yakov Beilin, his wife, and two children were refused. Nonetheless, despite her age and frailty, Yakov Beilin's mother decided to make the move.

His mother remains most distressed by being separated from her family. She writes:

> I have but one desire. I beg you to help me bring my son and his family to Israel. The few years that I have left to live I would like to spend together with them.

Mr. Speaker, I hope the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Soviet Constitution and the Helsinki accord, and reunite the Beilin family and other Soviet families in similar circumstances.●

DISINCENTIVE TO STUDENT EMPLOYMENT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. DONNELLY. Mr. Speaker, I rise today to draw my colleagues' attention to an Office of Education directive which, many of my constituents and I believe, will result in an unjust penalty being borne by the more industrious college students in our Nation. This directive penalizes those students who hold employment after school, on weekends, and during the summer months, in order to help their parents defray the skyrocketing costs of a higher education.

I refer specifically to new section 190.34 of the regulations governing the basic educational opportunity grant program. Section 190.34 requires the inclusion of a dependent student's income in the assessment of the student's grant eligibility. In fact, to add insult to injury, that income counts against the student twice as personal savings account disclosure is required. That money is interchangable, not two separate funds.

I earnestly believe that such a policy is shortsighted and detrimental to the responsible young person's sense of initiative. The frequently stated criticism of Government assistance programs relate to the disincentive problem, where the will to seek gainful employment and self-reliance is lost. It is my unhappy realization that this policy of the Office of Education incorporates the same flaw.

While legislative intervention at this time may create further confusion among the grant applicants and recipients, I did not want to allow this arbitrary policy to go unnoticed without bringing its potential harm to the attention of my esteemed colleagues. I bring this matter to your attention in the hope of future congressional intervention and correction of such an unwise policy.●

NUCLEAR FUEL FOR INDIA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. BINGHAM. Mr. Speaker, I would strongly commend to my colleagues two recent editorials which appeared in the Washington Post on May 20, and the Wall Street Journal on May 21, urging the President not to forward to Congress two pending license applications from India for nuclear reactor fuel.

Both pieces underscore the significance of the Nuclear Regulatory Commission's unanimous judgment that these proposed exports for India do not meet the requirements of the Nuclear Non-Proliferation Act of 1978.

It is now up to the President to review carefully this decision both from legal and foreign and security policy perspectives. If he should decide, under the terms of the Nuclear Non-Proliferation Act, to override the NRC's decision, the Congress will have an opportunity to stop any exports to India by concurrent resolution.

The text of the editorials follow:

[From the Washington Post]

WAITING FOR ANOTHER BOMB?

The five members of the Nuclear Regulatory Commission, who hardly ever agree on anything, voted 5-0 last Friday. They concluded that two proposed exports of nuclear fuel destined for India did not meet the requirements of the Nuclear Non-Proliferation Act of 1978 and therefore could not be approved. The export licenses now go to the president, who may override the NRC. Several aspects of the NRC decision, however, should make the president rethink his announced intention of approving the exports.

The central pillar of the administration's non-proliferation policy, and of the law Congress enacted in support of it, and of the landmark Non-Proliferation Treaty, is reliance on an international system of controls and inspections known as safeguards. The NPT requires its signatories to put *all* of their non-military nuclear facilities under safeguards. However, many recipients of U.S. nuclear supplies have not signed the NPT. The fundamental contribution of the 1978 law was its requirement that an absolute condition of future U.S. nuclear exports would be the functional equivalent of NPT membership: full safeguards.

Congress allowed a two-year grace period so exports could continue to nations that did not meet the safeguards requirement. That period expired on March 10. However, in asking for the NRC's approval, the Department of State argued that the two Indian licenses should be considered as falling within the allowed grace period because the shipping date that India had intended fell before March 10. After extensive review of the legislative history of the law, the NRC unanimously disagreed.

Its decision puts the proposed exports in a new light, because now presidential approval would require the first waiver of the law's central principle—and for the very nation that exploded a nuclear weapon in 1974 and whose government now regularly asserts its right to repeat that event if it so chooses.

Congress, which also plays a role in approving these licenses, must also reassess the Indian exports. For if the safeguards requirement is waived for India, all hope for getting other nations to comply—Argentina and South Africa, for example—dissolves.

It has been reported that the president has already assured Prime Minister Indira Gandhi that he will approve the licenses. It will therefore be difficult for him not to. It will be even more difficult, however, for him to explain the undoing, at his hands, of his non-proliferation policy. What is Mr. Carter waiting for—another Indian bomb?

[From the Wall Street Journal]

NUCLEAR RIPOSTE

In a rebuff to President Carter, the Nuclear Regulatory Commission last Friday rejected India's long-standing request to buy additional uranium fuel for its Tarapur reactor. The unanimous vote of the five-member board, which is often in disagreement, shows the weight of opposition to the President's stated intention to sell more fuel to India despite that government's refusal to permit international inspection of its nuclear facilities.

Given India's previous diversion of U.S. and Canadian nuclear materials into a nuclear-weapons program and Prime Minister Indira Gandhi's recent refusal to rule out new "peaceful nuclear experiments," a decision to ship additional uranium to India would wreck the U.S. effort to contain the spread of nuclear weapons. In spite of this, Mr. Carter accepted State Department advice to go ahead with the shipment in the hopes of gaining Indian cooperation in countering the Soviet invasion of Afghanistan. Paradoxically, Mrs. Gandhi has already said there is no linkage between the uranium-supply issue and the Indian response to Afghanistan.

The NRC based its decision on the grounds that India did not meet the full scope safeguards required under the Nuclear Non-Proliferation Act of 1978. If Mr. Carter decides to sanction the sale, he essentially will have to waive the inspection requirement of the Act in this worst of all possible cases. He will have to justify this on the grounds that failure to approve the export "would be seriously prejudicial to the achievement of the United States non-proliferation objectives, or would otherwise jeopardize the common defense and security."

Nothing could be more damaging to U.S. non-proliferation objectives or to stability in southern Asia than the shipment of uranium to India without safeguards. If the U.S. is willing to waive inspection for a country that has already misused nuclear fuel to make a bomb, what will be our response if Argentina, Spain, Israel or Japan seeks such a waiver? Or Pakistan?

Mr. Carter's advocacy of the Indian sale runs counter to our non-proliferation objectives and also to his own campaign rhetoric. In 1976, criticizing President Ford's handling of the India situation, Mr. Carter said that "the State Department has become that country's chief advocate and apologist, even though India, not a Non-Proliferation Treaty party, used our past aid to explode a nuclear device and even though there are no safeguards to prevent this from happening again."

It may be that it is too late to stop nuclear proliferation, after the 1960s Atoms for Peace program spread reactors around the world, and given the German and French interest in nuclear exports. But if the President wants to write off the policy he ought to say so, for that will be the inevitable effect of an Indian sale.

Beyond that, what is at issue here is not only nuclear proliferation but also the perception of United States integrity and strength abroad. If we acquiesce to the demands of a nation that has already double-crossed us, then the United States will be hoisting a flag of impotence which will signal to other countries that they can abuse our largess and flout our requests with impunity.●

TRIBUTE TO REV. EDWARD SHAMON

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1980

● Mr. LEE. Mr. Speaker, I today offer my sympathy to the family and the many friends of one of the most beloved clergymen in my 33d Congressional District of New York, the Rev. Edward Shamon of Auburn, who passed away last week.

Father Shamon's death came as a mournful note for both his parishioners at St. Aloysius Church in Auburn where he had lived and served with the greatest of distinction, and to his many friends throughout the community and the region which he sought so earnestly to improve. He was one of the most highly respected and universally enjoyed members of the community, a spiritual and personal force of leadership to persons of all faiths. His passing is a sincerely felt loss to each of us who had the honor to have known him.

I join with my many central New York neighbors today in expressing our great feeling of loss at Father Shamon's death, and our deep feeling of joy at having the opportunity to have been touched by this man.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 22, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 23

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1519, authorizing the Secretary of Energy to redress the capital repayment problems of the Southwestern Power Administration without undue burden to the current ratepayers.
3110 Dirksen Building

Joint Economic
To hold hearings on the Consumer Price Index figures for April.
2167 Rayburn Building

MAY 28

10:00 a.m.
Energy and Natural Resources
To hold hearings on the impact of acid rain in the atmosphere resulting from an increased use of coal.
3110 Dirksen Building

MAY 29

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

Select on Small Business
To hold oversight hearings on the implementation of Federal programs for women in business.
457 Russell Building

Select on Small Business
To hold hearings on the impact of crime on small business.
424 Russell Building

MAY 30

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on the following miscellaneous tax legislation, S. 2484, 2486, 2500, 2503, 2548, and H.R. 5043.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation relating to possible effects of excessive commodities speculation on the Nation's banking system and credit markets, focusing on futures trading in financial instruments or their equivalents.
5302 Dirksen Building

JUNE 2

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings to examine certain energy policy issues dealing with episodic, severe shortages in transportation fuel.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Federal recognition procedures, relating to the acknowledgement of nonrecognized Indian tribes.
5110 Dirksen Building

JUNE 3

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings to review the progress of the negotiations on the future political status of the Trust Territory of the Pacific Islands.
S-407, Capitol

JUNE 4

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Judgment Fund Distribution Act.
5110 Dirksen Building

Select on Small Business
To hold oversight hearings on the implementation of the Small Business Administration's loan assistance programs as they apply to veterans of the Armed Forces (Public Law 93-237).
424 Russell Building

2:00 p.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.
235 Russell Building

JUNE 5

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the implementation of the Department of Energy's Building Energy Performance Standards (BEPS) program.
3110 Dirksen Building

JUNE 10

9:30 a.m.
Judiciary
To hold joint hearings with the Labor and Human Resources' Subcommittee on Health and Scientific Research on S. 1865, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold joint hearings with the Committee on the Judiciary on S. 1865, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on the implementation of the Tribally Controlled Community College Act.
5110 Dirksen Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

JUNE 12

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2490, proposed Infant Formula Act.
4232 Dirksen Building

JUNE 17

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1424, authorizing funds for fiscal years 1981-84 for the advancement of international cooperation and assistance in health matters.
4232 Dirksen Building

*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Railway Association and the Washington Metropolitan Area Transportation Authority.
1224 Dirksen Building

JUNE 19

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 2020 and 2596, bills to provide educational assistance

programs for those individuals who enlist in the Armed Forces, and to hold oversight hearings on the implementation of current educational incentive programs to promote an All Volunteer Force.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1957 and H.R. 4310, bills to promote increased use of U.S. waterways and provide for continued recreational boat safety programs.

235 Russell Building

JUNE 24

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Transportation.

1224 Dirksen Building

JULY 1

10:00 a.m.

Veterans' Affairs

To hold oversight hearings on the implementation of small business loan programs for veterans recommended by the White House Conference on Small Business.

412 Russell Building

JULY 29

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 2166, to establish a National Institute of Native American Culture and Arts Development.

6226 Dirksen Building